



NEWS RELEASE

Oct 10, 2018

R&I Upgrades to AA-, Stable: Nidec Corp.

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: Nidec Corp.
Issuer Rating: AA-, Previously A+
Rating Outlook: Stable

RATIONALE:

Nidec Corp. is the world's largest comprehensive manufacturer of motors. With an extensive product lineup, the company boasts the global top market share for many products. Its earnings base has been bolstered through aggressive mergers and acquisitions (M&A) and capital investments in the fields of automotive motors, as well as appliance, commercial and industrial motors (ACIM). R&I has upgraded the Issuer Rating to AA-, positively evaluating the fact that the company has successfully increased earnings stability by transforming its business portfolio to have more diverse sources of earnings.

In the automotive motors business, Nidec is receiving more orders, especially for electric power steering motors and electric brake motors that are expected to grow. The company is working to expand the capacity of production bases across the globe, and such efforts include the launch of mass-production of traction motor systems for electric vehicles. Progress is seen in strengthening a global supply chain, in addition to enhancing a customer base and product lineup.

In the ACIM business, Nidec has broadened its customer base through M&A activities, both in terms of application areas and geography. The addition of newly acquired products to existing product lines allowed the company to provide modularized products. While the broadening of markets expanded room for earnings growth, users became more diverse.

Nidec is boosting its cost competitiveness, supported by excellent mass-production technologies, as well as groupwide efforts to increase joint purchases and internal production and sustained cost reduction activities, among others. The company is raising the earning capacity of the automotive motors business and the ACIM business by capitalizing on the strengths obtained in the small precision motors business.

Given Nidec's strong appetite for growth investment including M&A, it will take time to improve the debt-equity structure further, in R&I's view. Even so, the sound financial base will likely remain intact since its cash flow generating capacity is rising.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Electronic Components", "Automobile Components" and "Capital Equipment, etc." The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: Nidec Corp. (Sec. Code: 6594)
Issuer Rating
RATING: AA-, Previously A+
RATING OUTLOOK: Stable

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Unsec. Str. Bonds No.2	Issue Date Nov 13, 2012	Maturity Date Sep 20, 2019	Issue Amount (mn) JPY 15,000
RATING:	AA-, Previously A+		
Unsec. Str. Bonds No.3	Issue Date Nov 13, 2012	Maturity Date Sep 20, 2022	Issue Amount (mn) JPY 20,000
RATING:	AA-, Previously A+		
Unsec. Str. Bonds No.5	Issue Date Nov 25, 2016	Maturity Date Nov 25, 2019	Issue Amount (mn) JPY 50,000
RATING:	AA-, Previously A+		
Unsec. Str. Bonds No.6	Issue Date May 26, 2017	Maturity Date May 26, 2020	Issue Amount (mn) JPY 50,000
RATING:	AA-, Previously A+		
Unsec. Str. Bonds No.7	Issue Date Aug 30, 2017	Maturity Date Aug 30, 2022	Issue Amount (mn) JPY 65,000
RATING:	AA-, Previously A+		

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