

Nidec Corporation

Fiscal First-Half 2024 Financial Results

Three Months Ended September 30, 2024
<IFRS>



1 FINITY T900



1 FINITY T950

Nidec's water cooling modules are adopted in certain models of Fujitsu's optical transmission system

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 T900 and T950, high-end models of the IFINITY series, the optical transmission system developed by Fujitsu Limited. Nidec's water cooling modules have been adopted for use in these models.
<https://www.nidec.com/en/product/news/2024/news0902-01/>

Consolidated Profit/Loss



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

Billions of Yen, except for percentages, EPS, and FX rates	1H/FY2023	1H/FY2024	Change	FY24 Forecast
Net sales	1,157.4	1,293.8	+11.8%	2,500.0
Operating profit	115.3	121.0	+4.9%	240.0
Operating profit ratio	10.0%	9.4%	-	9.6%
Profit before income taxes	144.9	100.2	-30.9%	250.0
Profit attributable to owners of the parent	105.7	75.6	-28.5%	185.0
EPS (Yen) (*)	91.99	65.76	-28.5%	160.98
Dividend (Yen)	35.00	40.00	-	- (**)
FX rate (Yen/US\$)				Assumed for Q3 onward:
Average:	141.00	152.63	+8.2%	Yen/US\$: 145
Term end:	149.58	142.73	-4.6%	Yen/Euro:155

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2024 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.

Nidec implemented a two-for-one common stock split, effective October 1, 2024.

* Earnings per share were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

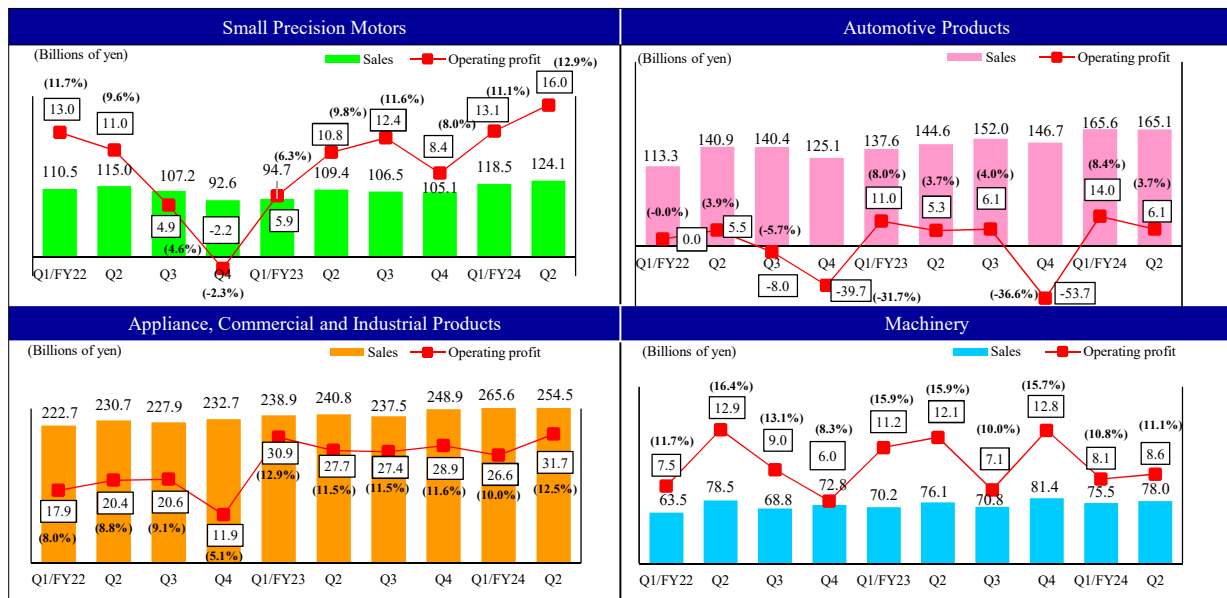
** We are not displaying the total annual amount of dividends per share, as it cannot be simply aggregated due to the stock split. Without considering the stock split, the year-end dividend per share (projected) would be 40 yen and annual dividend per share (projected) would be 80 yen for the fiscal year ending March 31, 2025.

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Product Group Overview



Numbers inside parentheses refer to operating profit.



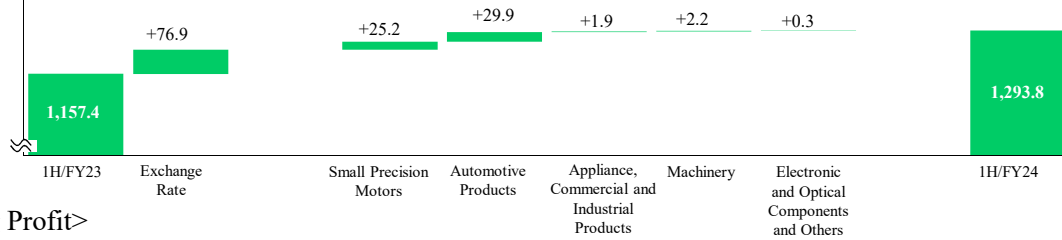
4

Year-on-Year Changes (Six Months Ended September 30, 2024)



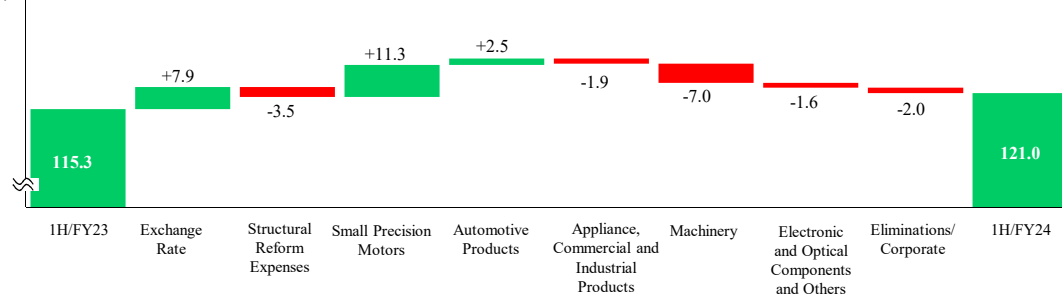
<Net Sales>

(Billions of Yen)



<Operating Profit>

(Billions of Yen)



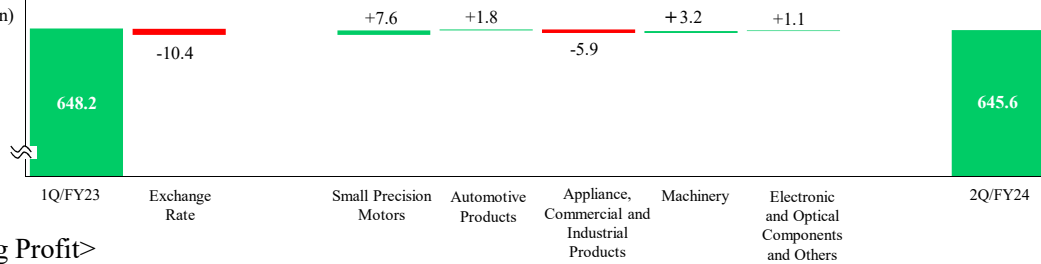
5

Quarter-on-Quarter Changes (Three Months Ended September 30, 2024)



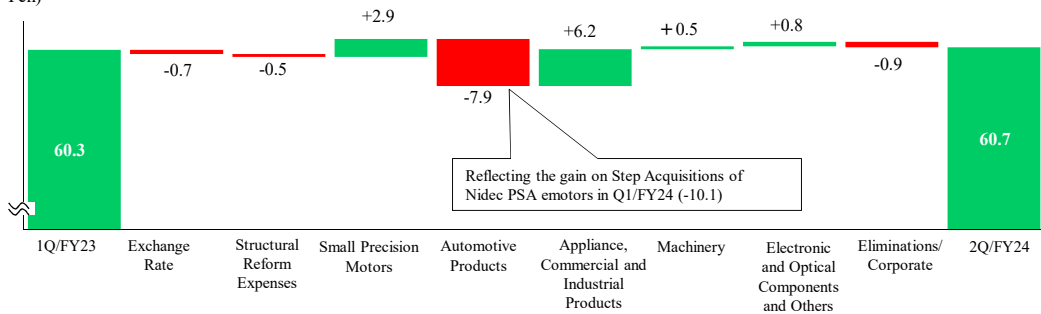
<Net Sales>

(Billions of Yen)



<Operating Profit>

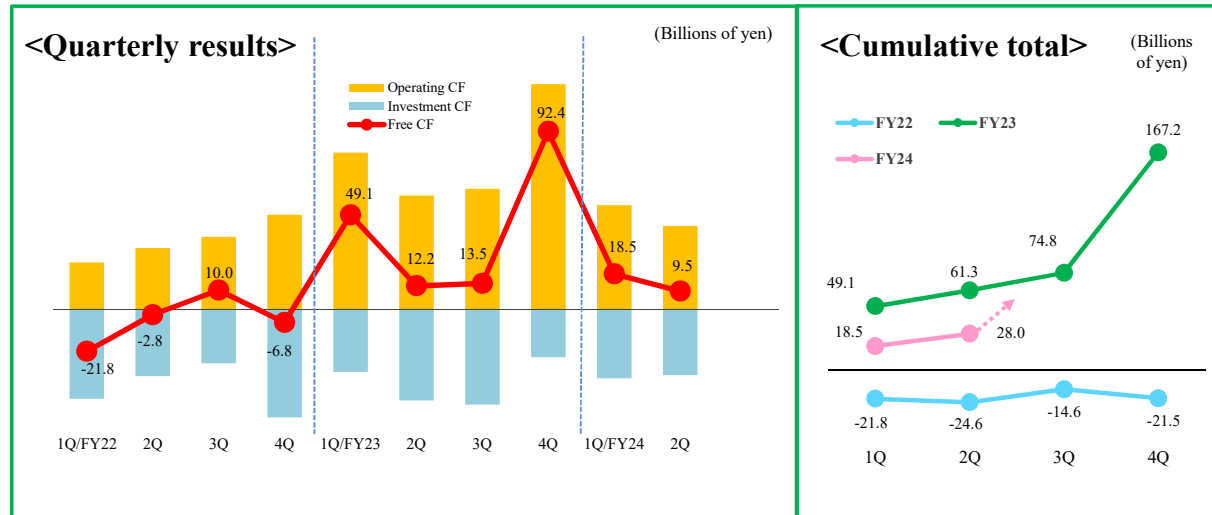
(Billions of Yen)



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Promoting Cash Flow Management

Aiming to enhance cash flow generating ability to maximize corporate value
(Balanced cash allocation to growth investment, shareholder return and interest-bearing debt control)



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Summary of Q2 FY2024

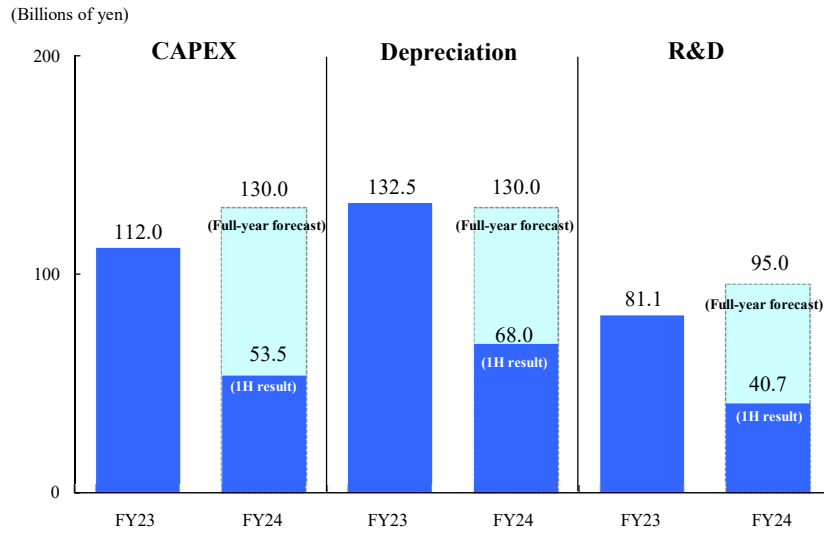
- First half net sales stood at a **record high** of ¥1,293.8 billion, 11.8% higher Y/Y.
- First half operating profit increased 4.9% Y/Y to ¥121.0 billion, marking a **record high**.
- Quarterly operating profit stood at a **record high**.

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■ CAPEX, Depreciation, R&D



This slide includes forward-looking statements. See Disclaimer on Page 2. *-All for dreams*



Continuing aggressive investments that support mid-term growth

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Topics of Q2

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Strategy Shift in Automotive Products Business

We expand our automotive product range globally capitalizing on our sales experience, local procurement capability and cost competitiveness

Battery EV related business

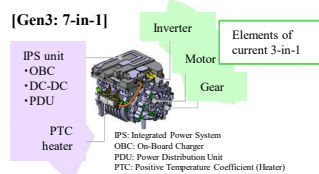
*1 GNAD: Guangzhou Nidec Auto Drive System Co., Ltd.
*2 NPe: Nidec PSA emotors

1. Focus on joint ventures and implement a plan to turn a profit

►GNAD *1
(Joint venture in China between Nidec and GAC Component Co., Ltd.)
Completing the development and starting the mass production of Nidec's first 7-in-1 model, Gen3

►NPe *2
(Joint venture in Europe between Nidec and Stellantis)

Production & Supply in response to customers' demand



2. Business for individual parts

Continuing negotiation with European and Chinese OEMs
Approaching several OEMs appealing our manufacturing technology as well as creation of small and compact products



Existing business

*3 ECU: Electronic Control Unit
*4 SPMS: Small Platform Motor & Solutions Business Unit
*5 AMEC: Automotive Motor & Electronic Control Business Unit

1. Generate synergies among the product categories

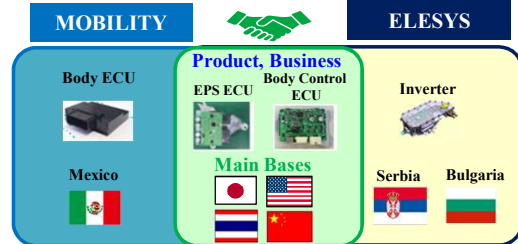
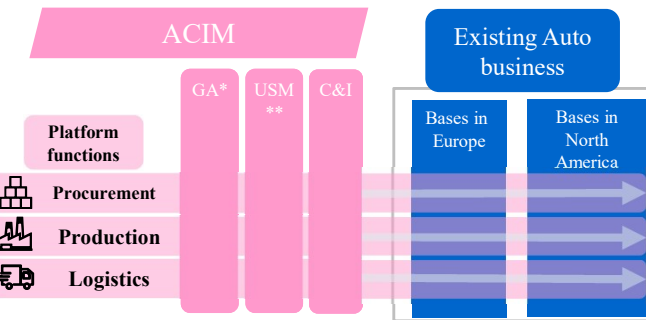
Category	Group Companies Business Units	Products
Electronics	•ELESYS •MOBILITY	ECU *3 Inverter
Body	•SPMS *4 •INSTRUMENTS •PRECISION •ADVANCED MOTOR etc.	Motor for seat adjuster Haptics Stepping motor for head up display Fan
Powertrain *Excluding battery EV related products	•Existing(AMEC *5) •INSTRUMENTS •POWERTRAIN SYSTEMS etc.	Electric water pump Electric oil pump Actuator for Dual clutch transmission
Chassis	•Existing(AMEC) etc.	Electric power steering motor Brake motor

Organizational Reinforcement of Automotive Products Business

Enhance competitiveness through regional, product and business optimization

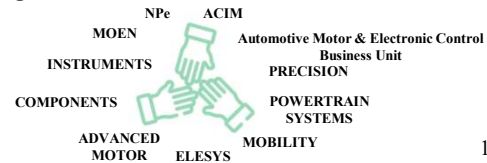
Integrated existing Auto business into ACIM that has strengths in North American and European operations

Collaboration and knowledge consolidation between Nidec Mobility and Elesys in the expanding field of electronics/power control



- ✓ Integrate automotive business bases into the production management organizations of ACIM in each region =>Address issues at the bases to develop permanent solutions
- ✓ Benefit from advantage of scale through collective procurement
- ✓ Reduce costs through sharing logistics and optimization

Create more added-value and business opportunities through "One Nidec" efforts



*GA: Global Appliances
**USM: US Motors

Expansion Strategy of Water Cooling Module Business

Base of AI Society



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

Introducing a series of water cooling module products in anticipation of rapid demand increase due to upcoming next-generation GPU servers

Server rack



1. QC (Quick Coupling)

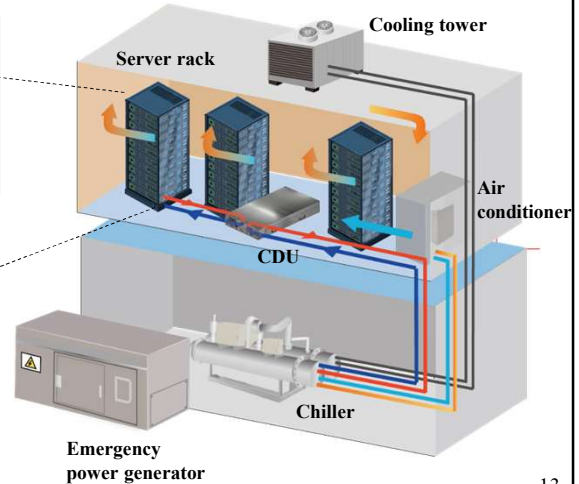
- Starting in-house mass production along with the shift to next-generation GPU
- Introducing multitasking machines newly developed by Takisawa to factories in Thailand (Ayutthaya), China (Pinghu) and the Philippines (Laguna) to ensure enough production capacity
- Full utilization of helium leak testing. Quality is top priority.

2. LCM (Liquid Cooling Module)

- Starting mass production of LCM applicable to current type of GPU during 2nd half of FY2024
- LCM applicable to next-generation GPU is under development.

3. CDU (Coolant Distribution Unit)

- Preparing next-generation 250kW products to which in-house produced pumps are applied
- In-row type is under development as well as existing in-rack type.



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Appliance, Commercial & Industrial (MOEN)

Better Life

Sustainable Infrastructure and Energy

Base of AI Society



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Planning to expand production capacity for further mid- and long-term growth of Motion & Energy Business

Gather full lineup of MOEN products in India, a main growth market

Hubli 2nd factory, MOEN

Starting operation in FY25

Mid- and large-size motors, BESS, products for elevators, drive/control, etc.

- Expansion investment to catch up with growing demand in the Indian market from both global and Indian major customers
- Nidec signed a partnership agreement with Ashok Leyland, a leading Indian commercial vehicle manufacturer. We will produce e-drives for commercial electric vehicles at this factory.



Hubli 2nd Factory, India



E-drive

Capture rapidly increasing demand for BESS along with the expansion of renewable energy

New factory for conversion business, France

Starting operation in FY25

- The current sales of BESS in EMEA market exceed our own production capacity (partially outsourcing).
- New factory for assembly of BESS is in construction in Saint-Etienne (Southeastern France) towards increasing production and shipment of BESS from FY2025.
- For future production increase, we secured space for another assembly factory as large as the new one.



Saint-Etienne Factory, France



BESS (Battery Energy Storage System)

Capture high demand for emergency power generators for data centers in North America

Power generator business in North America – expanding production capacity of Lexington (the U.S.) and Reynosa (Mexico) factories

Starting operation in FY25

- We hold relatively high market share in the market of low- and medium-voltage alternators for data centers in North America.



Data center



Alternator



Lexington Factory, the US



Reynosa Factory, Mexico

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Machine Tools: Reinforcement of Global Order System

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

Efficient
Manufacturing

Nidec
-All for dreams

Aim to become a global comprehensive machine tool manufacturer through introducing new products and new technology continually

New products

➢ Growing demand for integrated processes in high-precision gear machining
(Co-development by Takisawa and Nidec Machine Tool)



Combined Machining CNC Lathe TS-4000HYS

➢ Increasing demand due to the electrification of vehicles and the expanding need for high-performance robot reducers



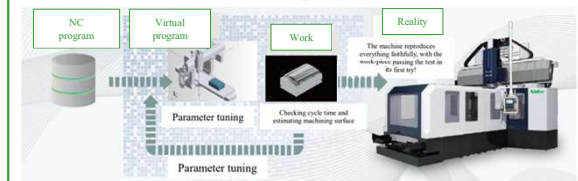
Gear Grinders ZFA Series



Internal Gear Grinder ZI25A

New technology (Digital Twin)

➢ Contribution to productivity improvement by pre-verifying machine tools in a digital virtual space.



New Market Development

Nidec launched a new factory that contains a showroom to exhibit products produced by Nidec Group's machine tool companies. We aim to gain top market share in China through collaboration within the group in areas of sales, development, production and services!



➢ NIDEC MACHINE TOOL (Zhejiang) started full-scale operations from the second half of FY2024.

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M&A Strategy (Machinery & Automation Business Unit): Acquisition of Linear Transfer Automation Inc. and Related Companies

Efficient
Manufacturing

Nidec
-All for dreams

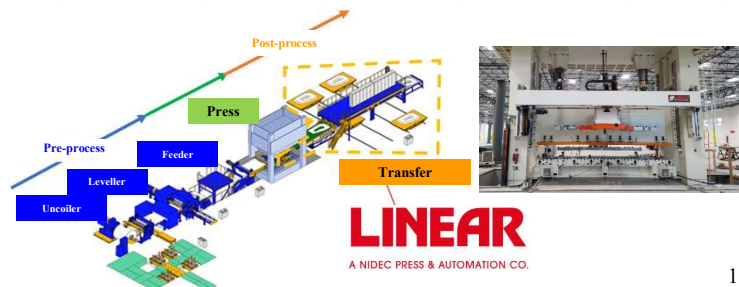
Providing complete system solutions by adding press and peripheral equipment with the addition of pre- and post-processing to press machine

<Outline of the New Subsidiary>

Company name	(i) Linear Transfer Automation Inc. (ii) Linear Automation USA Inc. (iii) Presstrader Limited
Headquarters	Barrie, Ontario, Canada
Established	1994
Business leader	Rama Jayaweera
Business base	Canada, United States
Principal of businesses	Manufacturing, sales and service for press peripheral equipment
Number of employees	90 (Consolidated)
Sales	39.6 million CAD (approximately 4.4 billion yen) The fiscal year ended September 2023

<Enabling unitization utilizing M&A>

		Pre-process				Post-process
Main application		Uncoiler Leveller	Feeder	Press	Transfer	
Small high-speed	Electronic components	None	Vamco/SYS	Nidec Drive Technology (Kyori)	None	
Mid- / large-sized	Motor core, cans, small-/mid-sized automotive parts	CHS/Arisa	CHS/Arisa	Minster/Arisa/ Nidec Drive Technology (Kyori)	LINEAR	
Giga	Large-sized automotive parts	Automatic Feed	Nidec Automatic Feed	Nidec Arisa	LINEAR	



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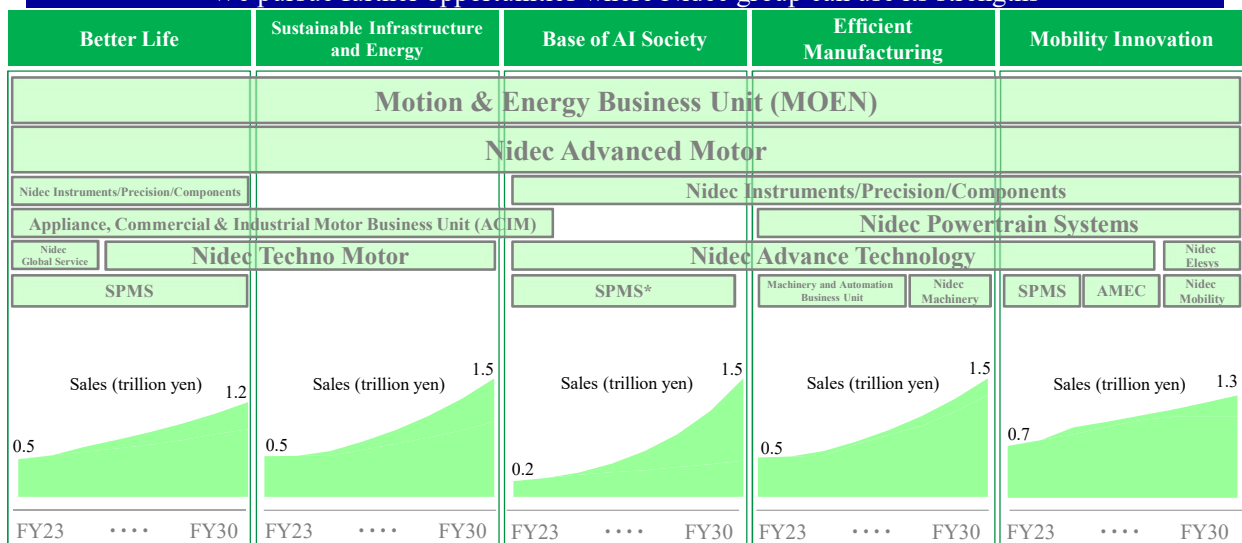
Mid- to Long-Term Direction

Five Business Pillars: Footprint of Existing Businesses

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



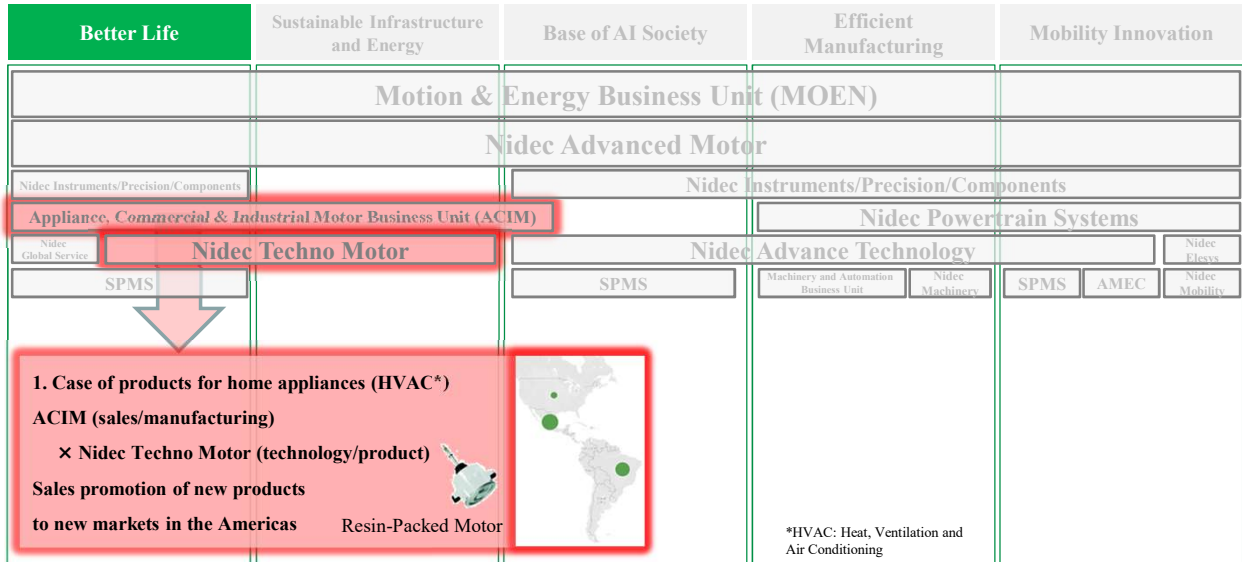
Existing business units and group companies cover all Five Business Pillars
We pursue further opportunities where Nidec group can use its strengths



Five Business Pillars: Businesses Development (Vertical Axis)



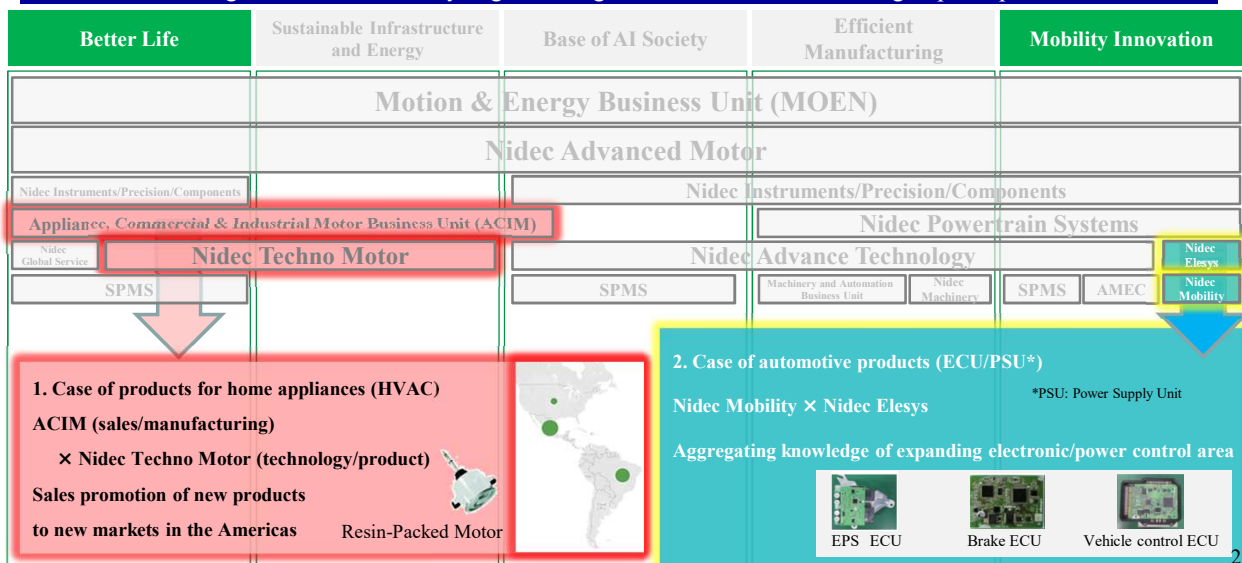
Acquire further opportunities and expand business through collaboration and synergies among different business units and group companies



Five Business Pillars: Businesses Development (Vertical Axis)



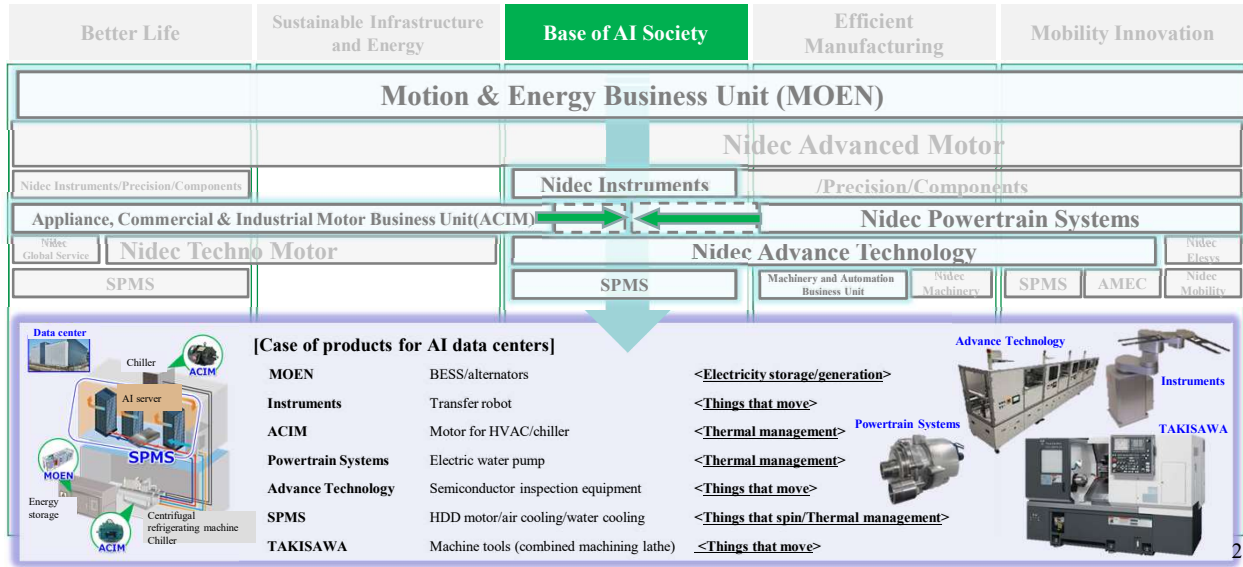
Acquire further opportunities and expand business through collaboration and synergies among different business units and group companies



Five Business Pillars: Horizontal Application of Our Strength (Production, Sales, Development) 

This slide includes forward-looking statements. See Disclaimer on Page 2. *-All for dreams*

Provide our strength and value created through gathering all group's knowledge (cross-selling) by getting to know customers' requirements



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Japan Tel: +81-75-935-6140
 EMEA Tel: +31-6-8393-1827
 U.S. Tel: +1-229-299-1913

E-mail: ir@nidec.com
 E-mail: iwai.yuji@nidec.com
 E-mail: endo.takashi2@nidec.com

Note:

During the three months ended June 30, 2024, Nidec completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Automatic Feed Company, Lasercoil Technologies LLC and Automatic Leasing Company. Nidec's consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition price as Nidec finalized the provisional accounting treatment for the business combination.

During the three months ended September 30, 2024, Nidec revised its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Takisawa Machine Tool Co., Ltd. Nidec's consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition price as Nidec revised the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2024, the assets and liabilities which are currently under evaluation have been recorded on Nidec's condensed interim consolidated statements of financial position based on provisional management estimation as of September 30, 2024.

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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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Performance Trends & Product Group Overview

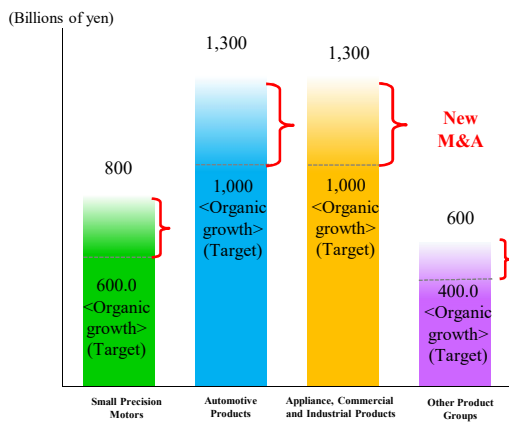
Mid-Term Strategic Goals *Vision2025*



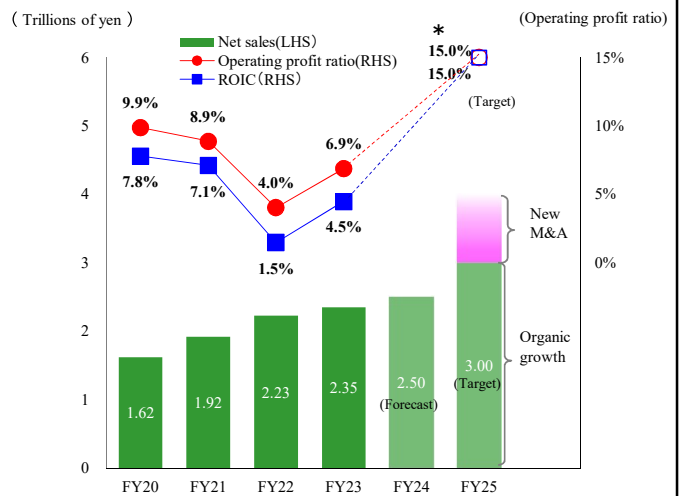
This slide includes forward-looking statements. See Disclaimer on Page 2. -All for dreams

FY2025
Net sales: 4 trillion yen (Target)

Breakdown of ¥4 trillion sales target by product group



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



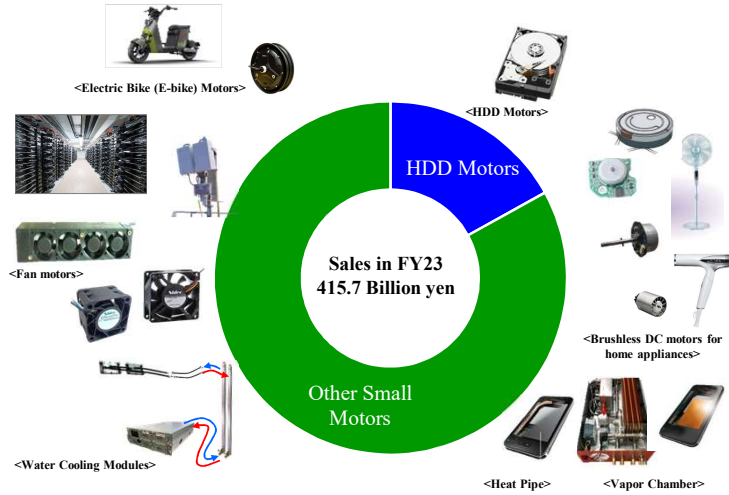
*Operating profit ratio of 15% is only applicable to sales target of 3 trillion yen in FY25.

Small Precision Motors: Sub-Segment Results and Year-on-Year Changes

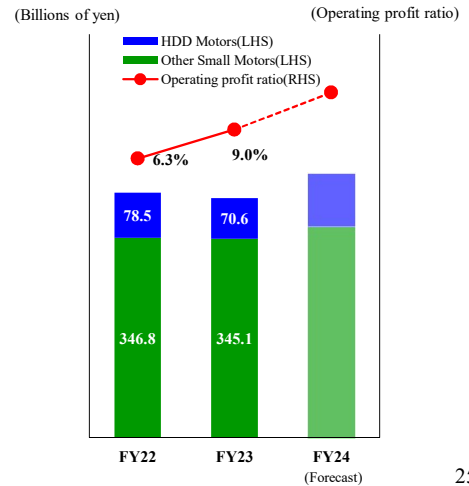
This slide includes forward-looking statements. See Disclaimer on Page 2.

Demand for IT-related products has been slowly recovering since mid-FY23.
We are starting a new business in generative AI area.

<Sales by sub-segments of Small Precision Motors>

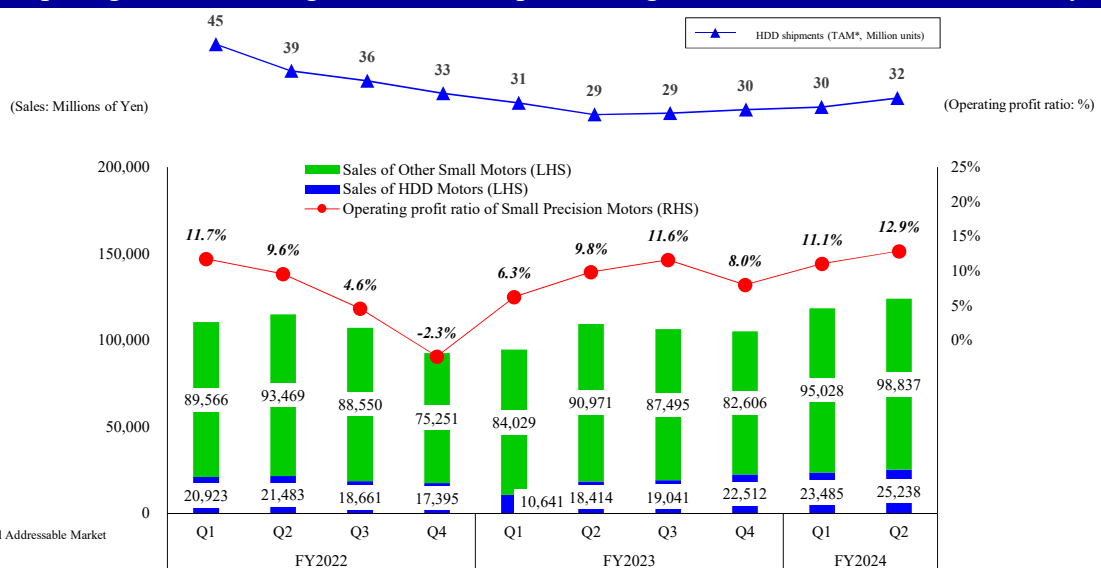


<Changes of sales and operating profit of Small Precision Motors>



Small Precision Motors: Quarterly Results

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



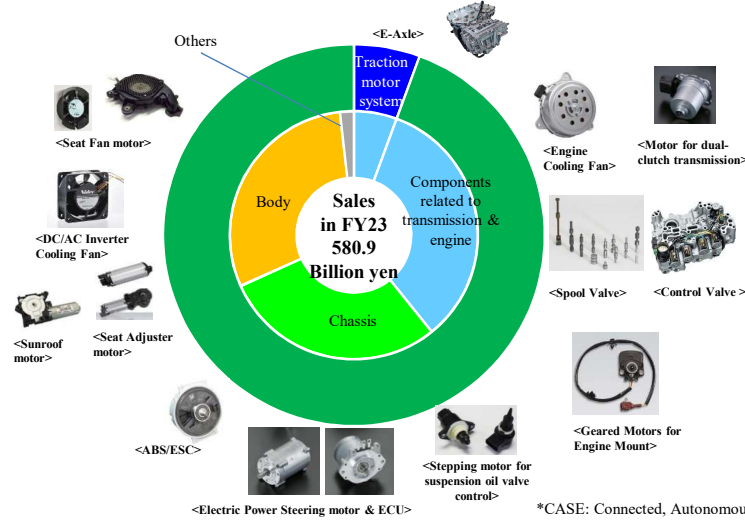
Automotive: Wide Variety of Products Ranging from Motors to Other Components



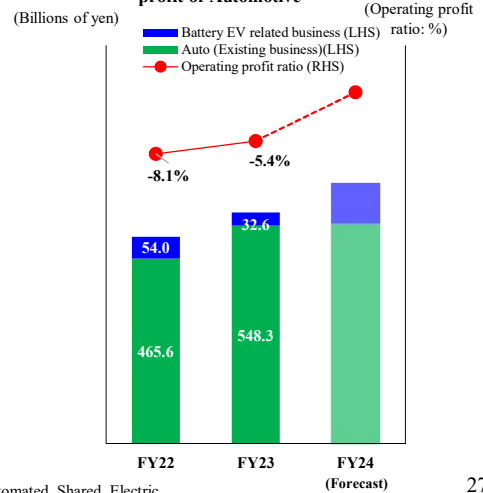
This slide includes forward-looking statements. See Disclaimer on Page 2.

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

<Sales portfolio of Automotive business>



<Changes of sales and operating profit of Automotive>



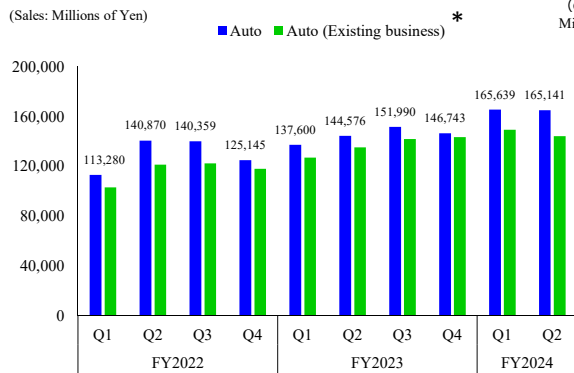
*CASE: Connected, Autonomous/Automated, Shared, Electric

Automotive: Quarterly Results

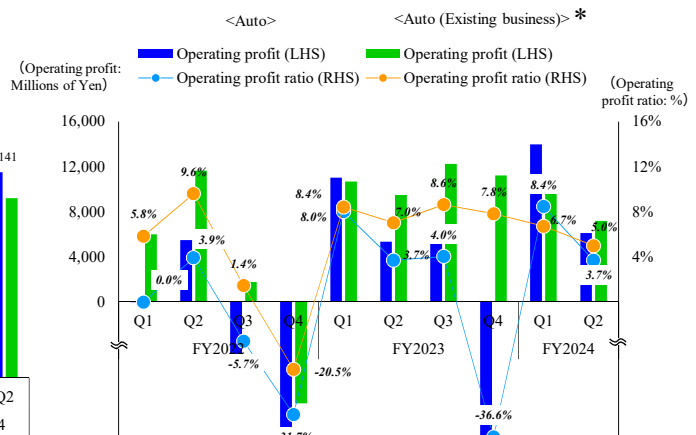


Establishing structure to improve profitability after the structural reform in FY23

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



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

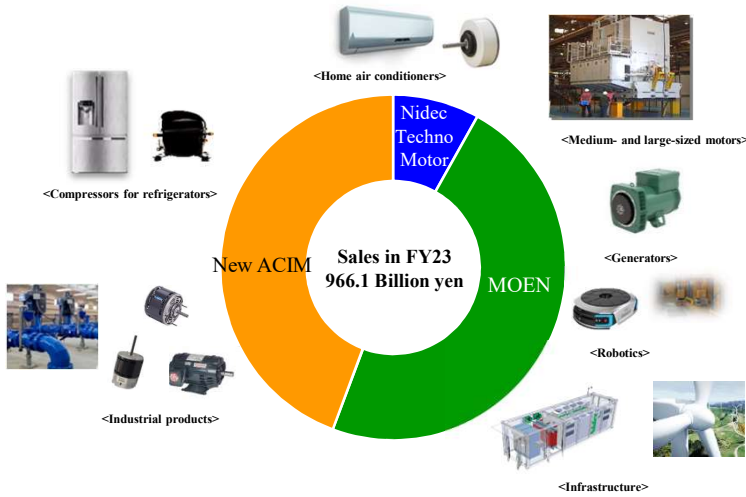
Appliance, Commercial and Industrial: Sub-Segment Results and Changes



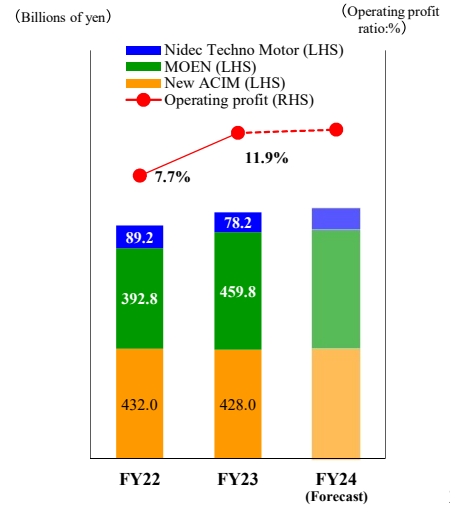
This slide includes forward-looking statements. See Disclaimer on Page 2. *-All for dreams*

The growth drivers of New ACIM and MOEN enable Appliance, Commercial and Industrial to aim for OPM of 15% going forward after solidified double-digit OPM

<Sales portfolio of Appliance, Commercial and Industrial>



<Changes of sales and operating profit of Appliance, Commercial and Industrial>



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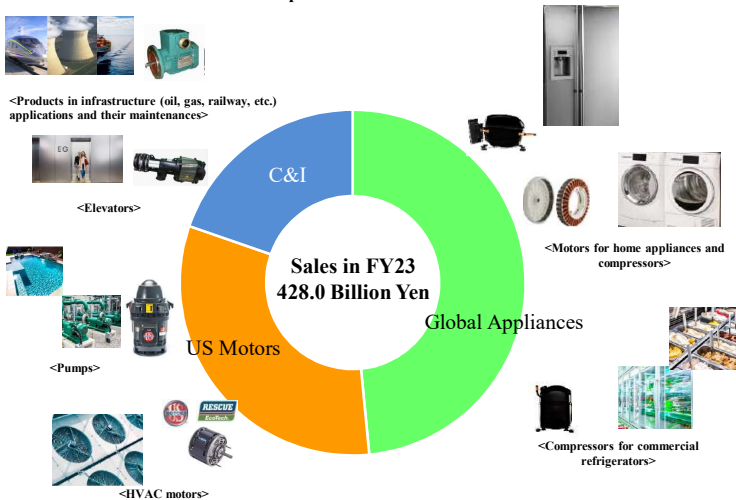
Appliance, Commercial and Industrial: Sales Breakdown and Results Changes of New ACIM



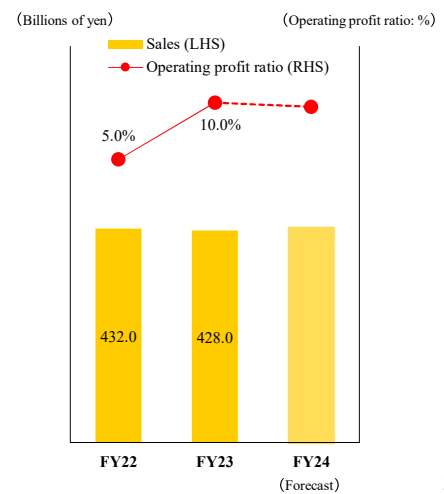
This slide includes forward-looking statements. See Disclaimer on Page 2. *-All for dreams*

While global home appliance market downturn still continues, we focus on improving profitability with expecting recovery in the latter half of FY2024

<Sales portfolio of New ACIM>



<Changes of sales and operating profit of New ACIM>



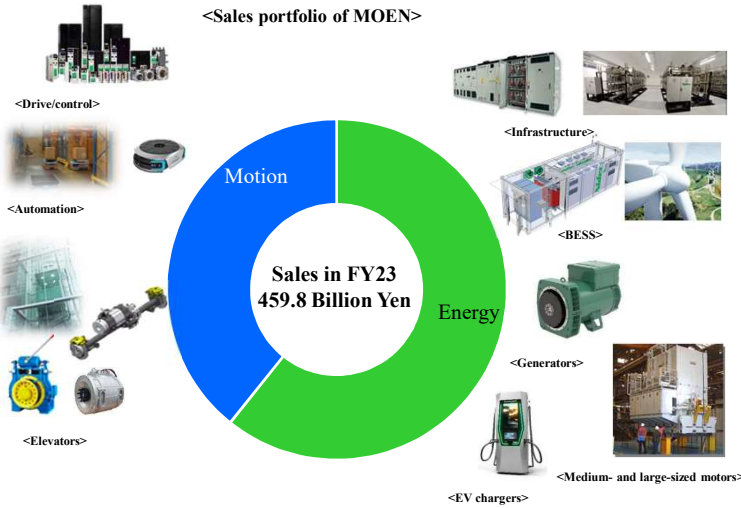
30

Appliance, Commercial and Industrial: Sales Breakdown and Results Changes of MOEN

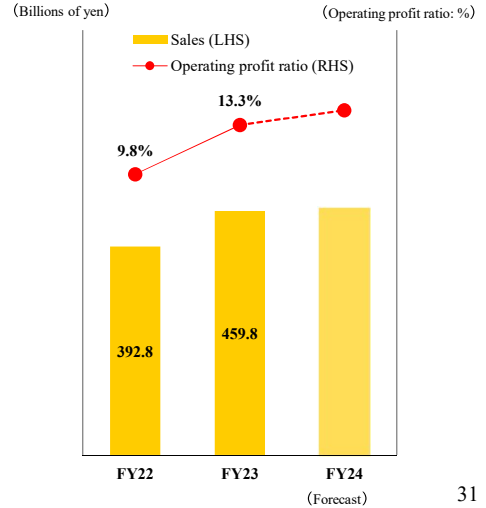


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Steady demand for commercial and infrastructure related products continues.
We aim to achieve steady improvement of profitability



<Changes of sales and operating profit of MOEN>

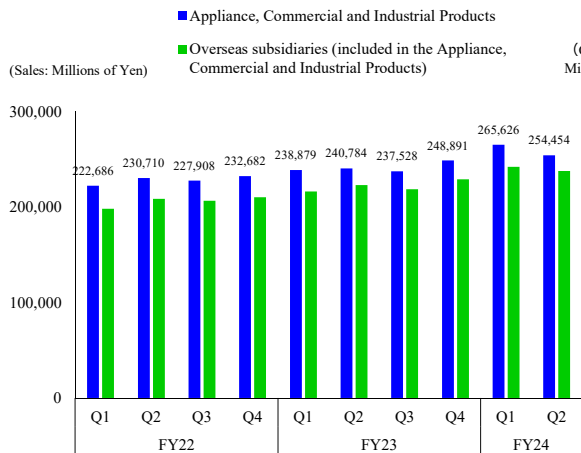


Appliance, Commercial and Industrial: Quarterly Results

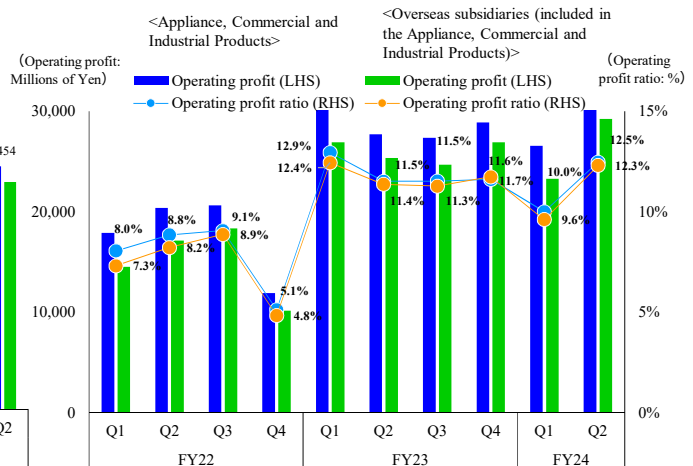


Profitability of overseas subsidiaries improved
with a tailwind from generator and green energy markets

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>

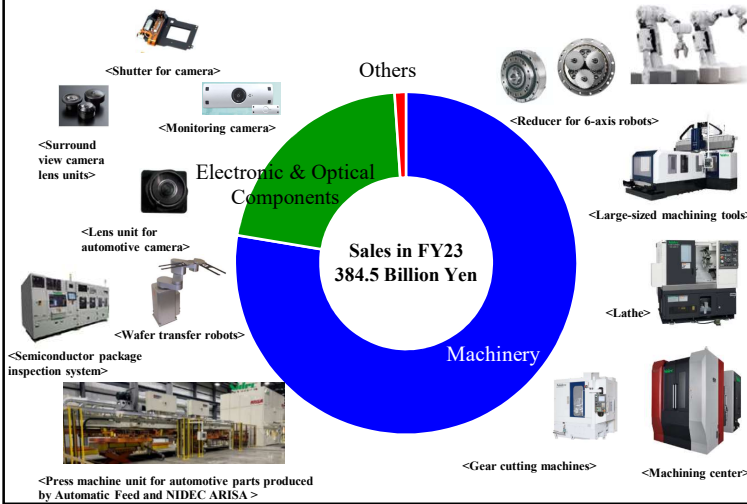


Other Product Group: Segment Results and Changes

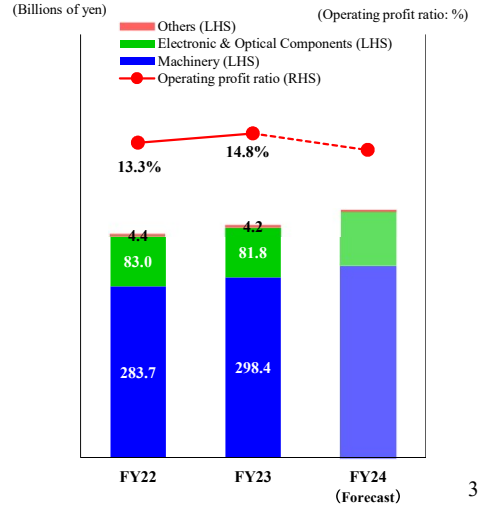
This slide includes forward-looking statements. See Disclaimer on Page 2. *-All for dreams*

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

<Sales portfolio of Other Product Group>

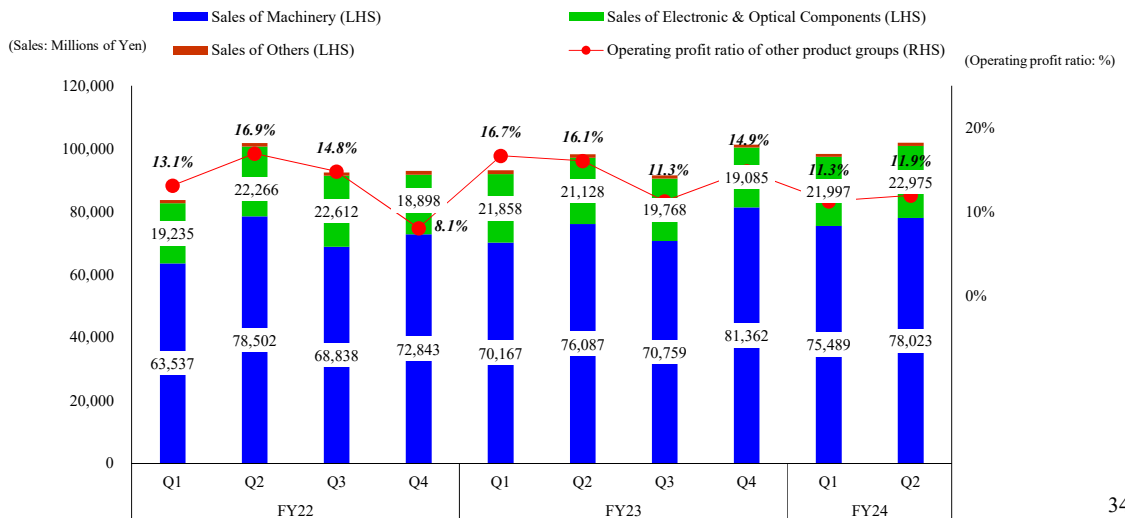


<Changes of sales and operating profit of Other Product Group>

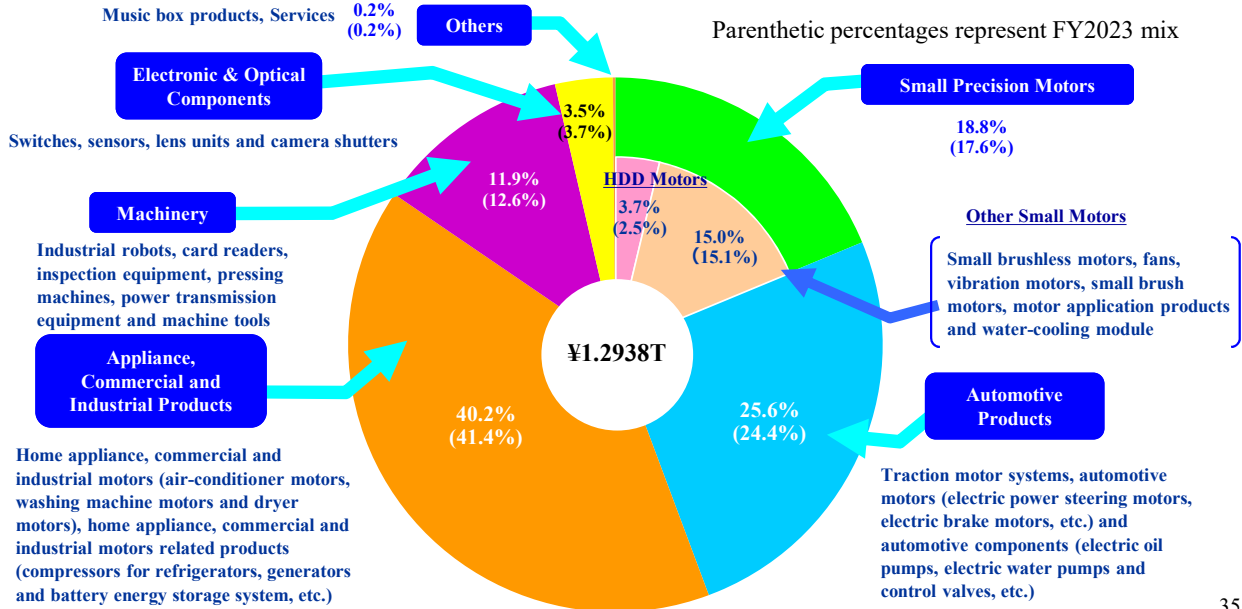


Other Product Group: Quarterly Results

Pursuing synergy effect and higher profitability through expanding product lineups and cross-selling

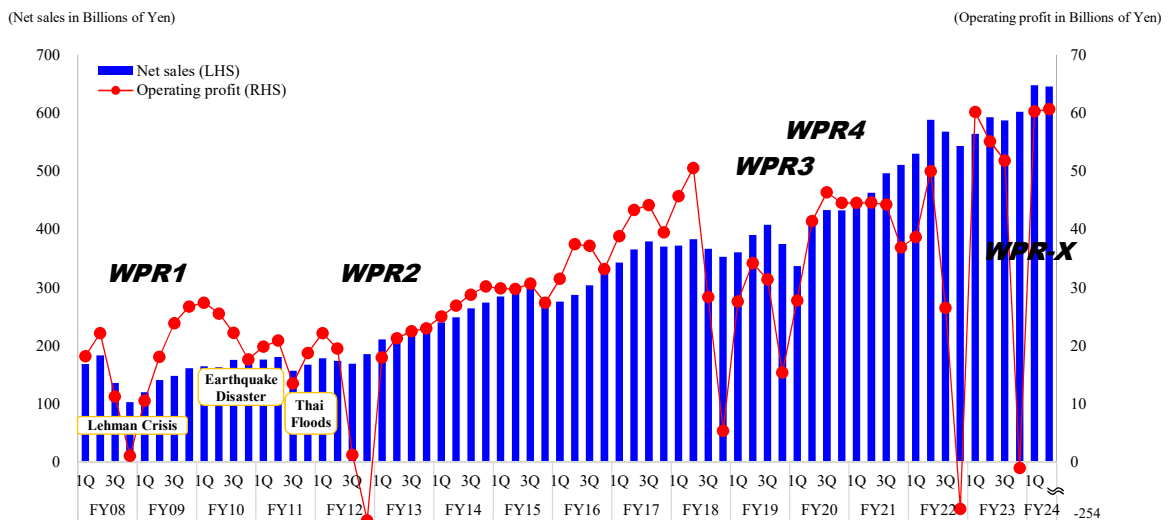


Sales by Product Group (Apr-Sep FY2024)



Consolidated Quarterly Net Sales and Operating Profit

Aiming to improve profitability after structural reform in FY23



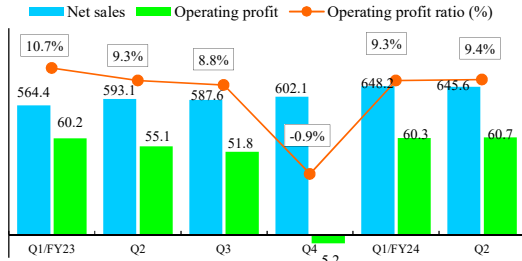
Financial Highlights

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

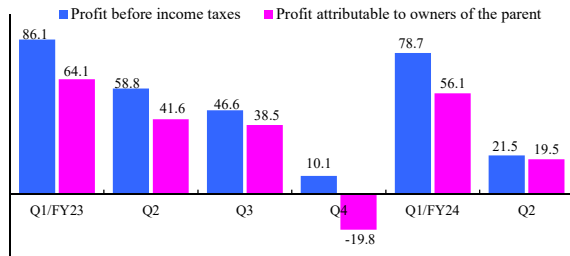


*Please refer to Notes on Page 22.

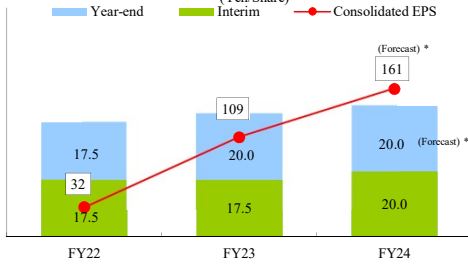
<Consolidated Net Sales and Operating Profit>
(Billions of yen)



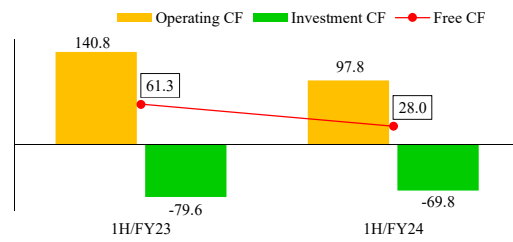
<Profit Before Income Taxes and Profit Attributable to Owners of the Parent>
(Billions of yen)



<Dividends and EPS>
(Yen/Share)



<Consolidated Cash Flow>
(Billions of yen)



*Nidec implemented a two-for-one common stock split, effective October 1, 2024. Dividend and Consolidated EPS were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2023.