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## NIDEC CORPORATION SWOT & PESTLE ANALYSIS

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**Company Name :** Nidec Corporation

**Company Sector :** Manufacturing, Electric Motors

**Operating Geography :** Japan, Asia, Global

**About the Company :** Nidec Corporation is a Japanese company that manufactures electric motors. It is headquartered in Minami-Ku, Koyoto, Japan. The company's products include hard-disk drives, electric appliances, automobiles and commercial and manufacturing equipment. The two product groups with the largest sales from Nidec's stable are hard-disk drive motors and automotive products with 16% and 22% of sales. Nidec is listed on the first section of the Tokyo Stock Exchange and is a constituent of the TOPIX 100 stock market index and is also listed among the Forbes World's Most Innovative Companies list. In July 1973, Shigenobu Nagamori established Nippon Densan Corporation (now Nidec Corporation) in Nishikyo-Ksu, Kyoto. Nidec Group specializes and handles motor application products based on "everything that spins and moves," revolving around a motor business that comprises an expansive product line from small precision to supersized motors. On February 5, 2021, Nidec Group announced that its Board of Directors has approved a resolution to acquire: the shares of Mitsubishi Heavy Industries Machine Tool Co., Ltd. and the completion of the acquisition of the company is expected by May 2021.

Nidec Corporation's Unique Selling Proposition or USP lies in it having the largest global market share for the tiny spindle motors that power hard-disk drives. Nidec Corporation's mission statement reads, "To provide products and services that satisfy our customers on a customer-first basis. - To focus on manufacturing world-leading products on a quality-first basis"

**Revenue :**

JPY 15,34,800 million - FY ending 31st March, 2020

JPY 15,18,320 million - FY ending 31st March, 2019

**SWOT Analysis :**

The SWOT Analysis for Nidec Corporation is given below:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>1.Nidec Research and Development Center gets the "Green Electricity Certificate System".</li> <li>2.Diversified portfolios with multiple subsidiaries.</li> <li>3.Massive annual production capacity of over 3 billion units</li> <li>4.Financials of the company have shown consistent growth</li> </ul>	<ul style="list-style-type: none"> <li>1.Exposed to key management and succession risk</li> <li>2.Reliance on third party suppliers for raw materials.</li> <li>3.Risks related to operations in overseas countries</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>1.Supply components and parts to support the growing trend of automation, data explosion, decarbonization.</li> <li>2.Acquiring shares of Mitsubishi Heavy Industries Machine Tools to support electric vehicle traction units</li> <li>3.Strong growth opportunity in the electric-motor industry</li> </ul>	<ul style="list-style-type: none"> <li>1.Change in demand of HDD drives.</li> <li>2.Economic downturns in their international markets will negatively impact the revenue.</li> <li>3.Defective products may lead to significant legal claims and disputes with customers.</li> <li>4.Risk of leakage of confidential information.</li> </ul>

## PESTLE Analysis :

The PESTLE Analysis for Nidec Corporation is given below:

<p style="text-align: center;"><b>Political</b></p> <p>1. Talks of free trade agreements with several nations.</p>	<p style="text-align: center;"><b>Economical</b></p> <p>1. US-China trade war affected overall demand negatively. 2. Negative impact on business environment due to COVID-19.</p>
<p style="text-align: center;"><b>Social</b></p> <p>1. Consumer spending is projected to fall 2. Urbanization and ageing population bringing focus to accident reduction, traffic congestion and reduction of environmental load</p>	<p style="text-align: center;"><b>Technological</b></p> <p>1. Increase in demand for electric vehicles. 2. Increasing demand for SSD drives in comparison to HDD Drives. 3. Industries shifting towards automation</p>
<p style="text-align: center;"><b>Legal</b></p> <p>1. Imitable technology leads to patent infringement lawsuits</p>	<p style="text-align: center;"><b>Environmental</b></p> <p>1. Initiatives aiming to be environmentally conscious 2. Adoption of Paris agreement leading to climate change awareness</p>

Please note that our free summary reports contain the SWOT and PESTLE table contents only.

The complete report for **Nidec Corporation** SWOT & PESTLE Analysis is a paid report at **27 U.S.D.**



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