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Nidec Corporation

Reference Materials: Acquisition of OMRON Automotive Electronics



April 16, 2019

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Overview of OMRON Automotive Electronics

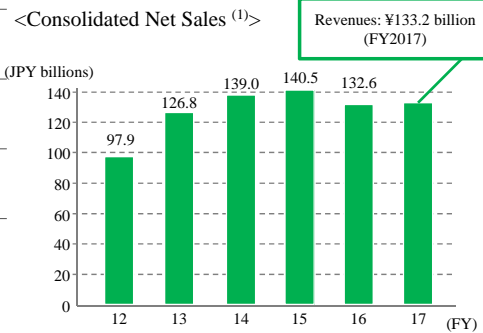
Company Name	OMRON Automotive Electronics Co. Ltd.
Business Description	Marketing, design, manufacture and sale of automotive electronics components and systems
Headquarters	6368 Nenjozaka, Okusa, Komaki, Aichi, Japan
Representative	Katsuhiro Wada (President and CEO)
Date Established	May 6, 2010
Capital	¥5 billion
Number of Employees (as of 9/2018)	Group total: 5,651 Domestic: 785 (Headquarters 411, Iida business facility 347, Other sales offices 27) Overseas subsidiaries: 4,866



President and CEO
Katsuhiro Wada



Headquarters
(Komaki)



Note

(1) Consolidated Net Sales show net sales of OMRON Automotive Electronic Components Business

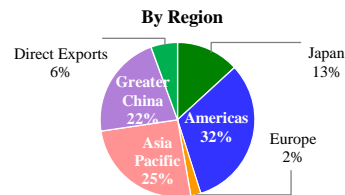
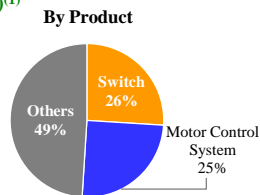
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Business Overview of OMRON Automotive Electronics

Product Portfolio

<p>1 Body Control System</p> <ul style="list-style-type: none"> Body control module Keyless entry Light control ECU 	<p>2 Motor Control System (ECU)</p> <ul style="list-style-type: none"> Electric power steering (EPS) ECU Fuel pump ECU Power tailgate ECU 	<p>3 Switch</p> <ul style="list-style-type: none"> Power window switch Power seat switch Instrumental panel switch 	<p>4 Active Safety</p> <ul style="list-style-type: none"> 3D-LiDAR Driver monitoring Laser radar 	<p>5 Power Control System</p> <ul style="list-style-type: none"> Idling start stop DC/DC converter PHEV/HEV DC/DC converter 	<p>6 Others</p> <ul style="list-style-type: none"> Four-wheel components <ul style="list-style-type: none"> Auto light sensor DC/AC inverter etc. Two-wheel electronic components Automotive relay
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Sales Breakdown (FY2018/3)⁽¹⁾

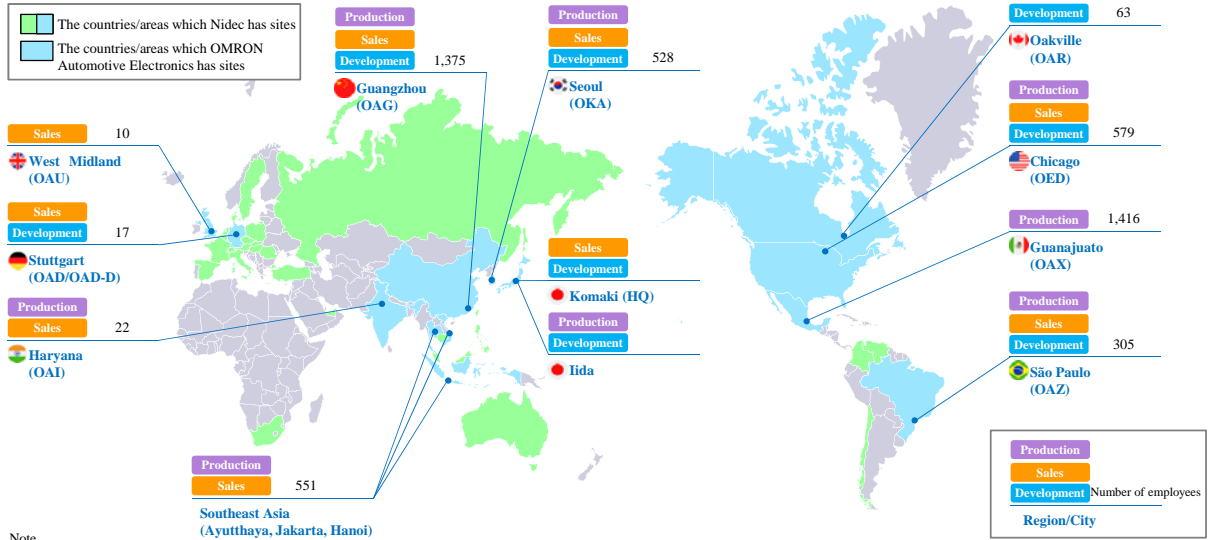


Note

(1) Sales Breakdown uses sales to external customers

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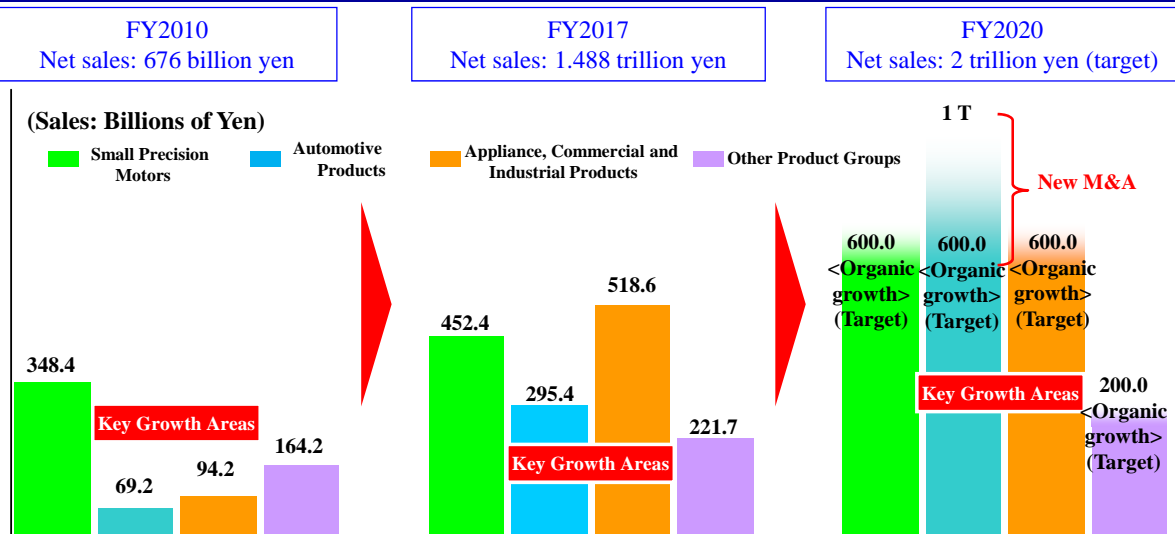
Global Footprint of OMRON Automotive Electronics



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Nidec's Automotive Motor Business

Automotive motor business is one of the key growth areas

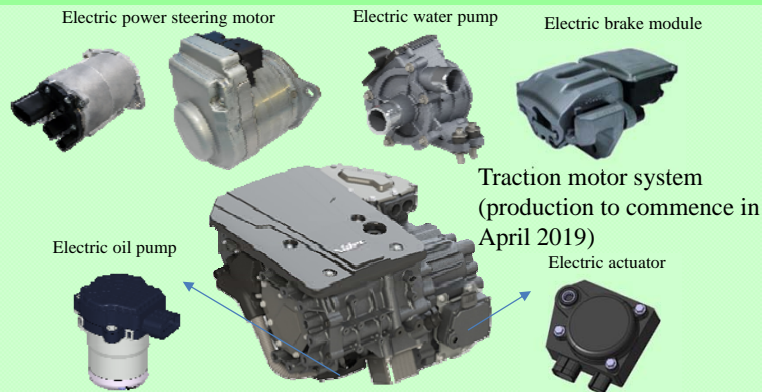


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Business Strategy of Automotive Business

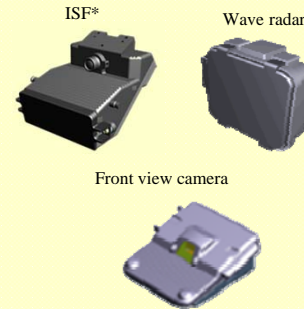
Aiming to expand product lineup which contributes to electrification and autonomous driving

Power pack* products for electrification



*Power pack: products with mounted motors, ECUs (Electronic Control Units), etc.

Products for autonomous driving



*ISF (Integrated Sensor Fusion)

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Strategic Rationale

Expecting to expand product lineup, strengthen development capabilities of ECU and ADAS

Back-ground

- Market size of ECUs used for EPS is ¥400 billion annually
 - Expected rapid growth at an annual rate of 4.2% (2016-2025), driven mainly by China
- OMRON Automotive Electronics has advanced technological capabilities of power pack's main components
 - Having industry-leading products and technologies led by an excellent development/production team
- ADAS (Advanced Driver Assistance Systems) market expansion
 - Expanding product lineup through the cooperation of both companies to address various customer needs

Purpose

- Through the acquisition of OMRON Automotive Electronics, we will expand our product lineup and increase our presence in automotive electronics components market.
- We will achieve further improvement in product capabilities by combining with our motor technology.

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Expected Synergy

We can expect significant synergy in both business and technological aspects driven by the strong demand for electrification of car components

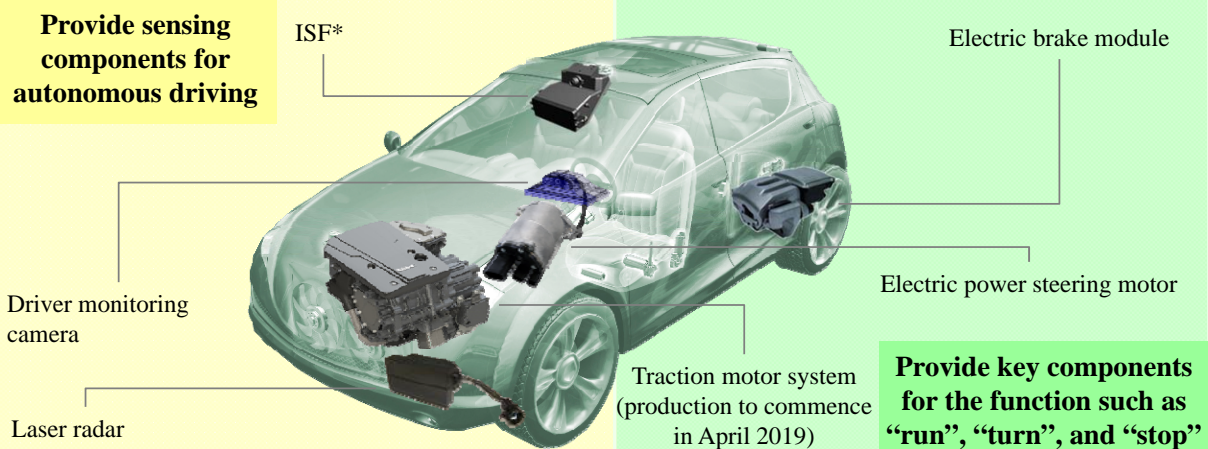
Category	Expected synergy
① ECUs for Motor Control System	<ul style="list-style-type: none"> Offer convenience to customers by providing the power pack, a package including motor and ECU Fulfill order backlog due to the lack of resource by expanding production capacity
② ADAS	<ul style="list-style-type: none"> Products and technologies of OMRON Automotive Electronics and our group complement each other, which contributes to the expansion of the product lineup of sensor that supports autonomous driving technology
③ Power Control System	<ul style="list-style-type: none"> By combining OMRON Automotive Electronics' DC/DC converter, in-vehicle charger and our E-Axle, we can achieve a significant growth in the area of power system, one of the key components in vehicle electrification going forward



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Our Value-added after the Transaction

Pursuing more safety and further efficiency... creating products which change future society



*ISF (Integrated Sensor Fusion)

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