

[Translation]

Quarterly Report

(The First Quarter of 48th Business Term)

From April 1, 2020 to June 30, 2020

NIDEC CORPORATION

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[Company Name]	Nihon Densan Kabushiki Kaisha
[Company Name in English]	NIDEC CORPORATION
[Title and Name of Representative]	Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer
[Address of Head Office]	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
[Phone No.]	075-922-1111
[Contact Person]	Isao Takahashi, General Manager, Accounting Department
[Contact Address]	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
[Phone No.]	075-922-1111
[Contact Person]	Isao Takahashi, General Manager, Accounting Department
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the Quarterly Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the three months ended June 30,		For the year ended March 31, 2020
	2019	2020	
Net sales	360,874	336,876	1,534,800
Profit before income taxes	30,935	27,730	105,691
Profit attributable to owners of the parent	3,284	20,284	58,834
Comprehensive income attributable to owners of the parent	(31,198)	20,269	4,927
Total equity attributable to owners of the parent	948,801	950,147	947,665
Total assets	1,872,322	2,081,162	2,117,428
Earnings per share attributable to owners of the parent - basic (yen)	5.58	34.63	100.00
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	50.7	45.7	44.8
Net cash provided by operating activities	32,723	22,435	168,049
Net cash used in investing activities	(42,660)	(27,647)	(311,513)
Net cash provided by (used in) financing activities	11,483	(13,058)	128,546
Cash and cash equivalents at end of period	235,024	185,736	206,986

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

2. Description of Business

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

The reporting segment classification was changed. For details, please refer to "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information".

II. Business Overview

1. Risk Factors

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

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

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

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Condensed quarterly consolidated financial statements for the three months ended June 30, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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

(1) Operating results

At the beginning of the year ending March 31, 2021, the world economy was in a global recession due to the spread of the new coronavirus (COVID-19), and the IMF forecasts that the global growth in 2020 will fall to -4.9%, the worst downturn since the Great Depression of the 1930s. Developed countries have implemented huge economic stimulus packages such as cash benefits to households, financial support for companies and others, and major central banks have also supported with huge funds to prevent a further deterioration of the economy, though the world economic outlook remains uncertain due to fears of a second wave of COVID-19 infection and large-scale bankruptcies of companies caused by financial market turmoil, and risk factors related to the US-China tensions over trade, the Hong Kong problem and others.

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

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2019	2020		
Net sales	360,874	336,876	(23,998)	(6.6)%
Operating profit	27,632	28,112	480	1.7%
Operating profit ratio	7.7%	8.3%	-	-
Profit before income taxes	30,935	27,730	(3,205)	(10.4)%
Profit for the period from continuing operations	23,677	20,687	(2,990)	(12.6)%
Loss for the period from discontinued operations	(19,781)	(74)	19,707	-
Profit attributable to owners of the parent	3,284	20,284	17,000	517.7%

Consolidated net sales from continuing operations decreased 6.6% to ¥336,876 million for the three months ended June 30, 2020 (“this three-month period”), compared to the three months ended June 30, 2019 (“the same period of the prior year”). Operating profit increased 1.7% to ¥28,112 million for this three-month period compared to the same period of the prior year mainly due to thorough manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project, despite the decrease in profits due to the decrease in sales.

Profit before income taxes decreased 10.4% to ¥27,730 million and profit for the period from continuing operations decreased 12.6% to ¥20,687 million compared to the same period of the prior year, respectively.

Profit attributable to owners of the parent, including loss for the period from discontinued operations, was ¥20,284 million, 6.2 times higher than the same period of the prior year, due to the loss related to sales of the business of compressor for refrigerator of Secop and others of the prior year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit (loss)		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
SPMS	86,972	87,429	457	7,967	13,392	5,425
AMEC	50,314	27,201	(23,113)	3,417	(1,632)	(5,049)
ACIM	100,260	109,714	9,454	5,366	6,554	1,188
Nidec Sankyo	36,991	29,221	(7,770)	2,476	1,956	(520)
Nidec Techno Motor	24,065	16,361	(7,704)	3,309	2,410	(899)
Nidec Mobility	–	13,906	13,906	–	127	127
Nidec Shimpo	18,889	17,013	(1,876)	2,634	2,113	(521)
Others	63,601	48,830	(14,771)	7,419	6,170	(1,249)
Elimination/corporate	(20,218)	(12,799)	7,419	(4,956)	(2,978)	1,978
Consolidated total	360,874	336,876	(23,998)	27,632	28,112	480

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

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

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

Net sales of SPMS increased ¥457 million to ¥87,429 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales of other small precision motors, despite a decrease in sales of hard disk drives spindle motors. Operating profit increased ¥5,425 million to ¥13,392 million for this three-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement.

Net sales of AMEC decreased ¥23,113 million to ¥27,201 million for this three-month period compared to the same period of the prior year. This decrease was due to significant decrease in sales of actuator products of Nidec Motors & Actuators in global demand. Operating profit(loss) was ¥1,632 million operating loss for this three-month period. This decrease was due to a decrease in sales and an increase in advanced development cost.

Net sales of ACIM increased ¥9,454 million to ¥109,714 million for this three-month period compared to the same period of the prior year. This increase was due to the impact of the acquisition of Embraco. Operating profit increased ¥1,188 million to ¥6,554 million for this three-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement and fixed cost rationalization.

Net sales of Nidec Sankyo decreased ¥7,770 million to ¥29,221 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of other small precision motors and LCD panel handling robots. Operating profit decreased ¥520 million to ¥1,956 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Net sales of Nidec Techno Motor decreased ¥7,704 million to ¥16,361 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of motors for air conditioning equipment in China. Operating profit decreased ¥899 million to ¥2,410 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales, despite manufacturing cost improvement and fixed cost rationalization.

Net sales of Nidec Mobility was ¥13,906 million for this three-month period. Operating profit was ¥127 million for this three-month period. Following the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

Net sales of Nidec Shimpo decreased ¥1,876 million to ¥17,013 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of speed reducers and press machines. Operating profit decreased ¥521 million to ¥2,113 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales and the transfer of the sales rights of some businesses.

With respect to the Others segment, net sales decreased ¥14,771 million to ¥48,830 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of other small precision motors, automotive products and other products. Operating profit decreased ¥1,249 million to ¥6,170 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Operating results by product category are as follows:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
Small precision motors	108,006	104,418	(3,588)	10,494	14,283	3,789
Automotive products	75,488	56,797	(18,691)	6,767	61	(6,706)
Appliance, commercial and industrial products	123,009	125,096	2,087	8,675	8,967	292
Machinery	38,086	35,729	(2,357)	5,307	6,181	874
Electronic and optical components	15,170	14,086	(1,084)	1,291	1,496	205
Other products	1,115	750	(365)	188	84	(104)
Elimination/corporate	-	-	-	(5,090)	(2,960)	2,130
Consolidated total	360,874	336,876	(23,998)	27,632	28,112	480

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

In small precision motors, NIDEC is focusing on creating new demands based on our technical advantages through Three-new Strategy and improving profitability based on our competitive advantages. Net sales of small precision motors decreased 3.3% to ¥104,418 million for this three-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,000 million for this three-month period compared to the same period of the prior year. Net sales of spindle motors for HDDs decreased 2.5% to ¥37,043 million for this three-month period compared to the same period of the prior year. The number of units sold of spindle motors for HDDs decreased approximately 19.1% compared to the same period of the prior year. Net sales of other small precision motors decreased 3.7% to ¥67,375 million for this three-month period compared to the same period of the prior year. Operating profit of this category increased 36.1% to ¥14,283 million for this three-month period compared to the same period of the prior year, mainly due to thorough manufacturing cost improvement and others. The fluctuations of the foreign currency exchange rates had a negative effect on

operating profit of this category by approximately ¥200 million for this three-month period compared to the same period of the prior year.

NIDEC has been engaged in research and development of the automotive products with the aim of providing high-value-added modules for driving motors for EVs and PHEVs, drawing on our core motor technology and advanced technology. NIDEC is focusing on expanding our product lineup in order to respond to a variety of vehicle model configurations, in preparation for the coming demand generated by the development of electric vehicles. Net sales of automotive products decreased 24.8% to ¥56,797 million for this three-month period compared to the same period of the previous year. This decrease is due to significant decrease in sales of actuator products of Nidec Motors & Actuators and control valves of Nidec Tosok Corporation and others due to a decrease in global demand, while there is the impact of the acquisition of OMRON Automotive Electronics Co. Ltd. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,200 million for this three-month period compared to the same period of the previous year. Operating profit of this category decreased 99.1% to ¥61 million for this three-month period compared to the same period of the prior year, due to the continuous inclusion of development costs for traction motor systems (E-Axle) and others, whose demand is expanding rapidly, amid the sharp decline in sales, while improving all manufacturing costs through WPR4 Project with our total efforts. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥300 million for this three-month period compared to the same period of the previous year.

NIDEC is focusing on the pursuit of synergistic effects in both sales and costs and improving profitability in the appliance, commercial and industrial products as key growth businesses. Net sales of appliance, commercial and industrial products increased 1.7% to ¥125,096 million for this three-month period compared to the same period of the prior year, primarily due to the impact of the acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,600 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 3.4% to ¥8,967 million for this three-month period compared to the same period of the previous year, mainly due to manufacturing cost improvement and fixed cost rationalization. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by ¥26 million for this three-month period compared to the same period of the previous year.

In machinery, NIDEC is improving profitability by enhancing speed reducers production capacity for small robots due to expanding demand of speed reducers. Net sales of machinery decreased 6.2% to ¥35,729 million for this three-month period compared to the same period of the previous year, due to lower sales in LCD panel handling robots and other products and other factors. Operating profit of this category increased 16.5% to ¥6,181 million for this three-month period compared to the same period of the previous year, due to the effect of manufacturing cost improvement and fixed cost rationalization, despite a decrease in profit due to the decrease in sales.

Net sales of electronic and optical components decreased 7.1% to ¥14,086 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 15.9% to ¥1,496 million for this three-month period compared to the same period of the previous year, due to manufacturing cost improvement and fixed cost rationalization, despite a decrease in profit due to the decrease in sales.

Net sales of other products decreased 32.7% to ¥750 million and operating profit of this category decreased 55.3% to ¥84 million for this three-month period compared to the same period of the prior year.

(2) Financial position

Total assets decreased ¥36,266 million to ¥2,081,162 million as of June 30, 2020 compared to March 31, 2020. This was mainly due to decreases of ¥21,250 million in cash and cash equivalents, and ¥20,776 million in trade and other receivables.

Total liabilities decreased ¥39,070 million to ¥1,110,350 million as of June 30, 2020 compared to March 31, 2020. This was mainly due to a decrease of ¥46,862 million in trade and other payables, though there was an increase of ¥8,107 million in interest-bearing debt. Specifically, short term borrowings increased ¥6,762 million to ¥123,716 million, long term debt due within one year decreased ¥50,356 million to ¥61,470 million and long term debt increased ¥51,701 million to ¥422,700 million as of June 30, 2020 compared to March 31, 2020.

Total equity attributable to owners of the parent increased ¥2,482 million to ¥950,147 million as of June 30, 2020 compared to March 31, 2020. Ratio of total equity attributable to owners of the parent to total assets increased to 45.7% as of June 30, 2020 from 44.8% as of March 31, 2020. This was mainly due to an increase in retained earnings of ¥4,235 million, though there was a decrease in other components of equity of ¥1,676 million.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities decreased ¥10,288 million to ¥22,435 million for this three-month period compared to the same period of the prior year. This decrease in net cash provided by operating activities was mainly due to decreases in accounts payable net changes year on year of ¥22,436 million and in other, net changes year on year of ¥12,433 million. On the other hand, there were increase in accounts receivable net changes year on year of ¥26,517 million.

For the three months ended June 30, 2020, NIDEC had ¥22,435 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥20,613 million, depreciation and amortization of ¥23,658 million and a decrease in accounts receivable of ¥16,133 million. On the other hand, there were a decrease in accounts payable of ¥20,424 million, an increase in inventories of ¥5,394 million and a decrease in other, net of ¥11,783 million. Accounts receivable decreased primarily due to a decrease in sales for the three months ended June 30, 2020 compared to the previous three months ended March 31, 2020.

For the three months ended June 30, 2019, NIDEC had ¥32,723 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥3,896 million and an increase in accounts payable of ¥2,012 million. On the other hand, there were an increase in accounts receivable of ¥10,384 million and an increase in inventories of ¥4,133 million. Accounts receivable increased primarily due to an increase in sales for the three months ended June 30, 2019 compared to the previous three months ended March 31, 2019.

(Cash flows from investing activities)

Net cash used in investing activities decreased ¥15,013 million to ¥27,647 million for this three-month period compared to the same period of the prior year. The decrease in net cash used in investing activities was mainly due to a decrease in additions to property, plant and equipment of ¥13,799 million.

For the three months ended June 30, 2020, NIDEC had ¥27,647 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥25,497 million.

For the three months ended June 30, 2019, NIDEC had ¥42,660 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥39,296 million.

(Cash flows from financing activities)

Net cash provided by financing activities decreased ¥24,541 million to ¥13,058 million for this three-month period compared to the same period of the prior year. This decrease was mainly due to decrease in net cash inflow from short term borrowing of ¥23,548 million.

For the three months ended June 30, 2020, NIDEC had ¥13,058 million of net cash outflows from financing activities mainly due to dividends paid to the owners of the parent of ¥17,573 million. On the other hand, there was an increase in short term borrowings of ¥6,703 million.

For the three months ended June 30, 2019, NIDEC had ¥11,483 million of net cash inflows from financing activities mainly due to an increase in short term borrowing of ¥30,251 million. On the other hand, there was dividends paid to the owners of the parent of ¥16,186 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased ¥21,250 million from ¥206,986 million as of March 31, 2020 to ¥185,736 million as of June 30, 2020.

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

(4) Research and development

NIDEC's research and development expenses for the three months ended June 30, 2020 were 15,095 million. There were no significant changes in research and development activities for the period.

(5) Production, Orders Received and Sales

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

(6) Major property, plant and equipment

In the three months ended June 30, 2020, among the new construction plans of major property, plant and equipment as of March 31, 2020, the scheduled completion date of construction of the manufacturing factory of Nidec Motor Corporation which is to manufacture appliance, commercial and industrial products has been updated to September 2020.

3. Material Agreements, etc.

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

III. Information on the Company

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of first quarter (Shares) (June 30, 2020)	Number of shares issued as of the filing date (Shares) (August 7, 2020)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	596,284,468	596,284,468	Tokyo Stock Exchange, Inc. (the first section)	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	596,284,468	596,284,468	-	-

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

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

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

Not applicable.

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

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
April 1, 2020 (*1)	298,142,234	596,284,468	-	87,784	-	92,005

(Note) *1. Change due to share split (1:2).

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of March 31, 2020 is stated in this item because the Company cannot identify the number of voting rights as of June 30, 2020 due to the lack of information on the details entered in the shareholders registry as of June 30, 2020.

1) Issued shares

(As of June 30, 2020)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 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.

- Ordinary shares in the “Shares less than one unit” row include 17 shares of the Company’s treasury stock.
- Ordinary shares in the “Shares with full voting rights (others)” row include 59,600 shares (596 voting rights) of the BIP Trust and 21,600 shares (216 voting rights) of the ESOP Trust.
- 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.

2) Treasury stock, etc.

(As of June 30, 2020)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	5,184,000	-	5,184,000	1.73
Total	-	5,184,000	-	5,184,000	1.73

(Notes) 1. 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.

- The number of shares held under own name (except for shares less than one unit) is 10,388,500, as of June 30, 2020.
- The Company’s shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

2. Members of the Board of Directors

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

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2020	As of June 30, 2020
Assets			
Current assets			
Cash and cash equivalents		206,986	185,736
Trade and other receivables		394,259	373,483
Other financial assets	14	913	1,551
Income tax receivables		12,885	13,761
Inventories		278,185	282,843
Other current assets		40,309	44,488
Total current assets		933,537	901,862
Non-current assets			
Property, plant and equipment		630,380	631,264
Goodwill	8	322,909	320,913
Intangible assets	8	177,390	176,947
Investments accounted for using the equity method		3,294	3,111
Other investments	14	14,479	14,895
Other financial assets	14	6,888	7,437
Deferred tax assets		18,274	14,789
Other non-current assets		10,277	9,944
Total non-current assets		1,183,891	1,179,300
Total assets		2,117,428	2,081,162

(Yen in millions)

	Note	As of March 31, 2020	As of June 30, 2020
Liabilities			
Current liabilities			
Short term borrowings	14	116,954	123,716
Long term debt due within one year	14	111,826	61,470
Trade and other payables		345,193	298,331
Other financial liabilities	14	9,109	8,105
Income tax payables		18,726	17,730
Provisions		30,339	30,189
Other current liabilities		64,884	70,523
Total current liabilities		697,031	610,064
Non-current liabilities			
Long term debt	14	370,999	422,700
Other financial liabilities	14	4,085	2,322
Retirement benefit liabilities		31,077	31,241
Provisions		942	877
Deferred tax liabilities		40,653	38,202
Other non-current liabilities		4,633	4,944
Total non-current liabilities		452,389	500,286
Total liabilities		1,149,420	1,110,350
Equity			
Common stock		87,784	87,784
Additional paid-in capital		114,754	114,775
Retained earnings		924,668	928,903
Other components of equity		(115,791)	(117,467)
Treasury stock		(63,750)	(63,848)
Total equity attributable to owners of the parent		947,665	950,147
Non-controlling interests		20,343	20,665
Total equity		968,008	970,812
Total liabilities and equity		2,117,428	2,081,162

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2019 and 2020
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended June 30, 2019	2020
Continuing operations			
Net Sales	5	360,874	336,876
Cost of sales		(281,145)	(263,621)
Gross profit		79,729	73,255
Selling, general and administrative expenses		(33,443)	(30,048)
Research and development expenses		(18,654)	(15,095)
Operating profit	5	27,632	28,112
Financial income		2,991	1,424
Financial expenses		(2,301)	(1,678)
Derivative gain (loss)		(1,054)	(165)
Foreign exchange differences		3,962	208
Share of net profit (loss) from associate accounting using the equity method		(295)	(171)
Profit before income taxes		30,935	27,730
Income tax expenses		(7,258)	(7,043)
Profit for the period from continuing operations		23,677	20,687
Discontinued operations			
Loss for the period from discontinued operations	6	(19,781)	(74)
Profit for the period		3,896	20,613
Profit for the period attributable to:			
Owners of the parent		3,284	20,284
Non-controlling interests		612	329
Profit for the period		3,896	20,613
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		39.19	34.76
Discontinued operations		(33.61)	(0.13)
Total		5.58	34.63

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended June 30,	
		2019	2020
Profit for the period		3,896	20,613
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(983)	(48)
Fair value movements on FVTOCI equity financial assets		(315)	516
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(33,798)	(3,152)
Effective portion of net changes in fair value of cash flow hedges		(120)	2,702
Fair value movements on FVTOCI debt financial assets		1	17
Total other comprehensive income for the period, net of taxation		(35,215)	35
Comprehensive income for the period		(31,319)	20,648
Comprehensive income for the period attributable to:			
Owners of the parent		(31,198)	20,269
Non-controlling interests		(121)	379
Comprehensive income for the period		(31,319)	20,648

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 2019

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2019		87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629
Changes in accounting policies				(407)			(407)		(407)
Balance after restatement		87,784	118,314	900,361	(64,775)	(45,296)	996,388	22,834	1,019,222
Comprehensive income									
Profit for the period				3,284			3,284	612	3,896
Other comprehensive income					(34,482)		(34,482)	(733)	(35,215)
Total comprehensive income							(31,198)	(121)	(31,319)
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(6)	(6)	-	(6)
Dividends paid to the owners of the parent				(16,186)			(16,186)	-	(16,186)
Dividends paid to non-controlling interests							-	(72)	(72)
Share-based payment transactions			66				66	-	66
Transfer to retained earnings				(1,297)	1,297		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(263)				(263)	(421)	(684)
Other			7	(8)		1	-	(82)	(82)
Balance at June 30, 2019		87,784	118,124	886,154	(97,960)	(45,301)	948,801	22,138	970,939

For the three months ended June 30, 2020

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2020		87,784	114,754	924,668	(115,791)	(63,750)	947,665	20,343	968,008
Comprehensive income									
Profit for the period				20,284			20,284	329	20,613
Other comprehensive income					(15)		(15)	50	35
Total comprehensive income							20,269	379	20,648
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(103)	(103)	-	(103)
Dividends paid to the owners of the parent				(17,573)			(17,573)	-	(17,573)
Dividends paid to non-controlling interests							-	(38)	(38)
Share-based payment transactions			21				21	-	21
Transfer to retained earnings				1,661	(1,661)		-	-	-
Other				(137)		5	(132)	(19)	(151)
Balance at June 30, 2020		87,784	114,775	928,903	(117,467)	(63,848)	950,147	20,665	970,812

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the three months ended June 30,	
		2019	2020
Cash flows from operating activities:			
Profit for the period from continuing operations		23,677	20,687
Profit (loss) for the period from discontinued operations	6	(19,781)	(74)
Profit for the period		3,896	20,613
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		19,315	23,658
Loss (gain) from sales, disposal or impairment of property, plant and equipment		755	(44)
Loss from sales of discontinued operations		-	74
Recognized loss due to measuring assets held for sale at fair value less costs to sell		18,207	-
Financial expenses (income)		(685)	436
Share of net loss (profit) from associate accounting using the equity method		295	171
Deferred income taxes		1,813	304
Current income taxes		7,089	6,739
Foreign currency adjustments		(834)	497
Increase (decrease) in retirement benefit liability		1,566	153
Decrease (increase) in accounts receivable		(10,384)	16,133
Decrease (increase) in inventories		(4,133)	(5,394)
Increase (decrease) in accounts payable		2,012	(20,424)
Other, net		650	(11,783)
Interests and dividends received		2,424	1,010
Interests paid		(1,384)	(1,101)
Income taxes paid		(7,879)	(8,607)
Net cash provided by operating activities		32,723	22,435

(Yen in millions)

	Note	For the three months ended June 30,	
		2019	2020
Cash flows from investing activities:			
Additions to property, plant and equipment		(39,296)	(25,497)
Proceeds from sales of property, plant and equipment		165	359
Additions to intangible assets		(2,095)	(3,994)
Proceeds from sales of discontinued operations		-	2,717
Acquisitions of business, net of cash acquired		-	(2,531)
Other, net		(1,434)	1,299
Net cash used in investing activities		(42,660)	(27,647)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		30,251	6,703
Proceeds from issuance of long term debt		55	-
Repayments of long term debt		(2,104)	(1,980)
Proceeds from issuance of bonds		-	50,000
Redemption of bonds		-	(50,000)
Purchase of treasury stock		(5)	(103)
Dividends paid to the owners of the parent	12	(16,186)	(17,573)
Other, net		(528)	(105)
Net cash (used in) provided by financing activities		11,483	(13,058)
Effect of exchange rate changes on cash and cash equivalents		(8,789)	(2,980)
Net increase (decrease) in cash and cash equivalents		(7,243)	(21,250)
Cash and cash equivalents at beginning of period		242,267	206,986
Cash and cash equivalents at end of period		235,024	185,736

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

Nidec Corporation (the “Company”) is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange.

The registered addresses of headquarters and principal business offices are available on the Company’s website (<https://www.nidec.com/en/>).

Condensed quarterly consolidated financial statements as of June 30, 2020 and for the three months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation

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

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

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

(2) Basis of measurement

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

(3) Presentation currency and level of rounding

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

3. Significant accounting policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of NIDEC's consolidated financial statements for the year ended March 31, 2020.

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

4. Significant accounting estimates, judgments and assumptions

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

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

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

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

5. Segment information

(Operating segment information)

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

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

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

NIDEC's operating segments are as follows:

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

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

Net sales to external customers :

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
SPMS	84,950	86,937
AMEC	49,944	26,907
ACIM	100,139	109,646
Nidec Sankyo	35,003	28,535
Nidec Techno Motor	22,870	15,213
Nidec Mobility	-	13,896
Nidec Shimpo	18,614	15,145
Others	49,354	40,597
Consolidated net sales	360,874	336,876

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

Net sales to other operating segments:

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
SPMS	2,022	492
AMEC	370	294
ACIM	121	68
Nidec Sankyo	1,988	686
Nidec Techno Motor	1,195	1,148
Nidec Mobility	-	10
Nidec Shimpo	275	1,868
Others	14,247	8,233
Total	20,218	12,799
Intersegment elimination	(20,218)	(12,799)
Consolidated net sales	-	-

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

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

	For the three months ended June 30,	
	2019	2020
SPMS	7,967	13,392
AMEC	3,417	(1,632)
ACIM	5,366	6,554
Nidec Sankyo	2,476	1,956
Nidec Techno Motor	3,309	2,410
Nidec Mobility	-	127
Nidec Shimpo	2,634	2,113
Others	7,419	6,170
Total	32,588	31,090
Elimination and Corporate (Note)	(4,956)	(2,978)
Operating profit	27,632	28,112
Financial income (expenses)	690	(254)
Derivative gain (loss)	(1,054)	(165)
Foreign exchange differences	3,962	208
Share of net profit (loss) from associate accounting using the equity method	(295)	(171)
Profit before income taxes	30,935	27,730

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,071 million and ¥4,666 million for the three months ended June 30, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

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

Net sales by type of product

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Small precision motors:		
Hard disk drives spindle motors	38,008	37,043
Other small precision motors	69,998	67,375
Subtotal	108,006	104,418
Automotive products	75,488	56,797
Appliance, commercial and industrial products	123,009	125,096
Machinery	38,086	35,729
Electronic and optical components	15,170	14,086
Other products	1,115	750
Consolidated net sales	360,874	336,876

(Notes) 1. “Small precision motors” consists of “hard disk drives spindle motors” and “other small precision motors”. “Other small precision motors” consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.

“Automotive products” consists of automotive motors and components.

“Appliance, commercial and industrial products” consists of home appliance, commercial and industrial motors and related products.

“Machinery” consists of industrial robots, card readers, test systems, press machines and power transmission drives, etc.

“Electronic and optical components” consists of switches, trimmer potentiometers, lens units and camera shutters, etc.

“Other products” consists of services, etc.

2. The above amounts no longer include discontinued operations.

6. Discontinued Operations

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

(1) Main reason for the Transaction

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

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

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

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

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

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

(4) Transition of ownership ratio for the company

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

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

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Net Sales	1,143	-
Recognized loss due to measuring assets held for sale at fair value less costs	(18,207)	-
Other loss	(1,075)	(74)
Loss before income taxes from discontinued operations	(18,139)	(74)
Income tax expenses	(1,501)	-
Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales	(141)	-
Total income tax expenses	(1,642)	-
Loss for the period from discontinued operations	(19,781)	(74)

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

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

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

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Net cash provided (used in) by operating activities	(0)	-
Net cash (used in) provided by investing activities	-	2,717
Net cash used in financing activities	-	-
Total	(0)	2,717

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

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

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

7. Business combinations

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

Purchase price allocation to the assets and the liabilities

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

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

(Yen in millions)

	Embraco	Nidec Mobility Corporation	Others
Current assets			
Trade and other receivables	67	-	-
Other current assets	(141)	-	-
Other non-current assets			
Property, plant and equipment	(2,120)	(528)	-
Intangible assets	37,351	-	722
Deferred tax assets	1,304	92	-
Acquired assets at fair value	36,461	(436)	722
Current liabilities			
Long term debt due within one year	-	(168)	-
Provisions	(7)	-	-
Other current liabilities	256	-	-
Non-current liabilities			
Long term debt	-	(371)	-
Retirement benefit liabilities	-	376	-
Deferred tax liabilities	5,121	-	158
Assumed liabilities at fair value	5,370	(163)	158
Acquired assets and assumed liabilities at fair value (net amount)	31,091	(273)	564
Goodwill	(32,178)	(615)	(571)

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

(Yen in millions)

	Weighted average amortization period	Embraco	Others
Trademark	No amortization	21,657	367
Customer relationships	25 years	15,835	355
Others	-	(141)	-

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

(Yen in millions)

	Embraco	Nidec Mobility Corporation	Others
Operating profit	(391)	(758)	(90)
Profit before income taxes	(391)	(755)	(90)
Profit for the year attributable to owners of the parent	(410)	(777)	(63)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2020 and three months ended June 30, 2020, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of June 30, 2020.

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Balance at beginning of period		
Goodwill	250,940	322,909
Acquisitions through business combinations	-	-
Sales or disposals	(9,946)	-
Translation adjustments and others	(5,948)	(1,996)
Balance at end of period		
Goodwill	235,046	320,913

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2020		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	100,221	(28,069)	72,152
Proprietary technology	17,390	(5,894)	11,496
Software	33,363	(19,466)	13,897
Capitalized development costs	21,131	(2,015)	19,116
Others	7,356	(4,200)	3,156
Total	179,461	(59,644)	119,817

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

(Yen in millions)

	As of June 30, 2020		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	99,370	(28,767)	70,603
Proprietary technology	17,493	(6,212)	11,281
Software	31,214	(18,960)	12,254
Capitalized development costs	25,806	(3,488)	22,318
Others	7,668	(4,273)	3,395
Total	181,551	(61,700)	119,851

(Note) The carrying amounts of software include the right-of-use assets of ¥629 million.

Total amortization of intangible assets for the year ended March 31, 2020 and for the three months ended June 30, 2020 amounted to ¥11,630 million and ¥2,994 million, respectively. Total indefinite lived intangible assets amounted to ¥57,573 million and ¥57,096 million as of March 31, 2020 and June 30, 2020, respectively.

9. Bonds

For the three months ended June 30, 2019

There are no issuance and redemption of bonds.

For the three months ended June 30, 2020

Summary of the terms of issued bonds is as follows:

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

Summary of the terms of redeemed bonds is as follows:

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

10. Employee benefits

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

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Net periodic pension cost for defined benefit plans:		
Current service cost	928	891
Interest cost (net)	165	132
Net periodic pension cost for defined benefit plans	1,093	1,023
Payments to defined contribution pension plans	802	806

11. Related party transactions

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

Sales of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	3	3
Nagamori Gakuen Educational Foundation*3	13	18

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

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

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

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

Purchase of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Related parties		
S.N. Kosan, LLC.	3	3

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

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2020	June 30, 2020
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	5	6
Payables to related parties		
S.N. Kosan, LLC.	-	-

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

12. Dividends

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

For the three months ended June 30, 2019

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

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

For the three months ended June 30, 2020

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

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

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

13. Earnings per share

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

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

	For the three months ended June 30,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	3,284	20,284
Profit from continuing operations attributable to owners of the parent (Yen in millions)	23,065	20,358
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(19,781)	(74)
Weighted average shares (Shares)	588,587,344	585,733,720
Earnings per share attributable to owners of the parent - basic (Yen)	5.58	34.63
Earnings per share from continuing operations (Yen)	39.19	34.76
Earnings (loss) per share from discontinued operations (Yen)	(33.61)	(0.13)

(Notes) 1. In the calculation of “Earnings per share attributable to owners of the parent - basic”, the Company’s shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of “Weighted average shares”.

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2019.

14. Fair values

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

The levels of the fair value hierarchy are as follows:

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

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

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	As of March 31, 2020		As of June 30, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	184	184	75	75
Long term investments	26	24	31	31
Short term loans receivable	26	26	28	28
Long term loans receivable	151	149	150	150
Short term borrowings	(116,954)	(116,954)	(123,716)	(123,716)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(84,155)	(84,285)	(83,674)	(83,810)
Corporate bonds (including corporate bonds due within one year)	(370,675)	(369,568)	(370,810)	(370,698)

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

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

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

(2) Long term investments

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

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2020

(Yen in millions)

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

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

As of June 30, 2020

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	13,289	-	1,529	14,818
FVTOCI debt financial assets	-	77	-	77
Derivatives	444	2,412	-	2,856
Total financial assets	13,733	2,489	1,529	17,751
Liabilities				
Derivatives	34	4,906	-	4,940
Total financial liabilities	34	4,906	-	4,940

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

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

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

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

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

(Yen in millions)

	For the three months ended June 30,	
	2019	2020
Balance at beginning of period	1,672	1,536
Gains or losses:		
Recognized in other comprehensive income (Note)	(15)	(7)
Balance at end of period	1,657	1,529

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

15. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2020	As of June 30, 2020
Property, plant and equipment and other assets	25,118	23,686

16. Authorization of condensed quarterly consolidated financial statements

NIDEC’s condensed quarterly consolidated financial statements were authorized for issue on August 7, 2020 by Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer and Hidetoshi Yokota, Vice President, in charge of managing Accounting Department and Global Tax Planning Department.

2. Other

On May 25, 2020, the Company’s Board of Directors resolved to pay cash dividends to shareholders as of March 31, 2020 as follows:

- (1) Total amount of dividends:¥17,577 million
- (2) Amount per share:¥60.00
- (3) Effective date of claim of payment and start date of payment:June 1, 2020

(Note) 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.

Part II Information on Guarantors, etc. for the Company

Not applicable.