

Nidec Corporation

First Quarter Fiscal 2019 Results



Three Months Ended June 30, 2019
<IFRS>
July 24, 2019



Ni150F Series



Ni100F Series



Ni70F Series

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 lineups of the traction motor system named E-Axle which packs a gearbox, inverter and motor into a smaller footprint enclosure. In addition to 150kW model mass-produced since April 2019, the Company has developed 100kW and 70kW models. Without compromising competitive advantages, E-Axle is now available for all vehicle types in the global market.

Consolidated Profit/Loss

*Please refer to Notes on Page 17.

Millions of Yen, except for percentages, EPS, and FX rates	Q1/FY2018	Q1/FY2019	Change	FY2019 Forecast
Net sales	372,223	360,874	-3.0%	1,650,000
Operating profit	45,693	27,959	-38.8%	175,000
<i>Operating profit ratio</i>	<i>12.3%</i>	<i>7.7%</i>	-	<i>10.6%</i>
Profit before income taxes	45,888	31,262	-31.9%	170,000
Profit attributable to owners of the parent	37,287	3,476	-90.7%	135,000
EPS (Yen)	126.06	11.81	-90.6%	458.73
FX rate (Yen/US\$)				Assumed for Q2 onward: Yen/US\$: 105 Yen/Euro: 125
Average:	109.07	109.90	+0.8%	
Term end:	110.54	107.79	-2.5%	

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2019 is estimated to have an annualized impact of 9.0 billion yen and 1.7 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating profit, respectively.

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

3

Summary of Q1 FY2019

- Net sales decreased by 3% Y/Y. **Forecast for 1H and full-year remains unchanged.**
- Operating profit decreased by 39% Y/Y. **Forecast for 1H and full-year remains unchanged.**
- Profit attributable to owners of the parent decreased 91% Y/Y due to loss on the transfer of Secop's refrigeration business worth ¥19.8 billion. Forecast revised downward for 1H, but **remains unchanged for full-year FY2019.**

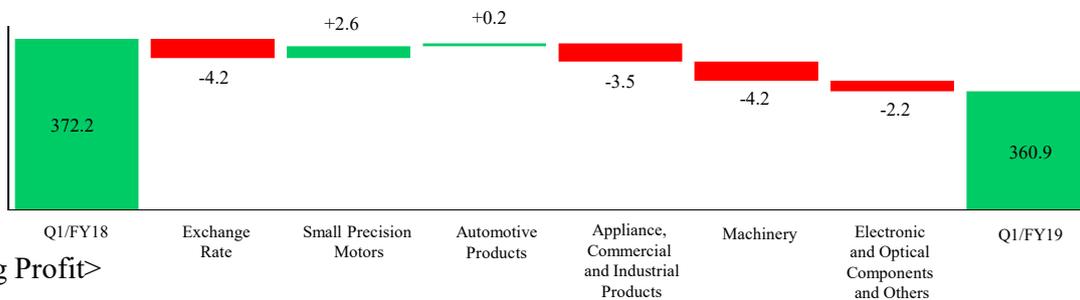
*Please refer to Notes on Page 17.

4

Year-on-Year Changes (Three Months Ended June 30, 2019)

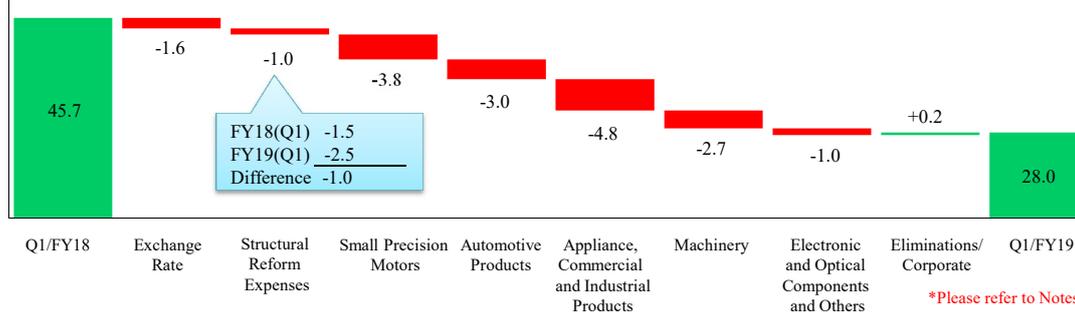
<Net Sales>

(Billions of Yen)



<Operating Profit>

(Billions of Yen)

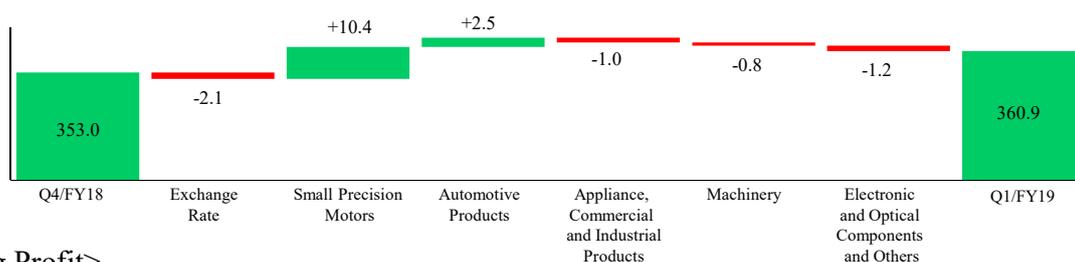


*Please refer to Notes on Page 17. 5

Quarter-on-Quarter Changes (Three Months Ended June 30, 2019)

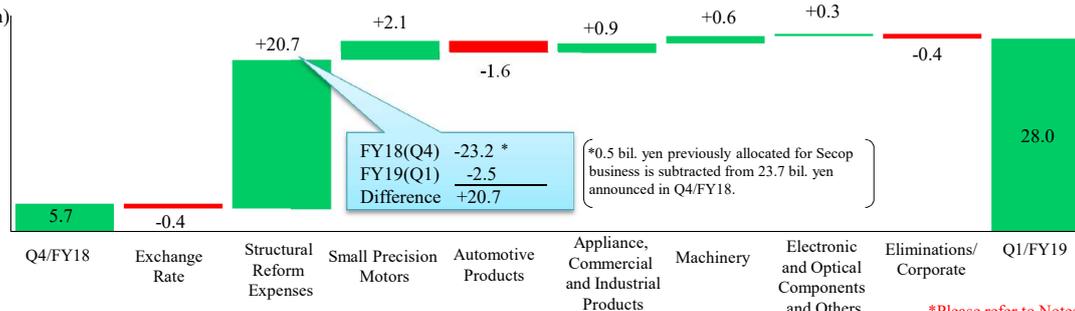
<Net Sales>

(Billions of Yen)



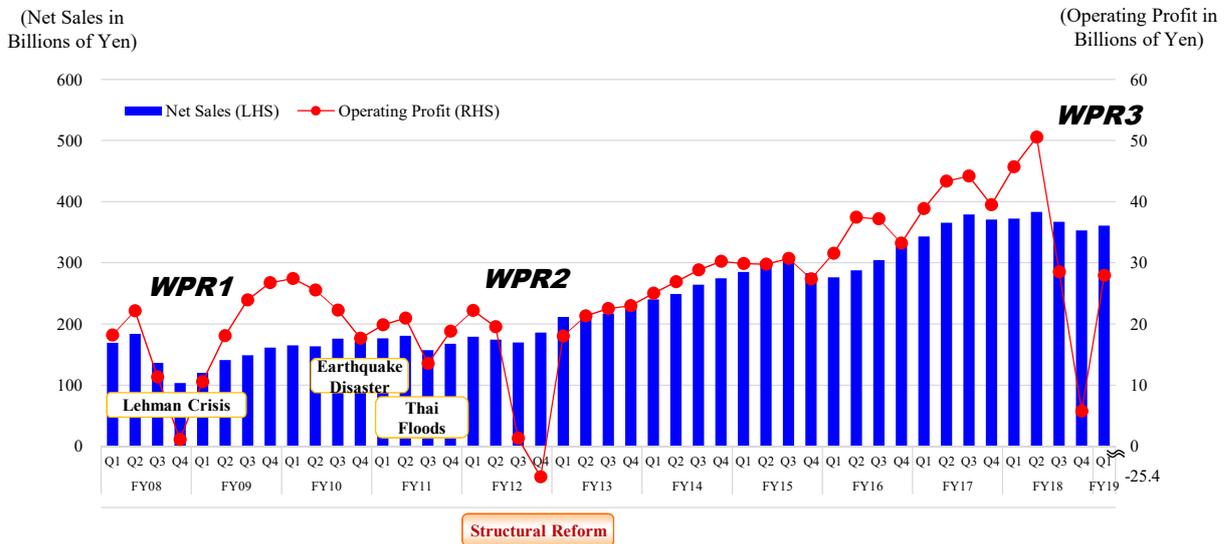
<Operating Profit>

(Billions of Yen)



*Please refer to Notes on Page 17. 6

Continuing WPR3 cost restructuring and preparing for demand recovery



Mid-Term Strategic Goal Vision2020

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

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

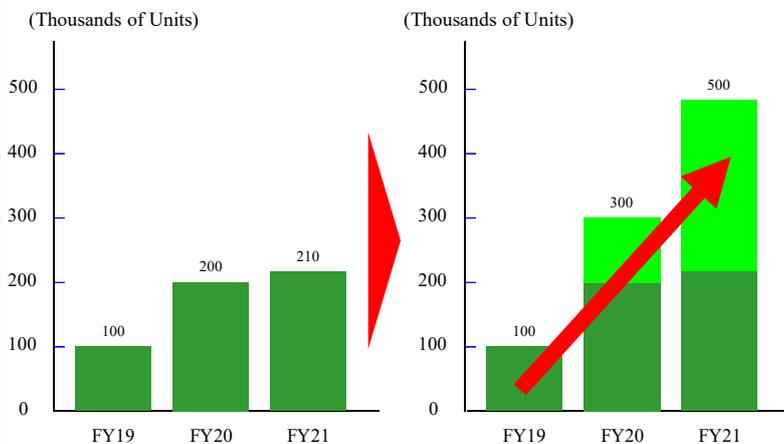
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■ **Automotive: Quickened Pace of Traction Motor Order Intake**
 Launch of Second and Third Factories under Planning

<Traction motor sales plan>

Ordered volume for FY20 to 21 doubled in the past three months

<Ordered volume as of April 2019> <Ordered volume as of July 2019>



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

<Traction motor production plan>

Preparing for future order increase

<First factory>



In operation

Nidec Tosok (Zhejiang) Corporation
600,000 units/year

<Second factory>



<Planned to launch>

Nidec Automotive Motor (Zhejiang) Corporation
400,000 units/year

<Third factory>



<Planned to launch>

Nidec (Dalian) Limited
1 million units/year

Automotive: Full-Scale Mass-Production in Traction Motor Factory (1)

World's largest-level traction motor factory got off the ground (four-story, 66,000 square meters)

Fully-automatic assembling line (100m)



Final process



Bird's-eye view photo



Casting process
(in-house production of main parts)



Automotive: Full-Scale Mass-Production in Traction Motor Factory (2)

-In-house production of main parts
-Vertically integrated factory for high quality, low cost manufacturing and supply stability

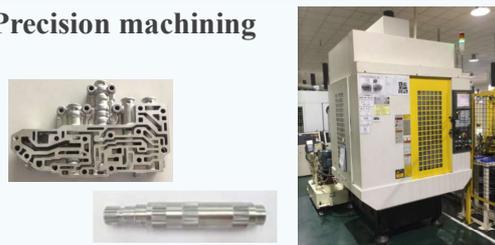
Aluminum die casting



Housing and core pressing



Precision machining



Resin molding

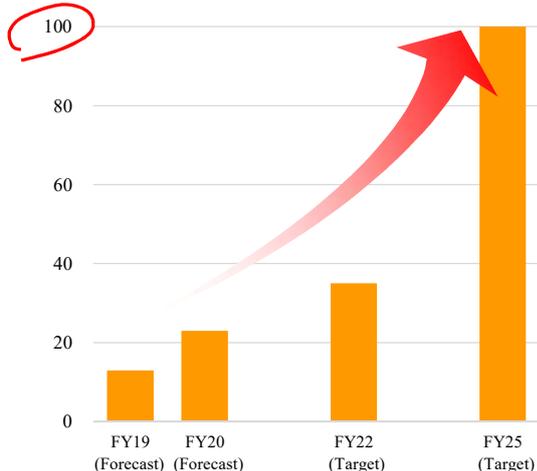


Automotive: ADAS* Business in Rapid Expansion

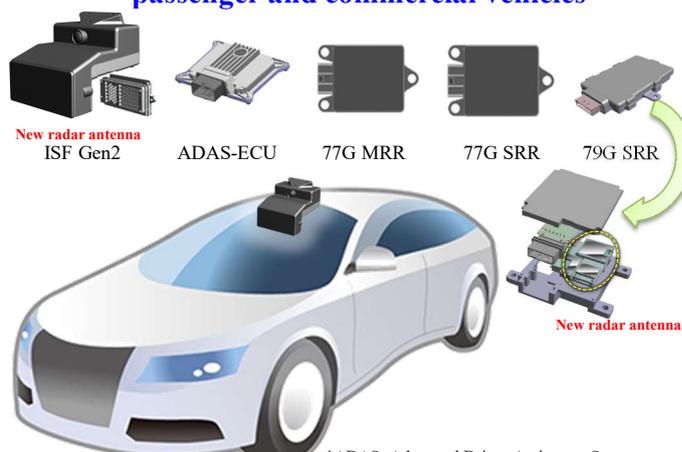
Increasing order entry of high- to low- end products in the global market

<Sales Target for Nidec Elesys's ADAS* products>

(Billions of Yen)



Surging orders and inquiries from Japanese, European, American & Chinese OEMs for passenger and commercial vehicles



*ADAS: Advanced Driver Assistance Systems

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

13

Small Precision Motor: PMI* and Sales Expansion with CCI Taiwan

Shifting toward module solution business

Nidec
Fan series were added to CCI's lineups.



<Competitiveness on a scale of 1 to 4 with 4 being "Strongest">

	CCI	Company A (Japan)	Company A (Taiwan)	Company B (Taiwan)	Company C (Taiwan)
Fan	N/A → 4	N/A	N/A	3	3
Heat pipe	3	3	4	3	3
Heat sink	3	2	1	2	2
Vapor chamber	3	2	1	3	2
Module development capability	3	3	1	3	3
Production capability	4	3	4	3	3
Cost competitiveness	4	1	4	3	3
Synergy generation	4	3	2	2	2

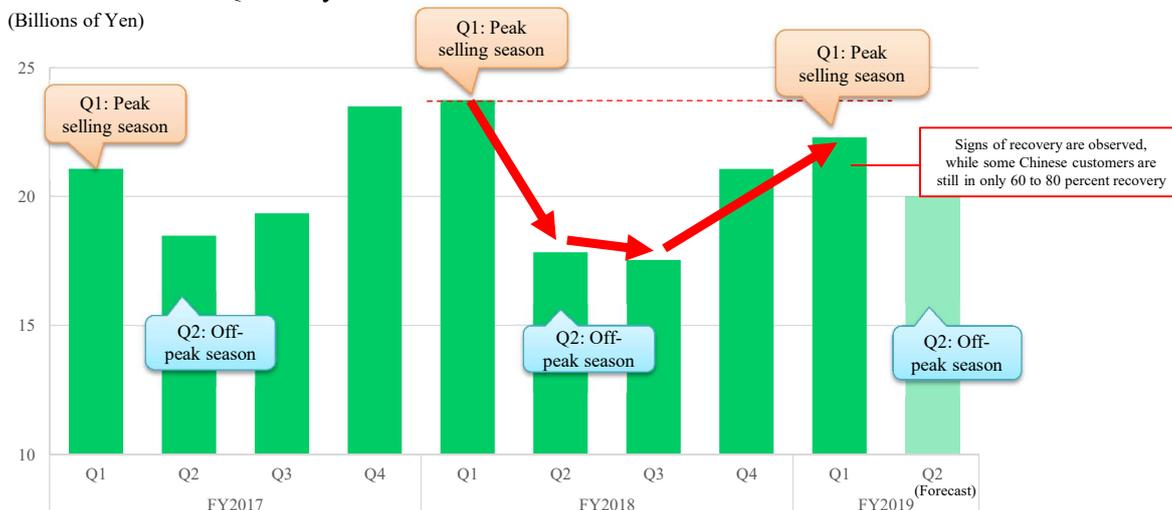
*PMI: Post-Merger Integration

14

Appliance, Commercial and Industrial: Nidec Techno Motor Quarterly Sales

- Brisk air conditioner business in extremely hot Europe, Asia and Japan
- Inventory level being normalized in China

<Quarterly Net Sales of Nidec Techno Motor >



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Machinery: Growth Strategy of Nidec-Shimpo

High growth bolstered by steady organic growth through new product launches and product portfolio expansion through a series of acquisitions

<Annual Net Sales of Nidec-Shimpo >



<Press machinery business >

Organic growth

Nidec PRESS & AUTOMATION

M&A

KYORI **MINSTER** **ARISA** **VAMCO** **SYS**

<Speed reducer business >

Organic growth

FLEXWAVE Planetary reducer **TROUZER**

CORONEX **S-CART 1000** **S-CART**

M&A

MS-Graessner **DESCH**

Right-angle gearbox Large speed reducers

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Notes:

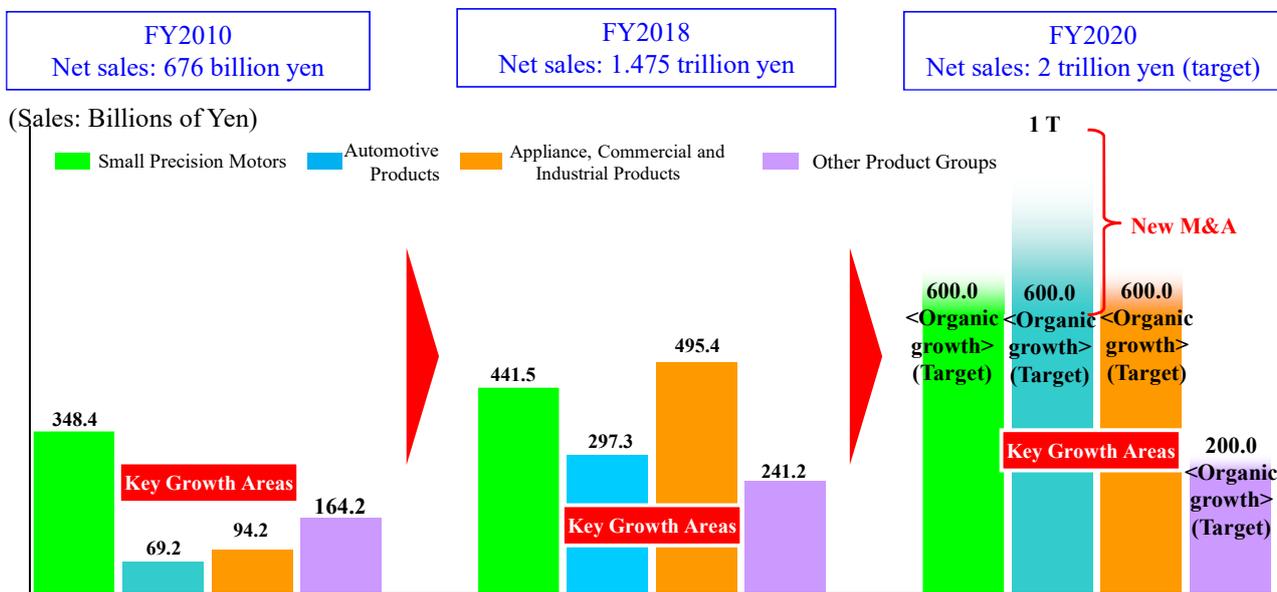
From the financial reporting for the three month ended June 30, 2019, the Company classifies the refrigeration compressor business of Secop as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.

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Appendix

Performance Trends & Product Group Overview

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



*Please refer to Notes on Page 17.

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5G Communications: New Addition to Nidec's Future Growth Drivers

Biggest innovative waves Nidec has ever seen are coming in different areas

-automobiles, robots, home appliances, drones, etc.-

Automotive electrification, EV and PHEV

- From internal combustion engine to electric motor
- Once-in-a-century technological revolution



Expansion of robot applications

- Collaborative robots advance into food, logistics and service industries.
- Rapid market growth



Next-gen technologies stemming from 5G communications

- Hardware innovation coming with data rates 100 times faster

Data explosion



Home appliances driven by brushless DC motors

- Cordless and high functionality
- Innovative evolution of home appliances



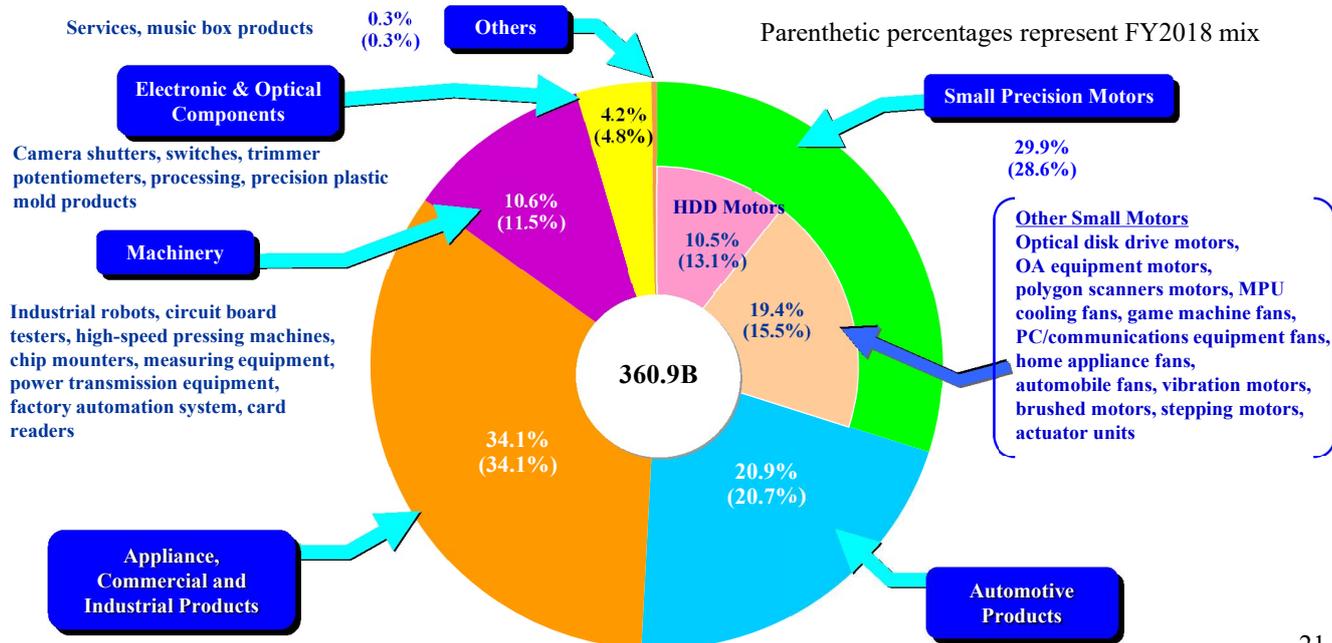
Manpower-saving in agriculture & logistics

- Serious labor constraints
- Industry 4.0



Sales by Product Group (Apr-Jun FY2019)

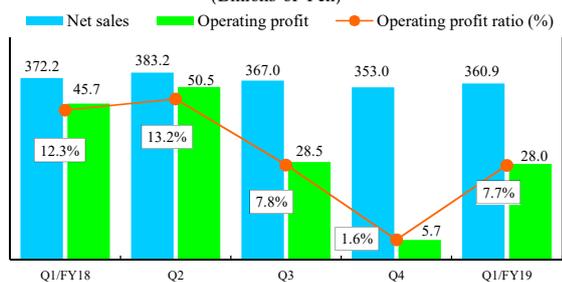
*Please refer to Notes on Page 17.



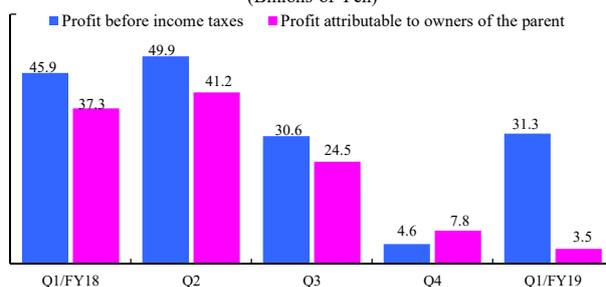
Financial Highlights

*Please refer to Notes on Page 17.

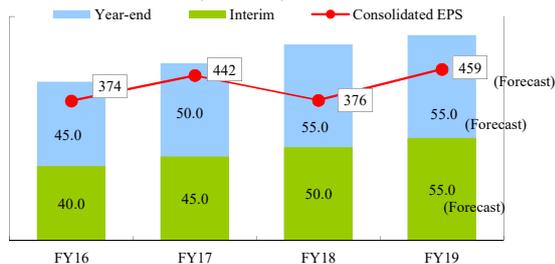
<Consolidated Net Sales and Operating Profit>
(Billions of Yen)



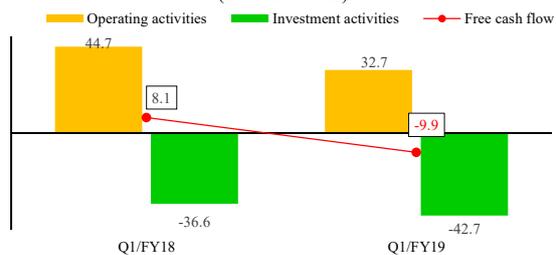
<Profit Before Income Taxes and Profit Attributable to Owners of the Parent>
(Billions of Yen)



<Dividends and EPS>
(Yen/share)



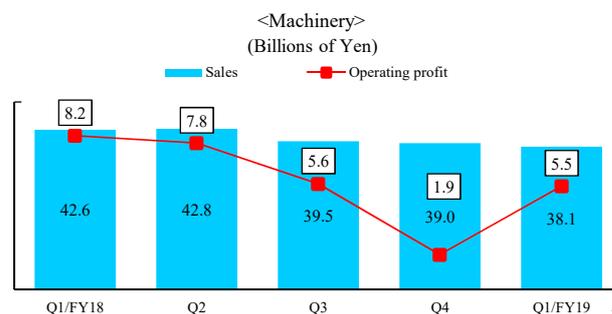
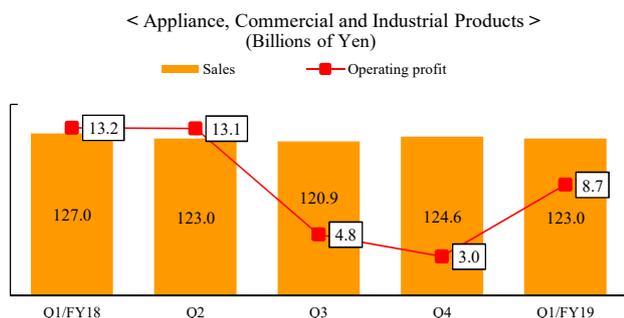
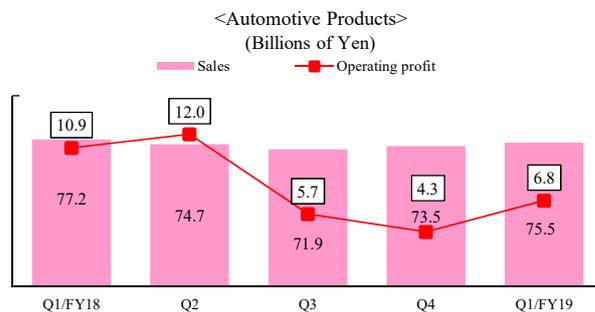
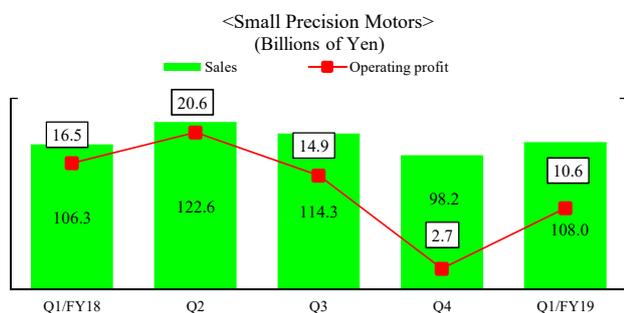
<Consolidated Cash Flow>
(Billions of Yen)



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

Product Group Overview

*Please refer to Notes on Page 17.

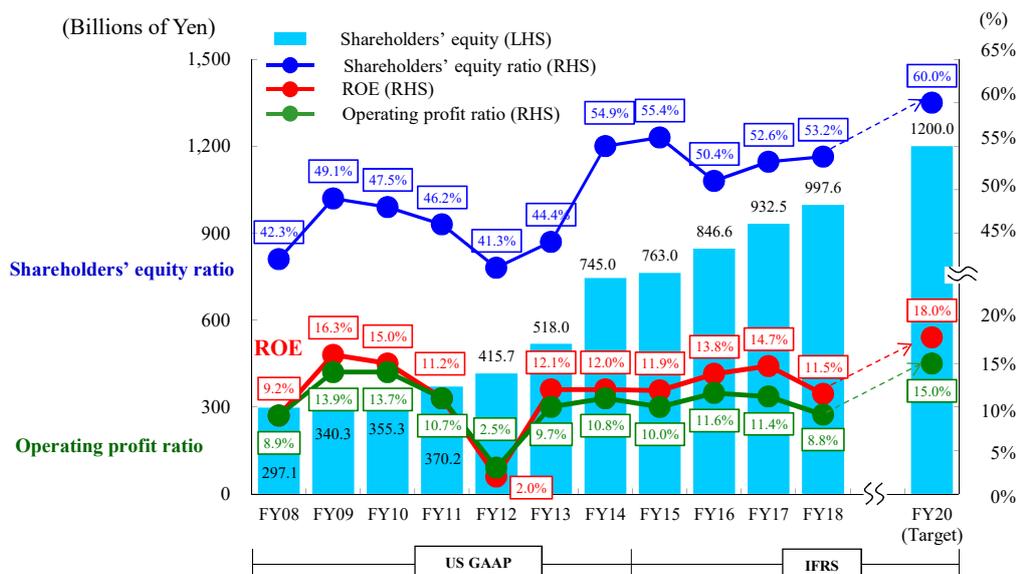


23

Vision2020 : Pursuing Both Strong Growth with Profit and Financial Soundness

*Please refer to Notes on Page 17.

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

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24