



## Fiscal Third Quarter and Nine Months 2008 Results

Nine Months Ended December 31, 2008

< U.S. GAAP >

January 29, 2009

Nidec Corporation

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.



## Summary of 3Q and Nine Months FY2008

- ▶ Drastic changes in business climate since middle of November, 2008
- ▶ Nine-month sales and profits **down both Y/Y and Q/Q**, reflecting sharp decline in demand.
- ▶ **Group-wide emergency plans** to slash fixed/variable costs and inventories
- ▶ New project rolled out to **double profit margin**
- ▶ Concerted efforts to **meet the revised earnings forecast**

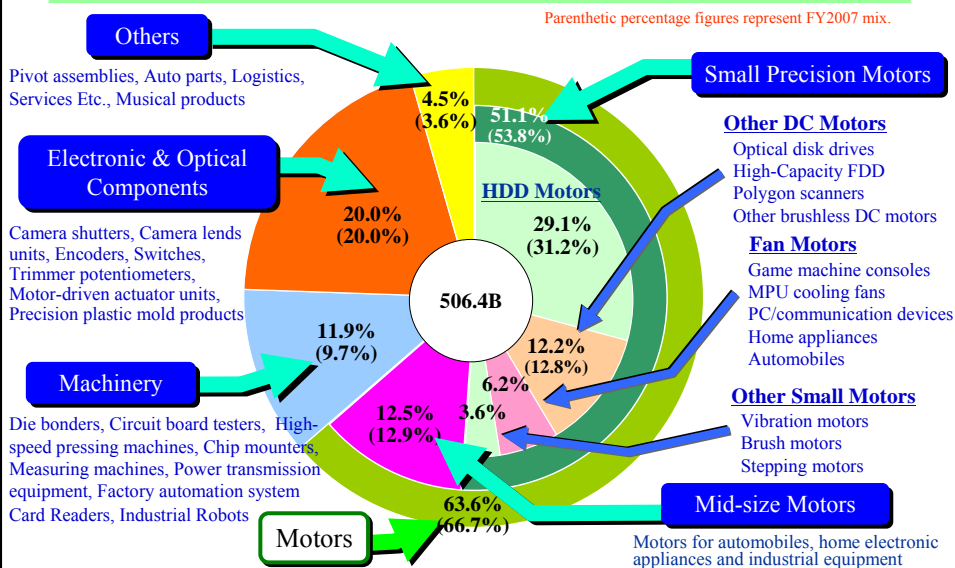
# Consolidated Profit/Loss



(Yen in millions, except EPS and FX Rate)	3Q/FY07 (Apr.-Dec.)	3Q/FY08 (Apr.-Dec.)	Change	FY08 Forecast (Full-year)
Net sales	549,221	506,406	-7.8%	630,000
Operating income (Operating margin)	57,537 (10.5%)	50,816 (10.0%)	-11.7%	55,000 (8.7%)
Income before tax	54,115	41,303	-23.7%	43,000
Net income	34,303	23,063	-32.8%	28,000
EPS(¥)	236.73	159.42	-32.7%	194.01
FX Rate (¥/\$)				
Average:	117.28	102.84	-12.3%	
Term end:	114.15	91.03	-20.3%	90.00 yen

Please refer to the accompanying note on page 20 regarding discontinuation of the Optical Pickup business. 3

# Sales by Business Segment (Apr.-Dec. '08)



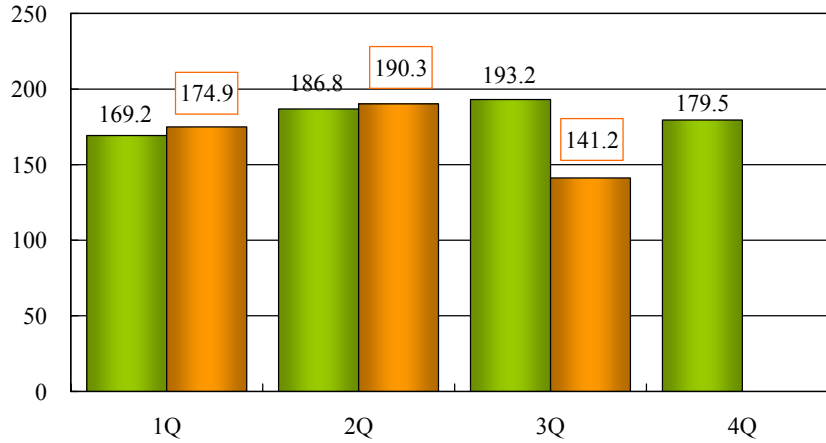
Please refer to the accompanying note on page 20 regarding discontinuation of the Optical Pickup business. 4

## Consolidated Quarterly Sales



(Yen in billions)

■ FY07 ■ FY08



Please refer to the accompanying note on page 20 regarding discontinuation of the Optical Pickup business.

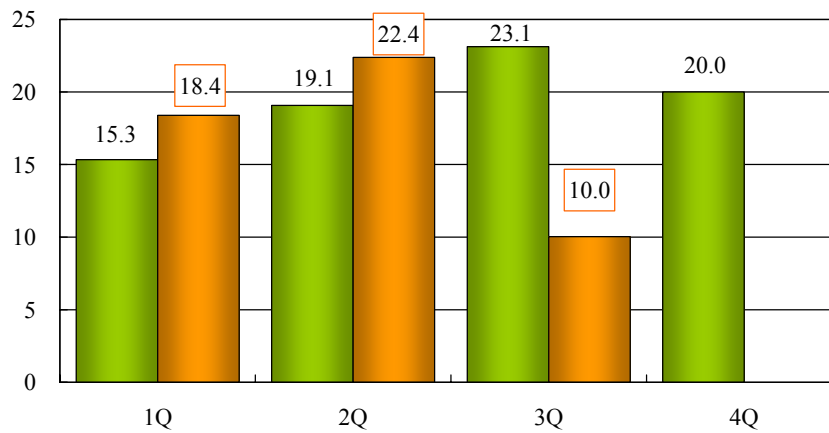
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## Consolidated Quarterly Operating Income



(Yen in billions)

■ FY07 ■ FY08



Please refer to the accompanying note on page 20 regarding discontinuation of the Optical Pickup business.

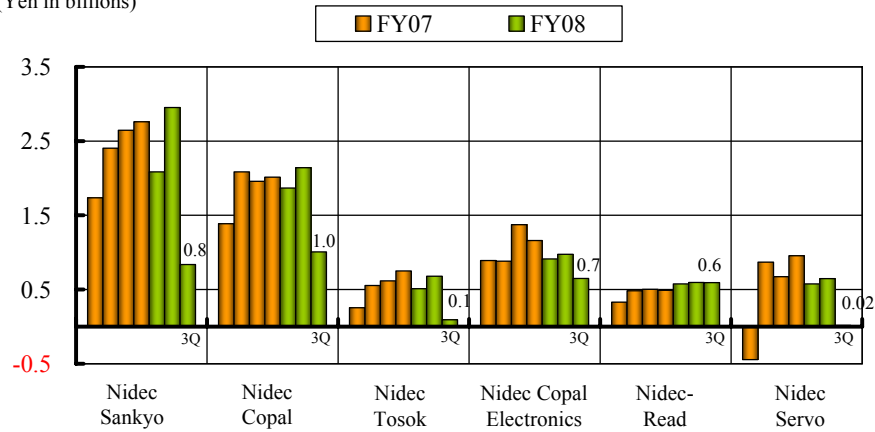
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## Listed Subsidiaries



### Quarterly Operating Income

(Yen in billions)



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 20 regarding discontinuation of the Optical Pickup business.

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## Group-wide Countermeasures

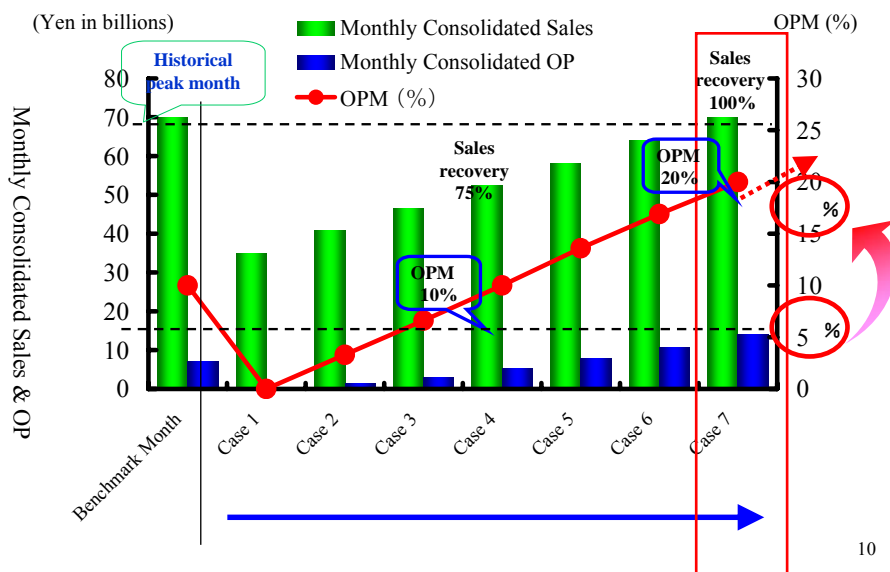
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# Project to Double Profit Margin



- ▶ **Breakthrough management model** to reform group-wide profit structure
- ▶ **OPM positive** even in a worst-case scenario, where monthly sales down 50% from the peak level.
- ▶ **OPM back to normal** with a 75% recovery in sales.
- ▶ **OPM doubled** with a 100% recovery in sales.

## OPM Guideline based on 7 Sales Scenarios



# The Era of Green New Deal



## Four Key Concepts

**Energy saving: higher energy efficiency**

**Ecological: eco-friendly product**

**Light & Compact: smaller & slimmer**

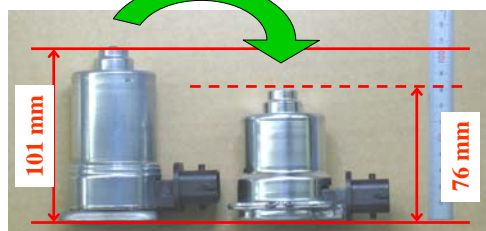
**Half-price: massive price fall**



**Market Demand Shift to Brushless Motors**

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# Nidec Brushless Motor Technology

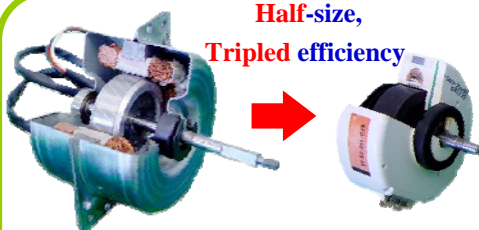


Competitors model Nidec model

### Automotive Motor

- ▶ Dual-clutch Transmission Motor

**25% smaller,**  
**7% more**  
**output**



AC Motor

Newest DC motor model

**Half-size,**  
**Tripled efficiency**

### Home Appliance Motor

- ▶ Air-conditioner Motor

**Smaller**  
**Quieter**  
**Material saving**



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## Listed Subsidiaries -Performance Highlights-

**Nidec Sankyo Corporation**  
**Nidec Copal Corporation**  
**Nidec Copal Electronics Corporation**  
**Nidec-Read Corporation**  
**Nidec Tosok Corporation**  
**Nidec Servo Corporation**

**Sankyo**

-All for dreams

## 3Q/FY2008 Highlights

### 1. Overview

(Yen in billions)	FY2008 Full-year Forecast	FY2008 April-December Results
Sales	100.0	83.2
Operating Income	6.0	5.9
Recurring Income	4.5	4.3
Net Income	2.0	2.1

- Optical pickup business discontinued
- Stepping motors hit by market inventory adjustments
- Healthy sales of:
  - Lens actuators
  - LCD glass-substrate transfer robot

### 2. Action Plans towards FY2009

- Sales growth**
- Mix shift towards high-value added products
    - ECU-equipped electric motors and mobile applications
- Profit enhancement**
- Improvement in the cost structure of components businesses
  - Reduction of fixed costs
    - Reorganization of overseas operations
    - “Leaner” Head Office with a closer focus on R&D

## 3Q/FY2008 Highlights

### 1. Overview

- Optical components slowing down on weak DSC and handset demand.
- New products geared up for mass production
  - SLR camera shutters
  - Ultra-small cell phone shutters
- Electric motor sales remaining firm

(Yen in millions)	FY2008 Full-year Forecast	FY2008 April-December Results
Sales	<b>75,000</b>	<b>63,300</b>
Operating Income	<b>5,000</b>	<b>5,016</b>
Recurring Income	<b>4,800</b>	<b>4,889</b>
Net Income	<b>3,000</b>	<b>3,080</b>

### 2. Action Plans towards FY2009

#### New Market Exploration (Ecology, Healthcare, Safety)

- Technological differentiation in areas of energy conservation, home/office/network securities and medical equipment (e.g., optical products, precision components, ultra-compact actuators, cognitive technology)

#### Corporate Strength Enhancement

- 1) Lean and flexible organization
- 2) Cash-flow-oriented management
- 3) Highly streamlined, innovative production (Thailand, Vietnam and China)

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## 3Q/FY2008 Highlights

(Yen in billions)	FY2008 Full-year Forecast	FY2008 April-December Results	Progress
Sales	<b>29.00</b>	<b>22.80</b>	<b>78.6%</b>
Operating Income	<b>2.65</b>	<b>2.53</b>	<b>95.7%</b>
Recurring Income	<b>2.40</b>	<b>2.39</b>	<b>99.8%</b>
Net Income	<b>1.40</b>	<b>1.34</b>	<b>96.4%</b>

#### Overview

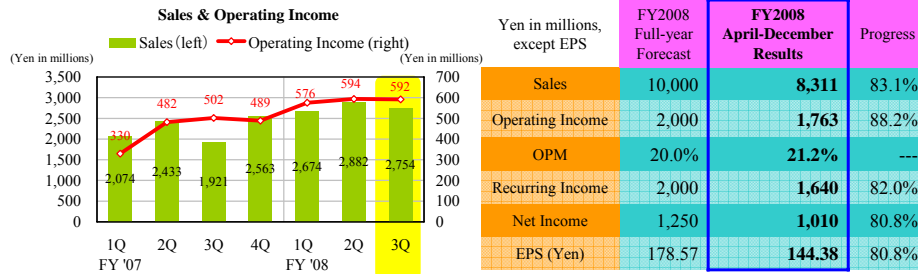
- Sales: 7.13 billion yen (Down 21% y/y)
- Amusement equipment down 28% y/y
  - Expanded sales from new businesses

#### Action Plans

- New product development (market share growth)
- First-stage revamp of Operating Switch business (profit growth)
- Internalization & localization of production (cost reduction)

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## 3Q/FY2008 Highlights



- Semiconductor package inspection equipment and inspection jigs maintained momentum.
- Nine-month Sales up 29% y/y and Operating income up 34% y/y, meeting over 80% of the full-year earnings forecast.
- Next-generation inspection products for semiconductor packages, solar panels, etc.
- Leaner management with a strong focus on new product development

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## 3Q/FY2008 Highlights

### Overview

- Sales leveling off y/y
- Operating income exceeding the full-year forecast

### Auto parts sales and profits maintaining uptrend

- Healthy flow of light/compact vehicles
- Collective cost reduction drive on cue from auto industry's drastic output cut

### Measuring equipment sales flat, semiconductor manufacturing equipment sales remaining sluggish

### Action Plans

- **Automobile parts**
  - Expansion of in-house production in Vietnam
  - R&D of environment-friendly, energy-saving control devices
- **System equipment (Semiconductor mfg. equipment, measuring equipment)**
  - Complex system development using precision positioning and systemization technology
  - Eco-conscious product development  
(Measurement equipment, high-precision assembly equipment)

(Yen in millions)

	FY2008 Full-year Forecast	FY2008 Apr-Dec Results	Progress
Sales	23,500	19,117	81%
Operating Income	1,200	1,284	107%
Recurring Income	1,200	1,257	105%
Net Income	400	391	98%

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## 3Q/FY2008 Highlights

- **Sales**

Oct.-Dec. monthly average sales down nearly half from the June peak, reflecting a sharp economic downturn.

- **Profits**

October-December quarter remaining profitable, despite the halved sales.

- ▶ **Action Plans**

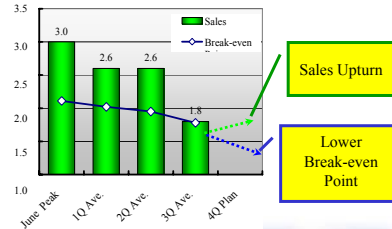
- **Profit Strength** (OPM positive on halved sales)

- Reorganization of domestic bases through production shift overseas
- Further reduction in fixed costs

- **Sales Expansion**

(Strategic products aimed at well-focused markets)

- High reliability cooling fans targeted at telecommunications/networking/computer servers
- Precision stepping motors
- New plant ramp-up in Vietnam slated for 1H FY2009



## Note Regarding Discontinuation of Optical Pickups

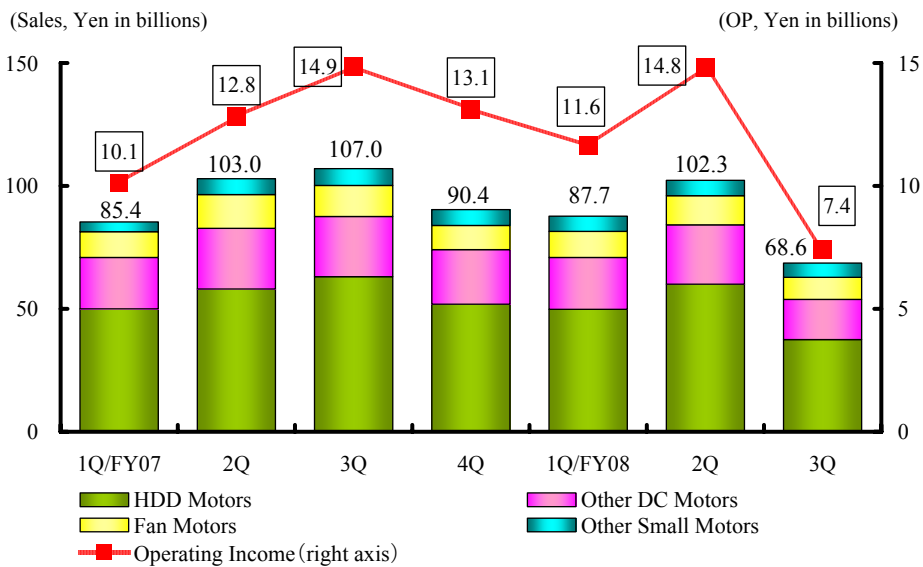
**Nidec Group discontinued its optical pickup business as of December 31, 2008.**

**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.**

# Business Segment Information

**Small Precision Motors**  
 ( HDD Motors  
 Other DC Motors  
 Fan Motors )  
**Mid-size Motors**  
**Machinery**  
**Electronic/Optical Components**  
**Others**

## Small Precision Motors

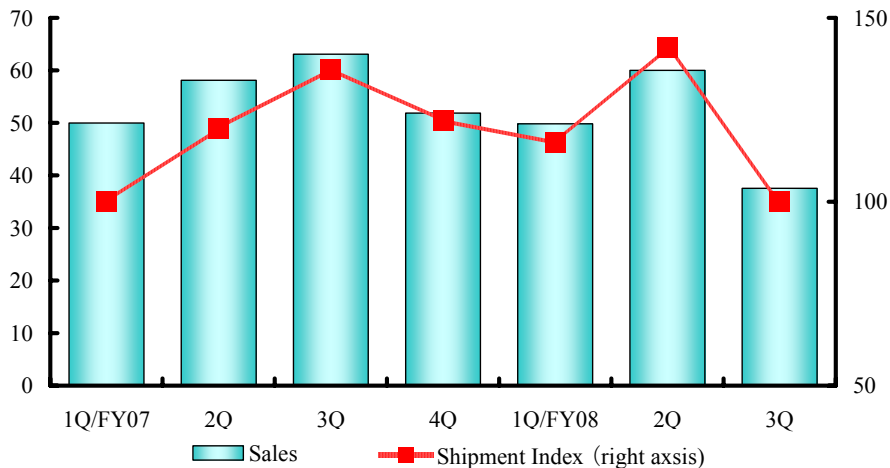


# 1.-1 HDD Motors



(Sales, Yen in billions)

(Shipment Index: 1Q/FY07=100)

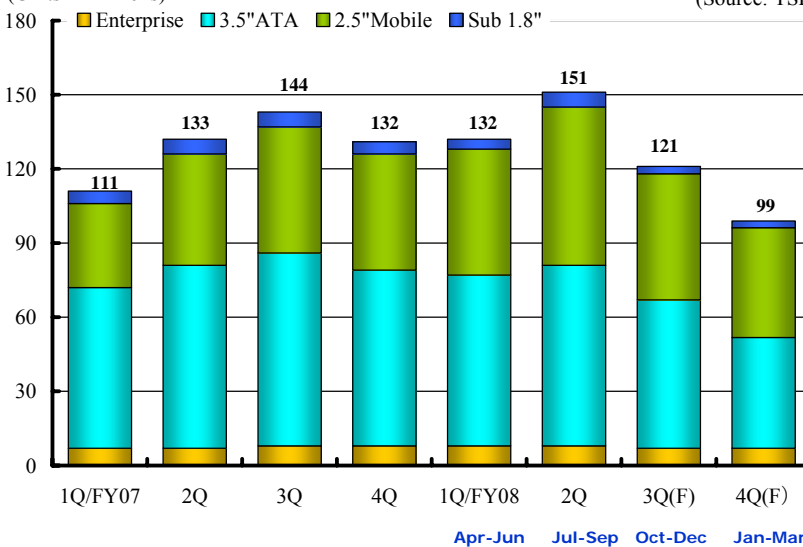


# 1.-2 HDD Demand Outlook



(Units in millions)

(Source: TSR)

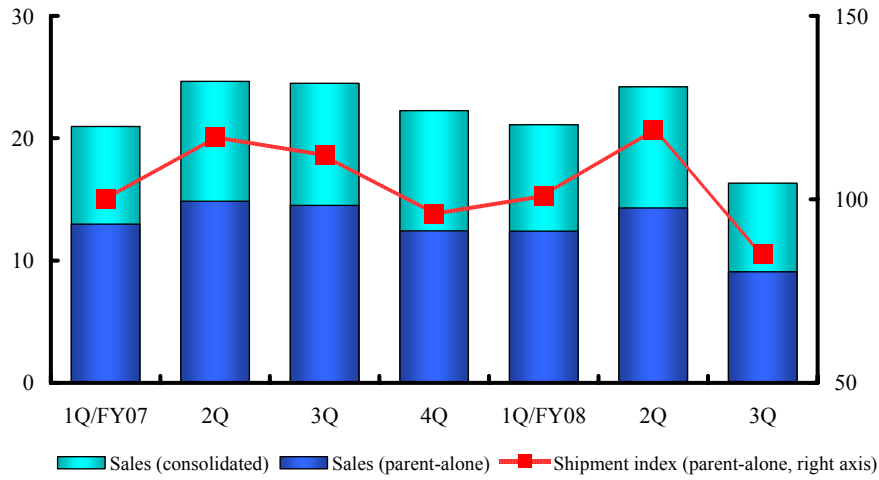


## 2. Other DC Motors



(Sales, Yen in billions)

(Shipment Index: 1Q/FY07=100)



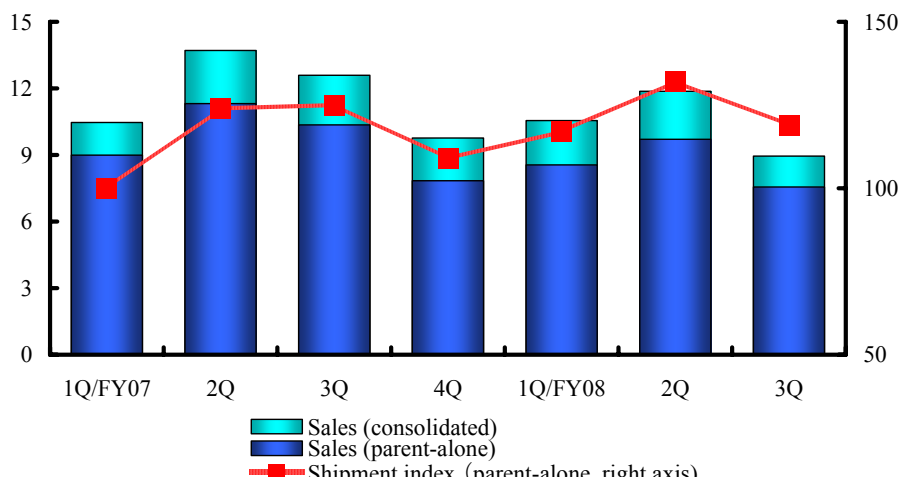
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## 3. Fan Motors



(Sales, Yen in billions)

(Shipment Index: 1Q/FY07=100)

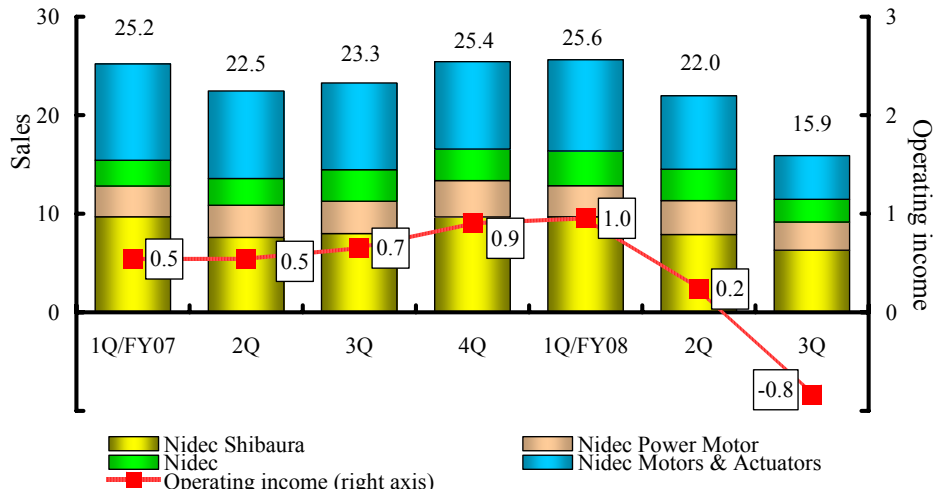


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# Mid-size Motors



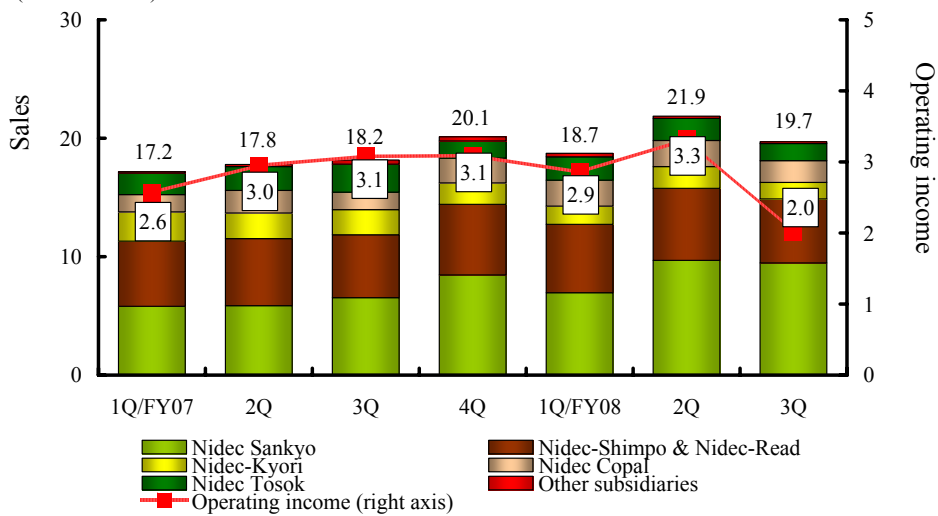
(Yen in billions)



# Machinery



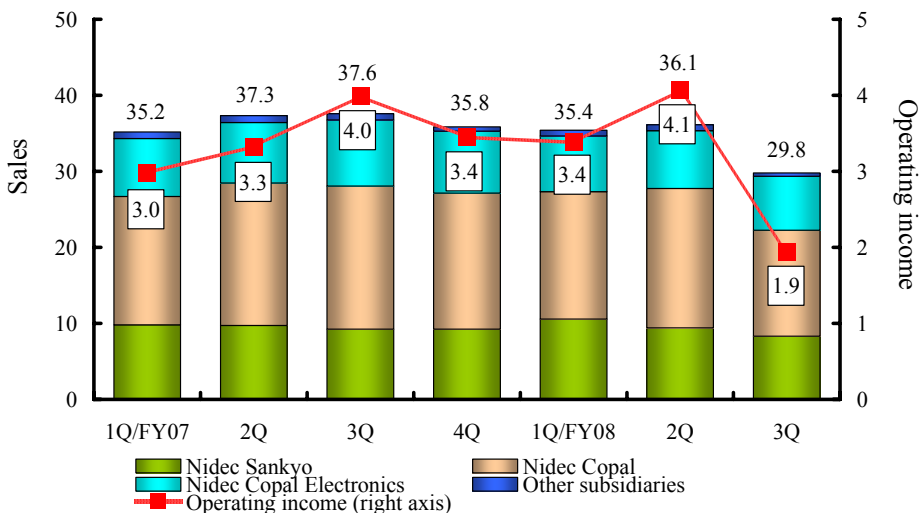
(Yen in billions)



# Electronic/Optical Components



(Yen in billions)



Please refer to the accompanying note on page 19 regarding discontinuation of the Optical Pickup business. 29

# Others



(Yen in billions)

