

Nidec Corporation

Fiscal 2020 Financial Results

Fiscal Year Ended March 31, 2021
<IFRS>



April 22, 2021

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 WALKCAR, a "portable car," which Cocoa Motors, Inc. develops, manufactures and sells, and an in-wheel motor installed in the WALKCAR. The in-wheel motor is manufactured by Nidec Servo Corporation.
<https://www.nidec.com/en/technology/casestudy/compact-in-wheel-motor/>

Consolidated Profit/Loss

*Adjusted based on the 2-for-1 split implemented as of April 1, 2020. "EPS" and "Dividends" are expressed assuming that the stock split occurred at the beginning of FY2019.



Millions of Yen, except for percentages, EPS, dividends and FX rates	FY2019	FY2020	Change	FY2021 Forecast
Net sales	1,534,800	1,618,064	+5.4%	1,700,000
Operating profit	108,558	160,011	+47.4%	180,000
<i>Operating profit ratio</i>	7.1%	9.9%	-	10.6%
Profit before income taxes	105,160	152,978	+45.5%	175,000
Profit attributable to owners of the parent	58,459	121,977	+108.7%	140,000
EPS (Yen)	99.37	208.25	+109.6%	239.02
Dividends (Yen)	57.5	60.0	-	60.0
FX rate (Yen/US\$)				{ <Assumed FX rate> Yen/US\$: 105 Yen/Euro: 117 }
Average:	108.74	106.06	-2.5%	
Term end:	108.83	110.71	+1.7%	

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2021 is estimated to have an annualized impact of 10.0 billion yen and 1.9 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating profit, respectively.

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Summary of FY2020



- Net sales stood at a **record high** of ¥1,618.1 billion, 5.4% higher Y/Y. Operating profit **increased** 47.4% **Y/Y** to ¥160.0 billion.
- Q4 quarterly operating profit ratio achieved 10.3% due to enhanced profitability through WPR4 program implemented since the start of FY20, and sales recovery. **Double-digit operating profit ratio** was successfully maintained **for three consecutive quarters**.
- Profit attributable to owners of the parent **increased 108.7% Y/Y** to ¥122.0 billion.

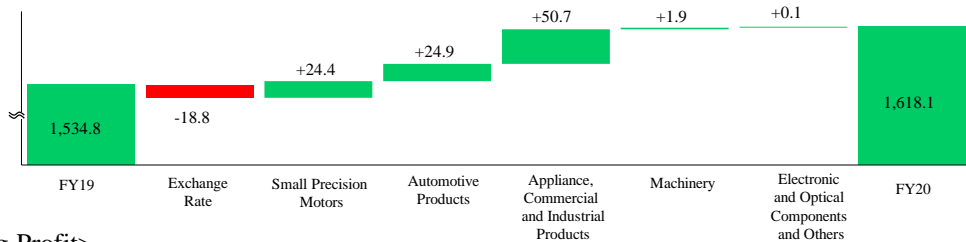
4

Year-on-Year Changes (Twelve Months Ended Mar. 31, 2021)



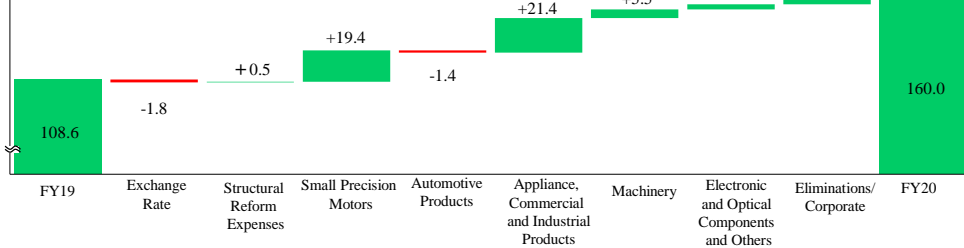
<Net Sales>

(Billions of Yen)



<Operating Profit>

(Billions of Yen)



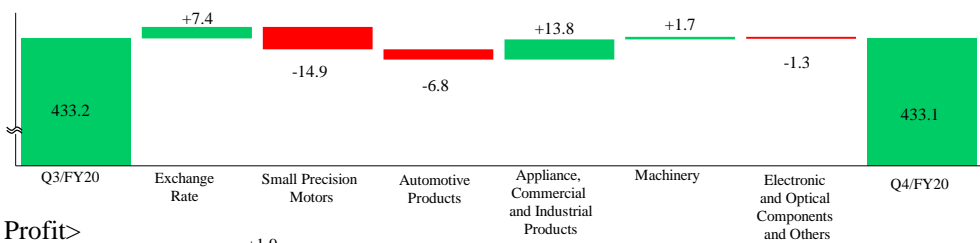
5

Quarter-on-Quarter Changes (Three Months Ended Mar. 31, 2021)



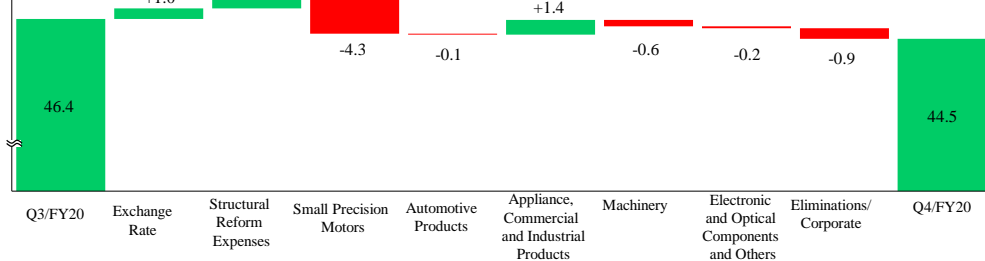
<Net Sales>

(Billions of Yen)



<Operating Profit>

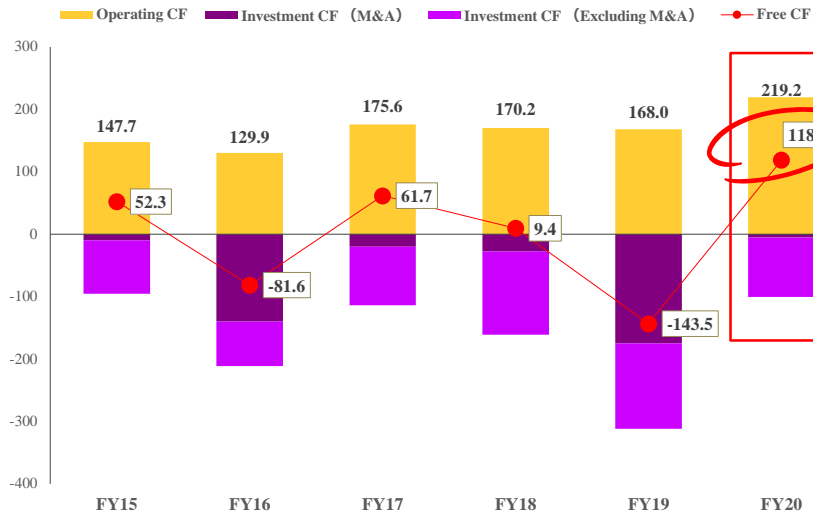
(Billions of Yen)



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Consolidated Cash Flow

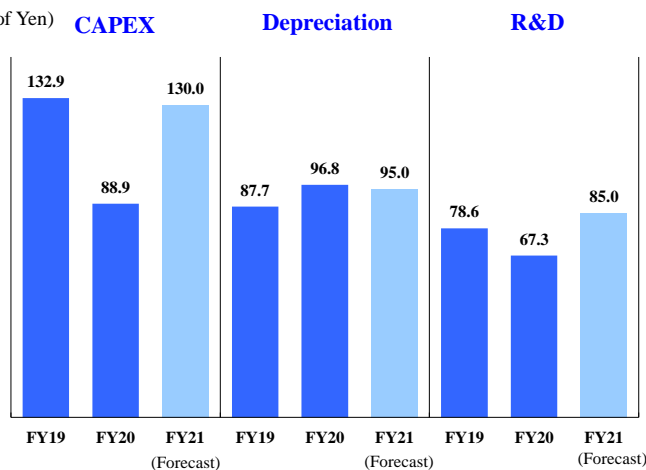
(Billions of Yen)



Record high operating CF and free CF

CAPEX, Depreciation, R&D

(Billions of Yen)



Continue to invest actively in CAPEX and R&D to support long-term growth

FY2021 Forecast

Millions of Yen, except for EPS, dividends and FX rate	1H/FY2021	2H/FY2021	Full-Year
Net sales	800,000	900,000	1,700,000
Operating profit	80,000	100,000	180,000
<i>Operating profit ratio</i>	<i>10.0%</i>	<i>11.1%</i>	<i>10.6%</i>
Profit before income taxes	78,000	97,000	175,000
Profit attributable to owners of the parent	60,000	80,000	140,000
EPS (Yen)	102.44	136.58	239.02
Dividends (Yen)	30.00	30.00	60.00
FX Rate (Yen/US\$)	105	105	105
FX Rate (Yen/Euro)	117	117	117

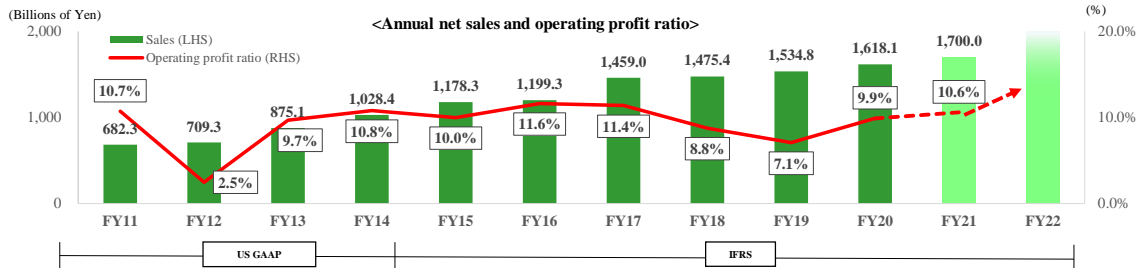
9

Mid-Term Strategic Goal

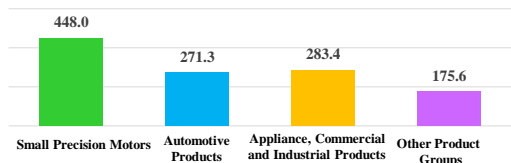
From Vision2020
to Vision2025

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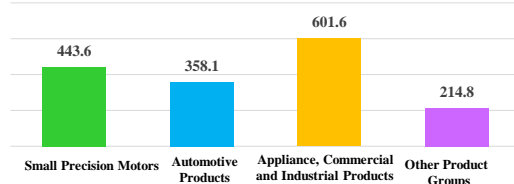
Carrying over the target to achieve ¥2 trillion sales in FY22



<Sales by product group in FY15 (Billions of Yen)>

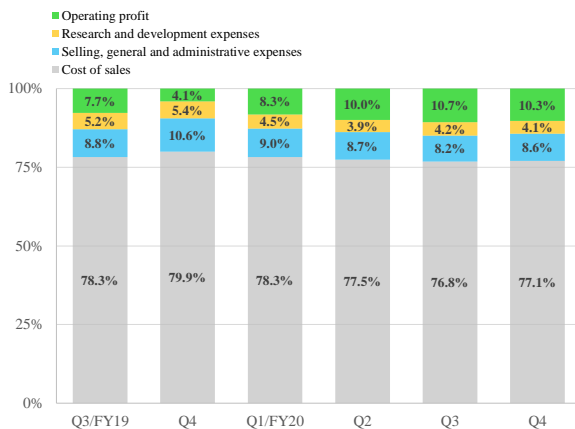


<Sales by product group in FY20 (Billions of Yen)>

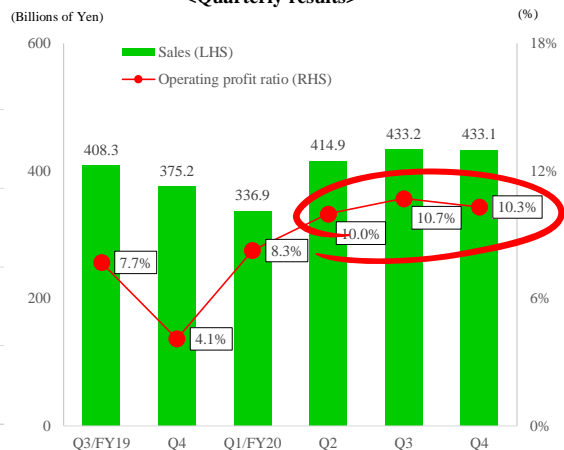


Operating profit ratio keeps hitting double-digit due to WPR 4 program after bottoming out in Q4 FY19

<Quarterly cost structure>



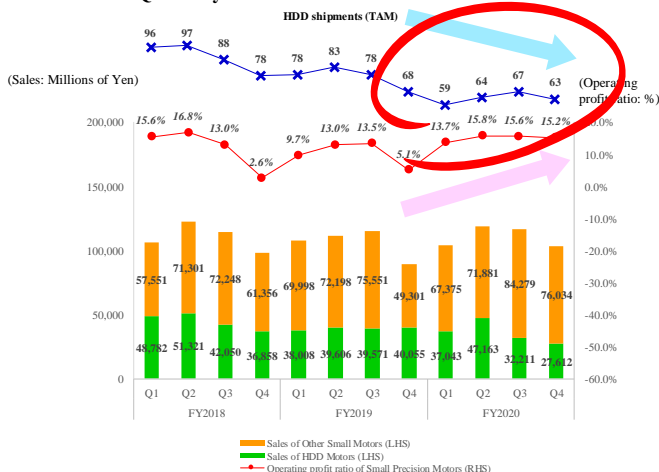
<Quarterly results>



Small Precision Motor: Quarterly Results

Implementing business portfolio transformation to overcome rapid shrinkage of HDD motor shipments

<Quarterly results of Small Precision Motors>



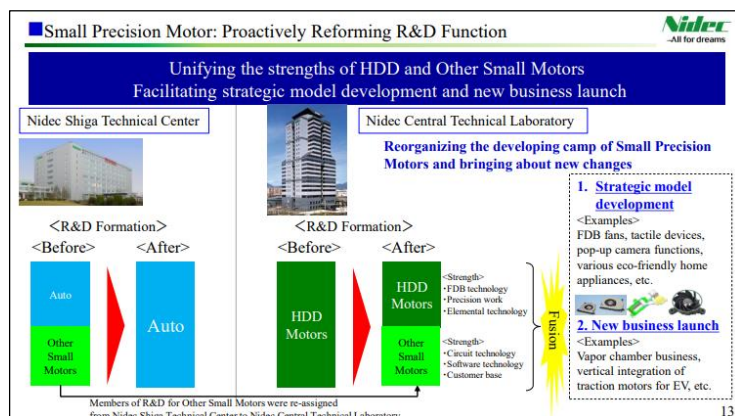
<Product lineups in Other Small Precision Motors>



Small Precision Motor: Business Portfolio Transformation for Regrowth (1)

Reorganizing R&D function since the start of FY19 to create new businesses and grow further

<Presentation material for FY19/Q2 (repeat)>



Concentrate the R&D function of Small Precision Motors at Nidec Central Technical Laboratory

Reorganize Small Precision Motor Division through combining the R&D function of Other Small Precision Motors and HDD Motors

Focus development resources on Three-New Strategy*

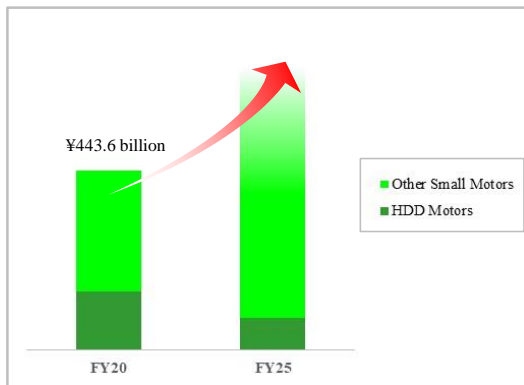
Develop new businesses that will lead the company's medium-term growth

* Three-New Strategy: initiatives to proactively explore new products, markets and customers.

■ Small Precision Motor: Business Portfolio Transformation for Regrowth (2)

Focusing on launch of mass-production in new business areas such as mobility and others, eyeing mid-term growth

<Expected sales composition of Small Precision Motors>



<Examples of new business areas which will lead mid-term growth>

<p>Mobility</p> <p>Motors for</p> <ul style="list-style-type: none"> • E-bicycle • E-scooter • Electric motorcycle, etc. <p>E-bicycle E-scooter</p>	<p>Mini EV</p> <p>(Output: Under roughly 30kW)</p> <ul style="list-style-type: none"> • Traction motors for Mini EV <p>Mini EV</p>
<p>5G/Smart phone</p> <ul style="list-style-type: none"> • Thermal solutions • Image stabilization • Base station <p>Image stabilization Thermal management module 5G antenna/base station</p>	<p>E-commerce/Robot</p> <ul style="list-style-type: none"> • Drone • Autonomous delivery robot • Joint robot <p>Drone Joint robot</p>

■ Small Precision Motor: Demand Boosted by Work-From-Home in “With Corona” Era

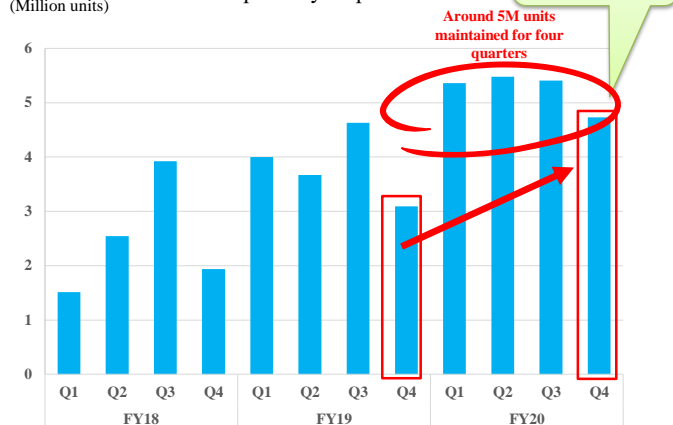
Ultra thin/ultra small fan motor “UltraFlo FDB (UFF)” supports the solid demand for work-from-home



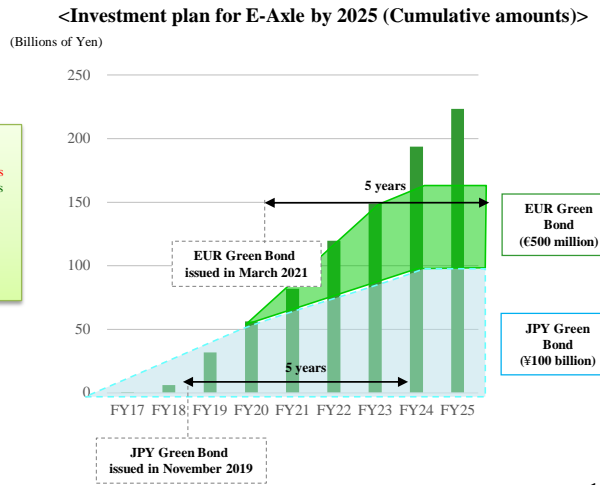
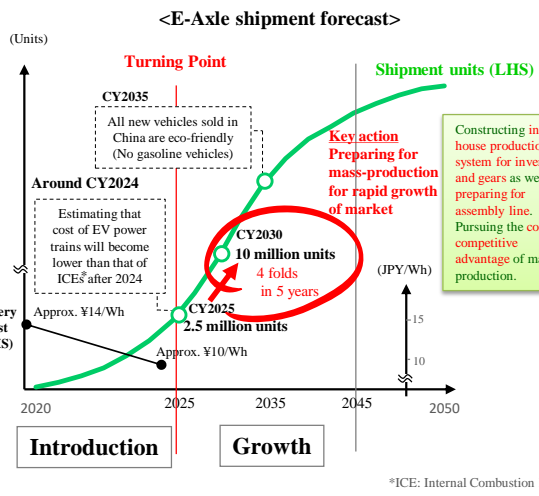
Utilizing HDD-nurtured FDB technology

(Million units)

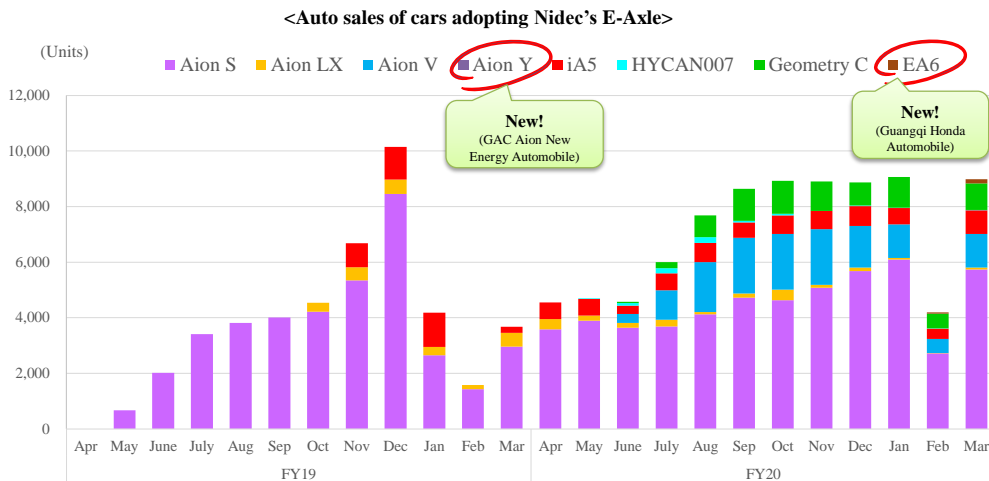
<UFF’s quarterly shipments>



Laying the groundwork for E-Axle production of 2.5 million units in 2025 and 10 million units in 2030



The cumulative number of vehicles using our E-Axle (traction motor system) reached 130K units.



Automotive: Launch of a New EV with 100kW E-Axle Model



GAC Aion NE's all Aion series adopts Nidec's E-Axle

<Vehicles with E-Axle Ni150Ex>



Aion S
Launched in May 2019



Aion LX
Launched in October 2019



Aion V
Launched in June 2020

<Vehicle with E-Axle Ni100Ex>



Aion Y
Launched in March 2021

<Nidec's E-Axes, traction motor systems>



Ni150Ex
(150kW/3900Nm)
In mass-production since April 2019



Ni100Ex
(100kW/2400Nm)
In mass-production since November 2020



Ni70Ex
(70kW/1600Nm)
Mass-production planned for 2021



Ni50Ex
(50kW/1600Nm)
Mass-production planned for 2022



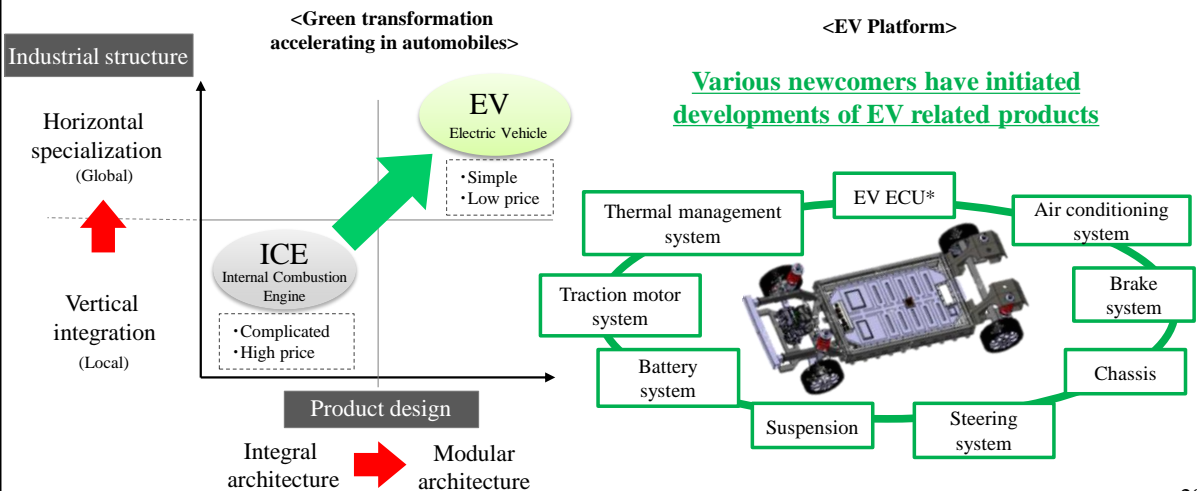
Ni200Ex
(200kW/4200Nm)
Mass-production planned for 2023

*GAC Aion NE: GAC Aion New Energy Automobile Co., Ltd.

Automotive: Structural Change in the Industry

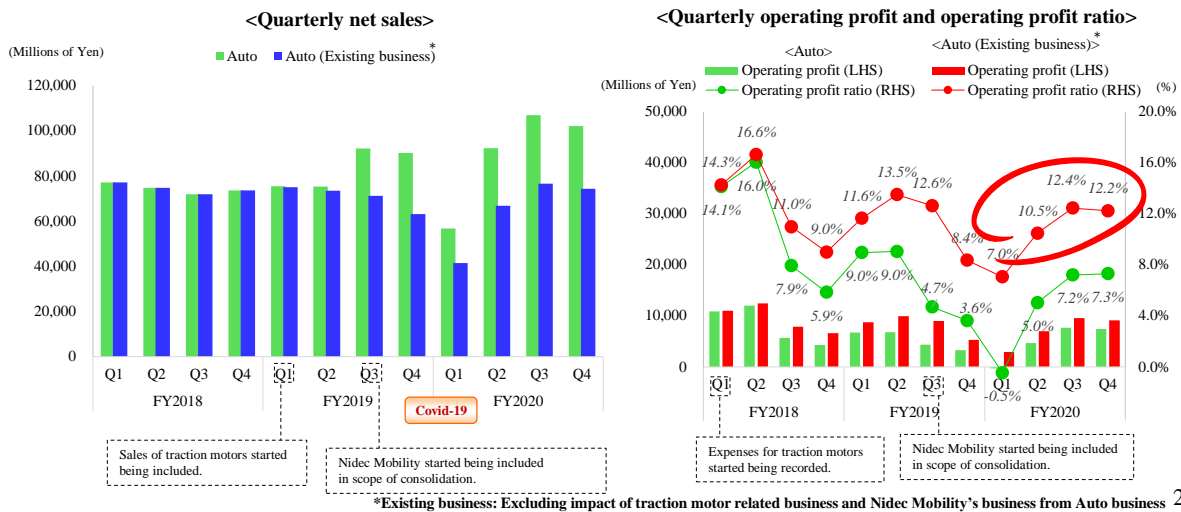


Lead EV era as a company who triggers creative disruption and goes beyond the industry tradition



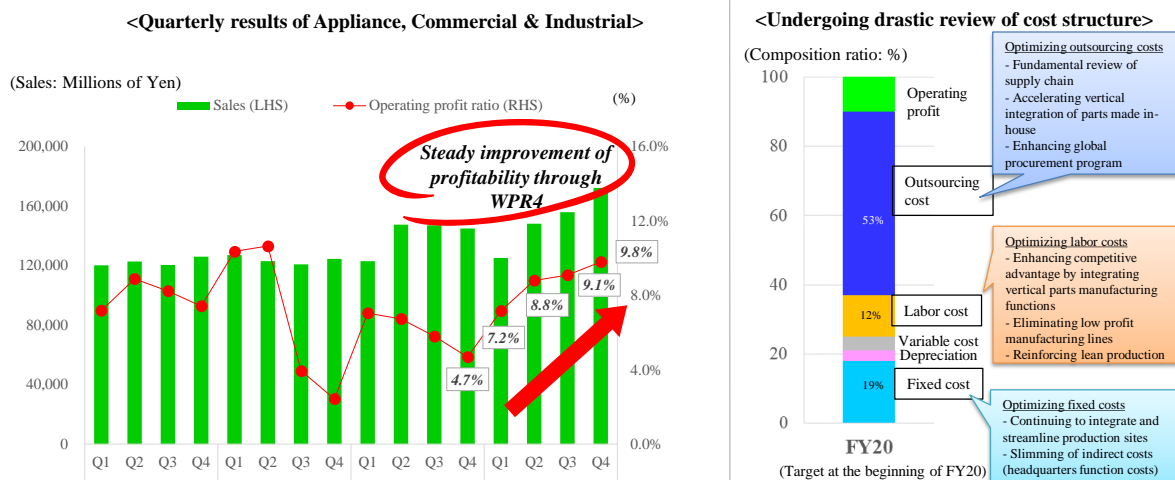
Automotive: Quarterly Results

Profitability of automotive existing business* maintained double-digit operating profit ratio for three consecutive quarters after bottoming out in Q1 FY20



Appliance, Commercial & Industrial: Quarterly Results

Operating profit ratio has steadily improved after bottoming out in Q4 FY19



Automotive and Appliance, Commercial & Industrial: Launching Business in Serbia



Building new factory in Serbia to consolidate Nidec group's production activities in East European region

1. Outline of the new company and factory in Serbia

Company name	Nidec Electric Motor Serbia LLC
Principal business	Manufacturing and sales of automotive motors and related products
Construction site	The city of Novi Sad (approximately 90km northwest of capital Belgrade)
Workforce	1,000 people
Total site area	59,760m ²
Foundation	January 22, 2021
Start of construction	September 2021 (plan)
Completion	Mid-2022 (plan)

Serbia as the core manufacturing hub in Europe is expected to accommodate more businesses going forward

- Nidec's auto division and multiple subsidiaries plan to launch businesses
- Seeking synergies through a use of common production infrastructure and back-office
- Looking to design and develop products locally (with abundant people in the fields of science and engineering who are fluent in English)

2. Outline of Nidec Elesys's new company and factory in Serbia

Company name	Nidec Elesys Europe LLC
Principal business	Manufacturing and sales of automotive inverters and ECUs
Construction site	The city of Novi Sad (approximately 90km northwest of capital Belgrade)
Workforce	200 people
Total site area	36,000m ²
Foundation	January 28, 2021
Start of construction	September 2021 (plan)
Completion	Mid-2022 (plan)



Rendering of the finished new factory, Nidec Electric Motor Serbia

M&A: Mitsubishi Heavy Industries Machine Tool Co., Ltd.



Obtained high technical talents and resources for gears, one of the most important parts of E-Axle

<Outline of Mitsubishi Heavy Industries Machine Tool>

Company name	Mitsubishi Heavy Industries Machine Tool Co., Ltd.
Headquarter	130, Roku-jizo, Ritto, Shiga, Japan
Foundation	October 1, 2015
Capital	¥3 billion
Director	Kenichi Wakabayashi, President and CEO (with positions remaining unchanged after the Stock Acquisition)
Production bases	Japan (Ritto, Shiga), USA, China, and India
Principal businesses	A) Design, manufacture, sales and consulting services associated with machine tools, cutting tools, and other related products B) Installation, technical guidance, and after-sales services related to the above products
Number of employees	Approximately 1,400 (as of April 2020)
Sales	JPY 40.3 billion (fiscal year ended March 31, 2020) JPY 23.1 billion (estimated, fiscal year ending March 31, 2021)

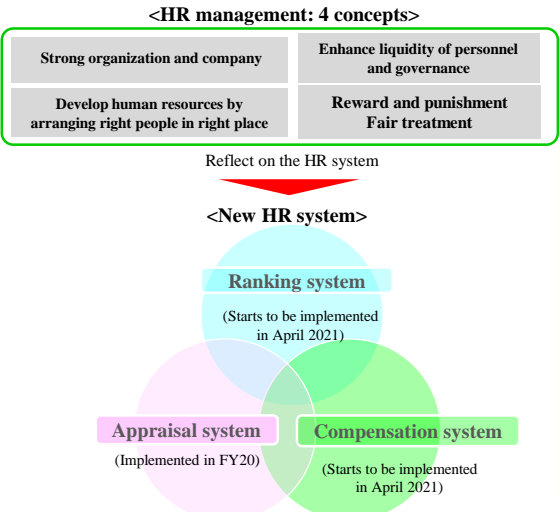
<Main products>

Machine tools  Gear cutting machine  Double-column, 5-face milling machine	Laser products/Wafer bonding machines  Metal 3D printer  Laser product
Precision cutting tools  Hob  Gear shaper cutter  Gear shaving cutter  Broach  Other product	Precision position feedback detectors  Linear feedback detector  Linear feedback detector (Tape type scale for factory automation)  Rotary feedback detector  A/D converter

Clarify Nidec Group's mission and vision all the employees share, and align employees with the direction of the company



To become a company that is respected and admired as a group of talented people through adopting measurement system based on results and outcomes



- <Outline of the reform>**
- Appraisal system**
- Follow merit systems principles (focus on results, reward people who lead the company into better future)
 - Evaluate employees through ranking methods every quarter, and reward them fairly
- Ranking system**
- Clarify employee's responsibility and authority, and make the organization strong.
 - Help employees develop expertise and clarify their career vision
 - Change personnel and foster human resources through **Job-Based Employment**. Promote and motivate the right person in the right place regardless his/her age or gender.
- Compensation system**
- Treat employees based on their responsibility, position and performance.
 - Reward people who lead the organization with their high management skills and technological capabilities.

ESG: Materiality

-Identify ESG materiality, and set KPIs on the themes to address
-Disclose progress through Integrated Report

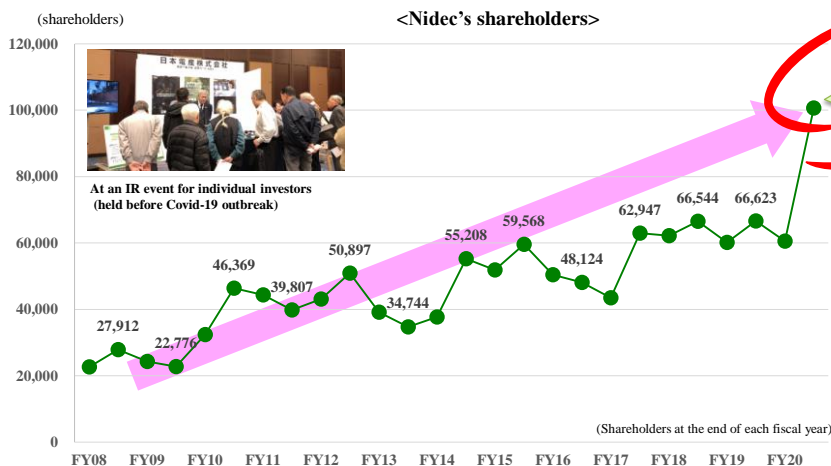
<Aims> Identify ESG materiality and classify it into 5 categories (Environment, Quality and Technology, Human Resource, Supply Chain, and Corporate Governance) and into 15 themes. Enhance the possibility of sustainable development of business by incorporating ESG materiality into mid-to-long term goals.

Category	Materiality	Theme (Action Plan)
Environment	Achieve environmental sustainability	1. Realize a carbon-free society
		2. Manage waste and hazardous waste
		3. Handle water risks
Quality and Technology	Provide products and services adapting to social change	4. Control product safety and quality
		5. Respond to changes in the technological environment and the industrial structure
Human Resource	Retain and develop diverse talent	6. Protect and utilize intellectual properties
		7. Maintain and foster globally competitive human resources
		8. Promote diversity
Supply Chain	Build an internationally competitive supply chain to solve social issues	9. Promote occupational safety and health, and health-oriented business management
		10. Respect human rights and follow proper labor practices
Corporate Governance	Create a solid governance system	11. Sustainable procurement considering environmental and social aspects
		12. Build a fair, transparent, and highly effective governance system
		13. Follow a thorough compliance with laws and regulations
		14. Build a risk management system
		15. Promote information security measures

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IR and SR: Number of Shareholders

The number of shareholders finally exceeded 100,000 at the end of FY20



Promoting IR and SR activities to increase the number of shareholders further

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All for dreams

Nidec IR Contacts

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

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“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.

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Appendix

Performance Trends & Product Group Overview

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New 5 Big Waves in a Post-Pandemic World

Nidec's business solutions that solve the common problems of humankind

5G & Thermal solutions
(Keywords: Tactile sense, image stabilization and heat ventilation module)

Decarbonization
(Keywords: Drive/Turn/Brake, safety/comfort and thermal management)

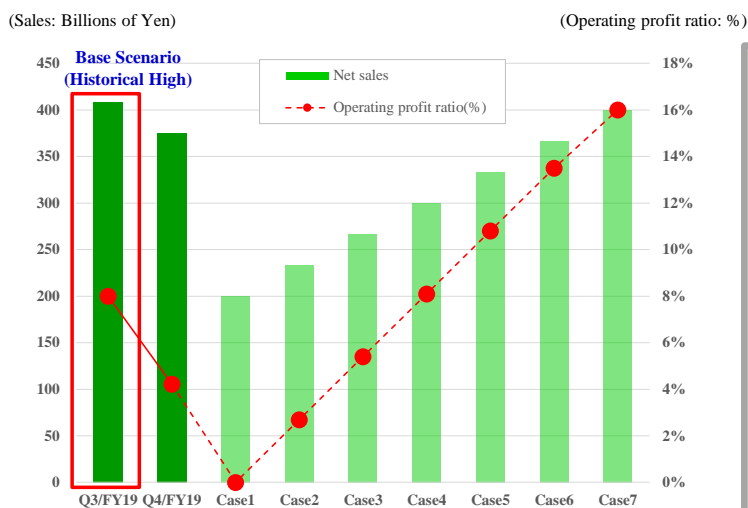
Manpower saving
(Keywords: Industrial robots, servicing robots and logistics)

Digital data explosion
(Keywords: High speed / large data, GAFA* and "Stay Home")

Power saving
(Keywords: Sterilization, hygiene and "Stay Home")

* GAFA: Google, Apple, Facebook and Amazon

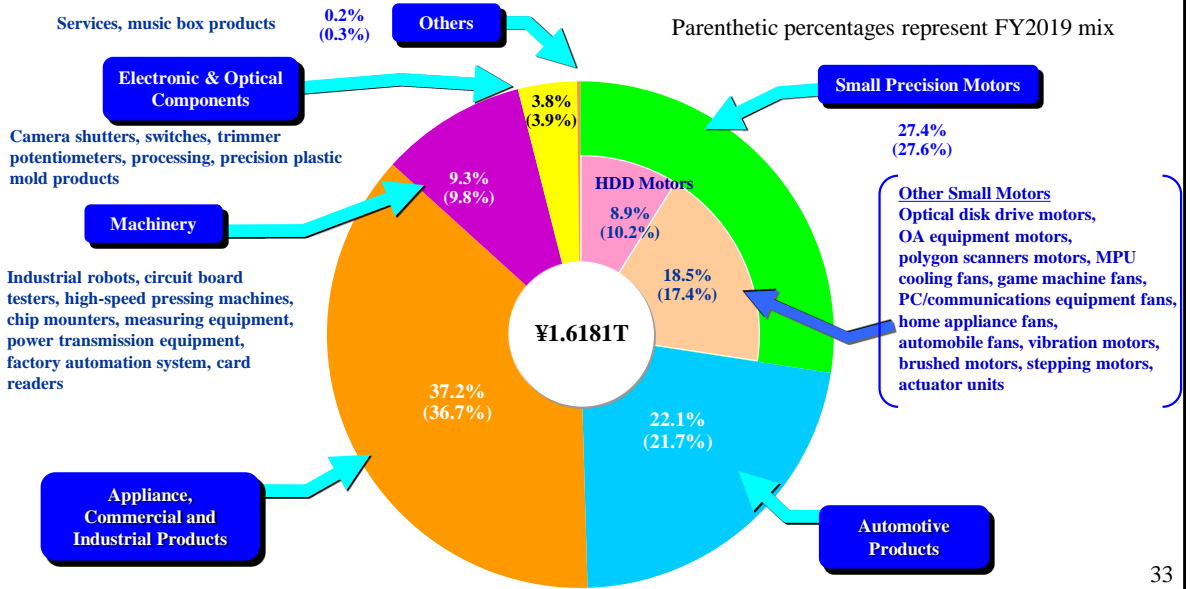
Starting WPR4 (Refortifying WPR3 Project)



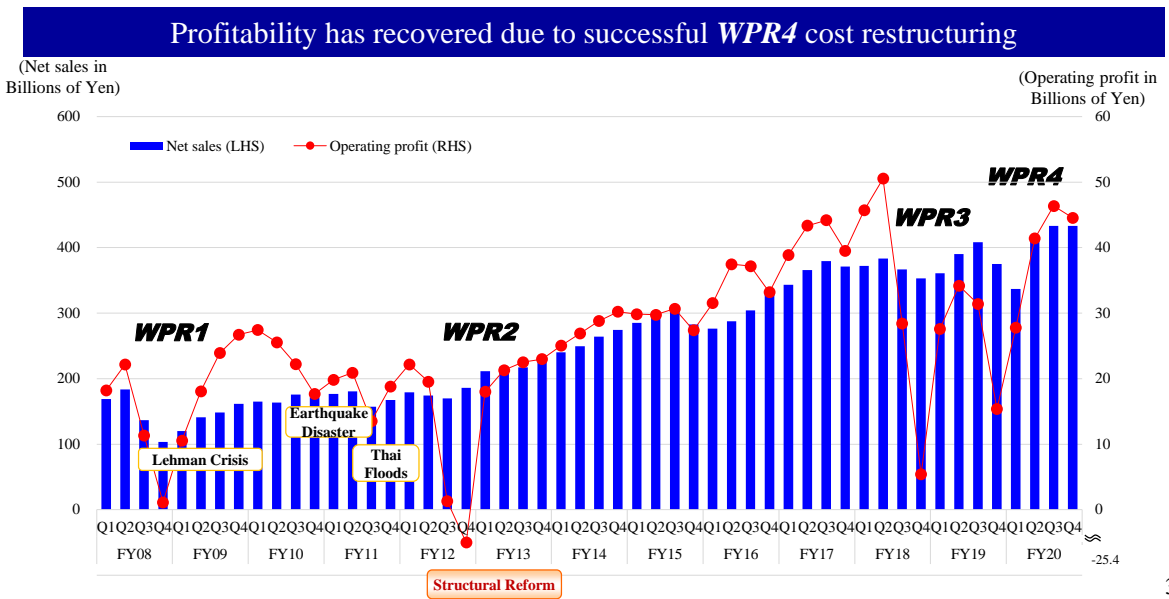
<What is WPR ?>

1. Taking "unprecedented slowdown caused by COVID-19" as a large opportunity to enhance structural reform, implementing drastic measures to reform the profit structure of Nidec group
2. Structural reform to retain positive operating profit even when the sales are cut half the recent peak level
3. Targeting to retain the recent peak level of operating margin when the sales are to recover to 75% of the recent peak
4. Targeting to double its operating margin when the sales are to recover to 100% of the recent peak

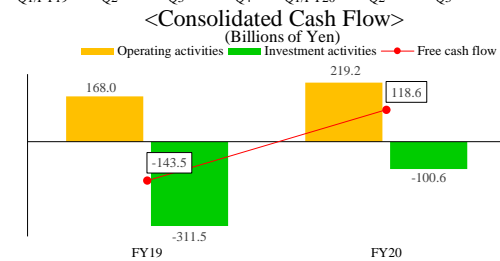
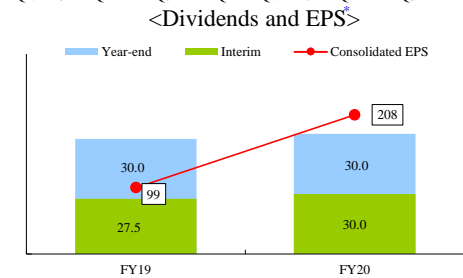
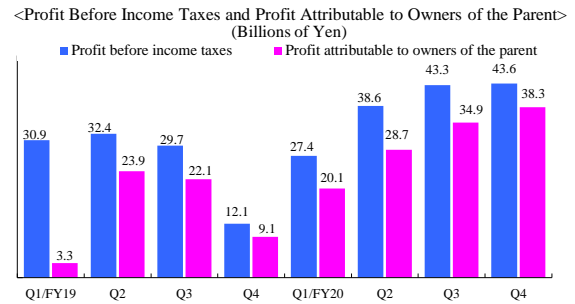
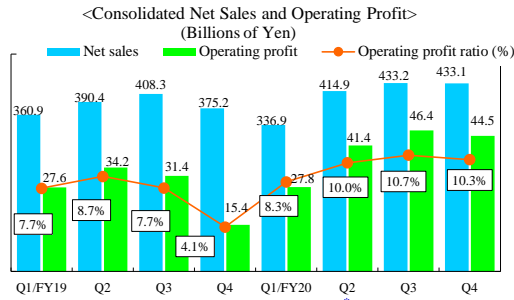
Sales by Product Group (FY2020)



Consolidated Quarterly Net Sales and Operating Profit



Financial Highlights



*Adjusted based on the 2-for-1 split implemented as of April 1, 2020. "EPS" and "Dividends" are expressed assuming that the stock split occurred at the beginning of FY2019.

Product Group Overview

