Summary of 1H/FY06

- Record Sales, Operating Income, Income before Tax and Net Income
- Sales Up Y/Y in All Business Segments
- HDD Motors Up 21-22% Y/Y both in Sales and Shipment
- Interim Dividends Up 60% Y/Y to 20 Yen per Share
### Sales by Product

- **HDD Motors**
  - 4.3% (29.8%)
  - 50.9% (29.8%)
  - 31.0% (29.8%)
  - 12.3% (13.2%)
  - 22.9% (24.7%)
- **Motors**
  - 23.8% (23.2%)
  - 6.4% (7.4%)
  - 7.4% (6.8%)
- **Mid-size Motors**
- **Small Precision Motors**
- **Other Small Motors**
- **Other DC Motors**
- **Electric & Optical Components**
- **Electronic & Optical Components**
- **Machinery**
- **Others**

Parenthetic percentage figures represent 1H/FY2005 mix.

### Profit/Loss

<table>
<thead>
<tr>
<th>(Yen in millions)</th>
<th>1H/FY05</th>
<th>1H/FY06</th>
<th>Change</th>
<th>FY06 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>256,174</td>
<td>299,837</td>
<td>+17.0%</td>
<td>580,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>25,078</td>
<td>32,046</td>
<td>+27.8%</td>
<td>65,000</td>
</tr>
<tr>
<td>OP Margin</td>
<td>9.8%</td>
<td>10.7%</td>
<td></td>
<td>11.2%</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>30,187</td>
<td>32,661</td>
<td>+8.2%</td>
<td>65,000</td>
</tr>
<tr>
<td>Net Income</td>
<td>20,401</td>
<td>20,776</td>
<td>+1.8%</td>
<td>40,000</td>
</tr>
<tr>
<td>EPS</td>
<td>142.83</td>
<td>143.65</td>
<td>+0.6%</td>
<td>276.55</td>
</tr>
<tr>
<td>FX (Yen/US$) Ave.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average---</td>
<td>109.48</td>
<td>115.38</td>
<td>+5.4%</td>
<td></td>
</tr>
<tr>
<td>Term-end---</td>
<td>113.19</td>
<td>117.90</td>
<td>+4.2%</td>
<td></td>
</tr>
</tbody>
</table>

Y/Y Impact of FX Rate Change:

FX gain decreased by 3.8 billion Yen
Consolidated Income Before Tax

(Yen in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-year</th>
<th>1st-half</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>10.9</td>
<td>5.3</td>
</tr>
<tr>
<td>FY03</td>
<td>19.6</td>
<td>9.6</td>
</tr>
<tr>
<td>FY04</td>
<td>57.3</td>
<td>27.4</td>
</tr>
<tr>
<td>FY05</td>
<td>64.4</td>
<td>30.2</td>
</tr>
<tr>
<td>FY06</td>
<td>65.0</td>
<td>32.7</td>
</tr>
</tbody>
</table>

Consolidated Net Income

(Yen in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-year</th>
<th>1st-half</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>10.7</td>
<td>5.0</td>
</tr>
<tr>
<td>FY03</td>
<td>16.1</td>
<td>8.4</td>
</tr>
<tr>
<td>FY04</td>
<td>33.5</td>
<td>16.0</td>
</tr>
<tr>
<td>FY05</td>
<td>40.9</td>
<td>20.4</td>
</tr>
<tr>
<td>FY06</td>
<td>40.0</td>
<td>20.8</td>
</tr>
</tbody>
</table>
Business Segment Results---1
<Small Precision Motors, Mid-size Motors>

**Small Precision Motors**
- Other small motors (left)
- Fan motors (left)
- Other DC Motors (left)
- HDD Motors (left)
- Operating income (right)

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>17.0</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>130.4</td>
<td>152.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Mid-size Motors**

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>18.0</td>
<td>22.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Business Segment Results---2
<Machinery, Electronic & Optical Components, Others>

(Yen in billions)

**Machinery**
- Net sales (left)
- Operating income (right)

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4.4</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>43.7</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Electronic/Optical Components**
- Net sales (left)
- Operating income (right)

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>63.2</td>
<td>68.5</td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>4.4</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Others**
- Net sales (left)
- Operating income (right)

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10.7</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>0.9</td>
<td>1.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Consolidated Quarterly Results**

(Yen in billions)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net sales</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q/05</td>
<td>122.5</td>
<td>9.6</td>
</tr>
<tr>
<td>2Q/05</td>
<td>133.7</td>
<td>15.5</td>
</tr>
<tr>
<td>3Q/05</td>
<td>136.7</td>
<td>15.0</td>
</tr>
<tr>
<td>4Q/05</td>
<td>144.0</td>
<td>13.3</td>
</tr>
<tr>
<td>1Q/06</td>
<td>145.8</td>
<td>15.0</td>
</tr>
<tr>
<td>2Q/06</td>
<td>154.0</td>
<td>17.0</td>
</tr>
</tbody>
</table>

**Consolidated Cash Flow**

(Yen in billions)

<table>
<thead>
<tr>
<th>Half Year</th>
<th>Operating Activities</th>
<th>Investment Activities</th>
<th>Free Cash Flow (Operating CF + Investment CF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H/04</td>
<td>16.8</td>
<td>-21.5</td>
<td>4.7</td>
</tr>
<tr>
<td>2H/04</td>
<td>27.5</td>
<td>-24.4</td>
<td>3.2</td>
</tr>
<tr>
<td>1H/05</td>
<td>23.6</td>
<td>-19.7</td>
<td>4.0</td>
</tr>
<tr>
<td>2H/05</td>
<td>32.3</td>
<td>-24.3</td>
<td>8.0</td>
</tr>
<tr>
<td>1H/06</td>
<td>29.6</td>
<td>-24.2</td>
<td>5.5</td>
</tr>
</tbody>
</table>
Capex, Depreciation and R&D

FY2006 Forecast

<table>
<thead>
<tr>
<th>(Yen in millions)</th>
<th>1H Forecast</th>
<th>1H Results</th>
<th>Full-year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>280,000</td>
<td>299,837</td>
<td>580,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>30,000</td>
<td>32,046</td>
<td>65,000</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>30,000</td>
<td>32,661</td>
<td>65,000</td>
</tr>
<tr>
<td>Net Income</td>
<td>18,500</td>
<td>20,776</td>
<td>40,000</td>
</tr>
<tr>
<td>EPS</td>
<td>127.92</td>
<td>143.65</td>
<td>276.55</td>
</tr>
<tr>
<td>FX (Yen/US$) Ave.</td>
<td>115.00</td>
<td>115.38</td>
<td>115.00</td>
</tr>
</tbody>
</table>
## Dividends and EPS

![Graph showing dividends and EPS from FY02 to FY06.](image)

*Dividends per share for 1H/FY05 and before have been restated to retroactively reflect the effect of the two-for-one stock split effective November 2005.*

## Consolidated Subsidiaries

### -Results and Forecasts-

<table>
<thead>
<tr>
<th>(Yen in millions)</th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H/05 Results</td>
<td>1H/06 Results</td>
<td>Full-year Forecasts</td>
</tr>
<tr>
<td>Nidec Sankyo</td>
<td>59,515</td>
<td>58,043</td>
<td>125,000</td>
</tr>
<tr>
<td>Nidec Copal</td>
<td>29,081</td>
<td>40,113</td>
<td>75,000</td>
</tr>
<tr>
<td>Nidec Tosok</td>
<td>13,140</td>
<td>11,753</td>
<td>24,500</td>
</tr>
<tr>
<td>Nidec Copal Electronics</td>
<td>11,611</td>
<td>12,203</td>
<td>24,500</td>
</tr>
<tr>
<td>Nidec-Read</td>
<td>2,952</td>
<td>4,277</td>
<td>7,500</td>
</tr>
<tr>
<td>Total</td>
<td>116,299</td>
<td>126,389</td>
<td>256,500</td>
</tr>
</tbody>
</table>

*All numbers in the above table have been prepared under the generally accepted accounting standard in Japan.*
Business Segment Information

- Small Precision Motors
- HDD Motors
- Other DC Motors
- Fan Motors
- Mid-size Motors
- Machinery
- Electronic & Optical Components
- Others

HDD Motors: Results

- **Record Sales and Shipments**
  - □ Strong sub-2.5” demand
  - □ Up 21-22% Y/Y both in sales and shipment

![Graph showing HDD Motors Sales and Shipments](image-url)
HDD Motors: Strategy-1

HDD Market

(Source: TSR, October 25, 2006)

Consolidation of customers
Sub-2.5" market expansion
PMR in broader use

Active investment for

→ Production capacity increase
→ In-house production increase
→ Automatization

Market Share Growth
Vertical Integration
Quality Enhancement

Units in millions

Enterprise 3.5" 2.5" Sub-1.8"

2007 (Forecast)

CY05 CY06 CY07

Up 29%
Up 24%

HDD Motors: Strategy-2

Large-scale Capacity Building 45 million units/month

New R&D Facility

PMR HDD Motor
Volume production at Rangsit factory
Sintered-alloy-metal FDB Motor
A broader lineup for multi-platter and enterprise HDD
Other DC Motors: Results

**Record Sales and Shipments**

- Market share growth driven by new ODD motor lines
- Sales increase led by OA equipment motors and Standard-type motors

(Yen in billions)

- Net sales<Parent> (left)
- Net sales<Subsidiaries> (left)
- Shipment index<Parent> (right)

(1H/04 = 100)

Other DC Motors: Strategy

3-New Strategy (Customer, Product, Market)

**ODD**
Blu-Ray, HD-DVD, DVD, Car-navigation system, Camcorder, Game machine

**OA Equipment**
High-end home appliance
OA/Industrial equipment
Retail channel development
Nidec & Nidec Copal Electronics

DC Motor Sales (Parent-alone)

(Yen in billions)

- ODD
- OA
- Standard Type

Up 45%

New model 60% smaller and lighter

Current model

New 42M model

Standard-type brushless motors
Fan Motors: Results

- **Record Sales and Shipments**
  - Sales advanced in the digital AV market
  - Extended reach to worldwide PC makers

![Graph showing sales and shipment index from 1H/04 to 1H/06](graph)

Sales (left) vs. Shipment index (right)

Fan Motors: Strategy

**New Product Rollouts**

- **New standard-type FANs**
  - 21 new models

![Image of mass production ramp-up at new factory in Vietnam](image)

**Sales Promotion**
- New U.S. customers
- Target application (PC, Server, Amusement applications)
Mid-size Motors: Results

- **Back to Profit Driven by Higher Sales and Lower Costs**
  - Record sales led by Nidec Shibaura’s home electric appliance motors
  - Successful production shift to China

(Mid-size Motors: Results Graph)

Machinery: Results

- **Record Sales and Operating Income**
  - Sales Up 29% and Operating Income Up 95% Y/Y
  - Strong demand for Nidec Sankyo LCD transfer robots and Nidec-Read semiconductor package testers

(Machinery: Results Graph)
Mid-size Motors, Machinery: Strategy

Mid-size Motors

- **Sales Drive with VMA:**
  - √ Electric Power Steering
  - √ Hybrid Car Motors

- **Profit Improvement of Home Electric Appliance Motors and Industrial Equipment Motors**
  - √ Brushless motor sales expansion
  - √ Production boost in China

Machinery

- **Production Increase of Industrial Robots**
  - √ Semiconductor Wafer Transfer Robot
  - √ Nidec Sankyo’s New factory launch in Japan

- **Sales Drive in Semiconductor Manufacturing Equipment**
  - √ Nidec-Read’s PCB Tester

Electronic & Optical Components: Results

- **Sales Hit Record High. 2Q Operating Income Improved.**
  - √ Optical components for DSC and cellphone drove sales growth
  - √ Yield improvement expected in the 2H/FY06

(Yen in billions)

<table>
<thead>
<tr>
<th></th>
<th>1H/04</th>
<th>2H/04</th>
<th>1H/05</th>
<th>2H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nidec Sankyo sales (left)</td>
<td>65.0</td>
<td>63.5</td>
<td>63.2</td>
<td>65.6</td>
<td>68.5</td>
</tr>
<tr>
<td>Nidec Copal sales (left)</td>
<td>6.8</td>
<td>5.6</td>
<td>5.3</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Nidec Copal Electronics sales (left)</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Others subsidiary sales (left)</td>
<td>65.0</td>
<td>63.5</td>
<td>63.2</td>
<td>65.6</td>
<td>68.5</td>
</tr>
</tbody>
</table>

Consolidated operating income (right)
### Others: Results

**Record Sales**
- Steady demand for HDD pivot assemblies
- OPM improved to 12% from 9% of 1H/FY05

(Yen in billions)

<table>
<thead>
<tr>
<th></th>
<th>1H/04</th>
<th>2H/04</th>
<th>1H/05</th>
<th>2H/05</th>
<th>1H/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nidec Tosok sales</td>
<td>10.9</td>
<td>11.3</td>
<td>10.7</td>
<td>12.6</td>
<td>12.8</td>
</tr>
<tr>
<td>Nidec and other subsidiary sales</td>
<td>1.2</td>
<td>1.5</td>
<td>0.9</td>
<td>1.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Consolidated operating income</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Electronic & Optical Components, Others: Strategy

#### Electronic & Optical Components
- **Lens Units for DSC and Cellphone:**
  - Profit improved through production expansion
- **New Product in Optical Pickups:**
  - Market share expansion in the half-height combo drive market
- **Industrial Switches**
  - Market share expansion via Nidec Copal Electronics’ acquisition of Fujisoku

#### Others
- **Automotive Parts**
  - Production expansion of CVT control valve
  - Capacity expansion at Nidec Tosok (Vietnam) Corp.
- **HDD Pivot Assemblies**
  - Expanding production capacity for 2.5”, 3.5”
**Mid-term Outlook**

**Mid-term Target**

- **Sales:** One Trillion yen
- **M&A:** 150 billion yen
- **VMA and Fujisoku:** 50B yen assumed
- **Operating Income:** 100B yen

![Graph showing consolidated net sales and operating income from FY00 to FY10.](image)
M&A Strategy

150B Yen Sales Growth by M&A thru FY2010

New Edges Added
- In-house production expertise
- ECU design
- IC design

New Product Portfolio
- Large-size motor
- Automotive motor

Cost efficiency
Technology
Sales increase
Competitiveness

Promoting Subsidiaries’ M&A Activity
Consolidated Growth

Automotive Motor Business

Acquisition of Valeo’s Motors & Actuators (VMA) Business

VMA
Location: Europe, North America, China
Sales: 252M euros (38B yen)
EBITDA: 26M euros (4B yen)
Employees: 1,800
Business: Production of automotive motors
(Source: FY2005 consolidated results, unaudited)

Competitive advantage
VMA’s product design capability +
Nidec’s brushless motor technology

Indicative Transaction Schedule
Mid. Nov. 2006 Definitive agreements
Late Dec. 2006 Closing of acquisition

Automotive Motor Business Expansion
Product portfolio enrichment
Market reach extension

Global Operations
- France
- Germany
- Poland
- Spain
- Mexico
- China
Automotive Business Outlook

**VMA Product Lineups**

- **Air-flow System**
  - Engine cooling fan, Fan system

- **Auto Closure System**
  - Sunroof, Sliding door, Electric window

- **Drive Line/Steering System**
  - Automated manual transmission, Electric torque management, Electric power steering

- **Seat Adjustment System**
  - Seat, Steering column
  - Seat belt adjustment

- **Brake System**
  - ABS, Brake by-wire, Electric parking brake

- **Other Automotive Parts**
  - Compressor, Wiper, Brush holder

**Sales Outlook**

(Yen in billions)

- FY05: 0
- FY06: 30
- FY07: 60
- FY08: 90
- FY09: 120
- FY10: 150

Legend:
- Potential VMA growth
- Hybrid Car Motors and others for handling & riding use (Nidec)
- Electric Power Steering Motor (Nidec)
- Control Valve (Nidec Tosok)

---

**Nidec Everywhere**

Nidec Corporation

http://www.nidec.co.jp/english/index.html

NJ LISTED NYSE