

[Translation]

Annual Securities Report

(The 47th Business Term)

From April 1, 2019 to March 31, 2020

NIDEC CORPORATION

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This is an English translation of the Annual Securities 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.

"Part I Information on the Company, II. Business Overview, 2. Risk Factors, 5. Risks for foreign investors" is only included in this English translation of the Annual Securities Report and not included in the original report.

Certain information in "Part I. Information on the Company, V. Consolidated Financial Statements and Other Information" in this document incorporates financial statements prepared in conformity with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board instead of the English translation of the Annual Securities Report.

The translation of the Independent Auditors' Report for the original Annual Securities Report is included at the end of this document.

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.

References in this document to the "Companies Act" are to the Companies Act of Japan and other laws and regulations amending and/or supplementing the Companies Act of Japan.

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(1) Consolidated financial data, etc.

(Yen in millions, unless otherwise stated)

Fiscal year	IFRS				
	43rd business term	44th business term	45th business term	46th business term	47th business term
Year end	March 2016	March 2017	March 2018	March 2019	March 2020
Net sales	1,178,290	1,199,311	1,459,039	1,475,436	1,534,800
Profit before income taxes	117,164	141,313	163,260	129,830	106,927
Profit attributable to owners of the parent	89,945	111,007	130,834	109,960	60,084
Comprehensive income attributable to owners of the parent	30,983	107,311	119,812	118,441	6,854
Total equity attributable to owners of the parent	763,023	846,572	932,501	996,795	949,703
Total assets	1,376,636	1,678,997	1,773,199	1,884,008	2,114,045
Total equity per share attributable to owners of the parent (yen)	1,286.28	1,427.14	1,575.38	1,693.54	1,621.33
Earnings per share attributable to owners of the parent - basic (yen)	151.52	187.14	220.96	186.49	102.13
Earnings per share attributable to owners of the parent - diluted (yen)	150.97	-	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	55.4	50.4	52.6	52.9	44.9
Profit ratio of total equity attributable to owners of the parent (%)	11.9	13.8	14.7	11.4	6.2
Price earnings ratio (times)	25.4	28.3	37.1	37.6	54.9
Net cash provided by operating activities	147,659	129,853	175,568	170,233	168,049
Net cash used in investing activities	(95,377)	(211,476)	(113,915)	(160,844)	(311,513)
Net cash provided by (used in) financing activities	7,775	95,848	(116,858)	(32,683)	128,546
Cash and cash equivalents at end of year	305,942	321,580	265,947	242,267	206,986
Number of employees [Separately, average number of temporary employees]	96,602 [26,116]	107,062 [25,704]	107,554 [27,657]	108,906 [28,885]	117,206 [27,963]

(Notes) 1. Effective from the 44th business term, consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2. Figures shown in yen in millions are rounded to the nearest million.

3. "Net sales" do not include consumption taxes.

4. "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".

5. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share attributable to owners of the parent - basic" and "Total equity per share attributable to owners of the parent" for the 46th and 47th business terms, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

6. "Earnings per share attributable to owners of the parent - diluted" are not presented after the 44th business term because there were no securities with dilutive effect outstanding through these business terms.

7. NIDEC has finalized the provisional accounting treatment for the business combinations in the year ended March 31, 2020. As a result, figures for the year ended March 31, 2019 reflect the revision of the initial allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combinations.
8. 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 43rd business term.
9. 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.

(Yen in millions, unless otherwise stated)

Fiscal year	U.S. GAAP
	43rd business term
Year end	March 2016
Net sales	1,178,290
Profit before income taxes	119,328
Profit attributable to owners of the parent	91,810
Comprehensive income attributable to owners of the parent	34,003
Total equity attributable to owners of the parent	764,221
Total assets	1,384,472
Total equity per share attributable to owners of the parent (yen)	1,288.30
Earnings per share attributable to owners of the parent - basic (yen)	154.66
Earnings per share attributable to owners of the parent - diluted (yen)	154.10
Ratio of total equity attributable to owners of the parent (%)	55.2
Profit ratio of total equity attributable to owners of the parent (%)	12.2
Price earnings ratio (times)	24.9
Net cash provided by operating activities	147,610
Net cash used in investing activities	(95,315)
Net cash provided by financing activities	7,775
Cash and cash equivalents, at end of year	305,942
Number of employees [Separately, average number of temporary employees]	96,602 [26,116]

- (Notes) 1. Our consolidated financial statements had been prepared in conformity with accounting principles generally accepted in the United States until the 43rd business term.
2. Figures shown in yen in millions are rounded to the nearest million.
3. "Net sales" do not include consumption taxes.
4. "Total equity attributable to owners of the parent", "Ratio of total equity attributable to owners of the parent", and "Total equity per share attributable to owners of the parent" are presented based on U.S. GAAP.
5. 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 43rd business term.

(2) Financial data, etc. of the Company

(Yen in millions, unless otherwise stated)

Fiscal year	43rd business term	44th business term	45th business term	46th business term	47th business term
Year end	March 2016	March 2017	March 2018	March 2019	March 2020
Net sales	230,260	218,682	225,793	222,217	190,206
Ordinary profit	20,657	10,558	16,947	49,213	31,845
Net profit	17,658	7,808	16,715	48,417	31,027
Common stock	87,784	87,784	87,784	87,784	87,784
Number of issued shares (thousands of shares)	298,142	298,142	298,142	298,142	298,142
Total net assets	348,457	334,814	318,857	309,867	288,888
Total assets	702,471	867,645	904,890	983,178	1,183,299
Net assets per share (yen)	587.42	564.43	538.68	526.46	493.19
Dividends per share (yen) [Of the above, interim dividend per share (yen)]	80 [40]	85 [40]	95 [45]	105 [50]	115 [55]
Earnings per share - basic (yen)	29.75	13.16	28.23	82.12	52.74
Earnings per share - diluted (yen)	29.64	-	-	-	-
Shareholders' equity ratio (%)	49.6	38.6	35.2	31.5	24.4
Return on equity (%)	5.1	2.3	5.1	15.4	10.4
Price earnings ratio (times)	129.5	402.5	290.3	85.4	106.3
Dividend payout ratio (%)	134.5	322.9	168.3	63.9	109.0
Number of employees [Separately, average number of temporary employees]	1,985 [212]	2,392 [222]	2,576 [253]	2,794 [185]	2,756 [148]
Total shareholder return (%) [Comparative index: Dividend- included TOPIX(%)]	97.4 [89.2]	134.7 [102.3]	208.5 [118.5]	180.2 [112.5]	76.2 [101.8]
Highest share prices in each of the fiscal years (yen)	11,415	11,045	18,525	17,720	16,835 *5,899
Lowest share prices in each of the fiscal years (yen)	6,407	6,985	9,713	11,405	9,675 *5,515

(Notes) 1. "Net sales" do not include consumption taxes.

2. "Earnings per share - diluted" are not presented after the 44th business term because there were no securities with dilutive effect outstanding through this business term.
3. 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 43rd business term.
4. The highest and lowest share prices are market prices on the first section of the Tokyo Stock Exchange, also the (*) indicate the highest and lowest stock prices after ex-rights due to the stock split.
5. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share - basic" and "Net assets per share" for the 46th and 47th business terms, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.
6. The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.(ASBJ Statement No. 28, released on February 16, 2018)" from the beginning of the 46th business term. Figures after the 45th business term reflect the revision of the partial amendments.

2. History

Month/Year	History
July 1973	Established in Nishikyo-ku, Kyoto.
August 1973	Started production and sales of small precision AC motors.
February 1975	Established Kameoka Plant (closed in December, 1993) in Kameoka-city, Kyoto.
April 1975	Launched production of brushless DC motors.
April 1976	Established Nidec America Corporation in St. Paul, the U.S.
October 1982	Started full-scale production and sales of axial-flow type brushless DC fans.
February 1984	Established Nidec Torin Corporation (currently Nidec America Corporation) in Torrington, the U.S.
October 1984	Established the Shiga Plant (currently Shiga Technical Center) in Echigawa-cho (now Aishou-cho), Echi-gun, Shiga.
November 1988	Listed its stock on the Kyoto Stock Exchange, and the second section of the Osaka Stock Exchange.
March 1989	Established Nidec Singapore Pte. Ltd. Took a stake in Shinano Tokki Co., Ltd. (currently Nagano Technical Center).
August 1990	Established Nidec Electronics (Thailand) Co., Ltd.
February 1992	Established Nidec (Dalian) Ltd. in China.
October 1992	Established Nidec Taiwan Corporation.
April 1993	Established Nidec Electronics GmbH in Germany.
October 1993	Established Nidec (H.K.) Co., Ltd.
February 1995	Took a stake in Kyoritsu Machinery Co., Ltd. (currently Nidec Machinery Corporation). Took a stake in Shimpo Industries Co., Ltd. (currently Nidec-Shimpo Corporation).
December 1995	Established Nidec Philippines Corporation.
March 1997	Took a stake in Tosok Corporation (currently Nidec Tosok Corporation).
April 1997	Took a stake in Read Electronics Corporation (currently Nidec-Read Corporation).
May 1997	Took a stake in Kyori Kogyo Co., Ltd. (Nidec-Kyori Corporation, merged into Nidec-Shimpo Corporation from April, 2012).
December 1997	Established Nidec Tosok (Vietnam) Corporation.
February 1998	Established P.T. Nidec Indonesia. Took a stake in Copal Co., Ltd. (currently Nidec Copal Corporation) and Copal Electronics Co., Ltd. (currently Nidec Copal Electronics Corporation).
September 1998	Listed its stock on the first section of the Tokyo Stock Exchange. Listed its stock anew on the first section of the Osaka Stock Exchange.
October 1998	Established Shibaura Nidec Corporation (currently Nidec Techno Motor Corporation) through a joint investment with Shibaura Engineering Works Co., Ltd. (currently Shibaura Mechatronics Corporation) and Toshiba Corporation.
April 1999	Established Nidec Shibaura (Zhejiang) Co., Ltd. in China.
December 1999	Established Nidec Korea Corporation.
March 2000	Took a stake in Y-E Drive Corporation (currently Nidec Techno Motor Corporation), a subsidiary of YASKAWA Electric Corporation.
September 2001	Listed on the New York Stock Exchange (voluntarily delisted in May 2016).
April 2002	Established Nidec (Zhejiang) Corporation in China.
June 2002	Established Nidec (Dongguan) Ltd. in China.
April 2003	Established Nidec (Shanghai) International Trading Co., Ltd. in China.
May 2003	Relocated its Head Office to Minami-ku, Kyoto and opened the Central Technical Laboratory.

Month/Year	History
October 2003	Took a stake in Sankyo Seiki Mfg. Co., Ltd. (currently Nidec Sankyo Corporation).
October 2005	Established Nidec Vietnam Corporation.
February 2006	Established Nidec Automobile Motor (Zhejiang) Corporation in China.
December 2006	Established Nidec Motors & Actuators by acquiring the motor and actuator business of Valeo S.A., a French company.
February 2007	Acquired Brilliant Manufacturing Ltd. of Singapore (currently Nidec Component Technology Co., Ltd.).
April 2007	Established the corporate slogan "All for dreams". Took a stake in Japan Servo Co., Ltd. (currently Nidec Servo Corporation).
January 2010	Acquired the home appliance motor business of Appliances Components Companies S.p.A. of Italy. Started Nidec Sole Motor Corporation S.R.L.
February 2010	Acquired SC Wado Co., Ltd. in Thailand.
September 2010	Established Nidec Motor Corporation by acquiring the motors & controls business of Emerson Electric Co. of the U.S.
October 2010	Established Nidec (Shaoguan) Limited in China.
December 2010	Established Nidec India Private Limited.
July 2011	Took a stake in SANYO Seimitsu Corporation (currently Nidec Seimitsu Corporation), a subsidiary of SANYO Electric Co., Ltd.
December 2011	Established Nidec Precision Malaysia Sdn. Bhd. in Malaysia.
March 2012	Established SC Wado Component (Cambodia) Co., Ltd. in Cambodia.
April 2012	Nidec-Shimpo Corporation acquired the Minster Machine Company (currently Nidec Minster Corporation) of the U.S.
May 2012	Acquired Ansaldo Sistemi Industriali S.p.A. (currently Nidec ASI S.p.A.) of Italy.
June 2012	Opened Nidec Research and Development Center, Japan.
September 2012	Opened Nidec Research and Development Center, Taiwan. Acquired Avtron Industrial Automation, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
October 2012	Nidec Sankyo Corporation acquired SCD Co., Ltd. of Korea.
November 2012	Acquired Kinetek Group Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
December 2012	Took a stake in Jiangsu Kaiyu Auto Appliance (currently Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.) of China.

Month/Year	History
January 2014	Nidec Sankyo Corporation acquired Mitsubishi Materials C.M.I. Corporation (currently Nidec Sankyo CMI corporation). Nidec Research and Development Center, Japan opened its new building in Kawasaki-city.
March 2014	Acquired Honda Elesys Co., Ltd. (currently Nidec Elesys Corporation).
February 2015	Acquired Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt (currently NIDEC GPM GmbH) of Germany.
May 2015	Acquired Motortecnica s.r.l. of Italy.
July 2015	Acquired SR motor drive business of China Tex Mechanical & Electrical Engineering Ltd. (currently Nidec (Beijing) Drive Technologies Co., Ltd.) of China.
August 2015	Acquired Arisa, S.A. (currently Nidec Arisa, S.L.U.) of Spain. Acquired KB electronics, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
September 2015	Acquired business assets of E.M.G. Elettromeccanica S.r.l. of Italy. Nidec Sankyo Corporation acquired PT. NAGATA OPTO INDONESIA.
May 2016	Acquired E.C.E. S.r.l. of Italy. Acquired ANA IMEP S.A. (currently Nidec Motor Corporation Romania) of Romania.
December 2016	Acquired Canton Elevator, Inc. of the U.S.
January 2017	Acquired Emerson Electric Co.'s motors, drives and electric power generation businesses (currently Nidec Leroy-Somer Holding, Nidec Control Techniques Limited, etc.) of the U.S.
March 2017	Opened Nidec Corporation Head Office ANNEX Global Learning Center. Acquired Vamco International, Inc. of the U.S. Unified corporate brand logos of group companies to "Nidec".
July 2017	Acquired LGB Elettropompe S.r.l. of Italy.
October 2017	Nidec Sankyo Corporation succeeded the business of Tokyo Maruzen Industry Co., Ltd. Nidec-Read Corporation acquired SV Probe Pte. Ltd. of Singapore.
November 2017	Acquired driveXpert GmbH of Germany.
February 2018	Nidec Center for Industrial Science opened its new building in Seika-cho, Soraku-gun, Kyoto.
April 2018	Acquired Genmark Automation, Inc. of the U.S.
May 2018	Established the joint venture company Nidec PSA emotors with Groupe PSA of France.
July 2018	Acquired CIMA S.p.A. of Italy.
August 2018	Acquired MS-Graessner GmbH & Co. KG of Germany.
November 2018	Took a stake in Chaun-Choung Technology Corp. of Taiwan.
February 2019	Acquired Systeme + Steuerungen GmbH of Germany.
March 2019	Acquired DESCH Antriebstechnik GmbH & Co. KG of Germany.
July 2019	Acquired the compressor business ("Embraco") of Whirlpool Corporation of the U.S.
October 2019	Established the joint venture company Guangzhou Nidec Auto Drive System Co., Ltd. with GAC Components Co., Ltd. of China. Acquired OMRON Automotive Electronics Co. Ltd. (currently Nidec Mobility Corporation).
November 2019	Acquired Roboteq Inc. of the U.S.

3. Description of Business

Major businesses of our group, which is comprised mainly of the Company, 332 consolidated subsidiaries and 4 equity-method associates, are manufacturing and sales of small precision motors, automotive products, appliance, commercial and industrial products, machinery, electronic and optical components, and others.

We prepare our consolidated financial statements in accordance with IFRS. The scope of affiliates is also based on the definition of IFRS. Our segments comprise nine reportable segments and others.

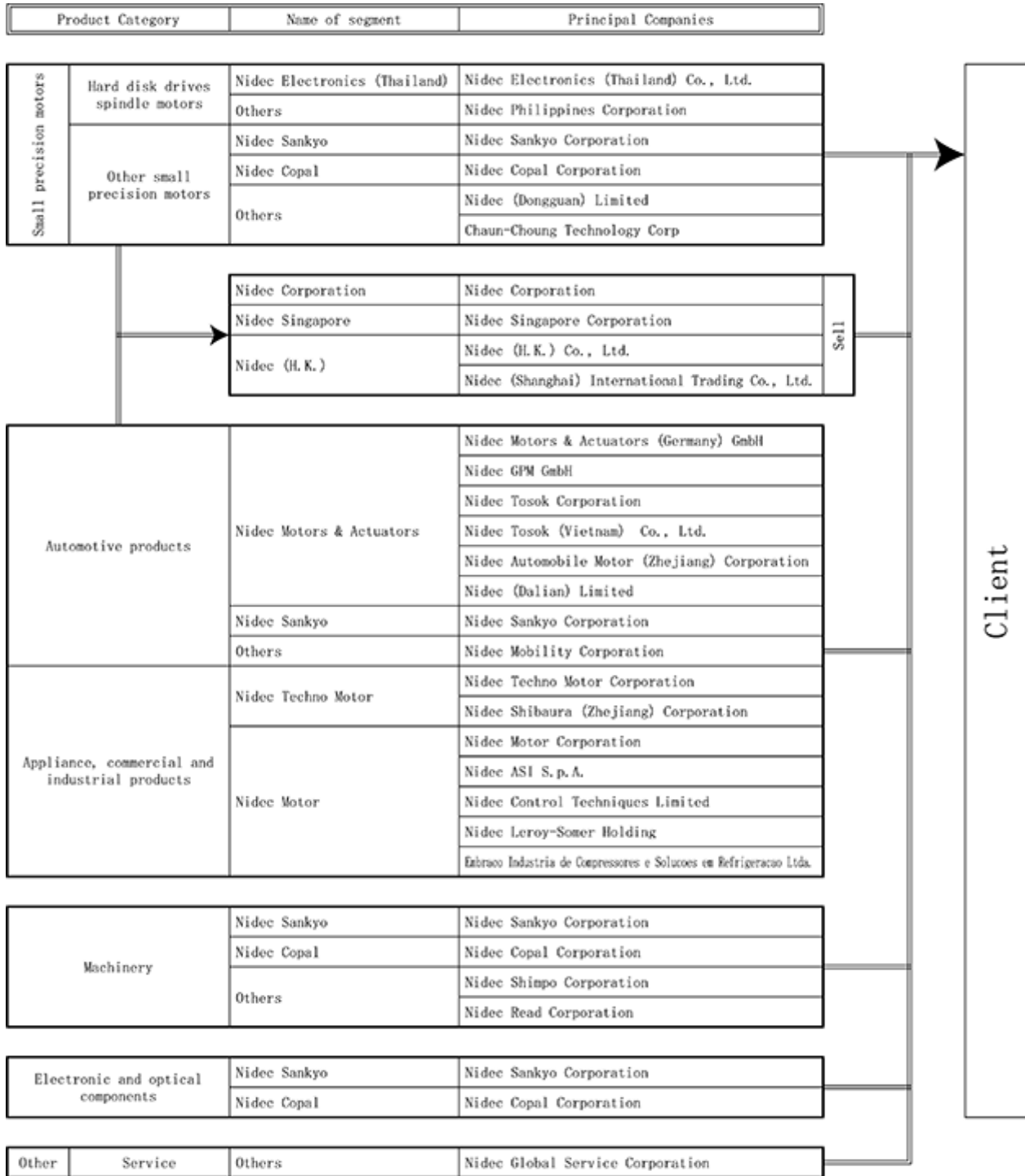
Outline for each segment is described as follows. All of Nidec Seimitsu group except Nidec SeimitsuMotor Technology (Dongguan) Co., Ltd. that were previously included in Others segment are currently included in Nidec Copal segment from the three months ended June 30, 2019. These segment categories are the same as those in the segment information in notes to consolidated financial statements in “V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Statements of Financial Position” and segments for the year ended March 31, 2020 in all other parts in this annual securities report.

Name of segment	Outline of segment	Principal companies
Nidec Corporation	The Nidec Corporation segment comprises Nidec Corporation in Japan, which primarily develops and sells hard disk drives spindle motors, other small precision motors, automotive products and machinery.	Nidec Corporation
Nidec Electronics (Thailand)	The Nidec Electronics (Thailand) segment comprises Nidec Electronics (Thailand) Co., Ltd., a subsidiary in Thailand, and its consolidated subsidiaries, which primarily produce and sell hard disk drives spindle motors. This segment also includes other subsidiaries in Asia which produce components for hard disk drives.	Nidec Electronics (Thailand) Co., Ltd
Nidec Singapore	The Nidec Singapore segment comprises Nidec Singapore Pte. Ltd., a subsidiary in Singapore, which primarily sells hard disk drives spindle motors and other small precision motors.	Nidec Singapore Pte. Ltd.
Nidec (H.K.)	The Nidec (H.K.) segment comprises Nidec (H.K.) Co., Ltd., a subsidiary in Hong Kong, and its consolidated subsidiaries, which primarily sell hard disk drives spindle motors and other small precision motors.	Nidec (H.K.) Co., Ltd., Nidec (Shanghai) International Trading Co., Ltd.
Nidec Sankyo	The Nidec Sankyo segment comprises Nidec Sankyo Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell machinery, automotive products, electronic parts and other small precision motors.	Nidec Sankyo Corporation
Nidec Copal	The Nidec Copal segment comprises Nidec Copal Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell optical and electronic parts, machinery and other small precision motors.	Nidec Copal Corporation
Nidec Techno Motor	The Nidec Techno Motor segment comprises Nidec Techno Motor Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell commercial and industrial products.	Nidec Techno Motor Corporation, Nidec Shibaura (Zhejiang) Co., Ltd.
Nidec Motor	The Nidec Motor segment comprises Nidec Motor Corporation and other subsidiaries in North America, which are subsidiaries of Nidec Americas Holding Corporation, an intermediate holding company in the United States, as well as other subsidiaries in Latin America, Asia and Europe, which primarily produce and sell home appliance, commercial and industrial products. This segment also includes Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda. which was newly consolidated in the three months ended September 30, 2019.	Nidec Motor Corporation, Nidec ASI S.p.A., Nidec Leroy-Somer Holding, Nidec Control Techniques Limited, Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.
Nidec Motors & Actuators	The Nidec Motors & Actuators segment comprises Nidec Motors & Actuators (Germany) GmbH in Germany, other subsidiaries in Europe and North America, South America, and other manufacturing subsidiaries in Japan and Asia, which primarily produce and sell automotive products.	Nidec Motors & Actuators (Germany) GmbH, Nidec Tosok Corporation, Nidec GPM GmbH, Nidec Automobile Motor (Zhejiang) Corporation, Nidec (Dalian) Limited
Others	The Others segment comprises subsidiaries that are operating segments but not designated as reportable segments due to their immateriality. This segment also includes Nidec Mobility Corporation which was newly consolidated in the three months ended December 31, 2019.	Nidec Philippines Corporation, Nidec (Dongguan) Limited, Chaun-Choung Technology Corp, Nidec Mobility Corporation

The positioning of the Company and its principal consolidated companies in relation to the product category of our group is as follows:

Product Category		Principal Companies
Small precision motors	Hard disk drives spindle motors	Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec Philippines Corporation, Nidec (H.K.) Co., Ltd., Nidec Singapore Pte. Ltd.
	Other small precision motors	Nidec Corporation, Nidec Sankyo Corporation, Nidec (H.K.) Co., Ltd., Nidec (Dongguan) Limited, Nidec Copal Corporation, Nidec (Shanghai) International Trading Co., Ltd., Chaun-Choung Technology Corp
Automotive products		Nidec Corporation, Nidec Tosok Corporation, Nidec Tosok (Vietnam) Co., Ltd., Nidec Motors & Actuators (Germany) GmbH, Nidec GPM GmbH, Nidec Automobile Motor (Zhejiang) Corporation, Nidec Sankyo Corporation, Nidec (Shanghai) International Trading Co., Ltd., Nidec (Dalian) Limited, Nidec Mobility Corporation
Appliance, commercial and industrial products		Nidec Motor Corporation, Nidec ASI S.p.A., Nidec Techno Motor Corporation, Nidec Shibaura (Zhejiang) Co., Ltd., Nidec Leroy-Somer Holding, Nidec Control Techniques Limited, Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.
Machinery		Nidec Sankyo Corporation, Nidec Shimpo Corporation, Nidec Read Corporation, Nidec Copal Corporation
Electronic and optical components		Nidec Copal Corporation, Nidec Sankyo Corporation
Others		Nidec Global Service Corporation

{Business Diagram}



4. Information on Affiliates

(1) Consolidated subsidiaries

Name	Address	Capital	Principal business	% of voting rights interests	Relationship				
					Interlocking directorate	Funding support	Major business transaction	Lease of property, plant and equipment	Others
Nidec Electronics (Thailand) Co., Ltd.	Pathumthani Province, Thailand	USD 231,657 thousand	Small Precision Motors	99.9	Yes		Receipt of royalties		*1
Nidec Singapore Pte. Ltd.	Singapore	USD 4,656 thousand	Small Precision Motors	100.0	Yes		Sales of products of the Company, Payment of commissions		*1
Nidec (H.K.) Co., Ltd.	Hong Kong, China	HKD 2,352 thousand	Small Precision Motors	100.0	Yes		Sales of products of the Company		*1
Nidec Sankyo Corporation	Shimosuwa-cho, Suwa-gun, Nagano	JPY 35,270 million	Small Precision Motors, Automotive Products, Machinery and Electronic parts	100.0	Yes	Loan	Receipt of royalties	Yes	*1
Nidec Copal Corporation	Itabashi-ku, Tokyo	JPY 11,080 million	Small Precision Motors, Machinery and Electronic and Optical parts	100.0	Yes	Loan	Receipt of royalties	Yes	*1
Nidec Techno Motor Corporation	Obama, Fukui	JPY 2,500 million	Commercial and Industrial products	100.0	Yes	Loan	Receipt of royalties	Yes	
Nidec Motor Corporation	Missouri, U.S.A.	USD 1,355,662 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)	Yes		Receipt of royalties		
Nidec Motors & Actuators (Germany) GmbH	Baden-Württemberg, Germany	EUR 25 thousand	Automotive products	100.0	Yes		Sales of products of the Company, Payment of commissions, Receipt of royalties		*1
Nidec Philippines Corporation	Province of Laguna, Philippines	USD 39,207 thousand	Small Precision Motors	99.9	Yes		Supply of products to the Company, Receipt of royalties		*1

Name	Address	Capital	Principal business	% of voting rights interests	Relationship				
					Interlocking directorate	Funding support	Major business transaction	Lease of property, plant and equipment	Others
Chaun-Choung Technology Corp	New Taipei, Taiwan	TWD 863 million	Small Precision Motors	60.4	Yes				
Nidec (Dongguan) Ltd.	Dongguan, Guangdong, China	USD 23,000 thousand	Small Precision Motors	100.0 (37.5)	Yes		Supply of products to the Company, Receipt of royalties		
Nidec Vietnam Corporation	Ho Chi Minh, Vietnam	USD 11,000 thousand	Small Precision Motors	100.0	Yes		Supply of products to the Company, Receipt of royalties	Yes	*1
Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd	Dongguan, Guangdong, China	USD 7,000 thousand	Small Precision Motors	100.0 (100.0)			Supply of products to the Company		*1
Nidec Europe B.V.	CH ALMERE, The Netherlands	EUR 322 thousand	Small Precision Motors	100.0	Yes	Loan	Payment of commissions		*1
Nidec (Shanghai) International Trading Co., Ltd.	Shanghai, China	CNY 1,655 thousand	Small Precision Motors, Automotive products	100.0 (100.0)	Yes		Payment of commissions		
Nidec Mobility Corporation	Komaki, Aichi	JPY 14,755 million	Automotive products	100.0	Yes				*1
Nidec Tosok Corporation	Zama, Kanagawa	JPY 5,087 million	Automotive products	100.0	Yes		Receipt of royalties		
Nidec Tosok (Vietnam) Co., Ltd.	Ho Chi Minh, Vietnam	JPY 4,105 million	Automotive products	100.0 (61.5)	Yes				
Nidec (Dalian) Ltd.	Dalian, Liaoning, China	USD 36,500 thousand	Automotive products	100.0	Yes		Supply of products to the Company, Receipt of royalties		*1
Nidec Automobile Motor (Zhejiang) Corporation	Pinghu, Zhejiang, China	USD 48,000 thousand	Automotive products	100.0 (23.0)	Yes		Supply of products to the Company, Receipt of royalties		*1
NIDEC GPM GmbH	Thüringen, Germany	EUR 294,273 thousand	Automotive products	100.0 (100.0)	Yes		Receipt of royalties		*1

Name	Address	Capital	Principal business	% of voting rights interests	Relationship				
					Interlocking directorate	Funding support	Major business transaction	Lease of property, plant and equipment	Others
Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.	Santa Catarina, Brazil	USD 370,939 thousand	Appliance, Commercial and Industrial products	100.0 (99.9)					*1
Nidec Shibaura (Zhejiang) Co., Ltd.	Pinghu, Zhejiang, China	CNY 553,944 thousand	Appliance, Commercial and Industrial products	100.0 (91.7)	Yes				
Nidec Leroy-Somer Holding	Angouleme, France	USD 55,393 thousand	Appliance, Commercial and Industrial products	99.8			Receipt of royalties		
Nidec ASI S.p.A.	Lombardia, Italy	EUR 16,155 thousand	Industrial products	100.0 (100.0)			Receipt of royalties		
Nidec Control Techniques Limited	Powys, UK	USD 13,032 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)			Receipt of royalties		
Nidec-Shimpo Corporation	Nagaokakyo, Kyoto	JPY 3,796 million	Machinery	100.0	Yes	Loan	Receipt of royalties		
Nidec-Read Corporation	Ukyo-ku, Kyoto	JPY 938 million	Machinery	100.0	Yes	Loan	Receipt of royalties	Yes	
Nidec Global Service Corporation	Minami-ku, Kyoto	JPY 109 million	Service	100.0 (70.2)	Yes				
Other 303 companies									

(Notes) *1. Companies that fall under the definition of a specified subsidiary or "Tokutei Kogaisha". Under the Financial Instruments and Exchange Act of Japan, a subsidiary corresponds to a "Tokutei Kogaisha" when the total amount of its net sales to or the total amount of its purchases from the parent company during the period corresponding to the most recent fiscal year of the parent company are 10% or more of the total amount of the parent company's purchases or the total amount of the parent company's net sales during the same period.

2. A number in the round brackets in the "% of voting rights interests" column shows the % of indirect voting interests, which is a part of the total voting interest.

(2) Associated company under the equity method

We have 4 associated companies under the equity method. We have omitted a description of them as they are immaterial.

5. Employees

(1) Consolidated basis

(As of March 31, 2020)

Name of segment	Number of employees	
Nidec Corporation	2,756	(148)
Nidec Electronics (Thailand)	10,833	(3,660)
Nidec Singapore	47	(14)
Nidec (H.K.)	279	(1)
Nidec Sankyo	11,495	(3,522)
Nidec Copal	5,053	(1,819)
Nidec Techno Motor	2,919	(2,880)
Nidec Motor	31,103	(2,181)
Nidec Motors & Actuators	16,336	(1,028)
Others	36,244	(12,708)
Corporate	141	(2)
Total	117,206	(27,963)

(Note) The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

(2) The Company

(As of March 31, 2020)

Number of employees	Average age	Average length of service	Average annual salary
2,756 (148)	38.6	9.7	6,157,905

Name of segment	Number of employees	
Nidec Corporation	1,747	(106)
Corporate	1,009	(42)
Total	2,756	(148)

(Notes) 1. The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

2. Average annual salary includes extra wages and bonuses.

(3) Labor union

Labor unions have been organized at several consolidated subsidiaries at the company and its consolidated subsidiaries. The relationship between management and labor unions is favorable and there are no material facts to report.

II. Business Overview

1. Management Policies, Business Environment, and Challenges

Forward-looking statements below were determined by NIDEC as of the end of the current fiscal year and do not guarantee the achievement.

(1) Basic management policies

We aim to become the world's leading comprehensive motor manufacturer, maximize shareholder value, and meet the expectations of shareholders by delivering higher technology solutions, offering higher wages, and thus achieving higher growth, profit and stock prices, over the long-term. We seek to uphold the following three management goals and principles:

- 1) Employment stability based on sustainable business growth;
- 2) Available supply of highest quality, indispensable, and widely desired products for the common good for all;
- 3) Pursuit of the top leader position in each of the company's chosen paths.

In addition, NIDEC's basic business strategy is to make innovative changes in existing large markets with new drive technology and to quickly adapt to the needs of new markets. As a means of achieving these goals, NIDEC has reinforced technology and speed through M&As.

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

Currently, NIDEC aims to ride five innovative waves. The five fields of "automotive electrification," "expansion of robot applications," "home appliances driven by brushless DC motors," "manpower-saving in agriculture & logistics," and "next-generation technologies arising from 5G communications," which are strongly demanded to solve the global issues such as carbon dioxide emissions, road accidents, and aging of population, are promising growth markets. NIDEC will concentrate management resources in these fields. By combining M&As with the elemental technology NIDEC has accumulated, NIDEC will control all five innovative waves and contribute to sustainable development of the world. During the year ended March 31, 2020, progress has not been as expected partly due to the U.S.-China trade friction and the spread of the new coronavirus (COVID-19), but it remains the basic policy of the medium-term strategic target.

For further information on risks of the U.S.-China trade friction and the new coronavirus (COVID-19), refer to "(1) Risks related to political and economic downturns" of "1. Management strategy risks" and "(1) Risks related to natural and human disaster" of "4. Risks related to contingencies" of "2. Risk Factors".

1. Small precision motors

Among the five innovative waves, "next-generation technologies arising from 5G communications" will be the pillar of sales growth in the small precision motors business. When 5G communications become the mainstream, the communication speed will increase by 100 times and the communication capacity will increase by 1,000 times. However, intense heat is generated in the CPU (Central Processing Unit) and electronic circuits due to a huge amount of data being processed at a high speed. Therefore, it is expected that the demand for thermal management such as heat dissipation and cooling will increase more and more. To meet this demand, NIDEC provides the market with thermal module products that combine heat sinks, heat pipes, vapor chambers, and others. Further opportunities arising from the adaption of "home appliances driven by brushless DC motors" can also be expected. Demand for brushless DC motor, which has such features as energy-efficiency, long-life expectancy, and low-noise, will increase more and more as home appliances become energy efficient and cordless. Furthermore, NIDEC will explore its new usage in a wide variety of fields such as AV, IT, OA and communication equipment, home appliances, and industrial equipment, achieving to sustainable growth.

On the other hand, 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, though the spread of 5G communications will accelerate the era of big data such as the improvement for the image quality and capacity of images and videos, and spread social media and games. Due to the expansion of storage demand accompanying it, it is expected that the demand for HDD motors in server applications and others will continue to be stable.

For further information on the risk of HDDs, refer to "(2) Ongoing significant risk related to hard disk drive market" of "1. Management strategy risks" of "2. Risk Factors".

2. Automotive products

In the automotive business, as the impact of climate change increases in severity, the automotive industry is accelerating its efforts toward decarbonization. Since 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 the vehicle electrification and the shift to electric vehicles. NIDEC takes "automotive electrification" as a medium- to long-term growth opportunity, and provides automotive motors such as electric power steering motors and brake motors, for which it has the largest market share, as well as automotive products such as automotive cameras, control valves, electric oil pumps and others. Furthermore, by developing and supplying drive motor system (traction motor) for EVs, which is equivalent to the engine part of a gasoline vehicle, NIDEC will actively participate in the industry's efforts to reduce the CO2 emitted by running vehicles to virtually zero. By combining these with an electronic control unit (ECU), each part can be systemized and high-value-added modular products can be provided.

In addition, by integrating motors, ECUs, sensors, and others to electronically control various vehicle functions, safe driving, collision avoidance, damage reduction, and automatic driving will become possible, which will enhance vehicle safety. Furthermore, reducing CO2 emissions can also be expected by improving fuel efficiency. In the future, aiming to become an automotive electric manufacturer, NIDEC will contribute to the development of safer, eco-friendly and comfortable cars by providing the automotive industry with system module products that integrate advanced technologies of sensor and ECU into motor technologies NIDEC has accumulated.

For further information on the risk of drive motor system (traction motor) for EVs, refer to "(3) Risks related to competition" and "(4) Risks related to prior investments for anticipated customer demands" of "1. Management strategy risks" of "2. Risk Factors".

3. Appliance, commercial and industrial products

In 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 others. Riding the wave of "home appliances driven by brushless DC motors," NIDEC will contribute to higher efficiency of appliances such as refrigerators. The commercial sector deals with 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 order to reliably win the increased orders, NIDEC has started the operation of a new factory for speed reducers for small robots, and has significantly increased its production capacity.

5. M&A

In order to achieve the above goals, in the small precision motors business, NIDEC has acquired Chaun-Choung Technology, which has cooling 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, 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, 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 further information on the risk of M&A, refer to "(5) Risks related to M&A" of "1. Management strategy risks" of "2. Risk Factors".

2. Risk Factors

Risks that have the potential to affect the performance, stock price and financial position of NIDEC include, but are not limited to, the issues discussed below. Forward-looking statements in this discussion reflect the judgment of NIDEC as of March 31, 2020.

1. Management strategy risks

(1) Risks related to political and economic downturns (Especially significant risk)

Our products and the end-products are produced and consumed in Asia, the United States, Europe and Japan, mainly in China, and demand for our products may be adversely affected by unexpected economic, political and policy trends in these countries or regions. In particular, our products are often used in end-products that are subject to discretionary spending, such as personal computers, consumer electronic goods and automobiles, and thus a decline in general consumption levels could adversely affect our sales. Similarly, capital investment levels in the manufacturing sector can be particularly sensitive to economic trends, and a decline in capital investment could adversely affect sales of our products that are used in industrial applications. Our business, results of operations and financial position may be materially and adversely affected by negative economic trends in future periods.

In the fiscal year ended March 31, 2020, a slowdown in the Chinese economy, a decrease in automotive demand and a decrease in capital investment due to the US-China trade friction led to a decline in demand for some of the NIDEC products. NIDEC has operations in more than 40 countries around the world. For strategic products centered on automotive products, we built a diversified system of production bases worldwide to strengthen parallel production, while at the same time grasping important processes in the upstream portion of the supply chain. As a measure to mitigate tariff risk caused by the US-China trade friction, we transferred the production of some motors for automotive and home appliances for the United States from China to Mexico.

(2) Ongoing significant risk related to hard disk drive market (Especially significant risk)

The HDD motor business is an important business that supports our revenue base, and accounts for a significant proportion of our revenue.

With the transition to cloud computing, HDD is being replaced with SSD in the storage demand for terminals, such as PCs, which constitutes a factor behind the decline in the demand for HDD motors. On the other hand, HDD is used in servers in data centers that store large amounts of data, and the number of HDDs for servers is increasing as the amount of data increases. However, as the demand for HDD, and eventually NIDEC's HDD motor depends on the capital investment trends of the customers who establish data centers, if the customers' capital investment slows down more than expected, it may affect the number of orders received by NIDEC. As a countermeasure, we will not only maintain a high market share in the HDD motor market as a major supplier for all HDD manufacturers, but also build a price system based on quantity.

(3) Risks related to competition (Especially significant risk)

We generally face aggressive competition in the markets in which we conduct business. Particularly in the markets for automotive and appliance components, we often face fierce competition with domestic manufacturers in emerging economies. To maintain our competitiveness in the markets, we believe that we should maintain, or may need to increase, our substantial level of investment in research and development, expand our production, sales and marketing capabilities, enhance services and support, timely develop new products, and further improve our existing products. We will also need to continue our cost reduction efforts in order to maintain our profitability.

Our competitiveness may decline and/or our profitability may be adversely affected if:

- any of our markets develops faster than our expectations due to rapidly increasing demand or otherwise, causing our market share to decline relative to our competitors that are able to better meet increasing demand or otherwise cope with developing markets;
- our cost reduction efforts are insufficient to offset declines in market price levels or increases in raw material costs;
- our competitors' competitive efforts result in technological innovations, improved manufacturing efficiencies or enhanced research and developmental capabilities, rendering our products and technologies obsolete;
- mergers or consolidations among our competitors result in a relative decline in our competitive position; or
- we are unable to obtain financial, technological, human or other resources necessary to maintain or enhance our investments.

Currently, NIDEC's main market for EV traction motor systems is China. China is promoting vehicle electrification as a national policy, and currently has the largest EV market in the world. NIDEC currently positions traction motor, which is equivalent to EV engine, as an important strategic product. Therefore, a loss of competitiveness in the market due to the rise of cost-competitive and fast-developing local manufacturers could have a significant impact on NIDEC's overall growth strategy. As a countermeasure, we are strengthening partnerships with Chinese companies with significant influence in this market. Regarding traction motor system for EVs, we have formed an alliance with Guangzhou Automobile Group Co., Ltd., a leading automobile manufacturer in the country.

(4) Risks related to prior investments for anticipated customer demands (Especially significant risk)

If NIDEC anticipates growth in demand, we may expand our manufacturing capabilities in advance of anticipated customer demand. Therefore, if demand falls short of production capacity, an increase in amortization burden due to operating loss or a devaluation of inventories due to overstock may put pressure on profit. For example, a production plant for EV traction motor systems for which demand is expected to expand rapidly in the market are already in operation in Zhejiang, China, and we plan to build plants in Liaoning, China, Mexico and Poland in the future. However, should we fail to secure the initially anticipated order volume, due to changes in the progress of product development and market entry of competitors as well as in the demand for end-products, NIDEC's operation results and financial position may be significantly affected.

Furthermore, if the equipment introduced to our plants becomes obsolete or their applications need to be altered due to rapid technological innovation, we may need to reduce their currently estimated service lives, increasing the depreciation burden per consolidated accounting period. On the other hand, if we underestimate our customers' needs and fail to make the necessary capital investments, we may lose market share due to our inability to meet customers' demands.

In addition, in anticipation of lead times to obtain inventory and materials from our suppliers, we may also from time to time order materials in advance of anticipated customer demand. This advance investment and ordering may result in excess inventory levels, resulting in unanticipated inventory write-downs if expected orders fail to materialize.

(5) Risks related to M&A (Especially significant risk)

We have achieved much of our growth by acquiring and otherwise investing in other companies that have provided us with complementary technologies, product lines, marketing and sales networks, and customer base. The continued success of our acquisition and investment activities constitutes a key factor in achieving our current business strategy. Acquiring technology and commercial distribution centered on the automotive business is becoming increasingly important. In the automotive business, particularly traction motor system for EVs is expected to become a pillar of future growth, though the product demand is greatly influenced by the pace of the transition to EVs. Furthermore, as we enter a new market, it is difficult to predict changes in the speed of future market expansion, and rules of thumb do not apply when examining the appropriate timing and prices for acquisition. To the extent that we are unable to make successful acquisitions or investments, we may not be able to continue to expand our product range, marketing or sales networks or customer base, and our growth rates could be adversely affected. Critical to the success of our acquisitions is the ordered and efficient integration of acquired businesses into our organization. Our acquisitions may not generate the operational and financial returns we expect. The success of our future acquisitions will depend upon factors such as:

- accuracy of various due diligence analyses;
- our preliminary survey's ability to detect those liabilities of the acquiree that could negatively affect NIDEC;
- our ability to manufacture and sell the products of the businesses acquired and to integrate the technologies of the acquired businesses with our own to develop new products;
- our ability to integrate the acquired businesses' operations, products and personnel;
- our ability to retain key personnel of the acquired businesses; and
- our ability to extend our financial and management controls as well as our reporting and compliance systems and procedures to acquired businesses.

Our new and additional investments in other companies are subject to other uncertainties that may have a material adverse impact on our business. For example, the fair value of our investments in other companies may be impaired if their business results deteriorate. Changes in economic policies of local governments, laws and regulations, and accounting rules applicable to companies in which we invest may also have a significant adverse effect on our financial results.

Failure to succeed in acquisitions or investments, or an inability to find suitable acquisition or investment targets, could have a material adverse effect on our business, results of operations and financial position.

And NIDEC recorded a large amount of goodwill and intangible assets acquired in connection with acquisition, and as of March 31, 2020, goodwill and intangible assets were recorded at 356.3 billion yen and 139.3 billion yen respectively. NIDEC believes that these assets appropriately reflect the future profitability achieved through the efficient integration of the acquired businesses, though we may not be able to generate the estimated amount of profits due to a deterioration of the business environment and others. In that case, NIDEC will need to recognize an impairment of these assets, which could adversely affect its operating results and financial position.

(6) Risks related to compliance with various laws and regulations

We conduct our business subject to ongoing regulation and associated regulatory compliance risks, including the effects of changes in laws, regulations, policies, voluntary codes of practice, accounting standards and interpretations and application errors in Japan and other countries in which we conduct our business. As we expand the range of our products and the geographical scope of our business, we will be exposed to risks that are unique to particular industries, markets or jurisdictions. Our compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules.

Our business activities are subject to a wide range of environmental laws and regulations in Japan, Asia, North America, Europe and other areas. These laws and regulations include those relating to discharge of chemicals into the air and water, management, treatment and disposal of hazardous substances and wastes, product recycling, prevention of global warming and the obligation to investigate and remediate soil and groundwater contamination.

Many of our operations require environmental permits, the terms of which may impose limits on our manufacturing activities and require the incurrence of costs to achieve compliance and which may be subject to modification, renewal and revocation by the issuing authorities. Moreover, if these laws, regulations and permits become more stringent in the future, the amount of capital expenditures and other expenses which may be required to complete remedial actions and to continue to comply with applicable environmental laws, regulations and permits could increase and be significant, which would materially and adversely affect our business, results of operations and financial position.

Our business activities are also subject to various other governmental regulations, both local and international, including antitrust, anti-bribery, anti-terrorism, intellectual property, consumer protection, taxation, export regulations, tariffs, foreign trade and exchange controls. Because we have a leading market share globally for small precision motors, any regulatory development or measure that affects sales or manufacturing of small precision motors in particular could materially and adversely affect our business, results of operations and financial position. Moreover, as we expand our operations into new products and geographical markets, we may be required to further enhance our compliance policies and procedures. Because we are listed on the Tokyo Stock Exchange, we are required to comply with the appropriateness of financial reporting under the application of the Financial Instruments and Exchange Act of Japan and other laws and regulations. We are continuing to expand our business as our business grows, and we need to strengthen our compliance system regarding the appropriateness of financial reporting. Our failure or inability to comply fully with applicable laws, regulations, standards and rules could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate, adversely affecting our business.

In addition, future changes in laws, regulations, rules, policies, voluntary codes of practice, accounting standards, fiscal or other policies and their effects are difficult to predict, and additional financial, administrative and human resources may be required to put in place new compliance systems.

2. Business operation risks

(1) Risks related to recruiting and retaining highly skilled personnel (Especially significant risk)

Our business depends on the continued employment of our senior management, engineers and other technical personnel, many of whom would be extremely difficult to replace. A wave of technological innovation is arriving and we are on the brink of whether or not we can ride on the wave. NIDEC will need to develop a system to additionally hire, train, integrate and utilize human resources with a high level of knowledge of new markets, such as AI and IoT, and significant numbers of highly skilled human resources. The competition is intense worldwide for recruiting such personnel, and if NIDEC may be unable to attract such additional personnel, NIDEC could lose the opportunity to ride on the wave of technological innovation.

(2) Risks related to our research and development

We engage in continuous research and development activities, including those related to basic technologies, new products, product improvements and manufacturing processes. The markets for our products are characterized by continual and fast-paced technological development, and our customers' requirements regarding the performance and delivery of our products are expected to continue to heighten. In such markets, our success will depend upon our ability to continue to develop superior technologies, products and processes in a timely manner in order to meet our customers' needs effectively. If third parties succeed in developing new technologies, products or processes that are more attractive to our customers than ours due to our inability to accurately anticipate the direction of the market, our inability to conduct research and development in an effective or timely manner or otherwise, our products could be rendered obsolete, their sales share shrinks, and they will impede the expansion of new product businesses and markets. Anticipating such shifts accurately and developing appropriate technologies, products and processes in a timely manner present a significant challenge. Determining the direction of our research activities related to basic technologies is particularly difficult, and the risk of our being unable to recoup the costs related to such activities can be significant. If we are unsuccessful in our research and development activities, our business, results of operations and financial position could be materially and adversely affected.

(3) Risks related to quality of our products

We manufacture state-of-the-art motors and other electronic products and, as a result, are exposed to potential warranty and product liability claims arising from alleged or actual defects in our products in the normal course of business. In particular, widespread malfunction of any end-product in which our products are incorporated may lead to consumer dissatisfaction, recalls and lawsuits. In the automotive, appliance, commercial and industrial motors and other parts markets, where we seek to expand our business, strict safety standards are imposed by societal demand, and if we were unable to provide safe and high quality products, such an event could result in an accident involving serious property damage and/or loss of life, a product may become subject to a mandatory recall and so forth. If such malfunction is caused by or attributed or alleged to be attributed to defects in our products, our brand image could be damaged, we may be subject to adverse regulatory action and significant legal claims or drawn into disputes with our customers, and our results of operations may be adversely affected by lost sales or costs associated with recalls. In addition, significant financial and human resources may be incurred, and management's attention may be diverted, if we are required to defend ourselves against legal claims.

We generally maintain insurance against product liability claims, but our insurance coverage may not be adequate for any potential liability ultimately incurred. In addition, insurance could become unavailable in the future on terms acceptable to us. A successful claim that exceeds our available insurance coverage or a significant product recall could have a material adverse impact on our business, results of operations and financial position.

(4) Risks related to procurement of raw materials or components

We rely on third party suppliers for raw materials, components and unit assemblies used in our manufacturing processes. Our production capacity will be limited if one or more of these materials or components become unavailable or available only in reduced quantities or at increased prices.

Furthermore, a country's governmental policy changes relating to specific raw materials or conditions of use of components, etc. may place constraints on NIDEC's capacity to procure raw materials or components. If our ability to procure raw materials or components is constrained by various factors, we would invest in product design and development to enable us to reduce our usage of the raw material or component in question and/or secure suppliers of alternative materials. However, in the event of prolonged quantitative shortages of, or qualitative deficiencies in, materials or components, we may experience production delays that could adversely affect our business, operating results and financial position.

(5) Risks related to our operations in overseas countries

A substantial portion of NIDEC's manufacturing and marketing activity is conducted in the United States, Europe and in other region, such as China. Due to our overwhelmingly high ratio of overseas production, there are a number of risks in doing business in such overseas markets, including the following:

- economic slowdown or downturn in the relevant industries in foreign markets;
- international currency fluctuations;
- labor shortages, labor dispute and labor cost increases, especially in China and Southeast Asia;
- political instability;
- changes in trade restrictions and tariffs;
- difficulties associated with staffing and managing international operations;
- generally longer receivables collection periods;
- potentially adverse taxes;
- cultural and trade differences, and
- significant time and capital required for expanding overseas businesses before achieving a return on capital.

(6) Risks related to intellectual property

Our business is dependent on our ability to protect the proprietary rights to our technologies and products and other intellectual property, which we seek to protect through patent, trademark, copyright and other legal protection afforded to intellectual property rights as well as contractual provisions and our internal information control system. Despite these efforts, we face the following risks:

- we could incur substantial costs in defending against claims of infringement of the intellectual property of others, and such claims could result in damage awards against us, orders to pay for the use of previously unrecognized third-party intellectual property or injunctions preventing us from continuing aspects of our business, which could in turn have a material adverse effect on our business, results of operations and financial position;
- our protective measures may not be adequate to protect our proprietary rights;
- other parties, including competitors with substantially greater resources, may independently develop or otherwise acquire equivalent or superior technology, and we may be required to pay royalties to license the intellectual property of those parties;
- patents may not be issued pursuant to our current or future patent applications, and patents issued pursuant to such applications, or any patents we own or have licenses to use, may be invalidated, circumvented or challenged;
- the rights granted under any such patents may not provide competitive advantages to us or adequately safeguard and maintain our technology;
- we could incur substantial costs in seeking enforcement of our patents against infringement or the unauthorized use of our trade secrets, proprietary know-how or other intellectual property by others; and
- the laws of foreign countries in which our products are manufactured and sold may not protect our products and intellectual property rights to the same extent as the laws of Japan, and such laws may not be enforced in an effective manner.

(7) Risks related to leaks of confidential information

In the normal course of business, we possess personal and other confidential information on our customers, other companies and other third parties with whom we do business as well as personal information of our employees. Although we have security measures in place to protect such information, we may be subject to liability or regulatory action if any of such information is leaked due to human or technical error, unauthorized access, other illegal conduct or otherwise. Failure to protect confidential information could also lead to a loss of our competitive advantage and customer and market confidence in us, adversely affecting our business, results of operations and financial position. Moreover, societal trust in our sales activities, systems and brand image will be lowered.

As these countermeasures, NIDEC has established the Information Security Management Office. In line with this, NIDEC has established an Information Security Committee and the information security manager and the information security promoter in each organization to build a cross-group security management system.

(8) Risks related to our pension plans

Some companies of the NIDEC Group adopt both a defined benefit pension plan and a defined contribution pension plan for their employees who fulfill certain requirements. We may incur losses if the fair value of our pension plans' assets declines, if the rate of return on our pension assets declines, or if there is a change in the actuarial assumptions on which the calculations of the projected benefit obligations are based. We may also experience unrecognized service costs in the future due to amendments to existing pension plans. Moreover, fluctuation in interest rates, changes to the environment surrounding NIDEC and other factors may adversely affect the amount of unfunded pension obligations, among other factors. In addition, the assumptions used in the computation of future pension expenses may not remain constant.

(9) Risks related to fluctuations of foreign currency exchange rates

A significant portion of our overseas sales is denominated in currencies other than the Japanese yen, primarily the U.S. dollar, Euro, the Chinese yuan and Thai baht. As a result, the appreciation of the Japanese yen against the U.S. dollar, Euro and other currencies will generally have a negative effect on our sales, operating profit and profit. In order to mitigate against this risk, in recent years we have been attempting to offset a portion of our foreign currency revenue by matching the currency of revenue with the currency of expense. For example, if revenue for a particular product is in U.S. dollars, we attempt to purchase the supplies and resources used to produce that product in U.S. dollars. Nevertheless, we remain exposed to the effects of foreign exchange fluctuations.

We may also experience significant effects from foreign currency exchange rate fluctuations when the results of operations of subsidiaries operating in currencies other than the yen are consolidated into our financial statements, which are reported in Japanese yen.

(10) Risks related to fluctuations of interest rates

We have long-term receivables and interest-bearing liabilities with fixed and variable interest rates, and we may enter into interest rate swaps and other contracts in order to prevent risks related to the fluctuation of such interest rates and to increases or decreases in cash flows. To the extent that their effects are not hedged, we are exposed to interest rate fluctuation risks which may affect our interest expenses, interest income and the value of our financial assets and liabilities.

(11) Risks related to our liquidity of funds

We rely on borrowings from financial institutions and direct equity financing from financial markets to finance our operations, capital expenditures and acquisitions of other companies. If, due to changes in financial market conditions or other factors, financial institutions reduce the amounts of their lending, credit lines, or terms of lending to us, and if we are unable to find alternative financing sources on equally or more favorable terms, our business may be materially adversely affected. In addition, if there is a significant downgrade of our credit ratings by one or more credit rating agencies as a result of any deterioration of our financial position or if investor demand significantly decreases due to economic downturns or otherwise, we may not be able to access funds when we need them on acceptable terms, our access to capital markets may become more restricted, or the cost of financing our operations through indebtedness may significantly increase. This could adversely affect our business, results of operations and financial position.

(12) Risks related to recoverability of deferred tax assets

We must assess the likelihood that our deferred tax assets will be recovered from future taxable profit and to the extent we believe that recovery is not likely, we are required to reduce our deferred tax assets. In the event of a deterioration in market conditions or results of operations in which we determine that there is additional uncertainty regarding realization of all or part of our net deferred tax assets, the resulting adjustment to our deferred tax assets would decrease our profit during the period in which such determination is made.

3. Governance risks

(1) Risks related to our dependence on our Representative Director and Chairman, Shigenobu Nagamori

Our continued success had depended to a significant extent on the efforts and abilities of our founder and current Representative Director, Chairman and Chief Executive Officer, Shigenobu Nagamori. On the other hand, with the aim of transforming the founder-dependent system, in April 2020, Jun Seki, who is well-established in the growing automotive business, became new president as a leading candidate of Shigenobu Nagamori's successor, in order to further strengthen and enhance the management system in the current severe management environment. At the same time, NIDEC has shifted to a system where Shigenobu Nagamori and Jun Seki jointly lead the management, focusing on training successors. However, in the event of Nagamori's sudden departure, his absence may adversely affect our business, operating results and financial position.

(2) Risks related to internal controls over financial reporting

As a public company, we are subject to the requirements regarding internal controls over financial reporting under the Financial Instruments and Exchange Act of Japan, and it is essential for us to have effective internal controls, corporate compliance functions and accounting systems to manage our assets and operations.

Designing and implementing an internal control system requires significant management, human and other resources. Once we identify any significant deficiencies or material weaknesses in our internal control systems, we may require additional resources and incur additional costs to remediate such deficiencies or weaknesses. We are continuously reviewing to strengthen the global internal control system.

However, if management determines that our internal control over financial reporting is not effective for any period or deviates from internal control, we may be unable to timely file financial reports or such internal control may interrupt stakeholders and management's effective decision making, and as a result, our market perception could be negatively affected. Depending on the severity of, and causes and other factors relating to, a material weakness in internal control over financial reporting, we could be subject to liabilities or sanctions of applicable laws and regulations. In addition, we could be restricted in our ability to access financial markets for capital raising.

4. Risks related to contingencies

(1) Risks related to natural and human disasters

Natural disasters, fires, public health issues, armed hostilities, terrorism and other incidents, whether in Japan or any other country in which we or our suppliers operate, could bring about political or economic instability and cause damage to us, our suppliers or customers. For example, a large-scale natural disaster that causes massive damage to infrastructure and power outages, or a contagious disease pandemic could adversely affect our operations by rendering our employees unable to work, reducing orders from customers or disrupting our suppliers' operations. If any such disaster occurs in any region in which any of our major customers or production or development bases are concentrated, such as Thailand or China, or in Japan where our headquarters and key research and development facilities are located, the adverse effect on our results of operations and financial condition could be particularly pronounced. Our network and information systems are important for normal operations, but such systems are vulnerable to shutdowns caused by unforeseen events such as power outages or natural disasters or terrorism, hardware or software defects, or computer viruses and computer hacking. Any such events, over which we have little or no control, could significantly hinder our production activities and our sales activities, delay the delivery of products, and make it difficult for us to obtain materials and components from suppliers, and also require large expenditures to repair or replace our facilities.

We maintain third-party insurance coverage for various types of property, casualty and other risks. The types and amounts of insurance that we obtain are determined based on the usefulness of the insurance, its cost, and the scope of compensation from self-insurance. Our insurance policies are subject to deductibles, policy limits and exclusions that result in our retention of a level of risk on a self-insured basis. While we believe our insurance coverage is comparable to the coverage maintained by similar companies in our industry, losses not covered by insurance could be significant, adversely affecting our business, results of operations and financial position.

The global epidemic of the new coronavirus (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. As a measure to ensure business continuity, NIDEC has established a crisis management headquarters and built an information sharing system that connects all business sites by setting up COVID-19 information sharing site, and prohibited travels to and entries from countries and regions with high risk of infection in principle. At the same time, domestic and overseas offices are taking measures such as encouraging washing hand and wearing masks, and widely introducing a teleworking system to ensure the safety of the employees and minimize the impact on business continuity. However, it seems that it will take some time until the negative effects of COVID-19 disappear. If the impact of the infectious disease on the market and economy remains for a longer period than currently expected, NIDEC's business, operating results, and financial position may continue to be adversely affected.

(2) Climate Change Risks

Since COP21 adopted the Paris Agreement in December 2015, the issue of climate change has come to be positioned as a global priority for businesses in all countries and regions. For NIDEC, which develops businesses around the world centering on product development and production activities, climate change is not only an opportunity for business creation but also a source of wide-ranging medium- to long-term business risks. Defining the risk of incurring an indirect loss caused by changes in policies and regulations related to climate change, technology development, market trends, and the marketplace reputation and others is defined as "transition risk", and the risk of incurring a direct loss due to disasters caused by climate change as "physical risk," the realization of the following risk events could have adverse effects on NIDEC's financial position.

Transition risk

- a) The increase of tax burden due to delays in responding to carbon tax and other energy transformation measures aimed at realizing a decarbonized society;
- b) The loss of market opportunity and increased compliance costs due to stricter regulations applied to existing products and services, and non-compliance with new standards;
- c) The increased difficulty of acquiring raw materials for electronic components (rare minerals, steels, and other non-ferrous metals such as high-end aluminum and copper) as well as their rising procurement costs, due to global "electrification" trends;

- d) The delay in research and development of alternative raw materials required by new low-carbon products and increase of associated costs;
- e) The decrease of corporate value due to ineffective climate change actions, and the resultant decline of investment attractiveness and downward adjustment of credit rating.

NIDEC is implementing the following measures to address “transition risk”.

- ◇SMART 2030 project was started in April 2019 with the goal of reducing the total amount of CO2 emitted through NIDEC's business operation process by 30% (base year: fiscal year ended March 31, 2018 results) by fiscal year ending March 31, 2031;
- ◇Promotion of research and development activities based on the SDGs concept;
- ◇Establishment of multiple purchasing routes.

Physical risk

- a) Suspension of business activities due to frequent flood damage caused by typhoons and heavy rains;
 - Inundation and other forms of disruption in power and gas supply networks;
 - Damage to the employees' lives due to house collapses, road disruptions and others;
 - Stagnation of product transportation due to a suspension of transportation service.
- b) Restriction on business activities due to drought;
 - Lack of factory water due to tighter water intake restrictions by governmental authorities;
 - Lower productivity due to rising water prices (cleaning, cooling, domestic water in corporate dormitories and others).
- c) Health hazard due to rising temperature;
 - Increase in the number of heat strokes;
 - Acceleration of the spread of infection.
- d) Supply chain disruptions caused by the above factors.

NIDEC is implementing the following measures to deal with “physical risks”.

- ◇Diversification of production risk through global location strategy;
- ◇Implementation of awareness surveys for offices operating in countries and regions with high risk of climate change;
- ◇Innovation in the product line
- ◇Visualization of supply chains and enhancement of their flexibility;
- ◇Continuation of BCP trainings at domestic and overseas offices.

5. Risks for foreign investors

(1) Japan's unit share system imposes restrictions in holdings of our common stock that do not constitute whole units

Our Articles of Incorporation provide that 100 shares of our stock constitute one "unit". The Companies Act of Japan imposes significant restrictions and limitations on holdings of shares that constitute less than a whole unit. Holders of shares constituting less than a unit do not have the right to vote. A shareholder who owns shares representing less than one unit will not be able to exercise any rights relating to voting rights, such as the right to participate in a demand for the resignation of a director, the right to participate in a demand for the convocation of a general meeting of shareholders and the right to join with other shareholders to propose an agenda item to be addressed at a general meeting of shareholders. Under the unit share system, holders of shares constituting less than a unit have the right to require us to purchase their shares. However, holders of the American Depositary Shares ("ADSs") that represent other than multiples of whole units cannot withdraw the underlying shares representing less than one unit and, therefore, they will be unable to exercise the right to require us to purchase the underlying shares. As a result, holders of ADSs representing shares in lots of less than one unit may not have access to the Japanese markets to sell their shares through the withdrawal mechanism.

(2) Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

Our Articles of Incorporation, Regulations of the Board of Directors, Share Trading Regulations and the other related regulations, as well as the Companies Act govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a non-Japanese company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions within the United States. Shareholders may have more difficulty in asserting their rights as a shareholder than they would as a shareholder of a corporation organized in another jurisdiction. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan that are based upon the securities laws of the United States or any U.S. state.

(3) A holder of our ADSs will have fewer rights than a shareholder has and will need to act through the depository to exercise those rights

The rights of the shareholders under Japanese law to take actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders of record. Because the depository, through its custodian agent, is the record holder of the shares underlying the ADSs, only the depository can exercise those rights in connection with the deposited shares. The depository will make efforts to vote the shares underlying ADSs as instructed by the ADS holder and will pay to ADS holders the dividends and distributions collected from us. However, as an ADS holder, shareholders will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights in their capacity as ADS holder.

(4) Because of daily price range limitations under Japanese stock exchange rules, shareholders may not be able to sell their shares of our common stock at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

(5) Foreign exchange fluctuations may affect the dollar value of our ADSs and dividends payable to holders of our ADSs

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

(6) It may not be possible for investors to effect service of process within the United States upon us or our members of the Board of Directors or members of the Audit and Supervisory Board or to enforce against us or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States

We are a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of our members of the Board of Directors or members of the Audit and Supervisory Board reside in Japan. A substantial portion of our assets and all or substantially all of the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgment obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

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

Forward-looking statements below were determined as of the end of the current fiscal year.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020.

Consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

(1) Significant accounting policies and estimates

NIDEC's consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (hereinafter referred to as "IFRS") pursuant to the provision of Article 93 of the *Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements*.

In preparing IFRS-compliant consolidated financial statements, NIDEC developed and used estimates, judgment, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may be different from such estimates, judgment, and assumptions.

In the event that accounting estimates must be prepared under a high level of uncertainty at the time when accounting estimates are made, such accounting estimates will be different from accounting estimates based on rational comparison with the most recent accounting period or rational estimates of the corresponding period of occurrence, and can be expected to have significant effect on the estimates of financial position, changes in the financial position, and operating results.

For further information, refer "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 3. Significant accounting policies, 4. Significant accounting estimates, judgments and assumptions".

(2) Operating results

During the year ended March 31, 2020, the global economy was severely disrupted by the spread of infection of the new coronavirus (COVID-19), and there is a growing concern that an economic contraction due to a large-scale blockade and others to prevent the spread of infection will cause a global recession. Japan, the U.S., and Europe are implementing economic policies centered on huge fiscal stimulus, however, many emerging economies rely on external debt to finance their public spending, which could lead to debt crisis due to depreciations of their own currencies. Although the Chinese economy is beginning to show some signs of recovery in the automotive industry and others in March, its GDP from January to March 2020 marked the first negative growth since 1992, when official GDP record started. The prospects of Chinese export industries are extremely uncertain due to the sharp drop in external demand.

In addition, NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco by European Commission. In accordance with this order, in April 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. In September 2019, NIDEC completed share transfer of Secop and there was ¥15,707 million of the loss from discontinued operations for the year ended March 31, 2020.

The following table sets forth consolidated operating results for the year ended March 31, 2020:

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales	1,475,436	1,534,800	59,364	4.0%
Operating profit	129,222	110,326	(18,896)	(14.6)%
Operating profit ratio	8.8%	7.2%	-	-
Profit before income taxes	129,830	106,927	(22,903)	(17.6)%
Profit for the year from continuing operations	104,059	77,008	(27,051)	(26.0)%
Profit (loss) for the year from discontinued operations	6,574	(15,707)	(22,281)	-
Profit attributable to owners of the parent	109,960	60,084	(49,876)	(45.4)%

Consolidated net sales from continuing operations increased 4.0% to ¥1,534,800 million for this fiscal year compared to the previous fiscal year, recording the highest annual net sales, despite lower sales by approximately ¥38,100 million due to the impact of foreign exchange fluctuations. Operating profit decreased 14.6% to ¥110,326 million for this fiscal year mainly due to the decrease in profit of approximately ¥7,700 million by the impact of foreign exchange fluctuations, the additional expense of approximately ¥14,000 million as the upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and approximately ¥3,000 million of the additional temporary expense of acquisition and others.

Profit before income taxes decreased 17.6% to ¥106,927 million and profit for the year from continuing operations, decreased 26.0% to ¥77,008 million compared to the previous fiscal year.

Profit attributable to owners of the parent, including profit (loss) for the year from discontinued operations, decreased 45.4% to ¥60,084 million due to the loss of ¥15,707 million as sales of the business of compressor for refrigerator of Secop and others.

The following table sets forth operating results by segment:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit (loss)		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
Nidec Corporation	215,685	183,036	(32,649)	19,400	4,254	(15,146)
Nidec Electronics (Thailand)	123,498	116,135	(7,363)	14,922	14,533	(389)
Nidec Singapore	47,603	31,682	(15,921)	764	523	(241)
Nidec (H.K.)	126,129	117,454	(8,675)	861	881	20
Nidec Sankyo	153,935	139,173	(14,762)	13,739	8,197	(5,542)
Nidec Copal	53,767	48,590	(5,177)	(4,242)	706	4,948
Nidec Techno Motor	86,416	77,520	(8,896)	10,082	10,662	580
Nidec Motor	414,128	488,128	74,000	24,043	25,260	1,217
Nidec Motors & Actuators	306,334	301,792	(4,542)	34,832	31,975	(2,857)
Others	391,671	419,144	27,473	37,999	29,506	(8,493)
Elimination/corporate	(443,730)	(387,854)	55,876	(23,178)	(16,171)	7,007
Consolidated total	1,475,436	1,534,800	59,364	129,222	110,326	(18,896)

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

2. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop, which was included in Nidec Motor segment, has been classified as discontinued operations.

3. All of Nidec Seimitsu group except Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd. that were previously included in Others segment are currently included in Nidec Copal segment from the three months ended June 30, 2019.

Net sales of Nidec Corporation decreased ¥32,649 million to ¥183,036 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales of hard disk drives spindle motors and other small precision motors. Operating profit decreased ¥15,146 million to ¥4,254 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to the decrease in sales and an increase in development cost for traction motor systems (E-Axle) and others.

Net sales of Nidec Electronics (Thailand) decreased ¥7,363 million to ¥116,135 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales of hard disk drives spindle motors. Operating profit decreased ¥389 million to ¥14,533 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to the decrease in sales.

Net sales of Nidec Singapore decreased ¥15,921 million to ¥31,682 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales for hard disk drives spindle motors. Operating profit decreased ¥241 million to ¥523 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to the decrease in sales.

Net sales of Nidec (H.K.) decreased ¥8,675 million to ¥117,454 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales for hard disk drives spindle motors and other small precision motors. However, operating profit increased ¥20 million to ¥881 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This increase was due to the positive effect of the changes in the product mix, despite the decrease in sales.

Net sales of Nidec Sankyo decreased ¥14,762 million to ¥139,173 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales of LCD panel handling robots. Operating profit decreased ¥5,542 million to ¥8,197 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to the decrease in sales.

Net sales of Nidec Copal decreased ¥5,177 million to ¥48,590 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales for electronic and optical components, despite an increase in sales for other small precision motors. However, operating profit increased ¥4,948 million to ¥706 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This increase was due to cost improvement.

Net sales of Nidec Techno Motor decreased ¥8,896 million to ¥77,520 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a decrease in sales of motors for air conditioning equipment in China and the impact of unfavorable foreign exchange rates. However, operating profit increased ¥580 million to ¥10,662 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This increase was due to a decrease in material price, despite the decrease in sales.

Net sales of Nidec Motor increased ¥74,000 million to ¥488,128 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This increase was due to the impact of the acquisition of Embraco. Operating profit increased ¥1,217 million to ¥25,260 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This increase was due to higher sales and cost reductions, despite the temporary expenses of related to M&A expense.

Net sales of Nidec Motors & Actuators decreased ¥4,542 million to ¥301,792 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to the impact of unfavorable foreign exchange rates, despite the sales of products fully mass-produced at traction motors plants. Operating profit decreased ¥2,857 million to ¥31,975 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to an additional upfront investment cost for the development and launch of products including traction motors and the impact of unfavorable foreign exchange rates.

With respect to the Others segment, net sales increased ¥27,473 million to ¥419,144 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This increase was due to the impact of newly consolidated subsidiaries, despite a decrease in sales of other small precision motors and other products. However, operating profit decreased ¥8,493 million to ¥29,506 million for the year ended March 31, 2020 compared to the year ended March 31, 2019. This decrease was due to a deterioration of the cost and the negative effect of the changes in the product mix, despite the impact of newly consolidated subsidiaries.

Operating results by product category are as follows:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
Small precision motors	441,467	424,288	(17,179)	54,556	45,116	(9,440)
Automotive products	297,298	333,241	35,943	32,900	22,483	(10,417)
Appliance, commercial and industrial products	495,432	562,604	67,172	34,061	34,421	360
Machinery	163,966	149,740	(14,226)	22,329	21,738	(591)
Electronic and optical components	72,672	60,396	(12,276)	4,870	3,201	(1,669)
Other	4,601	4,531	(70)	679	612	(67)
Elimination/corporate	-	-	-	(20,173)	(17,245)	2,928
Consolidated total	1,475,436	1,534,800	59,364	129,222	110,326	(18,896)

(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. As a result, the amounts of net sales, operating profit no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the previous year is also reclassified similarly.

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 decreased 3.9% to ¥424,288 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,200 million for this fiscal year compared to the previous fiscal year. Net sales of spindle motors for HDDs for this fiscal year decreased 12.2% to ¥157,240 million compared to the previous fiscal year. The number of units sold of spindle motors for HDDs decreased approximately 18.7% compared to the previous fiscal year. Net sales of other small precision motors for this fiscal year increased 1.7% to ¥267,048 million compared to the previous fiscal year, due to increase in sales of fan motors and small vibration motors. Operating profit of this category decreased 17.3% to ¥45,116 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥5,900 million.

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 increased 12.1% to ¥333,241 million for this fiscal year compared to the previous fiscal year due to the impact of the acquisition of OMRON Automotive Electronics Co. Ltd., and the higher sales of products fully mass-produced at traction motors plants. The fluctuation of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥10,200 million for this fiscal year compared to the previous fiscal year. Operating profit of this category decreased 31.7% to ¥22,483 million compared to the previous fiscal year, mainly due to having recognized approximately ¥14,000 million of the additional upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and the negative impact of unfavorable foreign exchange rates of approximately ¥1,600 million.

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 13.6% to ¥562,604 million for this fiscal year compared to the previous fiscal year, primarily due to the impact of acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,700 million for this fiscal year compared to the previous fiscal year. Operating profit of this category increased 1.1% to ¥34,421 million, mainly due to higher sales and cost reductions, despite the temporary expenses of approximately ¥5,100 million related to the consolidation of plants and M&A expense. The fluctuation of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥41 million for this fiscal year compared to the previous fiscal 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 8.7% to ¥149,740 million for this fiscal year compared to the previous fiscal year due to lower sales in LCD panel handling robots, speed reducers and other factors, despite the impact of newly consolidated subsidiaries. Operating profit of this category decreased 2.6% to ¥21,738 million for this fiscal year compared to the previous fiscal year due to the lower sales.

Net sales of electronic and optical components decreased 16.9% to ¥60,396 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,000 million for this fiscal year compared to the previous fiscal year. Operating profit of this category decreased 34.3% to ¥3,201 million for this fiscal year compared to the previous fiscal year.

Net sales of other decreased 1.5% to ¥4,531 million and operating profit of this category decreased 9.9% to ¥612 million for this fiscal year compared to the previous fiscal year.

(3) Financial position

Our cash and cash equivalents decreased ¥35,281 million to ¥206,986 million as of March 31, 2020 from ¥242,267 million as of March 31, 2019. This decrease was due to a net cash outflow from investing activities of ¥311,513 million for additions of fixed asset and a net cash outflow from financial activities of ¥128,546 million, although they were supplemented by a net cash inflow from operating activities of ¥168,049 million. In order to use our working cash reserves efficiently, we continue to utilize surplus funds inside the NIDEC group by making effective use of our cash management systems (the CMSs) that we established on a region-by-region basis including Japan, China, U.S. and other countries. In addition, we have linked the CMSs one to another for expanding the CMSs network globally. As of March 31, 2020, approximately 88% of our cash and cash equivalents were held by our consolidated subsidiaries outside Japan.

NIDEC participates in an arrangement with a single financial institution to carry out notional pooling within the NIDEC group, including overseas subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution based upon our aggregate cash deposits within the same financial institution. Therefore, cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cross-border cash transfers between group companies are subject to restrictions in certain circumstances. Where local restrictions prevent efficient intercompany transfers of funds, particularly to Nidec Corporation from its subsidiaries outside Japan, Nidec Corporation seeks to meet its liquidity needs through ongoing cash flows, external borrowings, or both, as further discussed below. We do not expect such restrictions on transfers of funds held outside Japan to have a material effect on our overall liquidity, financial condition or results of operations.

Our short term borrowings increased ¥99,560 million to ¥116,954 million as of March 31, 2020 compared to March 31, 2019. This increase was mainly due to an increase in euro-denominated and yen-denominated borrowings. The short term borrowings as of March 31, 2020 consisted of borrowings from banks denominated in Euro and Yen. We had no commercial paper outstanding as of March 31, 2020.

Our long term debt due within one year increased ¥16,655 million to ¥111,994 million as of March 31, 2020 compared to March 31, 2019. This increase was mainly due to the repay of ¥28,960 million of long term borrowings due within one year and ¥55,796 million reclassification from long term debt. The long term debt due within one year as of March 31, 2020 consisted of Domestic Unsecured Bonds and borrowings from banks denominated in U.S. dollar and Euro.

Our long term debt increased ¥111,342 million to ¥371,370 million as of March 31, 2020 compared to March 31, 2019. This increase was mainly due to increases of ¥100,000 million due to the issuance of Eighth Series of Domestic Unsecured Bonds, of ¥50,000 million due to the issuance of Ninth Series of Domestic Unsecured Bonds, of ¥30,000 million due to the issuance of Tenth Series of Domestic Unsecured Bonds, of ¥20,000 million due to the issuance of Eleventh Series of Domestic Unsecured Bonds and ¥105,797 million reclassification into long term debt due within one year. The long term debt as of March 31, 2020 consisted of Domestic Unsecured Bonds and the borrowings from banks denominated in U.S. dollar and Euro.

In August 2015, in an effort to reduce financing costs and foreign exchange risks, Nidec India Private Limited, the Company's subsidiary in India, announced a plan to receive Indian rupee ("Rs.") -denominated financing by utilizing the "overseas development assistance financing facility" provided by JBIC. The subsidiary had Rs.56 million of loans under the program as of March 31, 2020, which were recorded in long term debt due within one year.

The total par values of corporate bonds carried on the consolidated statements of financial position as of March 31, 2020, were as follows:

Issue	Month of issuance	Total par value	Maturity	Use of proceeds
Third Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	November 2012	20 billion yen	September 2022	Repayment of commercial paper and short term borrowings
Sixth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	May 2017	50 billion yen	May 2020	Repayment of short term borrowings
Seventh Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	August 2017	65 billion yen	August 2022	Redemption of corporate bonds and repayment of short term borrowings
Euro-Denominated Senior Unsecured Bonds	September 2018	300 million euro	September 2021	Primarily for financing capital investments in Europe
Eighth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	July 2019	100 billion yen	July 2024	Redemption of corporate bonds and repayment of short term borrowings
Ninth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	50 billion yen	November 2022	Manufacturing traction motors for electric vehicle
Tenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	30 billion yen	November 2024	Manufacturing traction motors for electric vehicle
Eleventh Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	20 billion yen	November 2026	Manufacturing traction motors for electric vehicle

The above corporate bonds, except for Euro-Denominated Senior Unsecured Bonds, were issued pursuant to three shelf registration statements filed with the Director-General of the Kanto Local Finance Bureau, each authorizing up to ¥200 billion, ¥200 billion and ¥300 billion of bond issuance, respectively. The first, filed in March 2012, was valid from April 5, 2012, through April 4, 2014. The second, filed in March 2016, was valid from April 5, 2016, through April 4, 2019. The third, filed in March 2019, was valid from April 5, 2019, through April 4, 2020. We registered these issuance for the purpose of improving our financial stability through diversifying our financing methods by establishing a system that provides NIDEC with flexible availability of funds as required to complement our procurement of funds through indirect financing from financial institutions.

A substantial portion of our unsecured funding is raised by the parent company (Nidec Corporation), and is then lent to its subsidiaries to meet their respective capital requirements. Through this funding approach, we seek to lower our financing costs, maintain sufficient lines of credit and ensure agile funding for our group companies.

We expect to seek additional financing in connection with, among other things, our future mergers and acquisitions, research and development activities and facility investments. We may also consider and obtain additional financing in order to enhance our financial agility in mergers and acquisitions, research and development activities, and facility investments in the future.

As of the filing date, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 4,000,000 shares of treasury stock and an aggregate of ¥50,000 million of treasury stock between January 24, 2020 and January 22, 2021. From January 24, 2020 to March 31, 2020, we repurchased an aggregate of 2,830,400 shares for approximately ¥18,400 million under the plan and from April 1, 2020 to May 31, 2020 we repurchased an aggregate of 19,800 shares for approximately ¥100 million under the plan. We resolved to implement the same repurchase of treasury stock from January 29, 2019 until January 28, 2020, and we didn't repurchase any shares under the plan.

We believe that these funding sources, together with our cash flows from operating activities and undrawn credit lines will sufficiently meet our future capital requirements.

Total assets increased ¥230,037 million to ¥2,114,045 million as of March 31, 2020 compared to March 31, 2019. This was mainly due to increases of ¥112,519 million in property, plant and equipment, ¥105,333 million in goodwill.

Total liabilities increased ¥279,676 million to ¥1,144,055 million as of March 31, 2020 compared to March 31, 2019. This was mainly due to an increase of ¥227,557 million in interest-bearing debt. Specifically, short term borrowings increased ¥99,560 million to ¥116,954 million, long term debt due within one year increased ¥16,655 million to ¥111,994 million, and long term debt increased ¥111,342 million to ¥371,370 million as of March 31, 2020 compared to March 31, 2019.

Our working capital (subtract total current liabilities from total current assets) decreased ¥149,194 million to ¥236,661 million as of March 31, 2020 compared to March 31, 2019.

Accounts receivable (trade and other receivables) turnover ratio (net sales divided by account receivables) decreased 0.1 to 3.9 as of March 31, 2020 compared to March 31, 2019. In addition, inventory turnover ratio (cost of sales divided by inventories) decreased 0.2 to 4.3 as of March 31, 2020 compared to March 31, 2019.

Total equity attributable to owners of the parent decreased ¥47,092 million to ¥949,703 million as of March 31, 2020 compared to March 31, 2019. This was mainly due to a decrease of ¥50,339 million in other components of equity of ¥12,077 million caused mainly by foreign currency translation adjustments. As a result, the ratio of our equity attributable to owners of the parent to total assets decreased to 44.9% as of March 31, 2020 compared to 52.9% as of March 31, 2019.

(4) Cash flows

1) Status of capital needs

Our principal capital needs include (1) purchases of property, plant and equipment and other assets, (2) research and development activities, (3) purchases of raw materials, (4) employees' salaries, wages and other payroll costs, (5) mergers and acquisitions, (6) investments in subsidiaries, (7) repayment of short term borrowings and long term debt, and (8) purchase of treasury stock. As of March 31, 2020, we had ¥345,193 million of trade and other payables, ¥116,954 million of short term borrowings, and ¥483,364 million of long term debt, including the long term debt due within one year.

Investments for the purchase of property, plant, equipment and other assets totaled ¥132,926 million for the year ended March 31, 2020. We plan to invest ¥140,000 million in additions to property, plant and equipment for the year ending March 31, 2020. Outstanding commitments for the purchase of property, plant and equipment and other assets amounted to ¥25,613 million as of March 31, 2020.

Research and development expenses were ¥78,630 million for the year ended March 31, 2020 and are expected to reach approximately ¥85,000 million for the year ending March 31, 2020.

In the year ended March 31, 2020, we acquired the following companies.

Company name	Geographic	Principal Businesses
Embraco	Asia, Europe, North America, South America	Designs, develops, manufactures and sells commercial motors
OMRON Automotive Electronics Co. Ltd.	Japan, Asia Europe, North America, South America	Develops, manufactures and sells componets for automotive
Roboteq, Inc.	America, Europe	Designs, develops, manufactures and sells ULV Drives

We intend to continue to seek opportunities for acquiring other companies and making additional investments in our subsidiaries.

2) Status of funding raising

NIDEC's required funds will be procured by cash flow from operating activities, borrowing from multiple financial institutions with good business relationships, issuance of corporate bond under the domestic bond shelf registration of ¥300 billion and a commercial paper program of ¥100 billion, and others, promoting a diversification of our financing means. As a general rule, we do not procure funds from financial institutions for our group companies, but we continue to promote the unification of fund raising and capital efficiency through intra-group financing using the cash management system of the controlling company and others.

(5) Production, Orders Received and Sales

1) Production results

Consolidated production results by reporting segment for the year ended March 31, 2020 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
Nidec Corporation	-	-
Nidec Electronics (Thailand)	132,182	114.7
Nidec Singapore	-	-
Nidec (H.K.)	-	-
Nidec Sankyo	138,978	90.4
Nidec Copal	48,244	96.2
Nidec Techno Motor	78,328	90.5
Nidec Motor	471,620	99.4
Nidec Motors & Actuators	251,636	102.6
Others	381,371	109.2
Total	1,502,359	101.9

(Notes) 1. Amounts are recorded at sales price, including intersegment transfers.

2. Amounts do not include consumption taxes.

2) Orders received

Consolidated orders received by reporting segment for the year ended March 31, 2020 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)	Balance (Yen in millions)	Current to previous year ratio (%)
Nidec Corporation	31,490	102.8	2,985	90.4
Nidec Electronics (Thailand)	101,036	102.5	10,556	85.7
Nidec Singapore	28,858	66.2	3,747	60.9
Nidec (H.K.)	116,953	95.4	6,863	143.3
Nidec Sankyo	130,548	91.4	22,828	84.6
Nidec Copal	33,730	92.2	2,072	146.4
Nidec Techno Motor	72,161	90.1	1,803	88.2
Nidec Motor	515,536	113.1	117,955	116.1
Nidec Motors & Actuators	-	-	-	-
Others	513,714	101.5	68,626	78.2
Total	1,544,026	101.8	237,435	96.4

(Notes) 1. Intersegment transactions are eliminated.

2. Amounts do not include consumption taxes.

3. Nidec Motors & Actuators adopts the production system based on estimated orders.

Made-to-order, which Nidec Motors & Actuators partially adopts, is included in the Others segment.

3) Revenues

Consolidated revenues by reporting segment for the year ended March 31, 2020 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
Nidec Corporation	31,806	99.2
Nidec Electronics (Thailand)	102,562	97.4
Nidec Singapore	31,141	66.1
Nidec (H.K.)	114,866	92.6
Nidec Sankyo	134,698	89.2
Nidec Copal	33,073	79.8
Nidec Techno Motor	72,402	90.3
Nidec Motor	487,596	117.9
Nidec Motors & Actuators	262,381	95.2
Others	264,275	128.7
Total	1,534,800	104.0

(Notes) 1. Intersegment transactions are eliminated.

2. Amounts do not include consumption taxes.

4. Material Agreements, etc.

(1) Cross license agreement

Party	Counterparty	Country	Item under contract	Contract description	Contract period
Nidec Corporation (The Company)	MinebeaMitsumi Inc.	Japan	Fluid dynamic bearing and spindle motors for HDD	Cross license agreement of patents, etc. *1	From December 18, 2004 to the expiration of the patent under contract
Nidec Corporation (The Company)	NTN Corporation	Japan	Motors with Fluid dynamic bearing (B, G type) (Mainly for 3.5-inch HDD)	Cross license agreement of patents, etc. *2	From July 24, 2009 to July 23, 2022. (Extend or renew the contract if the Company and NTN Corporation agree)
Nidec Corporation (The Company)	Panasonic Corporation	Japan	Fluid dynamic bearing and spindle motors for HDD	Cross license agreement of patents, etc. *3	From April 1, 2013 to the expiration of the patent under contract

(Notes) *1. The Company receives consideration at once.

*2. This is an agreement under which the Company pays consideration to NTN Corporation twice a year continuously.

*3. This is an agreement under which the Company pays consideration to Panasonic Corporation at once.

(2) Share purchase and transfer agreement

(OMRON Automotive Electronics Co.Ltd.)

The Company has agreed to acquire the share of OMRON Automotive Electronics Co. Ltd. (“OMRON Automotive Electronics”) and some foreign subsidiaries which OMRON Corporation (“OMRON”) owns, and the automotive electronic components business (the “Transaction”). For this purpose, the Company entered into a share purchase agreement and other agreements with OMRON on April 16, 2019.

1. Purpose of the Transaction

NIDEC positions its automotive motor business as one of NIDEC’s key strategic businesses, and is engaging in active efforts in the business for automotive motor market which is expected to grow rapidly in coming years. NIDEC is particularly focusing on module products with electric power steering (EPS) motors, electric brake motors, etc. and electronic control units (ECU) in accordance with the current trends towards electrification and autonomous driving in the automotive industry, as well as EV traction motor systems, etc. for which significant future market growth can be expected. NIDEC anticipates that the electrification trend will accelerate further in response to the global environmental and energy related problems and will continue to engage in research and development with Nidec Elesys, an ECU manufacturer which joined NIDEC group in 2014, to create more electrification products going forward.

OMRON Automotive Electronics engages in research and development, manufacturing, and sales of automotive electronics products as a subsidiary of OMRON Group, which has strengths in control equipment, systems, and electronic components based on its sensing and control technologies. In particular, OMRON Automotive Electronics has produced many high-quality control products for body control system, ECUs for motor control systems, power control systems, and other areas to address the market’s electrification needs. Through the Transaction, NIDEC will be able to create new module and systems products by combining NIDEC group’s motors, pumps, gears, etc. with OMRON Automotive Electronics’ products including ECUs and other electronics products.

Furthermore, Nidec Elesys and OMRON Automotive Electronics have a complementary relationship in the area of ADAS (Advanced Driver Assistance Systems), creating high expectations for significant synergies. In particular, Nidec Elesys has strengths in wave radar and camera-related products, while OMRON Automotive Electronics has strengths in laser radar and driver monitoring systems, which will allow two companies to collectively provide a full spectrum of sensors required for autonomous driving in the future. Following the Transaction, NIDEC expects that both companies will cooperate within the NIDEC Group to provide a wide variety of sensor products which support autonomous driving technologies.

2. Funds for the Transaction

Own funds and debt finance for funding

3. Information on OMRON Automotive Electronics

Company Name: OMRON Automotive Electronics Co.Ltd.

Headquarters: 6368, Nenjozaka, Okusa, Komaki, Aichi, Japan

Foundation: 2010

Business: Manufacture and sale of automotive electronics components and systems

4. Execution date of the share purchase and transfer agreement

April 16, 2019

5. Date of the completion of the share acquisition

October 31, 2019

(Compressor Business)

On April 12, 2019, NIDEC's Board of Directors has resolved that Nidec Europe B.V. and Nidec Americas Holding Corporation which are NIDEC's subsidiaries, will sell NIDEC's entire compressor business ("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"). For this purpose, NIDEC entered into a share purchase agreement and other agreements.

1. Purpose of 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, our appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, the Transaction is made following NIDEC's commitment to the European Commission to sell certain of its compressor business lines to a suitable purchaser as condition for the European Commission's approval of NIDEC's acquisition of Embraco from Whirlpool Corporation, which was obtained on April 12, 2019.

2. The purchaser

ESSVP IV

3. The reporting segment in which the business is included

Nidec Motor

4. Execution date of the share purchase and transfer agreement

April 17, 2019

5. Date of the completion of the share transfer

September 9, 2019

(Roboteq, Inc.)

The Company adopted a resolution to execute a contract to acquire the share of Roboteq, Inc. ("Roboteq"), a U.S. based designer of ultra-low voltage (ULV) drives from its owners through Nidec Motor Corporation ("NMC"). In accordance with said agreement, the Company completed the acquisition of 90% ownership of Roboteq (the "Transaction").

1. Purpose of the Transaction

NIDEC has endeavored to strengthen its presence in some key future growth drivers, including robotization. To become a global leader in these markets, NIDEC is focused on expanding its ability to provide package solutions to all its served markets as demand continues to increase for convenient, modular solutions. These include the robotics/automated guided vehicle (AGV) market, where NMC (formerly, Emerson Electric Co.'s motors and controls business), which NIDEC acquired in September 2010, has been the primary operating subsidiary. The contemplated acquisition of Roboteq is a significant part of NIDEC's strategy to modularize its various product offerings and invest in key future growth drivers.

Roboteq is a leading designer of ultra-low voltage (ULV) drives for the rapidly growing AGV market. Roboteq products are used in AGVs for warehouses, security, and cleaning/agricultural use. Through the acquisition of Roboteq, NIDEC will be able to provide AGV customers with ULV drives in addition to its servo motors and precision gear box offerings. The acquisition will also add navigation sensors and power management technology to fill the gap in NIDEC's current AGV platform, allowing NIDEC to act as a single vendor that can offer full motor control system support to customers. Additionally, the integration of Roboteq's engineering team into the existing NIDEC Motion Control engineering team will further strengthen NIDEC's R&D capabilities.

Upon completion of the acquisition, the initial step of the NIDEC's strategy to strengthen its ability to offer package solutions will be executed, and then NIDEC plans to shift its strategic focus to achieving synergy among NIDEC, NMC and the acquired operations and improving profitability.

2. Funds for the Transaction

Own funds

3. Information on Roboteq

Company Name: Roboteq, Inc.
Headquarters: Scottsdale, AZ, U.S.
Foundation: 2002
Business: Design and sales of ULV drives

4. Execution date of the share purchase and transfer agreement

November 27, 2019

5. Date of the completion of the share acquisition

November 27, 2019

(3) Share exchange agreement

(Nidec Elesys Corporation becomes a wholly owned subsidiary of Nidec Corporation)

Nidec Corporation ("NIDEC") and Nidec Elesys Corporation ("Nidec Elesys") adopted a resolution to execute a contract to conduct a share exchange to make Nidec Elesys a wholly owned subsidiary of NIDEC (the "share exchange"), at a meeting of Board of Directors of NIDEC held on December 7, 2019, and at a meeting of the Board of Directors of Nidec Elesys held on December 6, 2019.

1. Purpose of the share exchange

By making Nidec Elesys a wholly owned subsidiary through the share exchange, we will strengthen synergies between NIDEC and Nidec Elesys, and in particular, promote development of the traction motor business, which is the most important strategic product of the current NIDEC Group, and increase the corporate value of the entire NIDEC Group.

2. Effective date of the share exchange

February 1, 2020

3. Method of the share exchange

NIDEC paid 1,560 million yen to Nidec Machinery Corporation (“Nidec Machinery”, the sole shareholder of Nidec Elesys excluding NIDEC) for all of Nidec Elesys’ common shares held by Nidec Machinery.

4. Basis for calculation of the allocation relating to the share exchange

In calculating the details of the allocation relating to the share exchange, NIDEC commissioned KPMG Tax Corporation (“KPMG”), a third-party accounting agency independent of NIDEC Group, to evaluate the value of Nidec Elesys’ common shares.

KPMG calculated the value of Nidec Elesys’ common shares by the discounted cash flow method to reflect future business activities in the evaluation.

NIDEC and Nidec Elesys consulted with each other by referring to the results of the stock value calculated by KPMG, and decided that NIDEC would pay 1,560 million yen to Nidec Machinery for all of Nidec Elesys’ common shares held by Nidec Machinery.

In addition, no significant changes in profits are expected in the financial forecasts based on the stock price calculations.

5. Overview of the company as a wholly owned subsidiary through the share exchange

Company Name: Nidec Elesys Corporation
Headquarters: 2-8 Shinkawasaki, Saiwai-ku, Kawasaki-shi, Kanagawa
Business: Development, manufacture and sales of electronic control units for vehicles
Capital: 1,950 million yen

6. Overview of the company as the parent company through the share exchange

Company Name: Nidec Corporation
Headquarters: 338 Kuzetonoshiro-cho, Minami-ku, Kyoto
Business: Development, manufacture and sales of small precision motors, vehicle installation, commercial and industrial products, machinery, and other related products
Capital: 87,784 million yen

(4) Joint Venture Agreement

(Joint Venture with a Subsidiary of Guangzhou Automobile Group Company)

The Company adopted a resolution to execute a contract to establish a joint venture to manufacture automotive traction motors with GAC Components Co., Ltd. (“GAC Components”), a member of China-based Guangzhou Automobile Group Co., Ltd. (“Guangzhou Automobile Group”), at a meeting of the Board of Directors held on August 1, 2019. In accordance with said agreement, we completed the establishment procedure on October 30, 2019.

1. Purpose of the Transaction

NIDEC has been expanding and strengthening its automotive motor business, one of NIDEC’s strategically critical businesses, by setting the business’s target sales amount to 700 billion to one trillion yen under Vision 2020, NIDEC’s mid-term strategic goal.

Countries around the world have announced a ban on the sales of gasoline and diesel vehicles one after another to combat global warming and air pollution, making zero-emission vehicles a global trend. Accordingly, car manufacturers are launching measures globally, including the acceleration of the pace of introducing electric vehicles (“EV”) more than ever. As this trend of car electrification intensifies, the automotive motor market, strategically important for NIDEC, is forecast to double its size to six trillion yen in 2030. Among all the products in the market, companies’ attention and NIDEC’s particular focus are on the traction motor, one of the most important components to replace the existing internal-combustion engine.

GAC Components is a subsidiary of a major Chinese car manufacturer Guangzhou Automobile Group that has the sixth largest market share in the increasingly environmentally strict China. GAC Components mainly manufactures automobile interior parts, electric components, etc. for not only the EVs and PHEVs under the Guangzhou Automobile brand, which plays a significant role in the transition to EVs, but also joint ventures with Japanese car manufacturers.

GAC Components and NIDEC, realizing the strategic importance of traction motors in the future automobile industry, have agreed to collaborate to produce low-cost, high-efficiency traction motors for Guangzhou Automobile Group.

2. Information on The New Joint Venture Company

Company Name:	Guangzhou Nidec Auto Drive System Co., Ltd.
Headquarters:	Guangzhou, Guangdong Province, China
Date of Establishment:	October 30, 2019
Business:	Development, production, sales, and after-sales service of automotive traction motor system and components
Capital:	600 million yuan (approx. 9.3 billion yen)
Investment Ratio:	Nidec Corporation 51%, GAC Components 49%

3. Information on GAC Components

Company Name:	GAC Components Co., Ltd.
Headquarters:	Guangzhou, Guangdong Province, China
Business:	Development, manufacturing, and sales of automotive seat systems, interior trim products, and other interior components; body electrical components; and other products
Capital:	1.07 billion yuan (approx. 16.6 billion yen) (as of July 31, 2019)

(5) Business transfer agreement

(NIDEC to acquire the Delta production line from Secop Austria)

The Company has signed a business transfer agreement with Secop Austria GmbH (“Secop”) on March 31, 2020, by which NIDEC will acquire the Delta production line from Secop (“the Transaction”) through the Company’s subsidiary Nidec Global Appliance Italy S.r.l. and its Austrian company.

1. Purpose and Background of the Transaction

The compressor business of NIDEC was sold to Secop as a condition for the European Commission’s approval of NIDEC’s acquisition from Whirlpool in July 2019. NIDEC remained active in the household compressor business as a result of its acquisition of Embraco. NIDEC became aware that Secop Austria would suspend its operation in Fürstenfeld following Secop’s press release of October 22, 2019 and intended to offer for sale the Delta production line. In light of NIDEC’s business strategy and economic rationale in Europe, and its confidence in the work force at Fürstenfeld, NIDEC decided to further invest in Fürstenfeld and execute the Transaction with Secop Austria. As a result of the Transaction, NIDEC will take over approximately 40 employees who were engaged in the Delta compressor business. NIDEC will work further to strengthen its refrigerator compressor business.

2. Overview of the Business

Transferor:	Secop Austria GmbH
Transferee:	Eff Siebzigacht Beteiligungsverwaltung GmbH (a subsidiary of Nidec Global Appliance Italy S.r.l.)
Headquarters of Secop:	Fürstenfeld, Austria
Transferred Business:	Business relating to development, manufacture and sale of Delta compressor products
Employees:	Approximately 40

3. Date of Closing

June 1, 2020

5. Research and Development

NIDEC, which has established itself as the world's leading company in the area of small precision motors, has been actively expanding its production lineup to include small to large motors of various kinds, as well as their application products such as machinery and electronic and optical components. Today, our products are used not only in information-communication and office automation equipment, but also in diverse fields including home appliance, automobile, industrial machinery, and environmental energy. In the area of R&D, our group companies' development departments individually engage in new product development and element technology research, while working speedily to develop new business fields through mutual technological integration and create high-growth businesses.

NIDEC is currently conducting research and development focusing on "automotive electrification," "expansion of robot applications," "home appliances driven by brushless DC motors," "manpower-saving in agriculture & logistics" and "next-generation technologies arising from 5G communications." These five fields are promising growth markets where demands are strong for solving problems facing the world such as carbon dioxide emission, traffic accidents and aging, and we will concentrate our management resources on these fields. The spread of the new coronavirus (COVID-19), which has become a global threat in 2020, is expected to be a watershed event that determines the future direction of these markets. The rapid progress of manpower-saving and automation will enhance the required technological standard of drive technology used for automobiles, unmanned automated transfer vehicles, drones and others, while the increase in data communication volume due to the spread of telework will increase the demand for HDD motors and cooling modules for servers. In addition, the spread of 5G communications will ensure the effectiveness of these new technologies from an infrastructure perspective. NIDEC's R&D activities focus on finding new demands in the context of adopting to the irreversible changes that COVID-19 brings to industrial structure and lifestyles, and solving numerous social issues that lie beyond that change.

Our research and development expenses for the fiscal year ended March 31, 2020 were ¥78,630 million. Internally developed costs recorded as intangible assets were ¥6,213 million.

In the "Corporate" segment, which does not belong to any other business segments, we conduct element technology research at Nidec Research and Development Centers in Japan and Taiwan on motors in general that are needed for our future business, in the effort to further advance our element technology research capabilities, which will become the core of Nidec's global technology development strategy. Nidec Center for Industrial Science engages in research and development activities aiming to realize smart factories with robot and IoT. This center also establishes the new industrial technology being free from the existing manufacturing methods such as new materials and system. These centers engage in enhancing the technological synergy effect between each development department and diversifying domestic and overseas group companies, and then promote the growth.

The research and development expenses for the fiscal year ended March 31, 2020, which is categorized as "Corporate," were ¥6,305 million.

A status report of the research and development activities and the associated research and development expenses by business segment are as follows:

(1) Nidec Corporation

In the Nidec Corporation segment, Nidec Central Technical Laboratory conducts basic and applied research generally covering small precision motors such as small precision DC motors and fan motors, research and development for new products, and research to provide technical support to other research bases. This laboratory also engages in research and development activities aimed at mass production of new models of HDD motors and product quality improvement. Shiga Technical Center engages in research and development activities aimed at new product development, mass production of new models, and improvement of product quality related to various automotive motors such as those for driving motors for electric vehicle (EV). Moreover, Nagano Technical Center conducts research and development aimed at mass production of new models of motors for HDDs and product quality improvement.

Our research and development activities during the fiscal year ended March 31, 2020 were as follows:

In the area of HDD motors, Nidec Corporation is developing 7mm-thick HDD motors used for ultra-slim mobile PCs, Fluid Dynamic Bearing (FDB) motors for air drives and helium-enclosed HDD motors for high-capacity servers (cloud and near-line) and motors for virtual reality systems.

With respect to fan motors, Nidec Corporation is developing new models in which FDB technology, which has been traditionally used in HDD motors are applied.

As for automotive motors, Nidec Corporation is strengthening its development of driving motors for electric vehicle (EV) centered on Chinese customer. Besides, Nidec Corporation is developing next-generation of small and high-performance power steering motors, motors for applications other than power steering such as seats, brakes and sunroofs, and ancillary electronic control units (ECUs), as well as dual clutch transmission, other motor products such as brushless motors used for hydraulic and electric power systems. Nidec Corporation is lately also developing package products that combine driving and automotive motors for electric vehicle (EV) with sensors and control units.

The Nidec Corporation segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥34,125 million.

(2) Nidec Sankyo

The Nidec Sankyo segment develops stepping motors, smartphone/game-related products, motor drive unit products and system device-related products as part of its line-up of "karakuri-tronics" products integrating its "karakuri," or internal device mechanism technologies, with the motor technologies and servo technologies developed through its business diversification. With respect to stepping motors, in an effort to expand the range of their applications to automobiles, Nidec Sankyo has been downsizing products, enhancing product performance and improving cost-performance. Nidec Sankyo is also developing our own optical image stabilization function for smartphones (TiltAC) , as well as tactile devices installed in game machines and automotive devices. With respect to the motor drive product group, Nidec Sankyo is expanding its operations into a range of products integrating small and high-power motors, sensors, servo controls and control software into mechanical units, aiming to enter the automotive thermal management products that meet the demand for thermal cooling due to the electrification of automobile, medical and industrial motor markets. In the area of system equipment-related business, Nidec Sankyo is actively enhancing the security of card media's peripheral equipment, introducing in such areas as organic EL displays for mobile devices, semiconductor robots and transports inside vacuum devices, while developing a servo system to reduce costs for servo motor technology.

The Nidec Sankyo segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥5,498 million.

(3) Nidec Copal

In the Nidec Copal segment, Nidec Copal is conventionally developing element technologies and products for cameras, mobile devices and automotive-related products such as lenses, shutters, diaphragm function, and vibration motors, automotive motors, laser and other products for system equipment, at the company's Tokyo Technical Center. Nowadays, in the area of products for lenses, shutters, diaphragm function, Nidec Copal is promoting conversion of the business portfolio, is focused on developing automotive and mobile products. In the area of motors, the company is shifting its product portfolio from digital camera-related products to mobile, automotive and medical fields. In the area of system products, Nidec Copal is developing laser markers and other industrial products, mechanical units for amusement, and medical and healthcare devices.

The Nidec Copal segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥3,448 million.

(4) Nidec Techno Motor

The Nidec Techno Motor segment develops air conditioner and home appliance motors in Fukui Prefecture in Japan and industrial motors in Fukuoka Prefectures in Japan. The company is engaging in new product development and value engineering (VE) for China, Japan, South Korea and Southeast Asia.

The Nidec Techno Motor segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥1,689 million.

(5) Nidec Motor

The Nidec Motor segment mainly conducts research and development of motors, gears and control units for residential, commercial, home appliance and industrial uses, with respect to vehicle driving motors, encoders, elevator components and systems for industrial automation. With respect to motors for commercial and residential uses, Nidec Motor develops motors, gears and control units for air conditioning equipment, commercial refrigeration equipment, golf carts, floor care equipment and commercial cooking equipment, and servo motors for robots. With respect to motors for home appliances, Nidec Motor mainly engages in the development of motors for washing machines and dryer machines. With respect to industrial motors, Nidec Motor develops various pump motors, including those for water supply and sewerage systems, irrigation, and oil and gas extraction, as well as large motors for power plants, electricity storage systems and integrated solutions. With respect to vehicle driving motors, Nidec Motor engages in modularization of motors with encoders based upon its rare earth-free SR motor technology and in development activities aimed at hybridization and electrification of large-sized vehicles such as construction and agricultural machinery. In addition, Nidec Motor engages in development activities aimed at providing comprehensive product packages, including motors for elevators and other components.

The Nidec Motor segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥7,995 million.

(6) Nidec Motors & Actuators

The Nidec Motors & Actuators segment conducts research and development of durable, compact, efficient and light automotive motors mainly in Germany, Poland, Spain and Japan. In the area of seat adjustment, steering column adjustment and sunroof motors, Nidec Motors & Actuators develops and commercializes rare earth-free small brushed motors. In the area of engine-cooling, Nidec Motors & Actuators develops compact and light brushed motors. In addition, Nidec Motors & Actuators engages in advanced development and commercialization (mass-production) for the chassis-controlled domain (brake and steering) and the advanced safety domain (camera and millimeter-wave radar). In the area of brakes, Nidec Motors & Actuators commercializes (mass-produces) and develops ECUs, brushed and brushless DC motors for regenerative cooperative brake systems and for anti-skid brake systems. In the area of electric power steering, Nidec Motors & Actuators has completed the development of ECUs for brushed motors and now engages in the advanced development of ECUs for brushless motors with functional safety measures. Additionally, Nidec Motors & Actuators develops products for the further function and performance improvement of control valves for automatic transmission (A/T), dual-clutch transmissions (DCT) and continuously variable transmission (CVT), while developing electric oil pumps, electric hydraulic actuators for transmission, and automatic assembly lines. Finally, Nidec Motors & Actuators has just started promoting the in-house developed traction motors and E-Axle systems for electric- and hybrid-vehicle applications to both OEM and TIER 1 customers. In the area of electric pumps, Nidec Motors & Actuators develops products that optimally integrate group companies' technological capabilities, as well as products that contribute to reducing CO2 emissions.

The Nidec Motors & Actuators segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥10,180 million.

(7) Others

In the Others segment, research and development activities are currently conducted on small precision motors, machinery-related products, electronic components and other products. The Others segment's research and development expenses for the fiscal year ended March 31, 2020 were ¥9,390 million.

None of the Nidec Electronics (Thailand), Nidec Singapore and Nidec (H.K.) segments engages in research and development activities.

III. Property, Plant and Equipment

1. Summary of Capital Investment, etc.

The total capital investment in property, plant and equipment for the year ended March 31, 2020 was ¥132,926 million. This mainly consists of capital investment to increase production capacity of overseas subsidiaries, such as the construction of a manufacturing plant for small precision motors for Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd. and the construction of a manufacturing plant for automotive products for Nidec Tosok (Zhejiang) Corporation. Additionally, we have made investments to strengthen domestic R&D.

The amounts of capital investment by segment are stated in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information".

2. Major Property, Plant and Equipment

Major property, plant and equipment of NIDEC are as follows:

(1) The Company

(As of March 31, 2020)

Name of business place (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Corporate Headquarters and Central Technical Laboratories (Minami-ku, Kyoto)	-	Head office facilities and development facilities for small precision motors	2,888	80	3,591 (20)	530	7,089	1,008 (13)
Tokyo Office (Shinagawa-ku, Tokyo)	-	Sales facilities for products	1,278	-	2,026 (2)	75	3,379	61 (-)
Shiga Technical Center (Aisho-cho, Echigo-gun, Shiga)	Nidec Corporation	Development facilities for small precision motors, automotive products, appliance, commercial and industrial products	3,797	376	1,931 (66)	548	6,652	797 (96)
Nagano Technical Center (Komagane, Nagano)	Nidec Corporation	Development facilities for small precision motors	2,230	76	286 (33)	120	2,712	212 (6)
Nidec Research And Development Center (Saiwai-ku, Kawasaki)	-	Fundamental and applied research facilities	3,452	30	1,281 (6)	117	4,880	325 (13)
Nidec Corporation Head Office ANNEX Global Learning Center (Minami-ku, Kyoto)	-	Employee training facilities	3,245	0	410 (4)	355	4,010	29 (-)
Nidec Center for Industrial Science (Seika-cho, Soraku-gun, Kyoto)	-	Fundamental and applied research facilities	6,566	665	1,059 (27)	506	8,796	230 (14)

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

(2) Domestic subsidiaries

(As of March 31, 2020)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Nidec Sankyo Corporation (Shimosuwa- cho, Suwa-gun, Nagano)	Nidec Sankyo Corporation	Manufacturing facilities for small precision motors, automotive products, machinery and electronic parts	6,700	1,514	6,226 (545) [-]	569	15,009	1,155 (140)
Nidec Copal Corporation (Itabashi-ku, Tokyo)	Nidec Copal Corporation	Manufacturing facilities for small precision motors, machinery, electronic and optical parts	2,738	7,697	2,963 (53) [-]	313	13,711	660 (258)
Nidec Techno Motor Corporation (Obama, Fukui)	Nidec Techno Motor Corporation	Manufacturing facilities for commercial and industrial products	3,126	247	1,002 (35) [59]	133	4,508	680 (108)
Nidec Shimpo Corporation (Nagaokakyo, Kyoto)	Others	Manufacturing facilities for machinery	2,458	5,295	3,568 (28) [8]	838	12,159	613 (66)
Nidec Mobility Corporation (Komaki, Aichi)	Others	Manufacturing facilities for automotive products	3,064	2,882	1,392 (18) [-]	479	7,817	817 (346)

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

3. The figures of "Land" in square bracket are excluded from the areas of land and indicate areas of leased land (in thousands of m²).

(3) Overseas subsidiaries

(As of March 31, 2020)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Nidec Electronics (Thailand) Co., Ltd. (Pathumthani, Thailand)	Nidec Electronics (Thailand)	Manufacturing facilities for small precision motors	2,781	1,873	516 (95) [-]	4,989	10,159	5,471 (1,295)
Nidec Precision (Thailand) Co., Ltd. (Ayutthaya, Thailand)	Nidec Electronics (Thailand)	Manufacturing facilities for small precision motors	2,547	6,936	830 (164) [20]	1,535	11,848	2,924 (940)
Nidec Shibaura (Zhejiang) Co., Ltd. (Pinghu, Zhejiang, China)	Nidec Techno Motor Corporation	Manufacturing facilities for appliance, commercial and industrial products	1,205	9,080	- (-) [68]	2,115	12,400	1,207 (2,012)
Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda. (Santa Catarina, Brazil)	Nidec Motor Corporation	Manufacturing facilities for appliance, commercial and industrial products	6,677	23,324	81 (689) [123]	734	30,816	9,925 (729)
Nidec Leroy- Somer Holding (Angouleme, France)	Nidec Motor Corporation	Manufacturing facilities for appliance, commercial and industrial products	9,824	11,471	2,610 (1,125) [76]	-	23,905	6,509 (670)

(As of March 31, 2020)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Nidec Automobile Motor (Zhejiang) Corporation (Pinghu, Zhejiang, China)	Nidec Motors & Actuators	Manufacturing facilities for automotive products	347	17,688	- (-) [32]	255	18,290	2,547 (128)
Nidec (Dalian) Ltd. (Dalian, Liaoning, China)	Nidec Motors & Actuators	Manufacturing facilities for small precision motors and automotive products	1,510	13,939	- (-) [68]	1,490	16,939	2,466 (62)
NIDEC GPM GmbH (Thüringen, Germany)	Nidec Motors & Actuators	Manufacturing facilities for automotive products	2,015	9,861	173 (159) [34]	355	12,404	1,247 (61)
Nidec Tosok (Vietnam) Co., Ltd. (Ho Chi Minh, Vietnam)	Nidec Motors & Actuators	Manufacturing facilities for automotive products	1,201	9,447	- (-) [51]	109	10,757	2,684 (-)
Nidec Tosok (Zhejiang) Corporation (Pinghu, Zhejiang, China)	Nidec Motors & Actuators	Manufacturing facilities for automotive products	796	13,583	- (-) [101]	948	15,327	944 (302)

(Notes) 1. Carrying amounts are based on IFRS.

- The figures of "Number of employees" in round bracket are those of the annual average numbers of temporary employees, which are excluded from the number of employees.
- The figures of "Land" in square bracket are excluded from the areas of land and indicate areas of leased land (in thousands of m²).
- The information stated for Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda., Nidec Leroy-Somer Holding and Nidec GPM GmbH is inclusive of their subsidiaries.

3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc.

NIDEC determines capital investments considering the economic forecast, the trends of the industry, and investment efficiency, etc. in total. In principle, each of the consolidated companies prepares individual facilities plans.

Plans for new construction and disposition of major facilities as of March 31, 2020 were as follows:

(1) New construction of major facilities, etc.

Name of company or business place	Location	Name of segment	Description	Total planned investment (Yen in millions)	Amount already paid (Yen in millions)	Funding measures	Launch	Completion
Nidec Corporation	Muko, Kyoto	Nidec Corporation	2nd head office and group companies' consolidation base	200,000	2,990	Own funds, borrowing	year 2020	year 2030
Nidec Motor Corporation	Ohio, United States	Nidec Motor Corporation	Manufacturing factory for appliance, commercial and industrial products	1,360	1,146	Own funds	April 2020	June 2020
Nidec Laminaciones de Acero, S.A. de C.V.	Reynosa, Tamps. Mexico	Nidec Motor Corporation	Manufacturing factory for appliance, commercial and industrial products	1,306	711	Borrowing	October 2019	August 2020
Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.	Santa Catarina, Brazil	Nidec Motor Corporation	Manufacturing facilities for appliance, commercial and industrial products	10,892	-	Own funds, borrowing	April 2020	March 2021
Nidec Motors & Actuators (Poland) Sp.Z o.o.	Niepolomice, Poland	Nidec Motors & Actuators	Manufacturing facilities for automotive products	13,191	-	Own funds, borrowing	April 2020	March 2021

(2) Disposition of major facilities, etc.

Not applicable.

IV. 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	960,000,000
Total	960,000,000

(Note) Based on the resolution of the Board of Directors held on February 8, 2020, the Articles of Incorporation were changed on April 1, 2020 due to the stock split. The Total number of shares authorized to be issued has increased by 960,000,000 shares to 1,920,000,000 shares.

② Issued shares

Class	Number of shares issued as of the end of fiscal year (Shares) (March 31, 2020)	Number of shares issued as of the filing date (Shares) (June 18, 2020)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	298,142,234	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	298,142,234	596,284,468	-	-

(Note) Based on the resolution of the Board of Directors held on February 8, 2020, NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The number of shares issued as of the end of fiscal year increased by 298,142,234 shares to 596,284,468 shares.

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

① Details of share option plans

Not applicable.

② Description of rights plan

Not applicable.

③ 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 April 1, 2015 to March 31, 2016	4,033,818	298,142,234	10,713	87,784	10,713	92,005

(Notes) 1. Changes due to exercise of Euro Yen Convertible-Bonds-Type Bonds with Share Acquisition Rights due 2015.

2. Based on the resolution of the Board of Directors held on February 8, 2020, NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The total number of issued shares increased 298,142,234 shares and balance of the total number of issued shares are 596,284,468 shares.

(5) Shareholders composition

(As of March 31, 2020)

Category	Status of shares (one unit of shares: 100 shares)							Number of shares less than one unit (Shares)	
	Government and municipality	Financial institution	Financial instruments business operator	Other institution	Foreign corporations, etc.		Individuals and others		Total
					Non-individuals	Individuals			
Number of shareholders	-	186	39	1,069	881	77	56,796	59,048	-
Share ownership (Unit)	-	1,103,012	17,936	199,433	1,062,393	1,994	592,204	2,976,972	445,034
Ownership percentage of share (%)	-	37.05	0.60	6.70	35.69	0.07	19.89	100	-

(Notes) 1. Of 5,184,017 treasury stock, 51,840 units are included in the "Individuals and others", while 17 shares are included in the "Number of shares less than one unit".

2. Of the shares registered in the name of Japan Securities Depository Center, Incorporated, 355 units are included in the "Other institution" column and 8 shares are included in the "Number of shares less than one unit" column.

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

(6) Major shareholders

(As of March 31, 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	24,736	8.44
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	18,754	6.40
Japan Trustee Services Bank, Ltd. (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	13,805	4.71
The Bank of Kyoto, Ltd. (Standing proxy: Trust & Custody Services Bank, Ltd.)	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo)	12,399	4.23
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto	10,122	3.45
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	7,425	2.53
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	7,403	2.52
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE LINCOLN STREET, BOSTON MA USA 02111(11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo)	6,998	2.38
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)	6,579	2.24
Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo)	6,402	2.18
Total	-	114,629	39.12

(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 Japan Trustee Services Bank, Ltd. (trust account) are related to trust services.

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

4. 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 March 31, 2020 (Record date for the exercise of voting rights), 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. (%)
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

5. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on March 19, 2020, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of March 13, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2020 (Record date for the exercise of voting rights), 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. (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3,505,800	1.18
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakouen 1-chome, Minato-ku, Tokyo	7,754,743	2.60
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	3,197,200	1.07
Total	-	14,457,743	4.85

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 March 31, 2020 (Record date for the exercise of voting rights), 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

(7) Information on voting rights

① Issued shares

(As of March 31, 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 5,184,000	-	-
Shares with full voting rights (others)	Ordinary share 292,513,200	2,925,132	-
Shares less than one unit	Ordinary share 445,034	-	-
Number of issued shares	298,142,234	-	-
Total number of voting rights	-	2,925,132	-

- (Notes) 1. The "Shares with full voting rights (others)" row includes 35,500 shares registered in the name of Japan Securities Depository Center ("JASDEC") and the "Number of voting rights" column includes 355 voting rights for those shares. The "Shares with full voting rights (others)" row includes 200 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 2 voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 200 shares (2 voting rights) registered in its name.
2. Ordinary shares in the "Shares less than one unit" row include 17 shares of the Company's treasury stock.
3. Ordinary share in the "Shares with full voting rights (others)" row includes 59,600 shares (596 voting rights) of the BIP Trust and 21,600 shares (216 voting rights) of the ESOP Trust.
4. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The number of issued shares increased by 298,142,234 shares to 596,284,468 shares.

② Treasury stock, etc.

(As of March 31, 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 Kuzetonosiro-cho, Minami-ku, Kyoto	5,184,000	-	5,184,000	1.73
Total	-	5,184,000	-	5,184,000	1.73

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

(8) Officer/employee stock ownership plans

① Performance-linked share-based compensation plan for members of the Board of Directors et al. of NIDEC

NIDEC resolved to adopt a performance-linked share-based compensation plan (the "Plan") for the Company's members of the Board of Directors (excluding outside members of the Board of Directors), Executive Officers and other executives equivalent in rank thereto and for group companies' members of the Board of Directors (excluding outside members of the Board of Directors) and Executive Officers (collectively, the "Eligible Board Members") at their respective ordinary general meetings of shareholders held in June 2018.

At the 47th Ordinary General Meeting of Shareholders held on June 17, 2020, the Company changed to a company with an Audit and Supervisory Committee. Due to this change, the Company resolved to adopt the Plan for the Company's members of the Board of Directors (excluding outside members of the Board of Directors) who are not Audit and Supervisory Committee Members of the Company, Executive Officers and other executives equivalent in rank thereto.

1) Overview of the Plan

The Plan is structured as a BIP (Board Incentive Plan) trust (the "BIP Trust"). The BIP Trust is a share-based compensation plan for officers that grants Company shares and pay cash proceeds from the liquidation of Company shares to the Eligible Board Members based on their rank, operating performance targets' degree of attainment, and other factors, like U.S. and European performance share plans and restricted stock plans.

2) Content of trust agreement

Type of trust:	Specified individually operated trust of money other than money trust (third-party benefit trust)
Purpose of trust:	To incentivize the Eligible Board Members
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The Eligible Board Members who meet beneficiary requirements
Trust administrator:	A third-party (certified public accountant) with no interest in NIDEC
Trust agreement date:	July 26, 2018
Trust period:	July 26, 2018, through August 31, 2021 (tentative)
Plan inception date:	July 26, 2018
Exercise of voting rights:	Not to be exercised
Class of shares to be acquired:	The Company's ordinary shares
Amount of trust funding:	¥1.02 billion (including trust fees and trust expenses)
Share acquisition period:	July 27, 2018
Share acquisition method:	Purchases on the stock market
Rights holder:	The Company
Residual assets:	Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust.

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Trust- and share-related administrative tasks

- i) Trust-related administrative tasks: Mitsubishi UFJ Trust and Banking Corporation and the Master Trust Bank of Japan, Ltd. are performing trust-related administrative tasks as the trust's trustees.
- ii) Share-related administrative tasks: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is administering delivery of Company shares to beneficiaries pursuant to an outsourcing agreement.

4) Total number or total value of shares to be granted to beneficiaries from the BIP Trust

¥1.02 billion (three-year total)

(Total of funds for acquisition of shares by the BIP Trust during the trust period plus trust fees and trust expenses)

② Performance-linked share-based payment plan for domestic and overseas NIDEC executives

The Company resolved to adopt a performance-linked share-based payment plan (the "Plan") for domestic and overseas executives of NIDEC (the "NIDEC Executives") at the meeting of its Board of Directors held on April 24, 2018.

1) Overview of the Plan

The Plan is structured as an ESOP (Employee Stock Ownership Plan) trust (the "ESOP Trust"). The ESOP Trust is an employee incentive plan modeled after U.S. ESOP plans. More specifically, it is a share-based payment plan that grants Company shares and pay cash proceeds from the liquidation of Company shares to the NIDEC Executives based on their respective job titles, operating performance targets' degree of attainment, and other factors.

2) Content of trust agreement

Type of trust:	Specified individually operated trust of money other than money trust (third-party benefit trust)
Purpose of trust:	To incentivize the NIDEC Executives
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The NIDEC Executives who meet beneficiary requirements
Trust administrator:	A third-party (certified public accountant) with no interest in NIDEC
Trust agreement date:	July 26, 2018
Trust period:	July 26, 2018, through August 31, 2021 (tentative)
Plan inception date:	July 26, 2018
Exercise of voting rights:	Not to be exercised
Class of shares to be acquired:	The Company's ordinary shares
Amount of trust funding:	¥390 million (including trust fees and trust expenses)
Share acquisition period:	July 27, 2018
Share acquisition method:	Purchases on the stock market
Rights holder:	The Company
Residual assets:	Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust.

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Trust- and share-related administrative tasks

i) Trust-related administrative tasks: Mitsubishi UFJ Trust and Banking Corporation and the Master Trust Bank of Japan, Ltd. are performing trust-related administrative tasks as the trust's trustees.

ii) Share-related administrative tasks: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is administering delivery of Company shares to beneficiaries pursuant to an outsourcing agreement.

4) Total number or total value of shares to be granted to beneficiaries from the ESOP Trust

¥390 million (three-year total)

(Total of funds for acquisition of shares by the ESOP Trust during the trust period plus trust fees and trust expenses)

2. Information on Acquisition, etc. of Treasury Stock

Class of shares

Acquisition of ordinary shares under Article 155, item 3 of the Companies Act and acquisition of ordinary shares under Article 155, item 7 of the Companies Act.

(1) Acquisition of treasury stock under the resolution of the general meeting of shareholders

Not applicable

(2) Acquisition of treasury stock under the resolution of the Meetings of the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on January 23, 2019 (Term of validity: from January 29, 2019 to January 23, 2020)	5,000,000	50,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2020	-	-
Treasury stock acquired during the fiscal year ended March 31, 2020	-	-
Treasury stock not acquired for the fiscal year ended March 31, 2020	5,000,000	50,000,000,000
The percentage of remaining treasury stock not acquired as of March 31, 2020 (%)	100.0	100.0
Treasury stock acquired during the period after the reporting period to the filing date of this report	-	-
The percentage of remaining treasury stock not acquired as of filing date (%)	100.0	100.0

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on January 23, 2020 and February 8, 2020 (Term of validity: from January 24, 2020 to January 22, 2021)	8,000,000	50,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2020	-	-
Treasury stock acquired during the fiscal year ended March 31, 2020	2,830,400	18,428,783,000
Treasury stock not acquired for the fiscal year ended March 31, 2020	5,169,600	31,571,217,000
The percentage of remaining treasury stock not acquired as of March 31, 2020 (%)	64.6	63.1
Treasury stock acquired during the period after the reporting period to the filing date of this report	19,800	98,985,000
The percentage of remaining treasury stock not acquired as of filing date (%)	64.4	62.9

(Notes) 1. The meeting of board of Directors held on February 8, 2020 resolved to increase the number of own shares purchasable under the plan from 4,000,000 shares to 8,000,000 shares.

2. Treasury stock acquired during the period after the reporting period to the filing date of this report do not include acquisition of treasury stock from June 1, 2020 to the filing date of this report.

3. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The above figures are based on the number of shares after the stock split.

(3) Details of acquisition of treasury stock not under the resolution of the general meeting of shareholders or the Meetings of the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the fiscal year ended March 31, 2020	4,010	29,433,980
Treasury stock acquired during the period after the reporting period to the filing date of this report	580	3,136,332

(Notes) 1. Treasury stock acquired during the period after the reporting period to the filing date of this report do not include acquisition of treasury stock from June 1, 2020 to the filing date of this report.

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The above figures are based on the number of shares after the stock split.

(4) Status of the disposition and holding of acquired treasury stock

Classification	Fiscal year ended March 31, 2020		Period after the reporting period to the filing date of this report	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock which was retired	-	-	-	-
Acquired treasury stock for which transfer of shares was conducted due to merger, share exchange or company separation	-	-	-	-
Others (-)	-	-	-	-
Total number of treasury stock held	5,184,017	-	10,388,414	-

(Note) Total number of treasury stock held during the period after the reporting period to the filing date of this report includes an increase of 5,184,017 shares due to a two-for-one common stock split, effective April 1, 2020 and does not include acquisition of treasury stock resolved at the Meetings of the Board of Directors and shares less than one unit purchased during the period from June 1, 2020 to the filing date of this report.

3. Dividend Policy

NIDEC's dividend policy is to maintain stable dividends and raise dividends based on its consolidated net profit results and at the same time, to increase internal reserves to further strengthen its operational structure and to promote bold business development.

NIDEC generally aims to pay dividends of surplus twice a year by interim and year-end dividends. The Board of Directors has the authority to declare these dividends of surplus.

In view of its current fiscal position separately described and to meet the support of shareholders and investors, the Board of Directors has determined to set the year-end dividend at ¥60.00 per share for the fiscal year ended March 31, 2020 together with the interim dividend of ¥55.00 per share. As a result, the dividend payout ratio for the fiscal year ended March 31, 2020 on a consolidated basis was 56.3%.

Internal reserves are used to further strengthen our operational structure and invest in business expansion to increase revenues.

NIDEC stipulates in its Article of Incorporation that it may pay interim dividends pursuant to Article 454, Paragraph 5 of the Companies Act of Japan, and that it may, by resolution of the Board of Directors, pay dividends of surplus pursuant to Article 459, Paragraph 1 of the Companies Act of Japan.

Dividends of surplus for the current fiscal year are as follows:

Date of resolution	Total dividends (Yen in millions)	Cash dividends per share (Yen)
The Meeting of the Board of Directors on October 23, 2019	16,191	55
The Meeting of the Board of Directors on May 25, 2020	17,577	60

(Note) NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. For the actual amounts of dividends per share is shown as actual amount of it before splitted on April 1, 2020.

4. Corporate Governance, etc.

(1) Overview of Corporate Governance

① Basic policy regarding corporate governance

NIDEC's basic policy is to strengthen its business and corporate management capabilities while following its corporate slogan, "high growth, high profit, and high share price", "Mission Statement", and "Three Principles of Nidec's Operations".

② Corporate governance system

1) The overview of NIDEC's corporate governance system and reasons NIDEC uses the system

NIDEC has as its main bodies a Board of Directors, an Audit & Supervisory Board, and an Accounting Auditor in accordance with the Companies Act of Japan, in addition to an Executive Management Meeting (Keiei-kaigi) and an Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai) as the Company's executive bodies.

The Company's Board of Directors makes decisions on material business management-related matters while supervising the execution of business operations. The member of this meeting consists of eight members of Board of Directors including Representative Director, Chairman and Chief Executive Officer, Shigenobu Nagamori, five members of Audit & Supervisory Board as of March 31, 2020. Five members of the Audit & Supervisory Board and itself audits the execution of business operations by members of the Board of Directors of the Company, and its accounts. The Company includes among the members of its Board of Directors and its Audit & Supervisory Board highly independent outside people who have no special interests in the Company to strengthen the audit and supervisory function of its business management. The Company's two outside members of the Board of Directors, based on their broad experience and deep insight, make decisions on material business management-related matters from an objective and neutral standpoint, and supervise the execution of business operations. The Company's three outside members of the Audit & Supervisory Board based on their broad experience and deep insight, audit and supervise the Company's business management from an objective and neutral standpoint.

The Company holds an Executive Management Meeting (Keiei-kaigi) monthly to summarize its monthly financial performance and deliberate in a cross-sectional manner material matters concerning administrative departments, affiliated companies, Business Units, etc. in order to better understand the status of business executions, while making decisions on business executions going forward. The member of this meeting consists of Representative Directors including Representative Director, Chairman and Chief Executive Officer, Shigenobu Nagamori, Executive members, Audit & Supervisory Board, and General Manager of Accounting Department. The Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai), a weekly meeting to advise the Company's Representative Director and Chairman and chaired by the Company's Representative Director and President, deliberates overall business execution policies and plans, as well as individual material matters. The member of this meeting consists of Board of Directors, including Representative Director, President and Chief Operating Officer, Jun Seki and Executive members.

To further enhance its business management efficiency, the Company adopts "vice president" and "site-based business management" systems. The vice president system aims to clearly divide the roles of the members of the Board of Directors, who are legally responsible for the Company's business management and supervising, and those of the vice presidents, who are in charge of executing business operations, and to make the roles of the Company's Board of Directors be more concentrated on decision making regarding company-wide business operations and ensure active discussions on those matters. The vice president system also aims to transfer authorities from the members of the Board of Directors to vice presidents to expedite the Company's decision-making process. The site-based business management system aims to clarify the areas of responsibility for individuals to maintain and strengthen the effective internal control system.

NIDEC has transitioned to a company with an Audit and Supervisory Committee at the end of the 47th Ordinary General Meeting of Shareholders held on June 17, 2020, and we are currently considering a revised structure suitable to an Audit and Supervisory Committee. In accordance with the transition, a majority of the Board of Directors is comprised of outside directors.

2) Other matters related to corporate governance

In September 2004, the Company established a "Nidec Policy Manual" as a set of NIDEC Group's basic internal control policies. Since then, Corporate Administration & Internal Audit Department has been conducting activities to maintain and improve the internal control's effectiveness in the Company's financial reports, as required by Article 24-4-4, Paragraph 1 of Financial Instruments and Exchange Act of Japan.

In accordance with the Companies Act of Japan and Ordinance for Enforcement of the Companies Act, the Company has in place the following system to ensure proper business operations by the Company and its subsidiaries:

i) System to ensure the execution of duties by the Company's and its subsidiaries' members of the Board of Directors and employees comply with laws and regulations and the Articles of Incorporation

The Company has in place the following compliance system to obtain social trust by complying with laws and regulations, relevant rules, internal rules and standards, social ethics codes, etc. while enhancing the ethical awareness of the officers and employees, and to establish corporate integrity:

- The Company has established "Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout the NIDEC Group, and establish a compliance system and promote total employee awareness of this system through properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.
- The Company has a Compliance Committee under its Board of Directors, establishes basic compliance policies, and monitors NIDEC Group's compliance status.
- The Company establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct" and ensures that all NIDEC Group's officers and employees understand and act on them.
- As part of its compliance promotion activity, the Company holds compliance seminars for individual Nidec Group companies, along with initiatives such as the preparation and use of the compliance handbook, in an effort to raise their officers' and employees' awareness on compliance.
- To spread compliance throughout NIDEC Group, the Company has in place a NIDEC Group-wide internal reporting system, "Nidec Global Compliance Hotline", to encourage Nidec Group's employees to make reports and point out problems regarding violations of laws and regulations, and internal rules, and to protect whistleblowers of such problems.
- To promote the aforementioned activity, the Company's Compliance Office works with NIDEC Group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in individual NIDEC Group companies, forming a global compliance system.
- To address compliance violations, the Company tries to prevent their recurrence by performing investigations for resolutions based on reports, notifications, etc., made to its Compliance Office or internal point of contact for such notifications. The Company deliberates compliance violations that must be dealt with penalties in a meeting of an internal disciplinary committee and the Board of Directors to decide on penalties.

ii) System to store and manage information concerning the execution of duties by the members of the Company's Board of Directors

The Company organizes and stores documents concerning the execution of duties by the members of its Board of Directors and Vice Presidents for a certain number of years based on "Document Regulations", and the members of the Company's Audit & Supervisory Board may view those documents at any time.

- iii) Regulations and other systems to manage risks of loss concerning the Company and its subsidiaries
- The Company established "Risk Management Regulations" to have in place a NIDEC Group-wide risk management system, as well as a Risk Management Committee and Risk Management Office. Risk Management Committee, supervised by the Company's Board of Directors, decides the Company's risk management policies each fiscal year, while the Company's individual department general managers and NIDEC Group companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits NIDEC Group companies on their risk management systems.
 - In addition to "Risk Management Regulations", which are intended to manage daily risks, the company adopts NIDEC Group-wide "Crisis Management Regulations" to prepare for a situation in which a risk is actualized and must be handled in reality.
- iv) System to ensure an efficient execution of duties by the members of the Company's and its subsidiaries' Boards of Directors
- As the basis of the "system to ensure an efficient execution of duties by the members of the Company's Board of Directors", the Company adopts a vice president system to empower its Vice Presidents with authorities to execute business operations. The Company's Board of Directors makes decisions on material matters concerning the Company's business policies, management strategies, etc., appoints and dismisses Vice Presidents, and supervises the execution of business operations.
 - NIDEC Group establishes a mid-term business plan to realize its long-term vision that was set as a specific numerical and qualitative target, uses it as the basis of its annual business plans. When making the mid-term business plan, the Company identifies, deliberates and makes decisions based on analysis of the feasibility of accomplishing the mid-term goals, the compatibility with the long-term vision, and the issues and risks that must be overcome to successfully achieve the plan. The Company regularly reviews and rolls the plan based on changes in the market and the status of progress against the plan.
 - The Company and NIDEC Group companies have in place "Approval Request (Ringi) Regulations", which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.
 - The Company and NIDEC Group companies hold a risk management meeting daily to promptly report and share material information, and the minutes of the meeting is sent to each department general manager every day for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai) and the Executive Management Meeting (Keiei-kaigi).
- v) Matters concerning reports to the Company regarding the execution of duties by the members of the Board of Directors of the Company's subsidiaries
- The members of the Board of Directors and Vice Presidents of the Company serve as members of the Board of Directors and Vice Presidents of the NIDEC Corporation's group companies as well, attend their Executive Management Meetings (Keiei-kaigi), hold a NIDEC Group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within NIDEC Group.
 - The administrative departments responsible for individual NIDEC Group companies' business operations work to improve collaboration with those companies, and request them to submit reports, documents, etc. as necessary to understand their management status accurately.
- vi) Matters concerning the Company's employees and their independency from the members of Company's Board of Directors when the members of the Company's Audit & Supervisory Board request the Company to appoint employees to support the work of the members of the Company's Audit & Supervisory Board
- In accordance with the Audit & Supervisory Board's requests, the Corporate Administration & Internal Audit Department audits matters that the members of Audit & Supervisory Board request to be audited, and reports the audit result to the Audit & Supervisory Board.
 - During such an audit, support is provided for performing the audit if ordered or requested by the members of Audit & Supervisory Board. The members of the Board of Directors or Vice Presidents of the Company pose no improper restrictions on such reports.

vii) System for the members of the Board of Directors and employees of the Company to report to the members of the Audit & Supervisory Board and other systems concerning reports to the members of the Audit & Supervisory Board

The members of the Board of Directors, Vice Presidents and employees of the Company promptly report to the Audit & Supervisory Board, in addition to statutory matters, matters that materially affect the entire NIDEC Group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between the members of the Board of Directors and Vice Presidents, and the members of the Audit & Supervisory Board.

viii) System for a member of the Board of Directors or the Audit & Supervisory Board, an employee who executes any business operation, an employee of any of the Company's subsidiaries, or someone who has received a report from any of these people, to report to the members of the Company's Audit & Supervisory Board, and to protect whistleblowers

- The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's members of the Audit & Supervisory Board on a regular basis, and reports the internal audit results at NIDEC Group companies.
- The Company's Compliance Office reports the status of whistle blowing by NIDEC Group's officers and employees to the members of the Company's Audit & Supervisory Board on a regular basis.
- NIDEC protects whistleblowers so that they will not be affected negatively after whistle blowing based on the NIDEC Group-wide internal whistle blowing system, Nidec Global Compliance Hotline.

ix) Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by the members of the Company's Audit & Supervisory Board, for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by the members of the Company's Audit & Supervisory Board

In accordance with the Company's Audit & Supervisory Board Regulations and the standards for audit by the members of the Audit & Supervisory Board, the Company's Audit & Supervisory Board is entitled to independently deliberate matters, such as budget for auditing expenses, that the members of the Audit & Supervisory Board deem necessary to execute their duties, and may request the Company to redeem urgently or temporarily incurred costs at a later date.

x) Other systems to ensure an effective audit by the members of the Audit & Supervisory Board

- The members of the Audit & Supervisory Board exchange their opinions with the Company's executives.
- The members of the Audit & Supervisory Board prepare each month's activities in an audit report, and submit it to the Company's Board of Directors.
- The members of the Audit & Supervisory Board visit individual NIDEC Group companies onsite to conduct other audits on operations.

xi) Internal audit system of the Group

- The Company has its head office departments provide the entire NIDEC Group with internal control system-related instructions and support, and manage and audit NIDEC Group companies to ensure legal, proper, and efficient business operations.
- The internal audit departments of the Company and its subsidiaries conduct internal audits on individual NIDEC Group companies to provide them with instruction, support, and advice for better business operations.

3) Overview of the contents of the liability limitation contract

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, the Company is under contract with the outside members of the Board of Directors and the outside members of the Audit & Supervisory Board to limit the liability for damages stipulated in Article 423, Paragraph 1 of the same Act. Based on the aforementioned contract, the maximum amount of liability for damages is either a pre-determined amount no less than eight million yen or an amount determined based on applicable laws and regulations, whichever is higher.

③ Matters of the Company's Board of Directors

1) The number of the members of the Company's Board of Directors

The Company's Articles of Incorporation prescribe that the number of the members of the Company's Board of Directors be not more than twenty.

2) Requirements for a resolution on the election of members of the Company's Board of Directors

The Company's Articles of Incorporation prescribe that a resolution on the election of members of the Company's Board of Directors be adopted by a majority of the voting rights of shareholders attending the general meeting of shareholders who collectively hold one-third or more of all voting rights, and that cumulative voting not be applied to pass a resolution on the election of members of the Board of Directors.

④ Matters related to the resolution of the general meeting of shareholders

-The Company's Articles of Incorporation prescribe that matters specified in the items of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act of Japan, including those related to dividends of surplus, shall be decided by resolution of the Board of Directors without obtaining a resolution at a general meeting of shareholders, unless otherwise stipulated by laws and regulations. This is intended to enable the expeditious return of profits to shareholders by putting dividends of surplus, etc., under the Board of Directors' jurisdiction.

- The Company's Articles of Incorporation prescribe that a special resolution of the general meeting of shareholders, as specified by Article 309, Paragraph 2 of the Companies Act of Japan be adopted by at least two-thirds of the voting rights of the shareholders attending the general meeting of shareholders who collectively hold one-third or more of all voting rights. This is intended to facilitate the operation of the general meetings of shareholders by easing the quorum for special resolutions of the general meeting of shareholders.

(2) Members of the Board of Directors

① List of Members of the Board of Directors

7 men and 2 women

(Percentage of the members of the Board of Directors of Nidec Corporation that are women: 22.2%)

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Representative Director and Chairman / Chief Executive Officer (CEO)	Shigenobu Nagamori	August 28, 1944	<p>Jul. 1973: Founded Nidec Corporation Representative Director, Chairman of the Board and President Chief Executive Officer (CEO) (current position)</p> <p>Jun. 2009: Member of the Board of Directors and Chairman, Nidec Sankyo Corporation (current position)</p> <p>Jun. 2013: Member of the Board of Directors and Chairman, Nidec-Shimpo Corporation (current position)</p> <p>Oct. 2014: Representative Director, Chairman of the Board and President</p> <p>Mar. 2018: Chairman of the Board, Kyoto Gakuen Educational Foundation (currently Nagamori Gakuen Educational Foundation) (current position)</p> <p>Jun. 2018: Representative Director and Chairman (current position)</p> <p>Nov. 2019: Member of the Board of Directors and Chairman, Nidec Mobility Corporation (current position)</p> <p>Jun. 2020: Member of the Board of Directors and Chairman, Nidec Copal Corporation (current position)</p>	*5	24,736
Representative Director and President / Chief Operating Officer (COO)	Jun Seki	May 9, 1961	<p>Apr. 1986: Nissan Motor Co., Ltd.</p> <p>Apr. 2014: Senior Vice President</p> <p>Dec. 2019: Executive Officer, Vice-COO</p> <p>Jan. 2020: Special Executive Consultant, Nidec Corporation</p> <p>Apr. 2020: President Chief Operating Officer (COO) (current position)</p> <p>Member of the Board of Directors and Chairman, Nidec India Private Limited (current position)</p> <p>Jun. 2020: Representative Director and President (current position)</p> <p>Member of the Board of Directors, Nidec Tosok Corporation (current position)</p>	*5	0

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors	Teiichi Sato	October 15, 1941	<p>Apr. 1964: The Ministry of Education, Science, Sports and Culture of Japan (currently the Ministry of Education, Culture, Sports, Science and Technology of Japan)</p> <p>Jul. 1990: Deputy Director - General (Higher Education Bureau)</p> <p>Jul. 1992: Deputy Commissioner for Cultural Affairs</p> <p>Jul. 1993: Director - General, Science and International Affairs Bureau</p> <p>Jul. 1994: Director - General, Minister's Secretariat</p> <p>Jul. 1997: Vice Minister of Education, Science, Sports and Culture of Japan</p> <p>Jul. 2000: Director - General, the Japan Society for the Promotion of Science</p> <p>Jan. 2003: Ambassador Extraordinary and Plenipotentiary, Permanent Delegation of Japan to the UNESCO</p> <p>Apr. 2007: Executive Director, Tokyo National Museum</p> <p>Oct. 2009: Professor, Graduate School of International University of Health and Welfare</p> <p>Jun. 2015: Member of the Board of Directors, NHK Promotions Inc. (current position)</p> <p>Jun. 2018: Member of the Board of Directors, Nidec Corporation (current position)</p>	*5	0

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors	Osamu Shimizu	September 21, 1953	<p>Apr. 1976: The Ministry of Finance of Japan</p> <p>Jun. 1984: Executive Director, African Development Bank</p> <p>Nov. 1996: Personal Secretary to the Minister of Finance of Japan</p> <p>Jan. 1998: Director for Inter - Division Affairs, Budget Bureau</p> <p>Jul. 1999: Director, Income Tax and Corporation Tax Policy Division, Tax Bureau</p> <p>Jul. 2001: Director, Planning and Administration Division, Tax Bureau</p> <p>Jul. 2003: Director - General, Fukuoka Regional Taxation Bureau, National Tax Agency</p> <p>Jul. 2004: Deputy Director - General of the Minister's Secretariat (Local Administrative and Financial Reform), the Ministry of Internal Affairs and Communications of Japan</p> <p>Jul. 2006: Deputy Director - General (International Bureau, Tax Bureau and Minister's Secretariat), the Ministry of Finance of Japan</p> <p>Jan. 2007: Director - General, Okinawa Development and Promotion Bureau, the Cabinet Office</p> <p>Jul. 2010: Director - General (Okinawa Affair), the Cabinet Office</p> <p>Jan. 2012: Vice - Minister for Policy Coordination, the Cabinet Office</p> <p>Apr. 2014: Professor, Graduate School of Public Management, Waseda University (current position)</p> <p>Jun. 2018: Member of the Board of Directors, Nidec Corporation (current position)</p> <p>Oct. 2018: Registered as attorney-at-law, the Dai-Ichi Tokyo Bar Association</p>	*5	0

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors (Audit and Supervisory Committee Member)	Kazuya Murakami	January 18, 1955	<p>Apr. 1977: The Ministry of Finance of Japan</p> <p>Jul. 1983: Director, Ise Tax Office, Nagoya Regional Taxation Bureau</p> <p>Jul. 1984: Executive Director's Assistant, International Monetary Fund</p> <p>Jun. 1996: Director, Central Asia Team, European Bank for Reconstruction and Development (EBRD)</p> <p>Jul. 2002: Director-General, the Fukuoka Local Finance Branch Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2004: Deputy Director-General, Minister's Secretariat (in charge of Customs and Tariff Bureau)</p> <p>Jul. 2005: Board Director, EBRD</p> <p>Jul. 2008: Director-General, the Kanto Local Finance Bureau, the Ministry of Finance of Japan</p> <p>Aug. 2009: Executive Director, Organization for Small & Medium Enterprises and Regional Innovation, Japan</p> <p>Jun. 2012: Fulltime Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Feb. 2013: Registered as attorney-at-law, the Kyoto Bar Association</p> <p>Jun. 2013: Vice President</p> <p>Jun. 2017: Fulltime Member of the Audit and Supervisory Board</p> <p>Jun. 2019: Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation (current position) Member of the Audit and Supervisory Board, Nidec-Shimpo Corporation (current position) Member of the Audit and Supervisory Board, Nidec-Read Corporation (current position) Member of the Audit and Supervisory Board, Nidec Machinery Corporation (current position) Member of the Audit and Supervisory Board, Nidec Global Service Corporation (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member) (current position)</p>	*6	1

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors (Audit and Supervisory Committee Member)	Hiroyuki Ochiai	July 3, 1959	<p>Apr. 1983: The Ministry of International Trade and Industry of Japan (currently the Ministry of Economy, Trade and Industry of Japan (METI))</p> <p>Jul. 2000: Director, Foreign Exchange and Trade Finance Division, Trade Bureau</p> <p>Jul. 2002: Director - General, International Cooperation Department, New Energy and Industrial Technology Development Organization (currently National Research and Development Agency New Energy and Industrial Technology Development Organization)</p> <p>Jul. 2003: Director, Personnel Division, Japan Patent Office</p> <p>Oct. 2005: Director, Trade Promotion Division, Trade and Economic Cooperation Bureau</p> <p>Aug. 2006: Counsellor, Minister's Secretariat, the Ministry of Agriculture, Forestry and Fisheries of Japan</p> <p>Jul. 2008: Counsellor, Cabinet Secretariat (to Assistant Chief Cabinet Secretary)</p> <p>Aug. 2010: Seconded to Nidec Corporation</p> <p>Aug. 2012: Returned to METI. Director - General, Training Institute of Economy, Trade and Industry</p> <p>Dec. 2012: Left METI</p> <p>Mar. 2013: General Manager, General Affairs Department, Nidec Corporation</p> <p>Jun. 2018: Fulltime Member of the Audit and Supervisory Board</p> <p>Jun. 2019: Member of the Audit and Supervisory Board, Nidec Sankyo Corporation (current position) Member of the Audit and Supervisory Board, Nidec Copal Electronics Corporation (current position) Member of the Audit and Supervisory Board, Nidec Servo Corporation (current position) Member of the Audit and Supervisory Board, Nidec Copal Corporation (current position)</p> <p>Nov. 2019: Member of the Audit and Supervisory Board, Nidec Mobility Corporation (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member) (current position) Member of the Audit and Supervisory Board, Nidec Tosok Corporation (current position) Member of the Audit and Supervisory Board, Nidec Elesys Corporation (current position)</p>	*6	0

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors (Audit and Supervisory Committee Member)	Takeshi Nakane	June 24, 1949	<p>Apr. 1974: The Ministry of Foreign Affairs of Japan</p> <p>Feb. 1996: Director, Overseas Establishments Division, Minister's Secretariat</p> <p>Apr. 1998: Minister, the Japanese Embassy in Republic of Korea</p> <p>May 2000: Consul-General in Munich, Germany</p> <p>Aug. 2002: Assistant Vice-Minister</p> <p>Aug. 2005: Director-General, Disarmament, Non-proliferation and Science Department, Foreign Policy Bureau</p> <p>Jul. 2008: Envoy Extraordinary and Minister Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna</p> <p>Jul. 2009: Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna</p> <p>Jan. 2012: Ambassador Extraordinary and Plenipotentiary of Japan to Federal Republic of Germany</p> <p>Jan. 2016: Left the Ministry of Foreign Affairs of Japan</p> <p>Feb. 2016: Special Assistant to the Ministry of Foreign Affairs of Japan (current position)</p> <p>Mar. 2018: Director, Kyoto Gakuen Educational Foundation (currently Nagamori Gakuen Educational Foundation)</p> <p>Jun. 2019: Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member) (current position)</p>	*6	0
Member of the Board of Directors (Audit and Supervisory Committee Member)	Aya Yamada	February 12, 1967	<p>Apr. 1990: Research Associate, Faculty of Law, Tohoku University</p> <p>Apr. 1995: Assistant Professor, Faculty of Law, Okayama University</p> <p>Apr. 2003: Assistant Professor, Graduate School of Law, Kyoto University</p> <p>Apr. 2006: Professor, Graduate School of Law, Kyoto University (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member), Nidec Corporation (current position)</p>	*6	-

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors (Audit and Supervisory Committee Member)	Takako Sakai	August 28, 1972	<p>Apr. 2002: Research Associate, Graduate School of Law, Kyoto University</p> <p>Apr. 2003: Lecturer, Graduate School of Economics, Osaka Prefecture University</p> <p>Mar. 2007: Completed Doctoral Program at Graduate School of Kyoto University and received a Doctor of Laws (LL. D.)</p> <p>Oct. 2007: Associate Professor, Graduate School of Economics, Osaka Prefecture University</p> <p>Apr. 2018: Professor, Graduate School of Economics, Osaka Prefecture University (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member), Nidec Corporation (current position)</p>	*6	-
Total					24,739

*1. The Company transitioned to a company structure with an audit and supervisory committee on June 17, 2020, following passage of a resolution to change its Articles of Incorporation at the Regular General Meeting of Shareholders held on the same date.

2. Number of shares held has been rounded down to the nearest 1,000 shares.

3. Members of the Board of Directors, Mr. Teiichi Sato, Mr. Osamu Shimizu, Mr. Takeshi Nakane, Ms. Aya Yamada and Ms. Takako Sakai are Outside Members of the Board of Directors.

4. In preparation for the contingency that the number of members of the Board of Directors who are Audit and Supervisory Committee Members falls below the required number stipulated in laws and ordinances, the Company has appointed a substitute member of the Board of Directors who is an Audit and Supervisory Committee Member as stipulated under the provisions in Article 329, Paragraph 3 of the Companies Act. Career summary of the substitute member of the Board of Directors who is an Audit and Supervisory Committee Member is as follows.

Name	Date of birth	Brief personal records	Share ownership (1,000 shares)
Junko Watanabe	October 17, 1965	<p>Apr. 1994: Research Associate, Faculty of Economics, Hokkaido University</p> <p>Apr. 1997: Research Associate, Graduate School of Economics & Faculty of Economics, The University of Tokyo</p> <p>Apr. 1998: Assistant Professor, Faculty of Humanities & Social Sciences, Shizuoka University</p> <p>Oct. 2002: Assistant Professor, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications</p> <p>Apr. 2004: Assistant Professor, Graduate School of Economics & Faculty of Economics, Kyoto University</p> <p>Mar. 2005: Visiting Scholar, the University of Paris 7 - Denis Diderot (France)</p> <p>Jul. 2011: Received a Ph. D. in Economics from Kyoto University</p> <p>Oct. 2011: Visiting Scholar, Edwin O. Reischauer Institute of Japanese Studies, Harvard University</p> <p>Apr. 2012: Professor, Graduate School of Economics & Faculty of Economics, Kyoto University (current position)</p> <p>Aug. 2012: Visiting Associate Professor, Graduate School of Economics & Faculty of Economics, The University of Tokyo</p> <p>Jun. 2016: Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Apr. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Morozoff Limited (current position)</p>	-

Note: The term of office of a substitute member of the Board of Directors who is an Audit and Supervisory Committee Member shall be until the expiration of the term of office of the retired member of the Board of Directors who was an Audit and Supervisory Committee Member.

5. A year from the end of the Regular General Meeting of Shareholders held on June 17, 2020.

6. Two years from the end of the Regular General Meeting of Shareholders held on June 17, 2020.

7. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The number of shares held is the number of the shares prior to the stock split.

② The outside members of the Board of Directors and the outside members of the Board of Directors who are Audit and Supervisory Committee Members

Of the nine members of the Board of Directors, five are outside members, of whom three are Audit and Supervisory Committee Members.

The outside members of the Board of Directors make material management decisions and oversee NIDEC's overall business operations from an objective and neutral standpoint based on their expertise and experience in the area of management and law.

The Company appoints outside members of the Board of Directors by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. (TSE). They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. The Company has notified the TSE that five outside members of the Board of Directors are independent officers.

With regard to the five outside members of the Board of Directors appointed as such following the end of the Regular General Meeting of Shareholders on June 17, 2020, the relationships between the Company and them or the organizations they individually belong to are as follows.

Outside member of the Board of Director Mr. Teiichi Sato's experience includes the important posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, Ambassador Extraordinary and Plenipotentiary of Permanent Delegation of Japan to the UNESCO and so forth. Currently he holds the positions of member of the Board of Directors of NHK Promotions Inc. and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside member of the Board of Directors Mr. Osamu Shimizu's experience includes the important posts at the Ministry of Finance of Japan, Vice-Minister for Policy Coordination of the Cabinet Office and so forth. Currently he holds the positions of Professor of Graduate School of Public Management, Waseda University and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside member of the Board of Directors Mr. Takeshi Nakane, who is also Audit and Supervisory Committee Member, his experience includes the important posts at the Ministry of Foreign Affairs of Japan, such as Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Japan and so forth. Currently he holds the positions of Special Assistant to the Ministry of Foreign Affairs of Japan and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside member of the Board of Directors Ms. Aya Yamada, who is also Audit and Supervisory Committee Member currently holds the positions of Professor of Graduate School of Law, Kyoto University and so forth. The Company made donations to a donated course of Graduate School of Engineering of Kyoto University to support its educational and research activities. The amounts of donations are ¥1.3 million in FY2016 (total amount of the university's donation-based income in the same fiscal year: ¥4,756 million), ¥49 million in FY2017 (total amount: ¥4,848 million), ¥45 million in FY2018 (total amount: ¥5,163 million), and ¥39 million in FY2019. As shown above, the amounts of the Company's donations are insignificant compared with the total amount of the university's donation-based income. In addition, the faculty to which the Company made donations is different from the faculty to which she belongs, and she is not a representative of the university. Thus there is no direct interest between the Company and Ms. Yamada. Therefore we believe that the donations will not in any way affect Ms. Yamada's independence as an outside member of the Board of Directors who is an Audit and Supervisory Committee Member. Nor is there current or past special interest between the Company and her or the organizations she belongs to.

Outside member of the Board of Directors Ms. Takako Sakai, who is also Audit and Supervisory Committee Member currently holds the positions of Professor of Graduate School of Economics, Osaka Prefecture University and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

The ownership of the Company's shares by the outside members of the Board of Directors is stated in "①List of Members of the Board of Directors".

As stated above, the Company enhances its supervisory function to improve its management's transparency and objectivity by appointing highly independent people who have no special interest with the Company as outside members of the Board of Directors.

(3) Audit Status

① Status of Audit by the members of the Audit and Supervisory Board

1) Organization, personnel and personnel of the inspection of the members of the Audit & Supervisory Board

There are five members of the Audit & Supervisory Board (including three members of external auditors) and itself audits the execution of business operations by members of the Board of Directors of the Company based on Audit policy and implementation plan established by the Audit & Supervisory Board, and its accounts. Mr. Kazuya Murakami, a full-time member of the Audit & Supervisory Board, held an important position at the Ministry of Finance of Japan and has a significant amount of insight in the areas of finance and accounting. Mr. Hiroyuki Ochiai, a full-time member of the Audit & Supervisory Board, held an important position at the Ministry of Economy, Trade and Industry of Japan, etc. and has abundant experience and considerable insight. Mr. Eisuke Nagatomo, an outside member of the Audit & Supervisory Board, held an important position at Tokyo Stock Exchange, Inc. and has considerable insight. Ms. Junko Watanabe, an outside member of the Audit & Supervisory Board, has considerable insight gained as a university professor. Mr. Takeshi Nakane, an outside member of the Audit & Supervisory Board, has experience working as a diplomat in various countries around the world, a broad international viewpoint, and considerable insight.

The outside members of the Board of Directors oversee NIDEC's overall business operations from an objective and neutral standpoint based on their expertise and experience in the area of management and law. The Company appoints outside members of the Board of Directors by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. (TSE). They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. These members enhance the supervisory function of the Company to improve its management's transparency and objectivity. The Company has notified the TSE that three outside members of the Board of Directors are independent officers.

Since NIDEC has transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee at the Ordinary General Meeting of Shareholders on June 17, 2020, the Audit and Supervisory Committee members will conduct audits in the future.

2) Status of the Audit & Supervisory Board

The Company holds an Audit & Supervisory Board totally 15 times, and the attendance of each Audit & Supervisory Board is as follows.

Category	Name	Attendance of Audit & Supervisory Board meetings
Full-time Member of the Audit & Supervisory Board	Kazuya Murakami	15 out of 15 times
Full-time Member of the Audit & Supervisory Board	Hiroyuki Ochiai	15 out of 15 times
Outside Members of the Audit & Supervisory Board	Eisuke Nagatomo	14 out of 15 times
Outside Members of the Audit & Supervisory Board	Junko Watanabe	15 out of 15 times
Outside Members of the Audit & Supervisory Board	Takeshi Nakane	10 out of 10 times

(Note) The total number of meetings held varies due to the difference in the dates of assumption of office.

The main considerations by an Audit & Supervisory Board are the audit policy, audit implementation plan, the state of development and operation of the internal controls, and the adequacy of auditing methods used by the accounting auditors and their accounting results.

The members of the Company's Audit & Supervisory Board all attend the meetings of the Board of Directors, and monitor them to confirm that the Company's decisions were made after sufficient discussion. The members of the Company's Audit & Supervisory Board also share information and exchanged their opinions with Corporate Administration & Internal Audit Department and the accounting auditor of the Company, while obtaining information from the Risk Management Meeting, etc. as necessary, and report to the Board of Directors, as necessary, important issues and other matters obtained from such information. Also the members of the Audit & Supervisory Board hold meetings with accounting auditors quarterly. In addition to quarterly meeting, they also hold other meetings when necessary, and they exchange information and opinions on audit results, audit structures, audit plans, and the progress of audit among other issues.

② Status of Internal Audit

1) Internal audit organization, personnel and procedures

The Company's Corporate Administrative & Internal Audit Department, which made up of twenty seven members reports directly to the Chairman, conducts internal audit based on an audit plan. Also the Company's Corporate Administration & Internal Audit Department conducts internal audit to the Company and other Nidec Group companies, and, as necessary, reports and explains to the Company's executives and at the Risk Management Meeting, etc. the issues and problems identified in relation to internal audit and other matters to ensure that all departments concerned will progress on those matters.

2) Mutual cooperation among internal audits, audit by the members of the Audit and Supervisory Board, and accounting audits

The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's members of the Audit & Supervisory Board on a regular basis, and reports the internal audit results at Nidec companies. If necessary, the Corporate Administrative & Internal Audit Department exchanges opinions and information and conducting onsite audits with the members of the Audit & Supervisory Board. Also, the Company receives reports of audit results from them, exchanges opinions with them and is advised for improvement by them.

③ Status of auditing by the Accounting Auditor

1) Name of Auditor

The Company has an auditing agreement with PricewaterhouseCoopers Kyoto to conduct audits required under the Companies Act and the Financial Instruments and Exchange Act. PricewaterhouseCoopers Kyoto conducts the financial statement audits from a standpoint of an independent third party. The Company receives reports of audit results from them, exchanges opinions with them and is advised for improvement by them.

2) Continuous audit period

35 years

(Note) The above-mentioned period is the result of an investigation based on the time when the Company was listed on the stock because the investigation was extremely difficult, and the continuous audit period may exceed this period.

3) Certificated public accountants who executed audits

Designated and Engagement Partner	Minamoto Nakamura
Designated and Engagement Partner	Tsuyoshi Yamamoto

4) Assistants in auditing operations

Eleven CPAs, six members of the Japanese Institute of Junior Accountants, and seventeen others

5) Reason and assessment for Auditor's selection

The reappointment of the Accounting Auditor is appropriately decided at the Audit & Supervisory Board meeting, after collecting information from the Company's Finance Department, and Accounting Department, Corporate Administrative & Internal Audit Department and the Accounting Auditor. The Audit & Supervisory Board confirmed that the audit system is well established based on the Standard on Quality Control for Audits and response of the audit was suitable.

6) Evaluation contents of the audit corporation of the submitting company conducted by the Audit & Supervisory Board
The Audit & Supervisory Board considers the necessity of reappointment based on the status of quality control of auditor, the independence and expertise of the auditing team, the appropriateness of audit fees, the status of communication with the member of the Audit & Supervisory Board and management, the system of group auditors, and others. If the accounting auditors fall under any of the items of Article 340, Paragraph 1 of the Companies Act in Japan and it is deemed appropriate to dismiss the accounting auditor, the Audit & Supervisory Board shall dismiss the accounting auditor with the consent of all members of the Audit & Supervisory Board. In the event that it is deemed that there has been a cause that hinders the accounting auditors from performing an appropriate audit, the Audit & Supervisory Board shall determine the content of a proposal to be submitted to the general meeting of shareholders for the dismissal or non-reappointment of the accounting auditors. Based on the above, the Audit & Supervisory Board has evaluated that there have been no problems with the execution of the duties of the accounting auditors for the current business year and decided to reappoint them.

④ Audit fee, etc.

1) Details of fees paid to the accounting auditor involved in the audit

Category	For the year ended March 31,			
	2019		2020	
	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)
The Company	269	5	257	4
The Company's consolidated subsidiaries	331	-	346	-
Total	600	5	603	4

(For the fiscal year ended March 31, 2019)

The Company consigns and pays consideration to the accounting auditor for services concerning the preparation of comfort letters, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.

(For the fiscal year ended March 31, 2020)

The Company consigns and pays consideration to the accounting auditor for services concerning the preparation of comfort letters, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.

2)Details of fees paid to the member firms of PricewaterhouseCoopers International Limited, which belong to the same network as the Company’s accounting auditor

Category	For the year ended March 31,			
	2019		2020	
	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)
The Company	5	4	3	3
The Company’s consolidated subsidiaries	939	92	1,076	152
Total	944	96	1,079	155

(For the fiscal year ended March 31, 2019)

Audit fees for non-audit services for the Company and its consolidated subsidiaries include the preparation of comfort letters and tax-related work, etc.

(For the fiscal year ended March 31, 2020)

Audit fees for non-audit services for the Company and its consolidated subsidiaries include tax-related work, etc.

3) Policy for determining the audit fee

In determination of audit fees, factors such as the validity of the auditing plans are verified.

4) Reason for Accepting Audit fee by the member of Audit & Supervisory

The Audit & Supervisory Board has confirmed the simulated figures based on audit plan, audit details, and the number of man-hours required to conduct the audit and the personnel allocation plan to carry out the plan. The relationship between auditing service and audit fee are logical, detailed, and clarity. The Audit & Supervisory Board has approved the audit fee according to the Companies Act of Japan Article 399 Paragraph 1.

(4) Compensation etc, for members of the Board of Directors

① Policy for determination of the amount of compensation, etc., for members of the Board of Directors and method of calculating

1) Matters concerning determination of the amount of compensation, etc., for members of the Board of Directors

The amount of compensation, for members of the Board of Directors is determined based on the Company's performance. The amount of compensation for members of the Board of Directors who are not Audit and Supervisory Committee Members (except for the outside members of the Board of Directors) comprises the "fixed compensation," which is calculated based on the members' job responsibilities, contributions to the Company's performance, etc., and the "performance-linked share-based compensation," which is linked to the Company's short- and mid-term performance. The level of the compensation, etc. is determined based on, among other elements, those of compensations at other Japanese companies in the same industry, while the rate of the share-based compensation is determined after finalizing a certain rate based on the fixed compensation. In addition, the compensation for the outside members of the Board of Directors who are not Audit and Supervisory Committee Members and members of the Board of Directors who are Audit and Supervisory Committee Members is their fixed compensation only.

2) Method of calculating performance-linked share-based compensation

NIDEC adopts a performance-linked share-based compensation plan (the "Plan") for the Company's members of the Board of Directors (excluding outside members of the Board of Directors), Executive Officers and other executives equivalent in rank thereto and for the group companies' members of the Board of Directors (excluding outside members of the Board of Directors) and Executive Officers from the fiscal year ended March 31, 2019. At the 47th Ordinary General Meeting of Shareholders held on June 17, 2020, the Company changed to a company with an Audit and Supervisory Committee. Due to this change, the Company resolved to adopt the Plan for the Members of the Board of Directors (excluding outside directors) who are not Audit and Supervisory Committee Members, Executive officers and other Executives equivalent in rank thereto (collectively, the "Eligible Board Members"). The Plan intend to heighten their motivation to attain performance targets specified in the medium term management plan, in order to achieve "Mid-Term Strategic Goal" medium term management plan and medium, long-term corporate value expansion. The Plan structures the compensation to fluctuate according to the level of achievement of consolidated sales and consolidated operating profit stated in the mid-term business plan. Specifically, the number of units (number of shares) to be awarded under the Plan to the Eligible Board Members for the three fiscal years covered by the Company's medium-term management plan (i.e., the fiscal year ended March 31, 2019, through the fiscal year ending March 31, 2021 (the "Applicable Period"), which constitute the remaining years of the Vision2020 Mid-Term Strategic Goal) will be determined based on the calculation method set forth below. As a general rule, the number of shares to be delivered to the Eligible Board Members at the time of their retirement will equal the cumulative number of units they have been awarded. The number of shares corresponding to this cumulative unit total, 50% (rounded down to the nearest whole trading unit) will, as a general rule, be delivered to the grantee in the form of shares. The remainder of the shares will be sold, with the proceeds from the sale paid to the grantee in cash to ensure adequate liquidity to pay taxes.

The Company also adopts a similar share-based payment plan for certain other executives of the Company (those with a rank of MG3).

i) Eligible Board Members

The Eligible Board Members include "executive officers" as defined in Article 34, Paragraph 1 of the Corporation Tax Act.

ii) Level of total share grants to Eligible Board Members

The maximum total numbers of shares (one unit per Company share) that may be granted to the Eligible Board Members over the Applicable Period (three fiscal years) are specified in the table below. The maximum number of shares that may be granted individually to Eligible Board Members will be calculated by the formula set forth below from iii) onward.

Due to the stock split conducted on April 1, 2020, one unit for every two shares of the Company. The initial target period will be calculated as one unit for every two shares of the Company.

Company	Maximum number of shares
Nidec Corporation	133,800 shares
Nidec Sankyo Corporation	22,200 shares
Nidec Techno Motor Corporation	7,800 shares
Nidec Elesys Corporation	15,000 shares
Nidec Tosok Corporation	11,400 shares
Nidec-Shimpo Corporation	15,000 shares
Nidec Copal Electronics Corporation	11,400 shares
Nidec Copal Corporation	15,600 shares
Nidec Servo Corporation	4,200 shares
Nidec-Read Corporation	18,600 shares
Nidec Mobility Corporation	2,000 shares
Nidec Machinery Corporation	4,200 shares
Nidec Global Service Corporation	7,800 shares

* The Company has executed a stock split on April 1, 2020, the maximum number of shares after the stock split is stated.

* Nidec Mobility Corporation resolved to adopt this Plan at their respective ordinary general meeting of shareholders in June 2020. The maximum number of shares is stated, which is effective from November 2019.

* Nidec Seimitsu Corpoeation has completed the business transfer to Nidec Copal Corporation by May 31, 2019. Therefore, the maximum number of shares of Nidec Copal Corporation is combined with the upper limit of Nidec Seimitsu Corporation.

iii) Calculation method and level of individual grants

The number of units to be awarded to individual Eligible Board Members will be determined individually by the following formula.

Calculation formula

■ The number of base units to be awarded per fiscal year will be determined by the following formula.

• Short-term performance units = share-based compensation by company and rank (*1) ÷ base share price (*2) × 60%

• Medium-term performance units = share-based compensation by company and rank (*1) ÷ base share price (*2) × 40%

* Rounded down to the nearest whole unit

■ Cumulative unit totals for the Applicable Period (three fiscal years) will be tallied by summing the following.

Short-term performance units

- First fiscal year's short-term performance units × short-term performance linkage coefficient (*3)
- Second fiscal year's short-term performance units × short-term performance linkage coefficient (*3)
- Third fiscal year's short-term performance units × short-term performance linkage coefficient (*3)

Medium-term performance units

- (First fiscal year's medium-term performance units + second fiscal year's medium-term performance units + third fiscal year's medium-term performance units) × medium-term performance linkage coefficient (*4)

(*1) Share-based compensation by company and rank

■Nidec Corporation

Share-based compensation by rank (Yen in thousands)							
Chairman	Vice Chairman	President	Executive Vice President	First Senior Vice President	Senior Vice President	Vice President	MG3
10,000	6,000	8,000	5,000	4,000	3,000	2,000	1,500

■Group companies

Company	Share-based compensation by rank (Yen in thousands)			
	Chairman	President	First Senior Vice President	Senior Vice President
Nidec Sankyo Corporation	-	4,000	3,000	2,000
Nidec Techno Motor Corporation	-	3,000	2,000	2,000
Nidec Elesys Corporation	-	3,000	2,000	2,000
Nidec Tosok Corporation	-	3,000	2,000	2,000
Nidec-Shimpo Corporation	-	3,000	2,000	2,000
Nidec Copal Electronics Corporation	3,000	3,000	2,000	2,000
Nidec Copal Corporation	-	3,000	2,000	2,000
Nidec Servo Corporation	-	3,000	2,000	2,000
Nidec-Read Corporation	3,000	3,000	2,000	2,000
Nidec Mobility Corporation	-	4,000	3,000	2,000
Nidec Machinery Corporation	-	2,000	-	-
Nidec Global Service Corporation	-	2,000	-	-

* The number of units to be awarded are determined based on rank as of March 31 of every year.

* The above tables will also apply to individuals who are appointed as members of the Board of Directors in the next fiscal year or later.

* The amount of share-based compensation applicable to individuals appointed as an executive officer of NIDEC while on secondment at that company will be the amount based on their rank at the company from which they are seconded.

(*2) Base share price

The base share price is ¥16,946.8896, which is the average per-share acquisition price (rounded off to the fourth decimal place) of the Company shares held in the trust used by the Plan. The acquisition of the Company shares took place in July 2019.

(*3) Short-term performance linkage coefficient

Metrics, values and weightings to be used to link short-term performance units to performance

Metric to be used	Value to be used	Weighting	FY2019	
			Target	Result
Consolidated net sales	Forecast (quantified in millions of yen) for the given fiscal year in the Company's financial results released in April or May of that fiscal year	50%	¥1.650 trillion	¥1.534 trillion
Consolidated operating profit	Same as above	50%	¥175 billion	¥110 billion

Performance linkage coefficient to be used to link short-term performance units to performance

Target's degree of attainment	Performance linkage coefficient
120% or more	200%
115% to less than 120%	175%
110% to less than 115%	150%
105% to less than 110%	125%
100% to less than 105%	100%
90% to less than 100%	50%
Less than 90%	0%

(*4) Method of linking medium-term performance units to performance

Metrics, values and weightings to be used to link medium-term performance units to performance

Metric to be used	Value to be used	Weighting	FY2020	
			Target	Result
Consolidated net sales	Medium-term management plan target (quantified in millions of yen) disclosed at the beginning of said plan's term	50%	¥2 trillion	-
Consolidated operating profit	Same as above	50%	¥300 billion	-

Performance linkage coefficient to be used to link medium-term performance units to performance

Target's degree of attainment	Performance linkage coefficient
120% or more	200%
115% to less than 120%	175%
110% to less than 115%	150%
105% to less than 110%	125%
100% to less than 105%	100%
90% to less than 100%	50%
Less than 90%	0%

iv) Other

In the event of the retirement or overseas reassignment (the "Departure") of any of the Eligible Board Members during the Applicable Period, the number of shares and cash proceeds from the sale of shares (*5) to which he or she would be entitled will be based on his or her cumulative unit total at the time of his or her Departure.

In such cases, cumulative unit totals will be tallied by summing the applicable values below. If the Departure occurs at any time other than the end of a fiscal year, units for the fiscal year during which the Departure occurred will be adjusted according to his or her tenure.

If the Departure occurs after one fiscal year has elapsed:

- First fiscal year's short-term performance units × short-term performance linkage coefficient
- First fiscal year's medium-term performance units × short-term performance linkage coefficient

If the Departure occurs after two fiscal years have elapsed:

- First fiscal year's short-term performance units × short-term performance linkage coefficient
- First fiscal year's medium-term performance units × short-term performance linkage coefficient
- Second fiscal year's short-term performance units × short-term performance linkage coefficient
- Second fiscal year's medium-term performance units × short-term performance linkage coefficient

(*5) If any of the Eligible Board Members is reassigned overseas, the number of shares corresponding to his or her cumulative units total will be sold and the cash proceeds from the sale will be paid to him or her. If any of the Eligible Board Members dies during the Applicable Period, the number of shares corresponding to his or her cumulative unit total will be sold and the cash proceeds from the sale will be paid to his or her heir(s).

3) Process to determine the amount of compensation, etc., for members of the Board of Directors

The amount of compensation, etc., for members of the Board of Directors is, as shown below, within the range of the amount approved at the General Meeting of Shareholders. The fixed compensation of members of the Board of Directors who are not Audit and Supervisory Committee Members is calculated by the Company's Human Resources Department and deliberated at a meeting that comprises, among others, President and members of the Board of Directors and Vice Presidents of the Company, after entrusted by the Board of Directors, Representative Director and Chairman resolves. The amount of the fixed compensation for members of the Board of Directors who are Audit and Supervisory Committee Members is determined via deliberation at the meeting of the Audit and Supervisory Committee. The amount of the share-based compensation is determined at the meeting of the Board of Directors, attended by outside and other members of the Board of Directors.

Date of the General Meeting of Shareholders resolved the amount of compensation, etc., for members of the Board of Directors, and the details of the resolution

i) Members of the Board of Directors who are not Audit and Supervisory Committee Members, etc.

Type of compensation	Date of resolution	Recipient	Upper limit	Number of those in attendance at the time of the resolution
Fixed	June 17, 2020	Members of the Board of Directors who are not Audit and Supervisory Committee Members	¥1,000 million per year (including ¥100 million per year for outside members of the Board of Directors)	4
Share-based	June 17, 2020	Members of the Board of Directors who are not Audit and Supervisory Committee Members(excluding outside members of the Board of Directors), Vice Presidents, and those of equal positions	Amount that results after multiplying ¥370 million with the number of years of the period (The upper limit of the three fiscal years, which are the initial period, is ¥1,110 million.) Number of shares that results after multiplying 44,600 shares with the number of years of the period (The upper limit of the three fiscal years, which are the initial period, is 133,800 shares)*	Members of the Board of Directors: 2 Vice Presidents, etc.: 28

*Based on the resolution of the Board of Directors held on February 8, 2020, one common share of the Company was split into two shares as of April 1, 2020. As a result, the number of shares after the share split of the Company is stated.

ii) Members of the Board of Directors who are Audit and Supervisory Committee Members

Type of compensation	Date of resolution	Recipient	Upper limit	Number of those in attendance at the time of the resolution
Fixed	June 17, 2020	Members of the Board of Directors who are Audit and Supervisory Committee Members	¥100 million per year	5

② The total amount of compensation, etc., by officer category, the total amount of compensation, etc., by type, and the number of persons are as follows:

Category	Total amount of compensation, etc. (Yen in millions)	Total amount of compensation, etc. by type (Yen in millions)			Number of persons
		Fixed compensation	Performance -linked share-based compensation	Retirement benefits	
Members of the Board of Directors (excluding outside members of the Board of Directors)	253	231	22	-	6
Members of the Audit & Supervisory Board (excluding outside members of the Audit & Supervisory Board)	36	36	-	-	2
Outside members of the Board of Directors and outside members of the Audit & Supervisory Board	32	32	-	-	6

(Note) The above includes information regarding one outside members of the Audit & Supervisory Board who retired during the fiscal year 2019.

③ Total amount of consolidated compensation, etc. for members of the Board of Directors

No one is listed because none of the members was awarded compensation, etc. of ¥100 million or more in total.

(5) Status of shares held

① Framework and way of thinking for category about investment shares

We specify the separation about shares for investment held for any purpose pure investment or other than pure investment as follows.

(Purpose for pure investment)

Shares for investment held for any purpose to gain the benefits by occurring capital gain from stock price fluctuations and receiving dividend income solely

(Purpose other than pure investment)

Shares for investment held for any purpose other than pure investment out of investment securities recorded on the balance sheet

② Shares for investment held for any purpose other than pure investment

1) Our way to assess holding policy and economic rationality, contents that were assessed share holding appropriateness about each share at Board of Directors meeting

Basic policy for cross-share holding

NIDEC holds shares in the companies that NIDEC has relationships with in terms of trading and cooperation in its business or other areas when it judges the shareholding contributes to the company's corporate value expansion through stabilizing its business for a mid to-long-term perspectives by maintaining and strengthening the relationship with them. NIDEC assesses its cross-held shares individually at the Board of Directors every year on not only qualitative aspect such as purposes of the shareholding, but also, on quantitative aspect such as benefits that can be brought through the shareholding from the perspective of economic rationality. According to the results of the assessment, NIDEC intends to reduce the number of shares held if the cross-held shares would make insignificant benefits.

2) Number of shares for investment held for any purpose other than pure investment and total carrying value

	Number of issuer	Total carrying value (Yen in millions)
Unlisted shares	7	1,060
Other than unlisted shares	14	8,352

(Issuers of increased shares within current fiscal year)

	Number of issuer	Total acquisition cost of increased shares (Yen in millions)	Reasons for increase in number of shares held
Unlisted shares	-	-	-
Other than unlisted shares	-	-	-

(Issuers of decreased shares within current fiscal year)

	Number of issuer	Total selling value of decreased shares (Yen in millions)
Unlisted shares	1	26
Other than unlisted shares	2	212

3) Holding classification, issuer, number of shares held, carrying value, and purposes for ownership of the shares for investment held for any purpose other than pure investment

Issuer	Current fiscal year	Previous fiscal year	Purposes and quantitative effects for ownership, reasons for increase in number of shares held	Owned by another company (Yes/No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
Brother Industries, Ltd.	1,120,300	1,120,300	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,853	2,294	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
ROHM Co., Ltd.	228,600	228,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,356	1,577	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
KYOCERA Corporation	175,600	175,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,125	1,141	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
The Shiga bank, Ltd.	318,488	318,488	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	818	840	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
NICHICON Corporation	1,184,600	1,184,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	801	1,200	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
The Bank of Kyoto, Ltd.	205,656	205,656	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	707	952	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

Issuer	Current fiscal year	Previous fiscal year	Purposes and quantitative effects for ownership, reasons for increase in number of shares held	Owned by another company (Yes/No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
HORIBA, Ltd.	124,500	124,500	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	670	766	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Mitsubishi UFJ Financial Group, Inc.	1,251,129	1,251,129	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	504	688	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
SCREEN Holdings Co., Ltd.	57,600	57,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	230	257	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
The Hachijuni Bank, Ltd.	256,439	256,439	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	100	118	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Sumitomo Mitsui Financial Group, Inc.	31,483	31,483	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	83	122	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
The Fukui Bank, Ltd.	42,100	42,100	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	64	71	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

Issuer	Current fiscal year	Previous fiscal year	Purposes and quantitative effects for ownership, reasons for increase in number of shares held	Owned by another company (Yes/No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
Nissha Printing Co., Ltd.	56,300	56,300	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	40	66	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
NAGANO KEIKI Co., Ltd.	665	665	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1	1	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Dai-ichi Life Holdings, Inc.	-	17,400	As a result of verifying the qualitative and quantitative aspects, economic rationality about benefits from shareholding was not recognized, so its share was sold during this fiscal year.	Yes
	-	27		
Mizuho Financial Group, Inc.	-	1,064,124	As a result of verifying the qualitative and quantitative aspects, economic rationality about benefits from shareholding was not recognized, so its share was sold during this fiscal year.	No
	-	182		

V. Consolidated Financial Statements and Other Information

1. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Yen in millions)

		As of March 31,	
	Note	2019	2020
Assets			
Current assets			
Cash and cash equivalents	8	242,267	206,986
Trade and other receivables	10	371,134	394,192
Other financial assets	34	695	913
Income tax receivables		12,173	12,885
Inventories	11	255,732	278,185
Other current assets	12	37,547	40,450
Total current assets		919,548	933,611
Non-current assets			
Property, plant and equipment	13	520,509	633,028
Goodwill	14	250,940	356,273
Intangible assets	14	143,552	139,317
Investments accounted for using the equity method	36	2,785	3,294
Other investments	15, 34	18,444	14,479
Other financial assets	34	6,514	6,888
Deferred tax assets	24	11,968	16,878
Other non-current assets	16	9,748	10,277
Total non-current assets		964,460	1,180,434
Total assets		1,884,008	2,114,045

(Yen in millions)

	Note	As of March 31,	
		2019	2020
Liabilities			
Current liabilities			
Short term borrowings	20, 21, 34	17,394	116,954
Long term debt due within one year	20, 21, 34	95,339	111,994
Trade and other payables	17	310,644	345,193
Other financial liabilities	18, 34	2,148	9,109
Income tax payables		17,133	18,726
Provisions	25	28,514	30,346
Other current liabilities	19	62,521	64,628
Total current liabilities		533,693	696,950
Non-current liabilities			
Long term debt	20, 21, 34	260,028	371,370
Other financial liabilities	34	1,887	4,085
Retirement benefit liabilities	22	28,886	30,701
Provisions	25	903	942
Deferred tax liabilities	24	36,776	35,374
Other non-current liabilities		2,206	4,633
Total non-current liabilities		330,686	447,105
Total liabilities		864,379	1,144,055
Equity			
Common stock	27	87,784	87,784
Additional paid-in capital	27	118,314	114,754
Retained earnings		900,768	926,029
Other components of equity	23, 27	(64,775)	(115,114)
Treasury stock		(45,296)	(63,750)
Total equity attributable to owners of the parent		996,795	949,703
Non-controlling interests		22,834	20,287
Total equity		1,019,629	969,990
Total liabilities and equity		1,884,008	2,114,045

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

Consolidated Statements of Income

(Yen in millions)

	Note	For the years ended March 31,	
		2019	2020
Continuing operations			
Net Sales	5, 29	1,475,436	1,534,800
Cost of sales	30	(1,139,694)	(1,200,873)
Gross profit		335,742	333,927
Selling, general and administrative expenses	30	(143,697)	(144,971)
Research and development expenses	30	(62,823)	(78,630)
Operating profit	5	129,222	110,326
Financial income	31	10,557	9,424
Financial expenses	31	(8,720)	(9,300)
Derivative gain (loss)	33	352	(1,644)
Foreign exchange differences		(948)	(214)
Share of net profit (loss) from associate accounting using the equity method	36	(633)	(1,665)
Profit before income taxes		129,830	106,927
Income tax expenses	24	(25,771)	(29,919)
Profit for the year from continuing operations		104,059	77,008
Discontinued operations			
Profit (loss) for the year from discontinued operations	6	6,574	(15,707)
Profit for the year		110,633	61,301
Profit for the year attributable to:			
Owners of the parent		109,960	60,084
Non-controlling interests		673	1,217
Profit for the year		110,633	61,301
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		175.34	128.83
Discontinued operations		11.15	(26.70)
Total		186.49	102.13

Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the years ended March 31,	
		2019	2020
Profit for the year		110,633	61,301
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(1,085)	(944)
Fair value movements on FVTOCI equity financial assets		(2,540)	(1,939)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		12,468	(46,915)
Effective portion of net changes in fair value of cash flow hedges		(584)	(4,810)
Fair value movements on FVTOCI debt financial assets		7	1
Total other comprehensive income for the year, net of taxation	23	8,266	(54,607)
Comprehensive income for the year		118,899	6,694
Comprehensive income for the year attributable to:			
Owners of the parent		118,441	6,854
Non-controlling interests		458	(160)
Comprehensive income for the year		118,899	6,694

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 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, 2018		87,784	118,136	822,589	(76,857)	(19,151)	932,501	9,890	942,391
Changes in accounting policies				199			199		199
Balance after restatement		87,784	118,136	822,788	(76,857)	(19,151)	932,700	9,890	942,590
Comprehensive income									
Profit for the year				109,960			109,960	673	110,633
Other comprehensive income	23				8,481		8,481	(215)	8,266
Total comprehensive income							118,441	458	118,899
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(26,145)	(26,145)	-	(26,145)
Dividends paid to the owners of the parent	28			(29,513)			(29,513)	-	(29,513)
Dividends paid to non-controlling interests							-	(93)	(93)
Share-based payment transactions			164				164	-	164
Transfer to retained earnings				(3,600)	3,600		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries							-	12,615	12,615
Other			14	1,133	1		1,148	(36)	1,112
Balance at March 31, 2019		87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629

For the year ended March 31, 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, 2019		87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629
Changes in accounting policies	2			(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 year				60,084			60,084	1,217	61,301
Other comprehensive income	23				(53,230)		(53,230)	(1,377)	(54,607)
Total comprehensive income							6,854	(160)	6,694
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(18,458)	(18,458)	-	(18,458)
Dividends paid to the owners of the parent	28			(32,372)			(32,372)	-	(32,372)
Dividends paid to non-controlling interests							-	(759)	(759)
Share-based payment transactions			132				132	-	132
Transfer to retained earnings				(2,891)	2,891		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(3,698)				(3,698)	(1,771)	(5,469)
Other			6	847		4	857	143	1,000
Balance at March 31, 2020		87,784	114,754	926,029	(115,114)	(63,750)	949,703	20,287	969,990

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	For the years ended March 31,	
Note	2019	2020
Cash flows from operating activities:		
Profit for the year from continuing operations	104,059	77,008
Profit (loss) for the year from discontinued operations	6,574	(15,707)
Profit for the year	110,633	61,301
Adjustments to reconcile profit for the year to net cash provided by operating activities		
Depreciation	59,115	73,672
Amortization	11,901	13,184
Net (profit) loss from sales and loss from disposal and impairment of property, plant and equipment	1,498	1,269
Loss from sales of discontinued operations	-	14,167
Financial income	(1,942)	(404)
Share of net (profit) loss from associate accounting using the equity method	633	1,665
Deferred income taxes	(1,356)	3,676
Current income taxes	28,493	27,850
Foreign currency adjustments	7,007	4,359
Increase (decrease) in retirement benefit liability	4,457	881
Decrease (increase) in accounts receivable	33,280	25,005
Decrease (increase) in inventories	(12,922)	2,993
Increase (decrease) in accounts payable	(27,391)	(24,111)
Other, net	(11,944)	(10,361)
Interests and dividends received	10,378	9,294
Interests paid	(8,046)	(9,056)
Income taxes paid	(33,561)	(27,335)
Net cash provided by operating activities	170,233	168,049

(Yen in millions)

		For the years ended March 31,	
	Note	2019	2020
Cash flows from investing activities:			
Additions to property, plant and equipment		(120,555)	(132,926)
Proceeds from sales of property, plant and equipment		2,961	4,428
Additions to intangible assets		(10,894)	(10,612)
Proceeds from sales of discontinued operations		-	5,065
Acquisitions of business, net of cash acquired		(27,675)	(174,947)
Other, net		(4,681)	(2,521)
Net cash used in investing activities		(160,844)	(311,513)
Cash flows from financing activities:			
	9		
Increase (decrease) in short term borrowings		14,022	88,415
Proceeds from issuance of long term debt		37	68
Repayments of long term debt		(30,456)	(37,367)
Proceeds from issuance of bonds		39,642	200,000
Redemption of bonds		-	(65,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(43)	(7,147)
Purchase of treasury stock		(26,145)	(18,458)
Dividends paid to the owners of the parent		(29,513)	(32,372)
Other, net		(227)	407
Net cash (used in) provided by financing activities		(32,683)	128,546
Effect of exchange rate changes on cash and cash equivalents		(386)	(20,363)
Net decrease in cash and cash equivalents		(23,680)	(35,281)
Cash and cash equivalents at beginning of year		265,947	242,267
Cash and cash equivalents at end of year	8	242,267	206,986

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, 2020 and for the fiscal year then ended consist of the Company and its consolidated subsidiaries ("NIDEC") and interests in associates of NIDEC. See "I. Overview of the Company, 4. Information on Affiliates" for a structure of group companies.

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 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 the Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976), as the Company meets the criteria of a "Designated IFRS Specified Company" defined in Article 1-2 of the Regulations.

(2) Basis of measurement

As stated in "Note 3. Significant accounting policies", the consolidated financial statements have been prepared on a historical cost basis, except for retirement-defined benefit plan assets, 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.

(4) Change in presentation

Profit or loss from business classified as discontinued operations are presented on the consolidated statements of income, net of income tax expense, separately from the profit from continuing operations. Regarding business classified as discontinued operations, reclassification was made on the consolidated statements of income and consolidated statements of cash flows for the year ended March 31, 2019. Cash flows from operating activities, investing activities and financial activities are presented in the total amount of continuing operations and discontinued operations cash flows in the consolidated statements of cash flows.

In addition, "Payments for acquisition of interests in subsidiaries from non-controlling interests" included on the "Other, net" line of "Cash flows from financing activities" on the consolidated statements of cash flows in the same period of the prior year, are presented as a separate line item in this year because their quantitative materiality increased. Consolidated financial statements for the year ended March 31, 2019 contained herein have been reclassified to reflect this change in presentation. As a result, the (¥270) million reported as "Cash flows from financing activities" on the "Other, net" line of the same period of the prior year's consolidated statements of cash flows have been reclassified herein with (¥43) million on the "Payments for acquisition of interests in subsidiaries from non-controlling interests" line and (¥227) million on the "Other, net" line.

(5) Changes in accounting policies

(Leases)

IFRS		Summary of new standard and amendment
IFRS 16	Leases	Revised accounting standard for leases

Starting with April 1st, 2019 NIDEC adopted IFRS16 “Leases”.

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration. If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the consolidated financial statements at the inception date. In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. Lease liabilities are initially measured at the present value of the unsettled lease payments at the inception of the lease. The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period.

Leases with a lease term of 12 months or less and low-value leases are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

In applying IFRS 16, NIDEC has adopted a method whereby cumulative effects that are allowed as transitional measures are recognized as an adjustment to the opening balance of retained earnings at the date of the initial application. NIDEC has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date NIDEC relied on its assessment made applying IAS 17 “Leases” and IFRIC 4 “Determining whether an Arrangement contains a Lease”. After the effective date, NIDEC determines whether leases are contained in contracts in accordance with IFRS 16. The weighted-average incremental borrowing rate for the lessee is 3.05% which is applied to the lease liabilities recognized in the consolidated statement of financial position as of the effective date.

In applying IFRS 16 for the first time, Nidec has used the following practical expedients permitted by the standard:

- *Apply a single discount rate to a portfolio of leases with reasonably similar characteristics
- *Apply a recognition exemption for leases for which the lease term ends within 12 months
- *Exclude initial direct costs from the measurement of the right-of-use assets at the date of initial application

As a result of the adoption of IFRS 16, assets and liabilities increased by ¥25,211 million and ¥25,618 million, respectively.

In the consolidated statement of financial position, assets are presented in property, plant and equipment or intangible assets, and liabilities are presented in long-term debt due within one year or long term debt. There was immaterial effect on operating profit and its earnings.

The following is a reconciliation of the lease liabilities recognized in the consolidated statement of financial position as of the effective date and the non-cancelable operating lease agreement disclosed by applying IAS 17 at the end of the previous consolidated fiscal year.

(Yen in millions)

Non-cancelable operating lease agreements (March 31, 2019)	10,778
Finance lease liabilities recognized at the end of the previous fiscal year	1,120
Short-term leases and leases of low-value asset that were not included in the measurement of lease liabilities	(3,496)
Cancelable operating lease contracts, etc.	17,216
The amount of lease liabilities recognized in the consolidated statement of financial position as of the effective date	25,618

(Uncertainty over income tax treatments)

From the year ended March 31, 2020, NIDEC adopted IFRIC 23 "Uncertainty over income tax treatments". As a result of this change, ¥3,699 million reported as "Provisions" on Non-current liabilities has been reclassified on the "Income tax payables" on current liabilities in the Consolidated Statement of Financial Position for the year ended March 31, 2019.

(6) Issued IFRS standards and interpretations not yet adopted by NIDEC

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March, 2020 reporting periods and have not been early adopted by NIDEC. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Significant accounting policies

Significant accounting policies apply to all periods mentioned in the consolidated financial statements.

(1) Basis of consolidation

The consolidated financial statements include financial statements of NIDEC and investments in associates.

(i) Subsidiaries

Subsidiaries are all entities over which NIDEC has the control. NIDEC controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Financial statements of subsidiaries are included in the consolidated financial statements from the date when NIDEC gets control to the date when NIDEC loses control of it.

The financial statements of the subsidiaries may be adjusted where accounting policies are different to those of NIDEC.

Inter-company receivables and payables, transactions, and unrealized gains and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

There may be additional purchase and/or partial sale of shares of the subsidiaries by NIDEC. Changes in NIDEC's ownership interests in subsidiaries that do not result in a loss of control are reported as equity transactions. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is directly recognized in equity and attributable to the owners of the parent. When losing control, any gain or loss associated with the loss of control is recognized as net profit or loss.

(ii) Non-controlling interests

Non-controlling interests of consolidated subsidiaries are presented separately from the equity of the owners of the parent.

Non-controlling interests consist of those interests on the date of the initial business combination and changes of the non-controlling interests from the date of the combination. Comprehensive income is allocated to the controlling and non-controlling interests, even when the allocation results in negative non-controlling interests.

(iii) Associates

Associates are all entities over which NIDEC has the ability to exercise significant influence on their financial and operating policies but does not have control.

Associates are accounted for using the equity method from the date when NIDEC acquires significant influence to the date when NIDEC loses it. The investments in associates include goodwill recognized upon acquisition.

(2) Business combinations

Business combinations are accounted for on the date when NIDEC acquires controls over the businesses according to the acquisition method. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the aggregate of the consideration transferred, acquiree's non-controlling interest, and, in a business combination achieved in stages, the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of NIDEC's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of income as a gain on bargain purchase.

Non-controlling interests are presented separately from the equity of the owners of the parent. The non-controlling interest can be measured using either of the following methods:

- 1) Measuring a non-controlling interest at its fair value.
- 2) Measuring the non-controlling interest's proportional share of the net value of the identifiable assets acquired and the liabilities assumed.

This policy choice is made for each business combination.

NIDEC uses provisional amounts in its consolidated financial statements if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. NIDEC retrospectively adjusts the provisional amounts during the measurement period, which shall not exceed one year from the acquisition date.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid / received is not recognized as goodwill or gains and losses but recognized in additional paid-in capital.

(3) Foreign currency translation

(i) Functional currency

Each entity in NIDEC group determines its own functional currencies and transactions of each entity are measured in its own functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or an exchange rate which approximates the prevailing rates. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using closing rates are recognized in the consolidated statements of income, except for those deferred in equity as effective cash flow hedges.

(iii) Foreign operations

With regard to the financial statements of foreign subsidiaries and associates, assets and liabilities are translated into Japanese yen by using the exchange rates prevailing at the closing date. Income and expenses are translated into Japanese yen at the average exchange rates prevailing during the fiscal period. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. When NIDEC disposes a foreign operation and loses control or significant influence of the foreign operation, the cumulative exchange differences related to the operation are recognized in the consolidated statements of income as part of the gain or loss on disposal.

(4) Cash and cash equivalents

Cash and cash equivalents are cash, deposits readily withdrawn as needed and highly liquid investments which have original maturities within three months from the acquisition date that are convertible to cash of the presented amount and are subject to an insignificant risk of changes in value caused by interest rate fluctuation due to short maturity. NIDEC participates in an arrangement with a single financial institution to carry out notional pooling between group companies including foreign subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution up to our aggregate cash deposits within the same financial institution. This arrangement represents a single unit of account for accounting purposes.

(5) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the average cost basis. Cost of projects in progress, which mainly relate to production of factory automation equipment based on contracts with customers, are determined by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable completion cost and selling expense.

(6) Property, plant and equipment

Property, plant and equipment are measured by using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of items of property, plant and equipment includes costs directly attributable to the acquisition, the initial estimate of costs of dismantling and removing the items and restoring the site on which they are located, and the borrowing cost that meets the criteria for capitalization.

Costs incurred after initial recognition are recognized as an asset, either by including the amount in the carrying amount of the acquired asset or recognizing the amount as a separate asset, only when it is probable that future economic benefits associated with the costs will flow to NIDEC and the amount can be reliably measured. All other costs of repairs and maintenance are charged to the income statement during the fiscal year in which they are incurred.

The depreciable amounts of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each asset. The depreciable amount of an asset is determined by deducting its residual value from its cost.

The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings	3–50 years
Machinery and equipment	2–15 years

The estimated useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

(7) Goodwill and intangible assets

(i) Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortized, but allocated to cash-generating units, based on the allocation of expected benefits from business combination, and tested for impairment annually or whenever there is an indication of impairment. Impairment losses of goodwill are recognized on the consolidated statements of income and cannot be reversed.

Initial measurement policies of goodwill are stated in "(2) Business combinations".

(ii) Intangible assets

Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Intangible assets acquired separately are measured at cost upon initial recognition, and those acquired by business combination are recognized separately from goodwill at fair value at acquisition date if these intangible assets meet the definition of intangible assets, are identifiable, and are able to be measured reliably at fair value.

Research expenditure, which is defined as investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized as an expense as incurred.

Costs incurred on development projects are recognized as intangible assets when the following conditions are met: the costs incurred can be measured reliably, the assets are technologically feasible to be industrialized, the assets are estimated to provide economic benefit to NIDEC, and NIDEC has intention and ample resources to complete the development and utilize and/or commercialize the assets. Other development expenditure is recognized as an expense as incurred.

Intangible assets that have a definite useful life are mainly amortized by a straight-line method based on estimated useful lives. These estimated useful lives of major intangible assets are described below.

Customer relationships	5 – 30 years
Proprietary technology	9 – 20 years
Software	2 – 10 years
Capitalized development costs	2 – 11 years

The useful lives and amortization method of intangible assets with finite useful lives are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

For intangible assets with finite useful life, an impairment test is carried out when there is an indication that the unit may be impaired. Intangible assets with indefinite useful life or which are not available for use are not amortized, and impairment test is carried out on an annual basis (January 1) or at time when there is an indication that the unit may be impaired, or situation is changed.

(8) Leases

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration. If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the consolidated financial statements at the inception date.

In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss and adjusted for any remeasurement for the lease liability. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. When NIDEC as the lessee is reasonably certain to exercise a purchase option, NIDEC shall depreciate the right-of-use asset over the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the inception date and discounted using the interest rate implicit in the lease (if that rate can be readily determined) or NIDEC's incremental borrowing rate.

The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period. Leases with a lease term of 12 months or less and low-value leases are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

(9) Government grants

Government grants are recognized at fair value if there is reasonable assurance that NIDEC will comply with the conditions associated with the grants and they will be received.

When government grants are related to expense items, they are deducted from the related costs. Government grants related to assets are deducted from the cost of the assets.

(10) Impairment of non-financial assets

At the end of each reporting period, NIDEC assesses each of its assets to see whether there is an indication that it may be impaired. If there is an indication that an asset may be impaired or an annual impairment test is required, then the asset's recoverable amount is estimated. For goodwill, intangible assets having indefinite useful life, and intangible assets not yet available for use, an impairment test is carried out annually or whenever there is an indication of impairment.

When it is not possible to estimate the recoverable amount of an individual asset, NIDEC estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or the cash-generating unit is reduced to its recoverable amount, and the reduction is recognized as an impairment loss.

In measuring the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

NIDEC assesses whether there is any indication that an impairment loss recognized in previous years for all non-financial assets other than goodwill may no longer exist or may have decreased in such case that there are any changes in assumptions used for the determination of the recoverable amount. If such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated. If the recoverable amount of the asset or the cash-generating unit is greater than its carrying amount, a reversal of an impairment loss is recognized, to the extent the increased carrying amount does not exceed the lower of the recoverable amount and the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in previous years.

(11) Financial instruments

(i) Initial recognition

Financial assets are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date). Trade and other receivables are initially recognized on the date such receivables arise. Financial liabilities such as debt instruments issued by NIDEC are recognized at issuance date, and other financial liabilities are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date).

Financial assets and liabilities are measured at fair value at initial recognition. Transaction cost directly attributable to the acquisition of financial assets and issuance of financial liabilities is added to financial assets' fair value or subtracted from financial liabilities' fair value at initial recognition except for those measured at fair value through profit or loss (FVTPL financial assets and FVTPL financial liabilities). NIDEC does not possess any non-derivative FVTPL financial liabilities as of the end of this period. Transaction costs that are directly attributable to the acquisition of FVTPL financial assets are recognized in net profit or loss.

(ii) Non-derivative financial assets

NIDEC classifies non-derivative financial assets upon initial recognition as either financial assets measured at amortized costs, financial assets measured at fair value through other comprehensive income (FVTOCI financial assets) or FVTPL financial assets.

Financial assets measured at amortized costs

Financial assets are subsequently measured by amortized costs if both of the following conditions are met:

- Financial assets are held in a business model with the objective to collect contractual cash flows.
- Contractual cash flows represent solely payments of principal and interest on the principal amount outstanding on specified dates.

Financial assets measured at amortized cost are initially measured at fair value (including direct transaction costs). The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method. Interest accrued on financial assets measured at amortized cost is included in financial income in the consolidated statement of income.

FVTOCI financial assets

(a) FVTOCI debt financial assets

Financial assets are classified as FVTOCI debt financial assets if both of the following conditions are met:

- It is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A change in fair value of FVTOCI debt financial assets except for impairment gain or loss and foreign exchange gain or loss is recognized as other comprehensive income until derecognition. Upon derecognition the cumulative gain or loss previously recognized in other comprehensive income is reclassified to net profit or loss.

(b) FVTOCI equity financial assets

Upon initial recognition, NIDEC may make an irrevocable election to present changes in the fair value of an investment in equity financial assets that is not held for trading as other comprehensive income.

FVTOCI equity financial assets are measured at fair value after initial recognition, and its change in fair value is recognized as other comprehensive income, which is immediately transferred directly to retained earnings from other components of equity. It does not flow through net profit or loss. However, dividends from such investments are recognized in net profit or loss as part of financial income.

FVTPL financial assets

Financial assets that do not qualify as financial assets measured at amortized costs are classified as FVTPL financial assets except for those that are qualified or designated as FVTOCI financial assets. All equity investments are to be classified as FVTPL financial assets and subsequently measured at fair value, with value changes recognized in net profit or loss, except for those equity investments for which NIDEC has made an irrevocable election to present value changes in other comprehensive income upon initial recognition.

(iii) Impairment of financial assets measured at amortized costs

For financial assets measured at amortized costs, expected credit loss allowance against expected credit loss is estimated and recognized at each reporting date.

When the credit risk of the financial instrument has increased significantly since initial recognition until the reporting date, expected credit loss allowance against the financial instrument is measured at the same amount as full lifetime expected credit losses after all reasonable and supportable information available including forecasts is considered. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse change in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant increases in credit risk on other financial instruments of the same borrower

Otherwise, expected credit loss allowance against the financial instrument is measured at the amount equivalent to the 12-month expected credit losses.

However, with respect to trade receivables, notwithstanding the aforementioned, expected credit loss allowance is always measured at an amount equal to full lifetime expected credit losses.

The amount of expected credit losses and reversal of them is recognized as impairment losses and reversal of impairment losses in net profit or loss.

(iv) Derecognition of non-derivative financial assets

Non-derivative financial assets are derecognized when the contractual rights to receive cash flows from the financial assets expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred. Any rights and obligations created or retained in the transfer are recognized as separate assets and liabilities.

(v) Derecognition and subsequent measurement of non-derivative financial liabilities

After initial recognition, non-derivative financial liabilities, including trade and other payables and other financial liabilities, are subsequently measured at amortized cost using the effective interest method. Interest accrued on these financial liabilities is included in financial expenses in the consolidated statement of income.

The financial liabilities are derecognized when the obligations are fulfilled or when liabilities are discharged, cancelled, or expired.

(vi) Derivatives and hedge accounting

NIDEC is engaged in derivative transactions and mainly uses foreign exchange forward contracts, interest rate swap agreements, currency swap agreements, and commodity futures contracts to manage its exposure to risks from changes in foreign exchange rates, interest rates, and commodity prices. NIDEC does not hold derivative financial instruments for trading purpose.

Derivatives are initially recognized at fair value with transaction costs recognized in net profit or loss as incurred, and then subsequently measured at fair value with changes in fair value generally recognized in net profit or loss unless hedge accounting is applied where changes in cash flows from the hedging instrument can offset changes in cash flows from the hedged item to an extent that an objective assessment that the hedging relationship meets the hedge effectiveness requirements can be made.

At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship between the hedging instruments and the hedged items, NIDEC's risk management objective, strategy for undertaking the hedge, methods for assessing whether a hedging relationship meets the hedge effectiveness requirements and methods for measuring hedge effectiveness and hedge ineffectiveness. NIDEC judges that the hedge is effective if all of the following requirements are met:

- there is an economic relationship between the hedged item and the hedging instruments;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

NIDEC also formally assesses, both at and after the hedge's inception, whether the derivatives used in hedging transactions are effective in offsetting changes in cash flows of the hedged items. When it is determined that the hedge is not effective or that it has ceased to be effective, NIDEC discontinues hedge accounting prospectively.

Cash flow hedge is accounted for as follows:

When derivative instruments are designated as hedging instruments to offset against the change in cash flows arising from the specific risk that relates to recognized assets or liabilities or highly probable forecast transactions that could affect profit or loss, the effective portion of changes in fair value of derivatives is recognized as cash flow hedges in other components of equity. The ineffective portion of changes in fair value of hedging derivative instruments is recognized in net profit or loss.

The balance of cash flow hedges in other comprehensive income in the consolidated statements of comprehensive income is reclassified to the same accounting item as hedging instrument in the statements of income in the same period or periods during which the hedged expected future cash flows affect profit for the year. However, when the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventories, property, plant and equipment, etc.) or a liability, the gains and losses previously deferred in equity are transferred from equity and included directly in the initial cost or other carrying amount of the asset or liability.

If the transactions do not meet the criteria of hedge accounting, or if the hedging instruments expire, or are sold, terminated or exercised, or if the designations have been revoked, the application of hedge accounting shall be prospectively terminated. When a cash flow hedge is discontinued, the balance of cash flow hedges already recognized in other comprehensive income remain in the same account until forecast transaction impacts profit for the year. If it is probable that the forecast transaction will not occur, the balance of cash flow hedge is transferred into net profit or loss immediately.

(12) Income taxes

Current tax

Income tax expenses are comprised of current and deferred taxes, and recognized in net profit or loss, except for those recognized in other comprehensive income or directly in equity.

Income tax payables and income tax receivables at the end of the reporting period are calculated at the amount expected to be paid to or recovered from the taxation authority. Tax rates and tax laws used to calculate tax amounts have been enacted or substantively enacted up to the end of the reporting period.

Current taxes related to items that are recognized in other comprehensive income are recognized in other comprehensive income. Taxes related to items that are recognized directly in equity are recognized directly in equity.

Income tax receivables and income tax payables are offset if, NIDEC has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets and liabilities are measured at the effective tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available to allow deductible temporary differences, unused tax losses, and unused tax credits to be utilized. The carrying amounts of the deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Unrecognized deferred tax assets are also reviewed for collectability at each reporting date, and are recognized to the extent that it is probable that the deferred tax assets will be collectible from future taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences in general.

Deferred tax assets and liabilities relating to following temporary differences are not recognized:

- Taxable temporary differences arising from the initial recognition of goodwill.
- Temporary differences arising from the initial recognition of assets and liabilities from transactions that do not affect both accounting income and taxable profit, except for business combinations.

- Taxable temporary differences associated with investments in subsidiaries and associates when NIDEC is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented as non-current assets and liabilities.

Deferred tax assets and liabilities are offset only if NIDEC has a legally enforceable right to set off income tax receivables against income tax payables and either of the following criteria is met:

- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on different taxable entities which intend either to settle income tax receivables and income tax payables on a net basis, or to realize the assets and settle the liabilities simultaneously.

(13) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits such as wages, salaries, social security contributions and other non monetary benefits are not discounted and recognized as an expense when an employee has rendered service to NIDEC.

NIDEC recognizes the cost of bonus payments estimated in accordance with its bonus plan as a liability when NIDEC has a present legal or constructive obligation to make such payments as a result of past services provided by employees and a reliable estimate of the obligation can be made.

(ii) Retirement benefits

Retirement benefits of NIDEC include defined benefits and defined contribution plans.

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets and they are recognized in the consolidated statements of financial position as assets or liabilities. The defined benefit obligation is calculated by using the projected unit credit method. The present value of the defined benefit obligation is calculated by the expected future payments using discount rate. The discount rate is determined by reference to market yield on high-quality corporate bonds having maturity terms consistent with the estimated term of the related pension obligations.

Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognized in profit or loss.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest, and any change in the effect of the asset ceiling, are recognized as incurred in other comprehensive income under "remeasurement of defined benefit plans", and transferred therefrom to retained earnings immediately.

Contributions paid for defined contribution plans are expensed in the period in which the employees provide the related service.

(14) Provisions

Provisions are recognized when NIDEC has present legal or constructive obligations as a result of past events, it is probable that the settlement of the obligations will be required, and reliable estimates of the obligations can be made.

The detail of the major provision is as follows:

Provision for product warranties

NIDEC provides warranties for specific products and services over an extended period. A provision for product warranties is calculated based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

(15) Share-Based Payment

NIDEC has adopted a performance-linked share-based compensation plan (the "Plan"). NIDEC has adopted equity-settled share-based payments and cash-settled share-based payments.

(i) Equity-settled share-based payments

Equity-settled share-based payments measured with the Plan is measured the received services by fair value of the shares of the company at the grant date, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in additional paid-in capital.

(ii) Cash-settled share-based payments

Cash-settled share-based payments measured with the Plan is measured the received services by the fair value of the liabilities, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in the liabilities. The fair value of the liabilities are remeasured at the end of the year and the settlement date, with changes in the fair value recognized in profit or loss.

(16) Revenue recognition

NIDEC recognizes the revenue by applying the following five-step approach.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to each performance obligation in the contract.

Step 5: An entity recognizes revenue when a performance obligation is satisfied.

(i) Sales of goods

NIDEC manufactures and sells small precision motors, automotive products, certain appliance, commercial and industrial products, certain machinery, and electronic and optical components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Construction contracts

Additionally, for certain appliance, commercial and industrial products and certain machinery, NIDEC transfers control of a good or service over time and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales of certain appliance, commercial and industrial products and certain machinery based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period.

(iii) Contract assets and Contract liabilities

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

(iv) Assets recognized from the costs to obtain or fulfill a contract with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer that are directly associated with the contract as an asset, if those costs are expected to be recoverable. The assets recognized from the costs to obtain or fulfill a contract with a customer are amortized over the period for which the services based on a contract are provided.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The costs incurred in fulfilling contracts with customers is that recognizes costs as assets when those costs are not within the scope of another accounting standard, are directly related to a contract or an anticipated contract that can specifically identify, are expected to be recovered, and generate or enhance resources of that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(17) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset and remain in assets until the intended use or sale is capable. Other borrowing costs are recognized as an expense in the consolidated statements of income in the period in which they are incurred.

(18) Common stock, additional paid-in capital, and treasury stocks

(i) Ordinary shares

Proceeds from the issuance of ordinary shares by the Company are included in common stock and additional paid-in capital. Transaction costs of issuing ordinary shares (net of tax) are deducted from additional paid-in capital.

(ii) Treasury stocks

When the Company reacquires its own equity instruments (treasury stocks), the amount of the consideration paid including transaction costs is deducted from equity. NIDEC never recognizes profit and loss when it purchases, sells and disposes treasury stocks. When the Company sells treasury stocks, the difference between the carrying amount and the consideration received from the sale is recognized in additional paid-in capital.

(19) Fair value estimation

NIDEC measures derivative financial instruments and financial instruments measured at fair value using their fair values at the end of the period. See "Note 34. Fair values" for the definition of fair value and inputs (i.e. various presumptions) used to develop those measurements.

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.

(20) Earnings per share

Basic earnings per share attributable to owners of the parent are calculated by dividing profit for the year attributable to owners of the parent by the weighted-average number of ordinary shares outstanding during the reporting period adjusted by the treasury stocks held.

The calculation of diluted earnings per share attributable to owners of the parent is similar to the calculation of basic earnings per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential ordinary shares equivalents such as convertible bonds and share acquisition rights.

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 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.

Judgments and estimates with significant risks of causing material adjustments to the carrying amounts of assets and liabilities in the next fiscal year are as follows:

- Goodwill and intangible assets (see Notes 3 (7) and 14)
- Collectability of receivables (see Notes 3 (11), 10 and 38)
- Retirement benefit liabilities (see Notes 3 (13) and 22)
- Recoverability of deferred tax assets (see Notes 3 (12) and 24)
- Provisions (see Notes 3 (14) and 25)
- Fair value of financial instruments (see Note 34)
- Contingent liabilities (see Notes 3 (14) and 39)

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. Companies and company groups that are currently profit management units of NIDEC are identified as its reportable segments.

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. As a result, the amounts of net sales and operating profit of the business of compressor for refrigerator of Secop, which was included in Nidec Motor segment, have been reclassified as discontinued operations. In addition, NIDEC has partially changed its operating segment classification in the three months ended June 30, 2019. This was due to reviews of the report materials by NIDEC’s chief operating decision maker. All of Nidec Seimitsu group except Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd. that were previously included in Others segment are currently included in Nidec Copal segment from the three months ended June 30, 2019.

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

NIDEC’s operating segments are as follows:

Name	Outline of operating segment
1. Nidec Corporation	Nidec Corporation in Japan, which primarily develops and sells hard disk drives spindle motors, other small precision motors, automotive products and machinery.
2. Nidec Electronics (Thailand)	Nidec Electronics (Thailand) Co., Ltd., a subsidiary in Thailand, and its consolidated subsidiaries, which primarily produce and sell hard disk drives spindle motors. This segment also includes other subsidiaries in Asia which produce components for hard disk drives.
3. Nidec Singapore	Nidec Singapore Pte. Ltd., a subsidiary in Singapore, which primarily sells hard disk drives spindle motors and other small precision motors.
4. Nidec (H.K.)	Nidec (H.K.) Co., Ltd., a subsidiary in Hong Kong, and its consolidated subsidiaries, which primarily sell hard disk drives spindle motors and other small precision motors.
5. Nidec Sankyo	Nidec Sankyo Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell machinery, automotive products, electronic components and other small precision motors.
6. Nidec Copal	Nidec Copal Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell electronic and optical components, machinery and other small precision motors.
7. Nidec Techno Motor	Nidec Techno Motor Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell commercial and industrial products.
8. Nidec Motor	Nidec Motor Corporation and other subsidiaries in North America, which are subsidiaries of Nidec Americas Holding Corporation, an intermediate holding company in the United States, as well as other subsidiaries in Latin America, Asia and Europe, which primarily produce and sell home appliance, commercial and industrial products. This segment also includes Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda. which was newly consolidated in the three months ended September 30, 2019.
9. Nidec Motors & Actuators	Nidec Motors & Actuators (Germany) GmbH in Germany, other subsidiaries in Europe, North America and South America, and other manufacturing subsidiaries in Japan and Asia, which primarily produce and sell automotive products.
10. Others	Subsidiaries that are operating segments but not designated as reportable segments due to their immateriality. This segment also includes Nidec Mobility Corporation which was newly consolidated in the three months ended December 31, 2019.

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 years ended March 31,	
	2019	2020
Nidec Corporation	32,053	31,806
Nidec Electronics (Thailand)	105,323	102,562
Nidec Singapore	47,124	31,141
Nidec (H.K.)	124,022	114,866
Nidec Sankyo	150,948	134,698
Nidec Copal	41,438	33,073
Nidec Techno Motor	80,209	72,402
Nidec Motor	413,486	487,596
Nidec Motors & Actuators	275,558	262,381
Others	205,275	264,275
Consolidated net sales	1,475,436	1,534,800

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

There was no certain customer group which exceeded 10% of the consolidated net sales for the years ended March 31, 2020 and 2019.

Net sales to other operating segments:*(Yen in millions)*

	For the years ended March 31,	
	2019	2020
Nidec Corporation	183,632	151,230
Nidec Electronics (Thailand)	18,175	13,573
Nidec Singapore	479	541
Nidec (H.K.)	2,107	2,588
Nidec Sankyo	2,987	4,475
Nidec Copal	12,329	15,517
Nidec Techno Motor	6,207	5,118
Nidec Motor	642	532
Nidec Motors & Actuators	30,776	39,411
Others	186,396	154,869
Total	443,730	387,854
Intersegment elimination	(443,730)	(387,854)
Consolidated net sales	-	-

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

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

	For the years ended March 31,	
	2019	2020
Nidec Corporation	19,400	4,254
Nidec Electronics (Thailand)	14,922	14,533
Nidec Singapore	764	523
Nidec (H.K.)	861	881
Nidec Sankyo	13,739	8,197
Nidec Copal	(4,242)	706
Nidec Techno Motor	10,082	10,662
Nidec Motor	24,043	25,260
Nidec Motors & Actuators	34,832	31,975
Others	37,999	29,506
Total	152,400	126,497
Elimination and corporate *1	(23,178)	(16,171)
Operating profit (loss)	129,222	110,326
Financial income	1,837	124
Derivative gain (loss)	352	(1,644)
Foreign exchange differences	(948)	(214)
Share of net profit (loss) from associate accounting using the equity method	(633)	(1,665)
Profit before income taxes	129,830	106,927

(Notes)*1. "Elimination and corporate" includes corporate expenses, which do not belong to any operating segment, of ¥17,427 million and ¥18,999 million for the years ended March 31, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

*2. The above amounts no longer include discontinued operations.

Depreciation:*(Yen in millions)*

	For the years ended March 31,	
	2019	2020
Nidec Corporation	107	140
Nidec Electronics (Thailand)	7,339	8,681
Nidec Singapore	19	37
Nidec (H.K.)	15	137
Nidec Sankyo	6,223	8,968
Nidec Copal	3,643	4,316
Nidec Techno Motor	3,015	3,201
Nidec Motor	13,419	18,767
Nidec Motors & Actuators	12,132	15,001
Others	18,991	23,181
Subtotal	64,903	82,429
Others (Note)	(7,838)	(10,639)
Corporate	2,050	1,882
Total	59,115	73,672

(Note) The depreciation of each segment includes amortization of intangible assets, while depreciation in the consolidated statements of cash flows does not include the amortization of intangible assets. Therefore, "Others" removes the amount of the amortization of intangible assets.

Total assets:*(Yen in millions)*

	As of March 31,	
	2019	2020
Nidec Corporation	77,773	86,374
Nidec Electronics (Thailand)	158,592	183,940
Nidec Singapore	24,513	18,875
Nidec (H.K.)	34,831	28,463
Nidec Sankyo	182,465	176,077
Nidec Copal	72,820	74,444
Nidec Techno Motor	94,686	96,144
Nidec Motor	421,839	540,473
Nidec Motors & Actuators	346,511	371,783
Others	482,516	575,249
Subtotal	1,896,546	2,151,822
Elimination and corporate (Note)	(263,478)	(394,050)
Goodwill	250,940	356,273
Total	1,884,008	2,114,045

(Note) Corporate assets included in “Elimination and corporate” that do not belong to any segment amounted for ¥102,756 million as of March 31, 2020 and ¥101,341 million as of March 31, 2019. In addition, depreciation expenses of corporate assets are allocated to each applicable segment based on a reasonable allocation method.

Capital equipment expenditures:*(Yen in millions)*

	For the years ended March 31,	
	2019	2020
Nidec Corporation	1,875	3,032
Nidec Electronics (Thailand)	12,857	5,885
Nidec Singapore	17	9
Nidec (H.K.)	5	6
Nidec Sankyo	8,803	7,643
Nidec Copal	1,012	668
Nidec Techno Motor	5,387	5,062
Nidec Motor	19,405	26,326
Nidec Motors & Actuators	37,310	48,809
Others	28,518	35,303
Subtotal	115,189	132,743
Corporate	5,366	183
Total	120,555	132,926

NIDEC does not have any other significant non-cash transactions except for the depreciation described above. Transactions between the operating segments are conducted at market value.

(Supplemental information)

Net sales by type of product

Net sales by type of product are as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Small precision motors:		
Hard disk drives spindle motors	179,011	157,240
Other small precision motors	262,456	267,048
Subtotal	441,467	424,288
Automotive products	297,298	333,241
Appliance, commercial and industrial products	495,432	562,604
Machinery	163,966	149,740
Electronic and optical components	72,672	60,396
Other products	4,601	4,531
Consolidated net sales	1,475,436	1,534,800

- (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. From the year ended March 31, 2019, the product category "Automotive, appliance, commercial and industrial products" has been divided and presented as "Automotive products" and "Appliance, commercial and industrial products"
3. The above amounts no longer include discontinued operations.

Geographic information

Net sales attributed to countries based on the location of the Company or its subsidiaries that transacted with external customers and non-current assets for each county are as follows:

Net sales

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Japan	297,469	279,264
U.S.A.	255,628	308,460
Singapore	53,234	37,333
Thailand	129,824	126,507
Germany	117,035	118,324
China	343,046	334,667
Others	279,200	330,245
Consolidated net sales	1,475,436	1,534,800

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

Non-current assets (Property, plant and equipment, Goodwill, Intangible assets and Long-term prepaid expenses)

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020
Japan	204,786	263,962
U.S.A.	152,988	180,980
Singapore	12,861	12,605
Thailand	43,160	38,985
Germany	68,525	52,801
China	139,905	177,653
Others	297,218	405,563
Total non-current assets	919,443	1,132,549

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	Nidec Motor

(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 years ended March 31,	
	2019	2020
Net Sales	42,884	1,143
Recognized loss due to measuring assets held for sale at fair value less costs	-	(14,167)
Other profit (loss)	(34,942)	(1,075)
Profit (loss) before income taxes from discontinued operations	7,942	(14,099)
Income tax expenses	(1,368)	(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	(1,368)	(1,608)
Profit (loss) for the period from discontinued operations	6,574	(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 March 31, 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 years ended March 31,	
	2019	2020
Net cash provided (used in) by operating activities	7,153	(0)
Net cash (used in) provided by investing activities	(5,361)	5,065
Net cash used in financing activities	(1,395)	-
Total	397	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 year ended March 31, 2020 includes net cash related to sales of Secop as of March 31, 2020.

(7) Details of the sales

(Yen in millions)

Consideration for the sales	
Conditional consideration	11,803
Costs to sell	(1,330)
Total consideration after deducting costs to sell	10,473
Transferred equity	
Equity as of the date when NIDEC loss of control	(27,502)
Changed amounts until the sales completed	2,862
Total transferred equity	(24,640)
Income tax expenses	(107)
Loss from the sales after income tax	(14,274)

(Note) Various conditions for sales of Secop are based on the forecasts as of March 31, 2020, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

7. Business combination and loss of control

On July 1, 2019, Brazil time, NIDEC has acquired 100% of equity shares of Embraco of Whirlpool Corporation from the shareholders for cash of ¥122,401 million. Embraco develops, manufactures and sells refrigeration compressors and electronic components. NIDEC is able to strengthen its refrigeration compressor business through expanding its product portfolio and sales areas. In addition to Embraco's excellent technologies for DC compressors, NIDEC's best in class brushless DC motor technology is expected to be utilized widely.

On October 31, 2019, NIDEC has acquired 100% of OMRON Automotive Electronics Co. Ltd. ("NIDEC MOBILITY CORPORATION") and some foreign subsidiaries which OMRON Corporation owns, and the automotive electronic components business for cash of ¥88,111 million. NIDEC MOBILITY CORPORATION manufactures and sells automotive electronics components and systems. NIDEC will be able to create new module and system products by combining NIDEC group's motors, pumps, gears, etc. with NIDEC MOBILITY CORPORATION's products including electronic control units (ECU) and other electronics products. Furthermore, NIDEC MOBILITY CORPORATION, which has strengths in laser radar and driver monitoring systems, and Nidec Elesys will cooperate to provide a wide variety of sensor products which support autonomous driving technologies.

On November 27, 2019, NIDEC has acquired 90% ownership of Roboteq, Inc. ("Roboteq"), a U.S company, from the shareholders for cash of ¥1,744 million. Roboteq designs, manufactures and sells the ultra-low voltage (ULV) drives. NIDEC will be able to provide AGV customers with ULV drives in addition to its servo motors and precision gear box offerings, and to act as a single vendor that can offer full motor control system support to customers. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

Fair values of assets acquired and liabilities assumed of the acquired businesses as of the acquisition date are as follows:

(Yen in millions)

	Embraco	NIDEC MOBILITY CORPORATION	Others
Current assets			
Cash and cash equivalents	12,801	24,311	111
Trade and other receivables	36,270	18,108	40
Inventories	22,462	11,663	101
Other current assets	3,418	4,751	2
Non-current assets			
Property, plant and equipment	42,225	30,741	26
Other non-current assets	2,387	4,311	73
Acquired assets at fair value	119,563	93,885	353
Current liabilities			
Short term borrowings	8,144	6,861	—
Trade and other payables	42,497	19,905	19
Other current liabilities	12,492	23,113	33
Non-current liabilities			
Other non-current liabilities	3,767	4,718	77
Assumed liabilities at fair value	66,900	54,597	129
Acquired assets and assumed liabilities at fair value (net amount)	52,663	39,288	224
Non-controlling interests	—	—	25
Goodwill	69,738	48,823	1,545

Goodwill is mainly the reflection of excess earning power and synergies with the existing business expected from future business evolution.

The acquired assets and assumed liabilities shown above are being assessed and measured based on preliminary estimate at acquisition date. Main objects of the assessment and the measurement are inventories, property, plant and equipment, and intangible assets.

Net sales and profit attributable to owners of the parent for the year ended March 31, 2020 include the net sales and profit of the business acquired from Embraco for the period subsequent to July 1 2019, ¥91,264 million and ¥2,460 million respectively. And the net sales and profit of the business acquired from NIDEC MOBILITY CORPORATION for the period subsequent to October 31, 2019, ¥43,689 million and ¥2,820 million are included respectively.

There is no amount of goodwill that is deductible for tax purpose.

The amount of acquisition-related costs of these business combinations are ¥1,261 million and ¥579 million respectively, which are recognized in "Selling, general and administrative expenses".

Supplemental information of the combined entity for the current reporting period, as though this business combination occurred as of April 1, 2019, is as follows (non-audited):

	For the year ended March 31, 2020
Net sales from continuing operations (Yen in millions)	1,633,354
Profit for the year attributable to owners of the parent (Yen in millions)	62,857
Earnings per share attributable to owners of the parent	
Basic (Yen)	106.84
Diluted (Yen)	—

(Note) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share attributable to owners of the parent was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2020.

Purchase price allocation to the assets and the liabilities

During the three months ended September 30, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Chaun-Choung Technology Corp., MS-Graessner GmbH & Co. KG, and its group companies in the previous fiscal year. Furthermore, during the three months ended December 31, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Systeme + Steuerungen GmbH and its group companies (currently, Nidec SYS GmbH) in the previous fiscal year. In addition, during the three months ended March 31, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of DESCH Antriebstechnik GmbH & Co. KG and its group companies in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2019 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Non-current assets	
Property, plant and equipment	3,030
Intangible assets	17,048
Other non-current assets	157
Acquired assets at fair value	20,235
Non-current liabilities	
Deferred tax liabilities	5,025
Assumed liabilities at fair value	5,025
Acquired assets and assumed liabilities at fair value (net amount)	15,210
Goodwill	(11,371)

For further information on the changes in goodwill, refer to "14. Goodwill and intangible assets". Details of the intangible assets in above table are as follows:

(Yen in millions)

	Weighted average amortization period	Retrospective amendment
Trademark	No amortization	1,881
Customer relationships	17 years	13,693
Proprietary technology	9 years	1,474

Effect on the consolidated statement of income for the year ended March 31, 2019 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Operating profit	(1,242)
Profit before income taxes	(1,242)
Profit for the year attributable to owners of the parent	(838)

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)

	Retrospective amendment
Operating profit	(276)
Profit before income taxes	(276)
Profit for the year attributable to owners of the parent	(188)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies for the year ended March 31, 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 March 31, 2020.

Loss of control

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco 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 the consolidated statements of income. In September 2019, NIDEC completed share transfer of Secop and there was ¥15,707 million of the loss from discontinued operations for the year ended March 31, 2020. The loss amount on the sales recognized with the loss of control is ¥14,167 million for the year ended March 31, 2020. The loss amount on the sales is included in "Loss from discontinued operations" in the consolidated statements of income.

The breakdown of Secop's assets and liabilities as of the date when NIDEC lost control over it are as follows:

(Yen in millions)

Current assets	
Cash and cash equivalents	601
Trade and other receivables	9,655
Other financial assets	2,661
Income tax receivables	12
Inventories	4,347
Other current assets	1,664
Non-current assets	
Property, plant and equipment	13,394
Goodwill	9,946
Intangible assets	2,945
Total assets	45,225
Current liabilities	
Long term debt due within one year	1,284
Trade and other payables	8,090
Income tax payables	287
Provisions	1,094
Other current liabilities	1,197
Non-current liabilities	
Long term debt	2,024
Other financial liabilities	21
Retirement benefit liabilities	501
Provisions	405
Deferred tax liabilities	2,819
Other non-current liabilities	1
Total liabilities	17,723

For further information on the changes in goodwill, refer to "14. Goodwill and intangible assets".

Cash flow resulting from loss of control was ¥5,065 million, which is included in "Proceeds from sales of discontinued operations" from investing activities in the consolidated statements of cash flows.

8. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Cash on hand	95	124
Cash in banks	235,931	200,925
Cash equivalents	6,241	5,937
Cash and cash equivalents in consolidated statements of financial position	242,267	206,986
Cash and cash equivalents in consolidated statements of cash flows	242,267	206,986

Cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cash equivalents consist mainly of time deposit within 3 months and short-term investment.

9. Supplemental cash flow information

The supplemental information associated with cash flow is as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Non-cash investing and financing activities:		
Accrued amount of finance lease obligations	475	-
Accrued amount of lease liabilities	-	6,288

10. Trade and other receivables

The breakdown of trade and other receivable is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Notes receivable	26,673	29,261
Trade receivable	318,780	328,566
Other accounts receivable	28,684	39,743
Expected credit loss allowances	(3,003)	(3,378)
Total	371,134	394,192

11. Inventories

The breakdown of inventories is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Finished products	107,927	115,670
Raw materials	86,936	98,594
Work in progress	53,245	53,772
Supplies and other	7,624	10,149
Total	255,732	278,185

The acquisition costs of inventories that were recognized as expenses for the year ended March 31, 2020 were mainly included in "cost of sales". The amounts of write-down of inventories for the years ended March 31, 2019 and 2020 were ¥6,739 million and ¥5,333 million, respectively.

12. Other current assets

The breakdown of other current assets is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Prepaid expenses	10,345	11,064
Contract assets	14,840	19,329
Other	12,362	10,057
Total	37,547	40,450

13. Property, plant and equipment

The breakdown of "property, plant and equipment" in the consolidated statements of financial position is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Property, plant and equipment	520,509	601,813
Right-of-use assets	-	31,215
Total	520,509	633,028

For changes in the right-of-use assets, refer to "37. Leases".

Changes in acquisition cost, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment are as follows:

(Acquisition costs)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2018	53,582	237,317	545,554	56,883	893,336
Acquisitions	377	4,161	26,867	93,454	124,859
Acquisitions through business combinations	2,594	3,498	3,873	588	10,553
Disposals	(253)	(1,366)	(18,847)	(339)	(20,805)
Reclassification	34	8,194	57,543	(67,922)	(2,151)
Foreign currency translation adjustments	(138)	368	4,662	(505)	4,387
Others	(35)	794	1,131	(5,251)	(3,361)
Balance at March 31, 2019	56,161	252,966	620,783	76,908	1,006,818
Adjustment for IFRS 16	(950)	(418)	(3,673)	-	(5,041)
Balance at March 31, 2019 after the adjustment	55,211	252,548	617,110	76,908	1,001,777
Acquisitions	99	3,185	19,507	96,575	119,366
Acquisitions through business combinations	1,637	14,875	30,343	8,160	55,015
Disposals	(886)	(2,855)	(24,864)	(153)	(28,758)
Reclassification	173	6,467	65,767	(74,494)	(2,087)
Foreign currency translation adjustments	(754)	(4,863)	(11,756)	(6,172)	(23,545)
Others	(123)	1,591	3,613	(2,390)	2,691
Balance at March 31, 2020	55,357	270,948	699,720	98,434	1,124,459

(Note) Due to the adoption of IFRS 16 from April 1, 2019, acquisition costs related to lease until the previous fiscal year reclass to right-of-use assets from property, plant and equipment.

(Accumulated depreciation and impairment losses)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2018	(1,708)	(110,039)	(331,056)	(45)	(442,848)
Depreciation	(3)	(9,336)	(49,774)	-	(59,113)
Impairment losses	(0)	(5)	(1,011)	(1)	(1,017)
Reversal of impairment losses	-	-	87	-	87
Disposals	4	1,189	16,985	45	18,223
Reclassification	-	(1)	58	-	57
Foreign currency translation adjustments	(61)	(768)	(4,448)	1	(5,276)
Changes in the scope of consolidation	-	-	-	-	-
Others	0	90	3,592	(104)	3,578
Balance at March 31, 2019	(1,768)	(118,870)	(365,567)	(104)	(486,309)
Adjustment for IFRS 16	-	254	3,247	-	3,501
Balance at March 31, 2019 after the adjustment	(1,768)	(118,616)	(362,320)	(104)	(482,808)
Depreciation	-	(10,085)	(58,241)	-	(68,326)
Impairment losses	(52)	(30)	(1,863)	(364)	(2,309)
Reversal of impairment losses	-	-	169	1	170
Disposals	44	2,005	23,227	10	25,286
Reclassification	-	66	218	-	284
Foreign currency translation adjustments	(20)	205	3,410	17	3,612
Changes in the scope of consolidation	-	221	424	36	681
Others	2	(1,615)	2,382	(5)	764
Balance at March 31, 2020	(1,794)	(127,849)	(392,594)	(409)	(522,646)

(Note) Due to the adoption of IFRS 16 from April 1, 2019, accumulated depreciation and impairment losses related to lease until the previous fiscal year reclass to right-of-use assets from property, plant and equipment.

(Carrying amounts)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2018	51,874	127,278	214,498	56,838	450,488
Balance at March 31, 2019	54,393	134,096	255,216	76,804	520,509
Balance at March 31, 2020	53,563	143,099	307,126	98,025	601,813

(Note) "Construction in progress" includes the amount of expenditures related to property, plant and equipment in the course of its construction.

Depreciation of property, plant and equipment is included in "cost of sales", "selling, general and administrative expenses" and "research and development expenses" in the consolidated statements of income. Impairment loss of property, plant and equipment is included in "selling, general and administrative expenses" in the consolidated statements of income. In addition, the reversal of the impairment loss is mainly due to the review of the recoverable value of assets (Machinery and equipment) located in Thailand during the year.

14. Goodwill and intangible assets

The breakdown of "goodwill" and "intangible assets" in the consolidated statements of financial position is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Goodwill	250,940	356,273
Intangible assets	143,552	138,951
Right-of-use asset	-	366
Total	394,492	495,590

For changes in the right-of-use assets, refer to "37. Leases".

Changes in acquisition costs, accumulated amortization and impairment losses and carrying amounts of goodwill and intangible assets are as follows:

(Acquisition costs)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2018	234,915	79,189	18,626	29,145	8,620	42,661	413,156
Acquisitions	-	-	268	3,087	-	1,089	4,444
Internally developed	-	-	-	-	7,104	-	7,104
Acquisitions through business combinations	11,589	14,443	1,906	61	-	2,804	30,803
Disposals	-	-	-	(2,259)	(283)	(159)	(2,701)
Foreign currency translation adjustment	4,436	1,721	(385)	(258)	(161)	1,045	6,398
Others	-	(1,447)	-	(163)	1,128	(1,920)	(2,402)
Balance at March 31, 2019	250,940	93,906	20,415	29,613	16,408	45,520	456,802
Adjustment for IFRS 16	-	-	-	(642)	-	-	(642)
Balance at March 31, 2019 after the adjustment	250,940	93,906	20,415	28,971	16,408	45,520	456,160
Acquisitions	-	75	-	4,681	-	69	4,825
Internally developed	-	-	-	-	6,213	-	6,213
Acquisitions through business combinations	118,700	-	-	1,689	-	396	120,785
Disposals	(9,471)	(6,074)	(1,894)	(3,096)	(254)	(340)	(21,129)
Foreign currency translation adjustment	(3,896)	(2,264)	(657)	(702)	(208)	(947)	(8,674)
Others	-	(2,114)	(474)	1,156	(586)	(1,495)	(3,513)
Balance at March 31, 2020	356,273	83,529	17,390	32,699	21,573	43,203	554,667

(Note) Due to the adoption of IFRS 16 from April 1, 2019, the acquisition costs related to leases until the previous fiscal year reclass to the right-of-use assets from the intangible assets.

(Accumulated amortization and impairment losses)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2018	-	(24,472)	(6,164)	(17,964)	(95)	(5,133)	(53,828)
Amortization	-	(4,681)	(1,055)	(3,597)	(479)	(647)	(10,459)
Impairment losses	-	-	-	(7)	(582)	-	(589)
Disposals	-	-	-	2,220	7	159	2,386
Foreign currency translation adjustment	-	(312)	185	303	27	117	320
Others	-	(196)	0	302	(403)	157	(140)
Balance at March 31, 2019	-	(29,661)	(7,034)	(18,743)	(1,525)	(5,347)	(62,310)
Adjustment for IFRS 16	-	-	-	238	-	-	238
Balance at March 31, 2019 after the adjustment	-	(29,661)	(7,034)	(18,505)	(1,525)	(5,347)	(62,072)
Amortization	-	(4,670)	(1,107)	(3,880)	(1,096)	(341)	(11,094)
Impairment losses	-	-	-	(30)	(87)	(15)	(132)
Disposals	-	6,074	1,894	3,015	254	340	11,577
Foreign currency translation adjustment	-	717	231	180	32	157	1,317
Others	-	(27)	122	(44)	(35)	945	961
Balance at March 31, 2020	-	(27,567)	(5,894)	(19,264)	(2,457)	(4,261)	(59,443)

(Note) Due to the adoption of IFRS 16 from April 1, 2019, the accumulated amortization and impairment losses related to leases until the previous fiscal year reclass to the right-of-use assets from the intangible assets.

(Carrying amounts)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2018	234,915	54,717	12,462	11,181	8,525	37,528	359,328
Balance at March 31, 2019	250,940	64,245	13,381	10,870	14,883	40,173	394,492
Balance at March 31, 2020	356,273	55,962	11,496	13,435	19,116	38,942	495,224

Amortization of intangible assets is included in "costs of sales", "selling, general and administrative expenses" and "research and development costs" of consolidated statements of income. Impairment loss of intangible assets is included in "selling, general and administrative expenses" of consolidated statements of income.

Goodwill that arises from a business combination is allocated to cash-generating units which are expected to receive a benefit from the synergies of the business combination. The carrying amount of goodwill and intangible assets with indefinite useful lives allocated to the unit are as follows:

(Goodwill)

(Yen in millions)

	March 31, 2019	March 31, 2020
Nidec Corporation	322	321
Nidec Electronics (Thailand)	9,489	9,300
Nidec Sankyo	30,406	30,243
Nidec Copal	16,520	16,520
Nidec Techno Motor	2,049	2,049
Nidec Motor	136,901	194,619
Nidec Motors & Actuators	25,970	25,394
Others	29,283	77,827
Total	250,940	356,273

(Intangible assets with indefinite useful lives)

(Yen in millions)

	March 31, 2019	March 31, 2020
Nidec Motor	29,006	28,413
Others	7,385	7,135
Total	36,391	35,548

Intangible assets with indefinite useful lives are mainly trademarks. Those trademarks were acquired through the business combination. NIDEC regards them as intangible assets with indefinite useful lives because those trademarks continue as long as business lasts.

NIDEC performs the impairment test of goodwill and intangible assets with indefinite useful lives annually or whenever there is an indication of impairment.

The recoverable amount of the impairment test reflects past experience and external information and is calculated using a value in use. The value in use is a discounted cash flow model. It is based on a management approved budget for five years. The discount rate is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit (4.69% - 7.48%). The growth rate in the terminal value is determined based on the long term average growth rate of industries or countries to which each group of cash-generating unit belongs (1.38% - 3.67%). Regarding the effects of the global epidemic of COVID-19, the accounting estimates are based on the assumption that NIDEC considers the impact on future performance on the management budget used in impairment test of each group of cash-generating unit.

Even if the key assumptions used in the impairment test varies with a reasonable foreseeable range, management assumes that it is not probable that the value in use will be lower than the carrying amount.

15. Other investments

The breakdown of other investments is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Other investments		
FVTOCI equity financial assets	17,794	14,406
FVTOCI debt financial assets	150	73
Financial assets measured at amortized costs	500	–
Total	18,444	14,479

Of the financial instruments measured at fair value held by NIDEC, equity instruments held with the principal objective of maintaining and strengthening business relations with the issuers are classified as FVTOCI equity financial assets. These FVTOCI equity financial assets consist mainly of ordinary shares. The FVTOCI equity financial assets and fair values of these assets are as follows:

As of March 31, 2019

(Yen in millions)

Principal FVTOCI financial assets	Fair value
Canon Inc.	2,423
Brother Industries, Ltd.	2,294
ROHM Co., Ltd.	1,577
The Bank of Kyoto, Ltd.	1,244
Nichicon Corporation	1,200

As of March 31, 2020

(Yen in millions)

Principal FVTOCI financial assets	Fair value
Brother Industries, Ltd.	1,853
Canon Inc.	1,780
ROHM Co., Ltd.	1,356
KYOCERA Corporation	1,125
THE SHIGA BANK, Ltd.	946

The information on FVTOCI equity financial assets that were derecognized for the years ended March 31, 2019 and 2020 is as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Fair value at the time of derecognition	19	558
Accumulated gains at the time of derecognition	18	215

16. Other non-current assets

The breakdown of other non-current assets is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Prepaid pension expenses	1,140	1,458
Other	8,608	8,819
Total	9,748	10,277

17. Trade and other payables

The breakdown of trade and other payables is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Notes payable	10,667	11,737
Trade payable	237,329	249,180
Other account payable	58,405	82,345
Equipment notes payable	4,243	1,931
Total	310,644	345,193

18. Other financial liabilities

The breakdown of other financial liabilities is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Derivatives liabilities	425	7,501
Other	1,723	1,608
Total	2,148	9,109

19. Other current liabilities

The breakdown of other current liabilities is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Accrued expenses	42,518	41,368
Contract liabilities	15,594	18,886
Other	4,409	4,374
Total	62,521	64,628

20. Short term borrowings and long term debt

(1) Short term borrowings

The breakdown of short term borrowings is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Unsecured loans, principally from banks average interest per annum: 2019 0.47% 2020 0.30%	17,311	116,954
Secured loans, principally from banks average interest per annum: 2019 6.09%	83	-
Total	17,394	116,954

As of March 31, 2020, NIDEC had unused lines of credit amounting to ¥1,079,263 million with banks. Under these programs, NIDEC is authorized to obtain short-term financing at prevailing interest rates.

(2) Long term debt

The breakdown of long term debt is as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Unsecured loans, principally from banks		
Due 2019 to 2028 in 2019 with interest ranging from 0.00% to 7.29% per annum	116,345	-
Due 2020 to 2028 in 2020 with interest ranging from 0.00% to 7.29% per annum	-	83,369
Secured loans, principally from banks		
Due 2019 to 2023 in 2019 with interest ranging from 1.95% to 3.45% per annum	557	-
Due 2020 to 2023 in 2020 with interest ranging from 1.22% to 3.75% per annum	-	785
The Second Series of Domestic Unsecured bonds due 2019 Interest at 0.60% per annum in 2019	14,998	-
The Third Series of Domestic Unsecured bonds due 2022 Interest at 0.96% per annum in 2019 and 2020	19,979	19,985
The Fifth Series of Domestic Unsecured bonds due 2019 Interest at 0.001% per annum in 2019	50,000	-
The Sixth Series of Domestic Unsecured bonds due 2020 Interest at 0.001% per annum in 2019 and 2020	50,000	50,000
The Seventh Series of Domestic Unsecured bonds due 2022 Interest at 0.11% per annum in 2019 and 2020	65,000	65,000
Euro-Denominated Senior Unsecured bonds due 2021 Interest at 0.49% per annum in 2019 and 2020	37,368	35,865
The Eighth Series of Domestic Unsecured bonds due 2024 Interest at 0.10% per annum in 2020	-	100,000
The Ninth Series of Domestic Unsecured bonds (Green Bond) due 2022 Interest at 0.02% per annum in 2020	-	49,936
The Tenth Series of Domestic Unsecured bonds (Green Bond) due 2024 Interest at 0.09% per annum in 2020	-	29,942
The Eleventh Series of Domestic Unsecured bonds (Green Bond) due 2026 Interest at 0.15% per annum in 2020	-	19,948
Lease liabilities		
Due 2019 to 2033 in 2019, with interest ranging from 0.01% to 8.90% per annum	1,120	-
Due 2020 to 2053 in 2020, with interest ranging from (0.25%) to 10.50% per annum	-	28,534
Subtotal	355,367	483,364
Less - Bonds due within one year	(64,998)	(50,000)
Less - Long term debt due within one year	(30,050)	(55,414)
Less - lease liabilities due within one year	(291)	(6,580)
Total	260,028	371,370

(3) The aggregate amounts of annual maturity of long term debt

The aggregate amounts of annual maturity of long term debt are as follows:

(Yen in millions)

Term	March 31, 2019	March 31, 2020
Within one year	95,341	111,994
Over one year within two years	107,552	69,250
Over two years within three years	66,747	138,843
Over three years within four years	85,365	2,881
Over four years within five years	113	132,147
Over five years	272	28,439

(Note) Amounts are based on contractual cash flows.

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks' request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future indebtedness to such banks.

(4) Assets pledged as security

Assets pledged as security are as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Trade receivables	106	-
Property, plant and equipment, net	1,859	1,891
Other investments	500	-
Total	2,465	1,891

"Other investments" as of March 31, 2019 include financial assets measured at amortized costs of ¥500 million which was pledged as collateral for the deferred payments of certain taxes based on the Japanese Customs Act and Consumption Tax Act.

(5) Debts attributable to collateral pledged assets

Debts attributable to collateral pledged assets are as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Short term borrowings	83	-
Long term debt due within one year	211	366
Long term debt	346	419
Total	640	785

21. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

(Yen in millions)

	Short term borrowings	Long term borrowings due within one year	Corporate Bonds due within one year	Long term borrowings	Corporate Bonds	Lease obligations and others
Balance at April 1, 2018	1,657	29,295	-	113,888	199,966	1,020
Cash flows from financing activities	14,022	(29,959)	-	(97)	39,642	(363)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	2,108	-	-	1,623	-	(29)
Effect of exchange rate changes	(393)	96	-	2,055	(2,274)	9
Transfer from long term to short term	-	30,621	64,992	(30,621)	(64,992)	-
New lease	-	-	-	-	-	475
Others	-	(3)	6	3	6	8
Balance at March 31, 2019	17,394	30,050	64,998	86,851	172,348	1,120
The impact of applying IFRS 16	-	-	-	-	-	25,211
Cash flows from financing activities	88,415	(28,961)	(65,000)	44	200,000	(8,518)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	13,907	(999)	-	-	-	4,077
Effect of exchange rate changes	(2,601)	(470)	-	(2,362)	(1,503)	(73)
Transfer from long term to short term	-	55,797	50,000	(55,797)	(50,000)	-
New lease	-	-	-	-	-	6,288
Others	(161)	(3)	2	4	(169)	429
Balance at March 31, 2020	116,954	55,414	50,000	28,740	320,676	28,534

22. Employee benefits

(1) Retirement benefits

1) Defined benefit plan

The Company and certain subsidiaries' pension and retirement benefit plans usually entitle employees lump-sum indemnities or pension payments based on current rates of pay and length of service at the time of termination or the number of "points". Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement. Employees receive additional benefits upon involuntary retirement, including retirement at the mandatory retirement age. The defined benefit plan is subjected to the actuarial risks of changes in cost, interest rate and life expectancy.

The breakdown of retirement benefit plan recognized in the consolidated statements of financial position is as follows:

As of March 31, 2019

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	19,432	42,364	61,796
Fair value of plan assets	16,612	17,438	34,050
Funded status	2,820	24,926	27,746
Net defined benefit liability (asset)	2,820	24,926	27,746
Amounts in the consolidated statements of financial position:	2,820	24,926	27,746
Other non-current assets	(1,127)	(13)	(1,140)
Retirement benefit liabilities	3,947	24,939	28,886

As of March 31, 2020

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	25,396	44,245	69,641
Fair value of plan assets	20,779	19,619	40,398
Funded status	4,617	24,626	29,243
Net defined benefit liability (asset)	4,617	24,626	29,243
Amounts in the consolidated statements of financial position:	4,617	24,626	29,243
Other non-current assets	(1,457)	(1)	(1,458)
Retirement benefit liabilities	6,074	24,627	30,701

The breakdown of retirement benefit expenses of defined benefit plans recognized in the consolidated statements of income is as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Current service cost	2,844	3,024
Past service cost	(547)	(510)
Interest cost (net)	568	674
Total retirement benefit expenses	2,865	3,188

Changes in the present value of defined benefit obligations are as follows:

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2018	20,198	35,642	55,840
The amount recognized in net profit or loss			
Current service cost	1,397	1,447	2,844
Past service cost	-	(547)	(547)
Interest cost	103	1,172	1,275
Total	1,500	2,072	3,572
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	(90)	(28)	(118)
-actuarial gains or losses arising from changes in financial assumptions	133	2,001	2,134
-actuarial gains or losses arising from experience adjustments	(1,071)	417	(654)
Total	(1,028)	2,390	1,362
Others			
Benefits paid	(1,238)	(2,552)	(3,790)
Effects of business combinations	-	4,901	4,901
Foreign currency translation adjustments	-	(89)	(89)
Total	(1,238)	2,260	1,022
Balance at March 31, 2019	19,432	42,364	61,796
The amount recognized in net profit or loss			
Current service cost	1,484	1,540	3,024
Past service cost	-	(510)	(510)
Interest cost	182	1,134	1,316
Total	1,666	2,164	3,830
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	(75)	(403)	(478)
-actuarial gains or losses arising from changes in financial assumptions	222	2,502	2,724
-actuarial gains or losses arising from experience adjustments	(710)	(833)	(1,543)
Total	(563)	1,266	703
Others			
Benefits paid	(1,077)	(2,187)	(3,264)
Effects of business combinations	5,938	2,306	8,244
Decrease due to sales of the business	-	(501)	(501)
Foreign currency translation adjustments	-	(1,167)	(1,167)
Total	4,861	(1,549)	3,312
Balance at March 31, 2020	25,396	44,245	69,641

Changes in the fair value of plan assets are as follows:

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2018	16,742	16,727	33,469
The amount recognized in net profit or loss			
Interest income	102	605	707
Total	102	605	707
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	124	14	138
Total	124	14	138
Others			
Employer's contributions	599	1,639	2,238
Benefits paid	(956)	(2,067)	(3,023)
Trust dividend	1	-	1
Effects of business combinations	-	298	298
Foreign currency translation adjustments	-	222	222
Total	(356)	92	(264)
Balance at March 31, 2019	16,612	17,438	34,050
The amount recognized in net profit or loss			
Interest income	101	540	641
Total	101	540	641
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	(896)	591	(305)
Total	(896)	591	(305)
Others			
Employer's contributions	398	1,374	1,772
Benefits paid	(746)	(1,618)	(2,364)
Trust dividend	(87)	-	(87)
Effects of business combinations	5,397	1,474	6,871
Foreign currency translation adjustments	-	(180)	(180)
Total	4,962	1,050	6,012
Balance at March 31, 2020	20,779	19,619	40,398

NIDEC expects to contribute ¥2,646 million to its defined benefit plans in the fiscal year ending March 31, 2021.

The fair values of plan assets (Japanese plan) by asset category are as follows:

(Yen in millions)

	Japanese plan			
	With a quoted market price in an active market		Without a quoted market price in an active market	
	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020
Equity instruments:				
Domestic equities	319	378	-	-
Overseas equities	318	944	-	-
Debt instruments:				
Pooled funds *1	-	-	1,759	3,016
Other assets:				
Cash and cash equivalents	2,036	4,297	-	-
General accounts of insurance companies	-	-	7,508	8,463
Pooled funds *2	-	-	4,614	3,097
Others	2	18	56	566
Total	2,675	5,637	13,937	15,142

(Notes) *1. As of March 31, 2019, Japanese pooled funds categorized as debt instruments invested approximately 70% in Japanese bonds and 30% in foreign bonds. As of March 31, 2020, they invested approximately 61% in Japanese bonds and 39% in foreign bonds.

*2. As of March 31, 2019, Japanese pooled funds categorized as other assets invested approximately 16% in Japanese stocks, 16% in foreign stocks, 27% in Japanese bonds and 19% in foreign bonds. As of March 31, 2020, they invested approximately 13% in Japanese stocks, 19% in foreign stocks, 15% in Japanese bonds and 21% in foreign bonds.

The fair values of plan assets (non-Japanese plan) by asset category are as follows:

(Yen in millions)

	Non-Japanese plan			
	With a quoted market price in an active market		Without a quoted market price in an active market	
	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020
Equity instruments:				
Domestic equities	-	-	-	-
Overseas equities	1,609	1,155	-	-
Debt instruments:				
Pooled funds *1	-	-	-	231
Other assets:				
Cash and cash equivalents	887	1,884	-	-
General accounts of insurance companies	-	-	3,178	4,199
Pooled funds *2	1,556	-	6,556	7,980
Others	0	92	3,652	4,078
Total	4,052	3,131	13,386	16,488

(Notes) *1. As of March 31, 2020, non-Japanese pooled funds categorized as debt instruments invested in foreign bonds.

*2. As of March 31, 2019, non-Japanese pooled funds categorized as other assets invested approximately 24% in foreign stocks and 56% in foreign bonds. As of March 31, 2020, they invested approximately 22% in foreign stocks and 50% in foreign bonds.

NIDEC's policy and objective for plan asset management is to generate, under the acceptable risk exposed to NIDEC, a stable return on the investment over the long term, which enables NIDEC's pension funds to meet future benefit payment requirements. NIDEC formulates a "basic" portfolio that best suits the above-mentioned policy. NIDEC evaluates its actual return and revises the "basic" portfolio, if necessary.

NIDEC's portfolio for plans consists of three major components: approximately 6% is invested in equity instruments, approximately 8% is invested in debt instruments, and approximately 86% is invested in other investment vehicles, primarily consisting of investments in pooled funds and life insurance companies' general accounts.

The equity instruments are selected from shares that are listed on the securities exchanges. The debt instruments are selected from Japanese and foreign government bonds, public debt instruments, and corporate bonds. Pooled funds included in other assets invest in equity and debt instruments selected from the same portfolios as the two instruments mentioned above. As for investments in life insurance companies' general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital.

The weighted-average actuarial assumptions used to estimate the benefit obligations are set forth as follows:

	Japanese plan		Non-Japanese plan	
	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020
Discount rate	0.5 %	0.4 %	2.9 %	1.5 %
Rate of increase in future compensation levels	1.8 %	2.4 %	2.1 %	0.9 %

The impacts on the defined benefit obligation as a result of change in major actuarial assumptions are summarized as below, holding all other assumptions consistent:

(Yen in millions)

	March 31, 2019	March 31, 2020
Discount rate		
0.5% increase	(3,810)	(3,100)
0.5% decrease	4,093	4,119

The weighted-average duration of the defined benefit obligation is as follows:

	March 31, 2019	March 31, 2020
Japanese plan	14.5 years	12.7 years
Non-Japanese plan	12.4 years	11.3 years

2) Defined contribution pension plan

Total amounts of cost recognized for the contribution to the plans were ¥2,674 million and ¥3,809 million for the years ended March 31, 2019 and 2020, respectively. NIDEC expects to contribute approximately ¥3,809 million for the year ending March 31, 2021.

23. Other components of equity and other comprehensive income

The changes in other components of equity (net of tax) are as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Fair value movements on FVTOCI debt financial assets		
Balance at beginning of year	(11)	(4)
Changes during year	7	1
Balance at end of year	(4)	(3)
Fair value movements on FVTOCI equity financial assets		
Balance at beginning of year	-	-
Changes during year	(2,540)	(1,939)
Transfer to retained earnings	2,540	1,939
Balance at end of year	-	-
Foreign currency translation adjustments		
Balance at beginning of year	(77,617)	(64,959)
Changes during year	12,658	(45,529)
Balance at end of year	(64,959)	(110,488)
Effective portion of net changes in fair value of cash flow hedges		
Balance at beginning of year	771	187
Changes during year	(584)	(4,810)
Balance at end of year	187	(4,623)
Remeasurement of defined benefit plans		
Balance at beginning of year	-	-
Changes during year	(1,060)	(953)
Transfer to retained earnings	1,060	953
Balance at end of year	-	-
Other components of equity		
Balance at beginning of year	(76,857)	(64,775)
Changes during year	8,482	(53,230)
Transfer to retained earnings	3,600	2,891
Balance at end of year	(64,775)	(115,114)

The amounts of other comprehensive income including non-controlling interests, reclassification adjustment and tax effect accounting are as follows:

(Yen in millions)

	For the years ended March 31,					
	2019			2020		
	Before tax effect	Tax effect accounting	After tax effect	Before tax effect	Tax effect accounting	After tax effect
Fair value movements on FVTOCI debt financial assets						
Amounts	(3)	1	(2)	(4)	1	(3)
Reclassification adjustment	14	(4)	10	5	(1)	4
Changes during year	11	(3)	7	1	–	1
Fair value movements on FVTOCI equity financial assets						
Amounts	(3,689)	1,149	(2,540)	(2,777)	838	(1,939)
Changes during year	(3,689)	1,149	(2,540)	(2,777)	838	(1,939)
Foreign currency translation adjustments						
Amounts	500	-	500	266	-	266
Reclassification adjustment	11,968	-	11,968	(47,181)	-	(47,181)
Changes during year	12,468	-	12,468	(46,915)	-	(46,915)
Effective portion of net changes in fair value of cash flow hedges						
Amounts	(725)	173	(552)	(7,472)	2,239	(5,233)
Reclassification adjustment	(40)	8	(32)	646	(223)	423
Changes during year	(765)	181	(584)	(6,826)	2,016	(4,810)
Remeasurement of defined benefit plans						
Amounts	(1,224)	138	(1,085)	(1,008)	65	(944)
Changes during year	(1,224)	138	(1,085)	(1,008)	65	(944)
Other comprehensive income	6,801	1,465	8,266	(57,525)	2,919	(54,607)

24. Income taxes

(1) Income tax expenses

The breakdown of income tax expenses recognized in profit or loss is as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Current income taxes	(27,918)	(27,741)
Deferred income taxes		
Origination and reversal of temporary differences	2,110	(2,108)
Changes in tax rates	37	(70)
Total	2,147	(2,178)
Total income tax expenses	(25,771)	(29,919)

(2) Reconciliation of effective statutory tax rate and actual tax rate

NIDEC is subject to several taxes and an effective statutory income tax rate in Japan for the fiscal year ended March 31, 2020 was 30.5%. Differences between the effective statutory income tax rate in Japan and effective tax rate in income tax expense on consolidated statements of income are as follows:

	For the years ended March 31,	
	2019	2020
Effective statutory income tax rate in Japan	30.5%	30.5%
Increase (decrease) in tax rate resulting from:		
Difference in tax rate applied to foreign subsidiaries	(10.3)%	(11.3)%
Tax effect on undistributed earnings	(0.2)%	(0.6)%
Assessment of the realizability of deferred tax assets	0.8%	6.6%
Tax credit for experimental research costs and other	(0.7)%	(0.7)%
Permanent non-deductible items	0.2%	1.9%
Others	(0.5)%	1.6%
Effective tax rate in income tax expenses on the consolidated statements of income	19.8%	28.0%

(3) Components of and changes in deferred tax assets and liabilities

The main reasons and changes in deferred tax assets and liabilities are as follows:

For the year ended March 31, 2019

(Yen in millions)

	As of April 1, 2018	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2019
Deferred tax assets:					
Inventories	5,064	2,158	-	115	7,337
Property, plant and equipment	765	1,117	-	(799)	1,083
Provision for bonuses	2,194	(121)	-	66	2,139
Accrued enterprise tax	403	(117)	-	-	286
Retirement benefit liabilities	4,296	104	138	-	4,538
Tax loss carryforwards	4,293	(1,210)	-	178	3,261
Provision for paid leave	1,096	137	-	3	1,236
Accrued expense	1,357	485	-	-	1,842
Others	447	757	-	123	1,327
Total	19,915	3,310	138	(314)	23,049
Deferred tax liabilities:					
FVTOCI financial assets	(4,755)	-	1,149	-	(3,606)
Basis difference of acquired assets	(814)	88	-	(94)	(820)
Undistributed earnings	(12,129)	119	-	-	(12,010)
Intangible assets	(15,274)	(3,624)	-	(8,375)	(27,273)
Others	(4,810)	1,981	178	(1,497)	(4,148)
Total	(37,782)	(1,436)	1,327	(9,966)	(47,857)
Net	(17,867)	1,874	1,465	(10,280)	(24,808)

The differences between the total amount recognized through net profit or loss, and total deferred tax expense are due to currency fluctuations.

Others mainly consist of business combinations and loss of control.

For the year ended March 31, 2020

(Yen in millions)

	As of April 1, 2019	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2020
Deferred tax assets:					
Inventories	7,337	(643)	-	1,759	8,453
Property, plant and equipment	1,083	87	-	(4,620)	(3,450)
Provision for bonuses	2,139	(507)	-	557	2,189
Accrued enterprise tax	286	(613)	-	581	254
Retirement benefit liabilities	4,538	740	65	367	5,710
Tax loss carryforwards	3,261	266	-	325	3,852
Provision for paid leave	1,236	234	-	108	1,578
Accrued expense	1,842	765	-	968	3,575
Others	1,327	(2,833)	2,016	2,612	3,122
Total	23,049	(2,504)	2,081	2,657	25,283
Deferred tax liabilities:					
FVTOCI financial assets	(3,606)	(534)	838	-	(3,302)
Basis difference of acquired assets	(820)	-	-	-	(820)
Undistributed earnings	(12,010)	838	-	(970)	(12,142)
Intangible assets	(27,273)	803	-	3,286	(23,184)
Others	(4,148)	82	-	(265)	(4,331)
Total	(47,857)	1,189	838	2,051	(43,779)
Net	(24,808)	(1,315)	2,919	4,708	(18,496)

The differences between the total amount recognized through net profit or loss, and total deferred tax expense are due to currency fluctuations.

Others mainly consist of business combinations and loss of control.

In the recognition of a deferred tax asset, NIDEC considers the possibility that future deductible temporary differences and all or a part of tax loss carryforwards will be available against future taxable profit. In assessing the recoverability of deferred tax assets, the planned reversal of future deferred tax liabilities, foreseeable future taxable profit and tax planning will be considered.

Regarding the recognized deferred tax asset, NIDEC determines that it is more likely to realize tax benefit based on the forecast of future taxable profit in the period when the previous taxable standard and deferred tax assets are recognized. However, the amount of realizable deferred tax assets will decrease providing the expectation of generating future taxable profit in the deductible period decreases as well. In assessing the recoverability of deferred tax assets for the years ended March 31, 2019 and 2020 the deferred tax assets decreased by ¥17,446 million and ¥40,367 million, respectively.

(4) Deferred tax assets and liabilities on consolidated statements of financial position

Deferred tax assets and liabilities on the consolidated statements of financial position are as follow:

(Yen in millions)

	March 31, 2019	March 31, 2020
Deferred tax assets	11,968	16,878
Deferred tax liabilities	(36,776)	(35,374)
Net	(24,808)	(18,496)

(5) Future deductible temporary differences etc. for unrecognized deferred tax assets

Future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Future deductible temporary differences	32,048	102,674
Tax loss carryforwards	20,004	33,139
Total	52,052	135,813

NIDEC does not recognize the deferred tax assets for some of the tax loss carryforwards and future deductible temporary differences. They are related to tax loss carryforwards mainly arising in domestic subsidiaries. To assess the recoverability of these deferred tax assets, NIDEC analyses the applicable subsidiaries individually and decreases a portion that it is less likely to realize tax benefit. As it is less likely to realize future taxable profit, future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets were ¥52,052 million and ¥135,813 million in the years ended March 31, 2019 and 2020, respectively. There is no expiration date for future deductible temporary differences under the current taxation system.

(6) The expiration date of tax loss carryforwards for unrecognized deferred tax assets

The expiration date of tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Year 1	783	705
Year 2	155	763
Year 3	2,194	669
Year 4	518	1,756
Year 5 or later	1,508	8,556
No expiration	14,846	20,690
Total	20,004	33,139

(7) Future taxable temporary differences for unrecognized deferred tax liabilities

At the March 31, 2019 and 2020, NIDEC did not recognize the deferred tax liabilities regarding future taxable temporary differences related to the investment in some subsidiaries, etc. NIDEC can control the timing of reversal of temporary differences and ensure that these differences are not reversed in foreseeable period. At the March 31, 2019 and 2020, future taxable temporary differences related to the investment in subsidiaries, etc. for unrecognized deferred tax liabilities were ¥609,528 million and ¥632,133 million, respectively.

25. Provisions

Changes in the balance and components of provisions are as follows:

(Yen in millions)

	Provision for product warranties	Others	Total
Balance at April 1, 2019	7,852	* 21,565	29,417
Increase during the year	3,776	26,982	30,758
Acquisitions through business combinations	1,683	2,161	3,844
Decrease due to intended use	(4,587)	(25,288)	(29,875)
Reversal during the year	(750)	(2,643)	(3,393)
Foreign currency translation and other	(150)	687	537
Balance at March 31, 2020	7,824	23,464	31,288

(Yen in millions)

	March 31, 2019	March 31, 2020
Current liabilities	28,514	30,346
Non-current liabilities	* 903	942
Total	29,417	31,288

* As stated in "Note 2. Basis of preparation of consolidated financial statements (5) Changes in accounting policies", ¥3,699 million reported as Non-current liabilities has been reclassified on the "Income tax payables".

Provision for product warranties

NIDEC provides warranties for specific products and services for a certain period. A provision for product warranties is calculated based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

Provisions for others

Provisions for others consist of mainly provision for bonuses and provision for paid leave. The majority of these costs is estimated to be incurred in the subsequent year.

26. Share-Based Payment (Performance-Linked Share-Based Compensation Plan)

NIDEC has adopted a performance-linked share-based compensation plan from the fiscal year ended March 31, 2019, to attain performance targets specified in the mid-term strategic goal, "Vision 2020" and medium, long-term corporate value expansion as "One Nidec".

NIDEC has adopted the structure of the BIP Trust and the ESOP Trust as equity-settled share-based payments to the group executives. In addition, NIDEC has adopted the structure of providing in cash the amount determined based on stock price of the company as cash-settled share-based payments to some group executives in overseas resident.

Under the Plan, continuous service from grant date to vesting date is the vesting conditions, and the rights will be determined as of the end of each fiscal year based on operating performance targets' degree of attainment.

NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, it is not reflected shown below.

The expenses for the equity-settled share-based payment recognized for the years ended March 31, 2019 and 2020 were ¥164 million and ¥132 million, respectively.

The fair value at the grant date and the changes in the number of points (1 point = 1 share) are as follows:

	For the year ended March 31, 2020	
	BIP Trust	ESOP Trust
(Yen)		
Fair value of the grant date	13,315	13,315
(Number of points)		
Balance at beginning of year	-	-
Granted	6,940	2,887
Expired	(342)	(275)
Settled	(166)	(84)
Balance at end of year	6,432	2,528

(Note) *1. The fair value is measured based on observable market prices.

*2. The number of remaining contractual life of the points is one year as of March 31, 2020.

The number of shares held as BIP Trust for the years ended March 31, 2019 and 2020, are 59,800 and 59,634, respectively. Also, the number of shares held as ESOP Trust for the years ended March 31, 2019 and 2020, are 21,700 and 21,616, respectively.

The expenses for the cash-settled share-based payment recognized for the years ended March 31, 2019 and 2020 were ¥11 million and ¥10 million, respectively. The related liabilities as of March 31, 2019 and 2020 were ¥11 million and ¥21 million, respectively.

27. Common stock and surplus

(1) Common stock

The number and changes of authorized shares and issued shares for the years ended March 31, 2019 and 2020, are as follows:

	For the years ended March 31,	
	2019	2020
	Number of shares	Number of shares
Total number of authorized shares:		
Ordinary shares (no-par value)	1,920,000,000	1,920,000,000
Total number of issued shares:		
Balance at beginning of year	596,284,468	596,284,468
Increase (decrease)	-	-
Balance at end of year	596,284,468	596,284,468

(Notes)1. The number of treasury stocks included in the total number of issued shares in the above table for the years ended March 31, 2019 and 2020, are 7,696,624 and 10,530,534, respectively.

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Number of shares (ordinary shares) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2019.

(2) Additional paid-in capital and retained earnings

Additional paid-in capital mainly consists of capital reserve. The changes in additional paid-in capital for the years ended March 31, 2019 and 2020, are as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Balance at beginning of year	118,136	118,314
Increase (decrease)	178	(3,560)
Balance at end of year	118,314	114,754

Retained earnings consist of a legal reserve and other retained earnings.

The Companies Act of Japan provides that an amount equal to 10% of dividends must be appropriated as legal reserves until the total of aggregate amount of the legal reserves equals 25% of the common stock.

(3) Other components of equity

1) Fair value movements on FVTOCI debt financial assets

Fair value movements on FVTOCI debt financial assets through other comprehensive income

2) Fair value movements on FVTOCI equity financial assets

Fair value movements on FVTOCI equity financial assets through other comprehensive income

3) Foreign currency translation adjustments

Gains and losses arising from translating the financial statements of a foreign operation

4) Effective portion of net changes in fair value of cash flow hedges

Effective portion of gains and losses on hedging instruments in a cash flow hedge

5) Remeasurement of defined benefit plans

Remeasurement of defined benefit plans

28. Dividends

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

For the year ended March 31, 2019

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 28, 2018 Board of directors	Ordinary shares	14,798	50	March 31, 2018	June 4, 2018
October 23, 2018 Board of directors	Ordinary shares	14,719	50	September 30, 2018	December 3, 2018

(Note) In the above table, total dividends resolved at the board of directors on October 23, 2018 included dividends of ¥4 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the year ended March 31, 2020

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
October 23, 2019 Board of directors	Ordinary shares	16,191	55	September 30, 2019	December 2, 2019

(Notes)1. In the above table, 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.

2. In the above table, total dividends resolved at the board of directors on October 23, 2019 included dividends of ¥4 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

Among the dividends whose record date falls in the year ended March 31, 2020, those whose effective date falls in the year ending March 31, 2021 are as follows:

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. In the above table, total dividends 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.

29. Revenue

(1) Disaggregation of revenue

For the year ended March 31, 2019

(Yen in millions)

		Type of product								Total
		Small precision motors			Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Other products	
		Hard disk drives spindle motors	Other small precision motors	Subtotal						
Segment	Nidec Corporation	804	19,599	20,403	11,030	-	620	-	0	32,053
	Nidec Electronics (Thailand)	102,104	3,219	105,323	-	-	-	-	-	105,323
	Nidec Singapore	40,044	7,080	47,124	-	-	-	-	-	47,124
	Nidec (H.K.)	8,561	114,457	123,018	1,004	-	-	-	-	124,022
	Nidec Sankyo	-	55,687	55,687	10,349	-	59,119	24,367	1,426	150,948
	Nidec Copal	-	8,580	8,580	-	-	7,481	25,377	-	41,438
	Nidec Techno Motor	-	-	-	-	80,209	-	-	-	80,209
	Nidec Motor	-	-	-	-	413,486 (20,299)	-	-	-	413,486 (20,299)
	Nidec Motors & Actuators	-	1,068	1,068	274,490	-	-	-	-	275,558
	Others	27,498	52,766	80,264	425	1,737	96,746 (17,280)	22,928	3,175	205,275 (17,280)
	Consolidated net sales	179,011	262,456	441,467	297,298	495,432 (20,299)	163,966 (17,280)	72,672	4,601	1,475,436 (37,579)

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

For the year ended March 31, 2020

(Yen in millions)

		Type of product								
		Small precision motors			Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Other products	Total
		Hard disk drives spindle motors	Other small precision motors	Subtotal						
S e g m e n t	Nidec Corporation	464	20,522	20,986	10,311	212	11	-	286	31,806
	Nidec Electronics (Thailand)	98,893	3,669	102,562	-	-	-	-	-	102,562
	Nidec Singapore	25,857	5,284	31,141	-	-	-	-	-	31,141
	Nidec (H.K.)	4,996	102,517	107,513	7,353	-	-	-	-	114,866
	Nidec Sankyo	-	53,616	53,616	8,952	-	46,673	24,231	1,226	134,698
	Nidec Copal	-	10,438	10,438	-	-	5,501	17,134	-	33,073
	Nidec Techno Motor	-	-	-	-	72,402	-	-	-	72,402
	Nidec Motor	-	-	-	-	487,596 (27,366)	-	-	-	487,596 (27,366)
	Nidec Motors & Actuators	-	945	945	261,436	-	-	-	-	262,381
	Others	27,030	70,057	97,087	45,189	2,394	97,555 (17,010)	19,031	3,019	264,275 (17,010)
Consolidated net sales	157,240	267,048	424,288	333,241	562,604 (27,366)	149,740 (17,010)	60,396	4,531	1,534,800 (44,376)	

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

NIDEC mainly manufactures and sells small precision motors, automotive products, appliances, commercial and industrial products, machinery, electronic and optical components and other products. Business revenue resulting from such business is accounted for under contracts with customers. The amount of revenue which includes its variable considerations and so on, is immaterial and does not include significant financing component.

① Small precision motors

Small precision motors product group manufactures and sells hard disk drives spindle motors and other small precision motors. Other small precision motors consist of brushless motors, fan motors, vibration motors, brush motors, motor applications and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

② Automotive products

Automotive product group manufactures and sells automotive motors and components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

③ Appliance, commercial and industrial products

Appliance, commercial and industrial product group manufactures and sells home appliance, commercial and industrial motors and related products. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period.

④ Machinery

Machinery product group manufactures and sells product of industrial robots, card readers, test systems, press machines, power transmission drives and so forth. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period.

⑤ Electronic and optical components

Electronic and optical components product group manufactures and sells product of switches, trimmer potentiometers, lens units, camera shutters and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

⑥ Other products

Other product group provides services and so on. In selling such services, NIDEC deems its performance obligations to be satisfied upon completion of service provision. Accordingly, NIDEC recognizes revenue from sales at the time of service provision.

(2) Contract balances

The contract assets and contract liabilities for the year ended March 31, 2020 are as follows:

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020
Contract assets		
Other current assets	14,840	19,329
Contract liabilities		
Other current liabilities	15,594	18,886
Other noncurrent liabilities	349	117

Contract assets are the Company's rights to consideration, excluding any amounts presented as a receivable, in exchange for services rendered under the construction contracts in which revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers. Contract liabilities are advances from customers.

The balances of contract liabilities as of April 1st, 2018 and 2019 were recognized as revenue during the fiscal years ended March 31, 2019 and 2020, respectively. The amount of revenue recognized during the fiscal years ended March 31, 2020 from performance obligations satisfied in previous period was not material.

(3) Assets recognized from the costs to obtain or fulfill contracts with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer are as described below. The amount of amortization of the assets for the year ended March 31, 2020 is 68 million.

(Yen in millions)

	As of April 1, 2019	As of March 31, 2020
Incremental costs of obtaining a contract with a customer		
Other noncurrent assets	2,588	3,055
Assets recognized from the costs to fulfill contracts		
Other current assets	254	-
Other noncurrent assets	-	221

(4) Transaction price allocated to the remaining performance obligations

Transaction price and period for satisfaction allocated to the remaining performance obligations related to construction contracts are as described below. The transactions for which individual estimated contract terms are within one year are excluded.

(Yen in millions)

Period	As of March 31, 2019	As of March 31, 2020
Within one year	35,384	35,082
Over one year	-	8,806
Total	35,384	43,888

30. Operating expenses

Operating expenses for the year ended March 31, 2020 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥73,672 million of depreciation, ¥13,184 million of amortization and ¥287,599 million of employee benefit expenses. Operating expenses for the year ended March 31, 2019 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥59,115 million of depreciation, ¥11,901 million of amortization and ¥272,556 million of employee benefit expenses.

31. Financial income and expenses

(1) Financial income

The breakdown of financial income is as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Interest income		
Financial assets measured at amortized cost	10,117	8,899
Dividend income		
FVTOCI equity financial assets	248	320
Others	192	205
Total	10,557	9,424

(2) Financial expenses

The breakdown of financial expenses is as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Interest expenses		
Financial liabilities measured at amortized cost	(8,090)	(8,802)
Others	(630)	(498)
Total	(8,720)	(9,300)

32. 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,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	109,960	60,084
Profit from continuing operations attributable to owners of the parent (Yen in millions)	103,386	75,791
Profit (loss) from discontinued operations attributable to owners of the parent (Yen in millions)	6,574	(15,707)
Weighted average shares (Shares)	589,617,085	588,314,474
Earnings per share attributable to owners of the parent - basic (Yen)	186.49	102.13
Earnings per share from continuing operations (Yen)	175.34	128.83
Earnings (loss) per share from discontinued operations (Yen)	11.15	(26.70)

(Notes) 1. In the calculation of "Earnings per share attributable to owners of the parent - basic" for the year ended March 31, 2020, 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, 2019.

33. Derivatives

NIDEC manages the exposure of the fluctuations in currency, interest rate and commodity prices through the use of derivative financial instruments which include foreign exchange forward contracts, interest rate swap agreements, currency swap agreements and commodity futures contracts. NIDEC does not hold derivative financial instruments for trading purpose. NIDEC is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered to be minimal due to high credit rating of the counterparties.

(1) Cash flow hedges

NIDEC uses foreign exchange forward contracts and commodity futures contracts designated as cash flow hedges to protect against currency risks and commodity price risks inherent in a portion of its forecasted transactions related to purchase commitments.

(2) Derivatives not designated as hedges

NIDEC is unable or has elected not to apply hedge accounting to some of these derivatives from time to time. The changes in the fair value of these contracts are included in "Derivative gain (loss)".

Derivatives designated as cash flow hedges are as follows:

As of March 31, 2019

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	14,953	240	154	Other financial assets Other financial liabilities
Commodity price risk				
Commodity futures contracts	7,407	231	50	Other financial assets Other financial liabilities

As of March 31, 2020

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	28,865	62	4,817	Other financial assets Other financial liabilities
Commodity price risk				
Commodity futures contracts	15,481	20	2,167	Other financial assets Other financial liabilities

Derivatives not designated as hedges are as follows:

As of March 31, 2019

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	59,833	1,880	305	Other financial assets Other financial liabilities
Currency swap agreements	27,563	59	44	Other financial assets Other financial liabilities
Interest rate swap agreements	49,946	421	-	Other financial assets

As of March 31, 2020

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	97,120	2,084	1,803	Other financial assets Other financial liabilities
Currency swap agreements	26,984	31	723	Other financial assets Other financial liabilities
Interest rate swap agreements	32,649	-	502	Other financial liabilities

Carrying amounts of cash flow hedge reserve are as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Currency risk		
Foreign exchange forward contracts	(58)	(3,242)
Commodity price risk		
Commodity futures contracts	246	(1,381)

The effects of derivatives designated as cash flow hedges on profit or loss are as follows:

For the year ended March 31, 2019

(Yen in millions)

	Hedging gain or loss recognized in OCI	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in the consolidated statements of income that includes the reclassification adjustment
Currency risk			
Foreign exchange forward contracts	(326)	(394)	Cost of sales
Commodity price risk			
Commodity futures contracts	(226)	362	Cost of sales

For the year ended March 31, 2020

(Yen in millions)

	Hedging gain or loss recognized in OCI	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in the consolidated statements of income that includes the reclassification adjustment
Currency risk			
Foreign exchange forward contracts	(3,294)	110	Cost of sales
Commodity price risk			
Commodity futures contracts	(1,939)	313	Cost of sales

The amount of hedge ineffectiveness or exclusion from the assessment of hedge effectiveness recognized in profit or loss was not material for the years ended March 31, 2019 and 2020.

As at March 31, 2020, the maximum length of time over which NIDEC hedged its exposure to variability in future cash flows for forecast transactions was approximately 21 months.

The effects of derivatives not designated as hedges on profit or loss are as follows:

(Yen in millions)

	Line item in the consolidated financial statements	For the years ended March 31,	
		2019	2020
Foreign exchange forward contracts	Foreign exchange differences	1,668	232
	Financial income and expenses	-	(1)
Currency swap agreements	Derivative gain (loss)	1,041	(720)
	Financial income and expenses	904	835
Interest rate swap agreements	Derivative gain (loss)	(689)	(924)
	Financial income and expenses	3,549	211

34. 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)

	March 31, 2019		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	96	96	184	184
Long term investments	27	27	26	24
Short term loans receivable	36	36	26	26
Long term loans receivable	143	138	151	149
Short term borrowings	(17,394)	(17,394)	(116,954)	(116,954)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(116,902)	(117,194)	(84,155)	(84,285)
Corporate bonds (including corporate bonds due within one year)	(237,345)	(238,151)	(370,675)	(369,568)

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, 2019

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTOCI equity financial assets	16,122	-	1,672	17,794
FVTOCI debt financial assets	-	150	-	150
Derivatives	231	2,600	-	2,831
Total financial assets	16,353	2,750	1,672	20,775
Liabilities:				
Derivatives	50	503	-	553
Total financial liabilities	50	503	-	553

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2019.

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.

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 years ended March 31,	
	2019	2020
Balance at beginning of year	1,390	1,672
Gains or losses:		
Recognized in other comprehensive income (Note)	22	(60)
Purchases	123	145
Sales	(48)	(227)
Acquisition by business combination	185	6
Balance at end of year	1,672	1,536

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

35. Related party transactions

(1) Transactions with related parties for the years ended March 31, 2019 and 2020 are as follows:

Sales of goods and services

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Related parties		
S.N. Kosan, LLC.*1	1	—
Nagamori Foundation*2	12	12
Nagamori Gakuen Educational Foundation*3, *4	41	63

(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.

*4. Kyoto Gakuen Educational Foundation has changed the name to Nagamori Gakuen Educational Foundation on April 1, 2019.

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 years ended March 31,	
	2019	2020
Related parties		
S.N. Kosan, LLC.	14	13
Green Kosan, LLC.*5	92	120

(Note) *5. 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, 2019	March 31, 2020
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	4	5
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, 2019 and 2020. In addition, there were no expenses recognized during the years ended March 31, 2019 and 2020 in respect of receivables from related parties.

(2) NIDEC's key management personnel compensation for the years ended March 31, 2019 and 2020 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Fixed compensation	450	299
Performance-linked share-based compensation	22	22
Total	472	321

36. Subsidiaries and associates

(1) Composition of the group

The composition of the NIDEC group is presented in "I. Overview of the Company, 4. Information on Affiliates".

(2) Subsidiaries that have non-controlling interests that are material

There is no subsidiary that has non-controlling interests that are material.

(3) Aggregate financial information about investments in associates that are not individually material

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020
Carrying amount of interest in associates	2,785	3,294

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Comprehensive income for the year		
Profit for the year	(633)	(1,665)
Total	(633)	(1,665)

37. Leases

For the year ended March 31, 2019

NIDEC leases certain assets under finance lease and operating lease arrangements. The summary of leased assets under finance leases is as follows:

(Yen in millions)

Class of assets	March 31, 2019
Machinery and equipment	9,434
Other leased assets	544
Less - accumulated depreciation	(6,552)
Total	3,426

Depreciation under finance leases for the year ended March 31, 2019 were ¥276 million.

The future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

(Yen in millions)

Term	March 31, 2019
Within one year	306
Over one year within five years	791
Over five years	67
Total future minimum lease payments	1,164
Less - amount equivalent to interest	(44)
Present value of net minimum lease payments	1,120
Less - short-term finance lease obligations	(291)
Long-term finance lease obligations	829

Rent expenses under operating leases for the year ended March 31, 2019 were ¥3,787 million.

The future minimum rental payments required under operating leases relating primarily to land, buildings and equipment having non-cancellable lease terms in excess of one year are as follows:

(Yen in millions)

Term	March 31, 2019
Within one year	2,665
Over one year within five years	5,272
Over five years	2,841
Total future minimum rental payments	10,778

NIDEC is a lessor of a portion of the land, buildings and equipment in operating leases.

Rental income under operating leases for the year ended March 31, 2019 were ¥60 million.

The future minimum rental income under operating leases with remaining non-cancellable terms are as follows:

(Yen in millions)

Term	March 31, 2019
Within one year	104
Over one year within five years	196
Over five years	16
Total future minimum rental income	316

For the year ended March 31, 2020

NIDEC leases certain assets under lease arrangements. The summary of leases is as follows:

(1) Carrying amounts of right-of-use assets

(Yen in millions)

Right-of-use assets	Land	Buildings	Machinery and equipment	Vehicles	Software
Balance at April 1, 2019	2,329	20,641	2,012	1,768	404
Depreciation	(828)	(5,337)	(744)	(544)	(27)
New consolidation	131	3,332	212	226	-
New contract	4,342	3,558	502	-	-
Others *3	-	-	-	(385)	(11)
Balance at March 31, 2020	5,974	22,194	1,982	1,065	366

(Notes)*1. Land, buildings, machinery and equipment, vehicles are included in "Property, plant and equipment" in the consolidated statement of financial position.

*2. Software is included in "Intangible asset" on the Consolidated Statement of Financial Position.

*3. Others include cancellations of lease contract and so forth.

(2) Lease liabilities

(Yen in millions)

Term	March 31, 2020
Within one year	7,398
Over one year within five years	15,686
Over five years	10,086
Total undiscounted lease liabilities at March 31, 2020	33,170
Lease liabilities included in consolidated statements of financial position at March 31, 2020	28,534
Current	6,580
Non-current	21,954
Total	28,534

(Note) Lease liabilities are split between long term debt due within one year and long term debt in the consolidated statements of financial position. NIDEC recognized only the lease liabilities classified as the finance lease under IAS17 "Leases" in the previous year. These liabilities are presented as a part of the group borrowings.

(3) The amount recognized in profit or loss

(Yen in millions)

	For the year ended March 31, 2020
Depreciation of right-of-use assets	
Land	828
Buildings	5,337
Machinery and equipment	744
Vehicles	544
Software	27
Subtotal	7,480
Interest expense	677
Expenses relating to short-term leases	2,972
Expenses relating to Low-value asset leases	1,070
Subtotal	4,719
Total	12,199

(4) The amount recognized in statements of cash flows

At March 31, 2020, The total cash outflow for leases is ¥8,382million.

(5) Operating lease (lessor)

NIDEC is a lessor of a portion of the buildings and equipment in operating leases.

Rental income under operating leases for the year ended March 31, 2020 were ¥175 million.

The future minimum rental income under operating leases with remaining non-cancellable terms are as follows:

(Yen in millions)

Term	March 31, 2020
Within one year	241
Over one year within five years	118
Over five years	15
Total future minimum rental income	374

38. Financial instruments

(1) Capital management

NIDEC's capital management principle is to optimize capital structure by achieving a balance between capital efficiency and financial strength, while sustainably increasing corporate value and aiming at 30% dividend payout ratio. In our Medium-Term Strategic Target "Vision 2020", we target profit ratio of equity attributable to owners of the parent of 18%, assuming ratio of equity attributable to owners of the parent to total assets of 60%, and monitor these indexes considering a better credit rating.

NIDEC's ratio of equity attributable to owners of the parent to total assets and profit ratio of equity attributable to owners of the parent are as follows:

	March 31, 2019	March 31, 2020
Ratio of equity attributable to owners of the parent to total assets	52.9 %	44.9 %

	For the years ended March 31,	
	2019	2020
Profit ratio of equity attributable to owners of the parent	11.4 %	6.2 %

There are no material capital regulations applicable to NIDEC.

(2) Credit risk management

NIDEC defines default on trade receivables as "claims becoming unrecoverable due to customer's failure to fulfill its obligation". Therefore, regarding trade receivables, Nidec is regularly monitoring the financial position of main clients by checking payment terms and credit balance for each client according to the credits management policies to ensure early identification and mitigation of the potential credit loss associated with deterioration of their financial position.

No significant concentration of credit risk is present in a particular customer.

NIDEC's maximum exposure to credit risks is the carrying amount of financial assets less impairment losses in the consolidated financial statements.

The analysis of aging of receivables that are past due and expected credit loss of those financial assets are as follows:

As of March 31, 2019

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	49,363	42,296	3,068	3,999
Expected credit loss allowance	(1,830)	(47)	(69)	(1,714)
Net amount	47,533	42,249	2,999	2,285
Rate of expected credit loss	3.7%	0.1%	2.3%	42.9%
Other financial assets:				
Gross amount	465	-	-	465
Expected credit loss allowance	(420)	-	-	(420)
Net amount	45	-	-	45
Rate of expected credit loss	90.3%	-	-	90.3%

As of March 31, 2020

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	41,003	32,107	3,568	5,328
Expected credit loss allowance	(2,773)	(76)	(149)	(2,548)
Net amount	38,230	32,031	3,419	2,780
Rate of expected credit loss	6.8%	0.2%	4.2%	47.8%
Other financial assets:				
Gross amount	484	-	-	484
Expected credit loss allowance	(443)	-	-	(443)
Net amount	41	-	-	41
Rate of expected credit loss	91.5%	-	-	91.5%

The changes in the balance of expected credit loss allowance are as follows:

(Yen in millions)

	For the year ended March 31,			
	2019		2020	
	Trade and other receivables	Other financial assets	Trade and other receivables	Other financial assets
Expected credit loss allowances at beginning of the year	2,012	460	3,003	456
Expected credit loss allowance, net of reversal	1,314	8	831	5
Usage as intended	(251)	(12)	(311)	(9)
Foreign currency translation and other	(72)	0	(145)	(0)
Expected credit loss allowances at the end of the year	3,003	456	3,378	452

(3) Liquidity risk management

NIDEC relies on borrowings from financial institutions and capital raising from direct financing markets to finance its operations and capital expenditures. If, due to changes in financial market conditions or other factors, financial institutions reduce, terminate or otherwise modify the amounts or terms of their lending or credit lines to NIDEC, if there is a significant downgrade of its credit ratings by one or more credit rating agencies as a result of any deterioration of its financial condition or if investor demand significantly decreases due to economic downturns or otherwise, NIDEC may not be able to access funds when NIDEC needs them on acceptable terms.

NIDEC regularly checks the status of liquidity on hand and interest-bearing liabilities, and develops a financing plan against the liquidity risk. Furthermore, the board of directors approves the establishment of credit line for flexible financing in accordance with the plan.

See "20. Short term borrowings and long term debt" for the aggregate amounts of annual maturity of long term debts.

(4) Market risk management

1) Currency risk management

A significant portion of NIDEC overseas sales is denominated in currencies other than Japanese yen, primarily the U.S. dollar, Euro, Chinese yuan and Thai baht. NIDEC is exposed to currency risks arising from the appreciation of the Japanese yen against each currency. The appreciation of the Japanese yen against each currency would have negative effects on NIDEC's sales, operating profit and profit for the year, etc. Furthermore, foreign exchange fluctuation affects the consolidation of financial statements of foreign subsidiaries.

To mitigate the currency risks, NIDEC, in principle, controls the balance of monetary assets and liabilities of each currency and uses a natural hedge such as selling and purchasing in a same currency. For some cases, NIDEC uses foreign exchange forward contracts and other contracts to reduce the impact of foreign exchange fluctuations.

The financial impacts on profit before income taxes in the case of appreciation of Japanese yen against the U.S. dollar and Euro by 1% on the foreign currency denominated financial instruments held by NIDEC while all other variables are held constant as of March 31, 2019 and 2020 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2019	2020
U.S. dollar (appreciation of Japanese yen by 1%)	147	165
Euro (appreciation of Japanese yen by 1%)	(105)	(216)

2) Interest rate risk management

As NIDEC has no significant interest-bearing assets, NIDEC's profit or loss and cash flows are substantially independent of changes in market interest rates.

NIDEC has interest-bearing liabilities and enters into interest rate swaps and other contracts in order to manage the risks of the interest rate fluctuation and changes in cash flows of those liabilities. In addition, we monitor the interest rate fluctuation regularly. As a result, interest rate sensitivity analysis is omitted because payment of interest does not have material impacts on NIDEC.

3) Share price fluctuation risk management

For shares that NIDEC holds, we regularly check their market share price and financial condition of the issuers and monitor unrealized profits or losses. In addition, we review the shareholding on a continuous and as needed basis, taking into consideration the relationship with the issuers.

39. Contingent liabilities

At March 31, 2020, NIDEC was aware of total contingent liabilities of ¥6,645 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

40. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	March 31, 2019	March 31, 2020
Property, plant and equipment and other assets	5,569	25,118

41. Events after the reporting period

(1) Completion of Acquisition of the Delta production line of Secop Austria

NIDEC has agreed to acquire the Delta production line from Secop Austria GmbH (“the Transaction”). On June 1, 2020, NIDEC has completed the Transaction.

1. Purpose

The compressor business of NIDEC was sold to Secop as a condition for the European Commission’s approval of NIDEC’s acquisition from Whirlpool in July 2019. NIDEC remained active in the household compressor business as a result of its acquisition of Embraco. NIDEC became aware that Secop Austria GmbH would suspend its operation in Fürstenfeld following Secop’s press release of October 22, 2019 and intended to offer for sale the Delta production line. In light of NIDEC’s business strategy and economic rationale in Europe, and its confidence in the work force at Fürstenfeld, NIDEC decided to further invest in Fürstenfeld and execute the Transaction with Secop Austria GmbH. As a result of the Transaction, NIDEC will take over approximately 40 employees who were engaged in the Delta compressor business. NIDEC will work further to strengthen its refrigerator compressor business.

2. Overview

1. Transferor	Secop Austria GmbH
2. Transferee	Eff Siebzigacht Beteiligungsverwaltung GmbH
3. Headquarters	Fürstenfeld, Austria
4. Transferred Assets	Delta compressor products line and so on
5. Employees	Approximately 40

(2) Determination of Terms of Twelfth Series of Domestic Unsecured Bonds

On June 4, 2020, the Company determined the terms of tranche of straight bonds (which rank pari passu among themselves) (the “Bonds”) in the principal amount of ¥50 billion to be issued in Japan under a shelf registration statement filed in Japan valid until April 8, 2021, for the issuance from time to time of up to ¥300 billion aggregate principal amount of domestic bonds. The issuance of the Bonds has completed as of the date of this report.

	The Twelfth series unsecured bonds
1. Total principal amount	¥50 billion
2. Book-entry bonds	The provisions of the Law Concerning Book-Entry Transfer of Corporate Bonds and Shares, etc. apply to the bonds.
3. Denomination of each bond	¥100 million
4. Interest rate	0.030% per annum
5. Issue price	100% of the principal amount
6. Redemption price	100% of the principal amount
7. Maturity date	June 9, 2023
8. Offering period	June 4, 2020
9. Payment date	June 10, 2020
10. Method of offering	Public offering in Japan
11. Security or guarantee	The bonds are unsecured and not guaranteed. There is no assets reserved as security for the bonds.
12. Financial covenants	The bonds are subject to certain negative pledge restrictions.
13. Redemption prior to maturity	The Company may, at any time on or after the day following the issue date, repurchase the bonds and cause such repurchased bonds to be canceled, unless otherwise required by Japan Securities Depository Center, Inc.
14. Use of the bonds	Repayment of a part of short-term borrowings

(3) A loan guarantee for a joint venture

The Company has entered into the first demand guarantee agreement with the European Investment Bank on June 5, 2020. The Company issued the letter of guarantee as a parent company and guarantee the loan which NIDEC PSA EMOTORS, which is a joint venture with Groupe PSA, will receive from the European Investment Bank. The maximum guarantee amount would be 81.2 million Euro.

42. Authorization of consolidated financial statements

NIDEC’s consolidated financial statements were authorized for issue on June 18, 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. Others

Quarterly information, etc. from April 1, 2019 to March 31, 2020

(Yen in millions, unless otherwise indicated)

(Accumulated period)	For the three months ended June 30, 2019	For the six months ended September 30, 2019	For the nine months ended December 31, 2019	For the year ended March 31, 2020
Net sales	360,874	751,277	1,159,608	1,534,800
Profit before income taxes	30,935	63,459	94,324	106,927
Profit attributable to owners of the parent	3,284	27,362	50,319	60,084
Earnings per share attributable to owners of the parent-basic (yen)	5.58	46.49	85.49	102.13

(Fiscal period)	For the three months ended June 30, 2019	For the three months ended September 30, 2019	For the three months ended December 31, 2019	For the three months ended March 31, 2020
Earnings per share attributable to owners of the parent-basic (yen)	5.58	40.91	39.00	16.62

(Notes) 1. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020.

Related quarterly items for the year ended March 31, 2020 reflect the revision of the initially allocated amount of acquisition price as NIDEC finalized the provisional accounting treatment.

- "Earnings per share attributable to owners of the parent - basic" has been calculated based on figures of "Profit attributable to owners of the parent".
- NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. Number of shares issued (ordinary shares) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2020.

VI. Share-related Administration of the Company

Fiscal year	April 1 - March 31
Annual General Meeting of Shareholders	During June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Number of shares in one trading unit	100 shares
Buyback in holdings of shares less than one unit	
Place of handling	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. 5-33, Kitahama 4-chome, Chuo-ku, Osaka
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	-
Fees for buyback in holdings	Amount separately specified as an amount equivalent to fees for entrusting sale or purchase of shares
Method of giving public notice	Nidec carries out its public notifications by means of electronic public notice https://www.nidec.com/en/ However, in the event of an accident which makes electronic notice impossible, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper).
Shareholders privileges	Shareholder Benefit Program 1. Music box 1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of March 31 every year. 2) Type of benefits <Target: Shareholders with a shareholding period of 10 years or longer* and a share unit (100 shares) or more> - Contents : Music box (by application or lot) - Benefit : A) A 50-valve Orpheus music box with an Italian inlay (worth 75,000 yen) - Shareholders : 10 by lot <Target: Shareholders with a shareholding period of 3 years or longer and a share unit (100 shares) or more> - Contents : Music box (by application or lot) - Benefit : B) A music box (worth 5,000 yen) (of your choice from multiple models) - Shareholders : 100 by lot *Those who own the Company's shares for 10 years or longer may choose either A) or B) above when applying.

Shareholders privileges	<p>2. A leaflet which serves as an admission ticket to Suwanone Museum where Nidec Sankyo Corporation showcases their music box products</p> <p>1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits NIDEC offers a leaflet which serves as an admission ticket to Suwanone Museum where Nidec Sankyo Corporation showcases their music box products. NIDEC will also offer a 10% discount ticket that can be used for a purchase of merchandise over ¥5,000. (Please have your leaflet with you when visiting Suwanone Museum.)</p> <p>3. Tour to the Company</p> <p>1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of September 30 every year. With the tour to be held in June the following year, shareholders will have their status checked to see if they own shares equal to or more than the Company's share unit based on the list of shareholders as of the end of March.</p> <p>2) Type of benefits <Target: Shareholders with a shareholding period of 10 years or longer and a share unit (100 shares) or more> – Contents : Tour to the Company's sites in Japan (by application or lot) – Shareholders : 50 by lot</p>
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(Notes) 1. The Articles of Incorporation provide that a holder of shares less than one unit does not have any rights other than rights under each item of Article 189, Paragraph 2 of the Companies Act or rights to be allotted rights to subscribe for free for new shares and share acquisition rights in proportion to the number of shares held by the shareholder.

2. We assume that a buyback of shares less than one unit is charged through an account administration authority, such as a brokerage firm and so on (in case of the special account, the above Sumitomo Mitsui Trust Bank, Limited).

VII. Reference Information on the Company

1. Information on Parent Company, etc. of the Company

The Company has no parent company pursuant to Article 24-7, Paragraph 1 of Financial Instruments and Exchange Act of Japan.

2. Other Reference Information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2020 to the filing date of the Annual Securities Report.

1. Annual Securities Report and the attachments thereto, and Confirmation Letter

(The 46th business term) (From April 1, 2018 to March 31, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on June 19, 2019
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2. Internal Control Report and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on June 19, 2019

3. Quarterly Report and Confirmation Letter

(First Quarter of the 47th business term) (From April 1, 2019 to June 30, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on August 8, 2019
(Second Quarter of the 47th business term) (From July 1, 2019 to September 30, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on November 13, 2019
(Third Quarter of the 47th business term) (From October 1, 2019 to December 31, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on February 13, 2020

4. Extraordinary Report

Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on June 20, 2019
Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 3 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on November 12, 2019
Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 3 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on November 12, 2019
Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 6-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on December 9, 2019

5. Shelf Registration Statements (Straight bond) and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on April 1, 2020

6. Shelf Registration Supplements (Straight bond) and attachments thereto

Filed with the Director-General of the Kinki Local Finance Bureau on June 4, 2020

7. Status Report of Acquisition of Treasury Shares

(From June 1, 2019 to June 30, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on July 4, 2019
(From July 1, 2019 to July 31, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on August 6, 2019
(From August 1, 2019 to August 31, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on September 5, 2019
(From September 1, 2019 to September 30, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on October 4, 2019
(From October 1, 2019 to October 31, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on November 7, 2019
(From November 1, 2019 to November 30, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on December 5, 2019
(From December 1, 2019 to December 31, 2019)	Filed with the Director-General of the Kanto Local Finance Bureau on January 9, 2020
(From January 1, 2020 to January 31, 2020)	Filed with the Director-General of the Kanto Local Finance Bureau on February 6, 2020
(From February 1, 2020 to February 29, 2020)	Filed with the Director-General of the Kanto Local Finance Bureau on March 5, 2020
(From March 1, 2020 to March 31, 2020)	Filed with the Director-General of the Kanto Local Finance Bureau on April 6, 2020
(From April 1, 2020 to April 30, 2020)	Filed with the Director-General of the Kanto Local Finance Bureau on May 11, 2020
(From May 1, 2020 to May 31, 2020)	Filed with the Director-General of the Kanto Local Finance Bureau on June 4, 2020

Part II Information on Guarantors, etc. for the Company

Not applicable.

TRANSLATION

Following is an English translation of the Independent Auditors' report filed under the Financial Instrument and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditors' Report

(filed under the Financial Instruments and Exchange Act of Japan)

June 18, 2020

To the Board of Directors of
NIDEC CORPORATION (Nihon Densan Kabushiki Kaisha):

PricewaterhouseCoopers Kyoto

Designated and Engagement Partner,
Certified Public Accountant: Minamoto Nakamura

Designated and Engagement Partner,
Certified Public Accountant: Tsuyoshi Yamamoto

Audit of Financial Statements

Audit Opinion

Pursuant to the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the "Consolidated Financial Statements and Other Information", namely, the consolidated statements of financial position as of March 31, 2020 of Nidec Corporation (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, including notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) pursuant to the provision of Article 93 of the *Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements*.

Basis for opinion

We conducted our audit in accordance with generally considered acceptable in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management, the Audit and Supervisory Committee for consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern in accordance with IFRS.

The Audit and Supervisory Committee is responsible for monitoring the execution of the duties of Directors related to designing and operating the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the accounting auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

· Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any material weaknesses in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Audit of Internal Control

Audit Opinion

Pursuant to the Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of the Company as of March 31, 2020.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of the Company as of March 31, 2020 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis of Opinion

We conducted our audit of Internal Control in accordance with an audit standard of internal control over financial reporting that is generally considered acceptable in Japan. Our responsibilities under the auditing standards of internal control over financial reporting are further described in the "Auditor's Responsibilities for the Audit of the internal control."

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the internal control in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management, the Audit and Supervisory Committee for report on internal control

Management has responsibilities to maintain and operate internal controls for financial reporting, and prepare and properly present report on internal control in accordance with the standards for evaluation of internal controls for financial reporting generally accepted in Japan.

It is the responsibility of the Audit and Supervisory Committee to monitor and verify the status of establishment and operation of internal control over financial reporting.

There is a possibility that the false statements in the financial reporting cannot be completely prevented or found by the internal control over financial reporting.

Auditor's Responsibilities for the Audit of the internal control.

Our objectives are to obtain reasonable assurance about whether the report on internal control as a whole are free from material misstatement, and to issue an auditor's report that includes our opinion from an independent point of view over the report on internal control.

As part of an audit in accordance with auditing standards of internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures for obtaining audit evidence regarding the evaluation results of internal control over financial reporting in the report on internal control. Audit procedures for internal control audits are selected and applied depend on the auditor's judgement, based on the significance of impact on the reliability of financial reporting.

- Consider presentation of the report on internal control as a whole, including the description made by the management regarding the scope of evaluation of internal control over financial reporting, the procedures for evaluation, and the results of the evaluation.

- Obtain sufficient and appropriate audit evidence regarding the evaluation results of internal control over financial reporting in the report on internal control. We are responsible for the direction, supervision and performance of the audit of the report on internal control. We are solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, the results of internal control audits, any material weakness in internal control identified, the results of their corrections, and other matters required in internal control auditing.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Company for which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.