



## Nidec Corporation Fiscal 2012 Financial Results

Fiscal Year Ended March 31, 2013

< U.S. GAAP >

April 24, 2013



### Disclaimer Regarding Forward-looking Statements

These presentation materials and the subsequent discussions regarding the Nidec Groups' financial results contain forward-looking statements including expectations, judgment, plans, and strategies. The forward-looking statements are based on management's assumptions and belief 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 factors include, but are not limited to: fluctuation of currency exchange rates, overall supply and customer demand in the motor industry, product development and production capabilities, performance of affiliated companies, and other risks and uncertainties. Unless otherwise required by applicable securities laws, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances that occur after the date the forward-looking statements are made. Please refer to the Nidec Group's risks, uncertainties and assumptions disclosed in the Company's reports and registration statements filed with the SEC, including the risk factors in its most recent Form 20-F.

Front-page photographs (on the lower-right corner)  
Left: Elevator motor  
Right: AC permanent-magnet gearless motor

## Summary of FY2012

- **WPR™ Part2 structural reform** got off the ground, setting the stage for a **V-shaped recovery** in FY2013.
- Cash Conversion Cycle improvement overachieved the target of 60 days, or by 30% Y/Y, bringing in the **highest-ever operating cash flow of 110.3 billion Yen.**
- Board decision to make three subsidiaries (Nidec Copal, Nidec Tosok and Nidec Seimitsu) **wholly owned by Nidec Corp.** through share exchange, as part of efforts to drive the Group's organizational integration.

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## Consolidated Profit/Loss

Millions of Yen, except EPS, dividends and FX rates	FY2011	FY2012	Change	FY2013 Forecast
Net Sales	682,320	709,270	+3.9%	800,000
Operating Income	73,070	17,627	-75.9%	70,000
Operating Income Ratio	10.7%	2.5%		8.8%
Income before Taxes	70,856	13,427	-81.1%	68,000
Net Income	40,731	7,998	-80.4%	50,000
EPS	296.25	59.37	-80.0%	371.25
Dividends	90	85	-5	85
FX Rate (¥/US\$)				
Average:	79.08	83.10	+5.1%	95.00
Term-end:	82.19	94.05	+14.4%	(Assumed)

Average exchange rate of the Japanese Yen for FY2012 depreciated about 5% (or 4.02 Yen) against the U.S. Dollar Y/Y and appreciated about 2% (or 1.84 Yen) against the Euro Y/Y, resulting in a positive effect on net sales of 21.4 billion Yen and operating income of 2.5 billion Yen.

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Please refer to the accompanying notes on Page 32.

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## FY2013 Forecast

Billions of Yen, except EPS, dividends and FX rates	1H/FY2013	2H/FY2013	FY2013 Forecast
Net Sales	380	420	800
Operating Income	30	40	70
Operating Income Ratio	7.9%	9.5%	8.8%
Income before Taxes	29	39	68
Net Income	21	29	50
EPS	155.92	215.33	371.25
Dividends	40	45	85
FX Rate (¥/US\$)	95	95	95
FX Rate (¥/€)	125	125	125

**FY2013 Foreign exchange sensitivity:**

Every 1 Yen move against the U.S. Dollar and Euro is estimated to have an annualized impact of 5.7 billion Yen and 0.75 billion Yen on sales, respectively, and 0.75 billion Yen and 0.2 billion Yen on operating income, respectively.

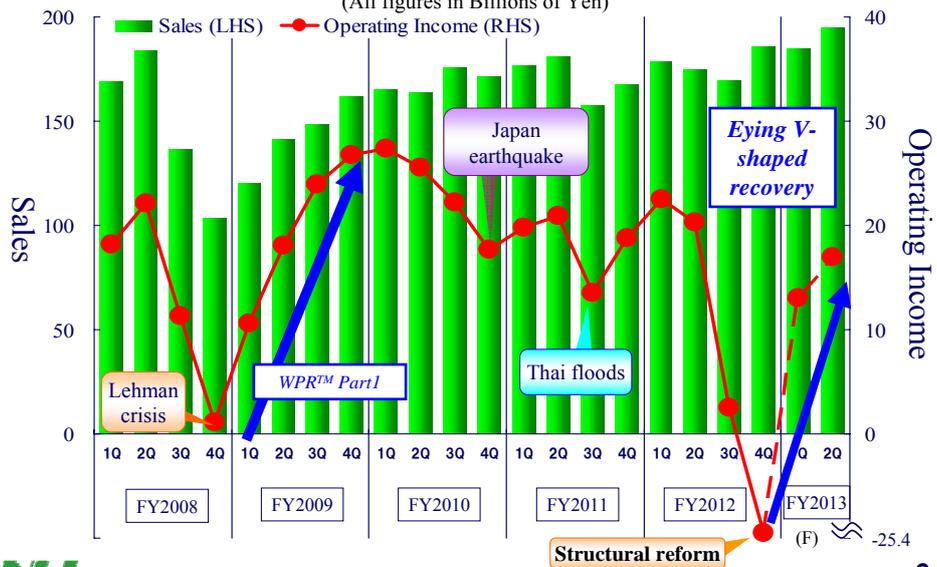


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## WPR™ Part 2 Getting off the Ground

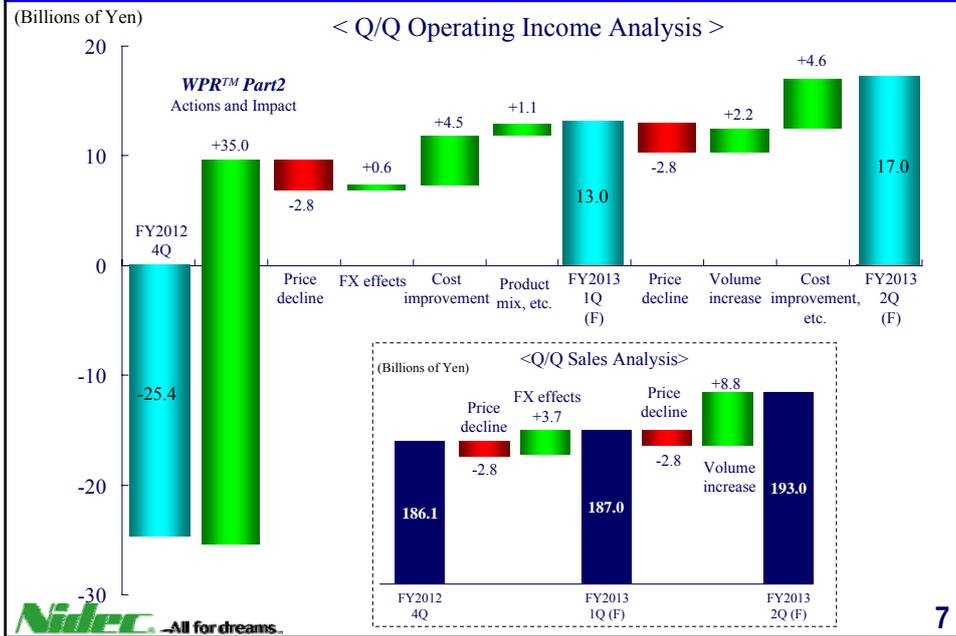
### Consolidated quarterly sales and operating income (Results & Outlook)

(All figures in Billions of Yen)



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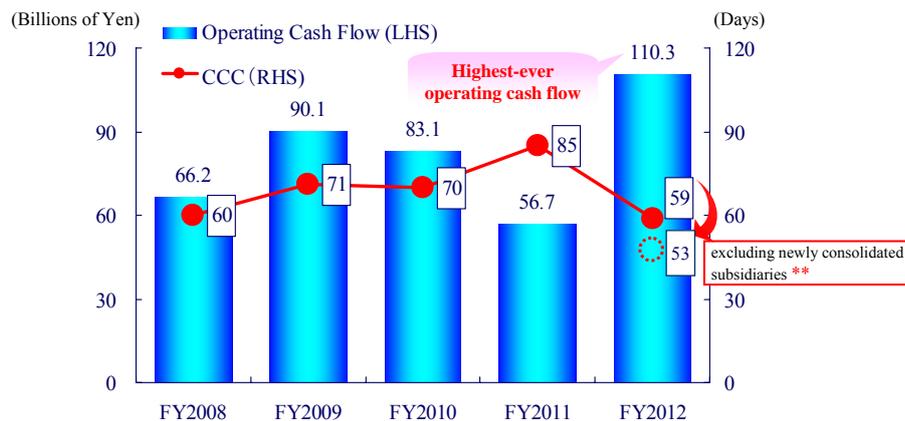
# 1H/FY2013 Operating Income Outlook



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# Cash Conversion Cycle (CCC)\* Improvement

CCC improvement overachieved the target of 60 days, or by 30% Y/Y.  
CCC excluding newly consolidated subsidiaries shortened by 38% to 53 days.



\* Cash Conversion Cycle ("CCC"): Net sales are used as the denominator in calculating CCC.

CCC = (Inventory + Accounts receivable - Accounts payable) / Net sales per day

\*\* The following financial information regarding 6 new subsidiaries (Minster, Avtron, ASI, SCD, Kinetek and Kaiyu) consolidated in FY2012 have been excluded from the calculation:

Combined sales: 49.8 billion Yen  
Combined inventory value: 12.7 billion Yen  
Combined accounts receivable: 19.1 billion Yen  
Combined accounts payable: 11.9 billion Yen

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## Operating Income and Free Cash flow Analysis

Operating Income Analysis (Billions of Yen)

	FY2010	FY2011	FY2012				Total
			1Q	2Q	3Q	4Q	
U.S. GAAP-based operating income (Disclosed)	92.9	73.1	22.2	19.5	1.3	-25.4	17.6
*M&A-related, non-cash operating loss	3.0	2.3	0.9	1.3	1.8	1.7	5.7
Operation income after pro forma adjustments	95.8	75.3	23.1	20.8	3.1	-23.7	23.3

\*M&A expenses (non-cash) included in operating income (loss). Depreciation/Amortization expenses of allocated depreciable/amortizable tangibles and intangibles related to business acquisitions in accordance with ASC 805 "Business Combinations", which include inventories, property, plant and equipment and intangible assets such as customer relationships, proprietary technology and trade names.

Cash Flow Analysis: Free Cash Flow after deducting M&A-related Investments (Billions of Yen)

	FY2008	FY2009	FY2010	FY2011	FY2012
Cash flow from operating activities (a)	66.2	90.1	83.1	56.7	110.3
M&A-related Investments **	-0.8	-4.4	-51.6	5.2	-79.9
Cash flow from investment activities (b)	-43.4	-40.5	-106.9	-19.9	-133.9
Free cash flow after deducting M&A-related investments	23.6	54.0	27.7	31.6	56.3
Free cash flow (a) + (b)	22.9	49.6	-23.9	36.8	-23.6

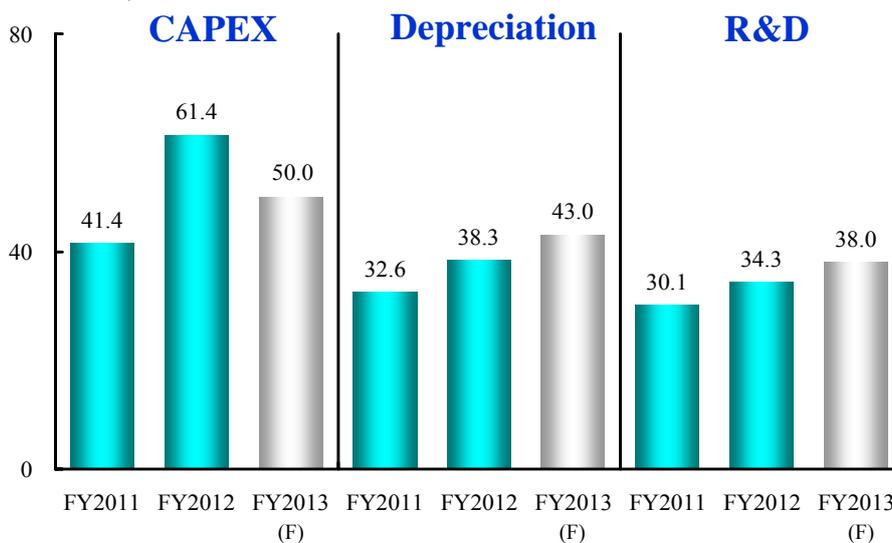
Record-high

Please see page 32 for footnotes for \*\*. **Nitec** All for dreams.

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## CAPEX, Depreciation and R&D

(Billions of Yen)



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Please refer to the accompanying notes on Page 32.

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## Listed Subsidiaries -Results & Forecasts-

Millions of Yen	Sales			Operating Income			Net Income		
	FY2011 Results	FY2012 Results	FY2013 Forecast	FY2011 Results	FY2012 Results	FY2013 Forecast	FY2011 Results	FY2012 Results	FY2013 Forecast
Nidec Copal	56,116	51,720	60,000	5,024	-3,192	2,500	1,068	-8,552	1,500
Nidec Tosok	33,508	31,280	33,000	3,140	1,715	2,500	1,844	1,091	1,400
Nidec Copal Electronics	29,118	26,865	27,000	4,194	3,277	3,500	2,706	2,328	2,300
Nidec-Read	9,813	12,584	12,700	1,540	2,119	2,300	930	1,377	1,500
<b>Total</b>	<b>128,555</b>	<b>122,449</b>	<b>132,700</b>	<b>13,898</b>	<b>3,919</b>	<b>10,800</b>	<b>6,548</b>	<b>-3,756</b>	<b>6,700</b>

Numbers above are based on the generally accepted accounting standards in Japan.

## WPR™ Part2

WPR was named by Shigenobu Nagamori of NIDEC CORPORATION based on his unique business management method in 2008.

WPR™ is a trademark of NIDEC CORPORATION in Japan.

WPR© Shigenobu Nagamori NIDEC CORPORATION 2008

## WPR™ Part2

**WPR™ = World-class Performance Ratios**

*Achieving world-class performance targets:*

### 1. Business Portfolio Transformation & Expansion

(Evolve into a “Trillion-Yen Corporate Group” with new products, new markets and new customers)

### 2. Sales of 1.2 Trillion Yen

**Consolidated Operating Margin of 15%**

(Reshape the profit structure by adopting “ASSET” approach)\*

### 3. Financial Strength through Enhanced Cash-generating Power

(Maximize free cash flow by tightening the grip on CCC and CAPEX)

\* “ASSET” approach: Nidec’s profit-enhancing approach intended to maximize the Group’s management resources: manpower, fixed assets, intangible assets (intellectual property, etc.) and free cash.

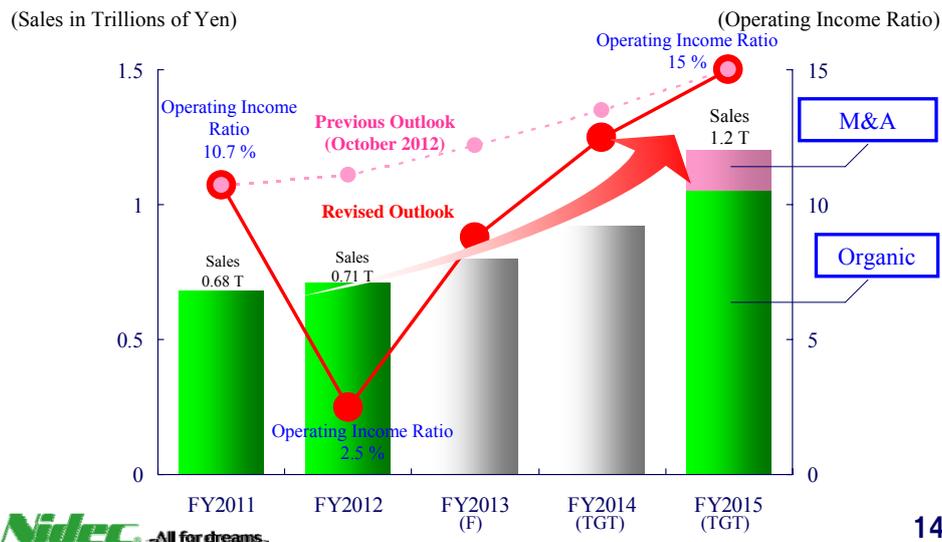
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## New Mid-Term Strategic Target

*- Achieving Sustainable Growth for the Next 100 Years -*

Profitable growth striking balance between expansion and financial soundness



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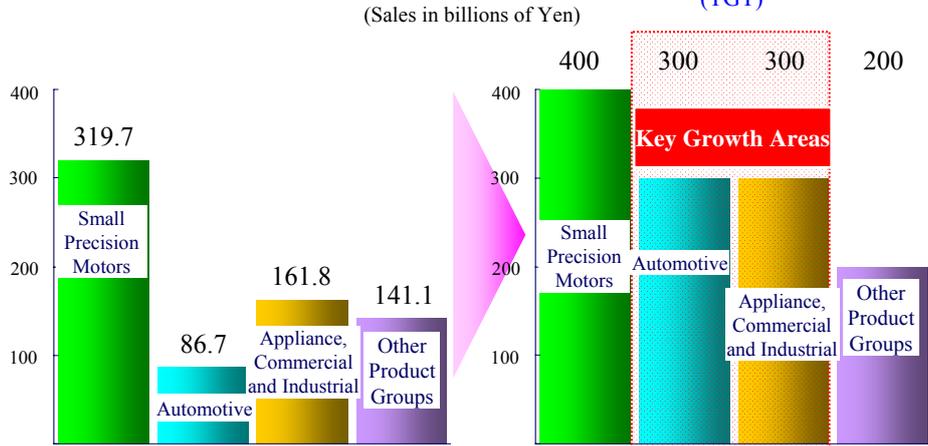
## Accelerating Portfolio Transformation and Expansion

### Single Pillar

FY2012 Sales: 709.3 Billion Yen

### 4 Pillars

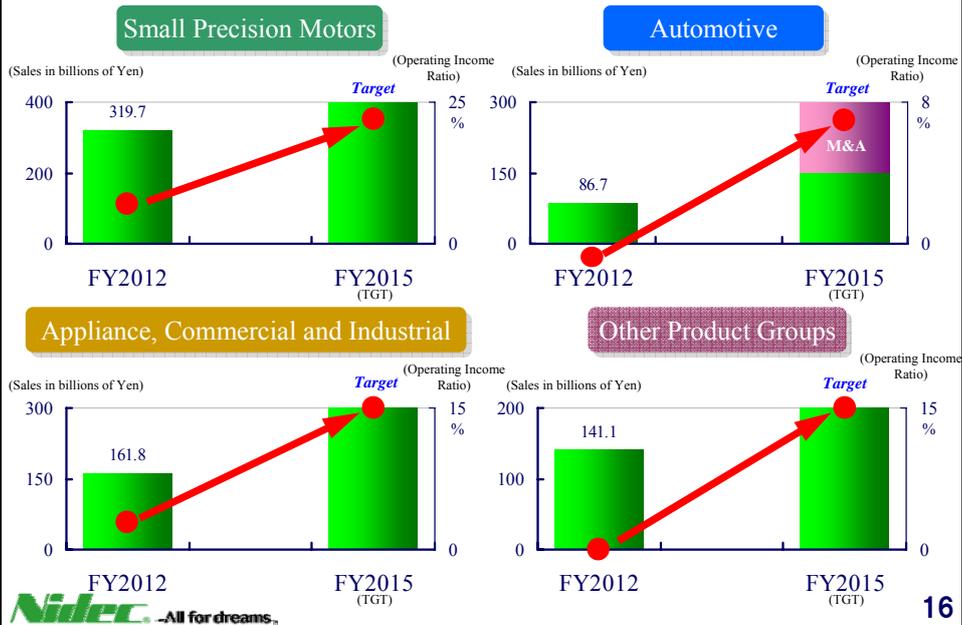
FY2015 Sales: 1.2 Trillion Yen (TGT)



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## Profitability Targets by Product Category



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## Business Environment & Strategy

### ■ Small Precision Motors

- ▶ Demand cultivation underpinned by **technological advantages**
- ▶ Profitability enhancement built on **competitive advantages**

### ■ Automotive Products

- ▶ Establishing 3-centered framework (North America, Europe and Asia) to penetrate into **emerging markets**
- ▶ Transformation of product portfolio into modules and packaged systems leading to a high-value-added product mix

### ■ Appliance, Commercial and Industrial Products

- ▶ Taking advantage of strong tailwinds of **global energy efficiency initiatives**
- ▶ Continued focus on **emerging market explorations**
- ▶ Bringing out full effect of **sales and cost synergies** between existing operations and three newly-acquired businesses (ASI, Avtron, and Kinetek)

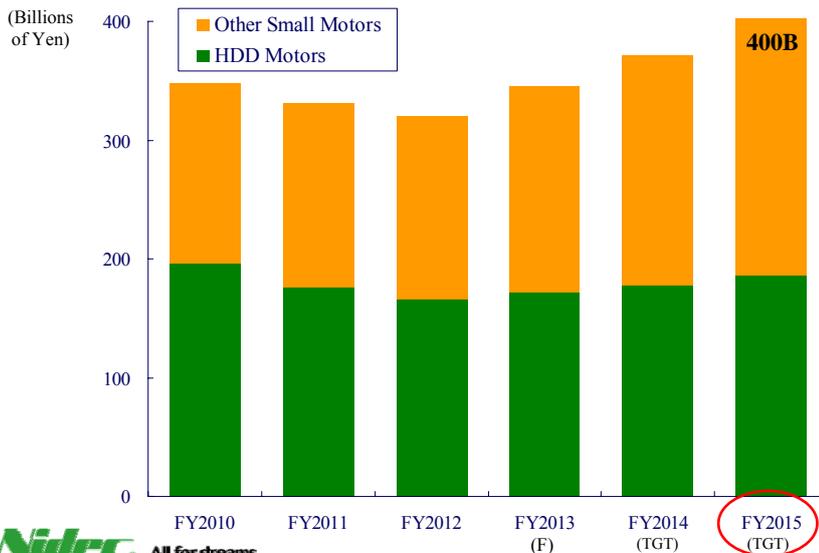
- **M&A** remains a cornerstone of **market position enhancement**



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## Small Precision Motors Sales Outlook

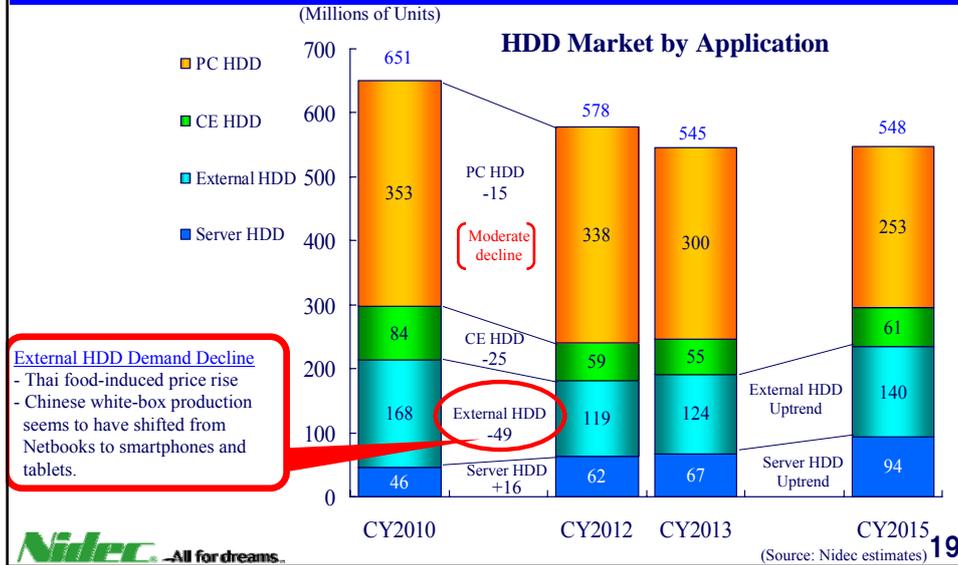
Moderate growth in HDD motor sales expected ahead.  
New market cultivation efforts creating tailwinds for other small motors.



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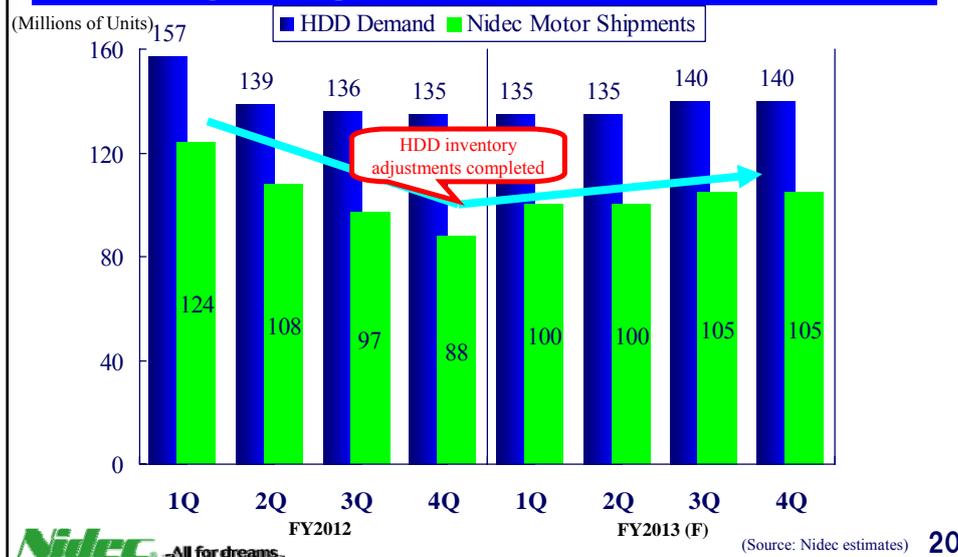
## HDD Market Mid-Term Outlook

Correlation between HDD demand and PC sales expected to be lowered.  
More weight on server and other non-PC usage.



## Nidec HDD Motor Shipment Outlook

Inventory adjustments completed.  
Profit growth expected in a stable demand environment.



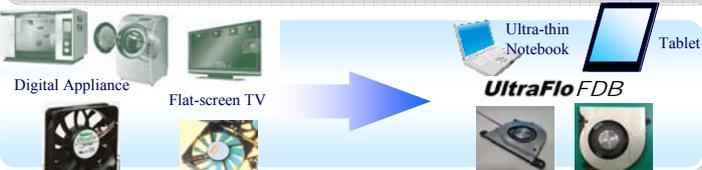
## New Applications for Other Small Motors

Expanding reach to new products, new markets and new customers

DC Motors



Fan Motors



Vibration Motors



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## Examples of Ongoing New Projects

Appliances



Standardized Small brushless DC motors

World's major appliance manufacturers switching toward DC brushless motors



Communications



Fan motors

Big projects geared toward telecom base station in emerging countries

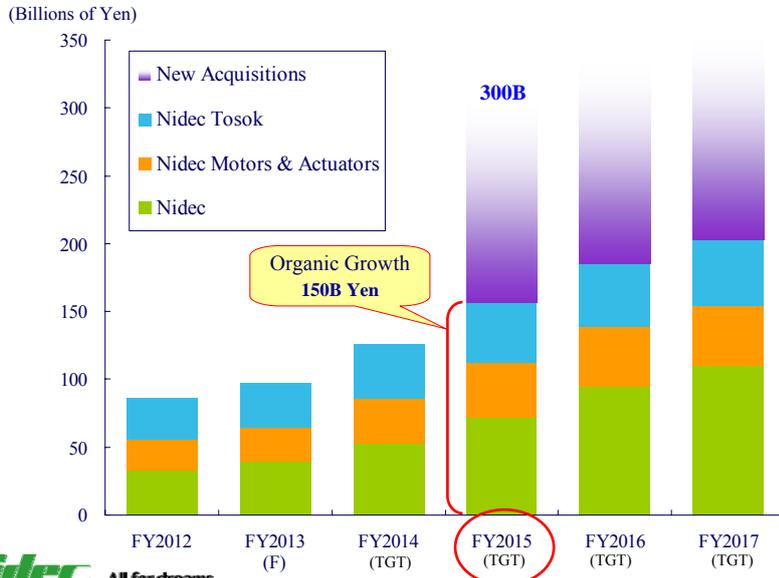


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## Automotive Motors Sales Outlook

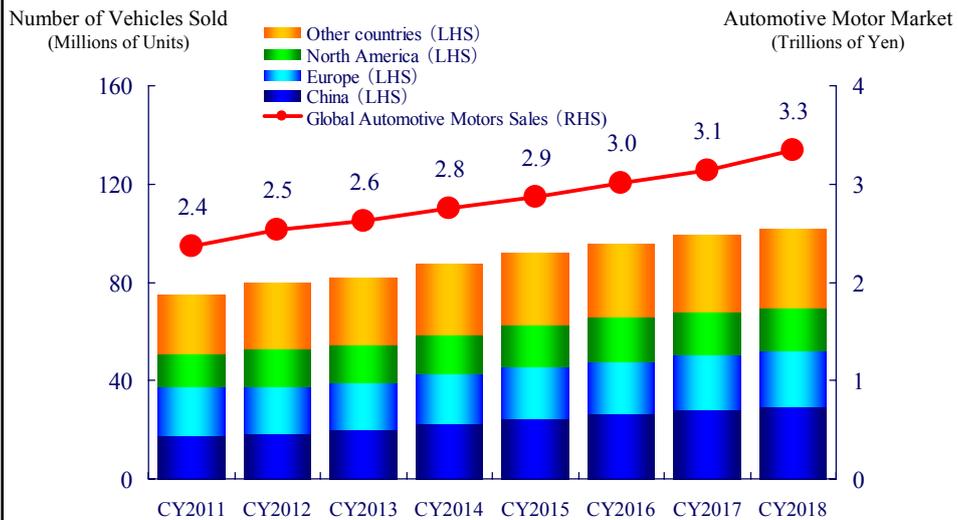
FY2015 Organic sales growth eying 150B Yen



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## Global Vehicle Sales Volume and Automotive Motor Market

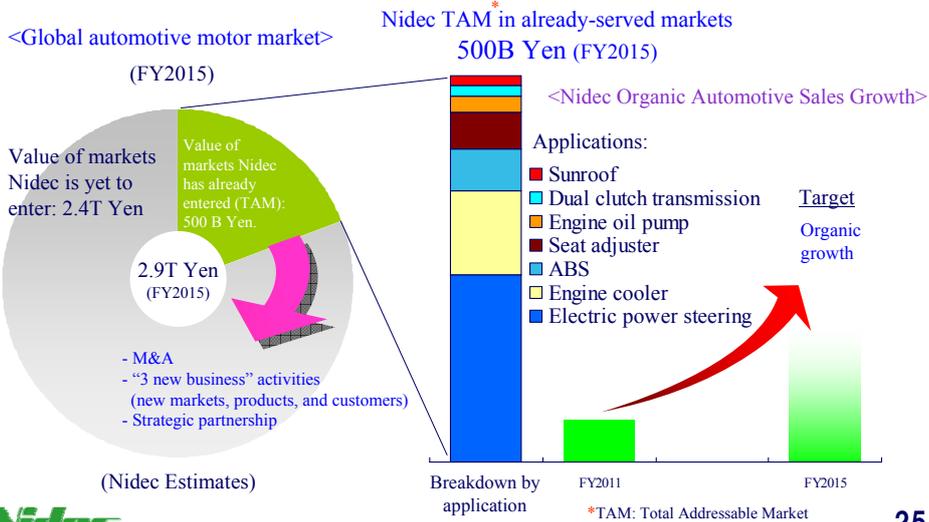
Automotive motors to form a 3 trillion-Yen market in 3 years



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# Where Nidec Stands in Global Market

Organic growth in already-served markets and new growth (potentially accompanying M&A) in untapped markets



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# Strategy Matrix towards FY2015

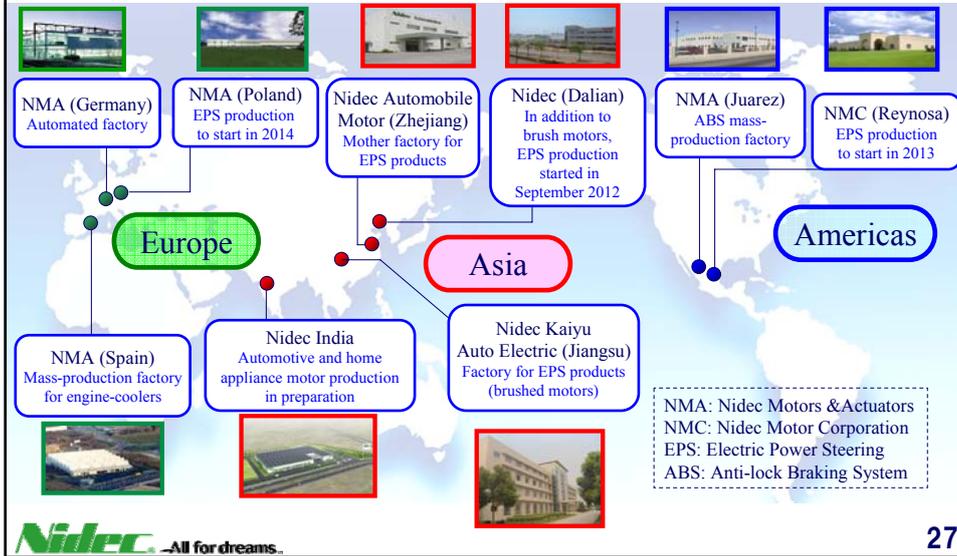
Product portfolio	Exp. status as of FY2015		Scope for strategic enhancement		
	Mass-production	Market presence	Higher additional value	Smaller & lighter	More advanced technology
Electric power steering	Yes	Strong	★	★	
Engine cooler	Yes	Strong	★	★	
ABS	Yes	Strong		★	
Seat adjuster	Yes	Moderate		★	
Engine oil pump	Yes	Moderate		★	
Dual clutch transmission	Yes	Strong	★		
Sunroof	Yes	Strong		★	
Window lifter	Yes	Strong		★	
Wiper	In preparation	Strong		★	
Integrated starter & Alternator	In preparation	Strong		★	★
Next generation vehicle-related technology	Yes (for some)	Strong	★		★
Others (brake, etc.)	Yes (for some)	Strong	★	★	★

Strong Moderate

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# Global Automotive Production Strategy

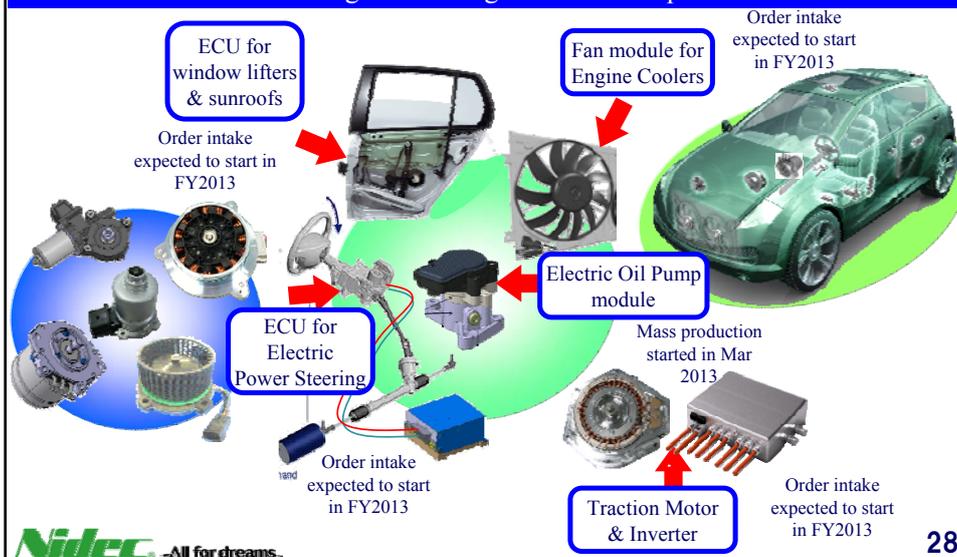
Nidec strength: Capability to produce locally for local consumption in close collaboration with Automotive Tier 1 customers worldwide



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# Expanding Automotive Product Portfolio

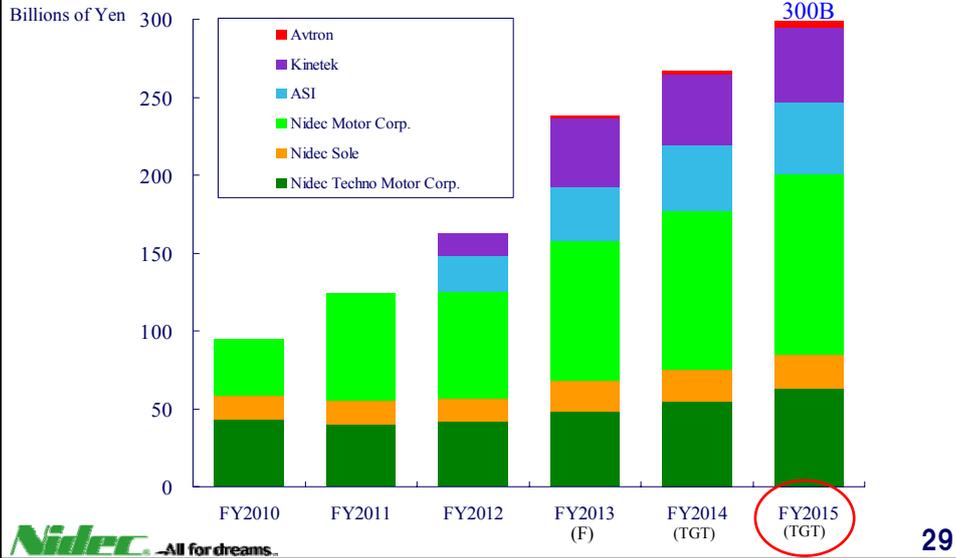
From motors as single components to modules and packaged systems.  
 Portfolio shifting towards high-value-added product mix.



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## Appliance, Commercial and Industrial Products

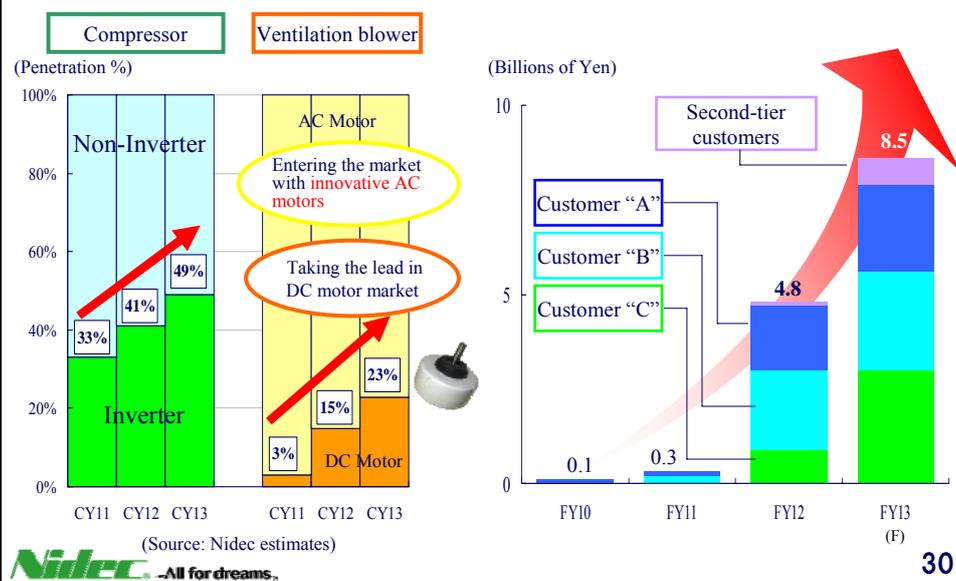
300B Yen sales coming into view for FY2015, with full consolidation of 3 new acquisitions in FY2012



## Air Conditioner Motor Sales Strategy

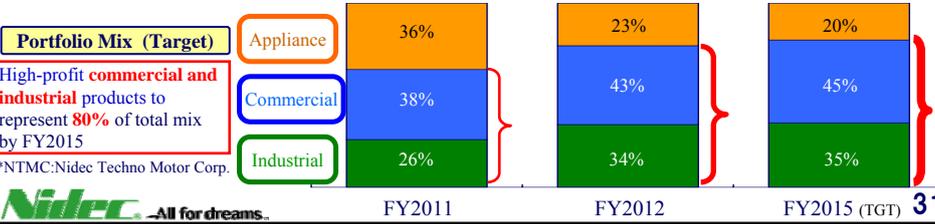
< China's Air-conditioner Market and Nidec strategy >

< Nidec's Shipments to Chinese Customers >



## Portfolio Development Completed, Paving Path Toward Synergy Maximization

Classification	Appliance	Commercial	Industrial				
	Main Applications	Washing machines, Dryers, Dish washers	HVAC, Swimming pools/Spas, Elevators, Refrigerators, Floor care products, Golf carts, etc.	Pumps, Air-compressors, Passenger vehicle traction drives, Steel processing equipment, Power generation solutions, Marine and Mining solutions, etc.			
Nidec products	Motors Motor controls	Motors (Geared motors, etc.) Elevator controls and Package solutions	Small and medium motors	Large motors, Generators	Drives	Automation systems	
Regions	Americas	NMC	NMC+Kinetek	NMC	NMC+ ASI	Avtron+ ASI	Avtron+ ASI
	Europe, Middle-East and Africa	NMC+Sole	Kinetek	NMC	ASI	ASI	ASI
	Asia	NMC+ NTMC*	NTMC*+Kinetek	NMC+ NTMC*	ASI	ASI	ASI



Japan Tel: +81-75-935-6140  
E-mail: ir@jp.nidec.com  
U.K. Tel: +44-870-351-7388  
E-mail: takagi.shinichi@nidec.com  
U.S. Tel: +1-212-703-7988  
E-mail: nagase.kiyoshi@nidec.com

**Footnotes for page 9**

\*\* M&A-related Investments: Expenditures related to business acquisitions, included in Cash flow from investment activities are; FY2008: Nidec Shanghai Automotive Electric Motors Limited, FY2009 NTN-Nidec (Thailand) Co., Ltd, Nidec Automobile Motor (Zhejiang), Nidec Sole Motor Corporation, FY2010 Nidec Motor Corporation, FY2011 Nidec Seimitsu Corporation, FY2012 Nidec Minster Corporation, Nidec ASI S.p.A, Nidec Avtron Industrial Automation Inc., Kinetek Group Inc, Nidec Kaiyu Auto Electric (Jiangsu), and SCD Co.,Ltd.

**Note Regarding Change in Product Category Name and Regrouping of Products**

- The product category formerly named "General Motors" has been renamed "Automotive, Appliance, Commercial and Industrial products" since FY2012.
- Nidec Tosok's automobile parts previously grouped into the "Others" category have been reclassified into the "Automotive, Appliance, Commercial and Industrial products" category since FY2012. In addition, motor application products previously grouped into the "Electronic and Optical Components" category have been reclassified into the "Small Precision Motors" category since FY2012.

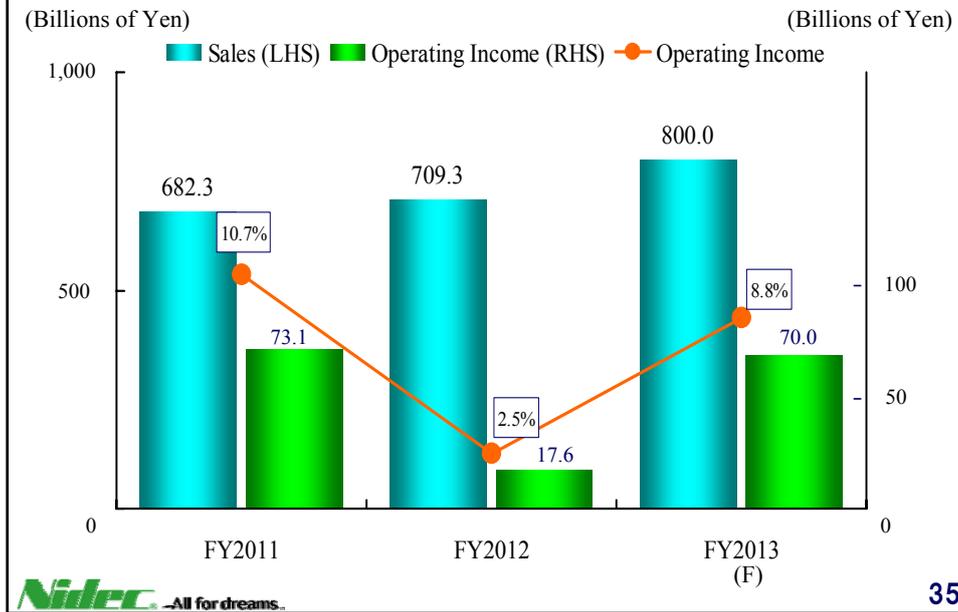
Financial figures reported in prior years have been retrospectively adjusted to reflect this product regrouping.

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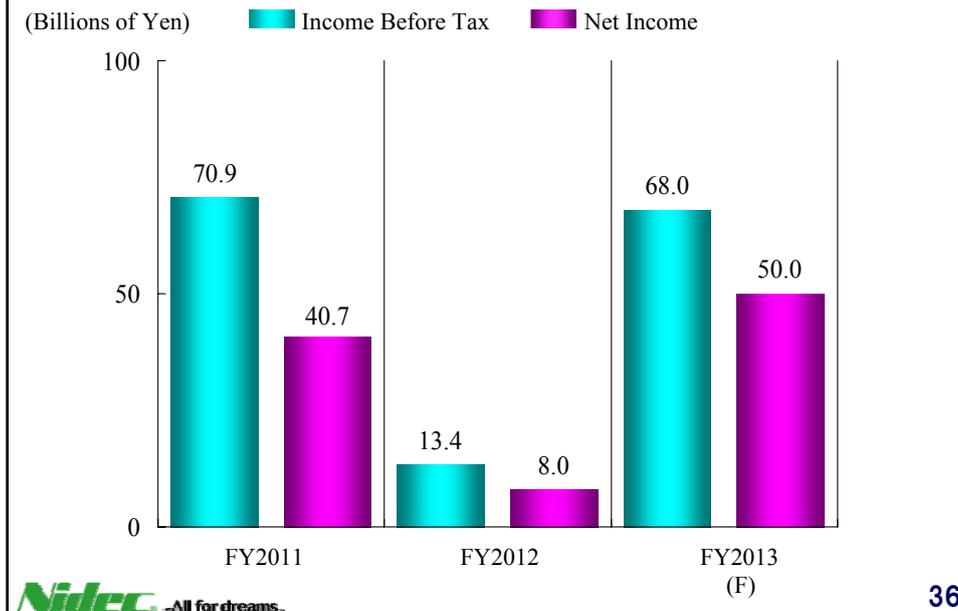


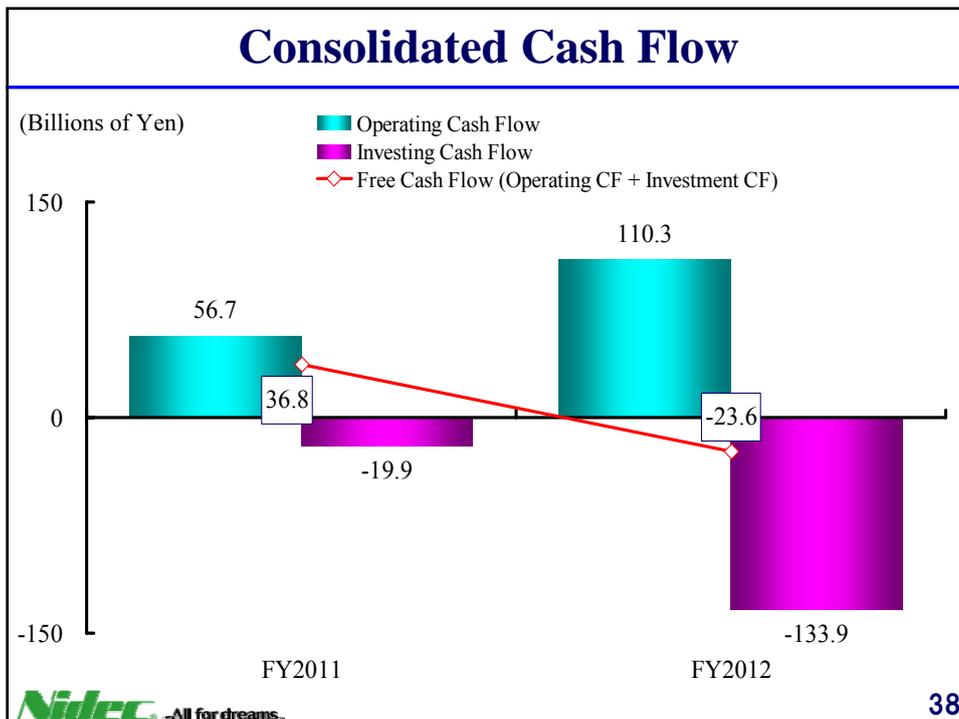
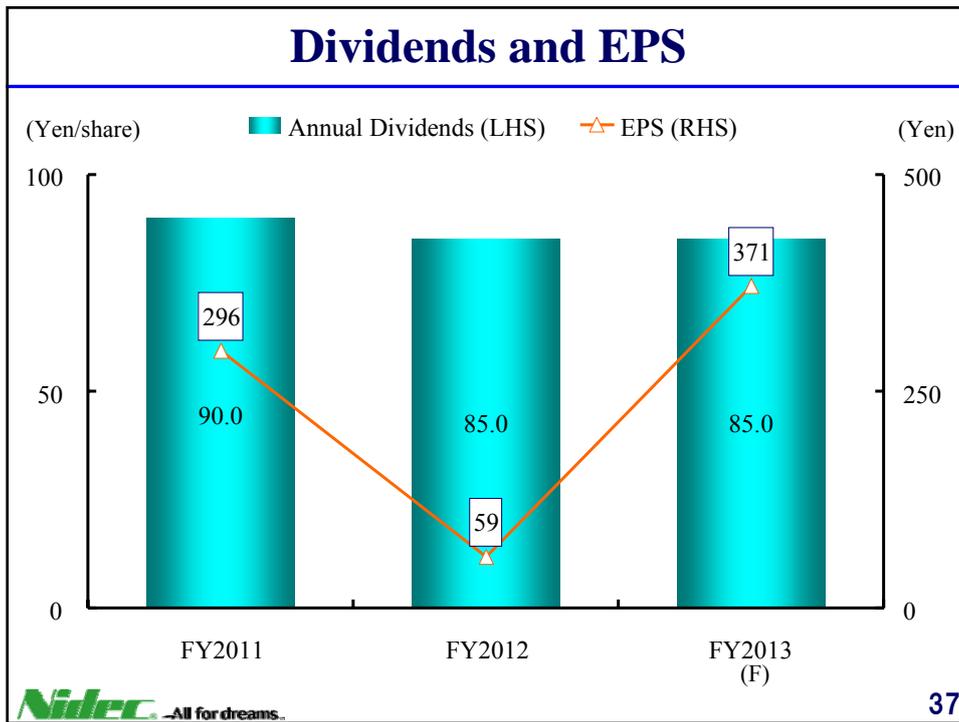


## Consolidated Sales & Operating Income

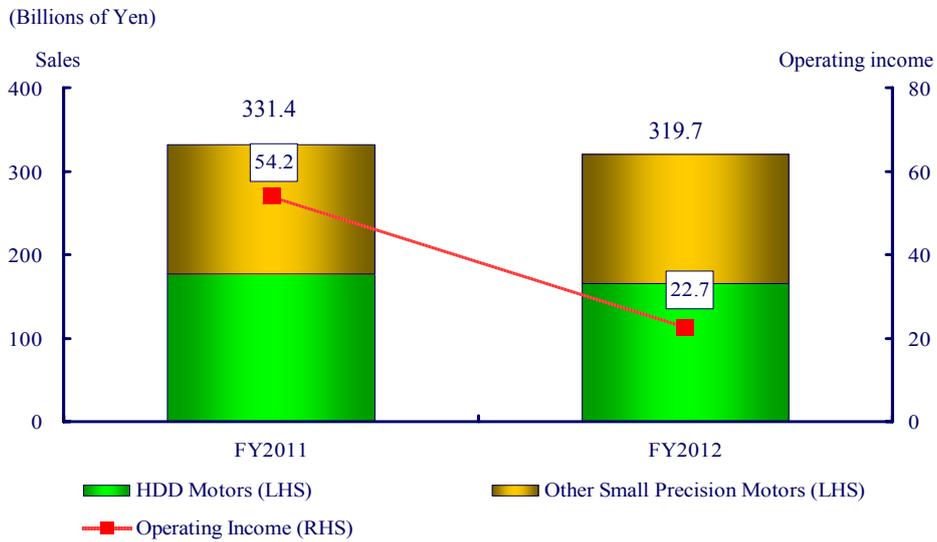


## Consolidated Income Before Tax & Net Income





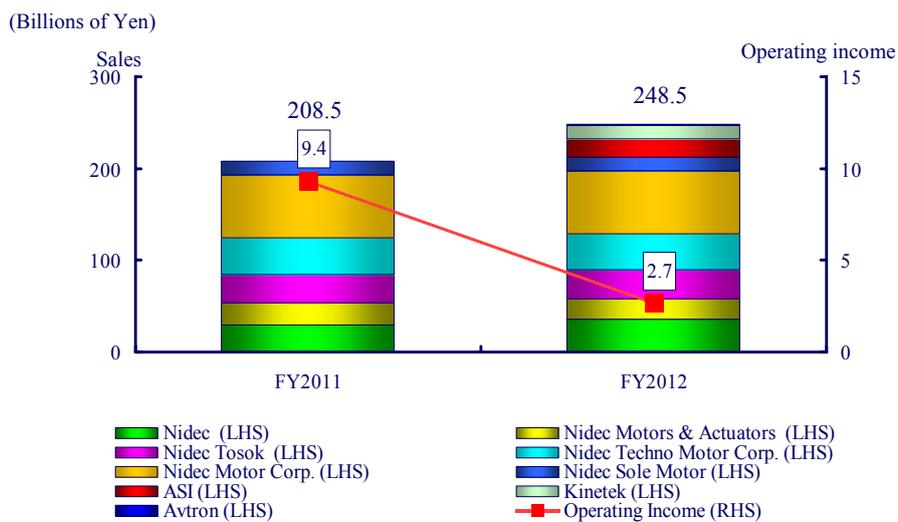
## Small Precision Motors



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Please refer to the accompanying notes on Page 32. **39**

## Automotive, Appliance, Commercial and Industrial Products

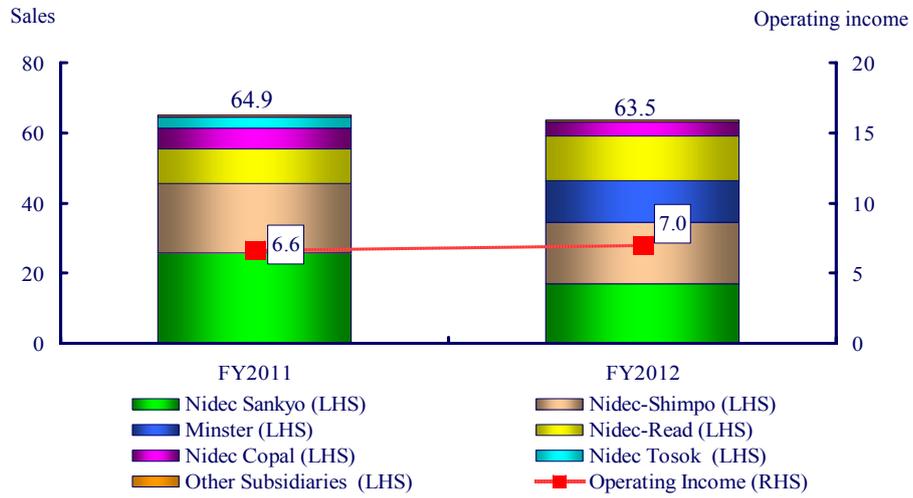


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Please refer to the accompanying notes on Page 32. **40**

## Machinery

(Billions of Yen)

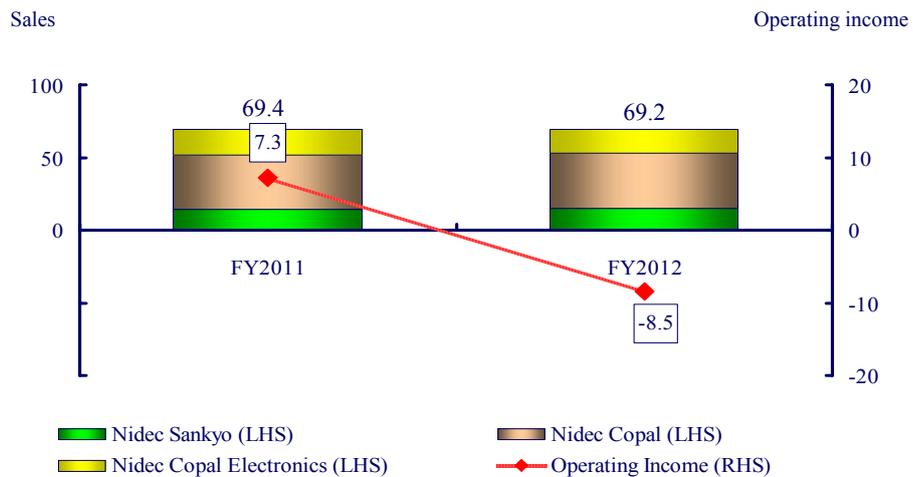


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## Electronic & Optical Components

(Billions of Yen)



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Please refer to the accompanying notes on Page 32. 42

# Others

(Billions of Yen)

