

[Translation]

Quarterly Report

(The Second Quarter of 51st Business Term)

From July 1, 2023 to September 30, 2023

NIDEC CORPORATION

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

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the six months ended September 30,		For the year ended March 31, 2023
	2022	2023	
Net sales	1,130,767 [590,398]	1,160,662 [594,607]	2,242,824
Profit before income taxes	118,375	145,359	120,593
Profit attributable to owners of the parent	86,649 [45,328]	106,081 [42,040]	45,003
Comprehensive income attributable to owners of the parent	293,067	274,928	153,845
Total equity attributable to owners of the parent	1,518,134	1,607,741	1,354,505
Total assets	3,023,437	3,163,757	2,872,789
Earnings per share attributable to owners of the parent - basic (yen)	150.31 [78.83]	184.62 [73.16]	78.19
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	50.2	50.8	47.1
Net cash provided by operating activities	56,351	141,279	143,485
Net cash used in investing activities	(80,968)	(79,552)	(164,943)
Net cash used in financing activities	(14,088)	(72,708)	(19,238)
Cash and cash equivalents at end of period	213,671	206,364	186,098

(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. "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.

5. NIDEC completed the price adjustment on acquisition costs for the business combination in the six months ended September 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment. Details regarding for the six months ended September 30, 2023 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".

6. The figures of "Net sales", "Profit attributable to owners of the parent" and "Earnings per share attributable to owners of the parent - basic (yen)" in square bracket are those for the three months ended September 30, 2022 and 2023, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the six months ended September 30, 2023. Moreover, there were no changes in principal subsidiaries and associates.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the six months ended September 30, 2023. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

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

Forward-looking statements below were determined as of September 30, 2023.

NIDEC completed the price adjustment on acquisition costs for the business combination in the six months ended September 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.

(1) Operating results

As of October 2023, the IMF forecasts global economic growth of 3.0% in 2023. Many indicators relating to the manufacturing industry in major countries around the world continued to be sluggish in the six months ended September 30, 2023. As in 2Q, the business environment surrounding NIDEC was uneven to each division, with the IT equipment industry showing signs of bottoming out, recovery of global automobile production volume, and strong demand for industrial and infrastructure-related services etc., despite the continued reconciliation of the demand for home appliances, and the decline in unit growth rate in the Chinese EV market.

Under these circumstances, as a result of reducing costs thoroughly, engaging in sales activities aggressively, and negotiating prices with customers as the entire group, operating profit ratio was 10.0% in 2Q.

The following table sets forth consolidated operating results for the six months ended September 30, 2023:

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2022	2023		
Net sales	1,130,767	1,160,662	29,895	2.6%
Operating profit	96,368	115,782	19,414	20.1%
Operating profit ratio	8.5%	10.0%	-	-
Profit before income taxes	118,375	145,359	26,984	22.8%
Profit for the period from continuing operations	87,243	106,985	19,742	22.6%
Loss for the period from discontinued operations(Loss)	(171)	(14)	157	-
Profit attributable to owners of the parent	86,649	106,081	19,432	22.4%

Consolidated net sales from continuing operations increased 2.6% to ¥1,160,662 million for this six-month period compared to the same period of the previous year, and we renewed the highest record of the quarterly consolidated accounting periods, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥45,700 million, due to the signs of bottoming out in IT equipment industry, the recovery of global automobile production volume and strong demand for industrial and infrastructure-related services, etc., despite the continued reconciliation of the demand for home appliances and the decline in unit growth rate in the Chinese EV market.

Operating profit of this category increased 20.1% to ¥115,782 million for this six-month period compared to the same period of the previous year, and we renewed the highest record of the quarterly consolidated accounting periods, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥3,200 million, due to steady progress in manufacturing cost improvement such as significant reductions in fixed costs in line with restructuring implemented in the previous fiscal year.

Profit before income taxes increased 22.8% to ¥145,359 million, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥26,000 million, profit for the period from continuing operations increased 22.6% to ¥106,985 million, and profit attributable to owners of the parent increased 22.4% to ¥106,081 million compared to the same period of the previous year. They all renewed the highest records of the quarterly consolidated accounting periods.

The average exchange rate between the Japanese yen and the U.S. dollar for this six-month period was ¥141.00 to the U.S. dollar, which reflected an approximately 5% depreciation of the Japanese yen against the U.S. dollar, compared to the same period of the previous year. The average exchange rate between the Japanese yen and the Euro for this six-month period was ¥153.39 to the Euro, which reflected an approximately 11% depreciation of the Japanese yen against the Euro, compared to the same period of the previous year.

Net sales of AMEC increased ¥17,525 million to ¥166,353 million for this six-month period compared to the same period of the prior year. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates, despite a decline in unit growth rate in the Chinese EV market. Operating profit increased ¥11,670 million to ¥3,033 million for this six-month period compared to the same period of the prior year. This increase was due to the improvement of the product composition in traction motor systems (E-Axle) and significant reduction in fixed costs in line.

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit (loss)		
	2022	2023	Increase or decrease	2022	2023	Increase or decrease
SPMS	182,312	165,253	(17,059)	18,553	10,145	(8,408)
AMEC	148,828	166,353	17,525	(8,637)	3,033	11,670
MOEN	188,004	230,562	42,558	18,472	31,242	12,770
ACIM	223,878	216,879	(6,999)	13,019	21,107	8,088
Nidec Instruments	87,998	76,939	(11,059)	10,229	8,895	(1,334)
Nidec Techno Motor	49,740	44,880	(4,860)	6,632	6,293	(339)
Nidec Mobility	57,085	67,154	10,069	6,004	7,705	1,701
Nidec Machinery and Automation	85,353	100,121	14,768	11,396	12,734	1,338
Nidec Advance Technology	34,758	22,881	(11,877)	10,221	6,458	(3,763)
Others	112,446	108,974	(3,472)	17,996	16,005	(1,991)
Elimination/corporate	(39,635)	(39,334)	301	(7,517)	(7,835)	(318)
Consolidated total	1,130,767	1,160,662	29,895	96,368	115,782	19,414

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

2. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.
3. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.
4. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

Net sales of SPMS decreased ¥17,059 million to ¥165,253 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in the number of HDD motors sold despite a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit decreased ¥8,408 million to ¥10,145 million for this six-month period compared to the same period of the prior year. This decrease was due to the impact of lower sales and fluctuations in product mix.

Net sales of AMEC increased ¥17,525 million to ¥166,353 million for this six-month period compared to the same period of the prior year. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates, despite a decline in unit growth rate in the Chinese EV market. Operating profit increased ¥11,670 million to ¥3,033 million for this six-month period compared to the same period of the prior year. This increase was due to the improvement of the product composition in traction motor systems (E-Axle) and significant reduction in fixed costs in line.

Net sales of MOEN increased ¥42,558 million to ¥230,562 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales for power generators and related to green innovation demand. Operating profit increased ¥12,770 million to ¥31,242 million for this six-month period compared to the same period of the prior year. This increase was due to the impact of the higher sales, steady progress in cost reductions, and the significant reductions in fixed costs.

Net sales of ACIM decreased ¥6,999 million to ¥216,879 million for this six-month period compared to the same period of the prior year. This decrease was due to the continued reconciliation of the demand for home appliances. Operating profit increased ¥8,088 million to ¥21,107 million for this six-month period compared to the same period of the prior year. This increase was due to steady progress in cost reductions and the significant reductions in fixed costs.

Net sales of Nidec Instruments decreased ¥11,059 million to ¥76,939 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of LCD panel handling robots. Operating profit decreased ¥1,334 million to ¥8,895 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Net sales of Nidec Techno Motor decreased ¥4,860 million to ¥44,880 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of motors for air conditioners. Operating profit decreased ¥339 million to ¥6,293 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Net sales of Nidec Mobility increased ¥10,069 million to ¥67,154 million for this six-month period compared to the same period of the prior year. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥1,701 million to ¥7,705 million for this six-month period. This increase was due to an increase in sales.

Net sales of Nidec Machinery and Automation increased ¥14,768 million to ¥100,121 million for this six-month period compared to the same period of the prior year. This increase was due to new consolidation and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥1,338 million to ¥12,734 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Advance Technology decreased ¥11,877 million to ¥22,881 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of semiconductor inspection systems. Operating profit decreased ¥3,763 million to ¥6,458 million for this six-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

With respect to the Others segment, net sales decreased ¥3,472 million to ¥108,974 million for this six-month period compared to the same period of the prior year. Operating profit decreased ¥1,991 million to ¥16,005 million for this six-month period compared to the same period of the prior year.

Operating results by product category are as follows:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit (loss)		
	2022	2023	Increase or decrease	2022	2023	Increase or decrease
Small precision motors	226,311	207,078	(19,233)	24,035	17,025	(7,010)
Automotive products	254,150	282,176	28,026	5,463	16,363	10,900
Appliance, commercial and industrial products	453,396	479,663	26,267	38,292	58,624	20,332
Machinery	153,365	146,445	(6,920)	27,959	23,414	(4,545)
Electronic and optical components	41,501	42,986	1,485	7,694	7,844	150
Other products	2,044	2,314	270	229	239	10
Elimination/corporate	-	-	-	(7,304)	(7,727)	(423)
Consolidated total	1,130,767	1,160,662	29,895	96,368	115,782	19,414

Net sales of small precision motors decreased 8.5% to ¥207,078 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥8,300 million. Net sales of spindle motors for HDDs decreased 31.5% to ¥29,055 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,300 million, mainly due to a decrease in the number of units sold. Net sales of other small precision motors decreased 3.2% to ¥178,023 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥6,000 million. Operating profit decreased 29.2% to ¥17,025 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥600 million, due to the impact of lower sales and changes in product mix, despite the significant reductions in fixed costs.

Net sales of automotive products increased 11.0% to ¥282,176 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥11,600 million, due to a global automobile production volume recovery, despite a decline in unit growth rate in the Chinese EV market. Operating profit increased 199.5% to ¥16,363 million for this six-month period compared to the same period of the previous year due to the improvement of the product composition in traction motor systems (E-Axle) and significant reduction in fixed costs in line with restructuring implemented in the previous fiscal year.

Net sales of appliance, commercial and industrial products increased 5.8% to ¥479,663 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥22,200 million, mainly due to higher sales of the Motion & Energy (MOEN) in the industrial sector, supported by tailwinds in the power generator and clean energy markets, despite the continued reconciliation of the demand for home appliances. Operating profit increased 53.1% to ¥58,624 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,100 million, due to steady progress in manufacturing cost improvement and a substantial reduction in fixed costs in line with restructuring implemented in the previous fiscal year.

Net sales of machinery decreased 4.5% to ¥146,445 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,900 million, mainly due to lower sales of semiconductor inspection systems. Operating profit decreased 16.3% to ¥23,414 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥300 million, due to an impact of the lower sales and changes in product mix.

Net sales of electronic and optical components increased 3.6% to ¥42,986 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥700 million. Operating profit increased 1.9% to ¥7,844 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥300 million.

Net sales of other products increased 13.2% to ¥2,314 million and operating profit increased 4.4% to ¥239 million for this six-month period compared to the same period of the previous year.

(2) Financial position

Total assets increased ¥290,968 million to ¥3,163,757 million as of September 30, 2023 compared to March 31, 2023. This was mainly due to increases of ¥78,485 million in trade and other receivables, ¥63,486 million in property, plant and equipment, and ¥44,058 million in inventories.

Total liabilities increased ¥35,935 million to ¥1,535,030 million as of September 30, 2023 compared to March 31, 2023. This was mainly due to an increase of ¥36,169 million in trade and other payables. On the other hand, there was a decrease of ¥31,810 million in interest-bearing debt. Specifically, short term borrowings decreased ¥37,642 million to ¥121,637 million, long term debt due within one year increased ¥50,639 million to ¥110,404 million and long term debt decreased ¥44,807 million to ¥441,498 million as of September 30, 2023 compared to March 31, 2023.

Total equity attributable to owners of the parent increased ¥253,236 million to ¥1,607,741 million as of September 30, 2023 compared to March 31, 2023. Ratio of total equity attributable to owners of the parent to total assets increased to 50.8% as of September 30, 2023 from 47.1% as of March 31, 2023. This was mainly due to increases in retained earnings of ¥89,498 million and other components of equity of ¥165,182 million.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities for the six months ended September 30, 2023 came to a net cash inflow of ¥141,279 million. Compared to the same period of the previous fiscal year, the net cash inflow from provided by operating activities for the six months ended September 30, 2023 increased ¥84,928 million mainly due to profit for the period from continuing operations increased by ¥19,742 million to ¥106,985 million and promoted efficiency of working capital by reducing inventories and strengthening activities to collect trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥79,552 million mainly due to additions to property, plant and equipment of ¥54,634 million and other factors. Net cash used in investing activities decreased by ¥1,416 million year on year.

(Cash flows from financing activities)

Net cash used in financing activities for the six months ended September 30, 2023 came to a net cash out flow of ¥72,708 million for this period, an increase of ¥58,620 million compared to the same period of the previous fiscal year. This is due to repayment for interest-bearing debt of ¥100,555 million, mainly for redemption of corporate bonds and short term borrowings, and the payments of dividends to the owners of the parent of ¥20,116 million, despite the financing of ¥50,000 million by long term-debt.

As a result of aforementioned factors and the impact of foreign exchange rates, the balance of cash and cash equivalents as of September 30, 2023 increased by ¥20,266 million to ¥206,364 million from March 31, 2023.

The main currencies we had as of September 30, 2023 were U.S. dollars, Chinese yuan, Japanese yen, Euros, and Korean won. All the above amounts include discontinued operations.

(4) Management targets

We have set a medium-term strategic target for fiscal year 2025 (Vision 2025) and aim to be a growing company that is strongly adapted to changes in the environment.

The outline is as follows.

FY2023 to FY2025

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

(5) Research and development

NIDEC's research and development expenses for the six months ended September 30, 2023 were ¥40,845 million. There were no significant changes in research and development activities for the period.

(6) Production, Orders Received and Sales

Production, orders received and sales mainly in the "MOEN / AMEC" segments increased, although production, orders and sales mainly in the "Nidec Advance Technology" segment decreased for the six months ended September 30, 2023 compared to the six months ended September 30, 2022.

3. *Material Agreements, etc.*

The material agreement executed during the three months ended September 30, 2023 is as follows:

Equity Transfer Agreement (Houma Armature Works)

The Company announced that it has acquired full ownership of TAR, LLC d/b/a Houma Armature Works, a privately owned US company (“Houma”), from its founding family, through the Company’s subsidiary, NMC, on July 3, 2023 (US time).

1. Purpose

Houma manufactures, repairs, maintenances, upgrades and installation services for motors, generators and control systems. Through the Transaction, NIDEC will be able to enhance its service offering, including expanding its share within its own U.S. installed base.

2. Information on Houma Armature Works

Company Name	TAR, LLC d/b/a Houma Armature Works
Headquarters	Houma, Louisiana, U.S.A.
Foundation	1972
Business	Manufacturing, repair, maintenance, upgrades, and installation services for motors, generators, and control systems.

(Automatic Feed Company, Lasercoil Technologies LLC, Automatic Leasing Company)

The Company announced that it has acquired full ownership of Automatic Feed Company, Lasercoil Technologies LLC, and Automatic Leasing Company (collectively the “Target”), from its founding family on August 1, 2023 (Japan time).

1. Purpose

The Target is an Ohio, U.S.-based company that manufactures and sells peripheral equipment for medium and large presses and sheet metal cutting equipment for presses. Through the Transaction, NIDEC will be able to offer a wide range of products and services to our customers and pursue following synergies in terms of products, sales, and technology.

- (1) Combine the Target’s equipment with Nidec Minster Corporation and Nidec Arisa S.L.U.’s medium and large presses, offering a complete line on a turnkey basis.
- (2) Expand sales of Nidec Minster Corporation and Nidec Arisa S.L.U. presses to automotive customers based in North America.
- (3) Incorporation of laser blanking technology is our portfolio of products.

2. Information on Houma Armature Works

Company Name	(i) Automatic Feed Company (ii) Lasercoil Technologies LLC (iii) Automatic Leasing Company
Headquarters	Napoleon, Ohio, U.S.A.
Foundation	1949
Business	Manufacturing, sales and service for press peripheral equipment

(6) Information on voting rights

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of second quarter (Shares) (September 30, 2023)	Number of shares issued as of the filing date (Shares) (November 13, 2023)	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. Prime Market	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	596,284,468	596,284,468	-	-

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

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

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

Not applicable.

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

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From July 1, 2023 to September 30, 2023	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

(As of September 30, 2023)

Name	Address	Number of shares held (thousands of shares)	Ownership percentage to the total number of issued shares (Excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	82,151	14.28
Shigenobu Nagamori	Nishikyo-ku, Kyoto	49,473	8.60
Custody Bank, of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	30,911	5.37
The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank, of Japan, Ltd.)	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	24,798	4.31
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijo-Sagaru, Nakagyo-ku, Kyoto	20,245	3.52
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851	2.58
THE BANK OF NEW YORK MELLON 140042 (Standing proxy: Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286 USA (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	14,248	2.47
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	In Securities Operations Department, Nippon Life Insurance, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo)	13,159	2.28
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank, of Japan, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	12,804	2.22
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE CONGRESS STREET, SUITE 1, BOSTON MASSACHUSETTS (11-1, Nihombashi 3-chome, Chuo-ku, Tokyo)	9,951	1.73
Total	-	272,596	47.40

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

2. The Number of shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank, of Japan, Ltd. (trust account) for their trustee business is not described because the Company is not able to grasp it.

3. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on April 17, 2023, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of April 10, 2023, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2023, the status of major shareholders shown above is based on the content of the shareholders' register.

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

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851,804	2.49
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	9,831,250	1.65
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yuraku-cho 1-chome, Chiyoda-ku, Tokyo	5,962,900	1.00
Total	-	30,645,954	5.14

4. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on January 7, 2022, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of December 31, 2021, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2023, the status of major shareholders shown above is based on the content of the shareholders' register.

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

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	7,011,600	1.18
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakoen 1-chome, Minato-ku, Tokyo	18,684,034	3.13
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	8,425,400	1.41
Total	-	34,121,034	5.72

5. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on November 22, 2022, has been received from Baillie Gifford & Co and states that each of these companies held shares as of November 15, 2022, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2023, the status of major shareholders shown above is based on the content of the shareholders' register.

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

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Baillie Gifford & Co	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	1,572,800	0.26
Baillie Gifford Overseas Limited	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	23,165,889	3.89
Total	-	24,738,689	4.15

6. The Statement of Correction was submitted on September 13, 2023, for the Statement of Changes to a Statement of Large-Volume Holdings that was made available for public inspection on April 7, 2020, from Capital Research and Management Company. It states that each of these companies held shares as of March 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2023, the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Correction to a Statement of Changes is as follows:

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A.	9,585,706	3.22
Capital International Inc.	11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A.	742,855	0.25
Capital International Co., Ltd.	1-1-14F, Marunouchi 2-chome, Chiyoda-ku, Tokyo	1,226,900	0.41
Total	-	11,555,461	3.88

7. The Statement of Large-Volume Holdings, made available for public inspection on October 7, 2022, has been received from Nomura Securities Co.,Ltd. and states that each of these companies held shares as of September 30, 2022, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2023, the status of major shareholders shown above is based on the content of the shareholders' register.

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

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Nomura Securities Co., Ltd.	13-1, Nihombashi 1-chome, Chuo-ku, Tokyo	2,494,217	0.42
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	27,720,700	4.65
Total	-	30,214,917	5.07

8. The Statement of Large-Volume Holdings, made available for public inspection on March 3, 2023, has been received from BlackRock Japan Co., Ltd. and states that each of these companies held shares as of February 28, 2023, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2023, the status of major shareholders shown above is based on the content of the shareholders' register.

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

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi, 1-chome, Chiyoda-ku, Tokyo	9,785,100	1.64
BlackRock Advisers, LLC	251, Little Falls Drive, Wilmington, Delaware, USA	1,078,820	0.18
BlackRock Investment Management LLC	251, Little Falls Drive, Wilmington, Delaware, USA	814,039	0.14
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA, Amsterdam, Netherlands	1,502,758	0.25
BlackRock Fund Managers Limited	12, Throgmorton Avenue, London, United Kingdom	1,197,620	0.20
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	2,461,700	0.41
BlackRock Fund Advisors	400, Howard Street, San Francisco, CA, USA	7,151,800	1.20
BlackRock Institutional Trust Company, N.A.	400, Howard Street, San Francisco, CA, USA	5,756,648	0.97
BlackRock Investment Management (UK) Limited	12, Throgmorton Avenue, London, United Kingdom	695,900	0.12
Total	-	30,444,385	5.11

(6) Information on voting rights

1) Issued shares

(As of September 30, 2023)

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 21,212,300	-	-
Shares with full voting rights (others)	Ordinary share 574,317,500	5,743,175	-
Shares less than one unit	Ordinary share 754,668	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,743,175	-

(Notes) 1. The "Shares with full voting rights (others)" row includes 71,200 shares registered in the name of Japan Securities Depository Center ("JASDEC") and the "Number of voting rights" column includes 712 voting rights for those shares. The "Shares with full voting rights (others)" row includes 400 shares registered in the name of Nidec-Shimpo Corporation (shares that were not registered when the shares were exchanged with the Company on October 1, 2003) and the "Number of voting rights" column includes 4 voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 400 shares (4 voting rights) registered in its name. The name of "Nidec-Shimpo Corporation" was changed to "Nidec Drive Technology Corporation" effective April 1, 2023.

2. Ordinary shares in the "Shares less than one unit" row include 64 shares of the Company's treasury stock.

3. Ordinary shares in the "Shares with full voting rights (others)" row include 315,200 shares (3,152 voting rights) of the BIP Trust and 156,700 shares (1,567 voting rights) of the ESOP Trust.

2) Treasury stock, etc.

(As of September 30, 2023)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonosiro-cho, Minami-ku, Kyoto	21,212,300	-	21,212,300	3.55
Total	-	21,212,300	-	21,212,300	3.55

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

2. Members of the Board of Directors

There were no changes in Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to September 30, 2023.

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, 2023	As of September 30, 2023
Assets			
Current assets			
Cash and cash equivalents		186,098	206,364
Trade and other receivables		592,948	671,433
Other financial assets	14	3,811	3,516
Income tax receivables		10,536	10,187
Inventories		519,348	563,406
Other current assets		71,877	91,858
Total current assets		1,384,618	1,546,764
Non-current assets			
Property, plant and equipment		835,691	899,177
Goodwill	8	363,678	392,245
Intangible assets	8	221,740	242,624
Investments accounted for using the equity method		3,097	11,485
Other investments	14	25,943	29,704
Other financial assets	14	9,610	10,680
Deferred tax assets		12,091	12,075
Other non-current assets		16,321	19,003
Total non-current assets		1,488,171	1,616,993
Total assets		2,872,789	3,163,757

(Yen in millions)

	Note	As of March 31, 2023	As of September 30, 2023
Liabilities			
Current liabilities			
Short term borrowings	14	159,279	121,637
Long term debt due within one year	14	59,765	110,404
Trade and other payables		493,980	530,149
Other financial liabilities	14	4,473	3,467
Income tax payables		27,363	35,158
Provisions		50,815	47,089
Other current liabilities		104,930	116,468
Total current liabilities		900,605	964,372
Non-current liabilities			
Long term debt	14	486,305	441,498
Other financial liabilities	14	485	998
Retirement benefit liabilities		32,337	33,894
Provisions		1,377	1,595
Deferred tax liabilities		71,210	82,267
Other non-current liabilities		6,776	10,406
Total non-current liabilities		598,490	570,658
Total liabilities		1,499,095	1,535,030
Equity			
Common stock		87,784	87,784
Additional paid-in capital		97,670	97,245
Retained earnings		1,129,212	1,218,710
Other components of equity		206,756	371,938
Treasury stock		(166,917)	(167,936)
Total equity attributable to owners of the parent		1,354,505	1,607,741
Non-controlling interests		19,189	20,986
Total equity		1,373,694	1,628,727
Total liabilities and equity		2,872,789	3,163,757

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

For the six months ended September 30, 2022 and 2023

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the six months ended September 30,	
		2022	2023
Continuing operations			
Net Sales	5	1,130,767	1,160,662
Cost of sales		(901,985)	(906,780)
Gross profit		228,782	253,882
Selling, general and administrative expenses		(93,672)	(97,255)
Research and development expenses		(38,742)	(40,845)
Operating profit	5	96,368	115,782
Financial income		5,612	16,394
Financial expenses		(5,120)	(9,446)
Derivative gain (loss)		17	(426)
Foreign exchange differences		23,007	26,026
Share of net profit (loss) from associate accounting using the equity method		(1,509)	(2,971)
Profit before income taxes		118,375	145,359
Income tax expenses		(31,132)	(38,374)
Profit for the period from continuing operations		87,243	106,985
Discontinued operations			
Loss for the period from discontinued operations	6	(171)	(14)
Profit for the period		87,072	106,971
Profit for the period attributable to:			
Owners of the parent		86,649	106,081
Non-controlling interests		423	890
Profit for the period		87,072	106,971
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	150.61	184.64
Discontinued operations		(0.30)	(0.02)
Total		150.31	184.62

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the six months ended September 30,	
		2022	2023
Profit for the period		87,072	106,971
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		861	850
Fair value movements on FVTOCI equity financial assets		(140)	2,786
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		207,712	166,411
Effective portion of net changes in fair value of cash flow hedges		(1,080)	(161)
Fair value movements on FVTOCI debt financial assets		(24)	(1)
Total other comprehensive income for the period, net of taxation		207,329	169,885
Comprehensive income for the period		294,401	276,856
Comprehensive income for the period attributable to:			
Owners of the parent		293,067	274,928
Non-controlling interests		1,334	1,928
Comprehensive income for the period		294,401	276,856

For the three months ended September 30, 2022 and 2023

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended September 30,	
		2022	2023
Continuing operations			
Net Sales	5	590,398	594,607
Cost of sales		(470,793)	(466,172)
Gross profit		119,605	128,435
Selling, general and administrative expenses		(46,900)	(51,105)
Research and development expenses		(20,997)	(21,700)
Operating profit	5	51,708	55,630
Financial income		3,428	8,701
Financial expenses		(2,853)	(4,660)
Derivative gain (loss)		17	(577)
Foreign exchange differences		9,557	1,679
Share of net profit (loss) from associate accounting using the equity method		(471)	(1,495)
Profit before income taxes		61,386	59,278
Income tax expenses		(16,030)	(16,681)
Profit for the period from continuing operations		45,356	42,597
Discontinued operations			
Loss for the period from discontinued operations	6	(31)	(22)
Profit for the period		45,325	42,575
Profit for the period attributable to:			
Owners of the parent		45,328	42,040
Non-controlling interests		(3)	535
Profit for the period		45,325	42,575
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	78.89	73.20
Discontinued operations		(0.05)	(0.04)
Total		78.83	73.16

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

	Note	For the three months ended September 30, 2022	2023
Profit for the period		45,325	42,575
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		42	12
Fair value movements on FVTOCI equity financial assets		(418)	451
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		58,795	47,020
Effective portion of net changes in fair value of cash flow hedges		147	(710)
Fair value movements on FVTOCI debt financial assets		(22)	0
Total other comprehensive income for the period, net of taxation		58,544	46,773
Comprehensive income for the period		103,869	89,348
Comprehensive income for the period attributable to:			
Owners of the parent		104,058	88,513
Non-controlling interests		(189)	835
Comprehensive income for the period		103,869	89,348

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2022

(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, 2022		87,784	103,216	1,118,594	103,919	(121,272)	1,292,241	24,457	1,316,698
Comprehensive income									
Profit for the period				86,649			86,649	423	87,072
Other comprehensive income					206,418		206,418	911	207,329
Total comprehensive income							293,067	1,334	294,401
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(46,680)	(46,680)	-	(46,680)
Dividends paid to the owners of the parent				(20,309)			(20,309)	-	(20,309)
Dividends paid to non-controlling interests							-	(262)	(262)
Share-based payment transactions			145				145	-	145
Transfer to retained earnings				703	(703)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(18)				(18)	(47)	(65)
Other			3	(315)			(312)	34	(278)
Balance at September 30, 2022		87,784	103,346	1,185,322	309,634	(167,952)	1,518,134	25,516	1,543,650

For the six months ended September 30, 2023

(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, 2023		87,784	97,670	1,129,212	206,756	(166,917)	1,354,505	19,189	1,373,694
Comprehensive income									
Profit for the period				106,081			106,081	890	106,971
Other comprehensive income					168,847		168,847	1,038	169,885
Total comprehensive income							274,928	1,928	276,856
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(1,019)	(1,019)	-	(1,019)
Dividends paid to the owners of the parent				(20,116)			(20,116)	-	(20,116)
Dividends paid to non-controlling interests							-	(147)	(147)
Share-based payment transactions			(425)				(425)	-	(425)
Transfer to retained earnings				3,664	(3,664)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries							-	(197)	(197)
Other				(131)	(1)		(132)	213	81
Balance at September 30, 2023		87,784	97,245	1,218,710	371,938	(167,936)	1,607,741	20,986	1,628,727

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the six months ended September 30,	
		2022	2023
Cash flows from operating activities:			
Profit for the period from continuing operations		87,243	106,985
Loss for the period from discontinued operations	6	(171)	(14)
Profit for the period		87,072	106,971
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		58,320	61,815
Loss (gain) from sales, disposal or impairment of property, plant and equipment		(539)	(4,191)
Loss from sales of discontinued operations		171	14
Financial expenses (income)		(960)	(7,068)
Share of net loss (profit) from associate accounting using the equity method		1,509	2,971
Deferred income taxes		(2,838)	3,762
Current income taxes		33,970	34,613
Foreign currency adjustments		(3,573)	114
Increase (decrease) in retirement benefit liability		(1,627)	(879)
Decrease (increase) in accounts receivable		(16,173)	(21,931)
Decrease (increase) in inventories		(35,182)	(349)
Increase (decrease) in accounts payable		(49,972)	6,527
Other, net		9,344	(20,571)
Interests and dividends received		5,277	16,184
Interests paid		(3,912)	(8,868)
Income taxes paid		(24,536)	(27,835)
Net cash provided by operating activities		56,351	141,279

(Yen in millions)

	Note	For the six months ended September 30,	
		2022	2023
Cash flows from investing activities:			
Additions to property, plant and equipment		(66,649)	(54,634)
Proceeds from sales of property, plant and equipment		2,184	4,324
Additions to intangible assets		(9,130)	(6,577)
Acquisitions of business, net of cash acquired		-	(10,586)
Other, net		(7,373)	(12,079)
Net cash used in investing activities		(80,968)	(79,552)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		80,234	(38,389)
Proceeds from issuance of long term debt		14,000	50,000
Repayments of long term debt		(5,908)	(12,166)
Proceeds from issuance of bonds		50,000	-
Redemption of bonds		(85,000)	(50,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(54)	(869)
Purchase of treasury stock		(46,680)	(1,019)
Dividends paid to the owners of the parent	12	(20,309)	(20,116)
Other, net		(371)	(149)
Net cash used in financing activities		(14,088)	(72,708)
Effect of exchange rate changes on cash and cash equivalents		52,721	31,247
Net increase (decrease) in cash and cash equivalents		14,016	20,266
Cash and cash equivalents at beginning of period		199,655	186,098
Cash and cash equivalents at end of period		213,671	206,364

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

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

Condensed quarterly consolidated financial statements as of September 30, 2023 and for the six months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- 2) Automotive products, which include automotive motors and components, and traction motor system.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, sensors, lens units and camera shutters.
- 6) Others, which include music boxes and 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, 2023.

(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. Material accounting policies

With the exception of the item explained below, material accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the NIDEC’s annual consolidated financial statements for the year ended March 31, 2023.

Income tax expenses for the six months ended September 30, 2023 are computed using the estimated annual effective tax rate.

(Income Taxes)

IFRS		Summaries of new standards and amendments
IAS 12	Income Taxes	Clarified accounting processing for deferred taxes on leases and disposal obligations.
IAS 12	Income Taxes	Requirements for disclosure on specific information relating corporate income tax arising from the application of the Pillar 2 Model Rules.

There are no material impacts of the above statement on NIDEC’s condensed quarterly consolidated financial statements.

4. Significant accounting estimates, judgments and assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 2023 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2023.

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'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. MOEN	Appliance, commercial and industrial products
4. ACIM	Appliance, commercial and industrial products
5. Nidec Instruments	Machinery, automotive products, electronic components and other small precision motors
6. Nidec Techno Motor	Appliance, commercial and industrial products
7. Nidec Mobility	Automotive products
8. Nidec Machinery and Automation	Machinery, machine tools
9. Nidec Advance Technology	Machinery
10. Others	Automotive products, machinery, electronic components, other small precision motors and others

(Notes) 1. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

2. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

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

Net sales to external customers:

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
SPMS	181,004	164,066
AMEC	148,473	165,668
MOEN	186,052	228,580
ACIM	219,658	211,079
Nidec Instruments	84,256	72,664
Nidec Techno Motor	46,039	39,959
Nidec Mobility	56,217	66,014
Nidec Machinery and Automation	83,609	99,427
Nidec Advance Technology	34,497	22,879
Others	90,962	90,326
Consolidated net sales	1,130,767	1,160,662

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

(Yen in millions)

	For the three months ended September 30,	
	2022	2023
SPMS	92,732	89,237
AMEC	84,307	83,797
MOEN	97,643	116,971
ACIM	110,322	106,333
Nidec Instruments	43,672	36,708
Nidec Techno Motor	21,844	17,480
Nidec Mobility	30,620	33,862
Nidec Machinery and Automation	44,451	51,926
Nidec Advance Technology	16,628	11,522
Others	48,179	46,771
Consolidated net sales	590,398	594,607

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

Net sales to other operating segments:

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
SPMS	1,308	1,187
AMEC	355	685
MOEN	1,952	1,982
ACIM	4,220	5,800
Nidec Instruments	3,742	4,275
Nidec Techno Motor	3,701	4,921
Nidec Mobility	868	1,140
Nidec Machinery and Automation	1,744	694
Nidec Advance Technology	261	2
Others	21,484	18,648
Total	39,635	39,334
Intersegment elimination	(39,635)	(39,334)
Consolidated net sales	-	-

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

(Yen in millions)

	For the three months ended September 30,	
	2022	2023
SPMS	760	534
AMEC	184	387
MOEN	717	927
ACIM	1,751	2,630
Nidec Instruments	2,121	2,343
Nidec Techno Motor	2,097	1,696
Nidec Mobility	400	624
Nidec Machinery and Automation	1,337	463
Nidec Advance Technology	261	0
Others	12,357	9,608
Total	21,985	19,212
Intersegment elimination	(21,985)	(19,212)
Consolidated net sales	-	-

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

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

	For the six months ended September 30,	
	2022	2023
SPMS	18,553	10,145
AMEC	(8,637)	3,033
MOEN	18,472	31,242
ACIM	13,019	21,107
Nidec Instruments	10,229	8,895
Nidec Techno Motor	6,632	6,293
Nidec Mobility	6,004	7,705
Nidec Machinery and Automation	11,396	12,734
Nidec Advance Technology	10,221	6,458
Others	17,996	16,005
Total	103,885	123,617
Elimination and Corporate (Note)	(7,517)	(7,835)
Operating profit	96,368	115,782
Financial income (expenses)	492	6,948
Derivative gain (loss)	17	(426)
Foreign exchange differences	23,007	26,026
Share of net profit (loss) from associate accounting using the equity method	(1,509)	(2,971)
Profit before income taxes	118,375	145,359

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥8,768 million and ¥6,622 million for the six months ended September 30, 2023 and 2022, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended September 30,	
	2022	2023
SPMS	8,406	7,473
AMEC	(2,391)	(1,196)
MOEN	9,873	16,047
ACIM	7,138	9,352
Nidec Instruments	5,523	4,138
Nidec Techno Motor	3,226	2,298
Nidec Mobility	3,328	3,707
Nidec Machinery and Automation	6,022	7,583
Nidec Advance Technology	5,056	3,028
Others	9,786	7,688
Total	55,967	60,118
Elimination and Corporate (Note)	(4,259)	(4,488)
Operating profit	51,708	55,630
Financial income (expenses)	575	4,041
Derivative gain (loss)	17	(577)
Foreign exchange differences	9,557	1,679
Share of net profit (loss) from associate accounting using the equity method	(471)	(1,495)
Profit before income taxes	61,386	59,278

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥4,872 million and ¥3,449 million for the three months ended September 30, 2023 and 2022, 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:

Net sales by type of product

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Small precision motors:		
Hard disk drives spindle motors	42,406	29,055
Other small precision motors	183,905	178,023
Subtotal	226,311	207,078
Automotive products	254,150	282,176
Appliance, commercial and industrial products	453,396	479,663
Machinery	153,365	146,445
Electronic and optical components	41,501	42,986
Other products	2,044	2,314
Consolidated net sales	1,130,767	1,160,662

(Yen in millions)

	For the three months ended September 30,	
	2022	2023
Small precision motors:		
Hard disk drives spindle motors	21,483	18,414
Other small precision motors	93,706	92,904
Subtotal	115,189	111,318
Automotive products	140,870	144,576
Appliance, commercial and industrial products	230,710	240,784
Machinery	80,275	75,675
Electronic and optical components	22,266	21,128
Other products	1,088	1,126
Consolidated net sales	590,398	594,607

- (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, and traction motor system.
“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, power transmission drives and machine tools, etc.
“Electronic and optical components” consists of switches, sensors, lens units and camera shutters, etc.
“Other products” consists of music boxes and 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. NIDEC has negotiated the purchase price adjustment and the other factors of the consideration for the sales with Orlando Management AG and ESSVP IV, but NIDEC did not reach an agreement. As the result, NIDEC submitted the request for an arbitration to the German Arbitration Institute(DIS) on January 12, 2021 and commenced arbitration with Secop. After approximately 26 months of discussions, Nidec reached a settlement agreement with Secop on March 2023, and the arbitration concluded. However, some selling costs are still expected to arise 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

(4) Transition of ownership ratio for the company

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

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

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Other profit (loss)	(171)	(14)
Profit (loss) before income taxes from discontinued operations	(171)	(14)
Profit (loss) for the period from discontinued operations	(171)	(14)

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

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	(182)	(44)
Net cash used in financing activities	-	-
Total	(182)	(44)

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

2. Net cash (used in) provided by investing activities includes net cash related to sales of Secop.

7. Business combinations

On July 3, 2023 (U.S. time), NIDEC has acquired full ownership of Houma Armature Works (corporate name is TAR, LLC, "Houma"), from the investors of ¥4,173 million. Houma manufactures, repairs, maintenances, upgrades and installation services for motors, generators and control systems. Through the transaction, NIDEC will be able to enhance its service offering, including expanding its share within its own U.S. installed base. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

On August 1, 2023 (U.S. time), NIDEC has acquired full ownership of Automatic Feed Company, Lasercoil Technologies LLC and Automatic Leasing Company (collectively the "Target"), from the investors of ¥4,174 million. The Target manufactures, sells and services for press peripheral equipment. Through the transaction, NIDEC will be able to offer a wide range of products and services to our customers and pursue following synergies in terms of products, sales, and technology.

- (1) Combine the Target's equipment with Nidec Minster Corporation and Nidec Arisa S.L.U.'s medium and large presses, offering a complete line on a turnkey basis.
- (2) Expand sales of Nidec Minster Corporation and Nidec Arisa S.L.U. presses to automotive customers based in North America.
- (3) Incorporation of laser blanking technology is our portfolio of products.

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

Regarding the acquisition cost of PAMA S.p.A., which was acquired in the year ended March 31, 2023, NIDEC completed the price adjustment for the business combination in the three months ended June 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2023 and the six months ended September 30, 2023, 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 September 30, 2023.

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Balance at beginning of period		
Goodwill	339,904	363,678
Acquisitions through business combinations	-	3,194
Sales or disposals	-	-
Translation adjustments and others	32,835	25,373
Balance at end of period		
Goodwill	372,739	392,245

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2023		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	135,772	(53,251)	82,521
Proprietary technology	21,521	(10,572)	10,949
Software	46,389	(28,031)	18,358
Capitalized development costs	49,012	(13,399)	35,613
Others	10,199	(6,802)	3,397
Total	262,893	(112,055)	150,838

(Note) The carrying amounts of software include the right-of-use assets of ¥138 million.

(Yen in millions)

	As of September 30, 2023		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	148,903	(61,815)	87,088
Proprietary technology	24,438	(12,638)	11,800
Software	50,512	(31,150)	19,362
Capitalized development costs	57,579	(16,195)	41,384
Others	9,298	(6,018)	3,280
Total	290,730	(127,816)	162,914

(Note) The carrying amounts of software include the right-of-use assets of ¥82 million.

Total amortization of intangible assets for the year ended March 31, 2023 and for the six months ended September 30, 2023 amounted to ¥16,856 million and ¥8,543 million, respectively. Total indefinite lived intangible assets amounted to ¥70,902 million and ¥79,709 million as of March 31, 2023 and September 30, 2023, respectively.

9. Bonds

For the six months ended September 30, 2022

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 Thirteenth Series of Domestic Unsecured Bonds	July 12, 2022	30,000	0.250	July 11, 2025
Nidec Corporation	The Fourteenth Series of Domestic Unsecured Bonds	July 12, 2022	20,000	0.549	July 12, 2032

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 Third Series of Domestic Unsecured Bonds	November 13, 2012	20,000	0.956	September 20, 2022
Nidec Corporation	The Seventh Series of Domestic Unsecured Bonds	August 30, 2017	65,000	0.114	August 30, 2022

For the six months ended September 30, 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 Twelfth Series of Domestic Unsecured Bonds	June 10, 2020	50,000	0.030	June 9, 2023

10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the six months ended September 30, 2022 and 2023 are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Net periodic pension cost for defined benefit plans:		
Current service cost	1,022	1,094
Interest cost (net)	394	407
Net periodic pension cost for defined benefit plans	1,416	1,501
Payments to defined contribution pension plans	2,817	3,390

11. Related party transactions

Transactions with related parties for the six months ended September 30, 2022 and 2023 are as follows:

Sales of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Related parties		
Nagamori Foundation*1	6	6
Nagamori Gakuen Educational Foundation*2	18	12
Nagamori Culture Foundation*3	26	40

(Notes) *1. A director of NIDEC concurrently serves as president of Nagamori Foundation.

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

*3. A director of NIDEC concurrently serves as representative director of Nagamori Culture Foundation.

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

Purchase of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Related parties		
S.N. Kosan, LTD.*4	6	7
Nagamori Gakuen Educational Foundation	3	4
Nagamori Culture Foundation	1	1

(Notes) *4. A director of NIDEC owns a majority of voting rights of S.N. Kosan, LTD.

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, 2023	September 30, 2023
Receivables from related parties		
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	2	2
Nagamori Culture Foundation	1	1
Payables to related parties		
S.N. Kosan, LTD.	0	0
Nagamori Gakuen Educational Foundation	-	3
Nagamori Culture Foundation	0	0

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2023 and September 30, 2023. In addition, there were no expenses recognized during the years ended March 31, 2023 and the six months ended September 30, 2023 in respect of receivables from related parties.

12. Dividends

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

For the six months ended September 30, 2022

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2022 Board of directors	Ordinary shares	20,326	35	March 31, 2022	June 1, 2022

(Note) Total dividends resolved at the board of directors on May 26, 2022 included dividends of ¥16 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the six months ended September 30, 2023

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2023 Board of directors	Ordinary shares	20,133	35	March 31, 2023	June 1, 2023

(Note) Total dividends resolved at the board of directors on May 26, 2023 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

The dividend whose record date falls in the six months ended September 30, 2023 and the effective date falls in the next period is as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
October 23, 2023 Board of directors	Ordinary shares	20,128	35	September 30, 2023	December 1, 2023

(Note) Total dividends resolved at the board of directors on October 23, 2023 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

13. Earnings per share

The basis for calculating “Earnings (loss) per share attributable to owners of the parent - basic” is as follows:

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

	For the six months ended September 30,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	86,649	106,081
Profit from continuing operations attributable to owners of the parent (Yen in millions)	86,820	106,095
Profit (loss) from discontinued operations attributable to owners of the parent (Yen in millions)	(171)	(14)
Weighted average shares (Shares)	576,465,867	574,600,682
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	150.31	184.62
Continuing operations	150.61	184.64
Discontinued operations	(0.30)	(0.02)

	For the three months ended September 30,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	45,328	42,040
Profit from continuing operations attributable to owners of the parent (Yen in millions)	45,359	42,062
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(31)	(22)
Weighted average shares (Shares)	575,003,821	574,600,319
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	78.83	73.16
Continuing operations	78.89	73.20
Discontinued operations	(0.05)	(0.04)

(Note) In the calculation of “Earnings (loss) 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”.

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, 2023		As of September 30, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	26	26	24	24
Long term investments	5,043	5,195	5,052	5,115
Short term loans receivable	14	14	12	12
Long term loans receivable	161	148	165	145
Short term borrowings	(159,279)	(159,279)	(121,637)	(121,637)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(102,587)	(101,483)	(146,955)	(143,687)
Corporate bonds (including corporate bonds due within one year)	(392,413)	(383,129)	(348,635)	(339,801)

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

The fair value of Long term investments is mainly held to maturity bonds. It is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(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, 2023

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	18,608	-	2,258	20,866
FVTOCI debt financial assets	-	77	-	77
Derivatives	111	3,678	-	3,789
Total financial assets	18,719	3,755	2,258	24,732
Liabilities				
Derivatives	6	248	-	254
Total financial liabilities	6	248	-	254

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023.

As of September 30, 2023

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	22,401	-	2,219	24,620
FVTOCI debt financial assets	-	84	-	84
Derivatives	-	3,155	-	3,155
Total financial assets	22,401	3,239	2,219	27,859
Liabilities				
Derivatives	139	687	-	826
Total financial liabilities	139	687	-	826

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the six months ended September 30, 2023.

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

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

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

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

(Yen in millions)

	For the six months ended September 30,	
	2022	2023
Balance at beginning of period	2,154	2,258
Gains or losses:		
Recognized in other comprehensive income (Note)	232	(50)
Sales	(9)	11
Balance at end of period	2,377	2,219

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

15. Contingent liabilities

NIDEC has guaranteed ¥18,290 million for bank borrowing by equity method affiliates at September 30, 2023. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

NIDEC was aware of total contingent liabilities of ¥21,018 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at September 30, 2023. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2023	As of September 30, 2023
Property, plant and equipment and other assets	18,521	21,646

17. Events after the reporting period

No items to report.

18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on November 13, 2023 by Hiroshi Kobe, Representative Director and President and Akinobu Samura, Senior Vice President and Chief Financial Officer.

2. Other

On October 23, 2023, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2023 as follows:

- (1) Total amount of dividends:¥20,128 million
- (2) Amount per share:¥35.00
- (3) Effective date of claim of payment and start date of payment:December 1, 2023

Part II Information on Guarantors, etc. for the Company

Not applicable.