



# Nidec Corporation First-half Results for the Fiscal Year 2006

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October 30, 2006

This presentation material and our statements made during the Meeting regarding the Nidec Groups' financial results contain forward-looking statements including expectations, judgement, 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

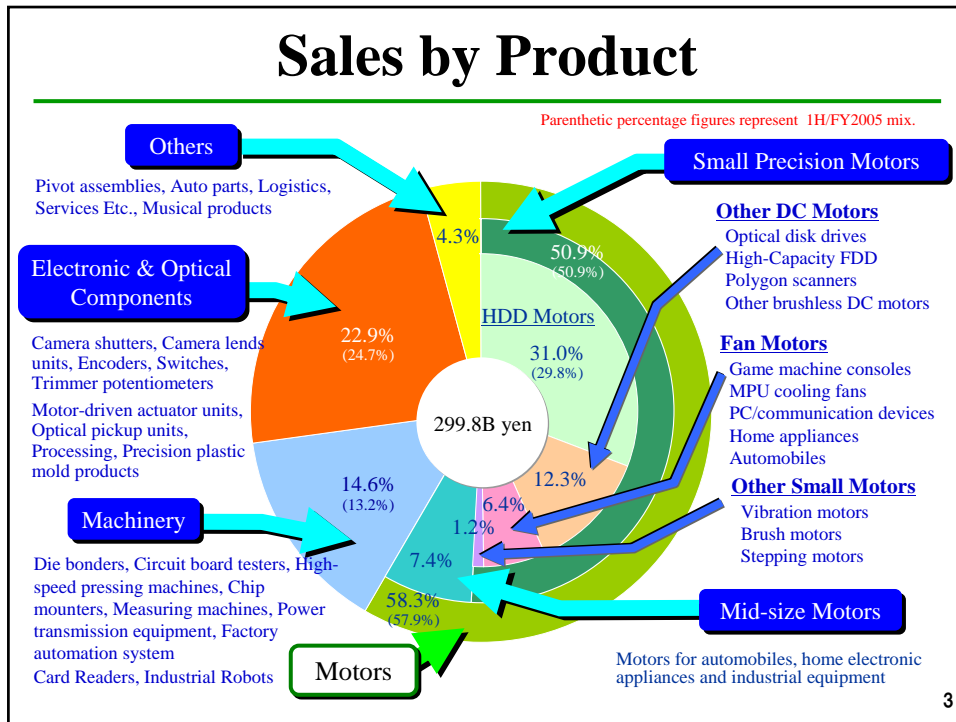
## Summary of 1H/FY06

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- **Record Sales, Operating Income, Income before Tax and Net Income**
- **Sales Up Y/Y in All Business Segments**
- **HDD Motors Up 21-22% Y/Y both in Sales and Shipment**
- **Interim Dividends Up 60% Y/Y to 20 Yen per Share**

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# Sales by Product



# Profit/Loss

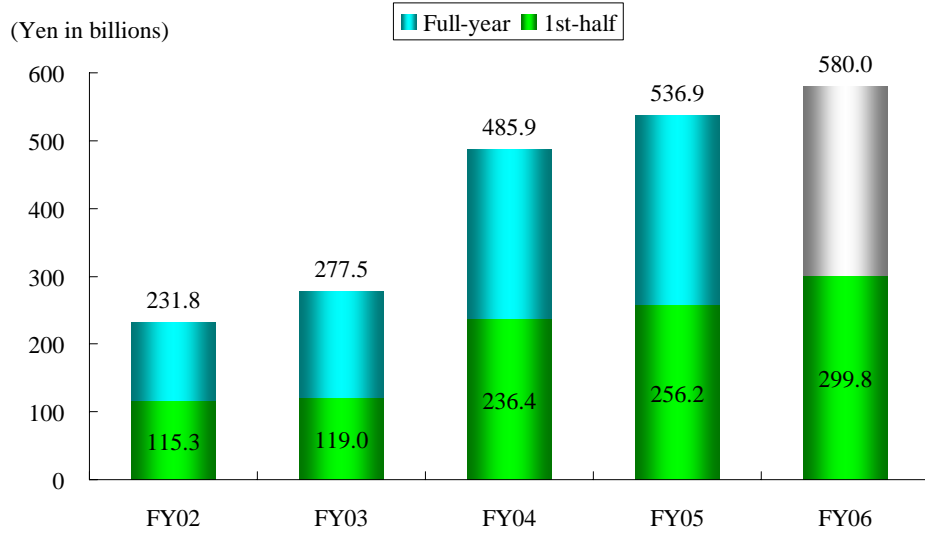
(Yen in millions)	1H/FY05	1H/FY06	Change	FY06 Forecast
Net Sales	256,174	299,837	+17.0%	580,000
Operating Income	25,078	32,046	+27.8%	65,000
OP Margin	9.8%	10.7%		11.2%
Income before Tax	30,187	32,661	+8.2%	65,000
Net Income	20,401	20,776	+1.8%	40,000
EPS	142.83	143.65	+0.6%	276.55
FX (Yen/US\$) Ave.				
Average---	109.48	115.38	+5.4%	
Term-end---	113.19	117.90	+4.2%	

Y/Y Impact of FX Rate Change:

FX gain decreased by 3.8 billion Yen

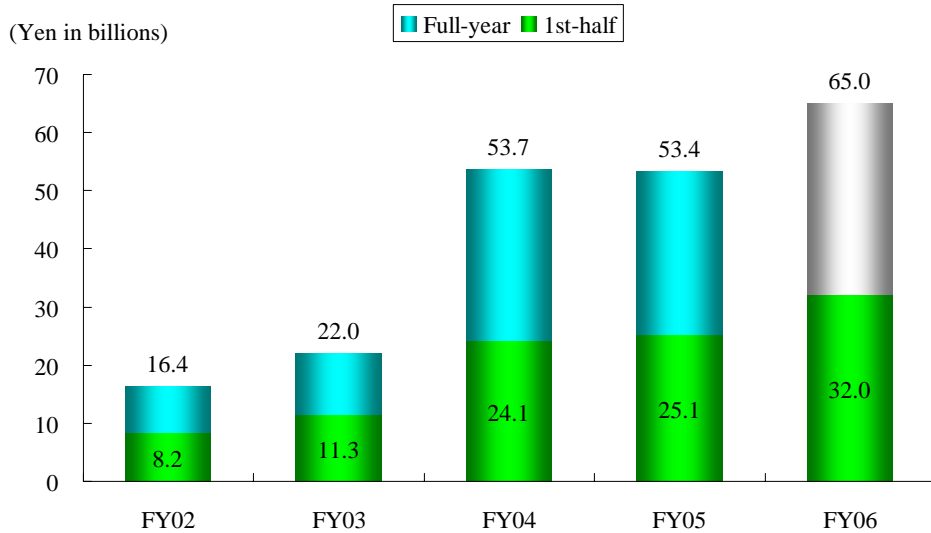
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## Consolidated Net Sales



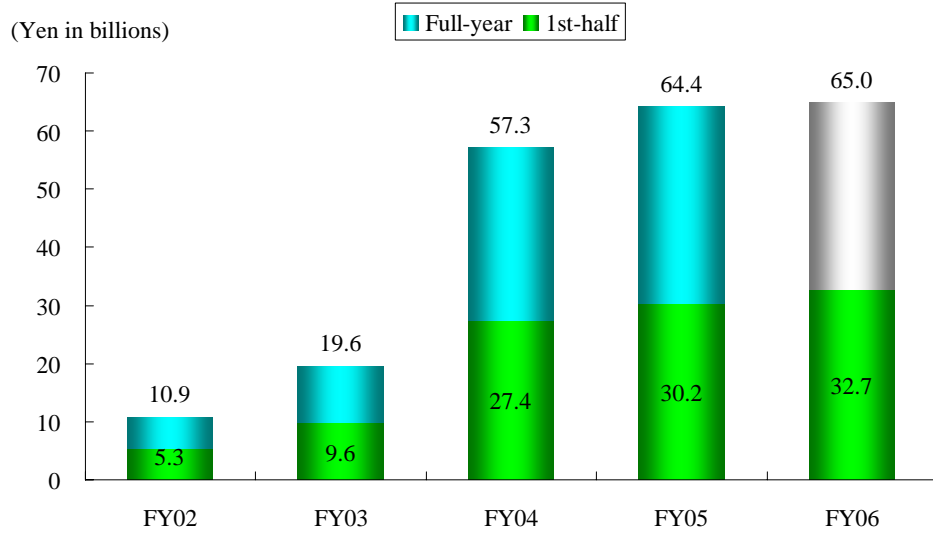
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## Consolidated Operating Income



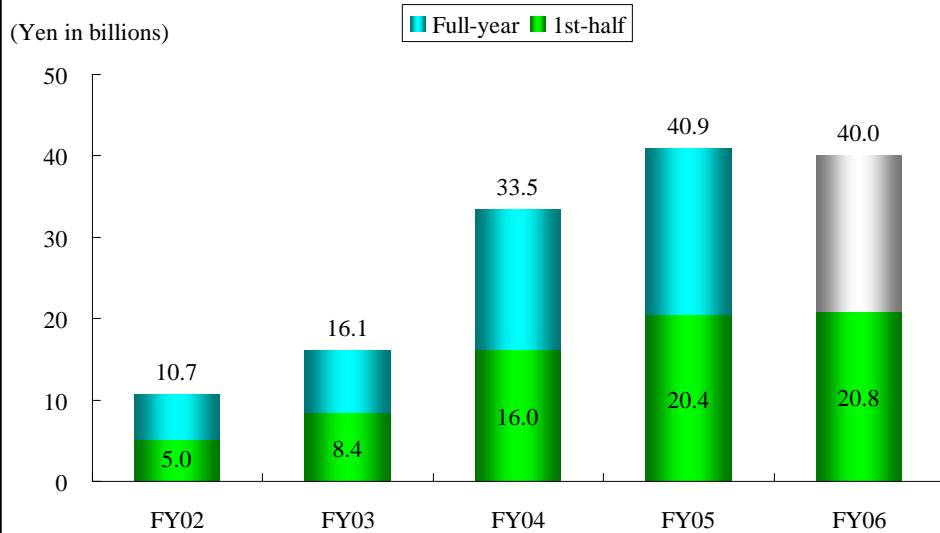
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## Consolidated Income Before Tax



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## Consolidated Net Income



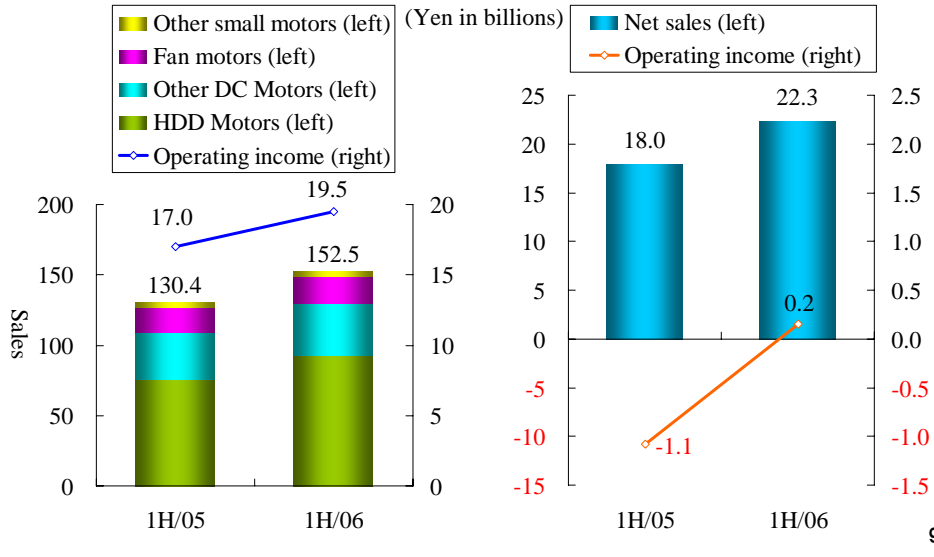
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# Business Segment Results---1

<Small Precision Motors, Mid-size Motors>

## Small Precision Motors

## Mid-size Motors



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# Business Segment Results---2

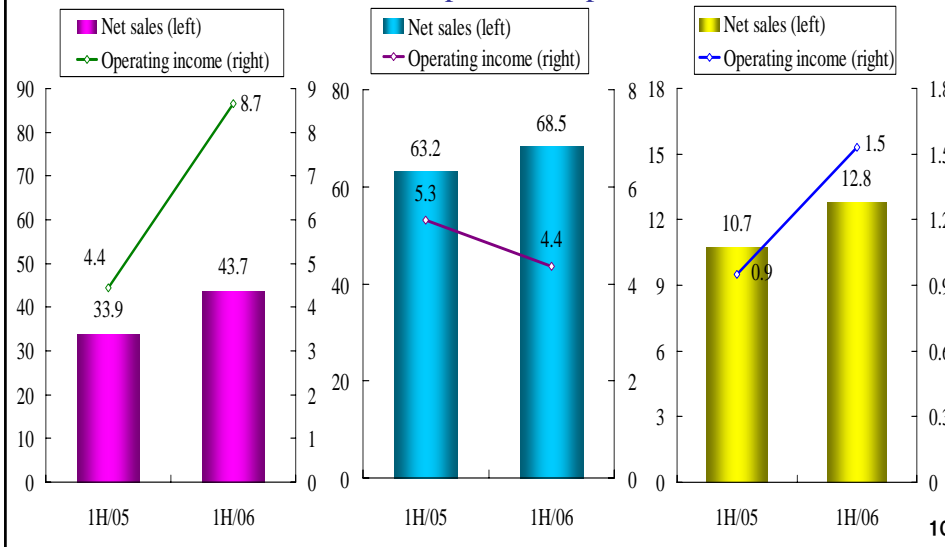
<Machinery, Electronic & Optical Components, Others>

(Yen in billions)

## Machinery

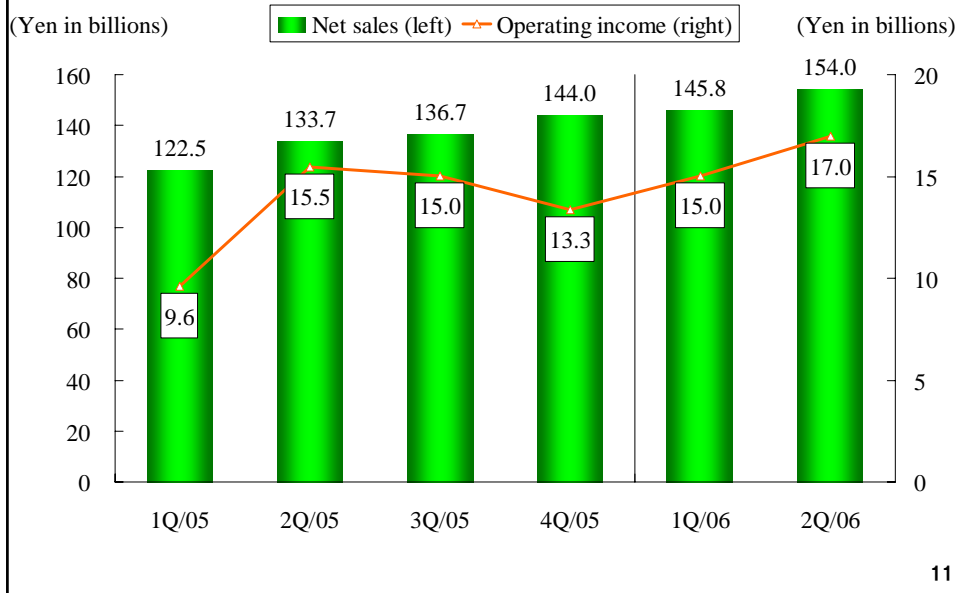
## Electronic/Optical Components

## Others

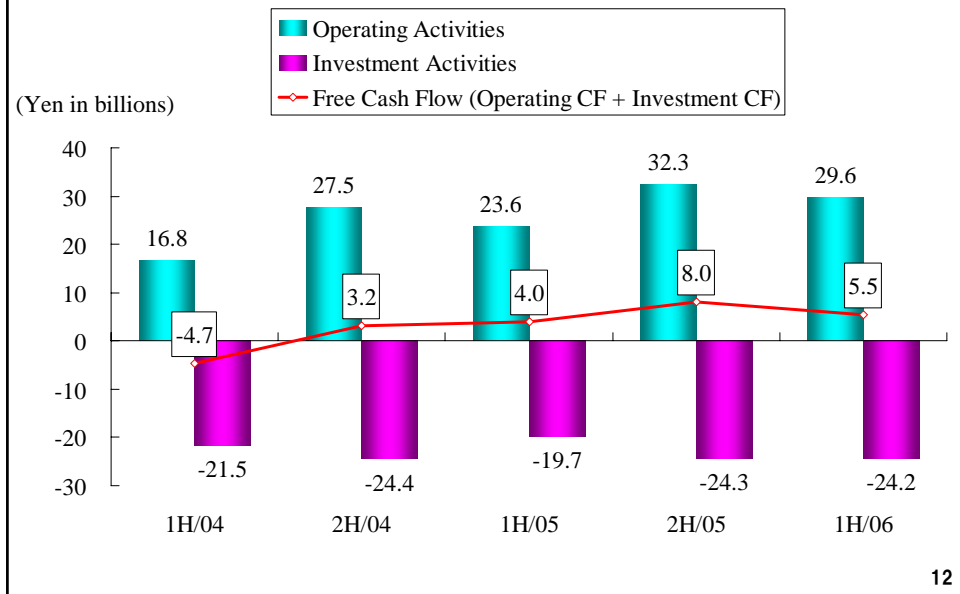


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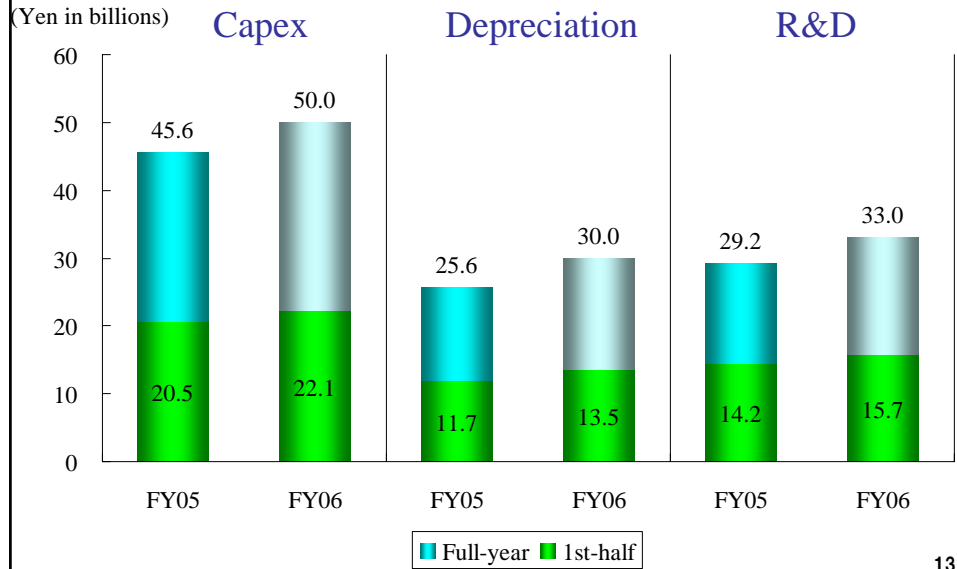
## Consolidated Quarterly Results



## Consolidated Cash Flow



## Capex, Depreciation and R&D



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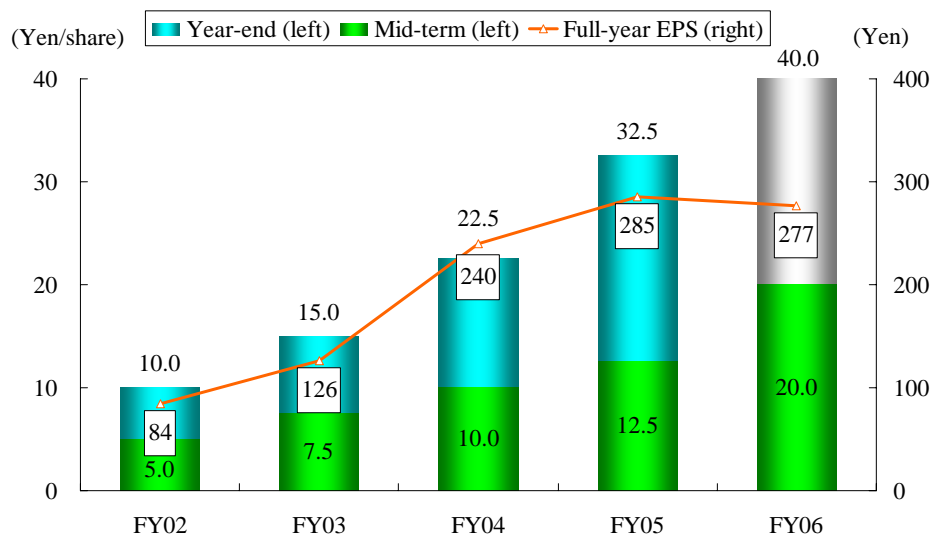
## FY2006 Forecast

(Yen in millions)

	1H Forecast	1H Results	Full-year Forecast
Net Sales	280,000	299,837	580,000
Operating Income	30,000	32,046	65,000
Income before Tax	30,000	32,661	65,000
Net Income	18,500	20,776	40,000
EPS	127.92	143.65	276.55
FX (Yen/US\$) Ave.	115.00	115.38	115.00

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## Dividends and EPS



\*Dividends per share for 1H/FY05 and before have been restated to retroactively reflect the effect of the two-for-one stock split effective November 2005.

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## Consolidated Subsidiaries

### -Results and Forecasts-

(Yen in millions)	Net Sales			Operating Income			Net income		
	1H/05 Results	1H/06 Results	Full-year Forecasts	1H/05 Results	1H/06 Results	Full-year Forecasts	1H/05 Results	1H/06 Results	Full-year Forecasts
Nidec Sankyo	59,515	58,043	125,000	5,913	6,061	13,000	6,188	5,903	10,000
Nidec Copal	29,081	40,113	75,000	2,235	2,679	5,600	1,031	1,823	3,300
Nidec Tosok	13,140	11,753	24,500	804	1,036	2,500	455	670	1,500
Nidec Copal Electronics	11,611	12,203	24,500	2,080	2,024	4,300	1,434	1,320	2,800
Nidec-Read	2,952	4,277	7,500	409	785	1,300	260	497	800
<b>Total</b>	<b>116,299</b>	<b>126,389</b>	<b>256,500</b>	<b>11,441</b>	<b>12,585</b>	<b>26,700</b>	<b>9,368</b>	<b>10,213</b>	<b>18,400</b>

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

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## Business Segment Information

### Small Precision Motors

HDD Motors  
Other DC Motors  
Fan Motors

### Mid-size Motors

### Machinery

### Electronic & Optical Components

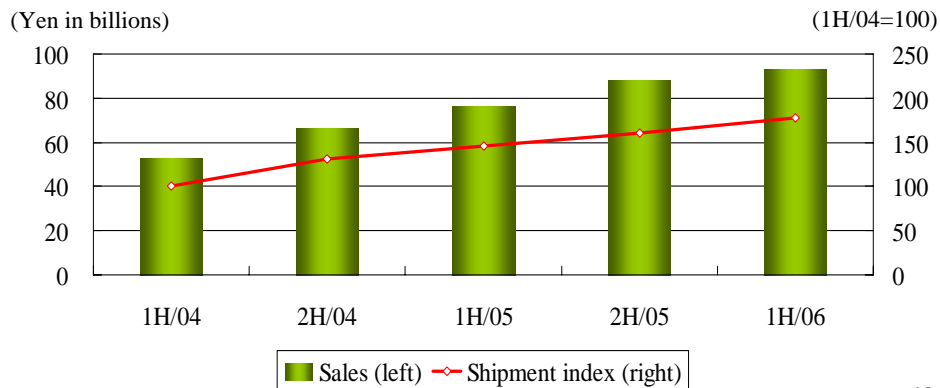
### Others

## HDD Motors: Results

### ■ Record Sales and Shipments

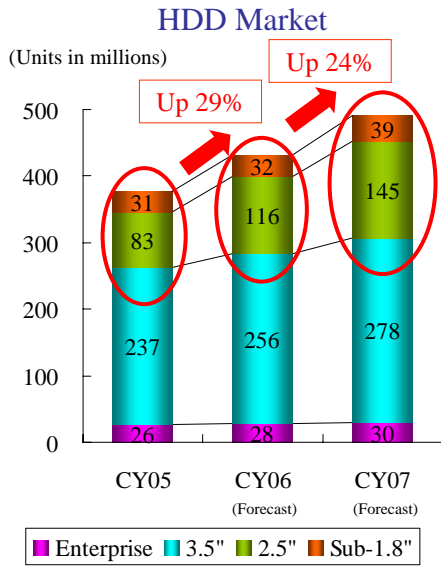
√ Strong sub-2.5" demand

√ Up 21-22% Y/Y both in sales and shipment

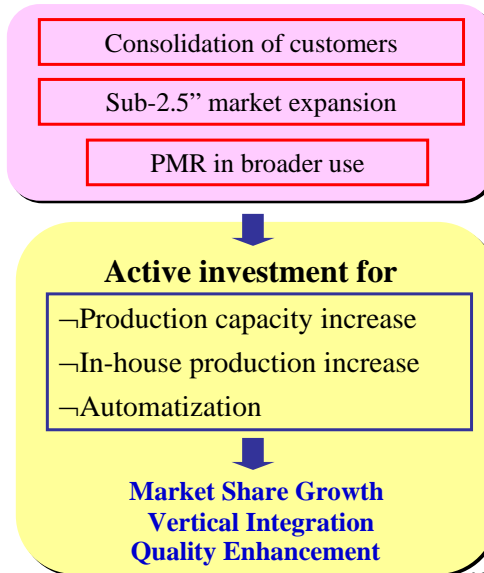


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# HDD Motors: Strategy-1



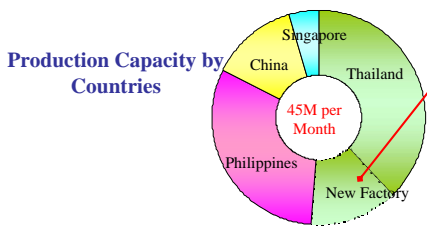
(Source: TSR, October 25, 2006)



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# HDD Motors: Strategy-2

■ Large-scale Capacity Building → **45 million** units/month



The world's largest, best-equipped HDD motor factory ramped up in Oct. 2006

■ New R&D Facility



Completion planned for Nov. 2007

## PMR HDD Motor

Volume production at Rangsit factory

## Sintered-alloy-metal FDB Motor

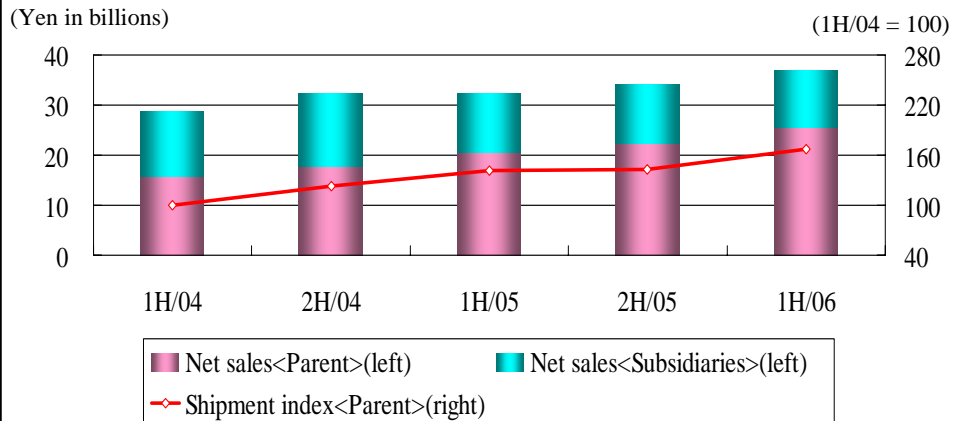
A broader lineup for multi-platter and enterprise HDD

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# Other DC Motors: Results

## Record Sales and Shipments

- ✓ Market share growth driven by new ODD motor lines
- ✓ Sales increase led by OA equipment motors and Standard-type motors



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# Other DC Motors: Strategy

## 3-New Strategy (Customer, Product, Market)

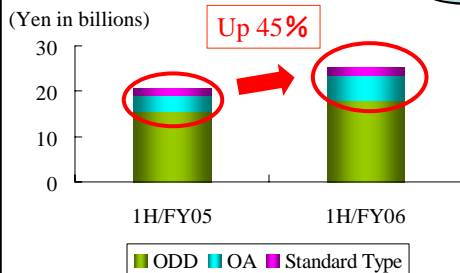
### ODD

Blu-Ray, HD-DVD, DVD, Car-navigation system, Camcorder, Game machine

### High-end home appliance

OA/Industrial equipment

### DC Motor Sales (Parent-alone)



### OA Equipment

New model 60% smaller and lighter



### Retail channel development

Nidec & Nidec Copal Electronics

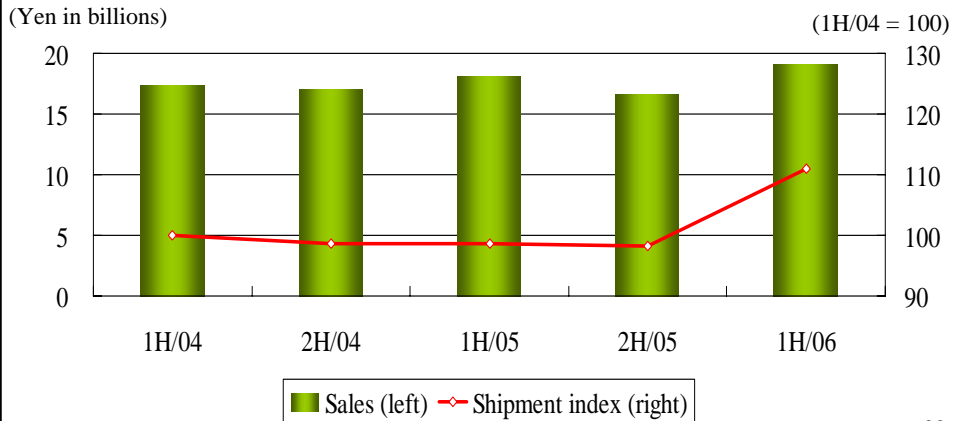


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# Fan Motors: Results

## Record Sales and Shipments

- ✓ Sales advanced in the digital AV market
- ✓ Extended reach to worldwide PC makers



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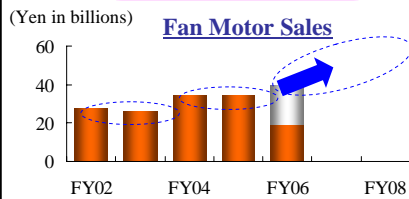
# Fan Motors: Strategy

## New Product Rollouts

### New standard-type FANs



Mass production ramp-up at new factory in Vietnam



### Sales Promotion

- New U.S. customers
- Target application (PC, Server, Amusement applications)

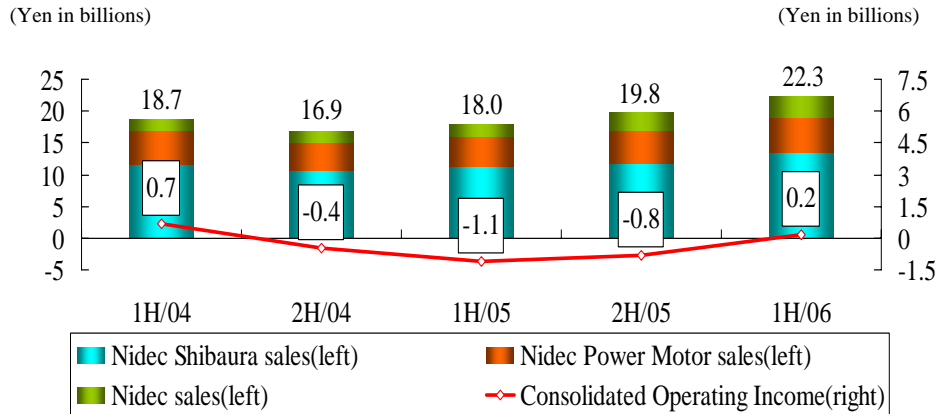
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## Mid-size Motors: Results

### ■ Back to Profit Driven by Higher Sales and Lower Costs

√ Record sales led by Nidec Shibaura's home electric appliance motors

√ Successful production shift to China



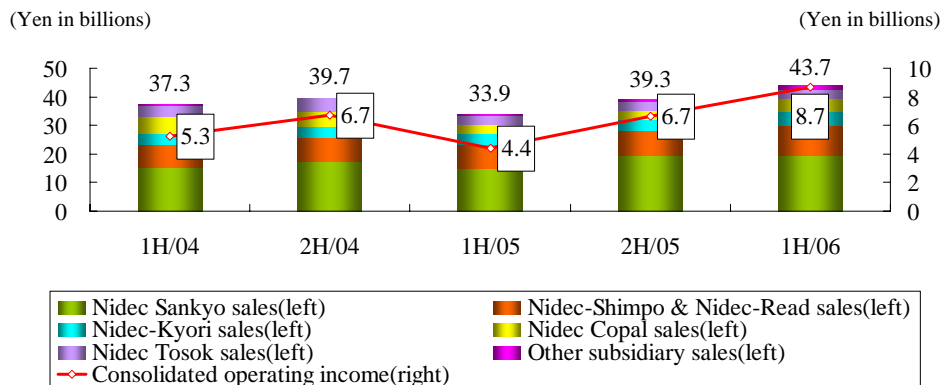
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## Machinery: Results

### ■ Record Sales and Operating Income

√ Sales Up 29% and Operating Income Up 95% Y/Y

√ Strong demand for Nidec Sankyo LCD transfer robots and Nidec-Read semiconductor package testers



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# Mid-size Motors, Machinery: Strategy

## Mid-size Motors

- **Sales Drive with VMA:**
  - √ Electric Power Steering
  - √ Hybrid Car Motors
- **Profit Improvement of Home Electric Appliance Motors and Industrial Equipment Motors**
  - √ Brushless motor sales expansion
  - √ Production boost in China



EPS/hybrid-car Motors



Nidec Power Motor (Zhejiang)

## Machinery

- **Production Increase of Industrial Robots**
  - √ Semiconductor Wafer Transfer Robot
  - √ Nidec Sankyo's New factory launch in Japan
- **Sales Drive in Semiconductor Manufacturing Equipment**
  - √ Nidec-Read's PCB Tester



Semiconductor Wafer transfer Robot

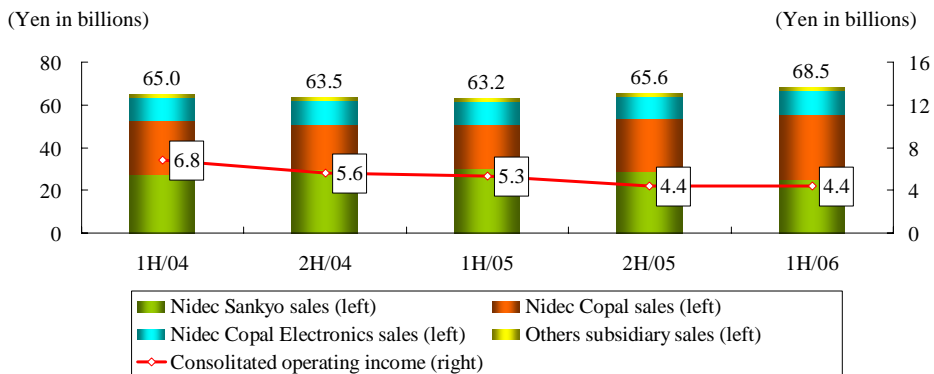


PCB Tester

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# Electronic & Optical Components: Results

- **Sales Hit Record High. 2Q Operating Income Improved.**
  - √ Optical components for DSC and cellphone drove sales growth
  - √ Yield improvement expected in the 2H/FY06

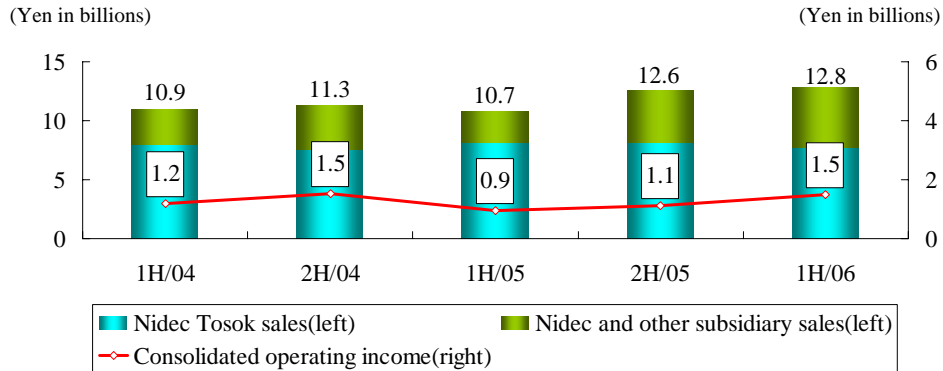


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# Others: Results

## Record Sales

- ✓ Steady demand for HDD pivot assemblies
- ✓ OPM improved to 12% from 9% of 1H/FY05



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# Electronic & Optical Components, Others: Strategy

## Electronic & Optical Components

- **Lens Units for DSC and Cellphone:**
  - ✓ Profit improved through production expansion
- **New Product in Optical Pickups:**
  - ✓ Market share expansion in the half-height combo drive market
- **Industrial Switches**
  - ✓ Market share expansion via Nidec Copal Electronics' acquisition of Fujisoku



DSC Lens Units



H/H Combo Optical Pickup

## Others

- **Automotive Parts**
  - ✓ Production expansion of CVT control valve
  - ✓ Capacity expansion at Nidec Tosok (Vietnam) Corp.
- **HDD Pivot Assemblies**
  - ✓ Expanding production capacity for 2.5", 3.5"



CVT Control Valve

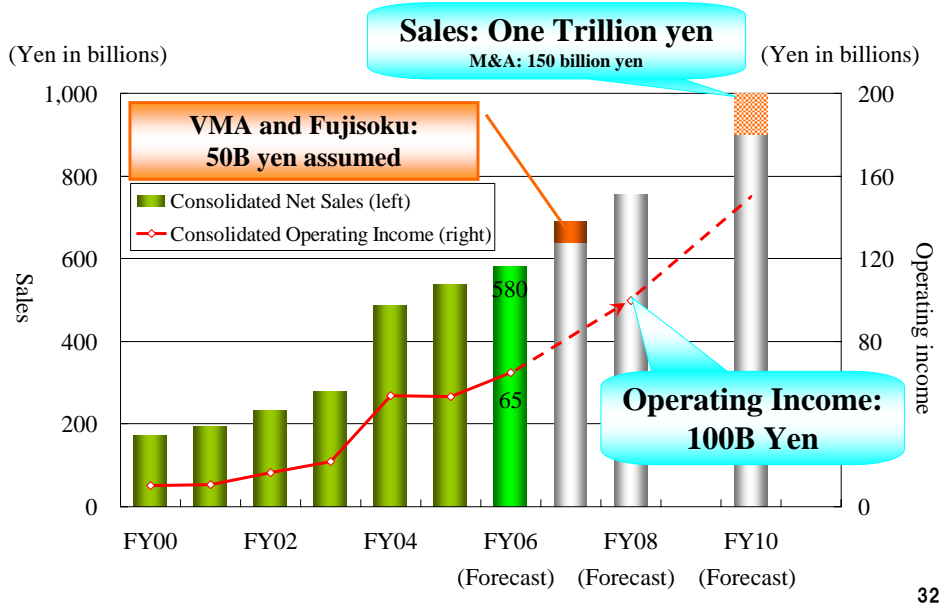


Pivot Assemblies

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# Mid-term Outlook

# Mid-term Target





# M&A Strategy

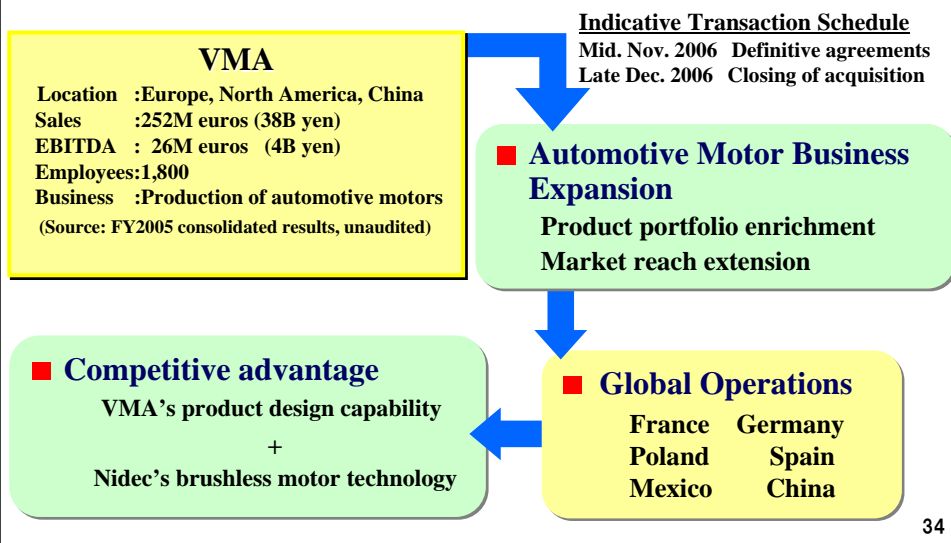
**150B Yen Sales Growth by M&A thru FY2010**



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# Automotive Motor Business

## Acquisition of Valeo's Motors & Actuators (VMA) Business



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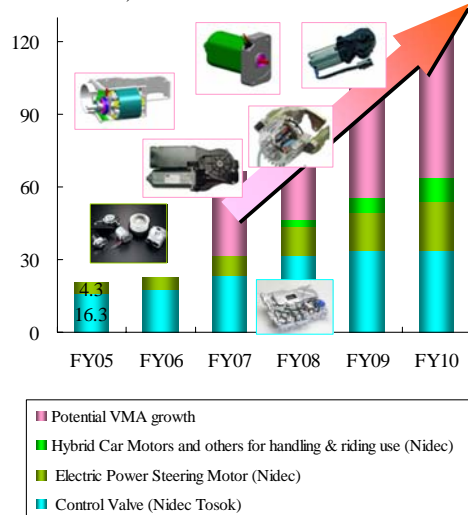
# Automotive Business Outlook

## VMA Product Lineups

<b>Air-flow System</b> Engine cooling fan, Fan system	<b>Seat Adjustment System</b> Seat, Steering column Seat belt adjustment
<b>Auto Closure System</b> Sunroof, Sliding door, Electric window	<b>Brake System</b> ABS, Brake by-wire, Electric parking brake
<b>Drive Line/Steering System</b> Automated manual transmission, Electric torque management, Electric power steering	<b>Other Automotive Parts</b> Compressor, Wiper, Brush holder

## Sales Outlook

(Yen in billions)



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# Nidec Everywhere

**Nidec**

**Nidec Corporation**

<http://www.nidec.co.jp/english/index.html>

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