

(TSE: 6594 NYSE: NJ)  
<http://www.nidec.com/>

# **Nidec** First Quarter Fiscal 2014 Results

**→All for dreams.** Three Months Ended June 30, 2014 < U.S. GAAP >



**Nidec Corporation**

July 23, 2014

## **Note 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 latest Form 20-F and 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 photograph on the first slide features the showroom of Nidec Research and Development Center, Japan that newly opened and started its operation in January 2014 in Kawasaki, Kanagawa, Japan to conduct basic technological research of motors.

## Consolidated Profit/Loss

Millions of Yen, except for percentages, EPS and FX Rates	1Q FY2013	1Q FY2014	Change	FY2014 Forecast
<b>Net Sales</b>	211,276	240,188	+13.7%	960,000
<b>Operating Income</b> (Operating Income Ratio)	18,047 (8.5%)	25,552 (10.6%)	+41.6%	105,000 (10.9%)
<b>Income Before Tax</b>	17,366	24,971	+43.8%	103,000
<b>Net Income</b>	13,346	17,917	+34.2%	69,000
<b>EPS (Yen) *</b>	49.73	64.96	+30.6%	250.18
<b>FX Rates (Yen/US\$)</b>				
<b>Average:</b>	98.76	102.16	+3.4%	100.00
<b>Term end:</b>	98.59	101.36	+2.8%	(Assumed)

\*The Company implemented a two-for-one stock split of our common stock effective April 1, 2014.  
The previously reported EPS amounts have been retroactively adjusted to reflect the stock split.



3

## Summary of 1Q FY2014

- **Record-high quarterly sales achieved.**
- **Operating income increased 42% Y/Y, marking five consecutive quarters of increased operating income Q/Q since the structural reform in FY2012. A V-shaped recovery continued.**
- **Record-high operating income for five quarters in a row from Automotive, Appliance, Commercial and Industrial Products, the key growth businesses under the new mid-term strategic targets, reaching 9 billion yen.**
- **Upward revision to FY2014 financial forecasts. Dividend projections raised.**



4

# Upward Revision to FY2014 Guidance

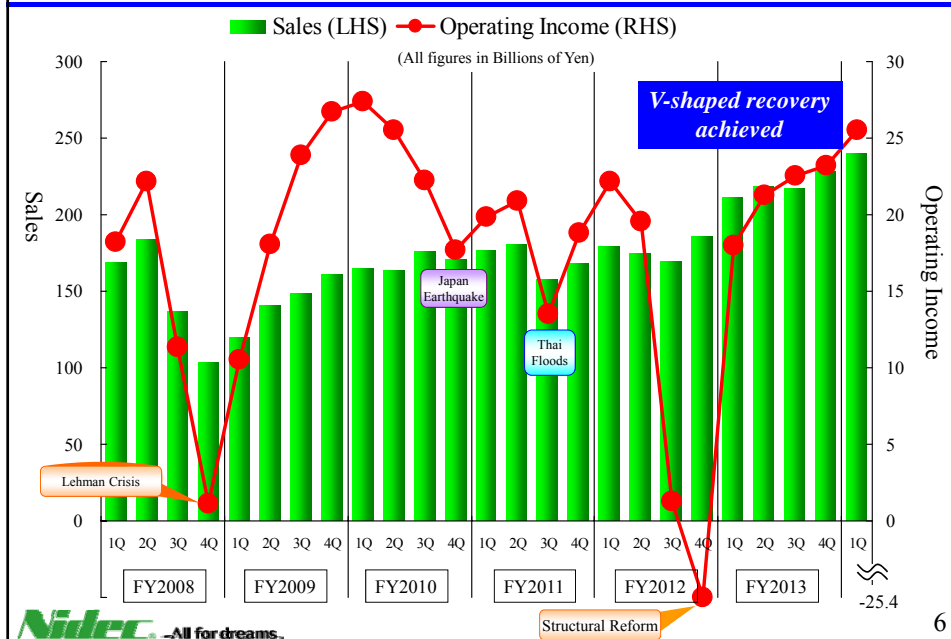
Millions of Yen, except for percentages, EPS, dividends and FX rates	<Initial Guidance (April 22, 2014)>		<Revised Guidance>	
	1H/FY2014	Full-Year	1H/FY2014	Full-Year
Net Sales	450,000	950,000	460,000	960,000
Operating Income	45,000	100,000	50,000	105,000
Operating Income Ratio	10.0%	10.5%	10.9%	10.9%
Income before Tax	44,000	98,000	49,000	103,000
Net Income	29,500	65,000	33,500	69,000
EPS (Yen)	106.96	235.67	121.46	250.18
Dividends (Yen)	27.5	55.0	30.0	60.0
FX Rate (Yen/US\$)*	100	100	100	100
FX Rate (Yen/€)*	135	135	135	135

**FY2014 Foreign exchange sensitivity:**

\*Every one-yen appreciation or depreciation in the currency exchange rate against the U.S. Dollar and Euro is estimated to have an impact of 6.7 billion Yen and 0.76 billion Yen on net sales, respectively, and 0.88 billion Yen and 0.22 billion Yen on operating income, respectively, on a yearly basis. The revised 1H and full-year guidance has been prepared by applying the actual currency exchange rates to the 1Q FY2014 results and the assumed currency exchange rates to the remaining periods of FY2014.

5

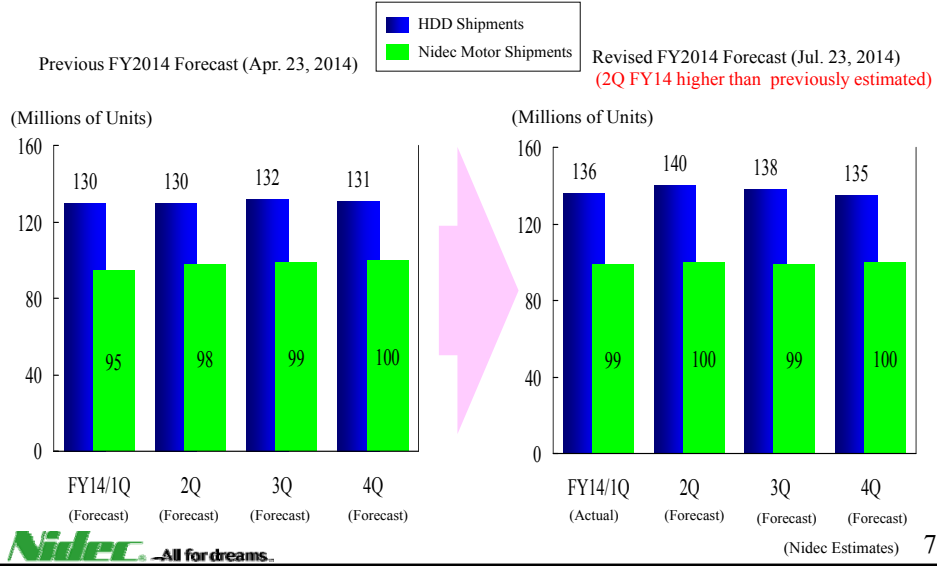
## Consolidated Quarterly Sales and Operating Income



6

# Nidec HDD Motor Shipment Outlook

1Q FY14 results and 2Q forecasts for shipments revised reflecting Windows XP support expiration and strong gaming market



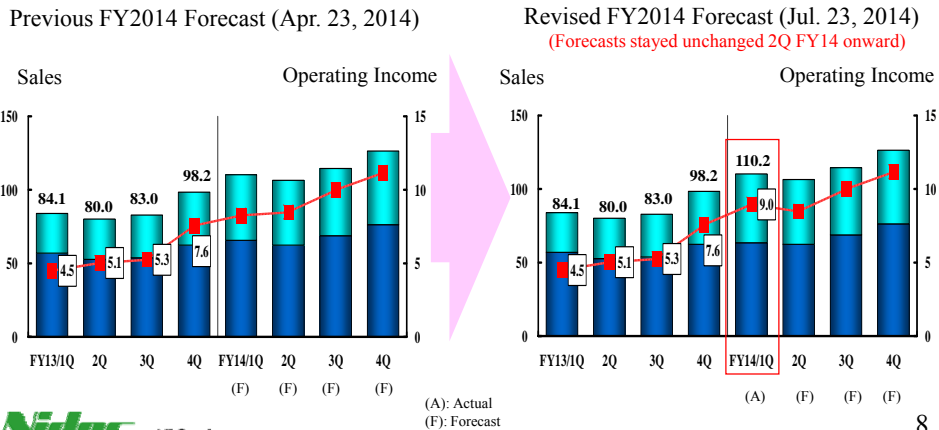
## Quarterly Trend

Automotive, Appliance, Commercial and Industrial Products

1Q FY14 results exceeded initial forecasts showing continued growth

■ Sales for Automotive Products (LHS)  
■ Sales for Appliance, Commercial & Industrial Products (LHS)  
■ Operating Income (RHS)

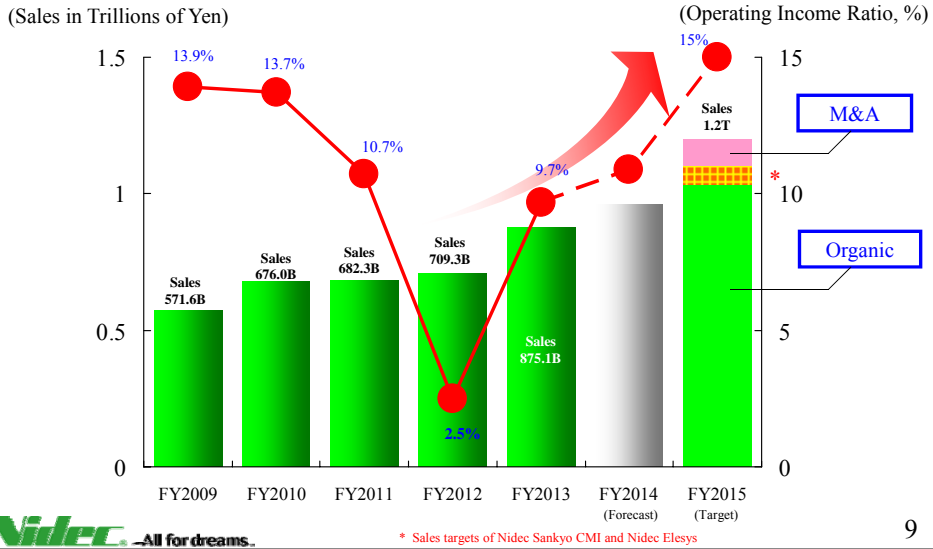
(All figures in Billions of Yen)



**Nidec** - All for dreams.

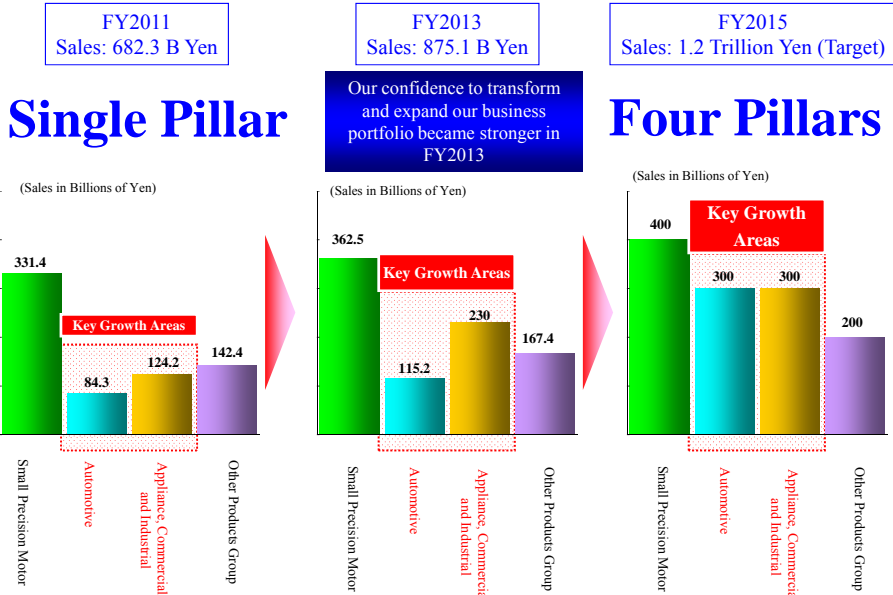
# Mid-Term Strategic Goal

**- Laying the foundation for Sustainable Growth for the Next 100 Years -**  
 Aiming to achieve profitable growth by striking balance between expansion and financial soundness



9

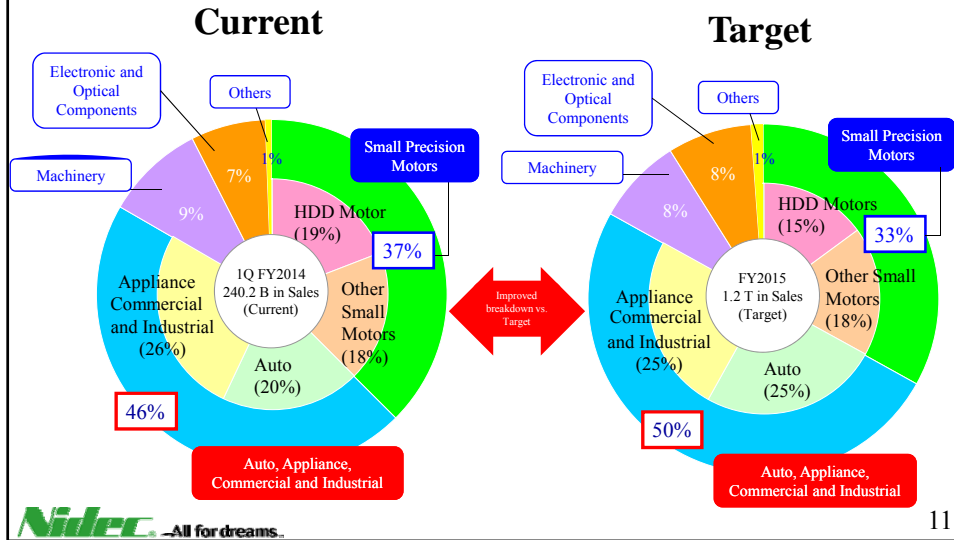
## Accelerating Business Portfolio Transformation and Expansion



10

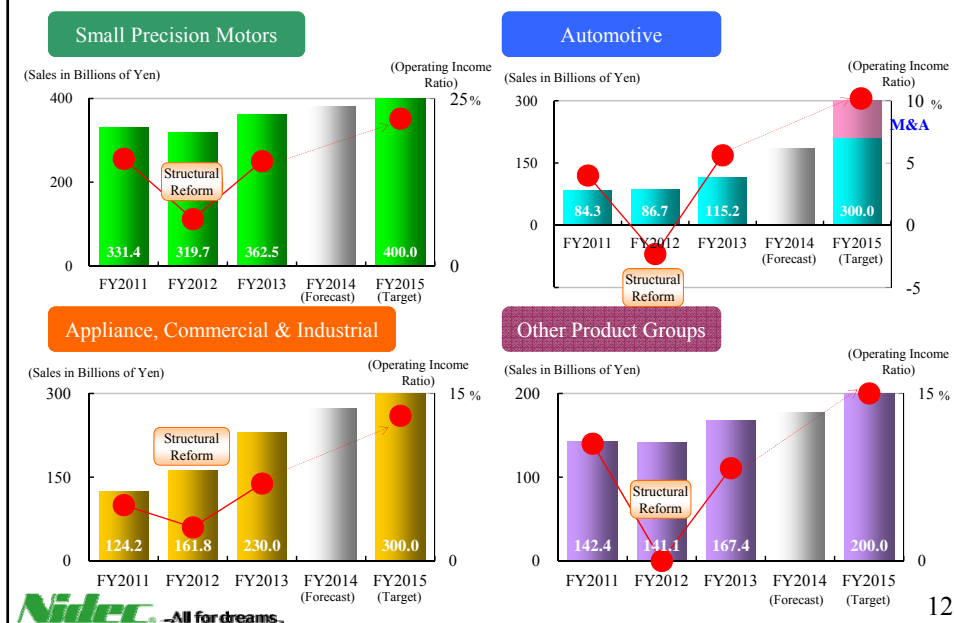
## Target Business Portfolio Transformation for FY2015

Increased contribution of Automotive, Appliance, Commercial & Industrial Products, resulting in improvements in portfolio composition compared to the desired portfolio balance



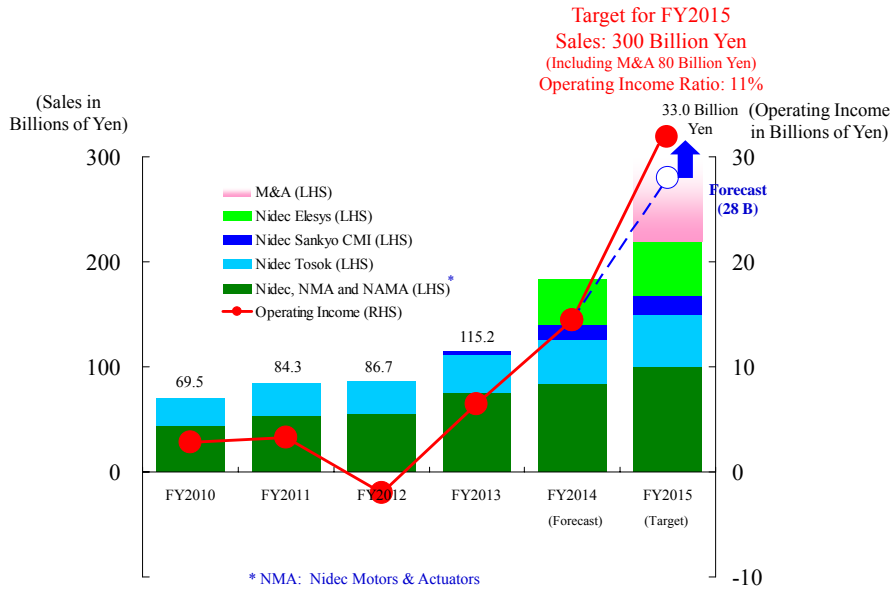
11

## Sales and Profitability Targets by Product Category



12

## Automotive Products Mid-Term Business Plan



Nidec - All for dreams.

13

## Aiming to become a Global Mega Supplier in the Automotive Industry

Pioneering electronics technology for future cars

### Nidec Group's Automotive Motors, etc.



### Nidec Elesys's Electronic Technology



Synergies

**Safety**

- Vehicle stability
- Collision avoidance
- Damage mitigation
- Autonomous driving

**Comfort**

- Maneuverability improvement
- Information & communications technology

**Environment**

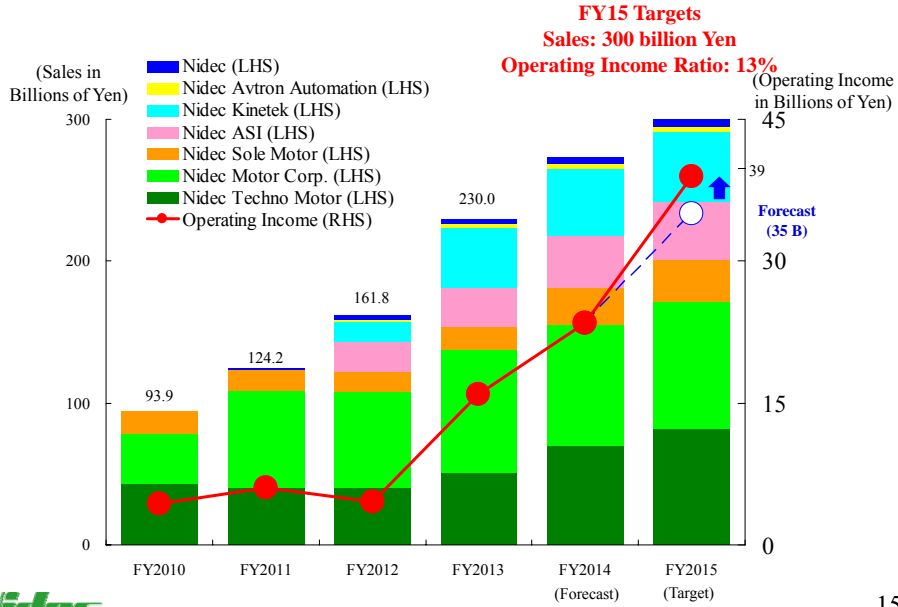
- Fuel efficiency improvement
- CO2 emission reduction



Nidec - All for dreams.

14

## Appliance, Commercial and Industrial Products Mid-Term Business Plan



15

## Maximize Synergies in Appliance, Commercial & Industrial Motor Businesses

Seeking to align businesses along markets, customers & product lines to enhance growth opportunities and cost synergies

**ACIM (Overseas)  
Legacy approach:  
Company-based**

}

Immediately after M&A

- Nidec Motor**
  - Appliance (Motor/Control)
  - Commercial (Air-conditioner/pump/general)
  - Industrial (Industrial pump /NEMA Premium efficiency products /SR drive)
- Nidec Sole Motor**
  - Motor for EU appliance
  - Universal motor
- Nidec Kinetek**
  - Motor for elevator/Control device
  - Motor for battery operated vehicle
  - Geared motor
- Nidec Avtron**
  - Encoder
  - Drive/System
  - Service
- Nidec ASI**
  - Industrial Motor/Generator
  - Drive/System
  - Automation, Service

**ACIM (Overseas)  
New structure:  
Market-based**

}

Synergies to be accelerated as post-merger integration proceeds

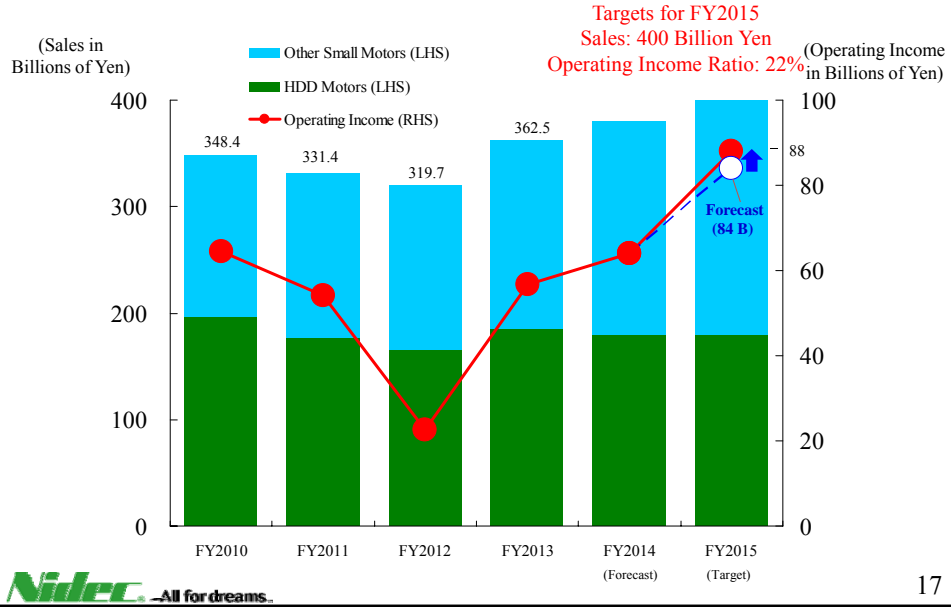
- Global Appliance Motors**
  - Focus on China and other emerging markets
- Commercial & Residential Solutions**
  - Promote "3 New" project in North America in addition to existing businesses
- Elevator Solutions & Drive Systems**
  - Aim to become a solution provider
- Industrial Solutions**
  - Combine global product platform management with strong local/regional leadership

**Nidec - All for dreams.**

16



## Small Precision Motors Mid-Term Business Plan

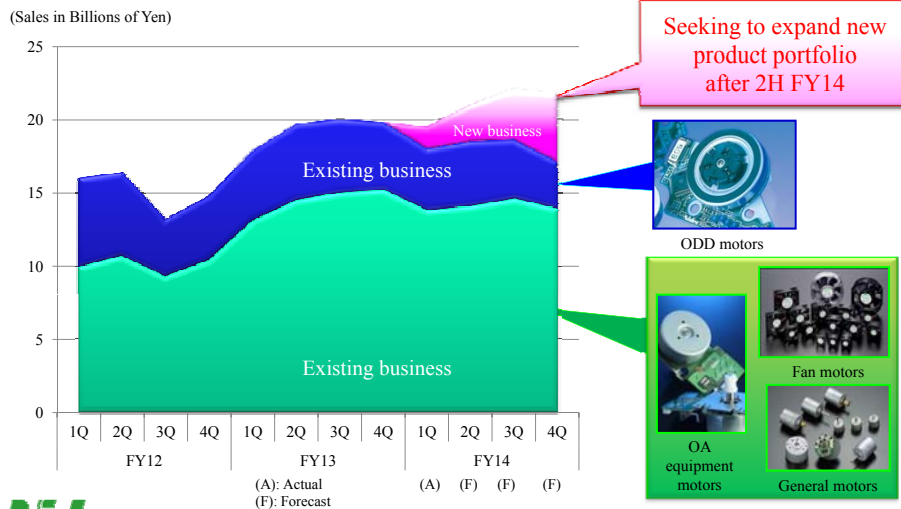


17

## Sales Trend of Other Small Motors

Aiming to improve product portfolio to reduce dependence on existing products such as ODD motors

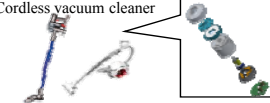

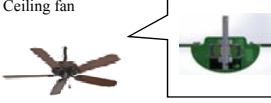

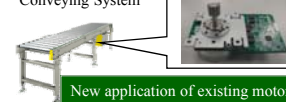

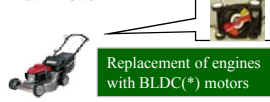


<Sales\* trend of Other Small Motors \*Nidec-alone sales>



18

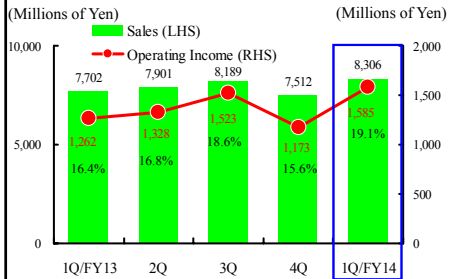
## Market Trend & Nidec Strategy for Other Small Motors

### Examples of value added proposals

<p>Cordless vacuum cleaner</p>  <p>Creating differentiation</p> <p>Ultra-high speed motor</p>	<p>Hair dryer</p>  <p>Motor + Power source + Circuit + Impeller</p> <p>Evolving from motor-only business to complete set ODM</p>	<p>Ceiling fan</p>  <p>Complete set ODM</p>
<p>Car seat fan</p>  <p>High quality / High reliability</p> <p>Attacking rapidly expanding market</p>	<p>Conveying System</p>  <p>New application of existing motors</p> <p>Adding value through modularization</p>	<p>Telecom Base Station</p>  <p>Nidec Group collaboration</p>
<p>Lawn mower</p>  <p>Replacement of engines with BLDC(*) motors</p> <p>Riding the wave of shift to DC motors</p>	<p>Printer</p>  <p>Replacement of stepping motors with BLDC(*)</p>	<p>Server</p>  <p>Adding higher value</p> <p>Full use of super computers</p>

## Listed Subsidiaries Performance Highlights

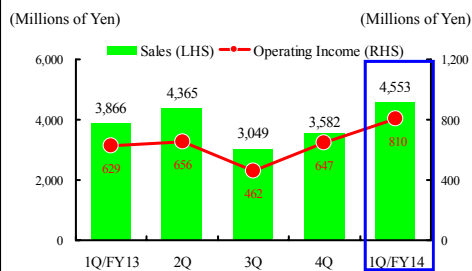
## 1Q FY2014 Highlights



Millions of Yen except for percentages & EPS	1H Forecast (A)	1Q Results (B)	Progress (B)/(A)
Sales	15,500	8,306	53.6%
Operating Income	2,600	1,585	61.0%
Operating Income Ratio	16.8%	19.1%	---
Recurring Income	2,600	1,546	59.5%
Net Income	2,000	1,054	52.7%
EPS (Yen)	30.16	15.90	52.7%

- Sales and profits increased Y/Y, achieving record-high quarterly operating income (Sales increased 7.8% Y/Y, and Operating income 25.5% Y/Y)
- Operating income ratio hit record-high 19.1% (2.7 points up Y/Y)
- Two structural reforms (portfolio transformation and profit structure reform) and globalization underway, with the company's full consolidation into Nidec Group scheduled for October 1, 2014.
  - ✓ Business portfolio expansion and transformation (growth markets, new business areas and modularized products)
  - ✓ Enhancement of global competitiveness strengthened through localized and integrated production and optimized logistics
  - ✓ Business expansion through organic growth and M&A

## 1Q FY2014 Highlights



Millions of Yen except for percentages & EPS	1H Forecast (A)	1Q Results (B)	Progress (B)/(A)
Sales	8,000	4,553	56.9%
Operating Income	1,400	810	57.9%
Operating Income Ratio	17.5%	17.8%	---
Recurring Income	1,400	805	57.5%
Net Income	900	575	63.9%
EPS (Yen)	64.29	41.08	63.9%

- Record-high quarterly sales and profits achieved in 1Q
  - ✓ Sales increased 17.8% Y/Y, and operating income increased 28.8% Y/Y
- Equipment for new smartphone models in active demand
  - ✓ Solid order intake of semiconductor packages (FC-CSP), bare board test systems and test jigs
- Strengthening "3 New" market development, with the company's full consolidation into Nidec Group scheduled for October 1, 2014
  - ✓ Automotive component test, touch screen test, optical test and MEMS probe technology



#### Nidec IR Contacts

Japan	Tel: +81-75-935-6140	E-mail: <a href="mailto:ir@nidec.com">ir@nidec.com</a>
U.K.	Tel: +44-870-351-7388	E-mail: <a href="mailto:takagi.shinichi@nidec.com">takagi.shinichi@nidec.com</a>
U.S.	Tel: +1-212-703-7988	E-mail: <a href="mailto:nagase.kiyoshi@nidec.com">nagase.kiyoshi@nidec.com</a>

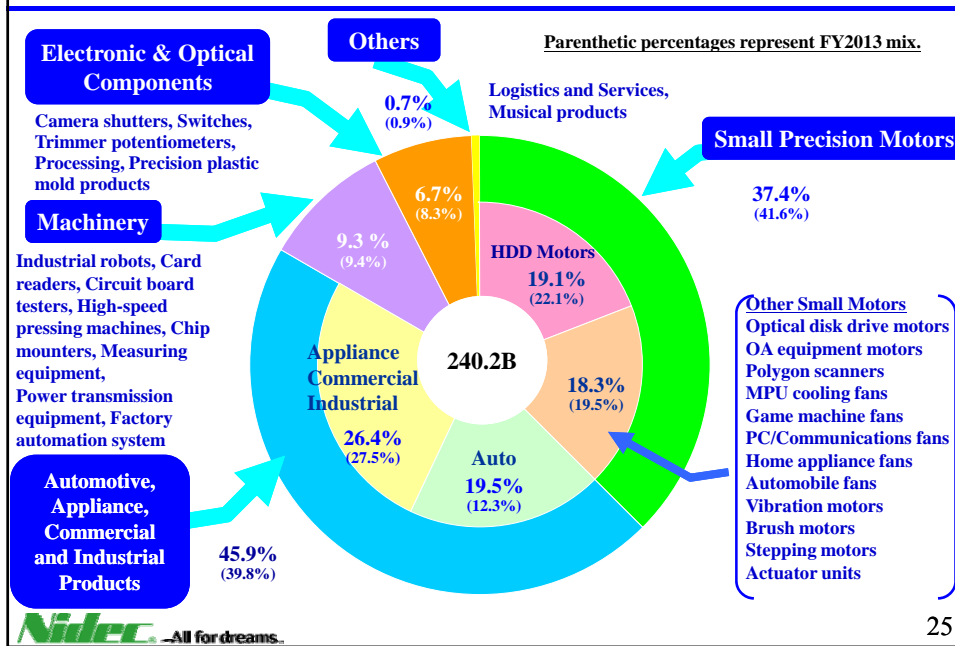
Nidec logo is a registered trademark or a trademark of Nidec Corporation in Japan, the United States and/or certain other countries.  
"All for dreams" logo is a registered trademark of Nidec Corporation in Japan, and a trademark in the United States and/or certain other countries.

23

## Appendix

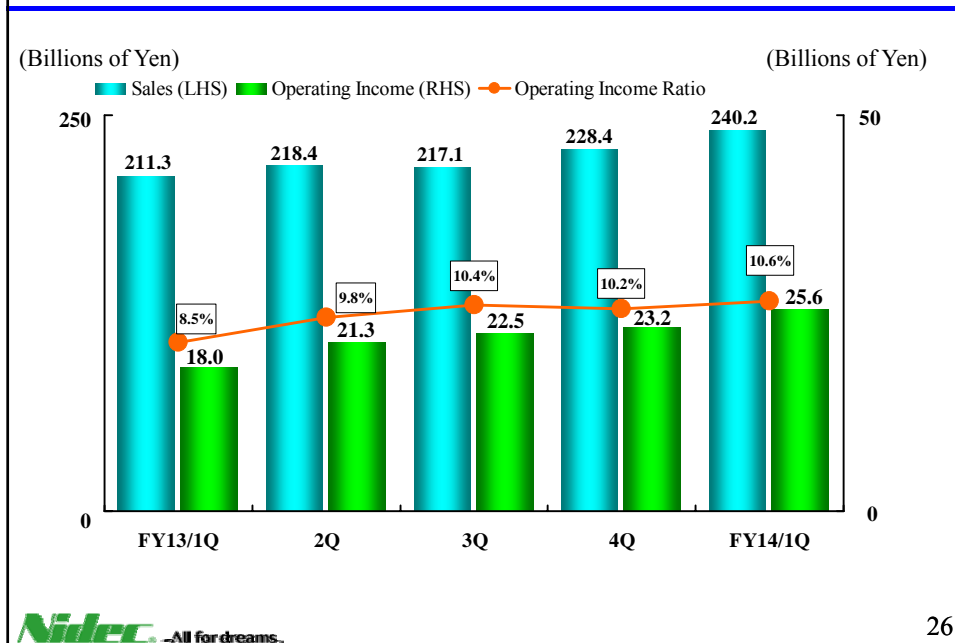
# Performance Trend & Product Group Overview

## Sales by Product Group (Apr-Jun FY2014)



25

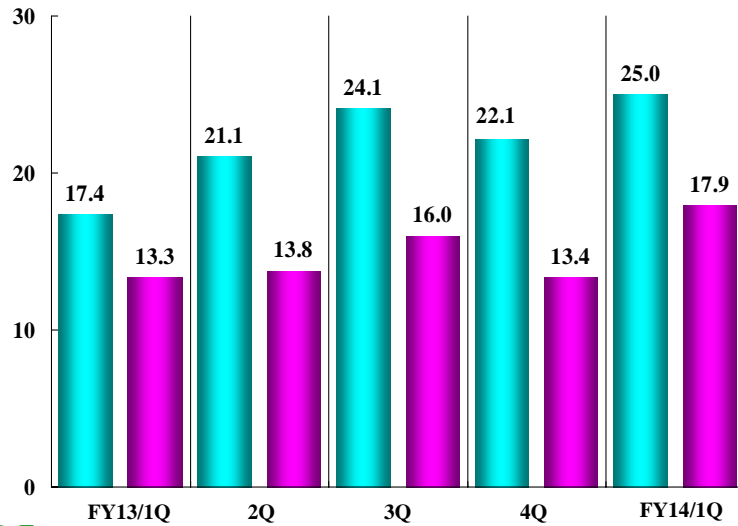
## Consolidated Sales & Operating Income



26

## Consolidated Income Before Tax & Net Income

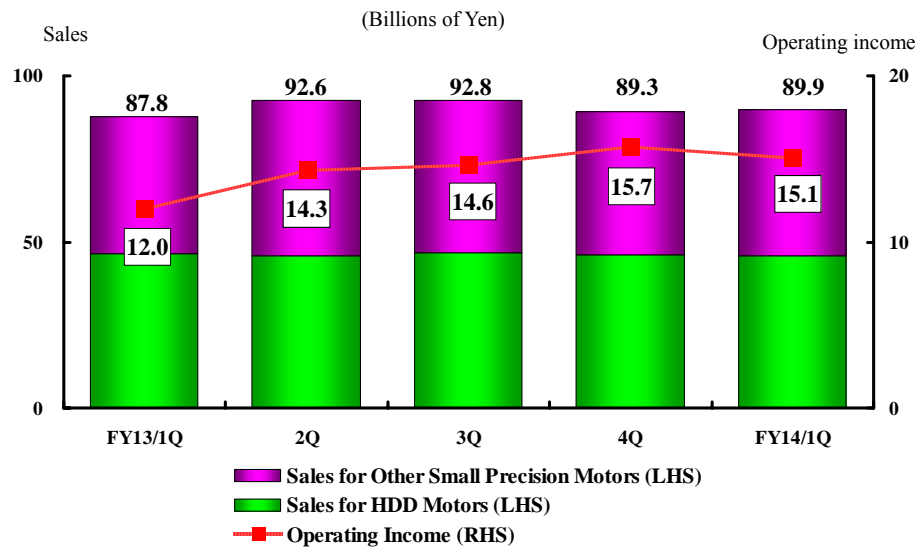
(Billions of Yen) Consolidated Income Before Tax Consolidated Net Income



**Nidec** -All for dreams-

27

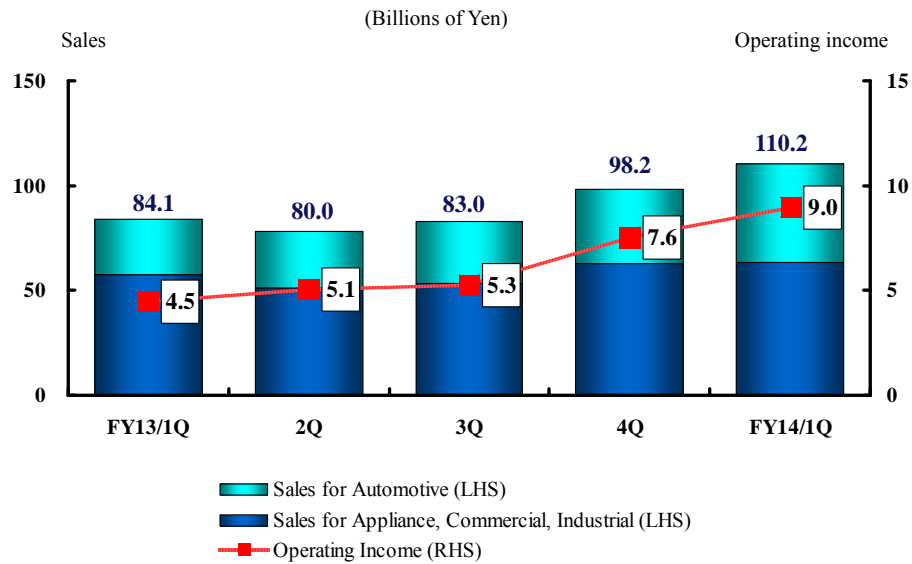
## Small Precision Motors



**Nidec** -All for dreams-

28

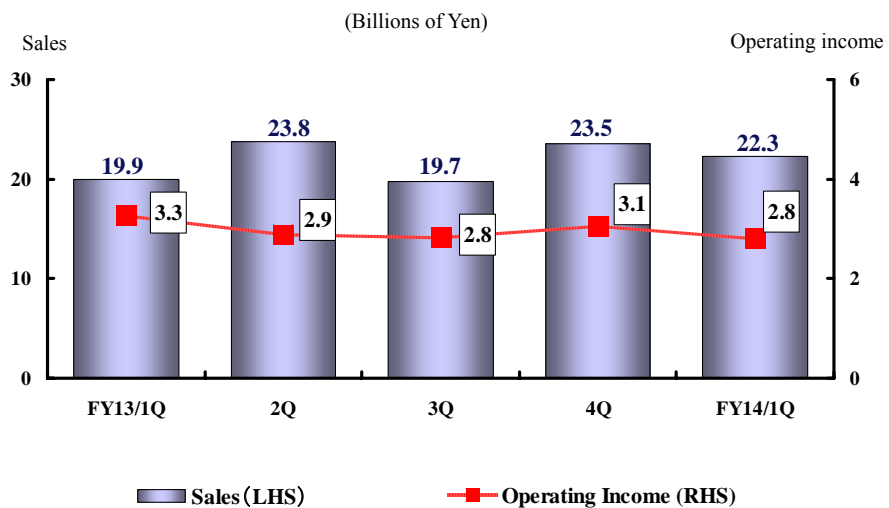
## Automotive, Appliance, Commercial and Industrial Products



**Nidec** -All for dreams-

29

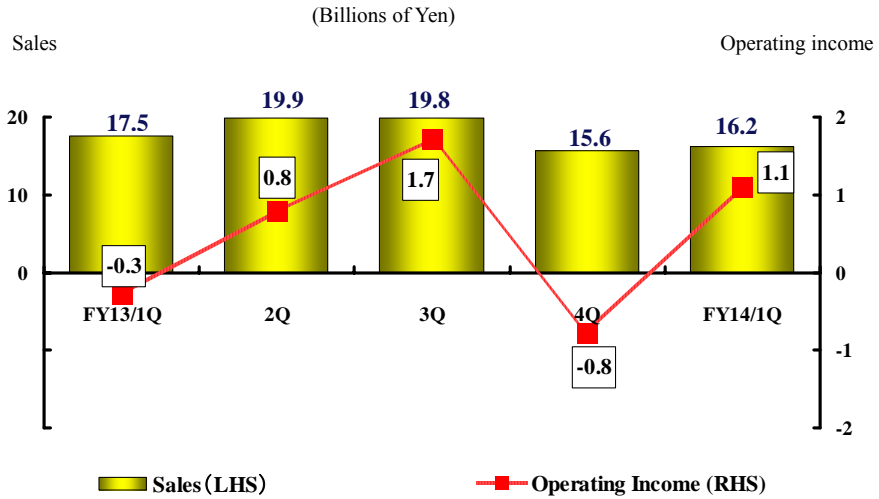
## Machinery



**Nidec** -All for dreams-

30

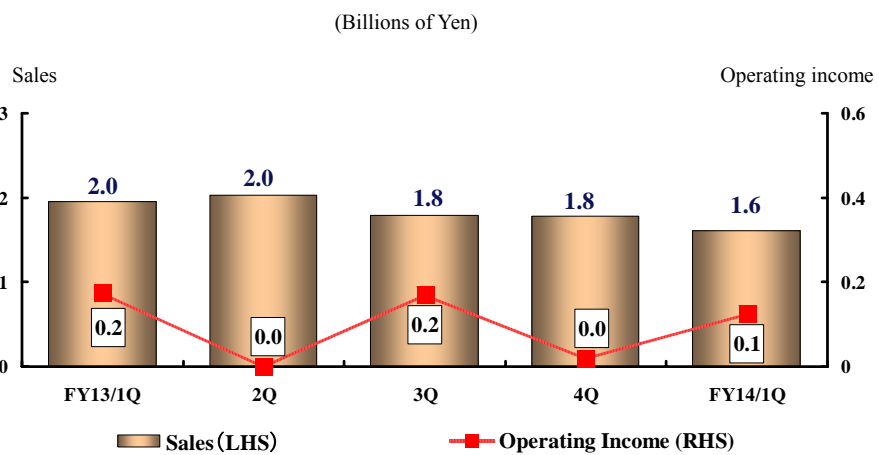
## Electronic & Optical Components



**Nidec** -All for dreams-

31

## Others



**Nidec** -All for dreams-

32