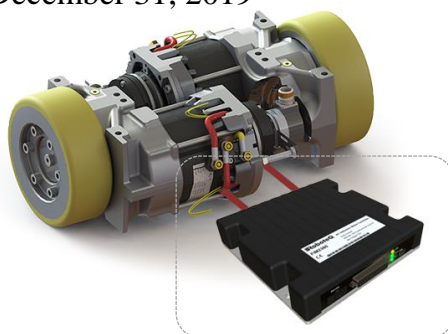


# Nidec Corporation

## Third Quarter Fiscal 2019 Results

Three and Nine Months Ended December 31, 2019

<IFRS>



January 23, 2020

## 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 photo on the cover is a motion control product of Roboteq, a company acquired by Nidec Motor Corporation

## Consolidated Profit/Loss



Millions of Yen, except for percentages, EPS and FX rates	Q3/FY2018 (Apr-Dec)	Q3/FY2019 (Apr-Dec)	Change	FY2019 Forecast
Net sales	1,122,413	1,159,608	+3.3%	1,550,000
Operating profit	124,522	94,754	-23.9%	140,000
<i>Operating profit ratio</i>	<i>11.1%</i>	<i>8.2%</i>	-	<i>9.0%</i>
Profit before income taxes	126,223	94,600	-25.1%	140,000
Profit for the period from continuing operations	99,370	71,044	-28.5%	-
Profit attributable to owners of the parent	102,842	50,507	-50.9%	85,000
EPS (Yen)	348.64	171.62	-50.8%	288.83
FX rate (Yen/US\$)				Assumed for Q4: Yen/US\$: 105 Yen/Euro: 125
Average:	111.14	108.67	-2.2%	
Term end:	111.00	109.56	-1.3%	

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. \*Please refer to Notes on Page 19. 3

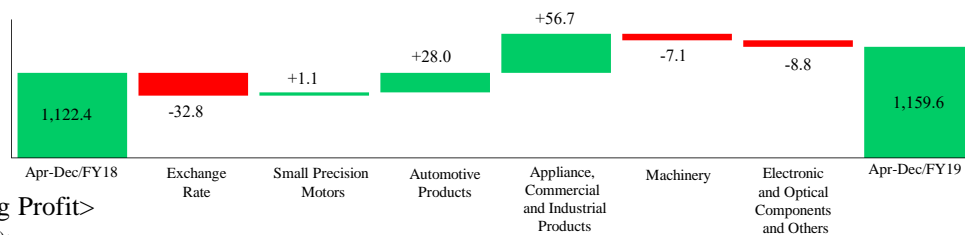
## Summary of Q3/FY2019



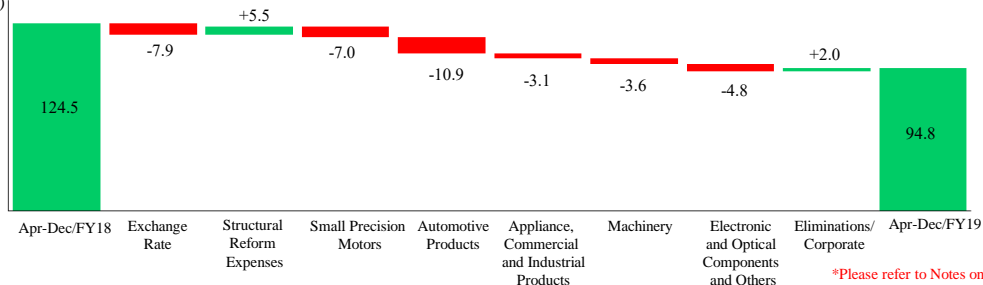
- Nine months net sales stood at **record high** 1,159.6 billion yen, 3% higher Y/Y.
- Q3 three months net sales stood at **record high** 408.3 billion yen, 5% higher Q/Q.
- Nine months operating profit stood at 94.8 billion yen, 24% lower Y/Y, due to the additional R&D and start-up costs (approx. 12 billion yen) of traction motors which are in high demand, and to the additional acquisition related expenses (approx. 3 billion yen).
- The annual guidance has been revised down.

## Year-on-Year Changes (Nine Months Ended Dec. 2019)

<Net Sales>  
(Billions of Yen)



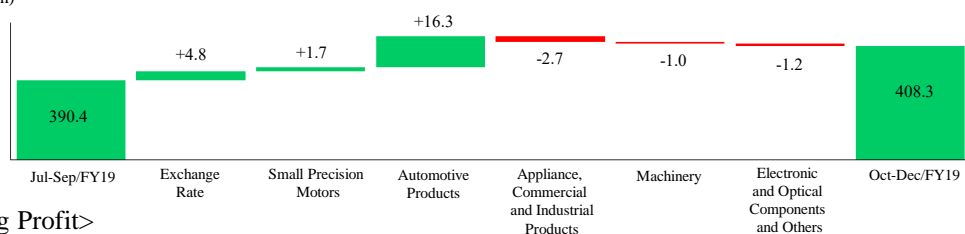
<Operating Profit>  
(Billions of Yen)



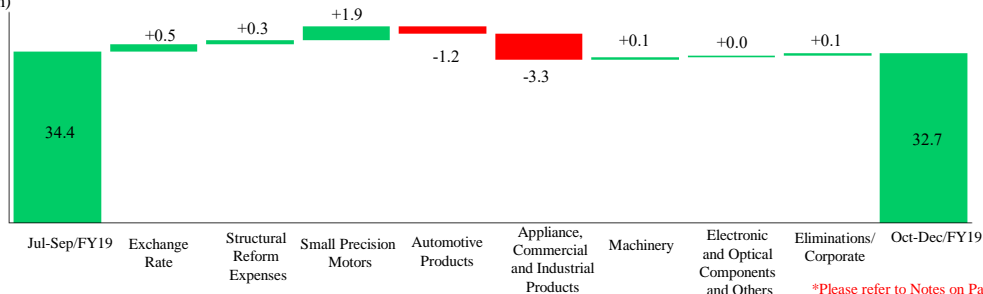
\*Please refer to Notes on Page 19. 5

## Quarter-on-Quarter Changes (Three Months Ended Dec. 2019)

<Net Sales>  
(Billions of Yen)



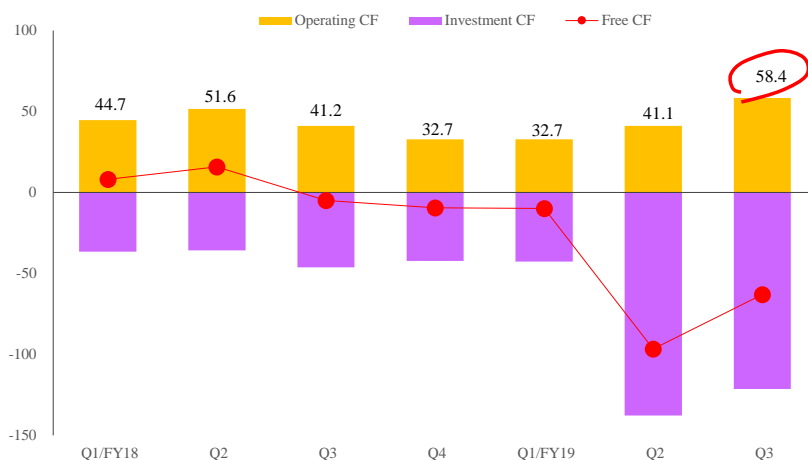
<Operating Profit>  
(Billions of Yen)



\*Please refer to Notes on Page 19. 6

## Consolidated Quarterly Cash Flow

(billions of yen)



Operating CF  
remains strong

7

## Downward Revision to FY2019 Forecast

### <Prior forecasts>

Millions of Yen, except for percentages, EPS, and FX rates	April 23, 2019	October 23, 2019
Net sales	1,650,000	1,650,000
Operating profit	175,000	150,000
Operating profit ratio	10.6%	9.1%
Profit before income taxes	170,000	145,000
Profit attributable to owners of the parent	135,000	100,000
EPS (Yen)	456.14	339.80
FX Rate (Yen/US\$)	105 (Assumed for full-year)	105 (Assumed for Q3 onward)

(1) (2) (1) - (2)

Revised forecast (January 23, 2020)	Q3/FY2019 (Accumulated from Apr. to Dec. 2019)	Q4/FY2019 (Jan.-Mar. 2020) (Forecast)
1,550,000	1,159,608	390,392
140,000	94,754	45,246
9.0%	8.2%	11.6%
140,000	94,600	45,400
85,000	50,507	34,493
288.83	171.62	117.21
105 (Assumed for Q4)	108.67 (Actual average)	105 (Assumed for Q4)

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

8

# *Mid-Term Strategic Goal*

## *Vision2020*

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

9

■ **Vision2020:** Mid-Term Strategic Goal (unchanged from April 2015)



### Continuous pursuit of profit & strong growth

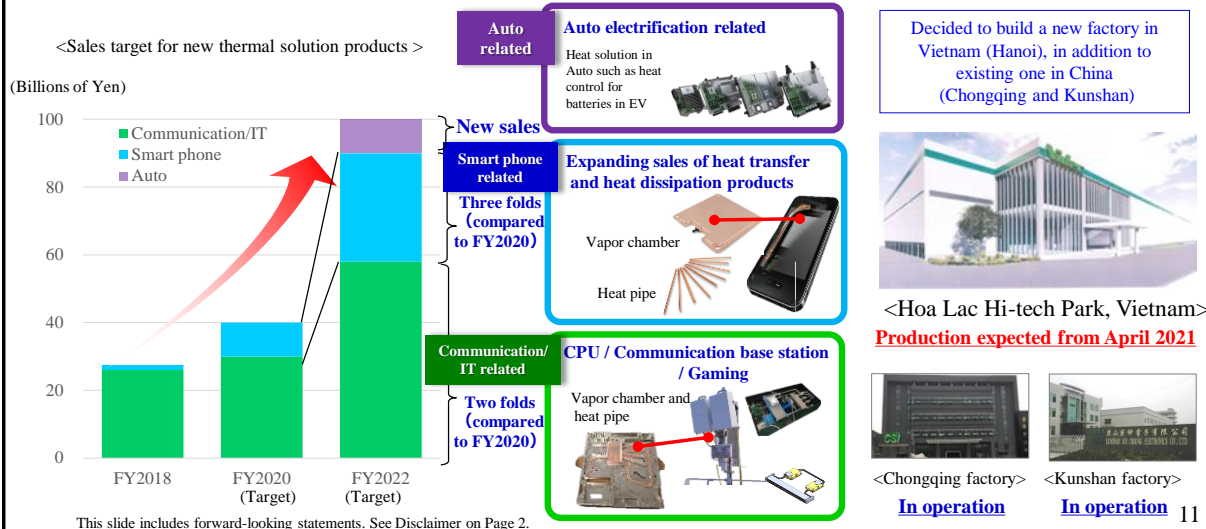
1. Target for consolidated net sales: 2 trillion yen  
(including sales attributable to new M&A  
of approx. 500 billion yen)
2. Sales target for Automotive: 700 billion to 1 trillion yen
3. Target for consolidated operating profit ratio: 15%
4. Target for ROE: 18%  
(assuming shareholders' equity ratio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

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

10

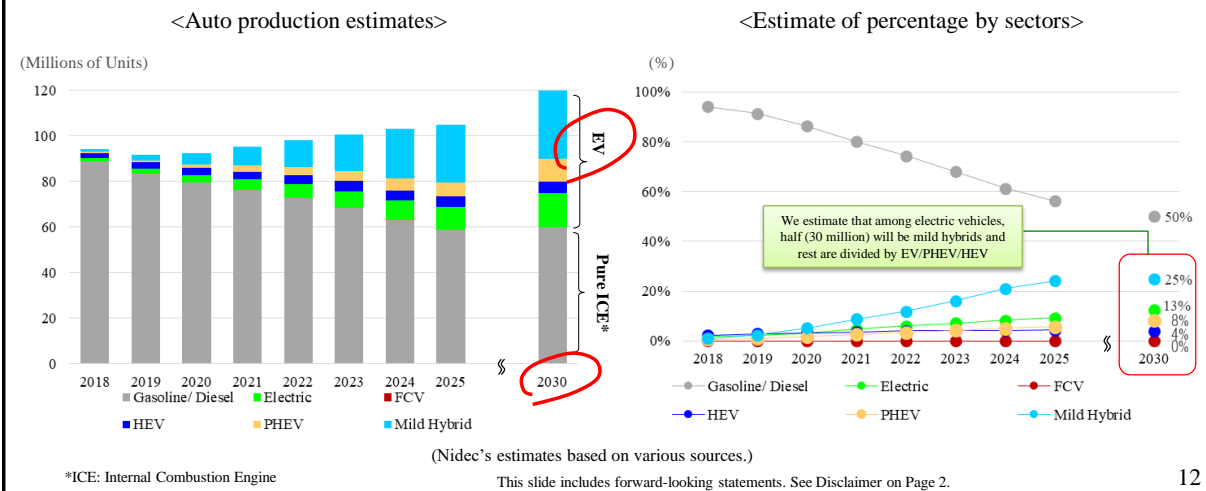
## Small Precision Motor: Expansion in Sales of Thermal Solutions

### New factory slated for construction in Vietnam to meet 5G-driven cooling demand



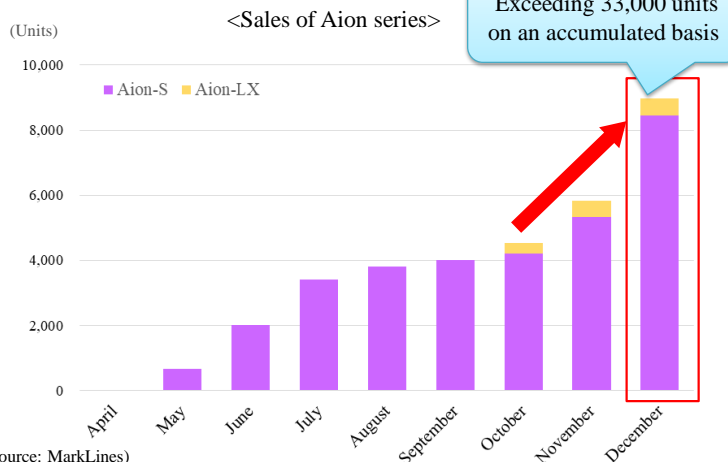
## Automotive: Electrification of Automotive Accelerates in Next 10 Years

### Pure internal combustion engine vehicle production is expected to be cut back to half as electrification of automotive progresses and electric motor driven vehicles take over



**Automotive: Strong Recent Shipment Growth of Nidec's E-Axel**

The sales of Nidec's E-Axel embedded GAC Aion series rapidly increasing despite market slowdown



<Models equipped with Nidec E-Axel>



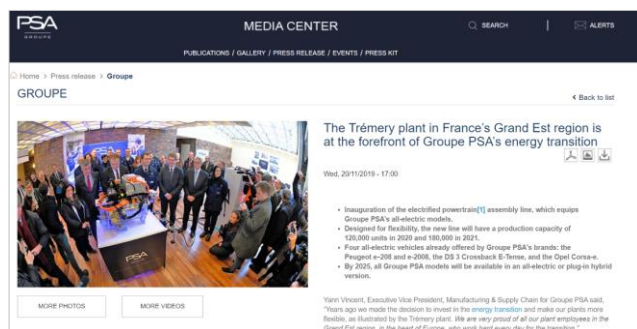
GAC NE's Aion S



GAC NE's Aion LX

**Automotive: Groupe PSA Starting the Operation of Production Lines for Electric Powertrains**

PSA announces start of production at the Nidec-PSA joint venture Trémery plant in France (press release dated 20 November)



(Source: Groupe PSA's press release)

<Key Message>

- The plant is expected to have a production capacity of 120,000 units in 2020, 180,000 in 2021, and eventually aimed to have 900,000 annual production.
- The EVs that PSA has released so far are the following 4 models: Peugeot e-208, e-2008, DS 3 Crossback E-Tense, Opel Corsa-e.
- All Groupe PSA models will be available in an all-electric or plug-in hybrid version by 2025.

## M&A Strategy (1): PMI\* of Nidec Mobility Corporation in Steady Progress

### Omron Automotive Electronics renamed and given fresh start as Nidec Mobility

Combining 4 product groups of Nidec Mobility with Nidec's automotive motors (drive/steer/stop) and Nidec Elesys's ADAS products to create new businesses such as modularized products and system products



New company name	NIDEC MOBILITY CORPORATION
Headquarters	Komaki, Aichi, Japan
Principal directors	Member of the Board, Chairman Shigenobu Nagamori Member of the Board, Representative Director, President Katsuhiko Wada
Principal locations of operation	Japan, China, Korea, US, Canada, Brazil, Mexico, India, Thailand, Germany, UK



Mr. Nagamori visits Nidec Mobility headquarters in Komaki in November 2019.



\*PMI: Post-Merger Integration

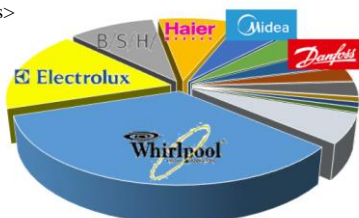
\*ISF: Integrated Sensor Fusion

## M&A Strategy (2): PMI for Embraco Making Steady Progress

### Smooth and steady PMI for Embraco driven by Nidec Motor Corporation since its acquisition in July 2019

New company name	Nidec Global Appliance Compressores e Soluções em Refrigeração Ltda.
Locations	Joinville, Brazil
Principal directors	Director Valter Taranzano Director Marcio Luiz Schissatti Director Jose Lainor Driessen Director Adolpho Cyriaco Nunes de Souza Neto
Principal locations of operation	Brazil, US, Mexico, Russia, Slovakia, Italy

<Main customers>



Mr. Nagamori visits Nidec Global Appliance Compressores e Soluções em Refrigeração in November 2019



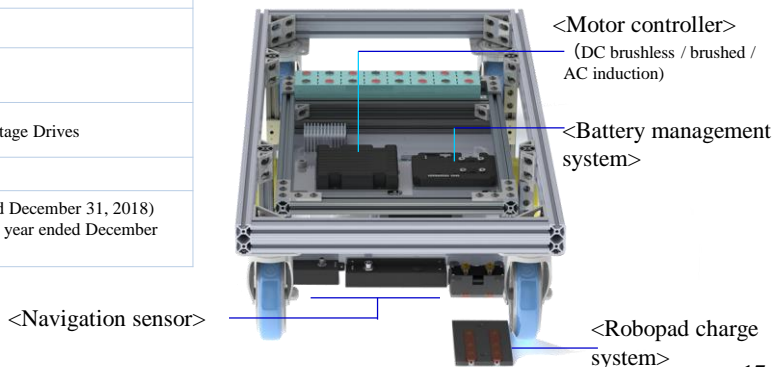
## M&A Strategy (3): Acquisition of Roboteq

Share transfer completed to acquire a 90% stake in U.S. Roboteq through Nidec Motor Corporation

### <Outline of New Subsidiary>

New company name	Roboteq, Inc.
Headquarters	Scottsdale, AZ, US
Foundation	2002
Founders	Cosma Pabouctsidis Annibale Santoni
Principal business	Design & Sales of Ultra Low Voltage Drives
Employees	20
Sales	US\$ 7.1 million (fiscal year ended December 31, 2018) US\$ 9.4 million (estimated, fiscal year ended December 31, 2019)

Aiming to acquire technologies and products for Ultra Low Voltage drives for Automated Guided Products as well as its engineers

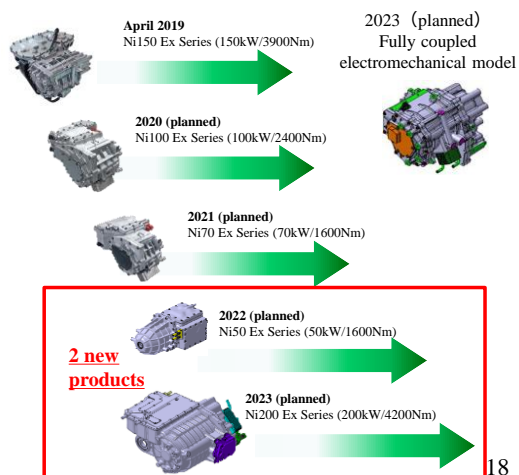


## Finance Strategy: Green Bonds Totaling 100 Billion Yen Issued

Use of Proceeds: Investment in R&D activities and capacity building associated with EV traction motors

Series	9th	10th	11th
Total amount of issue	JPY 50 billion	JPY 30 billion	JPY 20 billion
Interest rate	0.020% per annum	0.090% per annum	0.150% per annum
Maturity	28 November 2022	28 November 2024	27 November 2026
Payment date	28 November 2019		
Rating	AA- Rating and Investment Information, Inc.		
Use of proceeds	Capital expenditure and R&D expense for the production of traction motors for EVs		
Eligibility of Green Bond Framework	The company has obtained the Second Party Opinion for the criteria set forth by the International Capital Markets Association (ICMA) in its "Green Bond Principles 2018 (GBP)" and Japan's Green Bond Guidelines 2017 from Sustainalytics, a leading international third-party verification provider		
Green Bond Structuring Agent	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.		

### <Product line-ups and development plans for the next generation>



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



#### **Nidec IR Contacts**

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U.S.	Tel: +1-212-703-7988	E-mail: nagase.kiyoshi@nidec.com

**Notes:**

Nidec Corporation adopts the provisions of IFRS 3 “Business Combinations.”

During the three months ended September 30, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Chaun-Choung Technology Corp., MS-Graessner GmbH & Co. KG, and its group companies in the previous fiscal year. Furthermore, during the three months ended December 31, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Systeme + Steuerungen GmbH and its group companies (currently, Nidec SYS GmbH) in the previous fiscal year. NIDEC’s consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

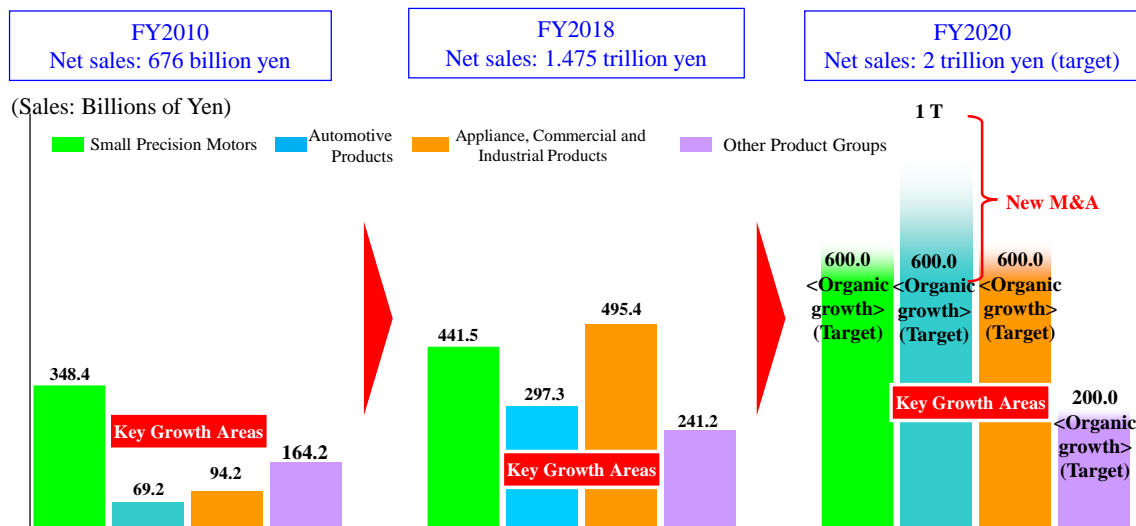
Nidec logo is a registered trademark or a trademark of Nidec Corporation in Japan, the United States and/or certain other countries.

“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. 19

## **Appendix**

# *Performance Trends & Product Group Overview*

## 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. 21

## 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



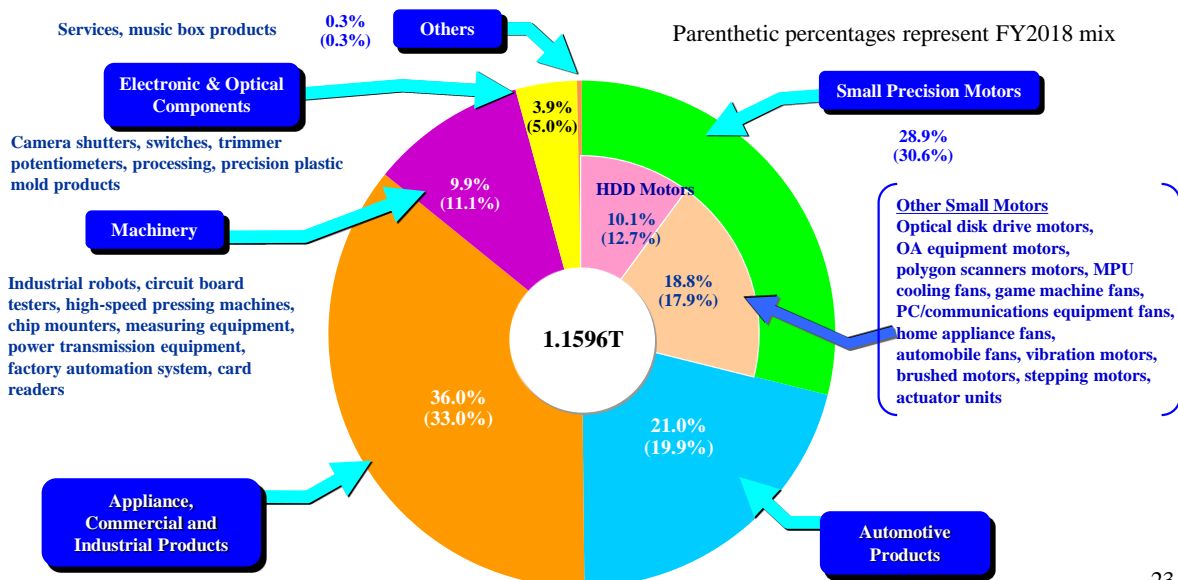
### Manpower-saving in agriculture & logistics

-Serious labor constraints  
-Industry 4.0



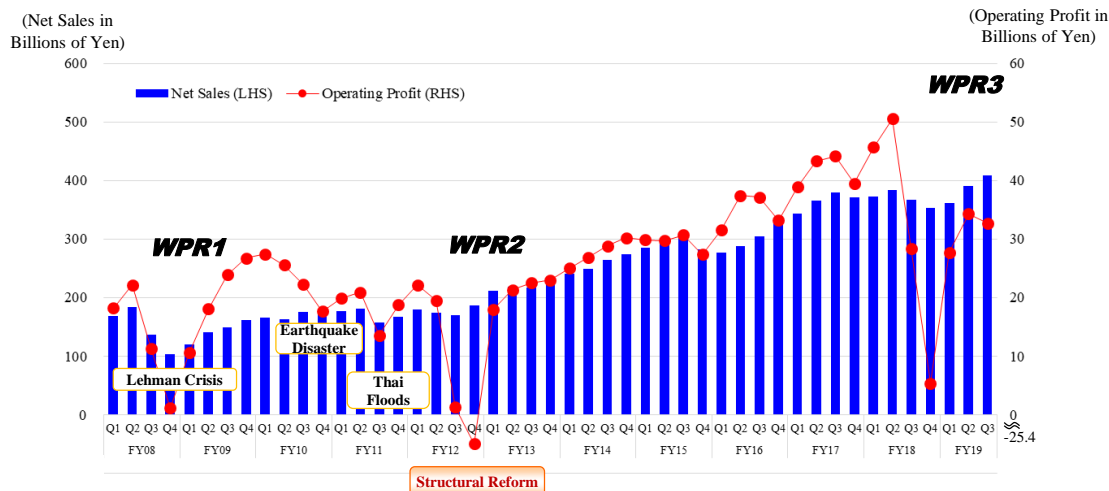
### Sales by Product Group (Apr-Dec FY2019)

\*Please refer to Notes on Page 19.



### Consolidated Quarterly Net Sales and Operating Profit

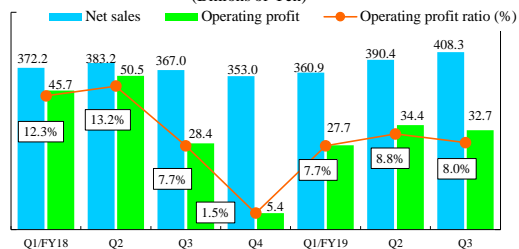
#### Continuing WPR3 cost restructuring and preparing for demand recovery



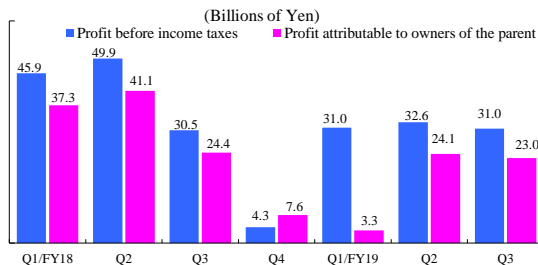
## Financial Highlights

\*Please refer to Notes on Page 19.

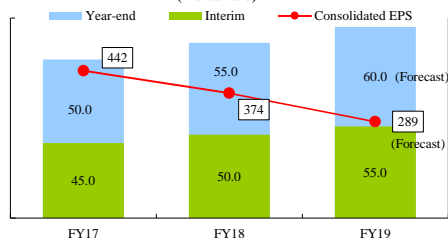
<Consolidated Net Sales and Operating Profit>  
(Billions of Yen)



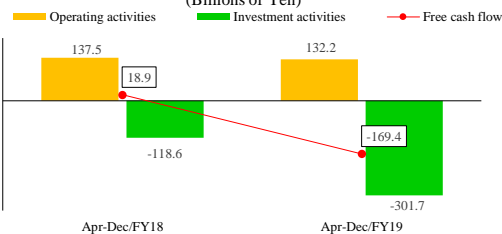
<Profit Before Income Taxes and Profit Attributable to Owners of the Parent>  
(Billions of Yen)



<Dividends and EPS>  
(Yen/share)



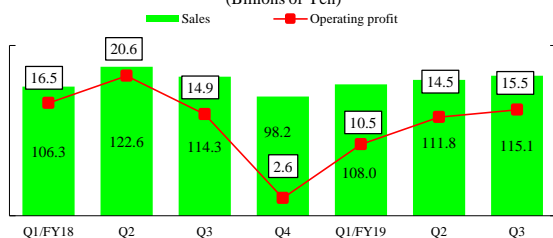
<Consolidated Cash Flow>  
(Billions of Yen)



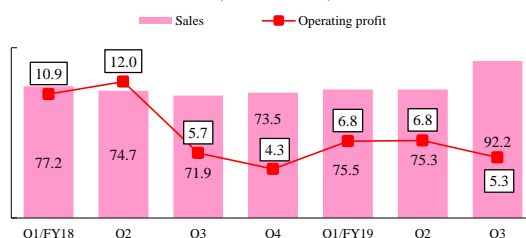
## Product Group Overview

\*Please refer to Notes on Page 19.

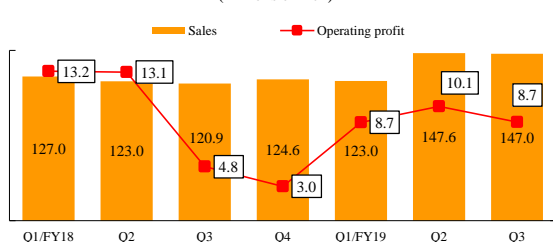
<Small Precision Motors>  
(Billions of Yen)



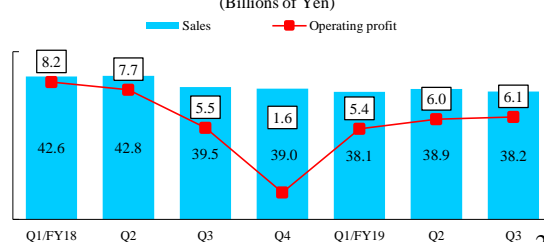
<Automotive Products>  
(Billions of Yen)



<Appliance, Commercial and Industrial Products>  
(Billions of Yen)



<Machinery>  
(Billions of Yen)

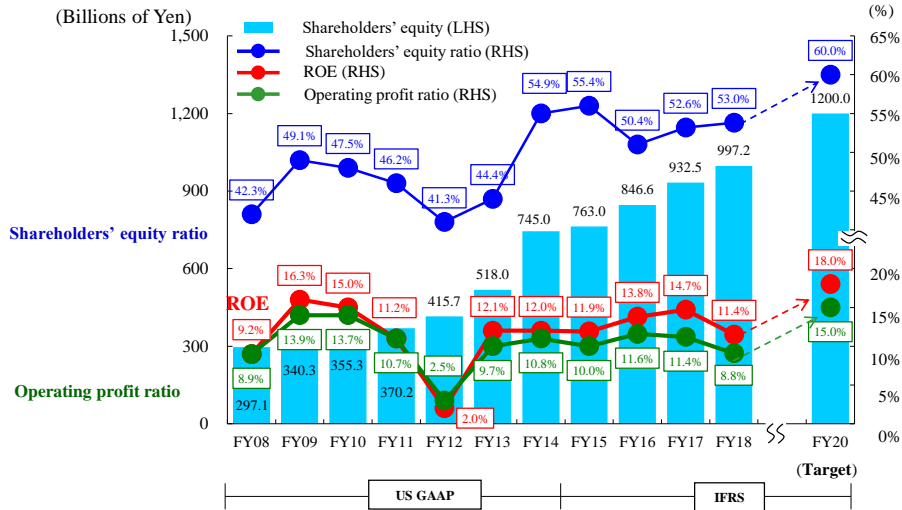


**Vision2020** : Pursuing Both Strong Growth with Profit and Financial Soundness

\*Please refer to Notes on Page 19.



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.