



Financial Statements Summary for the Year Ended March 31, 2021 [IFRS] (Consolidated)

April 22, 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 COO
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 Scheduled date of Regular General Meeting of Shareholders: June 22, 2021
 Scheduled date of filing of Japanese annual securities report: June 23, 2021
 Scheduled date of dividend payable: June 1, 2021
 Supplemental materials: Yes
 Earnings presentation held: Yes

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

1. Consolidated Financial Results for the Year Ended March 31, 2021 (April 1, 2020 to March 31, 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 year	
		%		%		%		%		%
For the year ended March 31, 2021	1,618,064	5.4	160,011	47.4	152,978	45.5	121,977	108.7	194,669	-
For the year ended March 31, 2020	1,534,800	4.0	108,558	(16.0)	105,160	(19.0)	58,459	(46.8)	4,385	(96.3)
	Earnings per share attributable to owners of the parent-basic (Yen)				Earnings per share attributable to owners of the parent-diluted (Yen)					
For the year ended March 31, 2021	208.25				-					
For the year ended March 31, 2020	99.37				-					

(Reference) Share of net profit (loss) from associate accounting using the equity method:

¥ (989) million for the year ended March 31, 2021

¥ (1,665) million for the year ended March 31, 2020

- (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 year ended March 31, 2021. Consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
3. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share attributable to owners of the parent-basic 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, 2020.

(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	Total equity attributable to owners of the parent per share (Yen)
As of March 31, 2021	2,256,067	1,113,969	1,096,054	48.6%	1,871.25
As of March 31, 2020	2,122,493	967,633	947,290	44.6%	1,617.21

(Note) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Total equity attributable to owners of the parent per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2020.

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
For the year ended March 31, 2021	219,156	(100,568)	(136,191)	219,524
For the year ended March 31, 2020	168,049	(311,513)	128,546	206,986

2. Dividends

	Dividends per share (Yen)					Dividends for the year (Total)	Dividend payout ratio (consolidated) (%)	Ratio of total dividends to total equity attributable to owners of the parent (consolidated) (%)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
For the year ended March 31, 2020	-	55.00	-	60.00	115.00	33,768	57.9	3.5
For the year ended March 31, 2021	-	30.00	-	30.00	60.00	35,154	28.8	3.4
For the year ending March 31, 2022 (Forecast)	-	30.00	-	30.00	60.00		25.1	

(Note) NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, the actual amounts of dividends for the year ended March 31, 2020 have not been retroactively adjusted and are shown on a pre-stock split basis.

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	15.6	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) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. 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) :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 March 31, 2021: 596,284,468 As of March 31, 2020: 596,284,468

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

As of March 31, 2021: 10,552,192 As of March 31, 2020: 10,530,534

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

For the year ended March 31, 2021: 585,733,130 For the year ended March 31, 2020: 588,314,474

(Note) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. 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, 2020.

For the basis for calculating earnings per share attributable to owners of the parent-basic, please refer to “7. Earnings per share” on page 26.

*This annual report is not subject to audit 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). Business Forecasts” on page 11.

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 year ended March 31, 2021. Consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the previous year is also reclassified similarly.

Investor presentation materials relating to our financial results for the year ended March 31, 2021 are expected to be published on our corporate website on April 22, 2021.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Year Ended March 31, 2021

1. Overview of Business Environment for the Year Ended March 31, 2021

The International Monetary Fund (IMF) estimates that the growth rate of the global economy will settle at -3.3% in calendar year 2020. This growth forecast was 1.1% points higher than the forecast as of October 2020, reflecting stronger economic activity in the second half of the calendar year than expected. Fiscal year 2020 was a period of recovery from the economic slowdown caused by the spread of the COVID-19 in various regions of the world. At present, there are growing expectations for the end of the COVID-19 pandemic through the vaccine rollout becoming widespread and for fiscal stimulus measures in each country. However, the situation remains highly uncertain due to risk factors such as the further spread of COVID-19 and the trend toward the resumption of lockdown of cities due to the emergence of variants, concerns over fiscal pressures in each country, as well as rising raw material prices and the lack of supply of certain components such as semiconductors.

2. Consolidated Operating Results

Consolidated Operating Results for the Year Ended March 31, 2021 (“this fiscal year”), Compared to the Year Ended March 31, 2020 (“the previous fiscal year”)

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales	1,534,800	1,618,064	83,264	5.4%
Operating profit	108,558	160,011	51,453	47.4%
Operating profit ratio	7.1%	9.9%	-	-
Profit before income taxes	105,160	152,978	47,818	45.5%
Profit for the year from continuing operations	75,376	122,845	47,469	63.0%
Loss for the year from discontinued operations	(15,707)	(228)	15,479	-
Profit attributable to owners of the parent	58,459	121,977	63,518	108.7%

Consolidated net sales from continuing operations increased 5.4% to ¥1,618,064 million for this fiscal year compared to the previous fiscal year, recording the highest annual net sales by engaging in new demands one after another in the areas of home appliances, IT, game consoles and so on. In addition to the increase in sales by engaging in new demands as mentioned, NIDEC executed manufacturing cost improvement and fixed cost rationalization through WPR4 project. On the other hand, operating profit increased 47.4% to ¥160,011 million for this fiscal year compared to the previous fiscal year, despite the continuous upfront investment cost for the development and launch of products including traction motor system (E-Axle) of which demand is rapidly expanding. Profit before income taxes increased 45.5% to ¥152,978 million and profit for the year from continuing operations increased 63.0% to ¥122,845 million compared to the previous fiscal year.

Profit attributable to owners of the parent increased 108.7% to ¥121,977 million due to significant increase from continuing operations and decrease in net loss from discontinued operations related to the business transfer in the previous fiscal year. The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥106.06 to the U.S. dollar, which reflected an approximately 3% appreciation of the Japanese yen against the U.S. dollar, compared to the previous fiscal year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥123.70 to the Euro, which reflected an approximately 2% depreciation of the Japanese yen against the Euro, compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales by approximately ¥18,800 million and on operating profit by approximately ¥1,800 million for this fiscal year compared to the previous fiscal year.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2021. Consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the previous year is also reclassified similarly.

Operating Results by Product Category for This Fiscal Year Compared to the Previous Fiscal Year

Small precision motors

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	424,288	443,598	19,310	4.6 %
Spindle motors for hard disk drives (HDDs)	157,240	144,029	(13,211)	(8.4) %
Other small precision motors	267,048	299,569	32,521	12.2 %
Operating profit	45,116	66,923	21,807	48.3 %
Operating profit ratio	10.6 %	15.1 %	-	-

Net sales of this category increased 4.6% to ¥443,598 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥5,100 million for this fiscal year compared to the previous fiscal year.

Although the number of units sold of spindle motors for HDDs decreased approximately 22% compared to the previous fiscal year, net sales of spindle motors for HDDs slightly decreased 8.4% to ¥144,029 million for this fiscal year compared to the previous fiscal year due to improvements in product mix and others. On the other hand, net sales of other small precision motors increased 12.2% to ¥299,569 million for this fiscal year compared to the previous fiscal 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.

Operating profit of this category increased 48.3% to ¥66,923 million for this fiscal year compared to the previous fiscal year, mainly due to improved product mix of spindle motors for HDDs and increased sales of high value-added new products including IT fan motors in other small precision motors, as well as thorough manufacturing cost improvement and others by in-house production of parts. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥900 million for this fiscal year compared to the previous fiscal year.

Automotive products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	333,241	358,075	24,834	7.5 %
Operating profit	21,196	19,526	(1,670)	(7.9) %
Operating profit ratio	6.4 %	5.5 %	-	-

Net sales of this category increased 7.5% to ¥358,075 million for this fiscal year compared to the previous fiscal year. This increase was due to rapid recovery of net sales that bottomed out in the three months ended June 30, 2020, and the impact of the acquisition of OMRON Automotive Electronics Co. Ltd. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥100 million for this fiscal year compared to the previous fiscal year.

As a result of improvement of profitability through WPR4 project with our total efforts, operating profit of existing products excluding traction motors recovered rapidly after bottoming out in the three months ended June 30, 2020, and continued to improve to double digits. However, NIDEC continued to record advanced development costs for the traction motor system (E-Axle), which is experiencing rapid growth in demand. Consequently operating profit decreased 7.9% to ¥19,526 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for this fiscal year compared to the previous fiscal year.

Appliance, commercial and industrial products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	562,604	601,611	39,007	6.9 %
Operating profit	33,940	53,025	19,085	56.2 %
Operating profit ratio	6.0 %	8.8 %	-	-

Net sales of this category increased 6.9% to ¥601,611 million for this fiscal year compared to the previous fiscal year, primarily due to an increase in sales of motors and gears for transfer robots in the U.S. and Europe, and the impact of the acquisition of Embraco whose sales of compressors for home appliances are increasing significantly. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,700 million for this fiscal year compared to the previous fiscal year.

Although NIDEC recorded approximately ¥5,700 million in restructuring costs in Europe and others for this fiscal year, the operating profit improved by 2.8% due to increase in sales and thorough manufacturing cost improvement and others, resulting in an increase of 56.2% to ¥53,025 million for this fiscal year compared to the previous fiscal year. As a result, the operating profit ratio excluding restructuring costs exceeded 10% continuously for 3Q and for 4Q. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥1,700 million for this fiscal year compared to the previous fiscal year.

Machinery

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	149,740	150,575	835	0.6 %
Operating profit	21,738	26,405	4,667	21.5 %
Operating profit ratio	14.5 %	17.5 %	-	-

There was an increase in sales of semiconductor inspection system due to strong demands for 5G. Therefore, net sales of this category increased 0.6% to ¥150,575 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,100 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category increased 21.5% to ¥26,405 million for this fiscal year compared to the previous fiscal year, due to the effect of an increase in operating profit by engaging in new product demands for 5G and manufacturing cost improvement and fixed cost rationalization. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥400 million for this fiscal year compared to the previous fiscal year.

Electronic and optical components

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	60,396	60,824	428	0.7 %
Operating profit	3,201	6,315	3,114	97.3 %
Operating profit ratio	5.3 %	10.4 %	-	-

Net sales of this category increased 0.7% to ¥60,824 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥800 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category increased 97.3% to ¥6,315 million for this fiscal year compared to the previous fiscal year, because of the increase in sales due to new product launch and fixed cost rationalization. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥400 million for this fiscal year compared to the previous fiscal year.

Other products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2020	2021		
Net sales to external customers	4,531	3,381	(1,150)	(25.4) %
Operating profit	612	391	(221)	(36.1) %
Operating profit ratio	13.5 %	11.6 %	-	-

Net sales of this category decreased 25.4% to ¥3,381 million and operating profit of this category decreased 36.1% to ¥391 million for this fiscal year compared to the previous fiscal year.

Consolidated Operating Results for the Three Months Ended March 31, 2021 (“4Q”), Compared to the Previous Three Months Ended December 31, 2020 (“3Q”)

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales	433,197	433,073	(124)	(0.03) %
Operating profit	46,355	44,476	(1,879)	(4.1) %
Operating profit ratio	10.7%	10.3 %	-	-
Profit before income taxes	43,335	43,638	303	0.7 %
Profit for the period from continuing operations	35,082	38,325	3,243	9.2 %
Loss for the period from discontinued operations	(33)	(96)	(63)	-
Profit attributable to owners of the parent	34,853	38,341	3,488	10.0 %

Consolidated net sales from continuing operations was ¥433,073 million for 4Q compared to 3Q, and remained at the same level as 3Q, the highest record. This was due to an increase in sales of products for home appliances, commercial products, and industrial products such as compressors for home appliances. Operating profit from continuing operations decreased 4.1% to ¥44,476 million.

Profit before income taxes increased 0.7% to ¥43,638 million for 4Q compared to 3Q and profit from continuing operations increased 9.2% to ¥38,325 million for 4Q compared to 3Q.

Profit attributable to owners of the parent increased 10.0% to ¥38,341 million for 4Q compared to 3Q.

The average exchange rate between the Japanese yen and the U.S. dollar for 4Q was ¥105.90 to the U.S. dollar, which reflected an approximately 1% depreciation of the Japanese yen against the U.S. dollar, compared to 3Q. The average exchange rate between the Japanese yen and the Euro for 4Q was ¥127.69 to the Euro, which reflected an approximately 3% depreciation of the Japanese yen against the Euro, compared to 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥7,400 million and operating profit by approximately ¥1,000 million for 4Q compared to 3Q.

Operating Results by Product Category for 4Q Compared to 3Q

Small precision motors

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales to external customers	116,490	103,646	(12,844)	(11.0) %
Spindle motors for hard disk drives (HDDs)	32,211	27,612	(4,599)	(14.3) %
Other small precision motors	84,279	76,034	(8,245)	(9.8) %
Operating profit	18,121	15,703	(2,418)	(13.3) %
Operating profit ratio	15.6 %	15.2 %	-	-

Net sales of this category decreased 11.0% to ¥103,646 million and the impact of foreign currency exchange rates increased sales by approximately ¥2,100 million from 3Q. Net sales of spindle motors for HDDs decreased 14.3% to ¥27,612 million for 4Q compared to 3Q. Net sales of other small precision motors for 4Q decreased 9.8% to ¥76,034 million compared to 3Q.

Operating profit of this category decreased 13.3% to ¥15,703 million for 4Q compared to 3Q. Operating profit ratio recorded 15.2% and remained at the same level as 3Q, due to successful launch of new products with high profit ratio of other small precision motors as well as thorough manufacturing cost improvements and other factors, despite decline of sales of spindle motors for HDDs. The impact of the foreign currency exchange rates increased operating profit by approximately ¥1,300 million from 3Q.

Automotive products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales to external customers	106,873	102,067	(4,806)	(4.5) %
Operating profit	7,677	7,452	(225)	(2.9) %
Operating profit ratio	7.2 %	7.3 %	-	-

Net sales of this category decreased 4.5% to ¥102,067 million for 4Q compared to 3Q due to a decrease in sales of control valves and automotive electronics components, and other factors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,900 million for 4Q compared to 3Q.

Operating profit of this category decreased 2.9% to ¥7,452 million for 4Q compared to 3Q mainly due to the lower sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥400 million for 4Q compared to 3Q.

Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales to external customers	155,965	172,312	16,347	10.5 %
Operating profit	14,198	16,805	2,607	18.4 %
Operating profit ratio	9.1 %	9.8 %	-	-

Net sales of this category increased 10.5% to ¥172,312 million for 4Q compared to 3Q due to an increase in sales of motors and gears for transfer robots in the U.S. and Europe, and compressors for home appliances. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥2,500 million for 4Q compared to 3Q.

Operating profit of this category increased 18.4% to ¥16,805 million for 4Q compared to 3Q, with the operating profit ratio excluding restructuring costs exceeding two digits in 4Q as well as in 3Q, mainly due to the increase in sales, manufacturing cost improvement and fixed cost rationalization. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥100 million for 4Q compared to 3Q.

Machinery

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales to external customers	36,866	39,059	2,193	5.9 %
Operating profit	7,364	6,712	(652)	(8.9) %
Operating profit ratio	20.0 %	17.2 %	-	-

Net sales of this category increased 5.9% to ¥39,059 million for 4Q compared to 3Q 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 ¥500 million for 4Q compared to 3Q.

Although operating profit increased due to the higher sales, operating profit of this category decreased 8.9% to ¥6,712 million for 4Q compared to 3Q mainly due to increased R&D expenses for new model development. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for 4Q compared to 3Q.

Electronic and optical components

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales to external customers	16,074	15,143	(931)	(5.8) %
Operating profit	1,669	1,329	(340)	(20.4) %
Operating profit ratio	10.4 %	8.8 %	-	-

Net sales of this category decreased 5.8% to ¥15,143 million and operating profit of this category decreased 20.4% to ¥1,329 million for 4Q compared to 3Q.

Other products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2020	March 31, 2021		
Net sales to external customers	929	846	(83)	(8.9) %
Operating profit	57	153	96	168.4 %
Operating profit ratio	6.1 %	18.1 %	-	-

Net sales of this category decreased 8.9% to ¥846 million and operating profit of this category increased 168.4% to ¥153 million for 4Q compared to 3Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2020	As of March 31, 2021	Increase or decrease
Total assets	2,122,493	2,256,067	133,574
Total liabilities	1,154,860	1,142,098	(12,762)
Total equity attributable to owners of the parent	947,290	1,096,054	148,764
Interest-bearing debt *1	599,951	531,473	(68,478)
Net interest-bearing debt *2	392,965	311,949	(81,016)
Debt ratio (%) *3	28.3	23.6	(4.7)
Debt to equity ratio (“D/E ratio”) (times) *4	0.63	0.48	(0.15)
Net D/E ratio (times) *5	0.41	0.28	(0.13)
Ratio of total equity attributable to owners of the parent to total assets (%) *6	44.6	48.6	4.0

(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 ¥133,574 million to ¥2,256,067 million as of March 31, 2021 compared to March 31, 2020. This was mainly due to increases of ¥46,819 million in trade and other receivables, ¥18,446 million in inventories and ¥29,055 million in property, plant and equipment.

Total liabilities decreased ¥12,762 million to ¥1,142,098 million as of March 31, 2021 compared to March 31, 2020. This was mainly due to a decrease of ¥68,478 million in interest-bearing debt. On the other hand, trade and other payables increased ¥55,114 million. Specifically, short term borrowings decreased ¥85,977 million to ¥30,977 million, long term debt due within one year decreased ¥36,278 million to ¥75,596 million and long term debt increased ¥53,777 million to ¥424,900 million as of March 31, 2021 compared to March 31, 2020.

As a result, net interest-bearing debt decreased to ¥311,949 million as of March 31, 2021 from ¥392,965 million as of March 31, 2020. The debt ratio that includes lease liabilities decreased to 23.6% as of March 31, 2021 from 28.3% as of March 31, 2020. The D/E ratio decreased to 0.48 times as of March 31, 2021 from 0.63 times as of March 31, 2020. The net D/E ratio decreased to 0.28 times as of March 31, 2021 from 0.41 times as of March 31, 2020.

Total equity attributable to owners of the parent increased ¥148,764 million to ¥1,096,054 million as of March 31, 2021 compared to March 31, 2020. Ratio of total equity attributable to owners of the parent to total assets increased to 48.6% as of March 31, 2021 from 44.6% as of March 31, 2020. This was mainly due to increases in retained earnings of ¥92,298 million and other components of equity of ¥66,160 million caused mainly by foreign currency translation adjustments.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2021. Consolidated financial statements for the year ended March 31, 2020 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 years ended March 31,		Increase or decrease
	2020	2021	
Net cash provided by operating activities	168,049	219,156	51,107
Net cash used in investing activities	(311,513)	(100,568)	210,945
Free cash flow *1	(143,464)	118,588	262,052
Net cash used in financing activities	128,546	(136,191)	(264,737)

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

Cash flows from operating activities for this fiscal year came to a net cash inflow of ¥219,156 million. Compared to the previous fiscal year, the cash inflow from operating activities for this fiscal year increased ¥51,107 million. This increase was mainly due to increases in profit for the year of ¥62,948 million and in accounts payable net changes year on year of ¥92,363 million. On the other hand, there was a decrease in accounts receivable net changes year on year of ¥53,984 million.

Cash flows from investing activities for this fiscal year came to a net cash outflow of ¥100,568 million. Compared to the previous fiscal year, the net cash outflow from investing activities for this fiscal year decreased ¥210,945 million mainly due to a decrease in acquisitions of business, net of cash acquired of ¥169,496 million.

As a result, we had a positive free cash flow of ¥118,588 million for this fiscal year, an increase of ¥262,052 million compared to a negative free cash flow of ¥143,464 million for the previous fiscal year.

Cash flows from financing activities for this fiscal year came to a net cash outflow of ¥136,191 million. Compared to the previous fiscal year, the net cash outflow from financing activities for this fiscal year increased ¥264,737 million mainly due to decreases in short term borrowings net changes year on year of ¥177,624 million and in proceeds from issuance of bonds of ¥85,100 million.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of March 31, 2021 increased ¥12,538 million to ¥219,524 million from March 31, 2020.

Reference:

	As of March 31, 2020	As of March 31, 2021
Ratio of total equity attributable to owners of the parent to total assets (%)(*1)	44.6	48.6
Total market value of NIDEC's shares to total assets (%)(*2)	154.7	349.5
Interest-bearing debt to net cash provided by operating activities (years) (*3)	3.6	2.4
Interest coverage ratio (times) (*4)	18.6	40.6

(Notes) *1. 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

*2. Total market value of NIDEC's shares to total assets: Total market value of NIDEC's shares (1) divided by total assets

*3. Interest-bearing debt to net cash provided by operating activities: Interest-bearing debt (2) divided by net cash provided by operating activities

*4. Interest coverage ratio: Net cash provided by operating activities divided by interest payments (3)

(1) Total market value: Closing stock price at fiscal year end (TSE) multiplied by the number of shares issued at fiscal year end (excluding treasury stock)

(2) 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

(3) Interest payments: “Interests paid” on the consolidated statements of cash flows

(3) Business Forecasts

The International Monetary Fund (IMF) forecasts that the global economy will grow by 6.0% in the 2021 calendar year, 0.8% points higher than the forecast as of October 2020. Although there are growing expectations for the end of the COVID-19 pandemic through the vaccine rollout becoming widespread and for fiscal stimulus measures in each country, the situation is expected to remain unpredictable on account of the further spread of COVID-19 and the trend toward the resumption of lockdown of cities due to the emergence of variants, concerns over fiscal pressures in each country, as well as rising raw material prices and the lack of supply of certain components such as semiconductors and so forth.

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	(115.6% 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.

(4) Basic Policy on Profit Distribution and Dividends for This Fiscal Year and the Next Fiscal Year

From the standpoint of upholding shareholder-oriented management, we strive to make the efforts mandated by our shareholders; namely, we strive to present a vision for the future that is reflective of our constant and vigilant attention to the changing times with contributing to the Earth by producing the highest quality motors in the world as a global company that grows sustainably for the next 100 years and beyond. Fundamental to this stance of ours is our untiring and enduring commitment to growth. In our policy on profit distribution as well, we place importance on maintaining stable dividends, targeting a dividend payout ratio to around 30% of our consolidated profit for the year, and strive to improve dividends while keeping them commensurate with consolidated profit for the year.

At the same time, we work to improve revenues by utilizing internal reserves to further strengthen our operational structure and invest in business expansion.

1. Dividends for this fiscal year: Year-end dividend of ¥30 per share and annual dividend of ¥60 per share

The dividends for the year ended March 31, 2021 comprises, in addition to the interim dividend of ¥30 per share already paid, the scheduled year-end dividend of ¥30 per share. As a result, annual dividends are ¥60 per share, which makes the dividend payout ratio for this fiscal year, which is obtained by dividing total dividends for the year by profit for the year attributable to owners of the parent, 28.8%.

2. Dividends for the next fiscal year: Forecasted full-year dividend of ¥60 (an interim dividend of ¥30 per share and a year-end dividend of ¥30 per share)

Our current dividend forecast for the year ending March 31, 2022 is an annual dividend of ¥60 per share, comprising an interim dividend of ¥30 per share and a year-end dividend of ¥30 per share. Based on current forecasts, the dividend payout ratio for the fiscal year ending March 31, 2022, which is obtained as described above, is 25.1%.

2. Management Policies, Business Environment, and Challenges

(1) Basic Management Policies

Upon celebrating the 50th anniversary of our founding, NIDEC established the “New Corporate Philosophies” with a view of growing sustainably for the next 100 years and beyond. The “New Corporate Philosophies” is based on NIDEC's policy. While continuing the values, code of conduct, and action guidelines that have been the source of NIDEC's 50-year growth, the “New Corporate Philosophies” clearly defines the purpose of NIDEC's growth and the significance of its existence as the "Mission". In addition to adhering to the No. 1 position, NIDEC established the "Vision" for a corporate group with a solution that contributes to the conservation of the global environment and the enrichment of the lives of people all over the world through the activities of NIDEC.

The "Mission" and "Vision" are as follows:

"Mission":

We contribute to the Earth by producing the highest quality motors in the world.

(All Nidec employees work to the very best of their ability to send motors into the world. It is with these motors and other products we make that we solve various issues such as the conservation of the global environment, and contribute to making better lives for people all over the world.)

"Vision":

- Nidec is a global company that grows sustainably for the next 100 years and beyond.
- Nidec is the world's leading solution-providing business group that solves numerous problems for the people in the world.

(2) Business Environment and NIDEC's Medium- to Long-term Business Strategies

Currently, NIDEC aims to ride five innovative waves. The five fields of “automotive electrification,” “expansion of robot applications,” “home appliances driven by brushless DC motors,” “manpower-saving in agriculture & logistics,” and “next-generation technologies arising from 5G communications,” which are strongly demanded to solve the global issues such as carbon dioxide emissions, road accidents, and aging of population, are promising growth markets. NIDEC will concentrate management resources in these fields. By combining M&As with the elemental technology NIDEC has accumulated, NIDEC will control all five innovative waves and contribute to sustainable development of the world.

1. Small precision motors

Among the five innovative waves, “next-generation technologies arising from 5G communications” will be the pillar of sales growth in the small precision motors business. When 5G communications become the mainstream, the communication speed will increase by 100 times and the communication capacity will increase by 1,000 times. However, intense heat is generated in the CPU (Central Processing Unit) and electronic circuits due to a huge amount of data being processed at a high speed. Therefore, it is expected that the demand for thermal management such as heat dissipation and cooling will increase more and more. To meet this demand, NIDEC provides the market with thermal module products that combine heat sinks, heat pipes, vapor chambers, and others. Further opportunities arising from the adaption of “home appliances driven by brushless DC motors” can also be expected. Demand for brushless DC motor, which has such features as energy-efficiency, long-life expectancy, and low-noise, will increase more and more as home appliances become energy efficient and cordless. Furthermore, NIDEC will explore its new usage in a wide variety of fields such as AV, IT, OA and communication equipment, home appliances, and industrial equipment, achieving to sustainable growth.

On the other hand, NIDEC makes efforts to improve the profitability of HDD motors. HDDs for PCs are not expected to grow significantly in the future due to the spread of new IT terminals such as tablets and smartphones, though the spread of 5G communications will accelerate the era of big data such as the improvement for the image quality and capacity of images and videos, and spread social media and games. Due to the expansion of storage demand accompanying it, it is expected that the demand for HDD motors in server applications and others will continue to be stable.

2. Automotive products

In the automotive business, as the impact of climate change increases in severity, the automotive industry is accelerating its efforts toward decarbonization. Since passenger cars, trucks, and others account for approximately one fifth of the total CO₂ emissions in the world, major countries have announced a ban on the sales of gasoline and diesel vehicles one after another, and are supporting the vehicle electrification and the shift to electric vehicles. NIDEC takes “automotive electrification” and “green transformation” as medium- to long-term growth opportunities, and provides automotive motors such as electric power steering motors and brake motors, for which it has the largest market share, as well as automotive products such as automotive cameras, control valves, electric oil pumps and others. Furthermore, by developing and supplying drive motor system (traction motor) for EVs, which is equivalent to the engine part of a gasoline vehicle, NIDEC will actively participate in the industry's efforts to reduce the CO₂ emitted by running vehicles to virtually zero. By combining these with an electronic control unit (ECU), each part can be systemized and high-value-added modular products can be provided.

In addition, by integrating motors, ECUs, sensors, and others to electronically control various vehicle functions, safe driving, collision avoidance, damage reduction, and automatic driving will become possible, which will enhance vehicle safety. Furthermore, reducing CO₂ emissions can also be expected by improving fuel efficiency. In the future, aiming to become an automotive electrics manufacturer, NIDEC will contribute to the development of safer, eco-friendly and comfortable cars by providing the automotive industry with system module products that integrate advanced technologies of sensor and ECU into motor technologies NIDEC has accumulated.

3. Appliance, commercial and industrial products

In appliance, commercial and industrial products, motors currently account for approximately half of the world's electric power demand, and since the consumption of industrial motors is particularly large, there is an urgent need to replace them with higher-efficiency motors. In the appliance sector, NIDEC handles motors for washing machines, dryers, dishwashers, compressors for refrigerators, motors for compressors and others. Riding the wave of “home appliances driven by brushless DC motors,” NIDEC will contribute to higher efficiency of appliances such as refrigerators. The commercial sector deals with air conditioner motors, and the industrial sector develops business mainly in markets such as agriculture, gas, mining, water and sewage, and marine markets. There is a global trend toward energy-efficiency and power-saving, and NIDEC is aiming for further development of the appliance, commercial, and industrial businesses by following this trend.

4. Others

Demand for factory automation (FA) is increasing mainly in China, aiming to solve the global labor shortage. NIDEC is promoting business expansion by capturing demand for small robot core parts (speed reducers), which is expanding due to the “expansion of robot applications.” In order to reliably win the increased orders, NIDEC has started the operation of a new factory for speed reducers for small robots, and has significantly increased its production capacity.

5. M&A

In order to achieve the above goals, in the small precision motors business, NIDEC has acquired Chaun-Choung Technology in November 2018, which has cooling products centered on vapor chambers. In combination with NIDEC's existing technology, cooling technology centered on fan motors, NIDEC will provide higher value-added thermal solutions. In the automotive business, NIDEC has acquired OMRON Automotive Electronics in October 2019, which has the technology of electronic control unit (ECU). NIDEC will increase the ECU capacity of Nidec Elesys and pursue synergies with its existing automotive motors. For appliance, commercial and industrial products, NIDEC has acquired Embraco in July 2019, which has technology for refrigerator compressors. In combination with its existing technology for compressor motors, NIDEC contributes to the development of refrigerators with even greater energy-efficiency performance. For others, in February 2021 NIDEC entered into a stock purchase agreement to acquire the share of Mitsubishi Heavy Industries Machine Tool Co., Ltd., which has high accuracy and efficiency gear processing technology. NIDEC will pursue synergy effects in the two existing businesses of speed reducers and press machines owned by Nidec-Shimpo Corporation, as well as in basic technology development, manufacturing and sales and so forth. In addition, NIDEC expects utilizing Mitsubishi Heavy Industries Machine Tool's technology for our future insourcing plan. NIDEC is expecting further demand increase for E-Axle, the electric vehicle traction unit that Nidec is most focused on at present. It is imperative for us to strengthen manufacturing capabilities of gears, the core component of the traction unit.

3. Basic Rationale for Selection of Accounting Standards

NIDEC has adopted International Financial Reporting Standards (IFRS) since the first quarter in the fiscal year ended March 31, 2017 to strengthen the foundation of financial reporting and make it more efficient.

4. Consolidated Financial Statements and Other Information

(1) Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31,	
	2020	2021
Assets		
Current assets		
Cash and cash equivalents	206,986	219,524
Trade and other receivables	394,259	441,078
Other financial assets	913	10,556
Income tax receivables	12,885	9,454
Inventories	278,185	296,631
Other current assets	40,309	46,869
Total current assets	<u>933,537</u>	<u>1,024,112</u>
Non-current assets		
Property, plant and equipment	633,604	662,659
Goodwill	310,487	320,020
Intangible assets	191,653	195,565
Investments accounted for using the equity method	3,294	2,422
Other investments	14,479	19,360
Other financial assets	6,888	6,056
Deferred tax assets	18,274	15,022
Other non-current assets	10,277	10,851
Total non-current assets	<u>1,188,956</u>	<u>1,231,955</u>
Total assets	<u><u>2,122,493</u></u>	<u><u>2,256,067</u></u>

(Yen in millions)

	As of March 31,	
	2020	2021
Liabilities		
Current liabilities		
Short term borrowings	116,954	30,977
Long term debt due within one year	111,874	75,596
Trade and other payables	345,193	400,307
Other financial liabilities	9,109	2,463
Income tax payables	18,726	17,910
Provisions	30,430	33,546
Other current liabilities	64,884	68,869
Total current liabilities	697,170	629,668
Non-current liabilities		
Long term debt	371,123	424,900
Other financial liabilities	4,085	1,666
Retirement benefit liabilities	31,077	31,703
Provisions	942	756
Deferred tax liabilities	45,830	48,223
Other non-current liabilities	4,633	5,182
Total non-current liabilities	457,690	512,430
Total liabilities	1,154,860	1,142,098
Equity		
Common stock	87,784	87,784
Additional paid-in capital	114,754	105,179
Retained earnings	924,293	1,016,591
Other components of equity	(115,791)	(49,631)
Treasury stock	(63,750)	(63,869)
Total equity attributable to owners of the parent	947,290	1,096,054
Non-controlling interests	20,343	17,915
Total equity	967,633	1,113,969
Total liabilities and equity	2,122,493	2,256,067

(2) Consolidated Statements of Income
and Consolidated Statements of Comprehensive Income
For the years ended March 31, 2020 and 2021
Consolidated Statements of Income

(Yen in millions)

	For the years ended March 31,	
	2020	2021
Continuing operations		
Net Sales	1,534,800	1,618,064
Cost of sales	(1,202,253)	(1,251,506)
Gross profit	332,547	366,558
Selling, general and administrative expenses	(145,359)	(139,267)
Research and development expenses	(78,630)	(67,280)
Operating profit	108,558	160,011
Financial income	9,424	4,200
Financial expenses	(9,299)	(5,924)
Derivative gain (loss)	(1,644)	1,014
Foreign exchange differences	(214)	(5,334)
Share of net profit (loss) from associate accounting using the equity method	(1,665)	(989)
Profit before income taxes	105,160	152,978
Income tax expenses	(29,784)	(30,133)
Profit for the year from continuing operations	75,376	122,845
Discontinued operations		
Loss for the year from discontinued operations	(15,707)	(228)
Profit for the year	59,669	122,617
Profit for the year attributable to:		
Owners of the parent	58,459	121,977
Non-controlling interests	1,210	640
Profit for the year	59,669	122,617

Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the years ended March 31,	
	2020	2021
Profit for the year	59,669	122,617
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	(944)	759
Fair value movements on FVTOCI equity financial assets	(1,939)	3,799
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	(47,592)	61,447
Effective portion of net changes in fair value of cash flow hedges	(4,810)	6,040
Fair value movements on FVTOCI debt financial assets	1	7
Total other comprehensive income for the year, net of taxation	(55,284)	72,052
Comprehensive income for the year	4,385	194,669
Comprehensive income for the year attributable to:		
Owners of the parent	4,552	192,705
Non-controlling interests	(167)	1,964
Comprehensive income for the year	4,385	194,669

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 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, 2019	87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629
Changes in accounting policies			(407)			(407)		(407)
Balance after restatement	87,784	118,314	900,361	(64,775)	(45,296)	996,388	22,834	1,019,222
Comprehensive income								
Profit for the year			58,459			58,459	1,210	59,669
Other comprehensive income				(53,907)		(53,907)	(1,377)	(55,284)
Total comprehensive income						4,552	(167)	4,385
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(18,458)	(18,458)	-	(18,458)
Dividends paid to the owners of the parent			(32,372)			(32,372)	-	(32,372)
Dividends paid to non-controlling interests						-	(759)	(759)
Share-based payment transactions		132				132	-	132
Transfer to retained earnings			(2,891)	2,891		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(3,698)				(3,698)	(1,708)	(5,406)
Other		6	736		4	746	143	889
Balance at March 31, 2020	87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633

For the year ended March 31, 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, 2020	87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633
Comprehensive income								
Profit for the year			121,977			121,977	640	122,617
Other comprehensive income				70,728		70,728	1,324	72,052
Total comprehensive income						192,705	1,964	194,669
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(128)	(128)	-	(128)
Dividends paid to the owners of the parent			(35,145)			(35,145)	-	(35,145)
Dividends paid to non-controlling interests						-	(655)	(655)
Share-based payment transactions		17				17	-	17
Transfer to retained earnings			4,568	(4,568)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(9,592)				(9,592)	(3,934)	(13,526)
Other			898		9	907	197	1,104
Balance at March 31, 2021	87,784	105,179	1,016,591	(49,631)	(63,869)	1,096,054	17,915	1,113,969

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

	For the years ended March 31,	
	2020	2021
Cash flows from operating activities:		
Profit for the period from continuing operations	75,376	122,845
Profit (loss) for the period from discontinued operations	(15,707)	(228)
Profit for the year	59,669	122,617
Adjustments to reconcile profit for the year to net cash provided by operating activities		
Depreciation	74,624	80,930
Amortization	13,184	15,872
Loss from sales, disposal or impairment of property, plant and equipment	1,269	2,011
Loss from sales of discontinued operations	14,167	228
Financial expenses (income)	(404)	2,008
Share of net (profit) loss from associate accounting using the equity method	1,665	989
Deferred income taxes	3,541	(185)
Current income taxes	27,850	30,318
Foreign currency adjustments	4,359	(8,778)
Increase (decrease) in retirement benefit liability	881	(459)
Decrease (increase) in accounts receivable	25,005	(28,979)
Decrease (increase) in inventories	3,071	(9,416)
Increase (decrease) in accounts payable	(24,111)	68,252
Other, net	(9,624)	(26,491)
Interests and dividends received	9,294	3,540
Interests paid	(9,056)	(5,396)
Income taxes paid	(27,335)	(27,905)
Net cash provided by operating activities	168,049	219,156

(Yen in millions)

For the years ended March 31,

	2020	2021
Cash flows from investing activities:		
Additions to property, plant and equipment	(132,926)	(88,911)
Proceeds from sales of property, plant and equipment	4,428	3,401
Additions to intangible assets	(10,612)	(11,015)
Proceeds from sales of discontinued operations	5,065	2,888
Acquisitions of business, net of cash acquired	(174,947)	(5,451)
Other, net	(2,521)	(1,480)
Net cash used in investing activities	(311,513)	(100,568)
Cash flows from financing activities:		
Increase (decrease) in short term borrowings	88,415	(89,209)
Proceeds from issuance of long term debt	68	-
Repayments of long term debt	(37,367)	(62,108)
Proceeds from issuance of bonds	200,000	114,900
Redemption of bonds	(65,000)	(50,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(7,147)	(14,587)
Purchase of treasury stock	(18,458)	(128)
Dividends paid to the owners of the parent	(32,372)	(35,145)
Other, net	407	86
Net cash (used in) provided by financing activities	128,546	(136,191)
Effect of exchange rate changes on cash and cash equivalents	(20,363)	30,141
Net increase (decrease) in cash and cash equivalents	(35,281)	12,538
Cash and cash equivalents at beginning of year	242,267	206,986
Cash and cash equivalents at end of year	206,986	219,524

(5) Notes to Consolidated Financial Statements

Notes Regarding Going Concern Assumption

Not applicable.

Notes to 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/>).

Consolidated financial statements as of March 31, 2021 and for the fiscal year 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 of consolidated financial statements

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

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS pursuant to the provision of Article 93 of Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

(2) Basis of measurement

The 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 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 annual 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, 2020.

4. Significant accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and 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 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.

Judgments and estimates with accompanying significant risks of causing material adjustments to the carrying amounts of assets and liabilities in next fiscal year are the same as those for the financial statements for the year ended March 31, 2020.

5. Business combinations

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

During the three months ended June 30, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the compressor business (“Embraco”) and Roboteq, Inc. in the previous fiscal year. In addition, during the three months ended September 30, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of OMRON Automotive Electronics Co. Ltd. (currently, Nidec Mobility Corporation) in the previous fiscal year. NIDEC’s consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized 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, 2021, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statements of financial position based on provisional management estimation as of March 31, 2021.

6. Operating Segment Information

(Yen in millions)

		For the years ended March 31,				Increase or decrease	
		2020		2021			
		Amounts	%	Amounts	%	Amounts	%
Net Sales	SPMS	347,308	21.7	366,692	21.7	19,384	5.6
	AMEC	192,757	12.0	183,399	10.8	(9,358)	(4.9)
	ACIM	488,399	30.4	531,413	31.5	43,014	8.8
	Nidec Sankyo	139,173	8.7	132,536	7.9	(6,637)	(4.8)
	Nidec Techno Motor	79,694	5.0	75,273	4.5	(4,421)	(5.5)
	Nidec Mobility	43,966	2.7	89,833	5.3	45,867	104.3
	Nidec Shimpo	72,093	4.5	74,007	4.4	1,914	2.7
	Others	239,990	15.0	234,532	13.9	(5,458)	(2.3)
	Sub-total	1,603,380	100.0	1,687,685	100.0	84,305	5.3
	Adjustments and Elimination/Corporate	(68,580)	-	(69,621)	-	(1,041)	-
Consolidated total	1,534,800	-	1,618,064	-	83,264	5.4	
Operating profit (loss)	SPMS	42,089	33.5	59,077	34.2	16,988	40.4
	AMEC	9,749	7.8	(481)	(0.3)	(10,230)	-
	ACIM	23,260	18.5	42,285	24.5	19,025	81.8
	Nidec Sankyo	8,197	6.5	12,810	7.4	4,613	56.3
	Nidec Techno Motor	10,684	8.5	10,811	6.2	127	1.2
	Nidec Mobility	1,164	0.9	8,133	4.7	6,969	598.7
	Nidec Shimpo	10,082	8.0	10,134	5.9	52	0.5
	Others	20,391	16.3	29,986	17.4	9,595	47.1
	Sub-total	125,616	100.0	172,755	100.0	47,139	37.5
	Adjustments and Elimination/Corporate	(17,058)	-	(12,744)	-	4,314	-
Consolidated total	108,558	-	160,011	-	51,453	47.4	

(Note) The operating segments are the segments of NIDEC for which separate financial information is available and for which operating income or loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

NIDEC has changed its operating segment classification in the three months ended June 30, 2020.

All prior period segment information has been reclassified in accordance with current period presentation.

7. Earnings per share

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

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

	For the years ended March 31,	
	2020	2021
Profit attributable to owners of the parent (Yen in millions)	58,459	121,977
Profit from continuing operations attributable to owners of the parent (Yen in millions)	74,166	122,205
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(15,707)	(228)
Weighted average shares (Shares)	588,314,474	585,733,130
Earnings per share attributable to owners of the parent-basic (Yen)	99.37	208.25
Earnings per share from continuing operations (Yen)	126.06	208.64
Earnings (loss) per share from discontinued operations (Yen)	(26.70)	(0.39)

(Notes) 1. In the calculation of "Earnings per share attributable to owners of the parent - basic", the Company's shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of "Weighted average shares".

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2020.

5. Others

(1) Status of Directors

1. Changes in Directors

1) Proposed changes regarding Representative Directors

Not applicable.

2) Proposed changes regarding other Members of the Board of Directors

Not applicable.

**(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2020 and 2021**

Condensed Quarterly Consolidated Statements of Income	<i>(Yen in millions)</i>	
	For the three months ended March 31,	
	2020	2021
Continuing operations		
Net sales	375,192	433,073
Cost of sales	(299,890)	(333,719)
Gross profit	75,302	99,354
Selling, general and administrative expenses	(39,752)	(37,240)
Research and development expenses	(20,196)	(17,638)
Operating profit	15,354	44,476
Financial income	1,563	1,067
Financial expenses	(2,056)	(1,153)
Derivative gain (loss)	(861)	2,195
Foreign exchange differences	(1,456)	(2,557)
Share of net profit (loss) from associate accounting using the equity method	(434)	(390)
Profit before income taxes	12,110	43,638
Income tax expenses	(6,594)	(5,313)
Profit for the period from continuing operations	5,516	38,325
Discontinued operations		
Profit (loss) for the period from discontinuing operations	3,424	(96)
Profit for the period	8,940	38,229
Profit for the period attributable to:		
Owners of the parent	9,133	38,341
Non-controlling interests	(193)	(112)
Profit for the period	8,940	38,229

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

	For the three months ended March 31,	
	2020	2021
Profit for the period	8,940	38,229
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	(16)	870
Fair value movements on FVTOCI equity financial assets	(3,383)	1,804
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	(29,098)	77,821
Effective portion of net changes in fair value of cash flow hedges	(5,152)	(181)
Fair value movements on FVTOCI debt financial assets	(2)	1
Total other comprehensive income for the period, net of taxation	(37,651)	80,315
Comprehensive income for the period	(28,711)	118,544
Comprehensive income for the period attributable to:		
Owners of the parent	(27,672)	117,978
Non-controlling interests	(1,039)	566
Comprehensive income for the period	(28,711)	118,544

(3) Quarterly Financial Data for This Fiscal Year*(Yen in millions)*

	For the three months ended			
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Net sales	336,876	414,918	433,197	433,073
Operating profit	27,793	41,387	46,355	44,476
Profit before income taxes	27,410	38,595	43,335	43,638
Profit for the period	20,387	28,952	35,049	38,229
Profit attributable to owners of the parent	20,058	28,725	34,853	38,341

(4) Information by Product Category

For the year ended March 31, 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	424,288	333,241	562,604	149,740	60,396	4,531	1,534,800	-	1,534,800
Intersegment	4,767	1,225	5,331	13,383	6,243	1,760	32,709	(32,709)	-
Total	429,055	334,466	567,935	163,123	66,639	6,291	1,567,509	(32,709)	1,534,800
Operating expenses	383,939	313,270	533,995	141,385	63,438	5,679	1,441,706	(15,464)	1,426,242
Operating profit	45,116	21,196	33,940	21,738	3,201	612	125,803	(17,245)	108,558

For the year ended March 31, 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	443,598	358,075	601,611	150,575	60,824	3,381	1,618,064	-	1,618,064
Intersegment	3,424	1,440	7,073	11,065	4,340	833	28,175	(28,175)	-
Total	447,022	359,515	608,684	161,640	65,164	4,214	1,646,239	(28,175)	1,618,064
Operating expenses	380,099	339,989	555,659	135,235	58,849	3,823	1,473,654	(15,601)	1,458,053
Operating profit	66,923	19,526	53,025	26,405	6,315	391	172,585	(12,574)	160,011

For the three months ended March 31, 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	89,356	90,220	145,024	34,527	14,996	1,069	375,192	-	375,192
Intersegment	294	366	1,157	3,261	1,497	352	6,927	(6,927)	-
Total	89,650	90,586	146,181	37,788	16,493	1,421	382,119	(6,927)	375,192
Operating expenses	85,071	87,308	139,379	33,261	16,637	1,319	362,975	(3,137)	359,838
Operating profit (loss)	4,579	3,278	6,802	4,527	(144)	102	19,144	(3,790)	15,354

For the three months ended March 31, 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	103,646	102,067	172,312	39,059	15,143	846	433,073	-	433,073
Intersegment	990	497	2,031	4,127	1,313	202	9,160	(9,160)	-
Total	104,636	102,564	174,343	43,186	16,456	1,048	442,233	(9,160)	433,073
Operating expenses	88,933	95,112	157,538	36,474	15,127	895	394,079	(5,482)	388,597
Operating profit	15,703	7,452	16,805	6,712	1,329	153	48,154	(3,678)	44,476

(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.

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

	For the year ended March 31, 2020		For the year ended March 31, 2021		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	279,264	18.2	268,991	16.6	(10,273)	(3.7)
U.S.A.	308,460	20.1	333,406	20.6	24,946	8.1
Singapore	37,333	2.4	26,826	1.7	(10,507)	(28.1)
Thailand	126,507	8.3	128,317	7.9	1,810	1.4
Germany	118,324	7.7	102,306	6.3	(16,018)	(13.5)
China	334,667	21.8	428,909	26.5	94,242	28.2
Others	330,245	21.5	329,309	20.4	(936)	(0.3)
Total	1,534,800	100.0	1,618,064	100.0	83,264	5.4

(Yen in millions)

	For the three months ended March 31, 2020		For the three months ended March 31, 2021		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	70,924	18.9	75,195	17.4	4,271	6.0
U.S.A.	87,544	23.3	96,881	22.4	9,337	10.7
Singapore	10,262	2.7	3,507	0.8	(6,755)	(65.8)
Thailand	35,580	9.5	27,191	6.3	(8,389)	(23.6)
Germany	26,871	7.2	29,940	6.9	3,069	11.4
China	57,807	15.4	108,301	25.0	50,494	87.3
Others	86,204	23.0	92,058	21.2	5,854	6.8
Total	375,192	100.0	433,073	100.0	57,881	15.4

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

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

	For the year ended March 31, 2020		For the year ended March 31, 2021		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	341,961	22.3	355,902	22.0	13,941	4.1
Asia	689,196	44.9	771,789	47.7	82,593	12.0
Europe	264,073	17.2	260,428	16.1	(3,645)	(1.4)
Others	42,470	2.8	42,654	2.6	184	0.4
Overseas total	1,337,700	87.2	1,430,773	88.4	93,073	7.0
Japan	197,100	12.8	187,291	11.6	(9,809)	(5.0)
Total	1,534,800	100.0	1,618,064	100.0	83,264	5.4

(Yen in millions)

	For the three months ended March 31, 2020		For the three months ended March 31, 2021		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	94,073	25.1	102,270	23.6	8,197	8.7
Asia	151,880	40.5	192,099	44.4	40,219	26.5
Europe	67,243	17.9	75,165	17.3	7,922	11.8
Others	11,678	3.1	13,011	3.0	1,333	11.4
Overseas total	324,874	86.6	382,545	88.3	57,671	17.8
Japan	50,318	13.4	50,528	11.7	210	0.4
Total	375,192	100.0	433,073	100.0	57,881	15.4

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



6. Overview of Consolidated Financial Results

April 22, 2021

(1) Summary of Consolidated Financial Performance

(Yen in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2021	Increase or decrease	For the three months ended March 31, 2020	For the three months ended March 31, 2021	Increase or decrease
Net Sales	1,534,800	1,618,064	5.4 %	375,192	433,073	15.4 %
Operating profit	108,558 7.1 %	160,011 9.9 %	47.4 %	15,354 4.1 %	44,476 10.3 %	189.7 %
Profit before income taxes	105,160 6.9 %	152,978 9.5 %	45.5 %	12,110 3.2 %	43,638 10.1 %	260.3 %
Profit attributable to owners of the parent	58,459 3.8 %	121,977 7.5 %	108.7 %	9,133 2.4 %	38,341 8.9 %	319.8 %
Earnings per share attributable to owners of the parent-basic (Yen)	99.37	208.25		15.55	65.46	
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 March 31, 2020	As of March 31, 2021
Total assets	2,122,493	2,256,067
Total equity attributable to owners of the parent	947,290	1,096,054
Ratio of equity attributable to owners of the parent to total asset	44.6 %	48.6 %
	For the year ended March 31, 2020	For the year ended March 31, 2021
Net cash provided by operating activities	168,049	219,156
Net cash used in investing activities	(311,513)	(100,568)
Net cash (used in) provided by financing activities	128,546	(136,191)
Cash and cash equivalents at end of year	206,986	219,524

(3) Dividends

(Yen)

	2nd quarter end	Fiscal year end	Total
Year ended March 31, 2020 (actual)	55.00	60.00	115.00
Year ended March 31, 2021 (actual)	30.00	30.00	60.00
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	332
Number of associates accounted for under the equity method	3

	Change from March 31, 2020
Number of companies newly consolidated	7
Number of companies excluded from consolidation	7
Number of companies newly accounted for by the equity method	0
Number of companies excluded from accounting by the equity method	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 year ended March 31, 2021. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2020 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.
4. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
5. NIDEC implemented a two-for-one stock split on our common stock effective April 1, 2020. 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 previous fiscal year ended March 31, 2020. On the other hand, we described actual amount of dividends before the stock split for the year ended March 31, 2020.