

[Translation]

Quarterly Report

(The Third Quarter of 48th Business Term)

From October 1, 2020 to December 31, 2020

NIDEC CORPORATION

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

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the nine months ended December 31,		For the year ended March 31, 2020
	2019	2020	
Net sales	1,159,608 [408,331]	1,184,991 [433,197]	1,534,800
Profit before income taxes	93,050	109,340	105,160
Profit attributable to owners of the parent	49,326 [22,099]	83,636 [34,853]	58,459
Comprehensive income attributable to owners of the parent	32,224	74,727	4,552
Total equity attributable to owners of the parent	993,475	982,396	947,290
Total assets	2,214,301	2,113,427	2,122,493
Earnings per share attributable to owners of the parent - basic (yen)	83.80 [37.55]	142.79 [59.50]	99.37
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	44.9	46.5	44.6
Net cash provided by operating activities	132,227	146,169	168,049
Net cash used in investing activities	(301,662)	(77,231)	(311,513)
Net cash provided by (used in) financing activities	156,672	(89,159)	128,546
Cash and cash equivalents at end of period	219,814	188,370	206,986

(Notes) 1. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.
3. Figures shown in yen in millions are rounded to the nearest million.
4. "Net sales" do not include consumption taxes.
5. "Earnings per share attributable to owners of the parent - basic" and "Earnings per share attributable to owners of the parent - diluted" have been calculated based on figures of "Profit attributable to owners of the parent". "Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect.
6. NIDEC finalized the provisional accounting treatment for the business combination in the nine months ended December 31, 2020. 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. Details regarding for the nine months ended December 31, 2020 are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 7. Business combinations".
7. 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 and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
8. NIDEC implemented a two-for-one stock split on our common stock 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.
9. The figures of "Net sales", "Profit attributable to owners of the parent" and "Earnings per share attributable to owners of the parent - basic (yen)" in square bracket are those for the three months ended December 31, 2019 and 2020, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the nine months ended December 31, 2020.

NIDEC has changed its reporting segment classification in the three months ended June 30, 2020. For details, please refer to "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information".

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the nine months ended December 31, 2020. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

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

Forward-looking statements below were determined as of December 31, 2020.

NIDEC finalized the provisional accounting treatment for the business combination in the nine months ended December 31, 2020. Condensed quarterly consolidated financial statements for the nine months ended December 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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

(1) Operating results

The World Bank estimates that the growth rate of the global economy will settle at -4.3% in calendar year 2020 and will be 4.0% in calendar year 2021. In 2021, the World Bank expects a recovery from the impact of the COVID-19 infections, but the growth rate is lower than it had been before the outbreak of COVID-19. During the nine months ended December 31, 2020 was a period of recovery from the economic slowdown caused by the spread of the COVID-19 in various regions of the world and the lockdown of cities. Although there are growing expectations for the end of the COVID-19 pandemic through the vaccine rollout becoming widespread, as stated in the World Bank's Global Economic Prospects, risks such as further spread of COVID-19, delays in the supply of vaccines, continued adverse effects of COVID-19 on the economy, and financial pressure on countries remain. In addition, the accelerating conflict between the United States and China and the impact of the new U.S. government policy have left a strong sense of uncertainty.

The following table sets forth consolidated operating results for the nine months ended December 31, 2020:

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales	1,159,608	1,184,991	25,383	2.2%
Operating profit	93,204	115,535	22,331	24.0%
Operating profit ratio	8.0%	9.7%	-	-
Profit before income taxes	93,050	109,340	16,290	17.5%
Profit for the period from continuing operations	69,860	84,520	14,660	21.0%
Loss for the period from discontinued operations	(19,131)	(132)	18,999	-
Profit attributable to owners of the parent	49,326	83,636	34,310	69.6%

Consolidated net sales from continuing operations increased 2.2% to ¥1,184,991 million for the nine months ended December 31, 2020 (“this nine-month period”) compared to the nine months ended December 31, 2019 (“the same period of the prior year”), renewing the highest record of the quarterly consolidated accounting period by engaging in new demands one after another in the areas of home appliances, IT, game consoles and so on. Operating profit increased 24.0% to ¥115,535 million for this nine-month period compared to the same period of the prior year mainly due to the increase in sales by engaging in new demands as mentioned, thorough manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project.

Profit before income taxes increased 17.5% to ¥109,340 million and profit for the period from continuing operations increased 21.0% to ¥84,520 million compared to the same period of the prior year, respectively.

Profit attributable to owners of the parent increased 69.6% to ¥83,636 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 following table sets forth operating results by segment:

(Yen in millions)

	For the nine months ended December 31,					
	Net sales			Operating profit (loss)		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
SPMS	272,750	284,144	11,394	32,775	46,605	13,830
AMEC	149,865	129,246	(20,619)	9,721	(1,187)	(10,908)
ACIM	359,480	380,329	20,849	18,139	28,665	10,526
Nidec Sankyo	106,323	97,778	(8,545)	7,591	8,883	1,292
Nidec Techno Motor	62,403	52,636	(9,767)	9,005	7,547	(1,458)
Nidec Mobility	18,088	64,230	46,142	(431)	4,953	5,384
Nidec Shimpo	56,969	54,143	(2,826)	8,392	7,540	(852)
Others	189,073	172,128	(16,945)	21,392	21,554	162
Elimination/corporate	(55,343)	(49,643)	5,700	(13,380)	(9,025)	4,355
Consolidated total	1,159,608	1,184,991	25,383	93,204	115,535	22,331

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

2. NIDEC has changed its reporting segment classification in the three months ended June 30, 2020. For details, please refer to “IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information”.

3. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop, which was included in ACIM, has been classified as discontinued operations.

Net sales of SPMS increased ¥11,394 million to ¥284,144 million for this nine-month period compared to the same period of the prior year. This increase was due to an increase in sales of other small precision motors. Operating profit increased ¥13,830 million to ¥46,605 million for this nine-month period compared to the same period of the prior year. This increase was 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.

Net sales of AMEC decreased ¥20,619 million to ¥129,246 million for this nine-month period compared to the same period of the prior year. This decrease was due to significant decrease in sales of actuator products of Nidec Motors & Actuators. Operating profit(loss) was ¥1,187 million operating loss for this nine-month period. This decrease was due to a decrease in sales and an increase in advanced development cost.

Net sales of ACIM increased ¥20,849 million to ¥380,329 million for this nine-month period compared to the same period of the prior year. This increase was due to the impact of the acquisition of Embraco and increase in sales of motors and gears for transfer robots. Operating profit increased ¥10,526 million to ¥28,665 million for this nine-month period compared to the same period of the prior year. This increase was due to increase in sales and thorough manufacturing cost improvement and others although NIDEC recorded restructuring costs.

Net sales of Nidec Sankyo decreased ¥8,545 million to ¥97,778 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of card reader and electronic and optical components. However, operating profit increased ¥1,292 million to ¥8,883 million for this nine-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement and fixed cost rationalization.

Net sales of Nidec Techno Motor decreased ¥9,767 million to ¥52,636 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of motors for air conditioning equipment in China. Operating profit decreased ¥1,458 million to ¥7,547 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales, despite fixed cost rationalization.

Net sales of Nidec Mobility was ¥64,230 million for this nine-month period. Operating profit was ¥4,953 million for this nine-month period. Following the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

Net sales of Nidec Shimpo decreased ¥2,826 million to ¥54,143 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of speed reducers and press machines. Operating profit decreased ¥852 million to ¥7,540 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales and the transfer of the sales rights of some businesses, despite manufacturing cost improvement.

With respect to the Others segment, net sales decreased ¥16,945 million to ¥172,128 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of other small precision motors, automotive products and other products although increasing sales of inspection system. However, operating profit increased ¥162 million to ¥21,554 million for this nine-month period compared to the same period of the prior year. This decrease was due to an increase in sales of inspection system and manufacturing cost improvement.

Operating results by product category are as follows:

(Yen in millions)

	For the nine months ended December 31,					
	Net sales			Operating profit		
	2019	2020	Increase or decrease	2019	2020	Increase or decrease
Small precision motors	334,932	339,952	5,020	40,537	51,220	10,683
Automotive products	243,021	256,008	12,987	17,918	12,074	(5,844)
Appliance, commercial and industrial products	417,580	429,299	11,719	27,138	36,220	9,082
Machinery	115,213	111,516	(3,697)	17,211	19,693	2,482
Electronic and optical components	45,400	45,681	281	3,345	4,986	1,641
Other products	3,462	2,535	(927)	510	238	(272)
Elimination/corporate	-	-	-	(13,455)	(8,896)	4,559
Consolidated total	1,159,608	1,184,991	25,383	93,204	115,535	22,331

(Note) From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations in appliance, commercial and industrial products.

In small precision motors, NIDEC is focusing on creating new demands based on our technical advantages through Three-new Strategy and improving profitability based on our competitive advantages. Net sales of small precision motors increased 1.5% to ¥339,952 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥4,400 million for this nine-month period compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs decreased approximately 17.7% compared to the same period of the prior year, net sales of spindle motors for HDDs slightly decreased 0.7% to ¥116,417 million for this nine-month period compared to the same period of the prior year due to improvements in product mix and others. On the other hand, net sales of small precision motors increased 1.5% to ¥339,952 million for this nine-month period compared to the same period of the prior year by engaging in new demands one after another by launching a number of new products in the areas of home appliances, IT, game consoles and other products in other small precision motors. Operating profit of this category increased 26.4% to ¥51,220 million for this nine-month period compared to the same period of the prior 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. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥1,400 million for this nine-month period compared to the same period of the prior year.

NIDEC has been engaged in research and development of the automotive products with the aim of providing high-value-added modules for driving motors for EVs and PHEVs, drawing on our core motor technology and advanced technology. NIDEC is focusing on expanding our product lineup in order to respond to a variety of vehicle model configurations, in preparation for the coming demand generated by the development of electric vehicles. Net sales of automotive products increased 5.3% to ¥256,008 million for this nine-month period compared to the same period of the previous 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 ¥1,400 million for this nine-month period compared to the same period of the previous year. As a result of improvement of profitability through WPR4 project with our total efforts, operating profit of 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 32.6% to ¥12,074 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥500 million for this nine-month period compared to the same period of the previous year.

NIDEC is focusing on the pursuit of synergistic effects in both sales and costs and improving profitability in the appliance, commercial and industrial products as key growth businesses. Net sales of appliance, commercial and industrial products increased 2.8% to ¥429,299 million for this nine-month period compared to the same period of the prior year, primarily due to an increase in sales of motors and gears for transfer robots in the U.S. and Europe, of compressors for home appliances, and the impact of the acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥8,700 million for this nine-month period compared to the same period of the previous year. Although NIDEC recorded approximately ¥4,500 million in restructuring costs in Europe and others for this nine-month period, the operating profit improved by 1.9% due to increase in sales and thorough manufacturing cost improvement and others, resulting in an increase of 33.5% to ¥36,220 million for this nine-month period compared to the same period of the previous year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥900 million for this nine-month period compared to the same period of the previous year.

In machinery, NIDEC is improving profitability by enhancing speed reducers production capacity for small robots due to expanding demand of speed reducers. Although there was an increase in sales of semiconductor inspection system due to strong demands for 5G, net sales of machinery decreased 3.2% to ¥111,516 million for this nine-month period compared to the same period of the previous year, due to lower sales of card readers and press machines and other factors. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,000 million for this nine-month period compared to the same period of the previous year. Operating profit of this category increased 14.4% to ¥19,693 million for this nine-month period compared to the same period of the previous 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, despite a decrease in profit due to the decrease in sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥200 million for this nine-month period compared to the same period of the previous year.

Net sales of electronic and optical components increased 0.6% to ¥45,681 million for this nine-month period compared to the same period of the previous 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 nine-month period compared to the same period of the previous year. Operating profit of this category increased 49.1% to ¥4,986 million for this nine-month period compared to the same period of the previous year, primarily 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 ¥300 million for this nine-month period compared to the same period of the previous year.

Net sales of other products decreased 26.8% to ¥2,535 million and operating profit of this category decreased 53.3% to ¥238 million for this nine-month period compared to the same period of the prior year.

(2) Financial position

Total assets decreased ¥9,066 million to ¥2,113,427 million as of December 31, 2020 compared to March 31, 2020. This was mainly due to a decrease of ¥18,616 million in cash and cash equivalents. On the other hand, there were increases of ¥21,221 million in trade and other receivables, and ¥3,527 million in other financial assets.

Total liabilities decreased ¥43,874 million to ¥1,110,986 million as of December 31, 2020 compared to March 31, 2020. This was mainly due to a decrease of ¥40,421 million in interest-bearing debt. Specifically, short term borrowings decreased ¥29,087 million to ¥87,867 million, long term debt due within one year decreased ¥13,480 million to ¥98,394 million and long term debt increased ¥2,146 million to ¥373,269 million as of December 31, 2020 compared to March 31, 2020.

Total equity attributable to owners of the parent increased ¥35,106 million to ¥982,396 million as of December 31, 2020 compared to March 31, 2020. Ratio of total equity attributable to owners of the parent to total assets increased to 46.5% as of December 31, 2020 from 44.6% as of March 31, 2020. This was mainly due to an increase in retained earnings of ¥51,327 million, though there was a decrease in other components of equity of ¥10,804 million caused mainly by foreign currency translation adjustments.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased ¥13,942 million to ¥146,169 million for this nine-month period compared to the same period of the prior year. This increase was mainly due to increases in profit for the period of ¥33,659 million and in inventories net changes year on year of ¥9,395 million. On the other hand, there was a decrease in accounts receivable net changes year on year of ¥27,872 million.

For the nine months ended December 31, 2020, NIDEC had ¥146,169 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥84,388 million and an increase in accounts payable of ¥30,026 million. On the other hand, there was an increase in accounts receivable of ¥24,950 million. Accounts payable increased primarily due to an increase in cost of sales for the nine months ended December 31, 2020 compared to the same period of the prior year.

For the nine months ended December 31, 2019, NIDEC had ¥132,227 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥50,729 million and a decrease in accounts receivable of ¥2,922 million and an increase in accounts payable of ¥10,833 million. On the other hand, there was an increase in inventories of ¥8,610 million. Accounts payable increased primarily due to an increase in cost of sales for the nine months ended December 31, 2019 compared to the same period of the prior year.

(Cash flows from investing activities)

Net cash used in investing activities decreased ¥224,431 million to ¥77,231 million for this nine-month period compared to the same period of the prior year. The decrease in net cash used investing activities was mainly due to decreases in acquisitions of business, net of cash acquired of ¥187,470 million, and in additions to property, plant and equipment of ¥37,713 million.

For the nine months ended December 31, 2020, NIDEC had ¥77,231 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥66,049 million and additions to intangible assets of ¥10,020 million.

For the nine months ended December 31, 2019, NIDEC had ¥301,662 million of net cash outflows in investing activities mainly due to acquisition of business, net of cash acquired of ¥192,921 million and additions to property, plant and equipment of ¥103,762 million.

(Cash flows from financing activities)

Net cash provided by financing activities decreased ¥245,831 million to ¥89,159 million for this nine-month period compared to the same period of the prior year. This decrease was mainly due to decreases in proceeds from issuance of bonds of ¥150,000 million, and in short term borrowings net changes year on year of ¥106,823 million.

For the nine months ended December 31, 2020, NIDEC had ¥89,159 million of net cash outflows from financing activities mainly due to dividends paid to the owners of the parent of ¥35,145 million and a decrease in short term borrowings of ¥30,198 million, and repayments of long term debt of ¥18,975 million.

For the nine months ended December 31, 2019, NIDEC had ¥156,672 million of net cash inflows from financing activities mainly due to proceeds from issuance of bonds of ¥200,000 million and an increase in short term borrowings of ¥76,625 million. On the other hand, there were redemption of bonds of ¥65,000 million and dividends paid to the owners of the parent of ¥32,372 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased ¥18,616 million from ¥206,986 million as of March 31, 2020 to ¥188,370 million as of December 31, 2020.

The main currencies we had as of December 31, 2020 were U.S. dollars, Chinese yuan, Japanese yen, Thai baht, Korean won, and Euros. All the above amounts include discontinued operations.

(4) Research and development

NIDEC's research and development expenses for the nine months ended December 31, 2020 were ¥49,642 million. There were no significant changes in research and development activities for the period.

(5) Production, Orders Received and Sales

Production, orders received and sales of "Nidec Mobility" segment for the nine months ended December 31, 2020 increased compared to the nine months ended December 31, 2019 with the acquisition of OMRON Automotive Electronics Co.Ltd. in the three month ended December 31, 2019, which is newly included as a reporting segment from the three month ended June 30, 2020.

(6) Major property, plant and equipment

In the nine months ended December 31, 2020, among the new construction plans of major property, plant and equipment as of March 31, 2020, construction of the manufacturing factory of Nidec Motor Corporation which is to manufacture appliance, commercial and industrial products has been completed in January 2021.

And the scheduled completion date of construction of the manufacturing factory of Nidec Laminaciones de Acero, S.A. de C.V. which is to manufacture appliance, commercial and industrial products has been updated to March 2021.

3. Material Agreements, etc.

Share purchase and transfer agreement

(Mitsubishi Heavy Industries Machine Tool Co., Ltd.)

The Company announced that its Board of Directors held on February 4, 2021 has approved a resolution to acquire: the shares of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (“Mitsubishi Heavy Industries Machine Tool” or “the company”), a company that designs, manufactures, and sells machine tools, cutting tools, and related products, from Mitsubishi Heavy Industries, Ltd. (“Mitsubishi Heavy Industries”); all the Mitsubishi Heavy Industries Group-owned shares of three overseas subsidiaries specialized in machine tool business; and the machine tool business run by nine overseas subsidiaries (the “Transaction”). Accordingly, the Company entered into a stock purchase agreement on February 5, 2021.

1. Purpose of the Transaction

The Transaction achieves a mutual complement with our existing businesses. NIDEC has been actively engaged in manufacture, sales and services associated with reduction gearboxes and pressing machines through its subsidiary, Nidec-Shimpo Corporation. After the Transaction, Mitsubishi Heavy Industries Machine Tool will become the Nidec-Shimpo’s third main business. Furthermore, we expect 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. Thus, as NIDEC aims to expand the sales of this product which combines a motor, an inverter and a reducer, it is imperative for us to strengthen manufacturing capabilities of gears, the core component of the traction unit. In this regard, the Transaction will serve as an important effort to help NIDEC acquire personnel who are well-versed in the development of gears of Mitsubishi Heavy Industries Machine Tool and these people’s high technological skills in line with the NIDEC Group’s strategy for electric vehicle traction unit.

Mitsubishi Heavy Industries Machine Tool started its business in 1936 for manufacturing of lathe in Hiroshima, Japan. Since then, the company has been a group company of Mitsubishi Heavy Industries and has grown its business, while supporting Japanese manufacturing for many years. Mitsubishi Heavy Industries Machine Tool, which designs, manufactures and sells machine tools, cutting tools and related products and provides after-sales services for the products, owns highly professional personnel in addition to its long-nurtured technologies. Mitsubishi Heavy Industries Machine Tool has products related to automotive transmissions and reducers businesses, such as a gear cutting machine and a gear grinding machine with high accuracy and efficiency, and has top market share in Japan with this product. The company also has laser and semiconductor manufacturing equipment with unique cutting-edge technologies.

After the Transaction is completed, NIDEC has a view of further expansion of machine tool business with Mitsubishi Heavy Industries Machine Tool, and believes that, with necessary investment, the business will be able to play a major global role in our group. It is our intention to mutually leverage the NIDEC Group’s and Mitsubishi Heavy Industries Machine Tool’s respective technological capabilities, brand strength, and customer bases, to contribute to the further development of the global machine tool market.

2. Information on Mitsubishi Heavy Industries Machine Tool

Company Name: Mitsubishi Heavy Industries Machine Tool Co., Ltd.

Headquarters: 130, Roku-jizo, Ritto, Shiga, Japan

Foundation: 2015

Business: Design, manufacture, sales, consulting services, installation, technical guidance, and after-sales services associated with machine tools, cutting tools, and other related products

3. Execution date of the share purchase and transfer agreement

February 5, 2021

4. Date of the completion of the share acquisition

Expected in May 2021

III. Information on the Company

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of third quarter (Shares) (December 31, 2020)	Number of shares issued as of the filing date (Shares) (February 12, 2021)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	596,284,468	596,284,468	Tokyo Stock Exchange, Inc. (the first section)	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	596,284,468	596,284,468	-	-

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

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

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

Not applicable.

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

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From October 1, 2020 to December 31, 2020	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of September 30, 2020 is stated in this item because the Company cannot identify the number of voting rights as of December 31, 2020 due to the lack of information on the details entered in the shareholders registry as of December 31, 2020.

1) Issued shares

(As of December 31, 2020)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 10,389,400	-	-
Shares with full voting rights (others)	Ordinary share 585,346,600	5,853,466	-
Shares less than one unit	Ordinary share 548,468	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,853,466	-

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

2. Ordinary shares in the “Shares less than one unit” row include 12 shares of the Company’s treasury stock.

3. Ordinary shares in the “Shares with full voting rights (others)” row include 118,700 shares (1,187 voting rights) of the BIP Trust and 43,100 shares (431 voting rights) of the ESOP Trust.

2) Treasury stock, etc.

(As of December 31, 2020)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	10,389,400	-	10,389,400	1.74
Total	-	10,389,400	-	10,389,400	1.74

(Notes) 1. The number of shares held under own name (except for shares less than one unit) is 10,389,900, as of December 31, 2020.

2. The Company’s shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

2. Members of the Board of Directors

There were no changes in Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to December 31, 2020.

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2020	As of December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		206,986	188,370
Trade and other receivables		394,259	415,480
Other financial assets	14	913	4,320
Income tax receivables		12,885	9,302
Inventories		278,185	273,289
Other current assets		40,309	41,145
Total current assets		933,537	931,906
Non-current assets			
Property, plant and equipment		633,604	634,799
Goodwill	8	310,487	307,260
Intangible assets	8	191,653	187,245
Investments accounted for using the equity method		3,294	2,794
Other investments	14	14,479	18,735
Other financial assets	14	6,888	7,008
Deferred tax assets		18,274	14,019
Other non-current assets		10,277	9,661
Total non-current assets		1,188,956	1,181,521
Total assets		2,122,493	2,113,427

(Yen in millions)

	Note	As of March 31, 2020	As of December 31, 2020
Liabilities			
Current liabilities			
Short term borrowings	14	116,954	87,867
Long term debt due within one year	14	111,874	98,394
Trade and other payables		345,193	347,625
Other financial liabilities	14	9,109	6,977
Income tax payables		18,726	16,329
Provisions		30,430	28,469
Other current liabilities		64,884	65,683
Total current liabilities		697,170	651,344
Non-current liabilities			
Long term debt	14	371,123	373,269
Other financial liabilities	14	4,085	1,968
Retirement benefit liabilities		31,077	32,026
Provisions		942	719
Deferred tax liabilities		45,830	46,430
Other non-current liabilities		4,633	5,230
Total non-current liabilities		457,690	459,642
Total liabilities		1,154,860	1,110,986
Equity			
Common stock		87,784	87,784
Additional paid-in capital		114,754	109,445
Retained earnings		924,293	975,620
Other components of equity		(115,791)	(126,595)
Treasury stock		(63,750)	(63,858)
Total equity attributable to owners of the parent		947,290	982,396
Non-controlling interests		20,343	20,045
Total equity		967,633	1,002,441
Total liabilities and equity		2,122,493	2,113,427

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

For the nine months ended December 31, 2019 and 2020

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the nine months ended December 31,	
		2019	2020
Continuing operations			
Net Sales	5	1,159,608	1,184,991
Cost of sales		(902,363)	(917,787)
Gross profit		257,245	267,204
Selling, general and administrative expenses		(105,607)	(102,027)
Research and development expenses		(58,434)	(49,642)
Operating profit	5	93,204	115,535
Financial income		7,861	3,133
Financial expenses		(7,243)	(4,771)
Derivative gain (loss)		(783)	(1,181)
Foreign exchange differences		1,242	(2,777)
Share of net profit (loss) from associate accounting using the equity method		(1,231)	(599)
Profit before income taxes		93,050	109,340
Income tax expenses		(23,190)	(24,820)
Profit for the period from continuing operations		69,860	84,520
Discontinued operations			
Loss for the period from discontinued operations	6	(19,131)	(132)
Profit for the period		50,729	84,388
Profit for the period attributable to:			
Owners of the parent		49,326	83,636
Non-controlling interests		1,403	752
Profit for the period		50,729	84,388
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		116.31	143.01
Discontinued operations		(32.50)	(0.23)
Total		83.80	142.79

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the nine months ended December 31, 2019	2020
Profit for the period		50,729	84,388
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(928)	(111)
Fair value movements on FVTOCI equity financial assets		1,444	1,995
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(18,494)	(16,374)
Effective portion of net changes in fair value of cash flow hedges		342	6,221
Fair value movements on FVTOCI debt financial assets		3	6
Total other comprehensive income for the period, net of taxation		(17,633)	(8,263)
Comprehensive income for the period		33,096	76,125
Comprehensive income for the period attributable to:			
Owners of the parent		32,224	74,727
Non-controlling interests		872	1,398
Comprehensive income for the period		33,096	76,125

For the three months ended December 31, 2019 and 2020

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended December 31,	
		2019	2020
Continuing operations			
Net Sales	5	408,331	433,197
Cost of sales		(319,590)	(332,708)
Gross profit		88,741	100,489
Selling, general and administrative expenses		(35,943)	(35,734)
Research and development expenses		(21,381)	(18,400)
Operating profit	5	31,417	46,355
Financial income		1,811	903
Financial expenses		(1,729)	(1,569)
Derivative gain (loss)		947	(561)
Foreign exchange differences		(2,288)	(1,474)
Share of net profit (loss) from associate accounting using the equity method		(438)	(319)
Profit before income taxes		29,720	43,335
Income tax expenses		(8,231)	(8,253)
Profit for the period from continuing operations		21,489	35,082
Discontinued operations			
Profit (loss) for the period from discontinued operations	6	824	(33)
Profit for the period		22,313	35,049
Profit for the period attributable to:			
Owners of the parent		22,099	34,853
Non-controlling interests		214	196
Profit for the period		22,313	35,049
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		36.15	59.56
Discontinued operations		1.40	(0.06)
Total		37.55	59.50

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended December 31,	
		2019	2020
Profit for the period		22,313	35,049
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		44	(90)
Fair value movements on FVTOCI equity financial assets		1,452	1,517
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		30,929	(3,011)
Effective portion of net changes in fair value of cash flow hedges		1,457	2,125
Fair value movements on FVTOCI debt financial assets		(1)	(19)
Total other comprehensive income for the period, net of taxation		33,881	522
Comprehensive income for the period		56,194	35,571
Comprehensive income for the period attributable to:			
Owners of the parent		55,092	34,913
Non-controlling interests		1,102	658
Comprehensive income for the period		56,194	35,571

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2019

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 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 period				49,326			49,326	1,403	50,729
Other comprehensive income					(17,102)		(17,102)	(531)	(17,633)
Total comprehensive income							32,224	872	33,096
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(21)	(21)	-	(21)
Dividends paid to the owners of the parent	12			(32,372)			(32,372)	-	(32,372)
Dividends paid to non-controlling interests							-	(744)	(744)
Share-based payment transactions			202				202	-	202
Transfer to retained earnings				463	(463)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,133)				(2,133)	492	(1,641)
Other			7	(823)	(1)	4	(813)	167	(646)
Balance at December 31, 2019		87,784	116,390	916,955	(82,341)	(45,313)	993,475	23,621	1,017,096

For the nine months ended December 31, 2020

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2020		87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633
Comprehensive income									
Profit for the period				83,636			83,636	752	84,388
Other comprehensive income					(8,909)		(8,909)	646	(8,263)
Total comprehensive income							74,727	1,398	76,125
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(116)	(116)	-	(116)
Dividends paid to the owners of the parent	12			(35,145)			(35,145)	-	(35,145)
Dividends paid to non-controlling interests							-	(645)	(645)
Share-based payment transactions			144				144	-	144
Transfer to retained earnings				1,895	(1,895)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(5,453)				(5,453)	(1,144)	(6,597)
Other				941		8	949	93	1,042
Balance at December 31, 2020		87,784	109,445	975,620	(126,595)	(63,858)	982,396	20,045	1,002,441

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the nine months ended December 31,	
		2019	2020
Cash flows from operating activities:			
Profit for the period from continuing operations		69,860	84,520
Profit (loss) for the period from discontinued operations	6	(19,131)	(132)
Profit for the period		50,729	84,388
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		63,233	72,171
Loss (gain) from sales, disposal or impairment of property, plant and equipment		846	1,975
Loss from sales of discontinued operations		17,591	132
Financial expenses (income)		(778)	1,627
Share of net loss (profit) from associate accounting using the equity method		1,231	599
Deferred income taxes		4,633	2,030
Current income taxes		20,165	22,790
Foreign currency adjustments		1,390	(8,655)
Increase (decrease) in retirement benefit liability		1,392	1,195
Decrease (increase) in accounts receivable		2,922	(24,950)
Decrease (increase) in inventories		(8,610)	785
Increase (decrease) in accounts payable		10,833	30,026
Other, net		(13,785)	(15,095)
Interests and dividends received		7,201	2,670
Interests paid		(5,991)	(3,973)
Income taxes paid		(20,775)	(21,546)
Net cash provided by operating activities		132,227	146,169

(Yen in millions)

	Note	For the nine months ended December 31,	
		2019	2020
Cash flows from investing activities:			
Additions to property, plant and equipment		(103,762)	(66,049)
Proceeds from sales of property, plant and equipment		1,490	2,345
Additions to intangible assets		(8,399)	(10,020)
Proceeds from sales of discontinued operations		5,448	2,637
Acquisitions of business, net of cash acquired		(192,921)	(5,451)
Other, net		(3,518)	(693)
Net cash used in investing activities		(301,662)	(77,231)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		76,625	(30,198)
Proceeds from issuance of long term debt		64	-
Repayments of long term debt		(20,463)	(18,975)
Proceeds from issuance of bonds		200,000	50,000
Redemption of bonds		(65,000)	(50,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(2,583)	(5,311)
Purchase of treasury stock		(21)	(116)
Dividends paid to the owners of the parent	12	(32,372)	(35,145)
Other, net		422	586
Net cash (used in) provided by financing activities		156,672	(89,159)
Effect of exchange rate changes on cash and cash equivalents		(9,690)	1,605
Net increase (decrease) in cash and cash equivalents		(22,453)	(18,616)
Cash and cash equivalents at beginning of period		242,267	206,986
Cash and cash equivalents at end of period		219,814	188,370

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

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

Condensed quarterly consolidated financial statements as of December 31, 2020 and for the nine months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation

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

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

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2020.

(2) Basis of measurement

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

(3) Presentation currency and level of rounding

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

3. Significant accounting policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the NIDEC’s annual consolidated financial statements for the year ended March 31, 2020.

Income taxes for the nine months ended December 31, 2020 are computed using the estimated annual effective tax rate.

4. Significant accounting estimates, judgments and assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of December 31, 2020 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2020.

The global epidemic of COVID-19, which occurred in the latter half of the fiscal year ended March 31, 2020, is affecting NIDEC's businesses and supply chain functions. However, it seems that it will take some time until the negative effects of COVID-19 disappear. The accounting estimates are based on the assumption that these effects will continue for a period of time until the spread of COVID-19 has subsided.

5. Segment information

(Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Business units and domestic group companies that are currently profit management units of NIDEC are identified as its reportable segments.

NIDEC has changed its operating segment classification in the three months ended June 30, 2020. This was due to review of the report materials by NIDEC's chief operating decision maker in order to focus on profitability of each business units and domestic group companies about performance management of each consolidated subsidiary with the continuous increase in consolidated subsidiaries such as Embraco and Nidec Mobility Corporation.

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

NIDEC's operating segments are as follows:

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

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

Net sales to external customers :

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
SPMS	268,538	282,380
AMEC	149,091	128,279
ACIM	359,027	380,021
Nidec Sankyo	102,389	95,386
Nidec Techno Motor	58,553	47,835
Nidec Mobility	18,088	63,612
Nidec Shimpo	54,244	48,746
Others	149,678	138,732
Consolidated net sales	1,159,608	1,184,991

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

(Yen in millions)

	For the three months ended December 31,	
	2019	2020
SPMS	94,202	96,381
AMEC	49,785	54,562
ACIM	129,200	137,916
Nidec Sankyo	33,684	33,542
Nidec Techno Motor	17,801	17,312
Nidec Mobility	18,088	26,507
Nidec Shimpo	17,223	16,440
Others	48,348	50,537
Consolidated net sales	408,331	433,197

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

Net sales to other operating segments:

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
SPMS	4,212	1,764
AMEC	774	967
ACIM	453	308
Nidec Sankyo	3,934	2,392
Nidec Techno Motor	3,850	4,801
Nidec Mobility	-	618
Nidec Shimpo	2,725	5,397
Others	39,395	33,396
Total	55,343	49,643
Intersegment elimination	(55,343)	(49,643)
Consolidated net sales	-	-

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

(Yen in millions)

	For the three months ended December 31,	
	2019	2020
SPMS	1,427	686
AMEC	196	331
ACIM	182	163
Nidec Sankyo	823	999
Nidec Techno Motor	1,424	2,147
Nidec Mobility	-	476
Nidec Shimpo	960	2,068
Others	12,127	13,025
Total	17,139	19,895
Intersegment elimination	(17,139)	(19,895)
Consolidated net sales	-	-

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

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

	For the nine months ended December 31,	
	2019	2020
SPMS	32,775	46,605
AMEC	9,721	(1,187)
ACIM	18,139	28,665
Nidec Sankyo	7,591	8,883
Nidec Techno Motor	9,005	7,547
Nidec Mobility	(431)	4,953
Nidec Shimpo	8,392	7,540
Others	21,392	21,554
Total	106,584	124,560
Elimination and Corporate (Note)	(13,380)	(9,025)
Operating profit	93,204	115,535
Financial income (expenses)	618	(1,638)
Derivative gain (loss)	(783)	(1,181)
Foreign exchange differences	1,242	(2,777)
Share of net profit (loss) from associate accounting using the equity method	(1,231)	(599)
Profit before income taxes	93,050	109,340

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥9,126 million and ¥13,767 million for the nine months ended December 31, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended December 31,	
	2019	2020
SPMS	13,065	15,231
AMEC	2,866	828
ACIM	5,726	11,403
Nidec Sankyo	2,028	4,299
Nidec Techno Motor	2,802	2,794
Nidec Mobility	(431)	3,059
Nidec Shimpo	3,196	2,995
Others	6,374	8,469
Total	35,626	49,078
Elimination and Corporate (Note)	(4,209)	(2,723)
Operating profit	31,417	46,355
Financial income (expenses)	82	(666)
Derivative gain (loss)	947	(561)
Foreign exchange differences	(2,288)	(1,474)
Share of net profit (loss) from associate accounting using the equity method	(438)	(319)
Profit before income taxes	29,720	43,335

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥2,704million and ¥4,348 million for the three months ended December 31, 2020 and 2019, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

As noted in “6. Discontinued operations,” from the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations.

Net sales by type of product

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Small precision motors:		
Hard disk drives spindle motors	117,185	116,417
Other small precision motors	217,747	223,535
Subtotal	334,932	339,952
Automotive products	243,021	256,008
Appliance, commercial and industrial products	417,580	429,299
Machinery	115,213	111,516
Electronic and optical components	45,400	45,681
Other products	3,462	2,535
Consolidated net sales	1,159,608	1,184,991

(Yen in millions)

	For the three months ended December 31,	
	2019	2020
Small precision motors:		
Hard disk drives spindle motors	39,571	32,211
Other small precision motors	75,551	84,279
Subtotal	115,122	116,490
Automotive products	92,189	106,873
Appliance, commercial and industrial products	147,000	155,965
Machinery	38,233	36,866
Electronic and optical components	14,595	16,074
Other products	1,192	929
Consolidated net sales	408,331	433,197

- (Notes) 1. “Small precision motors” consists of “hard disk drives spindle motors” and “other small precision motors”. “Other small precision motors” consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.
“Automotive products” consists of automotive motors and components.
“Appliance, commercial and industrial products” consists of home appliance, commercial and industrial motors and related products.
“Machinery” consists of industrial robots, card readers, test systems, press machines and power transmission drives, etc.
“Electronic and optical components” consists of switches, trimmer potentiometers, lens units and camera shutters, etc.
“Other products” consists of services, etc.
2. The above amounts no longer include discontinued operations.

6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. Some costs to sell will occur in the future. NIDEC has negotiated the purchase price adjustment and the other factors of the consideration for the sales with Orlando Management AG and ESSVP IV, but NIDEC did not reach an agreement. As the result, NIDEC submitted the request for an arbitration to the German Arbitration Institute(DIS) on January 12, 2021 and the request has been registered at DIS on the same day. It usually takes 18 to 24 months to finalize the arbitration.

(1) Main reason for the Transaction

NIDEC is actively moving forward with the development of new growth platforms with particular emphasis on appliance, commercial and industrial motors and solutions. As Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators, from the acquisition of Secop in 2017, NIDEC’s appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, on April 12, 2019, NIDEC acquired a conditional approval of the European Commission in connection with NIDEC’s acquisition of Embraco from Whirlpool Corporation and NIDEC decided to sell Secop. In addition, NIDEC acquired an approval of the European Commission that ESSVP IV is the appropriate purchaser of Secop and acquired the European Commission’s approval of the acquisition of Embraco on June 26, 2019. The Transaction was made following NIDEC’s commitment to the European Commission to sell Secop to a suitable purchaser as a condition for the European Commission’s approval.

(2) Name of the transferee company and date of the Transaction

Name of the transferee company	ESSVP IV
Date of the Transaction	September 9, 2019

(3) Name of the company to be transferred, major business and name of operating segment

Name of the company	Secop
Major business	Compressor business for refrigerator
Name of operating segment	ACIM

(Note) NIDEC has changed its operating segment classification in the three months ended June 30, 2020 and the name of operating segment in accordance with this change.

(4) Transition of ownership ratio for the company

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

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

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Net Sales	1,143	-
Recognized loss due to measuring assets held for sale at fair value less costs	(17,591)	-
Other loss	(1,075)	(132)
Loss before income taxes from discontinued operations	(17,523)	(132)
Income tax expenses	(1,501)	-
Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales	(107)	-
Total income tax expenses	(1,608)	-
Loss for the period from discontinued operations	(19,131)	(132)

	For the year ended March 31, 2020
Net Sales	1,143
Recognized loss due to measuring assets held for sale at fair value less costs	(14,167)
Other loss	(1,075)
Loss before income taxes from discontinued operations	(14,099)
Income tax expenses	(1,501)
Recognized loss due to measuring assets held for sale at fair value less costs and amounts related to the sales	(107)
Total income tax expenses	(1,608)
Loss for the period from discontinued operations	(15,707)

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

2. Various conditions for sales of Secop are based on the forecasts as of December 31, 2020, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Net cash provided by (used in) operating activities	(0)	-
Net cash (used in) provided by investing activities	5,448	2,637
Net cash used in financing activities	-	-
Total	5,448	2,637

	For the year ended March 31, 2020
Net cash provided by (used in) operating activities	(0)
Net cash (used in) provided by investing activities	5,065
Net cash used in financing activities	-
Total	5,065

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

2. Net cash provided by investing activities for the nine months ended December 31, 2020 includes net cash related to sales of Secop as of December 31, 2020.

7. Business combinations

On June 1, 2020, NIDEC has acquired the Delta production line from Secop Austria GmbH for cash of ¥2,531 million. As the result of the transaction, NIDEC takes over approximately 40 employees who were engaged in the Delta compressor business and works further to strengthen its refrigerator compressor business. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

On September 1, 2020, NIDEC has acquired 100% of the interests of Metal Stamping Support Group, LLC and its group companies ("CHS Automation"), US companies, from the shareholders for cash of ¥474 million. CHS Automation manufactures and sells equipment, serves the retrofit for press machines, and provides service. Through the transaction, NIDEC is able to have a strong service base for press equipment in the Midwestern United States, and further strengthen its product lineup. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

Purchase price allocation to the assets and the liabilities

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. The amounts might change due to future price adjustment.

Effect on the consolidated statement of financial position as of March 31, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Embraco	Nidec Mobility Corporation	Others
Current assets			
Trade and other receivables	67	-	-
Other current assets	(141)	-	-
Other non-current assets			
Property, plant and equipment	(2,120)	2,696	-
Intangible assets	37,351	14,263	722
Deferred tax assets	1,304	92	-
Acquired assets at fair value	36,461	17,051	722
Current liabilities			
Long term debt due within one year	-	(120)	-
Provisions	(7)	91	-
Other current liabilities	256	-	-
Non-current liabilities			
Long term debt	-	(247)	-
Retirement benefit liabilities	-	376	-
Deferred tax liabilities	5,121	5,177	158
Assumed liabilities at fair value	5,370	5,277	158
Acquired assets and assumed liabilities at fair value (net amount)	31,091	11,774	564
Goodwill	(32,178)	(13,037)	(571)

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

(Yen in millions)

	Weighted average amortization period	Embraco	Nidec Mobility Corporation	Others
Trademark	No amortization	21,657	-	367
Customer relationships	21 years	15,835	14,263	355
Others	-	(141)	-	-

Effect on the consolidated statement of income for the year ended March 31, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Embraco	Nidec Mobility Corporation	Others
Operating profit	(391)	(1,287)	(90)
Profit before income taxes	(391)	(1,286)	(90)
Profit for the year attributable to owners of the parent	(410)	(1,152)	(63)

Effect on the condensed quarterly consolidated statement of income for the six months ended September 30, 2020 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Nidec Mobility Corporation
Operating profit	(319)
Profit before income taxes	(320)
Profit for the period attributable to owners of the parent	(226)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies for the nine months ended December 31, 2020, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of December 31, 2020.

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Balance at beginning of period		
Goodwill	250,940	310,487
Acquisitions through business combinations	95,484	2,993
Sales or disposals	(9,471)	-
Translation adjustments and others	(3,151)	(6,220)
Balance at end of period		
Goodwill	333,802	307,260

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2020		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	114,865	(28,451)	86,414
Proprietary technology	17,390	(5,894)	11,496
Software	33,363	(19,466)	13,897
Capitalized development costs	21,131	(2,015)	19,116
Others	7,356	(4,199)	3,157
Total	194,105	(60,025)	134,080

(Note) The carrying amounts of software include the right-of-use assets of ¥366 million.

(Yen in millions)

	As of December 31, 2020		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	112,291	(31,953)	80,338
Proprietary technology	17,891	(6,949)	10,942
Software	32,658	(20,570)	12,088
Capitalized development costs	29,673	(4,548)	25,125
Others	7,912	(4,473)	3,439
Total	200,425	(68,493)	131,932

(Note) The carrying amounts of software include the right-of-use assets of ¥537 million.

Total amortization of intangible assets for the year ended March 31, 2020 and for the nine months ended December 31, 2020 amounted to ¥12,011 million and ¥9,982 million, respectively. Total indefinite lived intangible assets amounted to ¥57,573 million and ¥55,313 million as of March 31, 2020 and December 31, 2020, respectively.

9. Bonds

For the nine months ended December 31, 2019

Summary of the terms of issued bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Eighth Series of Domestic Unsecured Bonds	July 19, 2019	100,000	0.100	July 19, 2024
Nidec Corporation	The Ninth Series of Domestic Unsecured Bonds (Green Bond)	November 28, 2019	50,000	0.020	November 28, 2022
Nidec Corporation	The Tenth Series of Domestic Unsecured Bonds (Green Bond)	November 28, 2019	30,000	0.090	November 28, 2024
Nidec Corporation	The Eleventh Series of Domestic Unsecured Bonds (Green Bond)	November 28, 2019	20,000	0.150	November 27, 2026

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Second Series of Domestic Unsecured Bonds	November 13, 2012	15,000	0.595	September 20, 2019
Nidec Corporation	The Fifth Series of Domestic Unsecured Bonds	November 25, 2016	50,000	0.001	November 25, 2019

For the nine months ended December 31, 2020

Summary of the terms of issued bonds is as follows:

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

Summary of the terms of redeemed bonds is as follows:

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

10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the nine months ended December 31, 2019 and 2020 are as follows:

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Net periodic pension cost for defined benefit plans:		
Current service cost	2,810	2,386
Interest cost (net)	443	402
Net periodic pension cost for defined benefit plans	3,253	2,788
Payments to defined contribution pension plans	2,184	2,387

11. Related party transactions

Transactions with related parties for the nine months ended December 31, 2019 and 2020 are as follows:

Sales of goods and services

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	9	9
Nagamori Gakuen Educational Foundation*3	47	47

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

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

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

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

Purchase of goods and services

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Related parties		
S.N. Kosan, LLC.	10	8
Green Kosan, LLC.*4	88	-

(Notes) *4. A director of NIDEC concurrently serves as representative member of Green Kosan, LLC.

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

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2020	December 31, 2020
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	5	7
Payables to related parties		
S.N. Kosan, LLC.	-	-
Green Kosan, LLC.	-	-

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2020 and December 31, 2020. In addition, there were no expenses recognized during the years ended March 31, 2020 and the nine months ended December 31, 2020 in respect of receivables from related parties.

12. Dividends

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

For the nine months ended December 31, 2019

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 24, 2019 Board of directors	Ordinary shares	16,191	55	March 31, 2019	June 3, 2019
October 23, 2019 Board of directors	Ordinary shares	16,191	55	September 30, 2019	December 2, 2019

(Notes) 1. Total dividends resolved at the board of directors on May 24, 2019 included dividends of ¥4 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. Total dividends resolved at the board of directors on October 23, 2019 included dividends of ¥4 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the nine months ended December 31, 2020

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 25, 2020 Board of directors	Ordinary shares	17,577	60	March 31, 2020	June 1, 2020
October 26, 2020 Board of directors	Ordinary shares	17,577	30	September 30, 2020	December 1, 2020

- (Notes) 1. Total dividends resolved at the board of directors on May 25, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.
2. Total dividends resolved at the board of directors on October 26, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.
3. NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. Dividends per share resolved on May 25, 2020 have not been retroactively adjusted and are shown on a pre-stock split basis. Dividends per share resolved on October 26, 2020 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.

13. Earnings per share

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

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

	For the nine months ended December 31,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	49,326	83,636
Profit from continuing operations attributable to owners of the parent (Yen in millions)	68,457	83,768
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(19,131)	(132)
Weighted average shares (Shares)	588,586,748	585,733,349
Earnings per share attributable to owners of the parent - basic (Yen)	83.80	142.79
Earnings per share from continuing operations (Yen)	116.31	143.01
Earnings (loss) per share from discontinued operations (Yen)	(32.50)	(0.23)

	For the three months ended December 31,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	22,099	34,853
Profit from continuing operations attributable to owners of the parent (Yen in millions)	21,275	34,886
Profit (loss) from discontinued operations attributable to owners of the parent (Yen in millions)	824	(33)
Weighted average shares (Shares)	588,585,983	585,732,863
Earnings per share attributable to owners of the parent - basic (Yen)	37.55	59.50
Earnings per share from continuing operations (Yen)	36.15	59.56
Earnings (loss) per share from discontinued operations (Yen)	1.40	(0.06)

(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.

14. Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means; and
- Level 3: Unobservable inputs for the asset or liability.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period by reassessing the level to be applied to the asset or liability for measuring its fair value.

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	As of March 31, 2020		As of December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	184	184	72	72
Long term investments	26	24	28	28
Short term loans receivable	26	26	22	22
Long term loans receivable	151	149	115	115
Short term borrowings	(116,954)	(116,954)	(87,867)	(87,867)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(84,155)	(84,285)	(68,212)	(68,850)
Corporate bonds (including corporate bonds due within one year)	(370,675)	(369,568)	(372,662)	(372,686)

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

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

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

(2) Long term investments

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

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2020

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	12,870	-	1,536	14,406
FVTOCI debt financial assets	-	73	-	73
Derivatives	20	2,177	-	2,197
Total financial assets	12,890	2,250	1,536	16,676
Liabilities				
Derivatives	2,167	7,845	-	10,012
Total financial liabilities	2,167	7,845	-	10,012

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020.

As of December 31, 2020

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	17,164	-	1,493	18,657
FVTOCI debt financial assets	-	78	-	78
Derivatives	2,018	3,275	-	5,293
Total financial assets	19,182	3,353	1,493	24,028
Liabilities				
Derivatives	-	3,148	-	3,148
Total financial liabilities	-	3,148	-	3,148

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the nine months ended December 31, 2020.

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

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

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

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

(Yen in millions)

	For the nine months ended December 31,	
	2019	2020
Balance at beginning of period	1,672	1,536
Gains or losses:		
Recognized in other comprehensive income (Note)	66	(95)
Purchases	189	56
Sales	(11)	(4)
Acquisitions through business combinations	6	-
Balance at end of period	1,922	1,493

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

15. Contingent liabilities

NIDEC has guaranteed ¥3,178 million for bank borrowing by equity method affiliates at December 31, 2020. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

NIDEC was aware of total contingent liabilities of ¥9,045 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at December 31, 2020. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2020	As of December 31, 2020
Property, plant and equipment and other assets	25,118	24,745

17. Events after the reporting period

(1) Own share repurchase

On January 25, 2021, the Company's Board of Directors resolved to repurchase its own shares according to the provisions of the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1, Item 1 of the Company Law of Japan. This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows.

1) Class of shares	Common stock
2) Total number of shares to be repurchased	Up to 4,000,000 shares (0.68% of total number of shares issued excluding treasury stock)
3) Total repurchase amount	Up to 50 billion yen
4) Period of repurchase	From January 26, 2021 to January 25, 2022

(2) A stock purchase agreement of Mitsubishi Heavy Industries Machine Tool Co., Ltd.

On February 5, 2021, NIDEC entered into a stock purchase agreement with Mitsubishi Heavy Industries, Ltd. to acquire the share of Mitsubishi Heavy Industries Machine Tool Co., Ltd. ("Mitsubishi Heavy Industries Machine Tool"), the share of three overseas subsidiaries specialized in machine tool business, and the machine tool business run by nine overseas subsidiaries (the "Transaction").

1) Purpose of the Transaction	Mitsubishi Heavy Industries Machine Tool designs, manufactures and sells machine tools, cutting tools and related products and provides after-sales services for the products. Through the Transaction, NIDEC will be able to achieve a mutual complement with our existing businesses and utilize Mitsubishi Heavy Industries Machine Tool's technology for our future insourcing plan. Furthermore, NIDEC mutually leverages the NIDEC Group's and Mitsubishi Heavy Industries Machine Tool's respective technological capabilities, brand strength, and customer bases, to contribute to the further development of the global machine tool market.
2) Acquisition method and schedule	Own funds. Closing of the Transaction is to be completed in May 2021. (The schedule is subject to defer based on approvals from antitrust authorities.)

18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on February 12, 2021 by Jun Seki, Representative Director, President and Chief Operating Officer and Hidetoshi Yokota, Vice President, in charge of managing Accounting Department.

2. Other

On October 26, 2020, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2020 as follows:

- (1) Total amount of dividends:¥17,577 million
- (2) Amount per share:¥30.00
- (3) Effective date of claim of payment and start date of payment:December 1, 2020

Part II Information on Guarantors, etc. for the Company

Not applicable.