

Nidec Corporation

First Quarter Fiscal 2023 Results



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 TVX-3300, high-speed high-precision press machine developed for EV motor cores and lamination application, manufactured by Nidec Drive Technology (previously, Nidec-Shimpo). The product was exhibited in the 7th METAL FORMING FAIR TOKYO, MF-TOKYO 2023 held from July 12 to 15, 2023. Orders and sales of the press machine for motor cores are strong benefiting from the tailwind of the EV shift.

Consolidated Profit/Loss

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

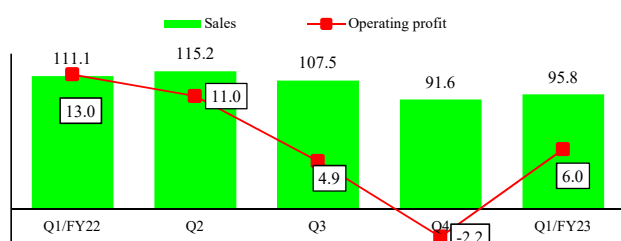
Millions of Yen, except for percentages, EPS, and FX rates	Q1/FY2022	Q1/FY2023	Change	FY2023 Forecast
Net sales	540,369	566,055	+4.8%	2,200,000
Operating profit	44,660	60,152	+34.7%	220,000
<i>Operating profit ratio</i>	8.3%	10.6%	-	10.0%
Profit before income taxes	56,989	86,081	+51.0%	210,000
Profit attributable to owners of the parent	41,321	64,041	+55.0%	165,000
EPS (Yen)	71.50	111.45	+55.9%	287.16
FX rate (Yen/US\$)				Assumed for Q2 onward: Yen/US\$: 120 Yen/Euro: 130
Average:	129.57	137.37	+6.0%	
Term end:	136.68	144.99	+6.1%	

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.

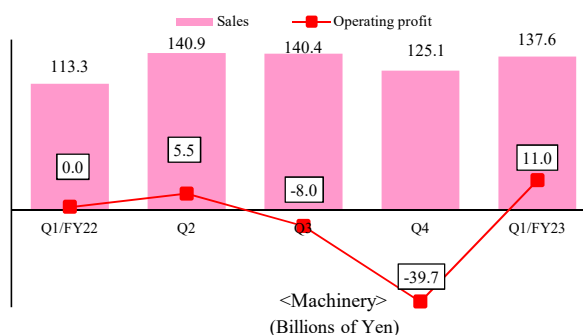
3

Product Group Overview

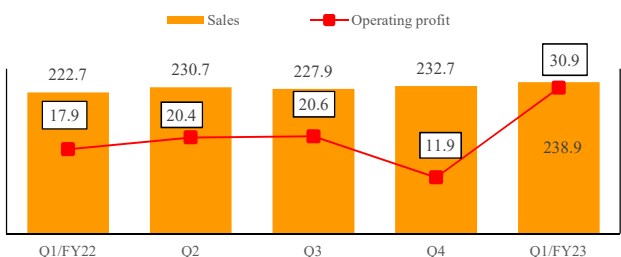
<Small Precision Motors>
(Billions of Yen)



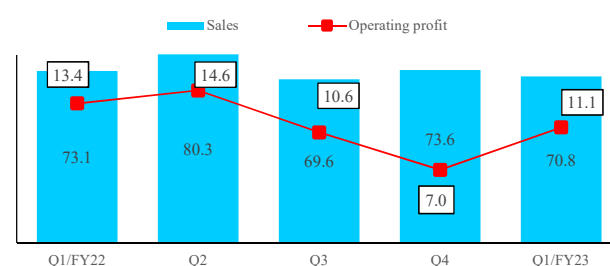
<Automotive Products>
(Billions of Yen)



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



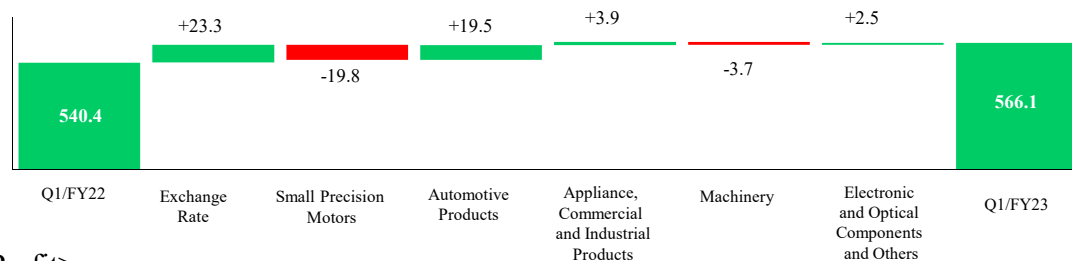
<Machinery>
(Billions of Yen)



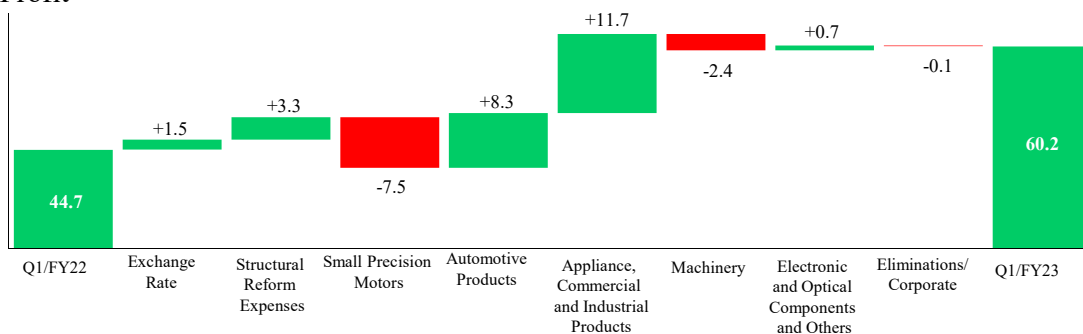
4

Year-on-Year Changes (Three Months Ended June 30, 2023)

<Net Sales> (Billions of Yen)



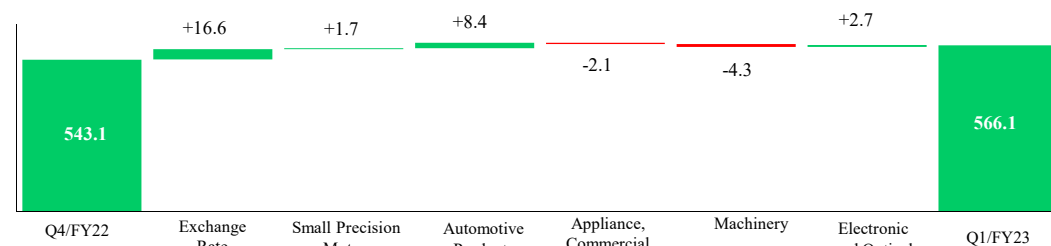
<Operating Profit> (Billions of Yen)



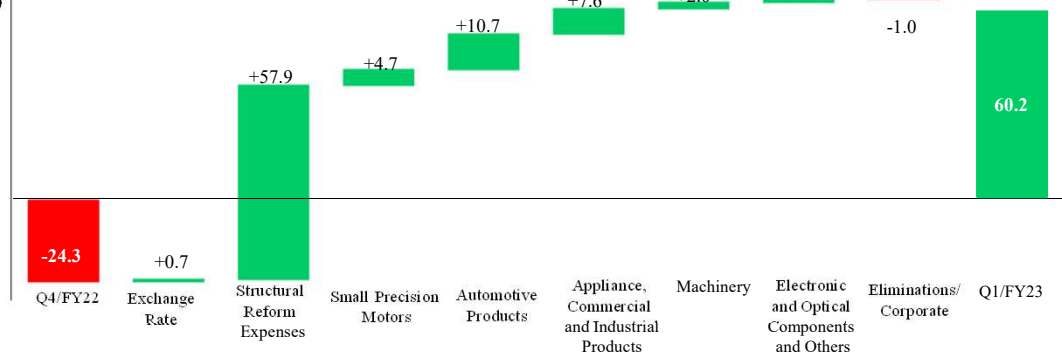
5

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

<Net Sales> (Billions of Yen)



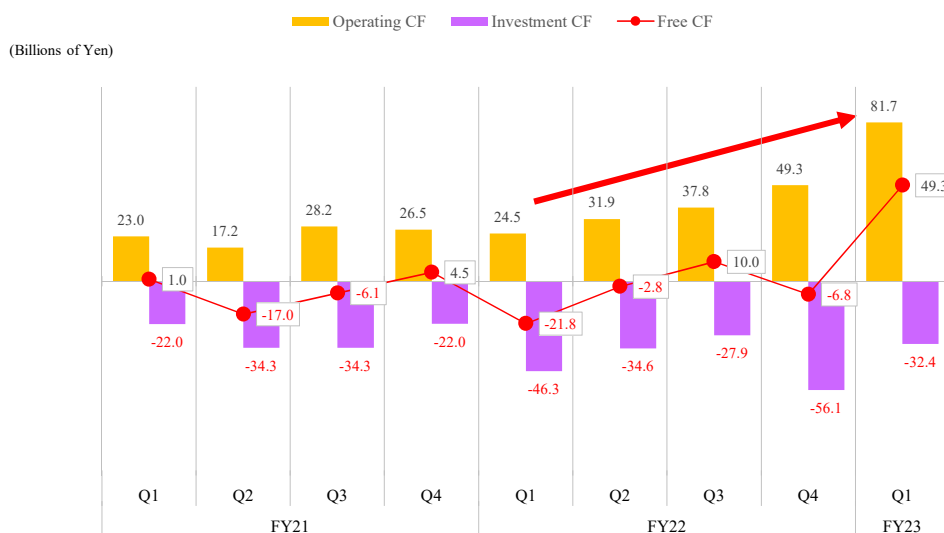
<Operating Profit> (Billions of Yen)



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Consolidated Cash Flow

As quarterly operating CF keeps improving, Nidec targets record-high FCF in FY23.



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Summary of Q1 FY2023

- ❑ Net sales increased 4.8% Y/Y to ¥566.1 billion.
- ❑ Operating profit increased 34.7% Y/Y to ¥60.2 billion, **marking a record high on a quarterly basis.**
- ❑ Profit before income taxes increased 51.0% Y/Y to ¥86.1 billion after foreign currency gain of ¥24.3 billion posted, and **marked a record high on a quarterly basis.**
- ❑ Profit attributable to owners of the parent increased 55.0% Y/Y to ¥64.0 billion, **marking a record high on a quarterly basis.**
- ❑ **Quarterly operating profit of ACI* segment, one of our mid-term growth drivers, marked a record high.**

*ACI: Appliance, Commercial and Industrial Products

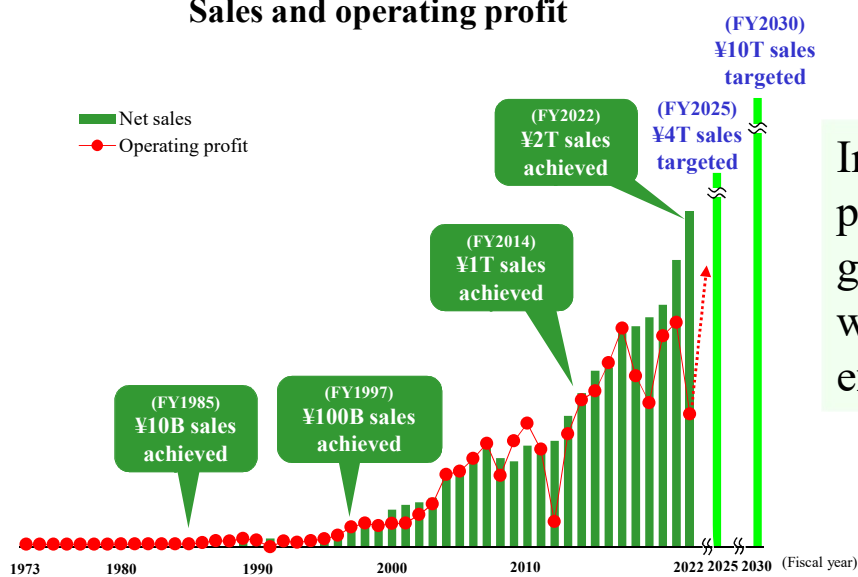
8

Mid-Term Strategic Goal

Nidec Mid- to Long-Term Growth Target



Sales and operating profit

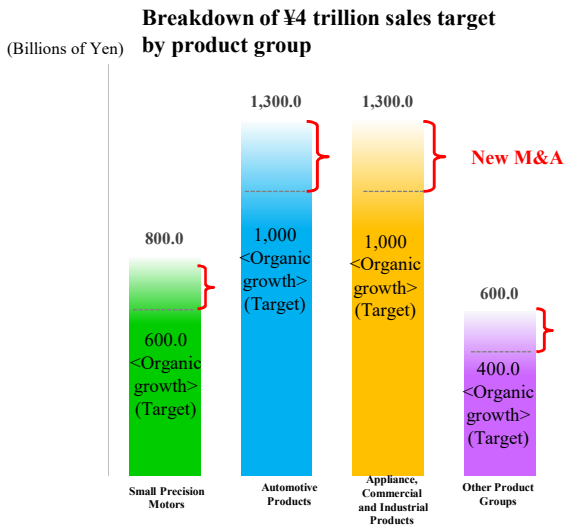


Increase sales and profit through organic growth and M&As with a focus on expanding markets

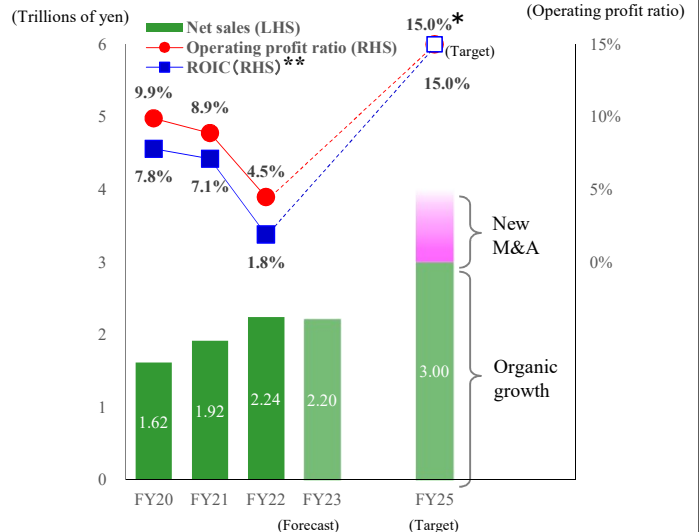
Mid-Term Strategic Goals **Vision2025**

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.

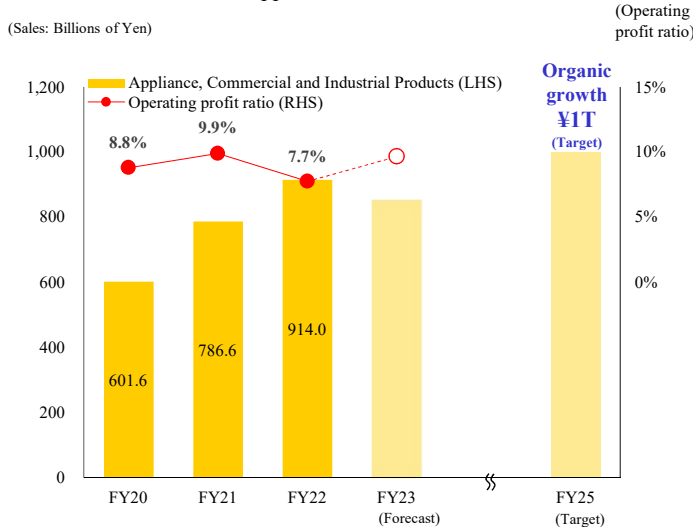
**ROIC: Return on invested capital

Appliance, Commercial and Industrial: Strategy for High Growth

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

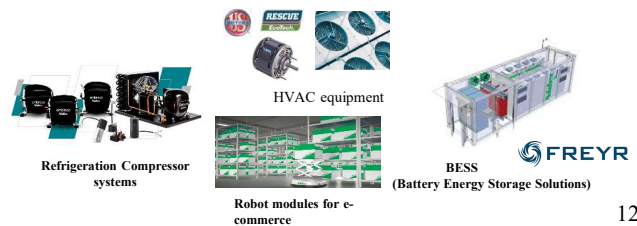
Realize high growth by capturing green innovation demand created by replacement with high-efficiency motors, etc.

<Vision 2025 in Appliance, Commercial and Industrial>



<Items to drive mid-term growth>

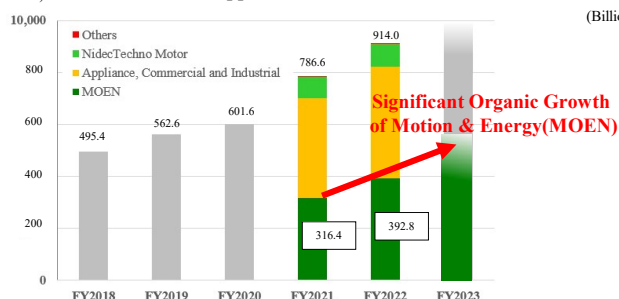
- Appliance area: We offer brushless DC motors for air conditioners, washing machines, dryers, dishwashers and compressors for refrigerators to meet the increasing demand for replacement with high-efficiency motors.
- Commercial area: Supply motors used for commercial air conditioners, and robot modules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



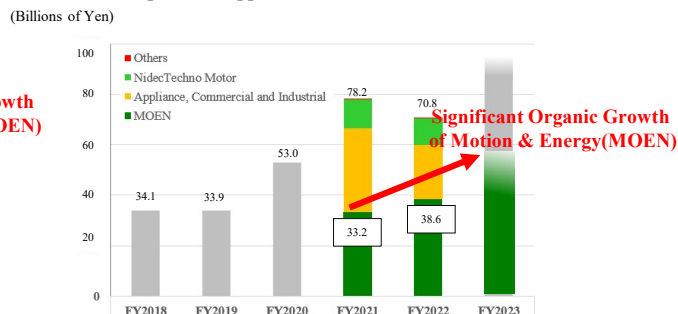
Appliance, Commercial and Industrial : Motion & Energy Business

Sales and profit of Appliance, Commercial and Industrial in FY23 will increase through Motion & Energy

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



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



<Main products of MOEN>



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

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Appliance, Commercial and Industrial : Solution Business in Motion & Energy

<Ex.1 Battery Energy Storage Solutions (BESS)>

Targeting business expansion into Eastern Europe, Africa, China and the U.S., in addition to current Western Europe



Grow sustainably in global markets, especially in European, North American and African market.
(Please refer to the next page for more info.)

<Ex.2 Order of charging station (Israel)>

Aiming at a business expansion in the Mediterranean and Western Europe area



Acquired orders, worth around €1 million, for the supply of 44 charging stations of the DirectPower range for recharging electric vehicles to AmisraGreen, a company belonging to the Amisragas group, one of the main gas and energy distributors in Israel.

<Ex.3 Projects for electrification of the quays in Ligurian ports (Italy)>

Promoting all-electric in maritime and port sector



Acquired orders of two turnkey projects with Nidec Power Converters core technology, worth €26 million, for electrification of the ports of Genoa and Savona. Cruise ships and ferries docked at the port switch off their on-board generators and connect to the electricity grid to meet their operational needs.

<Ex.4 Projects for voltage stabilization of High Voltage Transmission lines (Italy)>

Promoting renewable energy integration into electric transmission lines in Europe



Acquired two orders of turnkey projects with Nidec Power Quality core technology, worth €40 million, for TERNA, the Italian TSO and supplying multilevel Statcoms substations in Galatina and Aurelia in Italy. These solutions will support stabilization of the high voltage grid in Italy, allowing more renewable power generation sources to connect to the grid.

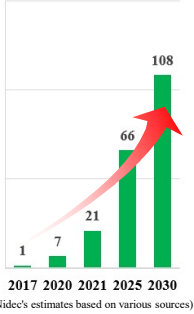
14

Appliance, Commercial and Industrial : Battery Energy Storage Solutions (BESS)

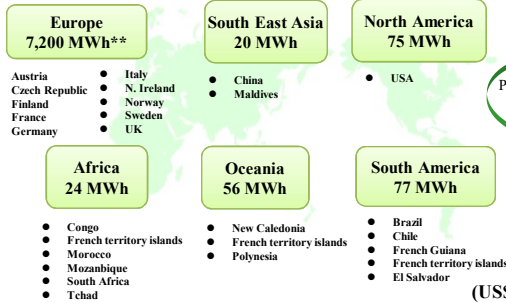


7.4 GWh* of Nidec's BESS installed or in execution over 135 projects in 27 countries

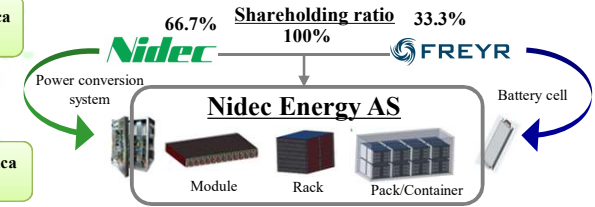
<Global market size of BESS>
(GWh) (for electric power companies)



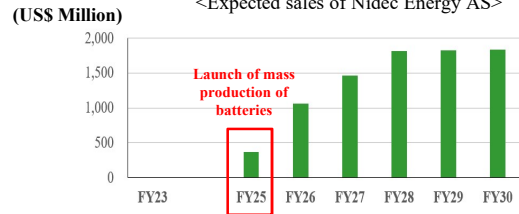
<Countries and areas in Nidec's BESS are installed>



<Completion of establishing a joint venture with Norwegian FREYR Battery (December 2022)>



<Expected sales of Nidec Energy AS>



<Main applications for Nidec's BESS>



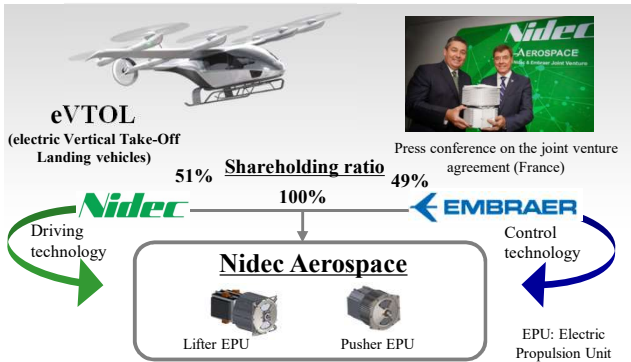
*GWh: Gigawatt hours **MWh: Megawatt hour

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

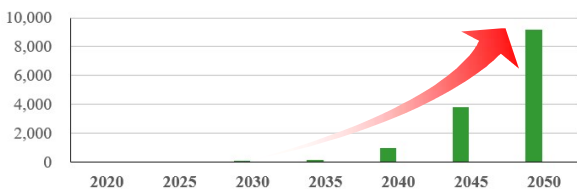
Appliance, Commercial and Industrial : Enter the Market of Aerospace Electrification



<Joint venture agreement with Brazilian Embraer (June 2023)>



(US\$ Billion) <Expected market size of Urban Air Mobility>

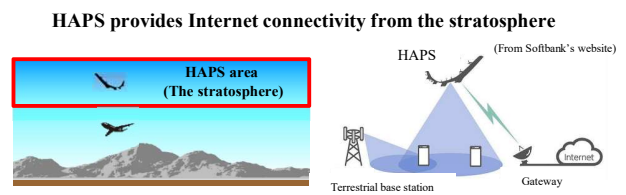


This slide includes forward-looking statements. See Disclaimer on Page 2.

<Joint development of motor for HAPS* with SoftBank (June 2023)>



(Reference) Concept of HAPS



*HAPS: High Altitude Platform Station

Accelerate profitable growth through enhancing competitiveness in motors and generators

<Outline of the New Subsidiary>

Company name	TAR, LLC d/b/a Houma Armature Works
Headquarters	Houma, Louisiana, United States
Foundation	1972
Business leader	Corey Hansen, VP Service/Aftermarket Electric Power Generation Americas Roy Corbitt, the General Manager, Houma
Business bases	Manufacturing and service bases: Houma, Louisiana, Houston, Texas
Principal businesses	Manufacturing, repair, maintenance, upgrades, and installation services for motors, generators, and control systems.
Number of employees	94
Sales	31.4 million USD (The fiscal year ended December 31, 2022)

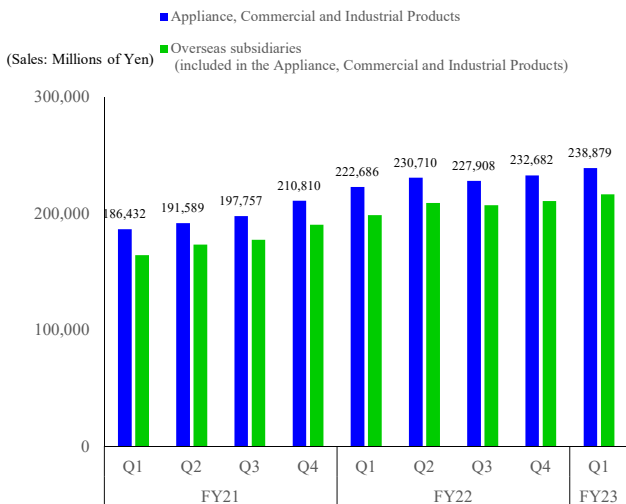
<Main services/products>

<p>1. In-shop services</p> <p>Component replacement, repair, winding and testing of motors and generators</p>	<p>2. Field services</p> <p>Installation, maintenance and repair of motors, generators, and control systems</p>
<p>3. Storage services</p> <p>Ensuring the safety and integrity of customers' equipment in climate-controlled facilities. Reducing downtime during maintenance.</p>	<p>4. Manufacturing and sales of motors</p> <p>Manufacturing and sales of drilling motors for oil and gas exploration</p>

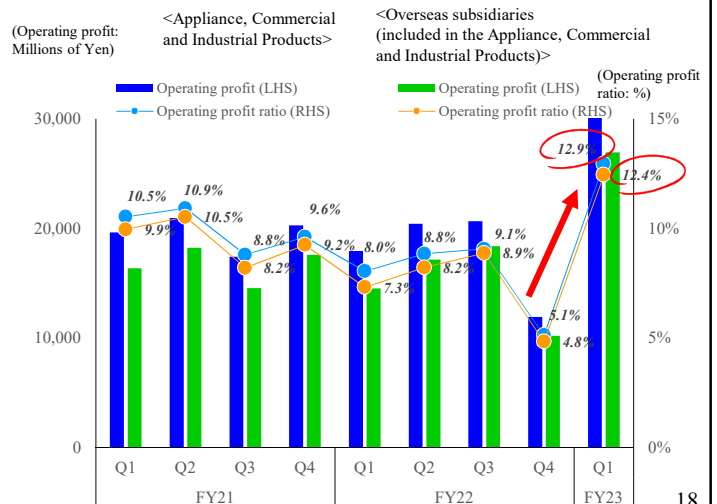
Appliance, Commercial and Industrial: Quarterly Results

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

<Quarterly net sales>



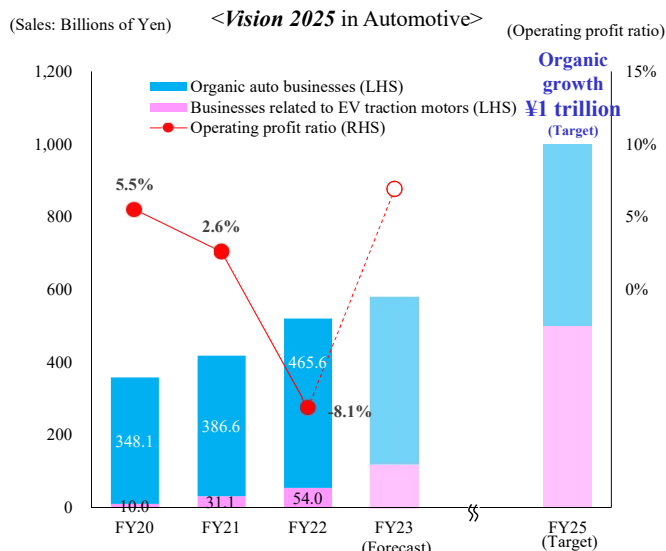
<Quarterly operating profit and operating profit ratio>



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



<Businesses related to EV traction motors>

- E-Axle business is expected to become profitable in FY23 through introducing 2nd generation E-Axle, with targeted replacement ratio of over 80%, 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>

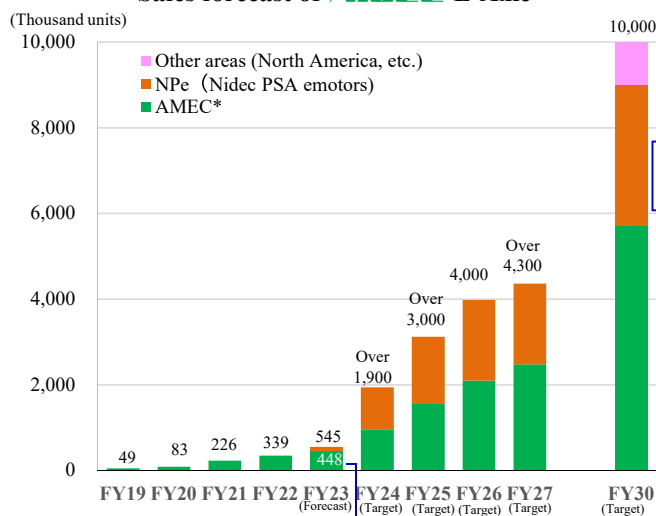
- Nidec will capture increasing demand for electrification and gain further market share for motors for electric power steering and electric brakes despite slower growth in global auto sales.

* CASE: Connected, Autonomous, Shared, Electric

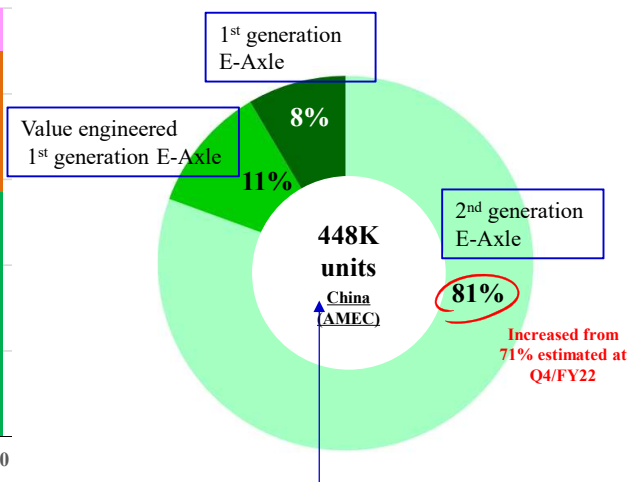
Automotive: Sales of Nidec's E-Axles

With Battery EV related business made profitable for the first time in Q1/FY23, we prioritize profitability.

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.

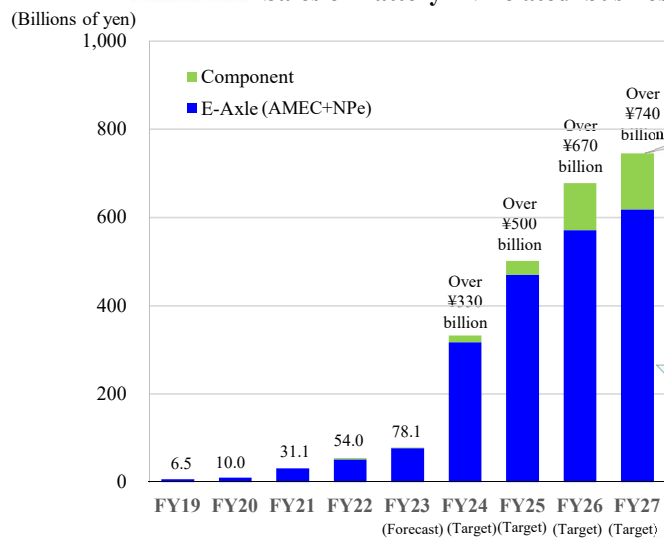
*AMEC: Automotive Motor & Electronic Control Business Unit

Automotive: Sales of Battery EV Related Business



Targeting ¥500 billion sales in FY25
 by supplying traction motors only and other components in addition to E-Axles

Nidec Sales of Battery EV related business



<Component>

Model number with Nidec's product is increasing

<E-Axle>

New model (Red frame)

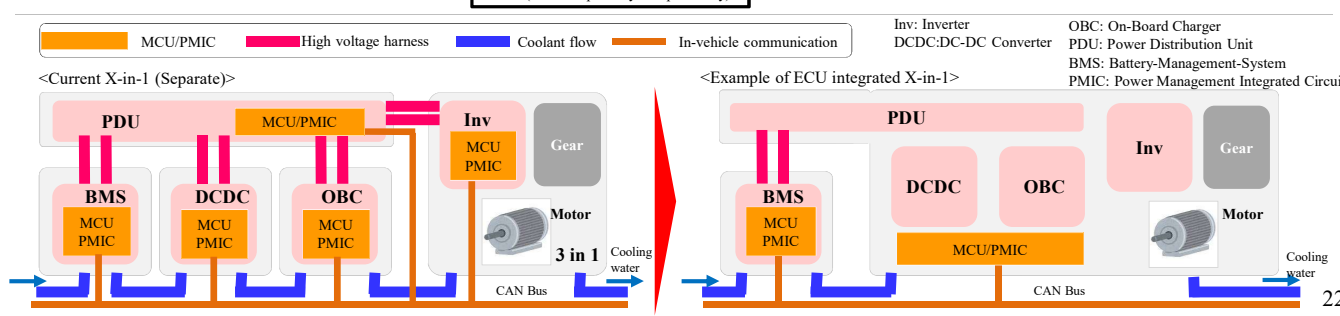
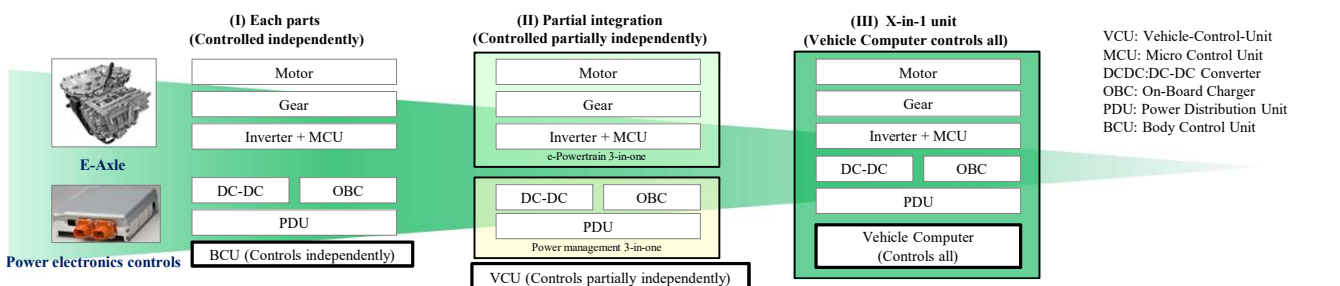
Model number with Nidec's product is increasing

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

Automotive: Nidec and RENESAS Jointly Develop a Proof of Concept for Next Gen. E-Axle



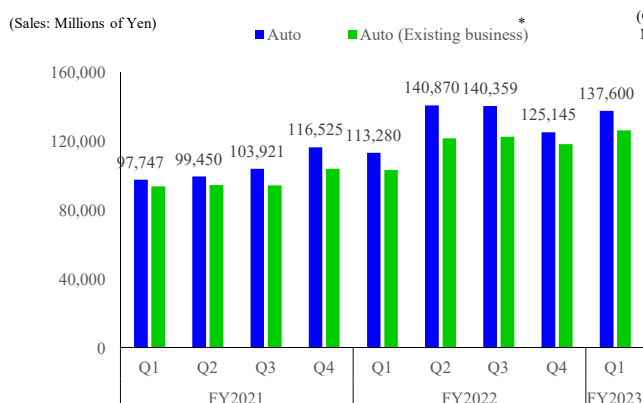
Integration enables reduction in the number of parts used, overall weight and volume, and brings efficiency through total optimization



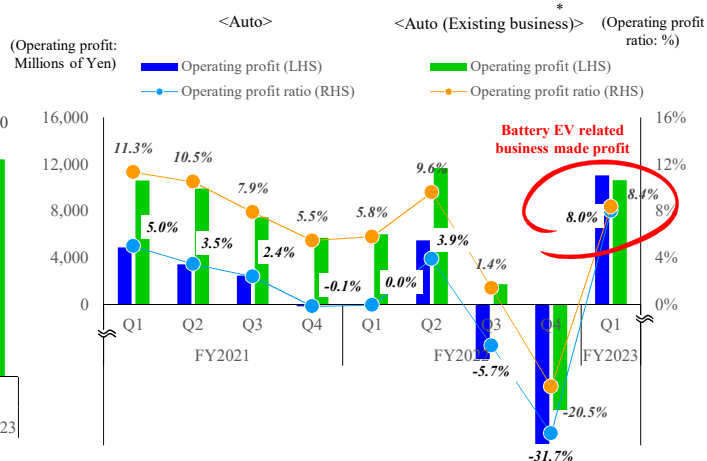
Automotive: Quarterly Results

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>

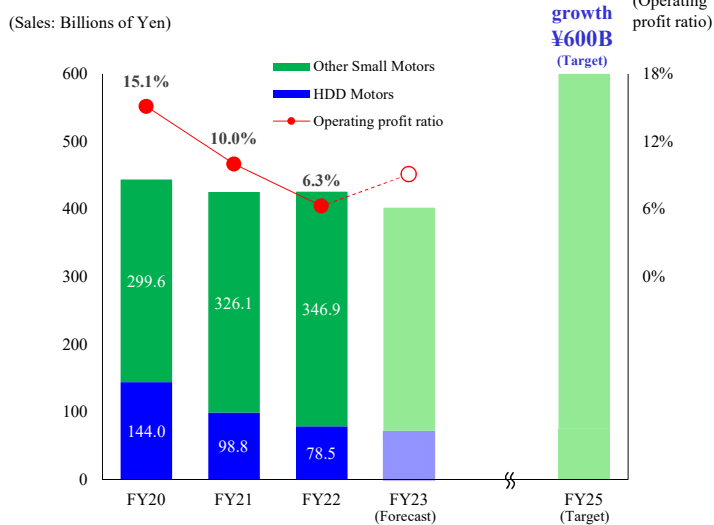


*Existing business: Excluding impact of battery EV related business from Auto business

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

Small Precision Motors: Thermal Solutions

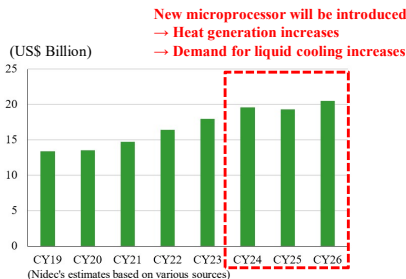
This slide includes forward-looking statements. See Disclaimer on Page 2.

Demand for High Performance Computing (HPC) is increasing, as an Artificial Intelligence application such as ChatGPT expands

<Product example: Liquid to liquid type>



<Market size of HPC server>

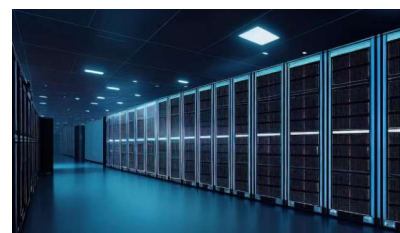
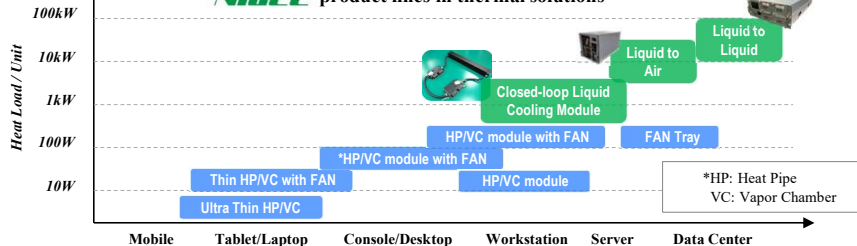


Thermal management is always an issue in building and operating HPC system

Traditional air cooling cannot cool down HPC system enough

Nidec responds to the needs to replace air cooling with liquid cooling (start of mass production)

< Nidec product lines in thermal solutions >

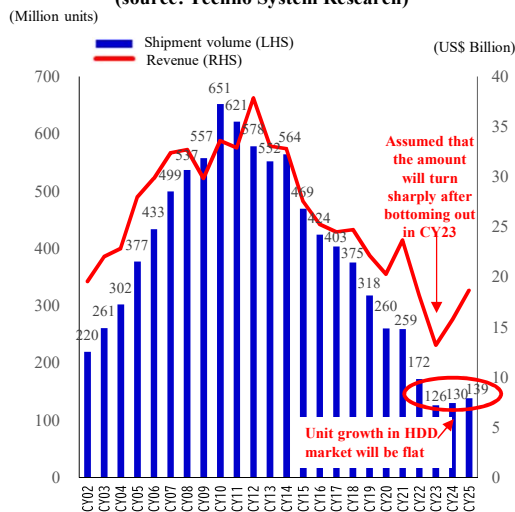


Data center (Sample image)

Small Precision Motors: Demand Trends of Server HDD Motors

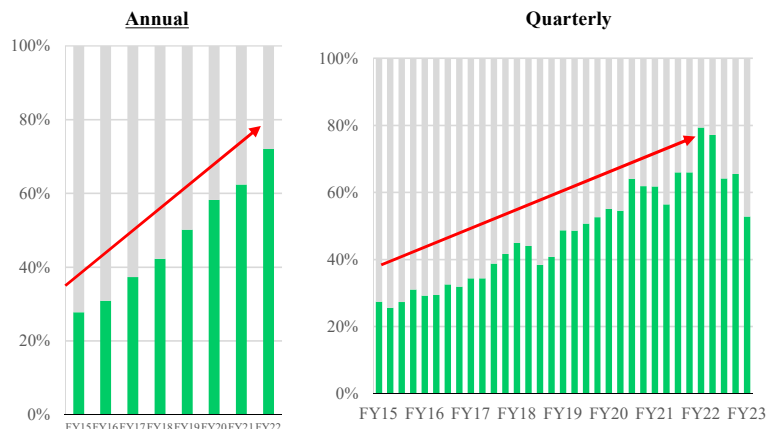
Storage demand continues expansion in mid- to long-run as the AI market grows

<HDD market shipment and revenue>
(source: Techno System Research)



<Nidec's shipment ratio of HDD motors for servers (Revenue)>

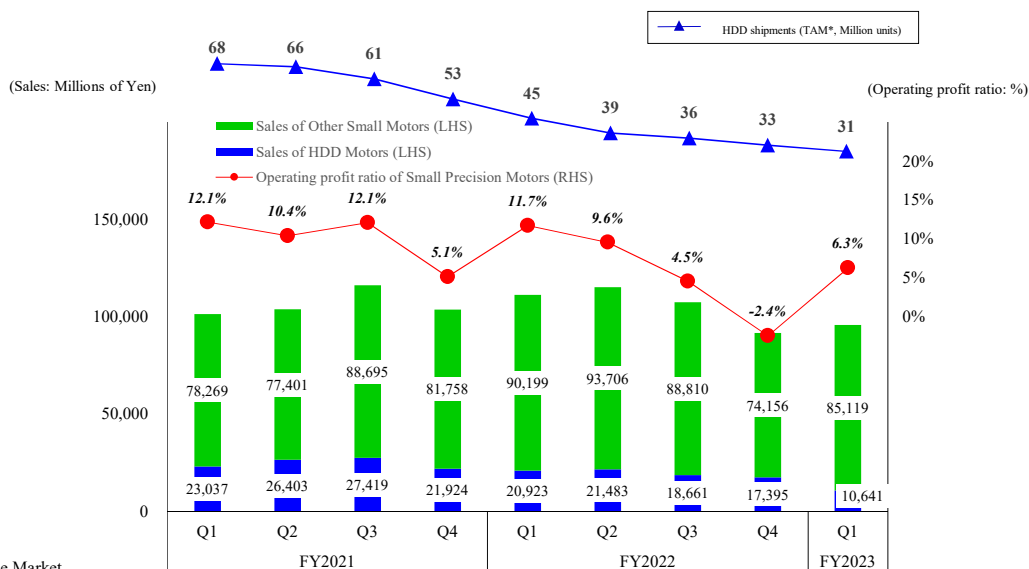
Sales ratio of HDD motors for servers (green in the graph) has continued increasing on both annual and quarterly basis.



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

Small Precision Motors: Quarterly Results

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



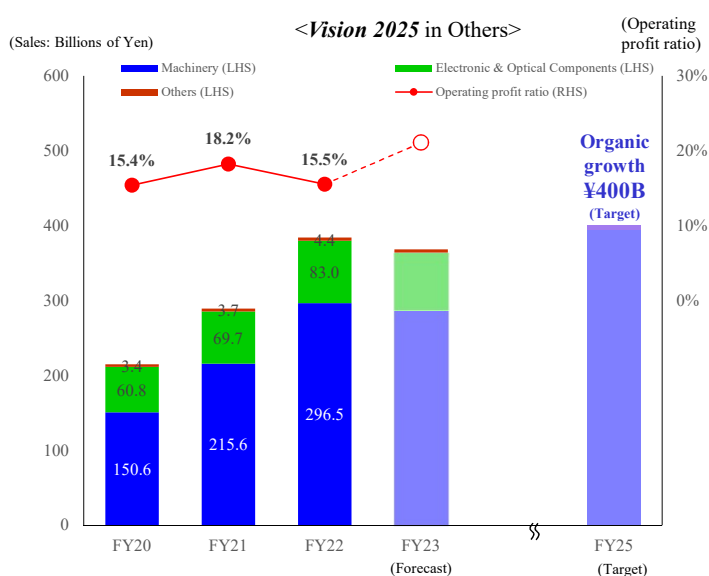
*TAM: Total Addressable Market

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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



<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 announced commencement of 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 1 construction was completed in June 2023)

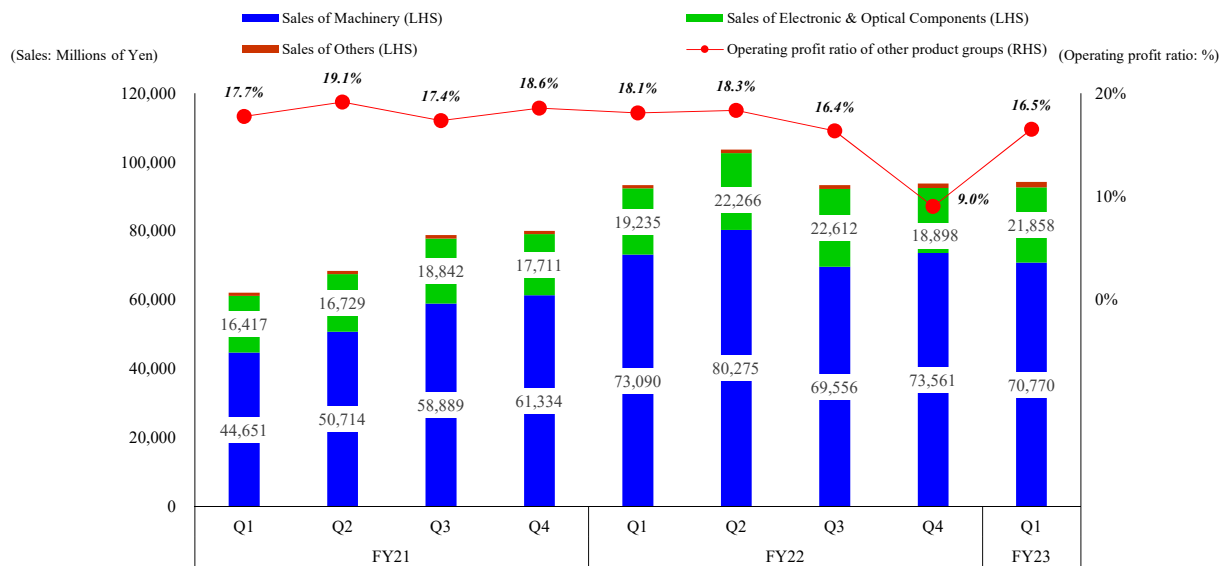
*Nidec Drive Technology: Previously, Nidec-Shimpo

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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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Japan Tel: +81-75-935-6140 E-mail: ir@nidec.com
 EMEA Tel: +31-06-8393-1827 E-mail: iwai.yuji@nidec.com
 U.S. Tel: +1-212-703-7988 E-mail: nagase.kiyoshi@nidec.com

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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

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

Vapor chamber
Heat pipe

eVTOL
(electric Vertical Take-Off Landing vehicles)

Traction motor
Traction motor system (E-Axle)

Reducer
Motor for drones

Home appliance motor

Refrigerator compressor

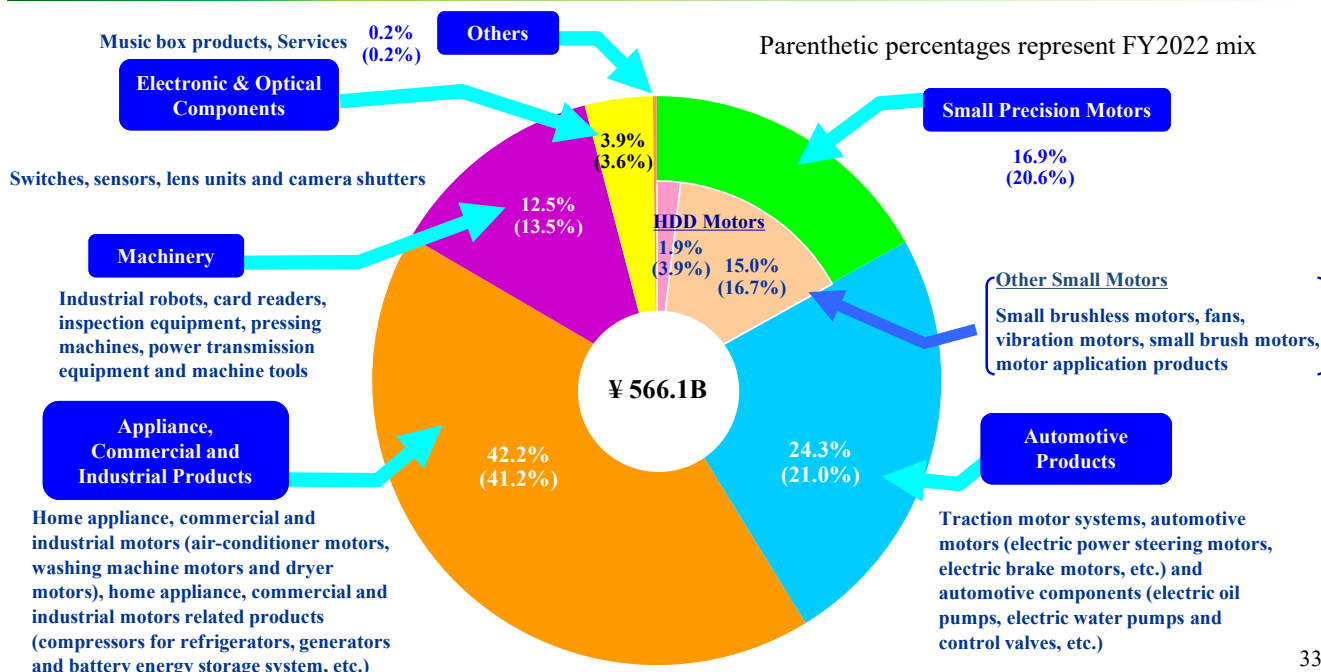
Nearline HDD motor
Digital data explosion
(Keywords: High speed / large data, GAFA* and "Stay Home")

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

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

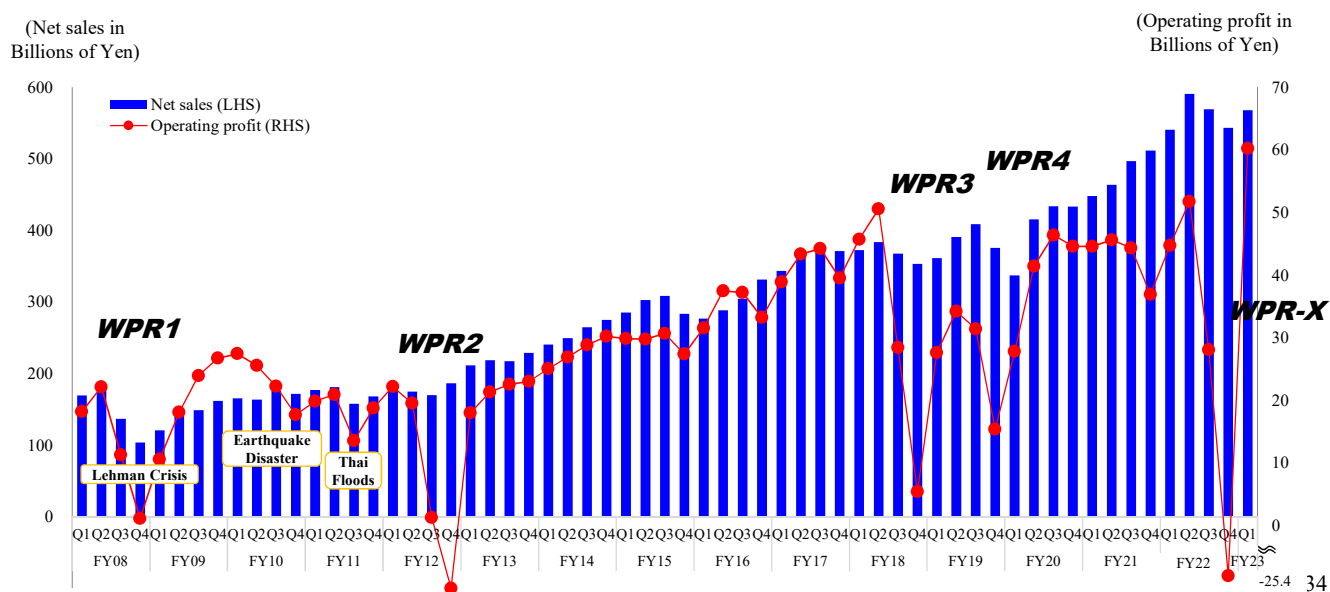
* GAFA: Google, Apple, Facebook and Amazon

Sales by Product Group (Apr-Jun FY2023)



Consolidated Quarterly Net Sales and Operating Profit

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

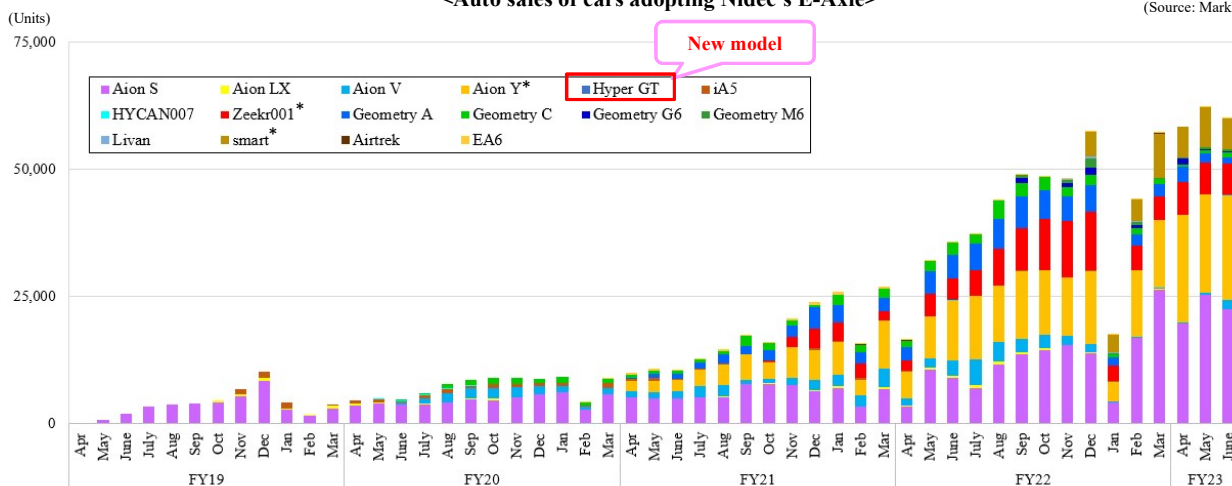


Automotive: Sales of Vehicles with Nidec's E-Axle

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>

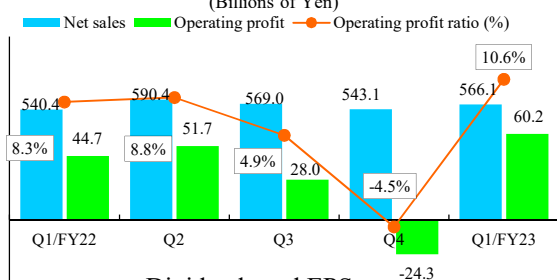
(Source: Marklines)



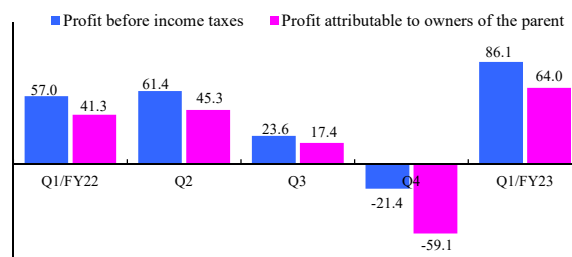
*Zeekr001, smart and Aion Y use Nidec's E-Axles partially. 35

Financial Highlights

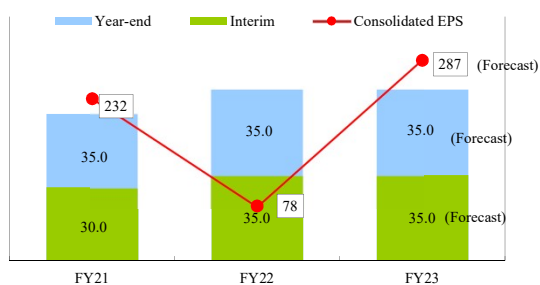
<Consolidated Net Sales and Operating Profit>
(Billions of Yen)



<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)

