



## Financial Statements Summary for the Year Ended March 31, 2022 [IFRS] (Consolidated)

April 21, 2022

Company name: NIDEC CORPORATION URL <https://www.nidec.com/en/>  
 Stock listing: Tokyo Stock Exchange - Prime Market  
 Code number: 6594  
 Representative: Jun Seki, Representative Director, President and CEO  
 Information on contact: Masahiro Nagayasu, General Manager of the Investor Relations & CSR Promotion  
 Department Tel: +81-75-935-6140 ir@nidec.com  
 Scheduled date of Regular General Meeting of Shareholders: June 17, 2022  
 Scheduled date of filing of Japanese annual securities report: June 20, 2022  
 Scheduled date of dividend payable: June 1, 2022  
 Supplemental materials: Yes  
 Earnings presentation held: Yes

(Amount Unit: Yen in Millions, unless otherwise indicated)  
 (Amounts are rounded to nearest million yen)

### 1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

#### (1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the year	
		%		%		%		%		%
For the year ended March 31, 2022	1,918,174	18.5	171,487	7.2	171,145	11.9	136,870	12.2	293,953	51.0
For the year ended March 31, 2021	1,618,064	5.4	159,970	47.4	152,937	45.4	121,945	108.6	194,635	-

	Earnings per share attributable to owners of the parent-basic (Yen)	Earnings per share attributable to owners of the parent-diluted (Yen)
For the year ended March 31, 2022	234.30	-
For the year ended March 31, 2021	208.19	-

(Reference) Share of net profit (loss) from associate accounting using the equity method:

¥ (1,461) million for the year ended March 31, 2022

¥ (989) million for the year ended March 31, 2021

(Notes) 1. "Earnings per share attributable to owners of the parent-basic" and "Earnings per share attributable to owners of the parent-diluted" have been calculated based on figures of "Profit attributable to owners of the parent".

2. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022.

Consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

#### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets	Total equity attributable to owners of the parent per share (Yen)
As of March 31, 2022	2,689,257	1,317,809	1,293,352	48.1%	2,228.91
As of March 31, 2021	2,256,024	1,113,935	1,096,020	48.6%	1,871.20

#### (3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
For the year ended March 31, 2022	94,994	(112,597)	(64,393)	199,655
For the year ended March 31, 2021	219,156	(100,568)	(136,191)	219,524

## 2. Dividends

	Dividends per share (Yen)					Dividends for the year (Total)	Dividend payout ratio (consolidated) (%)	Ratio of total dividends to total equity attributable to owners of the parent (consolidated) (%)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
For the year ended March 31, 2021	-	30.00	-	30.00	60.00	35,154	28.8	3.4
For the year ended March 31, 2022	-	30.00	-	35.00	65.00	37,900	27.7	3.2
For the year ending March 31, 2023 (Forecast)	-	35.00	-	35.00	70.00		24.6	

## 3. Forecast of Consolidated Financial Performance for the year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent-basic
		%		%		%		%	(Yen)
2nd Quarter end	950,000	4.3	95,000	5.2	93,000	5.3	75,000	10.7	129.25
Fiscal year end	2,100,000	9.5	210,000	22.5	206,000	20.4	165,000	20.6	284.35

### Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (tokutei kogaisha) resulting in the change in scope of consolidation) :None

(2) Changes in Accounting Policies and Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS : None
2. Changes in accounting policies due to other reasons : None
3. Changes in accounting estimates : None

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued at the end of the period (including treasury stock):

As of March 31, 2022: 596,284,468 As of March 31, 2021: 596,284,468

2. Number of treasury stock at the end of the period:

As of March 31, 2022: 16,023,034 As of March 31, 2021: 10,552,192

3. Weighted-average number of shares outstanding during the period:

For the year ended March 31, 2022: 584,157,081 For the year ended March 31, 2021: 585,733,130

(Note) For the basis for calculating earnings per share attributable to owners of the parent-basic, please refer to “7. Earnings per share” on page 28.

\*This annual report is not subject to audit procedures by certified public accountants or an auditing firm.

\*Explanation for appropriate use of forecast and other notes

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC’s expectations as a result of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Results, Etc. (3). Business Forecasts” on page 12.

In this document, the terms “we”, “us”, “our” and “NIDEC” refer to Nidec Corporation and consolidated subsidiaries or, as the context may require, Nidec Corporation on a non-consolidated basis.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022. Consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

Investor presentation materials relating to our financial results for the year ended March 31, 2022 are expected to be published on our corporate website on April 21, 2022.

## **1. Overview of Operating Results, Etc.**

### **(1) Overview of Operating Results for the Year Ended March 31, 2022**

#### **1. Overview of Business Environment for the Year Ended March 31, 2022**

As of January 2022, the IMF forecasts global economic growth of 4.4% in 2022. In the environment surrounding NIDEC, even after the revision of the IMF Economic Outlook in January, risk factors such as rising raw material prices and accelerating supply chain disruptions due to increased geopolitical risks, as well as possibility of lockdown being implemented due to the spread of COVID-19 in China surfaced. As for raw material prices, the price of raw materials for motors, which are NIDEC's mainstay products, has risen sharply.

## 2. Consolidated Operating Results

### Consolidated Operating Results for the Year Ended March 31, 2022 (“this fiscal year”), Compared to the Year Ended March 31, 2021 (“the previous fiscal year”)

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales	1,618,064	1,918,174	300,110	18.5%
Operating profit	159,970	171,487	11,517	7.2%
Operating profit ratio	9.9%	8.9%	-	-
Profit before income taxes	152,937	171,145	18,208	11.9%
Profit for the year from continuing operations	122,813	137,094	14,281	11.6%
Loss for the year from discontinued operations	(228)	(327)	(99)	-
Profit attributable to owners of the parent	121,945	136,870	14,925	12.2%

Consolidated net sales from continuing operations increased 18.5% to ¥1,918,174 million for this fiscal year compared to the previous fiscal year. We renewed the highest annual net sales due to an increase in sales of products for machineries including the machine tools business, which we entered this year, in addition to higher sales of compressors for home appliances, motors for air conditioners, and motors and gears for transportation robots in the U.S. and Europe.

Operating profit increased 7.2% to ¥171,487 million for this fiscal year compared to the previous fiscal year, and we renewed the highest record. This was mainly due to increased sales of appliance, commercial and industrial products in addition to thorough manufacturing cost improvement and fixed cost rationalization through WPR4 Project despite the negative effects by difficulties in procuring semiconductors and other electronic components among customers and a rise in raw materials costs.

Profit before income taxes increased 11.9% to ¥171,145 million and profit for the year from continuing operations increased 11.6% to ¥137,094 million compared to the previous fiscal year, and renewed the highest record.

Profit attributable to owners of the parent increased 12.2% to ¥136,870 million due to an increase of profit for the year from continuing operations, and renewed the highest record. The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥112.38 to the U.S. dollar, which reflected an approximately 6% depreciation of the Japanese yen against the U.S. dollar, compared to the previous fiscal year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥130.56 to the Euro, which reflected an approximately 6% depreciation of the Japanese yen against the Euro, compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥103,600 million and on operating profit by approximately ¥13,100 million for this fiscal year compared to the previous fiscal year.

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NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022. Consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

## Operating Results by Product Category for This Fiscal Year Compared to the Previous Fiscal Year

### Small precision motors

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales to external customers	443,598	424,907	(18,691)	(4.2) %
Spindle motors for hard disk drives (HDDs)	144,029	98,783	(45,246)	(31.4) %
Other small precision motors	299,569	326,124	26,555	8.9 %
Operating profit	66,923	42,438	(24,485)	(36.6) %
Operating profit ratio	15.1 %	10.0 %	-	-

Net sales of this category decreased 4.2% to ¥424,907 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥28,500 million for this fiscal year compared to the previous fiscal year.

Net sales of spindle motors for HDDs decreased 31.4% to ¥98,783 million for this fiscal year compared to the previous fiscal year due to a decrease in the number of units sold. On the other hand, net sales of other small precision motors increased 8.9% to ¥326,124 million for this fiscal year compared to the previous fiscal year by engaging in new demands one after another by launching a number of new products such as IT fan motors, high-efficiency motors for home appliances, and thermal solution products for game consoles and other products.

Operating profit of this category decreased 36.6% to ¥42,438 million for this fiscal year compared to the previous fiscal year despite thorough cost improvements, such as in-house production of parts. This was mainly due to the decrease in sales.

The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥8,800 million for this fiscal year compared to the previous fiscal year.

### Automotive products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales to external customers	358,075	417,643	59,568	16.6 %
Operating profit	19,526	10,675	(8,851)	(45.3) %
Operating profit ratio	5.5 %	2.6 %	-	-

Net sales of this category increased 16.6% to ¥417,643 million for this fiscal year compared to the previous fiscal year due to a slight recovery trend. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥19,300 million for this fiscal year compared to the previous fiscal year.

Although NIDEC made manufacturing cost improvement through WPR4 project with our total efforts, operating profit decreased 45.3% to ¥10,675 million for this fiscal year compared to the previous fiscal year. This was due to recording approximately ¥2,500 million in restructuring costs in Europe and others in this fiscal year, and continuing development costs and others for the traction motor system (E-Axle) in high demand, in addition to the negative effects by difficulties in procuring semiconductors and other electronic components among customers. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥300 million for this fiscal year compared to the previous fiscal year.

## Appliance, commercial and industrial products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales to external customers	601,611	786,588	184,977	30.7 %
Operating profit	53,025	78,167	25,142	47.4 %
Operating profit ratio	8.8 %	9.9 %	-	-

Net sales of this category increased 30.7% to ¥786,588 million for this fiscal year compared to the previous fiscal year, primarily due to higher sales of compressors for home appliances, motors for air conditioners, and motors and gears for transportation robots in the U.S. and Europe. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥44,000 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category significantly increased 47.4% to ¥78,167 million for this fiscal year compared to the previous fiscal year, due to the effect of increased sales from engaging in the demands for energy-saving, high-efficiency and high-value-added new products in all business fields, and continuous manufacturing cost improvement, fixed cost rationalization, and reflections to sales prices for global rise in raw material prices. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥4,200 million for this fiscal year compared to the previous fiscal year.

## Machinery

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales to external customers	150,575	215,588	65,013	43.2 %
Operating profit	26,364	42,345	15,981	60.6 %
Operating profit ratio	17.5 %	19.6 %	-	-

Net sales of this category increased 43.2% to ¥215,588 million for this fiscal year compared to the previous fiscal year, due to the entry into machine tool business in addition to significantly higher sales of semiconductor inspection systems in strong demand for 5G, press machines and speed reducers by continuous launching new products that meet customers' needs in the Chinese market. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥7,500 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category significantly increased 60.6% to ¥42,345 million for this fiscal year compared to the previous fiscal year, mainly due to the higher sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥800 million for this fiscal year compared to the previous fiscal year.

## Electronic and optical components

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales to external customers	60,824	69,699	8,875	14.6 %
Operating profit	6,315	11,029	4,714	74.6 %
Operating profit ratio	10.4 %	15.8 %	-	-

Net sales of this category increased 14.6% to ¥69,699 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥4,200 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category increased 74.6% to ¥11,029 million for this fiscal year compared to the previous fiscal year, mainly due to the higher sales by continuous launching new products. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥600 million for this fiscal year compared to the previous fiscal year.

## Other products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales to external customers	3,381	3,749	368	10.9 %
Operating profit	391	334	(57)	(14.6) %
Operating profit ratio	11.6 %	8.9 %	-	-

Net sales of this category increased 10.9% to ¥3,749 million and operating profit of this category decreased 14.6% to ¥334 million for this fiscal year compared to the previous fiscal year.

**Consolidated Operating Results for the Three Months Ended March 31, 2022 (“4Q”), Compared to the Previous Three Months Ended December 31, 2021 (“3Q”)**

*(Yen in millions)*

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales	496,542	510,964	14,422	2.9 %
Operating profit	44,308	36,856	(7,452)	(16.8) %
Operating profit ratio	8.9%	7.2 %	-	-
Profit before income taxes	42,272	40,591	(1,681)	(4.0) %
Profit for the period from continuing operations	32,712	36,699	3,987	12.2 %
Loss for the period from discontinued operations	(84)	(95)	(11)	-
Profit attributable to owners of the parent	32,676	36,427	3,751	11.5 %

Consolidated net sales from continuing operations increased 2.9% to ¥510,964 million for 4Q compared to 3Q. We renewed the highest record of the quarterly consolidated accounting period, despite the continued situations of difficulties in procuring semiconductors and other electronic components among customers.

Operating profit from continuing operations decreased 16.8% to ¥36,856 million despite thorough manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project. This was due to the negative effects by difficulties in procuring semiconductors and other electronic components among customers and soaring raw material prices.

Profit before income taxes decreased 4.0% to ¥40,591 million for 4Q compared to 3Q and profit from continuing operations increased 12.2% to ¥36,699 million for 4Q compared to 3Q.

Profit attributable to owners of the parent increased 11.5% to ¥36,427 million for 4Q compared to 3Q.

The average exchange rate between the Japanese yen and the U.S. dollar for 4Q was ¥116.20 to the U.S. dollar, which reflected an approximately 2% depreciation of the Japanese yen against the U.S. dollar, compared to 3Q. The average exchange rate between the Japanese yen and the Euro for 4Q was ¥130.39 to the Euro, which reflected a slightly depreciation of the Japanese yen against the Euro, compared to 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥8,700 million and operating profit by approximately ¥400 million for 4Q compared to 3Q.



## Operating Results by Product Category for 4Q Compared to 3Q

### Small precision motors

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales to external customers	116,114	103,682	(12,432)	(10.7) %
Spindle motors for hard disk drives (HDDs)	27,419	21,924	(5,495)	(20.0) %
Other small precision motors	88,695	81,758	(6,937)	(7.8) %
Operating profit	14,031	5,312	(8,719)	(62.1) %
Operating profit ratio	12.1 %	5.1 %	-	-

Net sales of spindle motors for HDDs decreased 20.0% to ¥21,924 million for 4Q compared to 3Q mainly due to a decrease in the number of units sold. Net sales of other small precision motors for 4Q decreased 7.8% to ¥81,758 million compared to 3Q despite actively engaging in new demands for IT fan motors, high-efficiency motors for home appliances, and thermal solution products such as game consoles and other products. This was due to the lockdown caused by COVID-19.

Net sales of this category decreased 10.7% to ¥103,682 million and the fluctuations of foreign currency exchange rates had a positive effect on sales by approximately ¥2,200 million from 3Q.

Operating profit of this category decreased 62.1% to ¥5,312 million for 4Q compared to 3Q despite thorough manufacturing cost improvement, such as in-house production of parts. This was due to a decrease in sales from the lockdown caused by COVID-19.

The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥300 million from 3Q.

### Automotive products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales to external customers	103,921	116,525	12,604	12.1 %
Operating profit (loss)	2,492	(154)	(2,646)	(106.2) %
Operating profit ratio	2.4 %	(0.1) %	-	-

Net sales of this category increased 12.1% to ¥116,525 million for 4Q compared to 3Q. This was due to an increase in sales of the traction motor systems (E-Axle) and other factors, despite the negative effect by the continued difficulties in procuring semiconductors and other electronic components among customers. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,300 million for 4Q compared to 3Q.

Operating profit (loss) of this category decreased 106.2% to ¥154 million for 4Q compared to 3Q. This was due to recording approximately ¥1,600 million in restructuring costs in Europe and others in 4Q, and continuing development costs and others for the traction motor system (E-Axle) in high demand, in addition to the negative effects by difficulties in procuring semiconductors and other electronic components among customers. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for 4Q compared to 3Q.

## Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales to external customers	197,757	210,810	13,053	6.6 %
Operating profit	17,388	20,251	2,863	16.5 %
Operating profit ratio	8.8 %	9.6 %	-	-

Net sales of this category increased 6.6% to ¥210,810 million for 4Q compared to 3Q primarily due to higher sales of compressors for home appliances and motors for air conditioners. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥4,200 million for 4Q compared to 3Q.

Operating profit of this category increased 16.5% to ¥20,251 million for 4Q compared to 3Q, due to the effect of increased sales from engaging in the demands for energy-saving, high-efficiency and high-value-added new products in all business fields, and continuous manufacturing cost improvement, fixed cost rationalization, and reflections to sales prices for global rise in raw material prices. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥400 million for 4Q compared to 3Q.

## Machinery

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales to external customers	58,889	61,334	2,445	4.2 %
Operating profit	10,598	11,122	524	4.9 %
Operating profit ratio	18.0 %	18.1 %	-	-

Net sales of this category increased 4.2% to ¥61,334 million for 4Q compared to 3Q mainly due to an increase in sales of press machines, speed reducers, and machine tools. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥700 million for 4Q compared to 3Q.

Operating profit of this category increased 4.9% to ¥11,122 million for 4Q compared to 3Q. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥200 million for 4Q compared to 3Q.

## Electronic and optical components

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales to external customers	18,842	17,711	(1,131)	(6.0) %
Operating profit	2,903	3,680	777	26.8 %
Operating profit ratio	15.4 %	20.8 %	-	-

Net sales of this category decreased 6.0% to ¥17,711 million and the fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥300 million for 4Q compared to 3Q. Operating profit of this category increased 26.8% to ¥3,680 million for 4Q compared to 3Q.

## Other products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2021	March 31, 2022		
Net sales to external customers	1,019	902	(117)	(11.5) %
Operating profit	133	10	(123)	(92.5) %
Operating profit ratio	13.1 %	1.1 %	-	-

Net sales of this category decreased 11.5% to ¥902 million and operating profit of this category decreased 92.5% to ¥10 million for 4Q compared to 3Q.

## (2) Financial Position

(Yen in millions)

	As of March 31, 2021	As of March 31, 2022	Increase or decrease
Total assets	2,256,024	2,689,257	433,233
Total liabilities	1,142,089	1,371,448	229,359
Total equity attributable to owners of the parent	1,096,020	1,293,352	197,332
Interest-bearing debt *1	531,473	595,710	64,237
Net interest-bearing debt *2	311,949	396,055	84,106
Debt ratio (%) *3	23.6	22.2	(1.4)
Debt to equity ratio (“D/E ratio”) (times) *4	0.48	0.46	(0.02)
Net D/E ratio (times) *5	0.28	0.31	0.03
Ratio of total equity attributable to owners of the parent to total assets (%) *6	48.6	48.1	(0.5)

(Notes) \*1. Interest-bearing debt: The sum of “short term borrowings”, “long term debt due within one year” and “long term debt” on the consolidated statements of financial position

\*2. Net interest-bearing debt: Interest-bearing debt less “cash and cash equivalents”

\*3. Debt ratio: Interest-bearing debt divided by total assets

\*4. D/E ratio: Interest-bearing debt divided by total equity attributable to owners of the parent

\*5. Net D/E ratio: Net interest-bearing debt divided by total equity attributable to owners of the parent

\*6. Ratio of total equity attributable to owners of the parent to total assets: Total equity attributable to owners of the parent divided by total assets

Total assets increased ¥433,233 million to ¥2,689,257 million as of March 31, 2022 compared to March 31, 2021. This was mainly due to increases of ¥140,703 million in trade and other receivables, ¥160,731 million in inventories and ¥103,327 million in property, plant and equipment.

Total liabilities increased ¥229,359 million to ¥1,371,448 million as of March 31, 2022 compared to March 31, 2021. This was mainly due to increases of ¥135,464 million in trade and other payables, and ¥64,237 million in interest-bearing debt. Specifically, short term borrowings increased ¥99,658 million to ¥130,635 million, long term debt due within one year increased ¥67,605 million to ¥143,201 million and long term debt decreased ¥103,026 million to ¥321,784 million as of March 31, 2022 compared to March 31, 2021.

As a result, net interest-bearing debt increased to ¥396,055 million as of March 31, 2022 from ¥311,949 million as of March 31, 2021. The debt ratio that includes lease liabilities decreased to 22.2% as of March 31, 2022 from 23.6% as of March 31, 2021. The D/E ratio decreased to 0.46 times as of March 31, 2022 from 0.48 times as of March 31, 2021. The net D/E ratio increased to 0.31 times as of March 31, 2022 from 0.28 times as of March 31, 2021.

Total equity attributable to owners of the parent increased ¥197,332 million to ¥1,293,352 million as of March 31, 2022 compared to March 31, 2021. Ratio of total equity attributable to owners of the parent to total assets decreased to 48.1% as of March 31, 2022 from 48.6% as of March 31, 2021. This was mainly due to increases in retained earnings of ¥103,146 million and other components of equity of ¥153,552 million.

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NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022. Consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

## Overview of Cash Flow

(Yen in millions)

	For the years ended March 31,		Increase or decrease
	2021	2022	
Net cash provided by operating activities	219,156	94,994	(124,162)
Net cash used in investing activities	(100,568)	(112,597)	(12,029)
Free cash flow *1	118,588	(17,603)	(136,191)
Net cash used in financing activities	(136,191)	(64,393)	71,798

(Note) \*1. Free cash flow: The sum of “net cash provided by operating activities” and “net cash used in investing activities”.

Cash flows from operating activities for this fiscal year came to a net cash inflow of ¥94,994 million. Compared to the previous fiscal year, the cash inflow from operating activities for this fiscal year decreased ¥124,162 million. This decrease was mainly due to ¥136,767 million in profit for the year and ¥114,179 million increase in inventories.

Cash flows from investing activities for this fiscal year came to a net cash outflow of ¥112,597 million. Compared to the previous fiscal year, the net cash outflow from investing activities for this fiscal year increased ¥12,029 million mainly due to additions to property, and equipment of ¥98,580 million and other factors.

As a result, we had a negative free cash flow of ¥17,603 million for this fiscal year, an decrease of ¥136,191 million compared to a positive free cash flow of ¥118,588 million for the previous fiscal year.

Cash flows from financing activities for this fiscal year came to a net cash outflow of ¥64,393 million. Compared to the previous fiscal year, the net cash outflow from financing activities for this fiscal year decreased ¥71,798 million mainly due to increases in short term borrowings of ¥93,380 million and other factors, despite ¥38,940 million in redemption of corporate bonds, ¥35,132 million in payment of dividends to owners of the parent, and ¥43,575 million in repayment of long term debt.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of March 31, 2022 decreased ¥19,869 million to ¥199,655 million from March 31, 2021.

## Reference:

	As of March 31, 2021	As of March 31, 2022
Ratio of total equity attributable to owners of the parent to total assets (%)(*1)	48.6	48.1
Total market value of NIDEC's shares to total assets (%)(*2)	348.8	210.3
Interest-bearing debt to net cash provided by operating activities (years) (*3)	2.4	6.3
Interest coverage ratio (times) (*4)	40.6	19.3

(Notes) \*1. Ratio of total equity attributable to owners of the parent to total assets: Total equity attributable to owners of the parent divided by total assets

\*2. Total market value of NIDEC's shares to total assets: Total market value of NIDEC's shares (1) divided by total assets

\*3. Interest-bearing debt to net cash provided by operating activities: Interest-bearing debt (2) divided by net cash provided by operating activities

\*4. Interest coverage ratio: Net cash provided by operating activities divided by interest payments (3)

(1) Total market value: Closing stock price at fiscal year end (TSE) multiplied by the number of shares issued at fiscal year end (excluding treasury stock)

(2) Interest-bearing debt: The sum of “short term borrowings”, “long term debt due within one year” and “long term debt” on the consolidated statements of financial position

(3) Interest payments: “Interests paid” on the consolidated statements of cash flows

### (3) Business Forecasts

As of January 2022, the IMF forecasts global economic growth of + 4.4 percent in 2022. Even after the revision of the IMF Economic Outlook in January, the business environment remains more uncertain than before due to risk factors such as rising raw material prices and accelerating supply chain disruptions due to increased geopolitical risks, as well as possibility of lockdown being implemented due to the spread of COVID-19 in China. The number of vehicles produced by customers in the automotive sector has yet to show a full-scale recovery trend due to supply chain disruptions, and the business environment is expected to remain unpredictable.

The forecasts for the year ending March 31, 2023 described below are prepared based on an assumption that exchange rates are US\$1 = ¥110 and €1 = ¥125.

#### Forecast of Consolidated Financial Performance for the Year Ending March 31, 2023

Net sales	¥2,100,000 million	(109.5% compared to the previous fiscal year)
Operating profit	¥210,000 million	(122.5% compared to the previous fiscal year)
Profit before income taxes	¥206,000 million	(120.4% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥165,000 million	(120.6% compared to the previous fiscal year)

#### Forecast of Consolidated Financial Performance for the Six Months Ending September 30, 2022

Net sales	¥950,000 million	(104.3% compared to the same period of the previous fiscal year)
Operating profit	¥95,000 million	(105.2% compared to the same period of the previous fiscal year)
Profit before income taxes	¥93,000 million	(105.3% compared to the same period of the previous fiscal year)
Profit attributable to owners of the parent	¥75,000 million	(110.7% compared to the same period of the previous fiscal year)

(Notes) 1. Consolidated performance is based on IFRS.

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥110 and €1 = ¥125.

#### Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC's expectations as a result of various factors.

#### **(4) Basic Policy on Profit Distribution and Dividends for This Fiscal Year and the Next Fiscal Year**

From the standpoint of upholding shareholder-oriented management, we strive to make the efforts mandated by our shareholders; namely, we strive to present a vision for the future that is reflective of our constant and vigilant attention to the changing times with contributing to the Earth by producing the highest quality motors in the world as a global company that grows sustainably for the next 100 years and beyond. Fundamental to this stance of ours is our untiring and enduring commitment to growth. In our policy on profit distribution as well, we place importance on maintaining stable dividends, targeting a dividend payout ratio to around 30% of our consolidated profit for the year, and strive to improve dividends while keeping them commensurate with consolidated profit for the year.

At the same time, we work to improve revenues by utilizing internal reserves to further strengthen our operational structure and invest in business expansion.

##### 1. Dividends for this fiscal year: Year-end dividend of ¥35 per share and annual dividend of ¥65 per share

The dividends for the year ended March 31, 2022 comprises, in addition to the interim dividend of ¥30 per share already paid, the scheduled year-end dividend of ¥35 per share. As a result, annual dividends are ¥65 per share, which makes the dividend payout ratio for this fiscal year, which is obtained by dividing total dividends for the year by profit for the year attributable to owners of the parent, 27.7%.

##### 2. Dividends for the next fiscal year: Forecasted full-year dividend of ¥70 (an interim dividend of ¥35 per share and a year-end dividend of ¥35 per share)

Our current dividend forecast for the year ending March 31, 2023 is an annual dividend of ¥70 per share, comprising an interim dividend of ¥35 per share and a year-end dividend of ¥35 per share. Based on current forecasts, the dividend payout ratio for the fiscal year ending March 31, 2023, which is obtained as described above, is 24.6%.

## **2. Management Policies, Business Environment, and Challenges**

### **(1) Basic Management Policies**

Upon celebrating the 50th anniversary of our founding, NIDEC established the “New Corporate Philosophies” with a view of growing sustainably for the next 100 years and beyond. The “New Corporate Philosophies” is based on NIDEC's policy. While continuing the values, code of conduct, and action guidelines that have been the source of NIDEC's 50-year growth, the “New Corporate Philosophies” clearly defines the purpose of NIDEC's growth and the significance of its existence as the "Mission". In addition to adhering to the No. 1 position, NIDEC established the "Vision" for a corporate group with a solution that contributes to the conservation of the global environment and the enrichment of the lives of people all over the world through the activities of NIDEC.

The "Mission" and "Vision" are as follows:

"Mission":

We contribute to the Earth by producing the highest quality motors in the world.

(All NIDEC employees work to the very best of their ability to send motors into the world. It is with these motors and other products we make that we solve various issues such as the conservation of the global environment, and contribute to making better lives for people all over the world.)

"Vision":

- NIDEC is a global company that grows sustainably for the next 100 years and beyond.
- NIDEC is the world's leading solution-providing business group that solves numerous problems for the people in the world.

Under these circumstances, we have set a new medium-term strategic target for fiscal year 2025 (Vision2025) and aim to be a growing company that is strongly adapted to changes in the business environment.

The outline is as follows.

FY2021 to FY2022

- 1) Target for consolidated net sales : ¥2 trillion
- 2) Productivity improvement : To increase sales and profit per employee by 30% (compared to FY2020)
- 3) ROIC (Return On Invested Capital) : over 10%
- 4) To be a top-rated ESG company

FY2023 to FY2025

- 1) Target for consolidated net sales : ¥4 trillion
- 2) Productivity improvement : To double sales and profit per employee (compared to FY2020)
- 3) ROIC (Return On Invested Capital) : over 15%
- 4) To be a top-rated ESG company

NIDEC announces that it will achieve carbon neutrality in FY2040 as a major pillar of its new medium-term strategic goal Vision2025 and materiality initiatives, with the aim of contributing to the realization of a carbon-free society.

To achieve this target, we will first aim to substantially reduce the CO<sub>2</sub> that NIDEC emits directly through its business activities at present (Scope 1), and CO<sub>2</sub> that is emitted in the production stage of heat or energy used in business activities (Scope 2), by making our businesses more energy efficient and proactively introducing renewable energies. After building a solid foundation for renewable energy oriented CO<sub>2</sub> emissions reduction, we will promote a shift to energy-saving, low-carbon fuels and employ carbon offset investments and other measures, thereby achieving carbon neutrality in our business activities in FY2040.

For CO<sub>2</sub> emitted in the supply chain (Scope 3), we will decide a reduction plan by FY2025.

## **(2) Business Environment and NIDEC's Medium- to Long-term Business Strategies**

Currently, NIDEC believes NIDEC can provide solutions to common problems of humankind in the five fields of "decarbonization," "manpower saving," "power saving," "thermal solutions," and "digital data explosion." NIDEC will concentrate management resources in the fields such as "automotive electrification," "expansion of robot applications," and "increased demand for high-efficiency motors," in which solutions to common problems of humankind such as CO<sub>2</sub> emissions control, labor shortage and power saving are required.

### **1. Small precision motors**

In the small precision motors business, thermal management related products are one of the field in which sales growth is expected in the future. With the spread of 5G communication, the importance of dealing with "heat" is increasing, and it is expected that the demand for thermal management related products such as heat sinks, heat pipes, vapor chambers, and others. In addition, the electrification of small mobility fields such as electric bicycles, electric motorcycles, electric scooters and mini EVs is expected to drive our growth in the medium to long term. The wave of electrification is likely to come to two-wheel vehicles as it has come to four wheelers, and it is expected that the opportunities for our motors will expand.

NIDEC makes efforts to improve the profitability of HDD motors. HDDs for PCs are not expected to grow significantly in the future due to the spread of new IT terminals such as tablets and smartphones, the improvement for the image quality and capacity of images and videos, and spread social media and games. Demand for HDD motors is expected to continue to grow in server applications as data storage becomes cloud-based, and the composition ratio of high-value-added products is expected to increase.



## 2. Automotive products

As the impact of climate change increases in severity, the automotive industry is accelerating its efforts toward decarbonization. Since emissions from passenger cars, trucks, and others account for approximately one fifth of the total CO2 emissions in the world, major countries have announced a ban on the sales of gasoline and diesel vehicles one after another, and are supporting to shift to the 'vehicle electrification'. NIDEC takes "automotive electrification" as medium- to long-term growth opportunities. By supplying existing automotive motors such as electric power steering motors and brake motors, automotive cameras, control valves, electric oil pumps and others, as well as electric vehicle driving motor system (E-Axle), NIDEC will actively participate in the industry's efforts to reduce the CO2 emitted by running vehicles to virtually zero. The electric vehicle market has expanded rapidly in recent years, mainly in China and Europe, and demand for our "E-Axle" is expected to expand significantly in the future.

## 3. Appliance, commercial and industrial products

Motors currently account for approximately half of the world's electric power demand, and since the consumption of industrial motors is particularly large, there is an urgent need to replace them with higher-efficiency motors. In the appliance sector, NIDEC handles motors for washing machines, dryers, dishwashers, compressors for refrigerators, motors for compressors and other, and it is expected that the demand for highly efficient brushless DC motors will further increase in the future. The commercial sector supplies air conditioner motors, and the industrial sector develops business mainly in markets such as agriculture, gas, mining, water and sewage, and marine markets.

There is a global trend toward energy-efficiency and power-saving, and NIDEC is aiming for further development of the appliance, commercial, and industrial businesses by following this trend.

## 4. Others

Demand for factory automation (FA) is increasing mainly in China, aiming to solve the global labor shortage. NIDEC is promoting business expansion by capturing demand for small robot core parts (speed reducers), which is expanding due to the "expansion of robot applications." In addition, NIDEC is aiming to supply high-value-added products by accelerating the modularization of speed reducer related products

## 5. M&A

In order to achieve the above goals, in the small precision motors business, NIDEC has acquired Chaun-Choung Technology in November 2018, which has thermal solution products centered on vapor chambers. In combination with NIDEC's existing technology, cooling technology centered on fan motors, NIDEC will provide higher value-added thermal solutions. In the automotive business, NIDEC has acquired OMRON Automotive Electronics in October 2019, which has the technology of electronic control unit (ECU). NIDEC will increase the ECU capacity of Nidec Elesys and pursue synergies with its existing automotive motors. For appliance, commercial and industrial products, NIDEC has acquired Embraco in July 2019, which has technology for refrigerator compressors. In combination with its existing technology for compressor motors, NIDEC contributes to the development of refrigerators with even greater energy-efficiency performance. For others, in August 2021 NIDEC has acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd., which has high accuracy and efficiency gear processing technology. NIDEC will pursue synergy effects in the two existing businesses of speed reducers and press machines owned by Nidec-Shimpo Corporation, as well as in basic technology development, manufacturing and sales and so forth. In addition, NIDEC expects utilizing Mitsubishi Heavy Industries Machine Tool's technology for our future insourcing plan. NIDEC is expecting further demand increase for E-Axle, the electric vehicle traction unit that Nidec is most focused on at present. Technology of the company is essential strengthen manufacturing capabilities of gears, the core component of the traction unit. In addition, in February 2022 NIDEC has acquired OKK Corporation ("OKK"), whose business is to design, manufacture, sell and install machine tools, and provide technical instructions on and after-sales services related to products, etc. The acquisition of OKK achieves a mutual complement of products in the area of machine tool, an existing area of businesses where Nidec operates, and synergies are also expected especially in such areas as element technology development, manufacturing, and sales of the machine tool business. We hope to mutually exploit NIDEC's and OKK's respective technological capability, brand power, and customer bases to expand our machine tool business.

### **3. Basic Rationale for Selection of Accounting Standards**

NIDEC has adopted International Financial Reporting Standards (IFRS) since the first quarter in the fiscal year ended March 31, 2017 to strengthen the foundation of financial reporting and make it more efficient.

## 4. Consolidated Financial Statements and Other Information

### (1) Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31,	
	2021	2022
Assets		
Current assets		
Cash and cash equivalents	219,524	199,655
Trade and other receivables	441,083	581,786
Other financial assets	10,556	4,828
Income tax receivables	9,454	8,290
Inventories	296,641	457,372
Other current assets	46,869	50,396
Total current assets	1,024,127	1,302,327
Non-current assets		
Property, plant and equipment	662,659	765,986
Goodwill	319,926	339,904
Intangible assets	195,601	214,498
Investments accounted for using the equity method	2,422	1,241
Other investments	19,360	20,839
Other financial assets	6,056	6,613
Deferred tax assets	15,022	21,062
Other non-current assets	10,851	16,787
Total non-current assets	1,231,897	1,386,930
Total assets	2,256,024	2,689,257

(Yen in millions)

	As of March 31,	
	2021	2022
<b>Liabilities</b>		
Current liabilities		
Short term borrowings	30,977	130,635
Long term debt due within one year	75,596	143,201
Trade and other payables	400,307	535,771
Other financial liabilities	2,463	2,155
Income tax payables	17,910	20,083
Provisions	33,546	36,691
Other current liabilities	68,869	79,917
Total current liabilities	629,668	948,453
Non-current liabilities		
Long term debt	424,900	321,874
Other financial liabilities	1,666	264
Retirement benefit liabilities	31,703	36,566
Provisions	756	1,121
Deferred tax liabilities	48,214	58,219
Other non-current liabilities	5,182	4,951
Total non-current liabilities	512,421	422,995
Total liabilities	1,142,089	1,371,448
<b>Equity</b>		
Common stock	87,784	87,784
Additional paid-in capital	105,179	103,216
Retained earnings	1,016,559	1,119,705
Other components of equity	(49,633)	103,919
Treasury stock	(63,869)	(121,272)
Total equity attributable to owners of the parent	1,096,020	1,293,352
Non-controlling interests	17,915	24,457
Total equity	1,113,935	1,317,809
Total liabilities and equity	2,256,024	2,689,257

**(2) Consolidated Statements of Income**  
**and Consolidated Statements of Comprehensive Income**  
**For the years ended March 31, 2021 and 2022**  
**Consolidated Statements of Income**

*(Yen in millions)*

	For the years ended March 31,	
	2021	2022
Continuing operations		
Net Sales	1,618,064	1,918,174
Cost of sales	(1,251,547)	(1,514,837)
Gross profit	366,517	403,337
Selling, general and administrative expenses	(139,267)	(153,835)
Research and development expenses	(67,280)	(78,015)
Operating profit	159,970	171,487
Financial income	4,200	4,287
Financial expenses	(5,924)	(5,653)
Derivative gain (loss)	1,014	213
Foreign exchange differences	(5,334)	2,272
Share of net profit (loss) from associate accounting using the equity method	(989)	(1,461)
Profit before income taxes	152,937	171,145
Income tax expenses	(30,124)	(34,051)
Profit for the year from continuing operations	122,813	137,094
Discontinued operations		
Loss for the year from discontinued operations	(228)	(327)
Profit for the year	122,585	136,767
Profit for the year attributable to:		
Owners of the parent	121,945	136,870
Non-controlling interests	640	(103)
Profit for the year	122,585	136,767

## Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Profit for the year	122,585	136,767
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	759	1,810
Fair value movements on FVTOCI equity financial assets	3,799	247
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	61,445	155,876
Effective portion of net changes in fair value of cash flow hedges	6,040	(749)
Fair value movements on FVTOCI debt financial assets	7	2
Total other comprehensive income for the year, net of taxation	72,050	157,186
Comprehensive income for the year	194,635	293,953
Comprehensive income for the year attributable to:		
Owners of the parent	192,671	292,439
Non-controlling interests	1,964	1,514
Comprehensive income for the year	194,635	293,953

### (3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2021

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2020	87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633
Comprehensive income								
Profit for the year			121,945			121,945	640	122,585
Other comprehensive income				70,726		70,726	1,324	72,050
Total comprehensive income						192,671	1,964	194,635
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(128)	(128)	-	(128)
Dividends paid to the owners of the parent			(35,145)			(35,145)	-	(35,145)
Dividends paid to non-controlling interests						-	(655)	(655)
Share-based payment transactions		17				17	-	17
Transfer to retained earnings			4,568	(4,568)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(9,592)				(9,592)	(3,934)	(13,526)
Other			898		9	907	197	1,104
Balance at March 31, 2021	87,784	105,179	1,016,559	(49,633)	(63,869)	1,096,020	17,915	1,113,935

For the year ended March 31, 2022

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2021	87,784	105,179	1,016,559	(49,633)	(63,869)	1,096,020	17,915	1,113,935
Comprehensive income								
Profit for the year			136,870			136,870	(103)	136,767
Other comprehensive income				155,569		155,569	1,617	157,186
Total comprehensive income						292,439	1,514	293,953
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(57,496)	(57,496)	-	(57,496)
Dividends paid to the owners of the parent			(35,132)			(35,132)	-	(35,132)
Dividends paid to non-controlling interests						-	(138)	(138)
Share-based payment transactions		420				420	-	420
Transfer to retained earnings			2,016	(2,016)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(2,402)				(2,402)	4,872	2,470
Other		19	(608)	(1)	93	(497)	294	(203)
Balance at March 31, 2022	87,784	103,216	1,119,705	103,919	(121,272)	1,293,352	24,457	1,317,809



**(4) Consolidated Statements of Cash Flows***(Yen in millions)*

	For the years ended March 31,	
	2021	2022
Cash flows from operating activities:		
Profit for the year from continuing operations	122,813	137,094
Loss for the year from discontinued operations	(228)	(327)
Profit for the year	122,585	136,767
Adjustments to reconcile profit for the year to net cash provided by operating activities		
Depreciation	80,930	87,279
Amortization	15,872	17,645
Loss from sales, disposal or impairment of property, plant and equipment	2,011	(2,247)
Loss from sales of discontinued operations	228	327
Financial expenses (income)	2,008	995
Share of net (profit) loss from associate accounting using the equity method	989	1,461
Deferred income taxes	(194)	(2,981)
Current income taxes	30,318	37,033
Foreign currency adjustments	(8,778)	(16,224)
Increase (decrease) in retirement benefit liability	(459)	(2,345)
Decrease (increase) in accounts receivable	(28,979)	(68,540)
Decrease (increase) in inventories	(9,416)	(114,179)
Increase (decrease) in accounts payable	68,252	65,144
Other, net	(26,450)	(9,734)
Interests and dividends received	3,540	3,830
Interests paid	(5,396)	(4,913)
Income taxes paid	(27,905)	(34,324)
Net cash provided by operating activities	219,156	94,994

(Yen in millions)

For the years ended March 31,

2021 2022

Cash flows from investing activities:

Additions to property, plant and equipment	(88,911)	(98,580)
Proceeds from sales of property, plant and equipment	3,401	9,695
Additions to intangible assets	(11,015)	(16,641)
Proceeds from sales of discontinued operations	2,888	—
Acquisitions of business, net of cash acquired	(5,451)	(5,930)
Other, net	(1,480)	(1,141)
Net cash used in investing activities	(100,568)	(112,597)

Cash flows from financing activities:

Increase (decrease) in short term borrowings	(89,209)	93,380
Proceeds from issuance of long term debt	—	20,000
Repayments of long term debt	(62,108)	(43,575)
Proceeds from issuance of bonds	114,900	—
Redemption of bonds	(50,000)	(38,940)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(14,587)	(4,156)
Purchase of treasury stock	(128)	(57,496)
Dividends paid to the owners of the parent	(35,145)	(35,132)
Other, net	86	1,526
Net cash (used in) provided by financing activities	(136,191)	(64,393)

Effect of exchange rate changes on cash and cash equivalents

30,141 62,127

Net increase (decrease) in cash and cash equivalents

12,538 (19,869)

Cash and cash equivalents at beginning of year

206,986 219,524

Cash and cash equivalents at end of year

219,524 199,655

## **(5) Notes to Consolidated Financial Statements**

### **Notes Regarding Going Concern Assumption**

Not applicable.

### **Notes to Consolidated Financial Statements**

#### **1. Reporting entity**

Nidec Corporation (the “Company”) is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange. The registered addresses of headquarters and principal business offices are available on the Company’s website (<https://www.nidec.com/en/>).

Consolidated financial statements as of March 31, 2022 and for the fiscal year then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

NIDEC mainly designs, develops, produces, and sells products as described below:

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- 2) Automotive products, which include automotive motors and components.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- 6) Others, which include music boxes and services.

#### **2. Basis of preparation of consolidated financial statements**

##### **(1) Compliance with International Financial Reporting Standards (IFRS)**

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS pursuant to the provision of Article 93 of Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

##### **(2) Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis, except for some assets and liabilities, including derivative and other financial instruments measured at fair value.

##### **(3) Presentation currency and level of rounding**

The consolidated financial statements are presented in Japanese Yen, which is also the Company’s functional currency, and figures are rounded to the nearest million yen, unless otherwise indicated.

#### **3. Significant accounting policies**

Significant accounting policies adopted in preparation of the annual consolidated financial statements are consistent with those used in the preparation of the NIDEC’s annual consolidated financial statements for the year ended March 31, 2021.

#### **4. Significant accounting estimates, judgments and assumptions**

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and assumptions are reviewed on an ongoing basis, and the effects resulting from the revisions of accounting estimates are recognized in the period in which the estimates are revised and in future periods.

Judgments and estimates with accompanying significant risks of causing material adjustments to the carrying amounts of assets and liabilities in next fiscal year are the same as those for the financial statements for the year ended March 31, 2021.

#### **5. Business combinations**

NIDEC adopts the provisions of IFRS 3 “Business Combinations”.

During the three months ended June 30, 2021, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the Metal Stamping Support Group, LLC and its group companies in the previous fiscal year. NIDEC’s consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

During the three months ended December 31, 2021, NIDEC partly completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (“Nidec Machine Tool”); all the Mitsubishi Heavy Industries Group-owned shares of three overseas subsidiaries specialized in machine tool business; and the machine tool business run by overseas subsidiaries in the six months ended September 30, 2021. The consolidated financial statements for the year ended March 31, 2022 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2022, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statements of financial position based on provisional management estimation as of March 31, 2022.

## 6. Operating Segment Information

(Yen in millions)

		For the years ended March 31,				Increase or decrease	
		2021		2022			
		Amounts	%	Amounts	%	Amounts	%
Net Sales	SPMS	366,692	21.7	343,841	17.3	(22,851)	(6.2)
	AMEC	183,399	10.8	227,506	11.5	44,107	24.0
	ACIM	531,413	31.5	702,860	35.4	171,447	32.3
	Nidec Sankyo	132,536	7.9	149,374	7.5	16,838	12.7
	Nidec Techno Motor	75,273	4.5	88,894	4.5	13,621	18.1
	Nidec Mobility	89,833	5.3	99,124	5.0	9,291	10.3
	Nidec Shimpo	74,007	4.4	117,214	5.9	43,207	58.4
	Others	234,532	13.9	255,427	12.9	20,895	8.9
	Sub-total	1,687,685	100.0	1,984,240	100.0	296,555	17.6
	Adjustments and Elimination/Corporate	(69,621)	-	(66,066)	-	3,555	-
Consolidated total		1,618,064	-	1,918,174	-	300,110	18.5
Operating profit (loss)	SPMS	59,077	34.2	34,395	18.6	(24,682)	(41.8)
	AMEC	(481)	(0.3)	(12,807)	(6.9)	(12,326)	-
	ACIM	42,285	24.5	66,611	36.0	24,326	57.5
	Nidec Sankyo	12,810	7.4	12,599	6.8	(211)	(1.6)
	Nidec Techno Motor	10,811	6.3	11,552	6.2	741	6.9
	Nidec Mobility	8,133	4.7	10,282	5.5	2,149	26.4
	Nidec Shimpo	10,093	5.8	19,359	10.5	9,266	91.8
	Others	29,986	17.4	43,051	23.3	13,065	43.6
	Sub-total	172,714	100.0	185,042	100.0	12,328	7.1
	Adjustments and Elimination/Corporate	(12,744)	-	(13,555)	-	(811)	-
Consolidated total		159,970	-	171,487	-	11,517	7.2

(Note) The operating segments are the segments of NIDEC for which separate financial information is available and for which operating income or loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

## 7. Earnings per share

The basis for calculating earnings per share attributable to owners of the parent-basic is as follows:

"Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect outstanding.

	For the years ended March 31,	
	2021	2022
Profit attributable to owners of the parent (Yen in millions)	121,945	136,870
Profit from continuing operations attributable to owners of the parent (Yen in millions)	122,173	137,197
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(228)	(327)
Weighted average shares (Shares)	585,733,130	584,157,081
Earnings (loss) per share attributable to owners of the parent-basic (Yen)	208.19	234.30
Continuing operations (Yen)	208.58	234.86
Discontinued operations (Yen)	(0.39)	(0.56)

(Note) In the calculation of "Earnings per share attributable to owners of the parent - basic", the Company's shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of "Weighted average shares".

## 8. Events after the Reporting Period

No items to report

## **5. Others**

### **(1) Status of Directors**

#### 1. Changes in Directors

1) Proposed changes regarding Representative Directors (effective as of June 17, 2022):

(Reason)

Increase the number of Representative Directors by one to further enhance the Company's management.

(Description)

Candidate to Representative Director

Hiroshi Kobe: New post: Representative Director and Vice Chairman (Chief Performance Officer)  
(Current post: Vice Chairman (Chief Sales Officer))

(Biographical information of the newly appointed representative director)

New title: Representative Director and Vice Chairman (Chief Performance Officer)

Birth date: March 28, 1949

Career summary: July 1973: Participated in the foundation of Nidec Corporation

March 1982: GM, Sales Dept.

November 1984: Member of the Board of Directors

November 1991: Member of the Board of Directors and Senior Vice President

April 1996: Member of the Board of Directors and First Senior Vice President

April 2000: Member of the Board of Directors and Executive Vice President

April 2005: Chief Operating Officer

June 2006: Representative Director and Executive Vice President

June 2008: Representative Director and Executive Vice President

June 2015: Representative Director and Vice Chairman

Chief Sales Officer (current post)

June 2020: Vice Chairman (current post)

Member of the Board of Directors and Chairman,

Nidec Global Service Corporation (current post)

2) Proposed changes regarding Members of the Board of Directors (effective as of June 17, 2022)

Candidates to Outside Members of the Board of Directors

Shinichi Sato (current post: Executive Consultant, Suntary Holdings Limited; former post: Vice-Minister of Finance)

Yayoi Komatsu (current post: Director, Tokyo Kasei Gakuin; former post: Director-General, Research Promotion Bureau of Ministry of Education, Culture, Sports, Science and Technology)

Takako Sakai (current post: Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member)

(Notes) 1. Mr. Shinichi Sato, Ms. Yayoi Komatsu and Ms. Takako Sakai are candidates for the posts of Outside Board Members (Independent Officers).

2. Ms. Sakai, who currently serves as a Member of the Board of Directors and a Member of the Audit and Supervisory Committee, will serve as a Member of the Board of Directors who is not a Member of the Audit and Supervisory Committee.

Candidate to Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member

Tamame Akamatsu (current post: Chairman of the Board and President, Kyoto City University of Arts)

(Note) Ms. Tamame Akamatsu is a candidate for the post of Outside Board Members (Independent Officers).

Outgoing Outside Members of the Board of Directors (effective as of June 17, 2022)

Teiichi Sato (current post: Outside Member of the Board of Directors)

Osamu Shimizu (current post: Outside Member of the Board of Directors)

**(2) Condensed Quarterly Consolidated Statements of Income  
and Condensed Quarterly Consolidated Statements of Comprehensive Income  
For the three months ended March 31, 2021 and 2022**

<b>Condensed Quarterly Consolidated Statements of Income</b>	<i>(Yen in millions)</i>	
	For the three months ended March 31,	
	2021	2022
Continuing operations		
Net sales	433,073	510,964
Cost of sales	(333,734)	(412,214)
Gross profit	99,339	98,750
Selling, general and administrative expenses	(37,240)	(41,115)
Research and development expenses	(17,638)	(20,779)
Operating profit	44,461	36,856
Financial income	1,067	823
Financial expenses	(1,153)	(1,921)
Derivative gain (loss)	2,195	77
Foreign exchange differences	(2,557)	5,132
Share of net profit (loss) from associate accounting using the equity method	(390)	(376)
Profit before income taxes	43,623	40,591
Income tax expenses	(5,309)	(3,892)
Profit for the period from continuing operations	38,314	36,699
Discontinued operations		
Loss for the period from discontinuing operations	(96)	(95)
Profit for the period	38,218	36,604
Profit for the period attributable to:		
Owners of the parent	38,330	36,427
Non-controlling interests	(112)	177
Profit for the period	38,218	36,604



**Condensed Quarterly Consolidated Statements of Comprehensive Income**
*(Yen in millions)*

	For the three months ended March 31,	
	2021	2022
Profit for the period	38,218	36,604
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	870	1,622
Fair value movements on FVTOCI equity financial assets	1,804	(60)
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	77,819	101,285
Effective portion of net changes in fair value of cash flow hedges	(181)	364
Fair value movements on FVTOCI debt financial assets	1	(1)
Total other comprehensive income for the period, net of taxation	80,313	103,210
Comprehensive income for the period	118,531	139,814
Comprehensive income for the period attributable to:		
Owners of the parent	117,965	138,766
Non-controlling interests	566	1,048
Comprehensive income for the period	118,531	139,814

**(3) Quarterly Financial Data for This Fiscal Year***(Yen in millions)*

	For the three months ended			
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Net sales	447,470	463,198	496,542	510,964
Operating profit	44,555	45,768	44,308	36,856
Profit before income taxes	43,752	44,530	42,272	40,591
Profit for the period	33,345	34,190	32,628	36,604
Profit attributable to owners of the parent	33,451	34,316	32,676	36,427

#### (4) Information by Product Category

For the year ended March 31, 2021

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	443,598	358,075	601,611	150,575	60,824	3,381	1,618,064	-	1,618,064
Intersegment	3,424	1,440	7,073	11,065	4,340	833	28,175	(28,175)	-
Total	447,022	359,515	608,684	161,640	65,164	4,214	1,646,239	(28,175)	1,618,064
Operating expenses	380,099	339,989	555,659	135,276	58,849	3,823	1,473,695	(15,601)	1,458,094
Operating profit	66,923	19,526	53,025	26,364	6,315	391	172,544	(12,574)	159,970

For the year ended March 31, 2022

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	424,907	417,643	786,588	215,588	69,699	3,749	1,918,174	-	1,918,174
Intersegment	5,219	1,087	7,666	22,043	7,111	1,187	44,313	(44,313)	-
Total	430,126	418,730	794,254	237,631	76,810	4,936	1,962,487	(44,313)	1,918,174
Operating expenses	387,688	408,055	716,087	195,286	65,781	4,602	1,777,499	(30,812)	1,746,687
Operating profit	42,438	10,675	78,167	42,345	11,029	334	184,988	(13,501)	171,487

For the three months ended March 31, 2021

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	103,646	102,067	172,312	39,059	15,143	846	433,073	-	433,073
Intersegment	990	497	2,031	4,127	1,313	202	9,160	(9,160)	-
Total	104,636	102,564	174,343	43,186	16,456	1,048	442,233	(9,160)	433,073
Operating expenses	88,933	95,112	157,538	36,489	15,127	895	394,094	(5,482)	388,612
Operating profit	15,703	7,452	16,805	6,697	1,329	153	48,139	(3,678)	44,461

For the three months ended March 31, 2022

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	103,682	116,525	210,810	61,334	17,711	902	510,964	-	510,964
Intersegment	1,201	205	1,808	5,477	1,856	331	10,878	(10,878)	-
Total	104,883	116,730	212,618	66,811	19,567	1,233	521,842	(10,878)	510,964
Operating expenses	99,571	116,884	192,367	55,689	15,887	1,223	481,621	(7,513)	474,108
Operating profit (loss)	5,312	(154)	20,251	11,122	3,680	10	40,221	(3,365)	36,856

(Notes) 1. Product categories are classified based on similarities in product type, product attributes, and production and sales methods.

2. Major products of each product category:

- (1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
- (2) Automotive products: Automotive motors and components.
- (3) Appliance, commercial and industrial products: Home appliance, commercial and industrial motors and related products.
- (4) Machinery: Industrial robots, card readers, test systems, press machines, power transmission drives and machine tools, etc.
- (5) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
- (6) Others: Music boxes and services, etc.

**(5) Sales by Geographic Segment***(Yen in millions)*

	For the year ended March 31,				Increase or decrease	
	2021		2022			
	Amounts	%	Amounts	%	Amounts	%
Japan	268,991	16.6	341,000	17.8	72,009	26.8
China	428,909	26.5	512,811	26.7	83,902	19.6
U.S.A.	333,406	20.6	414,899	21.6	81,493	24.4
Germany	102,306	6.3	117,806	6.1	15,500	15.2
Thailand	128,317	7.9	99,090	5.2	(29,227)	(22.8)
Italy	72,340	4.5	104,710	5.5	32,370	44.7
Others	283,795	17.6	327,858	17.1	44,063	15.5
Total	1,618,064	100.0	1,918,174	100.0	300,110	18.5

*(Yen in millions)*

	For the three months ended March 31,				Increase or decrease	
	2021		2022			
	Amounts	%	Amounts	%	Amounts	%
Japan	75,195	17.4	89,627	17.5	14,432	19.2
China	108,301	25.0	124,555	24.4	16,254	15.0
U.S.A.	96,881	22.4	113,419	22.2	16,538	17.1
Germany	29,940	6.9	36,698	7.2	6,758	22.6
Thailand	27,191	6.3	25,378	5.0	(1,813)	(6.7)
Italy	20,852	4.8	31,178	6.1	10,326	49.5
Others	74,713	17.2	90,109	17.6	15,396	20.6
Total	433,073	100.0	510,964	100.0	77,891	18.0

(Notes) 1. The sales are classified by domicile of the seller, and the figures exclude intra-segment transactions.

2. From the three months ended June 30, 2021, the sales by the Italy segment are separated from the Others segment as an individual segment whilst the sales by the Singapore segment are combined into the Others segment.

Accordingly, previous period amounts have been reclassified.

**(6) Sales by Region***(Yen in millions)*

	For the year ended March 31,				Increase or decrease	
	2021		2022			
	Amounts	%	Amounts	%	Amounts	%
Asia	771,789	47.7	876,847	45.7	105,058	13.6
North America	355,902	22.0	449,579	23.4	93,677	26.3
Europe	260,428	16.1	307,773	16.1	47,345	18.2
Others	42,654	2.6	60,808	3.2	18,154	42.6
Overseas total	1,430,773	88.4	1,695,007	88.4	264,234	18.5
Japan	187,291	11.6	223,167	11.6	35,876	19.2
Total	1,618,064	100.0	1,918,174	100.0	300,110	18.5

*(Yen in millions)*

	For the three months ended March 31,				Increase or decrease	
	2021		2022			
	Amounts	%	Amounts	%	Amounts	%
Asia	192,099	44.4	224,511	43.9	32,412	16.9
North America	102,270	23.6	124,135	24.3	21,865	21.4
Europe	75,165	17.3	85,742	16.8	10,577	14.1
Others	13,011	3.0	16,433	3.2	3,422	26.3
Overseas total	382,545	88.3	450,821	88.2	68,276	17.8
Japan	50,528	11.7	60,143	11.8	9,615	19.0
Total	433,073	100.0	510,964	100.0	77,891	18.0

(Note) The sales are classified by domicile of the buyer, and the figures exclude intra-segment transactions.



## 6. Overview of Consolidated Financial Results

April 21, 2022

### (1) Summary of Consolidated Financial Performance

(Yen in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2022	Increase or decrease	For the three months ended March 31, 2021	For the three months ended March 31, 2022	Increase or decrease
Net Sales	1,618,064	1,918,174	18.5 %	433,073	510,964	18.0 %
Operating profit	159,970 9.9 %	171,487 8.9 %	7.2 %	44,461 10.3 %	36,856 7.2 %	(17.1) %
Profit before income taxes	152,937 9.5 %	171,145 8.9 %	11.9 %	43,623 10.1 %	40,591 7.9 %	(7.0) %
Profit attributable to owners of the parent	121,945 7.5 %	136,870 7.1 %	12.2 %	38,330 8.9 %	36,427 7.1 %	(5.0) %
Earnings per share attributable to owners of the parent-basic (Yen)	208.19	234.30		65.44	62.67	
Earnings per share attributable to owners of the parent-diluted (Yen)	-	-		-	-	

### (2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	As of March 31, 2021	As of March 31, 2022
Total assets	2,256,024	2,689,257
Total equity attributable to owners of the parent	1,096,020	1,293,352
Ratio of equity attributable to owners of the parent to total asset	48.6 %	48.1 %
	For the year ended March 31, 2021	For the year ended March 31, 2022
Net cash provided by operating activities	219,156	94,994
Net cash used in investing activities	(100,568)	(112,597)
Net cash (used in) provided by financing activities	(136,191)	(64,393)
Cash and cash equivalents at end of year	219,524	199,655

### (3) Dividends

(Yen)

	2nd quarter end	Fiscal year end	Total
Year ended March 31, 2021 (actual)	30.00	30.00	60.00
Year ended March 31, 2022 (actual)	30.00	35.00	65.00
Year ending March 31, 2023 (forecast)	35.00	35.00	70.00

### (4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries	340
Number of associates accounted for under the equity method	4

	Change from March 31, 2021
Number of companies newly consolidated	18
Number of companies excluded from consolidation	8
Number of companies newly accounted for by the equity method	1
Number of companies excluded from accounting by the equity method	0

- (Notes) 1. The amounts of percentage in “(1) Summary of Consolidated Financial Performance” represent percentage of sales.
2. “Earnings per share attributable to owners of the parent-basic” and “Earnings per share attributable to owners of the parent-diluted” have been calculated based on figures of “Profit attributable to owners of the parent”.
3. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.