



Nidec Corporation

Interim Results for Fiscal Year 2003

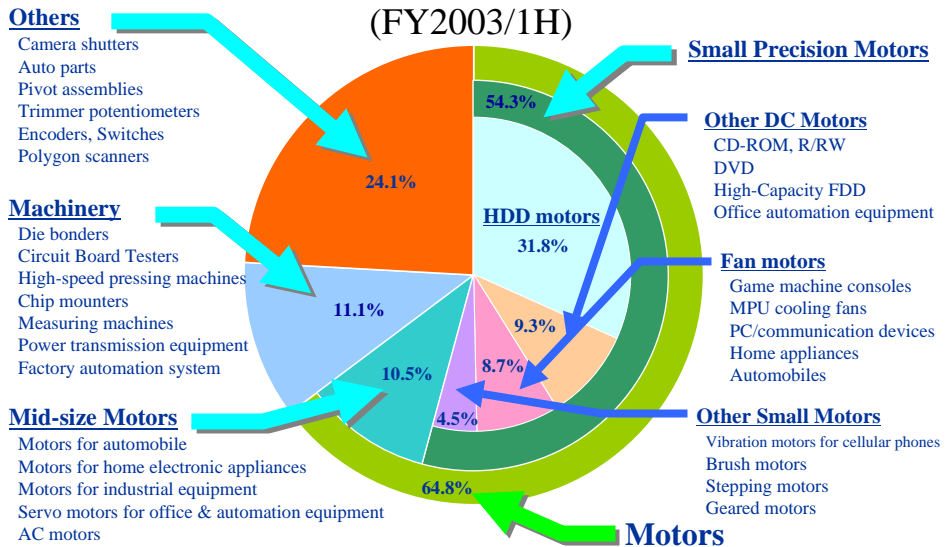
October 29, 2003

This presentation materials and the answers to your questions 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 hereof.

* The financial information contained in this presentation has been prepared based on Japanese GAAP.

Sales by Product Category

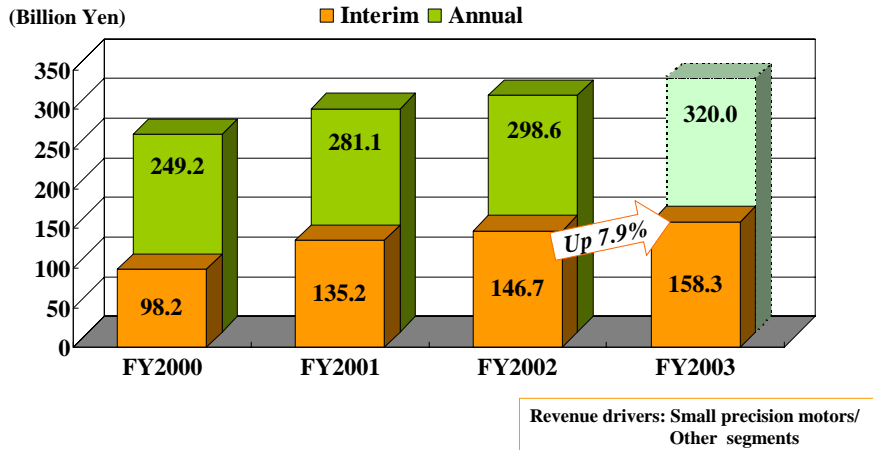
(FY2003/1H)



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Semi-annual Sales (Consolidated)

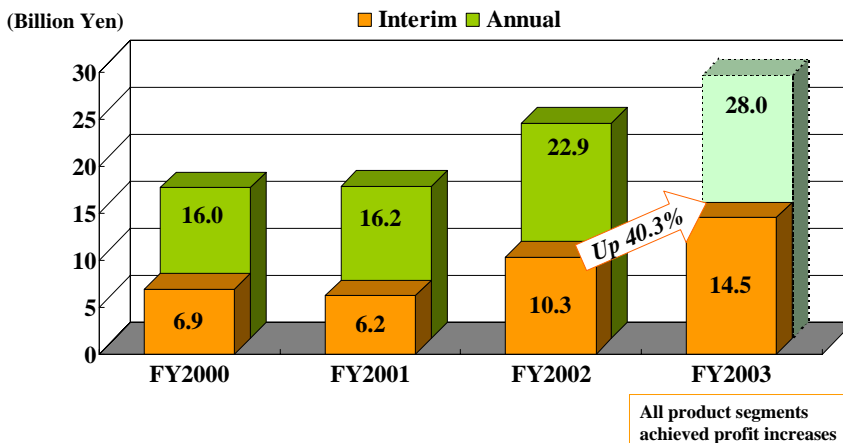


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Semi-annual Operating Income (Consolidated)



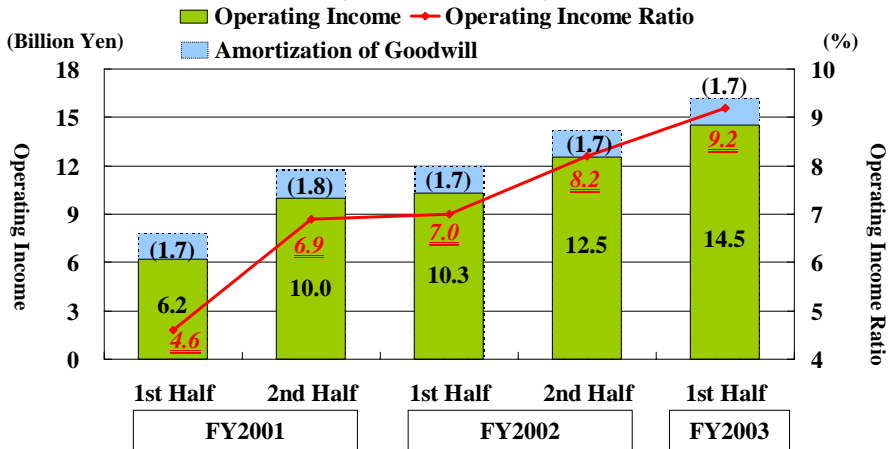
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Operating Income & Operating Income Ratio

(Consolidated)



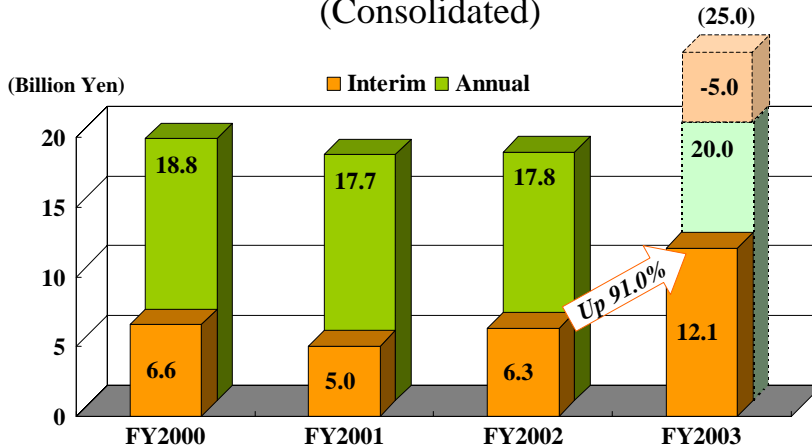
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Semi-annual Recurring Income

(Consolidated)



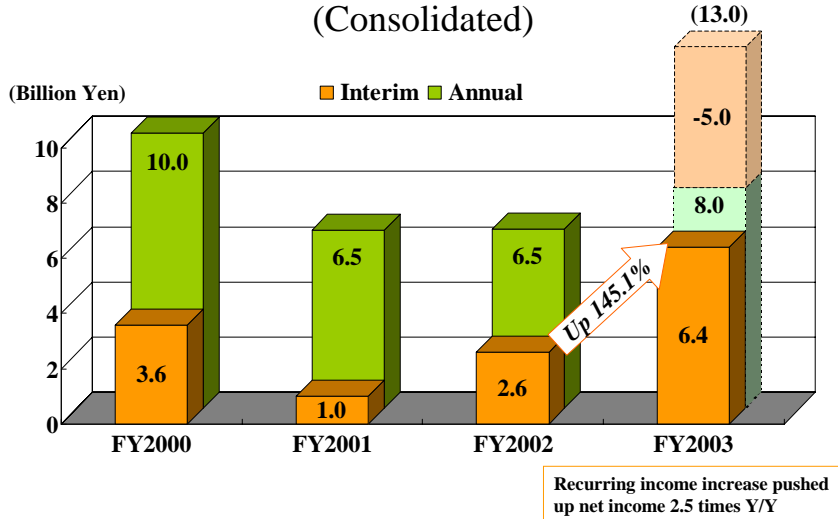
Income Drivers: Operating profit increase of ¥4.2 bn Y/Y and FX gain of ¥1.5 bn Y/Y

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Semi-annual Net Income (Consolidated)

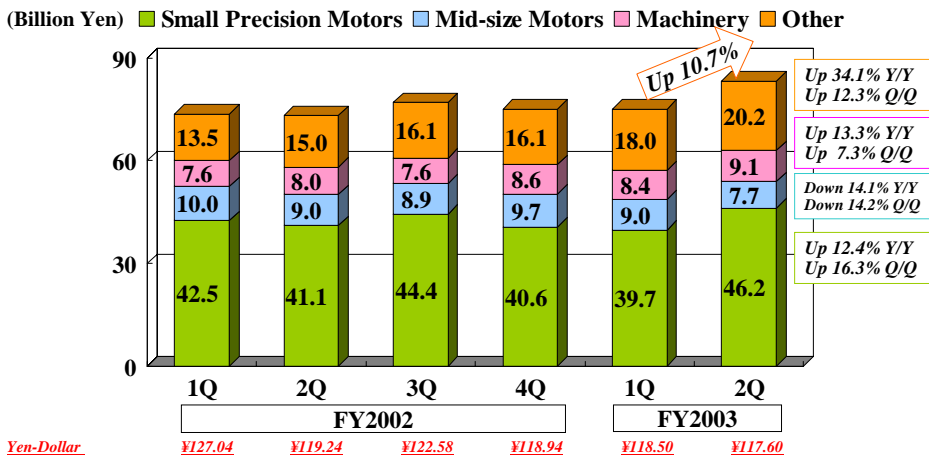


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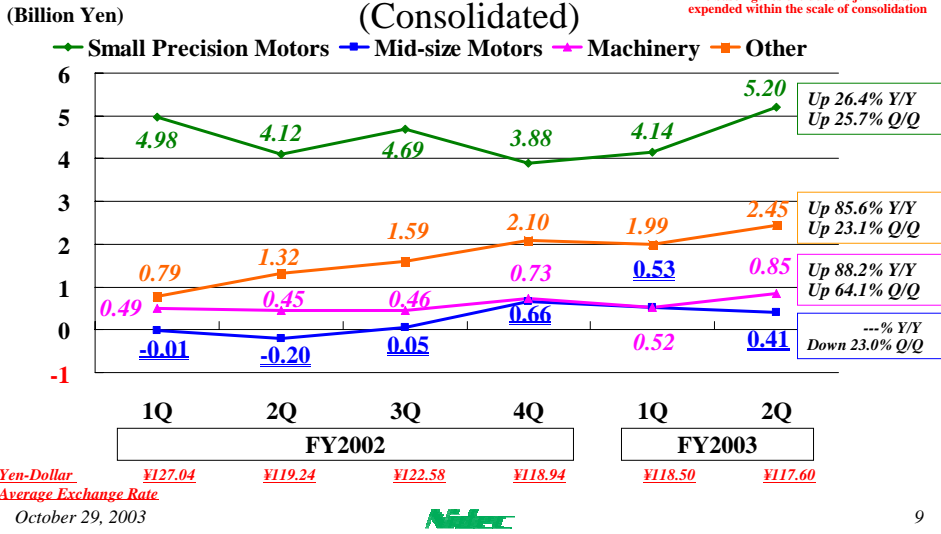
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Quarterly Sales by Product Category (Consolidated)



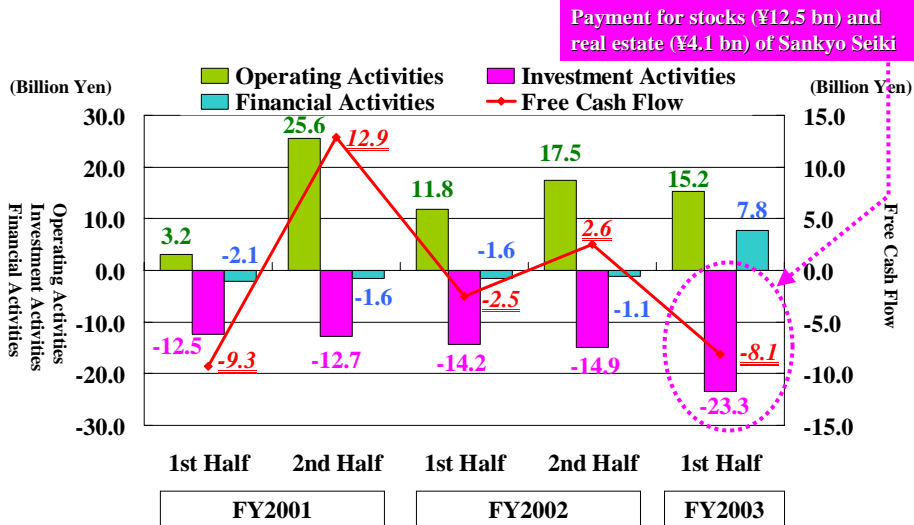
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Quarterly Operating Income by Product*



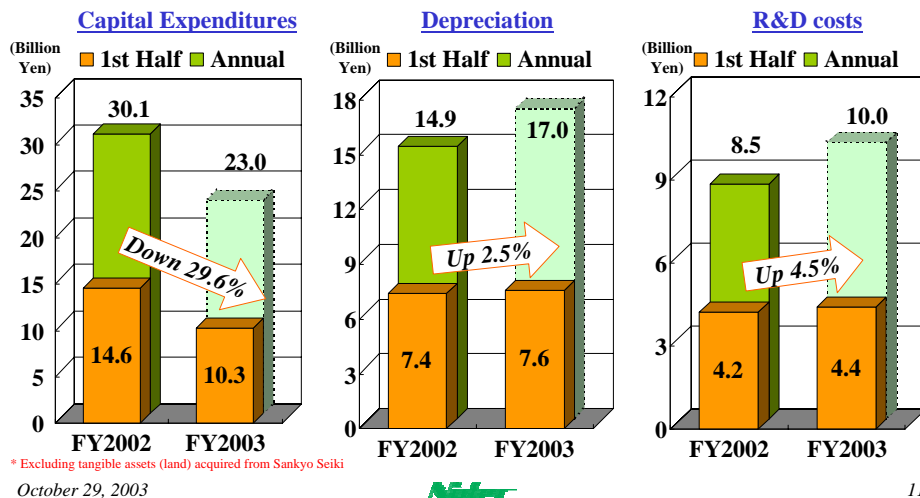
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Semi-annual Free Cash Flow (Consolidated)



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Capital Expenditures, Depreciation & R&D Costs



Forecast for Fiscal Year 2003

(Million Yen)

	1H/FY2003 Results	FY2003 Forecast (Oct. 28 revised)	FY2003 Forecast (Apr. 25 released)	Change
Net Sales	158,265	320,000	320,000	0
Operating Income	14,496	28,000	28,000	0
Recurring Income	12,076	20,000	25,000	-5,000
Net Income	6,413	8,000	13,000	-5,000
Currency Rate (Yen/ U.S. dollars)	¥ 118.05	¥ 110.00	¥ 115.00	

- Assumed FX rate was changed from ¥115 to ¥110.
- Impact of the capital participation (equity method) in Sankyo Seiki reflected in recurring income and net income

Segment Information

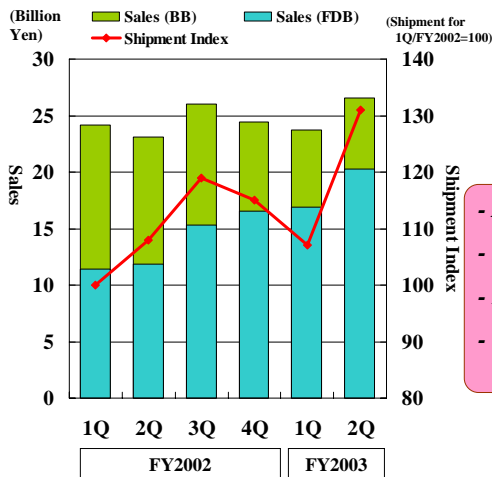
HDD Motors
 Other DC Motors
 Fan Motors
 Mid-size Motors
 Machinery & Others
 Group Strategy

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HDD Motors - 1H Results -



Sales 50.3 Billion Yen

(Sales Up 6.4% Y/Y
 Shipment Up 14.1% Y/Y)

- Average FDB Ratio (Sales) for 1H: 74%
- Shift from BB to FDB in 3.5" models
- High Demand for 2.5" models (Notebook)
- Growing Demand for 2.5"-and-below HDD

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HDD Motors

- Strategy (1) -

Boost in Production of

- **2.5"-and-below HDD Motors**

- *New 2.5" Order Entry from US Customers, 1.0"/1.8" from Chinese Customers*
- *SFF (Small Form Factor) --- 2.5" for Server*

- **Sintered-Alloy-Based (RM type) FDB Motors**



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HDD Motors

- Strategy (2) -

- **Open New Factory (Zhejiang) in Step with Customer's Production Shift to China**

- *Boost in production & in-house manufacturing ratio (establishment of a faster delivery system)*
- *Reduction of transport cost & inventory*

- **Collaborate with Sankyo Seiki**

- *Technology exchanges in design & development*
- *Unification of sales channels to broaden outlets for Sankyo FDB*
- *Utilization of Sankyo's overseas production capacities to meet an increasing demand for motors*

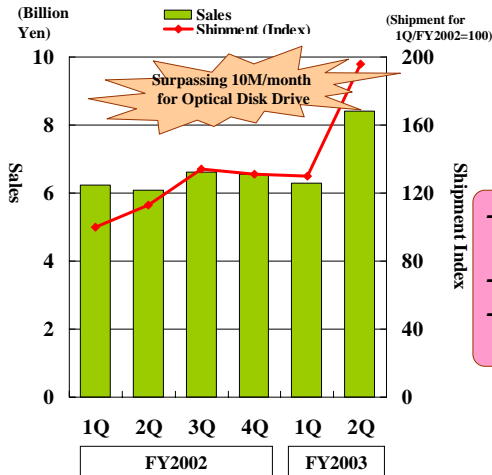
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Other DC Motors

- 1H Results -



Sales 14.7 Billion Yen

(Sales Up 19.7% Y/Y
Shipment Up 52.9% Y/Y)

- Strong Demand for Optical Disk Drives and Office Automation Equipment
- Surpassing 10M/month for Optical Drives
- Expanded Production at New Factory in China (Dongguan)

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Other DC Motors

- Strategy (1) -

- **Respond to ODD Market Reorganization**
 - Maintaining dominant share in the slim-drive market
 - Seizing top share in the half-height drive market
- **Increase Production Capacities at 2 China Plants**
 - Nidec (Dongguan) - Capacity increase to 6 M/month
 - Nidec (Dalian) - Construction of the second factory



Nidec (Dongguan) Limited



Nidec (Dalian) Limited Second Factory

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Other DC Motors

- Strategy (2) -

- **For OA Equipment Motors--Increase Order Backlogs**

- Securing order entries from all Japanese customers in Zhuhai delta area
- Development of motors for color copies /complex machines



- **For Home Appliances (Small Motors)--Pursue Brush-to-Brushless Replacement Demand**

- Start mass production upon final customer evaluation



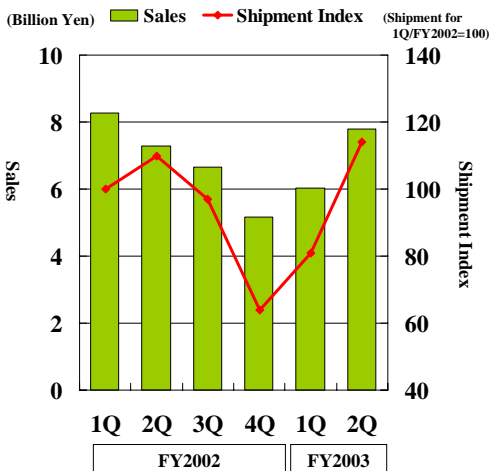
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Fan Motors

- 1H Results -



Sales 13.8 Billion Yen

(Sales Down 10.9% Y/Y
Shipment Down 7.4% Y/Y)

- Demand Pick Up in 2 Major Markets (MPU Cooling, Game Consoles)
- Expansion of New Markets for Digital AV Equipment
- Expanded Sales of Low-cost Fans for Taiwanese & Korean Customers

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Fan Motors

- Strategy -

- **Cultivate New Markets & New Customers**

- Domestic new market (*digital home appliances*), Overseas new markets (*communication, automobile, home appliances*)
- PC related new customers (*desktop PC, notebook PC, server*)



- **Strengthen Price Competitiveness**

- Localize product development (*Dalian, Taiwan*)
- Further cost cut (*development of low cost bearing, local production of dies*)

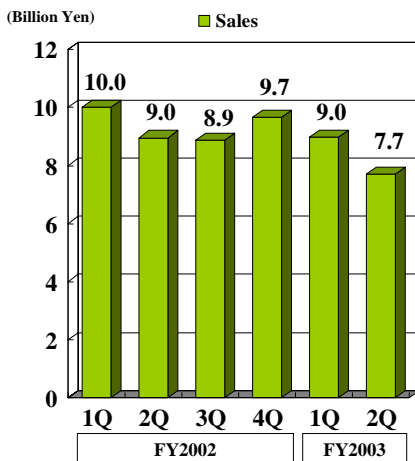
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Mid-size Motors

- 1H Results -



Sales 16.7 Billion Yen

(Sales Down 12.1% Y/Y)

- Shipment of Motors for Power Steering increased around 24% Y/Y
- ASP of Motors for Power Steering dropped due to Non-ECU sales increase
- Sales of Motors for Home Appliances increased 10 % Y/Y
- Sales of Motors for Industrial Equipment decreased 12% Y/Y

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Mid-size Motors

- Strategy -

- **For Automobiles--- Securing of New Orders & Differentiation of Technologies**
 - Securing orders for new product (cooling unit for fuel cell)
 - Product differentiation through collaboration with ECU manufacturers (miniaturization, high-power)

IR (International Rectifier) will be in charge of ECU in joint development of motors for automobiles

- **For Home Appliances & Industrial Equipment**
 - Shifting to Overseas Production (Zhejiang)
 - Technological differentiation with brushless DC motors

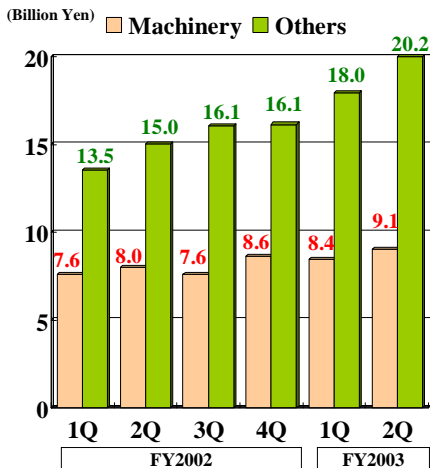
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Machinery and Others

- 1H Results -



Machinery Sales 17.5 Billion Yen

(Sales Up 12.3% Y/Y)

Others Sales 38.1 Billion Yen

(Sales Up 33.4% Y/Y)

- Machinery: Sales increased as capital investment started to pick up
- Others: Strong demand for DSC shutters, automobile parts and electronics components contributed to a large sales increase

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Machinery and Others

- Strategy -

- **Machinery---Continue to Cultivate New Demand**

- *Securing orders for new products*

Precision Roll Leveller, Thermal Printer (Copal), Super High Speed Die Bonder, Automatic Measuring System (Tosok), Reducer for Servo Motors, Pottery Equipment (Shimpo), Tester for Display Production Line (Read), etc...

- **Others---Quick Response to Expanding Demand**

- *Increased Supply of strategic products (Vietnam, Zheziang)*
 - *Cost cut through overseas production transfer*

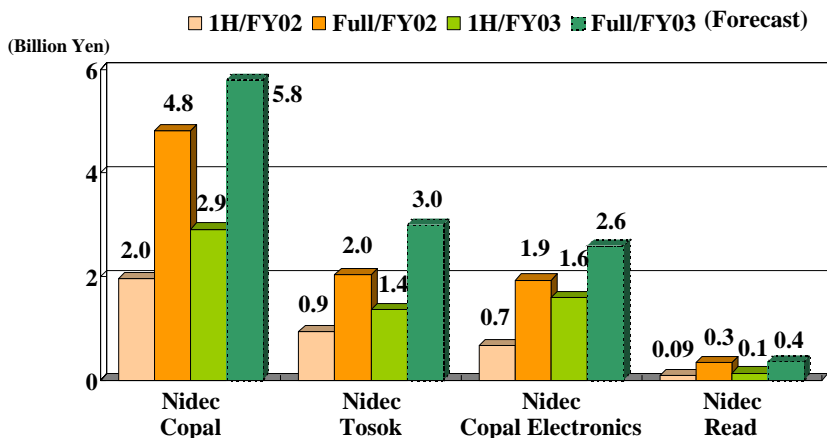
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Group Strategy

- Results of Major Subsidiaries - (Consolidated Operating Profit)



* Nidec Read's Fiscal 2003 forecasts represents recurring income only.

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Group Strategy

- Capital Participation in Sankyo Seiki -

Sankyo Seiki Mfg.

(Stock holdings ratio: 39.8%)

Capital Participation

Aug 5; Board Meeting Resolution

Sept 30; Payment to Sankyo Seiki

Oct 1; Became the Largest Shareholder

- **Reorganize the Motor Market**
 - Consolidate business to specialized producers (capital alliance, M&A)
 - Make competition healthier (profit oriented competition)
- **Make Our Motor Business More Competitive**
 - Sharpen technological edge (intellectual property, know-how)
 - Enhance sales competitiveness (product line-up, customer base)

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Group Strategy

- Turnaround of Sankyo Seiki & Collaboration (1) -

- **Early Turnaround of Management**
 - Pervasion of **Nidec** management policy
 - Financial and physical support
- **Fortify Collaboration (various synergy effects)**

	Technology	Network	Other Area
PRODUCTS	High-precision processing Motor manufacturing Manufacturing equipment Test & Measurement High-precision dies & moulding	Development sites (Nagano) Production sites (Asia, China) Sales sites (US, Europe & Asia)	Human Resources Logistics Patents
COMPANIES	Sankyo Seiki Nissin Kohki	Sankyo Seiki	Sankyo Seiki Sankyo Logistics Sankyo Qualis

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Group Strategy

- Turnaround of Sankyo Seiki & Collaboration (2) -

- *Set up cooperative structure by product type*

	Micro Motors & Others	Small Precision Motors	Mid-size Motors
P R O D U C T	Vibration Motor	HDD Motor	Motor for Automobiles
	Micro Fan	ODD Motor	Motor for Home Appliances
	Geared Motor	FAN Motor	Motor for Industrial Equipment
	Stepping Motor	Laser Scanner	Servo Motor for OA Equipment
	Camera Lens Unit	Brush Motor	
	Mfg. Equipment		
	Nidec Copal	Nidec	
	Sankyo Seiki		Nidec Shibaura
	Nidec Machinery	Nidec Tosok	Nidec Power Motor
		Nidec Copal Electronics	
		Nidec Johnson	

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