



Financial Statements Summary for the Three Months Ended June 30, 2021 [IFRS](Consolidated)

July 21, 2021

Company name: NIDEC CORPORATION URL <https://www.nidec.com/en/>
 Stock listing: Tokyo Stock Exchange - First Section
 Code number: 6594
 Representative: Jun Seki, Representative Director, President and CEO
 Information on contact: Masahiro Nagayasu, General Manager of the Investor Relations & CSR Promotion
 Department Tel: +81-75-935-6140 ir@nidec.com
 Scheduled date of filing of Japanese quarterly report: August 6, 2021
 Scheduled date of dividend payable: -
 Supplemental materials for quarterly results: Yes
 Quarterly earning presentation held: Yes

(Amount Unit: Yen in Millions, unless otherwise indicated)
 (Amounts are rounded to nearest million yen)

1. Consolidated Financial Results for the Three Months ended June 30, 2021 (April 1, 2021 to June 30, 2021)

(1) Consolidated Operating Results (Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the period	
		%		%		%		%		%
For the three months ended June 30, 2021	447,470	32.8	44,555	60.3	43,752	59.6	33,451	66.8	38,698	89.5
For the three months ended June 30, 2020	336,876	-	27,793	-	27,410	-	20,058	-	20,422	-
	Earnings per share attributable to owners of the parent-basic (Yen)				Earnings per share attributable to owners of the parent-diluted (Yen)					
For the three months ended June 30, 2021					57.14				-	
For the three months ended June 30, 2020					34.24				-	

- (Notes) 1. "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".
 2. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2021. 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.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets
As of June 30, 2021	2,281,013	1,127,656	1,110,766	48.7%
As of March 31, 2021	2,256,024	1,113,935	1,096,020	48.6%

2. Dividends

	Dividends per share (Yen)				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Fiscal year end	Total
Year ended March 31, 2021	-	30.00	-	30.00	60.00
Year ending March 31, 2022	-				
Year ending March 31, 2022 (Forecast)		30.00	-	30.00	60.00

(Note) Revision of previously announced dividend targets during this reporting period: None.

3. Forecast of Consolidated Financial Performance for the Year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent-basic
		%		%		%		%	(Yen)
2nd Quarter end	800,000	6.4	80,000	15.7	78,000	18.2	60,000	23.0	102.44
Fiscal year end	1,700,000	5.1	180,000	12.5	175,000	14.4	140,000	14.8	239.02

(Note) Revision of the previously announced financial performance forecast during this reporting period: None

Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation) : None

(2) Changes in Accounting Policies and Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS : None
2. Changes in accounting policies due to other reasons : None
3. Changes in accounting estimates : None

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued at the end of the period (including treasury stock):

As of June 30, 2021: 596,284,468 As of March 31, 2021: 596,284,468

2. Number of treasury stock at the end of the period:

As of June 30, 2021: 10,948,354 As of March 31, 2021: 10,552,192

3. Weighted-average number of shares outstanding during the period:

For the three months ended June 30, 2021: 585,465,018 For the three months ended June 30, 2020: 585,733,720

*This quarterly report is not subject to quarterly review procedures by certified public accountants or an auditing firm.

*Explanation for appropriate use of forecast and other notes

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC’s expectations as a result of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Results, Etc. (3). Explanation Regarding Future Forecast Information of Consolidated Financial Results” on page 12.

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.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2021. 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.

Investor presentation materials relating to our financial results for the three months ended June 30, 2021 are expected to be published on our corporate website on July 21, 2021.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Three Months Ended June 30, 2021

1. Overview of Business Environment for the Three Months Ended June 30, 2021

The World Bank forecasts the global economic growth rate for the calendar year 2021 to be + 5.6% as of June 2021, which is 1.5 points higher than the previous announcement in January 2021, reflecting the faster vaccination pace in many developed countries and additional financial support in the United States. The business environment is expected to remain uncertain due to emerging risk factors such as the COVID-19 spreading again, soaring raw material prices, and shortages of semiconductors and other components. Under these circumstances, 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

2. Consolidated Operating Results

Consolidated Operating Results for the Three Months Ended June 30, 2021 (“this three-month period”), Compared to the Three Months Ended June 30, 2020 (“the same period of the previous year”)

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales	336,876	447,470	110,594	32.8%
Operating profit	27,793	44,555	16,762	60.3%
Operating profit ratio	8.3 %	10.0%	-	-
Profit before income taxes	27,410	43,752	16,342	59.6%
Profit for the period from continuing operations	20,461	33,384	12,923	63.2%
Loss for the period from discontinued operations	(74)	(39)	35	-
Profit attributable to owners of the parent	20,058	33,451	13,393	66.8%

Consolidated net sales from continuing operations increased 32.8% to ¥447,470 million for this three-month period compared to the same period of the previous year, renewing the highest record of the quarterly consolidated accounting period. Operating profit increased 60.3% to ¥44,555 million for this three-month period compared to the same period of the previous year mainly due to thorough manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project in addition to increased sales of appliance, commercial and industrial products and automotive products.

Profit before income taxes increased 59.6% to ¥43,752 million and profit for the period from continuing operations increased 63.2% to ¥33,384 million compared to the same period of the previous year, respectively.

Profit attributable to owners of the parent increased 66.8% to ¥33,451 million for this three-month period compared to the same period of the previous year.

The average exchange rate between the Japanese yen and the U.S. dollar for this three-month period was ¥109.49 to the U.S. dollar, which reflected an approximately 2% 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 three-month period was ¥131.96 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. The fluctuations of the foreign currency exchange rates had positive effects on net sales by approximately ¥17,000 million and on operating profit by approximately ¥1,000 million for this three-month period compared to the same period of the previous year.

Operating Results by Product Category for This Three-Month Period Compared to the Same Period of the Previous Year

Small precision motors

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	104,418	101,306	(3,112)	(3.0)%
Spindle motors for hard disk drives (HDDs)	37,043	23,037	(14,006)	(37.8)%
Other small precision motors	67,375	78,269	10,894	16.2%
Operating profit	14,283	12,305	(1,978)	(13.8)%
Operating profit ratio	13.7%	12.1%	-	-

Net sales of this category decreased 3.0% to ¥101,306 million for this three-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 ¥4,400 million for this three-month period compared to the same period of the previous year.

Net sales of spindle motors for HDDs decreased 37.8% to ¥23,037 million for this three-month period compared to the same period of the previous year, mainly due to a decrease in the number of units sold. On the other hand, net sales of other small precision motors increased 16.2% to ¥78,269 million for this three-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 appliance, and thermal solution products for game consoles and other products.

Although NIDEC made thorough manufacturing cost improvement and others by in-house production of parts, operating profit of this category decreased 13.8% to ¥12,305 million for this three-month period compared to the same period of the previous year as a result of advanced investments for launching new products, which are customer-based. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥1,400 million for this three-month period compared to the same period of the previous year.

Automotive products

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	56,797	97,747	40,950	72.1%
Operating profit (loss)	(258)	4,892	5,150	-
Operating profit ratio	(0.5)%	5.0%	-	-

Net sales of this category increased 72.1% to ¥97,747 million for this three-month period compared to the same period of the previous year under the recovery trend from a decrease in global demand for 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 ¥5,200 million for this three-month period compared to the same period of the previous year.

As a result of improvement of profitability through WPR4 project with our total efforts, operating profit of this category increased ¥5,150 million to ¥4,892 million for this three-month period compared to the same period of the previous year mainly due to the recovery in sales, although NIDEC continued to record advanced development costs for the traction motor system (E-Axle), which is experiencing rapid growth in demand. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥200 million for this three-month period compared to the same period of the previous year.

Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	125,096	186,432	61,336	49.0%
Operating profit	8,967	19,619	10,652	118.8%
Operating profit ratio	7.2%	10.5%	-	-

Net sales of this category increased 49.0% to ¥186,432 million for this three-month period compared to the same period of the previous year, primarily due to higher sales of compressors for home appliances, and motors and gears for transfer 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 ¥5,300 million for this three-month period compared to the same period of the previous year.

Operating profit of this category increased 118.8% to ¥19,619 million for this three-month period compared to the same period of the previous year, as a result of efforts to continuous manufacturing cost improvement and fixed cost rationalization in addition to the effect of increased sales. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥200 million for this three-month period compared to the same period of the previous year.

Machinery

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	35,729	44,651	8,922	25.0%
Operating profit	6,181	8,609	2,428	39.3%
Operating profit ratio	17.3%	19.3%	-	-

Net sales of this category increased 25.0% to ¥44,651 million for this three-month period compared to the same period of the previous year due to an increase in sales of semiconductor inspection system due to strong demands for 5G and other factors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,400 million for this three-month period compared to the same period of the previous year.

Operating profit of this category increased 39.3% to ¥8,609 million for this three-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 ¥400 million for this three-month period compared to the same period of the previous year.

Electronic and optical components*(Yen in millions)*

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	14,086	16,417	2,331	16.5%
Operating profit	1,496	2,302	806	53.9%
Operating profit ratio	10.6%	14.0%	-	-

Net sales of this category increased 16.5% to ¥16,417 million for this three-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 ¥800 million for this three-month period compared to the same period of the previous year.

Operating profit of this category increased 53.9% to ¥2,302 million for this three-month period compared to the same period of the previous year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥20 million for this three-month period compared to the same period of the previous year.

Other products*(Yen in millions)*

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	750	917	167	22.3%
Operating profit	84	88	4	4.8%
Operating profit ratio	11.2%	9.6%	-	-

Net sales of this category increased 22.3% to ¥917 million and operating profit of this category increased 4.8% to ¥88 million for this three-month period compared to the same period of the previous year.

**Consolidated Operating Results for the Three Months Ended June 30, 2021 (“1Q”),
Compared to the Previous Three Months Ended March 31, 2021 (“4Q”)**

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales	433,073	447,470	14,397	3.3%
Operating profit	44,461	44,555	94	0.2%
Operating profit ratio	10.3%	10.0%	-	-
Profit before income taxes	43,623	43,752	129	0.3%
Profit for the period from continuing operations	38,314	33,384	(4,930)	(12.9)%
Loss for the period from discontinued operations	(96)	(39)	57	-
Profit attributable to owners of the parent	38,330	33,451	(4,879)	(12.7)%

Consolidated net sales from continuing operations increased 3.3% to ¥447,470 million for 1Q compared to 4Q, renewing the highest record of the quarterly consolidated accounting period. This was due to an increase in sales of compressors etc. for home appliances which are appliance, commercial and industrial products. Operating profit increased 0.2% to ¥44,555 million due to compensating for decrease in profit of small precision motors and automotive products with significant increase in profit of appliance, commercial and industrial products. Profit before income taxes increased 0.3% to ¥43,752 million and profit for the period from continuing operations decreased 12.9% to ¥33,384 million for 1Q compared to 4Q.

Profit attributable to owners of the parent decreased 12.7% to ¥33,451 million for 1Q compared to 4Q.

The average exchange rate between the Japanese yen and the U.S. dollar for 1Q was ¥109.49 to the U.S. dollar, which reflected an approximately 3% depreciation of the Japanese yen against the U.S. dollar, compared to 4Q. The average exchange rate between the Japanese yen and the Euro for 1Q was ¥131.96 to the Euro, which reflected an approximately 3% depreciation of the Japanese yen against the Euro, compared to 4Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥12,800 million and on operating profit by approximately ¥1,500 million for 1Q compared to 4Q.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2021. Condensed quarterly consolidated financial statements for the three months 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.

Operating Results by Product Category for 1Q Compared to 4Q

Small precision motors

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales to external customers	103,646	101,306	(2,340)	(2.3)%
Spindle motors for hard disk drives (HDDs)	27,612	23,037	(4,575)	(16.6)%
Other small precision motors	76,034	78,269	2,235	2.9%
Operating profit	15,703	12,305	(3,398)	(21.6)%
Operating profit ratio	15.2%	12.1%	-	-

Net sales of this category decreased 2.3% to ¥101,306 million for 1Q compared to 4Q and the fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥3,200 million for 1Q compared to 4Q.

Net sales of spindle motors for HDDs decreased 16.6% to ¥23,037 million for 1Q compared to 4Q. On the other hand, net sales of other small precision motors increased 2.9% to ¥78,269 million for 1Q compared to 4Q due to strong sales of new products such as IT fan motors, high-efficiency motors for home appliance, and thermal solution products for game consoles and other products.

Operating profit of this category decreased 21.6% to ¥12,305 million for 1Q compared to 4Q. This was mainly due to prior investment for customer-based new products launch although thorough manufacturing cost improvement and others by in-house production of parts. The fluctuations of the foreign exchange rates had a positive effect on operating profit of this category by approximately ¥500 million for 1Q compared to 4Q.

Automotive products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales to external customers	102,067	97,747	(4,320)	(4.2)%
Operating profit	7,452	4,892	(2,560)	(34.4)%
Operating profit ratio	7.3%	5.0%	-	-

Net sales of this category decreased 4.2% to ¥97,747 million for 1Q compared to 4Q, mainly due to a decrease in sales of automotive electronics components and automotive pump, and other factors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥2,600 million for 1Q compared to 4Q.

Operating profit of this category decreased 34.4% to ¥4,892 million for 1Q compared to 4Q. This was due to the impact of the decrease in sales and the recording advanced development costs, despite improvement of profitability through WPR4 project with our total efforts. The fluctuations of the foreign exchange rates had a positive effect on operating profit of this category by approximately ¥400 million for 1Q compared to 4Q.

Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales to external customers	172,312	186,432	14,120	8.2%
Operating profit	16,805	19,619	2,814	16.7%
Operating profit ratio	9.8%	10.5%	-	-

Net sales of this category increased 8.2% to ¥186,432 million for 1Q compared to 4Q, due to strong sales of compressors and motors for home appliances, motors and gears for transportation robots in Europe and the United States. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥5,800 million for 1Q compared to 4Q.

Operating profit of this category increased 16.7% to ¥19,619 million for 1Q compared to 4Q, mainly due to an increasing sales. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥500 million for 1Q compared to 4Q.

Machinery

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales to external customers	39,059	44,651	5,592	14.3%
Operating profit	6,697	8,609	1,912	28.6%
Operating profit ratio	17.1%	19.3%	-	-

Net sales of this category increased 14.3% to ¥44,651 million for 1Q compared to 4Q, mainly due to an increase in sales of semiconductor inspection system due to strong demands for 5G. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥800 million for 1Q compared to 4Q.

Operating profit of this category increased 28.6% to ¥8,609 million for 1Q compared to 4Q, mainly due to an increasing sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥80 million for 1Q compared to 4Q.

Electronic and optical components

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales to external customers	15,143	16,417	1,274	8.4%
Operating profit	1,329	2,302	973	73.2%
Operating profit ratio	8.8%	14.0%	-	-

Net sales of this category increased 8.4% to ¥16,417 million for 1Q compared to 4Q and the fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥500 million for 1Q compared 4Q. Operating profit of this category increased 73.2% to ¥2,302 million for 1Q compared to 4Q. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥70 million for 1Q compared 4Q.

Other products*(Yen in millions)*

	For the three months ended		Increase or decrease	Ratio of change
	March 31, 2021	June 30, 2021		
Net sales to external customers	846	917	71	8.4%
Operating profit	153	88	(65)	(42.5)%
Operating profit ratio	18.1%	9.6%	-	-

Net sales of this category increased 8.4% to ¥917 million for 1Q compared to 4Q and operating profit of this category decreased 42.5% to ¥88 million for 1Q compared to 4Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2021	As of June 30, 2021	Increase or decrease
Total assets	2,256,024	2,281,013	24,989
Total liabilities	1,142,089	1,153,357	11,268
Total equity attributable to owners of the parent	1,096,020	1,110,766	14,746
Interest-bearing debt *1	531,473	508,775	(22,698)
Net interest-bearing debt *2	311,949	335,156	23,207
Debt ratio (%) *3	23.6	22.3	(1.3)
Debt to equity ratio (“D/E ratio”) (times) *4	0.48	0.46	(0.02)
Net D/E ratio (times) *5	0.28	0.30	0.02
Ratio of total equity attributable to owners of the parent to total assets (%) *6	48.6	48.7	0.1

(Notes) *1. Interest-bearing debt: The sum of “short term borrowings”, “long term debt due within one year” and “long term debt” on the consolidated statements of financial position

*2. Net interest-bearing debt: Interest-bearing debt less “cash and cash equivalents”

*3. Debt ratio: Interest-bearing debt divided by total assets

*4. D/E ratio: Interest-bearing debt divided by total equity attributable to owners of the parent

*5. Net D/E ratio: Net interest-bearing debt divided by total equity attributable to owners of the parent

*6. Ratio of total equity attributable to owners of the parent to total assets: Total equity attributable to owners of the parent divided by total assets

Total assets increased ¥24,989 million to ¥2,281,013 million as of June 30, 2021 compared to March 31, 2021. This was mainly due to increases of ¥38,675 million in inventories, and ¥21,771 million in trade and other receivables. On the other hand, there was a decrease of ¥45,905 million in cash and cash equivalents.

Total liabilities increased ¥11,268 million to ¥1,153,357 million as of June 30, 2021 compared to March 31, 2021. This was mainly due to an increase of ¥25,815 million in trade and other payables. On the other hand, there was a decrease of ¥22,698 million in interest-bearing debt. Specifically, short term borrowings decreased ¥23,731 million to ¥7,246 million, long term debt due within one year increased ¥454 million to ¥76,050 million and long term debt increased ¥579 million to ¥425,479 million as of June 30, 2021 compared to March 31, 2021.

As a result, net interest-bearing debt increased to ¥335,156 million as of June 30, 2021 from ¥311,949 million as of March 31, 2021. The debt ratio that includes lease liabilities decreased to 22.3% as of June 30, 2021 from 23.6% as of March 31, 2021. The D/E ratio decreased to 0.46 times as of June 30, 2021 from 0.48 times as of March 31, 2021. The net D/E ratio increased to 0.30 times as of June 30, 2021 from 0.28 times as of March 31, 2021.

Total equity attributable to owners of the parent increased ¥14,746 million to ¥1,110,766 million as of June 30, 2021 compared to March 31, 2021. Ratio of total equity attributable to owners of the parent to total assets increased to 48.7% as of June 30, 2021 from 48.6% as of March 31, 2021. This was mainly due to an increase in retained earnings of ¥15,555 million.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2021. 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.

Overview of Cash Flow

(Yen in millions)

	For the three months ended June 30,		Increase or decrease
	2020	2021	
Net cash provided by operating activities	22,435	23,048	613
Net cash used in investing activities	(27,647)	(22,047)	5,600
Free cash flow *1	(5,212)	1,001	6,213
Net cash used in financing activities	(13,058)	(51,560)	(38,502)

(Note) *1. Free cash flow: The sum of “net cash provided by operating activities” and “net cash used in investing activities”.

Net cash provided by operating activities for the three months ended June 30, 2021 amounted to ¥23,048 million mainly due to ¥33,345 million in profit for the period and ¥23,501 million increase in accounts payable and other factors, despite ¥38,265 million increase in inventories and ¥21,053 million increase in accounts receivable. Net cash provided by operating activities increased by ¥613 million year on year.

Net cash used in investing activities amounted to ¥22,047 million mainly due to additions to property, plant and equipment of ¥21,179 million and other factors. Net cash used in investing activities decreased by ¥5,600 million year on year.

As a result, free cash flow increased by ¥6,213 million to ¥1,001 million, compared with ¥5,212 million used in the same period of the previous year.

Net cash used in financing activities amounted to ¥51,560 million mainly due to decrease in short term borrowings of ¥23,362 million and other factors. Net cash used in financing activities increased by ¥38,502 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 June 30, 2021 decreased by ¥45,905 million to ¥173,619 million from March 31, 2021.

(3) Explanation Regarding Future Forecast Information of Consolidated Financial Results

The World Bank forecasts the global economic growth rate for the 2021 calendar year to be + 5.6% as of June 2021. Although expectations for the suppression of COVID-19 through the progress of vaccination are increasing, the situation is expected to remain unpredictable due to risk factors such as the re-spread of COVID-19 caused by new variants, soaring raw material prices, shortages of components such as semiconductors, tightening of financial markets, and default by companies and so forth.

Against this backdrop, NIDEC will continue to push forward with its new strategic objectives targeting fiscal year 2025.

The forecasts for the year ending March 31, 2022 described below are prepared based on an assumption that exchange rates are US\$1 = ¥105 and €1 = ¥117.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2022

Net sales	¥1,700,000 million	(105.1% compared to the previous fiscal year)
Operating profit	¥180,000 million	(112.5% compared to the previous fiscal year)
Profit before income taxes	¥175,000 million	(114.4% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥140,000 million	(114.8% compared to the previous fiscal year)

Forecast of Consolidated Financial Performance for the Six Months Ending September 30, 2021

Net sales	¥800,000 million	(106.4% compared to the same period of the previous fiscal year)
Operating profit	¥80,000 million	(115.7% compared to the same period of the previous fiscal year)
Profit before income taxes	¥78,000 million	(118.2% compared to the same period of the previous fiscal year)
Profit attributable to owners of the parent	¥60,000 million	(123.0% compared to the same period of the previous fiscal year)

(Notes) 1. Consolidated performance is based on IFRS.

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥105 and €1 = ¥117.

Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC's expectations as a result of various factors.

2. Condensed Quarterly Consolidated Financial Statements and Other Information

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	219,524	173,619
Trade and other receivables	441,083	462,854
Other financial assets	10,556	9,908
Income tax receivables	9,454	9,974
Inventories	296,641	335,316
Other current assets	46,869	47,797
Total current assets	1,024,127	1,039,468
Non-current assets		
Property, plant and equipment	662,659	669,232
Goodwill	319,926	320,660
Intangible assets	195,601	197,516
Investments accounted for using the equity method	2,422	2,047
Other investments	19,360	18,664
Other financial assets	6,056	5,976
Deferred tax assets	15,022	16,043
Other non-current assets	10,851	11,407
Total non-current assets	1,231,897	1,241,545
Total assets	2,256,024	2,281,013

(Yen in millions)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Short term borrowings	30,977	7,246
Long term debt due within one year	75,596	76,050
Trade and other payables	400,307	426,122
Other financial liabilities	2,463	5,620
Income tax payables	17,910	16,990
Provisions	33,546	32,762
Other current liabilities	68,869	74,271
Total current liabilities	629,668	639,061
Non-current liabilities		
Long term debt	424,900	425,479
Other financial liabilities	1,666	1,142
Retirement benefit liabilities	31,703	32,237
Provisions	756	576
Deferred tax liabilities	48,214	49,746
Other non-current liabilities	5,182	5,116
Total non-current liabilities	512,421	514,296
Total liabilities	1,142,089	1,153,357
Equity		
Common stock	87,784	87,784
Additional paid-in capital	105,179	103,571
Retained earnings	1,016,559	1,032,114
Other components of equity	(49,633)	(44,080)
Treasury stock	(63,869)	(68,623)
Total equity attributable to owners of the parent	1,096,020	1,110,766
Non-controlling interests	17,915	16,890
Total equity	1,113,935	1,127,656
Total liabilities and equity	2,256,024	2,281,013

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

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	For the three months ended June 30,	
	2020	2021
Continuing operations		
Net Sales	336,876	447,470
Cost of sales	(263,710)	(347,761)
Gross profit	73,166	99,709
Selling, general and administrative expenses	(30,278)	(35,933)
Research and development expenses	(15,095)	(19,221)
Operating profit	27,793	44,555
Financial income	1,424	1,081
Financial expenses	(1,679)	(1,229)
Derivative gain (loss)	(165)	(2)
Foreign exchange differences	208	(256)
Share of net profit (loss) from associate accounting using the equity method	(171)	(397)
Profit before income taxes	27,410	43,752
Income tax expenses	(6,949)	(10,368)
Profit for the period from continuing operations	20,461	33,384
Discontinued operations		
Loss for the period from discontinued operations	(74)	(39)
Profit for the period	20,387	33,345
Profit for the period attributable to:		
Owners of the parent	20,058	33,451
Non-controlling interests	329	(106)
Profit for the period	20,387	33,345

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

	For the three months ended June 30,	
	2020	2021
Profit for the period	20,387	33,345
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	(48)	125
Fair value movements on FVTOCI equity financial assets	516	(453)
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	(3,152)	5,515
Effective portion of net changes in fair value of cash flow hedges	2,702	164
Fair value movements on FVTOCI debt financial assets	17	2
Total other comprehensive income for the period, net of taxation	35	5,353
Comprehensive income for the period	20,422	38,698
Comprehensive income for the period attributable to:		
Owners of the parent	20,043	38,670
Non-controlling interests	379	28
Comprehensive income for the period	20,422	38,698

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 2020

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
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			20,058			20,058	329	20,387
Other comprehensive income				(15)		(15)	50	35
Total comprehensive income						20,043	379	20,422
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(103)	(103)	-	(103)
Dividends paid to the owners of the parent			(17,573)			(17,573)	-	(17,573)
Dividends paid to non-controlling interests						-	(38)	(38)
Share-based payment transactions		21				21	-	21
Transfer to retained earnings			1,661	(1,661)		-	-	-
Other			(137)		5	(132)	(19)	(151)
Balance at June 30, 2020	87,784	114,775	928,302	(117,467)	(63,848)	949,546	20,665	970,211

For the three months ended June 30, 2021

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
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			33,451			33,451	(106)	33,345
Other comprehensive income				5,219		5,219	134	5,353
Total comprehensive income						38,670	28	38,698
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(4,833)	(4,833)	-	(4,833)
Dividends paid to the owners of the parent			(17,572)			(17,572)	-	(17,572)
Dividends paid to non-controlling interests						-	(41)	(41)
Share-based payment transactions		104				104	-	104
Transfer to retained earnings			(334)	334		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(1,711)				(1,711)	(1,020)	(2,731)
Other		(1)	10		79	88	8	96
Balance at June 30, 2021	87,784	103,571	1,032,114	(44,080)	(68,623)	1,110,766	16,890	1,127,656

(4) Condensed Quarterly Consolidated Statements of Cash Flows*(Yen in millions)*

	For the three months ended June 30,	
	2020	2021
Cash flows from operating activities:		
Profit for the period from continuing operations	20,461	33,384
Loss for the period from discontinued operations	(74)	(39)
Profit for the period	20,387	33,345
Adjustments to reconcile profit for the period to net cash provided by operating activities		
Depreciation and amortization	23,990	25,050
Loss (gain) from sales, disposal or impairment of property, plant and equipment	(44)	(1,839)
Loss from sales of discontinued operations	74	39
Financial expenses (income)	436	288
Share of net loss (profit) from associate accounting using the equity method	171	397
Deferred income taxes	210	589
Current income taxes	6,739	9,779
Foreign currency adjustments	497	(5,916)
Increase (decrease) in retirement benefit liability	153	450
Decrease (increase) in accounts receivable	16,133	(21,053)
Decrease (increase) in inventories	(5,394)	(38,265)
Increase (decrease) in accounts payable	(20,424)	23,501
Other, net	(11,795)	8,684
Interests and dividends received	1,010	226
Interests paid	(1,101)	(965)
Income taxes paid	(8,607)	(11,262)
Net cash provided by operating activities	22,435	23,048

(Yen in millions)

	For the three months ended June 30,	
	2020	2021
Cash flows from investing activities:		
Additions to property, plant and equipment	(25,497)	(21,179)
Proceeds from sales of property, plant and equipment	359	3,557
Additions to intangible assets	(3,994)	(4,203)
Proceeds from sales of discontinued operations	2,717	-
Acquisitions of business, net of cash acquired	(2,531)	-
Other, net	1,299	(222)
Net cash used in investing activities	(27,647)	(22,047)
Cash flows from financing activities:		
Increase (decrease) in short term borrowings	6,703	(23,362)
Repayments of long term debt	(1,980)	(2,341)
Proceeds from issuance of bonds	50,000	-
Redemption of bonds	(50,000)	-
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(3,079)
Purchase of treasury stock	(103)	(4,833)
Dividends paid to the owners of the parent	(17,573)	(17,572)
Other, net	(105)	(373)
Net cash (used in) provided by financing activities	(13,058)	(51,560)
Effect of exchange rate changes on cash and cash equivalents	(2,980)	4,654
Net increase (decrease) in cash and cash equivalents	(21,250)	(45,905)
Cash and cash equivalents at beginning of period	206,986	219,524
Cash and cash equivalents at end of period	185,736	173,619

(5) Notes to Condensed Quarterly Consolidated Financial Statements

Notes Regarding Going Concern Assumption

Not applicable.

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

The registered addresses of headquarters and principal business offices are available on the Company’s website

(<https://www.nidec.com/en/>).

Condensed quarterly consolidated financial statements as of June 30, 2021 and for the three months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation

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

The condensed quarterly consolidated financial statements of NIDEC have been prepared in accordance with IAS 34 “Interim Financial Reporting” pursuant to the provision of article 93 of 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 three months ended June 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 June 30, 2021 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2021.

5. Business combinations

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

During the three months ended June 30, 2021, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the 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.

6. Events after the reporting period

No items to report

3. Others

(1) Information by Product Category

For the three months ended June 30, 2020

(Yen in millions)

	Small precision motors	Automotive Products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:									
External sales	104,418	56,797	125,096	35,729	14,086	750	336,876	-	336,876
Intersegment	701	282	1,140	2,155	741	222	5,241	(5,241)	-
Total	105,119	57,079	126,236	37,884	14,827	972	342,117	(5,241)	336,876
Operating expenses	90,836	57,337	117,269	31,703	13,331	888	311,364	(2,281)	309,083
Operating profit (loss)	14,283	(258)	8,967	6,181	1,496	84	30,753	(2,960)	27,793

For the three months ended June 30, 2021

(Yen in millions)

	Small precision motors	Automotive Products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:									
External sales	101,306	97,747	186,432	44,651	16,417	917	447,470	-	447,470
Intersegment	1,211	338	2,385	5,897	1,298	373	11,502	(11,502)	-
Total	102,517	98,085	188,817	50,548	17,715	1,290	458,972	(11,502)	447,470
Operating expenses	90,212	93,193	169,198	41,939	15,413	1,202	411,157	(8,242)	402,915
Operating profit	12,305	4,892	19,619	8,609	2,302	88	47,815	(3,260)	44,555

(Notes) 1. Product categories are classified based on similarities in product type, product attributes, and production and sales methods.

2. Major products of each product category:

- (1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
- (2) Automotive products: Automotive motors and components.
- (3) Appliance, commercial and industrial products: Home appliance, commercial and industrial motors and related products.
- (4) Machinery: Industrial robots, card readers, test systems, press machines and power transmission drives, etc.
- (5) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
- (6) Others: Services, etc.

(2) Sales by Geographic Segment*(Yen in millions)*

	For the three months ended June 30,				Increase or decrease	
	2020		2021			
	Amounts	%	Amounts	%	Amounts	%
Japan	60,236	17.9	79,628	17.8	19,392	32.2
China	91,044	27.0	120,957	27.0	29,913	32.9
U.S.A.	63,679	18.9	96,540	21.6	32,861	51.6
Germany	18,370	5.5	28,722	6.4	10,352	56.4
Thailand	29,960	8.9	23,353	5.2	(6,607)	(22.1)
Italy	17,206	5.1	23,095	5.2	5,889	34.2
Others	56,381	16.7	75,175	16.8	18,794	33.3
Total	336,876	100.0	447,470	100.0	110,594	32.8

(Notes) 1. The sales are classified by domicile of the seller, and the figures exclude intra-segment transactions.

2. From the three months ended June 30, 2021, the sales by the Italy segment are separated from the Others segment as an individual segment whilst the sales by the Singapore segment are combined into the Others segment. Accordingly, previous period amounts have been reclassified.

(3) Sales by Region*(Yen in millions)*

	For the three months ended June 30,				Increase or decrease	
	2020		2021			
	Amounts	%	Amounts	%	Amounts	%
Asia	174,034	51.7	202,723	45.3	28,689	16.5
North America	68,529	20.3	104,523	23.4	35,994	52.5
Europe	47,732	14.2	74,354	16.6	26,622	55.8
Others	6,597	1.9	14,092	3.1	7,495	113.6
Overseas total	296,892	88.1	395,692	88.4	98,800	33.3
Japan	39,984	11.9	51,778	11.6	11,794	29.5
Total	336,876	100.0	447,470	100.0	110,594	32.8

(Note) The sales are classified by domicile of the buyer, and the figures exclude intra-segment transactions.



4. Overview of Consolidated Financial Results

July 21, 2021

(1) Summary of Consolidated Financial Performance

(Yen in millions)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021	Increase or decrease
Net Sales	336,876	447,470	32.8 %
Operating profit	27,793 8.3 %	44,555 10.0 %	60.3 %
Profit before income taxes	27,410 8.1 %	43,752 9.8 %	59.6 %
Profit attributable to owners of the parent	20,058 6.0 %	33,451 7.5 %	66.8 %
Earnings per share attributable to owners of the parent - basic (Yen)	34.24	57.14	
Earnings per share attributable to owners of the parent - diluted (Yen)	-	-	

(2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	As of June 30, 2020	As of June 30, 2021	As of March 31, 2021
Total assets	2,085,926	2,281,013	2,256,024
Total equity attributable to owners of the parent	949,546	1,110,766	1,096,020
Ratio of total equity attributable to owners of the parent to total asset	45.5%	48.7%	48.6%
	For the three months ended June 30, 2020	For the three months ended June 30, 2021	For the year ended March 31, 2021
Net cash provided by operating activities	22,435	23,048	219,156
Net cash used in investing activities	(27,647)	(22,047)	(100,568)
Net cash (used in) provided by financing activities	(13,058)	(51,560)	(136,191)
Cash and cash equivalents at end of period	185,736	173,619	219,524

(3) Dividends

(Yen)

	2nd quarter end	Fiscal year end	Total
Year ended March 31, 2021 (actual)	30.00	30.00	60.00
Year ending March 31, 2022 (actual)	-	-	-
Year ending March 31, 2022 (forecast)	30.00	30.00	60.00

(4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries	330
Number of associates accounted for under the equity method	3

	Change from March 31, 2021	Change from June 30, 2020
Number of companies newly consolidated	3	9
Number of companies excluded from consolidation	3	10
Number of companies newly accounted for by the equity method	0	0
Number of companies excluded from accounting by the equity method	0	1

(Notes) 1. The amounts of percentage in “(1) Summary of Consolidated Financial Performance” represent percentage of sales.

2. “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”.

3. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2021. 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.