

# Nidec Corporation

## Fiscal 2022 Financial Results

Fiscal Year Ended March 31, 2023

<IFRS>




## 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 GPH15A, a gear hobbing machine, launched by Nidec Machine Tool in April 2023. Nidec Machine Tool speedily provides gear cutting machines in China, essential to manufacture parts for EVs and robots. The company also prepares to provide production and services of gear cutting tools to meet increasing demand in China. Please refer to page 23 of this presentation material for more information.

## Consolidated Profit/Loss

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

Millions of Yen, except for percentages, EPS, dividends and FX rates	FY2021	FY2022	Change	FY2023 Forecast
Net sales	1,918,174	2,242,824	+16.9%	2,200,000
Operating profit	170,374	100,081	-41.3%	220,000
<i>Operating profit ratio</i>	8.9%	4.5%	-	10.0%
Profit before income taxes	170,032	120,593	-29.1%	210,000
Profit attributable to owners of the parent	135,759	45,003	-66.9%	165,000
EPS (Yen)	232.40	78.19	-66.4%	287.08
Dividends (Yen)	65.0	70.0	-	70.0
FX rate (Yen/US\$)				<Assumed FX rate>
Average:	112.38	135.47	+20.5%	Yen/US\$: 120
Term end:	122.39	133.53	+9.1%	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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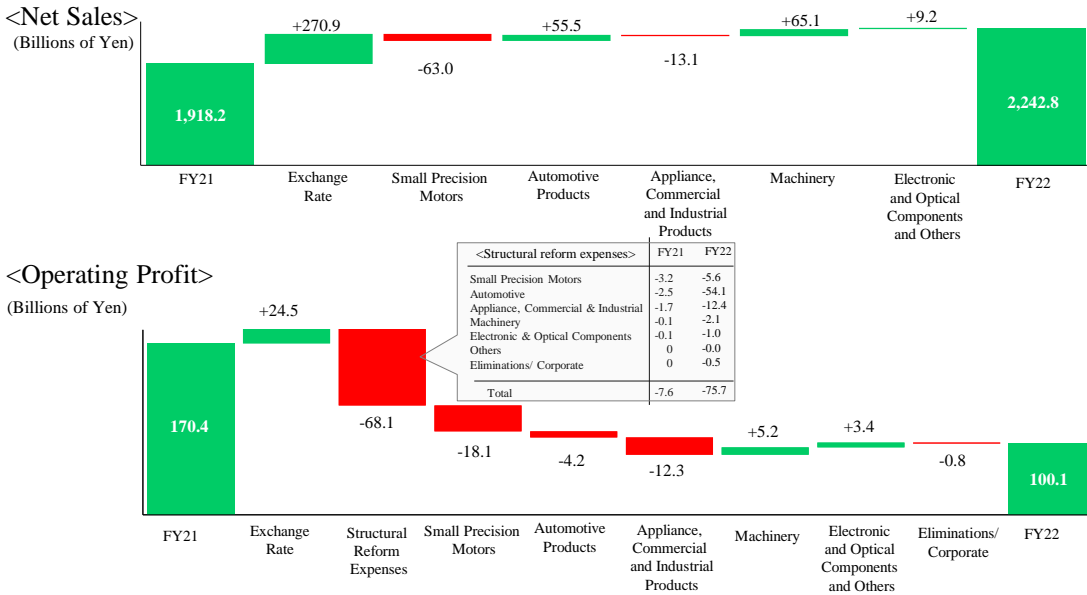
## Summary of FY2022

 -All for dreams

- ❑ Net sales stood at a **record high** of ¥2,242.8 billion, 16.9% higher Y/Y.
- ❑ Operating profit decreased 41.3% Y/Y to ¥100.1 billion due to **structural reform expenses of ¥75.7 billion**.
- ❑ Profit before income taxes decreased 29.1% Y/Y to ¥120.6 billion after foreign currency gain of ¥20 billion posted.
- ❑ Profit attributable to owners of the parent decreased 66.9% Y/Y to ¥45.0 billion after **income tax expenses of ¥75.0 billion** and losses from discontinued operations of ¥2.0 billion.
- ❑ **Continue WPR-X, the drastic reform on profitability, and aim to make a V-shaped recovery in FY2023.**

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## Year-on-Year Changes (Twelve Months Ended Mar. 31, 2023)

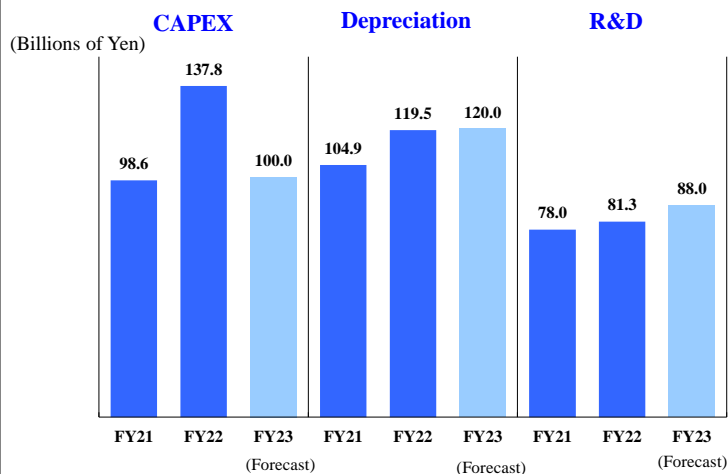


## Quarter-on-Quarter Changes (Three Months Ended Mar. 31, 2023)



## CAPEX, Depreciation, R&D

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



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

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## FY2023 Forecast

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




Millions of Yen, except for EPS, dividends and FX rate	1H/FY2023	2H/FY2023	Full-Year
Net sales	1,000,000	1,200,000	2,200,000
Operating profit	100,000	120,000	220,000
<i>Operating profit ratio</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>
Profit before income taxes	95,000	115,000	210,000
Profit attributable to owners of the parent	74,000	91,000	165,000
EPS (Yen)	128.75	158.33	287.08
Dividends (Yen)	35.00	35.00	70.00
FX Rate (Yen/US\$)	120	120	120
FX Rate (Yen/Euro)	130	130	130

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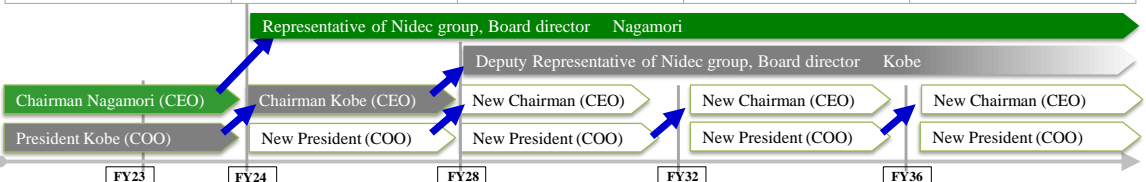
# Mid-Term Strategic Goal

## Five Vice Presidents as Candidates for the Company's Presidency

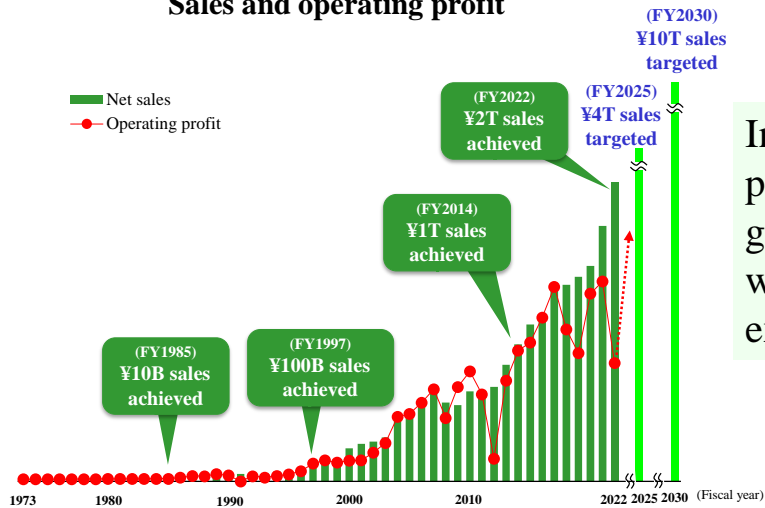
This slide includes forward-looking statements. See Disclaimer on Page 2.  All for dreams

New President will be selected by the Nomination Committee. The new President succeeds to the management position with four-year-term of office as President and another four years as Chairman

				
Toshiyuki Otsuka	Tatsuya Nishimoto	Yoshihisa Kitao	Toshihiko Koseki	Mitsuya Kishida
Executive Vice President • President of NIDEC INSTRUMENTS CORPORATION • Joined Nidec group in Nov. 2004. 57 years old.	Executive Vice President • Executive General Manager of Machinery and Automation Business Unit • President of NIDEC DRIVE TECHNOLOGY CORPORATION • Joined Nidec group in May 2009. 66 years old	Executive Vice President • Executive General Manager of Group Companies Business Unit • In charge of managing Small Platform Motor & Solutions Business Unit • Joined Nidec group in Apr. 2012. 63 years old	Executive Vice President • Chief Technology Officer • In charge of managing Nidec Product Technology R&D Center, Nidec Center for Production Technology R&D and Nidec System Manufacturing Engineering Center • Joined Nidec group in Apr. 2018. 64 years old	Executive Vice President • Executive General Manager of Automotive Motor & Electronic Control Business Unit • Joined Nidec group in Jan. 2022. 63 years old



**Sales and operating profit**

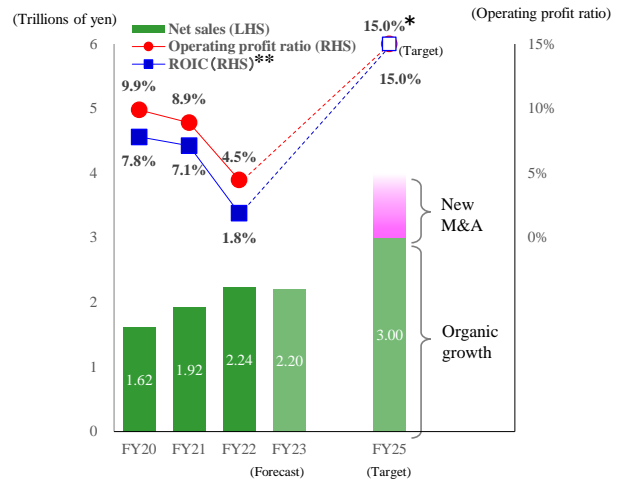
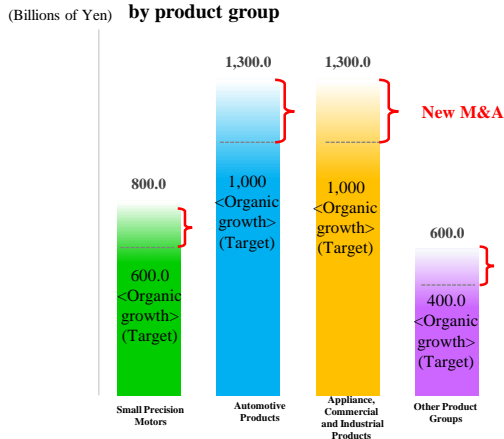


Increase sales and profit through organic growth and M&As with a focus on expanding markets

**FY2025**  
Net sales: 4 trillion yen (Target)

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

**Breakdown of ¥4 trillion sales target by product group**



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

\*\*ROIC: Return on invested capital

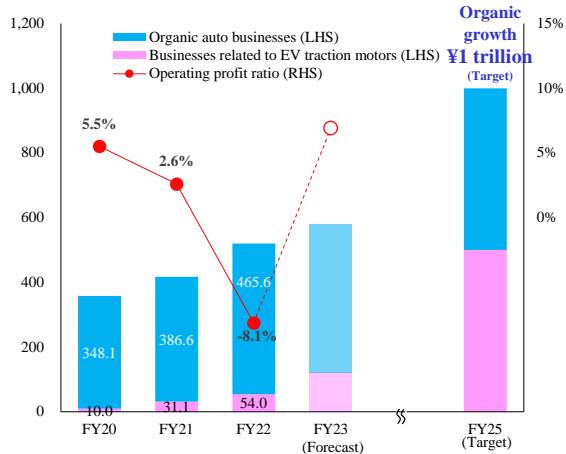
## Automotive: Strategy for High Growth

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**

(Sales: Billions of Yen) <Vision 2025 in Automotive> (Operating profit ratio)



### <Businesses related to EV traction motors>

- E-Axle business is expected to become profitable in FY23 through introducing 2<sup>nd</sup> generation E-Axle, whose replacement ratio we target is over 70%, and reducing the cost of 1<sup>st</sup> 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.

\* CASE: Connected, Autonomous, Shared, Electric

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

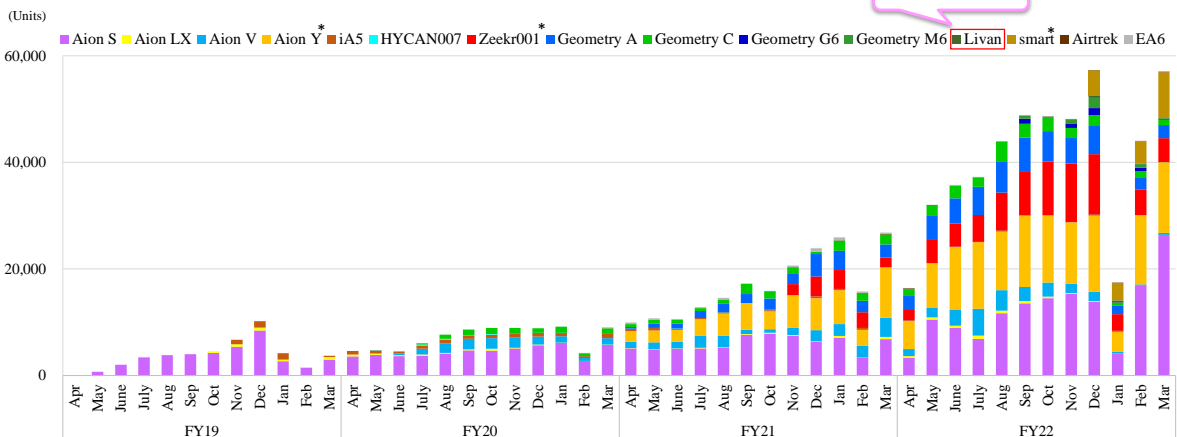


**Sales of vehicles using our E-Axle grew  
90% in FY20, 140% in FY21 and 138% in FY22 YoY**

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

New model

(Source: Marklines)



\*Zeekr001, smart and Aion Y use Nidec's E-Axles partially. 14

Automotive: Electrification Trends in the Most Advanced NEV Markets of China and Europe

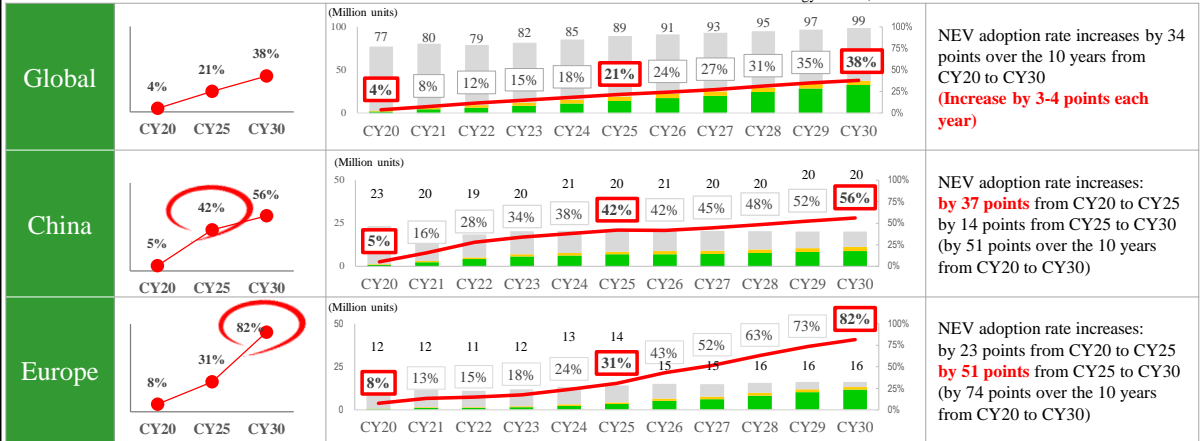


NEV share grows in China before 2025, while in Europe NEV share expands after 2025

Forecast of Auto Sales

■ PHV  
■ EV

\*We define New Energy Vehicle, abbreviated NEV as EV and PHV on this slide



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

(Nidec's estimates based on various sources)

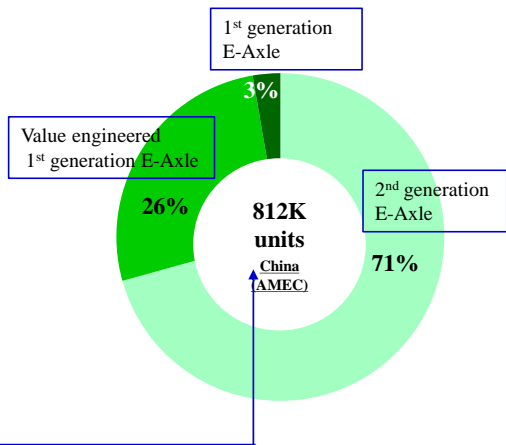
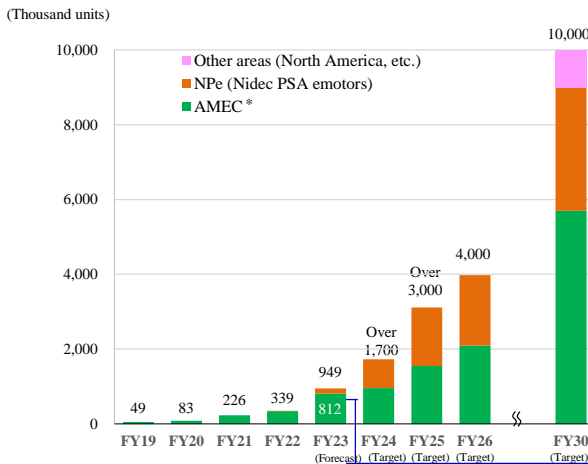
Automotive: Unit Sales Volume of Nidec's E-Axles



Targeting 10 million unit sales in FY2030 by expanding into the European market, etc. with a focus on profitability in FY2023 onward

Sales forecast of Nidec E-Axle

Nidec AMEC's sales plan of E-Axle in FY23 (Breakdown)



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

\*AMEC: Automotive Motor & Electronic Control Business Unit

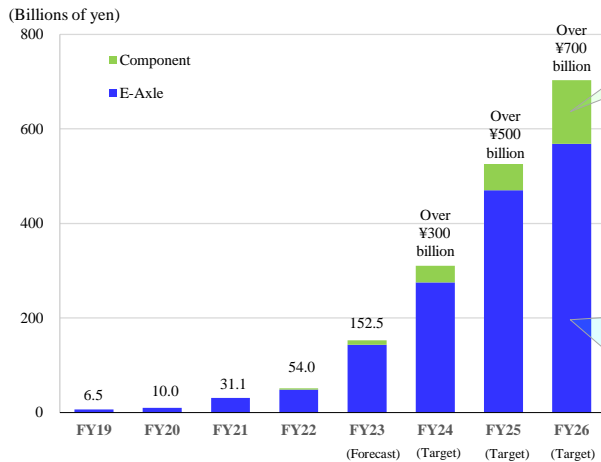


## Automotive: Sales of EV Traction Motor Business

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

Targeting ¥500 billion sales in FY2025  
by supplying traction motors only and other components in addition to E-Axles

### Nidec Sales of EV traction motor business



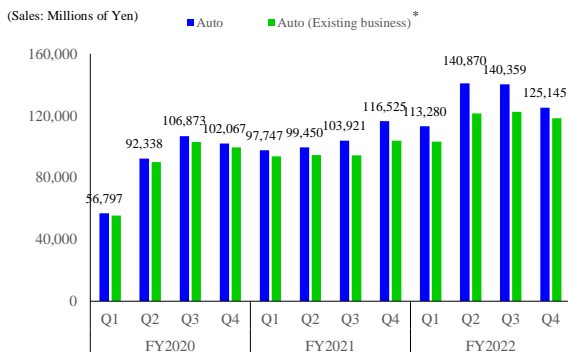
**<Component>**

**<E-Axle>**

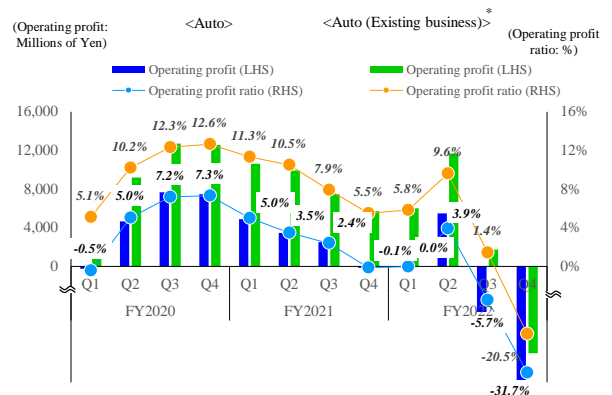
## Automotive: Quarterly Results

Preparing for a V-shaped recovery in FY2023 while posting large structural reform expenses

### <Quarterly net sales>



### <Quarterly operating profit and operating profit ratio>



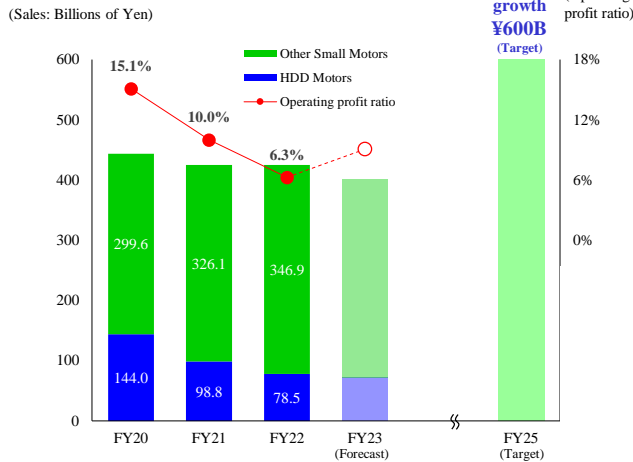
\*Existing business: Excluding impact of traction motor related business from Auto business

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



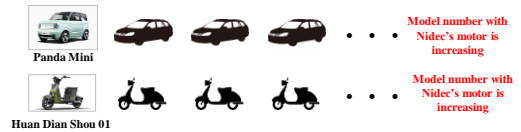
### Mass-producing small automotive motors in addition to capturing demand for energy efficiency and thermal management

#### <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.

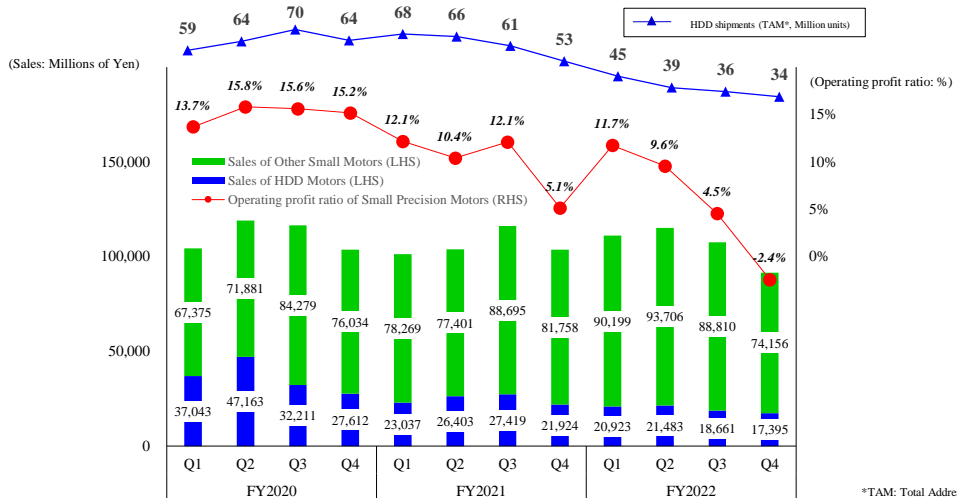


This slide includes forward-looking statements. See Disclaimer on Page 2. 19

## Small Precision Motors: Quarterly Results



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



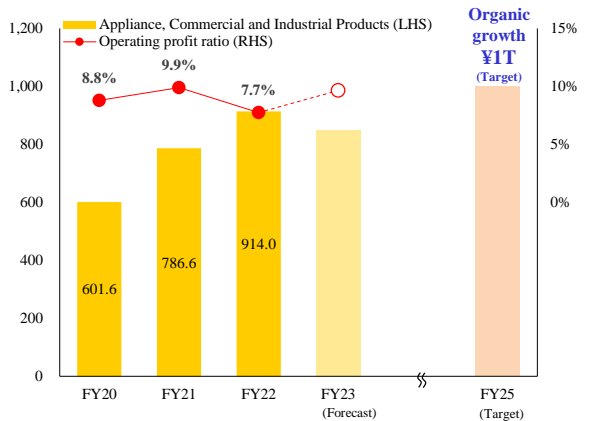
## Appliance, Commercial and Industrial: Strategy for High Growth

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.

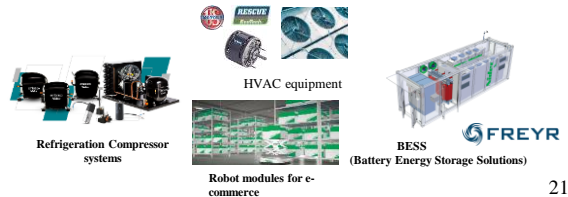
### <Vision 2025 in Appliance, Commercial and Industrial>

(Sales: Billions of Yen)



### <Items to drive mid-term growth>

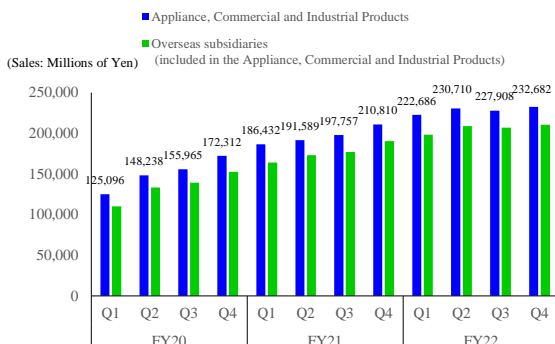
- Appliance area: We offer brushless DC motors for air conditioners, washing machines, dryers, dishwashers and compressors for refrigerators to meet the increasing demand for replacement with high-efficiency motors.
- Commercial area: Supply motors used for commercial air conditioners, and robot modules 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.



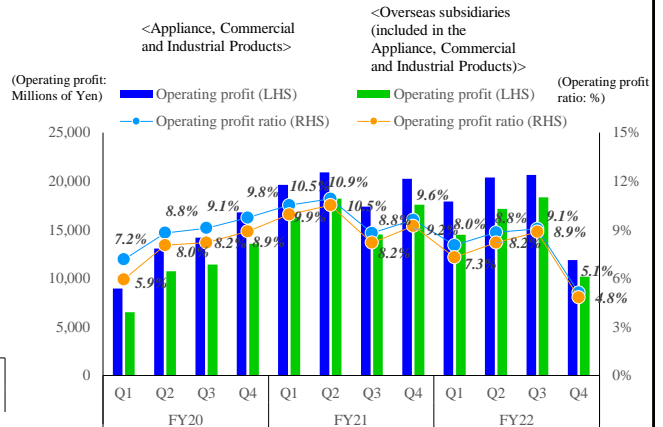
## Appliance, Commercial and Industrial: Quarterly Results

Pursuing profitability improvement amid continued slowdown in the home appliance and commercial areas

### <Quarterly net sales>



### <Quarterly operating profit and operating profit ratio>

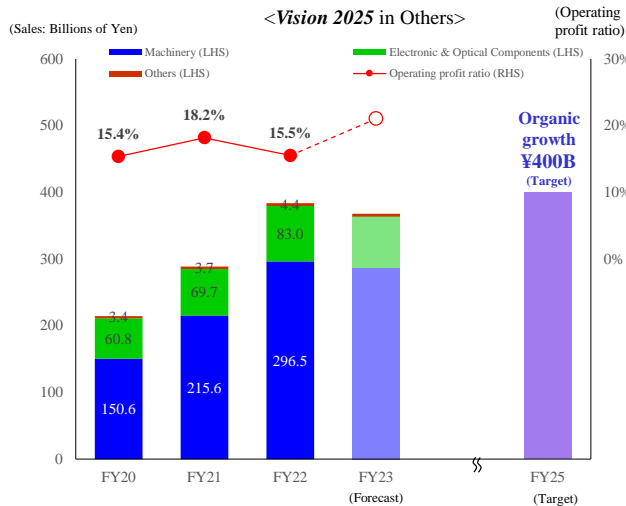


## Other Product Group: Strategy for High Growth

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



### Launching Machinery and Automation Business Unit in FY2023 handling reducers, press machines and machine tools to drive the growth of machinery business



### <Items to drive mid-term growth>

- Sales target ¥500 billion in FY25 and ¥1 trillion in FY2030 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 for 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.



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 will be completed in June 2023)

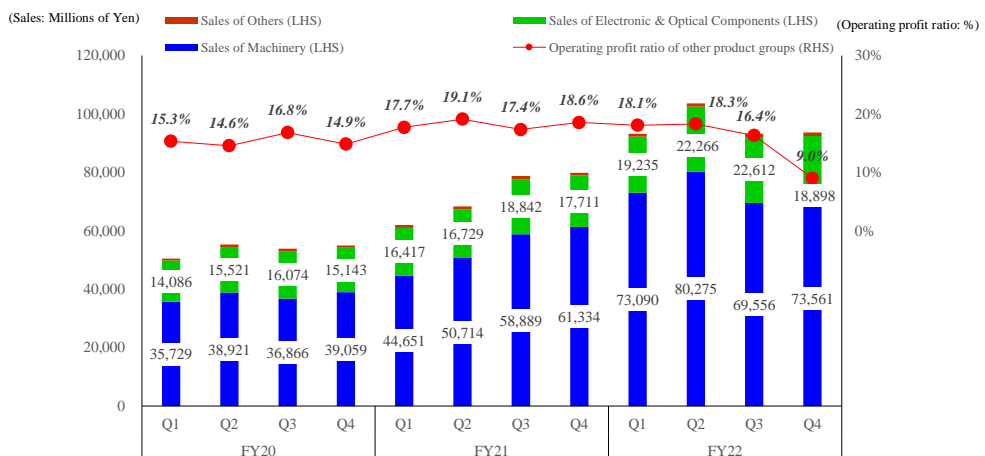
\*Nidec Nidec Drive Technology: Previously, Nidec-Shimpo

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## Other Product Groups: Quarterly Results



### Operating profit ratio of Other Product Groups remains stable at a high level of over 15% since FY21 except for Q4FY22



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Combination of Midori Precisions' technology and Nidec Components' global sales channels meets the global demand for sensors\*

<Outline of the the new subsidiary>

Company name	Midori Precisions Co., Ltd.
Headquarters	The city of Hamura, Tokyo
Foundation	July 1952
New director	Hitoshi Ohira, Representative Director and President (who dispatched from Nidec Components)
Business bases	Tokyo (headquarters and factory) and Osaka (sales)
Principal businesses	Development, manufacturing, and sale of potentiometers and encoders
Number of employees	Approximately 130 (as of March 2023)
Sales	2.788 billion yen (Fiscal year ended March 31, 2022)
Operating profit	495 million yen (Fiscal year ended March 31, 2022)

<Main products>

**Potentiometers:**

a type of position sensor that detects the direction/angle/rotation of mechanical movement

<Rotary>



<Linear>



<Inclinometers & Tilt Angle Sensors>



**Encoders:**

a sensor that detects the direction/angle/rotation of mechanical movement and converts the information into digital signals



**Dial / Ratiometer:**



\*Nidec Components: Previously, Nidec Copal Electronics 25



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# Performance Trends & Product Group Overview

## 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)

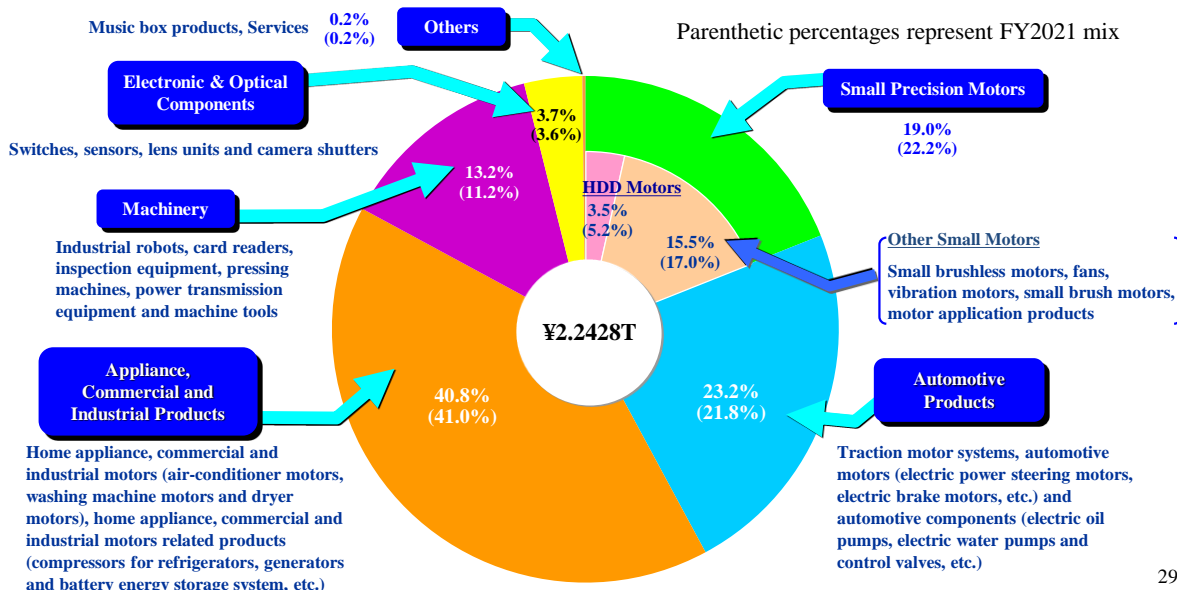
**Digital data explosion**  
(Keywords: High speed / large data, GAFA\* and "Stay Home")

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

Labels in infographic: Fan, Vapor chamber, Heat pipe, ADAS related product, Traction motor, Traction motor system (E-Axle), Reducer, Motor for drones, Home appliance motor, Refrigerator compressor, Nearline HDD motor, Automated guided vehicle.

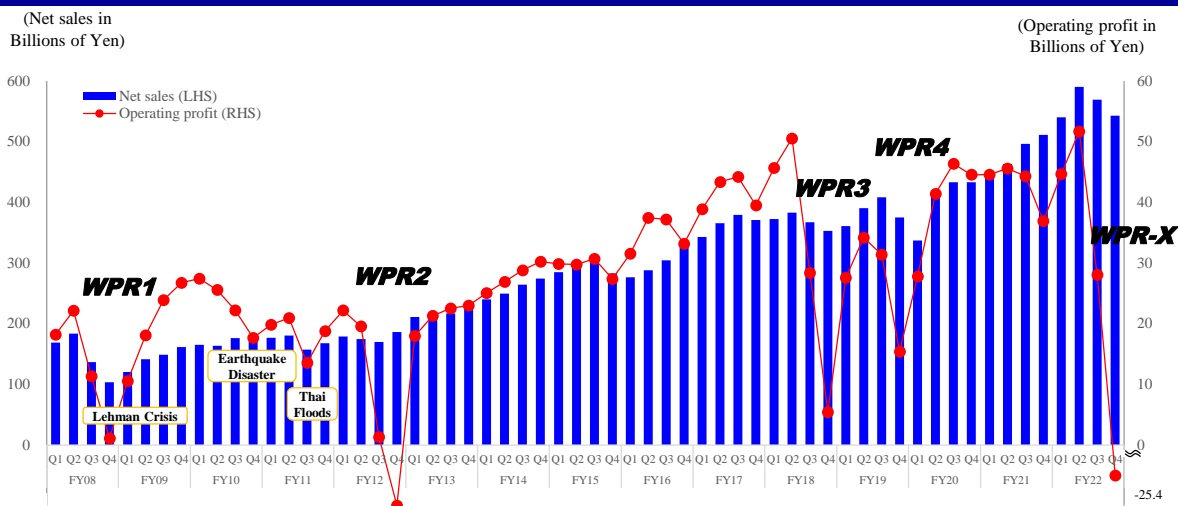
\* GAFA: Google, Apple, Facebook and Amazon

**Sales by Product Group (FY2022)**



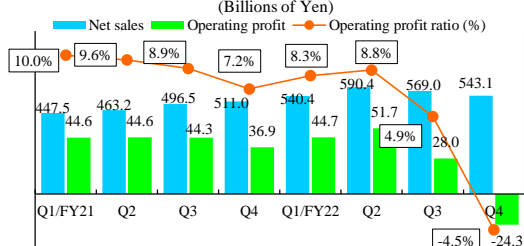
**Consolidated Quarterly Net Sales and Operating Profit**

**Implementing WPR-X to tackle recent deteriorations of market environments**

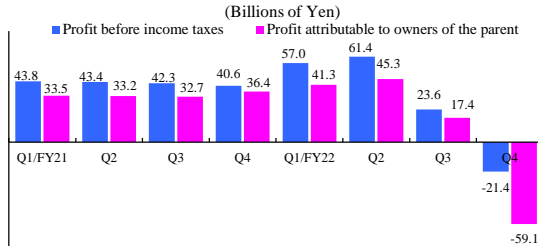


## Financial Highlights

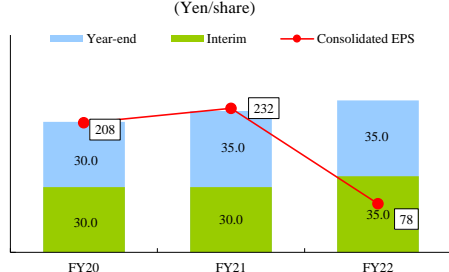
### <Consolidated Net Sales and Operating Profit>



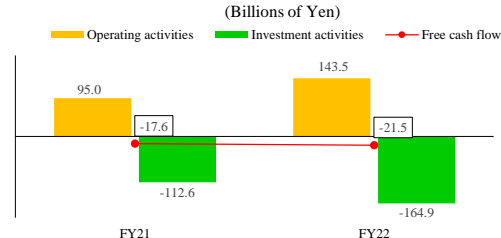
### <Profit Before Income Taxes and Profit Attributable to Owners of the Parent>



### <Dividends and EPS>

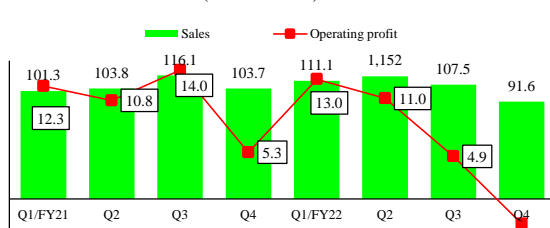


### <Consolidated Cash Flow>

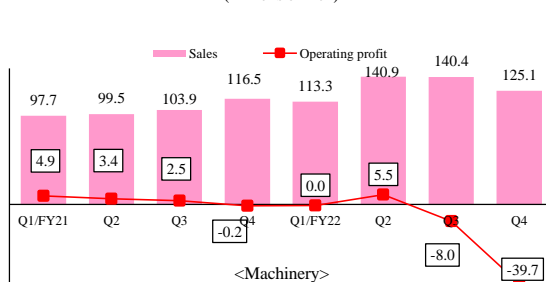


## Product Group Overview

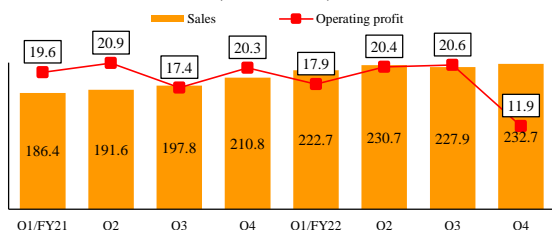
### <Small Precision Motors>



### <Automotive Products>



### <Appliance, Commercial and Industrial Products>



### <Machinery>

