



**Financial Results for the 1st
Quarter Ended June 30, 2006
< U.S. GAAP-based >**

July 27, 2006

NIDEC CORPORATION

www.nidec.co.jp/english/index.html



Consolidated Financial Results for the 1st Quarter Ended June 30, 2006

< U.S. GAAP-based >

The consolidated financial results of the Company are being reported according to the U.S. GAAP.

Summary of Q1/FY2006

- Sales and OP Up Y/Y in all business segments. Consolidated OPM improved. (First double-digit OPM recorded in fiscal Q1)
- Record sales of “Small Precision Motors” drove consolidated performance.
- “Mid-size Motors” back in the black.
- “Machinery” Up 39% in sales and 160% in OP Y/Y. Strong sales of industrial robots contributed.

This presentation materials and the answers to your questions contain forward-looking statements including expectations, judgment, plans, and strategies. The forward-looking statements are based on management's assumptions and belief 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 factors include, but are not limited to: fluctuation of currency exchange rates, overall supply and customer demand in the motor industry, product development and production capabilities, performance of affiliated companies, and other risks and uncertainties. Nidec undertakes no obligation to update forward-looking statements to reflect events or circumstances that occur after the date hereof.

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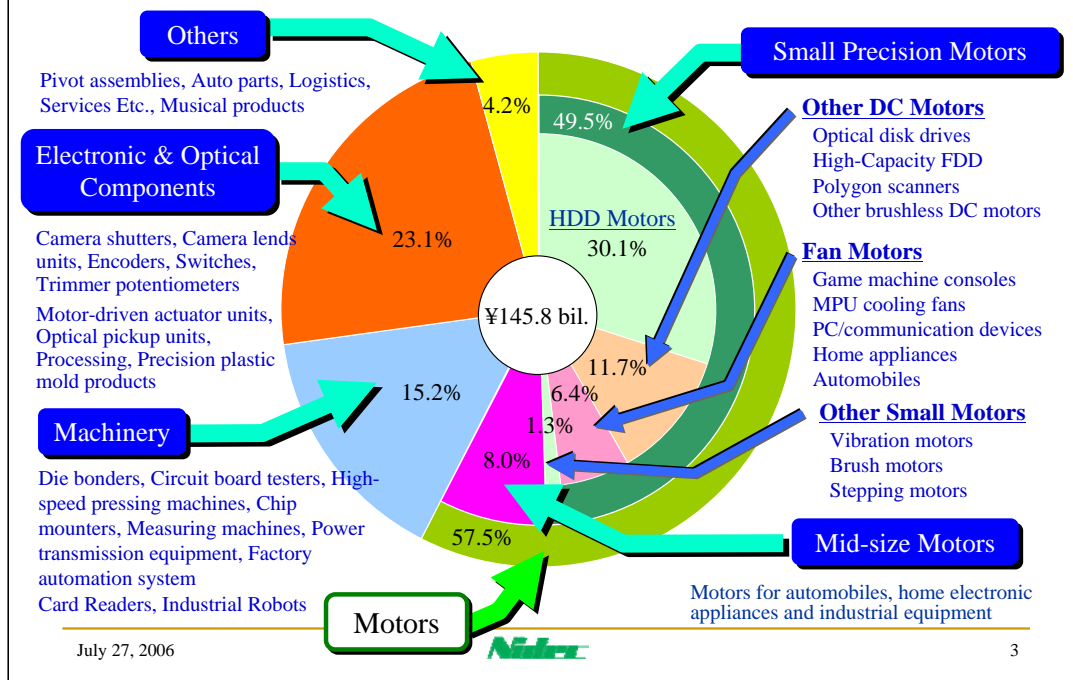
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Summary of Q1/FY2006

In the first quarter ended June 30, 2006 (“the Quarter”), Nidec’s core business, spindle motors for hard disk drives and other small precision motors, continued to show the strength it had displayed in the previous fiscal year. The performance of group companies in the “Mid-size Motors”, “Machinery”, and “Electronic and Optical Components” businesses made a steady overall improvement in the Quarter, departing from stagnancy during the previous fiscal year. As a result, net sales in every business segment showed double-digit growth year-on-year, bringing consolidated net sales up 19%, and consolidated operating income up 57%.

The details are as follows.

Sales by Product (Q1/FY2006)



Sales by Product (Q1/FY2006)

As of the end of June 30, 2006, Nidec's motor business comprised of "Small Precision Motors" and "Mid-size Motors" accounted for 58% of the consolidated sales mix. The remaining businesses categorized as "Machinery", "Electronic and Optical Components" and "Others" represented 15%, 23% and 4%, respectively.

Profit/Loss – year on year -

(Yen in millions)	Q1/FY05	Q1/FY06	Change	FY06 Forecast
Net sales	122,499	145,819	+19.0%	580,000
Operating income (Operating income ratio)	9,602 (7.8%)	15,034 (10.3%)	+56.6 %	65,000 (11.2 %)
EBIT	11,959	14,028	+17.3 %	65,000
Net income	8,794	8,849	+0.6 %	40,000
EPS (¥)	61.59*	61.19	-0.6%	276.59
Foreign Exchange (¥/\$)				
Average:	¥107.69	¥114.50	+6.3%	
Term end:	¥110.62	¥115.24	+4.2%	¥115.00

* Restated to retroactively reflect the effect of two-for-one stock split effective Nov. 18, 2005

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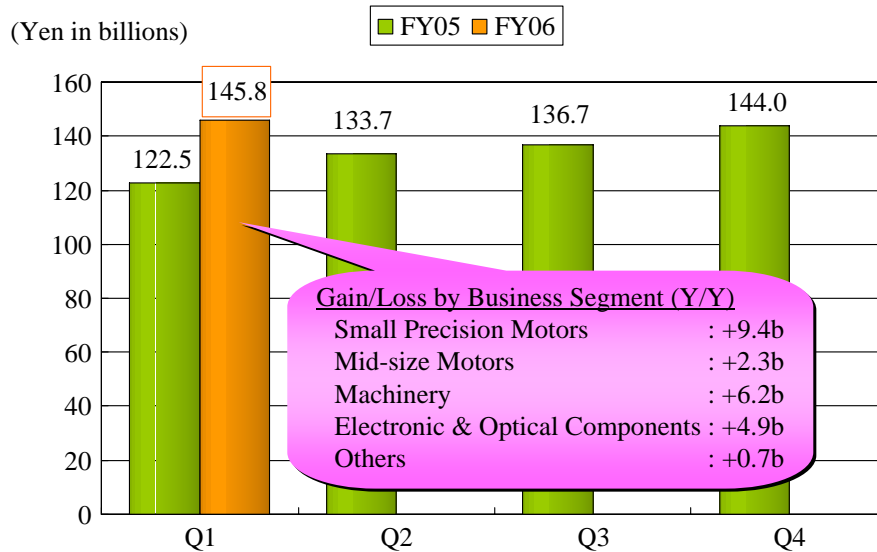
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Profit/Loss -year on year-

A two-for-one stock split on the Company's common stock effective November 18, 2005 was implemented for shareholders of record as of September 30, 2005. The per-share amounts of basic and diluted net income for the three months ended June 30, 2005 have been accordingly adjusted to retroactively reflect the effect of the stock split. The per-share amounts of basic and diluted net income for the three months ended June 30, 2005 before the adjustments were ¥123.18, and ¥118.33, respectively.

Financial forecast for the year ending March 31, 2007 remain unchanged from the previous one released on April 25, 2006.

Consolidated Quarterly Sales



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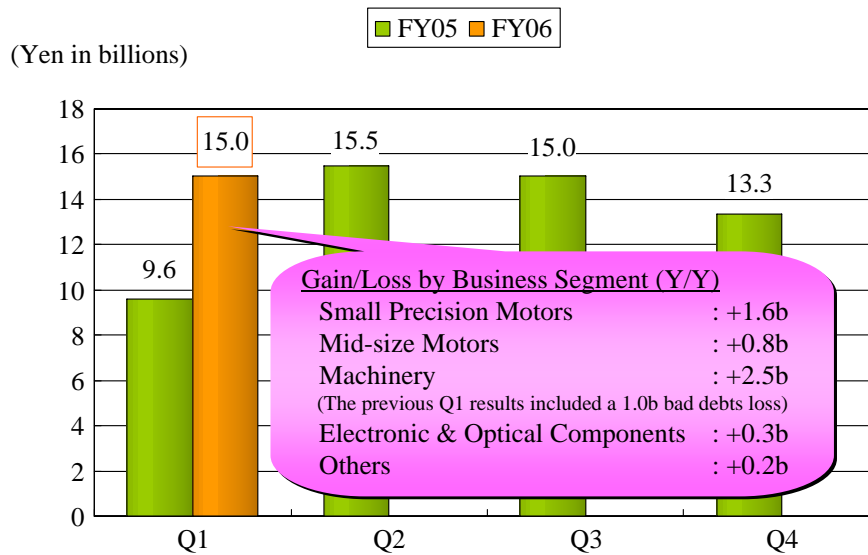


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Consolidated Quarterly Sales

Net sales for the Quarter were ¥145,819 million, an increase of approximately ¥23,300 million (19.0%) over the previous first quarter.

Consolidated Quarterly Operating Income



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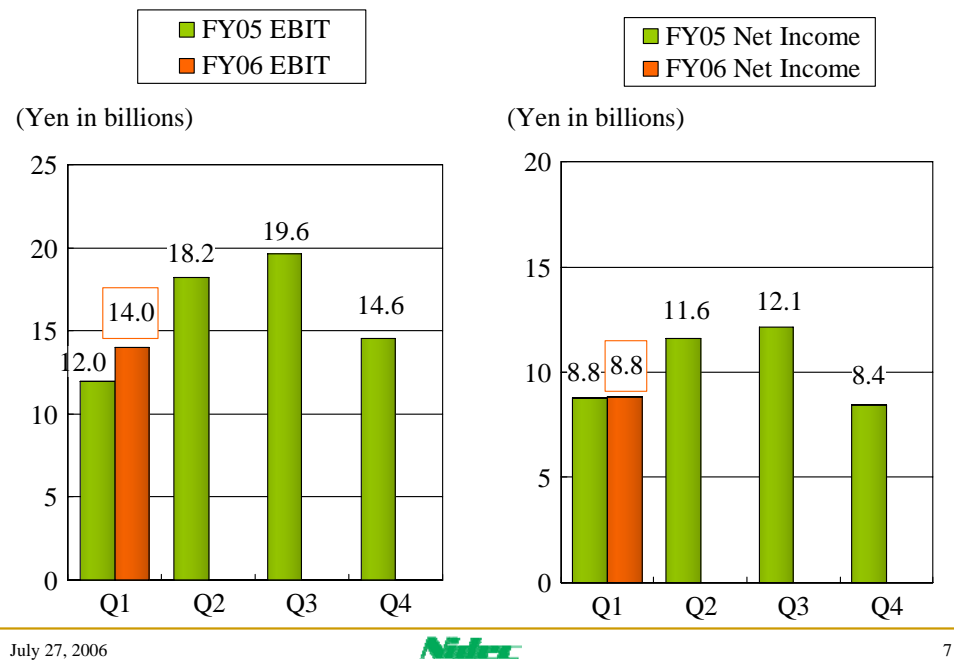


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Consolidated Quarterly Operating Income

Operating income was ¥15,034 million, a year-on-year increase of approximately ¥5,400 million (56.6%). During the previous first quarter of fiscal 2005, a bad debt loss of over ¥1,000 million deriving from the bankruptcy of Agfa Photo GmbH hurt operating income.

Consolidated Quarterly EBIT & Net Income



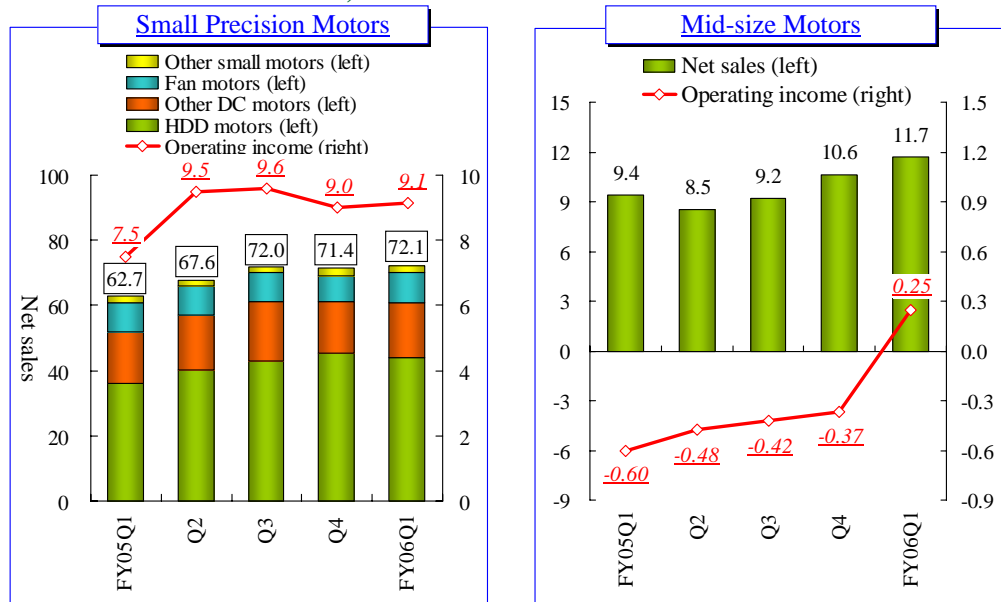
Consolidated Quarterly EBIT & Net Income

Income before provision for income taxes increased approximately ¥2,100 million in the Quarter to ¥14,028 million. Net income rose ¥55 million to ¥8,849 million.

Business Segment Results---1

<Small Precision Motors, Mid-size Motors>

(Yen in billions)



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Business Segment Results---1

In the “Small Precision Motors” business segment, net sales increased approximately ¥9,400 million (14.9%) year-on-year to ¥72,101 million.

Operating income in this business segment increased over ¥1,600 million in the Quarter to ¥9,130 million. OPM was approximately 12.7%, an improvement of 0.7 percentage points over the previous first quarter, despite halved shipments and sales of high-profit sub-1.8-inch HDD motors, specifically 1.0-inch lines.

Further details on “Small Precision Motors” will be discussed in Page 10-12.

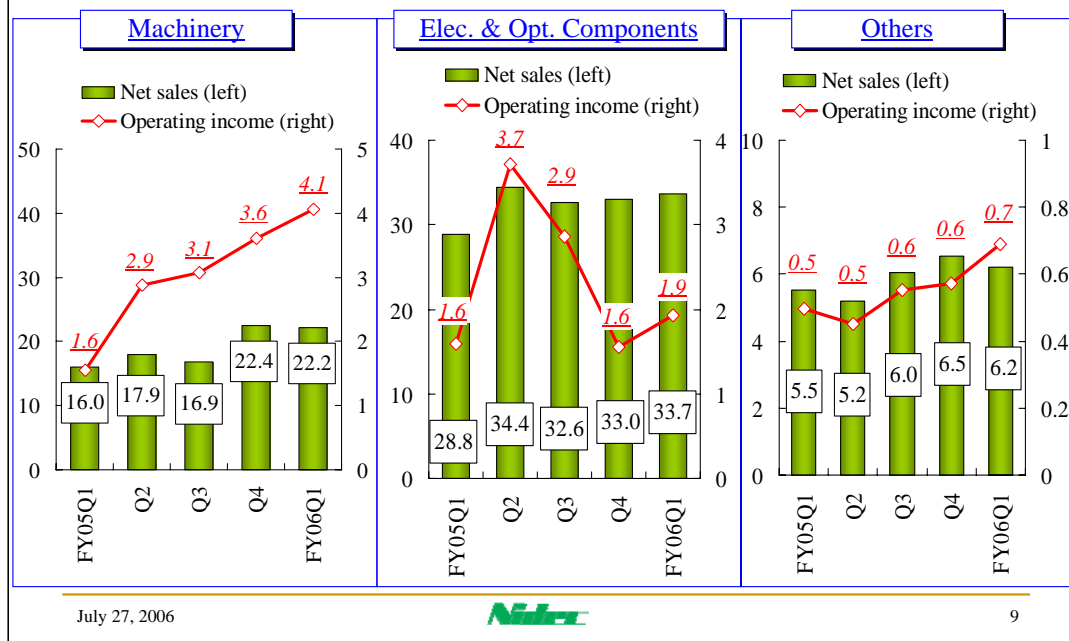
Net sales in the “Mid-size Motors” business segment were ¥11,672 million, showing the highest growth rate in recent years with an increase of approximately ¥2,300 million (about 24%) year-on-year. Sales increased in all application areas: automobiles, home appliances and industrial equipment. Most notable was a significant increase in shipment of air conditioning motors.

The “Mid-size Motors” business segment returned to profitability during the Quarter, posting approximately ¥250 million in operating income. This is an increase of ¥850 million over the previous first quarter. Nidec worked to absorb the adverse effects of rising raw-materials costs that significantly reduced profitability of motors for home appliances and industrial equipment during the previous fiscal year. Also, the effects of production rationalization accruing from the shift of manufacturing to China became apparent. Strong sales of motors for air conditioners, a seasonal product, also contributed to the improved profitability and the recovery in operating income in this segment.

Business Segment Results---2

<Machinery, Elec. & Opt. Components, Others>

(Yen in billions)



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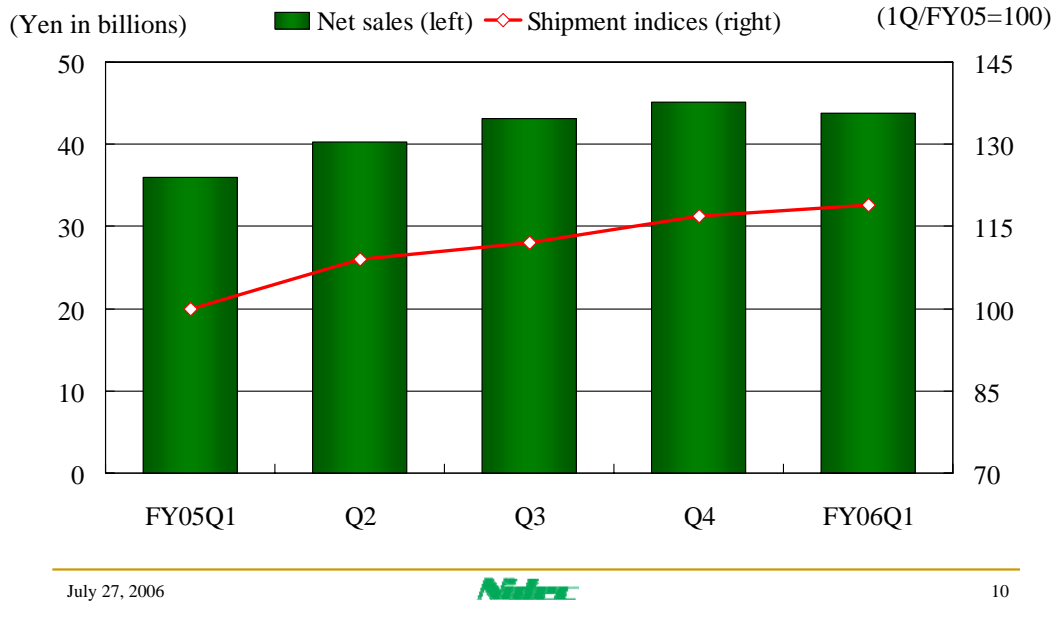
Business Segment Results---2

In the “Machinery” business segment, net sales increased approximately ¥6,200 million (approx. 39%) to ¥22,166 million over the previous first quarter. Shipments of Nidec Sankyo’s liquid-crystal-display transfer robots remained healthy, and at the same time, demand deriving from flourishing capital investment brought sales increase to Nidec-Read Corporation, Nidec-Kyori Corporation, and Nidec-Shimpo Corporation. Sales also grew in the businesses of semiconductor production equipment, precision measurement equipment and other equipment at Nidec Copal Corporation and Nidec Tosok Corporation, which had been sluggish in the previous fiscal year. Operating income in this business segment was ¥4,059 million, a year-on-year increase of approximately ¥2,500 million. However, part of that apparent increase resulted from the fact that last fiscal year Nidec Copal had bad debt expenses of approximately ¥1,000 million in connection with the bankruptcy of Agfa Photo, leaving approximately ¥1,500 million of the increase attributable to substantial business growth. Most of the increase came from Nidec Sankyo’s robot and card reader businesses. A higher sales at Nidec-Read, Nidec-Shimpo, and Nidec-Kyori also contributed to the overall profit growth.

Net sales in the “Electronic and Optical Components” business segment were ¥33,679 million, up by approximately 4,900 million (approx. 17%) over the previous first quarter. Sales of Nidec Copal’s camera shutters, lens units and backlight units marked a significant 62% increase. Meanwhile, sales of Nidec Copal Electronics’ various electronic components rose approximately 7%. However, sales of Nidec Sankyo’s optical pick-up units decreased, showing a year-on-year decline of approximately 4%. This business segment posted ¥1,930 million in operating income, an increase of more than ¥300 million over the previous first quarter. In the previous first quarter, the market adjusted inventories and caused a decline in sales of Nidec Copal’s camera shutters, lens units and backlight units. In contrast, during the Quarter, demand bounced back to boost sales of these products. A higher production yield of Nidec Copal’s new lens units contributed to an improvement in profitability. An improved production yield of Nidec Sankyo’s optical pick-up units also contributed to profit growth in this business segment.

Net sales in the “Others” business segment increased approximately ¥700 million (12%) to ¥6,201 million over the previous first quarter. Sales of HDD pivot assemblies manufactured by Nidec Singapore Pte., Ltd. increased ¥450 million (approx. 70%). Sales of auto parts produced by Nidec Tosok, which represent approximately 70% of this segment’s mix, settled for a slight increase due to sluggish demand. Operating income in this business segment was ¥689 million, an improvement of ¥200 million over the previous first quarter.

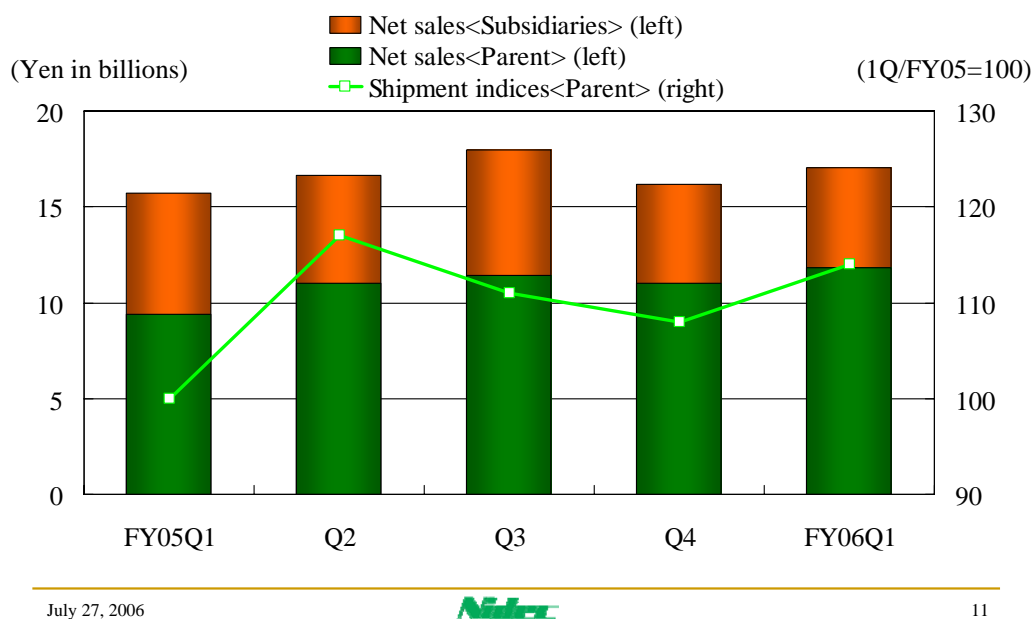
Quarterly Sales & Shipment <HDD Motors>



Quarterly Sales & Shipment <HDD Motors>

The high level of demand for spindle motors for hard disk drives (“HDD Motors”) seen in the second half of last fiscal year continued well into the Quarter. Shipments and sales for the Quarter increased 19% and 22%, respectively, over the previous first quarter. The average selling price in yen terms increased over 2% due to the continued strength of 2.5-inch HDD Motors demand and yen’s depreciation of approximately 6% against the U.S. dollar. On the other hand, the dollar-based average selling price declined by 4% largely due to the said depreciation of yen and decreased price of 1.8-inch and 3.5-inch HDD Motors.

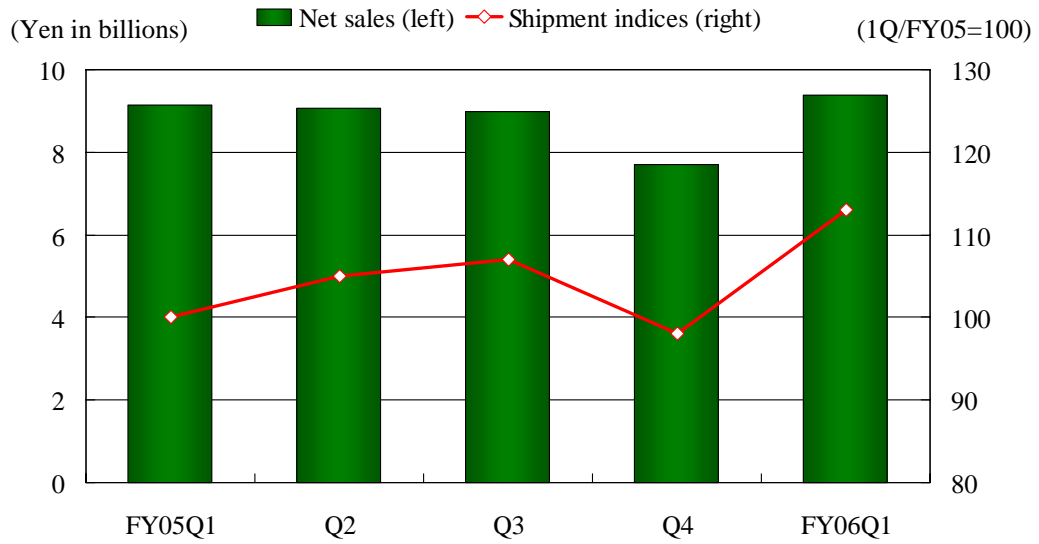
Quarterly Sales & Shipment <Other DC Motors>



Quarterly Sales & Shipment<Other DC Motors>

Net sales of Other DC Motors settled for an 8.5% increase over the previous first quarter due to a 17% decrease in sales of brushless DC motors made by group companies, most notably Nidec Sankyo Corporation, which represents one-third of the Group's brushless DC motor production. Shipments and sales of brushless DC motors by Nidec alone increased over 14% and 25%, respectively.

Quarterly Sales & Shipment <Fan Motors>



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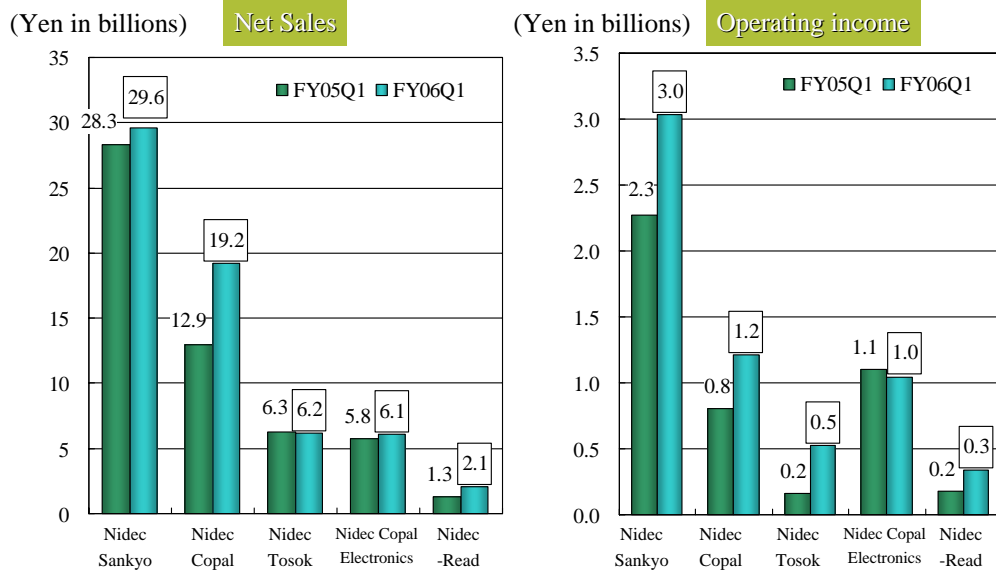


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Quarterly Sales & Shipment <Fan Motors>

Shipments and sales of Fan Motors increased 13% and 3%, respectively over the previous first quarter.

Financial Results -Consolidated Subsidiaries-



*All numbers in the above charts have been prepared under the generally accepted accounting standard in Japan

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Financial Results -Consolidated Subsidiaries>

During the Quarter, the Group's all five listed subsidiaries (Nidec Sankyo, Nidec Copal, Nidec Tosok, Nidec Copal Electronics, Nidec-Read) achieved increased sales and operating income over the previous first quarter.