

Aug 22, 2019

R&I Affirms AA-/a-1+, Stable: Nidec Corp.

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

ISSUER: Nidec Corp.
Issuer Rating: AA-, Affirmed
Rating Outlook: Stable

Commercial Paper: a-1+, Affirmed

RATIONALE:

Nidec Corp. is the world's largest comprehensive manufacturer of motors. It develops a wide variety of motors and related products ranging from small motors for digital devices, to automotive motors and motors for appliance, commercial and industrial applications. The portfolio also includes finished products such as conveyance robots and pressing machines. The earnings sources are well diversified in terms of product, application, and sales territory. Nidec boasts strong cost competitiveness, supported by excellent mass-production technologies, as well as groupwide efforts to increase joint purchases and internal production. With a development and production structure that enables greater customer responsiveness, the company has established competitive edge for many of its products.

Future prospects for the global economy become increasingly uncertain affected by the U.S.-China trade friction. Nidec has been working on fundamental reforms to improve productivity and profitability, with an aim to achieve an earnings structure that ensures profits even if sales are halved from the current levels. As seen in the mass-production of traction motor systems for electric vehicles, which started to take off, efforts are underway to reinforce the earnings base of each business with a particular focus on the automotive products business positioned as a growth area. R&I expects the company to maintain high levels of earning and cash flow generating capacities in the medium to long term.

Since Nidec continues to make large investments for growth, which include M&A activities, 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, given the current cash flow generating capacity.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", " Electronic Devices", "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-, Affirmed
RATING OUTLOOK: Stable

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Shelf Registration (Bonds)

ISSUE AMOUNT (mn): JPY 300,000
ISSUE PERIOD: From Apr 05, 2019 to Apr 04, 2020
RATING: **AA-, Affirmed (Preliminary)**

| Unsec. Str. Bonds No.2 | Issue Date | Maturity Date | Issue Amount (mn) |
|------------------------|--------------|---------------|-------------------|
| | Nov 13, 2012 | Sep 20, 2019 | JPY 15,000 |

RATING: **AA-, Affirmed**

| Unsec. Str. Bonds No.3 | Issue Date | Maturity Date | Issue Amount (mn) |
|------------------------|--------------|---------------|-------------------|
| | Nov 13, 2012 | Sep 20, 2022 | JPY 20,000 |

RATING: **AA-, Affirmed**

| Unsec. Str. Bonds No.5 | Issue Date | Maturity Date | Issue Amount (mn) |
|------------------------|--------------|---------------|-------------------|
| | Nov 25, 2016 | Nov 25, 2019 | JPY 50,000 |

RATING: **AA-, Affirmed**

| Unsec. Str. Bonds No.6 | Issue Date | Maturity Date | Issue Amount (mn) |
|------------------------|--------------|---------------|-------------------|
| | May 26, 2017 | May 26, 2020 | JPY 50,000 |

RATING: **AA-, Affirmed**

| Unsec. Str. Bonds No.7 | Issue Date | Maturity Date | Issue Amount (mn) |
|------------------------|--------------|---------------|-------------------|
| | Aug 30, 2017 | Aug 30, 2022 | JPY 65,000 |

RATING: **AA-, Affirmed**

| Unsec. Str. Bonds No.8 | Issue Date | Maturity Date | Issue Amount (mn) |
|------------------------|--------------|---------------|-------------------|
| | Jul 19, 2019 | Jul 19, 2024 | JPY 100,000 |

RATING: **AA-, Affirmed**

Commercial Paper

ISSUE LIMIT (mn): JPY 100,000
SUPPORT: Unsecured
RATING: **a-1+, Affirmed**

A preliminary rating is assigned when a provisional credit rating is needed for an individual obligation on which final terms have not been determined. A credit rating finally assigned may differ from the preliminary rating depending on, among others, the details of the actual contract of the individual obligation.

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