

Financial Statements Summary for the Six Months Ended September 30, 2024 [IFRS] (Consolidated)

October 23, 2024

Company name: NIDEC CORPORATION URL <https://www.nidec.com/en/>
 Stock listing: Tokyo Stock Exchange - Prime Market
 Code number: 6594
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 Scheduled date of filing of Japanese semi-annual report: November 13, 2024
 Scheduled date of dividend payable: December 2, 2024
 Supplemental materials for financial results: Yes
 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 Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(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 six months ended September 30, 2024	1,293,811	11.8	121,000	4.9	100,174	(30.9)	75,572	(28.5)	(12,639)	-
For the six months ended September 30, 2023	1,157,448	2.4	115,309	19.7	144,886	22.4	105,710	22.0	275,899	(6.3)

	Earnings per share attributable to owners of the parent-basic (Yen)	Earnings per share attributable to owners of the parent-diluted (Yen)
For the six months ended September 30, 2024	65.76	-
For the six months ended September 30, 2023	91.99	-

(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 implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share attributable to owners of the parent-basic and Earnings per share attributable to owners of the parent-diluted were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

(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 September 30, 2024	3,181,383	1,626,488	1,598,433	50.2%
As of March 31, 2024	3,159,709	1,658,221	1,631,481	51.6%

2. Dividends

	Dividends per share (Yen)				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
Year ended March 31, 2024	-	35.00	-	40.00	75.00
Year ending March 31, 2025	-	40.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	20.00	-

(Notes) 1. Revision of previously announced dividend forecast during this reporting period: None.

2. The Company carried out a two-for-one stock split of shares of common stock on October 1, 2024. For this reason, the year-end dividend per share (forecast) for the fiscal year ending March 31, 2025 is presented in an amount that takes the impact of this stock split into account. The total amount of annual dividends for the fiscal year ending March 31, 2025 (forecast) is not shown because a simple sum cannot be calculated due to the stock split. The forecast annual dividends per share before the stock split are 40 yen at the end of the fiscal year and 80 yen in total.

3. Forecast of Consolidated Financial Performance for the Year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage represents year-on-year changes)

Fiscal year end	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)
	2,500,000	6.5	240,000	48.3	250,000	24.0	185,000	48.6	160.98

(Notes)1. Revision of the previously announced forecast of consolidated financial performance during this reporting period: None.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share attributable to owners of the parent-basic was calculated on the number of shares issued (excluding treasury stock) after the stock split.

*Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation) : Yes (Newly consolidated) 1 company
Nidec PSA emotors

(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 September 30, 2024: 1,192,568,936 As of March 31, 2024: 1,192,568,936

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

As of September 30, 2024: 43,339,352 As of March 31, 2024: 43,371,640

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

For the six months ended September 30, 2024: 1,149,208,380 For the six months ended September 30, 2023: 1,149,201,365

(Note) NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Number of shares issued (ordinary shares) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

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

*Explanation for appropriate use of forecast and other notes

(1) 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 13.

(2) 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.

(3) NIDEC revised the provisional accounting treatment for the business combination in the six months ended September 30, 2024. Condensed interim consolidated financial statements and consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC revised the provisional accounting treatment for the business combination.

(4) Investor presentation materials relating to our financial results for the six months ended September 30, 2024 are expected to be published on our corporate website on October 23, 2024.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Six Months Ended September 30, 2024

1. Overview of Business Environment for the Six Months Ended September 30, 2024

On April 1, 2024, Mitsuya Kishida assumed the position of president, marking the start of a new management system. Under the slogan of “One Nidec,” we are strongly promoting various measures, including the integration of technologies and human resources on a global basis, with the aim of realizing group-wide integrated management, that is, group-wide optimal management that achieves growth while generating synergies among group companies.

About product group, in the Small precision motors, demand for HDD motors has recovered mainly for near-line applications. In the area of water-cooling systems for AI servers which are expanding rapidly, we prepare a supply system for strategic products related to high-value-added water cooling modules including those for the next-generation GPU servers toward the latter half of FY2024. We accelerate the shift to a highly profitable business portfolio. In the Automotive products, NIDEC swiftly shifted its strategy to put first priority on its profitability in FY2023 to respond to the slowdown of the Battery EV market expansion and fierce price competition, and the Battery EV related business turned profitable in the Chinese market in the three-month period (2Q). We are continuously further strengthening cooperation with the joint venture partner, and also focusing on component supply with its technical capabilities and cost competitiveness which were cultivated in the fierce market. We are also focusing on product development in anticipation of global trend toward advanced safety equipment and advanced electrification for autonomous driving, and rising demand for HEVs. For the Appliance, commercial and industrial products, demand for power generators, which are essential to data centers, is also growing rapidly. We are working to expand production capacity to meet this demand. We also expect significant growth in battery energy storage systems (BESS) as demand related to green innovation expands. For the Machinery, business is in the final stage of a downturn in the business cycle. We are working to strengthen our business promotion system by integrating and unifying the management and production systems of each group company so that we can respond quickly to the timing of a shift to a recovery phase.

As a result of the group's concerted efforts to strengthen Three News Activity (exploring new markets, developing new products, and acquiring new customers) under the new management system, we renewed the highest record in net sales and operating profit in the interim consolidated accounting period.

Under these circumstances, by clarifying our “medium- to long-term direction,” we aim to become a global “first-class company” that will continue to grow for more than 100 years. As a “Second Foundation,” we will enhance our corporate value through growth accompanied by “quality,” while inheriting our unique strengths.

2. Consolidated Operating Results

Consolidated Operating Results for the Six Months Ended September 30, 2024 (“this Six-month period”), Compared to the Six Months Ended September 30, 2023 (“the same period of the previous year”)

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales	1,157,448	1,293,811	136,363	11.8%
Operating profit	115,309	121,000	5,691	4.9%
Operating profit ratio	10.0%	9.4%	-	-
Profit before income taxes	144,886	100,174	(44,712)	(30.9)%
Profit for the period from continuing operations	106,614	73,628	(32,986)	(30.9)%
Loss for the period from discontinued operations	(14)	(141)	(127)	-
Profit attributable to owners of the parent	105,710	75,572	(30,138)	(28.5)%

Consolidated net sales from continuing operations increased 11.8% to ¥1,293,811 million for this six-month period compared to the same period of the previous year, and we renewed the highest record of the interim consolidated accounting periods.

Each business area and market progresses steadily. Sales of spindle motors for HDDs in the Small precision motors has recovered, mainly for near-line applications, and net sales increased in new fields such as water-cooling modules for rapidly growing AI data centers. In addition, net sales expanded due to the consolidation of Nidec PSA emotors, the joint venture between NIDEC and Stellantis, in automotive products.

Operating profit increased 4.9% to ¥121,000 million for this six-month period compared to the same period of the previous year, and we renewed the highest record of the interim consolidated accounting periods due to the shift to a highly profitable business portfolio in the Small precision motors by introducing high-value-added water-cooling modules and the gain on step acquisition regarding the consolidation of Nidec PSA emotors, despite the influence of cost burden as a result of rationalization of dispersed production bases and integrated production systems in the Appliance, commercial and industrial products and the Machinery to improve profitability after the latter half of FY2024.

Profit before income taxes decreased 30.9% to ¥100,174 million, including a negative effect of the fluctuations of the foreign currency exchange rates by approximately ¥27,300 million resulting from rapidly appreciation of yen in 2Q, profit for the period from continuing operations decreased 30.9% to ¥73,628 million, and profit attributable to owners of the parent decreased 28.5% to ¥75,572 million compared to the same period of the previous year.

The average exchange rate between the Japanese yen and the U.S. dollar for this six-month period was ¥152.63 to the U.S. dollar, which reflected an approximately 8% depreciation of the Japanese yen against the U.S. dollar, compared to the same period of the previous year. The average exchange rate between the Japanese yen and the Euro for this six-month period was ¥165.95 to the Euro, which reflected an approximately 8% depreciation of the Japanese yen against the Euro, compared to the same period of the previous year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this six-month period is as follows.

- Net sales : Positive effect by approximately ¥76,900 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥7,900 million compared to the same period of the previous year.

NIDEC finalized the provisional accounting treatment for the business combination in the six months ended September 30, 2024. Consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

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

Small precision motors

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales to external customers	204,055	242,588	38,533	18.9%
Spindle motors for hard disk drives (HDDs)	29,055	48,723	19,668	67.7%
Other small precision motors	175,000	193,865	18,865	10.8%
Operating profit	16,685	29,079	12,394	74.3%
Operating profit ratio	8.2%	12.0%	-	-

Net sales of this category increased 18.9% to ¥242,588 million for this six-month period compared to the same period of the previous year.

Net sales of spindle motors for HDDs increased 67.7% to ¥48,723 million for this six-month period compared to the same period of the previous year, mainly due to higher sales of the high-value-added products for near-line HDDs. Net sales of other small precision motors increased 10.8% to ¥193,865 million compared to the same period of the previous year. This was mainly due to the mass production of water-cooling modules through the vertical startup in response to the rapid expansion of demand for water-cooling systems for AI servers.

Operating profit of this category increased 74.3% to ¥29,079 million for this six-month period compared to the same period of the previous year due to the impact of increased sales as well as an improved product composition of high gross profit margin products, including spindle motors for HDDs for near-line applications and water-cooling modules for AI data centers.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this six-month period is as follows.

- Net sales : Positive effect by approximately ¥13,300 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥1,000 million compared to the same period of the previous year.

Automotive products

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales to external customers	282,176	330,780	48,604	17.2%
Operating profit	16,363	20,098	3,735	22.8%
Operating profit ratio	5.8%	6.1%	-	-

Net sales of this category increased 17.2% to ¥330,780 million for this six-month period compared to the same period of the previous year, including the influence on the consolidation of Nidec PSA emotors. In the automotive organic business (existing business), Nidec captured demand for motors for electric brake boosters and other products in response to the global trend toward advanced safety devices and advanced electrification for autonomous driving. In the Battery EV related business, Nidec swiftly shifted its strategy to put first priority on its profitability to respond to the growth slowdown of the Battery EV market and fierce price competition. Nidec is further strengthening cooperation with the joint venture partner, and also focusing on component supply with its technical capabilities and cost competitiveness which were cultivated in the fierce market.

Operating profit of this category increased 22.8% to ¥20,098 million for this six-month period compared to the same period of the previous year, due to implementing strict restrictions on orders for unprofitable models, reduced costs, and significant reduction in fixed costs as part of a strategic shift in the Battery EV related business, the recording of losses resulting from the consolidation of Nidec PSA emotors, which is in the process of building a mass production system, and the recording of the gain on step acquisition.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this six-month period is as follows.

- Net sales : Positive effect by approximately ¥18,700 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥1,300 million compared to the same period of the previous year.

Appliance, commercial and industrial products

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales to external customers	479,663	520,080	40,417	8.4%
Operating profit	58,624	58,253	(371)	(0.6)%
Operating profit ratio	12.2%	11.2%	-	-

Net sales of this category increased 8.4% to ¥520,080 million for this six-month period compared to the same period of the previous year. The demand for power generators, which are essential to data centers, is sharply expanding as AI data center construction increases. We are actively working to enhance production capacity to meet this demand while focusing significantly on expanding sales of battery energy storage systems (BESS) which are accelerated by expansion of green innovation related demand.

Operating profit of this category decreased 0.6% to ¥58,253 million for this six-month period compared to the same period of the previous year due to a temporary cost increase related to promoting rationalization of dispersed bases mainly in Europe with the aim of profitability improvement in the latter half of FY2024.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this six-month period is as follows.

- Net sales : Positive effect by approximately ¥38,500 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥5,100 million compared to the same period of the previous year.

Machinery

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales to external customers	146,254	153,512	7,258	5.0%
Operating profit	23,302	16,758	(6,544)	(28.1)%
Operating profit ratio	15.9%	10.9%	-	-

Net sales of this category increased 5.0% to ¥153,512 million for this six-month period compared to the same period of the previous year, mainly due to the impact of the new consolidation and higher sales of LCD panel handling robots.

Operating profit of this category decreased 28.1% to ¥16,758 million for this six-month period compared to the same period of the previous year. This is because NIDEC had lower sales of highly profitable semiconductor inspection systems due to the economic cycle, a temporary production capacity decline caused by the consolidation of production systems in the machine tool related business, and cost increase.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this six-month period is as follows.

- Net sales : Positive effect by approximately ¥5,100 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥400 million compared to the same period of the previous year.

Electronic and optical components*(Yen in millions)*

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales to external customers	42,986	44,972	1,986	4.6%
Operating profit	7,823	6,356	(1,467)	(18.8)%
Operating profit ratio	18.2%	14.1%	-	-

Net sales of this category increased 4.6% to ¥44,972 million for this six-month period compared to the same period of the previous year.

Operating profit of this category decreased 18.8% to ¥6,356 million for this six-month period compared to the same period of the previous year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this six-month period is as follows.

- Net sales : Positive effect by approximately ¥1,400 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥100 million compared to the same period of the previous year.

Other products*(Yen in millions)*

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2023	2024		
Net sales to external customers	2,314	1,879	(435)	(18.8)%
Operating profit	239	139	(100)	(41.8)%
Operating profit ratio	10.3%	7.4%	-	-

Net sales of this category decreased 18.8% to ¥1,879 million and operating profit of this category decreased 41.8% to ¥139 million for this six-month period compared to the same period of the previous year.

**Consolidated Operating Results for the Three Months Ended September 30, 2024 (“2Q”),
Compared to the Previous Three Months Ended June 30, 2024 (“1Q”)**

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales	648,166	645,645	(2,521)	(0.4)%
Operating profit	60,328	60,672	344	0.6%
Operating profit ratio	9.3%	9.4%	-	-
Profit before income taxes	78,672	21,502	(57,170)	(72.7)%
Profit for the period from continuing operations	54,600	19,028	(35,572)	(65.2)%
Loss for the period from discontinued operations	(113)	(28)	85	-
Profit attributable to owners of the parent	56,085	19,487	(36,598)	(65.3)%

Consolidated net sales from continuing operations decreased 0.4% to ¥645,645 million for 2Q compared to 1Q, due to the impact of the fluctuations in foreign currency exchange rates resulting from rapid appreciation of yen. On the other hand, each business area progresses steadily, although NIDEC had lower demand for air-conditioning related products influenced by seasonal factors.

Operating profit increased 0.6% to ¥60,672million for 2Q compared to 1Q, and we renewed the highest record of the quarterly consolidated accounting periods. Despite the impact of backlash from accounting for the gain on step acquisition from the consolidation of Nidec PSA emotors in 1Q, the Battery EV related business turned profitable in the Chinese market by thoroughly improving its profitability. NIDEC also implemented significant cost reductions and improvements in product mix in the Appliance, commercial and industrial products.

Profit before income taxes decreased 72.7% to ¥21,502 million for 2Q compared to 1Q including a negative effect of the fluctuations of the foreign currency exchange rates by approximately ¥42,300 million. Profit for the period from continuing operations decreased 65.2% to ¥19,028 million for 2Q compared to 1Q. Profit attributable to owners of the parent decreased 65.3% to ¥19,487 million for 2Q compared to 1Q.

The average exchange rate between the Japanese yen and the U.S. dollar for 2Q was ¥149.38 to the U.S. dollar, which reflected an approximately 4% appreciation of the Japanese yen against the U.S. dollar, compared to 1Q. The average exchange rate between the Japanese yen and the Euro for 2Q was ¥164.01 to the Euro, which reflected an approximately 2% appreciation of the Japanese yen against the Euro compared to 1Q.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this three-month period (2Q) is as follows.

- Net sales : Negative effect by approximately ¥10,400 million compared to 1Q.
- Operating profit : Negative effect by approximately ¥700 million compared to 1Q.

NIDEC revised the provisional accounting treatment for the business combination in the three months ended September 30, 2024. Condensed quarterly consolidated financial statements for the three months ended June 30, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC revised the provisional accounting treatment for the business combination.

Operating Results by Product Category for 2Q Compared to 1Q

Small precision motors

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales to external customers	118,513	124,075	5,562	4.7%
Spindle motors for hard disk drives (HDDs)	23,485	25,238	1,753	7.5%
Other small precision motors	95,028	98,837	3,809	4.0%
Operating profit	13,101	15,978	2,877	22.0%
Operating profit ratio	11.1%	12.9%	-	-

Net sales of this category increased 4.7% to ¥124,075 million for 2Q compared to 1Q.

Net sales of spindle motors for HDDs increased 7.5% to ¥25,238 million for 2Q compared to 1Q, mainly due to continued strong sales of the high-value-added products for near-line HDDs. Net sales of other small precision motors increased 4.0% to ¥98,837 million for 2Q compared to 1Q, including a positive effect of sales increase of the fan motors for IT related equipment. In the area of water-cooling systems for AI servers which are expanding rapidly, although we were affected by fluctuations in the market environment such as delays in GPU supply, we prepare a supply system for strategic products related to high-value-added water cooling modules including those for the next-generation GPU server toward the latter half of FY2024. We accelerate the shift to a highly profitable business portfolio.

Operating profit of this category increased 22.0% to ¥15,978 million for 2Q compared to 1Q, mainly due to the impact of increased sales as well as an improved product composition.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this three-month period (2Q) is as follows.

- Net sales : Negative effect by approximately ¥2,000 million compared to 1Q.
- Operating profit : Negative effect by approximately ¥100 million compared to 1Q.

Automotive products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales to external customers	165,639	165,141	(498)	(0.3)%
Operating profit	13,993	6,105	(7,888)	(56.4)%
Operating profit ratio	8.4%	3.7%	-	-

Net sales of this category decreased 0.3% to ¥165,141 million for 2Q compared to 1Q. This is because NIDEC experienced a downturn in the European market in the automotive organic business (existing business), although in the Battery EV related business, sales volume increased with the progress of the mass production in Nidec PSA emotors.

Operating profit of this category decreased 56.4% to ¥6,105 million for 2Q compared to 1Q. Despite the impact of backlash from accounting for the gain on step acquisition from the consolidation of Nidec PSA emotors in 1Q, the Battery EV related business improved its structure through the strategy shift and through the significant reduction in fixed costs, and turned profitable in the Chinese market. In addition, NIDEC reduced its deficit significantly with the progress of the mass production in Nidec PSA emotors.

Effect of the fluctuations of the foreign currency exchange rates to net sales for this three-month period (2Q) is as follows.

- Net sales : Negative effect by approximately ¥2,300 million compared to 1Q.

Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales to external customers	265,626	254,454	(11,172)	(4.2)%
Operating profit	26,550	31,703	5,153	19.4%
Operating profit ratio	10.0%	12.5%	-	-

Net sales of this category decreased 4.2% to ¥254,454 million for 2Q compared to 1Q. This is due to lower demand for air-conditioning related products influenced by seasonal factors, although the demand for backup power generators for data centers and battery energy storage systems (BESS) accelerated by green innovation related demand remains strong.

Operating profit of this category increased 19.4% to ¥31,703 million for 2Q compared to 1Q, due to the significant cost reductions and improvements in product mix despite the influence of temporary burden to the profit as a result of promoting rationalization of dispersed bases mainly in Europe with the aim of improvement of profitability in the latter half of FY2024.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this three-month period (2Q) is as follows.

- Net sales : Negative effect by approximately ¥5,300 million compared to 1Q.
- Operating profit : Negative effect by approximately ¥600 million compared to 1Q.

Machinery

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales to external customers	75,489	78,023	2,534	3.4%
Operating profit	8,134	8,624	490	6.0%
Operating profit ratio	10.8%	11.1%	-	-

Net sales of this category increased 3.4% to ¥78,023 million for 2Q compared to 1Q because products including machine tools are gradually recovering from the downturn in the business cycle.

Operating profit of this category increased 6.0% to ¥8,624 million for 2Q compared to 1Q mainly due to the sales increase.

Effect of the fluctuations of the foreign currency exchange rates to net sales for this three-month period (2Q) is as follows.

- Net sales : Negative effect by approximately ¥600 million compared to 1Q.

Electronic and optical components

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales to external customers	21,997	22,975	978	4.4%
Operating profit	2,877	3,479	602	20.9%
Operating profit ratio	13.1%	15.1%	-	-

Net sales of this category increased 4.4% to ¥22,975 million for 2Q compared to 1Q.

Operating profit of this category increased 20.9% to ¥3,479 million for 2Q compared to 1Q.

Effect of the fluctuations of the foreign currency exchange rates to net sales for this three-month period (2Q) is as follows.

- Net sales : Negative effect by approximately ¥100 million compared to 1Q.

Other products*(Yen in millions)*

	For the three months ended		Increase or decrease	Ratio of change
	June 30, 2024	September 30, 2024		
Net sales to external customers	902	977	75	8.3%
Operating profit	72	67	(5)	(6.9)%
Operating profit ratio	8.0%	6.9%	-	-

Net sales of this category increased 8.3% to ¥977 million for 2Q compared to 1Q and operating profit of this category decreased 6.9% to ¥67 million for 2Q compared to 1Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2024	As of September 30, 2024	Increase or decrease
Total assets	3,159,709	3,181,383	21,674
Total liabilities	1,501,488	1,554,895	53,407
Total equity attributable to owners of the parent	1,631,481	1,598,433	(33,048)
Interest-bearing debt *1	600,899	668,300	67,401
Net interest-bearing debt *2	383,894	452,676	68,782
Debt ratio (%) *3	19.0	21.0	2.0
Debt to equity ratio (“D/E ratio”) (times) *4	0.37	0.42	0.05
Net D/E ratio (times) *5	0.24	0.28	0.04
Ratio of total equity attributable to owners of the parent to total assets (%) *6	51.6	50.2	(1.4)

(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 minus “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 ¥21,674 million to ¥3,181,383 million as of September 30, 2024 compared to March 31, 2024. Total assets tend to decrease due to an effect of the fluctuations of the foreign currency exchange rates. However, mainly due to making Nidec PSA emotors a consolidated subsidiary, property, plant and equipment increased ¥16,801 million and intangible assets increased ¥10,801 million.

Total liabilities increased ¥53,407 million to ¥1,554,895 million as of September 30, 2024 compared to March 31, 2024. Short term borrowings increased ¥56,134 million mainly due to yen-denominated borrowings. Long term debt increased ¥83,147 million mainly due to yen-denominated borrowings and making Nidec PSA emotors a consolidated subsidiary. On the other hand, long term debt within one year decreased ¥71,880 million mainly due to redemption of corporate bonds.

As a result, net interest-bearing debt increased to ¥452,676 million as of September 30, 2024 from ¥383,894 million as of March 31, 2024. The debt ratio that includes lease liabilities increased to 21.0% as of September 30, 2024 from 19.0% as of March 31, 2024. The D/E ratio increased to 0.42 times as of September 30, 2024 from 0.37 times as of March 31, 2024. The net D/E ratio increased to 0.28 times as of September 30, 2024 from 0.24 times as of March 31, 2024.

Total equity attributable to owners of the parent decreased ¥33,048 million to ¥1,598,433 million as of September 30, 2024 compared to March 31, 2024. This was resulted from decreases of ¥83,084 million in other components of equity mainly due to decreases of foreign currency translation adjustments, and increases of ¥50,522 million in retained earnings. Ratio of total equity attributable to owners of the parent to total assets decreased to 50.2% as of September 30, 2024 from 51.6% as of March 31, 2024.

NIDEC revised the provisional accounting treatment for the business combination in the six months ended September 30, 2024. Consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC revised the provisional accounting treatment for the business combination.

Overview of Cash Flow

(Yen in millions)

	For the six months ended September 30,		Increase or decrease
	2023	2024	
Net cash provided by operating activities	140,826	97,817	(43,009)
Net cash used in investing activities	(79,552)	(69,803)	9,749
Free cash flow *1	61,274	28,014	(33,260)
Net cash used in financing activities	(72,708)	(5,183)	67,525

(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 six months ended September 30, 2024 came to a net cash inflow of ¥97,817 million for this period, a decrease of ¥43,009 million compared to the same period of the previous fiscal year. This is due to profit for the period from continuing operations decreased by ¥32,986 million to ¥73,628 million, despite the promoted efficiency of working capital by reducing inventories and strengthening activities to collect trade receivables.

Net cash used in investing activities amounted to ¥69,803 million mainly due to additions to property, plant and equipment of ¥53,475 million and other factors. Net cash used in investing activities decreased by ¥9,749 million year on year.

As a result, we had a positive free cash flow of ¥28,014 million for the six months ended September 30, 2024, a decrease of ¥33,260 million compared to the same period of the previous year.

Net cash used in financing activities for the six months ended September 30, 2024 came to a net cash outflow of ¥5,183 million for this period, a decrease of ¥67,525 million compared to the same period of the previous fiscal year. This is due to redemption of bonds of ¥100,000 million, and the payments of dividends to the owners of the parent of ¥22,984 million, despite the financing of ¥72,583 million by long term-debt, and the net increase in short term borrowings of ¥56,309 million.

Cash and cash equivalents at beginning of period of newly consolidated subsidiaries includes ¥8,973 million of Nidec PSA emotors, which became a consolidated subsidiary from an equity-method affiliate on April 1, 2024.

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, 2024 decreased by ¥10,354 million to ¥215,624 million from March 31, 2024.

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

The IMF forecasts the global economy growth rate to remain almost flat in 2024 and 2025, compared to 2023. In this circumstance, on April 1, 2024, Mitsuya Kishida assumed the position of president, marking the start of a new management system. Under the slogan of “One Nidec,” we are strongly promoting various measures, including the integration of technologies and human resources on a global basis, with the aim of realizing group-wide integrated management, that is, group-wide optimal management that achieves growth while generating synergies among group companies.

About product group, in the Small precision motors, demand for HDD motors has recovered mainly for near-line applications. In the area of water-cooling systems for AI servers which are expanding rapidly, we prepare a supply system for strategic products related to high-value-added water cooling modules including those for the next-generation GPU servers toward the latter half of FY2024. We accelerate the shift to a highly profitable business portfolio. In the Automotive products, Nidec swiftly shifted its strategy to put first priority on its profitability in FY2023 to respond to the slowdown of the Battery EV market expansion and fierce price competition, and the Battery EV related business turned profitable in the Chinese market in the three-month period (2Q). We are continuously further strengthening cooperation with the joint venture partner, and also focusing on component supply with its technical capabilities and cost competitiveness which were cultivated in the fierce market. We are also focusing on product development in anticipation of global trend toward advanced safety equipment and advanced electrification for autonomous driving, and rising demand for HEVs. For the Appliance, commercial and industrial products, demand for power generators, which are essential to data centers, is also growing rapidly. We are working to expand production capacity to meet this demand. We also expect significant growth in battery energy storage systems (BESS) as demand related to green innovation expands. For the Machinery, business is in the final stage of a downturn in the business cycle. We are working to strengthen our business promotion system by integrating and unifying the management and production systems of each group company so that we can respond quickly to the timing of a shift to a recovery phase.

Our business forecasts, previously announced on July 23, 2024, for the fiscal year ending March 31, 2025 remain unchanged.

The forecasts for the year ending March 31, 2025 described below are prepared based on an assumption that exchange rates are US\$1 = ¥145 and €1 = ¥155.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2025

Net sales	¥2,500,000 million	(106.5% compared to the previous fiscal year)
Operating profit	¥240,000 million	(148.3% compared to the previous fiscal year)
Profit before income taxes	¥250,000 million	(124.0% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥185,000 million	(148.6% compared to the previous fiscal year)

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

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥145 and €1 = ¥155.

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 Interim Consolidated Financial Statements and Other Information

(1) Condensed Interim Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	217,005	215,624
Trade and other receivables	672,655	671,030
Other financial assets	3,762	1,616
Income tax receivables	12,457	15,698
Inventories	560,247	565,093
Other current assets	72,439	87,144
Total current assets	1,538,565	1,556,205
Non-current assets		
Property, plant and equipment	876,485	893,286
Goodwill	394,540	391,864
Intangible assets	250,307	261,108
Investments accounted for using the equity method	8,352	1,241
Other investments	36,448	33,700
Other financial assets	18,649	7,129
Deferred tax assets	16,464	18,153
Other non-current assets	19,899	18,697
Total non-current assets	1,621,144	1,625,178
Total assets	3,159,709	3,181,383

(Yen in millions)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Short term borrowings	42,954	99,088
Long term debt due within one year	143,128	71,248
Trade and other payables	527,952	541,356
Other financial liabilities	14,001	3,718
Income tax payables	44,343	29,366
Provisions	63,457	56,380
Other current liabilities	120,667	131,417
Total current liabilities	956,502	932,573
Non-current liabilities		
Long term debt	414,817	497,964
Other financial liabilities	5,115	4,815
Retirement benefit liabilities	34,344	33,359
Provisions	2,062	1,909
Deferred tax liabilities	78,239	73,390
Other non-current liabilities	10,409	10,885
Total non-current liabilities	544,986	622,322
Total liabilities	1,501,488	1,554,895
Equity		
Common stock	87,784	87,784
Additional paid-in capital	98,099	97,496
Retained earnings	1,212,672	1,263,194
Other components of equity	400,871	317,787
Treasury stock	(167,945)	(167,828)
Total equity attributable to owners of the parent	1,631,481	1,598,433
Non-controlling interests	26,740	28,055
Total equity	1,658,221	1,626,488
Total liabilities and equity	3,159,709	3,181,383

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

Condensed Interim Consolidated Statements of Income

(Yen in millions)

	For the six months ended September 30,	
	2023	2024
Continuing operations		
Net Sales	1,157,448	1,293,811
Cost of sales	(903,966)	(1,028,057)
Gross profit	253,482	265,754
Selling, general and administrative expenses	(97,328)	(104,099)
Research and development expenses	(40,845)	(40,655)
Operating profit	115,309	121,000
Financial income	16,394	19,132
Financial expenses	(9,446)	(12,176)
Derivative gain (loss)	(426)	(62)
Foreign exchange differences	26,026	(27,259)
Share of net profit (loss) from associate accounting using the equity method	(2,971)	(461)
Profit before income taxes	144,886	100,174
Income tax expenses	(38,272)	(26,546)
Profit for the period from continuing operations	106,614	73,628
Discontinued operations		
Loss for the period from discontinued operations	(14)	(141)
Profit for the period	106,600	73,487
Profit for the period attributable to:		
Owners of the parent	105,710	75,572
Non-controlling interests	890	(2,085)
Profit for the period	106,600	73,487

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

	For the six months ended September 30,	
	2023	2024
Profit for the period	106,600	73,487
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	850	825
Fair value movements on FVTOCI equity financial assets	2,786	(3,040)
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	165,825	(80,090)
Effective portion of net changes in fair value of cash flow hedges	(161)	(3,679)
Fair value movements on FVTOCI debt financial assets	(1)	(142)
Total other comprehensive income for the period, net of taxation	169,299	(86,126)
Comprehensive income for the period	275,899	(12,639)
Comprehensive income for the period attributable to:		
Owners of the parent	273,971	(9,735)
Non-controlling interests	1,928	(2,904)
Comprehensive income for the period	275,899	(12,639)

For the three months ended September 30, 2023 and 2024

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	For the three months ended September 30,	
	2023	2024
Continuing operations		
Net Sales	593,086	645,645
Cost of sales	(465,099)	(510,886)
Gross profit	127,987	134,759
Selling, general and administrative expenses	(51,154)	(51,779)
Research and development expenses	(21,700)	(22,308)
Operating profit	55,133	60,672
Financial income	8,701	9,468
Financial expenses	(4,660)	(6,405)
Derivative gain (loss)	(577)	259
Foreign exchange differences	1,679	(42,254)
Share of net profit (loss) from associate accounting using the equity method	(1,495)	(238)
Profit before income taxes	58,781	21,502
Income tax expenses	(16,580)	(2,474)
Profit for the period from continuing operations	42,201	19,028
Discontinued operations		
Loss for the period from discontinued operations	(22)	(28)
Profit for the period	42,179	19,000
Profit for the period attributable to:		
Owners of the parent	41,644	19,487
Non-controlling interests	535	(487)
Profit for the period	42,179	19,000

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the three months ended September 30,	
	2023	2024
Profit for the period	42,179	19,000
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	12	60
Fair value movements on FVTOCI equity financial assets	451	(2,768)
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	46,959	(190,707)
Effective portion of net changes in fair value of cash flow hedges	(710)	(1,191)
Fair value movements on FVTOCI debt financial assets	0	(136)
Total other comprehensive income for the period, net of taxation	46,712	(194,742)
Comprehensive income for the period	88,891	(175,742)
Comprehensive income for the period attributable to:		
Owners of the parent	88,056	(173,417)
Non-controlling interests	835	(2,325)
Comprehensive income for the period	88,891	(175,742)

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended September 30, 2023

(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, 2023	87,784	97,670	1,121,191	206,837	(166,917)	1,346,565	19,189	1,365,754
Comprehensive income								
Profit for the period			105,710			105,710	890	106,600
Other comprehensive income				168,261		168,261	1,038	169,299
Total comprehensive income						273,971	1,928	275,899
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(1,019)	(1,019)	-	(1,019)
Dividends paid to the owners of the parent			(20,116)			(20,116)	-	(20,116)
Dividends paid to non-controlling interests						-	(147)	(147)
Share-based payment transactions		(425)				(425)	-	(425)
Transfer to retained earnings			3,664	(3,664)		-	-	-
Increase (decrease) by business combination						-	(197)	(197)
Other			(131)	(1)		(132)	213	81
Balance at September 30, 2023	87,784	97,245	1,210,318	371,433	(167,936)	1,598,844	20,986	1,619,830

For the six months ended September 30, 2024

(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, 2024	87,784	98,099	1,212,672	400,871	(167,945)	1,631,481	26,740	1,658,221
Comprehensive income								
Profit for the period			75,572			75,572	(2,085)	73,487
Other comprehensive income				(85,307)		(85,307)	(819)	(86,126)
Total comprehensive income						(9,735)	(2,904)	(12,639)
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(7)	(7)	-	(7)
Dividends paid to the owners of the parent			(22,984)			(22,984)	-	(22,984)
Dividends paid to non-controlling interests						-	(279)	(279)
Share-based payment transactions		(643)			122	(521)	-	(521)
Transfer to retained earnings			(2,222)	2,222		-	-	-
Increase (decrease) by business combination		(61)				(61)	4,514	4,453
Other		101	156	1	2	260	(16)	244
Balance at September 30, 2024	87,784	97,496	1,263,194	317,787	(167,828)	1,598,433	28,055	1,626,488

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

	For the six months ended September 30,	
	2023	2024
Cash flows from operating activities:		
Profit for the period from continuing operations	106,614	73,628
Profit (loss) for the period from discontinued operations	(14)	(141)
Profit for the period	106,600	73,487
Adjustments to reconcile profit for the period to net cash provided by operating activities		
Depreciation and amortization	61,938	68,017
Loss (gain) from sales, disposal or impairment of property, plant and equipment	(4,191)	(1,624)
Loss (gain) from discontinued operations	14	141
Financial expenses (income)	(7,068)	(7,255)
Share of net loss (profit) from associate accounting using the equity method	2,971	461
Deferred income taxes	3,745	406
Current income taxes	34,528	26,141
Foreign currency adjustments	114	6,662
Increase (decrease) in retirement benefit liability	(879)	(147)
Decrease (increase) in accounts receivable	(18,779)	(16,880)
Decrease (increase) in inventories	(2,190)	(25,850)
Increase (decrease) in accounts payable	5,361	19,180
Other, net	(20,819)	(10,938)
Interests and dividends received	16,184	19,247
Interests paid	(8,868)	(11,247)
Income taxes paid	(27,835)	(41,984)
Net cash provided by operating activities	140,826	97,817

(Yen in millions)

For the six months ended September 30,

	2023	2024
Cash flows from investing activities:		
Additions to property, plant and equipment	(54,634)	(53,475)
Proceeds from sales of property, plant and equipment	4,324	3,379
Additions to intangible assets	(6,577)	(16,197)
Acquisitions of business, net of cash acquired	(10,586)	—
Other, net	(12,079)	(3,510)
Net cash used in investing activities	(79,552)	(69,803)
Cash flows from financing activities:		
Increase (decrease) in short term borrowings	(38,389)	56,309
Proceeds from issuance of long term debt	50,000	72,583
Repayments of long term debt	(12,166)	(8,572)
Redemption of bonds	(50,000)	(100,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(869)	(2,456)
Purchase of treasury stock	(1,019)	(7)
Dividends paid to the owners of the parent	(20,116)	(22,984)
Other, net	(149)	(56)
Net cash used in financing activities	(72,708)	(5,183)
Effect of exchange rate changes on cash and cash equivalents	31,700	(33,185)
Net increase (decrease) in cash and cash equivalents	20,266	(10,354)
Cash and cash equivalents at beginning of period	186,098	217,005
Cash and cash equivalents at beginning of period of newly consolidated subsidiaries	—	8,973
Cash and cash equivalents at end of period	206,364	215,624

(5) Notes to Condensed Interim Consolidated Financial Statements

Notes on Going Concern Assumption

Not applicable.

Notes to Condensed Interim 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 interim consolidated financial statements as of September 30, 2024 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, water-cooling modules and motor applications.
- 2) Automotive products, which include automotive motors and components, and traction motor system.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, sensors, lens units and camera shutters.
- 6) Others, which include music boxes and services.

2. Material accounting policies

Material accounting policies adopted in preparation of the condensed interim 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, 2024.

Income tax expenses for the six months ended September 30, 2024 are computed using the estimated annual effective tax rate.

3. Significant accounting estimates, judgments and assumptions

The preparation of the condensed interim 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 interim consolidated financial statements as of September 30, 2024 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2024.

4. Business combinations

NIDEC adopts the provisions of IFRS 3 “Business Combinations”.

(1) Purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Automatic Feed Company, Lasercoil Technologies LLC and Automatic Leasing Company. NIDEC’s consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

During the three months ended September 30, 2024, NIDEC revised its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Takisawa Machine Tool Co., Ltd. NIDEC’s consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition price as NIDEC revised the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2024, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s condensed interim consolidated statements of financial position based on provisional management estimation as of September 30, 2024.

(2) Gain on step acquisitions

NIDEC acquired a controlling interest in Nidec PSA emotors, an equity-method affiliate of NIDEC, and made it a consolidated subsidiary as of April 1, 2024. Correspondingly, NIDEC recognized gain on step acquisitions of ¥10,088 million as a result of remeasuring the shares of the said company held by the end of the previous fiscal year in fair value on the acquisition date. Gain on step acquisitions are included in “selling, general and administrative expenses” in the condensed interim consolidated statements of income.

5. Events after the Reporting Period

Completion of Acquisition of Linear Transfer Automation Inc. and its Two Related Companies

On October 1, 2024, Canada time, NIDEC acquired 100% equity shares of Linear Transfer Automation Inc. and its two related companies (collectively " Linear ") (the "Transaction"). Since the initial accounting for the business combination has not been completed as of October 23, 2024 further details have not yet been disclosed.

Purpose	Linear engineers, manufactures, integrates and provides services for in-line parts/material transfer and post-process automation equipment in the metal forming press room process. NIDEC has expanded its press machine manufacturing, sales, and service business globally, as well as increased its lineup of presses and peripheral equipment products with M&As. Through the Transaction, NIDEC will be able to pursue synergies in terms of products, sales, and technology.
Acquisition method	NIDEC utilizes its cash on hand for funding.

3. Others

(1) Quarterly Financial Data for the Three Months Ended September 30, 2024 and June 30, 2024

(Yen in millions)

	For the three months ended	
	June 30, 2024	September 30, 2024
Net sales	648,166	645,645
Operating profit	60,328	60,672
Profit before income taxes	78,672	21,502
Profit for the period	54,487	19,000
Profit attributable to owners of the parent	56,085	19,487

(2) Information by Product Category

For the six months ended September 30, 2023

(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	204,055	282,176	479,663	146,254	42,986	2,314	1,157,448	-	1,157,448
Intersegment	2,465	81	5,170	3,646	2,522	535	14,419	(14,419)	-
Total	206,520	282,257	484,833	149,900	45,508	2,849	1,171,867	(14,419)	1,157,448
Operating expenses	189,835	265,894	426,209	126,598	37,685	2,610	1,048,831	(6,692)	1,042,139
Operating profit	16,685	16,363	58,624	23,302	7,823	239	123,036	(7,727)	115,309

For the six months ended September 30, 2024

(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	242,588	330,780	520,080	153,512	44,972	1,879	1,293,811	-	1,293,811
Intersegment	2,140	285	3,640	8,222	1,445	295	16,027	(16,027)	-
Total	244,728	331,065	523,720	161,734	46,417	2,174	1,309,838	(16,027)	1,293,811
Operating expenses	215,649	310,967	465,467	144,976	40,061	2,035	1,179,155	(6,344)	1,172,811
Operating profit	29,079	20,098	58,253	16,758	6,356	139	130,683	(9,683)	121,000

For the three months ended September 30, 2023

(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	109,385	144,576	240,784	76,087	21,128	1,126	593,086	-	593,086
Intersegment	913	60	1,776	2,212	1,370	359	6,690	(6,690)	-
Total	110,298	144,636	242,560	78,299	22,498	1,485	599,776	(6,690)	593,086
Operating expenses	99,532	139,301	214,841	66,173	18,888	1,412	540,147	(2,194)	537,953
Operating profit	10,766	5,335	27,719	12,126	3,610	73	59,629	(4,496)	55,133

For the three months ended September 30, 2024

(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	124,075	165,141	254,454	78,023	22,975	977	645,645	-	645,645
Intersegment	805	111	1,424	4,074	425	152	6,991	(6,991)	-
Total	124,880	165,252	255,878	82,097	23,400	1,129	652,636	(6,991)	645,645
Operating expenses	108,902	159,147	224,175	73,473	19,921	1,062	586,680	(1,707)	584,973
Operating profit	15,978	6,105	31,703	8,624	3,479	67	65,956	(5,284)	60,672

(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, water-cooling modules and motor applications, etc.
- (2) Automotive products: Automotive motors, components, and traction motor system.
- (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, power transmission drives and machine tools, etc.
- (5) Electronic and optical components: Switches, sensors, lens units and camera shutters, etc.
- (6) Others: Music boxes and services, etc.

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

	For the six months ended September 30,				Increase or decrease	
	2023		2024			
	Amounts	%	Amounts	%	Amounts	%
Japan	188,174	16.3	194,429	15.0	6,255	3.3
China	271,037	23.4	275,394	21.3	4,357	1.6
Other Asia	130,839	11.3	176,939	13.7	46,100	35.2
U.S.A.	282,262	24.4	297,204	23.0	14,942	5.3
Europe	238,855	20.6	291,426	22.5	52,571	22.0
Others	46,281	4.0	58,419	4.5	12,138	26.2
Total	1,157,448	100.0	1,293,811	100.0	136,363	11.8

(Yen in millions)

	For the three months ended September 30,				Increase or decrease	
	2023		2024			
	Amounts	%	Amounts	%	Amounts	%
Japan	98,784	16.6	100,156	15.5	1,372	1.4
China	135,619	22.9	137,066	21.2	1,447	1.1
Other Asia	69,967	11.8	88,117	13.6	18,150	25.9
U.S.A.	149,281	25.2	151,461	23.5	2,180	1.5
Europe	119,723	20.2	140,658	21.8	20,935	17.5
Others	19,712	3.3	28,187	4.4	8,475	43.0
Total	593,086	100.0	645,645	100.0	52,559	8.9

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

2. Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : Germany, France, Italy

Others : Brazil, Mexico, Canada

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

	For the six months ended September 30,				Increase or decrease	
	2023		2024			
	Amounts	%	Amounts	%	Amounts	%
Japan	133,154	11.5	133,811	10.4	657	0.5
China	281,528	24.3	280,977	21.7	(551)	(0.2)
Other Asia	162,779	14.1	208,835	16.1	46,056	28.3
U.S.A.	244,696	21.1	262,150	20.3	17,454	7.1
Europe	218,185	18.9	268,349	20.7	50,164	23.0
Others	117,106	10.1	139,689	10.8	22,583	19.3
Total	1,157,448	100.0	1,293,811	100.0	136,363	11.8

(Yen in millions)

	For the three months ended September 30,				Increase or decrease	
	2023		2024			
	Amounts	%	Amounts	%	Amounts	%
Japan	68,046	11.5	68,758	10.6	712	1.0
China	144,329	24.3	139,340	21.6	(4,989)	(3.5)
Other Asia	85,433	14.4	103,646	16.1	18,213	21.3
U.S.A.	125,513	21.2	135,009	20.9	9,496	7.6
Europe	109,580	18.5	133,087	20.6	23,507	21.5
Others	60,185	10.1	65,805	10.2	5,620	9.3
Total	593,086	100.0	645,645	100.0	52,559	8.9

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

2. Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : Germany, France, Italy

Others : Brazil, Mexico, Canada



4. Overview of Consolidated Financial Results

October 23, 2024

(1) Summary of Consolidated Financial Performance

(Yen in millions)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024	Increase or decrease	For the three months ended September 30, 2023	For the three months ended September 30, 2024	Increase or decrease
Net Sales	1,157,448	1,293,811	11.8 %	593,086	645,645	8.9 %
Operating profit	115,309 10.0 %	121,000 9.4 %	4.9 %	55,133 9.3 %	60,672 9.4 %	10.0 %
Profit before income taxes	144,886 12.5 %	100,174 7.7 %	(30.9) %	58,781 9.9 %	21,502 3.3 %	(63.4) %
Profit attributable to owners of the parent	105,710 9.1 %	75,572 5.8 %	(28.5) %	41,644 7.0 %	19,487 3.0 %	(53.2) %
Earnings per share attributable to owners of the parent - basic (Yen)	91.99	65.76		36.24	16.96	
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 September 30, 2023	As of September 30, 2024	As of March 31, 2024
Total assets	3,151,482	3,181,383	3,159,709
Total equity attributable to owners of the parent	1,598,844	1,598,433	1,631,481
Ratio of total equity attributable to owners of the parent to total asset	50.7%	50.2%	51.6%
	For the six months ended September 30, 2023	For the six months ended September 30, 2024	For the year ended March 31, 2024
Net cash provided by operating activities	140,826	97,817	320,766
Net cash used in investing activities	(79,552)	(69,803)	(153,553)
Net cash used in financing activities	(72,708)	(5,183)	(181,557)
Cash and cash equivalents at end of period	206,364	215,624	217,005

(3) Dividends

(Yen)

	2nd quarter end	Fiscal year end	Total
Year ended March 31, 2024	35.00	40.00	75.00
Year ending March 31, 2025	40.00	-	-
Year ending March 31, 2025 (forecast)	-	20.00	-

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

Number of consolidated subsidiaries	343
Number of associates accounted for using the equity method	3

	Change from March 31, 2024	Change from September 30, 2023
Number of companies newly consolidated	2	14
Number of companies excluded from consolidation	3	17
Number of companies newly accounted for using the equity method	0	0
Number of companies excluded from using the equity method	1	2

(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 implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share attributable to owners of the parent-basic and Earnings per share attributable to owners of the parent-diluted were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

4. The Company carried out a two-for-one stock split of shares of common stock on October 1, 2024. For this reason, the year-end dividend per share (forecast) for the fiscal year ending March 31, 2025 is presented in an amount that takes the impact of this stock split into account. The total amount of annual dividends for the fiscal year ending March 31, 2025 (forecast) is not shown because a simple sum cannot be calculated due to the stock split. The forecast annual dividends per share before the stock split are 40 yen at the end of the fiscal year and 80 yen in total.

5. NIDEC revised the provisional accounting treatment for the business combination in the six months ended September 30, 2024. Condensed interim consolidated financial statements and consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC revised the provisional accounting treatment for the business combination.