

# Financial Results for Fiscal Year 2008

## Nidec Corporation

< U.S. GAAP >

This presentation material and our statements made during the Meeting regarding the Nidec Groups' financial results contain forward-looking statements including expectations, judgement, 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. Nidec undertakes no obligation to update forward-looking statements to reflect events or circumstances that occur after the date the statements are made.

April, 27 2009

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## Profit/Loss

Yen in millions, except for EPS & FX	FY07	FY08	Change	FY09 Forecast
Net Sales	728,756	613,458	-15.8%	550,000
Operating Income	77,542	51,806	-33.2%	45,000
Operating Income Ratio	10.6%	8.4%		8.2%
Income before Tax	64,255	47,029	-26.8%	43,000
Net Income	41,156	28,353	-31.1%	27,000
EPS	284.00	197.42	-30.5%	193.84
FX (Yen/US\$)				
Average...	114.28	100.54	-12.0%	95.00
Term-end...	100.19	98.23	-2.0%	

Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business. 2

## FY2008 Summary

- Sales down 16%, OP down 33%
- Small Precision Motors **maintained double-digit OPM** at 11.5%, despite approx. 20% decline in sales.
- Dividends
  - Fiscal year-end: 30 yen per share
  - Annual dividend: **60 yen per share**  
(Up 5 yen from FY'07)
  - Payout ratio: 30.4%
- Jan-Mar sales nearly halved from historical peak, yet OPM remained positive.

Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business. 3

## Consolidated Financial Position

- “Cash is King!” Utmost priority placed on cash flow.
- Precautionary financing done to address global financial contraction
  - 1) Cash and Cash Equivalent: 201 billion yen  
(Up 100 billion yen from March 2008)
  - 2) Short-term Loan: 221 billion yen  
(Up 153 billion yen from March 2008)
  - 3) Purposes
    - Redemption of bonds: 27.3 billion yen
    - Own share repurchase: 23.8 billion yen
- Shareholders' equity ratio essentially increased.
  - March 2008 : 47.6%
  - March 2009: 42.3% → 49.3%

After adjustment of increased borrowings and deposits by 100B yen.

Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business. 4

## 4Q FY2008 Summary

**Falling short of earnings guidance by approx. 16.5B in sales and 3.2B in operating income.**

- ❑ **Customer requests for shipment delays surged in Feb-Mar for machinery, electric motors and a range of component products related to capex.**
- ❑ **Initially-scheduled motor shipments for office equipment/home electronics/automotive applications significantly pushed back.**
- ❑ **WPR™ effect remained marginal until mid-February; a tangible difference seen in March.**

Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business.

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## FY2009 Forecast

Yen in millions, except for EPS & FX	1H Forecast	2H Forecast	Full-year Forecast
Net Sales	250,000	300,000	550,000
Operating Income	15,000	30,000	45,000
Operating Income Ratio	6%	10%	8.2%
Income before Tax	14,000	29,000	43,000
Net Income	9,000	18,000	27,000
EPS	64.61	129.23	193.84
FX (Yen/US\$) Ave	95	95	95

Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business.

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## Consolidated Subsidiaries

(Yen in millions)	Net Sales			Operating Income			Net Income		
	FY07	FY08	FY09 (Forecast)	FY07	FY08	FY09 (Forecast)	FY07	FY08	FY09 (Forecast)
Nidec Sankyo	108,987	100,510	75,000	9,544	4,709	3,500	5,041	1,874	2,000
Nidec Copal	87,957	74,323	60,000	7,443	4,832	3,500	4,993	3,023	2,000
Nidec Tosok	26,213	22,981	17,500	2,174	1,318	1,000	1,634	358	500
Nidec Copal Elcs	33,880	28,472	25,000	4,306	2,760	2,300	2,547	1,535	1,200
Nidec Servo	35,046	25,170	20,000	2,053	1,182	1,000	1,654	680	700
Nidec-Read	8,992	9,602	5,000	1,803	1,794	500	1,116	1,059	300
<b>Total</b>	<b>301,075</b>	<b>261,058</b>	<b>202,500</b>	<b>27,323</b>	<b>16,595</b>	<b>11,800</b>	<b>16,985</b>	<b>8,529</b>	<b>6,700</b>

All numbers in the above table have been prepared under the generally accepted accounting standard in Japan. Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business.

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## FY2009 Focuses

**Nidec**  
All for dreams

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## FY2009 Focuses

- ▶ **Sweeping improvement in profitability by WPR™**
  - Fundamental reform of **profit structure**
  - Target higher profits on lower sales  
( 60B yen OP achievable with full implementation of WPR™ )
- ▶ **New-growth initiatives**
  - **Energy-saving, eco-conscious, light and compact, half-price**
  - **Brushless DC motors** geared toward **new applications**:  
eco-cars (EV, HEV); power-saving home appliances; new-energy-driven products, etc.
- ▶ **Selection & Concentration**
  - Added impetus to **core business & group synergies**
  - Exit from unprofitable, non-strategic business

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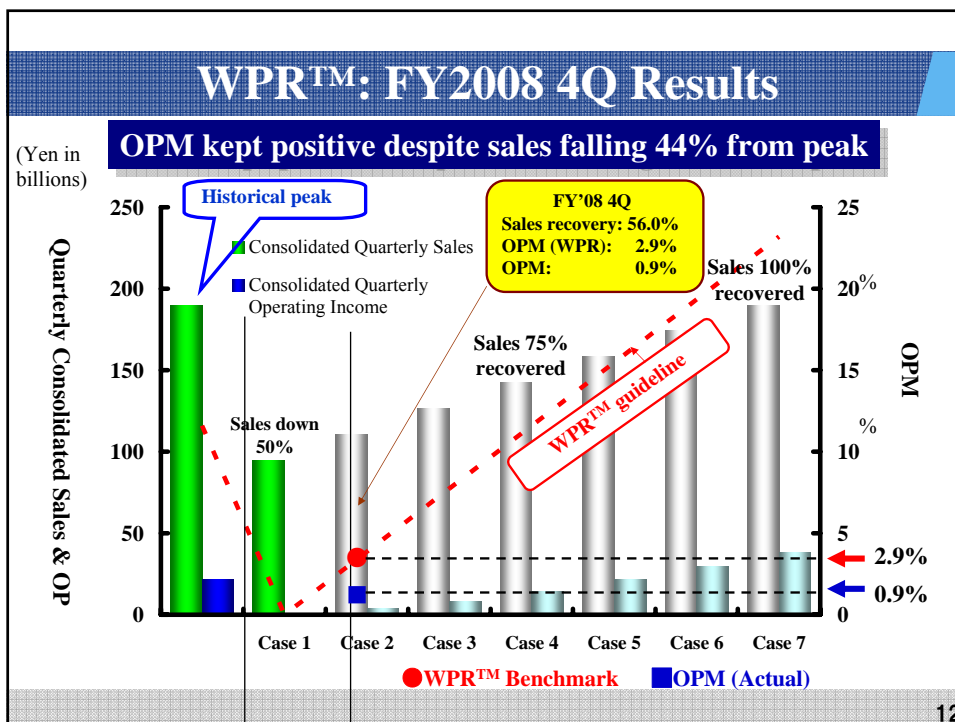
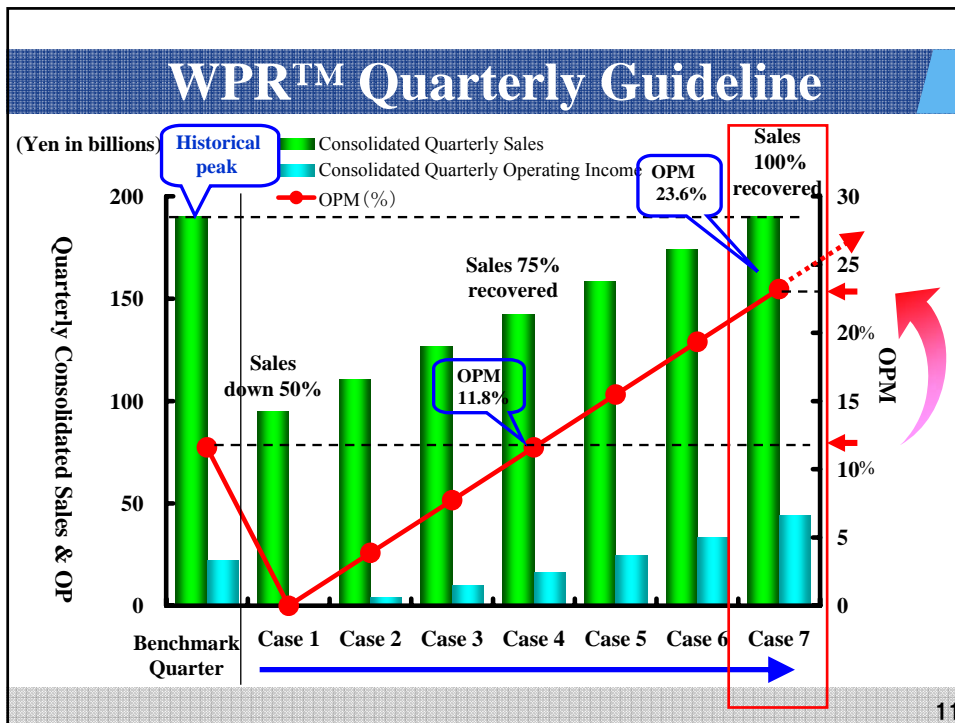
## WPR™ Project: Definition

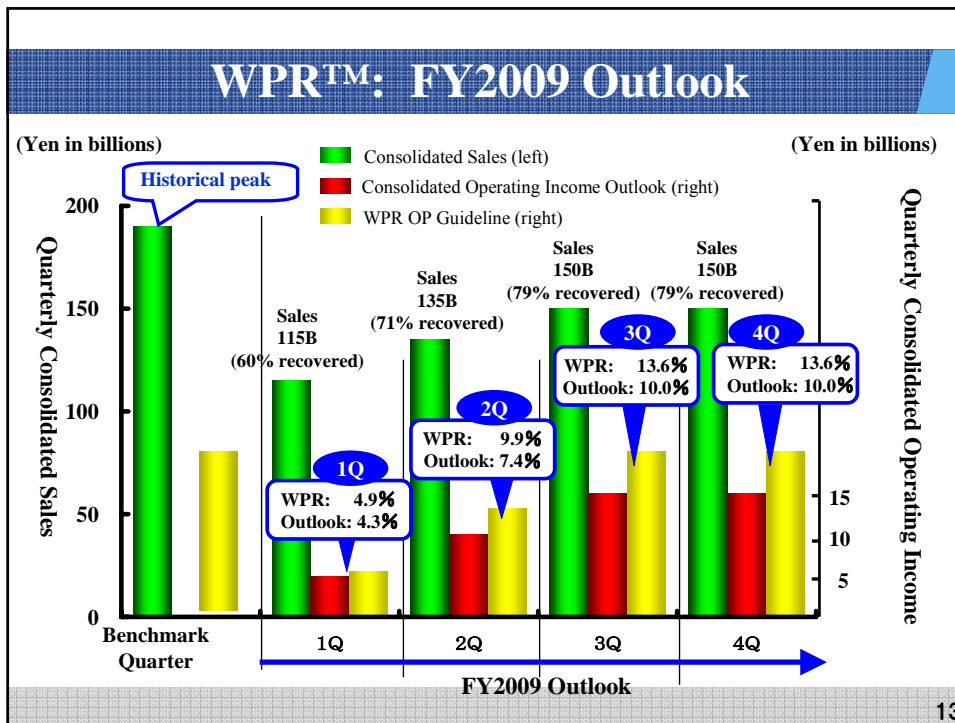
**WPR™ = Double Profit Ratio**

**Breakthrough management model** to reform group-wide profit structure and achieve:

- ▶ **OPM positive**                    «« Sales 50% back to peak
- ▶ **OPM back to normal** «« Sales 75% back to peak
- ▶ **OPM doubled**                    «« Sales 100% recovered

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## WPR™ Driven by Application Growth

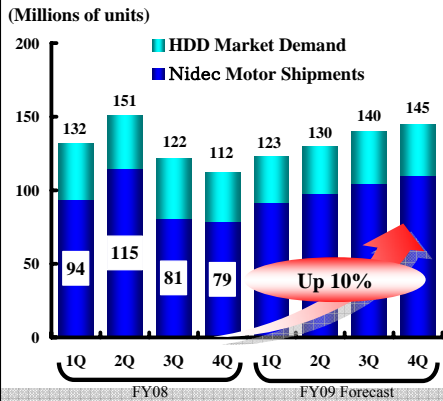
	Broadening Applications	Energy saving	Eco-friendly	Light & Compact	Half-price
<b>Extension of established technology</b>	Eco-appliances actuator unit Eco-office equipment	Automotive drive-control system Computer blade server	Automobile interior components Mini robot	Super slim Netbook HDD /ODD/fan	
<b>Inter-group synergies</b>	Wind power system (Nacelle actuator) Solar power system (Solar tracker)	Water Heater pump/blower Eco-appliances (Air-conditioner, washing machine)	Electric tools Electric motorcycle /scooter (Propulsion system)	Electric car (Main driving motor)	
<b>Closer alignment with Customers</b>	Data center cooling fan	Thin-film solar cell (Solar panel transfer robot) Solar cell tester	Ultra-thin notebook (Cooling fan)		

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## HDD Motors: Strategy

High profit structure built on WPR™ and volume expansion

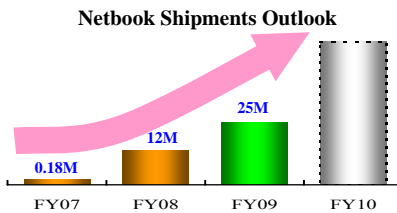
**Nidec FY2009 estimates:**  
 -Global HDD demand up 4.1%.  
 -Nidec motor shipments up 10%.



(Source: TSR, Nidec)

■ Market bottomed out in 4Q, expecting upswing in FY2009.

■ Booming Netbooks & upcoming applications: CULV (Consumer Ultra Low Voltage) Nettop, all-in-one desktops.

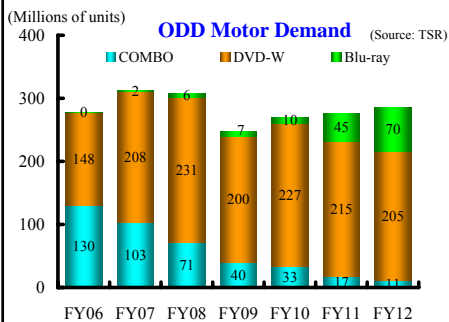


(Source: Nidec IR Dept.)

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## Other DC Motors & Fan Motors: Strategy

Higher profitability and new market exploration built on WPR™ and 3-new approach (New products, new customers, new markets)



(Source: TSR)

■ Other DC Motors

- High-end ODD applications (DVD-W/Blu-ray disk drives)
- High-end home electronics (IH cooker, cooking oven, air-conditioner cleaning robot, etc)
- Automotive systems

■ Fan Motors

- High-end computer servers, telecom transmitters
- Notebooks, Netbooks, etc.



Auto seat cooling fan



Blade server fans



Router fan tray

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## Mid-size Motors: Strategy-1

### Automotive brushless Motors

#### ■ EPS (Electric Power Steering)

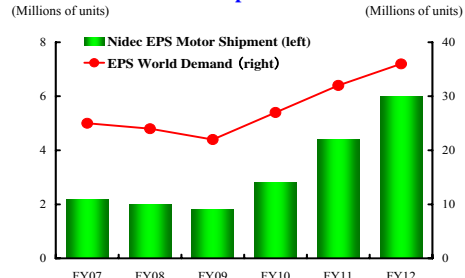
- No.1 position in global EPS motor market to be achieved
- New lines featuring **innovative compactness and lightness** to be mounted on a broad range of car brands after FY2011

#### ■ New Automotive Applications

- Dual-clutch transmission (DCT), providing a 10% advantage in fuel economy over automatics, is expected to drive market expansion for brushless motors.
- **HEV battery/engine cooling fans** on course to rapid market growth.
- Demand for EV/HEV main driving motors being dealt with.

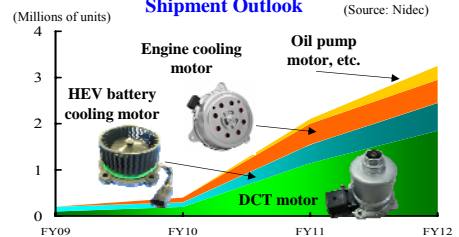
#### EPS Motor Shipment Outlook

Source: Nidec



#### Automotive Brushless Motor (other than EPS Motor) Shipment Outlook

(Source: Nidec)



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## Mid-size Motors: Strategy-2

### NMA (Nidec Motors & Actuators)

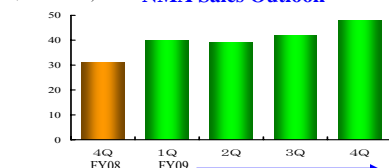
- Sales bottomed in 4Q. An **80% bounce back expected** towards March 2010.
- Poland factory swinging into full-fledged operations

### Home Appliances/Industrial Motors

- **Expansion of energy-conscious, eco-driven markets** (air-conditioners, home electronics, water-heating system)
- Nidec Shibaura and Nidec Power Motor cooperating for active market exploration.

#### NMA Sales Outlook

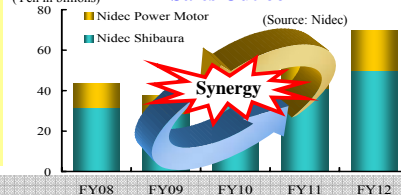
(Source: Nidec)



New NMA Poland factory operation launch: Feb. FY2009

#### Sales Outlook

(Source: Nidec)



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#### Note regarding Discontinuation of Optical Pickup Operations

Nidec Group discontinued its optical pickup business as of December 31, 2008. The operations of optical pickup business, in accordance with the SFAS No.144, have been reclassified as discontinued operations in the Company's 3QFY2008 consolidated financial statements announced on January 29, 2009, in which relevant prior-period statements have been retrospectively restated to reflect this reclassification.

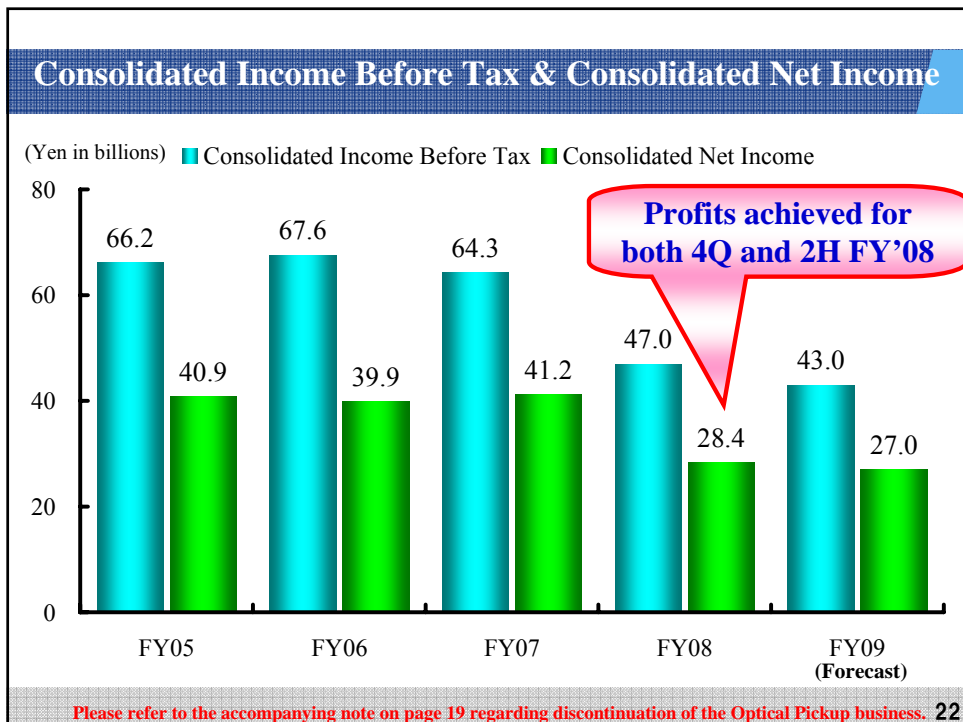
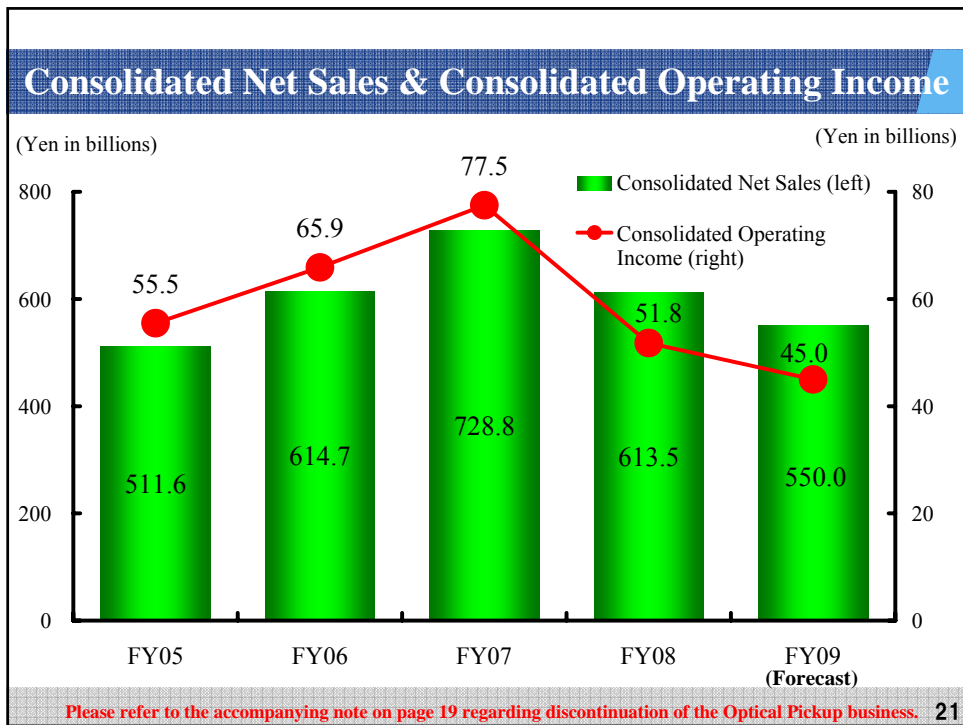
#### About WPR™ and Double Profit Ratio™

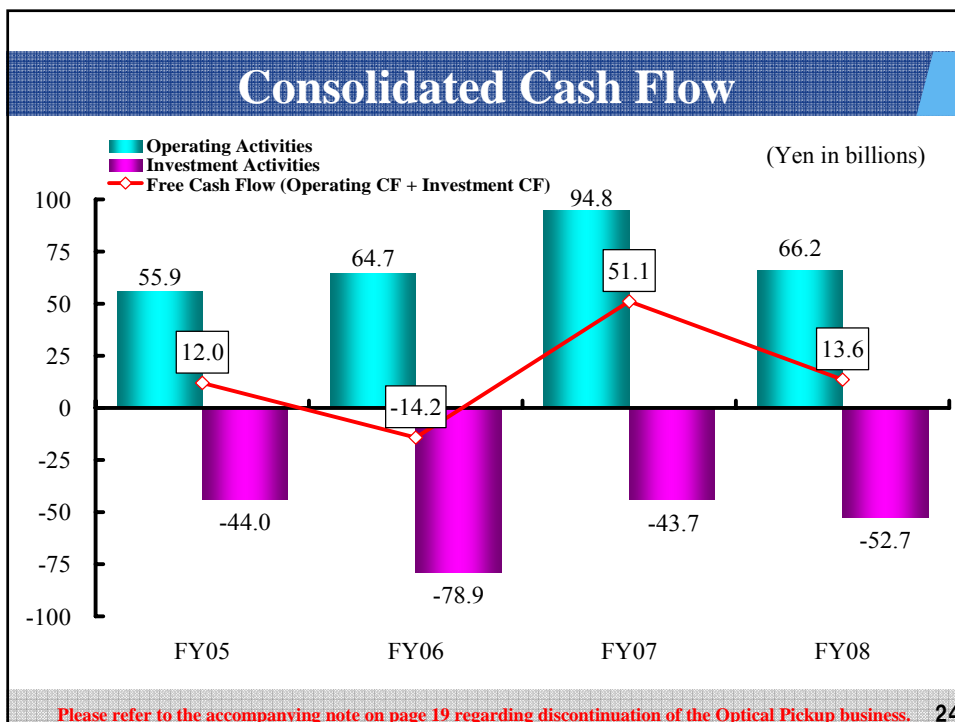
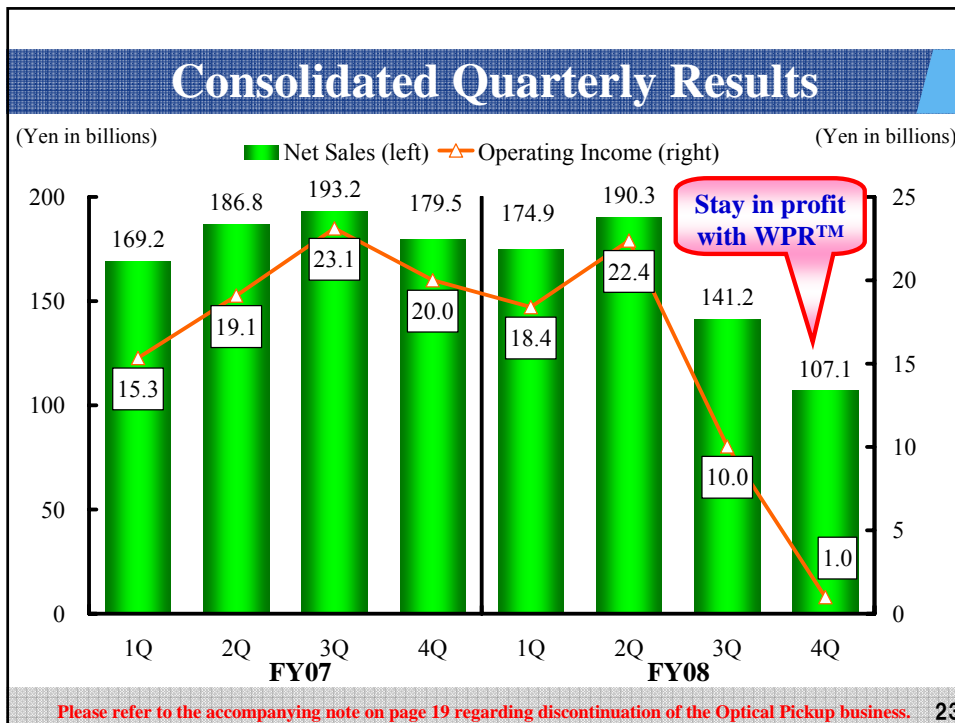
- 1) WPR and Double Profit Ratio™ were named by Mr. Shigenobu Nagamori of NIDEC CORPORATION based on his unique business management method in 2008.
- 2) WPR™ and Double Profit Ratio™ are trademarks of NIDEC CORPORATION in Japan.
- 3) WPR© Shigenobu Nagamori NIDEC CORPORATION 2008.
- 4) Double Profit Ratio© Shigenobu Nagamori NIDEC CORPORATION 2008

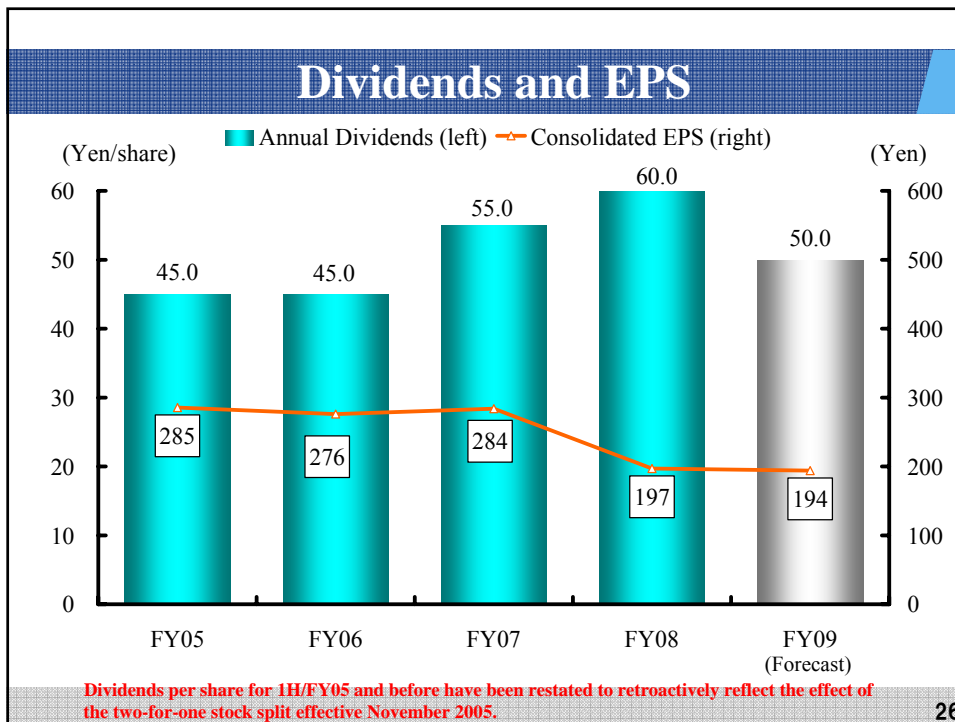
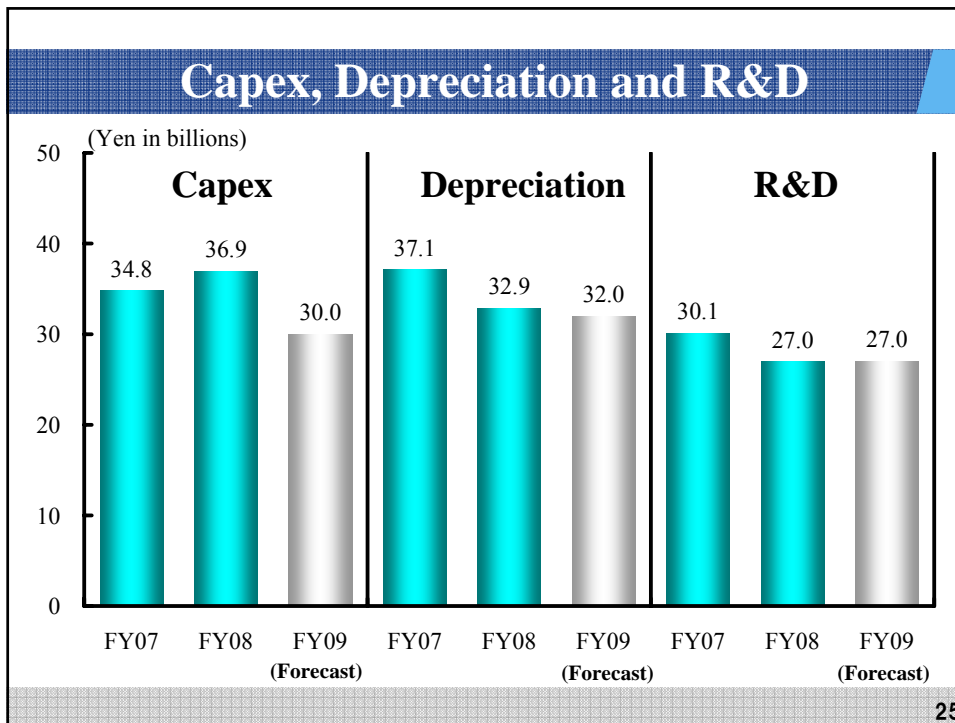
## Appendix

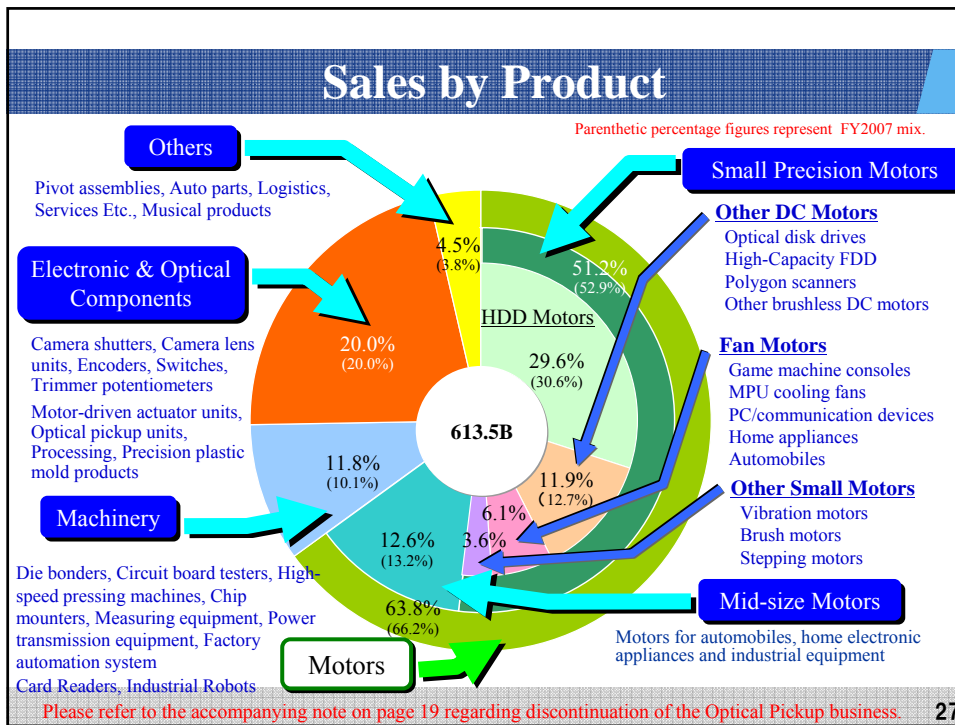
### Historical Results & Business Segment Information



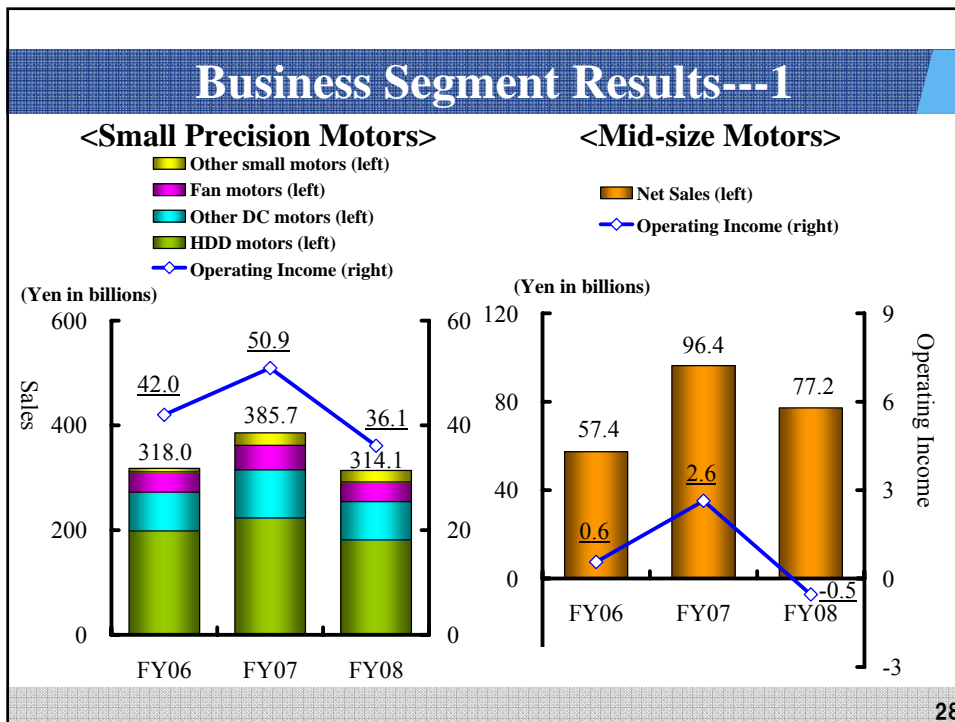






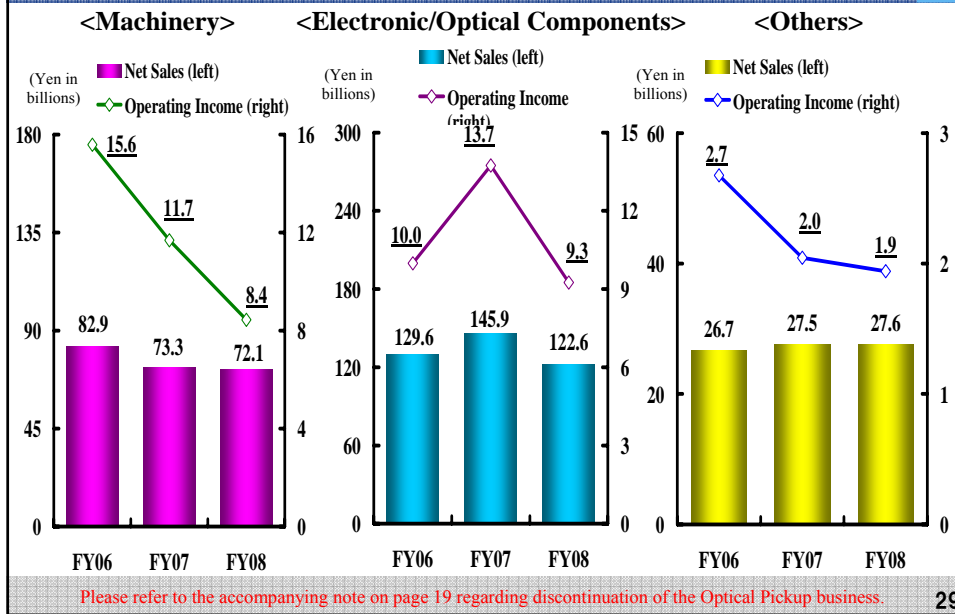


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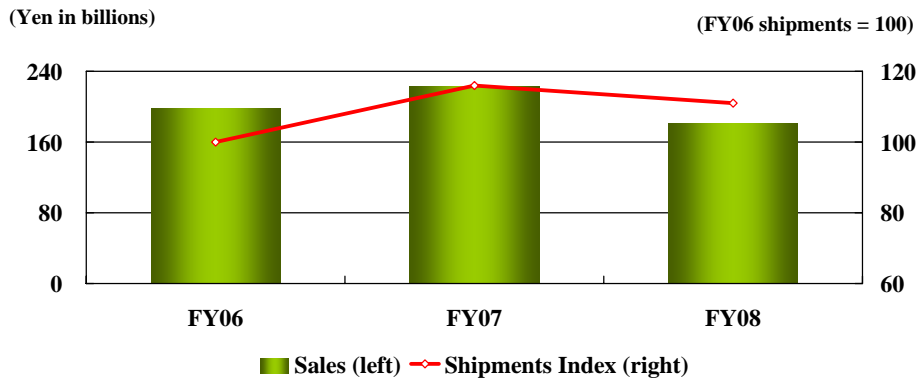
## Business Segment Results---2



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## HDD Motors: FY2008 Results

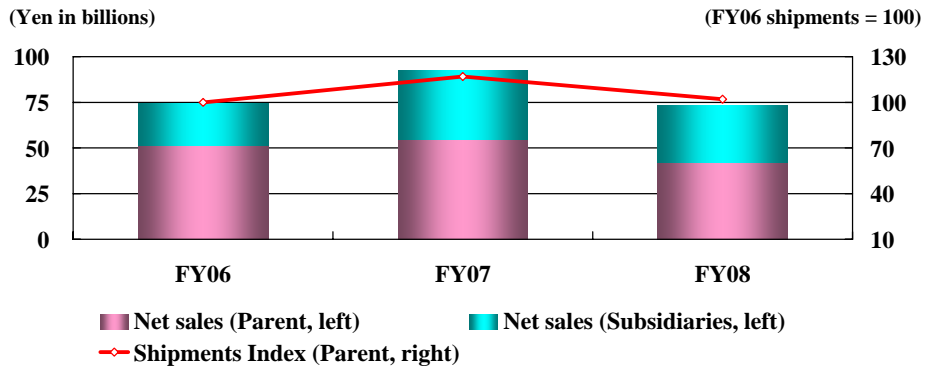
- Sales down 19% y/y, shipments down 5% y/y.
  - 12% yen appreciation against the U.S. dollar
  - Dollar-based ASP decline confined to 3%



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## Other DC Motors: FY2008 Results

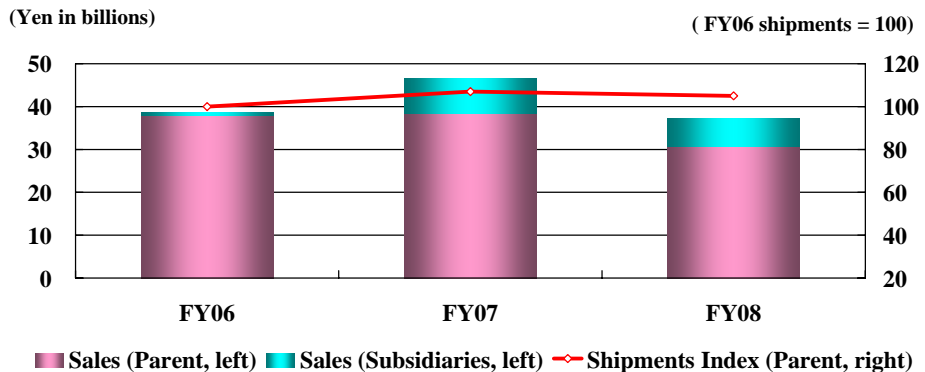
- Sales down 21% y/y.
  - Dollar-based sales down 9% y/y.
  - Nidec (Parent) sales down 23% y/y, with a comparatively moderate 13% decline in shipment.



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## Fan Motors: FY2008 Results

- Sales down 20% y/y.
  - Dollar-based sales down 8% y/y.
  - Nidec (Parent) sales down 21% y/y. Shipments settled at a modest 2% decline y/y.



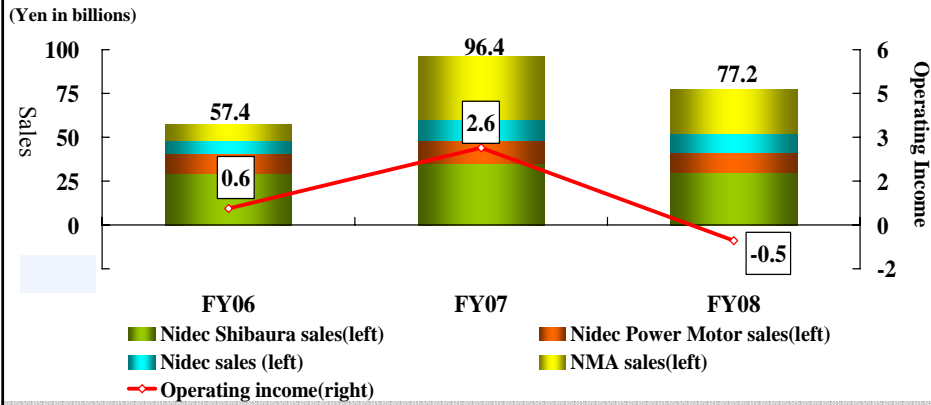
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## Mid-size Motors: FY2008 Results

■ Sales down 20% y/y.

- Automotive motor sales (EPS/NMA motors) down 25% y/y, owing in part to Yen's appreciation.
- Non-automotive motor sales (Home electronics/Industrial motors) down 15% y/y.

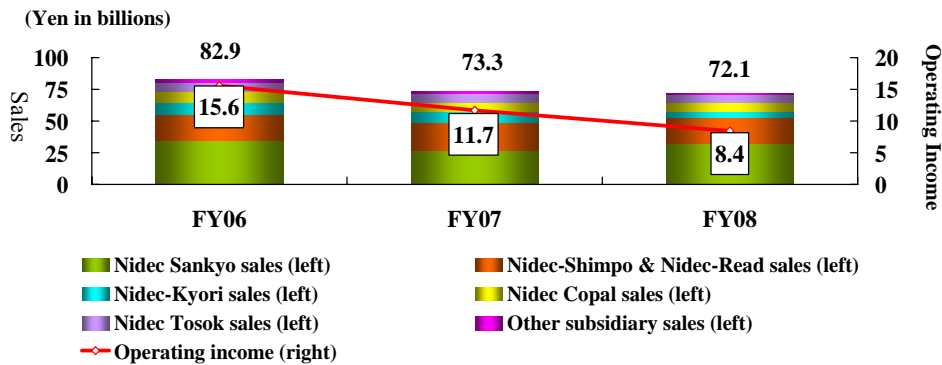


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## Machinery: FY2008 Results

■ Sales down slightly y/y. LCD substrate transfer robots back in line, mitigating overall sales decline.

- Nidec Sankyo sales up 20% y/y.
- Nidec-Kyori's press machines sales down 40% y/y.



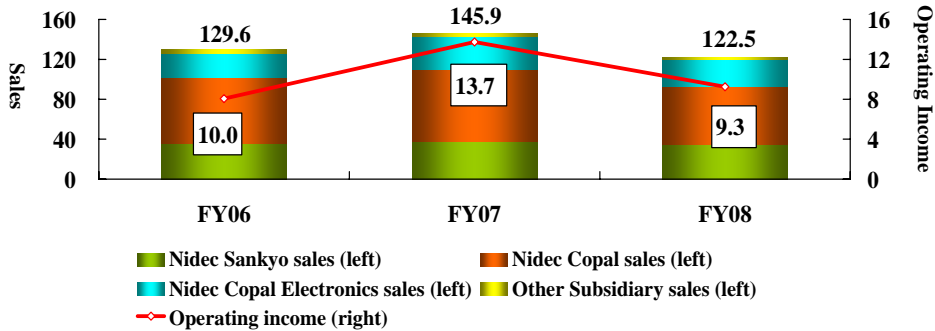
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## Electronic & Optical Components: FY2008 Results

■ Sales down 16% y/y.

- Nidec Sankyo home appliances sales down slightly y/y.
- Nidec Copal optical components sales down 21% y/y.

(Yen in billions)



Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business.

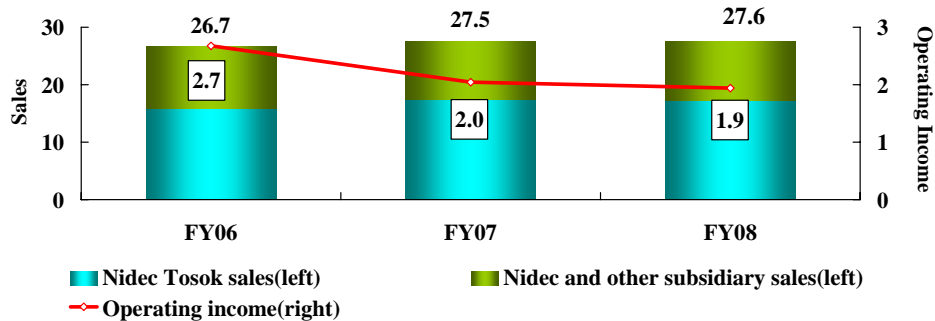
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## Others: FY2008 Results

■ Sales up slightly y/y.

- Nidec Tosok automotive parts sales leveled off y/y.

(Yen in billions)



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