Information on the Notice of the 49th Regular General Meeting of Shareholders

Consolidated Statement of Changes in Equity
Notes to the consolidated financial statements
Non-Consolidated Statement of Shareholders' Equity
Notes to the non-consolidated financial statements

Nidec Corporation

Of the documents to be provided to our shareholders with this notice, "Consolidated Statement of Changes in Equity," "Notes to the consolidated financial statements," "Non-Consolidated Statement of Shareholders' Equity" and "Notes to the non-consolidated financial statements" are deemed to have been provided to our shareholders by posting on Nidec Corporation's website (http://www.nidec.com/en/) in accordance with applicable laws and regulations and Article 15 of Nidec Corporation's Articles of Incorporation. These statements and notes are parts of the consolidated and non-consolidated statements audited by the Audit and Supervisory Committee and Accounting Auditors during their process of making audit reports.

Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

(Yen in millions)

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

Notes to the consolidated financial statements

The amounts in the statements are rounded to the nearest one million yen.

I. Significant accounting policies for preparation of consolidated financial statements

1. Standard for preparation of consolidated financial statements

   Consolidated financial statements of the Company and its subsidiaries ("Nidec"), based on Paragraph 1, Article 120 of the Company Calculation Rules, are prepared in accordance with International Financial Reporting Standards ("IFRS"). However, in compliance with the provisions of the second sentence of the same paragraph, disclosure of some items required under IFRS is omitted.

2. Scope of consolidation

Number of consolidated subsidiaries	340
Names of major consolidated subsidiaries	Nidec Electronics (Thailand) Co., Ltd., Nidec Motors & Actuators (Germany) GmbH, Nidec Motor Corporation, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Mobility Corporation, and Nidec-Shimpo Corporation

3. Application of equity method

Number of affiliated companies accounted for under the equity method	4
Name of the company accounted for under the equity method	NIDEC PSA EMOTORS and three other companies

4. Matters concerning accounting policies

   (1) Valuation criteria and valuation methods for important assets

   1) Financial instruments

   (i) Initial recognition

   Financial assets are recognized when Nidec becomes a party to the contractual provisions of the instrument (the acquisition date). However, trade and other receivables are recognized at the date of occurrence. For financial liabilities, debt instruments issued by Nidec are recognized at the issuance date and other financial liabilities are recognized when Nidec becomes a party to the contractual provisions of the instrument (the transaction date).

   Financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the acquisition of financial assets and the issuance of financial liabilities are, at initial recognition, added to the fair value of financial assets or deducted from the fair value of financial liabilities, excluding financial assets measured at fair value through profit or loss ("FVTPL financial assets") and financial liabilities measured at FVTPL ("FVTPL financial liabilities"). Nidec currently does not hold non-derivative FVTPL financial liabilities. Transaction costs directly attributable to the acquisition of FVTPL financial assets are recognized in profit or loss.

(ii) Non-derivative financial assets

Nidec categorizes non-derivative financial assets at initial recognition into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (“FVTOCI financial assets”) and FVTPL financial assets.

Financial assets measured at amortized costs

Financial assets are subsequently measured at amortized cost in cases where the following criteria are met:

- When the financial assets are held to collect the contractual cash flows of the financial assets in Nidec’s business model.
- When the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI financial assets

(a) FVTOCI debt financial assets

Financial assets are categorized as debt financial assets measured at fair value through other comprehensive income in cases where the following criteria are met:

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

Changes in fair value related to FVTOCI debt financial assets are recognized as other comprehensive income until the financial assets are derecognized, excluding impairment gains or impairment losses and foreign exchange differences. When the financial assets are derecognized, other comprehensive income recognized in the past is transferred to profit or loss.

(b) FVTOCI equity financial assets

Nidec may choose (irrevocably) to recognize changes in fair value of equity financial assets held for purposes other than trading in other comprehensive income at initial recognition.

FVTOCI equity financial assets are measured at fair value after initial recognition. The changes are recognized in other comprehensive income, and immediately transferred from other components of equity to retained earnings, and subsequently never transferred to profit or loss. However, dividend income from FVTOCI equity financial assets is recognized in profit or loss as part of financial income.

FVTPL financial assets

Financial assets that do not meet the criteria of the category to measure at amortized cost as above, excluding FVTOCI financial assets, are categorized as FVTPL financial assets. Equity financial assets are categorized as FVTPL financial assets, excluding the cases when Nidec chooses to (irrevocably) recognize changes in fair value in other comprehensive income at initial recognition. FVTPL financial assets are measured at fair value after initial recognition, and the changes are recognized in profit or loss.

(iii) Impairment of financial assets measured at amortized cost

For financial assets measured at amortized cost, valuation loss allowance for expected credit losses is assessed and recognized at the end of each fiscal year.

When the credit risk of such financial instruments has increased significantly at the end of the fiscal year after initial recognition, the reserve for doubtful accounts for such financial instruments is measured at an amount equal to expected lifetime losses considering all reasonable and supportable information including forecasts. Such information specifically incorporates the following indicators.

・External credit rating (to the extent available)

・Actual or expected adverse changes in business, financial, or economic conditions that are predicted to cause a significant change to the borrower's capacity to repay its financial obligations

・Significant increases in credit risk associated with other financial products held by the same borrower

On the other hand, when the credit risk has not increased significantly since initial recognition, the reserve for doubtful account for such financial instruments is measured at an amount equal to the expected credit losses for 12 months.

However, for trade receivables, valuation loss allowance is always measured at an amount equal to expected lifetime losses regardless of the above.

Amounts of expected credit losses or reversals are recognized in net profit or loss as impairment loss or reversals of impairment losses.

(iv) Derecognition of non-derivative financial assets

Nidec derecognizes financial assets when the contractual rights to the cash flows from the financial assets are expired or when the contractual rights to receive the cash flows from the financial assets are transferred in transactions to transfer substantially all risks and benefits related to holding such financial assets. Equity created by Nidec or continuously held by Nidec regarding the transferred financial assets is recognized as separate assets/liabilities.

(v) Subsequent measurement and derecognition of non-derivative financial liabilities

Nidec holds trade and other payables and other financial liabilities as non-derivative financial liabilities, and they are measured at amortized cost using the effective interest method after initial recognition.

Such financial liabilities are derecognized when the obligations are performed or when the obligations 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.

2) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted 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.

3) Valuation criteria, valuation methods and depreciation or amortization method for property, plant, and equipment and goodwill and intangible assets

(i) 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.

(ii) Goodwill and intangible assets

<u>Goodwill</u>

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.

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.

Major intangible assets that have a definite useful life are amortized by a straight-line method based on estimated useful lives.

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.

4) 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 prior 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.

5) 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 for a certain period. A provision for product warranties is calculated mainly based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

6) 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 statement 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 "remeasurements 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.

7) Revenue recognition

Nidec recognizes revenues based on 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. Nidec uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

(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, but that right is subject to conditions other than the passage of time. 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.

8) 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.

9) Accounting of consumption tax, etc.

The tax-exclusion method is used to account for consumption tax, etc.

(2) Change in accounting policies

Nidec adopted the following standards from the year ended March 31, 2022.

IFRS		Summary of new standards and amendments
IFRS 7	Financial Instruments: Disclosures	Interest Rate Benchmark Reform—Phase 2 (amendments regarding the effects on financial reporting when existing interest rate benchmarks are replaced with alternative benchmark rates)
IFRS 9	Financial Instruments	
IAS 39	Financial Instruments: Recognition and Measurement	

These amendments change specific hedge accounting requirements. This interest rate benchmark reform allows hedge accounting to continue even when the existing interest rate benchmarks are replaced by alternative benchmark rates. The adoption of the above standards has no significant impact on Nidec's consolidated financial statements.

5. Notes to accounting estimates

• Goodwill and intangible assets

Balance as of March 31, 2022

Goodwill:	339,904 million yen
Intangible assets:	214,498 million yen

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 up to 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 (4.06% - 10.07%). 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 (0.92% - 3.81%). 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.

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.

II. Notes to the consolidated statement of financial position

1. Expected credit loss allowance

Current assets	3,970 million yen
Non-current assets	449 million yen

2. Contingent liabilities

Contract bond, etc.	13,816 million yen
Guarantee for bank borrowing by equity method affiliates	9,952 million yen

Nidec held discussions with a certain automobile manufacturer regarding product warranties in the automotive business, and discussed the necessity of bearing costs at March 31, 2022. As there is a possibility that Nidec's position may be significantly unfavorable, detailed disclosure is not made in accordance with Article 92 of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets.”

3. Assets provided for collateral and liability related to collateral

(1) Assets provided for collateral

Land	222 million yen
Machinery and equipment	454 million yen

(2) Collateral-related liability

Long term debt due within one year	67 million yen

4. Accumulated depreciation and accumulated impairment losses for property, plant and equipment

699,595 million yen

III. Notes to the consolidated statement of changes in equity

1. Class and number of issued stocks as of the end of the consolidated fiscal year

   Ordinary shares 596,284,468 shares

2. Distribution of surplus

   (1) Dividends paid

(Resolution date)	Class of shares	Total amount of dividends (Yen in millions)	Dividend per share (Yen)	Record date	Effective date
May 27, 2021 Board of directors	Ordinary shares	17,577	30	March 31, 2021	June 1, 2021
October 26, 2021 Board of directors	Ordinary shares	17,574	30	September 30, 2021	December 1, 2021

(Notes) 1. Total dividends resolved at the board of directors on May 27, 2021 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. Total dividends resolved at the board of directors on October 26, 2021 included dividends of ¥14 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

   (2) Dividends whose record dates are within the fiscal year under review, but the effective dates of whose distribution will be next consolidated fiscal year

(Expected resolution)	Class of shares	Total amount of dividends (Yen in millions)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
May 26, 2022 Board of directors	Ordinary shares	20,326	Retained earnings	35	March 31, 2022	June 1, 2022

(Note) Total dividends included dividends of ¥16 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

IV. Notes to revenue recognition

1. Disaggregation of revenue

Nidec mainly manufactures and sells small precision motors, automotive products, appliances, commercial and industrial products, machinery, electronic and optical components and other products. The main types of goods or services for each business are sales of goods and construction contracts.

Consolidated net sales for the year ended March 31, 2022 are ¥1,918,174 million. Net sales of each business are as follows: ¥424,907 million for small precision motors; ¥417,643 million for automotive products; ¥786,588 million for appliance, commercial and industrial products; ¥215,588 million for machinery; ¥69,699 million for electronic and optical components; and ¥3,749 million for other products.

Of the above amount of net sales, revenue arising from construction contracts where performance obligations are satisfied over time is ¥47,663 million for appliance, commercial and industrial products and ¥24,444 million for machinery.

2. Useful information in understanding revenue

The information is as provided in “7) Revenue recognition” under “I. Significant accounting policies for preparation of consolidated financial statements.”

3. Contract balances

The balances of contract assets and contract liabilities are as follows:

Contract assets	
Other current assets	21,995 million yen
Other non-current assets	576 million yen
Contract liabilities	
Other current liabilities	29,032 million yen
Other non-current liabilities	46 million yen

Contract assets are Nidec’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 assets are recorded by transferring goods or services to a customer before the customer pays consideration or before payment is due and are reclassified into receivables at the time when invoice to the customer because of the Company's right to consideration becomes to unconditional status required only the passage of time.

Contract liabilities are advances from customers. Contract liabilities are recorded when Nidec has received consideration from the customer before transferring goods or services to a customer and are reclassified into revenue when transferring goods or services to a customer that has satisfied performance obligations.

The balances of contract liabilities as of April 1st, 2021 were recognized as revenue during the fiscal years ended March 31, 2022. The amount of revenue recognized during the fiscal years ended March 31, 2022 from performance obligations satisfied in previous period was not material.

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.

Within one year	44,836 million yen
Over one year	35,519 million yen
Total	80,354 million yen

V. Notes to financial instruments

1. Matters on the circumstance concerning financial instruments

   Nidec limits its fund operations to short-term savings, etc., and raises its funds by loan from banks and other financial institutions and by issuing corporate bonds. With respect to credit risks concerning trade receivables, we try to identify early and alleviate concerns caused by the deterioration, etc. of financial and other conditions. Securities primarily comprise stocks; with regard to listed stocks, we review their fair values on a quarterly basis. Borrowings are largely used for working capital, capital investment as well as M&A activities. We engage in derivative transactions in part of our business to manage risks associated with the fluctuation of interest rates, exchange rates and commodity prices.

(1) Credit risk

Nidec defines default on trade receivables as customer's failure to discharge its obligation. Therefore, regarding the 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 bad debt 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 instruments less impairment losses in the Consolidated Financial Statements.

(2) Liquidity risk

Nidec relies on borrowings from financial institutions and capital raising from direct financing markets to finance our 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 us, 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 condition 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.

Nidec timely checks the liquidity and debt condition, and develops a financing plan against the liquidity risk. Furthermore, the board of directors approves the credit line for flexible financing based on the plan.

(3) Market risk

1) Foreign exchange 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 foreign exchange 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 period. Furthermore, foreign exchange fluctuation affects the consolidation of foreign subsidiaries.

To mitigate the foreign exchange risks, Nidec controls the amount of financial assets and liabilities of each currency and uses a natural hedge such as a currency marry. For some cases, Nidec uses derivatives such as foreign exchange forward contracts and other contracts to reduce the impact of exchange rate fluctuations.

2) Interest rate risk management

As Nidec has no significant interest-bearing assets, Nidec's income and operating cash flows are substantially independent of changes in market interest rates.

Nidec has interest-bearing debts 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 debts. In addition, we monitor the interest-rate fluctuation timely. As a result, interest rate sensitivity analysis is omitted because payment of interest does not have material impacts on Nidec.

3) Stock price fluctuation risk management

For shares that Nidec holds, we timely check their stock price and financial condition of the issuers and grasp profit or loss from valuation. In addition, we review the shareholding continuously, taking into consideration the relationship with the issuers.

2. Matters on the fair values of financial instruments

The carrying amounts and fair values of financial instruments as of March 31, 2022 are as follows:

(Yen in millions)

	Carrying amount	Fair value
Assets and liabilities		
Cash and cash equivalents	199,655	199,655
Short term investments	260	260
Long term investments	23	25
Short term loans receivable	14	14
Long term loans receivable	158	152
Short term borrowings	(130,635)	(130,635)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(20,960)	(20,755)
Corporate bonds (including corporate bonds due within one year)	(402,962)	(399,277)

The method to estimate the fair value of financial instruments is as follows:

(1) Cash and cash equivalents, short term investments, short term loans receivable and short term borrowings

In the normal course of business, substantially all cash and cash equivalents, 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

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 “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 in 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 in the fair value hierarchy used in the analysis is as follows:

As of March 31, 2022

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTPL equity financial assets	1,940	-	-	1,940
FVTOCI equity financial assets	18,611	-	2,154	20,765
FVTOCI debt financial assets	-	73	-	73
Derivatives	549	1,158	-	1,707
Total financial assets	21,100	1,231	2,154	24,485
Liabilities:				
Derivatives	-	151	-	151
Total financial liabilities	-	151	-	151

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022.

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 using the discounted cash flow method, etc. For securities in 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.

VI. Notes to per-share information

1. Equity per share attributable to owners of the parent 2,228.91 yen
2. Earnings per share attributable to owners of the parent-basic 234.30 yen

(Note) For calculating equity per share attributable to owners of the parent and earnings per share attributable to owners of the parent-basic, shares of the Company held by the BIP Trust and the ESOP Trust are treated as treasury stock, and accordingly, the number of such shares are deducted from the total number of the Company's shares issued as of the end of the fiscal year and the number of weighted average shares.

VII. 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. An agreement on the Transaction could not be reached as a result of negotiations with Orlando Management AG and the transferee parties on the adjustment of the sale price and other details. Nidec filed a request for arbitration at the German Arbitration Institute (DIS) on January 12, 2021, and the registration at the DIS was completed the same day. It will usually take 18 to 24 months to obtain a final arbitration award.

(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 and major business

Name of the company	Secop
Major business	Compressor business for refrigerator

(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

	For the year ended March 31, 2022
Other loss	(327)
Loss before income taxes from discontinued operations	(327)
Loss for the period from discontinued operations	(327)

(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, 2022, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

VIII. Notes to business combinations

Nidec adopts the provisions of IFRS 3 "Business Combinations."

During the three months ended June 30, 2021, Nidec completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the shares of Metal Stamping Support Group, LLC and its affiliates in the previous fiscal year. As a result, the consolidated financial statements of the previous fiscal year indicate amounts that reflect the revision of the initially allocated amounts of acquisition price due to the finalization of the provisional accounting treatment for the business combination.

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

IX. Notes to significant subsequent events

Own Share repurchase

The Company resolved to set a share repurchase plan as stipulated in Article 156, Paragraph 1 of the Company Law of Japan at the Company's Board of Directors held on April 21, 2022, in accordance with provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Company Law of Japan. This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows. The total number of own shares repurchased is 500,000 shares and yen amount is approximately 4.2 billion yen by April 30, 2022, pursuant to this program.

1. Class of shares	Common stock
2. Total number of shares to be repurchased	Up to 5,500,000 shares (0.95% of total number of shares issued, excluding treasury stock)
3. Total repurchase amount	Up to 50 billion yen
4. Period of repurchase	From April 22, 2022 to January 24, 2023

Non-Consolidated Statement of Shareholders' Equity

(For the year ended March 31, 2022)

(Yen in millions)

	Shareholders' equity							
		Additional paid-in capital		Retained earnings				
					Other retained earnings			
	Capital stock	Capital reserve	Other additional paid-in capital	Legal reserve	General reserve	Retained earnings carried forward	Treasury stock	Total shareholders' equity
As of April 1, 2021	87,784	92,005	55,925	721	57,650	63,384	(63,869)	293,600
Total changes of items during the period								
Dividends from surplus						(35,152)		(35,152)
Net income						45,079		45,079
Purchase of treasury stock							(57,496)	(57,496)
Disposal of treasury stock							93	93
Other changes in shareholders' equity			2,098				(2,098)	－
Net changes of items other than shareholders' equity								
Total changes of items during the period	－	－	2,098	－	－	9,927	(59,501)	(47,476)
As of March 31, 2022	87,784	92,005	58,023	721	57,650	73,311	(123,370)	246,124

	Valuation and translation adjustments		Total net assets
	Valuation difference on available for-sale securities	Revaluation reserve for land	
As of April 1, 2021	4,794	(331)	298,063
Total changes of items during the period			
Dividends from surplus			(35,152)
Net income			45,079
Purchase of treasury stock			(57,496)
Disposal of treasury stock			93
Other changes in shareholders' equity			－
Net changes of items other than shareholders' equity	(257)		(257)
Total changes of items during the period	(257)	－	(47,733)
As of March 31, 2022	4,537	(331)	250,330

Notes to the non-consolidated financial statements

The amounts in the statements are rounded to the nearest one million yen.

I. Important accounting policy

1. Valuation criteria and valuation methods for assets
   (1) Valuation criteria and valuation methods for securities
      (i) Stocks of subsidiaries and affiliated companies Cost method by the moving average method
      (ii) Other securities
         - Securities with actual values
           Market value method based on the market price, etc., on the balance sheet date
           (Valuation differences are all reported as a component of shareholders' equity, and the cost of products sold is calculated by the moving average method.)
         - Securities without actual values
           Cost method by the moving average method
   (2) Valuation bases and methods of derivatives, etc. Derivatives are stated at their actual values.
   (3) Valuation bases and methods of inventory assets Cost method based on the moving average method
      (Balance sheet values are calculated by the book value devaluation method based on the decline of profitability.)

2. Depreciation method for fixed assets
   (1) Property, plant and equipment (except for lease assets)
      The straight-line method
         The useful lives of main buildings, machinery and equipment are 5 to 50 years for buildings, and 7 to 9 years for machinery and equipment.
   (2) Intangible fixed assets (except for lease assets)
         Intangible fixed assets (except for lease assets) are stated based on the straight-line method. However, software for the Company's own use is stated based on the straight-line method considering its usable period (usually five years).
   (3) Lease assets
      Lease assets are stated based on the straight-line method, where their lease periods are the number of their useful lives, and their residual values are zero.

3. Reserve allocation standards
   (1) Reserve for doubtful accounts
      To prepare for loss by credits becoming bad, the collectability of general credits is deliberated based on their credit loss ratio, and that of specific credits such as credits feared to become bad is deliberated for each of such credits, before the credits' collectability is allocated.

(2) Reserve for employee bonuses

To prepare for the provision of bonuses to employees, the reserve for employee bonuses is allocated based on the estimated amount to be paid.

(3) Retirement reserve

The amount believed to be generated as of the end of the fiscal year is allocated based on the expected amounts of retirement benefits and pension assets at the end of the same year in order to prepare for the provision of employee bonuses.

For actuarial gaps, based on the straight-line method for a certain number of years (5 years) within the number of average remaining working hours of employees at the beginning of each fiscal year, proportionally divided amounts are handled as costs from the next fiscal year after such amounts are generated.

With regards to past service liabilities, proportionally divided amounts are handled as costs based on a certain number of years (5 years) within the number of average remaining working hours for employees at the time of occurrence.

4. Revenue and expense recognition standards

Nidec adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the year ended March 31, 2022. Revenue is recognized when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which Nidec expects to be entitled in exchange for the good or service.

5. Other important matters for making financial statements

(1) Deferred assets

Deferred assets are all processed as costs at payment.

(2) Base to convert foreign-currency-denominated assets and liabilities into the Japanese yen

Foreign-currency-denominated receivables and payables are converted into the Japanese yen based on the actual currency exchange rate as of the end of the closing date, and translation adjustments are processed as profit or loss.

(3) Adoption of the consolidated taxation system

The consolidated taxation system is used.

II. Notes to accounting estimates

Impairment of stocks of subsidiaries and affiliates and investments in capital of subsidiaries and affiliates

The Company recognizes impairment losses on stocks of subsidiaries and affiliates and investments in capital of subsidiaries and affiliates that do not have market values, to reflect fair value, if the fair value falls by more than 50% of the acquisition cost when the acquisition cost is compared with the fair value based on each company's net assets. However, the Company does not recognize impairment losses in principle, when, although the fair value declines by more than 50% compared to the acquisition cost, the subsidiary or affiliate has a feasible and reasonable business plan and recoverability is supported by sufficient evidence. The Company believes that this criteria is reasonable, but if market changes and unpredictable changes in economic or business assumptions have a significant impact on fair value and business plans, the above valuation of stocks of subsidiaries and affiliates and investments in capital of subsidiaries and affiliates may also be affected.

In accordance with this principle, no impairment loss was recorded as there were no stocks of subsidiaries and affiliates whose fair value has fallen by more than 50% compared to the acquisition cost at the end of the year ended March 31, 2022.

III. Notes to changes in accounting policies

(1) Adoption of the Accounting Standard for Revenue Recognition, etc.

Nidec adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the year ended March 31, 2022. Revenue is recognized when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which Nidec expects to be entitled in exchange for the good or service.

The impact of the adoption of the above accounting standard on the non-consolidated financial statements is minimal.

(2) Adoption of the Accounting Standard for Fair Value Measurement, etc.

Nidec adopted the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter the "Fair Value Measurement Standard"), etc. from the beginning of the year ended March 31, 2022 and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019).

The adoption of the above accounting standard has no impact.

IV. Notes to non-consolidated balance sheet

1. Monetary claims and liabilities to consolidated subsidiaries

Short-term monetary claims:	205,628 million yen
Long-term monetary claims:	106,636 million yen
Short-term monetary liabilities:	253,719 million yen
Long-term monetary liabilities:	73 million yen

2. Accumulated amount of depreciation of property, plant and equipment: 28,930 million yen

3. Adoption of the Land Revaluation Law

Based on the Law concerning Revaluation of Land (promulgated on March 31, 1998, Law No. 34) and the Law to Partially Modify the Law concerning Revaluation of Land (revised on March 31, 1999), the land for business use was revaluated, and revaluation excess is allocated in the "Net assets" section.

Revaluation method stipulated in Paragraph 3, Article 3 of the Law

The land was revaluated after reasonable adjustment was made on the price calculated based on the method decided and announced by the Director of the National Tax Administration Agency to calculate the land price which is the basis of the calculation for the taxation standard for the land price tax stipulated in Article 16 of the Land Price Tax Law (1991, Law No. 69) in Article 2-4 of the Order for Enforcement of Law on Revaluation of Land (promulgated on March 31, 1998, Ordinance No. 119).

Date of revaluation: March 31, 2000

The gap between the total current value of the land for commercial use that was revaluated in accordance with Article 10 of the Law as of the end of the fiscal year and the total book value of the land for commercial use after revaluation: 2,399 million yen

4. Loan commitment

The Company concluded basic, CMS (cash management system)-related agreements, etc. with its subsidiaries, and decided a loan limit. The amounts of unexecuted loan as of the end of the fiscal year based on these agreements are as follows:

Total of loan limits:	312,230 million yen
Executed loans outstanding:	213,340 million yen
Balance on unexecuted loans outstanding:	98,890 million yen

5. Contingent obligation

The Company provides the following subsidiaries, etc. with guarantee for borrowed indebtedness, etc.:

Nidec PSA emotors	9,952 million yen
NIDEC GPM Hungary LLC	633 million yen
Nidec Electric Motor Serbia LLC	548 million yen
Nidec Elesys Europe d.o.o.	408 million yen
Nidec ACIM Germany GmbH	221 million yen
Nidec Europe B.V.	156 million yen
Nidec Industrial Automation Italy SpA	77 million yen
NIDEC MOBILITY BRAZIL LTDA.	22 million yen
Nidec Industrial Automation Poland SP Zoo	3 million yen

V. Notes to Non-Consolidated Statement of Income

Business transactions with consolidated subsidiaries

Sales	151,090 million yen
Cost of products purchased	132,125 million yen
Selling, general and administrative expenses	16,559 million yen
Other transactions	34,005 million yen

VI. Notes to changes to the statement of shareholders' equity

Class and number of treasury stocks

Class of share	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Ordinary share	10,552,192	5,481,802	10,960	16,023,034

(Notes) 1. The increase of 5,481,802 shares in the number of treasury stocks of ordinary shares consists of 5,479,800 shares acquired pursuant to the resolution of the Board of Directors and 2,002 shares due to the repurchase of shares less than one unit.

2. The decrease of 10,960 shares in the number of treasury stocks of ordinary shares consists of 10,960 shares sold by the BIP trust and the ESOP trust.

3. The number of shares at the end of the fiscal year ended March 31, 2022 includes 475,528 shares of the Company held by the BIP trust and the ESOP trust.

VII. Notes to the tax effect accounting

Major reasons for deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets	
Disallowed provisions for bad debts	195 million yen
Disallowed provisions for bonuses	580 million yen
Write-down of inventories	134 million yen
Disallowed accrued expenses	332 million yen
Disallowed depreciation	220 million yen
Valuation loss on investment securities	23 million yen
Impairment loss of subsidiary stocks and investments	4,022 million yen
Foreign tax credit	3,637 million yen
Loss carried forward	136 million yen
Other	234 million yen
Subtotal deferred tax assets	9,513 million yen
Valuation allowance	(7,903) million yen
Total deferred tax assets	1,610 million yen

Deferred tax liabilities	
Valuation difference on available-for-sale securities	1,991 million yen
Prepaid pension cost	217 million yen
Total deferred tax liabilities	2,208 million yen
Deferred tax liabilities, net	598 million yen

(Note) The group tax relief system was established in the "Act for Partial Revision of the Income Tax Act and other Acts." (Act No. 8 of 2020) enacted on March 27, 2020. Nidec has traditionally adopted the consolidated taxation system, but in accordance with the PITF No.39 "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" of the Accounting Standards Board of Japan (ASBJ), the amounts of deferred tax assets and liabilities are calculated based on the provisions of the tax law before amendment, without applying the provisions of ASBJ Guidance No. 28 "Guidance on Tax Effect Accounting", Paragraph 44.

VIII. Notes to related party transactions

1. Directors and main individual shareholders, etc.

Category	Company name	Voting ratio (holding / held)	Relationship	Detail of transaction	Transaction amount (Yen in millions)	Account title	Balance at the end of fiscal years (Yen in millions)
Company or organization in which directors or their close relatives own the majority of voting rights.	(Note) 1. Nagamori Foundation	Held: Direct: 0.3%	Consignment of indirect operations	(Note) 2. Consignment fee income	12	Other accounts receivable	0
Company or organization in which directors or their close relatives own the majority of voting rights.	(Note) 3. Nagamori Gakuen Educational Foundation	The Company's Representative Director and Chairman Shigenobu Nagamori concurrently serves as Chairman of the Board of Trustees Held: Direct: 0.0%	Secondment agreement	(Note) 4. Receipt of salary as a secondee	36	Other accounts receivable	3
			Conclusion of joint research agreement	(Note) 5. Payment of joint research costs	84	Other accounts payable	19

(Notes) 1. The Company's Representative Director and Chairman Shigenobu Nagamori concurrently serves as representative director of this foundation.

2. The amount of consignment fee income was determined based on a consignment agreement concluded following negotiations between the Company and the foundation.
3. The Company's Representative Director and Chairman Shigenobu Nagamori concurrently serves as Chairman of the Board of Trustees, Nagamori Gakuen Educational Foundation.
4. Salary received as a secondee is determined based on the secondment agreement concluded upon mutual consultation.
5. The payment of joint research costs is determined based on the joint research agreement concluded upon mutual consultation.

2. Subsidiaries, etc.

Category	Company name	Voting ratio (holding/ held)	Relationship	Detail of transaction	Transaction amount (Yen in millions)	Account title	Balance at the end of fiscal year (Yen in millions)
Subsidiary	Nidec (H.K.) Co., Ltd	Direct: 100.0%	Sales of the Company's products	Sales of motors	46,248	Trade receivables	14,997
Subsidiary	Nidec Electronics (Thailand) Co., Ltd.	Direct: 99.9%	Borrowing funds Director dispatched to the subsidiary	Borrowing funds (repayment)	7,840	Short term borrowings	76,826
Subsidiary	Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd.	Indirect: 100.0%	Purchase of the products of Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd.	Purchase of motors	23,824	Accounts payable	6,939
Subsidiary	Nidec Automobile Motor (Zhejiang) Corporation	Direct: 90.10% Indirect: 9.90%	Purchase of the products of Nidec Automobile Motor (Zhejiang) Corporation Director dispatched to the subsidiary	Purchase of motors	20,735	Accounts payable	5,169
Subsidiary	Nidec Motors & Actuators (Germany) GmbH	Direct: 100.0%	Sales of the Company's products Director dispatched to the subsidiary	Sales of motors	32,001	Trade receivables	24,558
Subsidiary	Nidec Americas Holdings Corporation	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	Loaning funds CMS transaction (repayment of borrowings)	2,971 22,570	Short term loans receivable from subsidiaries and affiliates Short term borrowings	31,133 0
Subsidiary	Nidec Mobility Corporation	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	Loaning funds (repayment) Loaning funds	19,780 16,360	Short term loans receivable from subsidiaries and affiliates Long term loans receivable from subsidiaries and affiliates	- 17,666

Category	Company name	Voting ratio (holding/ held)	Relationship	Detail of transaction	Transaction amount (Yen in millions)	Account title	Balance at the end of fiscal year (Yen in millions)
Subsidiary	Nidec Europe B.V.	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	Loaning funds Loaning funds (repayment)	17,047 1,282	Short term loans receivable from subsidiaries and affiliates Long term loans receivable from subsidiaries and affiliates	31,866 69,163
Subsidiary	Nidec Vietnam Corporation	Direct: 100.0%	Purchase of the products of Nidec Vietnam Corporation Director dispatched to the subsidiary	Purchase of motors	24,794	Accounts payable	7,479
Subsidiary	Nidec Management Shanghai Corporation	Direct: 100.0%	Borrowing funds Director dispatched to the subsidiary	CMS transaction (Borrowing)	22,835	Short term borrowings	66,495
Subsidiary	Nidec Copal Electronics Corporation	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	CMS transaction (Borrowing)	15,101	Deposits received	15,101

(Notes)

1. Terms and conditions of transaction and policy to determine them, etc.
   The above terms and conditions of transaction for each company are based on the Company's purchase and sales management policy, which equally apply to other suppliers.
2. The lending and borrowing interests to the above companies were reasonably decided based on the contract that considers the interest rate at the market.
3. The Company is using a cash management system (CMS), and, to express the Company's CMS transactions clearly, the amounts from business transactions described herein are on the net basis.

IX. Notes to per-share information

1. Net assets per share 431.41 yen
2. Net income per share 77.17 yen

(Note) For calculating net assets per share and net income per share, shares of the Company held by the BIP trust and the ESOP trust are treated as treasury stock, and accordingly, the number of such shares are deducted from the total number of the Company's shares issued as of the end of the fiscal year and the average total number of the Company's shares issued during the fiscal year.

X. Notes to significant subsequent events

Own Share repurchase

The Company resolved to set a share repurchase plan as stipulated in Article 156, Paragraph 1 of the Company Law of Japan at the Company's Board of Directors held on April 21, 2022, in accordance with provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Company Law of Japan. This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows. The total number of own shares repurchased is 500,000 shares and yen amount is approximately 4.2 billion yen by April 30, 2022, pursuant to this program.

1. Class of shares	Common stock
2. Total number of shares to be repurchased	Up to 5,500,000 shares (0.95% of total number of shares issued, excluding treasury stock)
3. Total repurchase amount	Up to 50 billion yen
4. Period of repurchase	From April 22, 2022 to January 24, 2023