

[Translation]

Quarterly Report

(The Second Quarter of 49th Business Term)

From July 1, 2021 to September 30, 2021

NIDEC CORPORATION

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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

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

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the six months ended September 30,		For the year ended March 31, 2021
	2020	2021	
Net sales	751,794 [414,918]	910,668 [463,198]	1,618,064
Profit before income taxes	65,999	88,155	152,937
Profit attributable to owners of the parent	48,778 [28,720]	67,610 [34,159]	121,945
Comprehensive income attributable to owners of the parent	39,809	78,698	192,671
Total equity attributable to owners of the parent	966,599	1,150,336	1,096,020
Total assets	2,078,538	2,376,573	2,256,024
Earnings per share attributable to owners of the parent - basic (yen)	83.28 [49.03]	115.49 [58.36]	208.19
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	46.5	48.4	48.6
Net cash provided by operating activities	76,114	40,283	219,156
Net cash used in investing activities	(52,287)	(56,331)	(100,568)
Net cash provided by (used in) financing activities	(53,062)	(21,125)	(136,191)
Cash and cash equivalents at end of period	175,854	187,806	219,524

(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 finalized a part or all of the provisional accounting treatment for the business combination in the six months ended September 30, 2021. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the six months ended September 30, 2021 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, 2020 and 2021, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the six months ended September 30, 2021. 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, 2021. 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, 2021.

NIDEC finalized the provisional accounting treatment for the business combination in the six months ended September 30, 2021. Condensed quarterly consolidated financial statements for the six months ended September 30, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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

(1) Operating results

As of October 2021, the IMF forecasts global economic growth of 5.9% in 2021 and 4.9% in 2022. The IMF had revised downward its previous forecast of 0.1 point growth from 2021. In the environment surrounding NIDEC, risk factors such as concerns over the supply of semiconductors, soaring raw material prices, and the spread of COVID-19 in emerging countries surfaced. The business environment is expected to remain uncertain.

The following table sets forth consolidated operating results for the six months ended September 30, 2021:

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales	751,794	910,668	158,874	21.1%
Operating profit	69,174	90,196	21,022	30.4%
Operating profit ratio	9.2%	9.9%	-	-
Profit before income taxes	65,999	88,155	22,156	33.6%
Profit for the period from continuing operations	49,433	67,526	18,093	36.6%
Loss for the period from discontinued operations	(99)	(148)	(49)	-
Profit attributable to owners of the parent	48,778	67,610	18,832	38.6%

Consolidated net sales from continuing operations increased 21.1% to ¥910,668 million for the six months ended September 30, 2021 (“this six-month period”), compared to the six months ended September 30, 2020 (“the same period of the prior year”). We renewed the highest record for six-month period, despite the decrease in sales due to the long-term lockdown caused by COVID-19 at manufacturing bases in Southeast Asia around Vietnam, the impact of difficulties in procuring semiconductors and other electronic components, and the underproduction in some plants of customers due to the lockdown caused by COVID-19.

Operating profit increased 30.4% to ¥90,196 million for this six-month period compared to the same period of the previous year. This was due to increased sales of appliance, commercial and industrial products, automotive products, and machinery in addition to thorough manufacturing cost improvement and fixed cost rationalization through WPR4 Project, despite the negative impact including decreased sales and the temporary costs for emergent change of production areas due to the long-term lockdown at manufacturing bases in Southeast Asia around Vietnam, and the impact of semiconductors and other electronic components.

Profit before income taxes increased 33.6% to ¥88,155 million and profit for the period from continuing operations increased 36.6% to ¥67,526 million compared to the same period of the previous year, respectively.

Profit attributable to owners of the parent increased 38.6% to ¥67,610 million for this six-month period compared to the same period of the previous year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit (loss)		
	2020	2021	Increase or decrease	2020	2021	Increase or decrease
SPMS	187,077	167,908	(19,169)	31,374	19,234	(12,140)
AMEC	74,353	106,903	32,550	(2,015)	(3,231)	(1,216)
ACIM	242,250	336,000	93,750	17,262	34,492	17,230
Nidec Sankyo	63,237	70,142	6,905	4,584	5,747	1,163
Nidec Techno Motor	33,177	44,692	11,515	4,753	6,022	1,269
Nidec Mobility	37,247	46,531	9,284	1,894	4,797	2,903
Nidec Shimpo	35,635	46,848	11,213	4,539	8,995	4,456
Others	108,566	124,370	15,804	13,085	21,059	7,974
Elimination/corporate	(29,748)	(32,726)	(2,978)	(6,302)	(6,919)	(617)
Consolidated total	751,794	910,668	158,874	69,174	90,196	21,022

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

Net sales of SPMS decreased ¥19,169 million to ¥167,908 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 HDD motors due to the underproduction of customers caused by shortage of electronic components, the lockdown by COVID-19 at some plants of customers, and others, despite engaging in new demands one after another by launching a number of new products such as IT fan motors, high-efficiency motors for home appliances, thermal solution products for game consoles and other products. Operating profit decreased ¥12,140 million to ¥19,234 million for this six-month period compared to the same period of the prior year. This decrease was due to the impact of decreased sales due to the long-term lockdown at manufacturing bases in Southeast Asia around Vietnam, and the temporary costs for emergent change of production areas, despite making thorough manufacturing cost improvement and others by in-house production of parts.

Net sales of AMEC increased ¥32,550 million to ¥106,903 million for this six-month period compared to the same period of the prior year. This increase was due to a slight recovery trend, despite the impact of the decrease in shipment by the difficulties in procuring the semiconductor and other electronic components among customers. Operating profit(loss) was ¥3,231 million operating loss for this six-month period due to continuous recording the advanced development costs, despite recovery in sales.

Net sales of ACIM increased ¥93,750 million to ¥336,000 million for this six-month period compared to the same period of the prior year. This increase was due to higher sales of compressors and motors for home appliances, and motors and gears for transportation robots in Europe and the United States. Operating profit increased ¥17,230 million to ¥34,492 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 Sankyo increased ¥6,905 million to ¥70,142 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of automotive products, other small precision motors and semiconductor robots. Operating profit increased ¥1,163 million to ¥5,747 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 Techno Motor increased ¥11,515 million to ¥44,692 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of motors for air conditioners in China. Operating profit increased ¥1,269 million to ¥6,022 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 Mobility increased ¥9,284 million to ¥46,531 million for this six-month period compared to the same period of the prior year. This increase was due to the recovery trend from a decrease in global demand for the same period of the prior year. Operating profit increased ¥2,903 million to ¥4,797 million for this six-month period. This increase was due to an increase in sales.

Net sales of Nidec Shimpo increased ¥11,213 million to ¥46,848 million for this six-month period compared to the same period of the prior year. This increase was due to a significant increase in sales of press machines and speed reducers by continuous launching new products that meet customers' needs in the Chinese market, and others. Operating profit increased ¥4,456 million to ¥8,995 million for this six-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales and a sale of fixed assets.

With respect to the Others segment, net sales increased ¥15,804 million to ¥124,370 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of product for mounting machines, sensor, switches, trimmer potentiometers and semiconductor inspection system due to strong demands for 5G. Operating profit increased ¥7,974 million to ¥21,059 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Operating results by product category are as follows:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit		
	2020	2021	Increase or decrease	2020	2021	Increase or decrease
Small precision motors	223,462	205,111	(18,351)	33,099	23,095	(10,004)
Automotive products	149,135	197,197	48,062	4,397	8,337	3,940
Appliance, commercial and industrial products	273,334	378,021	104,687	22,022	40,528	18,506
Machinery	74,650	95,365	20,715	12,323	20,498	8,175
Electronic and optical components	29,607	33,146	3,539	3,317	4,446	1,129
Other products	1,606	1,828	222	181	191	10
Elimination/corporate	-	-	-	(6,165)	(6,899)	(734)
Consolidated total	751,794	910,668	158,874	69,174	90,196	21,022

Net sales of small precision motors decreased 8.2% to ¥205,111 million for this six-month period compared to the same period of the previous year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥10,300 million for this six-month period compared to the same period of the previous year. Net sales of spindle motors for HDDs decreased 41.3% to ¥49,440 million for this six-month period compared to the same period of the previous year due to the underproduction of customers caused by shortage of electronic components and the lockdown by COVID-19 at some plants of customers and others. On the other hand, net sales of other small precision motors increased 11.8% to ¥155,671 million for this six-month period compared to the same period of the previous year by engaging in new demands one after another by launching a number of new products such as IT fan motors, high-efficiency motors for home appliances, and thermal solution products for game consoles and other products, despite the decrease in sales due to the long-term lockdown caused by COVID-19 at the manufacturing bases in Southeast Asia around Vietnam, and the impact of difficulties in procuring semiconductors and other electronic components. Although NIDEC made thorough manufacturing cost improvement and others by in-house production of parts, operating profit of this category decreased 30.2% to ¥23,095 million for this six-month period compared to the same period of the previous year as a result of the negative effect including the impact of decreased sales due to the long-term lockdown at manufacturing bases in Southeast Asia around Vietnam, and the temporary costs for emergent change of production areas. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥3,900 million for this six-month period compared to the same period of the previous year.

Net sales of automotive products increased 32.2% to ¥197,197 million for this six-month period compared to the same period of the previous year due to a slight recovery trend despite the decrease in sales due to the long-term lockdown caused by COVID-19 at manufacturing bases in Southeast Asia around Vietnam, and the impact of the decrease in shipment by the difficulties in procuring the semiconductor and other electronic components among customers. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥8,700 million for this six-month period compared to the same period of the previous year. Operating profit of this category increased 89.6% to ¥8,337 million for this six-month period compared to the same period of the previous year mainly due to the recovery in sales as a result of manufacturing cost improvement through WPR4 project with our total efforts, although NIDEC continued to record advanced development costs for the traction motor system (E-Axle), for which demand is growing rapidly in addition to the negative effect including the decreased sales due to the long-term lockdown at manufacturing bases in Southeast Asia around Vietnam, the temporary cost for emergent change of production areas, and the difficulties in procuring the semiconductors and other electronic components among customers. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for this six-month period compared to the same period of the previous year.

Net sales of appliance, commercial and industrial products increased 38.3% to ¥378,021 million for this six-month period compared to the same period of the previous year, primarily due to higher sales of compressors for home appliances, motors for air conditioners, and motors and gears for transportation robots in the U.S. and Europe. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥12,300 million for this six-month period compared to the same period of the previous year. Operating profit of this category significantly increased 84.0% to ¥40,528 million for this six-month period compared to the same period of the previous year due to the effect of increased sales from engaging in the demands for energy-saving, high-efficiency and high-value-added new products in all business fields and continuous manufacturing cost improvement and fixed cost rationalization for global rise in raw material prices. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥800 million for this six-month period compared to the same period of the previous year.

Net sales of machinery increased 27.7% to ¥95,365 million for this six-month period compared to the same period of the previous year due to significantly higher sales of semiconductor inspection systems in strong demand for 5G, press machines and speed reducers by continuous launching new products that meet customers' needs in the Chinese market. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥2,900 million for this six-month period compared to the same period of the previous year. Operating profit of this category significantly increased 66.3% to ¥20,498 million for this six-month period compared to the same period of the previous year, mainly due to the higher sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥500 million for this six-month period compared to the same period of the previous year.

Net sales of electronic and optical components increased 12.0% to ¥33,146 million for this six-month period compared to the same period of the previous year and the fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,500 million for this six-month period compared to the same period of the previous year. Operating profit of this category increased 34.0% to ¥4,446 million for this six-month period compared to the same period of the previous year, mainly due to the higher sales by continuous launching new products.

Net sales of other products increased 13.8% to ¥1,828 million and operating profit of this category increased 5.5% to ¥191 million for this six-month period compared to the same period of the previous year.

(2) Financial position

Total assets increased ¥120,549 million to ¥2,376,573 million as of September 30, 2021 compared to March 31, 2021. This was mainly due to increases of ¥73,359 million in inventories, and ¥48,380 million in trade and other receivables.

Total liabilities increased ¥65,705 million to ¥1,207,794 million as of September 30, 2021 compared to March 31, 2021. This was mainly due to increases of ¥45,797 million in trade and other payables, and ¥8,440 million in interest-bearing debt. Specifically, short term borrowings increased ¥62,451 million to ¥93,428 million, long term debt due within one year increased ¥31,400 million to ¥106,996 million and long term debt decreased ¥85,411 million to ¥339,489 million as of September 30, 2021 compared to March 31, 2021.

Total equity attributable to owners of the parent increased ¥54,316 million to ¥1,150,336 million as of September 30, 2021 compared to March 31, 2021. This was mainly due to an increase in retained earnings of ¥50,283 million. Ratio of total equity attributable to owners of the parent to total assets decreased to 48.4% as of September 30, 2021 from 48.6% as of March 31, 2021.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities for the six months ended September 30, 2021 amounted to ¥40,283 million mainly due to ¥67,378 million in profit for the period and ¥33,035 million increase in accounts payable and other factors, despite ¥63,838 million increase in inventories and ¥35,197 million increase in accounts receivable. Net cash provided by operating activities decreased by ¥35,831 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities for the six months ended September 30, 2021 amounted to ¥56,331 million mainly due to additions to property, plant and equipment of ¥44,657 million and other factors. Net cash used in investing activities increased by ¥4,044 million year on year.

(Cash flows from financing activities)

Net cash used in financing activities for the six months ended September 30, 2021 amounted to ¥21,125 million mainly due to increase in short term borrowings of ¥62,124 million and other factors, despite ¥38,940 million in redemption of corporate bonds and ¥19,555 million in repayment of long term debt. Net cash used in financing activities decreased by ¥31,937 million year on year.

As a result of the aforementioned factors and the impact of foreign exchange rates, the balance of cash and cash equivalents as of September 30, 2021 decreased by ¥31,718 million to ¥187,806 million from March 31, 2021.

The main currencies we had as of September 30, 2021 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 new medium-term strategic target for fiscal year 2025 (Vision2025) and aim to be a growing company that is strongly adapted to changes in the environment.

The outline is as follows.

FY2021 to FY2022

- 1) Target for consolidated net sales : ¥2 trillion
- 2) Productivity improvement : To increase sales and profit per employee by 30%
- 3) ROIC (Return On Invested Capital) : over 10%
- 4) To be a top-rated ESG company

FY2023 to FY2025

- 1) Target for consolidated net sales : ¥4 trillion
- 2) Productivity improvement : To double sales and profit per employee
- 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, 2021 were ¥37,739 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 in the "ACIM / Nidec Shimpo / Other " segment mainly for the six months ended September 30, 2021 increased compared to the six months ended September 30, 2020.

Production, orders received and sales in the "Nidec Shimpo" segment for the six months ended September 30, 2021 increased compared to the six months ended September 30, 2020 with the acquisition of Mitsubishi Heavy Industries Machine Tool Co., Ltd., and others.

(7) Major property, plant and equipment

In the six months ended September 30, 2021, among the new construction plans of major property, plant and equipment as of March 31, 2021, the total planned investment in construction of the manufacturing factory of Nidec Elesys Europe LLC which is to manufacture automotive products has been updated to ¥7,697 million.

3. Material Agreements, etc.

During the three months ended September 30, 2021, there were no decisions or executions regarding material agreements, etc.

III. Information on the Company

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of second quarter (Shares) (September 30, 2021)	Number of shares issued as of the filing date (Shares) (November 12, 2021)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	596,284,468	596,284,468	Tokyo Stock Exchange, Inc. (the first section)	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	596,284,468	596,284,468	-	-

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

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

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

Not applicable.

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

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From July 1, 2021 to September 30, 2021	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

(As of September 30, 2021)

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, Hamamatsucho 2-chome, Minato-ku, Tokyo	66,365	11.32
Shigenobu Nagamori	Nishikyo-ku, Kyoto	49,473	8.44
The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank, of Japan, Ltd.)	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	24,798	4.23
Custody Bank, of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	23,846	4.07
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto	20,245	3.45
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE LINCOLN STREET, BOSTON MA USA 02111(11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo)	18,217	3.10
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)	15,436	2.63
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851	2.53
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	14,550	2.48
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	In Securities Operations Department, Nippon Life Insurance, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo)	13,159	2.24
Total	-	260,944	44.54

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

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

3. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on April 16, 2018, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of April 9, 2018, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2021, the status of major shareholders shown above is based on the content of the shareholders' register. The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows:

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

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

4. The Statement of Large-Volume Holdings, made available for public inspection on August 6, 2020, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of July 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2021, the status of major shareholders shown above is based on the content of the shareholders' register.

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

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

5. The Statement of Large-Volume Holdings, made available for public inspection on August 6, 2020, has been received from Baillie Gifford & Co and states that each of these companies held shares as of July 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2021, the status of major shareholders shown above is based on the content of the shareholders' register.

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

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

6. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on April 7, 2020, has been received from Capital Research and Management Company and states that each of these companies held shares as of March 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2021, the status of major shareholders shown above is based on the content of the shareholders' register.

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

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

(6) Information on voting rights

1) Issued shares

(As of September 30, 2021)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 10,471,500	-	-
Shares with full voting rights (others)	Ordinary share 585,244,500	5,852,445	-
Shares less than one unit	Ordinary share 568,468	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,852,445	-

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

2. Ordinary shares in the “Shares less than one unit” row include 28 shares of the Company’s treasury stock.

3. Ordinary shares in the “Shares with full voting rights (others)” row include 317,600 shares (3,176 voting rights) of the BIP Trust and 158,400 shares (1,584 voting rights) of the ESOP Trust.

2) Treasury stock, etc.

(As of September 30, 2021)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	10,471,500	-	10,471,500	1.75
Total	-	10,471,500	-	10,471,500	1.75

(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

Changes in the 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, 2021 are as follows:

Changes in positions and responsibilities

New position	Former position	Name	Effective date
<p>Member of the Board of Directors (Audit and Supervisory Committee Member)</p> <p>Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation / Member of the Audit and Supervisory Board, Nidec-Shimpo Corporation / Member of the Audit and Supervisory Board, Nidec-Read Corporation / Member of the Audit and Supervisory Board, Nidec Global Service Corporation / Member of the Audit and Supervisory Board, Nidec Machinery Corporation / Member of the Audit and Supervisory Board, Nidec Machine Tool Corporation</p>	<p>Member of the Board of Directors (Audit and Supervisory Committee Member)</p> <p>Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation / Member of the Audit and Supervisory Board, Nidec-Shimpo Corporation / Member of the Audit and Supervisory Board, Nidec-Read Corporation / Member of the Audit and Supervisory Board, Nidec Global Service Corporation / Member of the Audit and Supervisory Board, Nidec Machinery Corporation</p>	<p>Kazuya Murakami</p>	<p>August 2, 2021</p>

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, 2021	As of September 30, 2021
Assets			
Current assets			
Cash and cash equivalents		219,524	187,806
Trade and other receivables		441,083	489,463
Other financial assets	14	10,556	7,424
Income tax receivables		9,454	12,230
Inventories		296,641	370,000
Other current assets		46,869	50,920
Total current assets		1,024,127	1,117,843
Non-current assets			
Property, plant and equipment		662,659	681,159
Goodwill	8	319,926	321,837
Intangible assets	8	195,601	199,495
Investments accounted for using the equity method		2,422	1,803
Other investments	14	19,360	19,649
Other financial assets	14	6,056	5,891
Deferred tax assets		15,022	16,044
Other non-current assets		10,851	12,852
Total non-current assets		1,231,897	1,258,730
Total assets		2,256,024	2,376,573

(Yen in millions)

	Note	As of March 31, 2021	As of September 30, 2021
Liabilities			
Current liabilities			
Short term borrowings	14	30,977	93,428
Long term debt due within one year	14	75,596	106,996
Trade and other payables		400,307	446,104
Other financial liabilities	14	2,463	2,017
Income tax payables		17,910	22,812
Provisions		33,546	32,646
Other current liabilities		68,869	75,062
Total current liabilities		629,668	779,065
Non-current liabilities			
Long term debt	14	424,900	339,489
Other financial liabilities	14	1,666	358
Retirement benefit liabilities		31,703	33,235
Provisions		756	772
Deferred tax liabilities		48,214	49,870
Other non-current liabilities		5,182	5,005
Total non-current liabilities		512,421	428,729
Total liabilities		1,142,089	1,207,794
Equity			
Common stock		87,784	87,784
Additional paid-in capital		105,179	103,197
Retained earnings		1,016,559	1,066,842
Other components of equity		(49,633)	(38,868)
Treasury stock		(63,869)	(68,619)
Total equity attributable to owners of the parent		1,096,020	1,150,336
Non-controlling interests		17,915	18,443
Total equity		1,113,935	1,168,779
Total liabilities and equity		2,256,024	2,376,573

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the six months ended September 30, 2020 and 2021
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the six months ended September 30,	
		2020	2021
Continuing operations			
Net Sales	5	751,794	910,668
Cost of sales		(585,085)	(711,603)
Gross profit		166,709	199,065
Selling, general and administrative expenses		(66,293)	(71,130)
Research and development expenses		(31,242)	(37,739)
Operating profit	5	69,174	90,196
Financial income		2,230	2,518
Financial expenses		(3,202)	(2,494)
Derivative gain (loss)		(620)	139
Foreign exchange differences		(1,303)	(1,404)
Share of net profit (loss) from associate accounting using the equity method		(280)	(800)
Profit before income taxes		65,999	88,155
Income tax expenses		(16,566)	(20,629)
Profit for the period from continuing operations		49,433	67,526
Discontinued operations			
Loss for the period from discontinued operations	6	(99)	(148)
Profit for the period		49,334	67,378
Profit for the period attributable to:			
Owners of the parent		48,778	67,610
Non-controlling interests		556	(232)
Profit for the period		49,334	67,378
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		83.45	115.75
Discontinued operations		(0.17)	(0.25)
Total		83.28	115.49

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

	Note	For the six months ended September 30, 2020	2021
Profit for the period		49,334	67,378
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(21)	135
Fair value movements on FVTOCI equity financial assets		478	217
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(13,363)	11,929
Effective portion of net changes in fair value of cash flow hedges		4,096	(1,047)
Fair value movements on FVTOCI debt financial assets		25	2
Total other comprehensive income for the period, net of taxation		(8,785)	11,236
Comprehensive income for the period		40,549	78,614
Comprehensive income for the period attributable to:			
Owners of the parent		39,809	78,698
Non-controlling interests		740	(84)
Comprehensive income for the period		40,549	78,614

For the three months ended September 30, 2020 and 2021

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended September 30,	
		2020	2021
Continuing operations			
Net Sales	5	414,918	463,198
Cost of sales		(321,375)	(363,842)
Gross profit		93,543	99,356
Selling, general and administrative expenses		(36,015)	(35,197)
Research and development expenses		(16,147)	(18,518)
Operating profit	5	41,381	45,641
Financial income		806	1,437
Financial expenses		(1,523)	(1,265)
Derivative gain (loss)		(455)	141
Foreign exchange differences		(1,511)	(1,148)
Share of net profit (loss) from associate accounting using the equity method		(109)	(403)
Profit before income taxes		38,589	44,403
Income tax expenses		(9,617)	(10,261)
Profit for the period from continuing operations		28,972	34,142
Discontinued operations			
Loss for the period from discontinued operations	6	(25)	(109)
Profit for the period		28,947	34,033
Profit for the period attributable to:			
Owners of the parent		28,720	34,159
Non-controlling interests		227	(126)
Profit for the period		28,947	34,033
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		49.07	58.54
Discontinued operations		(0.04)	(0.19)
Total		49.03	58.36

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended September 30,	
		2020	2021
Profit for the period		28,947	34,033
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		27	10
Fair value movements on FVTOCI equity financial assets		(38)	670
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(10,211)	6,414
Effective portion of net changes in fair value of cash flow hedges		1,394	(1,211)
Fair value movements on FVTOCI debt financial assets		8	0
Total other comprehensive income for the period, net of taxation		(8,820)	5,883
Comprehensive income for the period		20,127	39,916
Comprehensive income for the period attributable to:			
Owners of the parent		19,766	40,028
Non-controlling interests		361	(112)
Comprehensive income for the period		20,127	39,916

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2020

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2020		87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633
Comprehensive income									
Profit for the period				48,778			48,778	556	49,334
Other comprehensive income					(8,969)		(8,969)	184	(8,785)
Total comprehensive income							39,809	740	40,549
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(110)	(110)	-	(110)
Dividends paid to the owners of the parent	12			(17,573)			(17,573)	-	(17,573)
Dividends paid to non-controlling interests							-	(645)	(645)
Share-based payment transactions			81				81	-	81
Transfer to retained earnings				450	(450)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(3,748)				(3,748)	(1,506)	(5,254)
Other			(1)	847		4	850	41	891
Balance at September 30, 2020		87,784	111,086	956,795	(125,210)	(63,856)	966,599	18,973	985,572

For the six months ended September 30, 2021

(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, 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 period				67,610			67,610	(232)	67,378
Other comprehensive income					11,088		11,088	148	11,236
Total comprehensive income							78,698	(84)	78,614
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(4,838)	(4,838)	-	(4,838)
Dividends paid to the owners of the parent	12			(17,572)			(17,572)	-	(17,572)
Dividends paid to non-controlling interests							-	(113)	(113)
Share-based payment transactions			330				330	-	330
Transfer to retained earnings				282	(282)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,330)				(2,330)	726	(1,604)
Other			18	(37)	(41)	88	28	(1)	27
Balance at September 30, 2021		87,784	103,197	1,066,842	(38,868)	(68,619)	1,150,336	18,443	1,168,779

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the six months ended September 30,	
		2020	2021
Cash flows from operating activities:			
Profit for the period from continuing operations		49,433	67,526
Loss for the period from discontinued operations	6	(99)	(148)
Profit for the period		49,334	67,378
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		47,990	50,271
Loss (gain) from sales, disposal or impairment of property, plant and equipment		1,578	(2,774)
Loss from sales of discontinued operations		99	148
Financial expenses (income)		1,135	475
Share of net loss (profit) from associate accounting using the equity method		280	800
Deferred income taxes		1,314	895
Current income taxes		15,252	19,734
Foreign currency adjustments		(4,704)	(5,238)
Increase (decrease) in retirement benefit liability		524	17
Decrease (increase) in accounts receivable		(16,724)	(35,197)
Decrease (increase) in inventories		7,799	(63,838)
Increase (decrease) in accounts payable		(1,979)	33,035
Other, net		(12,048)	(7,112)
Interests and dividends received		1,911	1,814
Interests paid		(2,944)	(2,467)
Income taxes paid		(12,703)	(17,658)
Net cash provided by operating activities		76,114	40,283

(Yen in millions)

	Note	For the six months ended September 30,	
		2020	2021
Cash flows from investing activities:			
Additions to property, plant and equipment		(47,529)	(44,657)
Proceeds from sales of property, plant and equipment		1,513	6,170
Additions to intangible assets		(6,829)	(8,095)
Proceeds from sales of discontinued operations		2,650	-
Acquisitions of business, net of cash acquired		(2,857)	(9,015)
Other, net		765	(734)
Net cash used in investing activities		(52,287)	(56,331)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		(11,674)	62,124
Repayments of long term debt		(17,679)	(19,555)
Proceeds from issuance of bonds		50,000	-
Redemption of bonds		(50,000)	(38,940)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(5,310)	(4,012)
Purchase of treasury stock		(110)	(4,838)
Dividends paid to the owners of the parent	12	(17,573)	(17,572)
Other, net		(716)	1,668
Net cash (used in) provided by financing activities		(53,062)	(21,125)
Effect of exchange rate changes on cash and cash equivalents		(1,897)	5,455
Net increase (decrease) in cash and cash equivalents		(31,132)	(31,718)
Cash and cash equivalents at beginning of period		206,986	219,524
Cash and cash equivalents at end of period		175,854	187,806

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, 2021 and for the six months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation

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

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

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2021.

(2) Basis of measurement

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

(3) Presentation currency and level of rounding

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

3. Significant accounting policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the NIDEC’s annual consolidated financial statements for the year ended March 31, 2021.

Income taxes for the six months ended September 30, 2021 are computed using the estimated annual effective tax rate.

4. Significant accounting estimates, judgments and assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 2021 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2021.

Although the sales declined due to the long-term lockdown caused by COVID-19 in Southeast Asia around Vietnam in the six months ended September 30, 2021, the operation capacity of each manufacturing base has already recovered to a certain level. Therefore, we have judged that COVID-19 has only a limited impact on the consolidated financial statements and assume that it will not affect accounting estimates at the time of disclosure of this report.

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 Shimpo segment includes Mitsubishi Heavy Industries Machine Tool Co., Ltd. (Nidec Machine Tool Corporation) which was newly consolidated in the three months ended September 30, 2021.

NIDEC's operating segments are as follows:

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

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

Net sales to external customers:

(Yen in millions)

	For the six months ended September 30,	
	2020	2021
SPMS	185,999	166,431
AMEC	73,717	106,217
ACIM	242,105	335,703
Nidec Sankyo	61,844	68,361
Nidec Techno Motor	30,523	40,817
Nidec Mobility	37,105	45,742
Nidec Shimpo	32,306	41,081
Others	88,195	106,316
Consolidated net sales	751,794	910,668

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

(Yen in millions)

	For the three months ended September 30,	
	2020	2021
SPMS	99,062	86,316
AMEC	46,810	53,974
ACIM	132,459	172,231
Nidec Sankyo	33,309	32,276
Nidec Techno Motor	15,310	18,497
Nidec Mobility	23,209	23,291
Nidec Shimpo	17,161	23,436
Others	47,598	53,177
Consolidated net sales	414,918	463,198

(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,	
	2020	2021
SPMS	1,078	1,477
AMEC	636	686
ACIM	145	297
Nidec Sankyo	1,393	1,781
Nidec Techno Motor	2,654	3,875
Nidec Mobility	142	789
Nidec Shimpo	3,329	5,767
Others	20,371	18,054
Total	29,748	32,726
Intersegment elimination	(29,748)	(32,726)
Consolidated net sales	-	-

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

(Yen in millions)

	For the three months ended September 30,	
	2020	2021
SPMS	586	486
AMEC	342	344
ACIM	77	145
Nidec Sankyo	707	881
Nidec Techno Motor	1,506	1,651
Nidec Mobility	132	396
Nidec Shimpo	1,461	2,787
Others	12,138	8,896
Total	16,949	15,586
Intersegment elimination	(16,949)	(15,586)
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,	
	2020	2021
SPMS	31,374	19,234
AMEC	(2,015)	(3,231)
ACIM	17,262	34,492
Nidec Sankyo	4,584	5,747
Nidec Techno Motor	4,753	6,022
Nidec Mobility	1,894	4,797
Nidec Shimpo	4,539	8,995
Others	13,085	21,059
Total	75,476	97,115
Elimination and Corporate (Note)	(6,302)	(6,919)
Operating profit	69,174	90,196
Financial income (expenses)	(972)	24
Derivative gain (loss)	(620)	139
Foreign exchange differences	(1,303)	(1,404)
Share of net profit (loss) from associate accounting using the equity method	(280)	(800)
Profit before income taxes	65,999	88,155

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥6,929 million and ¥6,422 million for the six months ended September 30, 2021 and 2020, 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,	
	2020	2021
SPMS	17,982	9,874
AMEC	(383)	(2,265)
ACIM	10,708	18,198
Nidec Sankyo	2,628	2,043
Nidec Techno Motor	2,343	2,706
Nidec Mobility	2,086	2,476
Nidec Shimpo	2,426	5,622
Others	6,915	10,604
Total	44,705	49,258
Elimination and Corporate (Note)	(3,324)	(3,617)
Operating profit	41,381	45,641
Financial income (expenses)	(717)	172
Derivative gain (loss)	(455)	141
Foreign exchange differences	(1,511)	(1,148)
Share of net profit (loss) from associate accounting using the equity method	(109)	(403)
Profit before income taxes	38,589	44,403

- (Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,899 million and ¥3,351 million for the three months ended September 30, 2021 and 2020, 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,	
	2020	2021
Small precision motors:		
Hard disk drives spindle motors	84,206	49,440
Other small precision motors	139,256	155,671
Subtotal	223,462	205,111
Automotive products	149,135	197,197
Appliance, commercial and industrial products	273,334	378,021
Machinery	74,650	95,365
Electronic and optical components	29,607	33,146
Other products	1,606	1,828
Consolidated net sales	751,794	910,668

(Yen in millions)

	For the three months ended September 30,	
	2020	2021
Small precision motors:		
Hard disk drives spindle motors	47,163	26,403
Other small precision motors	71,881	77,402
Subtotal	119,044	103,805
Automotive products	92,338	99,450
Appliance, commercial and industrial products	148,238	191,589
Machinery	38,921	50,714
Electronic and optical components	15,521	16,729
Other products	856	911
Consolidated net sales	414,918	463,198

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

"Automotive products" consists of automotive motors and components.

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

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

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

"Other products" consists of services, etc.

2. The above amounts no longer include discontinued operations.

6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. Some costs to sell will occur in the future. 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 the request has been registered at DIS on the same day. It usually takes 18 to 24 months to finalize the arbitration.

(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,	
	2020	2021
Other loss	(99)	(148)
Loss before income taxes from discontinued operations	(99)	(148)
Loss for the period from discontinued operations	(99)	(148)

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

2. Various conditions for sales of Secop are based on the forecasts as of September 30, 2021, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the six months ended September 30,	
	2020	2021
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	2,650	(73)
Net cash used in financing activities	-	-
Total	2,650	(73)

(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 August 2, 2021, NIDEC has acquired 100% of equity shares of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (“Nidec Machine Tool”) from the shareholders of Mitsubishi Heavy Industries, Ltd.; all the Mitsubishi Heavy Industries Group-owned shares of three overseas subsidiaries specialized in machine tool business; and the machine tool business run by overseas subsidiaries for ¥16,981 million (¥15,919 million was paid for cash, but ¥1,062 million is outstanding payment). Nidec Machine Tool designs, manufactures and sells machine tools, cutting tools and related products and provides after-sales services for the products. Through the Transaction, NIDEC will be able to achieve a mutual complement with our existing businesses and utilize Nidec Machine Tool’s technology for our future insourcing plan. Furthermore, NIDEC mutually leverages the NIDEC Group’s and Nidec Machine Tool’s respective technological capabilities, brand strength, and customer bases, to contribute to the further development of the global machine tool market.

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

(Yen in millions)

	Nidec Machine Tool
Current assets	
Cash and cash equivalents	6,904
Trade and other receivables	3,511
Inventories	7,287
Other current assets	1,382
Non-current assets	
Property, plant and equipment	4,181
Other non-current assets	2,384
Acquired assets at fair value	25,649
Current liabilities	
Short term borrowings	645
Trade and other payables	5,250
Other current liabilities	3,071
Non-current liabilities	
Other non-current liabilities	1,736
Assumed liabilities at fair value	10,702
Acquired assets and assumed liabilities at fair value (net amount)	14,947
Non-controlling interests	0
Goodwill (Negative Goodwill)	△2,658

(Note) The acquisition cost of ¥16,981 million included Real Estate Agreement of ¥4,629 million that NIDEC has made as other transaction along with Stock Transfer Agreement. Property, plant and equipment of ¥4,629 million that NIDEC has acquired from Mitsubishi Heavy Industries is not included in the table.

Negative Goodwill is mainly the reflection for net equity at fair value in excess of cash consideration. The income is included in Selling, general and administrative expenses in Condensed Quarterly Consolidated Statements of Income and is classified as Nidec Shimpo segment.

The acquired assets and assumed liabilities shown above are being assessed and measured based on preliminary estimate at acquisition date. Main objects of the assessment and the measurement are inventories and retirement benefit liabilities.

Net sales and profit attributable to owners of the parent for the six months ended September 30, 2021 include the net sales and profit of the business acquired from Nidec Machine Tool for the period subsequent to August 2, 2021, ¥4,627 million and ¥538 million respectively.

The amount of acquisition-related costs of these business combinations are ¥253 million, which are recognized in “Selling, general and administrative expenses”.

Supplemental information of the combined entity for the current reporting period, as though this business combination occurred as of April 1, 2021, is as follows (non-audited):

	Six months ended September 30, 2021
Net sales from continuing operations (Yen in millions)	918,971
Profit for the year attributable to owners of the parent (Yen in millions)	65,694
Earnings per share attributable to owners of the parent	
Basic (Yen)	112.22
Diluted (Yen)	-

Purchase price allocation to the assets and the liabilities

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 Metal Stamping Support Group, LLC and its group companies in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2021 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Current assets	
Trade and other receivables	5
Inventories	10
Non-current assets	
Intangible assets	36
Acquired assets at fair value	51
Non-current liabilities	
Deferred tax liabilities	(9)
Assumed liabilities at fair value	(9)
Acquired assets and assumed liabilities at fair value (net amount)	60
Goodwill	(94)

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

(Yen in millions)

	Weighted average amortization period	Retrospective amendment
Trademark	No amortization	36

Effect on the consolidated statement of income for the year ended March 31, 2021 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Operating profit	(41)
Profit before income taxes	(41)
Profit for the year attributable to owners of the parent	(32)

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,	
	2020	2021
Balance at beginning of period		
Goodwill	310,487	319,926
Acquisitions through business combinations	410	-
Sales or disposals	-	-
Translation adjustments and others	(3,739)	1,911
Balance at end of period		
Goodwill	307,158	321,837

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2021		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	118,042	(35,153)	82,889
Proprietary technology	18,463	(7,412)	11,051
Software	34,506	(21,732)	12,774
Capitalized development costs	31,976	(5,340)	26,636
Others	11,593	(4,683)	6,910
Total	214,580	(74,320)	140,260

(Note) The carrying amounts of software include the right-of-use assets of ¥490 million.

(Yen in millions)

	As of September 30, 2021		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	119,240	(38,506)	80,734
Proprietary technology	18,669	(7,990)	10,679
Software	36,937	(21,748)	15,189
Capitalized development costs	37,548	(7,509)	30,039
Others	7,920	(4,634)	3,286
Total	220,314	(80,387)	139,927

(Note) The carrying amounts of software include the right-of-use assets of ¥398 million.

Total amortization of intangible assets for the year ended March 31, 2021 and for the six months ended September 30, 2021 amounted to ¥13,504 million and ¥7,340 million, respectively. Total indefinite lived intangible assets amounted to ¥55,341 million and ¥59,568 million as of March 31, 2021 and September 30, 2021, respectively.

9. Bonds

For the six months ended September 30, 2020

Summary of the terms of issued bonds is as follows:

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

Summary of the terms of redeemed bonds is as follows:

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

For the six months ended September 30, 2021

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance	Interest rate(%)	Maturity date
Nidec Corporation	Euro-Denominated Senior Unsecured Bonds Due 2021	September 27, 2018	300 million euro	0.487	September 27, 2021

10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the six months ended September 30, 2020 and 2021 are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2020	2021
Net periodic pension cost for defined benefit plans:		
Current service cost	1,750	1,749
Interest cost (net)	271	230
Net periodic pension cost for defined benefit plans	2,021	1,979
Payments to defined contribution pension plans	1,606	1,816

11. Related party transactions

Transactions with related parties for the six months ended September 30, 2020 and 2021 are as follows:

Sales of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2020	2021
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	6	6
Nagamori Gakuen Educational Foundation*3	33	0
Nagamori Culture Foundation*4	15	14

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

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

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

*4. A director of NIDEC concurrently serves as president 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. The payment of joint research costs to Nagamori Gakuen Educational Foundation is determined based on the joint research agreement concluded upon mutual consultation.

Purchase of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2020	2021
Related parties		
S.N. Kosan, LLC.	5	5
Nagamori Gakuen Educational Foundation	65	46
Nagamori Culture Foundation	-	-

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, 2021	September 30, 2021
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	4	2
Nagamori Culture Foundation	0	0
Payables to related parties		
S.N. Kosan, LLC.	-	-
Nagamori Gakuen Educational Foundation	-	-
Nagamori Culture Foundation	-	0

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2021 and September 30, 2021. In addition, there were no expenses recognized during the years ended March 31, 2021 and the six months ended September 30, 2021 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, 2020

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

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

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

For the six months ended September 30, 2021

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

(Note) 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.

The dividend whose record date falls in the six months ended September 30, 2021 and the effective date falls in the next period is as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
October 26, 2021 Board of directors	Ordinary shares	17,574	30	September 30, 2021	December 1, 2021

(Note) 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.

13. Earnings per share

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

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

	For the six months ended September 30,	
	2020	2021
Profit attributable to owners of the parent (Yen in millions)	48,778	67,610
Profit from continuing operations attributable to owners of the parent (Yen in millions)	48,877	67,758
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(99)	(148)
Weighted average shares (Shares)	585,733,592	585,400,659
Earnings per share attributable to owners of the parent - basic (Yen)	83.28	115.49
Earnings per share from continuing operations (Yen)	83.45	115.75
Earnings (loss) per share from discontinued operations (Yen)	(0.17)	(0.25)

	For the three months ended September 30,	
	2020	2021
Profit attributable to owners of the parent (Yen in millions)	28,720	34,159
Profit from continuing operations attributable to owners of the parent (Yen in millions)	28,745	34,268
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(25)	(109)
Weighted average shares (Shares)	585,733,465	585,336,301
Earnings per share attributable to owners of the parent - basic (Yen)	49.03	58.36
Earnings per share from continuing operations (Yen)	49.07	58.54
Earnings (loss) per share from discontinued operations (Yen)	(0.04)	(0.19)

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

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, 2021		As of September 30, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	78	78	97	97
Long term investments	26	28	11	11
Short term loans receivable	23	23	13	13
Long term loans receivable	107	107	127	130
Short term borrowings	(30,977)	(30,977)	(93,428)	(93,428)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(30,087)	(30,133)	(15,106)	(15,157)
Corporate bonds (including corporate bonds due within one year)	(438,249)	(438,501)	(399,451)	(399,535)

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

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

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

(2) Long term investments

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

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2021

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTPL equity financial assets	2,974	-	-	2,974
FVTOCI equity financial assets	17,833	-	1,445	19,278
FVTOCI debt financial assets	-	82	-	82
Derivatives	2,296	4,524	-	6,820
Total financial assets	23,103	4,606	1,445	29,154
Liabilities				
Derivatives	139	717	-	856
Total financial liabilities	139	717	-	856

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021.

As of September 30, 2021

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTPL equity financial assets	3,604	-	-	3,604
FVTOCI equity financial assets	17,693	-	1,624	19,317
FVTOCI debt financial assets	-	262	-	262
Derivatives	858	2,168	-	3,026
Total financial assets	22,155	2,430	1,624	26,209
Liabilities				
Derivatives	47	606	-	653
Total financial liabilities	47	606	-	653

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the six months ended September 30, 2021.

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,	
	2020	2021
Balance at beginning of period	1,536	1,445
Gains or losses:		
Recognized in other comprehensive income (Note)	(73)	187
Purchases	56	—
Sales	(4)	(8)
Balance at end of period	1,515	1,624

(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 ¥9,434 million for bank borrowing by equity method affiliates at September 30, 2021. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

NIDEC was aware of total contingent liabilities of ¥12,845 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at September 30, 2021. 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, 2021	As of September 30, 2021
Property, plant and equipment and other assets	26,940	31,133

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 12, 2021 by Jun Seki, Representative Director, President and Chief Executive Officer and Hidetoshi Yokota, Senior Vice President and Chief Financial Officer.

2. Other

On October 26, 2021, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2021 as follows:

- (1) Total amount of dividends:¥17,574 million
- (2) Amount per share:¥30.00
- (3) Effective date of claim of payment and start date of payment:December 1, 2021

Part II Information on Guarantors, etc. for the Company

Not applicable.