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Nidec Corporation

Preliminary Report on Performance Values First Quarter of Fiscal Year 2025

Three Months Ended June 30, 2025



**One
Brand
All
Climates**



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 page features a new product that incorporates scroll compressor technology obtained through our acquisition of Xecom, now added to Embraco's product lineup. This will allow us to enter the air conditioning and heat pump market and strengthen our presence in the refrigerator field.

Preliminary Performance Information

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Billions of Yen, except for percentages, EPS and FX rates	Q1/FY2024	Q1/FY2025	Change	FY2025 Forecast
Net sales	648.2	637.9	-1.6%	2,600.0
Operating profit	60.1	61.5	+2.3%	260.0
<i>Operating profit ratio</i>	<i>9.3%</i>	<i>9.6%</i>	-	<i>10.0%</i>
Profit before income taxes	78.4	59.0	-24.8%	270.0
Profit attributable to owners of the parent	56.0	45.5	-18.7%	200.0
EPS (Yen)	48.72	39.70	-18.5%	174.47
FX rate (Yen/US\$)				<Assumed>
Average:	155.88	144.59	-7.2%	Yen/US\$: 140
Term end:	161.07	144.81	-10.1%	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 FY2025 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 FY2024, the fiscal year ended March 31, 2025.

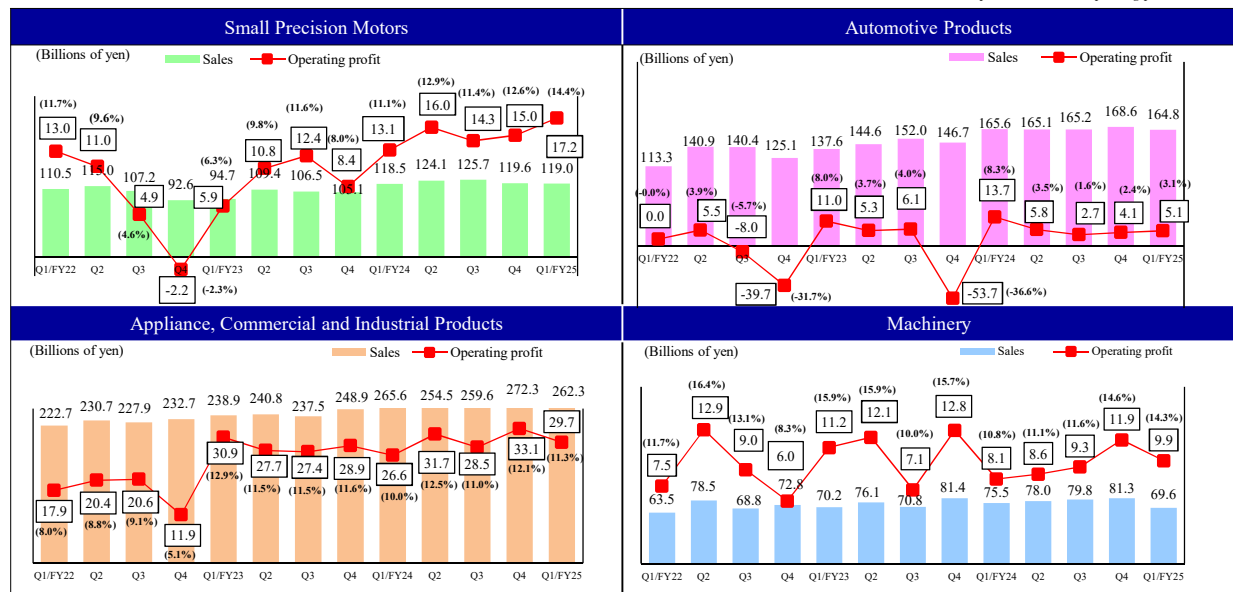
3

Product Group Overview

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Numbers inside parentheses refer to operating profit ratio.



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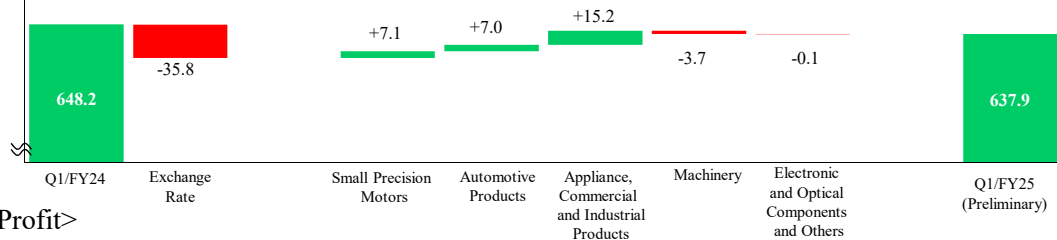
Year-on-Year Changes (Three Months Ended June 30, 2025)

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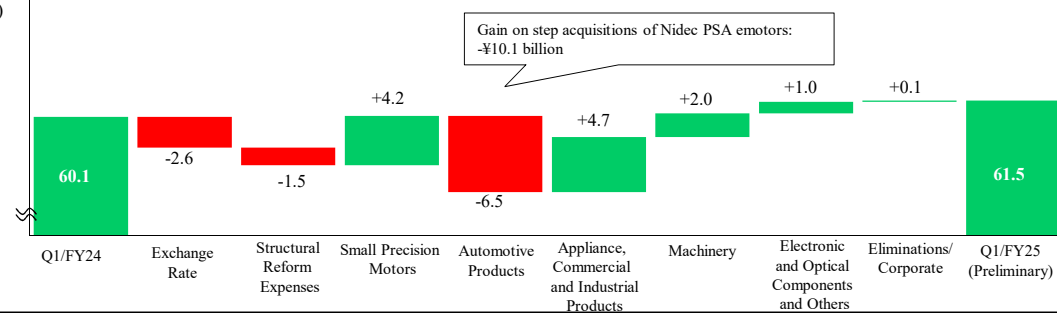
<Net Sales>

(Billions of Yen)



<Operating Profit>

(Billions of Yen)



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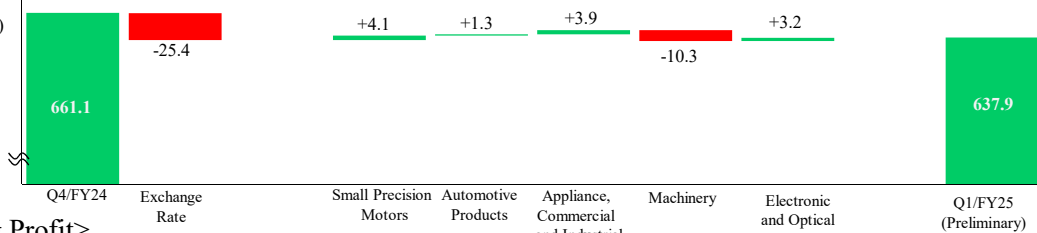
Quarter-on-Quarter Changes (Three Months Ended June 30, 2025)

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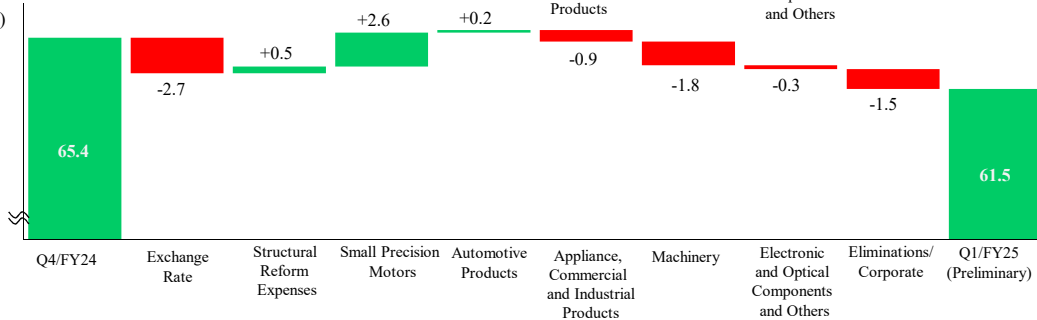
<Net Sales>

(Billions of Yen)



<Operating Profit>

(Billions of Yen)



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Free Cash Flow (Q1 Preliminary Report)

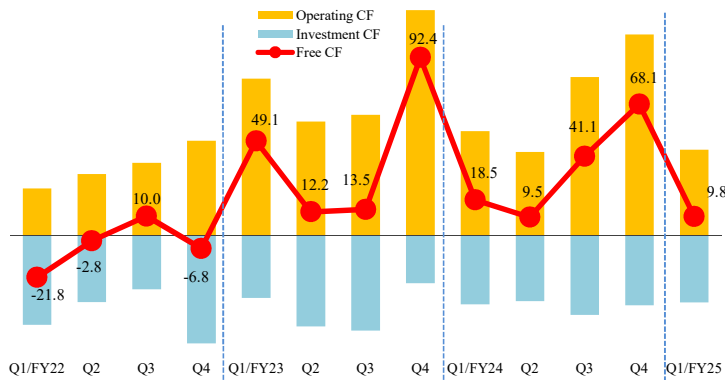
*The preliminary values in this document do not take into account the impact on the consolidated financial statements of the additional investigation currently ongoing regarding trade transaction issues and tariff issues at our consolidated subsidiaries and may be revised following the results of the additional investigation and the audit by the accounting auditor for the fiscal year ended March 31, 2025.



Aiming to enhance cash flow generating ability to maximize corporate value
(Balanced cash allocation to growth investment, shareholder return and interest-bearing debt control)

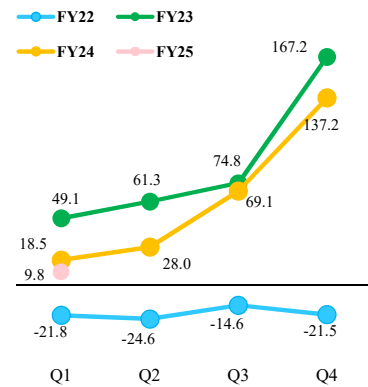
<Quarterly Results>

(Billions of yen)



<Cumulative Total>

(Billions of yen)



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Topics of Q1

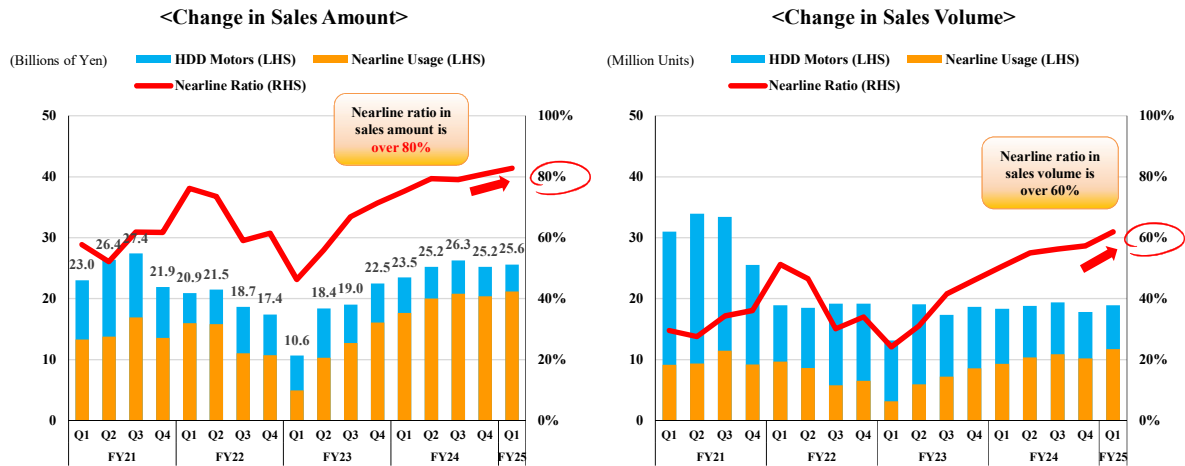
*The preliminary values in this document do not take into account the impact on the consolidated financial statements of the additional investigation currently ongoing regarding trade transaction issues and tariff issues at our consolidated subsidiaries and may be revised following the results of the additional investigation and the audit by the accounting auditor for the fiscal year ended March 31, 2025.

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Nidec's HDD Motors Product Mix Improvement



High selling price, high-value-added nearline product ratio is increasing, accounting for over 80% of sales by value



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Water Cooling Modules: Trial Operation of In-Row Type CDU for Full-Scale Introduction



Data center construction plans are increasing in Japan as well with the rise of AI, leading to a growing adoption of water cooling over conventional air cooling



MC Digital Realty NRT 12 data center located in Inzai, Chiba will start trial operation of Nidec's In-Row type CDU in August 2025.



Above photos depict In-Row type CDUs manufactured by Nidec which will achieve highly efficient IT infrastructure with its large-scale cooling system per data hall.

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M&A: Acquisition of Xecom, a Chinese Scroll Compressor Manufacturer



Expanding into new areas of air conditioning and heat pump markets driven by the acquisition of Xecom's scroll compressors in addition to Embraco's reciprocating compressors

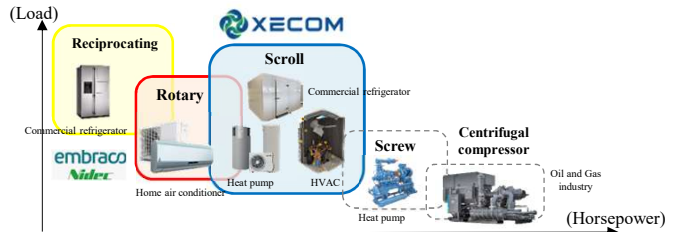
<Outline of the acquired company>

New Company Name	Nidec Scroll Technology (Changzhou) Co., Ltd. (Former Changzhou Xecom Energy Technologies Co., Ltd.)
Address	Floor 1, Building No. 2, No. 1 Xinsi Road, Xinbei District, Changzhou City, Jiangsu Province, China
Foundation	2021
New Director Chairman	Alberto Casnati
Principal Businesses	Design and production of high performance scroll compressors for air conditioning, heat pump and refrigeration
Number of employees	Approx. 75 as of December 2024
Net sales	RMB 123 million (approx. JPY 2.5 billion) for the fiscal year ended December 31, 2024

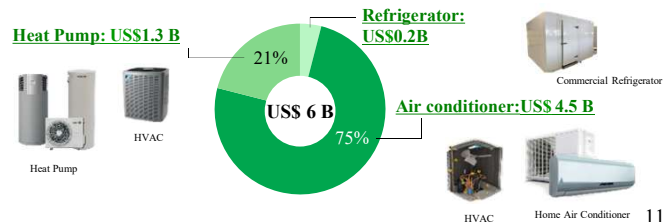
<Xecom's Product Portfolio>



<Relationship of Compressor Technology and Main Applications>



<Scroll Market By Application>



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New Mid-Term Management Plan Conversion 2027

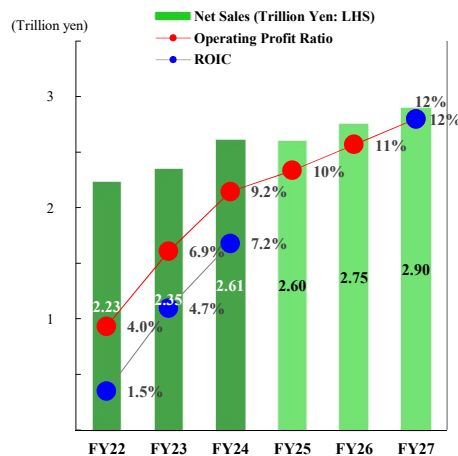
Mid-Term Management Plan (Goals and Policies) <Repost>



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

Aiming to improve profitability through drastic reform including business restructuring, site consolidation, personnel cuts, etc.

<Mid-Term Management Plan>



(Billion yen)	FY24 (Actual)	FY25 (Forecast)	FY26 (Forecast)	FY27 (Forecast)
Net Sales	2,607.1	2,600	2,750	2,900
Operating Profit	240.2	260	300	350
Operating Profit Ratio	9.2%	10%	11%	12%
ROIC	7.2%	• • •		12%

<Policy> Three “Conversions”

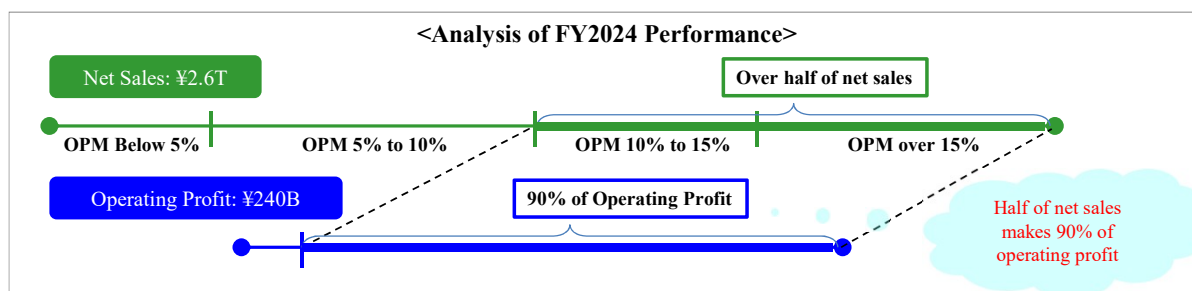
1. “Convert” to high profit structure
 - Business restructuring, reorganization, personnel cuts, etc.
 - Improve operation process, systematizing, digital transformation
2. “Convert” to 5 Business Pillars to support the future growth (planned for FY26)
 - Create a growth strategy across the boundaries of the businesses
 - Consolidate and reinforce our business based on functional axes such as technology and manufacturing
3. “Convert” to truly global system
 - Shift to global and lean organization including executive officer structure
 - Establish global headquarter functions in FY25

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“Convert” to High Profit Structure (Progress Update): ¥100 Billion Variable Cost Improvement



Reviewing non-profitable and non-core business as first step to cut ¥100 billion in variable cost



<Conversion2027 Corporate Policy>

- Sales with OPM Over 15% → Expansion
- Sales with OPM 10 to 15% → Expansion
- Sales with OPM 10% or lower → Downsizing
- Sales with OPM 5 to 10% → Downsizing
- Sales with OPM 5% or lower → Drastically downsizing/withdrawal

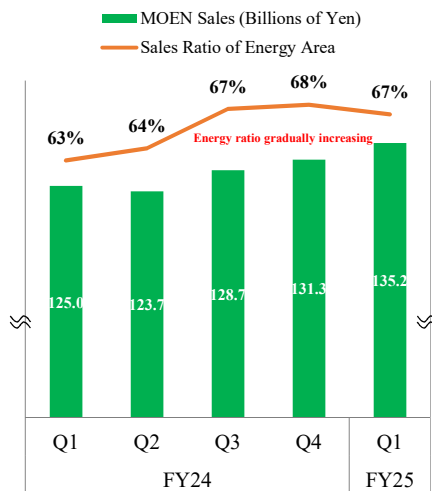
14

■ MOEN's High-Profit Energy Business: Tight Demand Lead by Alternators



High growth and profit energy area, a key driver for MOEN's growth contributing to company wide product mix improvement

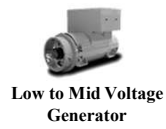
<Quarterly Sales of MOEN>



<Addressing the strong demand day and night for North American data centers>



Mid to High Voltage Generator



Low to Mid Voltage Generator



Data Center



Kishida on the Move in USA



Mankato Factory



Lexington Factory



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■ Five Business Pillars (Progress Update): Systematization of CTO Organization



Centralize CTO functions as per each five business pillars to share and solve common technical challenges

	Better Life	Sustainable Infrastructure and Energy	Base of AI Society	Efficient Manufacturing	Mobility Innovation
Business Head	Valter Taranzano (Currently head for Appliance and Automotive business)	Michael Briggs (Currently head for Motion and Energy business)	Yoshihisa Kitao (Currently head for Small Platform Motor & Solutions business)	Tatsuya Nishimoto (Currently head for Machinery and Automation business)	Mitsuya Kishida (Currently head for Automotive Motor & Electronic Control business)
Technology Head	Claudio de Pellegrini	Benoit Vincent	Yuji Tanaka Eiji Miyamoto	Kenji Hamanaka	Ryo Chijimatsu
Horizontal Cooperation Examples	<ul style="list-style-type: none"> Launched CTO Summit aiming to build a global technology collaboration framework <ul style="list-style-type: none"> 1) Share and utilize R&D knowledge, skills and resources 2) Organize CTO team with a thorough knowledge of technology and businesses of five business pillars Nidec Product Technology R&D Center located in Shin Kawasaki and Nidec Center for Production Technology R&D located in Keihanna actively participate in company-wide important projects <ul style="list-style-type: none"> 1) Fundamental research and applied research contributing to problem solving for businesses 2) Acquisition of international standard certification and adoption of PLM* for product development and improvement of design quality 				
	(Simplifying and streamlining all-company organization such as CFO and CHRO functions)				

*PLM: Product Lifecycle Management

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Strengthening Global Headquarters



Kazuya Murakami has taken office as the new Chief Legal Officer and Vice President in charge of Legal & Compliance Department

<Before>

Representative Director and President (CEO CSO)	Mitsuya Kishida
First Senior Vice President (CM&AO)	Takamitsu Araki
First Senior Vice President (CTO)	Michio Kaida
Senior Vice President (CFO)	Akinobu Samura
Senior Vice President (CMO)	Toru Takahashi
Vice President (CDO)	Takaaki Onishi
Vice President (CHRO)	Masayuki Minai
Other Vice Presidents in each layer	9 people (incl. 2 foreign officers)
Total 16 people	

<After the change on July 1st, 2025>

Representative Director and President (CEO CSO)	Mitsuya Kishida
First Senior Vice President (CM&AO)	Takamitsu Araki
First Senior Vice President (CTO)	Michio Kaida
Senior Vice President (CFO)	Akinobu Samura
Senior Vice President (CMO)	Toru Takahashi
Vice President (CDO)	Takaaki Onishi
Vice President (CHRO)	Masayuki Minai
Vice President (CLO)	Kazuya Murakami
Other Vice Presidents in each layer	9 people (incl. 2 foreign officers)
Total 17 people	

<Establishment of Chief Legal Officer position>

Building a worldwide legal network to strengthen Nidec group's legal and compliance system and achieve truly global headquarters.

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Japan Tel: +81-75-935-6140 E-mail: ir@nidec.com
U.S. and EMEA Tel: +1-229-299-1913 E-mail: endo.takashi2@nidec.com

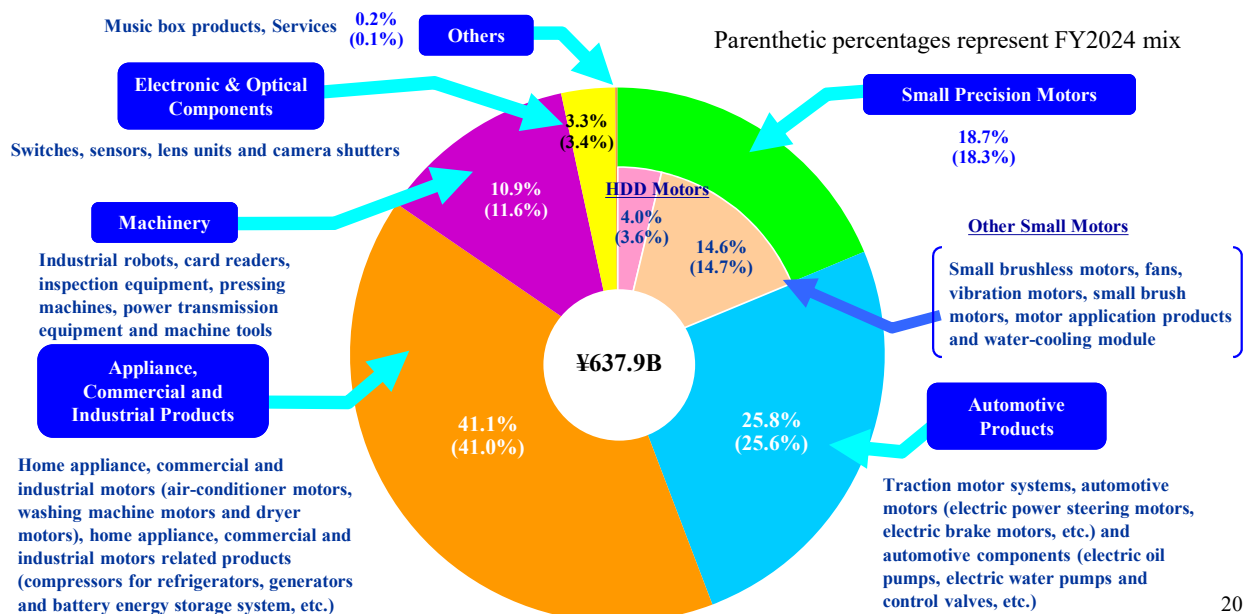
Nidec logo is a registered trademark or a trademark of Nidec Corporation in Japan, the United States and/or certain other countries.
"All for dreams" logo is a registered trademark of Nidec Corporation in Japan, and a trademark in the United States and/or certain other countries.

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Performance Trends & Product Group Overview

Sales by Product Group (Apr-Jun FY2025)

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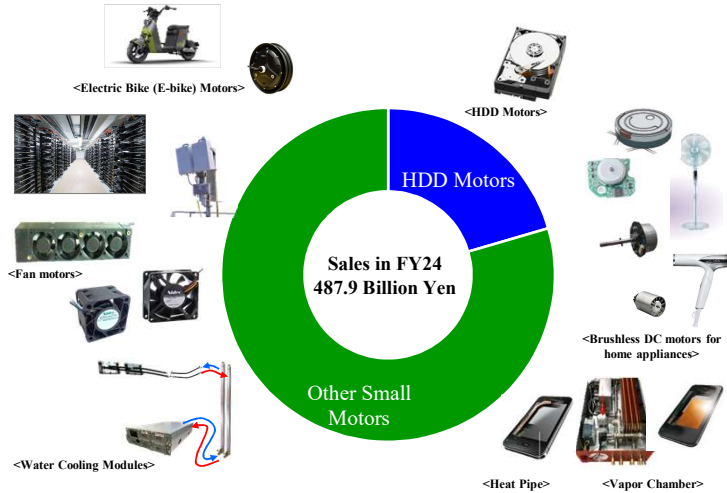
Small Precision Motors: Sub-Segment Performance and Year-on-Year Changes

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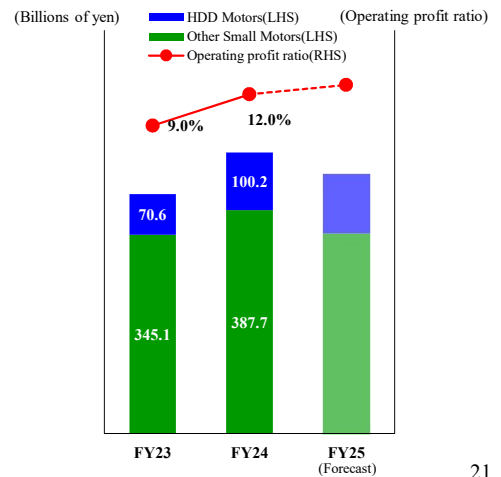


While the demand for IT-related products is slow,
new business shoots are emerging in the areas of generative AI and data center

<Sales by sub-segments of Small Precision Motors>



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



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

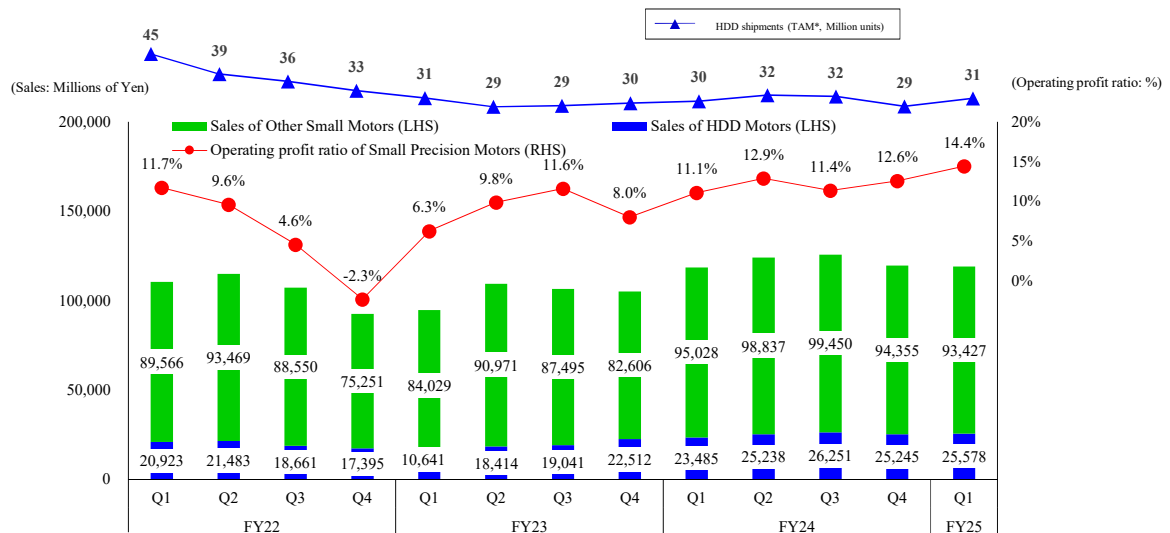
21

Small Precision Motors: Quarterly Performance

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Strongly promoting initiatives to sow the seeds for mid-term growth and transform business portfolio



*TAM: Total Addressable Market

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

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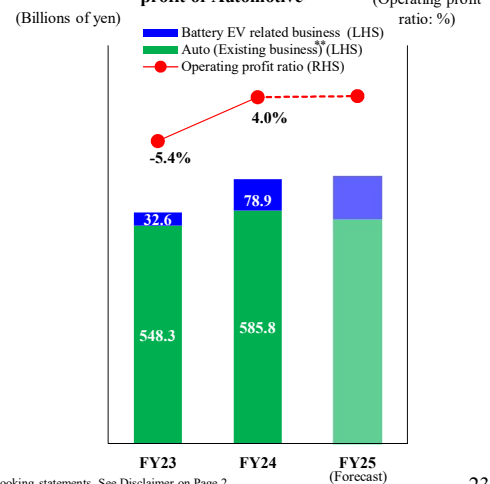


Aiming to become No.1 automotive system company
by anticipating the strong electrification demand boosted by CASE* mobility trends

<Sales portfolio of Automotive business>



<Changes of sales and operating profit of Automotive>



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

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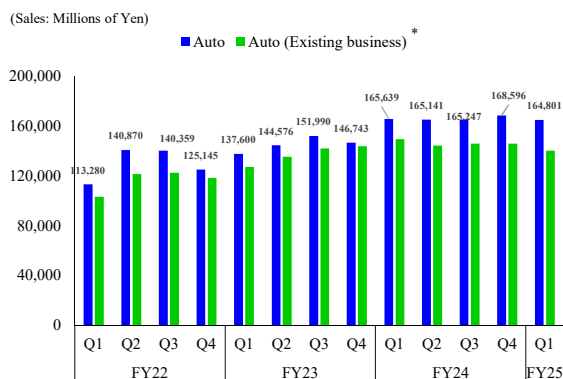
Automotive: Quarterly Performance

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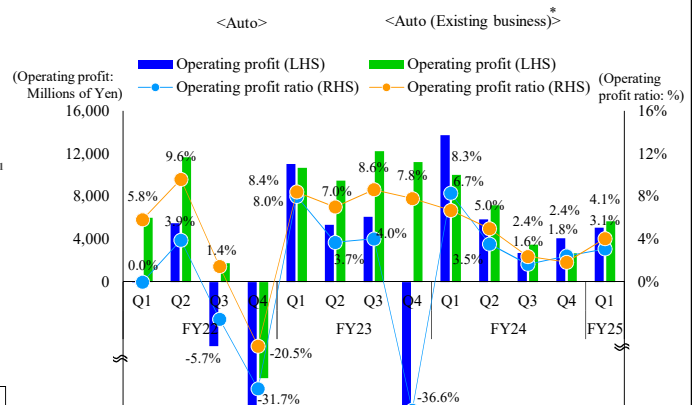


Laying a groundwork for improving and strengthening profit structure
after the structural reform in FY23

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



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

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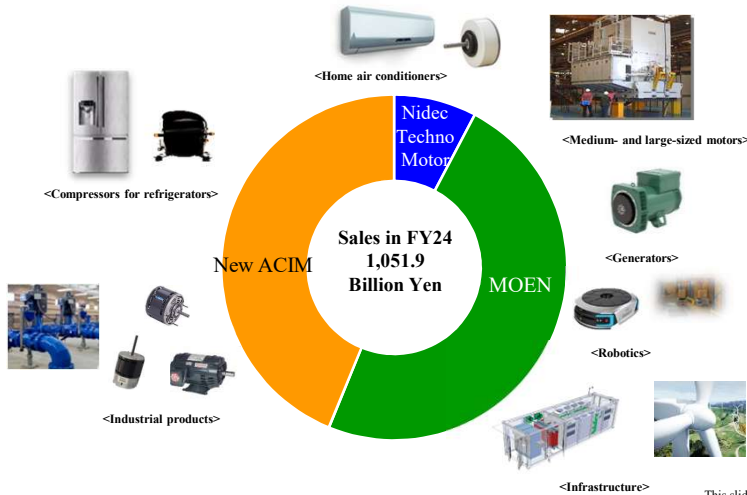
■ Appliance, Commercial and Industrial: Sub-Segment Performance and Changes

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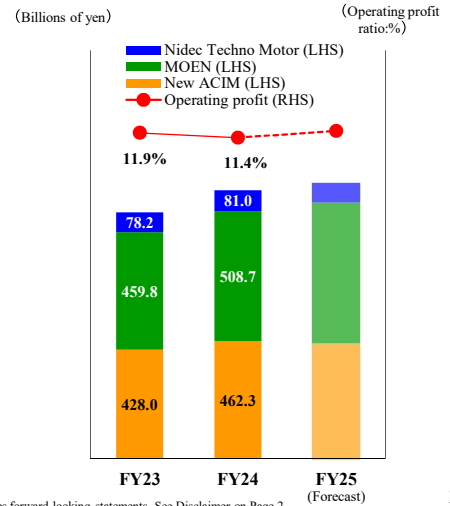


The growth drivers of New ACIM and MOEN enable Appliance, Commercial and Industrial to aim for OPM of 15% going forward after solidified double-digit OPM

<Sales portfolio of Appliance, Commercial and Industrial>



<Changes of sales and operating profit of Appliance, Commercial and Industrial>



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

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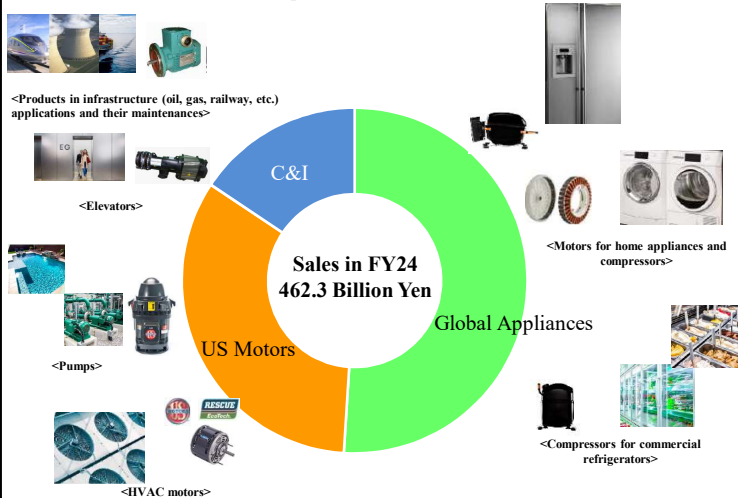
■ Appliance, Commercial and Industrial: New ACIM Sales Breakdown and Performance Changes

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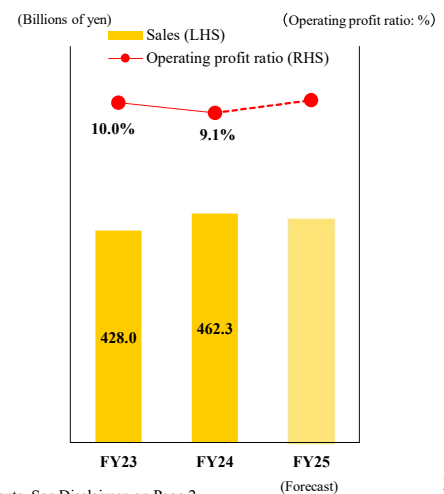


While global home appliance market downturn still continues, we focus on improving profitability with strengthening operation

<Sales portfolio of New ACIM>



<Changes of sales and operating profit of New ACIM>



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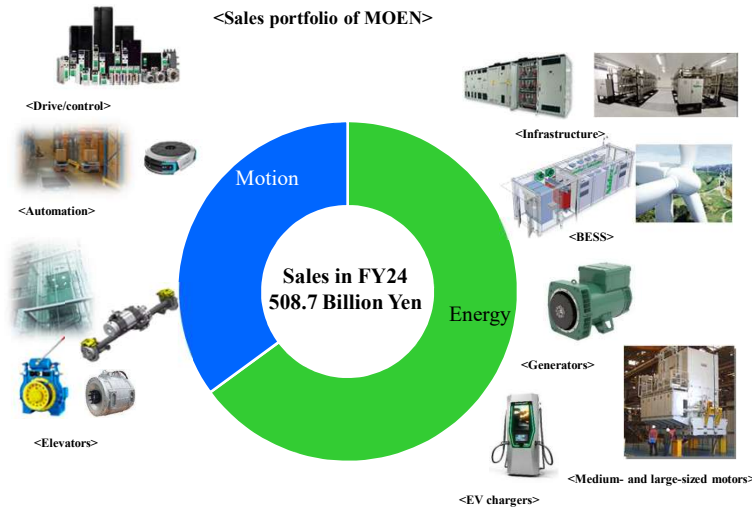
26

Appliance, Commercial and Industrial: MOEN Sales Breakdown and Performance Changes

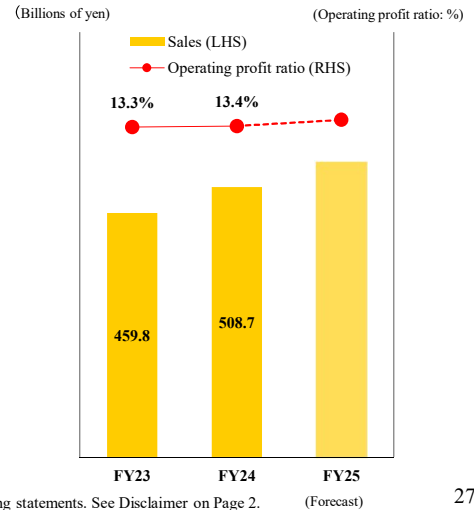
*The preliminary values in this document do not take into account the impact on the consolidated financial statements of the additional investigation currently ongoing regarding trade transaction issues and tariff issues at our consolidated subsidiaries and may be revised following the results of the additional investigation and the audit by the accounting auditor for the fiscal year ended March 31, 2025.



Demand for industrial and infrastructure related products remain robust.
We aim to achieve steady improvement of profitability



<Changes of sales and operating profit of MOEN>



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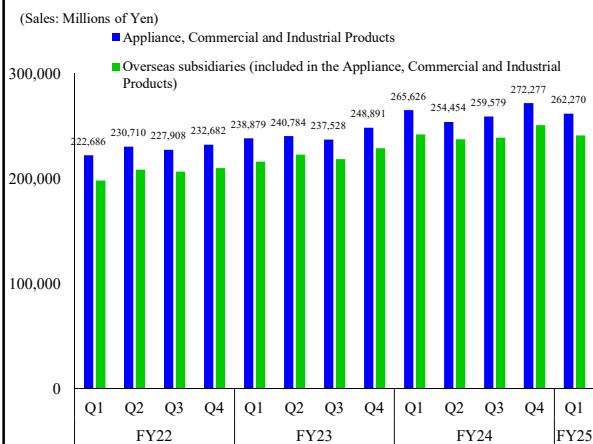
Appliance, Commercial and Industrial: Quarterly Performance

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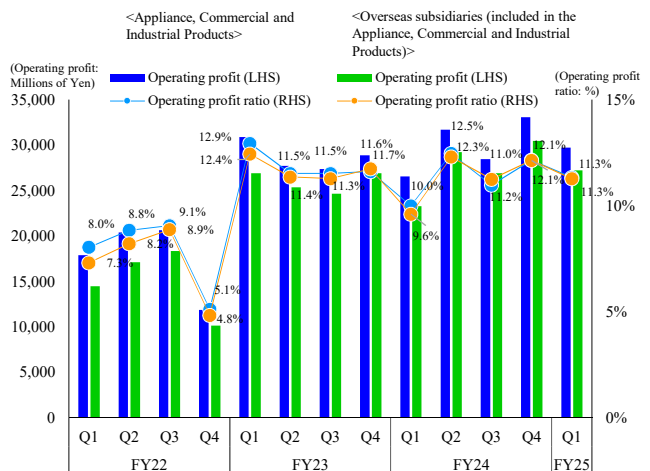


Profitability improved with a tailwind from generator and green energy markets

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



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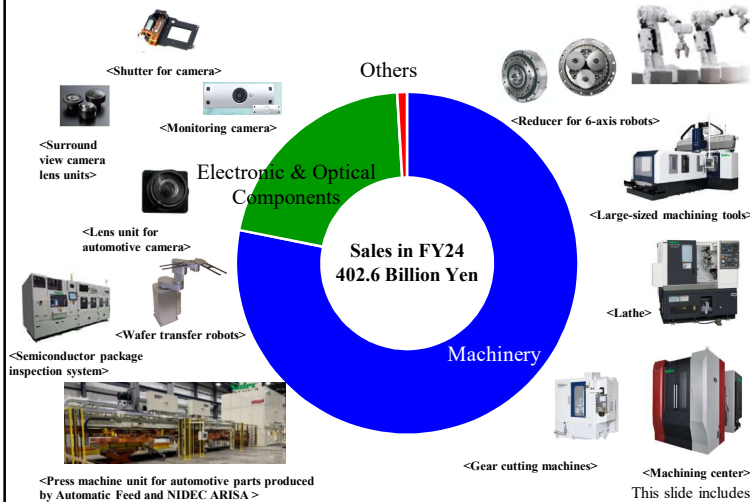
Other Product Group: Segment Performance and Changes

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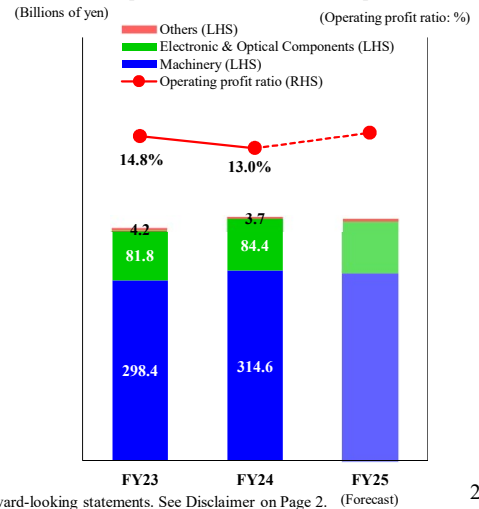


Launching Machinery and Automation Business Unit in FY23
handling reducers, press machines and machine tools to drive the growth of machinery business

<Sales portfolio of Other Product Group>



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



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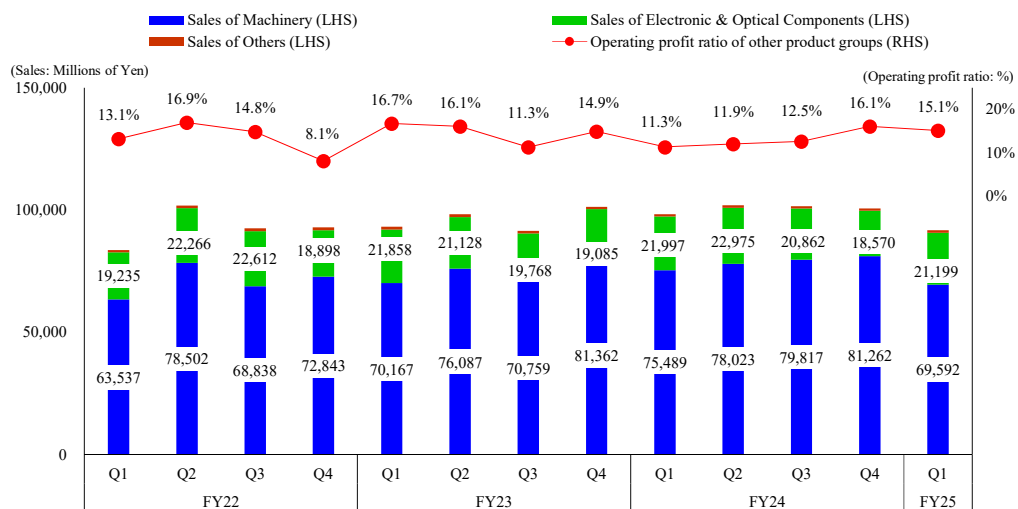
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Other Product Group: Quarterly Performance

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



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Consolidated Quarterly Net Sales and Operating Profit

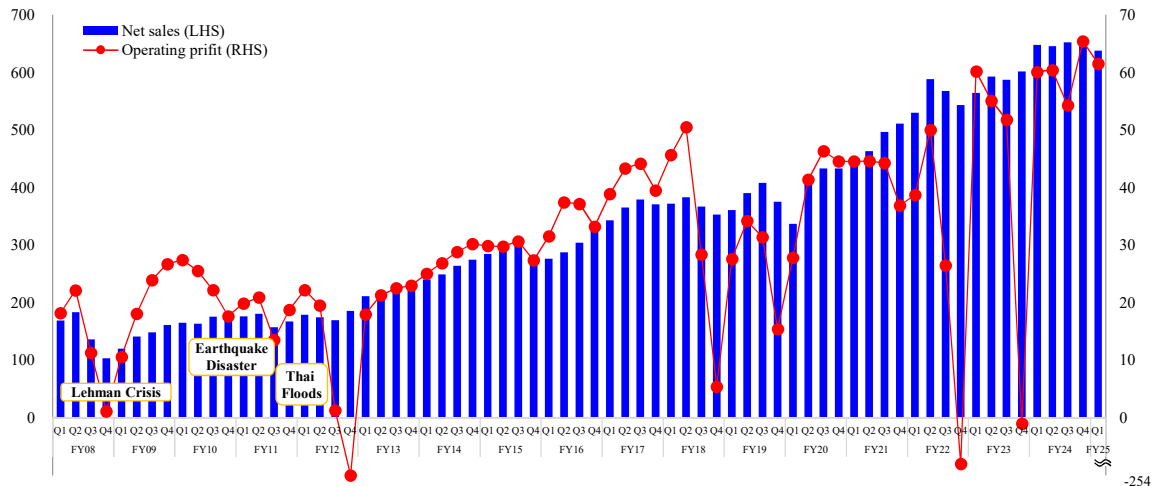
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Aiming to improve profitability after structural reform in FY23

(Net sales in Billions of Yen)

(Operating profit in Billions of Yen)



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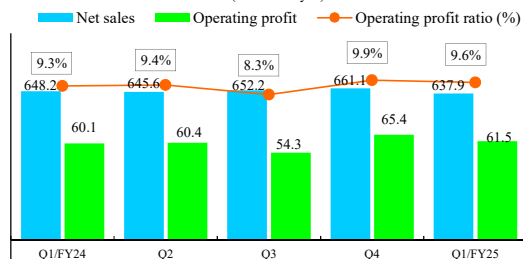
Highlights of Preliminary Report

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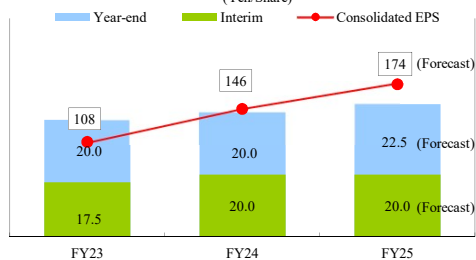
<Consolidated Net Sales and Operating Profit>

(Billions of yen)



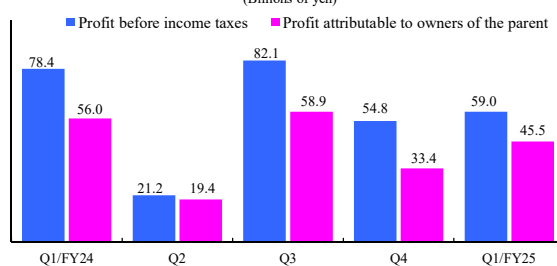
<Dividends and EPS>

(Yen/Share)



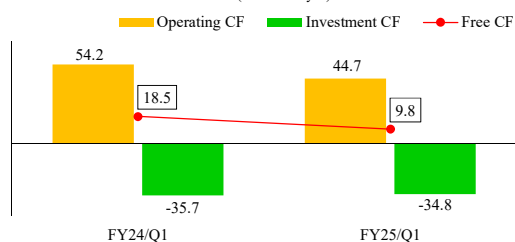
<Profit Before Income Taxes and Profit Attributable to Owners of the Parent>

(Billions of yen)



<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 FY2023, the year ended March 31, 2024.

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■ Sales By Region and Geographic Segment

*The preliminary values in this document do not take into account the impact on the consolidated financial statements of the additional investigation currently ongoing regarding trade transaction issues and tariff issues at our consolidated subsidiaries and may be revised following the results of the additional investigation and the audit by the accounting auditor for the fiscal year ended March 31, 2025.



Sales by region and geographic segment for Q1, the three-month period from April 1 to June 30, 2025 are as follows.

	Sales by Geographic Segment		Sales by Region	
	Amounts (million yen)	Composition ratio (%)	Amounts (million yen)	Composition ratio (%)
Japan	95,539	15.0%	62,885	9.9%
China	134,059	21.0%	133,906	21.0%
Other Asia	84,766	13.3%	103,186	16.2%
U.S.A.	144,624	22.7%	124,744	19.5%
Europe	154,426	24.2%	150,227	23.5%
Others	24,485	3.8%	62,951	9.9%
Total	637,899	100.0%	637,899	100.0%

1. Sales by geographic segment are classified by domicile of the seller, and the figures exclude intra-segment transactions.

2. Sales by region are classified by domicile of the buyer, and the figures exclude intra-segment transactions.

3. Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : France, Germany, Italy

Others : Brazil, Mexico, Canada