

Nidec Corporation

Fiscal First-Half 2023 Financial Results

Six Months Ended September 30, 2023

<IFRS>



45MW hi-speed Motor-Generator Nidec Conversion business developed

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 picture on the first slide: Nidec ASI, a subsidiary in Italy, signed a €30 million agreement for the production and supply of 45MW motors to support the production expansion of the world's largest natural gas field.
<https://www.nidec-industrial.com/expand-production-natural-gas-field-2/>

Consolidated Profit/Loss

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



Millions of Yen, except for percentages, EPS, dividends and FX rates	1H/FY2022	1H/FY2023	Change	FY2023 Forecast
Net sales	1,130,767	1,160,662	+2.6%	2,200,000
Operating profit	96,368	115,782	+20.1%	220,000
Operating profit ratio	8.5%	10.0%	-	10.0%
Profit before income taxes	118,375	145,359	+22.8%	210,000
Profit attributable to owners of the parent	86,649	106,081	+22.4%	165,000
EPS (Yen)	150.31	184.62	+22.8%	287.16
Dividends (Yen)	35.00	35.00	-	70.00
FX rate (Yen/US\$)				Assumed for Q3 onward:
Average:	133.97	141.00	+5.2%	Yen/US\$: 120
Term end:	144.81	149.58	+3.3%	Yen/Euro: 130

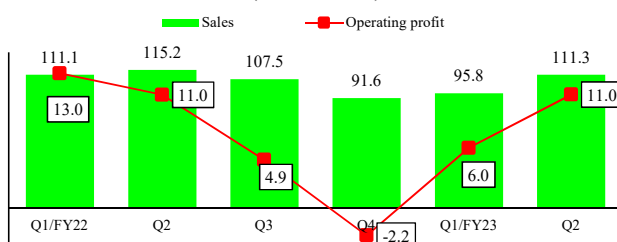
Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2023 is estimated to have an annualized impact of 10.0 billion yen and 1.9 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating profit, respectively.

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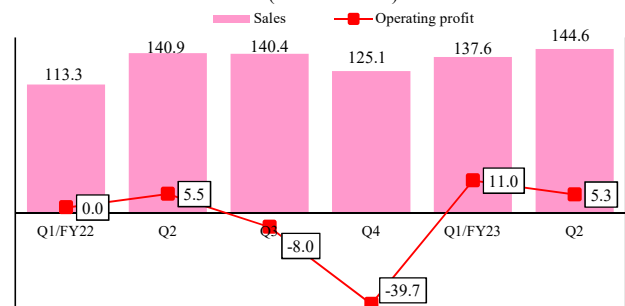
Product Group Overview



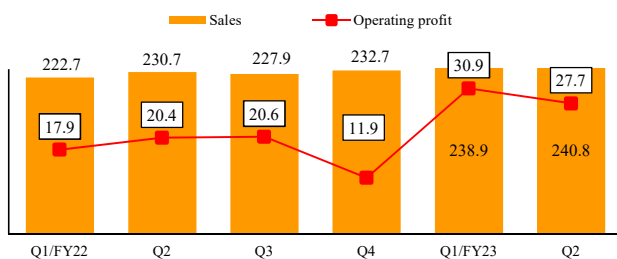
<Small Precision Motors>
(Billions of Yen)



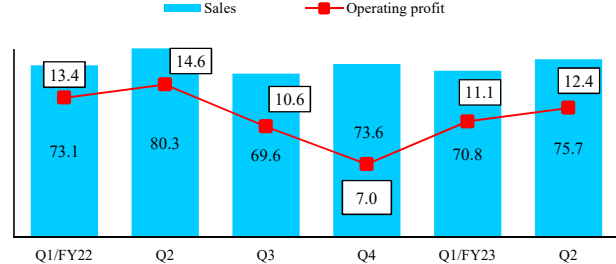
<Automotive Products>
(Billions of Yen)



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



<Machinery>
(Billions of Yen)

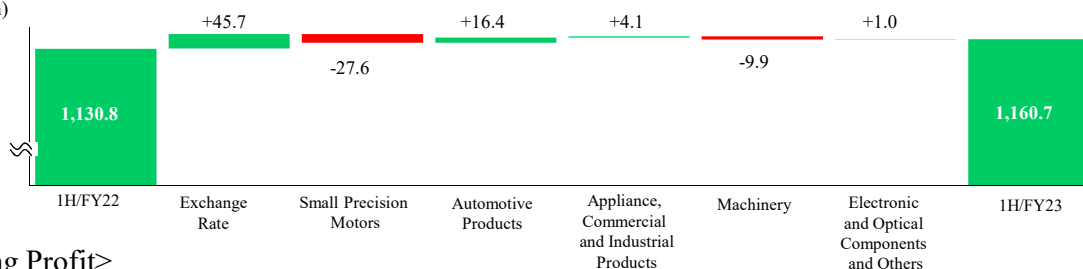


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Year-on-Year Changes (Six Months Ended September 30, 2023)

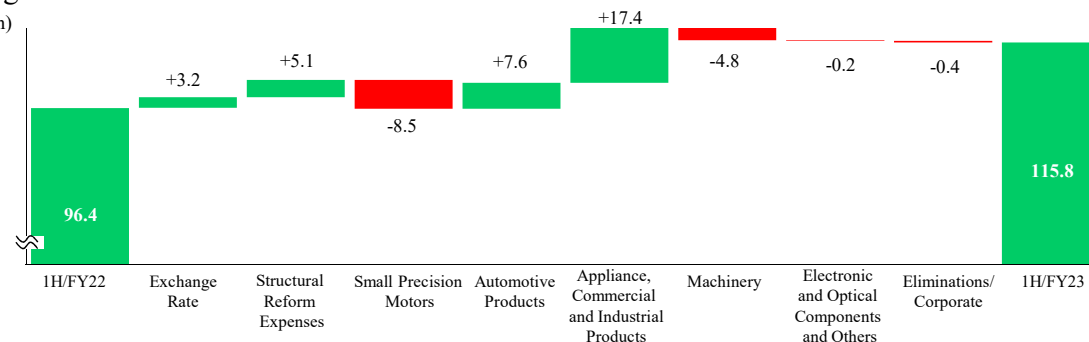
<Net Sales>

(Billions of Yen)



<Operating Profit>

(Billions of Yen)

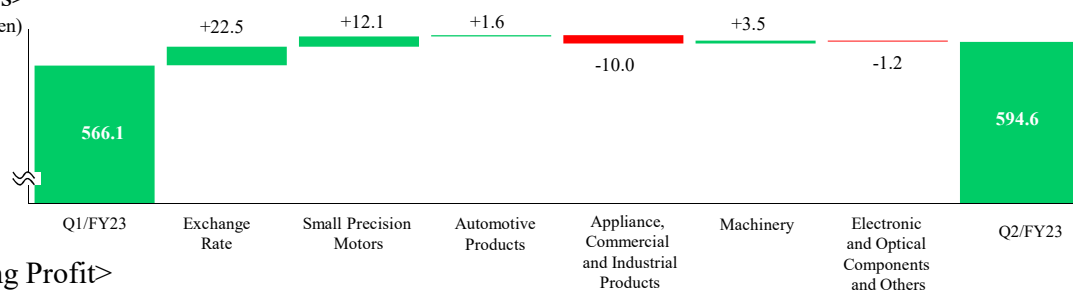


5

Quarter-on-Quarter Changes (Three Months Ended September 30, 2023)

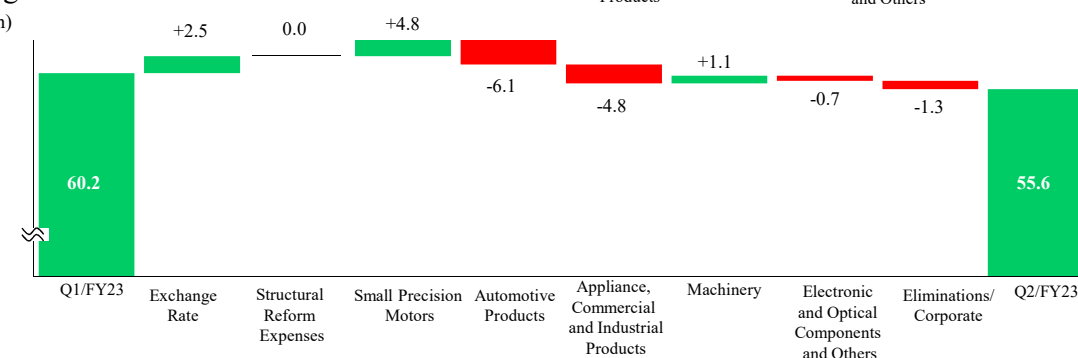
<Net Sales>

(Billions of Yen)



<Operating Profit>

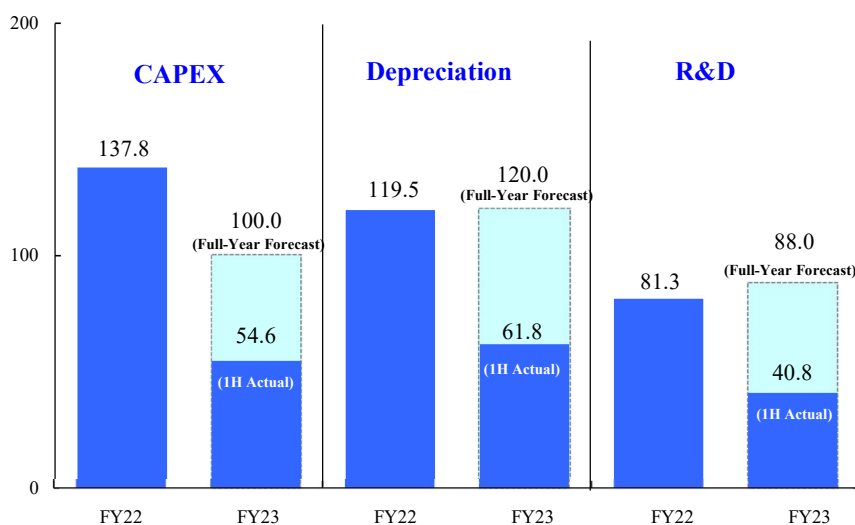
(Billions of Yen)



6

- First half net sales stood at a **record high** of ¥1,160.7 billion, 2.6% higher Y/Y.
- First half operating profit increased 20.1% Y/Y to ¥115.8 billion, marking a **record high**.
- First half profit before income taxes increased 22.8 % Y/Y to ¥145.4 billion. Profit attributable to owners of the parent increased 22.4% Y/Y to ¥106.1 billion. Both stood at **record highs**.

(Billions of Yen)



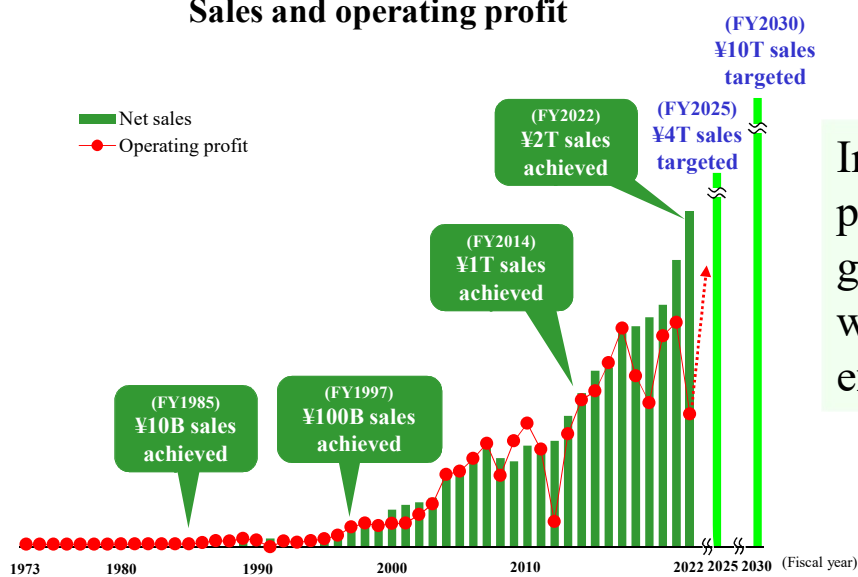
Continuing aggressive investments that support mid-term growth

Mid-Term Strategic Goal

Nidec Mid- to Long-Term Growth Target



Sales and operating profit

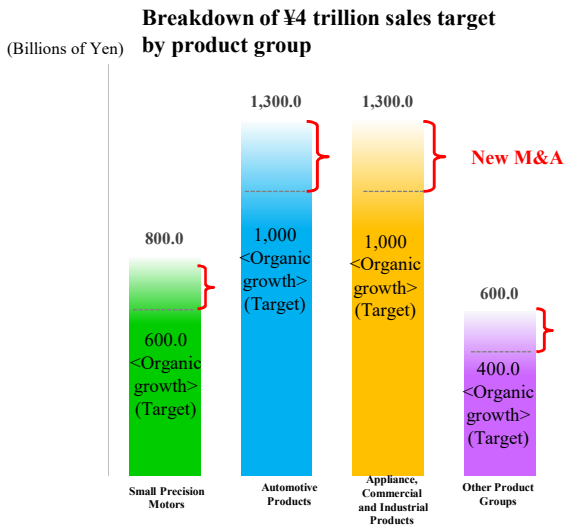


Increase sales and profit through organic growth and M&As with a focus on expanding markets

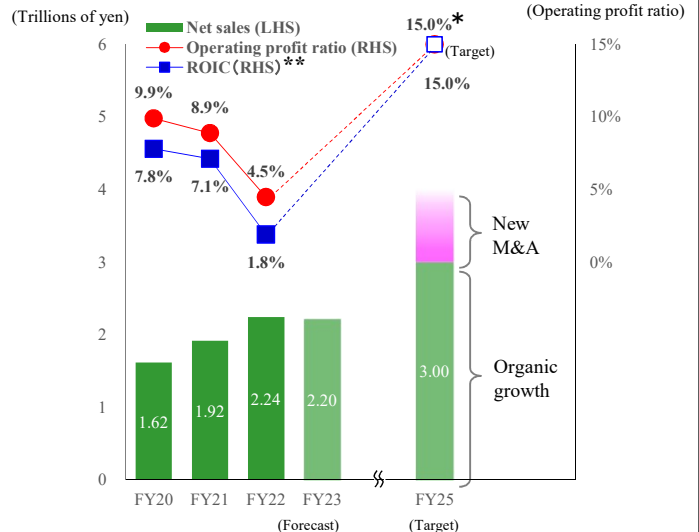
Mid-Term Strategic Goals **Vision2025**

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

FY2025 Net sales: 4 trillion yen (Target)



4 trillion yen sales: 3T yen (operating profit ratio of 15%) + 1T yen through M&A



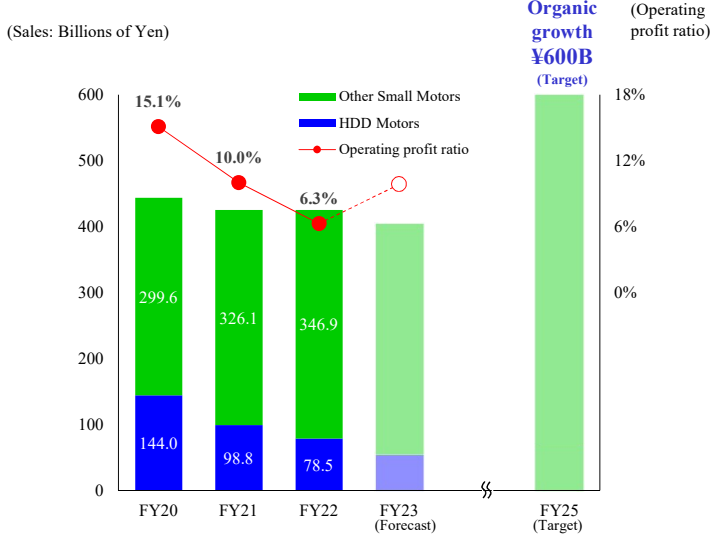
*Operating profit ratio of 15% is only applicable to sales target of 3 trillion yen in FY25.

**ROIC: Return on invested capital

Small Precision Motors: Acceleration of Business Portfolio Transformation in the Segment

Mass-producing small automotive motors in addition to capturing demand for energy efficiency and thermal management

<Vision 2025 in Small Precision Motors>



<Items to drive mid-term growth>

- Transform the portfolio by actively working on 1) small automotive motors (electric two-wheeled vehicles and small EV motors less than 30kW), 2) thermal solutions (cooling fans and our group company CCI's products), and 3) digital home appliance motors.
- In HDD, we continue to focus on data centers and servers to improve the product mix for higher profitability.



Panda Mini



Model number with Nidec's motor is increasing



Huan Dian Shou 01



Model number with Nidec's motor is increasing

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

Small Precision Motors: Expand Sales of New Products

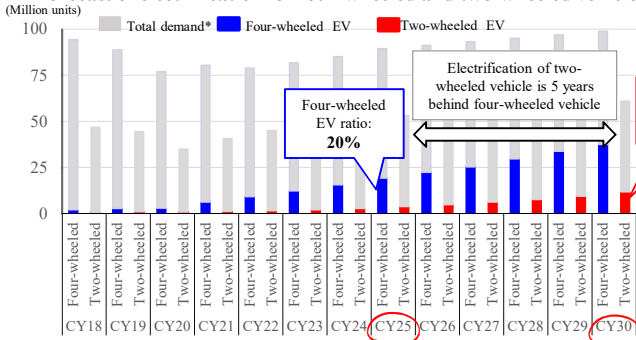
This slide includes forward-looking statements. See Disclaimer on Page 2.



Electric two-wheeled vehicle

Electrification of two-wheeled vehicle is 5 years behind four-wheeled vehicle

<Forecast of electrification for four-wheeled and two-wheeled vehicle >



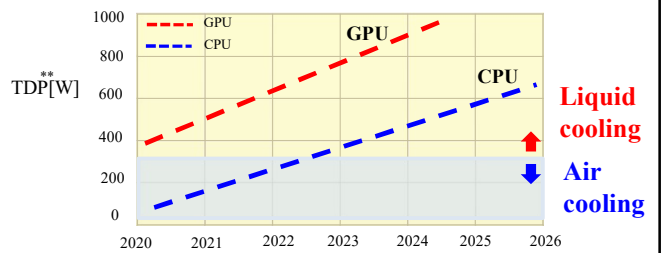
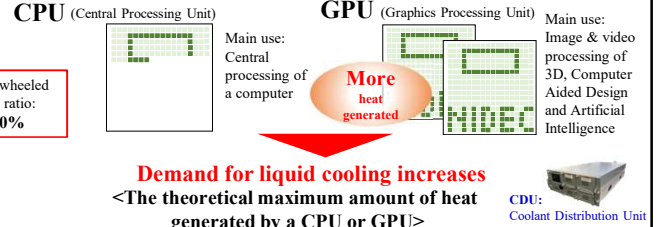
*Demand in India and Southeast Asia

(Nidec's estimates based on various sources)

Thermal module

Thermal demand is increasing as an Artificial Intelligence application expands

<Heat generation increases as microprocessor's output increases>



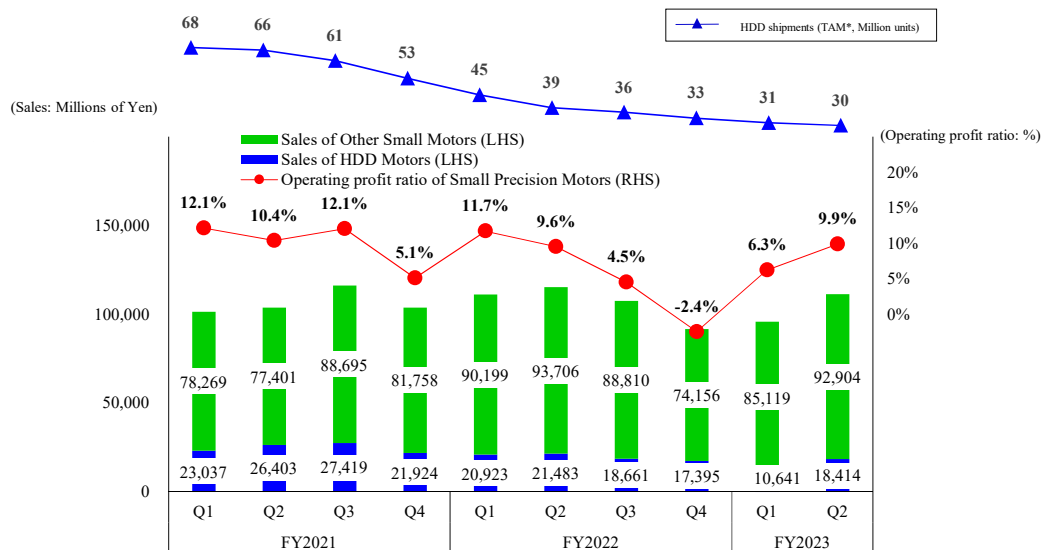
**TDP: Thermal Design Power: The theoretical maximum amount of heat generated by a CPU or GPU

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Small Precision Motors: Quarterly Results



Preparing for mid-term growth while implementing WPR-X for short-term recovery



*TAM: Total Addressable Market

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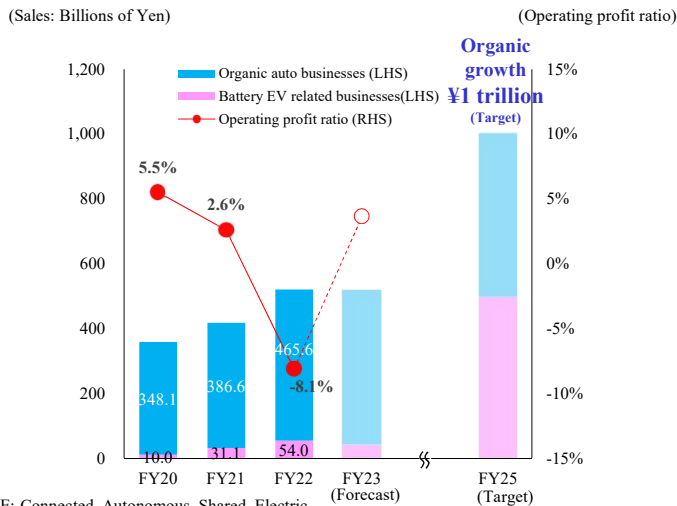
Automotive: Strategy for High Growth

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



**Aiming to become No.1 automotive system company
by anticipating the strong electrification demand boosted by CASE* mobility trends**

<Vision 2025 in Automotive>



CASE: Connected, Autonomous, Shared, Electric

<Battery EV related businesses>

- E-Axle business is expected to become profitable in FY23 through introducing 2nd generation E-Axle, reducing the cost and shipment volumes of 1st generation.
- The market areas will be shifted from China centric to global including Europe and North America, and growth of sales and profits promoted strongly through supplying traction motors only and other components in addition to E-Axles.

<Organic auto businesses>

- Nidec will capture increasing demand for electrification and gain further market share for motors for electric power steering and electric brakes despite slower growth in global auto sales.

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Automotive: Strategy Change for E-Axle Business in China

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



**Shift to lower output and X-in-1 is progressing faster than expected
amid rapid price decline in the market**

<Change of market trends>

1. Shift to lower output motors
2. Shift to X-in-1 E-Axles
3. Lower pricing due to above reasons

<Nidec's strategy>

Development and Production

Focus on speedy supply in China
(Improve the local R&D system)

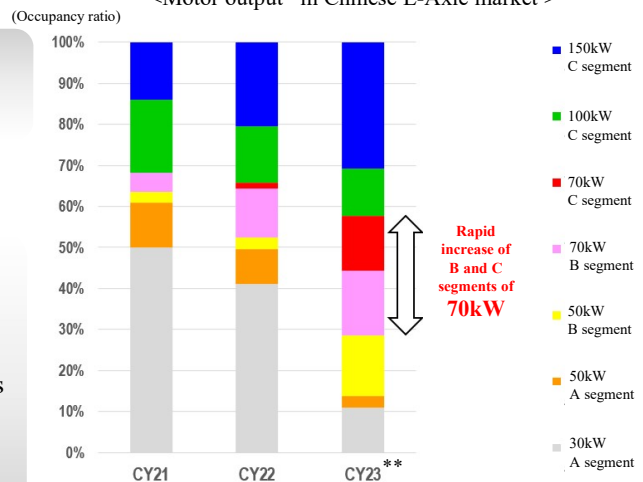
Sales

Expand sales of lower output motors and X-in-1 E-Axles
(Chinese OEMs and Japanese OEMs who joint venture with Chinese OEMs)

Purchase

Buy parts from Chinese local manufacturers

<Motor output* in Chinese E-Axle market >



* Extract the top 50 best selling models with 30- 150kW output Nidec's customers mainly focus on.
**CY23 graph created by Nidec based on the data from Jan. to Aug.

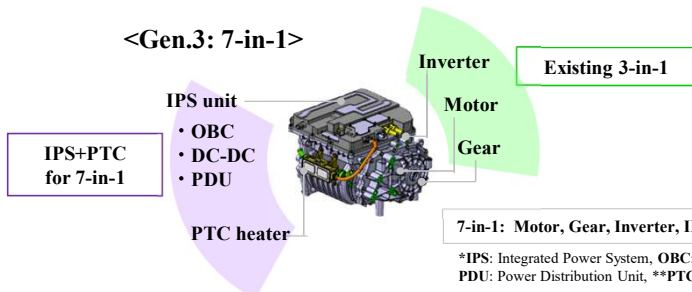
16

Automotive: Shift to X-in-1 of E-Axle

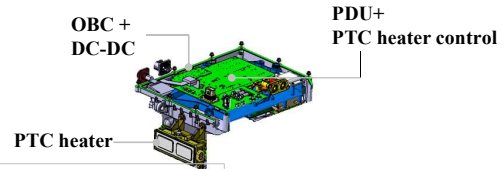


Gen.3 E-Axle will be 7 in 1, composed of 3 in 1, IPS* unit and PTC**-Heater

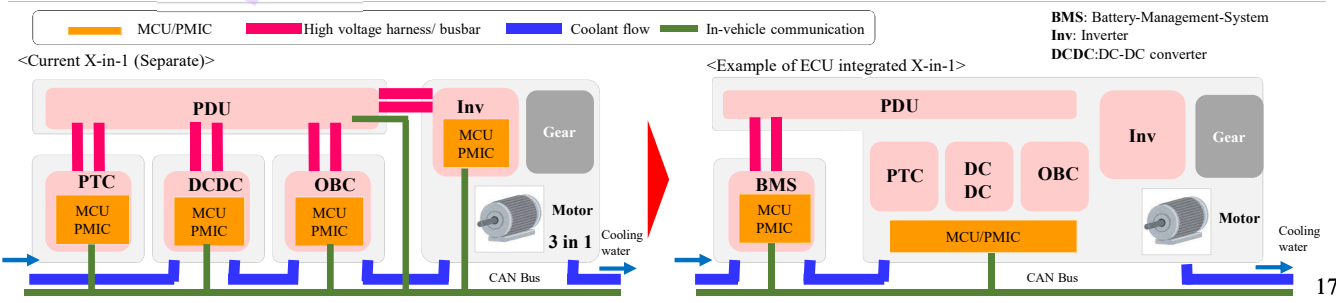
<Gen.3: 7-in-1>



<IPS structure and PTC heater>



*IPS: Integrated Power System, OBC: On-Board Charger, PDU: Power Distribution Unit, **PTC: Positive Temperature Coefficient (Heater)



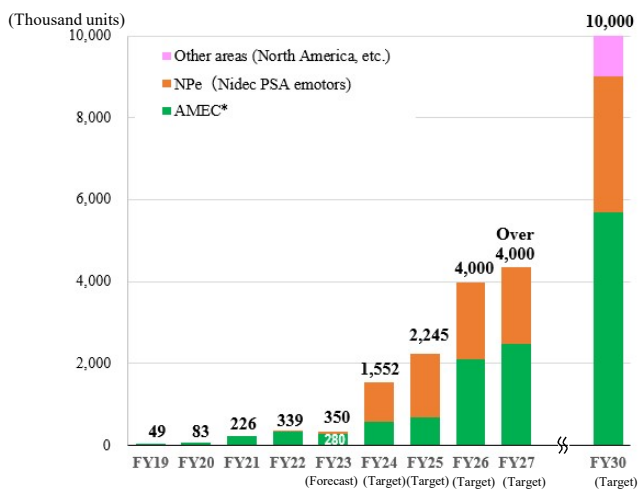
Automotive: Sales of Nidec's E-Axles

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

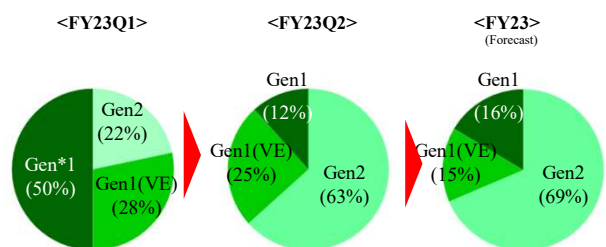


Reaccelerate R&D for downsizing E-Axles while prioritizing profitability through restricting orders for unprofitable models

<Sales forecast of Nidec's E-Axle>



<FY23 product mix of E-Axle (AMEC*)>

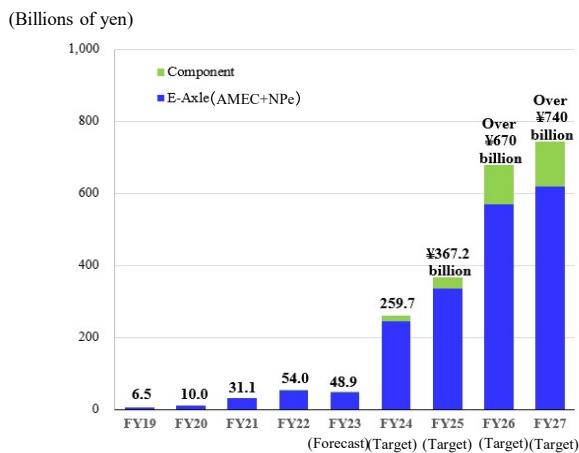


*AMEC: Automotive Motor & Electronic Control Business Unit
**Gen: Generation

Automotive: Sales of Battery EV Related Business

Targeting ¥500 billion sales in FY25 by acquiring orders from Japanese, European and US OEMs in addition to Chinese customers

<Nidec's sales of Battery EV related business>

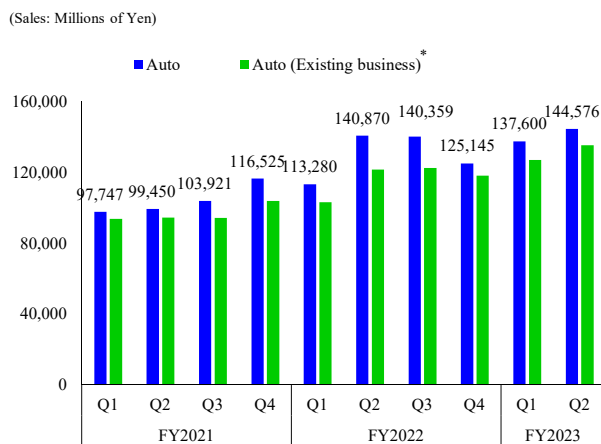


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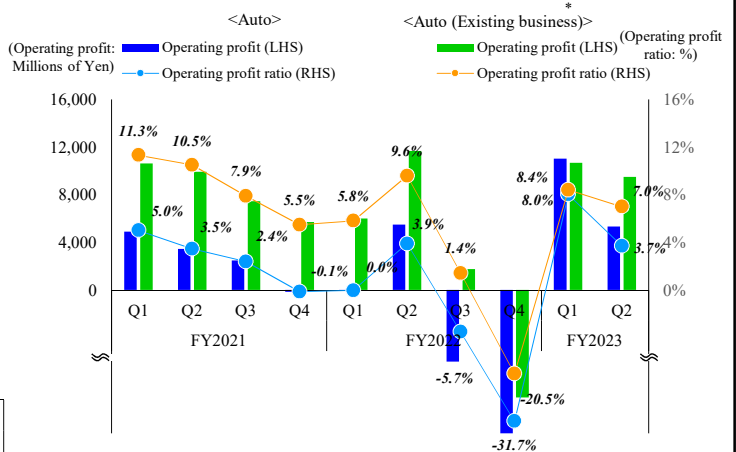
Automotive: Quarterly Results

Targeting a V-shaped recovery in FY23 after posting large structural reform expenses in the second half of FY22

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



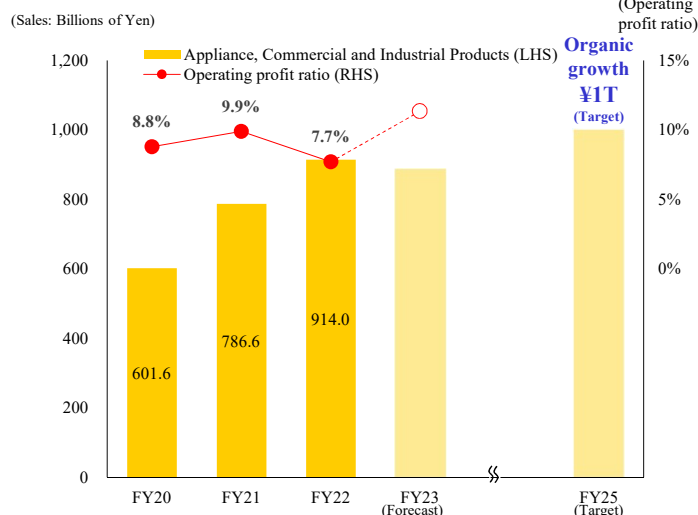
*Existing business: Excluding impact of battery EV related business from Auto business

Appliance, Commercial and Industrial: Strategy for High Growth

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

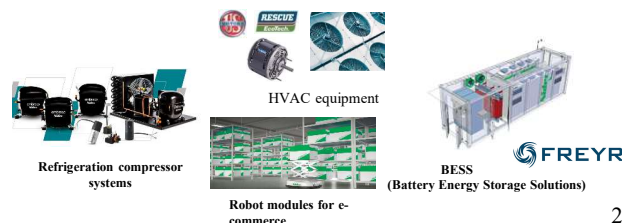
Realize high growth by capturing green innovation demand created by replacement with high-efficiency motors, etc.

<Vision 2025 in Appliance, Commercial and Industrial>



<Items to drive mid-term growth>

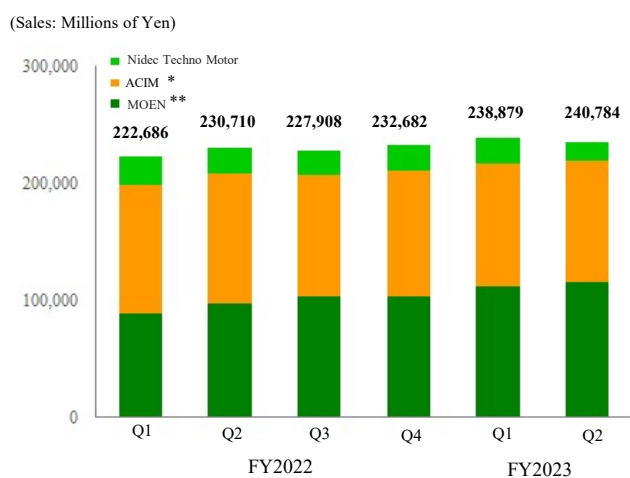
- Appliance area: We offer brushless DC motors for air conditioners, washing machines, dryers, dishwashers and compressors for refrigerators to meet the increasing demand for replacement with high-efficiency motors.
- Commercial area: Supply motors used for commercial air conditioners, and robot modules used for e-commerce.
- Industrial area: Focus on Battery Energy Storage Solutions, essential systems in the renewable energy industry, and the joint venture business with FREYR, a semi-solid lithium-ion battery manufacturer.



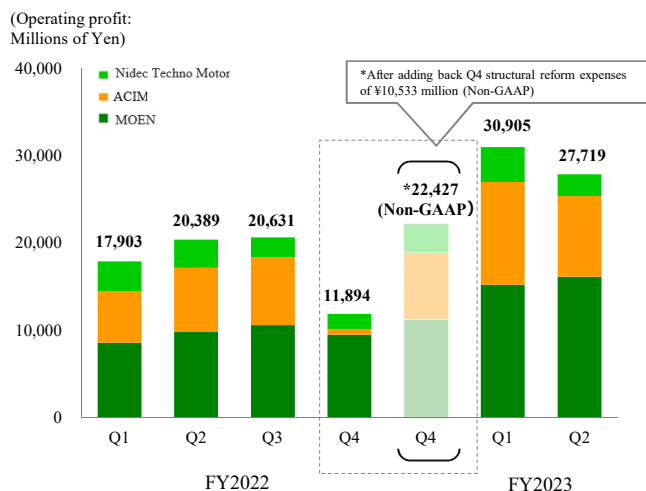
Appliance, Commercial and Industrial: Quarterly Sales and Profit by Sub-segment

Motion & Energy business will contribute to both sales and profit of Appliance, Commercial and Industrial in FY23

<Quarterly sales of Appliance, Commercial and Industrial>



<Quarterly profit of Appliance, Commercial and Industrial>



*ACIM: Appliance, Commercial and Industrial Motors. Sub-segment of Appliance, Commercial and Industrial as a main segment.

**MOEN: Motion & Energy

Appliance, Commercial and Industrial: Products by Sub-segment



Nidec Techno Motor	<Home air conditioners>	<Commercial air conditioners>	<Industrial machinery>			
	Brushless DC motors	Brushless DC motors	Three-phase induction motors			
ACIM*	<Home appliances>	<Commercial products>	<Industrial products>			
MOEN	<Medium- and large-size motors>	<Generators>	<Drives & Controls>	<Elevators>	<Robotics>	<Infrastructure>

*ACIM: Appliance, Commercial and Industrial Motors. Sub-segment of Appliance, Commercial and Industrial as a main segment.

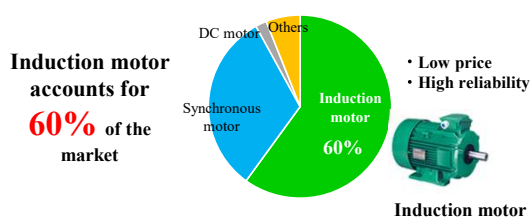
Appliance, Commercial and Industrial: Aim to dominate induction motor market with SynRA™

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



Introducing technologically innovative product SynRA™ to the market with aiming to gain absolute No.1 global market share in the induction motor market

<Composite of industrial motor market>

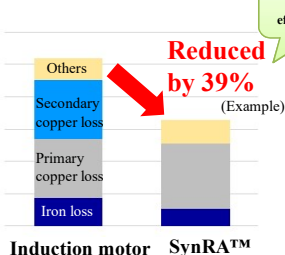


<Won technological innovation awards >

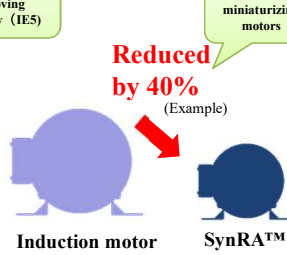
SynRA™
(SynRM with Aluminum cage rotor)

CCP Commercial Comfort Products (The US) 	NED New Equipment Digest Innovation Award (The US) 	BP Breakthrough Products Awards (The US)
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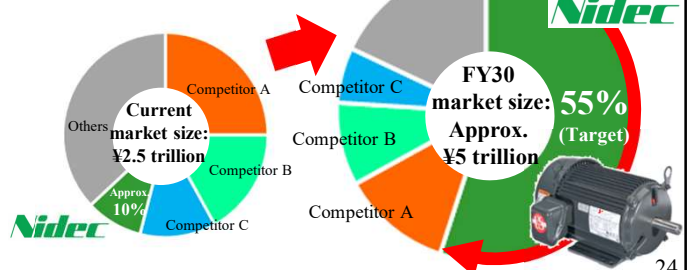
<Total energy loss>



<Volume>



<Global industrial motor market>

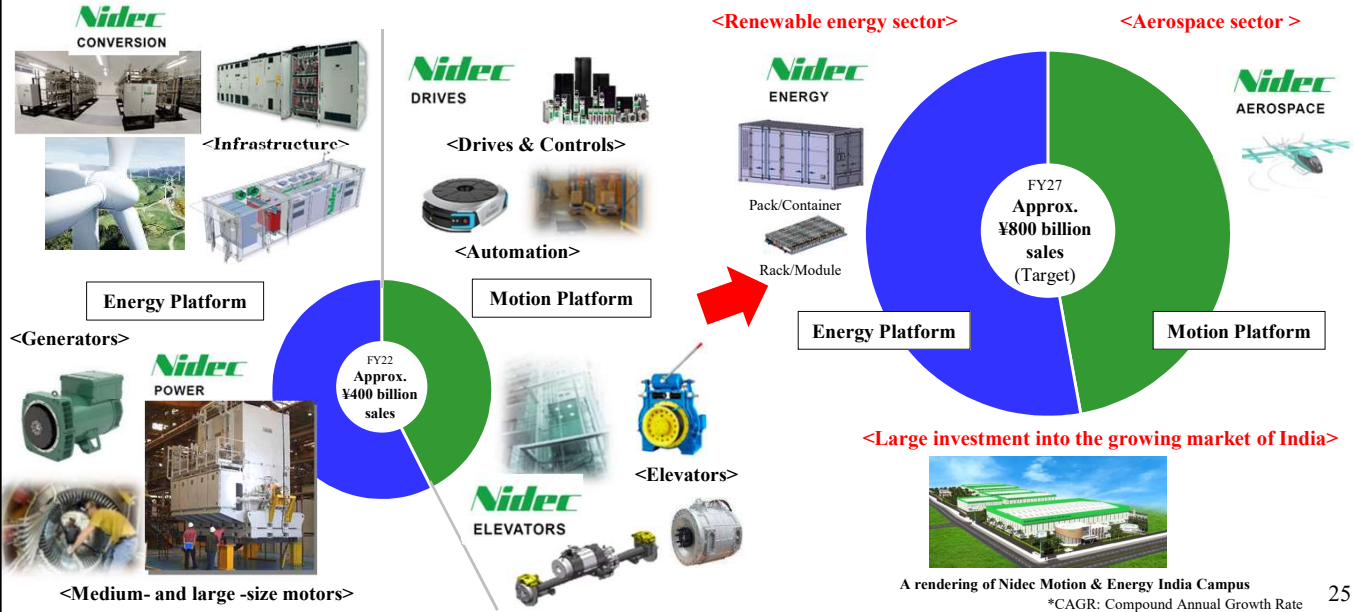


Appliance, Commercial and Industrial: Motion & Energy will Enter New Markets for Mid- to Long-term Growth

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MOEN aims to double sales by FY27 (CAGR*: 15%)

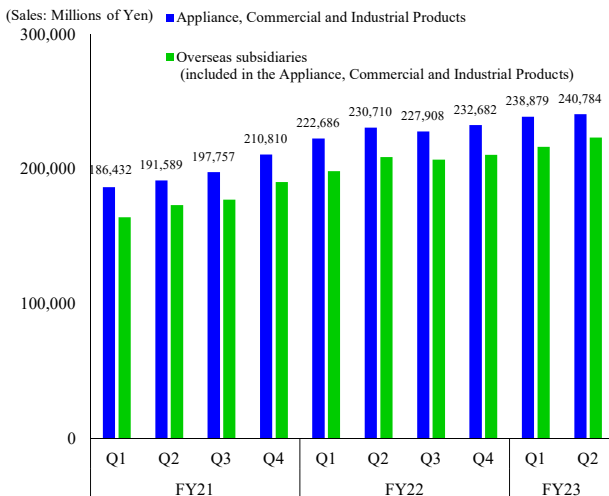


Appliance, Commercial and Industrial: Quarterly Results

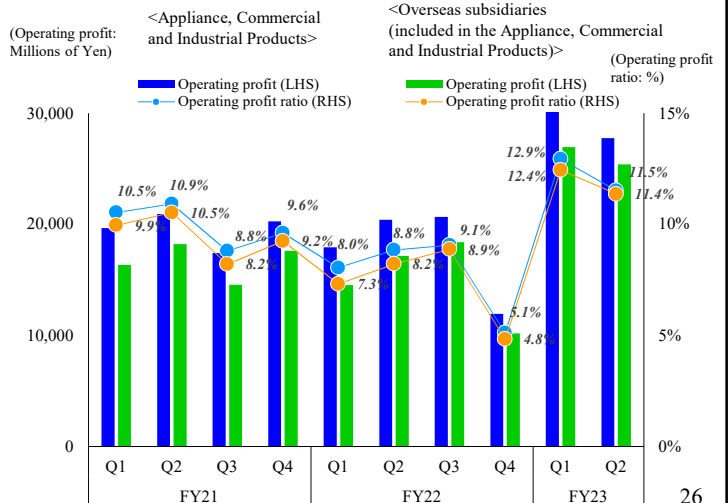


Profitability of overseas subsidiaries improved with a tailwind from generator and green energy markets

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



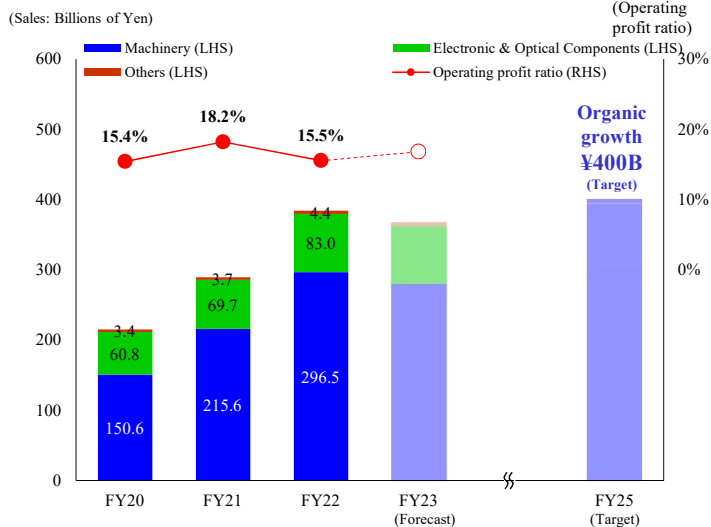
Other Product Group: Strategy for High Growth

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



Launching Machinery and Automation Business Unit in FY23 handling reducers, press machines and machine tools to drive the growth of machinery business

<Vision 2025 in Others>



<Items to drive mid-term growth>

- Sales target ¥500 billion in FY25 and ¥1 trillion in FY30 by Machinery and Automation Business Unit (Nidec Drive Technology*).
- Reducers: Gain bigger global market share of strain wave gears for collaborative robots. As for planetary gears, we set a new production base in Europe by utilizing unused facilities of Nidec Motors & Actuators in Spain.
- Press machines: Focusing on anti-plastic demands due to shift from plastic to canned bottles and growing demand for EV. Launch full product line from small and high-speed to large machines, and introduce related equipment.
- Machine tools: Expand product lineup and market area with a focus on the Chinese market to seek high growth. **Nidec commenced tender offer for Takisawa Machine Tool.**



Production plant for gear cutting machines (Rental factory at Pinghu, China: From October 2022)



New factory for machine tools at Pinghu, China (Phase I construction was completed in June 2023)

*Nidec Drive Technology: Previously, Nidec-Shimpo

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Other Product Group: Machinery and Automation Business Unit

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

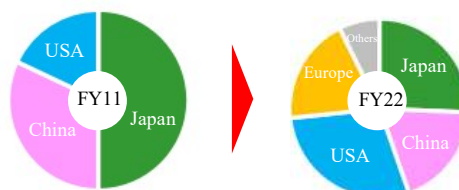


Targeting ¥1 trillion sales in FY30 driven by global business expansion and M&As

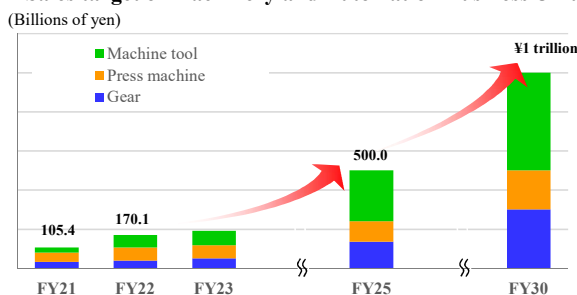
<Machinery and Automation Business Unit>

	Company Name	Acquisition Date	Main Products
Gear	Nidec Drive Technology	-	Gear
	Nidec Graessner (Germany)	Aug. 2018	Right-angle reducer
	NIDEC DESCH (Germany)	Mar. 2019	High-precision gearbox
Press Machine	Nidec Drive Technology	-	Small press
	Nidec MINSTER (USA)	Apr. 2012	Medium- and large-size servo press
	Nidec ARISA (Spain)	Aug. 2015	Large press
	Nidec VAMCO (USA)	Mar. 2017	Press feeder
	Nidec SYS (Germany)	Feb. 2019	Press feeder
	Nidec CHS (USA)	Sep. 2020	Press peripheral equipment
	Automatic Feed, etc. (USA)	Aug. 2023	Press peripheral equipment
Machine Tool	Nidec Machine Tool (Japan)	Aug. 2021	Gear cutting machine, 5-face milling machine
	Nidec OKK (Japan)	Feb. 2022	Machining Center
	PAMA (Italy)	Feb. 2023	Boring and milling machine, 5-face milling machine

<Sales by region>



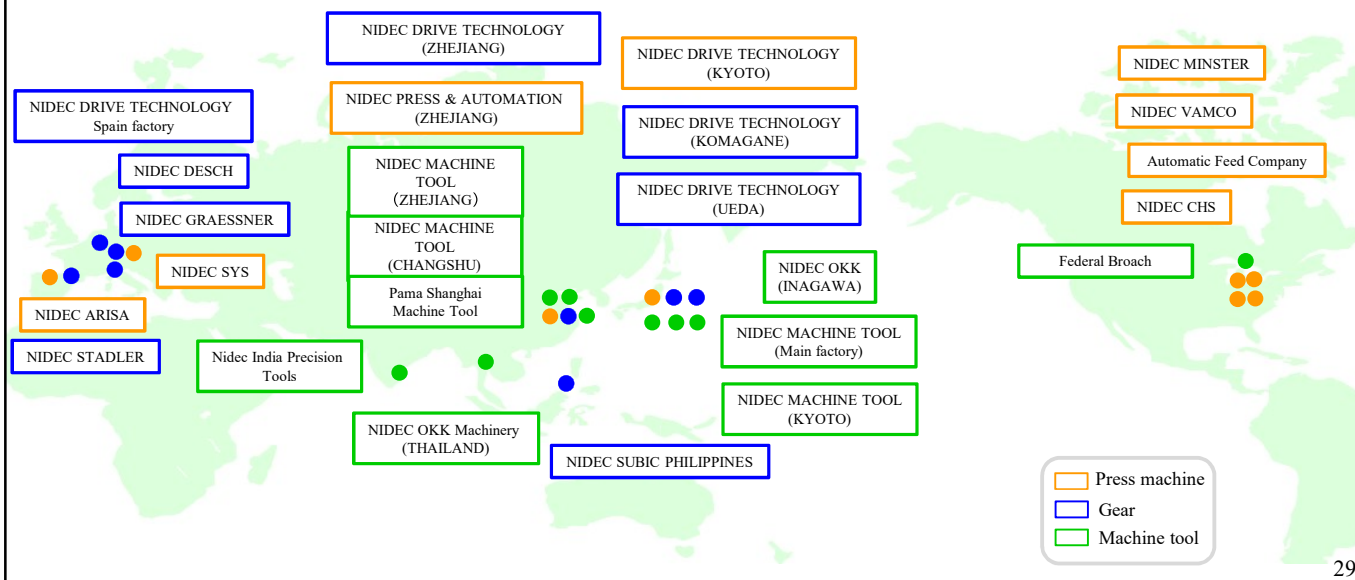
<Sales target of Machinery and Automation Business Unit>



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Other Product Group: Machinery and Automation Business Unit

Nidec's 25 production bases in 8 countries respond to global market needs

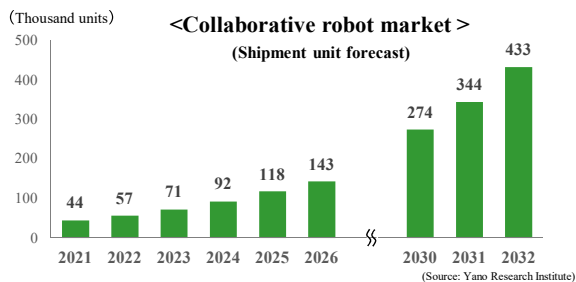


Other Product Group: Strategy of Machinery and Automation Business Unit (1)
Gear and Press Machine

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

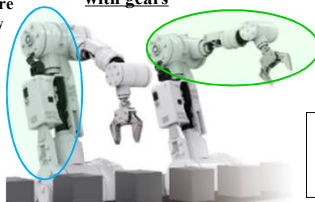
Gear

Target No.1 share in collaborative robot market



Example of medium-sized 6-axis robot with gears

Gain market share by launching new product*



The world's first multiple sensors embedded gear Smart-FLEXWAVE



- 3 sensors in one gear!
- (1) Torque sensor
 - (2) Temperature sensor
 - (3) Angle sensor

*Plan to announce in the end of November, 2023

Press Machine

Realize high profitability with modularized products

<Realize modularization through M&A>

Main application		Uncoiler and leveller	Press feeder	Press machine
Small size, High speed	Electronic components, connectors	Lots of suppliers (Buy products)	VAMCO/SYS	KYORI
Medium size	General components, EV lamination, can making presses	CHS/ARISA	CHS/ARISA	MINSTER/ARISA
Large size	Auto parts	Automatic Feed	Automatic Feed	ARISA

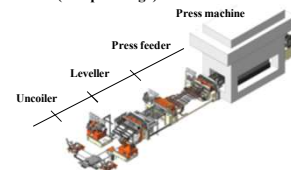
<Example>

Increasing orders of growing EV related press machines (Battery, auto parts, motor core)



Automatic Feed and Arisa's press unit for auto

Press unit (Sample image)

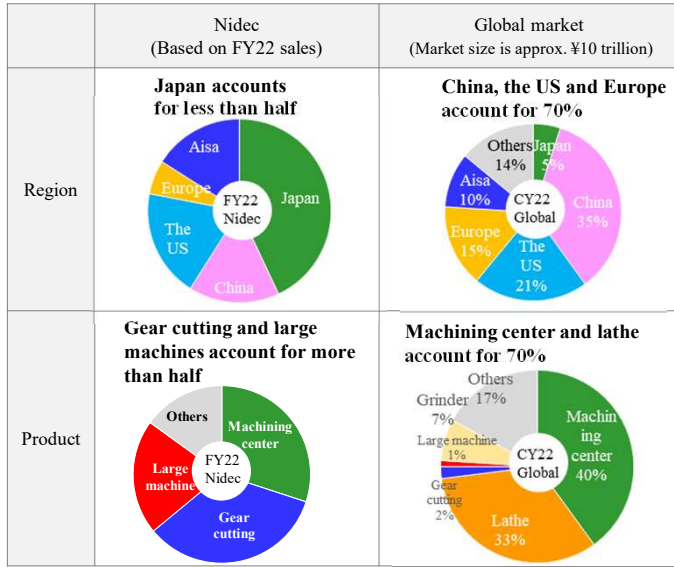


Other Product Group: Strategy of Machinery and Automation Business Unit (2) Machine Tool

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

Targeted geographical sales ratio for FY25 of Europe and the US: China: Japan: Others = 3:3:3:1 with increasing the composition ratio of lathe and others in the product portfolio.

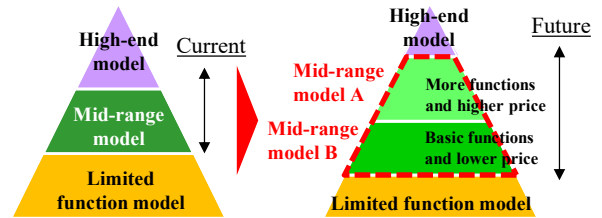
<Current situation>



<Business strategy>

To become the global No.1 machine tool company in FY30

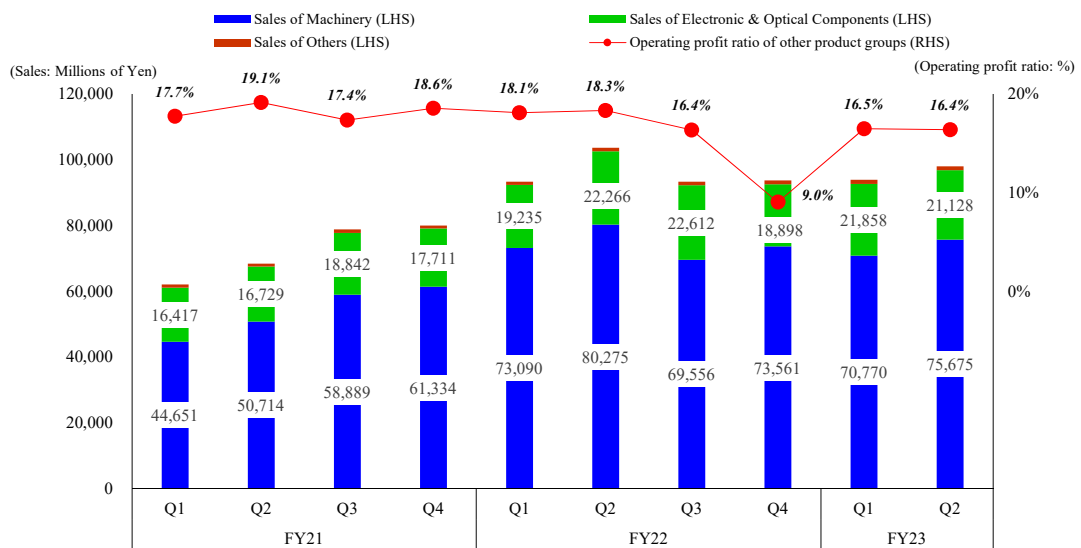
1. Supply functions and services end-users truly need.
(Reasonable price, not excessive functions or quality)
2. Produce near customers and supply quickly.
(Shorter delivery time)
3. Expand business scale by acquiring companies that complement Nidec's products and areas.



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Other Product Groups: Quarterly Results

Aiming to improve profitability in FY23 after posting structural reform expenses in Q4/FY22



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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)

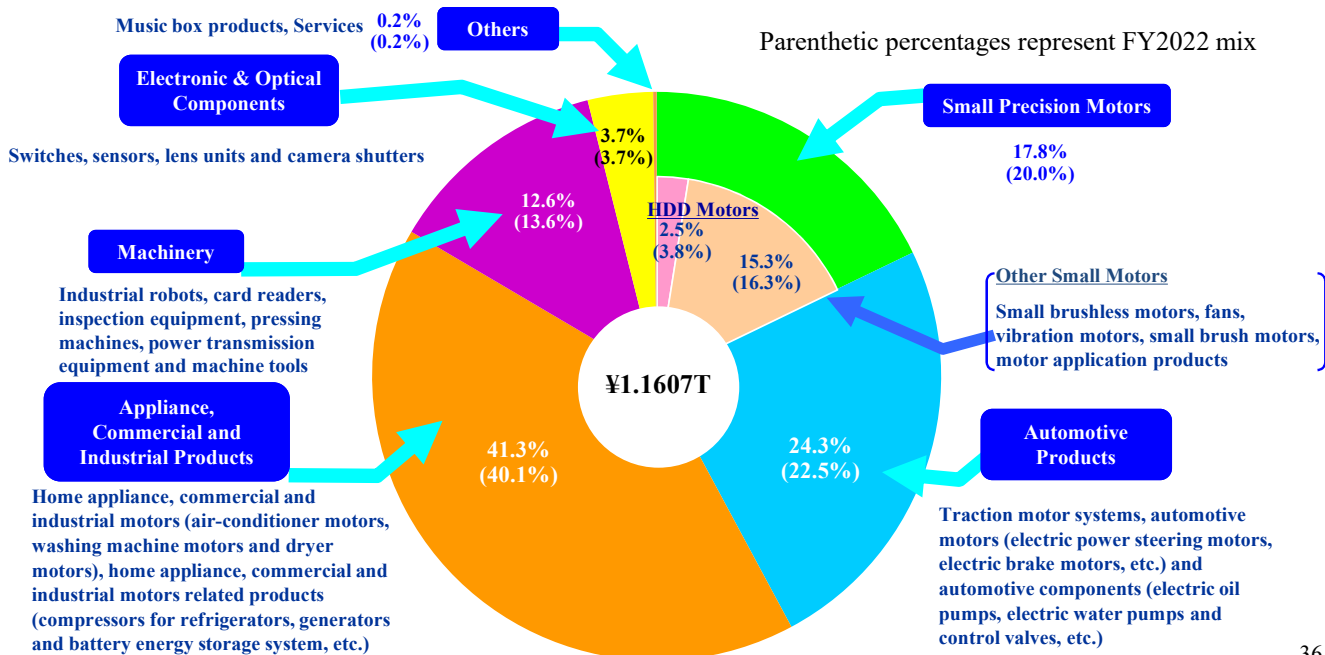
Manpower saving
(Keywords: Industrial robots, servicing robots and logistics)

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

Sales by Product Group (Apr-Sep FY2023)



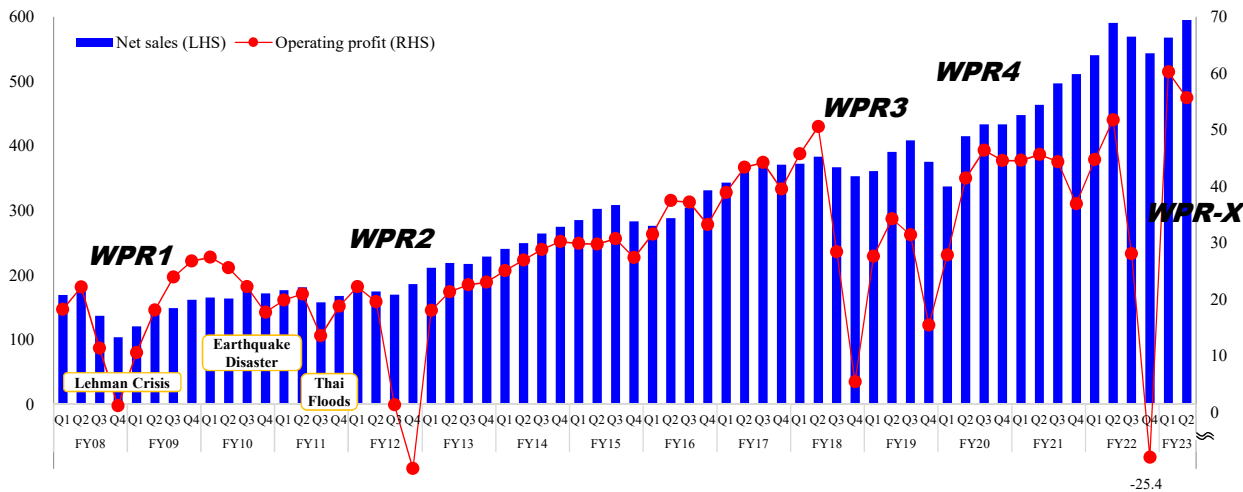
Consolidated Quarterly Net Sales and Operating Profit



Aiming to achieve V-shaped recovery in FY23 after structural reform through *WPR-X* in FY22

(Net sales in Billions of Yen)

(Operating profit in Billions of Yen)



Automotive: Sales of Vehicles with Nidec's E-Axle

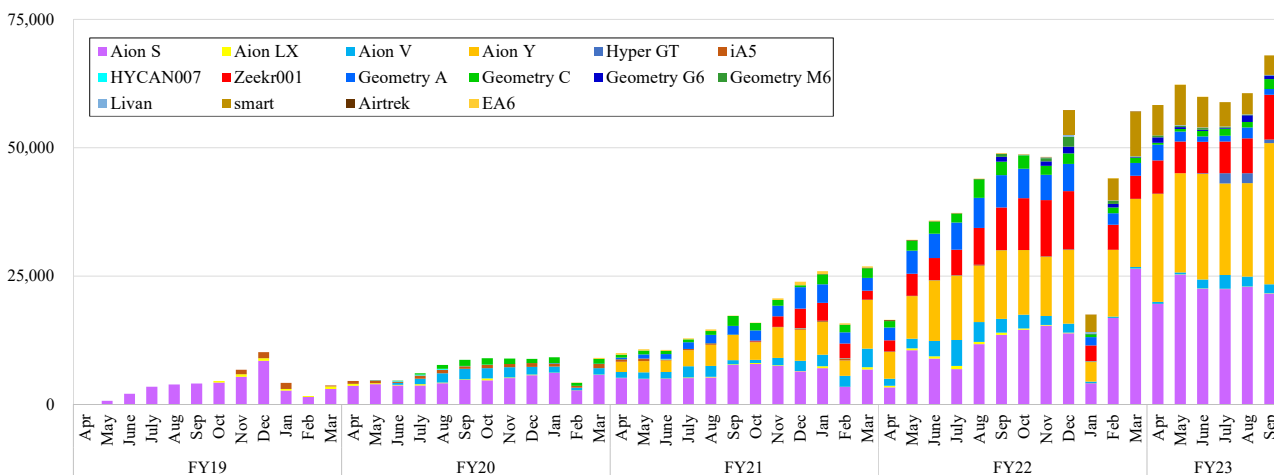


Sales of vehicles using our E-Axle grew 90% in FY20, 140% in FY21 and 138% in FY22 YoY

<Auto sales of cars adopting Nidec's E-Axle>

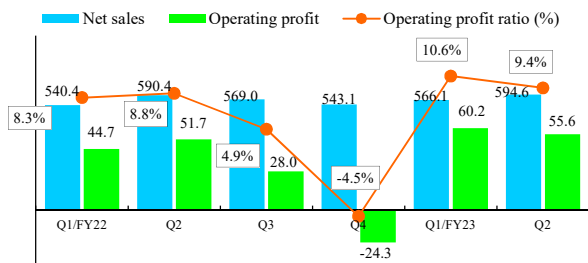
(Source: Marklines)

(Units)

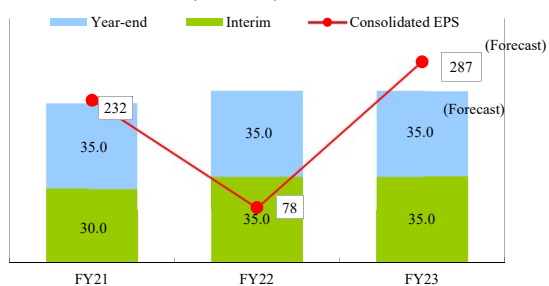


Financial Highlights

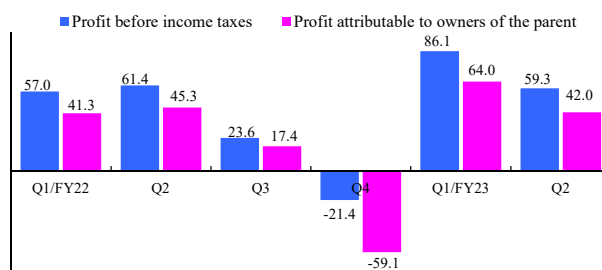
<Consolidated Net Sales and Operating Profit>
(Billions of Yen)



<Dividends and EPS>
(Yen/share)



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



<Consolidated Cash Flow>
(Billions of Yen)

