

Nidec Corporation

Fiscal 2018 Financial Results

Fiscal Year Ended March 31, 2019

<IFRS>



April 24, 2019

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 Nidec Elesys's Gen2-ISF*, the world's smallest next generation sensor fusion unit equipped with the high-performing ADAS radar antenna launched on April 12, 2019.

*ISF: Integrated Sensor Fusion, an ADAS sensor integrated with monocular camera and millimetric wave radar

Consolidated Profit/Loss



Millions of Yen, except for EPS, dividends and FX rate	FY2017	FY2018	Change	FY2019 Forecast
Net sales	1,488,090	1,518,320	+2.0%	1,650,000
Operating profit	166,842	138,620	-16.9%	175,000
<i>Operating profit ratio</i>	<i>11.2%</i>	<i>9.1%</i>	-	<i>10.6%</i>
Profit before income taxes	163,665	139,014	-15.1%	170,000
Profit attributable to owners of the parent	130,834	110,798	-15.3%	135,000
EPS (Yen)	441.91	375.83	-15.0%	456.14
Dividends (Yen)	95.00	105.00	-	110.00
FX Rate (Yen/US\$)				<Assumed FX rate>
Average:	110.85	110.91	+0.1%	Yen/US\$: 105
Term end:	106.24	110.99	+4.5%	Yen/Euro: 125

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2019 is estimated to have an annualized impact of 9.0 billion yen and 1.7 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating profit, respectively.

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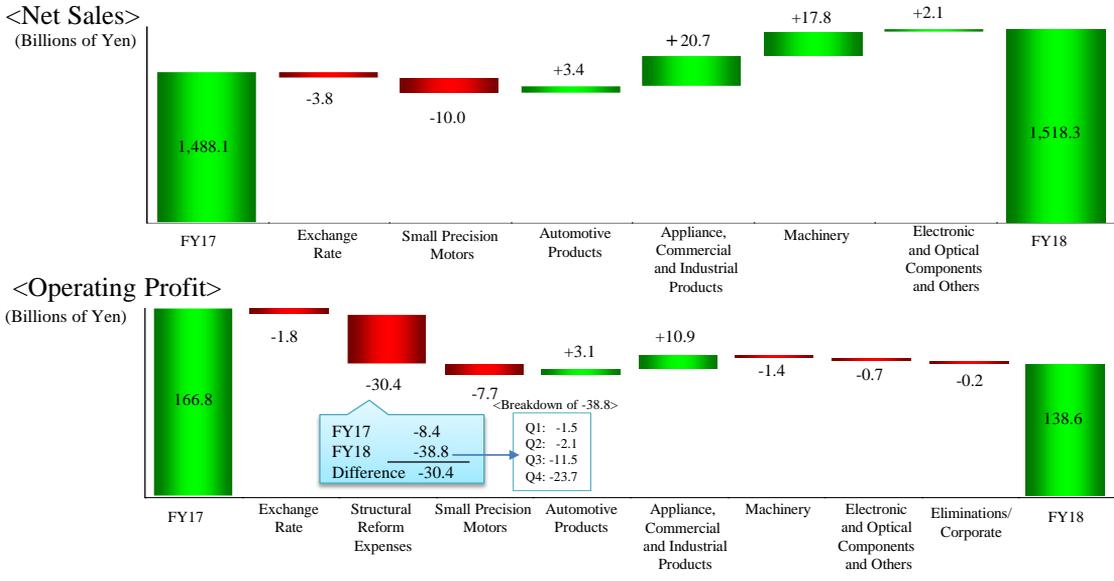
Summary of FY2018



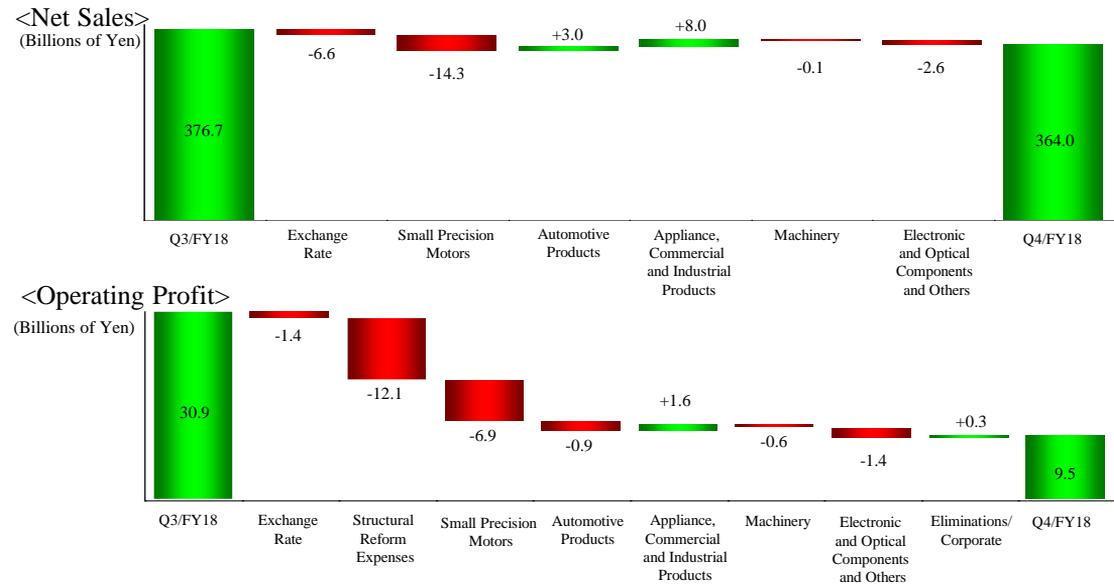
- ▣ Net sales increased 2% Y/Y to ¥1,518.3 billion, marking a **record high**.
- ▣ Operating profit decreased 17% Y/Y to ¥138.6 billion due to temporary expenses of ¥38.8 billion for streamlining factories, launching new products, and completing ongoing M&A deals.
- ▣ Profit attributable to owners of the parent decreased 15% Y/Y to ¥ 110.8 billion.

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Year-on-Year Changes (Twelve Months Ended Mar. 31, 2019)



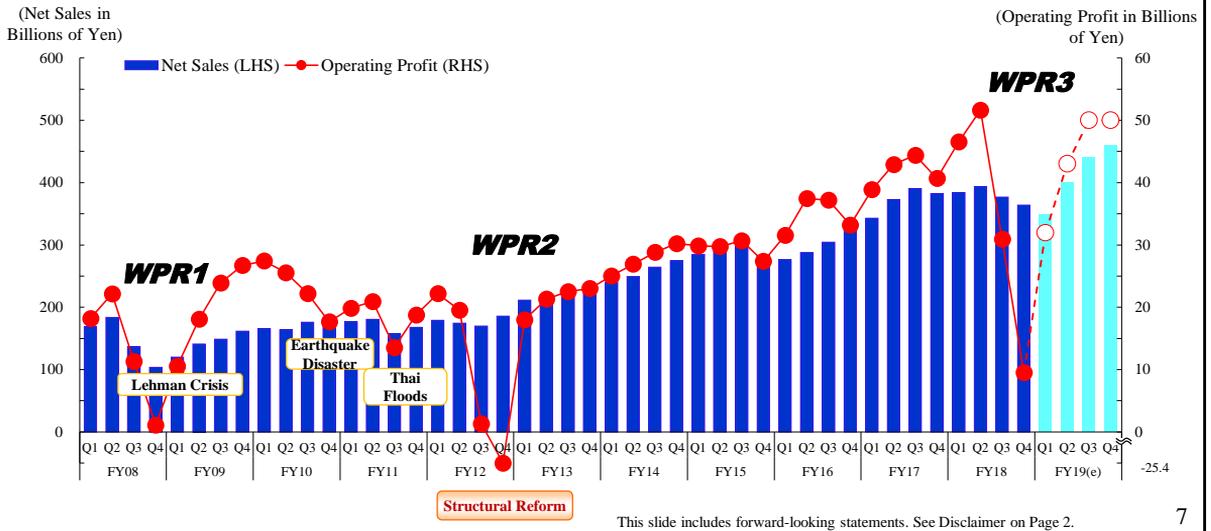
Quarter-on-Quarter Changes (Three Months Ended Mar. 31, 2019)



Consolidated Quarterly Sales and Operating Profit



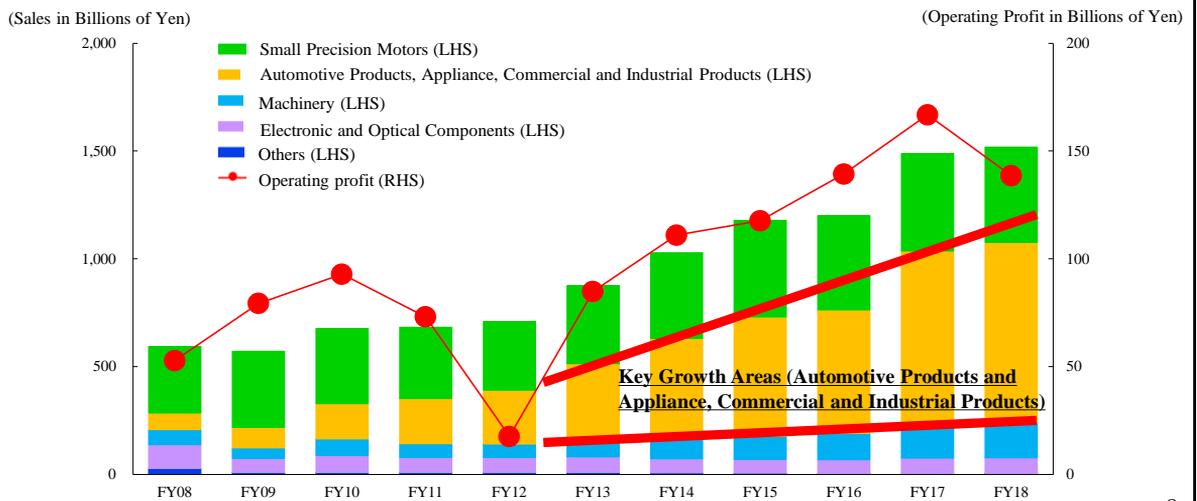
Accelerated business portfolio transformation through Lehman Crisis and Structural Reform



Sales and Operating Profit per Product Group

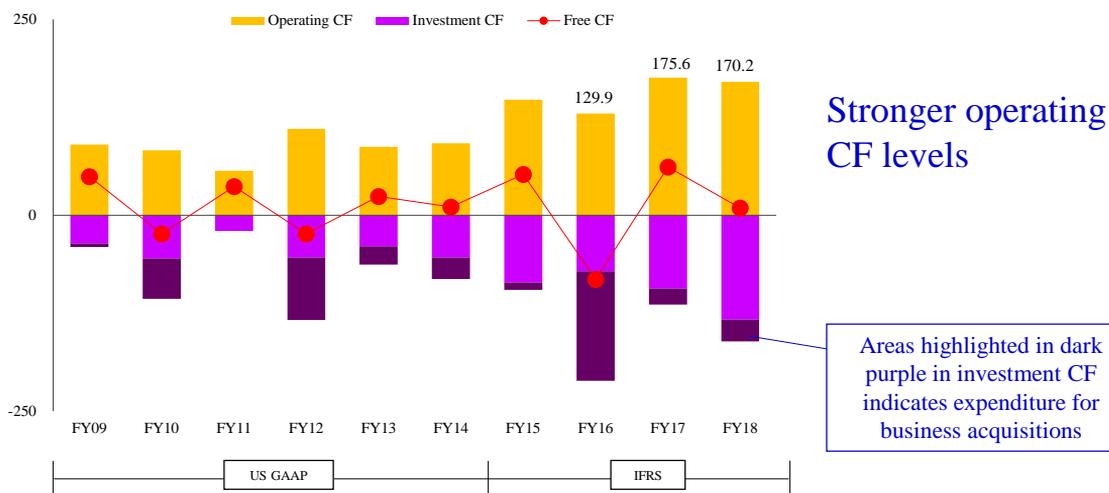


Business portfolio transformation steadily leading to profit growth



Consolidated Cash Flow

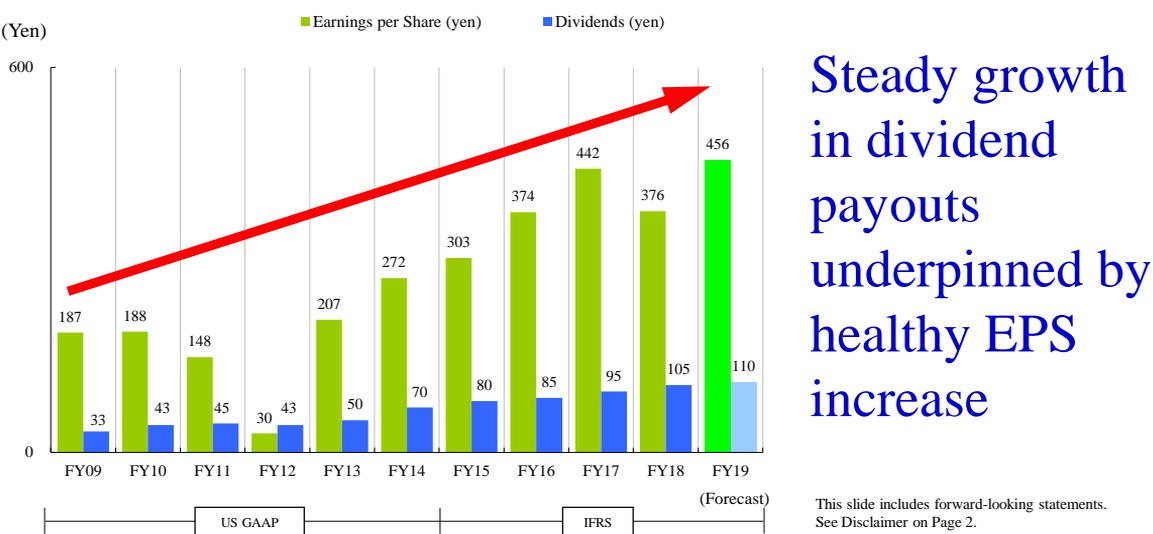
(Billions of Yen)



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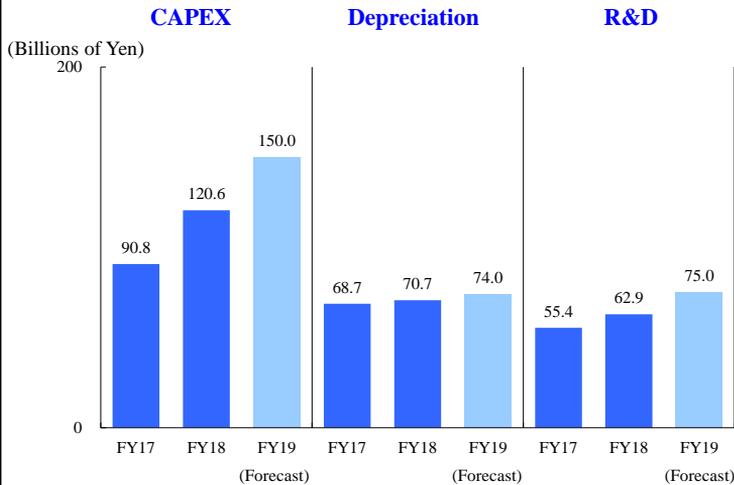
Dividends and EPS

(Yen)



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■ CAPEX, Depreciation, R&D



Continuing aggressive investments to support organic growth

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

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■ FY2019 Forecast

Millions of Yen, except for EPS, dividends and FX rate	1H/FY2019	2H/FY2019	Full-Year
Net sales	750,000	900,000	1,650,000
Operating profit	75,000	100,000	175,000
<i>Operating profit ratio</i>	<i>10.0%</i>	<i>11.1%</i>	<i>10.6%</i>
Profit before income taxes	73,000	97,000	170,000
Profit attributable to owners of the parent	57,000	78,000	135,000
EPS (Yen)	193.01	263.13	456.14
Dividends (Yen)	55.00	55.00	110.00
FX Rate (Yen/US\$)	105	105	105
FX Rate (Yen/Euro)	125	125	125

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

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Mid-Term Strategic Goal

Vision2020

This section includes forward-looking statements. See Disclaimer on page 2 of this presentation.

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■ *Vision2020*: Mid-Term Strategic Goal



Continuous pursuit of profit & strong growth

1. Target for consolidated net sales: 2 trillion yen
(including sales attributable to new M&A
of approx. 500 billion yen)
2. Sales target for Automotive: 700 billion to 1 trillion yen
3. Target for consolidated operating profit ratio: 15%
4. Target for ROE: 18%
(assuming shareholders' equity ratio of 60%)
5. Five regional HQ management units

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

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5G Communications: New Addition to Nidec's Future Growth Drivers



Biggest innovative waves Nidec has ever seen are coming in different areas
-automobiles, robots, home appliances, drones, etc.-

Automotive electrification,
EV and PHEV

- From internal combustion engine to electric motor
- Once-in-a-century technological revolution



Expansion of robot applications

- Collaborative robots advance into food, logistics and service industries.
- Rapid market growth



Next-gen technologies stemming from
5G communications

- Hardware innovation coming with data rates 100 times faster

Data explosion



Home appliances driven
by brushless DC motors

- Cordless and high functionality
- Innovative evolution of home appliances



Manpower-saving
in agriculture & logistics

- Serious labor constraints
- Industry 4.0



WPR3: Structural Reform (1) -Examples of Business Portfolio Transformation-



Shifting to automotive and other small motors production in line with business portfolio transformation

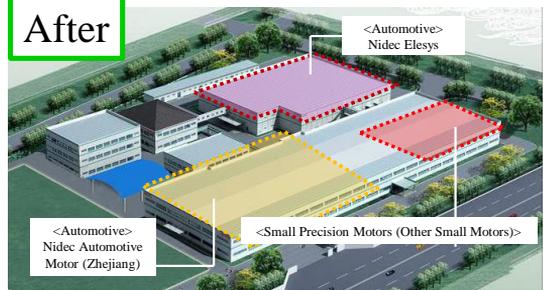
<Example of Nidec (Zhejiang) Corporation>

Before



Dedicated factory for
HDD motors

After



<Automotive>
Nidec Elesys

<Automotive>
Nidec Automotive
Motor (Zhejiang)

<Small Precision Motors (Other Small Motors)>



- HDD motors



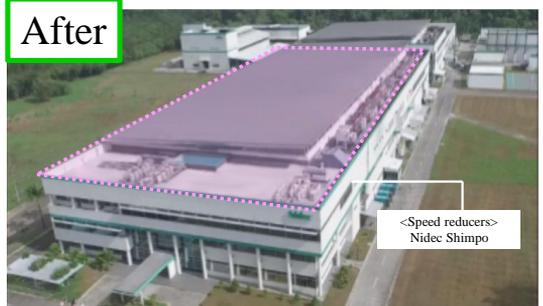
- EPS* motors
- EPS* powerpacks
- Vacuum cleaner motors, etc.

*EPS: Electric Power Steering

WPR3: Structural Reform (2) -Examples of Business Portfolio Transformation-

Full scale transformation into a speed reducer factory / Education and training of local engineers in progress

<Example of Nidec Subic Philippines>



● HDD motors



● Small speed reducers

Growth Areas (1): Expanding Automotive Product Lineups

Five product groups built to date since the mid-1990s

ADAS(Advanced Driver Assistance Systems)

- ADAS camera unit
- Gen2 Integrated sensor fusion
- Camera module for sensing camera
- Shutter for IR camera
- Millimetric wave radar unit
- Surround view camera lens units
- Camera module for electronic mirror
- Lens unit for automotive camera

Powertrain

- Solenoid Valves
- Dual Clutch Transmission Actuators
- Electric oil pump with inverter/ Pump motor
- E-Axle Traction motor system
- Module
- Variable water pump
- Transmission oil pump
- Electrical oil pump
- Electrical water pump
- Pump Module
- Base bracket for oil cooler
- Spool valve
- Control valve system for AT/CVT
- Engine cooling fan motors
- Geared motors for engine mount
- Idle speed control stepping motors
- Heat-resistant products

Chassis

- ABS/ESC motor
- ABS ECU
- EPS powerpack
- Electric Power Steering motors & ECU
- Suspension oil valve control stepping motors

Body (Interior)

- Head-up display
- Steering tactile device
- Seat air conditioning fans
- DC/AC inverter cooling fan
- Seat adjuster motors
- Car audio/ Navigation system cooling fans
- Automotive door mirror parts, Audio panel, Switch parts
- Rivet Contacts for automotive relays and switches (MALLOBOND)
- Rivet contacts for automotive relays and switches
- Switches
- Seat tactile device motor

Body (Exterior)

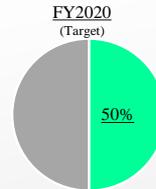
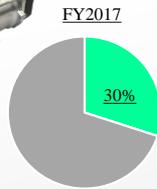
- Motor for head light levelizer
- Sunroof motor
- Door lock module
- Trunk open motor

Growth Areas (2): Expanding Sales of EPS* and Next-Gen Brake Motors



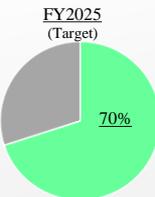
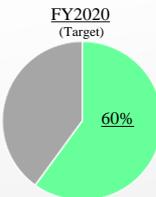
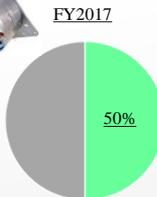
Aiming to boost market share through electrification of cars and adoption of brushless motor technology

Brushless
EPS* motors
(Nidec's market share)



Targeting 60%
of global market share

Next-generation
brake motors
(Nidec's market share)



Another area where Nidec is
receiving significantly increasing
number of new inquiries
for brushless DC motors

*EPS: Electric Power Steering

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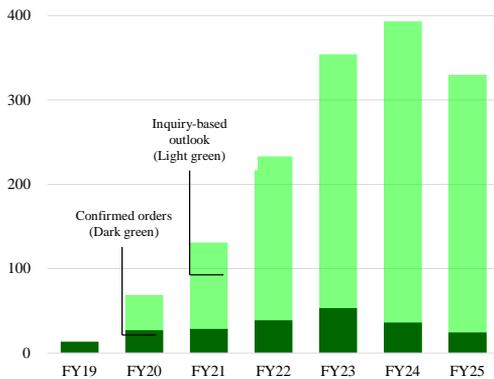
Growth Areas (3): Volume Orders for Traction Motors



Winning another customer for E-Axle following GAC as well as
a European Tier1 customer for motors for mild hybrid system

<Inquiry-based outlook and confirmed orders of traction motors>

(Billions of yen)



<Enhanced lineup of Nidec's traction motor system (E-Axle)>

E-Axle Lineup	Ni150F Series	Ni100F Series	Ni70F Series
Market introduction	FY2019	FY2020 2H (estimate)	FY2021 (estimate)
Maximum power output	150kW	100kW	70kW
Maximum torque output	3,900Nm	2,400Nm	1,600Nm
External diameter (mm)	485x325x460	390x345x425	350x345x410
Weight	87kg	54.5kg	48kg
Corresponding car segment	B to D	A to C	A

<Number of inquiries for Nidec's traction motor>

E-Axle: Nidec received the following number of inquiries from OEMs in these countries and regions.

China	Europe	Americas	Japan	Korea
8	3	1	2	1

Motor alone: Nidec received the following number of inquiries from manufacturers in Europe.

Europe 1 OEM	Europe 5 Tier1s

*Please refer to information on Nidec's website for the traction technology strategy (Japanese only): <https://www.nidec.com/-/media/nidec-com/news/2019/0412-02/190412-02.pdf>
This slide includes forward-looking statements. See Disclaimer on Page 2.

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Growth Areas (4): New Order for Traction Motors

Nidec E-Axle won yet another order for E-Axle to drive GAC NE's new SUV line

<First car model driven by E-Axle (previously announced)>



GAC NE's Aion S



Nidec E-Axle

<Second car model driven by E-Axle>



GAC NE's Aion LX

Nidec's traction motor system, E-Axle has been used in Aion S, the new mass produced electric vehicle model, launched by GAC NE at Guangzhou Motor Show 2018.

Aion LX, unveiled at Shanghai Motor Show 2019, is equipped with the latest driving technology including Level 3 autonomous driving assistance, and harness solar power to create an energy-efficient internal cabin.

Aion LX has a range of over 600km and accelerates from 0 to 100km/h in 3.9 seconds.

Growth Areas (5): Next-Generation High Frequency Antenna

Nidec Elesys develops and launches once-in-60 year technology targeting ADAS and 5G

<Comparison of integrated ADAS sensor>

Items	Competitor A	Nidec (Gen2-ISF*)
Camera performance	Angle of view: 52°	Angle of view: 100°
Radar performance	Patch antenna 150m (estimate)	New antenna 180m
Mountability	Cube (project area 1.5 times bigger)	Windshield angle versatility

<Gen2-ISF concept>

1. Freer front exterior design (design advantage)
2. Adjustment done in one process only and required time halved (production advantage)
3. No replacement or readjustment required in case of light collision (dealer advantage)
4. Improved environmental durability as placed in the vehicle interior (user advantage)

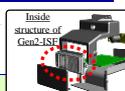


*ISF: Integrated Sensor Fusion

**Please refer to information on Nidec's website for Nidec's new antenna and application (ADAS/5G) (Japanese only): <https://www.nidec.com/~media/nidec-com/news/2019/0412-03/190412-03.pdf>

<Nidec's new antenna v.s. conventional patch antenna>

Types of antenna		Patch antenna	Nidec's new antenna
Efficiency	Wave guiding loss	✗ (0.1~0.4dB/mm)	⊙ (0.015 dB/mm)
	Antenna efficiency	△ (20 to 60%)	⊙ (60 to 80%)
Marginal zone of antenna		Below 1 GHz	Over 4 GHz
Degree of freedom of waveguide wiring		Two dimensions	Three dimensions
Performance stability		△ Resin on the board can be affected.	⊙ No resins are used. Radar goes through only metal and air.
Manufacturability		○ Substrate manufacturing	⊙ Molding metal or forming resin material and plating. Can be manufactured as easy as patch antenna.



Almost no loss, same loss level as metallic waveguide.

Better efficiency

Radar can detect three-dimensional space with three dimensional wiring.

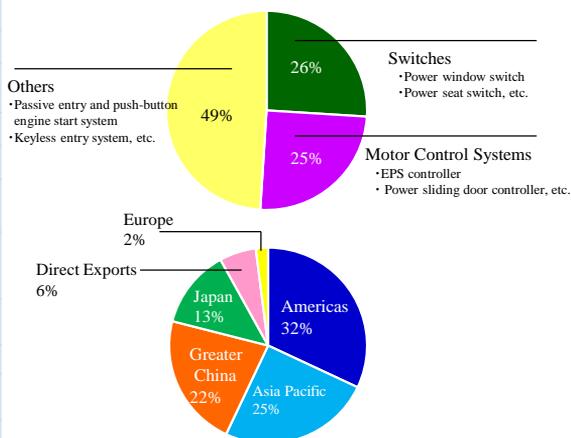
Growth Areas (6): M&A Strategy

Stock purchase agreement entered for OMRON Automotive Electronics

<Overview of OMRON Automotive Electronics>

Company name	OMRON Automotive Electronics Co. Ltd.			
Headquarters	6368 Nenjozaka, Okusa, Komaki, Aichi, Japan			
Representative	Katsuhiro Wada (President and CEO)			
Business description	Manufacture and sale of automotive electronics components and systems			
Capital	JPY 5,000 million (as of September 30, 2018)			
Date established	May 6, 2010			
Major shareholders and ownership	OMRON Corporation (100%)			
Number of employees	Group total: 5,651 (Domestic: 785, Overseas subsidiaries: 4,866) (as of September 30, 2018)			
Three-year financial summary of OMRON Automotive Electronic Components Business (JPY in millions)	Fiscal year end	March 2016	March 2017	March 2018
	Net sales	140,546	132,562	133,186
	Operating income	7,342	7,127	5,816
	Total assets	76,421	81,024	89,048

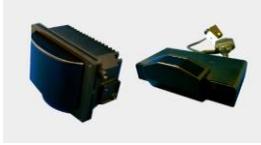
<Sales Breakdown>



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Growth Areas (7): Synergies Expected through the Acquisition

Significant business and technological synergies expected as CASE* revolutionizes the auto industry

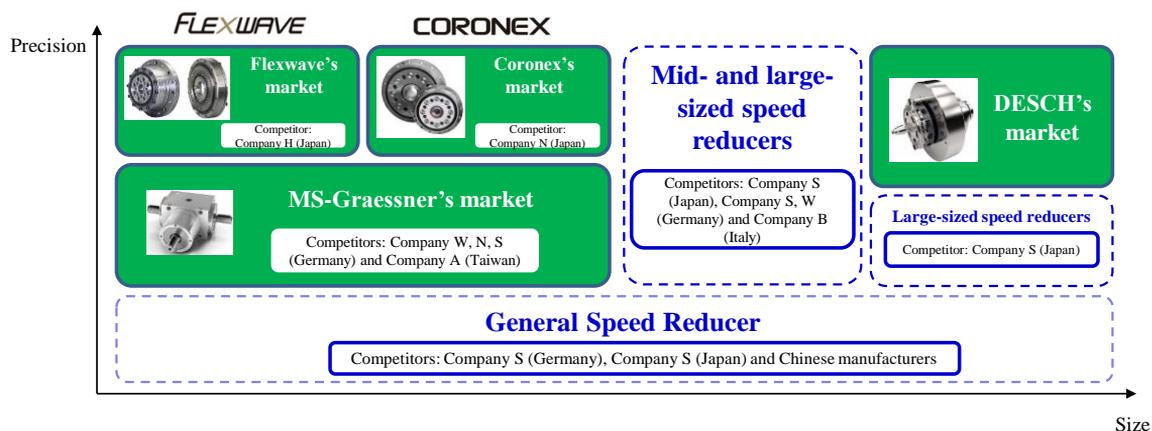
Categories	<u>ECU for Motor Control System</u>	<u>ADAS</u>	<u>Power Control System</u>
Expected synergies	 <ul style="list-style-type: none"> Offer convenience to customers by providing the power pack, a package including motor and ECU. Fulfill order backlog due to the lack of resource by expanding production capacity. 	 <ul style="list-style-type: none"> Products and technologies of OMRON Automotive Electronics and Nidec group complement each other, which contributes to the expansion of the product lineup of sensor that supports autonomous driving technology. 	 <ul style="list-style-type: none"> By combining OMRON Automotive Electronics' DC/DC converter, in-vehicle charger and its E-Axle, Nidec can achieve a significant growth in the area of power system, one of the key components in vehicle electrification going forward.

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Growth Areas (8): Strategy for Speed Reducers

Capturing the full market opportunities by becoming a comprehensive global supplier of precision speed reducers

<Structure of speed reducer market>



Growth Areas (9): Press Machine Businesses across the Global Market

Aiming to become a high value-added solution provider through the synergies and collaborations of European, US and Japanese operations

Brands of products	MINSTER	KYORI	ARISA	VAMCO	SYS
Headquarters	Ohio, USA	Nagaokakyō-city, Kyoto	Logroño, Spain	Pennsylvania, USA	Grafenau, Germany
Main production sites	Ohio, USA	Pinghu, China	Logroño, Spain	Pennsylvania, USA	Grafenau, Germany
Closing of merger and acquisition	April 2012	April 2012	August 2015	March 2017	February 2019
Annual sales at the time of merger and acquisition	USD 120 million	JPY 7 billion	EUR 20.4 million	USD 14.5 million	EUR 15.2 million
Main products					
Character of products	High-speed, high-rigidity precision press machines	Compact, precision, high-speed press machines and servo press machines	Extra-large, high-precision, high-rigidity press machines	High-speed, high-precision feeding equipment for press machines	High-speed, high-precision feeding equipment for press machines

ESG: Selected as Nadeshiko Brand

Nidec selected as Nadeshiko Brand* excelling at encouraging women's leadership in the workplace

<CSR Vision 2020>

	Priority issues	Target	KPI
E (Environment)	Environmental load reduction	Consistent reduction in energy consumptions and environmental emissions attributable to operations	5% reduction (intensity) from FY2015 benchmark
	Environmental contribution through products	Quantitative assessment of product-specific environmental performance	Overall framework in place for measuring total CO ₂ emissions reduced per year
	Environmental conservation	Active participation in local environmental conservation efforts	Specific action program in place at each business unit
S (Society)	Diversity	A diverse workforce and leadership	Specific action program in place at each business unit (Percentages of women in managerial positions: 8% for Nidec Corporation in Japan)
	Globally competent talents	Training programs in place on a group-wide basis	Number of program participants or workshops held
G (Governance)	Corporate ethics	Code of Conduct aligned with internationally accepted standards	EICC*-based CSR management system covering 80% of operations worldwide
	Internal control	Consistent management soundness and transparency	Strict compliance with internationally accepted corporate governance guidelines
	Risk management	Highly viable risk management procedures implemented on a global basis	Global risk management system adopted by all operations

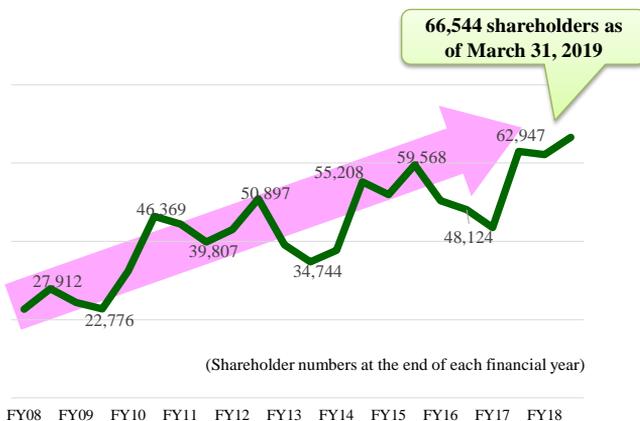


*Nadeshiko Brand is an initiative aiming to introduce certain TSE-listed enterprises that are outstanding in terms of encouraging women's leadership in workplace as attractive stocks for investors who emphasize improving corporate value in the mid- and long-term. Ministry of Economy, Trade and Industry and Tokyo Stock Exchange have been jointly conducted this initiative since FY2012.

Strengthening News Distribution

Remarkable increase in the number of shareholders in recent years.
Strengthening news distribution eyeing 100,000 shareholders.

<Number of shareholders>



< Monthly Nidec Report >

No.00 to 2 are available





Nidec IR Contacts

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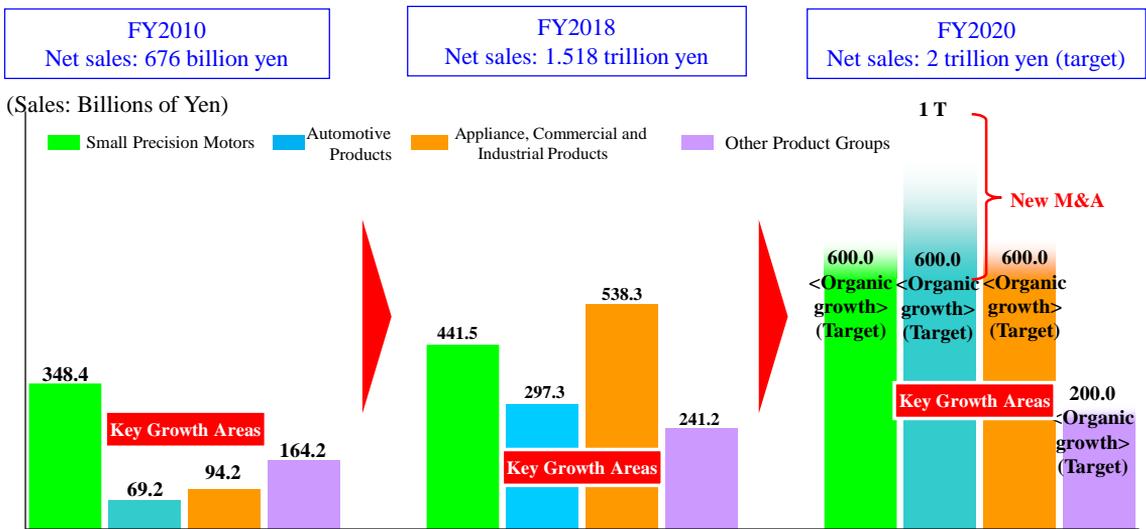
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Appendix

Performance Trends & Product Group Overview

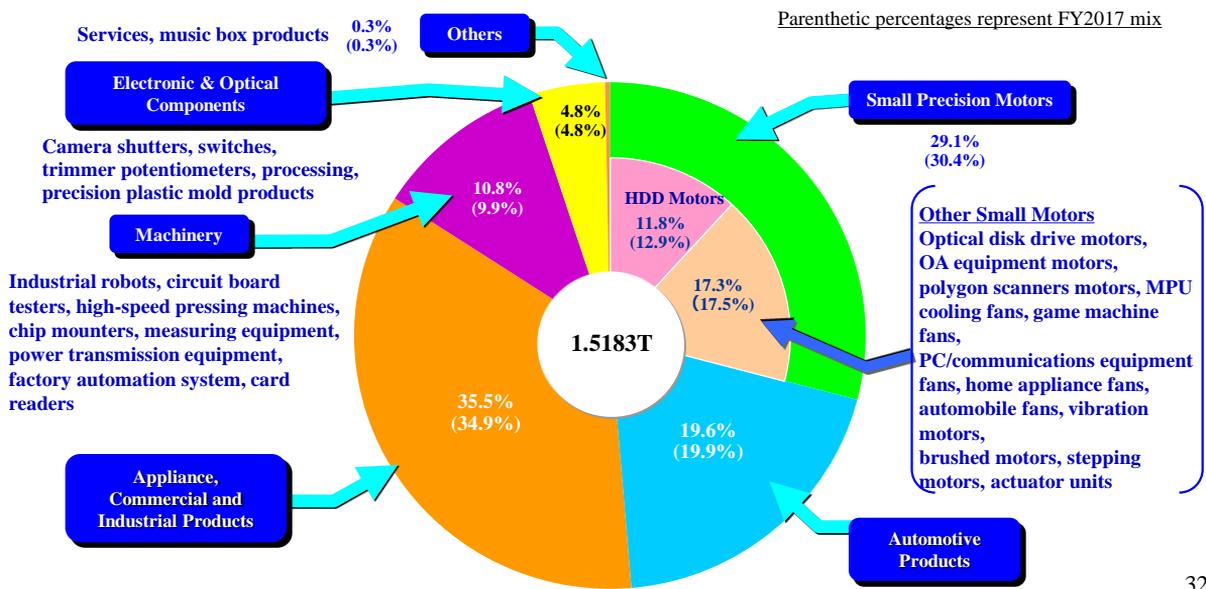
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Three 600 Billion Yen Businesses Are Key to Achieving 2 Trillion Yen Net Sales



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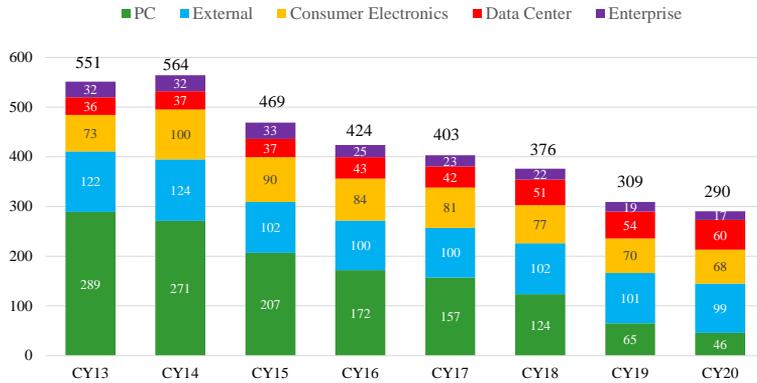
Sales by Product Group (FY2018)



Small Precision Motors: HDD Market Mid-Term Trend



(Millions of Units)



Revised downward
from previous estimate

(Millions of Units)

<Previous> <Revised>
(October 24, 2018)

- CY19 356 ⇒ 309 ↘
- CY20 326 ⇒ 290 ↘

Nidec's estimates based on various sources.

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HDD Market Short-Term Trend

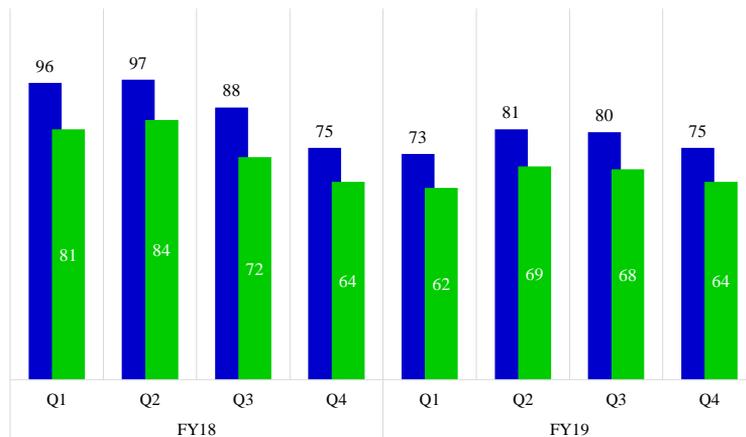


(Millions of Units)

<FY18 Actual>

<FY19 Forecast>

■ HDD Shipments ■ Nidec Motor Shipments

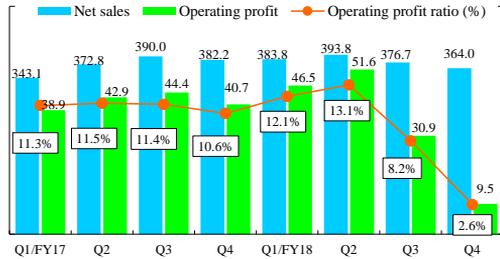


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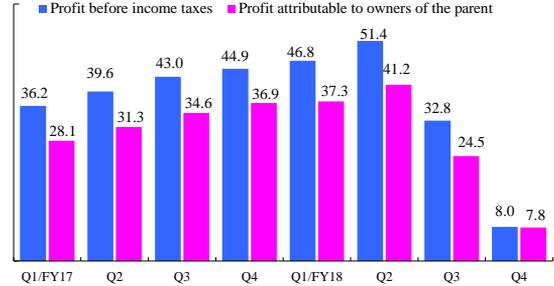
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Financial Highlights

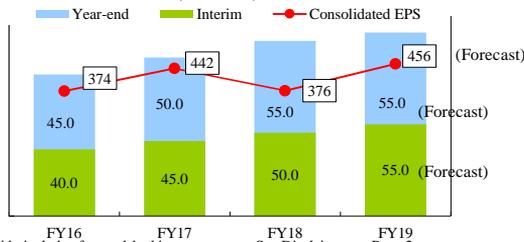
<Consolidated Net Sales and Operating Profit>
(Billions of Yen)



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

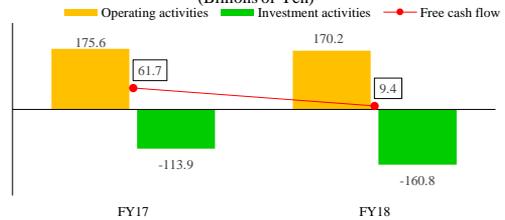


<Dividends and EPS>
(Yen/share)



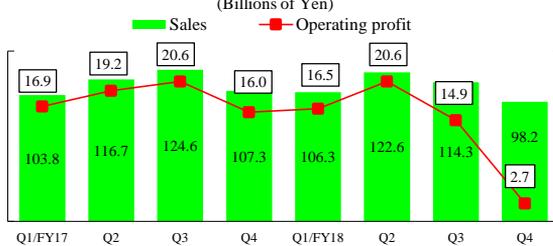
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<Consolidated Cash Flow>
(Billions of Yen)

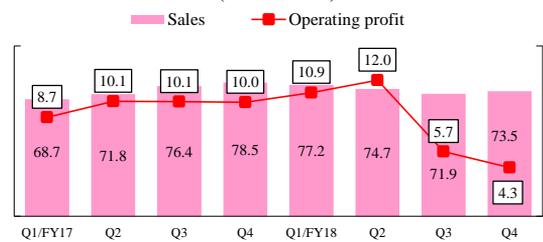


Product Group Overview

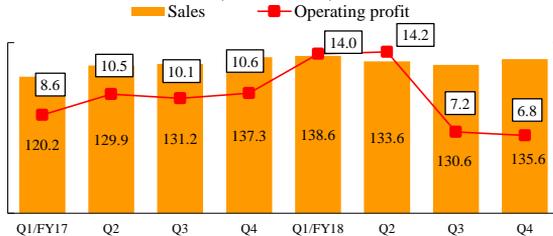
<Small Precision Motors>
(Billions of Yen)



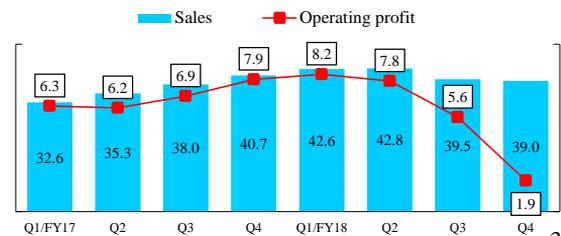
<Automotive Products>
(Billions of Yen)



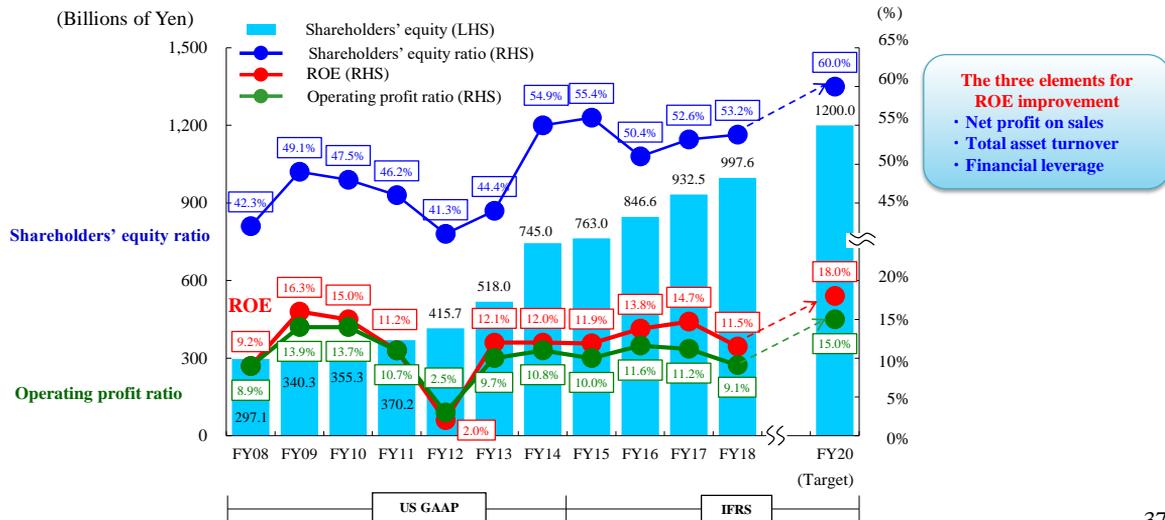
<Appliance, Commercial and Industrial Products>
(Billions of Yen)



<Machinery>
(Billions of Yen)



Targeting operating profit ratio of 15% and ROE of 18% while sustaining and improving financial soundness



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