

TSE: 6594 [http:// www.nidec.com/en-Global/](http://www.nidec.com/en-Global/)

Nidec Corporation

Fiscal 2016 Financial Results



Fiscal Year Ended March 31, 2017
<IFRS>

April 26, 2017

Disclaimer Regarding Forward-looking Statements

These presentation materials and the related discussions contain forward-looking statements including expectations, estimates, projections, plans and strategies. Such forward-looking statements are based on management's targets, assumptions and beliefs in light of the information currently available. Certain risks, uncertainties and other factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in customer circumstances and demand, exchange rate fluctuations, and the Nidec Group's ability to design, develop, mass produce and win acceptance of its products and to acquire and successfully integrate companies with complementary technologies and product lines. Please see other disclosure documents filed or published by the Nidec Group companies, including the Japanese securities report, for additional information regarding such risks and uncertainties. Nidec undertakes no obligation to update the forward-looking statements unless required by law.

The first slide features the planetary probe robot Nidec exhibited at Consumer Electronics Show 2017 held in Las Vegas.

Consolidated Profit/Loss (IFRS-Based)*

Millions of Yen, except for EPS, dividends and FX rate	FY2015	FY2016	Change	FY2017 Forecast
Net sales	1,178,290	1,199,311	+1.8%	1,350,000
Operating profit	117,662	140,331	+19.3%	160,000
Operating profit ratio	10.0%	11.7%	-	11.9%
Profit before income taxes	117,164	142,278	+21.4%	158,000
Profit attributable to owners of the parent	89,945	111,721	+24.2%	125,000
EPS (Yen)	303.04	376.67	+24.3%	421.44
Dividends (Yen)	80.00	85.00	-	90.00
FX Rate (Yen/US\$)				Assumed FX rate: Yen/US\$: 105 Yen/Euro: 110
Average:	120.14	108.38	-9.8%	
Term end:	112.68	112.19	-0.4%	

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2017 is estimated to have an annualized impact of 8.8 billion yen and 1.70 billion yen on net sales, respectively, and 1.10 billion yen and 0.4 billion yen on operating profit, respectively.

*From FY2016 onward, our financial statements are prepared under International Financial Reporting Standards (IFRS). This slide includes forward-looking statements. See Disclaimer on Page 2.

3

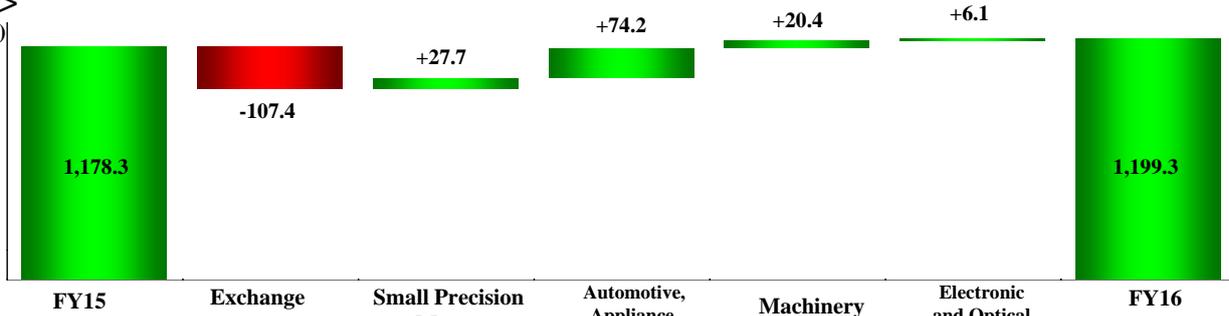
Summary of FY2016

- **Record-high net sales for five consecutive years. Record-high operating profit, profit before income taxes and profit attributable to owners of the parent, marking the fourth consecutive year of increase following the structural reform in FY2012.**
- **Full-year operating profit ratio on Automotive, Appliance, Commercial and Industrial products exceeded 10%, driving the company's business portfolio transformation.**
- **Profit attributable to owners of the parent exceeded 100 billion yen for the first time in its history. ROE rose 2 percentage points to 13.9% from FY2015.**

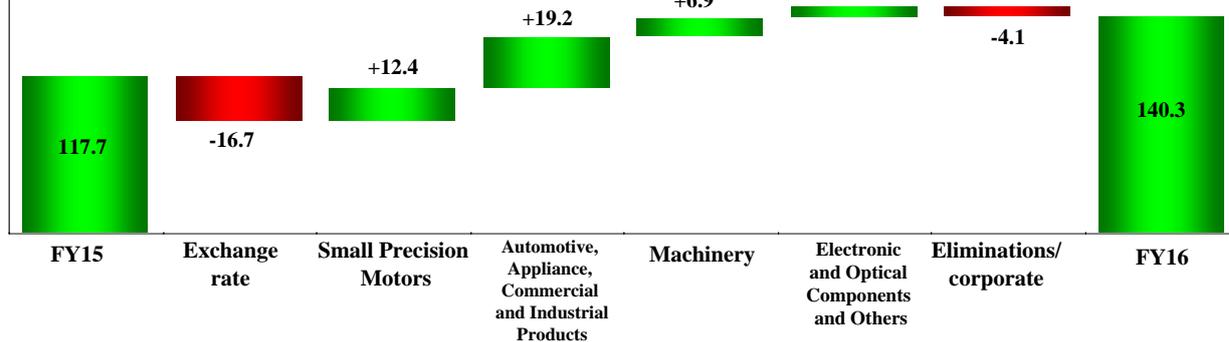
4

IFRS-Based Year-on-Year Changes (Twelve Months Ended Mar. 31, 2017)

<Net Sales> (Billions of Yen)

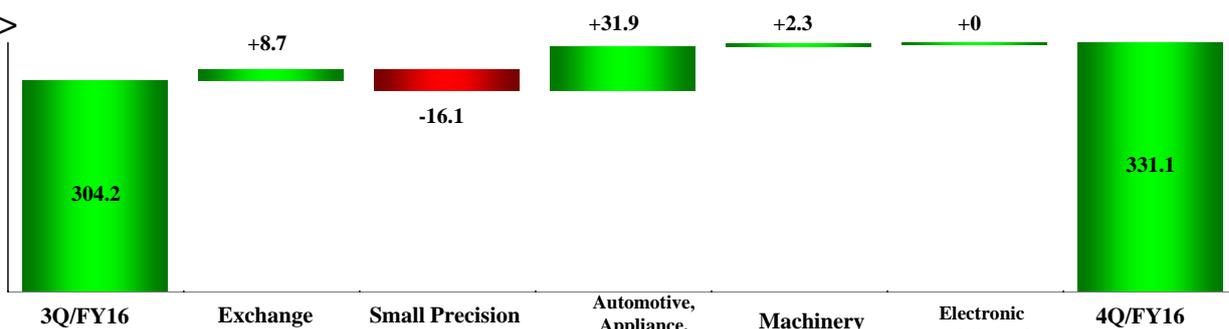


<Operating Profit> (Billions of Yen)

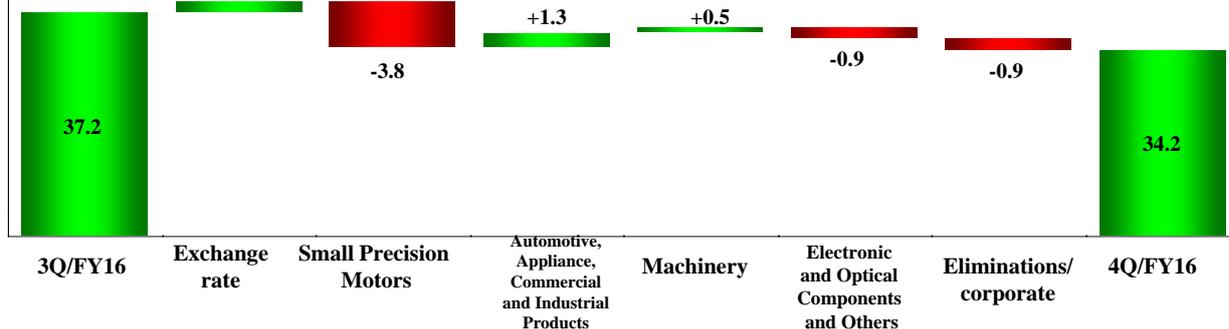


IFRS-Based Quarter-on-Quarter Changes (Three Months Ended Mar. 31, 2017)

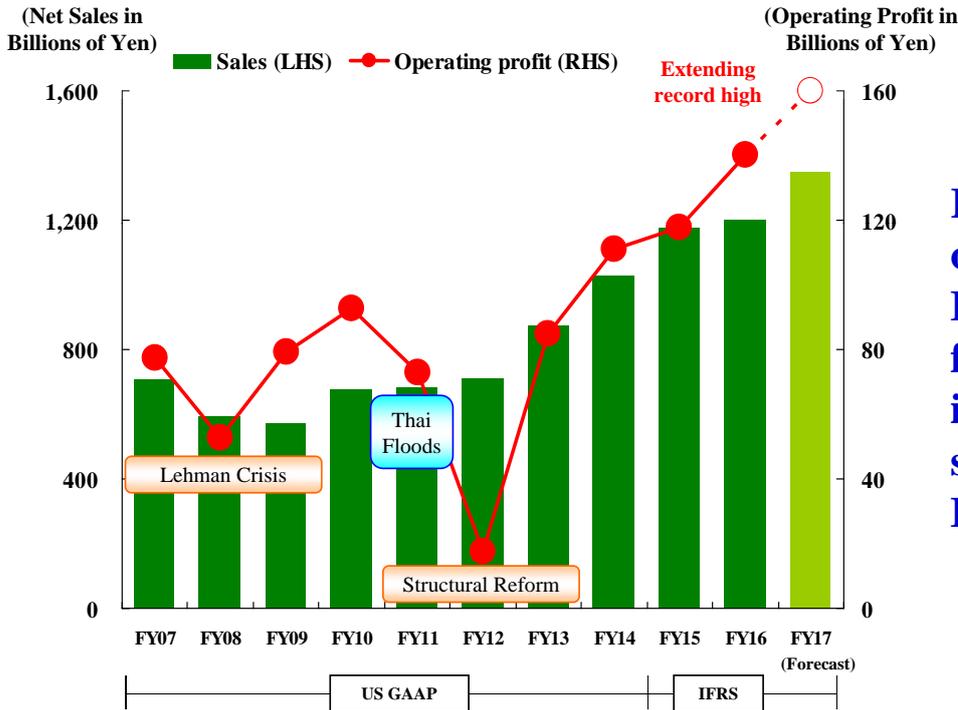
<Net Sales> (Billions of Yen)



<Operating Profit> (Billions of Yen)



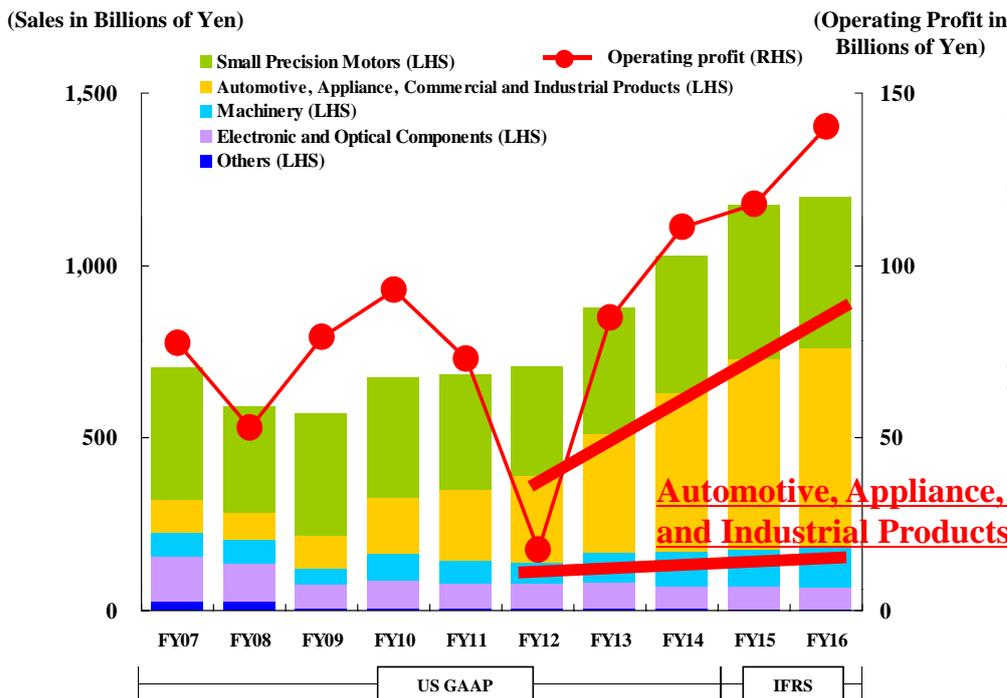
Consolidated Annual Sales and Operating Income (FY2007-FY2016)



Record-high net sales and operating income in FY2016, marking the fourth consecutive year of increase following the structural reform in FY2012.

This slide includes forward-looking statements. See Disclaimer on Page 2.

Sales and Operating Income per Product Group (FY2007-FY2016)

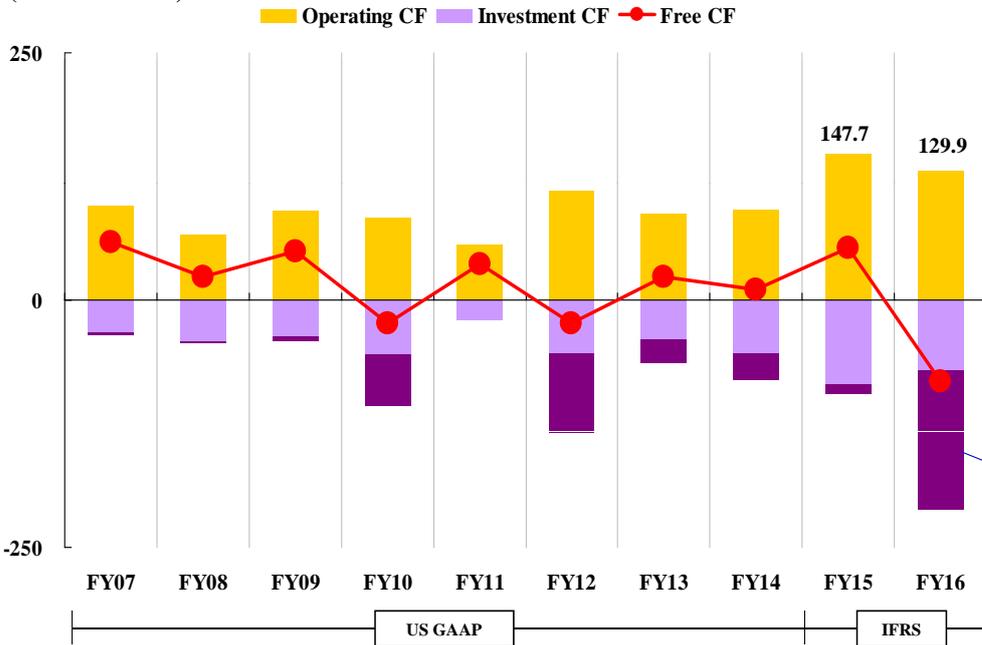


Steady growth led by successful business portfolio transformation and increased earning power

Automotive, Appliance, Commercial and Industrial Products

Consolidated Cash Flow (FY2007-FY2016)

(Billions of Yen)

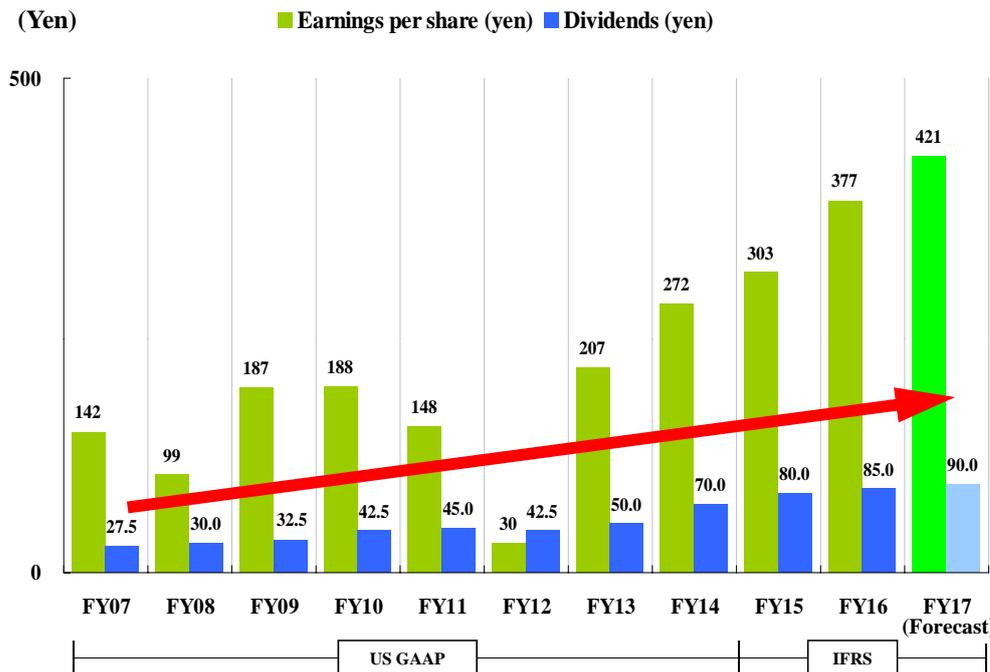


High level operating CF of over 100 billion yen

Areas highlighted in dark purple in investment CF indicates expenditure for business acquisitions

Dividends and EPS (FY2007-FY2016)

(Yen)



Steady growth in dividend payouts underpinned by healthy EPS increase

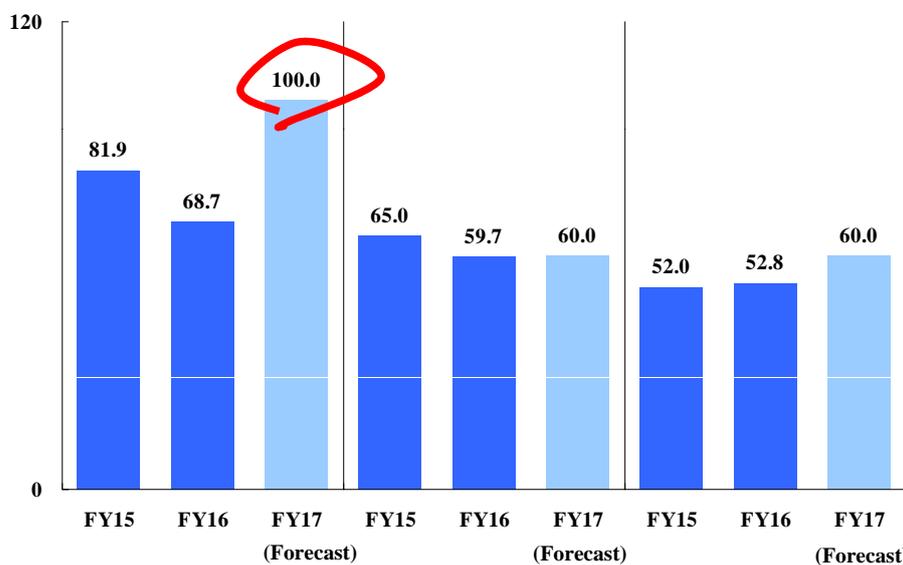
CAPEX, Depreciation, R&D

CAPEX

Depreciation

R&D

(Billions of Yen)



Continuing aggressive investments that support organic growth

This slide includes forward-looking statements. See Disclaimer on Page 2.

11

FY2017 Forecast

Millions of Yen, except for EPS, dividends and FX rate	1H/FY2017	2H/FY2017	Full-Year
Net sales	625,000	725,000	1,350,000
Operating profit	75,000	85,000	160,000
<i>Operating profit ratio</i>	<i>12.0%</i>	<i>11.7%</i>	<i>11.9%</i>
Profit before income taxes	74,000	84,000	158,000
Profit attributable to owners of the parent	58,000	67,000	125,000
EPS (Yen)	195.55	225.89	421.44
Dividends (Yen)	45.00	45.00	90.00
FX Rate (Yen/US\$)	105	105	105
FX Rate (Yen/Euro)	110	110	110

This slide includes forward-looking statements. See Disclaimer on Page 2.

12

Mid-Term Strategic Goal

Vision2020

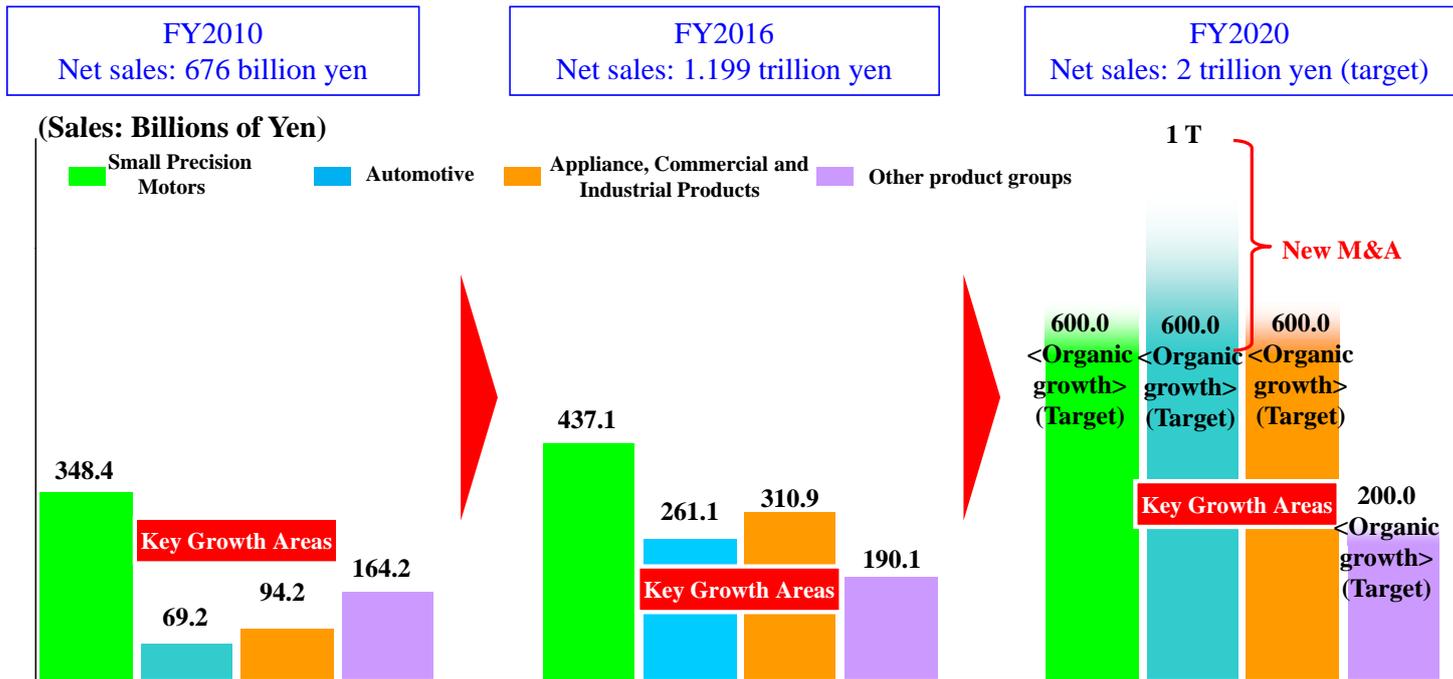
This section includes forward-looking statements. See Disclaimer on page 2 of this presentation.

■ *Vision2020: Mid-Term Strategic Goal*

Continuous pursuit of profit & strong growth

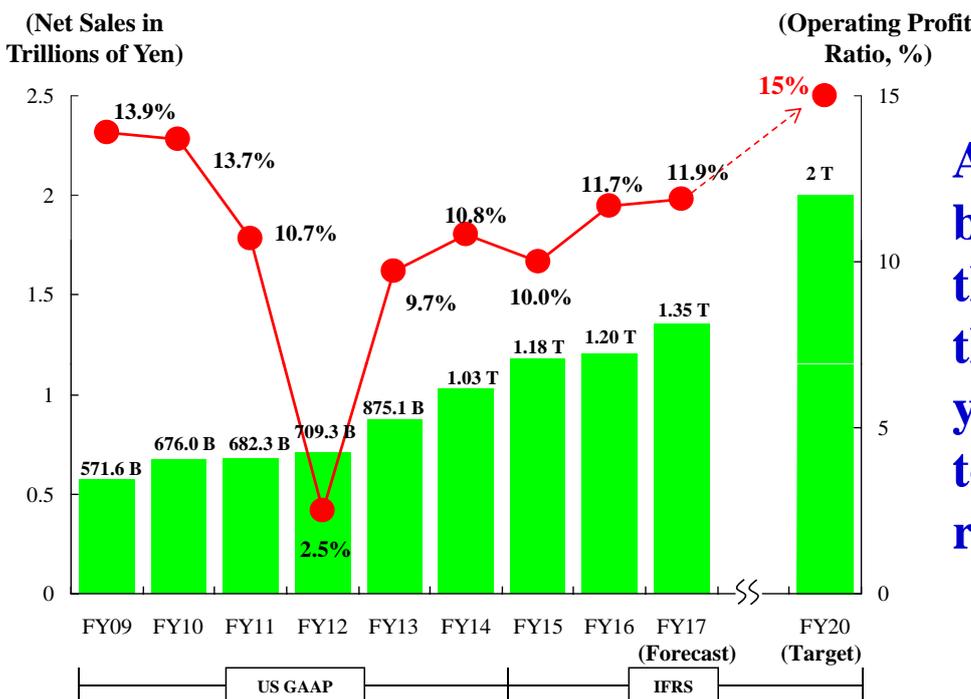
- 1. Target for consolidated net sales: 2 trillion yen
(including sales attributable to new M&A
of approx. 500 billion yen)**
- 2. Sales target for Automotive: 700 billion to 1 trillion yen**
- 3. Target for consolidated operating profit ratio: 15%**
- 4. Target for ROE: 18%
(assuming shareholders' equity ratio of 60%)**
- 5. Five regional HQ management units**

Three 600 Billion Yen Businesses Are Key to Achieving 2 Trillion Yen Net Sales



This slide includes forward-looking statements. See Disclaimer on Page 2.

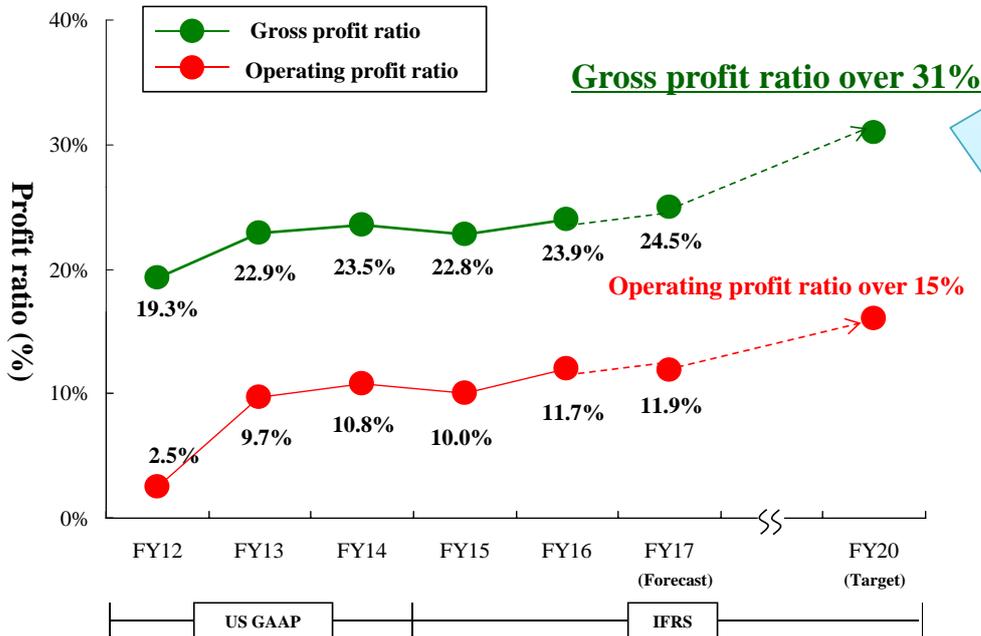
Vision2020: Aiming for 15% Operating Profit Ratio (1)



As topline growth becomes more solid, the main focus over the remaining four years will be shifted to profit structure reform

This slide includes forward-looking statements. See Disclaimer on Page 2.

Vision2020: Aiming for 15% Operating Profit Ratio (2)



Aiming for substantial improvement of gross profit ratio

<Main measures>

1. Cost reduction in outsourced materials and components
2. Cost reduction in direct labor

This slide includes forward-looking statements. See Disclaimer on Page 2. **17**

Vision2020: Measures for Gross Profit Ratio Improvement (1)

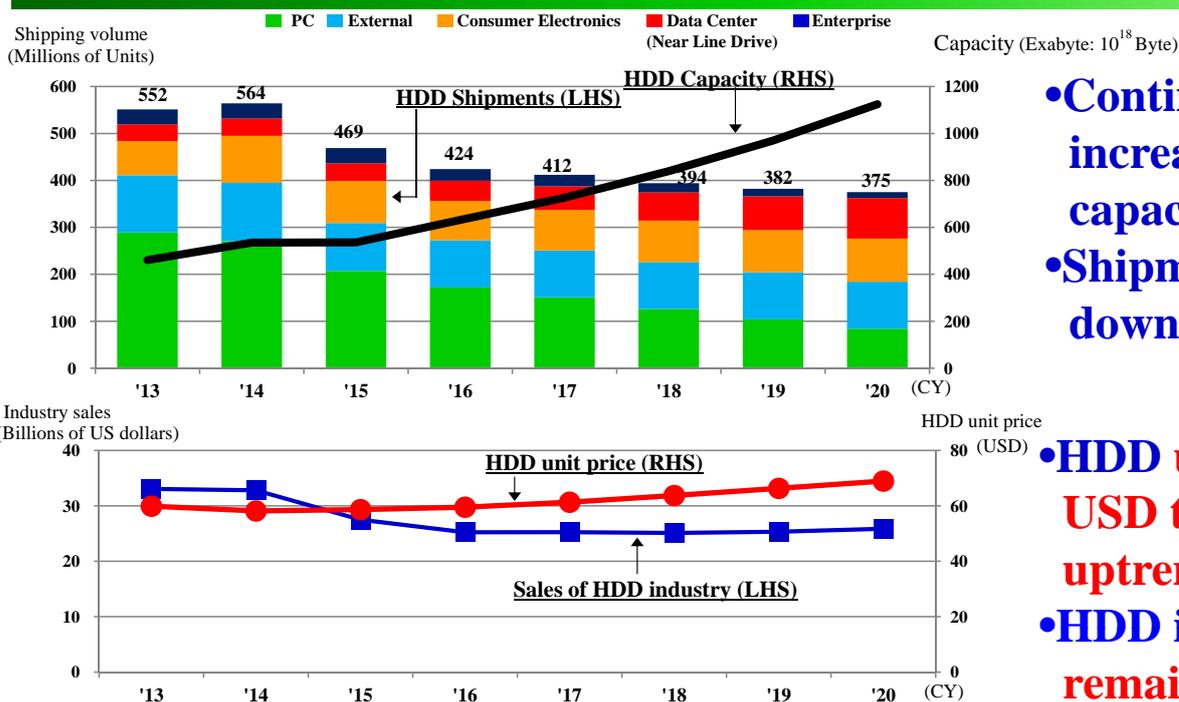
Implementing measures for gross profit ratio improvement across the Group's global production sites through integrated operation

<p>Cost reduction in materials and components purchased from outside</p>	<p>1. Promoting further joint procurement</p> <p>Centralizing global purchase data Setting group-wide product code</p> <p>Price negotiations based on economy of scale creates further business opportunities</p>	<p>2. Strengthening in-house production of components</p>  <p>Improving utilization ratio across the Group</p>
<p>Cost reduction in direct labor</p>	<p>1. Accelerating automation</p>  <p>Addressing the reduction in overseas factory workers</p>	<p>2. Accelerating IoT implementation</p>  <p>Automating repetitive works</p>

Nidec Smart Factory Strategy in steady progress (introduction of automation and IoT to factories)

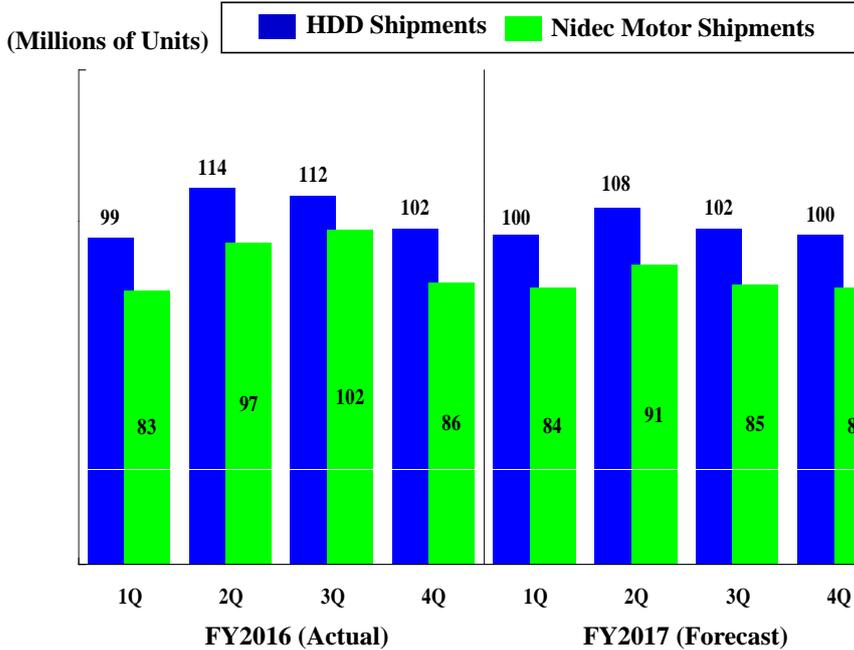
	2016	2017	2018	2019	2020	
Action plan	Building wireless infrastructure and introducing it to Group factories					
	Examining sales of wireless infrastructure equipment to outside parties					
	Implementing IoT in factories and visualization in production lines in Japan, Pinghu and Dongguan districts in China, and Vietnam	Expanding IoT in factories and visualization in production lines to Europe and Americas				
Strategic products	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>■ i611 Robot : light-weighted/energy efficient, open architecture, co-existing with human workers</p> <p>■ S-Cart : guide-free, autonomous, operable in multiples, capable of integrating with i611 and Vision System</p> <p>■ Vision System : FA camera, compact dual camera</p> </div> </div>					
	IoT products	Factory-AP	Sensor Hub	AP with positioning system	Sensor Hub2	
					Ultra high speed AP	

■ HDD Market Mid-Term Trend



- Continuous increase in HDD capacity
- Shipments on downward trend
- HDD unit price (in USD terms) on uptrend
- HDD industry sales remaining flat

Small Precision Motors: HDD Market Short-Term Trend



•FY16 HDD shipments reached 427 mil. units, 7% more than Nidec estimated a year ago.

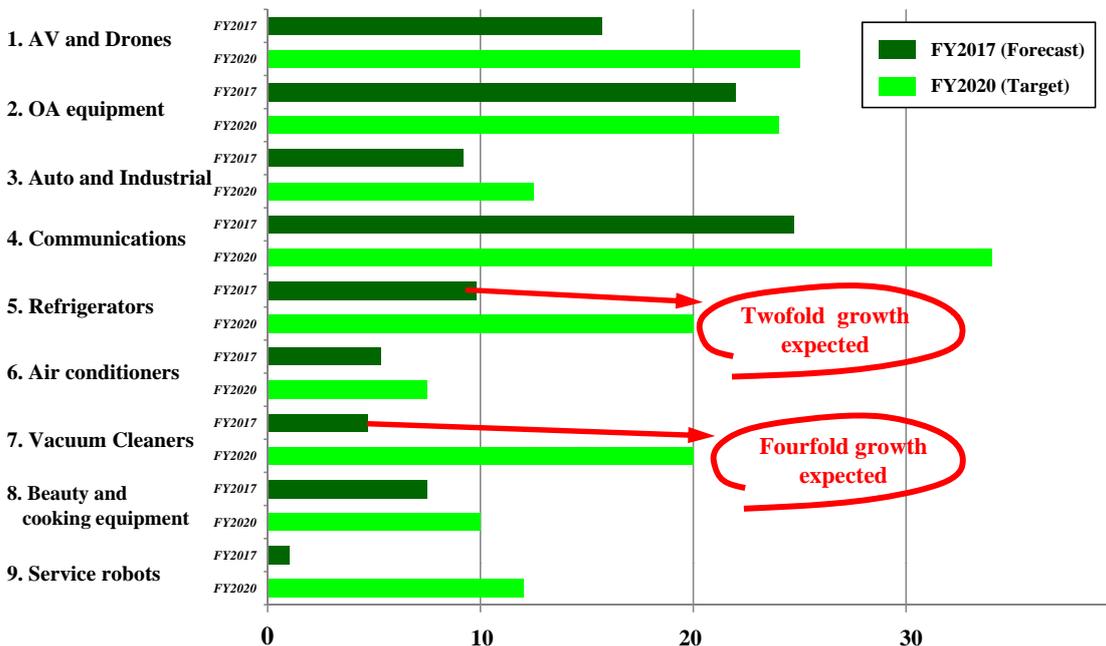
•Nidec expects modest 410 mil. HDDs to be shipped in FY17.

Nidec estimates based on various sources.

This slide includes forward-looking statements. See Disclaimer on Page 2.

Small Precision Motors: Trend for Other Small Motors

<Sales targets* of Other Small Motors by application>



Twofold growth expected

Fourfold growth expected

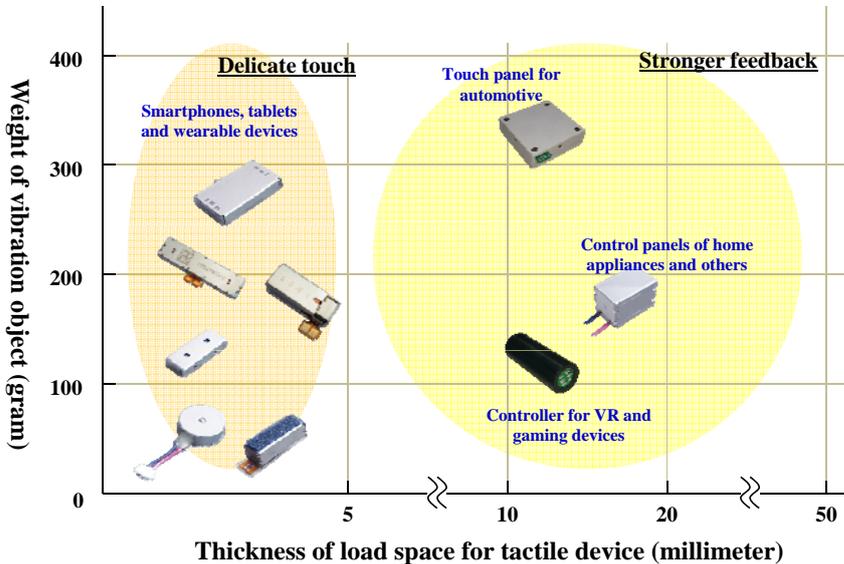
Faster growth expected where higher replacement demand for brushless DC motors exists

This slide includes forward-looking statements. See Disclaimer on Page 2.

Small Precision Motors: Tactile Devices

Exploring further sales opportunities with Nidec's product lineups which cover wider applications

<Nidec's product line>



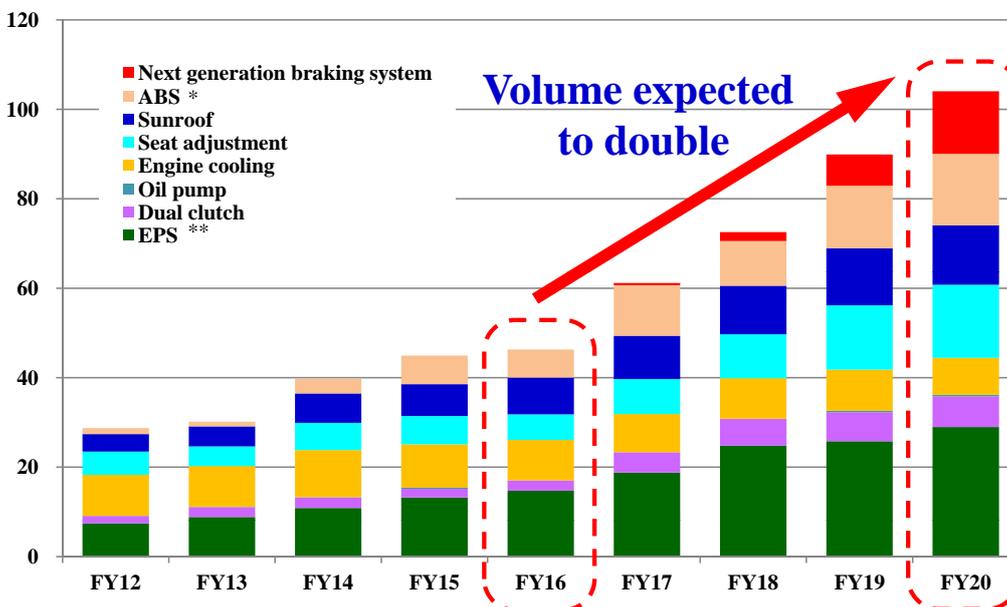
<Main applications>



Automotive: Shipment Outlook for Automotive Motors (Key Applications)

<Shipment outlook for Nidec's automotive motors by application>

(Millions of Units)



Current outlook of automotive motors in FY2020 already doubling its volume from last fiscal year

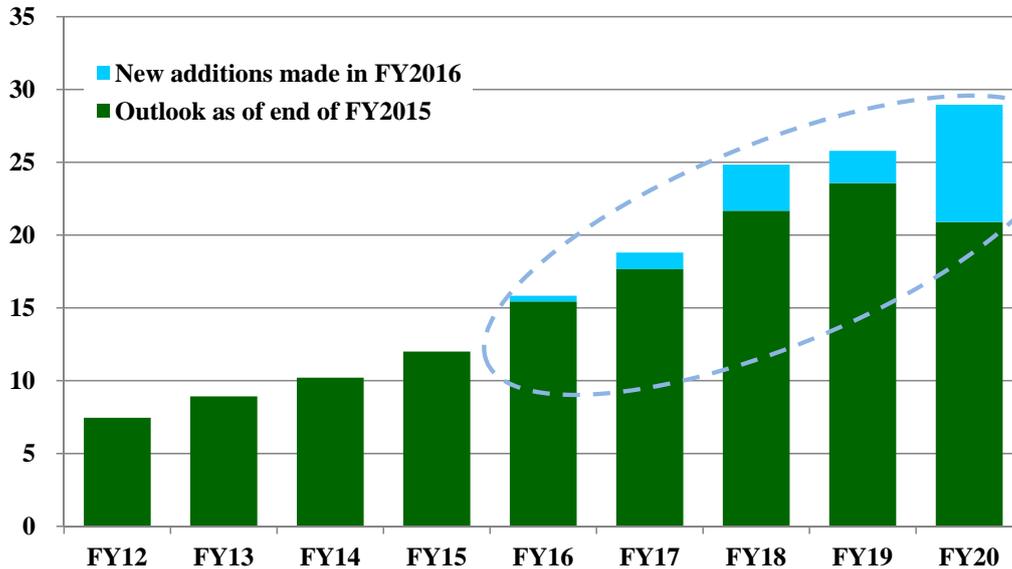
*ABS: Anti-Lock Braking System
**EPS: Electric Power Steering

Automotive: Shipment Outlook for EPS Motors

(Millions of Units)

<Shipment outlook for Nidec's EPS motors>

New additions made in FY2016
(indicated in blue)



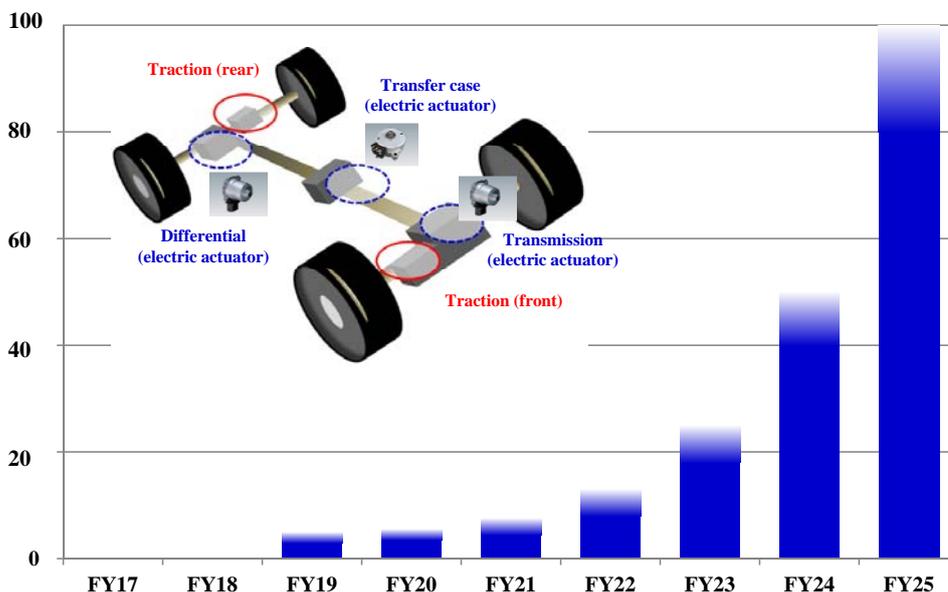
New additions made in FY2016 accumulates up to approx. 15 million units

This slide includes forward-looking statements. See Disclaimer on Page 2.

Automotive: Sales Target of Traction Related Motors

(Billions of Yen)

<Nidec's sales target of traction related motors>



Inquiries are increasing mainly from China and Europe as EV becomes next focus in electrification of cars

This slide includes forward-looking statements. See Disclaimer on Page 2.

- Evolving from a motor-alone supplier to a module provider
- Aiming for significant growth in air conditioners, freezer refrigerators, washers, etc.

<Global market size for Nidec’s products (TAM*)>

<FY2015>		<Motor-alone market >	<Module market>
1. Air conditioner	<ul style="list-style-type: none"> ◆ Unit: 130 million ◆ Fan DC ratio: 25% ◆ Inverter ratio: 45% 	<p>Fan motor</p> <p>240 billion yen</p>	<p>Fan blade</p> <p>Compressor</p> <p>Fan motor</p> <p>Heat exchanger, etc.</p> <p>Control</p> <p>2 trillion yen</p>
2. Refrigerator	<ul style="list-style-type: none"> ◆ Unit: 170 million ◆ Inverter ratio 15% 	<p>Compressor motor</p> <p>100 billion yen</p>	<p>Compressor</p> <p>Compressor motor</p> <p>Control</p> <p>1.5 trillion yen</p>
3. Washer	<ul style="list-style-type: none"> ◆Unit: 110 million ◆Motor DC ratio: 15% 	<p>Drive motor</p> <p>160 billion yen</p>	<p>Gear unit</p> <p>Drive motor</p> <p>Control</p> <p>0.5 trillion yen</p>
Global market		500 billion yen	4 trillion yen

*TAM: Total Addressable Market

Nidec estimates based on various sources.

This slide includes forward-looking statements. See Disclaimer on Page 2.

Nidec ASI wins MW* battery storage project in the UK



Battery storage



Power conversion system



Nidec ASI has won a contract from EDF Energy Renewables to build a 49 MW battery storage for the UK National Grid as EPC (Engineering, Procurement and Construction) contractor. Picture above is EDF Energy’s site in West Burton, Nottinghamshire where Nidec ASI plans to install its battery storage.

Nidec group will contribute to the stable global electricity network and the realization of a low-carbon society through dissemination and expansion of high-quality and state-of-the-art power storage system

*MW: Megawatt

Strengthen global expansion of metal forming machinery business by Nidec-Shimpo

<Outline of New Subsidiary>

Company name	Vamco International, Inc.
Headquarters	Pittsburgh, Pennsylvania, U.S.A.
Foundation	1945
Management	Bryan Gentile, the current president of Vamco will remain as CEO after the transaction
Principal Places of Business	U.S.A. (Pittsburgh), China (Shanghai)
Principal Business	Design, manufacture, sales and aftermarket service of high-speed servo feeding equipment for the metal-forming industry
Company characteristics	Very strong brand and unparalleled quality in high-speed servo feeding industry
Employees	45
Sales	Global total sales: US\$14.5 million (fiscal year ended December 31, 2016) Breakdown by region: North America 45%, Asia 40%, Europe 15%

<Products>

	<p>Quantum Servo Roll Feed Series</p> <ul style="list-style-type: none"> The world's most reputed servo-feed series that enables fastest, high precision feeding Fully programmable design that saves setup time
	<p>SR Servo Feed Series</p> <ul style="list-style-type: none"> Economical price compared to Quantum Servo Roll Feed Series Built to withstand the most abusive metal stamping environments. No frequent maintenance required, easy operation.
	<p>Quantum Servo Gripper Feeds</p> <ul style="list-style-type: none"> Fully programmable feed setting (feed length, angle, grip force) Easy operation, reduced maintenance cost

With this acquisition, in coordination with Nidec-Shimpo, Nidec Minster (acquired in April 2012) and Nidec Arisa (acquired in August 2015), Nidec will strengthen its global business coverage and accelerate growth.

Build a unique 10 trillion yen company keeping its focus on "everything that spins and moves"

Focusing on basic technologies making the company last for over 100 years



Nidec Research and Development Center

Focusing on manufacturing science making the company last for over 100 years



Nidec Center for Industrial Science

Focusing on employee education to support the company to last for over 100 years



Nidec Corporation Head Office ANNEX Global Learning Center

Motors will be a key element in the innovative development of EVs, robotics, drones, etc., which is expected to be in full swing around 2020.

Building a corporate group to enrich people's lives through our distinguished fundamental technologies, production engineering and human resources.



Nidec IR Contacts

Japan	Tel: +81-75-935-6140	E-mail: ir@nidec.com
U.K.	Tel: +44-870-351-7388	E-mail: iwai.yuji@nidec.com
U.S.	Tel: +1-212-703-7988	E-mail: nagase.kiyoshi@nidec.com

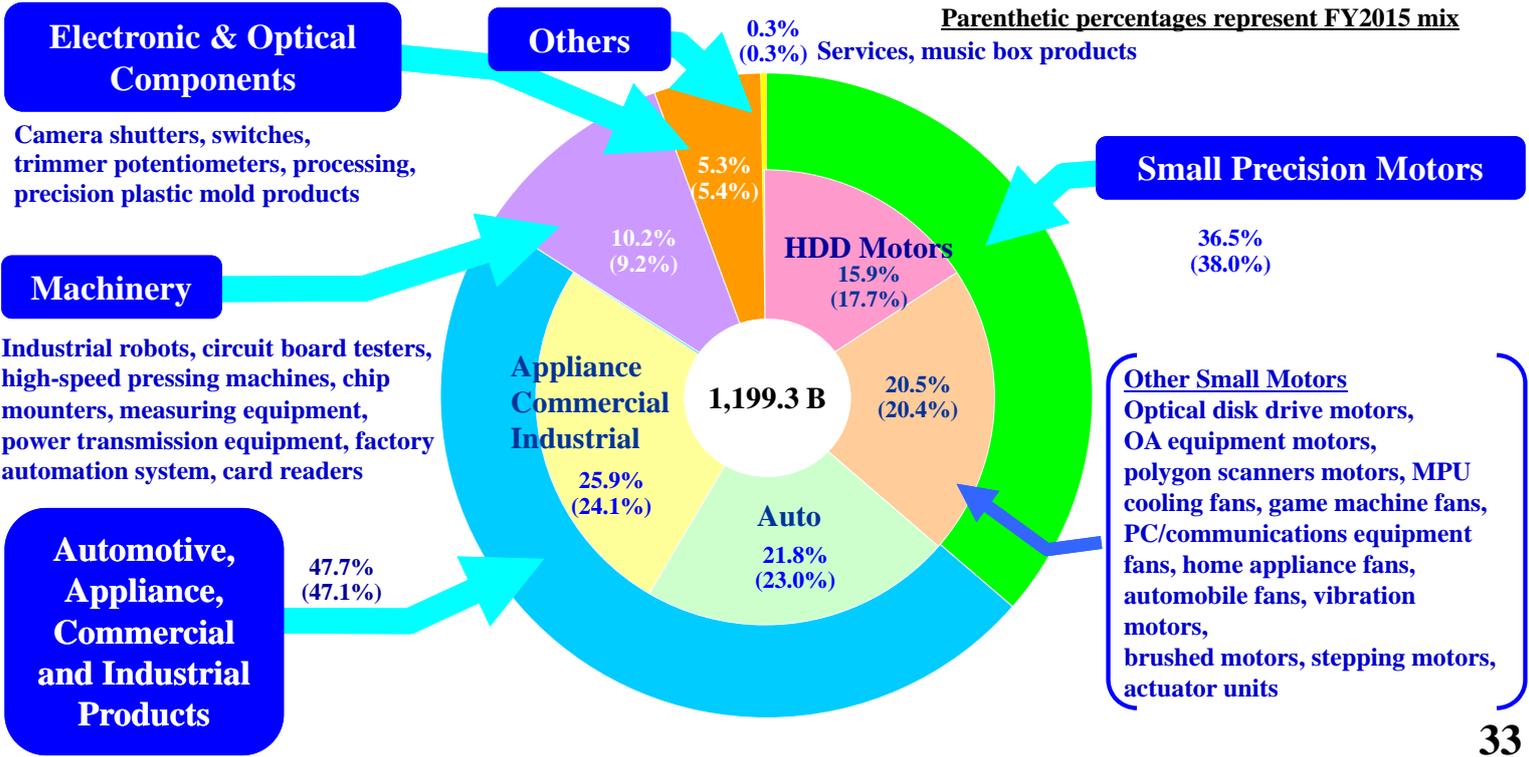
Nidec logo is a registered trademark or a trademark of Nidec Corporation in Japan, the United States and/or certain other countries.
“All for dreams” logo is a registered trademark of Nidec Corporation in Japan, and a trademark in the United States and/or certain other countries.

31

Appendix

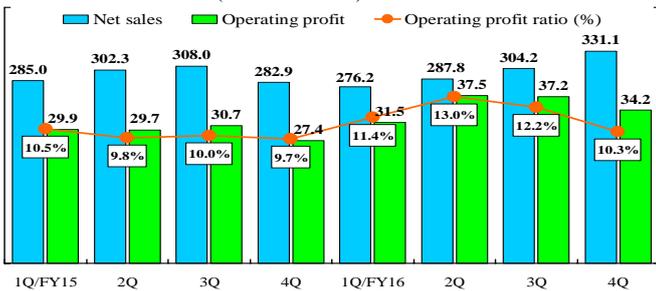
Performance Trends & Product Group Overview

Sales by Product Group (FY2016) (IFRS-Based)

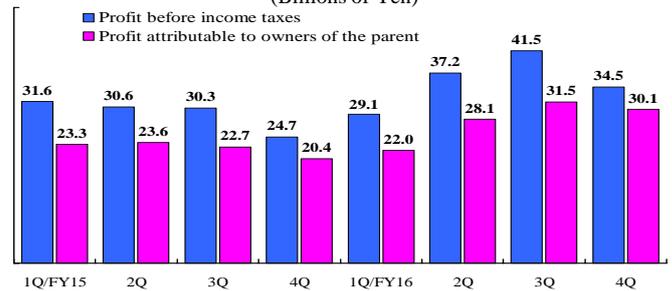


Financial Highlights (IFRS-Based)

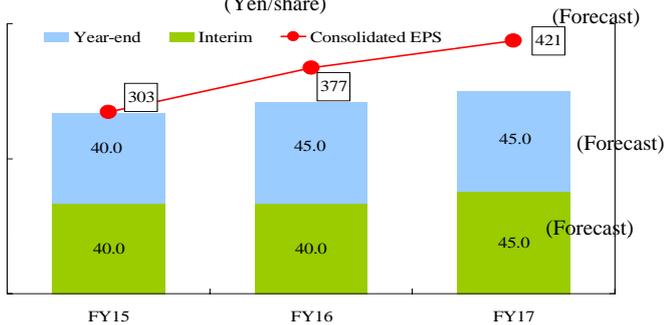
<Consolidated Net Sales and Operating Profit>
(Billions of Yen)



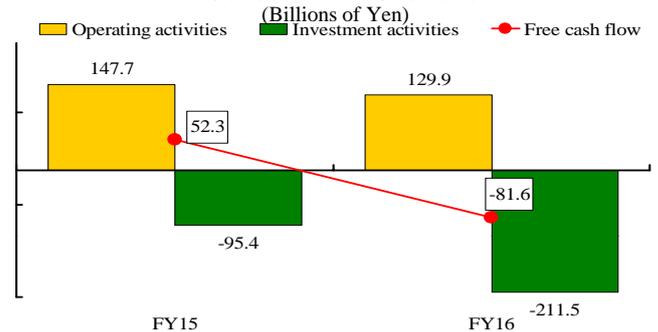
<Profit Before Income Taxes and Profit Attributable to Owners of the Parent>
(Billions of Yen)



<Dividends and EPS>
(Yen/share)

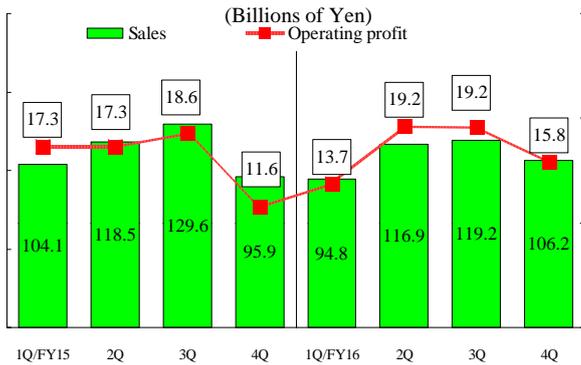


<Consolidated Cash Flow>
(Billions of Yen)

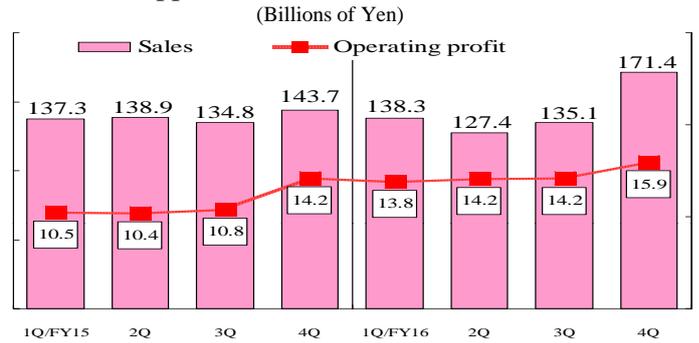


Product Group Overview (IFRS-Based)

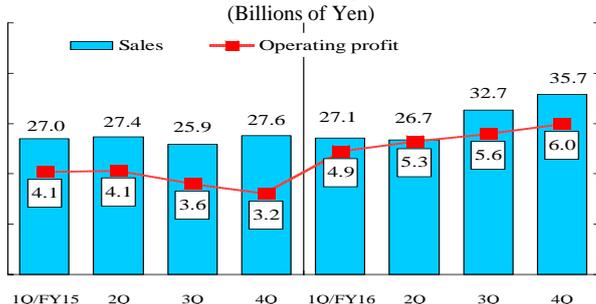
<Small Precision Motors>



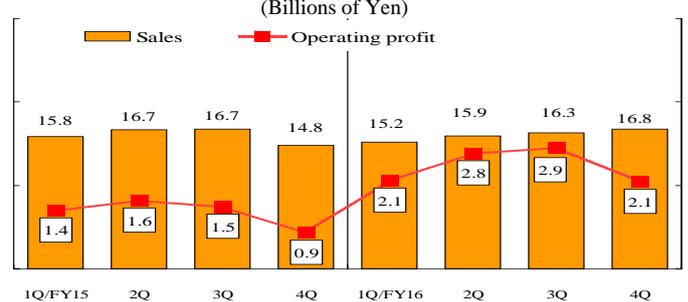
<Automotive, Appliance, Commercial and Industrial Products>



<Machinery >



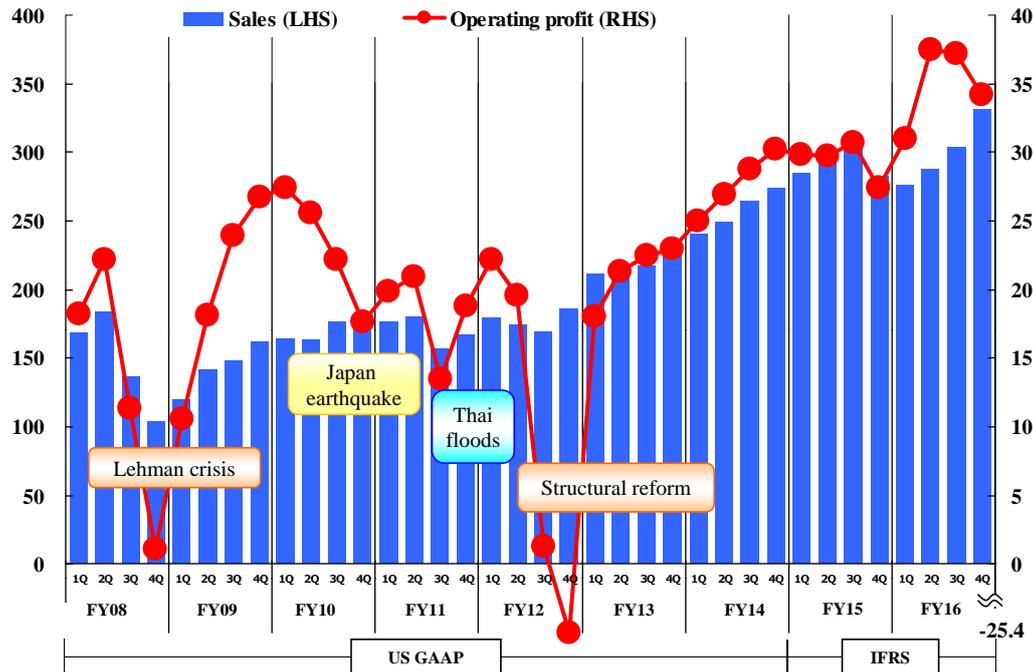
<Electronic and Optical Components >



Consolidated Quarterly Sales and Operating Profit

(Net Sales in Billions of Yen)

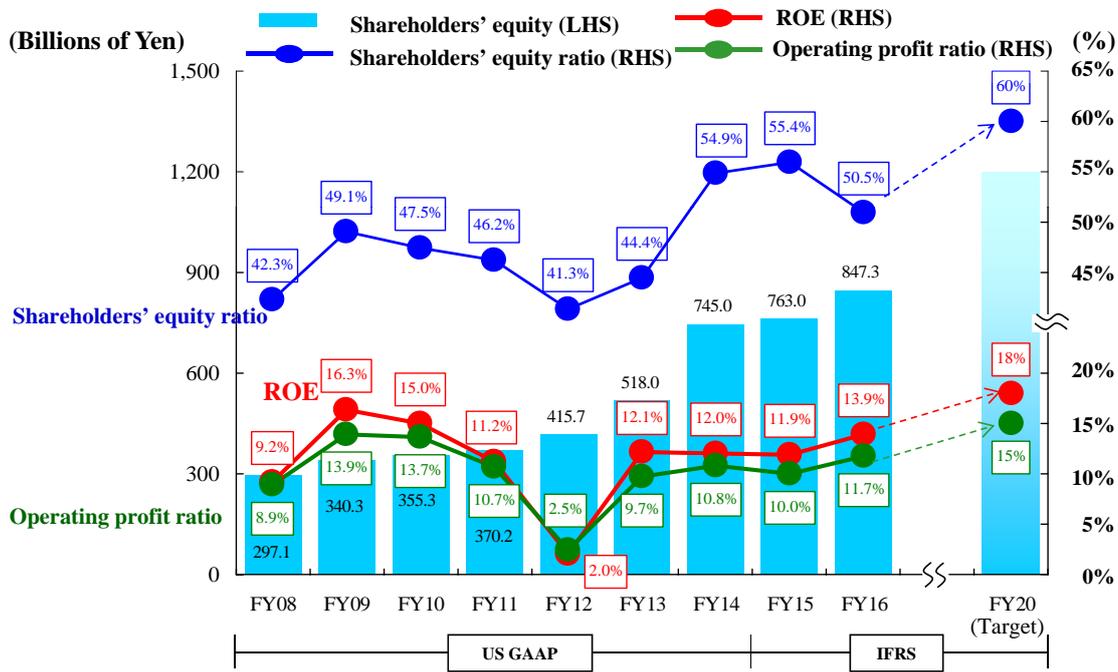
(Operating Profit in Billions of Yen)



Vision 2020: Pursuing Both Strong Growth with Profit and Financial Soundness



Targeting operating profit ratio of 15% and ROE of 18% while sustaining and improving financial soundness



The three elements for ROE improvement

- Net profit on sales
- Total asset turnover
- Financial leverage

This slide includes forward-looking statements. See Disclaimer on Page 2.