

TSE: 6594 OTC US: NJDCY  
<https://www.nidec.com/en/>

# Nidec Corporation

## Third Quarter Fiscal 2024 Results

Three and Nine Months Ended December 31, 2024

<IFRS>



**Nidec**  
-All for dreams

**Smart-FLEXWAVE**  
Built-in Multi Sensor

## 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 Smart-FLEXWAVE BD Series, a precision reducer combined with a built-in safety torque sensor that Nidec Drive Technology Corporation, a Nidec subsidiary, launched. The BD Series achieves the safety required for cooperative robots by duplicating the sensor system and conforming to the functional safety standards for industrial equipment.  
<https://www.nidec.com/en/product/news/2024/news1225-01/>

## Consolidated Profit/Loss

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

Billions of Yen, except for percentages, EPS, and FX rates	Q3/FY2023 (Apr-Dec)	Q3/FY2024	Change	FY24 Forecast
Net sales	1,745.1	<b>1,946.0</b>	+11.5%	2,500.0
Operating profit	167.1	<b>175.5</b>	+5.0%	240.0
<i>Operating profit ratio</i>	<i>9.6%</i>	<i>9.0%</i>	-	<i>9.6%</i>
Profit before income taxes	191.5	<b>182.5</b>	-4.7%	250.0
Profit attributable to owners of the parent	144.2	<b>134.6</b>	-6.7%	185.0
EPS (Yen) (*)	125.51	<b>117.14</b>	-6.7%	160.98
FX rate (Yen/US\$)				Assumed for Q4:
Average:	143.29	<b>152.57</b>	+6.5%	Yen/US\$: 145
Term end:	141.83	<b>158.18</b>	-11.5%	Yen/Euro: 155

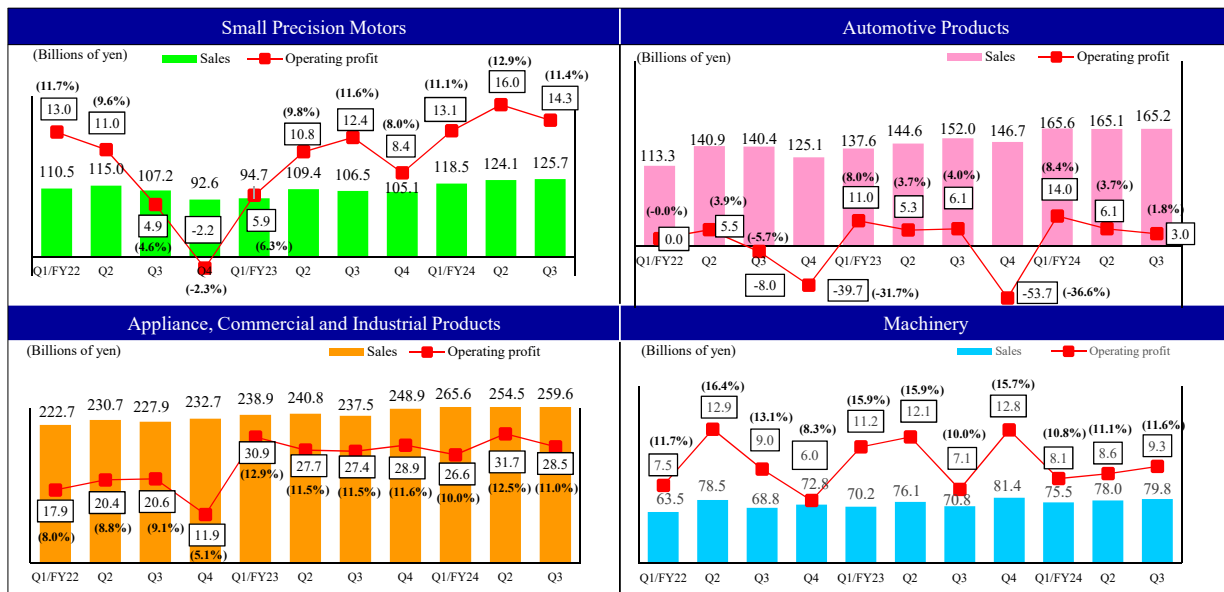
Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2024 is estimated to have an annualized impact of 10.0 billion yen and 1.9 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating 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.

## Product Group Overview

Numbers inside parentheses refer to operating profit ratio.

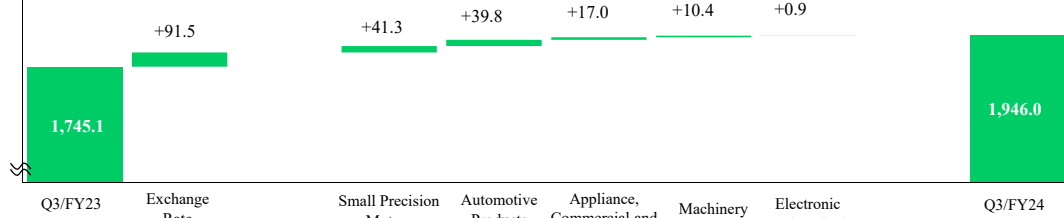


## Year-on-Year Changes (Nine Months Ended December 31, 2024)



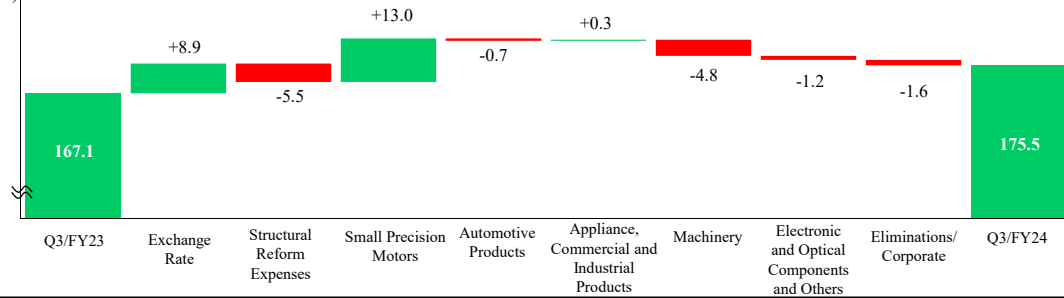
### <Net Sales>

(Billions of Yen)



### <Operating Profit>

(Billions of Yen)



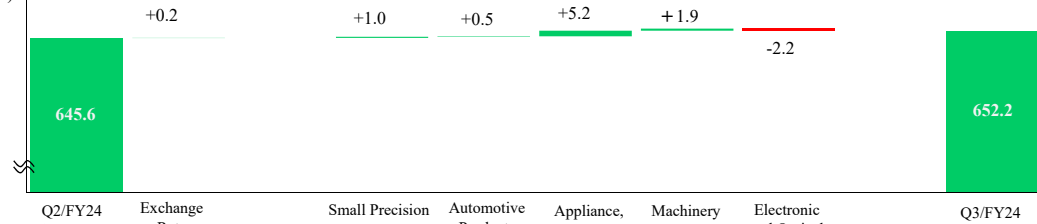
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## Quarter-on-Quarter Changes (Three Months Ended December 31, 2024)



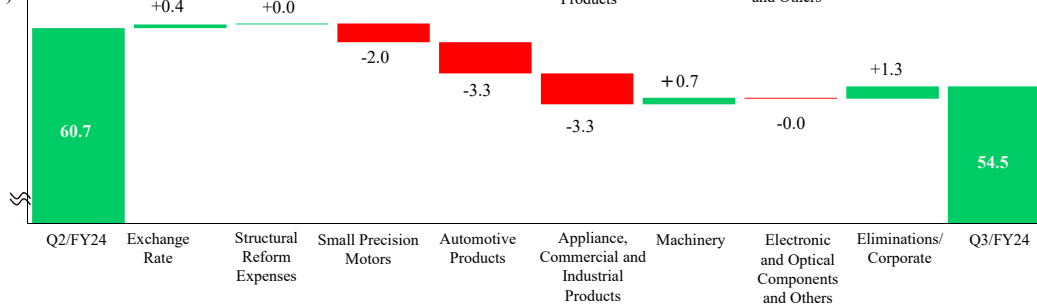
### <Net Sales>

(Billions of Yen)



### <Operating Profit>

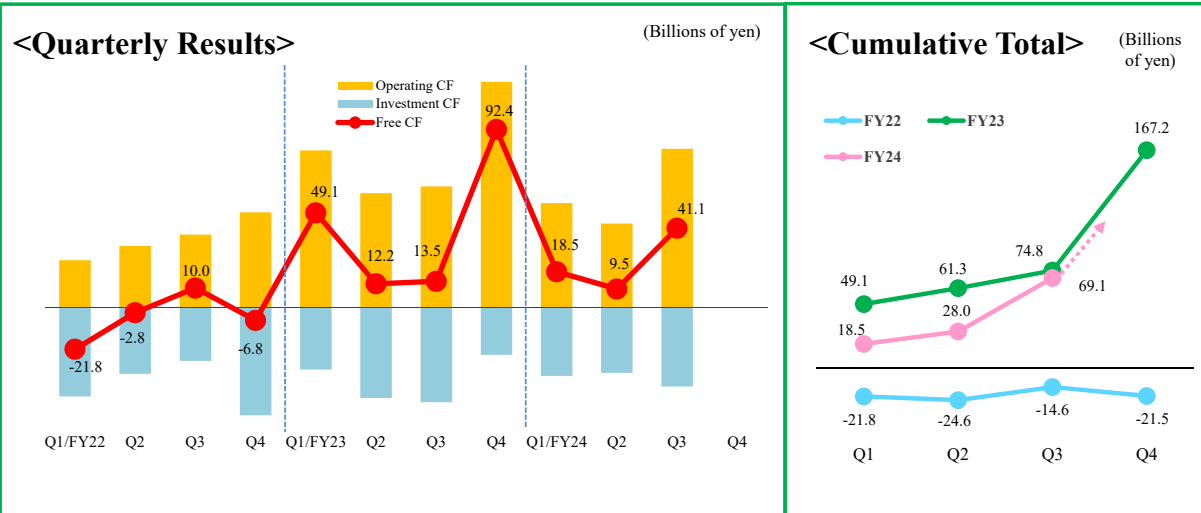
(Billions of Yen)



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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 Q3 FY2024

- Nine months net sales stood at **record high** of ¥1.946 trillion, 11.5% higher Y/Y.
- Nine months operating profit stood at **record high** of ¥175.5 billion, 5.0% higher Y/Y.
- **Record-high level** cash-flow maintained.

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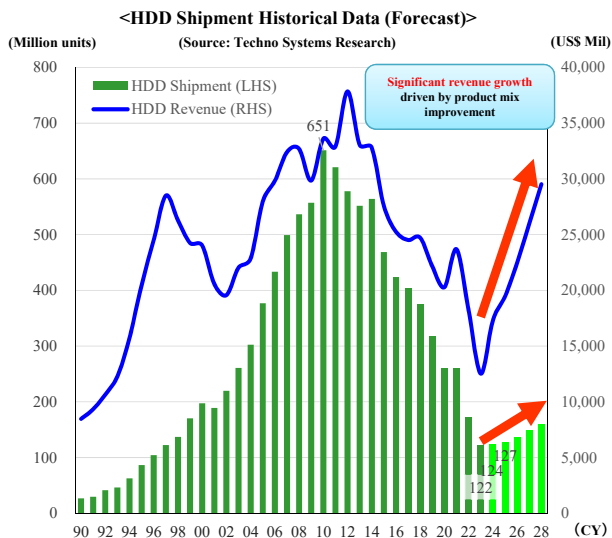
# Topics of Q3

## Small Precision Motors: HDD Market Product Mix Improvement Driven By Increasing Data Center Demand



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

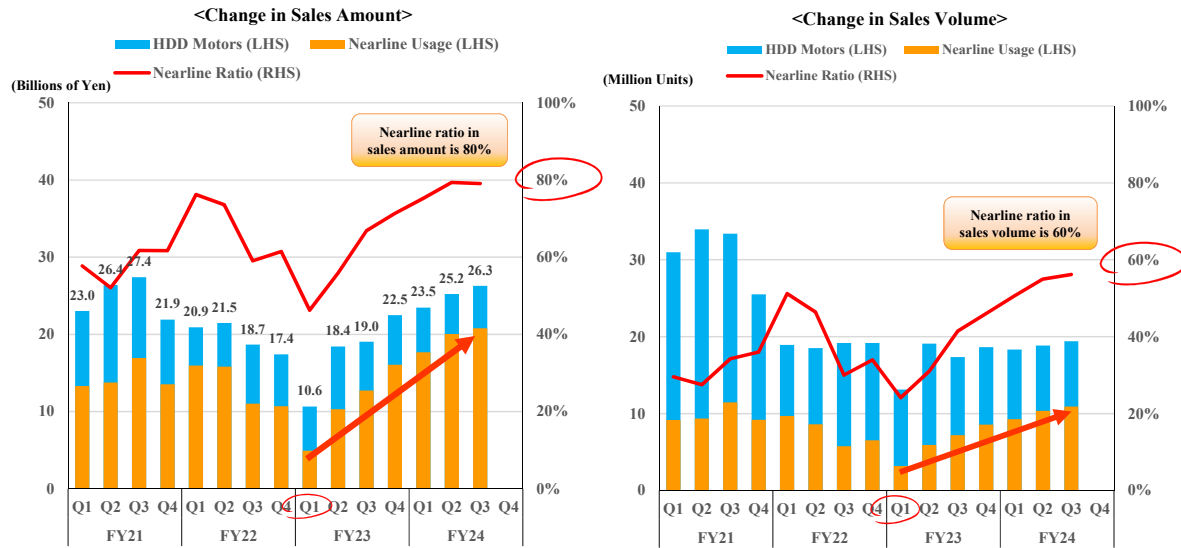
HDD shipment has been increasing after bottoming out in CY23.  
HDD revenue growth rate will exceed that of HDD shipment.



- HDD shipment bottomed out at 122 million units in CY23, and is expected to increase gradually from CY24.
- HDD revenue also bottomed out in CY23. However, increasing demand for nearline HDDs used for data centers drives HDD product mix improvement, which creates a trend that revenue growth rate significantly exceeds that of shipment.
- This trend has a positive impact on Nidec's HDD motor product mix improvement. (refer to next page)

## Small Precision Motors: Nidec's HDD Motors Product Mix Improvement

### Product mix improvement that started in Q1 FY23 is distinctive in sales amount



## Small Precision Motors: Water Cooling Module Heads For A New Development

In addition to existing server maker customers, we are receiving increasing inquiries from data center business operators and ODMs\*

**<Preparation for the second factory to manufacture water cooling related products>**  
We will establish our second manufacturing base for water cooling related products in Rojana factory in Thailand, and we will be ready for production of CDUs and quick couplings by April 2025.

**Existing customers:** Server maker, Enterprise market (companies, research institution, government office etc.)

**Other customers than server maker customers:** Data center business operator, System integrator, ODM\*/OEM

**Cloud service provider market (Hyper scaler)**

**Factories:** Factory 1, Factory 2, Factory 3, Factory 4, Factory 5, Factory 6 (Rojana Factory in Thailand - Second production base for water cooling related products)

**Products:** CDU (Coolant Distribution Unit), QC (Quick Coupling), LCM (Liquid Cooling Module), CDM (Coolant Distribution Module)

**Further, for quick couplings, we are preparing factories in China and the Philippines for full production.**

\*Original Design Manufacturing

## Participation in IOWN\* Global Forum

\*Innovative Optical and Wireless Network



Contribute to realization of better society through capturing expanding business opportunity driven by next-generation information and communication technology



The global forum aims to realize next-generation optical networking computing foundation. Over 130 organizations from Asia, Europe and Americas are participating in this forum.

**Low power consumption**

Energy efficiency  
100 times more



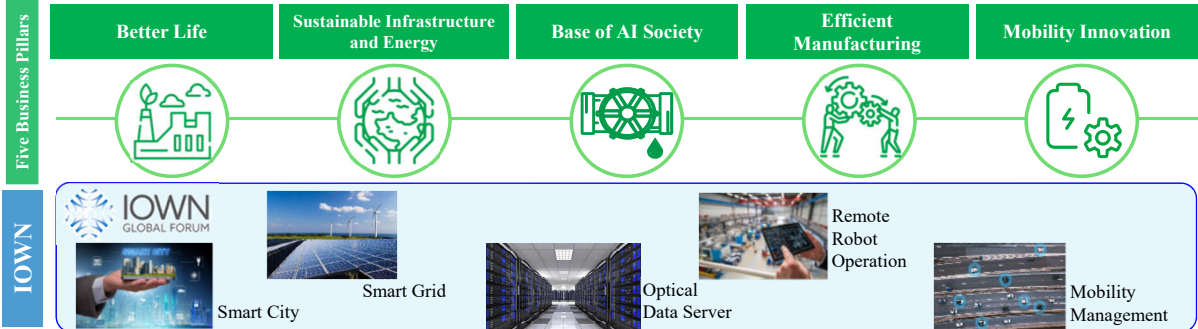
**Large capacity /high quality**

Transmission capacity  
125 times more



**Reduced delay of communications**

Reduced latency  
200 times lower



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

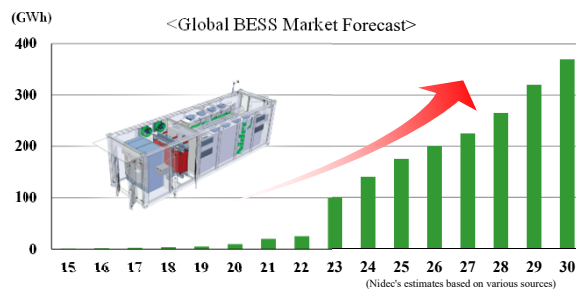
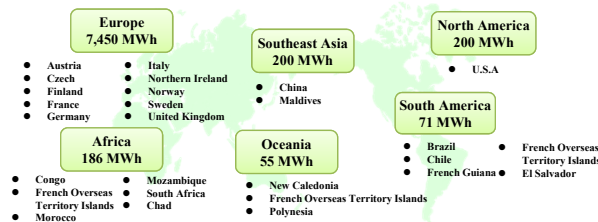
This slide includes forward-looking statements. See Disclaimer on Page 2.

Sustainable Infrastructure and Energy



Capture rapidly increasing demand for BESS driven by expansion of renewable energy and grid stabilization due to growing power demand

<Nidec has track records of 150 projects (over 8GWh) in 28 countries>



We plan to consolidate 9 buildings scattered around the suburbs of Lyon, France, into a new factory to **increase efficiency and capacity**, aiming to achieve **further growth and profitability**.



■ Machinery:

Strategy of Machine Tool Business - Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd.

Efficient  
Manufacturing



To become the world's leading machine tool manufacturer, and grow together as a solution-providing corporate group

**Business Strategies**

□ **Expanding our product range**

- One-stop solution

□ **Expanding scale**

- Increased purchasing power
- Strengthening profitability

□ **Risk diversification**

- Regions, industries, customers

□ **Global production**

- Local production and consumption
- Reorganizing existing factories to build a rapid production system

	Makino	Nidec
Product	Machining Center (Vertical/Horizontal)	○ Nidec OKK
	Milling Machine	○ Nidec OKK
	Electric Discharge Machine	○ -
	Laser/3D Printer	○ Nidec Machine Tool
	Large Machine (Double Column Type Milling Machine/ Horizontal Boring Mill)	- Nidec Machine Tool PAMA
	Lathe	- TAKISAWA
	Gear Cutting Machine	- Nidec Machine Tool

■ Organizational Reinforcement of Automotive Products Business

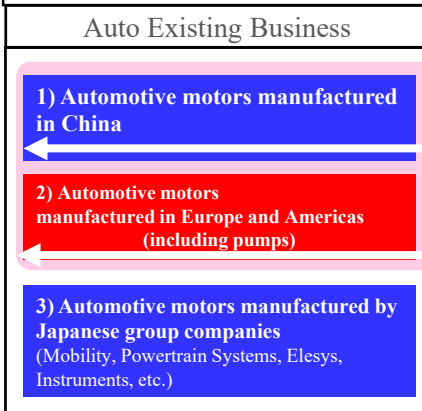
Mobility  
Innovation



Enhance competitiveness through regional, product and business optimization

We integrated Automotive Motor & Electronic Control Business Unit (AMEC)'s existing business into Appliance Commercial & Industrial Motor Business Unit (ACIM) that has strengths in American and European operations.

→ Appliance and Automotive Division was newly established on January 1, 2025



**ACIM**  
Strengthen our competitiveness through consolidating the operations such as procurement, production, logistics with implementing strong cross-sectional functions in the regions.



- ✓ Mr. Valter Taranzano, First Senior Vice President who leads the newly established Appliance and Automotive Division (center on the photo)
- ✓ Visiting Automotive motor factory. Will accelerate the consolidation.



We further into a global company by leveraging the strength such as business, technology and human resources built over the past 50 years

■ **By utilizing strengths beyond the boundaries of existing business units, we can quickly resolve management issues and accelerate growth.**

<Consolidation of ACIM and AMEC existing business> Regenerate and strengthen our European, American and Chinese businesses through implementing cross-sectional functions in the regions.

<Consolidation of Nidec Mobility and Nidec Elesys> Gather technology and human resources specialized in electrical and controlling technology and capture the rapidly growing demand.

<“One Automotive” cooperation> Create further additional value and business opportunities through cooperation among all group companies involved in the automotive business

■ **Strengthen One Nidec activities by region**

<India growth strategy> Establish locally-led cross-business system, and build foundation for business development

<Radical consolidation of business sites> Start radical consolidation across the business units

■ **Transitioning from the founder’s strong leadership, we “systematize” the organization. We will establish the organization function system.**

<Operation & DX reform> Strengthen PSI, install and use new system more, promote automation, etc.

<Strengthen HQ functions globally> Select and train personnel and build global organization system and review business management system

<Technology strategy committee> Visualize technology, intellectual property and human resources → plan for strengthening software and control. Plan for strengthening each technical area.

Started strategies partially in 2H FY24 → Fully implement globally in the three years from FY25



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# Performance Trends & Product Group Overview

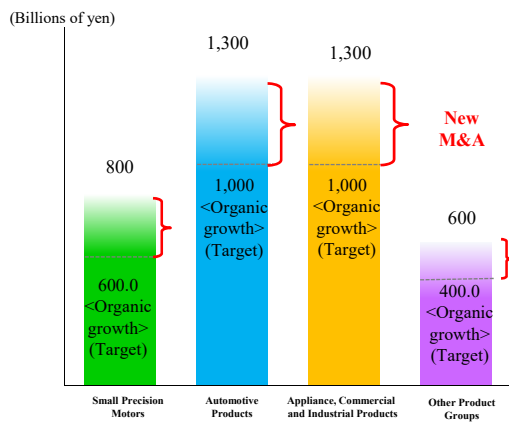
## Mid-Term Strategic Goals *Vision2025*



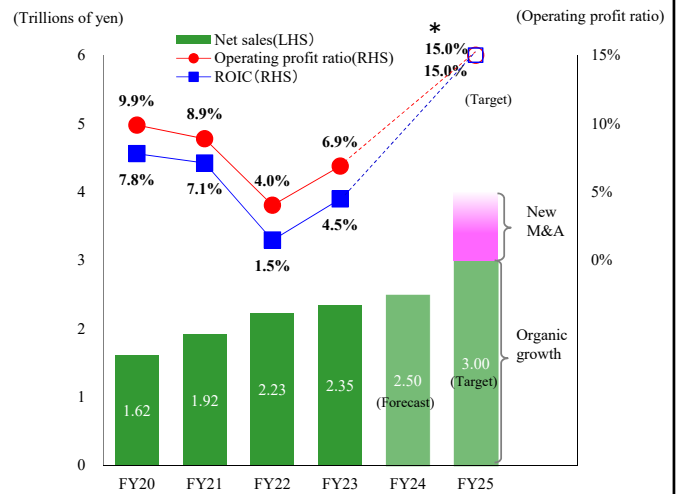
This slide includes forward-looking statements. See Disclaimer on Page 2.

**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



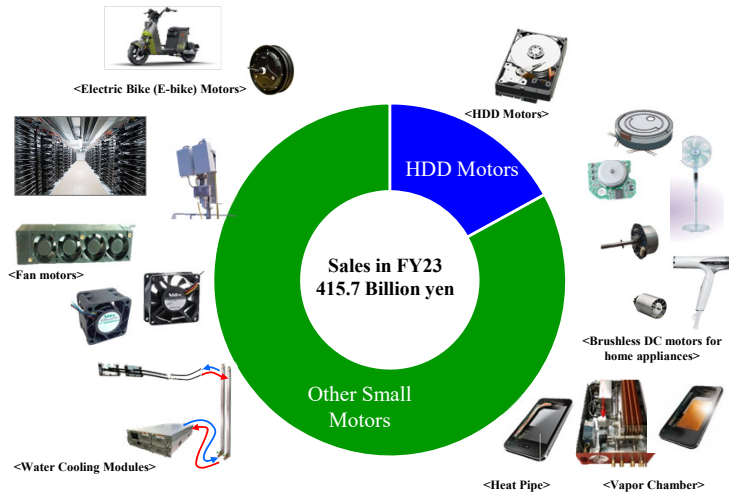
\*Operating profit ratio of 15% is only applicable to sales target of 3 trillion yen in FY25.

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

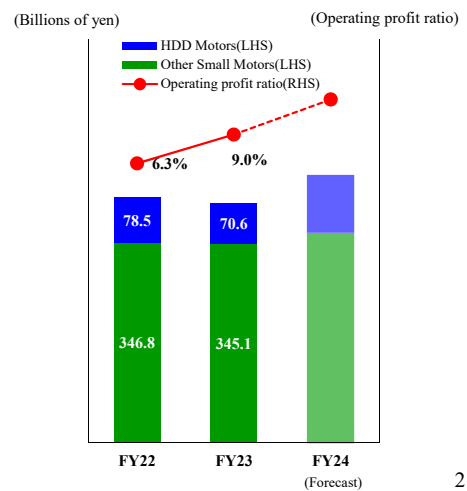
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Demand for IT-related products has been slowly recovering since mid-FY23.  
We are starting a new business in generative AI area.

<Sales by sub-segments of Small Precision Motors>

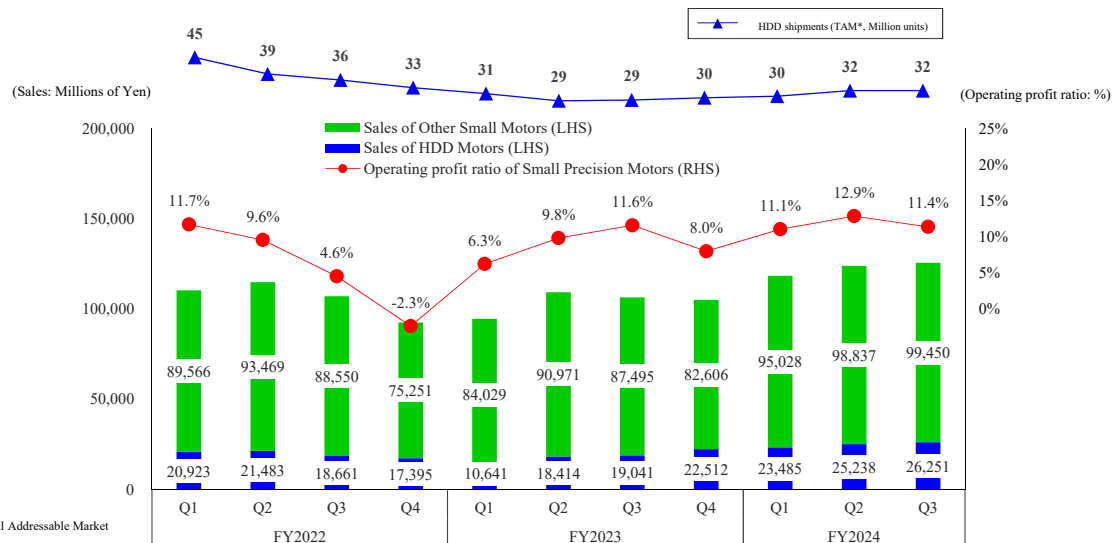


<Changes of sales and operating profit of Small Precision Motors>



## Small Precision Motors: Quarterly Results

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



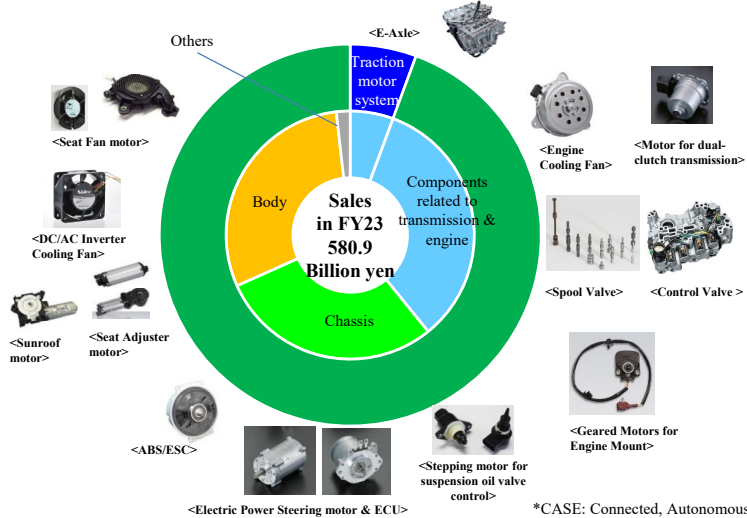
\*TAM: Total Addressable Market

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

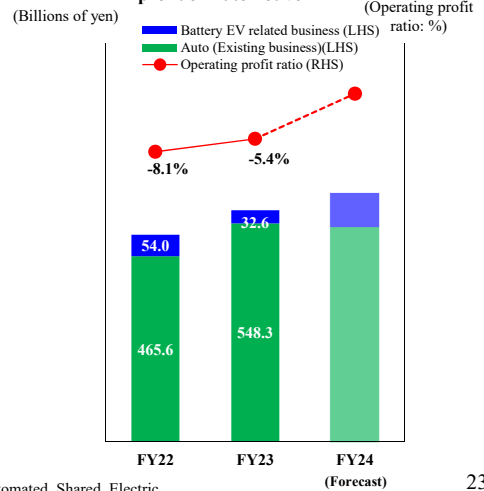
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Aiming to become No.1 automotive system company  
by anticipating the strong electrification demand boosted by CASE\* mobility trends

<Sales portfolio of Automotive business>



<Changes of sales and operating profit of Automotive>

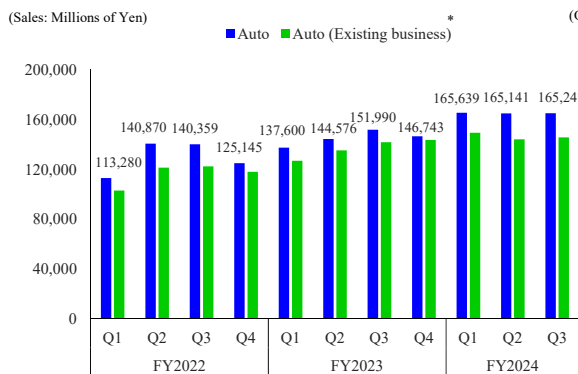


\*CASE: Connected, Autonomous/Automated, Shared, Electric

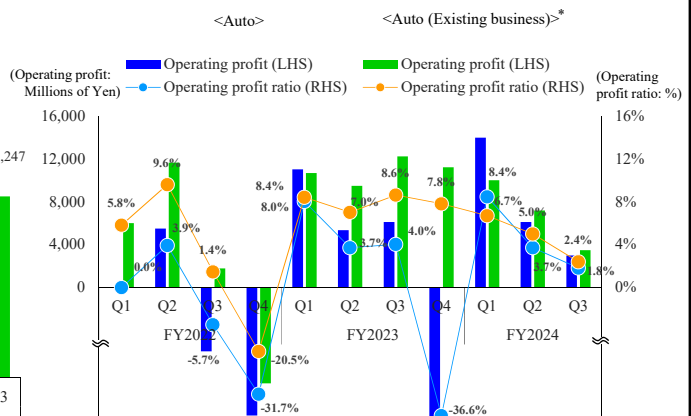
# Automotive: Quarterly Results

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

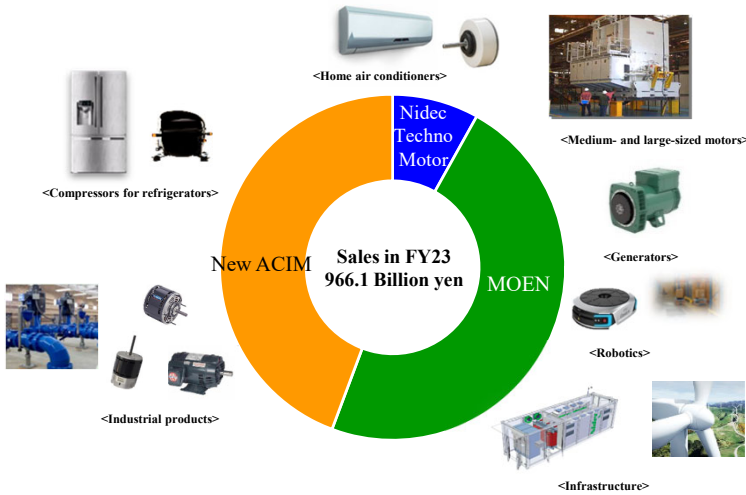
# Appliance, Commercial and Industrial: Sub-Segment Results and Changes



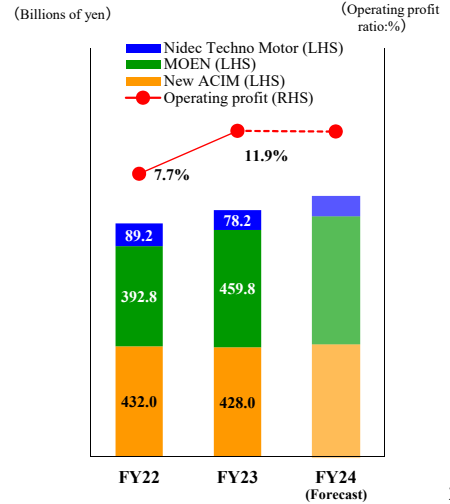
This slide includes forward-looking statements. See Disclaimer on Page 2. *-All for dreams*

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>



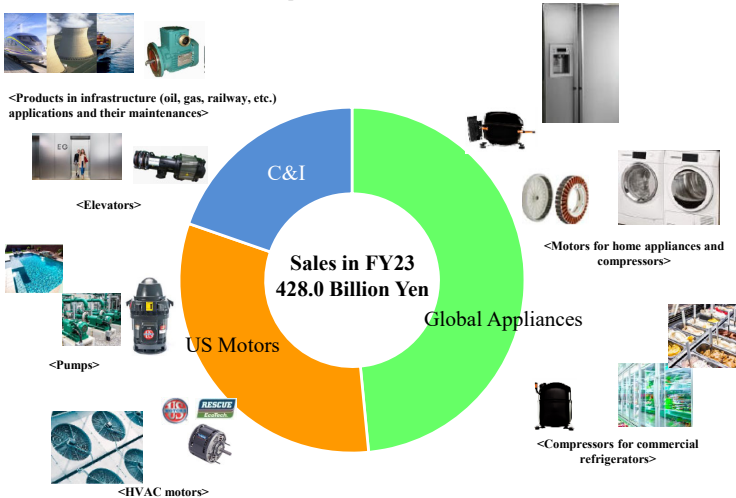
# Appliance, Commercial and Industrial: Sales Breakdown and Results Changes of New ACIM



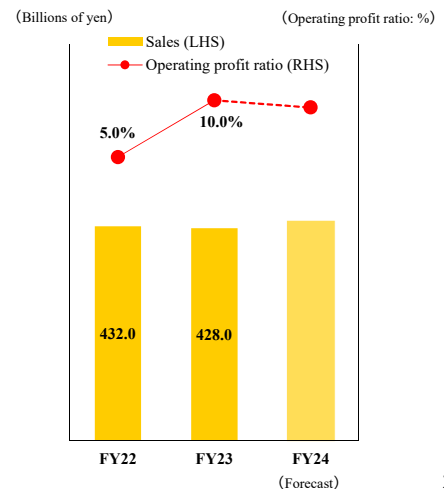
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While global home appliance market downturn still continues, we focus on improving profitability with expecting recovery in the latter half of FY2024

<Sales portfolio of New ACIM>



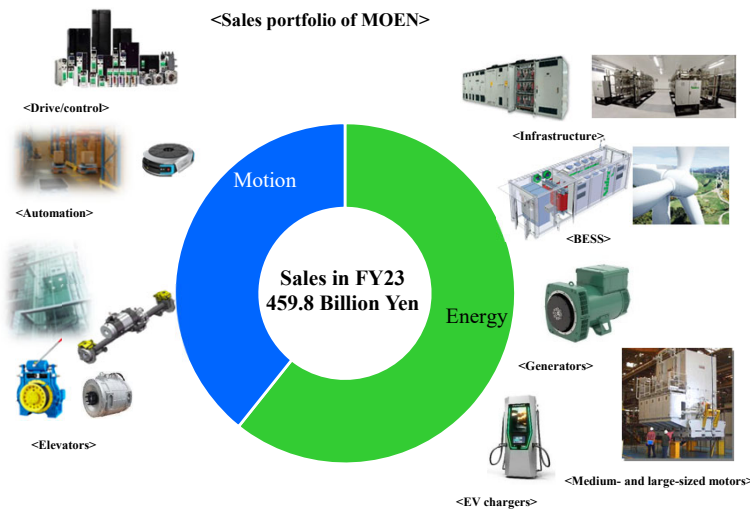
<Changes of sales and operating profit of New ACIM>



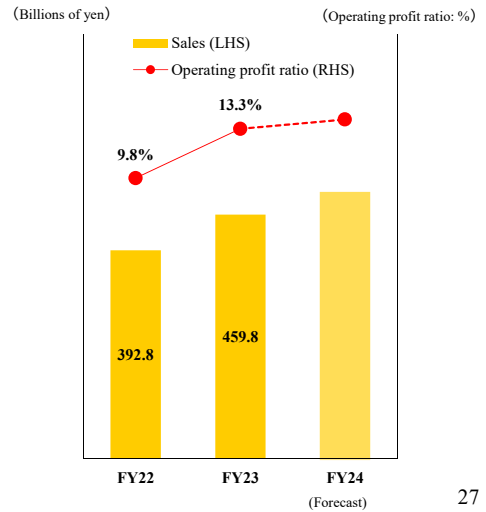
## Appliance, Commercial and Industrial: Sales Breakdown and Results Changes of MOEN

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

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>

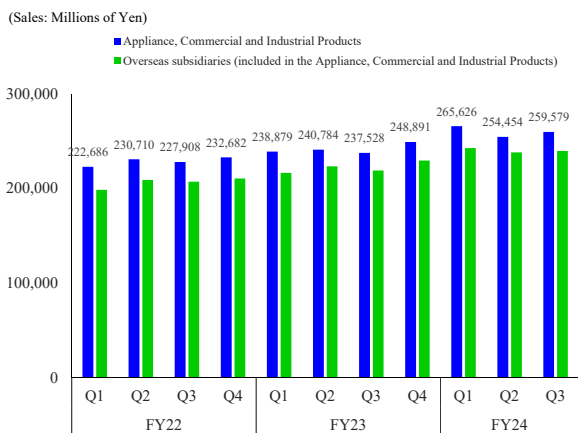


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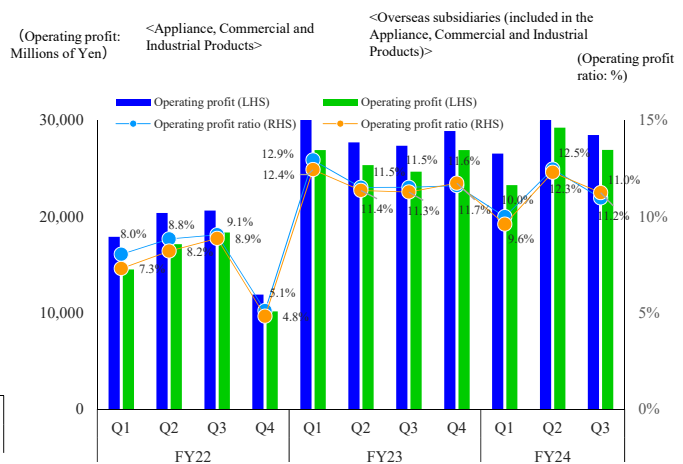
## Appliance, Commercial and Industrial: Quarterly Results

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

### <Quarterly net sales>



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



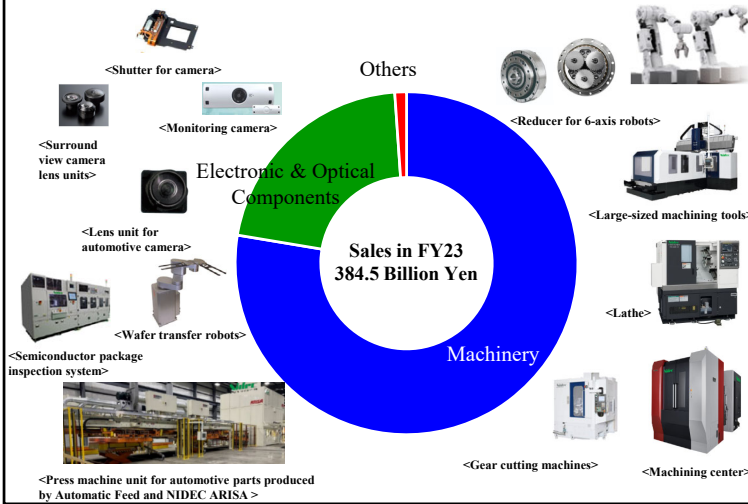
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## Other Product Group: Segment Results and Changes

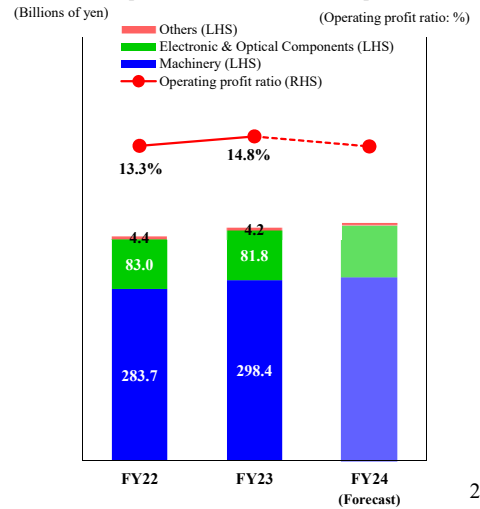
This slide includes forward-looking statements. See Disclaimer on Page 2.

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

<Sales portfolio of Other Product Group>



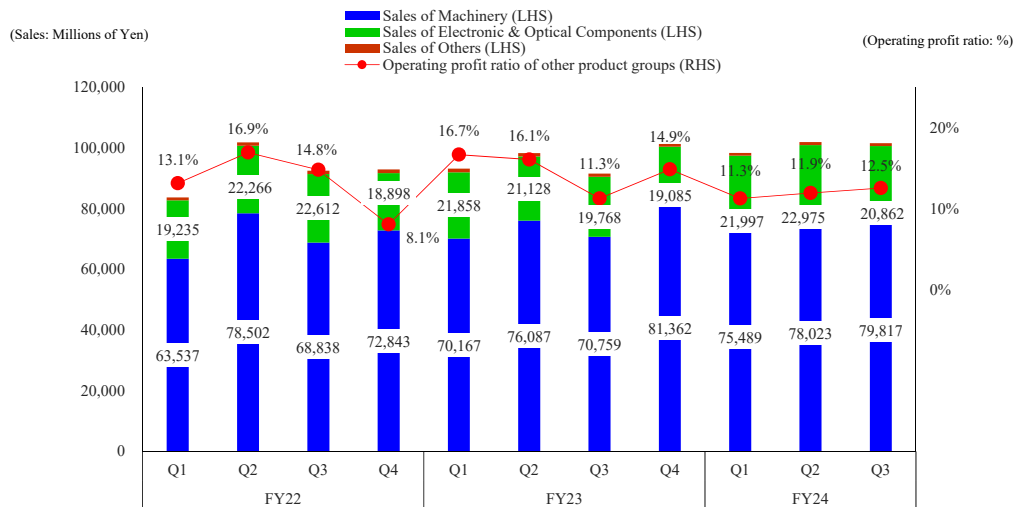
<Changes of sales and operating profit of Other Product Group>



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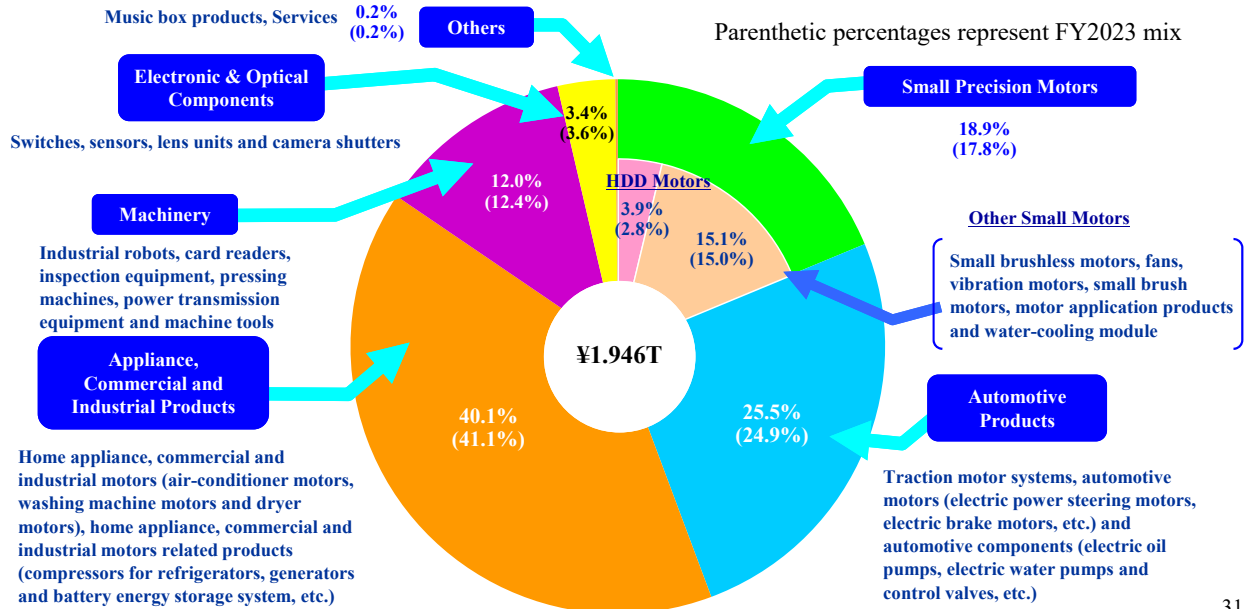
## Other Product Group: Quarterly Results

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



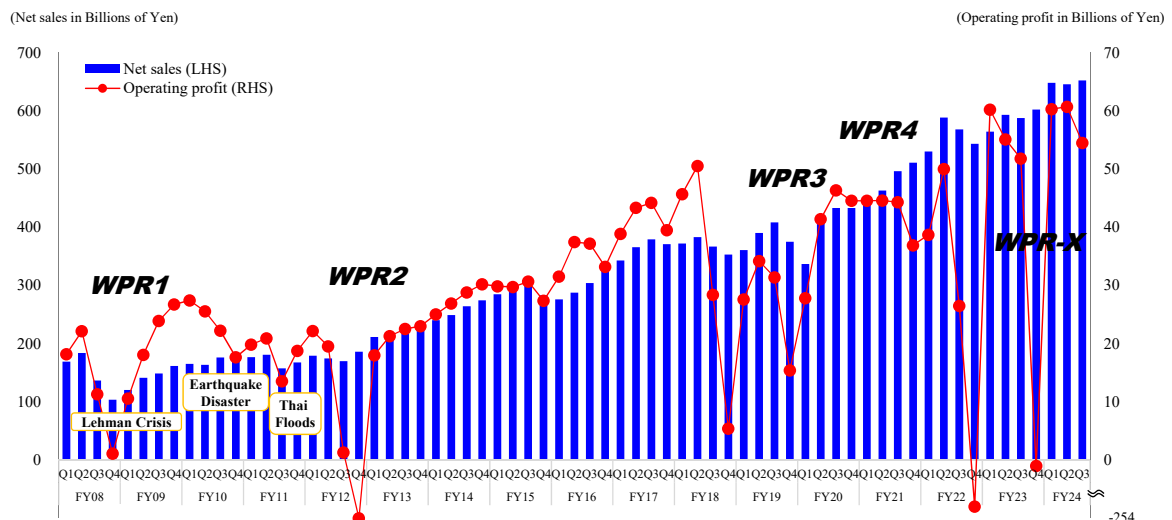
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## Sales by Product Group (Apr-Dec FY2024)



## Consolidated Quarterly Net Sales and Operating Profit

Aiming to improve profitability after structural reform in FY23



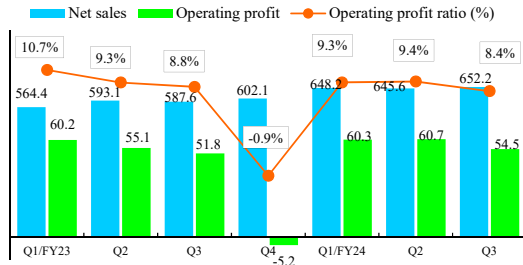


# Financial Highlights

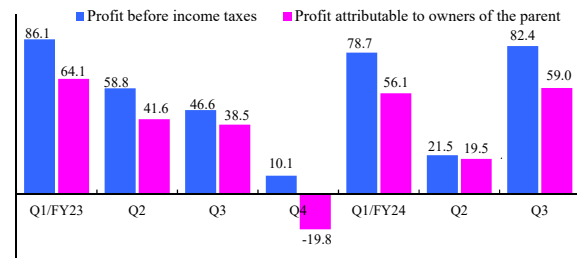
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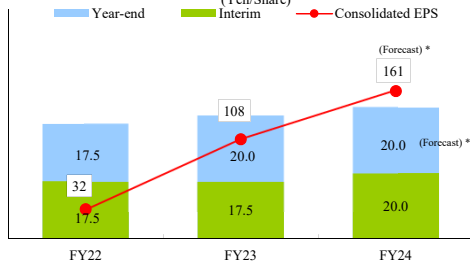
<Consolidated Net Sales and Operating Profit>  
(Billions of yen)



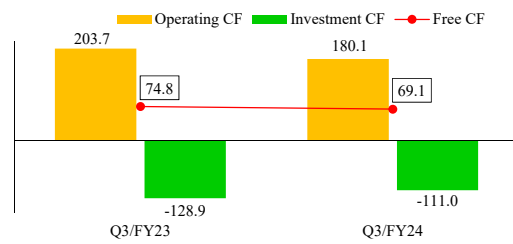
<Profit Before Income Taxes and Profit Attributable to Owners of the Parent>  
(Billions of yen)



<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.