

[Translation]

Quarterly Report

(The Second Quarter of 49th Business Term)

From July 1, 2021 to September 30, 2021

NIDEC CORPORATION

CONTENTS

CONTENTS

| | |
|---|----|
| Cover | 1 |
| Part I Information on the Company | 2 |
| I. Overview of the Company | 2 |
| 1. Key Financial Data | 2 |
| 2. Description of Business | 3 |
| II. Business Overview | 3 |
| 1. Risk Factors | 3 |
| 2. Management Analysis of Financial Position, Operating Results and Cash Flows | 3 |
| 3. Material Agreements, etc. | 10 |
| III. Information on the Company | 11 |
| 1. Information on the Company's Shares, etc. | 11 |
| (1) Total number of shares, etc. | 11 |
| (2) Information on the share acquisition rights, etc. | 11 |
| (3) Information on moving strike convertible bonds, etc. | 11 |
| (4) Changes in the total number of issued shares, common stock, etc. | 11 |
| (5) Major shareholders | 12 |
| (6) Information on voting rights | 14 |
| 2. Members of the Board of Directors | 15 |
| IV. Condensed Quarterly Consolidated Financial Statements and Other Information | 16 |
| 1. Condensed Quarterly Consolidated Financial Statements | 16 |
| 2. Other | 44 |
| Part II Information on Guarantors, etc. for the Company | 45 |

| | |
|---|--|
| [Cover] | |
| [Document Filed] | Quarterly Report (“Shihanki Hokokusho”) |
| [Applicable Law] | Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan |
| [Filed with] | Director-General of the Kanto Local Finance Bureau |
| [Filing Date] | November 12, 2021 |
| [Fiscal Year] | The Second Quarter of 49th Business Term (from July 1, 2021 to September 30, 2021) |
| [Company Name] | Nihon Densan Kabushiki Kaisha |
| [Company Name in English] | NIDEC CORPORATION |
| [Title and Name of Representative] | Jun Seki, Representative Director, President and Chief Executive Officer |
| [Address of Head Office] | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto |
| [Phone No.] | 075-935-6200 |
| [Contact Person] | Hidetoshi Yokota, Senior Vice President and Chief Financial Officer |
| [Contact Address] | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto |
| [Phone No.] | 075-935-6200 |
| [Contact Person] | Hidetoshi Yokota, Senior Vice President and Chief Financial Officer |
| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) |

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

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

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

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

2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.

3. Figures shown in yen in millions are rounded to the nearest million.

4. “Earnings per share attributable to owners of the parent - basic” and “Earnings per share attributable to owners of the parent - diluted” have been calculated based on figures of “Profit attributable to owners of the parent”. “Earnings per share attributable to owners of the parent - diluted” are not presented because there were no securities with dilutive effect.

5. NIDEC finalized a part or all of the provisional accounting treatment for the business combination in the six months ended September 30, 2021. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the six months ended September 30, 2021 are stated in “IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 7. Business combinations”.

6. The figures of “Net sales”, “Profit attributable to owners of the parent” and “Earnings per share attributable to owners of the parent - basic (yen)” in square bracket are those for the three months ended September 30, 2020 and 2021, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the six months ended September 30, 2021. Moreover, there were no changes in principal subsidiaries and associates.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the six months ended September 30, 2021. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

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

Forward-looking statements below were determined as of September 30, 2021.

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

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

(1) Operating results

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

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

(Yen in millions)

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

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

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

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

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

The following table sets forth operating results by segment:

(Yen in millions)

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

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

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

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

Net sales of ACIM increased ¥93,750 million to ¥336,000 million for this six-month period compared to the same period of the prior year. This increase was due to higher sales of compressors and motors for home appliances, and motors and gears for transportation robots in Europe and the United States. Operating profit increased ¥17,230 million to ¥34,492 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Sankyo increased ¥6,905 million to ¥70,142 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of automotive products, other small precision motors and semiconductor robots. Operating profit increased ¥1,163 million to ¥5,747 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Techno Motor increased ¥11,515 million to ¥44,692 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of motors for air conditioners in China. Operating profit increased ¥1,269 million to ¥6,022 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Mobility increased ¥9,284 million to ¥46,531 million for this six-month period compared to the same period of the prior year. This increase was due to the recovery trend from a decrease in global demand for the same period of the prior year. Operating profit increased ¥2,903 million to ¥4,797 million for this six-month period. This increase was due to an increase in sales.

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

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

Operating results by product category are as follows:

(Yen in millions)

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

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

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

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

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

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

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

(2) Financial position

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

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

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

(3) Cash flows

(Cash flows from operating activities)

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

(Cash flows from investing activities)

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

(Cash flows from financing activities)

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

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

The main currencies we had as of September 30, 2021 were U.S. dollars, Chinese yuan, Japanese yen, Euros, and Korean won. All the above amounts include discontinued operations.

(4) Management targets

We have set a new medium-term strategic target for fiscal year 2025 (Vision2025) and aim to be a growing company that is strongly adapted to changes in the environment.

The outline is as follows.

FY2021 to FY2022

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

FY2023 to FY2025

- 1) Target for consolidated net sales : ¥4 trillion
- 2) Productivity improvement : To double sales and profit per employee
- 3) ROIC (Return On Invested Capital) : over 15%
- 4) To be a top-rated ESG company

(5) Research and development

NIDEC's research and development expenses for the six months ended September 30, 2021 were ¥37,739 million. There were no significant changes in research and development activities for the period.

(6) Production, Orders Received and Sales

Production, orders received and sales in the "ACIM / Nidec Shimpo / Other " segment mainly for the six months ended September 30, 2021 increased compared to the six months ended September 30, 2020.

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

(7) Major property, plant and equipment

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

3. Material Agreements, etc.

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

III. Information on the Company

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

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

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

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

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

Not applicable.

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

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

(5) Major shareholders

(As of September 30, 2021)

| Name | Address | Number of shares held (thousands of shares) | Ownership percentage to the total number of issued shares (Excluding treasury stock) (%) |
|--|---|---|--|
| The Master Trust Bank of Japan, Ltd. (trust account) | 11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo | 66,365 | 11.32 |
| Shigenobu Nagamori | Nishikyo-ku, Kyoto | 49,473 | 8.44 |
| The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank, of Japan, Ltd.) | 700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (8-12, Harumi 1-chome, Chuo-ku, Tokyo) | 24,798 | 4.23 |
| Custody Bank, of Japan, Ltd. (trust account) | 8-12, Harumi 1-chome, Chuo-ku, Tokyo | 23,846 | 4.07 |
| S.N. Kosan, LLC. | 518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto | 20,245 | 3.45 |
| SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch) | ONE LINCOLN STREET, BOSTON MA USA 02111(11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo) | 18,217 | 3.10 |
| THE BANK OF NEW YORK MELLON 140042 (Standing proxy: Mizuho Bank, Ltd.) | 240 GREENWICH STREET, NEW YORK, NY 10286 USA (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo) | 15,436 | 2.63 |
| The Bank of Mitsubishi UFJ, Ltd. | 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo | 14,851 | 2.53 |
| JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd.) | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo) | 14,550 | 2.48 |
| Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.) | In Securities Operations Department, Nippon Life Insurance, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo) | 13,159 | 2.24 |
| Total | - | 260,944 | 44.54 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Information on voting rights

1) Issued shares

(As of September 30, 2021)

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

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

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

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

2) Treasury stock, etc.

(As of September 30, 2021)

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

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

2. Members of the Board of Directors

Changes in the Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to September 30, 2021 are as follows:

Changes in positions and responsibilities

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

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

| | Note | As of March 31, 2021 | As of September 30, 2021 |
|---|------|-------------------------|-----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 219,524 | 187,806 |
| Trade and other receivables | | 441,083 | 489,463 |
| Other financial assets | 14 | 10,556 | 7,424 |
| Income tax receivables | | 9,454 | 12,230 |
| Inventories | | 296,641 | 370,000 |
| Other current assets | | 46,869 | 50,920 |
| Total current assets | | 1,024,127 | 1,117,843 |
| Non-current assets | | | |
| Property, plant and equipment | | 662,659 | 681,159 |
| Goodwill | 8 | 319,926 | 321,837 |
| Intangible assets | 8 | 195,601 | 199,495 |
| Investments accounted for using the equity method | | 2,422 | 1,803 |
| Other investments | 14 | 19,360 | 19,649 |
| Other financial assets | 14 | 6,056 | 5,891 |
| Deferred tax assets | | 15,022 | 16,044 |
| Other non-current assets | | 10,851 | 12,852 |
| Total non-current assets | | 1,231,897 | 1,258,730 |
| Total assets | | 2,256,024 | 2,376,573 |

(Yen in millions)

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

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

(Yen in millions)

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

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

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

For the three months ended September 30, 2020 and 2021

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

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

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

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

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2020

(Yen in millions)

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

For the six months ended September 30, 2021

(Yen in millions)

| | Note | Total equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|--|------|---|----------------------------|-------------------|----------------------------|----------------|-----------|---------------------------|--------------|
| | | Common Stock | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total | | |
| Balance at April 1, 2021 | | 87,784 | 105,179 | 1,016,559 | (49,633) | (63,869) | 1,096,020 | 17,915 | 1,113,935 |
| Comprehensive income | | | | | | | | | |
| Profit for the period | | | | 67,610 | | | 67,610 | (232) | 67,378 |
| Other comprehensive income | | | | | 11,088 | | 11,088 | 148 | 11,236 |
| Total comprehensive income | | | | | | | 78,698 | (84) | 78,614 |
| Transactions with owners directly recognized in equity: | | | | | | | | | |
| Purchase of treasury stock | | | | | | (4,838) | (4,838) | - | (4,838) |
| Dividends paid to the owners of the parent | 12 | | | (17,572) | | | (17,572) | - | (17,572) |
| Dividends paid to non-controlling interests | | | | | | | - | (113) | (113) |
| Share-based payment transactions | | | 330 | | | | 330 | - | 330 |
| Transfer to retained earnings | | | | 282 | (282) | | - | - | - |
| Changes in equity by purchase of shares of consolidated subsidiaries | | | (2,330) | | | | (2,330) | 726 | (1,604) |
| Other | | | 18 | (37) | (41) | 88 | 28 | (1) | 27 |
| Balance at September 30, 2021 | | 87,784 | 103,197 | 1,066,842 | (38,868) | (68,619) | 1,150,336 | 18,443 | 1,168,779 |

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

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

(Yen in millions)

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

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

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

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

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

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

2. Basis of preparation

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

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

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

(2) Basis of measurement

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

(3) Presentation currency and level of rounding

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

3. Significant accounting policies

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

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

4. Significant accounting estimates, judgments and assumptions

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

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

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

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

5. Segment information

(Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Business units and domestic group companies that are currently profit management units of NIDEC are identified as its reportable segments. Nidec Shimpo segment includes Mitsubishi Heavy Industries Machine Tool Co., Ltd. (Nidec Machine Tool Corporation) which was newly consolidated in the three months ended September 30, 2021.

NIDEC's operating segments are as follows:

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

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

Net sales to external customers:

(Yen in millions)

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

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

(Yen in millions)

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

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

Net sales to other operating segments:

(Yen in millions)

| | For the six months ended September 30, | |
|--------------------------|--|----------|
| | 2020 | 2021 |
| SPMS | 1,078 | 1,477 |
| AMEC | 636 | 686 |
| ACIM | 145 | 297 |
| Nidec Sankyo | 1,393 | 1,781 |
| Nidec Techno Motor | 2,654 | 3,875 |
| Nidec Mobility | 142 | 789 |
| Nidec Shimpo | 3,329 | 5,767 |
| Others | 20,371 | 18,054 |
| Total | 29,748 | 32,726 |
| Intersegment elimination | (29,748) | (32,726) |
| Consolidated net sales | - | - |

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

(Yen in millions)

| | For the three months ended September 30, | |
|--------------------------|--|----------|
| | 2020 | 2021 |
| SPMS | 586 | 486 |
| AMEC | 342 | 344 |
| ACIM | 77 | 145 |
| Nidec Sankyo | 707 | 881 |
| Nidec Techno Motor | 1,506 | 1,651 |
| Nidec Mobility | 132 | 396 |
| Nidec Shimpo | 1,461 | 2,787 |
| Others | 12,138 | 8,896 |
| Total | 16,949 | 15,586 |
| Intersegment elimination | (16,949) | (15,586) |
| Consolidated net sales | - | - |

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

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

| | For the six months ended September 30, | |
|--|--|---------|
| | 2020 | 2021 |
| SPMS | 31,374 | 19,234 |
| AMEC | (2,015) | (3,231) |
| ACIM | 17,262 | 34,492 |
| Nidec Sankyo | 4,584 | 5,747 |
| Nidec Techno Motor | 4,753 | 6,022 |
| Nidec Mobility | 1,894 | 4,797 |
| Nidec Shimpo | 4,539 | 8,995 |
| Others | 13,085 | 21,059 |
| Total | 75,476 | 97,115 |
| Elimination and Corporate (Note) | (6,302) | (6,919) |
| Operating profit | 69,174 | 90,196 |
| Financial income (expenses) | (972) | 24 |
| Derivative gain (loss) | (620) | 139 |
| Foreign exchange differences | (1,303) | (1,404) |
| Share of net profit (loss) from associate accounting using the equity method | (280) | (800) |
| Profit before income taxes | 65,999 | 88,155 |

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥6,929 million and ¥6,422 million for the six months ended September 30, 2021 and 2020, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

| | For the three months ended September 30, | |
|--|--|---------|
| | 2020 | 2021 |
| SPMS | 17,982 | 9,874 |
| AMEC | (383) | (2,265) |
| ACIM | 10,708 | 18,198 |
| Nidec Sankyo | 2,628 | 2,043 |
| Nidec Techno Motor | 2,343 | 2,706 |
| Nidec Mobility | 2,086 | 2,476 |
| Nidec Shimpo | 2,426 | 5,622 |
| Others | 6,915 | 10,604 |
| Total | 44,705 | 49,258 |
| Elimination and Corporate (Note) | (3,324) | (3,617) |
| Operating profit | 41,381 | 45,641 |
| Financial income (expenses) | (717) | 172 |
| Derivative gain (loss) | (455) | 141 |
| Foreign exchange differences | (1,511) | (1,148) |
| Share of net profit (loss) from associate accounting using the equity method | (109) | (403) |
| Profit before income taxes | 38,589 | 44,403 |

- (Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,899 million and ¥3,351 million for the three months ended September 30, 2021 and 2020, respectively. The corporate expenses include basic research expenses and head office expenses.
2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

Net sales by type of product

(Yen in millions)

| | For the six months ended September 30, | |
|---|--|---------|
| | 2020 | 2021 |
| Small precision motors: | | |
| Hard disk drives spindle motors | 84,206 | 49,440 |
| Other small precision motors | 139,256 | 155,671 |
| Subtotal | 223,462 | 205,111 |
| Automotive products | 149,135 | 197,197 |
| Appliance, commercial and industrial products | 273,334 | 378,021 |
| Machinery | 74,650 | 95,365 |
| Electronic and optical components | 29,607 | 33,146 |
| Other products | 1,606 | 1,828 |
| Consolidated net sales | 751,794 | 910,668 |

(Yen in millions)

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

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

"Automotive products" consists of automotive motors and components.

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

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

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

"Other products" consists of services, etc.

2. The above amounts no longer include discontinued operations.

6. Discontinued Operations

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

(1) Main reason for the Transaction

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

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

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

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

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

(4) Transition of ownership ratio for the company

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

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

(Yen in millions)

| | For the six months ended September 30, | |
|---|--|-------|
| | 2020 | 2021 |
| Other loss | (99) | (148) |
| Loss before income taxes from discontinued operations | (99) | (148) |
| Loss for the period from discontinued operations | (99) | (148) |

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

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

(6) Cash flows from the discontinued operations

(Yen in millions)

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

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

2. Net cash (used in) provided by investing activities includes net cash related to sales of Secop.

7. Business combinations

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

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

(Yen in millions)

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

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

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

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

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

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

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

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

Purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2021, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the Metal Stamping Support Group, LLC and its group companies in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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

(Yen in millions)

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

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

(Yen in millions)

| | Weighted average amortization period | Retrospective amendment |
|-----------|---|-------------------------|
| Trademark | No amortization | 36 |

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

(Yen in millions)

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

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

| | For the six months ended September 30, | |
|--|--|---------|
| | 2020 | 2021 |
| Balance at beginning of period | | |
| Goodwill | 310,487 | 319,926 |
| Acquisitions through business combinations | 410 | - |
| Sales or disposals | - | - |
| Translation adjustments and others | (3,739) | 1,911 |
| Balance at end of period | | |
| Goodwill | 307,158 | 321,837 |

Intangible assets subject to amortization are as follows:

(Yen in millions)

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

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

(Yen in millions)

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

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

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

9. Bonds

For the six months ended September 30, 2020

Summary of the terms of issued bonds is as follows:

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

Summary of the terms of redeemed bonds is as follows:

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

For the six months ended September 30, 2021

Summary of the terms of redeemed bonds is as follows:

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

10. Employee benefits

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

(Yen in millions)

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

11. Related party transactions

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

Sales of goods and services

(Yen in millions)

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

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

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

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

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

Sales of goods and services to related parties are entered into on terms consistent with third-party transactions and considering market prices. The payment of joint research costs to Nagamori Gakuen Educational Foundation is determined based on the joint research agreement concluded upon mutual consultation.

Purchase of goods and services

(Yen in millions)

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

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

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

| | March 31, 2021 | September 30, 2021 |
|--|----------------|--------------------|
| Receivables from related parties | | |
| S.N. Kosan, LLC. | 1 | 1 |
| Nagamori Foundation | 0 | 0 |
| Nagamori Gakuen Educational Foundation | 4 | 2 |
| Nagamori Culture Foundation | 0 | 0 |
| Payables to related parties | | |
| S.N. Kosan, LLC. | - | - |
| Nagamori Gakuen Educational Foundation | - | - |
| Nagamori Culture Foundation | - | 0 |

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

12. Dividends

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

For the six months ended September 30, 2020

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

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

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

For the six months ended September 30, 2021

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

(Note) Total dividends resolved at the board of directors on May 27, 2021 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

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

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

(Note) Total dividends resolved at the board of directors on October 26, 2021 included dividends of ¥14 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

13. Earnings per share

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

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

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

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

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

14. Fair values

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

The levels of the fair value hierarchy are as follows:

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

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

Fair values of financial instruments measured at amortized cost

(Yen in millions)

| | As of March 31, 2021 | | As of September 30, 2021 | |
|---|----------------------|------------|--------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Short term investments | 78 | 78 | 97 | 97 |
| Long term investments | 26 | 28 | 11 | 11 |
| Short term loans receivable | 23 | 23 | 13 | 13 |
| Long term loans receivable | 107 | 107 | 127 | 130 |
| Short term borrowings | (30,977) | (30,977) | (93,428) | (93,428) |
| Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds) | (30,087) | (30,133) | (15,106) | (15,157) |
| Corporate bonds (including corporate bonds due within one year) | (438,249) | (438,501) | (399,451) | (399,535) |

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

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

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

(2) Long term investments

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

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2021

(Yen in millions)

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

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

As of September 30, 2021

(Yen in millions)

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

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

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

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

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

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

(Yen in millions)

| | For the six months ended September 30, | |
|---|--|-------|
| | 2020 | 2021 |
| Balance at beginning of period | 1,536 | 1,445 |
| Gains or losses: | | |
| Recognized in other comprehensive income (Note) | (73) | 187 |
| Purchases | 56 | — |
| Sales | (4) | (8) |
| Balance at end of period | 1,515 | 1,624 |

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

15. Contingent liabilities

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

NIDEC was aware of total contingent liabilities of ¥12,845 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at September 30, 2021. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

| | As of March 31, 2021 | As of September 30, 2021 |
|--|----------------------|--------------------------|
| Property, plant and equipment and other assets | 26,940 | 31,133 |

17. Events after the reporting period

No items to report.

18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on November 12, 2021 by Jun Seki, Representative Director, President and Chief Executive Officer and Hidetoshi Yokota, Senior Vice President and Chief Financial Officer.

2. Other

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

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

Part II Information on Guarantors, etc. for the Company

Not applicable.