

[Translation]

Quarterly Report

(The Second Quarter of 48th Business Term)

From July 1, 2020 to September 30, 2020

NIDEC CORPORATION

CONTENTS

CONTENTS

Cover	1
Part I Information on the Company	2
I. Overview of the Company	2
1. Key Financial Data	2
2. Description of Business	3
II. Business Overview	3
1. Risk Factors	3
2. Management Analysis of Financial Position, Operating Results and Cash Flows	3
3. Material Agreements, etc.	9
III. Information on the Company	10
1. Information on the Company's Shares, etc.	10
(1) Total number of shares, etc.	10
(2) Information on the share acquisition rights, etc.	10
(3) Information on moving strike convertible bonds, etc.	10
(4) Changes in the total number of issued shares, common stock, etc.	10
(5) Major shareholders	11
(6) Information on voting rights	13
2. Members of the Board of Directors	13
IV. Condensed Quarterly Consolidated Financial Statements and Other Information	14
1. Condensed Quarterly Consolidated Financial Statements	14
2. Other	44
Part II Information on Guarantors, etc. for the Company	45

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[Fiscal Year]	The Second Quarter of 48th Business Term (from July 1, 2020 to September 30, 2020)
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[Company Name in English]	NIDEC CORPORATION
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This is an English translation of the Quarterly Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

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 and the “Company” refers to Nidec Corporation on a non-consolidated basis.

References in this document to the “Financial Instruments and Exchange Act” are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the six months ended September 30,		For the year ended March 31, 2020
	2019	2020	
Net sales	751,277 [390,403]	751,794 [414,918]	1,534,800
Profit before income taxes	63,330	66,005	105,160
Profit attributable to owners of the parent	27,227 [23,943]	48,783 [28,725]	58,459
Comprehensive income attributable to owners of the parent	(22,868)	39,814	4,552
Total equity attributable to owners of the parent	956,087	966,604	947,290
Total assets	1,989,191	2,078,544	2,122,493
Earnings per share attributable to owners of the parent - basic (yen)	46.26 [40.67]	83.28 [49.04]	99.37
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	48.1	46.5	44.6
Net cash provided by operating activities	73,848	76,114	168,049
Net cash used in investing activities	(180,360)	(52,287)	(311,513)
Net cash provided by (used in) financing activities	74,157	(53,062)	128,546
Cash and cash equivalents at end of period	193,284	175,854	206,986

(Notes) 1. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.
3. Figures shown in yen in millions are rounded to the nearest million.
4. "Net sales" do not include consumption taxes.
5. "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". "Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect.
6. NIDEC finalized the provisional accounting treatment for the business combination in the six months ended September 30, 2020. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the six months ended September 30, 2020 are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 7. Business combinations".
7. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
8. NIDEC implemented a two-for-one stock split on our common stock effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2020.
9. The figures of "Net sales", "Profit attributable to owners of the parent" and "Earnings per share attributable to owners of the parent - basic (yen)" in square bracket are those for the three months ended September 30, 2019 and 2020, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the six months ended September 30, 2020.

NIDEC has changed its reporting segment classification in the three months ended June 30, 2020. For details, please refer to "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information".

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the six months ended September 30, 2020. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

2. Management Analysis of Financial Position, Operating Results and Cash Flows

Forward-looking statements below were determined as of September 30, 2020.

NIDEC finalized the provisional accounting treatment for the business combination in the six months ended September 30, 2020. Condensed quarterly consolidated financial statements for the six months ended September 30, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. Details are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 6. Discontinued Operations".

(1) Operating results

During the six months ended September 30, 2020, the global economy saw the International Monetary Fund (IMF)'s World Economic Outlook (WEO) forecasting a negative growth of 4.4% in 2020 due to the spread of the new coronavirus (COVID-19) infection, an upward revision of 0.8 points from June. Although the extent of deterioration has narrowed due to a huge financial stimulus, it is significantly worse than in 2009 (down 0.1%) during the global financial crisis. Major countries have launched huge fiscal stimulus measures of 12 trillion dollars in total, and the global economy is returning to a recovery trajectory from the July-September period, but the recovery process is expected to be slow as huge public and private debt constrains economic growth. According to WEO, the U.S. hastened to restart its economy, so the number of infected people is the largest in the world, but the economy is expected to recover faster than expected. Meanwhile China is expected to grow by 1.9%, the only country expected to witness a positive growth in 2020. In Japan, an increase in the number of infected people is relatively restrained, and the growth rate in 2020 is -5.3%, which is revised upward by 0.5 points from the forecast as of June, but it is still expected to grow at the same level as in 2009 (down 5.4%) immediately after the global financial crisis.

The following table sets forth consolidated operating results for the six months ended September 30, 2020:

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2019	2020		
Net sales	751,277	751,794	517	0.1%
Operating profit	61,787	69,180	7,393	12.0%
Operating profit ratio	8.2%	9.2%	-	-
Profit before income taxes	63,330	66,005	2,675	4.2%
Profit for the period from continuing operations	48,371	49,438	1,067	2.2%
Loss for the period from discontinued operations	(19,955)	(99)	19,856	-
Profit attributable to owners of the parent	27,227	48,783	21,556	79.2%

Consolidated net sales from continuing operations increased 0.1% to ¥751,794 million for the six months ended September 30, 2020 (“this six-month period”) compared to the six months ended September 30, 2019 (“the same period of the prior year”). Operating profit increased 12.0% to ¥69,180 million for this six-month period compared to the same period of the prior year mainly due to manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project.

Profit before income taxes increased 4.2% to ¥66,005 million and profit for the period from continuing operations increased 2.2% to ¥49,438 million compared to the same period of the prior year, respectively.

Profit attributable to owners of the parent, including loss for the period from discontinued operations, increased 79.2% to ¥48,783 million, due to the loss related to sales of the business of compressor for refrigerator of Secop and others of the prior year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit (loss)		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
SPMS	177,120	187,077	9,957	19,709	31,374	11,665
AMEC	99,884	74,353	(25,531)	6,855	(2,015)	(8,870)
ACIM	230,098	242,250	12,152	12,413	17,262	4,849
Nidec Sankyo	71,816	63,237	(8,579)	5,563	4,584	(979)
Nidec Techno Motor	43,178	33,177	(10,001)	6,203	4,753	(1,450)
Nidec Mobility	—	37,247	37,247	—	1,894	1,894
Nidec Shimpo	38,786	35,635	(3,151)	5,196	4,545	(651)
Others	128,599	108,566	(20,033)	15,019	13,085	(1,934)
Elimination/corporate	(38,204)	(29,748)	8,456	(9,171)	(6,302)	2,869
Consolidated total	751,277	751,794	517	61,787	69,180	7,393

(Notes) 1. Net sales are the total of sales to external customers and sales to other operating segments.

2. NIDEC has changed its reporting segment classification in the three months ended June 30, 2020. For details, please refer to “ IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information”.
3. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop, which was included in ACIM, has been classified as discontinued operations.

Net sales of SPMS increased ¥9,957 million to ¥187,077 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of other small precision motors and hard disk drives spindle motors. Operating profit increased ¥11,665 million to ¥31,374 million for this six-month period compared to the same period of the prior year. This increase was due to thorough manufacturing cost improvement.

Net sales of AMEC decreased ¥25,531 million to ¥74,353 million for this six-month period compared to the same period of the prior year. This decrease was due to significant decrease in sales of actuator products of Nidec Motors & Actuators. Operating profit(loss) was ¥2,015 million operating loss for this six-month period. This decrease was due to a decrease in sales and an increase in advanced development cost.

Net sales of ACIM increased ¥12,152 million to ¥242,250 million for this six-month period compared to the same period of the prior year. This increase was due to the impact of the acquisition of Embraco. Operating profit increased ¥4,849 million to ¥17,262 million for this six-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement and fixed cost rationalization.

Net sales of Nidec Sankyo decreased ¥8,579 million to ¥63,237 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of card reader and other small precision motors. Operating profit decreased ¥979 million to ¥4,584 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Net sales of Nidec Techno Motor decreased ¥10,001 million to ¥33,177 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of motors for air conditioning equipment in China. Operating profit decreased ¥1,450 million to ¥4,753 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales, despite fixed cost rationalization.

Net sales of Nidec Mobility was ¥37,247 million for this six-month period. Operating profit was ¥1,894 million for this six-month period. Following the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

Net sales of Nidec Shimpo decreased ¥3,151 million to ¥35,635 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of speed reducers and press machines. Operating profit decreased ¥651 million to ¥4,545 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales and the transfer of the sales rights of some businesses.

With respect to the Others segment, net sales decreased ¥20,033 million to ¥108,566 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of other small precision motors, automotive products and other products. Operating profit decreased ¥1,934 million to ¥13,085 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Operating results by product category are as follows:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
Small precision motors	219,810	223,462	3,652	24,989	33,099	8,110
Automotive products	150,832	149,135	(1,697)	13,582	4,397	(9,185)
Appliance, commercial and industrial products	270,580	273,334	2,754	18,615	22,022	3,407
Machinery	76,980	74,650	(2,330)	11,189	12,329	1,140
Electronic and optical components	30,805	29,607	(1,198)	2,388	3,317	929
Other products	2,270	1,606	(664)	332	181	(151)
Elimination/corporate	-	-	-	(9,308)	(6,165)	3,143
Consolidated total	751,277	751,794	517	61,787	69,180	7,393

(Note) From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations in appliance, commercial and industrial products.

In small precision motors, NIDEC is focusing on creating new demands based on our technical advantages through Three-new Strategy and improving profitability based on our competitive advantages. Net sales of small precision motors increased 1.7% to ¥223,462 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,500 million for this six-month period compared to the same period of the prior year. Net sales of spindle motors for HDDs increased 8.5% to ¥84,206 million for this six-month period compared to the same period of the prior year. The number of units sold of spindle motors for HDDs decreased approximately 10.2% compared to the same period of the prior year, but the sales increased due to strong sales of HDD motors for data centers and others. Net sales of other small precision motors decreased 2.1% to ¥139,256 million for this six-month period compared to the same period of the prior year. Operating profit of this category increased 32.5% to ¥33,099 million for this six-month period compared to the same period of the prior year, mainly due to thorough manufacturing cost improvement and others. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥300 million for this six-month period compared to the same period of the prior year.

NIDEC has been engaged in research and development of the automotive products with the aim of providing high-value-added modules for driving motors for EVs and PHEVs, drawing on our core motor technology and advanced technology. NIDEC is focusing on expanding our product lineup in order to respond to a variety of vehicle model configurations, in preparation for the coming demand generated by the development of electric vehicles. Net sales of automotive products decreased 1.1% to ¥149,135 million for this six-month period compared to the same period of the previous year. This decrease was due to significant decrease in sales of actuator products of Nidec Motors & Actuators and control valves of Nidec Tosok Corporation and others, despite the impact of the acquisition of OMRON Automotive Electronics Co. Ltd. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,100 million for this six-month period compared to the same period of the previous year. Operating profit of this category decreased 67.6% to ¥4,397 million for this six-month period compared to the same period of the previous year, due to the continued inclusion of development costs for traction motor systems (E-Axle) and others, whose demand is expanding rapidly, while improving all manufacturing costs through WPR4 Project with our total efforts. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥200 million for this six-month period compared to the same period of the previous year.

NIDEC is focusing on the pursuit of synergistic effects in both sales and costs and improving profitability in the appliance, commercial and industrial products as key growth businesses. Net sales of appliance, commercial and industrial products increased 1.0% to ¥273,334 million for this six-month period compared to the same period of the prior year, primarily due to the impact of the acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥4,200 million for this six-month period compared to the same period of the previous year. Operating profit of this category increased 18.3% to ¥22,022 million for this six-month period compared to the same period of the previous year, mainly due to manufacturing cost improvement and fixed cost rationalization. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by ¥300 million for this six-month period compared to the same period of the previous year.

In machinery, NIDEC is improving profitability by enhancing speed reducers production capacity for small robots due to expanding demand of speed reducers. Net sales of machinery decreased 3.0% to ¥74,650 million for this six-month period compared to the same period of the previous year, due to lower sales in card readers and speed reducers and other factors. Operating profit of this category increased 10.2% to ¥12,329 million for this six-month period compared to the same period of the previous year, due to the effect of manufacturing cost improvement and fixed cost rationalization, despite a decrease in profit due to the decrease in sales.

Net sales of electronic and optical components decreased 3.9% to ¥29,607 million for this six-month period compared to the same period of the previous year. Operating profit of this category increased 38.9% to ¥3,317 million for this six-month period compared to the same period of the previous year, due to manufacturing cost improvement.

Net sales of other products decreased 29.3% to ¥1,606 million and operating profit of this category decreased 45.5% to ¥181 million for this six-month period compared to the same period of the prior year.

(2) Financial position

Total assets decreased ¥43,949 million to ¥2,078,544 million as of September 30, 2020 compared to March 31, 2020. This was mainly due to decreases of ¥31,132 million in cash and cash equivalents, and ¥9,751 million in inventories.

Total liabilities decreased ¥61,893 million to ¥1,092,967 million as of September 30, 2020 compared to March 31, 2020. This was mainly due to decreases of ¥31,827 million in trade and other payables, and ¥22,007 million in interest-bearing debt. Specifically, short term borrowings decreased ¥11,242 million to ¥105,712 million, long term debt due within one year decreased ¥13,267 million to ¥98,607 million and long term debt increased ¥2,502 million to ¥373,625 million as of September 30, 2020 compared to March 31, 2020.

Total equity attributable to owners of the parent increased ¥19,314 million to ¥966,604 million as of September 30, 2020 compared to March 31, 2020. Ratio of total equity attributable to owners of the parent to total assets increased to 46.5% as of September 30, 2020 from 44.6% as of March 31, 2020. This was mainly due to an increase in retained earnings of ¥32,507 million, though there was a decrease in other components of equity of ¥9,419 million caused mainly by foreign currency translation adjustments.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased ¥2,266 million to ¥76,114 million for this six-month period compared to the same period of the prior year. This increase in net cash provided by operating activities was mainly due to increases in profit for the period of ¥20,923 million and in inventories net changes year on year of ¥7,052 million. On the other hand, there was a decrease in loss from sales of discontinued operations of ¥18,282 million, and an increase in accounts receivable net changes year on year of ¥8,260 million.

For the six months ended September 30, 2020, NIDEC had ¥76,114 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥49,339 million and a decrease in inventories of ¥7,799 million. On the other hand, there were an increase in accounts receivable of ¥16,724 million and a decrease in accounts payable of ¥1,979 million. Accounts receivable increased primarily due to a increase in sales for the three months ended September 30, 2020 compared to the previous three months ended June 30, 2020.

For the six months ended September 30, 2019, NIDEC had ¥73,848 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥28,416 million and an increase in accounts payable of ¥1,920 million and a decrease in inventories of ¥747 million. On the other hand, there was an increase in accounts receivable of ¥8,464 million. Accounts receivable increased primarily due to an increase in sales for the three months ended September 30, 2019 compared to the previous three months ended June 30, 2019.

(Cash flows from investing activities)

Net cash used in investing activities decreased ¥128,073 million to ¥52,287 million for this six-month period compared to the same period of the prior year. The decrease in net cash used investing activities was mainly due to decreases in acquisitions of business, net of cash acquired of ¥106,740 million, and in additions to property, plant and equipment of ¥24,203 million.

For the six months ended September 30, 2020, NIDEC had ¥52,287 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥47,529 million.

For the six months ended September 30, 2019, NIDEC had ¥180,360 million of net cash outflows in investing activities mainly due to acquisition of business, net of cash acquired of ¥109,597 million and additions to property, plant and equipment of ¥71,732 million.

(Cash flows from financing activities)

Net cash provided by financing activities decreased ¥127,219 million to ¥53,062 million for this six-month period compared to the same period of the prior year. This decrease was mainly due to decrease in proceeds from issuance of bonds of ¥50,000 million, an increase of redemption of bonds of ¥35,000 million, and a decrease of short term borrowings net changes year on year of ¥35,906 million.

For the six months ended September 30, 2020, NIDEC had ¥53,062 million of net cash outflows from financing activities mainly due to repayments of long term dept of ¥17,679 million and dividends paid to the owners of the parent of ¥17,573 million, and a decrease in short term borrowings of ¥11,674 million.

For the six months ended September 30, 2019, NIDEC had ¥74,157 million of net cash inflows from financing activities mainly due to in proceeds from issuance of bonds of ¥100,000 million and an increase in short term borrowings of ¥24,232 million. On the other hand, there were repayments of long term dept of ¥18,663 million and dividends paid to the owners of the parent of ¥16,186 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased ¥31,132 million from ¥206,986 million as of March 31, 2020 to ¥175,854 million as of September 30, 2020.

The main currencies we had as of September 30, 2020 were U.S. dollars, Chinese yuan, Thai baht, Japanese yen and Euros. All the above amounts include discontinued operations.

(4) Research and development

NIDEC's research and development expenses for the six months ended September 30, 2020 were ¥31,242 million. There were no significant changes in research and development activities for the period.

(5) Production, Orders Received and Sales

Production, orders received and sales of "Nidec Mobility" segment for the six months ended September 30, 2020 increased compared to the six months ended September 30, 2019 with the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

(6) Major property, plant and equipment

In the six months ended September 30, 2020, among the new construction plans of major property, plant and equipment as of March 31, 2020, the scheduled completion date of construction of the manufacturing factory of Nidec Motor Corporation which is to manufacture appliance, commercial and industrial products has been updated to January 2021. And the scheduled completion date of construction of the manufacturing factory of Nidec Laminaciones de Acero, S.A. de C.V. which is to manufacture appliance, commercial and industrial products has been updated to November 2020.

3. *Material Agreements, etc.*

During the three months ended September 30, 2020, there were no decisions or executions regarding material agreements, etc.

III. Information on the Company

1. Information on the Company's Shares, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (Shares)
Ordinary share	1,920,000,000
Total	1,920,000,000

2) Issued shares

Class	Number of shares issued as of the end of second quarter (Shares) (September 30, 2020)	Number of shares issued as of the filing date (Shares) (November 12, 2020)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	596,284,468	596,284,468	Tokyo Stock Exchange, Inc. (the first section)	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	596,284,468	596,284,468	-	-

(2) Information on the share acquisition rights, etc.

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares, common stock, etc.

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From July 1, 2020 to September 30, 2020	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

(As of September 30, 2020)

Name	Address	Number of shares held (thousands of shares)	Ownership percentage to the total number of issued shares (Excluding treasury stock) (%)
Shigenobu Nagamori	Nishikyo-ku, Kyoto	49,473	8.44
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	39,268	6.70
Custody Bank of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	26,060	4.44
The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	24,798	4.23
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE LINCOLN STREET, BOSTON MA USA 02111(11-1, Nihombashi 3-chome, Chuo-ku, Tokyo)	20,465	3.49
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto	20,245	3.45
THE BANK OF NEW YORK MELLON 140042(Standing proxy: Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, 10286, U.S.A.(Shinagawa intercity A, 15-1, Konan 2-chome, Minato-ku, Tokyo)	16,437	2.80
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851	2.53
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	In Securities Operations Department, Nippon Life Insurance, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo)	13,159	2.24
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	12,804	2.18
Total	-	237,565	40.54

(Notes) 1. Number of shares held has been rounded down to the nearest 1,000 shares.

2. All shares owned by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank of Japan, Ltd. (trust account) are related to trust services.

3. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on April 16, 2018, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of April 9, 2018, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2020, the status of major shareholders shown above is based on the content of the shareholders' register. The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows:

NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	7,425,902	2.49
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	8,035,374	2.70
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	1,426,100	0.48
Total	-	16,887,376	5.66

4. The Statement of Large-Volume Holdings, made available for public inspection on August 6, 2020, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of July 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2020, the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	7,011,600	1.18
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakouen 1-chome, Minato-ku, Tokyo	15,753,386	2.64
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	7,065,200	1.18
Total	-	29,830,186	5.00

5. The Statement of Large-Volume Holdings, made available for public inspection on August 6, 2020, has been received from Baillie Gifford & Co and states that each of these companies held shares as of July 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2020, the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Baillie Gifford & Co	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	2,271,000	0.38
Baillie Gifford Overseas Limited	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	29,146,012	4.89
Total	-	31,417,012	5.27

6. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on April 7, 2020, has been received from Capital Research and Management Company and states that each of these companies held shares as of March 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2020, the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A.	18,482,435	6.20
Capital International Inc.	11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A.	1,485,710	0.50
Capital International Co., Ltd.	1-1-14F, Marunouchi 2-chome, Chiyoda-ku, Tokyo	2,453,800	0.82
Capital International Sarl	3 Place des Bergues, 1201 Geneva, Switzerland	329,668	0.11
Total	-	22,751,613	7.63

(6) Information on voting rights

1) Issued shares

(As of September 30, 2020)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 10,389,400	-	-
Shares with full voting rights (others)	Ordinary share 585,346,600	5,853,466	-
Shares less than one unit	Ordinary share 548,468	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,853,466	-

(Notes) 1. The “Shares with full voting rights (others)” row includes 71,000 shares registered in the name of Japan Securities Depository Center (“JASDEC”) and the “Number of voting rights” column includes 710 voting rights for those shares. The “Shares with full voting rights (others)” row includes 400 shares registered in the name of Nidec-Shimpo Corporation (shares that were not registered when the shares were exchanged with the Company on October 1, 2003) and the “Number of voting rights” column includes 4 voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 400 shares (4 voting rights) registered in its name.

2. Ordinary shares in the “Shares less than one unit” row include 12 shares of the Company’s treasury stock.

3. Ordinary shares in the “Shares with full voting rights (others)” row include 118,700 shares (1,187 voting rights) of the BIP Trust and 43,100 shares (431 voting rights) of the ESOP Trust.

2) Treasury stock, etc.

(As of September 30, 2020)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	10,389,400	-	10,389,400	1.74
Total	-	10,389,400	-	10,389,400	1.74

(Note) The Company’s shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

2. Members of the Board of Directors

There were no changes in Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to September 30, 2020.

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2020	As of September 30, 2020
Assets			
Current assets			
Cash and cash equivalents		206,986	175,854
Trade and other receivables		394,259	402,872
Other financial assets	14	913	2,619
Income tax receivables		12,885	9,231
Inventories		278,185	268,434
Other current assets		40,309	40,269
Total current assets		933,537	899,279
Non-current assets			
Property, plant and equipment		633,604	634,371
Goodwill	8	310,487	307,248
Intangible assets	8	191,653	189,327
Investments accounted for using the equity method		3,294	3,065
Other investments	14	14,479	15,071
Other financial assets	14	6,888	6,672
Deferred tax assets		18,274	13,624
Other non-current assets		10,277	9,887
Total non-current assets		1,188,956	1,179,265
Total assets		2,122,493	2,078,544

(Yen in millions)

	Note	As of March 31, 2020	As of September 30, 2020
Liabilities			
Current liabilities			
Short term borrowings	14	116,954	105,712
Long term debt due within one year	14	111,874	98,607
Trade and other payables		345,193	313,366
Other financial liabilities	14	9,109	4,938
Income tax payables		18,726	17,572
Provisions		30,430	31,288
Other current liabilities		64,884	64,175
Total current liabilities		697,170	635,658
Non-current liabilities			
Long term debt	14	371,123	373,625
Other financial liabilities	14	4,085	1,948
Retirement benefit liabilities		31,077	31,514
Provisions		942	724
Deferred tax liabilities		45,830	44,530
Other non-current liabilities		4,633	4,968
Total non-current liabilities		457,690	457,309
Total liabilities		1,154,860	1,092,967
Equity			
Common stock		87,784	87,784
Additional paid-in capital		114,754	111,086
Retained earnings		924,293	956,800
Other components of equity		(115,791)	(125,210)
Treasury stock		(63,750)	(63,856)
Total equity attributable to owners of the parent		947,290	966,604
Non-controlling interests		20,343	18,973
Total equity		967,633	985,577
Total liabilities and equity		2,122,493	2,078,544

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income

For the six months ended September 30, 2019 and 2020

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the six months ended September 30, 2019	2020
Continuing operations			
Net Sales	5	751,277	751,794
Cost of sales		(582,773)	(585,079)
Gross profit		168,504	166,715
Selling, general and administrative expenses		(69,664)	(66,293)
Research and development expenses		(37,053)	(31,242)
Operating profit	5	61,787	69,180
Financial income		6,050	2,230
Financial expenses		(5,514)	(3,202)
Derivative gain (loss)		(1,730)	(620)
Foreign exchange differences		3,530	(1,303)
Share of net profit (loss) from associate accounting using the equity method		(793)	(280)
Profit before income taxes		63,330	66,005
Income tax expenses		(14,959)	(16,567)
Profit for the period from continuing operations		48,371	49,438
Discontinued operations			
Loss for the period from discontinued operations	6	(19,955)	(99)
Profit for the period		28,416	49,339
Profit for the period attributable to:			
Owners of the parent		27,227	48,783
Non-controlling interests		1,189	556
Profit for the period		28,416	49,339
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		80.16	83.45
Discontinued operations		(33.90)	(0.17)
Total		46.26	83.28

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the six months ended September 30, 2019	2020
Profit for the period		28,416	49,339
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(972)	(21)
Fair value movements on FVTOCI equity financial assets		(8)	478
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(49,423)	(13,363)
Effective portion of net changes in fair value of cash flow hedges		(1,115)	4,096
Fair value movements on FVTOCI debt financial assets		4	25
Total other comprehensive income for the period, net of taxation		(51,514)	(8,785)
Comprehensive income for the period		(23,098)	40,554
Comprehensive income for the period attributable to:			
Owners of the parent		(22,868)	39,814
Non-controlling interests		(230)	740
Comprehensive income for the period		(23,098)	40,554

For the three months ended September 30, 2019 and 2020

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended September 30,	
		2019	2020
Continuing operations			
Net Sales	5	390,403	414,918
Cost of sales		(301,628)	(321,369)
Gross profit		88,775	93,549
Selling, general and administrative expenses		(36,221)	(36,015)
Research and development expenses		(18,399)	(16,147)
Operating profit	5	34,155	41,387
Financial income		3,059	806
Financial expenses		(3,213)	(1,523)
Derivative gain (loss)		(676)	(455)
Foreign exchange differences		(432)	(1,511)
Share of net profit (loss) from associate accounting using the equity method		(498)	(109)
Profit before income taxes		32,395	38,595
Income tax expenses		(7,701)	(9,618)
Profit for the period from continuing operations		24,694	28,977
Discontinued operations			
Loss for the period from discontinued operations	6	(174)	(25)
Profit for the period		24,520	28,952
Profit for the period attributable to:			
Owners of the parent		23,943	28,725
Non-controlling interests		577	227
Profit for the period		24,520	28,952
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		40.97	49.08
Discontinued operations		(0.30)	(0.04)
Total		40.67	49.04

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended September 30,	
		2019	2020
Profit for the period		24,520	28,952
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		11	27
Fair value movements on FVTOCI equity financial assets		307	(38)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(15,625)	(10,211)
Effective portion of net changes in fair value of cash flow hedges		(995)	1,394
Fair value movements on FVTOCI debt financial assets		3	8
Total other comprehensive income for the period, net of taxation		(16,299)	(8,820)
Comprehensive income for the period		8,221	20,132
Comprehensive income for the period attributable to:			
Owners of the parent		8,330	19,771
Non-controlling interests		(109)	361
Comprehensive income for the period		8,221	20,132

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2019

(Yen in millions)

	Note	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, 2019		87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629
Changes in accounting policies				(407)			(407)		(407)
Balance after restatement		87,784	118,314	900,361	(64,775)	(45,296)	996,388	22,834	1,019,222
Comprehensive income									
Profit for the period				27,227			27,227	1,189	28,416
Other comprehensive income					(50,095)		(50,095)	(1,419)	(51,514)
Total comprehensive income							(22,868)	(230)	(23,098)
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(10)	(10)	-	(10)
Dividends paid to the owners of the parent				(16,186)			(16,186)	-	(16,186)
Dividends paid to non-controlling interests							-	(744)	(744)
Share-based payment transactions			135				135	-	135
Transfer to retained earnings				(980)	980		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(1,449)				(1,449)	(564)	(2,013)
Other			8	66	(1)	4	77	101	178
Balance at September 30, 2019		87,784	117,008	910,488	(113,891)	(45,302)	956,087	21,397	977,484

For the six months ended September 30, 2020

(Yen in millions)

	Note	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 period				48,783			48,783	556	49,339
Other comprehensive income					(8,969)		(8,969)	184	(8,785)
Total comprehensive income							39,814	740	40,554
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(110)	(110)	-	(110)
Dividends paid to the owners of the parent				(17,573)			(17,573)	-	(17,573)
Dividends paid to non-controlling interests							-	(645)	(645)
Share-based payment transactions			81				81	-	81
Transfer to retained earnings				450	(450)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(3,748)				(3,748)	(1,506)	(5,254)
Other			(1)	847		4	850	41	891
Balance at September 30, 2020		87,784	111,086	956,800	(125,210)	(63,856)	966,604	18,973	985,577

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the six months ended September 30,	
		2019	2020
Cash flows from operating activities:			
Profit for the period from continuing operations		48,371	49,438
Profit (loss) for the period from discontinued operations	6	(19,955)	(99)
Profit for the period		28,416	49,339
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		40,127	47,990
Loss (gain) from sales, disposal or impairment of property, plant and equipment		958	1,578
Loss from sales of discontinued operations		18,381	99
Financial expenses (income)		(716)	1,135
Share of net loss (profit) from associate accounting using the equity method		793	280
Deferred income taxes		2,253	1,315
Current income taxes		14,347	15,252
Foreign currency adjustments		(2,205)	(4,704)
Increase (decrease) in retirement benefit liability		1,249	524
Decrease (increase) in accounts receivable		(8,464)	(16,724)
Decrease (increase) in inventories		747	7,799
Increase (decrease) in accounts payable		1,920	(1,979)
Other, net		(13,781)	(12,054)
Interests and dividends received		5,834	1,911
Interests paid		(5,361)	(2,944)
Income taxes paid		(10,650)	(12,703)
Net cash provided by operating activities		73,848	76,114

(Yen in millions)

	Note	For the six months ended September 30,	
		2019	2020
Cash flows from investing activities:			
Additions to property, plant and equipment		(71,732)	(47,529)
Proceeds from sales of property, plant and equipment		1,005	1,513
Additions to intangible assets		(5,477)	(6,829)
Proceeds from sales of discontinued operations		5,771	2,650
Acquisitions of business, net of cash acquired		(109,597)	(2,857)
Other, net		(330)	765
Net cash used in investing activities		(180,360)	(52,287)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		24,232	(11,674)
Proceeds from issuance of long term debt		2,746	-
Repayments of long term debt		(18,663)	(17,679)
Proceeds from issuance of bonds		100,000	50,000
Redemption of bonds		(15,000)	(50,000)
Payments for acquisition of interests in subsidiaries from noncontrolling interests		(2,035)	(5,310)
Purchase of treasury stock		(10)	(110)
Dividends paid to the owners of the parent	12	(16,186)	(17,573)
Other, net		(927)	(716)
Net cash (used in) provided by financing activities		74,157	(53,062)
Effect of exchange rate changes on cash and cash equivalents		(16,628)	(1,897)
Net increase (decrease) in cash and cash equivalents		(48,983)	(31,132)
Cash and cash equivalents at beginning of period		242,267	206,986
Cash and cash equivalents at end of period		193,284	175,854

Notes to Condensed Quarterly 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/>).

Condensed quarterly consolidated financial statements as of September 30, 2020 and for the six months 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 and power transmission drives.
- 5) Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- 6) Others, which include services.

2. Basis of preparation

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

The condensed quarterly consolidated financial statements of NIDEC have been prepared in accordance with IAS 34 “Interim Financial Reporting” pursuant to the provision of Article 93 of the Regulations for Quarterly Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2020.

(2) Basis of measurement

The condensed quarterly 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 condensed quarterly 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 condensed quarterly 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, 2020.

Income taxes for the six months ended September 30, 2020 are computed using the estimated annual effective tax rate.

4. Significant accounting estimates, judgments and assumptions

The preparation of the condensed quarterly consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, 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 the 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.

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 2020 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2020.

The global epidemic of COVID-19, which occurred in the latter half of the fiscal year ended March 31, 2020, is affecting NIDEC's businesses and supply chain functions. However, it seems that it will take some time until the negative effects of COVID-19 disappear. The accounting estimates are based on the assumption that these effects will continue for a period of time until the spread of COVID-19 has subsided.

5. Segment information

(Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Business units and domestic group companies that are currently profit management units of NIDEC are identified as its reportable segments.

NIDEC has changed its operating segment classification in the three months ended June 30, 2020. This was due to review of the report materials by NIDEC's chief operating decision maker in order to focus on profitability of each business units and domestic group companies about performance management of each consolidated subsidiary with the continuous increase in consolidated subsidiaries such as Embraco and Nidec Mobility Corporation.

All prior period segment information has been reclassified in accordance with current period presentation.

NIDEC's operating segments are as follows:

Name	Main products
1. SPMS	Hard disk drives spindle motors and other small precision motors
2. AMEC	Automotive products
3. ACIM	Appliance, commercial and industrial products
4. Nidec Sankyo	Machinery, automotive products, electronic components and other small precision motors
5. Nidec Techno Motor	Appliance, commercial and industrial products
6. Nidec Mobility	Automotive products
7. Nidec Shimpo	Machinery
8. Others	Automotive products, machinery, electronic components, other small precision motors and others

The following tables show net sales to external customers and other financial information by operating segment:

Net sales to external customers :

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
SPMS	174,335	185,999
AMEC	99,306	73,717
ACIM	229,827	242,105
Nidec Sankyo	68,705	61,844
Nidec Techno Motor	40,752	30,523
Nidec Mobility	-	37,105
Nidec Shimpo	37,021	32,306
Others	101,331	88,195
Consolidated net sales	751,277	751,794

(Note) The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended September 30,	
	2019	2020
SPMS	89,386	99,062
AMEC	49,362	46,810
ACIM	129,688	132,459
Nidec Sankyo	33,702	33,309
Nidec Techno Motor	17,882	15,310
Nidec Mobility	-	23,209
Nidec Shimpo	18,407	17,161
Others	51,976	47,598
Consolidated net sales	390,403	414,918

(Note) The above amounts no longer include discontinued operations.

Net sales to other operating segments:

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
SPMS	2,785	1,078
AMEC	578	636
ACIM	271	145
Nidec Sankyo	3,111	1,393
Nidec Techno Motor	2,426	2,654
Nidec Mobility	-	142
Nidec Shimpo	1,765	3,329
Others	27,268	20,371
Total	38,204	29,748
Intersegment elimination	(38,204)	(29,748)
Consolidated net sales	-	-

(Note) The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended September 30,	
	2019	2020
SPMS	763	586
AMEC	208	342
ACIM	150	77
Nidec Sankyo	1,123	707
Nidec Techno Motor	1,231	1,506
Nidec Mobility	-	132
Nidec Shimpo	1,490	1,461
Others	13,021	12,138
Total	17,986	16,949
Intersegment elimination	(17,986)	(16,949)
Consolidated net sales	-	-

(Note) The above amounts no longer include discontinued operations.

Segment profit/loss:*(Yen in millions)*

	For the six months ended September 30,	
	2019	2020
SPMS	19,709	31,374
AMEC	6,855	(2,015)
ACIM	12,413	17,262
Nidec Sankyo	5,563	4,584
Nidec Techno Motor	6,203	4,753
Nidec Mobility	-	1,894
Nidec Shimpo	5,196	4,545
Others	15,019	13,085
Total	70,958	75,482
Elimination and Corporate (Note)	(9,171)	(6,302)
Operating profit	61,787	69,180
Financial income (expenses)	536	(972)
Derivative gain (loss)	(1,730)	(620)
Foreign exchange differences	3,530	(1,303)
Share of net profit (loss) from associate accounting using the equity method	(793)	(280)
Profit before income taxes	63,330	66,005

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥6,422 million and ¥9,419 million for the six months ended September 30, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended September 30,	
	2019	2020
SPMS	11,743	17,982
AMEC	3,438	(383)
ACIM	7,047	10,708
Nidec Sankyo	3,087	2,628
Nidec Techno Motor	2,894	2,343
Nidec Mobility	-	2,086
Nidec Shimpo	2,562	2,432
Others	7,599	6,915
Total	38,370	44,711
Elimination and Corporate (Note)	(4,215)	(3,324)
Operating profit	34,155	41,387
Financial income (expenses)	(154)	(717)
Derivative gain (loss)	(676)	(455)
Foreign exchange differences	(432)	(1,511)
Share of net profit (loss) from associate accounting using the equity method	(498)	(109)
Profit before income taxes	32,395	38,595

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,351 million and ¥4,753 million for the three months ended September 30, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

As noted in “6. Discontinued operations,” from the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations.

Net sales by type of product

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Small precision motors:		
Hard disk drives spindle motors	77,614	84,206
Other small precision motors	142,196	139,256
Subtotal	219,810	223,462
Automotive products	150,832	149,135
Appliance, commercial and industrial products	270,580	273,334
Machinery	76,980	74,650
Electronic and optical components	30,805	29,607
Other products	2,270	1,606
Consolidated net sales	751,277	751,794

(Yen in millions)

	For the three months ended September 30,	
	2019	2020
Small precision motors:		
Hard disk drives spindle motors	39,606	47,163
Other small precision motors	72,198	71,881
Subtotal	111,804	119,044
Automotive products	75,344	92,338
Appliance, commercial and industrial products	147,571	148,238
Machinery	38,894	38,921
Electronic and optical components	15,635	15,521
Other products	1,155	856
Consolidated net sales	390,403	414,918

- (Notes) 1. “Small precision motors” consists of “hard disk drives spindle motors” and “other small precision motors”. “Other small precision motors” consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.
“Automotive products” consists of automotive motors and components.
“Appliance, commercial and industrial products” consists of home appliance, commercial and industrial motors and related products.
“Machinery” consists of industrial robots, card readers, test systems, press machines and power transmission drives, etc.
“Electronic and optical components” consists of switches, trimmer potentiometers, lens units and camera shutters, etc.
“Other products” consists of services, etc.
2. The above amounts no longer include discontinued operations.

6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. Some costs to sell will occur in the future.

(1) Main reason for the Transaction

NIDEC is actively moving forward with the development of new growth platforms with particular emphasis on appliance, commercial and industrial motors and solutions. As Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators, from the acquisition of Secop in 2017, NIDEC’s appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, on April 12, 2019, NIDEC acquired a conditional approval of the European Commission in connection with NIDEC’s acquisition of Embraco from Whirlpool Corporation and NIDEC decided to sell Secop. In addition, NIDEC acquired an approval of the European Commission that ESSVP IV is the appropriate purchaser of Secop and acquired the European Commission’s approval of the acquisition of Embraco on June 26, 2019. The Transaction was made following NIDEC’s commitment to the European Commission to sell Secop to a suitable purchaser as a condition for the European Commission’s approval.

(2) Name of the transferee company and date of the Transaction

Name of the transferee company	ESSVP IV
Date of the Transaction	September 9, 2019

(3) Name of the company to be transferred, major business and name of operating segment

Name of the company	Secop
Major business	Compressor business for refrigerator
Name of operating segment	ACIM

(Note) NIDEC has changed its operating segment classification in the three months ended June 30, 2020 and the name of operating segment in accordance with this change.

(4) Transition of ownership ratio for the company

Ownership ratio before the transfer	100%
Transferred ownership ratio	100%
Ownership ratio after the transfer	-

(5) Profit (loss) for the period from discontinued operations

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Net Sales	1,143	-
Recognized loss due to measuring assets held for sale at fair value less costs	(18,381)	-
Other loss	(1,075)	(99)
Loss before income taxes from discontinued operations	(18,313)	(99)
Income tax expenses	(1,501)	-
Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales	(141)	-
Total income tax expenses	(1,642)	-
Loss for the period from discontinued operations	(19,955)	(99)

	For the year ended March 31, 2020
Net Sales	1,143
Recognized loss due to measuring assets held for sale at fair value less costs	(14,167)
Other loss	(1,075)
Loss before income taxes from discontinued operations	(14,099)
Income tax expenses	(1,501)
Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales	(107)
Total income tax expenses	(1,608)
Loss for the period from discontinued operations	(15,707)

(Notes)1. On April 12, 2019, Secop was excluded from consolidation due to loss of control.

2. Various conditions for sales of Secop are based on the forecasts as of September 30, 2020, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Net cash provided by (used in) operating activities	(0)	-
Net cash (used in) provided by investing activities	5,771	2,650
Net cash used in financing activities	-	-
Total	5,771	2,650

	For the year ended March 31, 2020
Net cash provided by (used in) operating activities	(0)
Net cash (used in) provided by investing activities	5,065
Net cash used in financing activities	-
Total	5,065

(Notes)1. On April 12, 2019, Secop was excluded from consolidation due to loss of control.

2. Net cash provided by investing activities for the six months ended September 30, 2020 includes net cash related to sales of Secop as of September 30, 2020.

7. Business combinations

On June 1, 2020, NIDEC has acquired the Delta production line from Secop Austria GmbH for cash of ¥2,531 million. As the result of the transaction, NIDEC takes over approximately 40 employees who were engaged in the Delta compressor business and works further to strengthen its refrigerator compressor business. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

On September 1, 2020, NIDEC has acquired 100% of the interests of Metal Stamping Support Group, LLC and its group companies ("CHS Automation"), US companies, from the shareholders for cash of ¥474 million. CHS Automation manufactures and sells equipment, serves the retrofit for press machines, and provides service. Through the transaction, NIDEC is able to have a strong service base for press equipment in the Midwestern United States, and further strengthen its product lineup. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

Purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the compressor business ("Embraco") and Roboteq, Inc. in the previous fiscal year. In addition, during the three months ended September 30, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of OMRON Automotive Electronics Co. Ltd. (currently, "Nidec Mobility Corporation") in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. The amounts might change due to future price adjustment.

Effect on the consolidated statement of financial position as of March 31, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Embraco	Nidec Mobility Corporation	Others
Current assets			
Trade and other receivables	67	-	-
Other current assets	(141)	-	-
Other non-current assets			
Property, plant and equipment	(2,120)	2,696	-
Intangible assets	37,351	14,263	722
Deferred tax assets	1,304	92	-
Acquired assets at fair value	36,461	17,051	722
Current liabilities			
Long term debt due within one year	-	(120)	-
Provisions	(7)	91	-
Other current liabilities	256	-	-
Non-current liabilities			
Long term debt	-	(247)	-
Retirement benefit liabilities	-	376	-
Deferred tax liabilities	5,121	5,177	158
Assumed liabilities at fair value	5,370	5,277	158
Acquired assets and assumed liabilities at fair value (net amount)	31,091	11,774	564
Goodwill	(32,178)	(13,037)	(571)

For further information on the changes in goodwill, refer to “8. Goodwill and intangible assets”. Details of the intangible assets in above table are as follows:

(Yen in millions)

	Weighted average amortization period	Embraco	Nidec Mobility Corporation	Others
Trademark	No amortization	21,657	-	367
Customer relationships	21 years	15,835	14,263	355
Others	-	(141)	-	-

Effect on the consolidated statement of income for the year ended March 31, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Embraco	Nidec Mobility Corporation	Others
Operating profit	(391)	(1,287)	(90)
Profit before income taxes	(391)	(1,286)	(90)
Profit for the year attributable to owners of the parent	(410)	(1,152)	(63)

Effect on the condensed quarterly consolidated statement of income for the three months ended June 30, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Nidec Mobility Corporation
Operating profit	(319)
Profit before income taxes	(320)
Profit for the period attributable to owners of the parent	(226)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies for the six months ended September 30, 2020, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of September 30, 2020.

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Balance at beginning of period		
Goodwill	250,940	310,487
Acquisitions through business combinations	37,973	499
Sales or disposals	(9,471)	-
Translation adjustments and others	(7,495)	(3,738)
Balance at end of period		
Goodwill	271,947	307,248

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2020		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	114,865	(28,451)	86,414
Proprietary technology	17,390	(5,894)	11,496
Software	33,363	(19,466)	13,897
Capitalized development costs	21,131	(2,015)	19,116
Others	7,356	(4,199)	3,157
Total	194,105	(60,025)	134,080

(Note) The carrying amounts of software include the right-of-use assets of ¥366 million.

(Yen in millions)

	As of September 30, 2020		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	113,250	(30,735)	82,515
Proprietary technology	17,710	(6,583)	11,127
Software	31,845	(19,833)	12,012
Capitalized development costs	28,014	(3,996)	24,018
Others	7,748	(4,394)	3,354
Total	198,567	(65,541)	133,026

(Note) The carrying amounts of software include the right-of-use assets of ¥583 million.

Total amortization of intangible assets for the year ended March 31, 2020 and for the six months ended September 30, 2020 amounted to ¥12,011 million and ¥6,585 million, respectively. Total indefinite lived intangible assets amounted to ¥57,573 million and ¥56,301 million as of March 31, 2020 and September 30, 2020, respectively.

9. Bonds

For the six months ended September 30, 2019

Summary of the terms of issued bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Eighth Series of Domestic Unsecured Bonds	July 19, 2019	100,000	0.100	July 19, 2024

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Second Series of Domestic Unsecured Bonds	November 13, 2012	15,000	0.595	September 20, 2019

For the six months ended September 30, 2020

Summary of the terms of issued bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Twelfth Series of Domestic Unsecured Bonds	June 10, 2020	50,000	0.030	June 9, 2023

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Sixth Series of Domestic Unsecured Bonds	May 26, 2017	50,000	0.001	May 26, 2020

10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the six months ended September 30, 2019 and 2020 are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Net periodic pension cost for defined benefit plans:		
Current service cost	1,702	1,750
Interest cost (net)	274	271
Net periodic pension cost for defined benefit plans	1,976	2,021
Payments to defined contribution pension plans	1,502	1,606

11. Related party transactions

Transactions with related parties for the six months ended September 30, 2019 and 2020 are as follows:

Sales of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	6	6
Nagamori Gakuen Educational Foundation*3	30	33

(Notes) *1. NIDEC's directors and other officers, and their close relatives own a majority of voting rights of S.N. Kosan, LLC.

*2. A director of NIDEC concurrently serves as president of Nagamori Foundation.

*3. A director of NIDEC concurrently serves as chairman of the board of trustees of Nagamori Gakuen Educational Foundation.

Sales of goods and services to related parties are entered into on terms consistent with third-party transactions and considering market prices.

Purchase of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Related parties		
S.N. Kosan, LLC.	6	5
Green Kosan, LLC.*4	24	-

(Notes) *4. A director of NIDEC concurrently serves as representative member of Green Kosan, LLC.

Purchase of goods and services from related parties are entered into on terms consistent with third-party transactions and considering market prices.

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2020	September 30, 2020
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	5	4
Payables to related parties		
S.N. Kosan, LLC.	-	-
Green Kosan, LLC.	-	-

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2020 and September 30, 2020. In addition, there were no expenses recognized during the years ended March 31, 2020 and the six months ended September 30, 2020 in respect of receivables from related parties.

12. Dividends

Dividends declared and paid to the ordinary shareholders are as follows:

For the six months ended September 30, 2019

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 24, 2019 Board of directors	Ordinary shares	16,191	55	March 31, 2019	June 3, 2019

(Note) Total dividends resolved at the board of directors on May 24, 2019 included dividends of ¥4 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the six months ended September 30, 2020

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 25, 2020 Board of directors	Ordinary shares	17,577	60	March 31, 2020	June 1, 2020

(Notes) 1. Total dividends resolved at the board of directors on May 25, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, Dividends per share have not been retroactively adjusted and are shown on a pre-stock split basis.

The dividend whose record date falls in the six months ended September 30, 2020 and the effective date falls in the next period is as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
October 26, 2020 Board of directors	Ordinary shares	17,577	30	September 30, 2020	December 1, 2020

(Note) In the above table, total dividends resolved at the board of directors on October 26, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

13. 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 six months ended September 30,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	27,227	48,783
Profit from continuing operations attributable to owners of the parent (Yen in millions)	47,182	48,882
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(19,955)	(99)
Weighted average shares (Shares)	588,587,131	585,733,592
Earnings per share attributable to owners of the parent - basic (Yen)	46.26	83.28
Earnings per share from continuing operations (Yen)	80.16	83.45
Earnings (loss) per share from discontinued operations (Yen)	(33.90)	(0.17)

	For the three months ended September 30,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	23,943	28,725
Profit from continuing operations attributable to owners of the parent (Yen in millions)	24,117	28,750
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(174)	(25)
Weighted average shares (Shares)	588,586,918	585,733,465
Earnings per share attributable to owners of the parent - basic (Yen)	40.67	49.04
Earnings per share from continuing operations (Yen)	40.97	49.08
Earnings (loss) per share from discontinued operations (Yen)	(0.30)	(0.04)

(Notes) 1. 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”.

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2020.

14. Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means; and
- Level 3: Unobservable inputs for the asset or liability.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period by reassessing the level to be applied to the asset or liability for measuring its fair value.

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	As of March 31, 2020		As of September 30, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	184	184	109	109
Long term investments	26	24	23	23
Short term loans receivable	26	26	28	28
Long term loans receivable	151	149	129	129
Short term borrowings	(116,954)	(116,954)	(105,712)	(105,712)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(84,155)	(84,285)	(69,073)	(69,166)
Corporate bonds (including corporate bonds due within one year)	(370,675)	(369,568)	(371,782)	(371,781)

The following are explanatory notes relating to fair value estimation of the financial instruments.

(1) Short term investments, short term loans receivable and short term borrowings

In the normal course of business, substantially all short term investments (time deposits), short term loans receivable and short term borrowings are highly liquid and are carried at amounts that approximate their fair values.

(2) Long term investments

NIDEC's long term investments are mainly trust funding which is contributed for the performance-linked share-based compensation plan and are classified as Level 2. The fair value of long term investments is estimated by discounting expected future cash flows to their present values.

(3) Long term loans receivable

The fair value of long term loans receivable is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(4) Long term debt

The fair value of long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds) is estimated based on the present value of future repayment amounts by discounting at NIDEC's expected incremental borrowing rates for similar liabilities and classified as Level 2.

(5) Corporate bonds

The fair value of bonds issued by NIDEC (including corporate bonds due within one year) is estimated based on the quoted market price for the NIDEC's bonds in markets that are not active and classified as Level 2.

The fair values of "cash and cash equivalents", "trade and other receivables" and "trade and other payables" approximate their carrying amounts because of the short maturity of these instruments. Therefore, the table described above excludes these financial instruments.

Breakdown of financial instruments measured at fair value on a recurring basis by levels of the fair value hierarchy.

The following is an analysis of financial instruments measured at fair value after they are initially recognized.

The breakdown of financial assets and financial liabilities categorized by the levels of the fair value hierarchy used in the analysis is as follows:

As of March 31, 2020

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	12,870	-	1,536	14,406
FVTOCI debt financial assets	-	73	-	73
Derivatives	20	2,177	-	2,197
Total financial assets	12,890	2,250	1,536	16,676
Liabilities				
Derivatives	2,167	7,845	-	10,012
Total financial liabilities	2,167	7,845	-	10,012

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020

As of September 30, 2020

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	13,482	-	1,515	14,997
FVTOCI debt financial assets	-	74	-	74
Derivatives	1,209	2,144	-	3,353
Total financial assets	14,691	2,218	1,515	18,424
Liabilities				
Derivatives	25	3,857	-	3,882
Total financial liabilities	25	3,857	-	3,882

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the six months ended September 30, 2020.

Level 1 securities and derivatives including commodity futures are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 securities are valued using non-active market prices for identical assets. Level 2 derivatives including foreign exchange forward contracts are valued using quotes obtained from counterparties or third parties, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates.

Level 3 securities are composed mainly of unlisted shares. Fair values of those unlisted shares are calculated by discounted cash flow method, etc. For securities of level 3, no significant changes in fair value are expected to occur as a result of changing unobservable inputs to other alternative assumptions that are considered reasonable.

The reconciliation of financial instruments categorized as Level 3 is as follows:

(Yen in millions)

	For the six months ended September 30,	
	2019	2020
Balance at beginning of period	1,672	1,536
Gains or losses:		
Recognized in other comprehensive income (Note)	15	(73)
Purchases	189	56
Sales	(11)	(4)
Balance at end of period	1,865	1,515

(Note) Those are included in “fair value movements on FVTOCI equity financial assets” and “foreign currency translation adjustments” in the condensed quarterly consolidated statements of other comprehensive income.

15. Contingent liabilities

NIDEC has no material changes in contingent liabilities since March 31, 2020 except for the items shown below.

NIDEC has guaranteed ¥1,864 million for bank borrowing by equity-method affiliates at September 30, 2020. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2020	As of September 30, 2020
Property, plant and equipment and other assets	25,118	24,212

17. Authorization of condensed quarterly consolidated financial statements

NIDEC’s condensed quarterly consolidated financial statements were authorized for issue on November 12, 2020 by Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer and Hidetoshi Yokota, Vice President, in charge of managing Accounting Department and Global Tax Planning Department.

2. Other

On October 26, 2020, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2020 as follows:

- (1) Total amount of dividends:¥17,577 million
- (2) Amount per share:¥30.00
- (3) Effective date of claim of payment and start date of payment:December 1, 2020

Part II Information on Guarantors, etc. for the Company

Not applicable.