

[Translation]

Annual Securities Report

(The 49th Business Term)

From April 1, 2021 to March 31, 2022

NIDEC CORPORATION

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Cover

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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the Annual Securities 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.

"Part I Information on the Company, II. Business Overview, 2. Risk Factors, 5.Risks for foreign investors" is only included in this English translation of the Annual Securities Report and not included in the original report.

Certain information in "Part I. Information on the Company, V. Consolidated Financial Statements and Other Information" in this document incorporates financial statements prepared in conformity with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board instead of the English translation of the Annual Securities Report.

The translation of the Independent Auditors' Report for the original Annual Securities Report is included at the end of this document.

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.

References in this document to the "Companies Act" are to the Companies Act of Japan and other laws and regulations amending and/or supplementing the Companies Act of Japan.

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(1) Consolidated financial data, etc.

(Yen in millions, unless otherwise stated)

Fiscal year	IFRS				
	45th business term	46th business term	47th business term	48th business term	49th business term
Year end	March 2018	March 2019	March 2020	March 2021	March 2022
Net sales	1,459,039	1,475,436	1,534,800	1,618,064	1,918,174
Profit before income taxes	163,260	129,830	105,160	152,937	171,145
Profit attributable to owners of the parent	130,834	109,960	58,459	121,945	136,870
Comprehensive income attributable to owners of the parent	119,812	118,441	4,552	192,671	292,439
Total equity attributable to owners of the parent	932,501	996,795	947,290	1,096,020	1,293,352
Total assets	1,773,199	1,884,008	2,122,493	2,256,024	2,679,594
Total equity per share attributable to owners of the parent (yen)	1,575.38	1,693.54	1,617.21	1,871.20	2,228.91
Earnings per share attributable to owners of the parent - basic (yen)	220.96	186.49	99.37	208.19	234.30
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	52.6	52.9	44.6	48.6	48.3
Profit ratio of total equity attributable to owners of the parent (%)	14.7	11.4	6.0	11.9	11.5
Price earnings ratio (times)	37.1	37.6	56.4	64.5	41.6
Net cash provided by operating activities	175,568	170,233	168,049	219,156	94,994
Net cash used in investing activities	(113,915)	(160,844)	(311,513)	(100,568)	(112,597)
Net cash provided by (used in) financing activities	(116,858)	(32,683)	128,546	(136,191)	(64,393)
Cash and cash equivalents at end of year	265,947	242,267	206,986	219,524	199,655
Number of employees [Separately, average number of temporary employees]	107,554 [27,657]	108,906 [28,885]	117,206 [27,963]	112,551 [23,635]	114,371 [27,977]

(Notes) 1. Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

3. "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".

4. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share attributable to owners of the parent - basic" and "Total equity per share attributable to owners of the parent" for the 46th, 47th, 48th and 49th business terms, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

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

6. NIDEC has finalized the provisional accounting treatment for the business combinations in the year ended March 31, 2022.
As a result, figures for the year ended March 31, 2021 reflect the revision of the initial allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combinations.
7. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the 45th business term.

(2) Financial data, etc. of the Company

(Yen in millions, unless otherwise stated)

Fiscal year	45th business term	46th business term	47th business term	48th business term	49th business term
Year end	March 2018	March 2019	March 2020	March 2021	March 2022
Net sales	225,793	222,217	190,206	200,138	198,127
Ordinary profit	16,947	49,213	31,845	45,646	47,695
Net profit	16,715	48,417	31,027	41,572	45,079
Common stock	87,784	87,784	87,784	87,784	87,784
Number of issued shares (thousands of shares)	298,142	298,142	298,142	596,284	596,284
Total net assets	318,857	309,867	288,888	298,063	250,330
Total assets	904,890	983,178	1,183,299	1,307,494	1,403,315
Net assets per share (yen)	538.68	526.46	493.19	508.87	431.41
Dividends per share (yen) [Of the above, interim dividend per share (yen)]	95 [45]	105 [50]	115 [55]	60 [30]	65 [30]
Earnings per share - basic (yen)	28.23	82.12	52.74	70.98	77.17
Earnings per share - diluted (yen)	-	-	-	-	-
Shareholders' equity ratio (%)	35.2	31.5	24.4	22.8	17.8
Return on equity (%)	5.1	15.4	10.4	14.2	16.4
Price earnings ratio (times)	290.3	85.4	106.3	189.3	126.3
Dividend payout ratio (%)	168.3	63.9	109.0	84.5	84.2
Number of employees [Separately, average number of temporary employees]	2,576 [253]	2,794 [185]	2,756 [148]	2,568 [87]	2,511 [108]
Total shareholder return (%) [Comparative index: Dividend-included TOPIX(%)]	155.6 [115.9]	134.3 [110.0]	55.9 [99.6]	128.9 [141.5]	94.7 [144.3]
Highest share prices in each of the fiscal years (yen)	18,525	17,720	16,835 *5,899	15,175	14,335
Lowest share prices in each of the fiscal years (yen)	9,713	11,405	9,675 *5,515	4,989	8,645

(Notes) 1. "Earnings per share - diluted" are not presented because there were no securities with dilutive effect outstanding through this business term.

2. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the 45th business term.
3. The highest and lowest share prices are market prices on the first section of the Tokyo Stock Exchange, also the (*) indicate the highest and lowest stock prices after ex-rights due to the stock split.
4. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share - basic" and "Net assets per share" for the 46th, 47th, 48th and 49th business terms, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

2. History

Month/Year	History
July 1973	Established in Nishikyo-ku, Kyoto.
August 1973	Started production and sales of small precision AC motors.
February 1975	Established Kameoka Plant (closed in December, 1993) in Kameoka-city, Kyoto.
April 1976	Established Nidec America Corporation in St. Paul, the U.S.
February 1984	Established Nidec Torin Corporation (currently Nidec America Corporation) in Torrington, the U.S.
October 1984	Established the Shiga Plant (currently Shiga Technical Center) in Echigawa-cho (now Aishou-cho), Echi-gun, Shiga.
November 1988	Listed its stock on the Kyoto Stock Exchange, and the second section of the Osaka Stock Exchange.
March 1989	Established Nidec Singapore Pte. Ltd.
August 1990	Took a stake in Shinano Tokki Co., Ltd. (currently Nagano Technical Center).
February 1992	Established Nidec (Dalian) Ltd. in China.
October 1992	Established Nidec Taiwan Corporation.
April 1993	Established Nidec Electronics GmbH in Germany.
October 1993	Established Nidec (H.K.) Co., Ltd.
February 1995	Took a stake in Kyoritsu Machinery Co., Ltd. (currently Nidec Machinery Corporation).
December 1995	Took a stake in Shimpo Industries Co., Ltd. (currently Nidec-Shimpo Corporation).
December 1995	Established Nidec Philippines Corporation.
March 1997	Took a stake in Tosok Corporation (currently Nidec Tosok Corporation).
April 1997	Took a stake in Read Electronics Corporation (currently Nidec-Read Corporation).
May 1997	Took a stake in Kyori Kogyo Co., Ltd. (Nidec-Kyori Corporation, merged into Nidec-Shimpo Corporation from April, 2012).
December 1997	Established Nidec Tosok (Vietnam) Corporation.
February 1998	Established P.T. Nidec Indonesia.
September 1998	Took a stake in Copal Co., Ltd. (currently Nidec Copal Corporation) and Copal Electronics Co., Ltd. (currently Nidec Copal Electronics Corporation).
September 1998	Listed its stock on the first section of the Tokyo Stock Exchange.
October 1998	Listed its stock anew on the first section of the Osaka Stock Exchange.
October 1998	Established Shibaura Nidec Corporation (currently Nidec Techno Motor Corporation) through a joint investment with Shibaura Engineering Works Co., Ltd. (currently Shibaura Mechatronics Corporation) and Toshiba Corporation.
April 1999	Established Nidec Shibaura (Zhejiang) Co., Ltd. in China.
December 1999	Established Nidec Korea Corporation.
March 2000	Took a stake in Y-E Drive Corporation (currently Nidec Techno Motor Corporation), a subsidiary of YASKAWA Electric Corporation.
September 2001	Listed on the New York Stock Exchange (voluntarily delisted in May 2016).
April 2002	Established Nidec (Zhejiang) Corporation in China.
June 2002	Established Nidec (Dongguan) Ltd. in China.
April 2003	Established Nidec (Shanghai) International Trading Co., Ltd. in China.
May 2003	Relocated its Head Office to Minami-ku, Kyoto and opened the Central Technical Laboratory.

Month/Year	History
October 2003	Took a stake in Sankyo Seiki Mfg. Co., Ltd. (currently Nidec Sankyo Corporation).
October 2005	Established Nidec Vietnam Corporation.
February 2006	Established Nidec Automobile Motor (Zhejiang) Corporation in China.
December 2006	Established Nidec Motors & Actuators by acquiring the motor and actuator business of Valeo S.A., a French company.
February 2007	Acquired Brilliant Manufacturing Ltd. of Singapore (currently Nidec Component Technology Co., Ltd.).
April 2007	Took a stake in Japan Servo Co., Ltd. (currently Nidec Servo Corporation).
January 2010	Acquired the home appliance motor business of Appliances Components Companies S.p.A. of Italy. Started Nidec Sole Motor Corporation S.R.L.
February 2010	Acquired SC Wado Co., Ltd. in Thailand.
September 2010	Established Nidec Motor Corporation by acquiring the motors & controls business of Emerson Electric Co. of the U.S.
October 2010	Established Nidec (Shaoguan) Limited in China.
December 2010	Established Nidec India Private Limited.
July 2011	Took a stake in SANYO Seimitsu Corporation (currently Nidec Seimitsu Corporation), a subsidiary of SANYO Electric Co., Ltd.
December 2011	Established Nidec Precision Malaysia Sdn. Bhd. in Malaysia.
March 2012	Established SC Wado Component (Cambodia) Co., Ltd. in Cambodia.
April 2012	Nidec-Shimpo Corporation acquired the Minster Machine Company (currently Nidec Minster Corporation) of the U.S.
May 2012	Acquired Ansaldo Sistemi Industriali S.p.A. (currently Nidec ASI S.p.A.) of Italy.
June 2012	Opened Nidec Research and Development Center, Japan.
September 2012	Opened Nidec Research and Development Center, Taiwan.
	Acquired Avtron Industrial Automation, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
October 2012	Nidec Sankyo Corporation acquired SCD Co., Ltd. of Korea.
November 2012	Acquired Kinetek Group Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
December 2012	Took a stake in Jiangsu Kaiyu Auto Appliance (currently Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.) of China.

Month/Year	History
January 2014	Nidec Sankyo Corporation acquired Mitsubishi Materials C.M.I. Corporation (currently Nidec Sankyo CMI corporation). Nidec Research and Development Center, Japan opened its new building in Kawasaki-city.
March 2014	Acquired Honda Elesys Co., Ltd. (currently Nidec Elesys Corporation).
February 2015	Acquired Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt (currently NIDEC GPM GmbH) of Germany.
May 2015	Acquired Motortecnica s.r.l. of Italy.
July 2015	Acquired SR motor drive business of China Tex Mechanical & Electrical Engineering Ltd. (currently Nidec (Beijing) Drive Technologies Co., Ltd.) of China.
August 2015	Acquired Arisa, S.A. (currently Nidec Arisa, S.L.U.) of Spain. Acquired KB electronics, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
September 2015	Acquired business assets of E.M.G. Elettromeccanica S.r.l. of Italy. Nidec Sankyo Corporation acquired PT. NAGATA OPTO INDONESIA.
May 2016	Acquired E.C.E. S.r.l. of Italy. Acquired ANA IMEP S.A. (currently Nidec Motor Corporation Romania) of Romania.
December 2016	Acquired Canton Elevator, Inc. of the U.S.
January 2017	Acquired Emerson Electric Co.'s motors, drives and electric power generation businesses (currently Nidec Leroy-Somer Holding, Nidec Control Techniques Limited, etc.) of the U.S.
March 2017	Opened Nidec Corporation Head Office ANNEX Global Learning Center. Acquired Vamco International, Inc. of the U.S. Unified corporate brand logos of group companies to "Nidec".
July 2017	Acquired LGB Elettropompe S.r.l. of Italy.
October 2017	Nidec Sankyo Corporation succeeded the business of Tokyo Maruzen Industry Co., Ltd. Nidec-Read Corporation acquired SV Probe Pte. Ltd. of Singapore.
November 2017	Acquired driveXpert GmbH of Germany.
February 2018	Nidec Center for Industrial Science opened its new building in Seika-cho, Soraku-gun, Kyoto.
April 2018	Acquired Genmark Automation, Inc. of the U.S.
May 2018	Established the joint venture company Nidec PSA emotors with Groupe PSA of France.
July 2018	Acquired CIMA S.p.A. of Italy.
August 2018	Acquired MS-Graessner GmbH & Co. KG of Germany.
November 2018	Took a stake in Chaun-Choung Technology Corp. of Taiwan.
February 2019	Acquired Systeme + Steuerungen GmbH of Germany.
March 2019	Acquired DESCH Antriebstechnik GmbH & Co. KG of Germany.
July 2019	Acquired the compressor business ("Embraco") of Whirlpool Corporation of the U.S.
October 2019	Established the joint venture company Guangzhou Nidec Auto Drive System Co., Ltd. with GAC Components Co., Ltd. of China.
November 2019	Acquired OMRON Automotive Electronics Co. Ltd. (currently Nidec Mobility Corporation). Acquired Roboteq Inc. of the U.S.
June 2020	Acquired Delta compressor business of Secop Austria GmbH.
August 2021	Acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently Nidec Machine Tool Corporation).
February 2022	Took a stake in OKK Co., Ltd.

3. Description of Business

Major businesses of our group, which is comprised mainly of the Company, 340 consolidated subsidiaries and 4 equity-method associates, are manufacturing and sales of small precision motors, automotive products, appliance, commercial and industrial products, machinery, electronic and optical components, and others.

We prepare our consolidated financial statements in accordance with IFRS. The scope of affiliates is also based on the definition of IFRS. Our segments comprise seven reportable segments and others.

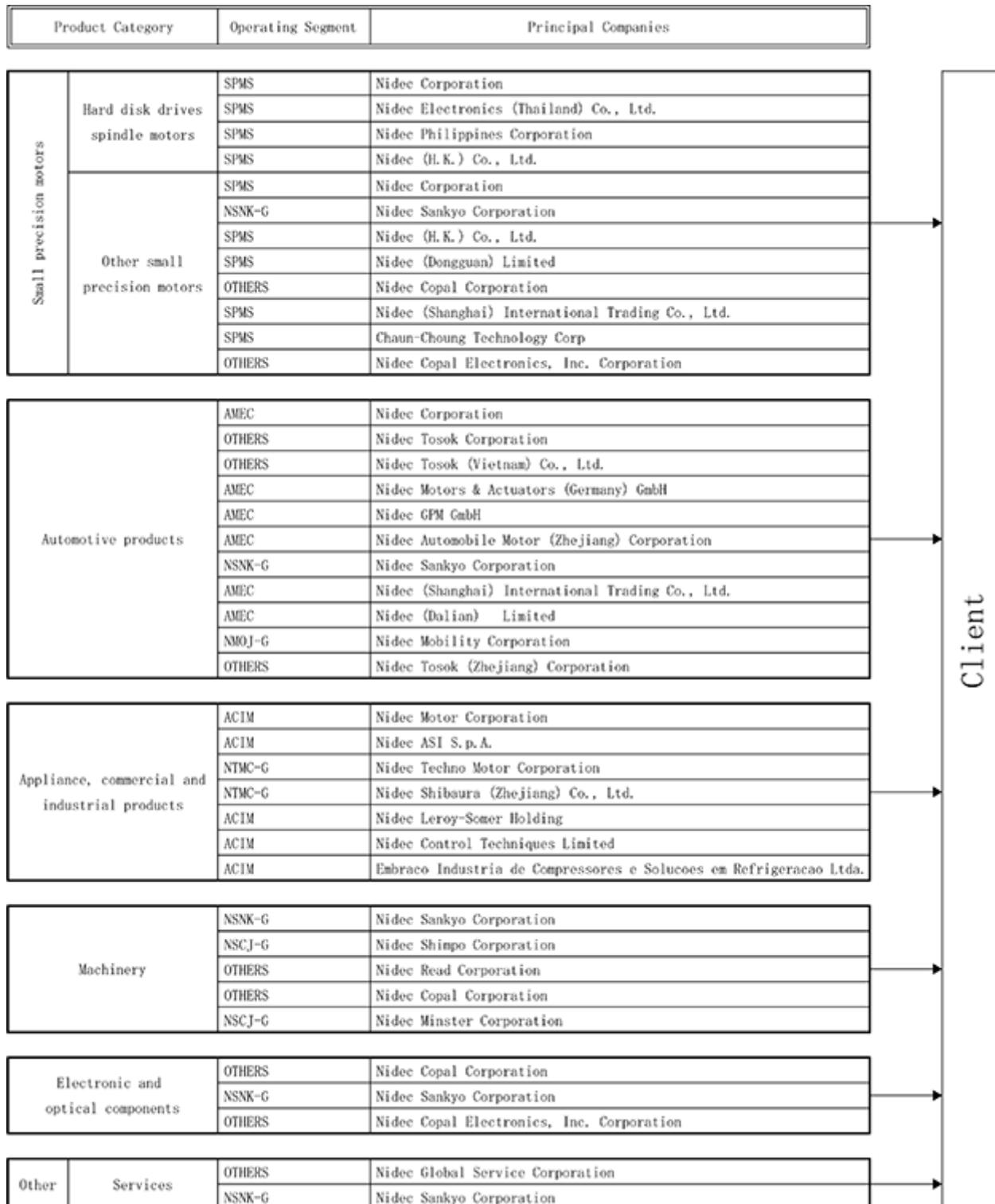
These segment categories are the same as those in the segment information in notes to consolidated financial statements in “V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Statements of Financial Position” and segments for the year ended March 31, 2022 in all other parts in this annual securities report.

Name	Main products	Principal companies
SPMS	Hard disk drives spindle motors and other small precision motors	Nidec Corporation, Nidec (H.K.) Co., Ltd., Nidec Electronics (Thailand) Co.,Ltd., Nidec (Dongguan) Ltd., Nidec Chaun-Choung Technology Corp, Nidec Philippines Corporation, Nidec (Shanghai) International Trading Co., Ltd.
AMEC	Automotive products	Nidec (Shanghai) International Trading Co., Ltd., Nidec Automobile Motor (Zhejiang) Corporation, Nidec Motors & Actuators (Germany) GmbH, NIDEC GPM GmbH, Nidec (Dalian) Ltd.
ACIM	Appliance, commercial and industrial products	Nidec Motor Corporation, Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda., Nidec Leroy-Somer Holding, Nidec ASI S.p.A., Nidec Control Techniques Limited.
Nidec Sankyo	Machinery, automotive products, electronic components and other small precision motors	Nidec Sankyo Corporation
Nidec Techno Motor	Appliance, commercial and industrial products	Nidec Techno Motor Corporation, Nidec Shibaura (Zhejiang) Co., Ltd.
Nidec Mobility	Automotive products	Nidec Mobility Corporation
Nidec Shimpo	Machinery	Nidec Shimpo Corporation, Nidec Minster Corporation
Others	Automotive products, machinery, electronic components, other small precision motors and others	Nidec-Read Corporation, Nidec Tosok (Zhejiang) Corporation, Nidec Copal Electronics Corporation, Nidec Tosok Corporation, Nidec Copal Corporation, Nidec Tosok (Vietnam) Co., Ltd., Nidec Global Service Corporation.

The positioning of the Company and its principal consolidated companies in relation to the product category of our group is as follows:

Product Category		Principal Companies
Small precision motors	Hard disk drives spindle motors	Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec Philippines Corporation, Nidec (H.K.) Co., Ltd.
	Other small precision motors	Nidec Corporation, Nidec Sankyo Corporation, Nidec (H.K.) Co., Ltd., Nidec (Dongguan) Limited, Nidec Copal Corporation, Nidec (Shanghai) International Trading Co., Ltd., Chaun-Choung Technology Corp, Nidec Copal Electronics Corporation.
Automotive products		Nidec Corporation, Nidec Tosok Corporation, Nidec Tosok (Vietnam) Co., Ltd., Nidec Motors & Actuators (Germany) GmbH, Nidec GPM GmbH, Nidec Automobile Motor (Zhejiang) Corporation, Nidec Sankyo Corporation, Nidec (Shanghai) International Trading Co., Ltd., Nidec (Dalian) Limited, Nidec Mobility Corporation, Nidec Tosok (Zhejiang) Corporation.
Appliance, commercial and industrial products		Nidec Motor Corporation, Nidec ASI S.p.A., Nidec Techno Motor Corporation, Nidec Shibaura (Zhejiang) Co., Ltd., Nidec Leroy-Somer Holding, Nidec Control Techniques Limited, Embraco Industria de Compressores e Solucoes em Refrigeraao Ltda.
Machinery		Nidec Sankyo Corporation, Nidec Shimpo Corporation, Nidec Read Corporation, Nidec Copal Corporation, Nidec Minster Corporation.
Electronic and optical components		Nidec Copal Corporation, Nidec Sankyo Corporation, Nidec Copal Electronics Corporation.
Others		Nidec Global Service Corporation, Nidec Sankyo Corporation.

(Business Diagram)



4. Information on Affiliates

(1) Consolidated subsidiaries

Name	Address	Capital	Principal business	% of voting rights interests	Relationship				
					Interlocking directorate	Funding support	Major business transaction	Lease of property, plant and equipment	Others
Nidec (H.K.) Co., Ltd.	Hong Kong, China	HKD 2,352 thousand	Small Precision Motors	100.0			Sales of products of the Company Payment of commissions		*1
Nidec (Shanghai) International Trading Co., Ltd.	Shanghai, China	CNY 1,655 thousand	Small Precision Motors, Automotive products	100.0 (100.0)			Payment of commissions		
Nidec Motor Corporation	Missouri, U.S.A.	USD 1,355,662 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)	Yes		Receipt of royalties		
Nidec Sankyo Corporation	Shimosuwa-cho, Suwa-gun, Nagano	JPY 35,270 million	Small Precision Motors, Automotive Products, Machinery and Electronic parts	100.0	Yes		Receipt of royalties		*1
Nidec Techno Motor Corporation	Obama, Fukui	JPY 2,500 million	Commercial and Industrial products	100.0	Yes	Loan	Receipt of royalties	Yes	
Nidec Mobility Corporation	Komaki, Aichi	JPY 14,561 million	Automotive products	100.0	Yes	Loan	Receipt of royalties		*1
Nidec-Shimpou Corporation	Nagaokakyo, Kyoto	JPY 3,796 million	Machinery	100.0	Yes	Loan	Receipt of royalties		
Nidec Electronics (Thailand) Co., Ltd.	Pathumthani Province, Thailand	USD 231,657 thousand	Small Precision Motors	99.9	Yes		Supply of products to the Company, Receipt of royalties	Yes	*1
Nidec Philippines Corporation	Province of Laguna, Philippines	USD 39,207 thousand	Small Precision Motors	99.9	Yes		Supply of products to the Company, Receipt of royalties		*1
Nidec Precision (Thailand) Co., Ltd.	Ayutthaya Province, Thailand	THB 450,000 thousand	Small Precision Motors	99.9 (99.9)	Yes			Yes	
Nidec (Dongguan) Ltd.	Dongguan, Guangdong, China	USD 23,000 thousand	Small Precision Motors	100.0 (37.5)	Yes		Supply of products to the Company, Receipt of royalties	Yes	

Name	Address	Capital	Principal business	% of voting rights interests	Relationship				
					Interlocking directorate	Funding support	Major business transaction	Lease of property, plant and equipment	Others
Nidec Chaun-Choung Technology Corp	New Taipei, Taiwan	TWD 863 million	Small Precision Motors	86.1	Yes	Loan			
Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd	Dongguan, Guangdong, China	USD 7,000 thousand	Small Precision Motors	100.0 (100.0)	Yes		Supply of products to the Company		*1
Nidec Vietnam Corporation	Ho Chi Minh, Vietnam	USD 11,000 thousand	Small Precision Motors	100.0	Yes		Supply of products to the Company, Receipt of royalties	Yes	*1
Nidec Copal Corporation	Itabashi-ku, Tokyo	JPY 11,080 million	Small Precision Motors, Machinery and Electronic and Optical parts	100.0	Yes	Loan	Receipt of royalties	Yes	*1
Nidec Copal Electronics Corporation	Shinjuku-ku, Tokyo	JPY 2,362 million	Small Precision Motors, Electronic and Optical parts	100.0	Yes		Receipt of royalties		
Nidec Tosok Corporation	Zama, Kanagawa	JPY 5,087 million	Automotive products	100.0	Yes		Receipt of royalties		
Nidec Tosok (Vietnam) Co., Ltd.	Ho Chi Minh, Vietnam	JPY 4,105 million	Automotive products	100.0 (61.5)	Yes				
Nidec Motors & Actuators (Germany) GmbH	Baden-Württemberg, Germany	EUR 25 thousand	Automotive products	100.0	Yes		Sales of products of the Company, Payment of commissions, Receipt of royalties		*1
NIDEC GPM GmbH	Thüringen, Germany	EUR 294,273 thousand	Automotive products	100.0 (100.0)	Yes		Receipt of royalties		*1
Nidec Automobile Motor (Zhejiang) Corporation	Pinghu, Zhejiang, China	USD 48,000 thousand	Automotive products	100.0 (9.9)	Yes		Supply of products to the Company, Receipt of royalties		*1
Nidec (Dalian) Ltd.	Dalian, Liaoning, China	USD 66,500 thousand	Automotive products	100.0	Yes		Supply of products to the Company, Receipt of royalties		*1

Name	Address	Capital	Principal business	% of voting rights interests	Relationship				
					Interlocking directorate	Funding support	Major business transaction	Lease of property, plant and equipment	Others
Nidec Tosok (Zhejiang) Corporation	Pinghu, Zhejiang, China	CNY 432,657 thousand	Automotive products	100.0 (100.0)	Yes				
Guangzhou Nidec Auto Drive System Co., Ltd.	Guangzhou, Guangdong, China	CNY 350,000 thousand	Automotive products	51.0	Yes		Receipt of royalties		*1
Nidec Shibaura (Zhejiang) Co., Ltd.	Pinghu, Zhejiang, China	CNY 553,944 thousand	Appliance, Commercial and Industrial products	100.0 (91.7)	Yes				
Nidec Leroy-Somer Holding	Angouleme, France	USD 55,393 thousand	Appliance, Commercial and Industrial products	99.8 (99.8)		Loan	Receipt of royalties		
Nidec Control Techniques Limited	Powys, UK	USD 12,246 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)			Receipt of royalties		
Nidec Global Appliance Compressores e Solucoes em Refrigeracao Ltda.	Santa Catarina, Brazil	USD 370,939 thousand	Appliance, Commercial and Industrial products	100.0 (99.9)		Loan	Receipt of royalties		*1
Nidec ASI S.p.A.	Lombardia, Italy	EUR 16,155 thousand	Industrial products	100.0 (100.0)			Receipt of royalties		
Nidec-Read Corporation	Ukyo-ku, Kyoto	JPY 938 million	Machinery	100.0	Yes		Receipt of royalties	Yes	
OKK Corporation	Itami, Hyogo	JPY 9,023 million	Machinery	66.6		Loan			*1
Nidec Global Service Corporation	Mikami-ku, Kyoo	JPY 109 million	Service	100.0 (70.2)	Yes	Loan			
Other 308 companies									

(Notes) *1. Companies that fall under the definition of a specified subsidiary or "Tokutei Kogaisha". Under the Financial Instruments and Exchange Act of Japan, a subsidiary corresponds to a "Tokutei Kogaisha" when the total amount of its net sales to or the total amount of its purchases from the parent company during the period corresponding to the most recent fiscal year of the parent company are 10% or more of the total amount of the parent company's purchases or the total amount of the parent company's net sales during the same period.

Among the other companies, the company that falls under the specified subsidiary is as follows.

Nidec Europe B.V.

2. A number in the round brackets in the "% of voting rights interests" column shows the % of indirect voting interests, which is a part of the total voting interest.

(2) Associated company under the equity method

We have 4 associated companies under the equity method. We have omitted a description of them as they are immaterial.

5. Employees

(1) Consolidated basis

(As of March 31, 2022)

Name of segment	Number of employees	
Small Precision Motor & Solutions Business Unit	29,192	(13,795)
Automotive Motor & Electronic Control Business Unit	10,193	(1,184)
Appliance, Commercial & Industrial Motor Business Unit	33,303	(2,538)
Nidec Sankyo	12,841	(3,886)
Nidec Techno Motor	2,744	(2,173)
Nidec Mobility	3,920	(286)
Nidec-Shimpo	5,577	(419)
Others	15,709	(3,662)
Corporate	892	(34)
Total	114,371	(27,977)

(Note) The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

(2) The Company

(As of March 31, 2022)

Number of employees	Average age	Average length of service	Average annual salary
2,511 (108)	39.2	10.8	6,451,252

Name of segment	Number of employees
SPMS	836 (9)
AMEC	881 (89)
ACIM	3 (-)
Corporate	791 (10)
Total	2,511 (108)

(Notes) 1. The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.
 2. Average annual salary includes extra wages and bonuses.

(3) Labor union

Labor unions have been organized at several consolidated subsidiaries at the company and its consolidated subsidiaries. The relationship between management and labor unions is favorable and there are no material facts to report.

II. Business Overview

1. Management Policies, Business Environment, and Challenges

Forward-looking statements below were determined by NIDEC as of the end of the current fiscal year and do not guarantee the achievement.

(1) Basic management policies

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

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

"Mission":

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

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

"Vision":

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

Under these circumstances, we have set a new medium-term strategic target for fiscal year 2025 (Vision2025) and aim to be a growing company that is strongly adapted to changes in the business 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% (compared to FY2020)
- 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 (compared to FY2020)
- 3) ROIC (Return On Invested Capital) : over 15%
- 4) To be a top-rated ESG company

NIDEC announces that it will achieve carbon neutrality in FY2040 as a major pillar of its new medium-term strategic goal Vision2025 and materiality initiatives, with the aim of contributing to the realization of a carbon-free society.

To achieve this target, we will first aim to substantially reduce the CO2 that NIDEC emits directly through its business activities at present (Scope 1), and CO2 that is emitted in the production stage of heat or energy used in business activities (Scope 2), by making our businesses more energy efficient and proactively introducing renewable energies. After building a solid foundation for renewable energy oriented CO2 emissions reduction, we will promote a shift to energy-saving, low-carbon fuels and employ carbon offset investments and other measures, thereby achieving carbon neutrality in our business activities in FY2040.

For CO2 emitted in the supply chain (Scope 3), we will decide a reduction plan by FY2025.

As a first step toward realizing a carbon-free society, one of the most important missions for NIDEC, the Company declared support the TCFD (Task Force on Climate-related Financial Disclosures) and its recommendations. The Company also submitted a commitment letter to the SBTi (Science Based Targets initiative) at the same time. NIDEC will disclose the impact of climate change on its business and profits through integrated reports and other disclosure media.

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

Currently, NIDEC believes NIDEC can provide solutions to common problems of humankind in the five fields of "decarbonization," "manpower saving," "power saving," "thermal solutions," and "digital data explosion." NIDEC will concentrate management resources in the fields such as "automotive electrification," "expansion of robot applications," and "increased demand for high-efficiency motors," in which solutions to common problems of humankind such as CO2 emissions control, labor shortage and power saving are required.

1. Small precision motors

In the small precision motors business, thermal management related products are one of the field in which sales growth is expected in the future. With the spread of 5G communication, the importance of dealing with "heat" is increasing, and it is expected that the demand for thermal management related products such as heat sinks, heat pipes, vapor chambers, and others. In addition, the electrification of small mobility fields such as electric bicycles, electric motorcycles, electric scooters and mini EVs is expected to drive our growth in the medium to long term. The wave of electrification is likely to come to two-wheel vehicles as it has come to four wheelers, and it is expected that the opportunities for our motors will expand.

NIDEC makes efforts to improve the profitability of HDD motors. HDDs for PCs are not expected to grow significantly in the future due to the spread of new IT terminals such as tablets and smartphones, the improvement for the image quality and capacity of images and videos, and spread social media and games. Demand for HDD motors is expected to continue to grow in server applications as data storage becomes cloud-based, and the composition ratio of high-value-added products is expected to increase.

2. Automotive products

As the impact of climate change increases in severity, the automotive industry is accelerating its efforts toward decarbonization. Since emissions from passenger cars, trucks, and others account for approximately one fifth of the total CO2 emissions in the world, major countries have announced a ban on the sales of gasoline and diesel vehicles one after another, and are supporting to shift to the 'vehicle electrification'. NIDEC takes "automotive electrification" as medium- to long-term growth opportunities. By supplying existing automotive motors such as electric power steering motors and brake motors, automotive cameras, control valves, electric oil pumps and others, as well as electric vehicle driving motor system (E-Axle), NIDEC will actively participate in the industry's efforts to reduce the CO2 emitted by running vehicles to virtually zero. The electric vehicle market has expanded rapidly in recent years, mainly in China and Europe, and demand for our "E-Axle" is expected to expand significantly in the future.

3. Appliance, commercial and industrial products

Motors currently account for approximately half of the world's electric power demand, and since the consumption of industrial motors is particularly large, there is an urgent need to replace them with higher-efficiency motors. In the appliance sector, NIDEC handles motors for washing machines, dryers, dishwashers, compressors for refrigerators, motors for compressors and other, and it is expected that the demand for highly efficient brushless DC motors will further increase in the future. The commercial sector supplies air conditioner motors, and the industrial sector develops business mainly in markets such as agriculture, gas, mining, water and sewage, and marine markets.

There is a global trend toward energy-efficiency and power-saving, and NIDEC is aiming for further development of the appliance, commercial, and industrial businesses by following this trend.

4. Others

Demand for factory automation (FA) is increasing mainly in China, aiming to solve the global labor shortage. NIDEC is promoting business expansion by capturing demand for small robot core parts (speed reducers), which is expanding due to the "expansion of robot applications." In addition, NIDEC is aiming to supply high-value-added products by accelerating the modularization of speed reducer related products.

5. M&A

In order to achieve the above goals, in the small precision motors business, NIDEC has acquired Chaun-Choung Technology in November 2018, which has thermal solution products centered on vapor chambers. In combination with NIDEC's existing technology, cooling technology centered on fan motors, NIDEC will provide higher value-added thermal solutions. In the automotive business, NIDEC has acquired OMRON Automotive Electronics in October 2019, which has the technology of electronic control unit (ECU). NIDEC will increase the ECU capacity of Nidec Elesys and pursue synergies with its existing automotive motors. For appliance, commercial and industrial products, NIDEC has acquired Embraco in July 2019, which has technology for refrigerator compressors. In combination with its existing technology for compressor motors, NIDEC contributes to the development of refrigerators with even greater energy-efficiency performance. For others, in August 2021 NIDEC has acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd., which has high accuracy and efficiency gear processing technology. NIDEC will pursue synergy effects in the two existing businesses of speed reducers and press machines owned by Nidec-Shimpo Corporation, as well as in basic technology development, manufacturing and sales and so forth. In addition, NIDEC expects utilizing Mitsubishi Heavy Industries Machine Tool's technology for our future insourcing plan. NIDEC is expecting further demand increase for E-Axle, the electric vehicle traction unit that NIDEC is most focused on at present. Technology of the company is essential strengthen manufacturing capabilities of gears, the core component of the traction unit. In addition, in February 2022 NIDEC has acquired OKK Corporation ("OKK"), whose business is to design, manufacture, sell and install machine tools, and provide technical instructions on and after-sales services related to products, etc. The acquisition of OKK achieves a mutual complement of products in the area of machine tool, an existing area of businesses where NIDEC operates, and synergies are also expected especially in such areas as element technology development, manufacturing, and sales of the machine tool business. We hope to mutually exploit NIDEC's and OKK's respective technological capability, brand power, and customer bases to expand our machine tool business.

2. Risk Factors

Risks that have the potential to affect the performance, stock price and financial position of NIDEC include, but are not limited to, the issues discussed below. Forward-looking statements in this discussion reflect the judgment of NIDEC as of March 31, 2022.

1. Management strategy risks

(1) Risks related to political and economic downturns (Especially significant risk)

Our products and the end-products are produced and consumed in Asia, the United States, Europe and Japan, mainly in China, and demand for our products may be adversely affected by unexpected economic, political and policy trends in these countries or regions. In particular, our products are often used in end-products that are subject to discretionary spending, such as personal computers, consumer electronic goods and automobiles, and thus a decline in general consumption levels could adversely affect our sales. Similarly, capital investment levels in the manufacturing sector can be particularly sensitive to economic trends, and a decline in capital investment could adversely affect sales of our products that are used in industrial applications. Our business, results of operations and financial position may be materially and adversely affected by negative economic trends in future periods.

In fiscal 2021, in addition to the impact of trade friction between the United States and China, the spread of the COVID-19 infection continued due to the frequent occurrence of its variant strains. As a result, restrictions on movement, large fluctuations in production activities and consumer spending, and instability in the supply chain caused a deterioration in the global economy and high raw material and distribution costs, which NIDEC's financial position and operating results were adversely affected. In particular, the suspension of factory operations by automakers, a decline in capital investment, and a decline in demand for home appliances led to a decline in demand for some NIDEC products in this segment. In addition, it is expected that Europe and the United States will take a more active responding to climate change and that the global movement toward decarbonization will accelerate. NIDEC is considering the introduction of renewable energy at its plants.

Recently, there has been a shortage of semiconductors due to an imbalance in supply and demand, and a supply shortage of raw materials indispensable for motors such as electrical steel sheets, and soaring prices. In addition, geopolitical risks stemming from Russia's invasion to Ukraine bring concerns about uncertainty in energy supply and soaring prices due to confusion in the global supply chain. For semiconductors and electrical steel sheets, NIDEC is taking measures to secure supply by reviewing procurement strategies, and to deal with the deterioration of raw material market conditions by reducing costs, adjusting selling prices, and technological innovation.

(2) Risks related to changes in the technological environment and industrial structure (Especially significant risk)

If changes in demand due to technological changes and changes in customer trends in response occur at a faster pace than NIDEC expects, NIDEC's operating environment in this market may be adversely affected.

For example, the HDD motor business is one of NIDEC's main businesses and has been a revenue base for NIDEC for a long time. However, the structural changes in the storage market due to the establishment of SSD and cloud computing have led to changes in the business model of customers, leading to a decline in demand for NIDEC's HDD motors. In the future, we will focus on HDD motors for servers, which will be driven by the expansion of the cloud market, and secure a certain amount of profit. At the same time, we will accelerate our business portfolio transformation by concentrating resources allocated for the development and production of HDD motors for terminals on new products such as mobility solutions.

(3) Risks related to competition (Especially significant risk)

In fiscal 2021, in addition to the impact of trade friction between the United States and China, the spread of the COVID-19 infection continued due to the frequent occurrence of its variant strains. As a result, restrictions on movement, large fluctuations in production activities and consumer spending, and instability in the supply chain caused a deterioration in the global economy and high raw material and distribution costs, which NIDEC's financial position and operating results were adversely affected. In particular, the suspension of factory operations by automakers, a decline in capital investment, and a decline in demand for home appliances led to a decline in demand for some NIDEC products in this segment. In addition, it is expected that Europe and the United States will take a more active responding to climate change and that the global movement toward decarbonization will accelerate. NIDEC is considering the introduction of renewable energy at its plants.

Our competitiveness may decline and/or our profitability may be adversely affected if:

- any of our markets develops faster than our expectations due to rapidly increasing demand or otherwise, causing our market share to decline relative to our competitors that are able to better meet increasing demand or otherwise cope with developing markets;
- our cost reduction efforts are insufficient to offset declines in market price levels or increases in raw material costs;
- our competitors' competitive efforts result in technological innovations, improved manufacturing efficiencies or enhanced research and developmental capabilities, rendering our products and technologies obsolete;
- mergers or consolidations among our competitors result in a relative decline in our competitive position; or
- we are unable to obtain financial, technological, human or other resources necessary to maintain or enhance our investments.

Currently, NIDEC's main market for EV traction motor systems is China. China is promoting vehicle electrification as a national policy, and currently has the largest EV market in the world. NIDEC currently positions traction motor, which is equivalent to EV engine, as an important strategic product. Therefore, a loss of competitiveness in the market due to the rise of cost-competitive and fast-developing local manufacturers could have a significant impact on NIDEC's overall growth strategy. As a countermeasure, we are strengthening partnerships with Chinese companies with significant influence in this market. Regarding traction motor system for EVs, we have formed an alliance with Guangzhou Automobile Group Co., Ltd., a leading automobile manufacturer in the country in 2019. In addition, by increasing production capacity in China, we are developing a supply system that assumes a rapid increase in demand. Plants are already in operation in Pinghu, and production is planned for Dalian and Guangzhou in the future. Also, we established the Suzhou Development Center in Suzhou in 2019 to create a system to respond quickly to customer requests by localizing development.

(4) Risks related to prior investments for anticipated customer demands (Especially significant risk)

If NIDEC anticipates growth in demand, we may expand our manufacturing capabilities in advance of anticipated customer demand. Therefore, if demand falls short of production capacity, an increase in amortization burden due to operating loss or a devaluation of inventories due to overstock may put pressure on profit. For example, a production plant for EV traction motor systems for which demand is expected to expand rapidly in the market is already operating in Pinghu City, China. In the future, we will build a new building in the Pinghu area to build a system to prepare for growing demand. We are also constructing a production plant for EV motors and inverters in Serbia, Europe, and will strengthen our supply system in Europe, where EV demand is expected to grow, driven by decarbonization.

However, should we fail to secure the initially anticipated order volume, due to changes in the progress of product development and market entry of competitors as well as in the demand for end-products, NIDEC's operation results and financial position may be significantly affected.

Furthermore, if the equipment introduced to our plants becomes obsolete or their applications need to be altered due to rapid technological innovation, we may need to reduce their currently estimated service lives, increasing the depreciation burden per consolidated accounting period. On the other hand, if we underestimate our customers' needs and fail to make the necessary capital investments, we may lose market share due to our inability to meet customers' demands.

In addition, in anticipation of lead times to obtain inventory and materials from our suppliers, we may also from time to time order materials in advance of anticipated customer demand. This advance investment and ordering may result in excess inventory levels, resulting in unanticipated inventory write-downs if expected orders fail to materialize.

(5) Risks related to M&A (Especially significant risk)

We have achieved much of our growth by acquiring and otherwise investing in other companies that have provided us with complementary technologies, product lines, marketing and sales networks, and customer base. The continued success of our acquisition and investment activities constitutes a key factor in achieving our current business strategy. Acquiring technology and commercial distribution centered on the automotive business is becoming increasingly important. In the automotive business, particularly traction motor system for EVs is expected to become a pillar of future growth. As the expansion of the EV market is expected to accelerate rapidly amid the trend toward green recovery, NIDEC's competitiveness may decline if it fails to acquire the technology, commercial distribution and facilities necessary for manufacturing traction motor systems for EVs at an appropriate time to keep pace with market growth. As we aim to achieve sales of 10 trillion yen in fiscal 2030, we expect NIDEC's business model to shift from selling individual motors to modules and systems. As the market undergoes rapid changes, it may become impossible to keep up with the pace of market growth if we fail to properly select and acquire the technologies necessary to transform our business model.

To the extent that we are unable to make successful acquisitions or investments, we may not be able to continue to expand our product range, marketing or sales networks or customer base, and our growth rates could be adversely affected. Critical to the success of our acquisitions is the ordered and efficient integration of acquired businesses into our organization. Our acquisitions may not generate the operational and financial returns we expect.

The success of our future acquisitions will depend upon factors such as:

- accuracy of various due diligence analyses;
- our preliminary survey's ability to detect those liabilities of the acquiree that could negatively affect NIDEC;
- our ability to manufacture and sell the products of the businesses acquired and to integrate the technologies of the acquired businesses with our own to develop new products;
- our ability to integrate the acquired businesses' operations, products and personnel;
- our ability to retain key personnel of the acquired businesses; and
- our ability to extend our financial and management controls as well as our reporting and compliance systems and procedures to acquired businesses.

Our new and additional investments in other companies are subject to other uncertainties that may have a material adverse impact on our business. For example, the fair value of our investments in other companies may be impaired if their business results deteriorate. Changes in economic policies of local governments, laws and regulations, and accounting rules applicable to companies in which we invest may also have a significant adverse effect on our financial results.

Failure to succeed in acquisitions or investments, or an inability to find suitable acquisition or investment targets, could have a material adverse effect on our business, results of operations and financial position.

And NIDEC recorded a large amount of goodwill and intangible assets acquired in connection with acquisition, and as of March 31, 2022, goodwill and intangible assets were recorded at 339.9 billion yen and 214.5 billion yen respectively. NIDEC believes that these assets appropriately reflect the future profitability achieved through the efficient integration of the acquired businesses, though we may not be able to generate the estimated amount of profits due to a deterioration of the business environment and others. In that case, NIDEC will need to recognize an impairment of these assets, which could adversely affect its operating results and financial position.

(6) Risks related to compliance with various laws and regulations

We conduct our business subject to ongoing regulation and associated regulatory compliance risks, including the effects of changes in laws, regulations, policies, voluntary codes of practice, accounting standards and interpretations and application errors in Japan and other countries in which we conduct our business. As we expand the range of our products and the geographical scope of our business, we will be exposed to risks that are unique to particular industries, markets or jurisdictions. Our compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules.

Our business activities are subject to a wide range of environmental laws and regulations in Japan, Asia, North America, Europe and other areas. These laws and regulations include those relating to discharge of chemicals into the air and water, management, treatment and disposal of hazardous substances and wastes, product recycling, prevention of global warming and the obligation to investigate and remediate soil and groundwater contamination.

The European Commission agreed to legislate a target of 0 greenhouse gas emissions by 2050. In addition, we agreed on a new target for 2030 to reduce emissions by at least 55% from the levels in 1990. Moreover, the European Union, the United States, and Japan are considering the introduction of a border carbon tax, which imposes tariffs according to the amount of CO₂ emissions from imported products. This is another example of the rapid acceleration of global efforts toward decarbonization. Many of our operations require environmental permits, the terms of which may impose limits on our manufacturing activities and require the incurrence of costs to achieve compliance and which may be subject to modification, renewal and revocation by the issuing authorities. Moreover, if these laws, regulations and permits become more stringent in the future, the amount of capital expenditures and other expenses which may be required to complete remedial actions and to continue to comply with applicable environmental laws, regulations and permits could increase and be significant, which would materially and adversely affect our business, results of operations and financial position.

Our business activities are also subject to various other governmental regulations, both local and international, including antitrust, anti-bribery, anti-terrorism, intellectual property, consumer protection, taxation, export regulations, tariffs, foreign trade and exchange controls.

Moreover, as we expand our operations into new products and geographical markets, we may be required to further enhance our compliance policies and procedures. Because we are listed on the Tokyo Stock Exchange, we are required to comply with the appropriateness of financial reporting under the application of the Financial Instruments and Exchange Act of Japan and other laws and regulations. We are continuing to expand our business as our business grows, and we need to strengthen our compliance system regarding the appropriateness of financial reporting. Our failure or inability to comply fully with applicable laws, regulations, standards and rules could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate, adversely affecting our business.

In addition, future changes in laws, regulations, rules, policies, voluntary codes of practice, accounting standards, fiscal or other policies and their effects are difficult to predict, and additional financial, administrative and human resources may be required to put in place new compliance systems.

2. Business operation risks

(1) Risks related to recruiting and retaining highly skilled personnel (Especially significant risk)

Our business depends on the continued employment of our senior management, engineers and other technical personnel, many of whom would be extremely difficult to replace. A wave of technological innovation is arriving and we are on the brink of whether or not we can ride on the wave. NIDEC will need to develop a system to additionally hire, train, integrate and utilize human resources with a high level of knowledge of new markets, such as AI and IoT, and significant numbers of highly skilled human resources. The competition is intense worldwide for recruiting such personnel, and if NIDEC may be unable to attract such additional personnel, NIDEC could lose the opportunity to ride on the wave of technological innovation.

In order to achieve sales of 10 trillion yen in fiscal 2030, NIDEC is promoting three reforms of its personnel system: the evaluation system, grading system, and compensation system. To thoroughly implement the merit-based and performance-based system, we will strive to employ highly specialized human resources, secure executive human resources, and strengthen the development process by conducting flexible evaluations and remuneration based on results, smooth personnel changes based on the right person for the right job, and human resource development.

(2) Risks related to our research and development

We engage in continuous research and development activities, including those related to basic technologies, new products, product improvements, manufacturing processes and low cost products. The markets in which NIDEC provides its products are continually undergoing rapid technological innovation, focusing resources on five areas: decarbonization, energy-saving, labor-saving, 5G and thermal solutions, and digital data explosion. In particular, demand for traction motors for EVs is expected to increase further in the future against the background of decarbonization. However, as environmental regulations are being strengthened mainly in Europe and the United States, it is expected that customer demand for products with environmental performance (high efficiency and resource conservation) and delivery dates, which are triggered by legal regulations, will continue to increase. In such markets, our success will depend upon our ability to continue to develop superior technologies, products and processes in a timely manner in order to meet our customers' needs effectively. If third parties succeed in developing new technologies, products or processes that are more attractive to our customers than ours due to our inability to accurately anticipate the direction of the market, our inability to conduct research and development in an effective or timely manner or otherwise, our products could be rendered obsolete, their sales share shrinks, and they will impede the expansion of new product businesses and markets. Anticipating such shifts accurately and developing appropriate technologies, products and processes in a timely manner present a significant challenge. Determining the direction of our research activities related to basic technologies is particularly difficult, and the risk of our being unable to recoup the costs related to such activities can be significant. If we are unsuccessful in our research and development activities, our business, results of operations and financial position could be materially and adversely affected.

(3) Risks related to quality of our products

The perception of quality has changed dramatically in recent years. Product quality must be defined in terms of human rights, the working environment in the procurement process of materials used in products and environmental regulations on substances contained in products, as well as CO2 emissions during excavation.

We manufacture state-of-the-art motors and other electronic products and, as a result, are exposed to potential warranty and product liability claims arising from alleged or actual defects in our products in the normal course of business or unexpected problems arising from the sophistication of customer systems. In particular, widespread malfunction of any end-product in which our products are incorporated may lead to consumer dissatisfaction, recalls and lawsuits. In the automotive, appliance, commercial and industrial motors and other parts markets, where we seek to expand our business, strict safety standards are imposed by societal demand, and if we were unable to provide safe and high quality products, such an event could result in an accident involving serious property damage and/or loss of life, a product may become subject to a mandatory recall and so forth. If such malfunction is caused by or attributed or alleged to be attributed to defects in our products, our brand image could be damaged, we may be subject to adverse regulatory action and significant legal claims or drawn into disputes with our customers, and our results of operations may be adversely affected by lost sales or costs associated with recalls. In addition, significant financial and human resources may be incurred, and management's attention may be diverted, if we are required to defend ourselves against legal claims.

We generally maintain insurance against product liability claims, but our insurance coverage may not be adequate for any potential liability ultimately incurred. In addition, insurance could become unavailable in the future on terms acceptable to us. A successful claim that exceeds our available insurance coverage or a significant product recall could have a material adverse impact on our business, results of operations and financial position.

(4) Risks related to procurement of raw materials or components

We rely on third party suppliers for raw materials, components and unit assemblies used in our manufacturing processes. The disruption of the supply-demand balance due to COVID-19 pandemic and trade issues between the United States and China may result in constraining NIDEC's production volume through a rise in the prices and restrictions on supply of raw materials and assembly parts. As its countermeasure, we are securing multi-source products through the examination of substitute products and medium- and long-term requirements, and securing supply capacity.

Furthermore, a country's governmental policy changes relating to specific raw materials or conditions of use of components and changes in customers' procurement conditions, etc. may place constraints on NIDEC's capacity to procure raw materials or components. As human rights and the labor environment, and the availability of resources in the parts procurement process become more diverse and more stringent, if our ability to procure raw materials or components is constrained by these factors, we would invest in product design and development to enable us to reduce our usage of the raw material or component in question and/or secure suppliers of alternative materials. However, in the event of prolonged quantitative shortages of, or qualitative deficiencies in, materials or components, we may experience production delays that could adversely affect our business, operating results and financial position. As a countermeasure, training is provided to departments in charge of purchasing to strengthen communication with suppliers. In the fourth quarter of fiscal 2021, countries imposed economic sanctions against Russia in response to Russia's invasion to Ukraine. The resulting worsening of the energy situation and disruption of the global supply chain could squeeze our raw material production and procurement capacity, pushing up product costs in our business.

(5) Risks related to our operations in overseas countries

A substantial portion of NIDEC's manufacturing and marketing activity is conducted in the United States, Europe and in other region, such as China. Due to our overwhelmingly high ratio of overseas production, there are a number of risks in doing business in such overseas markets, including the following:

- economic slowdown or downturn in the relevant industries in foreign markets;
- international currency fluctuations;
- labor shortages, labor dispute and labor cost increases, especially in China and Southeast Asia;
- political instability;
- changes in trade restrictions and tariffs;
- difficulties associated with staffing and managing international operations;
- generally longer receivables collection periods;
- potentially adverse taxes;
- cultural and trade differences, and
- significant time and capital required for expanding overseas businesses before achieving a return on capital.

NIDEC is working to reduce the impact of country risk on its management by diversifying its business bases.

(6) Risks related to intellectual property

Our business is dependent on our ability to protect the proprietary rights to our technologies and products and other intellectual property, which we seek to protect through patent, trademark, copyright and other legal protection afforded to intellectual property rights as well as contractual provisions and our internal information control system. Despite these efforts, we face the following risks:

- we could incur substantial costs in defending against claims of infringement of the intellectual property of others, and such claims could result in damage awards against us, orders to pay for the use of previously unrecognized third-party intellectual property or injunctions preventing us from continuing aspects of our business, which could in turn have a material adverse effect on our business, results of operations and financial position;
- our protective measures may not be adequate to protect our proprietary rights;
- other parties, including competitors with substantially greater resources, may independently develop or otherwise acquire equivalent or superior technology, and we may be required to pay royalties to license the intellectual property of those parties;
- patents may not be issued pursuant to our current or future patent applications, and patents issued pursuant to such applications, or any patents we own or have licenses to use, may be invalidated, circumvented or challenged;
- the rights granted under any such patents may not provide competitive advantages to us or adequately safeguard and maintain our technology;
- we could incur substantial costs in seeking enforcement of our patents against infringement or the unauthorized use of our trade secrets, proprietary know-how or other intellectual property by others; and
- the laws of foreign countries in which our products are manufactured and sold may not protect our products and intellectual property rights to the same extent as the laws of Japan, and such laws may not be enforced in an effective manner.

(7) Risks related to leaks of confidential information

In the normal course of business, we possess personal and other confidential information on our customers, other companies and other third parties with whom we do business as well as personal information of our employees. Although we have security measures, access control in research and development sites and strict management of CAD data, etc. in place to protect such information, we may be subject to liability or regulatory action if any of such information is leaked due to human or technical error, unauthorized access, other illegal conduct or otherwise. Failure to protect confidential information could also lead to a loss of our competitive advantage and customer and market confidence in us, adversely affecting our business, results of operations and financial position. Moreover, societal trust in our sales activities, systems and brand image will be lowered.

As these countermeasures, NIDEC has established the Information Security Management Office in 2019. In line with this, NIDEC has established an Information Security Committee and the information security manager and the information security promoter in each organization to build a cross-group security management system.

Continued in fiscal 2021, the Information Security Management Office took the lead in conducting e-learning on information security for employees, and established the Information Security Enhancement Month to disseminate information for the purpose of raising awareness of information security. In addition, as a measure to prevent information leakage related to M&A, we manage information by concluding confidentiality agreements with internal parties for each individual case.

(8) Risks related to our pension plans

Some companies of the NIDEC Group adopt both a defined benefit pension plan and a defined contribution pension plan for their employees who fulfill certain requirements. We may incur losses if the fair value of our pension plans' assets declines, if the rate of return on our pension assets declines, or if there is a change in the actuarial assumptions on which the calculations of the projected benefit obligations are based. We may also experience unrecognized service costs in the future due to amendments to existing pension plans. Moreover, fluctuation in interest rates, changes to the environment surrounding NIDEC and other factors may adversely affect the amount of unfunded pension obligations, among other factors. In addition, the assumptions used in the computation of future pension expenses may not remain constant.

(9) Risks related to fluctuations of foreign currency exchange rates

A significant portion of our overseas sales is denominated in currencies other than the Japanese yen, primarily the U.S. dollar, Euro, the Chinese yuan and Thai baht. As a result, the appreciation of the Japanese yen against the U.S. dollar, Euro and other currencies will generally have a negative effect on our sales, operating profit and profit. In order to mitigate against this risk, in recent years we have been attempting to offset a portion of our foreign currency revenue by matching the currency of revenue with the currency of expense. For example, if revenue for a particular product is in U.S. dollars, we attempt to purchase the supplies and resources used to produce that product in U.S. dollars. Nevertheless, we remain exposed to the effects of foreign exchange fluctuations.

We may also experience significant effects from foreign currency exchange rate fluctuations when the results of operations of subsidiaries operating in currencies other than the yen are consolidated into our financial statements, which are reported in Japanese yen.

(10) Risks related to fluctuations of interest rates

We have long-term receivables and interest-bearing liabilities with fixed and variable interest rates, and we may enter into interest rate swaps and other contracts in order to prevent risks related to the fluctuation of such interest rates and to increases or decreases in cash flows. To the extent that their effects are not hedged, we are exposed to interest rate fluctuation risks which may affect our interest expenses, interest income and the value of our financial assets and liabilities.

(11) Risks related to our liquidity of funds

We rely on borrowings from financial institutions and direct equity financing from financial markets to finance our operations, capital expenditures and acquisitions of other companies.

NIDEC aims to achieve sales of 10 trillion yen in fiscal 2030. As the scale of fund procurement is expected to expand in the future, NIDEC is diversifying its sources of funding. To this end, it is necessary to further enhance our ability to raise funds by maintaining and improving our ratings. At the same time, it is important to comply with the corporate value judgment criteria that take into account ESG, which has been firmly established in recent years.

If, due to changes in financial market conditions or other factors, financial institutions reduce the amounts of their lending, credit lines, or terms of lending to us, and if we are unable to find alternative financing sources on equally or more favorable terms, our business may be materially adversely affected. In addition, if there is a significant downgrade of our credit ratings by one or more credit rating agencies as a result of any deterioration of our financial position or if investor demand significantly decreases due to economic downturns or otherwise, we may not be able to access funds when we need them on acceptable terms, our access to capital markets may become more restricted, or the cost of financing our operations through indebtedness may significantly increase. This could adversely affect our business, results of operations and financial position.

(12) Risks related to recoverability of deferred tax assets

We must assess the likelihood that our deferred tax assets will be recovered from future taxable profit and to the extent we believe that recovery is not likely, we are required to reduce our deferred tax assets. In the event of a deterioration in market conditions or results of operations in which we determine that there is additional uncertainty regarding realization of all or part of our net deferred tax assets, the resulting adjustment to our deferred tax assets would decrease our profit during the period in which such determination is made.

3. Governance risks

(1) Risks related to our dependence on our Representative Director and Chairman, Shigenobu Nagamori

The continued success of NIDEC has depended mainly on the abilities and skills of Mr. Shigenobu Nagamori, the founder of NIDEC. On June 22, 2021, Mr. Jun Seki, President and Representative Director, assumed the position of Chief Executive Officer. Given the current situation in which various economic and political risks, Mr. Nagamori will take responsibility for management as Chief Executive Officer and Mr. Seki will take the position of President and Representative Director (Chief Operating Officer) and establish a system to focus on the in-vehicle business, which is one of the main businesses of NIDEC's medium- to long-term management plan. Under the management guidance system of Mr. Nagamori, we aim to achieve 10 trillion yen in sales in 2030 through the speedy management of NIDEC. However, the sudden departure of Mr. Nagamori may have a negative impact on NIDEC's business, operating results and financial position.

The system is a short-term one based on the fostering of successors. With the aim of transforming the system that relies on founders, Mr. Seki and other Group management will strengthen organizational coordination (strengthening the Chief Officer System) and achieve the business plans.

(2) Risks related to internal controls over financial reporting

As a public company, we are subject to the requirements regarding internal controls over financial reporting under the Financial Instruments and Exchange Act of Japan, and it is essential for us to have effective internal controls, corporate compliance functions and accounting systems to manage our assets and operations.

Designing and implementing an internal control system requires significant management, human and other resources. Once we identify any significant deficiencies or material weaknesses in our internal control systems, we may require additional resources and incur additional costs to remediate such deficiencies or weaknesses.

We are continuously reviewing to strengthen the global internal control system. However, if management determines that our internal control over financial reporting is not effective for any period or deviates from internal control, we may be unable to timely file financial reports or such internal control may interrupt stakeholders and management's effective decision making, and as a result, our market perception could be negatively affected. Depending on the severity of, and causes and other factors relating to, a material weakness in internal control over financial reporting, we could be subject to liabilities or sanctions of applicable laws and regulations. In addition, we could be restricted in our ability to access financial markets for capital raising.

In fiscal 2020, NIDEC shifted to a company with an Audit and Supervisory Committee in order to further strengthen internal controls and expand sustainable corporate value. In addition to strengthening the supervisory function of the Board of Directors, we are working to further enhance internal control by speeding up decision-making through increased management efficiency and enhancing discussions at the Board of Directors. Moreover, NIDEC has established The Remuneration Committee as a voluntary advisory body to the Board of Directors, and ensures fairness, transparency, and objectivity by obtaining appropriate involvement and advice from independent outside directors with regard to executive compensation.

4. Risks related to contingencies

(1) Risks related to natural and human disasters

Natural disasters, fires, public health issues, armed hostilities, terrorism and other incidents, whether in Japan or any other country in which we or our suppliers operate, could bring about political or economic instability and cause damage to us, our suppliers or customers. For example, a large-scale natural disaster that causes massive damage to infrastructure and power outages, or a contagious disease pandemic could adversely affect our operations by rendering our employees unable to work, reducing orders from customers or disrupting our suppliers' operations. If any such disaster occurs in any region in which any of our major customers or production or development bases are concentrated, such as Thailand or China, or in Japan where our headquarters and key research and development facilities are located, the adverse effect on our results of operations and financial condition could be particularly pronounced. Our network and information systems are important for normal operations, but such systems are vulnerable to shutdowns caused by unforeseen events such as power outages or natural disasters or terrorism, hardware or software defects, or computer viruses and computer hacking. Any such events, over which we have little or no control, could significantly hinder our production activities and our sales activities, delay the delivery of products, and make it difficult for us to obtain materials and components from suppliers, and also require large expenditures to repair or replace our facilities.

We maintain various types of third-party insurances against damage to property and other risks. The types and amounts of insurance that we obtain are determined based on the usefulness of the insurance, its cost, and the scope of compensation from self-insurance. Our insurance policies are subject to deductibles, policy limits and exclusions that result in our retention of a level of risk on a self-insured basis. While we believe our insurance coverage is comparable to the coverage maintained by similar companies in our industry, losses not covered by insurance could be significant, adversely affecting our business, results of operations and financial position.

The global epidemic of the new coronavirus (COVID-19), which occurred in the latter half of the fiscal year ended March 31, 2020, is affecting NIDEC's businesses and supply chain functions. As a measure to ensure business continuity, NIDEC established the Risk Management Measures Division in mid-January 2020 to ensure the safety of employees and minimize the impact on the business. Until now, some overseas plants have temporarily stopped or declined due to the spread of infection, but they have recovered at the time of disclosure of this report.

However, any new negative impact of the COVID-19, such as the spread of the new variants of the COVID-19, could have a negative impact on NIDEC's business, operating results and financial position.

(2) Climate Change Risks

Since COP21 adopted the Paris Agreement in December 2015, the issue of climate change has come to be positioned as a global priority for businesses in all countries and regions. For NIDEC, which develops businesses around the world centering on product development and production activities, climate change is not only an opportunity for business creation but also a source of wide-ranging medium- to long-term business risks. Defining the risk of incurring an indirect loss caused by changes in policies and regulations related to climate change, technology development, market trends, and the marketplace reputation and others is defined as “transition risk”, and the risk of incurring a direct loss due to disasters caused by climate change as “physical risk,” the realization of the following risk events could have adverse effects on NIDEC's financial position.

Transition risk

- a) The increase of tax burden due to delays in responding to carbon tax and other energy transformation measures aimed at realizing a decarbonized society;
- b) The loss of market opportunity and increased compliance costs due to stricter regulations applied to existing products and services, and non-compliance with new standards;
- c) The increased difficulty of acquiring raw materials for electronic components (rare minerals, steels, and other non-ferrous metals such as high-end aluminum and copper) as well as their rising procurement costs, due to global “electrification” trends;

As the world's major countries shift to climate change measures, the market price of metal materials (aluminum, copper, etc.) necessary for the construction of renewable energy power generation facilities and the manufacture of electric vehicles (EVs) is on the rise. As investment in thermal power generation, one of the main sources of greenhouse gas emissions, rapidly declined, renewable energy was in short supply in Europe due to extremely low wind conditions and solar radiation since the beginning of FY 2021. In addition, in China, rapid expansion of electricity demand under restrictions on coal production and import induced large-scale rolling blackouts. These factors significantly limited the ability of the global supply chain to produce and procure raw materials, and at the same time increased our purchasing costs for parts and materials.

- d) The delay in research and development of alternative raw materials required by new low-carbon products and increase of associated costs;
- e) The decrease of corporate value due to ineffective climate change actions, and the resultant decline of investment attractiveness and downward adjustment of credit rating.

NIDEC is implementing the following measures to address “transition risk”.

◇In July 2021, NIDEC established new environmental targets aimed at achieving carbon neutrality in fiscal 2040.

Specific activities are as follows.

- Promotion of energy conservation
- Shift to renewable energy
(The ratio of renewable energy will be 40% in FY 2025 and 80% in FY2030.)
- Shift to low-carbon fuels

◇Promotion of research and development activities based on the SDGs concept;

◇Establishment of multiple purchasing routes.

Physical risk

- a) Suspension of business activities due to frequent flood damage caused by typhoons and heavy rains;
 - Inundation and other forms of disruption in power and gas supply networks;
 - Damage to the employees' lives due to house collapses, road disruptions and others;
 - Stagnation of product transportation due to a suspension of transportation service.
- b) Restriction on business activities due to drought;
 - Lack of factory water due to tighter water intake restrictions by governmental authorities;
 - Lower productivity due to rising water prices (cleaning, cooling, domestic water in corporate dormitories and others).
- c) Health hazard due to rising temperature;
 - Increase in the number of heat strokes;
 - Acceleration of the spread of infection.
- d) Supply chain disruptions caused by the above factors.

NIDEC is implementing the following measures to deal with "physical risks".

- ◇ Diversification of production risk through global location strategy;
- ◇ Implementation of awareness surveys for offices operating in countries and regions with high risk of climate change;
- ◇ Innovation in the product line
- ◇ Visualization of supply chains and enhancement of their flexibility;
- ◇ Continuation of BCP trainings at domestic and overseas offices.

5. Risks for foreign investors

(1) Japan's unit share system imposes restrictions in holdings of our common stock that do not constitute whole units

Our Articles of Incorporation provide that 100 shares of our stock constitute one "unit". The Companies Act of Japan imposes significant restrictions and limitations on holdings of shares that constitute less than a whole unit. Holders of shares constituting less than a unit do not have the right to vote. A shareholder who owns shares representing less than one unit will not be able to exercise any rights relating to voting rights, such as the right to participate in a demand for the resignation of a director, the right to participate in a demand for the convocation of a general meeting of shareholders and the right to join with other shareholders to propose an agenda item to be addressed at a general meeting of shareholders. Under the unit share system, holders of shares constituting less than a unit have the right to require us to purchase their shares. However, holders of the American Depository Shares ("ADSs") that represent other than multiples of whole units cannot withdraw the underlying shares representing less than one unit and, therefore, they will be unable to exercise the right to require us to purchase the underlying shares. As a result, holders of ADSs representing shares in lots of less than one unit may not have access to the Japanese markets to sell their shares through the withdrawal mechanism.

(2) Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

Our Articles of Incorporation, Regulations of the Board of Directors, Share Trading Regulations and the other related regulations, as well as the Companies Act govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a non-Japanese company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions within the United States. Shareholders may have more difficulty in asserting their rights as a shareholder than they would as a shareholder of a corporation organized in another jurisdiction. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan that are based upon the securities laws of the United States or any U.S. state.

(3) A holder of our ADSs will have fewer rights than a shareholder has and will need to act through the depositary to exercise those rights

The rights of the shareholders under Japanese law to take actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders of record. Because the depositary, through its custodian agent, is the record holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying ADSs as instructed by the ADS holder and will pay to ADS holders the dividends and distributions collected from us. However, as an ADS holder, shareholders will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights in their capacity as ADS holder.

(4) Because of daily price range limitations under Japanese stock exchange rules, shareholders may not be able to sell their shares of our common stock at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

(5) Foreign exchange fluctuations may affect the dollar value of our ADSs and dividends payable to holders of our ADSs

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

(6) It may not be possible for investors to effect service of process within the United States upon us or our members of the Board of Directors or members of the Audit and Supervisory Board or to enforce against us or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States

We are a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of our members of the Board of Directors or members of the Audit and Supervisory Board reside in Japan. A substantial portion of our assets and all or substantially all of the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgment obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

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

Forward-looking statements below were determined as of the end of the current fiscal year.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022.

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.

(1) Significant accounting policies and estimates

NIDEC's consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (hereinafter referred to as "IFRS") pursuant to the provision of Article 93 of the *Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements*.

In preparing IFRS-compliant consolidated financial statements, NIDEC developed and used estimates, judgment, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may be different from such estimates, judgment, and assumptions.

In the event that accounting estimates must be prepared under a high level of uncertainty at the time when accounting estimates are made, such accounting estimates will be different from accounting estimates based on rational comparison with the most recent accounting period or rational estimates of the corresponding period of occurrence, and can be expected to have significant effect on the estimates of financial position, changes in the financial position, and operating results.

For further information, refer "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 3. Significant accounting policies, 4. Significant accounting estimates, judgments and assumptions".

(2) Operating results

As of April 2022, the IMF forecasts global economic growth of 3.6% in 2022. In the environment surrounding Nidec, even after the revision of the IMF Economic Outlook in April, risk factors such as rising raw material prices and accelerating supply chain disruptions due to increased geopolitical risks, as well as the expansion of lockdown cities in China due to COVID-19 surfaced. As for raw material prices, the price of raw materials for motors, which are Nidec's mainstay products, has risen sharply.

The following table sets forth consolidated operating results for the year ended March 31, 2022:

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales	1,618,064	1,918,174	300,110	18.5%
Operating profit	159,970	171,487	11,517	7.2%
Operating profit ratio	9.9%	8.9%	-	-
Profit before income taxes	152,937	171,145	18,208	11.9%
Profit for the year from continuing operations	122,813	137,094	14,281	11.6%
Loss for the year from discontinued operations	(228)	(327)	(99)	-
Profit attributable to owners of the parent	121,945	136,870	14,925	12.2%

Consolidated net sales from continuing operations increased 18.5% to ¥1,918,174 million for this fiscal year compared to the previous fiscal year. We renewed the highest annual net sales due to an increase in sales of products for machineries including the machine tools business, which we entered this year, in addition 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. Operating profit increased 7.2% to ¥171,487 million for this fiscal year compared to the previous fiscal year, and we renewed the highest record. This was mainly due to increased sales of appliance, commercial and industrial products in addition to thorough manufacturing cost improvement and fixed cost rationalization through WPR4 Project despite the negative effects by difficulties in procuring semiconductors and other electronic components among customers and a rise in raw materials costs.

Profit before income taxes increased 11.9% to ¥171,145 million and profit for the year from continuing operations increased 11.6% to ¥137,094 million compared to the previous fiscal year, and renewed the highest record.

Profit attributable to owners of the parent increased 12.2% to ¥136,870 million due to an increase of profit for the year from continuing operations, and renewed the highest record.

The following table sets forth operating results by segment:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit (loss)		
	2021	2022	Increase or decrease	2021	2022	Increase or decrease
SPMS	366,692	343,841	(22,851)	59,077	34,395	(24,682)
AMEC	183,399	227,506	44,107	(481)	(12,807)	(12,326)
ACIM	531,413	702,860	171,447	42,285	66,611	24,326
Nidec Sankyo	132,536	149,374	16,838	12,810	12,599	(211)
Nidec Techno Motor	75,273	88,894	13,621	10,811	11,552	741
Nidec Mobility	89,833	99,124	9,291	8,133	10,282	2,149
Nidec Shimpo	74,007	117,214	43,207	10,093	19,359	9,266
Others	234,532	255,427	20,895	29,986	43,051	13,065
Elimination/corporate	(69,621)	(66,066)	3,555	(12,744)	(13,555)	(811)
Consolidated total	1,618,064	1,918,174	300,110	159,970	171,487	11,517

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

Net sales of SPMS decreased ¥22,851 million to ¥343,841 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This decrease was due to a decrease in sales of HDD motors, 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 ¥24,682 million to ¥34,395 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This decrease was due to the impact of decreased sales due to a decrease in sales, despite making thorough manufacturing cost improvement and others by in-house production of parts.

Net sales of AMEC increased ¥44,107 million to ¥227,506 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to a slight recovery trend. Operating profit (loss) was ¥12,807 million operating loss for the year ended March 31, 2022 due to continuing development costs and others for the traction motor system (E-Axle) in high demand, in addition to the negative effects by difficulties in procuring semiconductors and other electronic components among customers despite an increase in sales.

Net sales of ACIM increased ¥171,447 million to ¥702,860 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. 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 ¥24,326 million to ¥66,611 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to an increase in sales.

Net sales of Nidec Sankyo increased ¥16,838 million to ¥149,374 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to an increase in sales of automotive products, other small precision motors and semiconductor robots. However, operating profit decreased ¥211 million to ¥12,599 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This decrease was due to rising raw material prices despite an increase in sales.

Net sales of Nidec Techno Motor increased ¥13,621 million to ¥88,894 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to an increase in sales of motors for air conditioners in China. Operating profit increased ¥741 million to ¥11,552 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to the increase in sales.

Net sales of Nidec Mobility increased ¥9,291 million to ¥99,124 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. 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 ¥2,149 million to ¥10,282 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to an increase in sales.

Net sales of Nidec Shimpo increased ¥43,207 million to ¥117,214 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to the entry into machine tool business in addition to significantly higher sales of press machines and speed reducers by continuous launching new products that meet customers' needs in the Chinese market. Operating profit increased ¥9,266 million to ¥19,359 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to the increase in sales.

With respect to the Others segment, net sales increased ¥20,895 million to ¥255,427 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to an increase in sales of product for mounting machines, sensor, switches, trimmer potentiometers and semiconductor inspection system in strong demands for 5G. Operating profit increased ¥13,065 million to ¥43,051 million for the year ended March 31, 2022 compared to the year ended March 31, 2021. This increase was due to an increase in sales.

Operating results by product category are as follows:

	For the years ended March 31,					
	Net sales			Operating profit		
	2021	2022	Increase or decrease	2021	2022	Increase or decrease
Small precision motors	443,598	424,907	(18,691)	66,923	42,438	(24,485)
Automotive products	358,075	417,643	59,568	19,526	10,675	(8,851)
Appliance, commercial and industrial products	601,611	786,588	184,977	53,025	78,167	25,142
Machinery	150,575	215,588	65,013	26,364	42,345	15,981
Electronic and optical components	60,824	69,699	8,875	6,315	11,029	4,714
Other products	3,381	3,749	368	391	334	(57)
Elimination/corporate	-	-	-	(12,574)	(13,501)	(927)
Consolidated total	1,618,064	1,918,174	300,110	159,970	171,487	11,517

Net sales of small precision motors decreased 4.2% to ¥424,907 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥28,500 million for this fiscal year compared to the previous fiscal year. Net sales of spindle motors for HDDs decreased 31.4% to ¥98,783 million for this fiscal year compared to the previous fiscal year due to a decrease in the number of units sold. On the other hand, net sales of other small precision motors increased 8.9% to ¥326,124 million for this fiscal year compared to the previous fiscal year by engaging in new demands one after another by launching a number of new products such as IT fan motors, high-efficiency motors for home appliances, and thermal solution products for game consoles and other products. Operating profit of small precision motors decreased 36.6% to ¥42,438 million for this fiscal year compared to the previous fiscal year despite thorough cost improvements, such as in-house production of parts. This was mainly due to the decrease in sales. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥8,800 million for this fiscal year compared to the previous fiscal year.

Net sales of automotive products increased 16.6% to ¥417,643 million for this fiscal year compared to the previous fiscal year due to a slight recovery trend. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥19,300 million for this fiscal year compared to the previous fiscal year. Although NIDEC made manufacturing cost improvement through WPR4 project with our total efforts, operating profit decreased 45.3% to ¥10,675 million for this fiscal year compared to the previous fiscal year. This was due to continuing development costs and others for the traction motor system (E-Axle) in high demand, in addition to the negative effects by difficulties in procuring semiconductors and other electronic components among customers. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥300 million for this fiscal year compared to the previous fiscal year.

Net sales of appliance, commercial and industrial products increased 30.7% to ¥786,588 million for this fiscal year compared to the previous fiscal 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 ¥44,000 million for this fiscal year compared to the previous fiscal year. Operating profit of appliance, commercial and industrial products significantly increased 47.4% to ¥78,167 million for this fiscal year compared to the previous fiscal 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, fixed cost rationalization, and reflections to sales prices 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 ¥4,200 million for this fiscal year compared to the previous fiscal year.

Net sales of machinery increased 43.2% to ¥215,588 million for this fiscal year compared to the previous fiscal year, due to the entry into machine tool business in addition 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 ¥7,500 million for this fiscal year compared to the previous fiscal year. Operating profit of machinery significantly increased 60.6% to ¥42,345 million for this fiscal year compared to the previous fiscal 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 ¥800 million for this fiscal year compared to the previous fiscal year.

Net sales of electronic and optical components increased 14.6% to ¥69,699 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥4,200 million for this fiscal year compared to the previous fiscal year. Operating profit of electronic and optical components increased 74.6% to ¥11,029 million for this fiscal year compared to the previous fiscal year, mainly due to the higher sales by continuous launching new products. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥600 million for this fiscal year compared to the previous fiscal year.

Net sales of other products increased 10.9% to ¥3,749 million and operating profit of other products decreased 14.6% to ¥334 million for this fiscal year compared to the previous fiscal year.

(3) Financial position

Our cash and cash equivalents decreased ¥19,869 million to ¥199,655 million as of March 31, 2022 from ¥219,524 million as of March 31, 2021. This decrease was due to a net cash outflow from investing activities of ¥112,597 million for additions of fixed asset and a net cash outflow from financial activities of ¥64,393 million, although they were supplemented by a net cash inflow from operating activities of ¥94,994 million. In order to use our working cash reserves efficiently, we continue to utilize surplus funds inside the NIDEC group by making effective use of our cash management systems (the CMSs) that we established on a region-by-region basis including Japan, China, U.S. and other countries. In addition, we have linked the CMSs one to another for expanding the CMSs network globally. As of March 31, 2022, approximately 77% of our cash and cash equivalents were held by our consolidated subsidiaries outside Japan.

NIDEC participates in an arrangement with a single financial institution to carry out notional pooling within the NIDEC group, including overseas subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution based upon our aggregate cash deposits within the same financial institution. Therefore, cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cross-border cash transfers between group companies are subject to restrictions in certain circumstances. Where local restrictions prevent efficient intercompany transfers of funds, particularly to Nidec Corporation from its subsidiaries outside Japan, Nidec Corporation seeks to meet its liquidity needs through ongoing cash flows, external borrowings, or both, as further discussed below. We do not expect such restrictions on transfers of funds held outside Japan to have a material effect on our overall liquidity, financial condition or results of operations.

Our short term borrowings increased ¥99,658 million to ¥130,635 million as of March 31, 2022 compared to March 31, 2021. This increase was mainly due to an increase in euro-denominated and yen-denominated borrowings. The short term borrowings as of March 31, 2022 consisted of borrowings from banks denominated in Euro and Yen. We had no commercial paper outstanding as of March 31, 2022.

Our long term debt due within one year increased ¥67,605 million to ¥143,201 million as of March 31, 2022 compared to March 31, 2021. This increase was mainly due to ¥134,916 million reclassification from corporate bonds. The long term debt due within one year as of March 31, 2022 consisted of Domestic Unsecured Bonds.

Our long term debt decreased ¥103,026 million to ¥321,874 million as of March 31, 2022 compared to March 31, 2021. This decrease was mainly due to ¥134,916 million reclassification into current portion of corporate bonds. The long term debt as of March 31, 2022 consisted of Domestic Unsecured Bonds and the borrowings from banks denominated in Yen.

The total par values of corporate bonds carried on the consolidated statements of financial position as of March 31, 2022, were as follows:

Issue	Month of issuance	Total par value	Maturity	Use of proceeds
Third Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	November 2012	20 billion yen	September 2022	Repayment of commercial paper and short term borrowings
Seventh Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	August 2017	65 billion yen	August 2022	Redemption of corporate bonds and repayment of short term borrowings
Eightth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	July 2019	100 billion yen	July 2024	Redemption of corporate bonds and repayment of short term borrowings
Nineth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	50 billion yen	November 2022	Manufacturing traction motors for electric vehicle
Tenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	30 billion yen	November 2024	Manufacturing traction motors for electric vehicle
Eleventh Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	20 billion yen	November 2026	Manufacturing traction motors for electric vehicle
Twelfth Series of Domestic Unsecured Bonds	June 2020	50 billion yen	June 2023	Redemption of corporate bonds and repayment of short term borrowings
Euro-Denominated Senior Unsecured Bonds (Green bond)	March 2021	500 million euro	March 2026	Manufacturing traction motors for electric vehicle

The above corporate bonds, except for Euro-Denominated Senior Unsecured Bonds, were issued pursuant to three shelf registration statements filed with the Director-General of the Kanto Local Finance Bureau, each authorizing up to ¥200 billion, ¥200 billion and ¥300 billion of bond issuance, respectively. The first, filed in March 2012, was valid from April 5, 2012, through April 4, 2014. The second, filed in March 2016, was valid from April 5, 2016, through April 4, 2019. The third, filed in March 2019, was valid from April 5, 2019, through April 4, 2020. The fourth, filed in March 2020, was valid from April 9, 2020, through April 8, 2021. We registered these issuances for the purpose of improving our financial stability through diversifying our financing methods by establishing a system that provides NIDEC with flexible availability of funds as required to complement our procurement of funds through indirect financing from financial institutions.

A substantial portion of our unsecured funding is raised by the parent company (Nidec Corporation), and is then lent to its subsidiaries to meet their respective capital requirements. Through this funding approach, we seek to lower our financing costs, maintain sufficient lines of credit and ensure agile funding for our group companies.

We expect to seek additional financing in connection with, among other things, our future mergers and acquisitions, research and development activities and facility investments. We may also consider and obtain additional financing in order to enhance our financial agility in mergers and acquisitions, research and development activities, and facility investments in the future.

As of the filing date, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 4,000,000 shares of treasury stock and an aggregate of ¥50,000 million of treasury stock between January 27, 2022 and January 24, 2023. From January 27, 2022 to March 31, 2022, we repurchased an aggregate of 4,000,000 shares for approximately ¥40,300 million under the plan. Furthermore, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 5,500,000 shares of treasury stock and an aggregate of ¥50,000 million of treasury stock between April 22, 2022 and January 24, 2023. From April 22, 2022 to May 31, 2022, we repurchased an aggregate of 500,000 shares for approximately ¥4,200 million under the plan. We resolved to implement the same repurchase of treasury stock from January 26, 2021 and January 25, 2022. From January 26, 2021 to March 31, 2021, we didn't repurchase any shares under the plan and from April 1, 2021 to January 25, 2022 we repurchased an aggregate of 1,479,800 shares for approximately ¥17,200 million under the plan.

We believe that these funding sources, together with our cash flows from operating activities and undrawn credit lines will sufficiently meet our future capital requirements.

Total assets increased ¥423,570 million to ¥2,679,594 million as of March 31, 2022 compared to March 31, 2021. This was mainly due to increases of ¥ 160,731 million in inventories, ¥131,040 million in trade and other receivables, and ¥103,327 million in property, plant and equipment.

Total liabilities increased ¥219,696 million to ¥1,361,785 million as of March 31, 2022 compared to March 31, 2021. This was mainly due to a increases of ¥125,801 million in trade and other payables, and ¥64,237 million in interest-bearing debt. Specifically, short term borrowings increased ¥99,658 million to ¥130,635 million, long term debt due within one year increased ¥67,605 million to ¥143,201 million, and long term debt decreased ¥103,026 million to ¥321,874 million as of March 31, 2022 compared to March 31, 2021.

Our working capital (subtract total current liabilities from total current assets) decreased ¥40,585 million to ¥353,874 million as of March 31, 2022 compared to March 31, 2021.

Accounts receivable (trade and other receivables) turnover ratio (net sales divided by account receivables) decreased 0.3 to 3.4 as of March 31, 2022 compared to March 31, 2021. In addition, inventory turnover ratio (cost of sales divided by inventories) decreased 0.9 to 3.3 as of March 31, 2022 compared to March 31, 2021.

Total equity attributable to owners of the parent increased ¥197,332 million to ¥1,293,352 million as of March 31, 2022 compared to March 31, 2021. This was mainly due to increases in other components of equity of ¥153,552 million and retained earnings of ¥103,146 million. Ratio of total equity attributable to owners of the parent to total assets decreased to 48.3% as of March 31, 2022 from 48.6% as of March 31, 2021.

(4) Cash flows

1) Status of capital needs

Our principal capital needs include (1) purchases of property, plant and equipment and other assets, (2) research and development activities, (3) purchases of raw materials, (4) employees' salaries, wages and other payroll costs, (5) mergers and acquisitions, (6) investments in subsidiaries, (7) repayment of short term borrowings and long term debt, and (8) purchase of treasury stock. As of March 31, 2022, we had ¥526,108 million of trade and other payables, ¥130,635 million of short term borrowings, and ¥465,075 million of long term debt, including the long term debt due within one year.

Investments for the purchase of property, plant, equipment and other assets totaled ¥98,580 million for the year ended March 31, 2022. We plan to invest ¥150,000 million in additions to property, plant and equipment for the year ending March 31, 2022.

Outstanding commitments for the purchase of property, plant and equipment and other assets amounted to ¥33,764 million as of March 31, 2022.

Research and development expenses were ¥78,015 million for the year ended March 31, 2022 and are expected to reach approximately ¥95,000 million for the year ending March 31, 2022.

In the year ended March 31, 2022, we acquired the following companies.

Company name	Geographic	Principal Businesses
Mitsubishi Heavy Industries Machine Tool Co., Ltd.	Japan, Asia, North America, South America	Design, manufacture, sales of machine tools, and provision of related installation, technical instructions, after-sales services, etc.
OKK CORPORATION	Japan, Asia, North America,	Design, manufacture, sales of machine tools, and provision of related installation, technical instructions, after-sales services, etc.

We intend to continue to seek opportunities for acquiring other companies and making additional investments in our subsidiaries.

2) Status of funding raising

NIDEC's required funds will be procured by cash flow from operating activities, borrowing from multiple financial institutions with good business relationships, issuance of corporate bond under the domestic bond shelf registration of ¥600 billion and a commercial paper program of ¥100 billion, and others, promoting a diversification of our financing means. As a general rule, we do not procure funds from financial institutions for our group companies, but we continue to promote the unification of fund raising and capital efficiency through intra-group financing using the cash management system of the controlling company and others.

(5) Production, Orders Received and Sales

1) Production results

Consolidated production results by reporting segment for the year ended March 31, 2022 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
SPMS	322,576	94.4
AMEC	160,227	111.0
ACIM	703,101	143.1
Nidec Sankyo	149,639	114.2
Nidec Techno Motor	92,890	130.0
Nidec Mobility	102,333	111.5
Nidec Shimpo	112,868	181.8
Others	288,883	138.2
Total	1,932,517	125.2

(Notes) 1. Amounts are recorded at sales price, including intersegment transfers.

2. Production results of "Nidec Shimpo" segment have significantly increased due to the recovery trend from COVID-19, and the acquisitions of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, "Nidec Machine Tool") in the three months ended September 30, 2021, and OKK Co., Ltd. in the three months ended March 31, 2022.

2) Orders received

Consolidated orders received by reporting segment for the year ended March 31, 2022 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)	Balance (Yen in millions)	Current to previous year ratio (%)
SPMS	335,130	92.7	28,663	88.8
AMEC	229,931	125.7	11,429	172.6
ACIM	801,077	138.4	293,098	172.0
Nidec Sankyo	157,284	121.8	34,404	152.4
Nidec Techno Motor	82,665	120.8	2,494	148.8
Nidec Mobility	-	-	-	-
Nidec Shimpo	135,913	187.9	92,565	272.1
Others	245,776	116.8	77,509	153.6
Total	1,987,776	124.0	540,162	169.8

(Notes) 1. Intersegment transactions are eliminated.

2. Orders received balance of "AMEC" segment have increased significantly due to an increase in orders due to recovery of COVID-19 and recovery of semiconductor shortages.
3. Orders received balance of "ACIM" segment have increased significantly due to an increase in orders for compressors for home appliances and motors for air conditioning equipment, and motors and gears for transportation robots.
4. Orders received balance of "Nidec Sankyo" segment have increased significantly due to an increase in orders for LCD and semiconductor robots.
5. Nidec Mobility adopts the production system based on estimated orders.

6. Orders received amount and balance of "Nidec Shimpo" segment have significantly increased due to increased orders for new product press machines, and the acquisitions of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, "Nidec Machine Tool") in the three months ended September 30, 2021, and OKK Co., Ltd. in the three months ended March 31, 2022.
7. Orders received balance of "Others" segment have increased significantly due to an increase in orders for sensor, switches, and semiconductor inspection system.

3) Revenues

Consolidated revenues by reporting segment for the year ended March 31, 2022 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
SPMS	341,049	93.6
AMEC	226,019	124.2
ACIM	702,184	132.2
Nidec Sankyo	145,458	112.4
Nidec Techno Motor	81,848	119.4
Nidec Mobility	97,411	109.7
Nidec Shimpo	105,357	159.9
Others	218,848	116.2
Total	1,918,174	118.5

(Notes) 1. Intersegment transactions are eliminated.

2. Revenues of "Nidec Shimpo" segment have significantly increased due to acquisitions of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, "Nidec Machine Tool") in the three months ended September 30, 2021, and OKK Co., Ltd. in the three months ended March 31, 2022, and the higher sales of new product press machines and speed reducers.

4. Material Agreements, etc.

(1) Cross license agreement

Party	Counterparty	Country	Item under contract	Contract description	Contract period
Nidec Corporation (The Company)	MinebeaMitumi Inc.	Japan	Fluid dynamic bearing and spindle motors for HDD	Cross license agreement of patents, etc. *1	From December 18, 2004 to the expiration of the patent under contract
Nidec Corporation (The Company)	NTN Corporation	Japan	Motors with Fluid dynamic bearing (B, G type) (Mainly for 3.5-inch HDD)	Cross license agreement of patents, etc. *2	From July 24, 2009 to July 23, 2022. (Extend or renew the contract if the Company and NTN Corporation agree)
Nidec Corporation (The Company)	Panasonic Corporation	Japan	Fluid dynamic bearing and spindle motors for HDD	Cross license agreement of patents, etc. *3	From April 1, 2013 to the expiration of the patent under contract

(Notes) *1. The Company receives consideration at once.

- *2. This is an agreement under which the Company pays consideration to NTN Corporation twice a year continuously.
- *3. This is an agreement under which the Company pays consideration to Panasonic Corporation at once.

(2) Share purchase and transfer agreement

(Capital Alliance Agreement to Purchase Stake in OKK Corporation via Third-party Share Allocation)

The Company announced that its Board of Directors has approved, among others, a resolution to purchase the shares of OKK Corporation (“OKK”) through a third-party allocation of common shares in a meeting of the Board of Directors held on November 18, 2021 (Japan time) (the “Share Purchase”), and that the Company has executed a capital alliance agreement with OKK regarding this Share Purchase, etc. on the same date.

1.Purpose of the Share Purchase

The Share Purchase achieves a mutual complement of products in the area of machine tool, an existing area of businesses where Nidec operates. Synergies are expected especially in such areas as element technology development, manufacturing, and sales of the machine tool business by Nidec Machine Tool Corporation, which joined the Nidec Group in August, 2021. After the Share Purchase, OKK will hold a prominent position as well in Nidec’s machine tool business.

A well-established machinery manufacturer founded more than 100 years ago, OKK is a growing company that engages in businesses required in each era, ranging from its initial business of manufacturing centrifugal pumps and water meters to textiles. Recent years have seen the company mainly focused in the field of machine tools, a basis of all industries, and successfully obtain trust from a wide range of its customers thanks to the company’s high and versatile basic machining capability required for a mother machine. However, after being concentrated on prior and existing sales activities in Japan and postponing entry into rapidly changing overseas markets, OKK, partially due to its slow pace of work efficiency improvement, has been unable to keep up with the pace of the rising foreign demand in the entire machine tool industry, and faced with the problem of a shrinking business scale. While observing some effects of its structural reform, the company was affected by the nationwide shutdown of economic activities and people-to-people communication due to COVID-19 pandemic, remaining in struggle during the fiscal year ended March 31, 2021.

By joining Nidec via the Share Purchase, OKK will make a fresh start as a comprehensive machine tool builder, to enhance its product assortment and sales capability, while quickly reinforcing its production capacity as well. Combining OKK’s competitive and highly versatile machining centers with Nidec Machine Tool’s large machines, such as double-column machining centers with five-face machining function and horizontal boring and milling combined machines, will enable us to accommodate manufacturing requirements for various sizes -from small parts to large components- and enable both OKK and Nidec Machine Tool (the “Two Companies”) to significantly increase their overall capability of suggesting machining solutions. In addition, by utilizing Nidec’s business knowhow and networks, OKK will be able to launch businesses globally while expanding its customer base in Japan, and the company’s field of business will expand significantly. On a technological front, too, while OKK mainly manufactures small to medium-size versatile machining centers, Nidec Machine Tool, Japan’s leading gear machine manufacturer, also produces large machines (double-column machining centers with five-face machining function, horizontal boring and milling combined machines), advanced laser micromachines, and metal additive manufacturing (3D printing) related products and various special purpose machines. Therefore, combining the Two Companies’ technologies will enable us to develop new products that neither of them has in its lineup at present. In the area of production, the Two Companies will be able to improve their efficiency and expand their production capacity through utilization of their production bases, while being able to invest in their collaborative production bases in Japan and/or overseas.

After the Share Purchase, Nidec intends to further expand Nidec Machine Tool’s business, and believes that it can grow globally at a faster pace by making necessary investments where they are needed on a timely basis. We hope to mutually exploit our group’s and OKK’s respective technological capability, brand power, and customer bases to contribute to the development of the machine tool market on a global scale.

2. Outline of OKK in relation to the Third-party Allocation of Shares

Company Name: OKK Corporation
Headquarter: 8-10-1, Kita-Itami, Itami, Hyogo, Japan
Foundation: October 1915
Capital: JPY6,283,076,312
Director: Yoshihide Morimoto, Representative Director and President
(with positions remaining unchanged after the Share Purchase)
Production Bases: Japan (Hyogo prefecture) and Thailand
Principal Businesses: Design, manufacture, sales of machine tools, and installation of, technical instructions on, and after-sales services related to products, etc.
Number of Employees: 758 (consolidated), and 500 (non-consolidated) (as of March 31, 2021)

3. Outline of the Share Purchase

Date of payment: February 1, 2022
Number of Shares for the Purchase: 15,853,444 common shares
Price of the Shares: JPY345.60 per share
Amount of payment: JPY5,478,950,247

4. Number of Shares to Acquire, Acquisition Price, and Status of Share Ownership before and after the Share Purchase

Number of Shares Owned before the Share Purchase: 0 share (ownership percentage: 0%)
(number of voting rights: 0)
Number of Shares to be Acquired: 15,853,444 shares (value of acquisition: JPY5,478,950,247)
(number of voting rights: 158,534)
Number of Shares to be Owned after the Share Purchase: 15,853,444 shares (ownership percentage: 66.655%)
(number of voting rights: 158,534)

1. Purpose of the Transaction

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

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

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

2. Information on Mitsubishi Heavy Industries Machine Tool

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

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

Foundation: 2015

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

3. Execution date of the share purchase and transfer agreement

February 5, 2021

4. Date of the completion of the share acquisition

Expected on July 2021 or later

5. Research and Development

The long-term objectives of our R&D activities are to increase the efficiency of drive technology, which contributes to decarbonization in society, and to reduce the size and weight of motors, which promote resource conservation. At the same time, we are pursuing the creation of added value per function (module) through the optimum combination of basic components. An important organizational theme is the integration of technologies among research and development organizations that reliably link the rapidly changing needs of society with our sustainable growth.

The market trends we are paying attention to are “electrification of cars,” “spread of the use of robots”, “brushless DC of home appliances”, “labor saving in agriculture and logistics”, and “spread of next-generation technologies resulting from 5G communications”. These are new needs created against the backdrop of global issues such as reductions in CO₂ emissions, traffic accidents, and the aging of society. We plan to concentrate our management resources on these markets as promising markets where we can make use of our accumulated technological expertise.

The spread of the new coronavirus (COVID-19), which has become a global threat in 2020, is expected to be a watershed event that determines the future direction of these markets. The rapid progress of manpower-saving and automation will enhance the required technological standard of drive technology used for automobiles, unmanned automated transfer vehicles, drones and others, while the increase in data traffic due to the spread of telework will boost demand for HDD motors and cooling modules for servers, while at the same time promoting the diversification of digital home appliances. In addition, the spread of 5G communications will ensure the effectiveness of these new technologies from an infrastructure perspective.

In addition, as raw material prices have risen due to recent geopolitical risks and supply chain disruptions, NIDEC is conducting a fundamental review of product designs with a view to reducing medium- and long-term risks associated with the availability of key raw materials.

Our research and development expenses for the fiscal year ended March 31, 2022 were ¥78,015 million. Internally developed costs recorded as intangible assets were ¥11,363 million.

In addition to the development divisions established within each business division, as “company-wide (common)” division which does not belong to each segment there are Nidec Research and Development Centers in Japan and Taiwan on motors in general that are needed for our future business, and at the core of our global technology development strategy, we are promoting further advances in research on fundamental technologies such as electronic circuit technology, heat, noise/vibration technology, and control. Nidec Center for Industrial Science engages in research and development activities aiming to realize smart factories with robot and IoT. We focus R&D of new materials and systems, inspection technology innovation, data analysis, simulation, and other aspects of production technology that are independent of existing manufacturing methods. These centers engage in enhancing the technological synergy effect between each development department and diversifying domestic and overseas group companies, and then promote the growth.

The research and development expenses for the fiscal year ended March 31, 2022, which is categorized as "Corporate," were ¥4,651 million.

A status report of the research and development activities and the associated research and development expenses by business segment are as follows:

(1) SPMS

In the SPMS segment, research and development activities are currently conducted basic and applied research on precision small motors in general, such as precision small DC motors and fan motors, research and development for new products, and research to provide technical support to other research bases. This laboratory also engages in research and development activities aimed at mass production of new models of HDD motors and product quality improvement.

Our research and development activities during the fiscal year ended March 31, 2022 were as follows:

In the area of HDD motors, Nidec Corporation is developing 7mm-thick HDD motors used for ultra-slim mobile PCs, Fluid Dynamic Bearing (FDB) motors for air drives and helium-enclosed HDD motors for high-capacity servers (cloud and near-line) and motors for virtual reality systems. As for fan motors, we are developing a new model that applies the FDB technology that has been used for HDD motors. In addition, we are developing thermal solution technologies such as server water cooling modules and air-conditioning heat pumps, as well as mobility solution fields such as motors for electric motorcycles and electric bicycles.

The SPMS segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥15,597 million.

(2) AMEC

In the AMEC segment, we are engaged in R&D aimed at the mass production of new products and new models of various in-vehicle motors, including those for driving electric vehicles (EVs), which will contribute to the realization of a decarbonized society, and at the improvement of product quality.

Our research and development activities during the fiscal year ended March 31, 2022 were as follows:

As for automotive motors, Nidec Corporation is strengthening its development of driving motors for electric vehicle (EV) centered on Chinese customer. Besides, Nidec Corporation is developing next-generation of small and high-performance power steering motors, motors for applications other than power steering such as seats, brakes and sunroofs, and ancillary electronic control units (ECUs), as well as dual clutch transmission, other motor products such as brushless motors used for hydraulic and electric power systems. Nidec Corporation is lately also developing package products that combine driving and automotive motors for electric vehicle (EV) with sensors and control units.

The AMEC segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥24,928 million.

(3) ACIM

In the ACIM segment, mainly conducts research and development of motors, gears and control units for residential, commercial, home appliance and industrial uses, with respect to vehicle driving motors, encoders, elevator components and systems for industrial automation.

Our research and development activities during the fiscal year ended March 31, 2022 were as follows:

With respect to motors for commercial and residential uses, Nidec Motor develops motors, gears and control units for air conditioning equipment, commercial refrigeration equipment, golf carts, floor care equipment and commercial cooking equipment, and servo motors for robots. As for motors for home appliances, we are developing motors for washing machines, dryers, dishwashers, compressors, and compressors for refrigerators. In addition to the IE3 (premium efficiency), we have also developed IE4 and IE5 motors, which are even more efficient than IE3. We are working to contribute to energy conservation and CO₂ reduction in industrial facilities around the world. Moreover, to motors for various types of pumps for water supply and sewerage, irrigation, gas mining, etc., we are also developing a total solution that provides a stable supply of low-cost electricity by integrating various types of power generation systems such as large motors for power generation plants with electricity storage systems and engaging in the entire process of power generation, electricity storage, and transmission and distribution of renewable energy. In the field of motors for industrial vehicles, we are developing hybrid and electric motors for large vehicles such as construction and agricultural machinery by modularizing them with encoders based on SR motor technology that does not use rare earths.

In addition, we engage in development activities aimed at providing comprehensive product packages, including motors for elevators and other components.

The ACIM segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥9,796 million.

(4) Nidec Sankyo

The Nidec Sankyo segment develops stepping motors, smartphone/game-related products, motor drive unit products and system device-related products as part of its line-up of "karakuri-tronics" products integrating its "karakuri," or internal device mechanism technologies, with the motor technologies and servo technologies developed through its business diversification. With respect to stepping motors, in an effort to expand the range of their applications to automobiles, Nidec Sankyo has been downsizing products, enhancing product performance and improving cost-performance. Nidec Sankyo is also developing our own optical image stabilization function for smartphones (TiltAC), as well as tactile devices installed in game machines and automotive devices. With respect to the motor drive product group, Nidec Sankyo is expanding its operations into a range of products integrating small and high-power motors, sensors, servo controls and control software into mechanical units, aiming to enter the automotive thermal management products that meet the demand for thermal cooling due to the electrification of automobile, medical and industrial motor markets. In the area of system equipment-related business, Nidec Sankyo is actively enhancing the security of card media's peripheral equipment, introducing in such areas as organic EL displays for mobile devices, semiconductor robots and transports inside vacuum devices, while developing a servo system to reduce costs for servo motor technology.

The Nidec Sankyo segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥4,987 million.

(5) Nidec Techno Motor

The Nidec Techno Motor segment develops air conditioner and home appliance motors in Fukui Prefecture in Japan and industrial motors in Fukuoka Prefectures in Japan. In the area of motors for air conditioners and home appliances, NIDEC has established a development center in China, which is the center of the mass-market segment, and while increasing the number of employees, has been strengthening initiatives for new product development and value engineering (VE) development from a global perspective. In the air-conditioning sector, demand for DC motors has grown due to increased energy-saving regulations, particularly in China, and demand for copper wire, steel, and resin materials has soared. Against this background, we are accelerating business expansion by introducing new products with new motor structures, such as light, thin, short, and small motors, ahead of the industry.

The Nidec Techno Motor segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥1,678 million.

(6) Nidec Mobility

In the Nidec Mobility segment, we are developing automobile body control business and power electronics business centered on electronic control and motor control technology, and have development or design functions in 6 countries: Japan, the United States, Canada, Brazil, China, and South Korea. In the Body Control Business, we mainly develop body control modules, door peripheral control units including power window switches, and smart systems for motorcycles. In the Power Electronics Business, we mainly develop electric power steering, DC/DC converters for electric vehicles, and in-vehicle chargers. In addition, NIDEC group synergies recently enable us to promote technology development such as electric water pumps, electric oil pumps, and inverters, which are one of the components of traction units for electric vehicles, and product development through power packs.

The Nidec Mobility segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥6,648 million.

(7) Nidec Shimpo

In the Nidec Shimpo segment, we are developing products for reduction engines using integrated mechanical and electrical technologies in Japan, China and Germany. In addition, for press engine series product we are developing a wide range of products in Japan, the United States, and Spain, from compact high-speed precision presses to ultra-large servo presses, as well as peripheral high-speed feed devices. As for reduction engine series product we are developing the S-CART, a motor driver for AGVs that contributes to the unmanned operation of precision control reduction gears in FLEXWAVE and various distribution systems, as well as to labor saving and factory automation. In particular, we are focusing on the development of FLEXWAVE products for use in industrial equipment such as robots and semiconductor devices, as well as consumer equipment, targeting markets, not only in Japan, but in Asia, Europe and the United States. As for press machine related products, we are conducting research on coil material supply equipment for the market of EV press lines such as motor cores for driving electric vehicles in China, South Korea, Europe and the United States.

The Nidec Shimpo segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥1,985 million.

(8) Others

In the Others segment, research and development activities are currently conducted on precision small motors, machinery and electronic components and others.

The Others segment's research and development expenses for the fiscal year ended March 31, 2022 were ¥7,746 million.

III. Property, Plant and Equipment

1. Summary of Capital Investment, etc.

The total capital investment in property, plant and equipment for the year ended March 31, 2022 was ¥98,580 million. This mainly consists of capital investment to strengthen domestic R&D and increase production capacity of overseas subsidiaries, such as the construction of a new base in Muko City.

The amounts of capital investment by segment are stated in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information".

2. Major Property, Plant and Equipment

Major property, plant and equipment of NIDEC are as follows:

(1) The Company

(As of March 31, 2022)

Name of business place (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Corporate Headquarters and Central Technical Laboratories (Minami-ku, Kyoto)	-	Head office facilities and development facilities for small precision motors	2,784	127	3,591 (20)	442	6,944	942 (7)
Tokyo Office (Shinagawa-ku, Tokyo)	-	Sales facilities for products	1,181	3	2,026 (2)	59	3,269	51 (-)
Shiga Technical Center (Aisho-cho, Echi-gun, Shiga)	AMEC	Development facilities for automotive products	3,388	366	1,931 (66)	541	6,226	830 (89)
Nagano Technical Center (Komagane, Nagano)	SPMS	Development facilities for small precision motors	1,943	60	286 (33)	114	2,403	167 (5)
Nidec Research And Development Center (Saiwai-ku, Kawasaki)	-	Fundamental and applied research facilities	3,104	18	1,281 (6)	151	4,554	228 (4)
Nidec Corporation Head Office ANNEX Global Learning Center (Minami-ku, Kyoto)	-	Employee training facilities	2,966	0	410 (4)	175	3,551	24 (-)
Nidec Center for Industrial Science (Seika-cho, Soraku-gun, Kyoto)	-	Fundamental and applied research facilities	6,065	587	1,068 (27)	519	8,239	214 (3)

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

(2) Domestic subsidiaries

(As of March 31, 2022)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Nidec Sankyo Corporation (Shimosuwa-cho, Suwa-gun, Nagano)	Nidec Sankyo Corporation	Manufacturing facilities for small precision motors, automotive products, machinery and electronic parts	5,997	917	6,226 (545) [-]	387	13,527	1,020 (85)
Nidec Copal Corporation (Itabashi-ku, Tokyo)	Others	Manufacturing facilities for small precision motors, machinery, electronic and optical parts	2,407	5,174	2,906 (52) [-]	158	10,645	514 (198)
OKK Corporation (Itami, Hyogo)	Nidec Shimpo Corporation	Manufacturing facilities for machinery	95	124	10,466 (97) [-]	91	10,776	553 (4)
Nidec Shimpo Corporation (Nagaokakyo, Kyoto)	Nidec Shimpo Corporation	Manufacturing facilities for machinery	2,047	4,944	3,009 (24) [13]	648	10,648	595 (84)
Nidec Mobility Corporation (Komaki, Aichi)	Nidec Mobility Corporation	Manufacturing facilities for automotive products	3,267	2,907	1,303 (11) [-]	456	7,933	721 (189)

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

3. The figures of "Land" in square bracket are excluded from the areas of land and indicate areas of leased land (in thousands of m²).

(3) Overseas subsidiaries

(As of March 31, 2022)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Nidec Americas Holding Corporation (Missouri, USA)	ACIM	Manufacturing facilities for automotive products, machinery, appliance, commercial and industrial products	12,242	32,166	2,772 (1,182) [53]	1,063	48,243	14,332 (511)
EmbracoIndustria de Compressores e Solucoes em Refrigeracao Ltda. (Santa Catarina, Brazil)	ACIM	Manufacturing facilities for appliance, commercial and industrial products	10,901	29,111	613 (689) [123]	2,248	42,873	4,845 (440)
Nidec Automobile Motor (Zhejiang) Corporation (Pinghu, Zhejiang, China)	AMEC	Manufacturing facilities for automotive products	2,596	31,995	- (-) [47]	298	34,889	2,611 (380)
Nidec Leroy-Somer Holding (Angouleme, France)	ACIM	Manufacturing facilities for appliance, commercial and industrial products	10,102	17,570	2,550 (1,020) [76]	256	30,478	5,846 (1,067)
Nidec Tosok (Zhejiang) Corporation (Pinghu, Zhejiang, China)	OTHERS	Manufacturing facilities for automotive products	2,891	22,200	- - [70]	1,543	26,634	944 (841)

(As of March 31, 2022)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Tools, furniture and fixtures	Total	
Nidec (Dalian) Ltd. (Dalian, Liaoning, China)	AMEC	Manufacturing facilities for small precision motors and automotive products	1,535	17,357	- [59]	1,816	20,708	2,338 (61)
Nidec Motors & Actuators (Poland), Sp.z.o.o (Niepolomice, Poland)	AMEC	Manufacturing facilities for automotive products	4,497	11,841	219 (74) [-]	841	17,398	790 (61)
NIDEC GPM GmbH (Thüringen, Germany)	AMEC	Manufacturing facilities for automotive products	2,000	9,759	198 (159) [-]	252	12,209	807 (47)
Nidec Shibaura (Zhejiang) Co., Ltd. (Pinghu, Zhejiang, China)	Nidec Techno Motor Corporation	Manufacturing facilities for appliance, commercial and industrial products	388	9,836	- [68]	3,213	13,437	1,056 (1,288)
NIDEC GPM HUNGRAY LLC (Bercel Hungray)	AMEC	Manufacturing facilities for automotive products, appliance, commercial and industrial products	4,962	7,397	11 (112) [-]	85	12,455	299 (5)

(Notes) 1. Carrying amounts are based on IFRS.

2. The figures of "Number of employees" in round bracket are those of the annual average numbers of temporary employees, which are excluded from the number of employees.
3. The figures of "Land" in square bracket are excluded from the areas of land and indicate areas of leased land (in thousands of m²).
4. The information stated for Nidec Americas Holding Corporation, Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda. and Nidec Leroy-Somer Holding is inclusive of their subsidiaries.

3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc.

NIDEC determines capital investments considering the economic forecast, the trends of the industry, and investment efficiency, etc. in total. In principle, each of the consolidated companies prepares individual facilities plans.

Plans for new construction and disposition of major facilities as of March 31, 2022 were as follows:

(1) New construction of major facilities, etc.

Name of company or business place	Location	Name of segment	Description	Total planned investment (Yen in millions)	Amount already paid (Yen in millions)	Funding measures	Launch	Completion
Nidec Corporation	Muko, Kyoto	-	2nd head office and group companies' consolidation base	200,000	10,204	Own funds, borrowing	year 2020	year 2030
Nidec Elesys Europe LLC	Novi Sad, Serbia	OTHERS	Manufacturing facilities for automotive products	7,997	-	Own funds	December 2021	December 2028

(2) Disposition of major facilities, etc.

Not applicable.

IV. 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 fiscal year (Shares) (March 31, 2022)	Number of shares issued as of the filing date (Shares) (June 20, 2022)	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 First Section (As of March 31, 2022) Prime Market (As of June 20, 2022)	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 Description of rights plan

Not applicable.

③ 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)
April 1, 2020	298,142,234	596,284,468	-	87,784	-	92,005

(Note) Change due to share split (1:2).

(5) Shareholders composition

(As of March 31, 2022)

Category	Status of shares (one unit of shares: 100 shares)							Number of shares less than one unit (Shares)
	Government and municipality	Financial institution	Financial instruments business operator	Other institution	Foreign corporations, etc.		Individuals and others	
Non-individuals	Individuals							
Number of shareholders	-	182	76	1,846	959	222	105,961	109,246
Share ownership (Unit)	-	2,245,286	65,049	379,276	1,974,015	1,166	1,292,148	5,956,940
Ownership percentage of share (%)	-	37.69	1.09	6.37	33.14	0.02	21.69	100

(Notes) 1. Of 15,547,506 treasury stock, 155,475 units are included in the "Individuals and others", while 6 shares are included in the "Number of shares less than one unit".

2. Of the shares registered in the name of Japan Securities Depository Center, Incorporated, 710 units are included in the "Other institution" column and 16 shares are included in the "Number of shares less than one unit" column.

(6) Major shareholders

(As of March 31, 2022)

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	79,058	13.61
Shigenobu Nagamori	Nishikyo-ku, Kyoto	49,473	8.51
Custody Bank, of Japan,Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	26,354	4.53
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	4.27
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto	20,245	3.48
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)	16,554	2.85
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)	14,956	2.57
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851	2.55
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	2.26
Meiji Yasuda Life Insurance Company(Standing proxy:Custody Bank, of Japan,Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo(8-12, Harumi 1-chome, Chuo-ku, Tokyo)	12,804	2.20
Total	-	272,256	46.88

(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 March 31, 2022 (Record date for the exercise of voting rights), 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 Changes to a Statement of Large-Volume Holdings, made available for public inspection on January 7, 2022, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of December 31, 2021, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2022 (Record date for the exercise of voting rights), 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. (%)
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	18,684,034	3.13
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	8,425,400	1.41
Total	-	34,121,034	5.72

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 March 31, 2022 (Record date for the exercise of voting rights), 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 March 31, 2022 (Record date for the exercise of voting rights), 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

(7) Information on voting rights

① Issued shares

(As of March 31, 2022)

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 15,547,500	-	-
Shares with full voting rights (others)	Ordinary share 580,146,500	5,801,465	-
Shares less than one unit	Ordinary share 590,468	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,801,465	-

(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 6 shares of the Company's treasury stock.

3. Ordinary share in the "Shares with full voting rights (others)" row includes 317,000 shares (3,170 voting rights) of the BIP Trust and 158,400 shares (1,584 voting rights) of the ESOP Trust.

② Treasury stock, etc.

(As of March 31, 2022)

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 Kuzetonosiro-cho, Minami-ku, Kyoto	15,547,500	-	15,547,500	2.60
Total	-	15,547,500	-	15,547,500	2.60

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

(8) Officer/employee stock ownership plans

① Performance-linked share-based remuneration plan for members of the Board of Directors et al. of NIDEC

In FY2018, the NIDEC Group introduced a performance-linked share-based remuneration plan (the "Plan") for the Company's members of the Board of Directors (excluding outside members of the Board of Directors), Executive Officers and other executives equivalent in rank thereto and for group companies' members of the Board of Directors (excluding outside members of the Board of Directors) and Executive Officers. As the Company became a company with an Audit and Supervisory Committee in FY2020, the Plan covered the Company's Members of its Board of Directors who are not Audit and Supervisory Committee Members (except for outside Members of the Board of Directors), Vice Presidents, and those individuals who have the equivalent status (collectively, the "Eligible Board Members"). This Plan was partially revised in the 48th Regular General Meeting Shareholders held on June 22, 2021.

1) Overview of the Plan

The Plan is structured as a BIP (Board Incentive Plan) trust (the "BIP Trust"). The BIP Trust is a share-based remuneration plan for officers that grants Company shares and pay cash proceeds from the liquidation of Company shares to the Eligible Board Members based on their rank, operating performance targets' degree of attainment, and other factors, like U.S. and European performance share plans and restricted stock plans.

2) Content of trust agreement

Type of trust:	Specified individually operated trust of money other than money trust (third-party benefit trust)
Purpose of trust:	To incentivize the Eligible Board Members
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The Eligible Board Members who meet beneficiary requirements
Trust administrator:	A third-party (certified public accountant) with no interest in NIDEC
Trust extension agreement date:	July 26, 2021
Trust period:	July 26, 2018, through August 31, 2024 (tentative)
Plan inception date:	July 26, 2018
Exercise of voting rights:	Not to be exercised
Class of shares to be acquired:	The Company's ordinary shares
Amount of trust funding:	¥2.53billion
Share acquisition period:	August 5, 2021
Share acquisition method:	Acquired by third-party allotment of the Company's treasury stock
Rights holder:	The Company
Residual assets:	Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust.

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Total number or total value of shares to be granted to beneficiaries from the BIP Trust

About 300,000 shares (three-year total) (including shares for group companies)

(Total of funds for acquisition of shares by the BIP Trust during the trust period plus trust fees and trust expenses)

② Performance-linked share-based payment plan for domestic and overseas NIDEC executives

The Company resolved to adopt a performance-linked share-based payment plan (the "Plan") for domestic and overseas executives of NIDEC (the "NIDEC Executives") at the meeting of its Board of Directors held on April 24, 2018. However, the Company is planning to revise part of this Plan in 2021. The details of the revision will be provided, via public disclosure and/or other means, as necessary as soon as they are finalized, and also disclosed in the Company's securities report to be submitted next fiscal year.

1) Overview of the Plan

The Plan is structured as an ESOP (Employee Stock Ownership Plan) trust (the "ESOP Trust"). The ESOP Trust is an employee incentive plan modeled after U.S. ESOP plans. More specifically, it is a share-based payment plan that grants Company shares and pay cash proceeds from the liquidation of Company shares to the NIDEC Executives based on their respective job titles, operating performance targets' degree of attainment, and other factors.

2) Content of trust agreement

Type of trust:	Specified individually operated trust of money other than money trust (third-party benefit trust)
Purpose of trust:	To incentivize the NIDEC Executives
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The NIDEC Executives who meet beneficiary requirements
Trust administrator:	A third-party (certified public accountant) with no interest in NIDEC
Trust extension agreement date:	July 26, 2021
Trust period:	July 26, 2018, through August 31, 2024 (tentative)
Plan inception date:	July 26, 2018
Exercise of voting rights:	Not to be exercised
Class of shares to be acquired:	The Company's ordinary shares
Amount of trust funding:	¥15.8 million (including trust fees and trust expenses)
Share acquisition period:	August 5, 2021
Share acquisition method:	Acquired by third-party allotment of the Company's treasury stock
Rights holder:	The Company
Residual assets:	Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust.

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Total number or total value of shares to be granted to beneficiaries from the ESOP Trust

About 160,000 shares (three-year total) (including shares for group companies)

(Total of funds for acquisition of shares by the ESOP Trust during the trust period plus trust fees and trust expenses)

2. Information on Acquisition, etc. of Treasury Stock

Class of shares

Acquisition of ordinary shares under Article 155, item 3 of the Companies Act and acquisition of ordinary shares under Article 155, item 7 of the Companies Act.

(1) Acquisition of treasury stock under the resolution of the general meeting of shareholders

Not applicable

(2) Acquisition of treasury stock under the resolution of the Meetings of the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on January 25, 2021 (Term of validity: from January 26, 2021 to January 25, 2022)	4,000,000	50,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2022	-	-
Treasury stock acquired during the fiscal year ended March 31, 2022	1,479,800	17,214,178,000
Treasury stock not acquired for the fiscal year ended March 31, 2022	2,520,200	32,785,822,000
The percentage of remaining treasury stock not acquired as of March 31, 2022 (%)	63.00	65.57
Treasury stock acquired during the period after the reporting period to the filing date of this report	-	-
The percentage of remaining treasury stock not acquired as of filing date (%)	-	-

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on January 26, 2022 (Term of validity: from January 27, 2022 to January 24, 2023)	4,000,000	50,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2022	-	-
Treasury stock acquired during the fiscal year ended March 31, 2022	4,000,000	40,257,054,900
Treasury stock not acquired for the fiscal year ended March 31, 2022	-	9,742,945,100
The percentage of remaining treasury stock not acquired as of March 31, 2022 (%)	-	19.49
Treasury stock acquired during the period after the reporting period to the filing date of this report	-	-
The percentage of remaining treasury stock not acquired as of filing date (%)	-	-

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on April 21, 2022 (Term of validity: from April 22, 2022 to January 24, 2023)	5,500,000	50,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2022	-	-
Treasury stock acquired during the fiscal year ended March 31, 2022	-	-
Treasury stock not acquired for the fiscal year ended March 31, 2022	-	-
The percentage of remaining treasury stock not acquired as of March 31, 2022 (%)	-	-
Treasury stock acquired during the period after the reporting period to the filing date of this report	2,400,000	19,998,638,200
The percentage of remaining treasury stock not acquired as of filing date (%)	56.36	60.00

(Notes) Treasury stock acquired during the period after the reporting period to the filing date of this report do not include acquisition of treasury stock from June 1, 2022 to the filing date of this report.

(3) Details of acquisition of treasury stock not under the resolution of the general meeting of shareholders or the Meetings of the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the fiscal year ended March 31, 2022	2,002	24,826,474
Treasury stock acquired during the period after the reporting period to the filing date of this report	126	1,120,280

(Note) Treasury stock acquired during the period after the reporting period to the filing date of this report do not include acquisition of treasury stock from June 1, 2022 to the filing date of this report.

(4) Status of the disposition and holding of acquired treasury stock

Classification	Fiscal year ended March 31, 2022		Period after the reporting period to the filing date of this report	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock which was retired	-	-	-	-
Acquired treasury stock for which transfer of shares was conducted due to merger, share exchange or company separation	-	-	-	-
Others (Disposal of Treasury Stock through Third-Party Allotment in Line with the Continuation of the Performance Share Plan)	325,100	4,125,519,000	-	-
Total number of treasury stock held	15,547,506	-	17,947,632	-

(Note) Total number of treasury stock held during the period after the reporting period to the filing date of this report does not include acquisition of treasury stock resolved at the Meetings of the Board of Directors and shares less than one unit purchased during the period from June 1, 2022 to the filing date of this report.

3. Dividend Policy

NIDEC's dividend policy is to maintain stable dividends and raise dividends based on its consolidated net profit results and at the same time, to increase internal reserves to further strengthen its operational structure and to promote bold business development.

NIDEC generally aims to pay dividends of surplus twice a year by interim and year-end dividends. The Board of Directors has the authority to declare these dividends of surplus.

In view of its current fiscal position separately described and to meet the support of shareholders and investors, the Board of Directors has determined to set the year-end dividend at ¥35.00 per share for the fiscal year ended March 31, 2022 together with the interim dividend of ¥30.00 per share. As a result, the dividend payout ratio for the fiscal year ended March 31, 2022 on a consolidated basis was 27.7%.

Internal reserves are used to further strengthen our operational structure and invest in business expansion to increase revenues.

NIDEC stipulates in its Article of Incorporation that it may pay interim dividends pursuant to Article 454, Paragraph 5 of the Companies Act of Japan, and that it may, by resolution of the Board of Directors, pay dividends of surplus pursuant to Article 459, Paragraph 1 of the Companies Act of Japan.

Dividends of surplus for the current fiscal year are as follows:

Date of resolution	Total dividends (Yen in millions)	Cash dividends per share (Yen)
The Meeting of the Board of Directors on October 26, 2021	17,574	30
The Meeting of the Board of Directors on May 26, 2022	20,326	35

4. Corporate Governance, etc.

(1) Overview of Corporate Governance

① Basic policy regarding corporate governance

NIDEC's basic policy is to strengthen its business and corporate management capabilities while following its corporate slogan, "high growth, high profit, and high share price", "Mission Statement", and "Three Principles of Nidec's Operations".

② Corporate governance system

1) The overview of NIDEC's corporate governance system and reasons NIDEC uses the system

NIDEC has as its main bodies a Board of Directors, an Audit and Supervisory Committee, an Accounting Auditor, and a Remuneration Committee in accordance with the Companies Act of Japan, in addition to an Executive Management Meeting (Keiei-kaigi) and a Management Committee as the Company's executive bodies.

The Company's Board of Directors makes decisions on material business management-related matters while supervising the execution of business operations. The member of this meeting consists of nine members of Board of Directors including Representative Director, Chairman, Shigenobu Nagamori as of March 31, 2022. The Audit and Supervisory Committee, which comprises five members of the Board of Directors who are Audit and Supervisory Committee Members, and itself audits the execution of business operations by members of the Board of Directors of the Company, receives an audit report from the accounting auditor. The Company includes among the members of its Board of Directors and members of the Board of Directors (Audit and Supervisory Committee Members), highly independent outside people who have no special interests in the Company to strengthen the audit and supervisory function of its business management. The Company's two outside members of the Board of Directors who are not Audit and Supervisory Committee Members, based on their broad experience and deep insight, make decisions on material business management-related matters from an objective and neutral standpoint, and supervise the execution of business operations. The Company's three outside members of the Board of Directors who are Audit and Supervisory Committee Members, based on their broad experience and deep insight, audit and supervise the Company's business management from an objective and neutral standpoint. The Remuneration Committee, comprises two internal members of the Board of Directors including Representative Director, Chairman, Shigenobu Nagamori and three independent outside members of the Board of Directors, deliberates, upon the Board of Directors' request for advice, the basic policy, remuneration system, and others issues regarding executive remuneration, and submits the results of such deliberation to the Board of Directors.

The Company holds an Executive Management Meeting (Keiei-kaigi) monthly to summarize its monthly financial performance and deliberate in a cross-sectional manner material matters concerning administrative departments, affiliated companies, Business Units, etc. in order to better understand the status of business executions, while making decisions on business executions going forward. The member of this meeting consists of Representative Directors including Representative Director, Chairman, Shigenobu Nagamori and Executive members. Management Committee, twice a month meeting to advise the Company's Representative Director and Chairman and chaired by the Company's Representative Director and President, deliberates overall business execution policies and plans, as well as individual material matters. The member of this meeting consists of Board of Directors, including Representative Director, President and Chief Executive Officer, Jun Seki and Executive members.

To further enhance its business management efficiency, the Company adopts "vice president" and "business unit" systems. The vice president system aims to clearly divide the roles of the members of the Board of Directors, who are legally responsible for the Company's business management and supervising, and those of the vice presidents, who are in charge of executing business operations, and to make the roles of the Company's Board of Directors be more concentrated on decision making regarding company-wide business operations and ensure active discussions on those matters. The vice president system also aims to transfer authorities from the members of the Board of Directors to vice presidents to expedite the Company's decision-making process. The business unit system aims to clarify the areas of responsibility for individuals to maintain and strengthen the effective internal control system.

2) Other matters related to corporate governance

In accordance with the Companies Act of Japan and Ordinance for Enforcement of the Companies Act, the Company has in place the following system to ensure proper business operations by the Company and its subsidiaries:

i) System to ensure the execution of duties by the Company's and its subsidiaries' members of the Board of Directors and employees comply with laws and regulations and the Articles of Incorporation

The Company has in place the following system to obtain social trust by complying with laws and regulations, relevant rules, internal rules and standards, social ethics codes, etc. while enhancing the ethical awareness of the officers and employees, and to establish corporate integrity:

- The Company has established "Nidec Group Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout the Nidec Group, and establish a compliance system and promote total awareness of this system through properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.
- The Company has a Compliance Committee under its Board of Directors, establishes basic compliance policies, and monitors Nidec Group's compliance status.
- The Company establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct," and ensures that all Nidec Group's officers and employees understand and act on them.
- As part of its compliance promotion activity, the Company holds compliance seminars for individual Nidec companies, along with initiatives such as the preparation and use of the "Nidec Compliance Handbook," in an effort to raise their officers' and employees' awareness on compliance.
- To spread compliance throughout Nidec Group, the Company has in place a Nidec Group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage Nidec Group's employees to make reports and point out problems regarding violations of laws and regulations, and internal rules, and to protect whistleblowers of such problems.
- To promote the aforementioned activity, the Company's Legal & Compliance Department works with Nidec Group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in individual Nidec companies, forming a global compliance system.
- To address compliance violations, the Company tries to prevent their recurrence by performing investigations for resolutions based on reports, notifications, etc., made to its Legal & Compliance Department or internal point of contact for such notifications. The Company deliberates compliance violations that must be dealt with penalties in a meeting of an internal disciplinary committee and the Board of Directors to decide on penalties.
- The Company has its head office departments provide the entire Nidec Group with internal control system-related instructions and support, and manage and audit Nidec companies to ensure legal, proper, and efficient business operations.
- The internal audit departments of the Company and its subsidiaries conduct internal audits on individual Nidec companies to provide them with instruction, support, and advice for better business operations.

ii) System to store and manage information concerning the execution of duties by the members of the Company's Board of Directors

The Company organizes and stores documents concerning the execution of duties by the members of its Board of Directors and Vice Presidents for a certain number of years based on "Document Regulations," and Audit and Supervisory Committee Members may view those documents at any time.

iii) Regulations and other systems to manage risks of loss concerning the Company and its subsidiaries

- The Company established "Risk Management Regulations" to have in place a Nidec Group-wide risk management system, as well as a Risk Management Committee and Risk Management Office. Risk Management Committee, supervised by the Company's Board of Directors, decides the Company's risk management policies each fiscal year, while general managers of Company's risk management departments and Nidec companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits Nidec companies on the design of their risk management systems.
- In addition to "Risk Management Regulations," which are intended to manage daily risks, the Company adopts Nidec Group-wide "Crisis Management Regulations" to prepare for a situation in which a risk is actualized and must be handled in reality.
- The Company formulates the basic policy, management systems and operation methods regarding information security to manage information security risk Group-wide. Nidec established the Information Security Basic Regulations to secure Nidec group's information assets which are important management assets for business activity as well as to assure proper use of the information assets.
- The Company has established the Information Security Committee under the supervision of the Board of Directors, and formulated the basic policy regarding information security. The Company monitors and supervises the implementation and process of information security measures.
- Information Security Management Office supports the execution of the related measures and responds to accidents and issues related to information security. The Corporate Administration & Internal Audit Department conducts information security auditing, supervises and supports the implementation of the related measures.

iv) System to ensure an efficient execution of duties by the members of the Company's and its subsidiaries' Boards of Directors

- As the basis of the "system to ensure an efficient execution of duties by the members of the Company's Board of Directors," the Company adopts a vice president system to empower its Vice Presidents with authorities to execute business operations. The Company's Board of Directors makes decisions on material matters concerning the Company's business policies, management strategies, etc., appoints and dismisses Vice Presidents, and supervises the execution of business operations.
- Nidec Group establishes a mid-term business plan to realize its long-term vision that was set as a specific numerical and qualitative target, uses it as the basis of its annual business plans. When making the mid-term business plan, the Company identifies, deliberates and makes decisions based on analysis of the feasibility of accomplishing the mid-term goals, the compatibility with the long-term vision, and the issues and risks that must be overcome to successfully achieve the plan. The Company regularly reviews and rolls the plan based on changes in the market and the status of progress against the plan.
- The Company and its subsidiaries have in place "Approval Request (Ringi) Regulations," which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.
- The Company and its subsidiaries hold a risk management meeting daily to promptly report and share material information, and the minutes of the meeting is sent to each department general manager every day for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Management Committee and the Executive Management Meeting.

v) Matters concerning reports to the Company regarding the execution of duties by the members of the Board of Directors of the Company's subsidiaries

- The members of the Board of Directors and Vice Presidents of the Company serve as members of the Board of Directors and Vice Presidents of the Nidec Corporation's group companies as well, attend their Executive Management Meetings (Keiei-kaigi), hold a Nidec Group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within Nidec Group.
- The administrative departments responsible for individual Nidec companies' business operations work to improve collaboration with those companies, and request them to submit reports, documents, etc. as necessary to understand their management status accurately.

- vi) Matters concerning employees to support the work of the Audit and Supervisory Committee, and matters concerning ensuring the independence of those employees from other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) and the effectiveness of instructions given by the Audit and Supervisory Committee to those employees
 - In accordance with the Audit and Supervisory Committee's requests, the Corporate Administration & Internal Audit Department audits matters that Audit and Supervisory Committee requests Members request to be audited, and reports the audit results to the Audit and Supervisory Committee.
 - During such an audit, support is provided for performing the audit if ordered or requested by Audit and Supervisory Committee Members. Other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) or Vice Presidents of the Company pose no improper restrictions on such reports.
- vii) System for members of the Board of Directors and employees of Nidec Group, members of the Audit & Supervisory Board of subsidiaries, or those who received reports from any of these people to report to the Company's Audit and Supervisory Committee, and system to protect whistleblowers
 - The members of the Board of Directors, Vice Presidents and employees of the Company promptly report to the Audit and Supervisory Committee, in addition to statutory matters, matters that materially affect the entire Nidec Group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) and Vice Presidents, and the Audit and Supervisory Committee.
 - The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's Audit and Supervisory Committee on a regular basis, and reports the internal audit results at Nidec companies.
 - The Company's Legal & Compliance Department reports the status of whistle blowing by Nidec Group's officers and employees to the Company's Audit and Supervisory Committee on a regular basis.
 - Nidec Group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the Nidec Group-wide internal whistle blowing system, Nidec Global Compliance Hotline.
- viii) Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by Audit and Supervisory Committee Members (limited to those related to the execution of duties of the Audit and Supervisory Committee), for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by Audit and Supervisory Committee Members
 - In accordance with the Company's Audit and Supervisory Committee Regulations and the standards for audit by the Audit and Supervisory Committee, the Company's Audit and Supervisory Committee is entitled to independently deliberate matters, such as budget for auditing expenses, that Audit and Supervisory Committee Members deem it necessary to execute their duties, and may request the Company to redeem urgently or temporarily incurred costs at a later date.
- ix) Other systems to ensure an effective audit by the Audit and Supervisory Committee
 - Audit and Supervisory Committee Members exchange their opinions with the Company's executives.
 - Audit and Supervisory Committee Members prepare each month's activities in an audit report, and submit it to the Company's Board of Directors.
 - Audit and Supervisory Committee Members visit individual Nidec companies onsite to conduct audits on operations.

3) Overview of the contents of the liability limitation contact

The company executed a contract that limits its liability for damages with its outside members of the Board of Directors and outside members of the Board of Directors (Audit and Supervisory Committee Members). The contact's summary is as follows:

- The maximum amount of liability that any outside members of the Board of Directors or any outside members of the Board of Directors who are Audit and Supervisory Committee Members is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors or any outside members of the Board of Directors who are Audit and Supervisory Committee Members being held accountable was executed under good will, and if no material negligence is identified in such duty.

4) Overview of the directors and officers liability insurance contract

i) The scope of the insured

Members of the Board of Directors, members of the Audit & Supervisory Board, Vice Presidents, accounting advisors, and employees in the positions of supervisors (including those who have already resigned from their positions and those who will assume the above positions during the insurance period) at the Company and all of its subsidiaries, and their successors.

ii) Outline of the insurance contract

The policy covers damages and litigation costs incurred by the insured, arising out of claims in connection with the acts performed by the insured (including omissions) in the course of their duties in the positions mentioned in item (i). Provided, any damages and costs incurred by members of the Board and Directors themselves who commit criminal acts such as bribery and intentional illegal acts will not be covered, as measures to ensure that the contract does not impair the appropriate execution of duties by members of the Board of Directors, etc. Insurance premiums are fully paid for by the Company.

③ Matters of the Company's Board of Directors

1) The number of the members of the Company's Board of Directors

The Company's Articles of Incorporation sets forth that the number of its members of the Board of Directors who are not Audit and Supervisory Committee Members shall not exceed 15, and that the number of its members of the Board of Directors who are Audit and Supervisory Committee Members shall not exceed five.

2) Requirements for a resolution on the election of members of the Company's Board of Directors

The Company's Articles of Incorporation sets forth that a resolution on the election of members of the Company's Board of Directors be adopted by a majority of the voting rights of shareholders attending the general meeting of shareholders who collectively hold one-third or more of all voting rights, and that the member of the Board of Directors who are Audit and Supervisory Committee Members shall be distinguished from those members of the Board of Directors who are not. Also that cumulative voting not be applied to pass a resolution on the election of members of the Board of Directors.

In addition, in case there are not enough members of the Board of Directors who are Audit and Supervisory Committee Members to meet their statutory number, the Company's Articles of Incorporation sets forth that the Company may elect a substitute member of the Board of Directors who is a Supervisory Committee Member at a General Meeting of Shareholders, and that the resolution regarding the election of such substitute member of the Board of Directors who is a Supervisory Committee Member shall remain in effect until the beginning of a Regular General Meeting of Shareholders for the final fiscal year that ends within two years after such resolution.

④ Matters related to the resolution of the general meeting of shareholders

- The Company's Articles of Incorporation prescribe that matters specified in the items of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act of Japan, including those related to dividends of surplus, shall be decided by resolution of the Board of Directors without obtaining a resolution at a general meeting of shareholders, unless otherwise stipulated by laws and regulations. This is intended to enable the expeditious return of profits to shareholders by putting dividends of surplus, etc., under the Board of Directors' jurisdiction.
- The Company's Articles of Incorporation prescribe that a special resolution of the general meeting of shareholders, as specified by Article 309, Paragraph 2 of the Companies Act of Japan be adopted by at least two-thirds of the voting rights of the shareholders attending the general meeting of shareholders who collectively hold one-third or more of all voting rights. This is intended to facilitate the operation of the general meetings of shareholders by easing the quorum for special resolutions of the general meeting of shareholders.

(2) Members of the Board of Directors

① List of Members of the Board of Directors

7 men and 4 women

(Percentage of the members of the Board of Directors of Nidec Corporation that are women: 36.4%)

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Representative Director and Chairman /Chief Executive Officer (CEO)	Shigenobu Nagamori	August 28, 1944	<p>Jul. 1973: Founded Nidec Corporation Representative Director, Chairman of the Board and President Chief Executive Officer (CEO)</p> <p>Jun. 2013: Member of the Board of Directors and Chairman, Nidec-Shimpo Corporation (current position)</p> <p>Oct. 2014: Representative Director, Chairman of the Board and President</p> <p>Mar. 2018: Chairman of the Board, Kyoto Gakuen Educational Foundation (currently Nagamori Gakuen Educational Foundation) (current position)</p> <p>Jun. 2018: Representative Director and Chairman (current position)</p> <p>Nov. 2019: Member of the Board of Directors and Chairman, Nidec Mobility Corporation (current position)</p> <p>Oct. 2021: Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation (current position)</p> <p>Apr. 2022: Chief Executive Officer (CEO) (current position)</p>	*4	49,473
Representative Director and Vice Chairman /Chief Performance Officer (CPO)	Hiroshi Kobe	March 28, 1949	<p>Jul. 1973: Participated in the foundation of Nidec Corporation</p> <p>Mar. 1982: GM, Sales Dept.</p> <p>Nov. 1984: Member of the Board of Directors</p> <p>Nov. 1991: Member of the Board of Directors and Senior Vice President</p> <p>Apr. 1996: Member of the Board of Directors and First Senior Vice President</p> <p>Apr. 2000: Member of the Board of Directors and Executive Vice President</p> <p>Apr. 2005: Chief Operating Officer (COO)</p> <p>Jun. 2006: Representative Director and Executive Vice President</p> <p>Jun. 2008: Representative Director and Executive Vice President</p> <p>Jun. 2015: Representative Director and Vice Chairman Chief Sales Officer (CSO)</p> <p>Jun. 2020: Vice Chairman</p> <p>May 2022: Chief Performance Officer (CPO) (current position)</p> <p>Jun. 2022: Representative Director and Vice Chairman (current position)</p>	*4	948

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Representative Director and President /Chief Operating Officer (COO)	Jun Seki	May 9, 1961	<p>Apr. 1986: Nissan Motor Co., Ltd.</p> <p>Apr. 2014: Senior Vice President</p> <p>Dec. 2019: Executive Officer, Vice-COO</p> <p>Jan. 2020: Special Executive Consultant, Nidec Corporation</p> <p>Apr. 2020: President Chief Operating Officer (COO) Member of the Board of Directors and Chairman, Nidec India Private Limited (current position)</p> <p>Jun. 2020: Representative Director and President (current position) Member of the Board of Directors and Chairman, Nidec Tosok Corporation (current position)</p> <p>Jun. 2021: Chief Executive Officer (CEO)</p> <p>Apr. 2022: Chief Operating Officer (COO) (current position)</p>	*4	0

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors (Audit and Supervisory Committee Member)	Kazuya Murakami	January 18, 1955	<p>Apr. 1977: The Ministry of Finance of Japan</p> <p>Jul. 1983: Director, Ise Tax Office, Nagoya Regional Taxation Bureau</p> <p>Jul. 1984: Executive Director's Assistant, International Monetary Fund</p> <p>Jun. 1996: Director, Central Asia Team, European Bank for Reconstruction and Development (EBRD)</p> <p>Jul. 2002: Director-General, the Fukuoka Local Finance Branch Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2004: Deputy Director-General, Minister's Secretariat (in charge of Customs and Tariff Bureau)</p> <p>Jul. 2005: Board Director, EBRD</p> <p>Jul. 2008: Director-General, the Kanto Local Finance Bureau, the Ministry of Finance of Japan</p> <p>Aug. 2009: Executive Director, Organization for Small & Medium Enterprises and Regional Innovation, Japan</p> <p>Jun. 2012: Fulltime Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Feb. 2013: Registered as attorney-at-law, the Kyoto Bar Association</p> <p>Jun. 2013: Vice President</p> <p>Jun. 2017: Fulltime Member of the Audit and Supervisory Board</p> <p>Jun. 2019: Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec-Shimpo Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec-Read Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Global Service Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Machinery Corporation (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member) (current position)</p> <p>Aug. 2021: Member of the Audit and Supervisory Board, Nidec Machine Tool Corporation (current position)</p>	*5	3

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Member of the Board of Directors (Audit and Supervisory Committee Member)	Hiroyuki Ochiai	July 3, 1959	<p>Apr. 1983: The Ministry of International Trade and Industry of Japan (currently the Ministry of Economy, Trade and Industry of Japan (METI))</p> <p>Jul. 2000: Director, Foreign Exchange and Trade Finance Division, Trade Bureau</p> <p>Jul. 2002: Director - General, International Cooperation Department, New Energy and Industrial Technology Development Organization (currently National Research and Development Agency New Energy and Industrial Technology Development Organization)</p> <p>Jul. 2003: Director, Personnel Division, Japan Patent Office</p> <p>Oct. 2005: Director, Trade Promotion Division, Trade and Economic Cooperation Bureau</p> <p>Aug. 2006: Counsellor, Minister's Secretariat, the Ministry of Agriculture, Forestry and Fisheries of Japan</p> <p>Jul. 2008: Counsellor, Cabinet Secretariat (to Assistant Chief Cabinet Secretary)</p> <p>Aug. 2010: Seconded to Nidec Corporation</p> <p>Aug. 2012: Returned to METI. Director - General, Training Institute of Economy, Trade and Industry</p> <p>Dec. 2012: Left METI</p> <p>Mar. 2013: General Manager, General Affairs Department, Nidec Corporation</p> <p>Jun. 2018: Fulltime Member of the Audit and Supervisory Board</p> <p>Jun. 2019: Member of the Audit and Supervisory Board, Nidec Sankyo Corporation (current position) Member of the Audit and Supervisory Board, Nidec Copal Electronics Corporation (current position) Member of the Audit and Supervisory Board, Nidec Copal Corporation (current position) Member of the Audit and Supervisory Board, Nidec Servo Corporation (current position)</p> <p>Nov. 2019: Member of the Audit and Supervisory Board, Nidec Mobility Corporation (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Audit and Supervisory Committee Member) (current position) Member of the Audit and Supervisory Board, Nidec Tosok Corporation (current position) Member of the Audit and Supervisory Board, Nidec Elesys Corporation (current position)</p>	*5	1

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Outside Member of the Board of Directors	Shinichi Sato	November 4, 1956	<p>Apr. 1980: The Ministry of Finance of Japan (MOF)</p> <p>Jul. 1985: Director, Karatsu Tax Office, Fukuoka Regional Taxation Bureau</p> <p>Jul. 1997: Deputy Director-General, the Embassy of Japan in the UK, the Ministry of Foreign Affairs</p> <p>Jul. 2000: Director, the Administrative Management Bureau, the Management and Coordination Agency (currently the Ministry of Internal Affairs and Communications)</p> <p>Jul. 2002: Budget Examiner for Education, Culture, Sports, Science and Technology, the Budget Bureau, the Ministry of Finance</p> <p>Jul. 2003: Director, the Research Division, the Tax Bureau, the Ministry of Finance</p> <p>Jul. 2004: Director, Indirect Tax Policy Division, the Tax Bureau, the Ministry of Finance</p> <p>Jul. 2005: Director, Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance</p> <p>Jul. 2006: Director, Legal Affairs Division, the Minister's Secretariat, the Minister's the Ministry of Finance</p> <p>Jul. 2009: Deputy Director-General, the Tax Bureau, the Ministry of Finance</p> <p>Jan. 2010: Councilor, the Cabinet Secretariat (to Assistant Chief Cabinet Secretary)</p> <p>Aug. 2011: Deputy Vice Minister for Policy Planning and Co-ordination, the Minister's Secretariat, the Ministry of Finance</p> <p>Jun. 2013: Director-General, the Minister's Secretariat, the Ministry of Finance</p> <p>Jul. 2014: Director-General, the Tax Bureau, the Ministry of Finance</p> <p>Jun. 2016: Vice-Minister of Finance</p> <p>Jul. 2017: Left MOF</p> <p>Nov. 2017: Executive Consultant, Suntory Holdings Limited (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, Nidec Corporation (current position)</p>	*4	-

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Outside Member of the Board of Directors	Yayoi Komatsu	March 23, 1959	<p>Apr. 1981 The Ministry of Education, Science, Sports and Culture of Japan (currently the Ministry of Education, Culture, Sports, Science and Technology of Japan(MEXT))</p> <p>Apr. 2001: Director, Early Childhood Education Division, Elementary and Secondary Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology</p> <p>Apr. 2003: Director, Medical Education Division, Higher Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology</p> <p>Jul. 2004: Counselor to the Cabinet Office's Director-General for Science and Technology Policy (currently the Secretariat of Science, Technology and Innovation Policy)</p> <p>Jul. 2005: Director, Traditional Culture Division, the Cultural Properties Department, the Agency for Cultural Affairs</p> <p>Apr. 2007: Director, the Director-General's Secretariat, the Agency for Cultural Affairs</p> <p>Jul. 2009: Deputy Director-General, the Science and Technology Policy Bureau, the Ministry of Education, Culture, Sports, Science and Technology</p> <p>Jul. 2010: Director-General, the Cultural Affairs Department, the Agency for Cultural Affairs</p> <p>Jan. 2012: Trustee and President, the Independent Administrative Institution National Museum of Art</p> <p>Aug. 2015: Director-General, Research Promotion Bureau, the Ministry of Education, Culture, Sports, Science and Technology</p> <p>Dec. 2016: Left MEXT</p> <p>May 2022: Executive Director, The National Museum of Modern Art, Tokyo (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, Nidec Corporation (current position)</p>	*4	-

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Outside Member of the Board of Directors	Takako Sakai	August 28, 1972	<p>Apr. 2002: Research Associate, Graduate School of Law, Kyoto University</p> <p>Apr. 2003: Lecturer, Graduate School of Economics, Osaka Prefecture University</p> <p>Mar. 2007: Completed Doctoral Program at Graduate School of Kyoto University and received a Doctor of Laws (LL.D.)</p> <p>Oct. 2007: Associate Professor, Graduate School of Economics, Osaka Prefecture University</p> <p>Apr. 2018: Professor, Graduate School of Economics, Osaka Prefecture University</p> <p>Jun. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nidec Corporation</p> <p>Apr. 2022: Professor, Graduate School of Law, Osaka Metropolitan University (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, Nidec Corporation (current position)</p>	*4	0

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Takeshi Nakane	June 24, 1949	<p>Apr. 1974: The Ministry of Foreign Affairs of Japan</p> <p>Feb. 1996: Director, Overseas Establishments Division, Minister's Secretariat</p> <p>Apr. 1998: Minister, the Japanese Embassy in Republic of Korea</p> <p>May 2000: Consul-General in Munich, Germany</p> <p>Aug. 2002: Assistant Vice-Minister</p> <p>Aug. 2005: Director-General, Disarmament, Non-proliferation and Science Department, Foreign Policy Bureau</p> <p>Jul. 2008: Envoy Extraordinary and Minister Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna</p> <p>Jul. 2009: Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna</p> <p>Jan. 2012: Ambassador Extraordinary and Plenipotentiary of Japan to Federal Republic of Germany</p> <p>Jan. 2016: Left the Ministry of Foreign Affairs of Japan</p> <p>Feb. 2016: Special Assistant to the Ministry of Foreign Affairs of Japan (current position)</p> <p>Mar. 2018: Director, Kyoto Gakuen Educational Foundation (currently Nagamori Gakuen Educational Foundation)</p> <p>Jun. 2019: Outside Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Jun. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member) (current position)</p>	*5 0	

Title	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Aya Yamada	February 12, 1967	<p>Apr. 1990: Research Associate, Faculty of Law, Tohoku University</p> <p>Apr. 1995: Assistant Professor, Faculty of Law, Okayama University</p> <p>Apr. 2003: Assistant Professor, Graduate School of Law, Kyoto University</p> <p>Apr. 2006: Professor, Graduate School of Law, Kyoto University (current position)</p> <p>Jun. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nidec Corporation (current position)</p>	*5	-
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Tamame Akamatsu	December 8, 1959	<p>Apr. 1993: Lecture, Oil Painting, Faculty of Fine Arts, Kyoto City University of Arts</p> <p>Apr. 2010: Professor, Faculty of Fine Arts, Kyoto City University of Arts</p> <p>Apr. 2018: Dean, Faculty of Fine Arts, Kyoto City University of Arts</p> <p>Apr. 2019: Chairperson of the Board and President, Kyoto City University of Arts (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nidec Corporation (current position)</p>	*5	-
Total					50,427

*1. Number of shares held has been rounded down to the nearest 1,000 shares.

2. Members of the Board of Directors, Mr. Shinichi Sato, Ms. Yayoi Komatsu, Ms. Takako Sakai, Mr. Takeshi Nakane, Ms. Aya Yamada and Ms. Tamame Akamatsu are Outside Members of the Board of Directors.

3. In preparation for the contingency that the number of Members of the Board of Directors who are Audit and Supervisory Committee Members falls below the required number stipulated in laws and ordinances, the Company has appointed a substitute Member of the Board of Directors who is an Audit and Supervisory Committee Member as stipulated under the provisions in Article 329, Paragraph 3 of the Companies Act. Career summary of the substitute Member of the Board of Directors who is an Audit and Supervisory Committee Member is as follows.

Name	Date of birth	Brief personal records	Share ownership (1,000 shares)
Junko Watanabe	October 17, 1965	<p>Apr. 1994: Research Associate, Faculty of Economics, Hokkaido University</p> <p>Apr. 1997: Research Associate, Graduate School of Economics & Faculty of Economics, The University of Tokyo</p> <p>Apr. 1998: Assistant Professor, Faculty of Humanities & Social Sciences, Shizuoka University</p> <p>Oct. 2002: Assistant Professor, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications</p> <p>Apr. 2004: Assistant Professor, Graduate School of Economics & Faculty of Economics, Kyoto University</p> <p>Mar. 2005: Visiting Scholar, the University of Paris 7 - Denis Diderot (France)</p> <p>Jul. 2011: Received a Ph. D. in Economics from Kyoto University</p> <p>Oct. 2011: Visiting Scholar, Edwin O. Reischauer Institute of Japanese Studies, Harvard University</p> <p>Apr. 2012: Professor, Graduate School of Economics & Faculty of Economics, Kyoto University (current position)</p> <p>Aug. 2012: Visiting Associate Professor, Graduate School of Economics & Faculty of Economics, The University of Tokyo</p> <p>Jun. 2016: Outside Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Apr. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Morozoff Limited (current position)</p>	-

Note: The term of office of a substitute Member of the Board of Directors who is an Audit and Supervisory Committee Member shall be until the expiration of the term of office of the retired Member of the Board of Directors who was an Audit and Supervisory Committee Member.

4. A year from the end of the Regular General Meeting of Shareholders held on June 17, 2022.
5. Two years from the end of the Regular General Meeting of Shareholders held on June 17, 2022.

② The Outside Members of the Board of Directors and the Outside Members of the Board of Directors who are Audit and Supervisory Committee Members

Of the eleven Members of the Board of Directors, six are Outside Members, of whom three are Audit and Supervisory Committee Members.

The Outside Members of the Board of Directors make material management decisions and oversee NIDEC's overall business operations from an objective and neutral standpoint based on their expertise and experience in the area of management and law.

The Company appoints Outside Members of the Board of Directors by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. (TSE). They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. The Company has notified the TSE that six Outside Members of the Board of Directors are independent officers.

With regard to the six Outside Members of the Board of Directors appointed as such following the end of the Regular General Meeting of Shareholders on June 17, 2022, the relationships between the Company and them or the organizations they individually belong to are as follows.

Outside Member of the Board of Directors Mr.Shinichi Sato's experience includes important posts at the Ministry of Finance of Japan, Vice-Minister and so forth. Currently he holds the position of Adviser at other business corporation and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Ms.Yayoi Komatsu's experience includes important posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, Director-General of Research Promotion Bureau and so forth. Currently she holds the positions of Executive Director, The National Museum of Modern Art, Tokyo and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Ms.Takako Sakai currently holds the positions of Professor of Osaka Metropolitan University Graduate School of Law and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Mr.Takeshi Nakane, who is also Audit and Supervisory Committee Member, his experience includes the important posts at the Ministry of Foreign Affairs of Japan, such as Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Japan and so forth. Currently he holds the positions of Special Assistant to the Ministry of Foreign Affairs of Japan and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Ms.Aya Yamada, who is also Audit and Supervisory Committee Member currently holds the positions of Professor of Graduate School of Law, Kyoto University and so forth. The Company made donations to a donated course of Graduate School of Engineering of Kyoto University to support its educational and research activities. The amounts of donations are ¥49 million in FY2017 (total amount of the university's donation-based income in the same fiscal year: ¥4,848 million), ¥45 million in FY2018 (total amount: ¥5,163 million), ¥39 million in FY2019 (total amount: ¥5,352 million), ¥39 million in FY2020 (total amount: ¥5,766 million), and ¥39 million in FY2021. As shown above, the amounts of the Company's donations are insignificant compared with the total amount of the university's donation-based income. In addition, the faculty to which the Company made donations is different from the faculty to which she belongs, and she is not a representative of the university. Thus there is no direct interest between the Company and Ms. Yamada. Therefore we believe that the donations will not in any way affect Ms. Yamada's independence as an Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Ms.Tamame Akamatsu, who is also Audit and Supervisory Committee Member currently holds the position of Chairperson of the Board and President, Kyoto City University of Arts and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

The ownership of the Company's shares by the Outside Members of the Board of Directors is stated in "①List of Members of the Board of Directors".

As stated above, the Company enhances its supervisory function to improve its management's transparency and objectivity by appointing highly independent people who have no special interest with the Company as Outside Members of the Board of Directors.

(3) Audit Status

① Status of Audit by the members of the Audit and Supervisory Committee

1) Organization, personnel and personnel of the inspection of the members of the Audit and Supervisory Committee

There are five members of the Audit and Supervisory Committee (including three members of outside directors who are Audit and Supervisory Committee Members) and audits the execution of duties by directors in accordance with the audit policy and implementation plan established by the Audit and Supervisory Committee, and create an audit report. Mr. Kazuya Murakami, Chairman of the Audit and Supervisory Committee, held an important position at the Ministry of Finance of Japan and has a significant amount of insight in the areas of finance and accounting. Mr. Hiroyuki Ochiai held an important position at the Ministry of Economy, Trade and Industry of Japan, etc. and has abundant experience and considerable insight. Mr. Takeshi Nakane, has experience working as a diplomat in various countries around the world, a broad international viewpoint, and considerable insight. Ms. Aya Yamada has considerable insight gained in the area of law as a university professor. Ms. Tamame Akamatsu has considerable insight gained in the areas such as human resource development as a university chairperson of the board and president. Mr. Takeshi Nakane, Ms. Aya Yamada, and Ms. Tamame Akamatsu, Audit and Supervisory Committee Members, are outside directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

The outside directors, who are Audit and Supervisory Committee Members oversee NIDEC's overall business operations from an objective and neutral standpoint based on their expertise and experience in the area of management and law. The Company appoints outside directors, who are Audit and Supervisory Committee Members by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. (TSE). They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. These members enhance the supervisory function of the Company to improve its management's transparency and objectivity. The Company has notified the TSE that three outside directors, who are Audit and Supervisory Committee Members are independent officers.

(Note) Ms. Tamame Akamatsu was appointed as an outside member of the Board of Directors who is an Audit and Supervisory Committee Member at the General Meeting of Shareholders held on June 17, 2022.

2) Status of the Audit and Supervisory Committee

In the current fiscal year, the Company holds an Audit and Supervisory Committee totally 15 times, and the attendance of each Audit and Supervisory Committee Members is as follows.

Category	Name	Attendance of Audit and Supervisory Committee meetings
Full-time Member of the Audit and Supervisory Committee	Kazuya Murakami	15 out of 15 times
Full-time Member of the Audit and Supervisory Committee	Hiroyuki Ochiai	15 out of 15 times
Outside Members of the Audit and Supervisory Committee	Takeshi Nakane	15 out of 15 times
Outside Members of the Audit and Supervisory Committee	Aya Yamada	15 out of 15 times
Outside Members of the Audit and Supervisory Committee	Takako Sakai	15 out of 15 times

(Notes) 1. Ms. Takako Sakai retired from the position of Audit and Supervisory Committee Member and was newly appointed as an outside member of the Board of Directors who is not an Audit and Supervisory Committee Member at the conclusion of the General Meeting of Shareholders held on June 17, 2022.

2. Ms. Tamame Akamatsu is a new Audit and Supervisory Committee Member appointed at the General Meeting of Shareholders held on June 17, 2022, and thus the attendance status for the current fiscal year is not stated.

The main considerations by an Audit and Supervisory Committee are the audit policy, audit implementation plan, the state of development and operation of the internal controls, and the adequacy of auditing methods used by the accounting auditors and their accounting results.

The members of the Company's Audit and Supervisory Committee all attend the meetings of the Board of Directors, and monitor them to confirm that the Company's decisions were made after sufficient discussion. The members of the Company's Audit and Supervisory Committee also share information and exchanged their opinions with Corporate Administration & Internal Audit Department and the accounting auditor of the Company, while obtaining information from the Risk Management Meeting, etc. as necessary, and report to the Board of Directors, as necessary, important issues and other matters obtained from such information. Also the members of the Audit and Supervisory Committee hold meetings with accounting auditors quarterly. In addition to quarterly meeting, they also hold other meetings when necessary, and they exchange information and opinions on audit results, audit structures, audit plans, and the progress of audit among other issues. In addition to these matters, the Audit and Supervisory Committee considers the appointment, etc., and compensation, etc., of Directors who are not Audit and Supervisory Committee Members, including confirmation of discussions at The Remuneration Committee, which is an advisory body to the Board of Directors, and decides the opinions of the Audit and Supervisory Committee. Full-time Audit and Supervisory Committee Members attend important meetings such as the Management Committee, and inspect the minutes of risk meetings and other meetings, as well as important approval documents. Also audit the status of business execution, etc. by interviewing and conducting on-site audits of Directors, Executive Officers and key employees of the Company and its subsidiaries, and report the results to the Audit and Supervisory Committee.

② Status of Internal Audit

1) Internal audit organization, personnel and procedures

The Company's Corporate Administrative & Internal Audit Department, which made up of twenty nine members reports directly to the Chairman, conducts internal audit based on an audit plan. Also the Company's Corporate Administration & Internal Audit Department conduct internal audit to the Company and other Nidec Group companies, and, as necessary, reports and explains to the Company's executives and at the Risk Management Meeting, etc. the issues and problems identified in relation to internal audit and other matters to ensure that all departments concerned will progress on those matters.

2) Mutual cooperation among internal audits, audit by the members of the Audit and Supervisory Committee, and accounting audits

The Company's Corporate Administrative & Internal Audit Department holds a meeting to report matters to the Company's members of the Audit and Supervisory Committee on a regular basis, and reports the internal audit results at Nidec companies. If necessary, the Corporate Administrative & Internal Audit Department exchanges opinions and information and conducting onsite audits with the members of the Audit and Supervisory Committee. Also, the Company receives reports of audit results from them, exchanges opinions with them and is advised for improvement by them.

③ Status of auditing by the Accounting Auditor

1) Name of Auditor

The Company has an auditing agreement with PricewaterhouseCoopers Kyoto to conduct audits required under the Companies Act and the Financial Instruments and Exchange Act. PricewaterhouseCoopers Kyoto conducts the financial statement audits from a standpoint of an independent third party. The Company receives reports of audit results from them, exchanges opinions with them and is advised for improvement by them.

2) Continuous audit period

37 years

(Note) The above-mentioned period is the result of an investigation based on the time when the Company was listed on the stock because the investigation was extremely difficult, and the continuous audit period may exceed this period.

3) Certificated public accountants who executed audits

Designated and Engagement Partner	Minamoto Nakamura
Designated and Engagement Partner	Keiichiro Kagi
Designated and Engagement Partner	Tatsuro Iwai

4) Assistants in auditing operations

Thirteen CPAs, four members of the Japanese Institute of Junior Accountants, and twenty-three others

5) Reason and assessment for Auditor's selection

The reappointment of the Accounting Auditor is appropriately decided at the Audit and Supervisory Committee meeting, after collecting information from the Company's Finance Department, and Accounting Department, Corporate Administrative & Internal Audit Department and the Accounting Auditor. The Audit and Supervisory Committee confirmed that the audit system is well established based on the Standard on Quality Control for Audits and response of the audit was suitable.

6) Evaluation contents of the audit corporation of the submitting company conducted by the Audit and Supervisory Committee

The Audit and Supervisory Committee considers the necessity of reappointment based on the status of quality control of auditor, the independence and expertise of the auditing team, the appropriateness of audit fees, the status of communication with the member of the Audit and Supervisory Committee and management, the system of group auditors, and others. If the accounting auditors fall under any of the items of Article 340, Paragraph 1 of the Companies Act in Japan and it is deemed appropriate to dismiss the accounting auditor, the Audit and Supervisory Committee shall dismiss the accounting auditor with the consent of all members of the Audit and Supervisory Committee. In the event that it is deemed that there has been a cause that hinders the accounting auditors from performing an appropriate audit, the Audit and Supervisory Committee shall determine the content of a proposal to be submitted to the general meeting of shareholders for the dismissal or non-reappointment of the accounting auditors. Based on the above, the Audit and Supervisory Committee has evaluated that there have been no problems with the execution of the duties of the accounting auditors for the current business year and decided to reappoint them.

④ Audit fee, etc.

1) Details of fees paid to the accounting auditor involved in the audit

Category	For the year ended March 31,			
	2021		2022	
	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)
The Company	226	6	237	-
The Company's consolidated subsidiaries	343	-	340	-
Total	569	6	577	-

(For the fiscal year ended March 31, 2021)

The Company consigns and pays consideration to the accounting auditor for services concerning the preparation of comfort letters, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.

(For the fiscal year ended March 31, 2022)

Audit fees for non-audit services are not applicable.

2) Details of fees paid to the member firms of PricewaterhouseCoopers International Limited, which belong to the same network as the Company's accounting auditor

Category	For the year ended March 31,			
	2021		2022	
	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)
The Company	8	5	5	1
The Company's consolidated subsidiaries	1,022	156	1,183	64
Total	1,030	161	1,188	65

(For the fiscal year ended March 31, 2021)

Audit fees for non-audit services for the Company and its consolidated subsidiaries include the preparation of comfort letters and tax-related work, etc.

(For the fiscal year ended March 31, 2022)

Audit fees for non-audit services for the Company and its consolidated subsidiaries include tax-related work, etc.

3) Policy for determining the audit fee

In determination of audit fees, factors such as the validity of the auditing plans are verified.

4) Reason for Accepting Audit fee by the member of Audit & Supervisory

The Audit and Supervisory Committee has confirmed the simulated figures based on audit plan, audit details, and the number of man-hours required to conduct the audit and the personnel allocation plan to carry out the plan. The relationship between auditing service and audit fee are logical, detailed, and clarity. The Audit and Supervisory Committee has approved the audit fee according to the Companies Act of Japan Article 399 Paragraph 1.

(4) Remuneration etc, for the members of the Board of Directors

①Matters concerning the policy to determine the amounts of executives' remuneration or the way to calculate such amounts, and the process to determine the amounts

1) Policy to make decisions on executive remuneration and the process to determine its amounts

a) Basic policy

The Company's remuneration for members of the Board of Directors shall be determined based on the following policy with the aim of strengthening global competitiveness and the sustainable growth of its business.

- Motivate the executives to improve the Company's value;
- Contribute to securing talented managerial human resources; and
- Ensure that the amount of such remuneration is proper based on the Company's scale and area of business.

b) Outline of revenue composition

<Outside members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members)>

To ensure their independence, the remuneration of outside members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) shall be fixed remuneration only, which is paid monthly.

<Members of the Board of Directors (excluding outside members of the Board of Directors and members of the Board of Directors who are Audit and Supervisory Committee Members)>

The remuneration of members of the Board of Directors (excluding outside members of the Board of Directors and members of the Board of Directors who are Audit and Supervisory Committee Members) shall be (i) fixed remuneration according to ranks, (ii) variable remuneration (bonus) based on the evaluation of performance achievement in the previous fiscal year, etc., and (iii) performance-linked share-based remuneration based on performance achievement for three fiscal years, etc.

(ii) Variable remuneration (bonus) is determined taking into account the level of achievement of consolidated net sales and consolidated operating profit targets for each fiscal year and performance and other factors of members of the Board of Directors. Variable remuneration fluctuates from zero (no payment) to twice its median value (50% of fixed remuneration).

(iii) Performance-linked share-based remuneration covers three consecutive fiscal years, during which the number of points that fluctuates within a range of 0% to 200% according to ranks and the level of achievement of consolidated net sales and consolidated operating profit targets for each fiscal year will be granted. After the lapse of the applicable period, the number of the Company's shares calculated based on the cumulative value of points granted will be delivered, and money equivalent to the amount of the Company's shares will be paid (one unit is equivalent to one share).

The ratio of (i) fixed remuneration, (ii) variable remuneration (bonus), and (iii) performance-linked share-based remuneration for members of the Board of Directors (excluding outside members of the Board of Directors and members of the Board of Directors who are Audit and Supervisory Committee Members) shall be approximately 3 : 1.5 : 1.

Type of remuneration	Payment criteria	Payment method	Remuneration ratio
			Members of the Board of Directors
Fixed remuneration	• Set according to ranks	Monthly cash payment	3
Variable remuneration (bonus)	<ul style="list-style-type: none"> • Level of achievement of consolidated net sales/consolidated operating profit targets for the previous fiscal year. • Performance and other factors of members of the Board of Directors are taken into account • Fluctuate from zero to twice the median value of variable remuneration 	Monthly cash payment	1.5
Performance-linked share-based remuneration	<ul style="list-style-type: none"> • Standard amount for each rank × Level of achievement of achievement of consolidated net sales/consolidated operating profit targets • The number of points that fluctuates within a range of 0% to 200% will be granted <ul style="list-style-type: none"> • After the lapse of three fiscal years, the number of the Company's shares corresponding to the cumulative points will be delivered, and money equivalent to the amount of the Company's shares will be paid 	After the lapse of three fiscal years (shares and money)	1

c) Process of determining remuneration

The Board of Directors shall determine the amount of fixed remuneration and variable remuneration for each member of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) in accordance with the criteria stipulated in the above policy and based on the recommendations of the Remuneration Committee, which is a voluntary advisory body. In addition, the Board of Directors shall similarly determine the content of performance-linked share-based remuneration in view of the recommendations of the Remuneration Committee.

d) Forfeiture of remuneration (clawback and malus)

Fixed and variable remuneration may be reduced with the consent of the relevant person if he or she has caused serious damage to the Company.

In addition, if a person eligible for performance-linked share-based remuneration commits a serious violation of his or her duties or internal rules or other misconduct after the beneficiary right vesting date, the Company may seek compensation from that person.

2) Details of the performance-linked share-based remuneration plan to be launched in FY2021

In FY2018, the Nidec Group introduced a performance-linked share-based remuneration plan (the "Plan") for the Company's members of Directors (excluding outside members of the Board of Directors), Executive Officers and other executives equivalent in rank thereto and for the group companies' members of the Board of Directors (excluding outside members of the Board of Directors) and Executive Officers. As the Company became a company with an Audit and Supervisory Committee in FY2020, the Plan covered the Company's Members of the Board of Directors who are not Audit and Supervisory Committee Members (excluding outside members of the Board of Directors), Executive Officers and other executives equivalent in rank thereto (collectively, the "Eligible Board Members"). This Plan was partially revised in the 48th Regular General Meeting Shareholders held on June 22, 2021 (The number of the members of the Board of Directors who will become eligible for the Plan after this General Meeting Shareholders will be two). Even after the aforementioned change to the Plan, its purpose of motivating those covered by it to, among others, achieve a performance target to further improve the Nidec Group's corporate value on a mid- and long-term basis remains unchanged. Since FY2021, though, the Plan has been modified for remuneration to fluctuate based on the degree of achieving each fiscal year's consolidated net sales and operating profit targets. Specifically, based on the following method, the amount of each remuneration is finalized after calculating the number of units (shares) to be provided to the Eligible Board Members under the Plan for three consecutive fiscal years (which are from the fiscal year ending in March 2022 to the one ending in March 2024, or which, if the trust period is extended, are three fiscal years thereafter, hereinafter referred to as the "Applicable Period"). In principle, the number of shares that correspond to the number of accumulated units will be issued to the Eligible Board Members under the Plan in the month of July after the Applicable Period ends. In principle, shares are issued to 50% of the shares that correspond to the units (rounded down to the nearest whole trading unit), whereas money are provided for the rest, from the aspect of securing funds for tax payment.

The Company also adopts a similar share-based payment plan for certain other executives of the Company.

Metrics related to performance-linked share-based remuneration

a) Metrics and weightings to be used to link base units to performance

Metric to be used	Weighting	FY2021 Target	FY2021 Result
Consolidated net sales	50%	¥ 1.760trillion	¥ 1.918trillion
Consolidated operating profit	50%	¥ 200billion	¥ 171billion

(Notes) 1. The Remuneration Committee will discuss whether to include the impact of foreign exchange fluctuations in the evaluation for FY21 Result. If the valuation is revised, it will be disclosed in the securities report for the following fiscal year.

b) Reasons for the metrics to have been selected

The Company sees the above index, which is used in its mid-term business plan, as an index to improve its corporate value on a mid- to long-term basis.

c) How the amounts of the remuneration are determined

Based on the degree of achievement against the aforementioned index, the Company multiplies the base units provided to eligible members of the Board of Directors and others in accordance with their job grades by a performance-linked coefficient (0 – 200%), to calculate the number of performance-linked units, which are given to the members and accumulated annually. In principle, the number of shares that are equivalent to that of the accumulated units will be issued to the eligible members of the Board of Directors and others in July, after the end of the applicable period. However, this rule will not apply to, among cases, someone who has become a non-resident or deceased during an applicable period, or who has retired from office at the expiration of his/her term of office.

Treatment of units granted before the Plan revision (the period from FY2018 to FY2020)

The Nidec Group introduced this Plan in 2018. With respect to it for the FY2018 – FY2020 period, based on the resolutions of the 45th Regular Meeting of Shareholders held on June 20, 2018 (The number of the members of the Board of Directors who will become eligible for the Plan after this General Meeting Shareholders will be seven) and of the 47th Regular Meeting of Shareholders held on June 17, 2020 (The number of the members of the Board of Directors who will become eligible for the Plan after this General Meeting Shareholders will be two), we made it a purpose of this Plan to motivate the entire Nidec Group to be motivated and united to, among others, achieve its performance target to realize Vision 2020, the group's mid-term business plan and improve the group's corporate values on a mid- and long-term basis. Thus, we ensured that the remuneration of the Eligible Board Members will change based on the degree of achieving the consolidated sales and operating profit targets set forth in the mid-term business plan. Specifically, based on the following method, the Plan would calculate and finalize the number of units (shares) to be provided to the Eligible Board Members, got the fiscal years covered by the Company's mid-term business plan (three fiscal years from the one ended in March 2019 to the one ended in March 2021, *i.e.* the remaining period of Vision 2020, the Company's mid-term business plan). In principle, the Plan would issue the shares that correspond to the accumulated units to the Eligible Board Members when they leave office.

As for the units provided prior to the revision of this Plan, our plan, from the beginning, was to grant shares that correspond to the number of units to the Eligible Board Members when they leave office. Therefore, even after the revision of this Plan, the rules on the aforementioned units will continue to be granted to the Eligible Board Members, etc. when they leave office. In principle, shares are issued to 50% of the shares that correspond to the units (rounded down to the nearest whole trading unit), whereas money are provided for the rest, from the aspect of securing funds for tax payment.

i) Eligible Board Members

The Eligible Board Members include "executive officers" as defined in Article 34, Paragraph 1 of the Corporation Tax Act.

ii) Level of total share grants to Eligible Board Members

The maximum total numbers of shares (one unit per Company share) that may be granted to the Eligible Board Members over the Applicable Period (three fiscal years) are specified in the table below. The maximum number of shares that may be granted individually to Eligible Board Members will be calculated by the formula set forth below from iii) onward.

Due to the stock split conducted on April 1, 2020, one unit for every two shares of the Company. The initial target period will be calculated as one unit for every two shares of the Company.

Company	Maximum number of shares
Nidec Corporation	133,800 shares
Nidec Sankyo Corporation	22,200 shares
Nidec Techno Motor Corporation	7,800shares
Nidec Elesys Corporation	15,000 shares
Nidec Tosok Corporation	11,400 shares
Nidec-Shimpo Corporation	15,000 shares
Nidec Copal Electronics Corporation	11,400 shares
Nidec Copal Corporation	15,600 shares
Nidec Servo Corporation	4,200 shares
Nidec-Read Corporation	18,600 shares
Nidec Mobility Corporation	2,000 shares
Nidec Machinery Corporation	4,200 shares
Nidec Global Service Corporation	7,800 shares

iii) Calculation method and level of individual grants

The number of units to be awarded to individual Eligible Board Members will be determined individually by the following formula.

Calculation formula

- The number of base units to be awarded per fiscal year will be determined by the following formula.
 - Short-term performance units = share-based remuneration by company and rank (*7) ÷ base share price (*8) × 60%
 - Medium-term performance units = share-based remuneration by company and rank (*7) ÷ base share price (*8) × 40%
 - * Rounded down to the nearest whole unit

- Cumulative unit totals for the Applicable Period (three fiscal years) will be tallied by summing the following.
 - Short-term performance units
 - First fiscal year's short-term performance units × short-term performance linkage coefficient (*9)
 - Second fiscal year's short-term performance units × short-term performance linkage coefficient (*9)
 - Third fiscal year's short-term performance units × short-term performance linkage coefficient (*9)

Medium-term performance units

- (First fiscal year's medium-term performance units + second fiscal year's medium-term performance units + third fiscal year's medium-term performance units) × medium-term performance linkage coefficient (*10)

(*7) Share-based remuneration by company and rank

■ Nidec Corporation

Share-based remuneration by rank (Yen in thousands)							
Chairman	Vice Chairman	President	Executive Vice President	First Senior Vice President	Senior Vice President	Vice President	MG3
10,000	6,000	8,000	5,000	4,000	3,000	2,000	1,500

■ Group companies

Company	Share-based remuneration by rank (Yen in thousands)			
	Chairman	President	First Senior Vice President	Senior Vice President
Nidec Sankyo Corporation	-	4,000	3,000	2,000
Nidec Techno Motor Corporation	-	3,000	2,000	2,000
Nidec Elesys Corporation	-	3,000	2,000	2,000
Nidec Tosok Corporation	-	3,000	2,000	2,000
Nidec-Shimpo Corporation	-	3,000	2,000	2,000
Nidec Copal Electronics Corporation	3,000	3,000	2,000	2,000
Nidec Copal Corporation	-	3,000	2,000	2,000
Nidec Servo Corporation	-	3,000	2,000	2,000
Nidec-Read Corporation	3,000	3,000	2,000	2,000
Nidec Mobility Corporation	-	4,000	3,000	2,000
Nidec Global Service Corporation	-	2,000	-	-
Nidec Machinery Corporation	-	2,000	-	-

* The number of units to be awarded are determined based on rank as of March 31 of every year.

* The above tables will also apply to individuals who are appointed as members of the Board of Directors in the next fiscal year or later.

* The amount of share-based remuneration applicable to individuals appointed as an executive officer of NIDEC while on secondment at that company will be the amount based on their rank at the company from which they are seconded.

(*8) Base share price

The base share price is ¥16,946.8896, which is the average per-share acquisition price (rounded off to the fourth decimal place) of the Company shares held in the trust used by the Plan. The acquisition of the Company shares took place in July 2018.

(*9) Method of linking short-term performance unit to performance

Metrics, values and weightings to be used to link short-term performance units to performance

Metric to be used	Value to be used	Weighting	FY2020	
			Target	Result
Consolidated net sales	Forecast (quantified in millions of yen) for the given fiscal year in the Company's financial results released in April or May of that fiscal year	50%	¥1,500 trillion	¥1,618 trillion
Consolidated operating profit	Same as above	50%	¥125 billion	¥160 billion

Performance linkage coefficient to be used to link short-term performance units to performance

Target's degree of attainment	Performance linkage coefficient
120% or more	200%
115% to less than 120%	175%
110% to less than 115%	150%
105% to less than 110%	125%
100% to less than 105%	100%
90% to less than 100%	50%
Less than 90%	0%

(*10) Method of linking medium-term performance unit to performance

Metrics, values and weightings to be used to link medium-term performance units to performance

Metric to be used	Value to be used	Weighting	FY2020	
			Target	Result
Consolidated net sales	Medium-term management plan target (quantified in millions of yen) disclosed at the beginning of said plan's period	50%	¥2,000 trillion	¥4,628 trillion
Consolidated operating profit	Same as above	50%	¥300 billion	¥399 billion

(Notes) The above "Result" shows the total amount of the results for each year from FY2018 to FY2020.

Performance linkage coefficient to be used to link medium-term performance units to performance

Target's degree of attainment	Performance linkage coefficient
120% or more	200%
115% to less than 120%	175%
110% to less than 115%	150%
105% to less than 110%	125%
100% to less than 105%	100%
90% to less than 100%	50%
Less than 90%	0%

3) Reason why the Board of Directors determined that the content of individual remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members for the fiscal year is in line with the Determination Policy

In determining the content of remuneration, etc. for each individual director, the Remuneration Committee conducts a multi-faceted examination of the draft, including consistency with the decision policy, so the Board of Directors basically respects the report and determines that it is in line with the decision policy.

② Committee that is involved in the determination of the policy to determine the amounts of executive remuneration, etc. or their calculation method

1) Name of the committee: The Remuneration Committee

2) Main issues discussed in The Remuneration Committee

The committee was held twice i.e. in March and May 2021 to discuss the following.

- The policy and details to determine the amount of remuneration for the members of the Board of Directors who are not Audit and Supervisory Committee Members and Vice Presidents
- The details of the revisions to the performance-linked share-based remuneration system

③ Date of the General Meeting of Shareholders resolved the amount of remuneration, etc., for members of the Board of Directors, and the details of the resolution

1) Members of the Board of Directors who are not Audit and Supervisory Committee Members, etc.

Type of remuneration	Date of resolution	Recipient	Upper limit	Number of those in attendance at the time of the resolution
Fixed	June 17, 2020	Members of the Board of Directors who are not Audit and Supervisory Committee Members	¥1,000 million per year (including ¥100 million per year for outside members of the Board of Directors)	4
Share-based	June 22, 2021	Members of the Board of Directors who are not Audit and Supervisory Committee Members(excluding outside members of the Board of Directors), Vice Presidents, and those of equal positions	The upper limit of the three fiscal years, which are the initial period, is ¥2,730 million, 252,000 shares	Members of the Board of Directors: 2 Vice Presidents, etc.: 31

2) Members of the Board of Directors who are Audit and Supervisory Committee Members

Type of remuneration	Date of resolution	Recipient	Upper limit	Number of those in attendance at the time of the resolution
Fixed	June 17, 2020	Members of the Board of Directors who are Audit and Supervisory Committee Members	¥100 million per year	5

④The total amount of compensation, etc., by officer category, the total amount of compensation, etc., by type, and the number of persons are as follows:

Category	Total amount of compensation, etc. (Yen in millions)	Total amount of compensation, etc. by type (Yen in millions)				Number of persons
		Fixed compensation	Variable compensation	Performance-linked share-based compensation	Retirement benefits	
Members of the Board of Directors (excluding Audit and Supervisory Committee Members and outside members of the Board of Directors)	215	129	59	27	-	7
Audit and Supervisory Committee Members (excluding outside members of the Board of Directors)	34	34	-	-	-	2
Outside members of the Board of Directors and outside members of the Audit & Supervisory Board	35	35	-	-	-	5

(Notes) 1. The above performance-linked compensation amount includes the settlement of compensation for five members of the Board of Directors who retired from their posts in the fiscal year 2020.

2. Introduction of the performance-linked share-based compensation plan for Members of the Board of Directors, etc. was resolved at the 45th Regular General Meeting of Shareholders held on June 20, 2018. The aforementioned amounts are the amounts recorded as expenses in the fiscal year 2021 in accordance with the Japanese standards. Outside members of the Board of Directors are not covered by this plan.

⑤Total amount of consolidated remuneration, etc. for members of the Board of Directors

Name	Total Amount of remuneration (Yen in millions)	Position	Company	Total amount by type (Yen in millions)		
				Fixed remuneration	Variable remuneration	Performance-linked share-based remuneration
Shigenobu Nagamori	103	Representative Director	Nidec Corporation	55	32	16
Jun Seki	117	Representative Director	Nidec Corporation	74	27	16

(Notes) The above includes only Directors and Audit & Supervisory Board Members who received ¥100 million or more as total remuneration.

(5) Status of shares held

① Framework and way of thinking for category about investment shares

We specify the separation about shares for investment held for any purpose pure investment or other than pure investment as follows.

(Purpose for pure investment)

Shares for investment held for any purpose to gain the benefits by occurring capital gain from stock price fluctuations and receiving dividend income solely

(Purpose other than pure investment)

Shares for investment held for any purpose other than pure investment out of investment securities recorded on the balance sheet

② Shares for investment held for any purpose other than pure investment

1) Our way to assess holding policy and economic rationality, contents that were assessed share holding appropriateness about each share at Board of Directors meeting

Basic policy for cross-share holding

NIDEC holds shares in the companies that NIDEC has relationships with in terms of trading and cooperation in its business or other areas when it judges the shareholding contributes to the company's corporate value expansion through stabilizing its business for a mid to-long-term perspectives by maintaining and strengthening the relationship with them. NIDEC assesses its cross-held shares individually at the Board of Directors every year on not only qualitative aspect such as purposes of the shareholding, but also, on quantitative aspect such as benefits that can be brought through the shareholding from the perspective of economic rationality. According to the results of the assessment, NIDEC intends to reduce the number of shares held if the cross-held shares would make insignificant benefits.

2) Number of shares for investment held for any purpose other than pure investment and total carrying value

	Number of issuer	Total carrying value (Yen in millions)
Unlisted shares	7	1,182
Other than unlisted shares	14	11,970

(Issuers of increased shares within current fiscal year)

	Number of issuer	Total acquisition cost of increased shares (Yen in millions)	Reasons for increase in number of shares held
Unlisted shares	-	-	-
Other than unlisted shares	-	-	-

(Issuers of decreased shares within current fiscal year)

	Number of issuer	Total selling value of decreased shares (Yen in millions)
Unlisted shares	-	-
Other than unlisted shares	-	-

3) Holding classification, issuer, number of shares held, carrying value, and purposes for ownership of the shares for investment held for any purpose other than pure investment

Issuer	Current fiscal year	Previous fiscal year	Purposes and quantitative effects for ownership, reasons for increase in number of shares held	Owned by another company (Yes/No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
Brother Industries, Ltd.	1,120,300	1,120,300	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	2,506	2,743		
ROHM Co., Ltd.	228,600	228,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	2,192	2,471		
NICHICON Corporation	1,184,600	1,184,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	1,392	1,328		
KYOCERA Corporation	175,600	175,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	1,208	1,234		
The Bank of Kyoto, Ltd.	205,656	205,656	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	1,100	1,401		
Mitsubishi UFJ Financial Group, Inc.	1,251,129	1,251,129	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	951	740		

Issuer	Current fiscal year	Previous fiscal year	Purposes and quantitative effects for ownership, reasons for increase in number of shares held	Owned by another company (Yes/No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
HORIBA, Ltd.	124,500	124,500	<ul style="list-style-type: none"> -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year 	Yes
	834	869		
SCREEN Holdings Co., Ltd.	57,600	57,600	<ul style="list-style-type: none"> -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year 	Yes
	712	561		
The Shiga bank, Ltd.	318,488	318,488	<ul style="list-style-type: none"> -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year 	Yes
	704	763		
Sumitomo Mitsui Financial Group, Inc.	31,483	31,483	<ul style="list-style-type: none"> -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year 	Yes
	123	126		
The Hachijuni Bank, Ltd.	256,439	256,439	<ul style="list-style-type: none"> -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year 	Yes
	104	103		
Nissha Printing Co., Ltd.	56,300	56,300	<ul style="list-style-type: none"> -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year 	Yes
	82	77		

Issuer	Current fiscal year	Previous fiscal year	Purposes and quantitative effects for ownership, reasons for increase in number of shares held	Owned by another company (Yes/No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
The Fukui Bank, Ltd.	42,100	42,100	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	59	83		
NAGANO KEIKI Co., Ltd.	665	665	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	1	1		

③Shares for investment held for pure investment purposes

Classification	Current fiscal year		Previous fiscal year	
	Number of issuer	Total carrying value (Yen in millions)	Number of issuer	Total carrying value (Yen in millions)
Unlisted shares	-	-	-	-
Other than unlisted shares	1	1,940	1	2,974

Classification	Current fiscal year		
	Total amount of dividends received (Yen in millions)	Total amount of gains and losses on sale (Yen in millions)	Total valuation gains and losses (Yen in millions)
Unlisted shares	-	-	-
Other than unlisted shares	9	310	(97)

V. Consolidated Financial Statements and Other Information

1. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31,	
		2021	2022
Assets			
Current assets			
Cash and cash equivalents	8	219,524	199,655
Trade and other receivables	10	441,083	572,123
Other financial assets	11, 35	10,556	4,828
Income tax receivables		9,454	8,290
Inventories	12	296,641	457,372
Other current assets	13	46,869	50,396
Total current assets		1,024,127	1,292,664
Non-current assets			
Property, plant and equipment	14	662,659	765,986
Goodwill	15	319,926	339,904
Intangible assets	15	195,601	214,498
Investments accounted for using the equity method	37	2,422	1,241
Other investments	16, 35	19,360	20,839
Other financial assets	35	6,056	6,613
Deferred tax assets	25	15,022	21,062
Other non-current assets	17	10,851	16,787
Total non-current assets		1,231,897	1,386,930
Total assets		2,256,024	2,679,594

(Yen in millions)

	Note	As of March 31, 2021	2022
Liabilities			
Current liabilities			
Short term borrowings	21, 22, 35	30,977	130,635
Long term debt due within one year	21, 22, 35	75,596	143,201
Trade and other payables	18	400,307	526,108
Other financial liabilities	19, 35	2,463	2,155
Income tax payables		17,910	20,083
Provisions	26	33,546	36,691
Other current liabilities	20	68,869	79,917
Total current liabilities		629,668	938,790
Non-current liabilities			
Long term debt	21, 22, 35	424,900	321,874
Other financial liabilities	35	1,666	264
Retirement benefit liabilities	23	31,703	36,566
Provisions	26	756	1,121
Deferred tax liabilities	25	48,214	58,219
Other non-current liabilities		5,182	4,951
Total non-current liabilities		512,421	422,995
Total liabilities		1,142,089	1,361,785
Equity			
Common stock	28	87,784	87,784
Additional paid-in capital	28	105,179	103,216
Retained earnings		1,016,559	1,119,705
Other components of equity	24, 28	(49,633)	103,919
Treasury stock		(63,869)	(121,272)
Total equity attributable to owners of the parent		1,096,020	1,293,352
Non-controlling interests		17,915	24,457
Total equity		1,113,935	1,317,809
Total liabilities and equity		2,256,024	2,679,594

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

Consolidated Statements of Income

(Yen in millions)

	Note	For the years ended March 31,	
		2021	2022
Continuing operations			
Net Sales	5, 30	1,618,064	1,918,174
Cost of sales	31	(1,251,547)	(1,514,837)
Gross profit		366,517	403,337
Selling, general and administrative expenses	31	(139,267)	(153,835)
Research and development expenses	31	(67,280)	(78,015)
Operating profit	5	159,970	171,487
Financial income	32	4,200	4,287
Financial expenses	32	(5,924)	(5,653)
Derivative gain (loss)	34	1,014	213
Foreign exchange differences		(5,334)	2,272
Share of net profit (loss) from associate accounting using the equity method	37	(989)	(1,461)
Profit before income taxes		152,937	171,145
Income tax expenses	25	(30,124)	(34,051)
Profit for the year from continuing operations		122,813	137,094
Discontinued operations			
Loss for the year from discontinued operations	6	(228)	(327)
Profit for the year		122,585	136,767
Profit for the year attributable to:			
Owners of the parent		121,945	136,870
Non-controlling interests		640	(103)
Profit for the year		122,585	136,767
Earnings (loss) per share attributable to owners of the parent-basic (yen)	33		
Continuing operations		208.58	234.86
Discontinued operations		(0.39)	(0.56)
Total		208.19	234.30

Consolidated Statements of Comprehensive Income

(Yen in millions)

Note	For the years ended March 31,	
	2021	2022
Profit for the year	122,585	136,767
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	759	1,810
Fair value movements on FVTOCI equity financial assets	3,799	247
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	61,445	155,876
Effective portion of net changes in fair value of cash flow hedges	6,040	(749)
Fair value movements on FVTOCI debt financial assets	7	2
Total other comprehensive income for the year, net of taxation	24	72,050
Comprehensive income for the year		157,186
		194,635
		293,953
Comprehensive income for the year attributable to:		
Owners of the parent	192,671	292,439
Non-controlling interests	1,964	1,514
Comprehensive income for the year		194,635
		293,953

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 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, 2020		87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633
Comprehensive income				121,945			121,945	640	122,585
Profit for the year					70,726		70,726	1,324	72,050
Other comprehensive income	24								
Total comprehensive income							192,671	1,964	194,635
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(128)	(128)	-	(128)
Dividends paid to the owners of the parent	29			(35,145)			(35,145)	-	(35,145)
Dividends paid to non-controlling interests							-	(655)	(655)
Share-based payment transactions			17	4,568	(4,568)		17	-	17
Transfer to retained earnings							-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(9,592)				(9,592)	(3,934)	(13,526)
Other				898		9	907	197	1,104
Balance at March 31, 2021		87,784	105,179	1,016,559	(49,633)	(63,869)	1,096,020	17,915	1,113,935

For the year ended March 31, 2022

(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				136,870			136,870	(103)	136,767
Profit for the year	24						155,569	1,617	157,186
Other comprehensive income									
Total comprehensive income							292,439	1,514	293,953
Transactions with owners directly recognized in equity:									
Purchase of treasury stock	29					(57,496)	(57,496)	-	(57,496)
Dividends paid to the owners of the parent				(35,132)			(35,132)	-	(35,132)
Dividends paid to non-controlling interests							-	(138)	(138)
Share-based payment transactions			420	2,016	(2,016)		420	-	420
Transfer to retained earnings							-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,402)				(2,402)	4,872	2,470
Other			19	(608)	(1)	93	(497)	294	(203)
Balance at March 31, 2022		87,784	103,216	1,119,705	103,919	(121,272)	1,293,352	24,457	1,317,809

(4) Consolidated Statements of Cash Flows

(Yen in millions)

For the years ended March 31,

	Note	2021	2022
Cash flows from operating activities:			
Profit for the year from continuing operations		122,813	137,094
Loss for the year from discontinued operations		(228)	(327)
Profit for the year		122,585	136,767
Adjustments to reconcile profit for the year to net cash provided by operating activities			
Depreciation		80,930	87,279
Amortization		15,872	17,645
Loss (gain) from sales, disposal and impairment of property, plant and equipment		2,011	(2,247)
Loss from sales of discontinued operations		228	327
Financial expense (income)		2,008	995
Share of net (profit) loss from associate accounting using the equity method		989	1,461
Deferred income taxes		(194)	(2,981)
Current income taxes		30,318	37,033
Foreign currency adjustments		(8,778)	(16,224)
Increase (decrease) in retirement benefit liability		(459)	(2,345)
Decrease (increase) in accounts receivable		(28,979)	(68,540)
Decrease (increase) in inventories		(9,416)	(114,179)
Increase (decrease) in accounts payable		68,252	65,144
Other, net		(26,450)	(9,734)
Interests and dividends received		3,540	3,830
Interests paid		(5,396)	(4,913)
Income taxes paid		(27,905)	(34,324)
Net cash provided by operating activities		219,156	94,994

(Yen in millions)

For the years ended March 31,

	Note	2021	2022
Cash flows from investing activities:	6		
Additions to property, plant and equipment		(88,911)	(98,580)
Proceeds from sales of property, plant and equipment		3,401	9,695
Additions to intangible assets		(11,015)	(16,641)
Proceeds from sales of discontinued operations		2,888	-
Acquisitions of business, net of cash acquired		(5,451)	(5,930)
Other, net		(1,480)	(1,141)
Net cash used in investing activities		(100,568)	(112,597)
Cash flows from financing activities:	9		
Increase (decrease) in short term borrowings		(89,209)	93,380
Proceeds from issuance of long term debt		-	20,000
Repayments of long term debt		(62,108)	(43,575)
Proceeds from issuance of bonds		114,900	-
Redemption of bonds		(50,000)	(38,940)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(14,587)	(4,156)
Purchase of treasury stock		(128)	(57,496)
Dividends paid to the owners of the parent		(35,145)	(35,132)
Other, net		86	1,526
Net cash provided (used in) by financing activities		(136,191)	(64,393)
Effect of exchange rate changes on cash and cash equivalents		30,141	62,127
Net increase (decrease) in cash and cash equivalents		12,538	(19,869)
Cash and cash equivalents at beginning of year		206,986	219,524
Cash and cash equivalents at end of year	8	219,524	199,655

Notes to Consolidated Financial Statements

1. Reporting entity

Nidec Corporation (the "Company") is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange. The registered addresses of headquarters and principal business offices are available on the Company's website (<https://www.nidec.com/en/>).

Consolidated Financial Statements as of March 31, 2022 and for the fiscal year then ended consist of the Company and its consolidated subsidiaries ("NIDEC") and interests in associates of NIDEC. See "I. Overview of the Company, 4. Information on Affiliates" for a structure of group companies.

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, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- 6) Others, which include music boxes and services.

2. Basis of preparation of consolidated financial statements

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

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS pursuant to the provision of Article 93 of the Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976), as the Company meets the criteria of a "Designated IFRS Specified Company" defined in Article 1-2 of the Regulations.

(2) Basis of measurement

As stated in "Note 3. Significant accounting policies", the consolidated financial statements have been prepared on a historical cost basis, except for retirement-defined benefit plan assets, some assets and liabilities, including derivative and other financial instruments measured at fair value.

(3) Presentation currency and level of rounding

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

(4) Changes in accounting policies

NIDEC has adopted the following standards from the fiscal year ended March 31, 2022.

IFRS		Summaries of new standards and amendments
IFRS 7	Financial Instruments: Disclosures	Interest Rate Benchmark Reform Phase 2
IFRS 9	Financial Instruments	(Amendments regarding the effects on financial reporting when existing interest rate benchmarks are replaced with alternative benchmark rates)
IAS 39	Financial Instruments: Recognition and Measurement	

These amendments change specific hedge accounting requirements. This interest rate benchmark reform allows hedge accounting to continue even when the existing interest rate benchmarks are replaced by alternative benchmark rates. There are no material impacts of the above statement on NIDEC's consolidated financial statements.

(5) Issued IFRS standards and interpretations not yet adopted by NIDEC

The following is a list of major IFRS standards and interpretations that are issued or amended before the approval date of the consolidated financial statements, but not yet adopted by NIDEC. This potential impacts on NIDEC's consolidated financial statements are still under consideration and cannot be estimated at this time.

IFRS	Effective date (Fiscal year beginning on or after)	NIDEC's application date (Fiscal year ending)	Summaries of new standards and amendments	
IAS 12	Income Taxes	January 1, 2023	March 31, 2024	Clarified accounting processing for deferred taxes on leases and disposal obligations

3. Significant accounting policies

Significant accounting policies apply to all periods mentioned in the consolidated financial statements.

(1) Basis of consolidation

The consolidated financial statements include financial statements of NIDEC and investments in associates.

(i) Subsidiaries

Subsidiaries are all entities over which NIDEC has the control. NIDEC controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Financial statements of subsidiaries are included in the consolidated financial statements from the date when NIDEC gets control to the date when NIDEC loses control of it.

The financial statements of the subsidiaries may be adjusted where accounting policies are different to those of NIDEC.

Inter-company receivables and payables, transactions, and unrealized gains and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

There may be additional purchase and/or partial sale of shares of the subsidiaries by NIDEC. Changes in NIDEC's ownership interests in subsidiaries that do not result in a loss of control are reported as equity transactions. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is directly recognized in equity and attributable to the owners of the parent. When losing control, any gain or loss associated with the loss of control is recognized as net profit or loss.

(ii) Non-controlling interests

Non-controlling interests of consolidated subsidiaries are presented separately from the equity of the owners of the parent.

Non-controlling interests consist of those interests on the date of the initial business combination and changes of the non-controlling interests from the date of the combination. Comprehensive income is allocated to the controlling and non-controlling interests, even when the allocation results in negative non-controlling interests.

(iii) Associates

Associates are all entities over which NIDEC has the ability to exercise significant influence on their financial and operating policies but does not have control.

Associates are accounted for using the equity method from the date when NIDEC acquires significant influence to the date when NIDEC loses it. The investments in associates include goodwill recognized upon acquisition.

(2) Business combinations

Business combinations are accounted for on the date when NIDEC acquires controls over the businesses according to the acquisition method. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the aggregate of the consideration transferred, acquiree's non-controlling interest, and, in a business combination achieved in stages, the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of NIDEC's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of income as a gain on bargain purchase.

Non-controlling interests are presented separately from the equity of the owners of the parent. The non-controlling interest can be measured using either of the following methods:

- 1) Measuring a non-controlling interest at its fair value.
- 2) Measuring the non-controlling interest's proportional share of the net value of the identifiable assets acquired and the liabilities assumed.

This policy choice is made for each business combination.

NIDEC uses provisional amounts in its consolidated financial statements if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. NIDEC retrospectively adjusts the provisional amounts during the measurement period, which shall not exceed one year from the acquisition date.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid / received is not recognized as goodwill or gains and losses but recognized in additional paid-in capital.

(3) Foreign currency translation

(i) Functional currency

Each entity in NIDEC group determines its own functional currencies and transactions of each entity are measured in its own functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or an exchange rate which approximates the prevailing rates. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using closing rates are recognized in the consolidated statements of income, except for those deferred in equity as effective cash flow hedges.

(iii) Foreign operations

With regard to the financial statements of foreign subsidiaries and associates, assets and liabilities are translated into Japanese yen by using the exchange rates prevailing at the closing date. Income and expenses are translated into Japanese yen at the average exchange rates prevailing during the fiscal period. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. When NIDEC disposes a foreign operation and loses control or significant influence of the foreign operation, the cumulative exchange differences related to the operation are recognized in the consolidated statements of income as part of the gain or loss on disposal.

(4) Cash and cash equivalents

Cash and cash equivalents are cash, deposits readily withdrawn as needed and highly liquid investments which have original maturities within three months from the acquisition date that are convertible to cash of the presented amount and are subject to an insignificant risk of changes in value caused by interest rate fluctuation due to short maturity. NIDEC participates in an arrangement with a single financial institution to carry out notional pooling between group companies including foreign subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution up to our aggregate cash deposits within the same financial institution. This arrangement represents a single unit of account for accounting purposes.

(5) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the average cost basis. Cost of projects in progress, which mainly relate to production of factory automation equipment based on contracts with customers, are determined by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable completion cost and selling expense.

(6) Property, plant and equipment

Property, plant and equipment are measured by using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of items of property, plant and equipment includes costs directly attributable to the acquisition, the initial estimate of costs of dismantling and removing the items and restoring the site on which they are located, and the borrowing cost that meets the criteria for capitalization.

Costs incurred after initial recognition are recognized as an asset, either by including the amount in the carrying amount of the acquired asset or recognizing the amount as a separate asset, only when it is probable that future economic benefits associated with the costs will flow to NIDEC and the amount can be reliably measured. All other costs of repairs and maintenance are charged to the income statement during the fiscal year in which they are incurred.

The depreciable amounts of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each asset. The depreciable amount of an asset is determined by deducting its residual value from its cost.

The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings 3–50 years

Machinery and equipment 2–15 years

The estimated useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

(7) Goodwill and intangible assets

(i) Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortized, but allocated to cash-generating units, based on the allocation of expected benefits from business combination, and tested for impairment annually or whenever there is an indication of impairment. Impairment losses of goodwill are recognized on the consolidated statements of income and cannot be reversed.

Initial measurement policies of goodwill are stated in "(2) Business combinations".

(ii) Intangible assets

Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Intangible assets acquired separately are measured at cost upon initial recognition, and those acquired by business combination are recognized separately from goodwill at fair value at acquisition date if these intangible assets meet the definition of intangible assets, are identifiable, and are able to be measured reliably at fair value.

Research expenditure, which is defined as investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized as an expense as incurred.

Costs incurred on development projects are recognized as intangible assets when the following conditions are met: the costs incurred can be measured reliably, the assets are technologically feasible to be industrialized, the assets are estimated to provide economic benefit to NIDEC, and NIDEC has intention and ample resources to complete the development and utilize and/or commercialize the assets. Other development expenditure is recognized as an expense as incurred.

Intangible assets that have a definite useful life are mainly amortized by a straight-line method based on estimated useful lives. These estimated useful lives of major intangible assets are described below.

Customer relationships	5 – 30 years
Proprietary technology	9 – 20 years
Software	2 – 10 years
Capitalized development costs	2 – 11 years

The useful lives and amortization method of intangible assets with finite useful lives are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

For intangible assets with finite useful life, an impairment test is carried out when there is an indication that the unit may be impaired. Intangible assets with indefinite useful life or which are not available for use are not amortized, and impairment test is carried out on an annual basis (January 1) or at time when there is an indication that the unit may be impaired, or situation is changed.

(8) Leases

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration. If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the consolidated financial statements at the inception date.

In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss and adjusted for any remeasurement for the lease liability. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. When NIDEC as the lessee is reasonably certain to exercise a purchase option, NIDEC shall depreciate the right-of-use asset over the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the inception date and discounted using the interest rate implicit in the lease (if that rate can be readily determined) or NIDEC's incremental borrowing rate.

The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period. Leases with a lease term of 12 months or less and low-value leases are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

(9) Government grants

Government grants are recognized at fair value if there is reasonable assurance that NIDEC will comply with the conditions associated with the grants and they will be received.

When government grants are related to expense items, they are deducted from the related costs. Government grants related to assets are deducted from the cost of the assets.

(10) Impairment of non-financial assets

At the end of each reporting period, NIDEC assesses each of its assets to see whether there is an indication that it may be impaired. If there is an indication that an asset may be impaired or an annual impairment test is required, then the asset's recoverable amount is estimated. For goodwill, intangible assets having indefinite useful life, and intangible assets not yet available for use, an impairment test is carried out annually or whenever there is an indication of impairment.

When it is not possible to estimate the recoverable amount of an individual asset, NIDEC estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or the cash-generating unit is reduced to its recoverable amount, and the reduction is recognized as an impairment loss.

In measuring the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

NIDEC assesses whether there is any indication that an impairment loss recognized in previous years for all non-financial assets other than goodwill may no longer exist or may have decreased in such case that there are any changes in assumptions used for the determination of the recoverable amount. If such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated. If the recoverable amount of the asset or the cash-generating unit is greater than its carrying amount, a reversal of an impairment loss is recognized, to the extent the increased carrying amount does not exceed the lower of the recoverable amount and the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in previous years.

(11) Financial instruments

(i) Initial recognition

Financial assets are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date). Trade and other receivables are initially recognized on the date such receivables arise. Financial liabilities such as debt instruments issued by NIDEC are recognized at issuance date, and other financial liabilities are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date).

Financial assets and liabilities are measured at fair value at initial recognition. Transaction cost directly attributable to the acquisition of financial assets and issuance of financial liabilities is added to financial assets' fair value or subtracted from financial liabilities' fair value at initial recognition except for those measured at fair value through consolidated statement of income (FVTPL financial assets and FVTPL financial liabilities). NIDEC does not possess any non-derivative FVTPL financial liabilities as of the end of this period. Transaction costs that are directly attributable to the acquisition of FVTPL financial assets are recognized in consolidated statement of income.

(ii) Non-derivative financial assets

NIDEC classifies non-derivative financial assets upon initial recognition as either financial assets measured at amortized costs, financial assets measured at fair value through other comprehensive income (FVTOCI financial assets) or FVTPL financial assets.

Financial assets measured at amortized costs

Financial assets are subsequently measured by amortized costs if both of the following conditions are met:

- Financial assets are held in a business model with the objective to collect contractual cash flows.
- Contractual cash flows represent solely payments of principal and interest on the principal amount outstanding on specified dates.

Financial assets measured at amortized cost are initially measured at fair value (including direct transaction costs). The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method. Interest accrued on financial assets measured at amortized cost is included in financial income in the consolidated statement of income.

FVTOCI financial assets

(a) FVTOCI debt financial assets

Financial assets are classified as FVTOCI debt financial assets if both of the following conditions are met:

- It is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A change in fair value of FVTOCI debt financial assets except for impairment gain or loss and foreign exchange gain or loss is recognized as other comprehensive income until derecognition. Upon derecognition the cumulative gain or loss previously recognized in other comprehensive income is reclassified to consolidated statement of income.

(b) FVTOCI equity financial assets

Upon initial recognition, NIDEC may make an irrevocable election to present changes in the fair value of an investment in equity financial assets that is not held for trading as other comprehensive income.

FVTOCI equity financial assets are measured at fair value after initial recognition, and its change in fair value is recognized as other comprehensive income, which is immediately transferred directly to retained earnings from other components of equity. It does not flow through consolidated statement of income. However, dividends from such investments are recognized in consolidated statement of income as part of financial income.

FVTPL financial assets

Financial assets that do not qualify as financial assets measured at amortized costs are classified as FVTPL financial assets except for those that are qualified or designated as FVTOCI financial assets. All equity investments are to be classified as FVTPL financial assets and subsequently measured at fair value, with value changes recognized in consolidated statement of income, except for those equity investments for which NIDEC has made an irrevocable election to present value changes in other comprehensive income upon initial recognition.

(iii) Impairment of financial assets measured at amortized costs

For financial assets measured at amortized costs, expected credit loss allowance against expected credit loss is estimated and recognized at each reporting date.

When the credit risk of the financial instrument has increased significantly since initial recognition until the reporting date, expected credit loss allowance against the financial instrument is measured at the same amount as full lifetime expected credit losses after all reasonable and supportable information available including forecasts is considered. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse change in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant increases in credit risk on other financial instruments of the same borrower

Otherwise, expected credit loss allowance against the financial instrument is measured at the amount equivalent to the 12-month expected credit losses.

However, with respect to trade receivables, notwithstanding the aforementioned, expected credit loss allowance is always measured at an amount equal to full lifetime expected credit losses.

The amount of expected credit losses and reversal of them is recognized as impairment losses and reversal of impairment losses in net profit or loss.

(iv) Derecognition of non-derivative financial assets

Non-derivative financial assets are derecognized when the contractual rights to receive cash flows from the financial assets expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred. Any rights and obligations created or retained in the transfer are recognized as separate assets and liabilities.

(v) Derecognition and subsequent measurement of non-derivative financial liabilities

After initial recognition, non-derivative financial liabilities, including trade and other payables and other financial liabilities, are subsequently measured at amortized cost using the effective interest method. Interest accrued on these financial liabilities is included in financial expenses in the consolidated statement of income.

The financial liabilities are derecognized when the obligations are fulfilled or when liabilities are discharged, cancelled, or expired.

(vi) Derivatives and hedge accounting

NIDEC is engaged in derivative transactions and mainly uses foreign exchange forward contracts, interest rate swap agreements, currency swap agreements, and commodity futures contracts to manage its exposure to risks from changes in foreign exchange rates, interest rates, and commodity prices. NIDEC does not hold derivative financial instruments for trading purpose.

Derivatives are initially recognized at fair value with transaction costs recognized in net profit or loss as incurred, and then subsequently measured at fair value with changes in fair value generally recognized in net profit or loss unless hedge accounting is applied where changes in cash flows from the hedging instrument can offset changes in cash flows from the hedged item to an extent that an objective assessment that the hedging relationship meets the hedge effectiveness requirements can be made.

At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship between the hedging instruments and the hedged items, NIDEC's risk management objective, strategy for undertaking the hedge, methods for assessing whether a hedging relationship meets the hedge effectiveness requirements and methods for measuring hedge effectiveness and hedge ineffectiveness. NIDEC judges that the hedge is effective if all of the following requirements are met:

- there is an economic relationship between the hedged item and the hedging instruments;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

NIDEC also formally assesses, both at and after the hedge's inception, whether the derivatives used in hedging transactions are effective in offsetting changes in cash flows of the hedged items. When it is determined that the hedge is not effective or that it has ceased to be effective, NIDEC discontinues hedge accounting prospectively.

Cash flow hedge is accounted for as follows:

When derivative instruments are designated as hedging instruments to offset against the change in cash flows arising from the specific risk that relates to recognized assets or liabilities or highly probable forecast transactions that could affect profit or loss, the effective portion of changes in fair value of derivatives is recognized as cash flow hedges in other components of equity. The ineffective portion of changes in fair value of hedging derivative instruments is recognized in net profit or loss.

The balance of cash flow hedges in other comprehensive income in the consolidated statements of comprehensive income is reclassified to the same accounting item as hedging instrument in the statements of income in the same period or periods during which the hedged expected future cash flows affect profit for the year. However, when the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventories, property, plant and equipment, etc.) or a liability, the gains and losses previously deferred in equity are transferred from equity and included directly in the initial cost or other carrying amount of the asset or liability.

If the transactions do not meet the criteria of hedge accounting, or if the hedging instruments expire, or are sold, terminated or exercised, or if the designations have been revoked, the application of hedge accounting shall be prospectively terminated. When a cash flow hedge is discontinued, the balance of cash flow hedges already recognized in other comprehensive income remain in the same account until forecast transaction impacts profit for the year. If it is probable that the forecast transaction will not occur, the balance of cash flow hedge is transferred into net profit or loss immediately.

(12) Income taxes

Current tax

Income tax expenses are comprised of current and deferred taxes, and recognized in net profit or loss, except for those recognized in other comprehensive income or directly in equity.

Income tax payables and income tax receivables at the end of the reporting period are calculated at the amount expected to be paid to or recovered from the taxation authority. Tax rates and tax laws used to calculate tax amounts have been enacted or substantively enacted up to the end of the reporting period.

Current taxes related to items that are recognized in other comprehensive income are recognized in other comprehensive income. Taxes related to items that are recognized directly in equity are recognized directly in equity.

Income tax receivables and income tax payables are offset if, NIDEC has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets and liabilities are measured at the effective tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available to allow deductible temporary differences, unused tax losses, and unused tax credits to be utilized. The carrying amounts of the deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Unrecognized deferred tax assets are also reviewed for collectability at each reporting date, and are recognized to the extent that it is probable that the deferred tax assets will be collectible from future taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences in general.

Deferred tax assets and liabilities relating to following temporary differences are not recognized:

- Taxable temporary differences arising from the initial recognition of goodwill.
- Temporary differences arising from the initial recognition of assets and liabilities from transactions that do not affect both accounting income and taxable profit, except for business combinations.

- Taxable temporary differences associated with investments in subsidiaries and associates when NIDEC is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented as non-current assets and liabilities.

Deferred tax assets and liabilities are offset only if NIDEC has a legally enforceable right to set off income tax receivables against income tax payables and either of the following criteria is met:

- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on different taxable entities which intend either to settle income tax receivables and income tax payables on a net basis, or to realize the assets and settle the liabilities simultaneously.

(13) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits such as wages, salaries, social security contributions and other non monetary benefits are not discounted and recognized as an expense when an employee has rendered service to NIDEC.

NIDEC recognizes the cost of bonus payments estimated in accordance with its bonus plan as a liability when NIDEC has a present legal or constructive obligation to make such payments as a result of past services provided by employees and a reliable estimate of the obligation can be made.

(ii) Retirement benefits

Retirement benefits of NIDEC include defined benefits and defined contribution plans.

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets and they are recognized in the consolidated statements of financial position as assets or liabilities. The defined benefit obligation is calculated by using the projected unit credit method. The present value of the defined benefit obligation is calculated by the expected future payments using discount rate. The discount rate is determined by reference to market yield on high-quality corporate bonds having maturity terms consistent with the estimated term of the related pension obligations.

Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognized in profit or loss.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest, and any change in the effect of the asset ceiling, are recognized as incurred in other comprehensive income under "remeasurement of defined benefit plans", and transferred therefrom to retained earnings immediately.

Contributions paid for defined contribution plans are expensed in the period in which the employees provide the related service.

(14) Provisions

Provisions are recognized when NIDEC has present legal or constructive obligations as a result of past events, it is probable that the settlement of the obligations will be required, and reliable estimates of the obligations can be made.

The detail of the major provision is as follows:

Provision for product warranties

NIDEC provides warranties for specific products and services for a certain period. A provision for product warranties is calculated mainly based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

(15) Share-Based Payment

NIDEC has adopted a performance-linked share-based compensation plan (the "Plan"). NIDEC has adopted equity-settled share-based payments and cash-settled share-based payments.

(i) Equity-settled share-based payments

Equity-settled share-based payments measured with the Plan is measured the received services by fair value of the shares of the company at the grant date, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in additional paid-in capital.

(ii) Cash-settled share-based payments

Cash-settled share-based payments measured with the Plan is measured the received services by the fair value of the liabilities, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in the liabilities. The fair value of the liabilities are remeasured at the end of the year and the settlement date, with changes in the fair value recognized in profit or loss.

(16) Revenue recognition

NIDEC recognizes revenues based on the following five-step approach.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to each performance obligation in the contract.

Step 5: An entity recognizes revenue when a performance obligation is satisfied.

(i) Sales of goods

NIDEC manufactures and sells small precision motors, automotive products, certain appliance, commercial and industrial products, certain machinery, and electronic and optical components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Construction contracts

Additionally, for certain appliance, commercial and industrial products and certain machinery, NIDEC transfers control of a good or service over time and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales of certain appliance, commercial and industrial products and certain machinery based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by the contract.

(iii) Contract assets and Contract liabilities

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

(iv) Assets recognized from the costs to obtain or fulfill a contract with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer that are directly associated with the contract as an asset, if those costs are expected to be recoverable. The assets recognized from the costs to obtain or fulfill a contract with a customer are amortized over the period for which the services based on a contract are provided.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The costs incurred in fulfilling contracts with customers is that recognizes costs as assets when those costs are not within the scope of another accounting standard, are directly related to a contract or an anticipated contract that can specifically identify, are expected to be recovered, and generate or enhance resources of that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(17) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset and remain in assets until the intended use or sale is capable. Other borrowing costs are recognized as an expense in the consolidated statements of income in the period in which they are incurred.

(18) Common stock, additional paid-in capital, and treasury stock

(i) Ordinary shares

Proceeds from the issuance of ordinary shares by the Company are included in common stock and additional paid-in capital. Transaction costs of issuing ordinary shares (net of tax) are deducted from additional paid-in capital.

(ii) Treasury stock

When the Company reacquires its own equity instruments (treasury stock), the amount of the consideration paid including transaction costs is deducted from equity. NIDEC never recognizes profit and loss when it purchases, sells and disposes treasury stock. When the Company sells treasury stock, the difference between the carrying amount and the consideration received from the sale is recognized in additional paid-in capital.

(19) Fair value estimation

NIDEC measures derivative financial instruments and financial instruments measured at fair value using their fair values at the end of the period. See "Note 35. Fair values" for the definition of fair value and inputs (i.e. various presumptions) used to develop those measurements.

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.

(20) Earnings per share

Basic earnings per share attributable to owners of the parent are calculated by dividing profit for the year attributable to owners of the parent by the weighted-average number of ordinary shares outstanding during the reporting period adjusted by the treasury stocks held.

The calculation of diluted earnings per share attributable to owners of the parent is similar to the calculation of basic earnings per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential ordinary shares equivalents such as convertible bonds and share acquisition rights.

4. Significant accounting estimates, judgments and assumptions

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

The estimates and 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.

Judgments and estimates with significant risks of causing material adjustments to the carrying amounts of assets and liabilities in the next fiscal year are as follows:

- Goodwill and intangible assets (see Notes 3 (7) and 15)
- Collectability of receivables (see Notes 3 (11), 10 and 39)
- Retirement benefit liabilities (see Notes 3 (13) and 23)
- Recoverability of deferred tax assets (see Notes 3 (12) and 25)
- Provisions (see Notes 3 (14) and 26)
- Fair value of financial instruments (see Note 35)
- Contingent liabilities (see Notes 3 (14) and 40)

Any unexpected situations of the COVID-19, such as the spread of the new variants of the COVID-19, could have a negative impact on NIDEC's business, operating results and financial position. The Russia's invasion to Ukraine could also have a negative impact on NIDEC's business, operating results and financial position. Regarding them, based on the business results for the current consolidated fiscal year, we have judged that they will not have a significant impact on NIDEC's business results, and we assume that they will not affect accounting estimates.

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'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 Shimpou	Machinery, machine tools
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 years ended March 31,	
	2021	2022
SPMS	364,262	341,049
AMEC	181,925	226,019
ACIM	530,961	702,184
Nidec Sankyo	129,377	145,458
Nidec Techno Motor	68,566	81,848
Nidec Mobility	88,803	97,411
Nidec Shimpo	65,902	105,357
Others	188,268	218,848
Consolidated net sales	1,618,064	1,918,174

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

There was no certain customer group which exceeded 10% of the consolidated net sales for the years ended March 31, 2022 and 2021.

Net sales to other operating segments:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
SPMS	2,430	2,792
AMEC	1,474	1,487
ACIM	452	676
Nidec Sankyo	3,159	3,916
Nidec Techno Motor	6,707	7,046
Nidec Mobility	1,030	1,713
Nidec Shimpo	8,105	11,857
Others	46,264	36,579
Total	69,621	66,066
Intersegment elimination	(69,621)	(66,066)
Consolidated net sales	-	-

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

Segment profit/loss:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
SPMS	59,077	34,395
AMEC	(481)	(12,807)
ACIM	42,285	66,611
Nidec Sankyo	12,810	12,599
Nidec Techno Motor	10,811	11,552
Nidec Mobility	8,133	10,282
Nidec Shimpo	10,093	19,359
Others	29,986	43,051
Total	172,714	185,042
Elimination and Corporate (Note)	(12,744)	(13,555)
Operating profit	159,970	171,487
Financial income (expenses)	(1,724)	(1,366)
Derivative gain (loss)	1,014	213
Foreign exchange differences	(5,334)	2,272
Share of net profit (loss) from associate accounting using the equity method	(989)	(1,461)
Profit before income taxes	152,937	171,145

(Notes)*1. "Elimination and corporate" includes corporate expenses, which do not belong to any operating segment, of ¥13,296 million and ¥12,498 million for the years ended March 31, 2022 and 2021, respectively. The corporate expenses include basic research expenses and head office expenses.

*2. The above amounts no longer include discontinued operations.

Depreciation:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
SPMS	22,755	20,759
AMEC	11,090	17,043
ACIM	21,230	22,347
Nidec Sankyo	7,679	7,088
Nidec Techno Motor	2,996	3,114
Nidec Mobility	5,805	5,754
Nidec Shimpo	4,617	6,193
Others	14,377	13,856
Subtotal	90,549	96,154
Others (Note)	(11,382)	(10,480)
Corporate	1,763	1,605
Total	80,930	87,279

(Note) The depreciation of each segment includes amortization of intangible assets, while depreciation in the consolidated statements of cash flows does not include the amortization of intangible assets. Therefore, "Others" removes the amount of the amortization of intangible assets.

Total assets:

(Yen in millions)

	As of March 31,	
	2021	2022
SPMS	297,022	317,374
AMEC	333,883	401,217
ACIM	635,269	802,653
Nidec Sankyo	186,928	208,841
Nidec Techno Motor	103,992	121,906
Nidec Mobility	114,322	128,626
Nidec Shimpo	119,605	221,476
Others	360,657	378,984
Subtotal	2,151,678	2,581,077
Elimination and corporate (Note)	(215,580)	(241,387)
Goodwill	319,926	339,904
Total	2,256,024	2,679,594

(Note) Corporate assets included in “Elimination and corporate” that do not belong to any segment amounted for ¥104,111 million as of March 31, 2022 and ¥187,291 million as of March 31, 2021. In addition, depreciation expenses of corporate assets are allocated to each applicable segment based on a reasonable allocation method.

Capital equipment expenditures:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
SPMS	14,813	18,890
AMEC	31,511	25,433
ACIM	19,736	23,597
Nidec Sankyo	5,028	7,381
Nidec Techno Motor	2,562	3,507
Nidec Mobility	2,243	3,833
Nidec Shimpo	1,044	3,834
Others	11,288	10,990
Subtotal	88,225	97,465
Corporate	686	1,115
Total	88,911	98,580

NIDEC does not have any other significant non-cash transactions except for the depreciation described above. Transactions between the operating segments are conducted at market value.

(Supplemental information)

Net sales by type of product

Net sales by type of product are as follows:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Small precision motors:		
Hard disk drives spindle motors	144,029	98,783
Other small precision motors	299,569	326,124
Subtotal	443,598	424,907
Automotive products	358,075	417,643
Appliance, commercial and industrial products	601,611	786,588
Machinery	150,575	215,588
Electronic and optical components	60,824	69,699
Other products	3,381	3,749
Consolidated net sales	1,618,064	1,918,174

- (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, power transmission drives and machine tools, etc.
 "Electronic and optical components" consists of switches, trimmer potentiometers, lens units and camera shutters, etc.
 "Other products" consists of music boxes and services, etc.
2. The above amounts no longer include discontinued operations.

Geographic information

Net sales attributed to countries based on the location of the Company or its subsidiaries that transacted with external customers and non-current assets for each country are as follows:

	Net sales (Yen in millions)	
	For the years ended March 31, 2021	2022
Japan	268,991	341,000
China	428,909	512,811
U.S.A.	333,406	414,899
Germany	102,306	117,806
Italy	72,340	104,710
Thailand	128,317	99,090
Others	283,795	327,858
Consolidated net sales	1,618,064	1,918,174

(Note) From the year ended March 31, 2022, the sales by the Italy segment are separated from the Others segment as an individual segment whilst the sales by the Singapore segment are combined into the Others segment. Accordingly, previous period amounts have been reclassified.

	Non-current assets (Property, plant and equipment, Goodwill, Intangible assets and Long-term prepaid expenses) (Yen in millions)	
	As of March 31, 2021	As of March 31, 2022
Japan	260,989	249,491
China	206,353	260,158
U.S.A.	187,394	213,284
Germany	56,695	59,428
Italy	60,448	61,196
Thailand	33,568	29,894
Others	376,040	453,864
Total non-current assets	1,181,487	1,327,315

(Note) From the year ended March 31, 2022, the sales by the Italy segment are separated from the Others segment as an individual segment whilst the sales by the Singapore segment are combined into the Others segment. Accordingly, previous period amounts have been reclassified.

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 year ended March 31,	
	2021	2022
Other loss	(228)	(327)
Loss before income taxes from discontinued operations	(228)	(327)
Loss for the period from discontinued operations	(228)	(327)

(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 March 31, 2022, 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 years ended March 31,	
	2021	2022
Net cash provided (used in) by operating activities	-	-
Net cash (used in) provided by investing activities	2,614	(137)
Net cash used in financing activities	-	-
Total	2,614	(137)

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

2. Net cash provided by investing activities for the year ended March 31, 2022 includes net cash related to sales of Secop as of March 31, 2022.

7. Business combination

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.

On February 1, 2022, NIDEC had acquired 66.67% of equity shares of OKK Corporation ("OKK") through a third-party allocation of common shares for ¥5,479 million for cash. OKK designs, manufactures, sales of machine tools, and installation of, technical instructions on, and after-sales services related to products. Through the Transaction, NIDEC will be able to achieve a mutual complement of products in the area of machine tool, an existing area of businesses where Nidec operates. Synergies are expected especially in such areas as element technology development, manufacturing, and sales of the machine tool business by Nidec Machine Tool. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

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

	Nidec Machine Tool	OKK (Yen in millions)
Current assets		
Cash and cash equivalents	6,904	8,564
Trade and other receivables	3,511	3,309
Inventories	7,287	7,976
Other current assets	1,382	433
Non-current assets		
Property, plant and equipment	4,181	12,557
Other non-current assets	2,384	1,471
Acquired assets at fair value	25,649	34,310
Current liabilities		
Short term borrowings	645	4,941
Long term debt due within one year	-	1,470
Trade and other payables	5,250	2,463
Other current liabilities	3,071	884
Non-current liabilities		
Long term debt	-	3,764
Other non-current liabilities	1,736	8,126
Assumed liabilities at fair value	10,702	21,648
Acquired assets and assumed liabilities at fair value (net amount)	14,947	12,662
Non-controlling interests	-	4,227
Goodwill (Negative Goodwill)	△2,658	△2,956

(Note) 1. The acquisition cost of Nidec Machine Tool of ¥16,981 million included Real Estate Agreement of ¥4,692 million that

NIDEC has made as other transaction along with Stock Transfer Agreement. Property, plant and equipment of ¥4,692 million that NIDEC has acquired from Mitsubishi Heavy Industries is not included in the table.

2. Non-controlling interests are measured as the share of non-controlling interests in the fair value of the identifiable net assets of the acquired company.

Negative Goodwill is mainly the reflection for net equity at fair value in excess of cash consideration. The income for Nidec Machine Tool and OKK is included in Selling, general and administrative expenses in 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 property, plant and equipment and intangible assets.

Net sales and profit attributable to owners of the parent for the year ended March 31, 2022 include the net sales and profit of the business acquired from Nidec Machine Tool for the year subsequent to August 2, 2021, ¥22,774 million and ¥1,663 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):

	Year ended March 31, 2022
Net sales from continuing operations (Yen in millions)	1,926,478
Profit for the year attributable to owners of the parent (Yen in millions)	134,955
Earnings per share attributable to owners of the parent	
Basic (Yen)	231.03
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 cost 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:

	<i>(Yen in millions)</i>
	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 "15. Goodwill and intangible assets". Details of the intangible assets in above table are as follows:

	Weighted average amortization period	Retrospective amendment	<i>(Yen in millions)</i>
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:

	Retrospective amendment	<i>(Yen in millions)</i>
Operating profit		(41)
Profit before income taxes		(41)
Profit for the year attributable to owners of the parent		(32)

During the three months ended December 31, 2021, NIDEC partly completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Nidec Machine Tool; 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 in the six months ended September 30, 2021. The consolidated financial statements for the year ended March 31, 2022 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of August 2, 2021 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the year ended March 31, 2022 is as follows:

	Amendment	<i>(Yen in millions)</i>
Current assets		
Inventories		173
Acquired assets at fair value		173
Non-current liabilities		
Retirement benefit liabilities		(168)
Deferred tax liabilities		104
Assumed liabilities at fair value		(64)
Acquired assets and assumed liabilities at fair value (net amount)		237
Goodwill (Negative Goodwill)		(237)

Effect on the consolidated statement of income for the year ended March 31, 2022 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the nine months ended December 31, 2021 is as follows:

	Amendment	<i>(Yen in millions)</i>
Operating profit		127
Profit before income taxes		127
Profit for the year attributable to owners of the parent		157

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2022, the assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statements of financial position based on provisional management estimation as of March 31, 2022.

8. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

	(Yen in millions)	
	March 31, 2021	March 31, 2022
Cash on hand	954	440
Cash in banks	212,586	197,141
Cash equivalents	5,984	2,074
Cash and cash equivalents in consolidated statements of financial position	219,524	199,655
Cash and cash equivalents in consolidated statements of cash flows	219,524	199,655

Cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cash equivalents consist mainly of time deposit within 3 months and short-term investment.

9. Supplemental cash flow information

The supplemental information associated with cash flow is as follows:

	(Yen in millions)	
	For the years ended March 31,	2021
Non-cash investing and financing activities:		2022
Accrued amount of lease liabilities	8,015	13,389

10. Trade and other receivables

The breakdown of trade and other receivable is as follows:

	(Yen in millions)	
	March 31, 2021	March 31, 2022
Notes receivable	22,205	30,119
Electronically recorded monetary claims	13,913	18,320
Trade receivable	362,765	461,647
Other accounts receivable	46,731	66,007
Expected credit loss allowances	(4,531)	(3,970)
Total	441,083	572,123

11. Other financial assets

The breakdown of other financial assets is as follows:

	(Yen in millions)	March 31, 2021	March 31, 2022
Securities		2,974	1,940
Derivatives assets		6,666	1,506
Advance money		814	1,109
Other		102	273
Total		10,556	4,828

(Note) "Advance money" on the consolidated statements of other financial assets in the same period of the prior year, are presented as a separate line item in this year because their quantitative materiality increased. Consolidated financial statements for the year ended March 31, 2021 contained herein have been reclassified to reflect this change in presentation.

12. Inventories

The breakdown of inventories is as follows:

	(Yen in millions)	March 31, 2021	March 31, 2022
Finished products		118,293	163,368
Raw materials		109,227	187,106
Work in progress		59,167	90,133
Supplies and other		9,954	16,765
Total		296,641	457,372

The acquisition costs of inventories that were recognized as expenses for the year ended March 31, 2022 were mainly included in "cost of sales". The amounts of write-down of inventories for the years ended March 31, 2021 and 2022 were ¥718 million and ¥2,785 million, respectively.

13. Other current assets

The breakdown of other current assets is as follows:

	(Yen in millions)	March 31, 2021	March 31, 2022
Prepaid expenses		10,364	13,791
Contract assets		21,943	21,995
Advance payment		3,615	6,927
Other		10,947	7,683
Total		46,869	50,396

(Note) "Advance payment" on the consolidated statements of other current assets in the same period of the prior year, are presented as a separate line item in this year because their quantitative materiality increased. Consolidated financial statements for the year ended March 31, 2021 contained herein have been reclassified to reflect this change in presentation.

14. Property, plant and equipment

The breakdown of "property, plant and equipment" in the consolidated statements of financial position is as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Property, plant and equipment	627,952	722,945
Right-of-use assets	34,707	43,041
Total	662,659	765,986

For changes in the right-of-use assets, refer to "38. Leases".

Changes in acquisition cost, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment are as follows:

(Acquisition costs)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2020	55,758	273,439	697,120	98,532	1,124,849
Acquisitions	—	1,836	22,307	53,034	77,177
Acquisitions through business combinations	170	—	1,445	—	1,615
Disposals	(192)	(3,093)	(31,318)	(623)	(35,226)
Reclassification	134	10,761	54,319	(66,055)	(841)
Foreign currency translation adjustments	1,117	9,488	30,666	2,801	44,072
Others	(168)	520	2,447	(1,010)	1,789
Balance at March 31, 2021	56,819	292,951	776,986	86,679	1,213,435
Acquisitions	4,143	5,696	42,105	61,881	113,825
Acquisitions through business combinations	11,418	569	3,918	171	16,076
Disposals	(815)	(8,582)	(28,540)	(589)	(38,526)
Reclassification	5	5,478	39,833	(47,734)	(2,418)
Foreign currency translation adjustments	1,398	18,769	70,511	8,729	99,407
Others	(322)	(119)	(1,275)	(3,080)	(4,796)
Balance at March 31, 2022	72,646	314,762	903,538	106,057	1,397,003

(Accumulated depreciation and impairment losses)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2020	(1,794)	(127,826)	(392,662)	(409)	(522,691)
Depreciation	—	(11,103)	(62,318)	—	(73,421)
Impairment losses	(90)	(97)	(1,387)	(18)	(1,592)
Reversal of impairment losses	—	37	242	3	282
Disposals	—	2,129	27,745	84	29,958
Reclassification	—	5	(31)	—	(26)
Foreign currency translation adjustments	(21)	(4,485)	(15,310)	(16)	(19,832)
Changes in the scope of consolidation	—	—	—	—	—
Others	5	(870)	2,704	—	1,839
Balance at March 31, 2021	(1,900)	(142,210)	(441,017)	(356)	(585,483)
Depreciation	—	(10,809)	(67,671)	—	(78,480)
Impairment losses	—	(63)	(867)	(302)	(1,232)
Reversal of impairment losses	—	7	767	—	774
Disposals	—	6,287	25,195	2	31,484
Reclassification	—	1,280	159	—	1,439
Foreign currency translation adjustments	(35)	(8,736)	(37,902)	(34)	(46,707)
Changes in the scope of consolidation	—	—	—	—	—
Others	101	602	3,438	6	4,147
Balance at March 31, 2022	(1,834)	(153,642)	(517,898)	(684)	(674,058)

(Carrying amounts)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2020	53,964	145,613	304,458	98,123	602,158
Balance at March 31, 2021	54,919	150,741	335,969	86,323	627,952
Balance at March 31, 2022	70,812	161,120	385,640	105,373	722,945

(Note) "Construction in progress" includes the amount of expenditures related to property, plant and equipment in the course of its construction.

Depreciation of property, plant and equipment is included in "cost of sales", "selling, general and administrative expenses" and "research and development expenses" in the consolidated statements of income. Impairment loss of property, plant and equipment is included in "selling, general and administrative expenses" in the consolidated statements of income. In addition, the reversal of the impairment loss is mainly due to the review of the recoverable value of assets (Machinery and equipment) located in Thailand during the year.

15. Goodwill and intangible assets

The breakdown of "goodwill" and "intangible assets" in the consolidated statements of financial position is as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Goodwill	319,926	339,904
Intangible assets	195,111	214,186
Right-of-use asset	490	312
Total	515,527	554,402

For changes in the right-of-use assets, refer to "38. Leases".

Changes in acquisition costs, accumulated amortization and impairment losses and carrying amounts of goodwill and intangible assets are as follows:

(Acquisition costs)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2020	310,487	114,865	17,390	32,796	21,573	64,990	562,101
Acquisitions	-	-	-	3,218	-	200	3,418
Internally developed	-	-	-	-	7,533	-	7,533
Acquisitions through business combinations	2,307	-	-	-	-	50	2,357
Disposals	59	(495)	-	(1,156)	(59)	(65)	(1,716)
Foreign currency translation adjustment	7,073	3,672	1,073	656	880	1,907	15,261
Others	-	-	-	(1,917)	2,541	(99)	525
Balance at March 31, 2021	319,926	118,042	18,463	33,597	32,468	66,983	589,479
Acquisitions	-	-	-	5,338	-	53	5,391
Internally developed	-	-	-	-	11,363	-	11,363
Acquisitions through business combinations	-	-	155	1,257	-	119	1,531
Disposals	-	(4)	-	(3,076)	(102)	(43)	(3,225)
Foreign currency translation adjustment	19,978	9,823	1,160	1,871	1,768	6,579	41,179
Others	-	-	-	138	242	(54)	326
Balance at March 31, 2022	339,904	127,861	19,778	39,125	45,739	73,637	646,044

(Accumulated amortization and impairment losses)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2020	-	(28,451)	(5,894)	(19,264)	(2,457)	(4,261)	(60,327)
Amortization	-	(5,880)	(1,094)	(3,764)	(2,280)	(301)	(13,319)
Impairment losses	-	-	-	(1)	(134)	2	(133)
Disposals	-	495	-	1,119	59	43	1,716
Foreign currency translation adjustment	-	(1,317)	(424)	(410)	(45)	(276)	(2,472)
Others	-	-	-	1,009	(975)	59	93
Balance at March 31, 2021	-	(35,153)	(7,412)	(21,311)	(5,832)	(4,734)	(74,442)
Amortization	-	(6,174)	(1,157)	(3,827)	(3,310)	(254)	(14,722)
Impairment losses	-	-	-	-	(100)	-	(100)
Disposals	-	4	-	3,004	102	35	3,145
Foreign currency translation adjustment	-	(3,296)	(451)	(1,038)	(231)	(363)	(5,379)
Others	-	-	-	88	(590)	46	(456)
Balance at March 31, 2022	-	(44,619)	(9,020)	(23,084)	(9,961)	(5,270)	(91,954)

(Carrying amounts)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others*1	Total
Balance at April 1, 2020	310,487	86,414	11,496	13,532	19,116	60,729	501,774
Balance at March 31, 2021	319,926	82,889	11,051	12,286	26,636	62,249	515,037
Balance at March 31, 2022	339,904	83,242	10,758	16,041	35,778	68,367	554,090

1 Others are mainly trademarks.

Amortization of intangible assets is included in "costs of sales", "selling, general and administrative expenses" and "research and development costs" of consolidated statements of income. Impairment loss of intangible assets is included in "selling, general and administrative expenses" of consolidated statements of income.

Goodwill that arises from a business combination is allocated to cash-generating units which are expected to receive a benefit from the synergies of the business combination. The carrying amount of goodwill and intangible assets with indefinite useful lives allocated to the unit are as follows:

(Goodwill)

(Yen in millions)

Reporting Segment	CGU group	March 31, 2021	March 31, 2022
SPMS	SPMS	15,229	16,796
AMEC	AMEC	17,585	18,805
ACIM	ACIM	167,430	183,158
Nidec Sankyo	Nidec Sankyo	30,400	30,594
Nidec Techno Motor	Nidec Techno Motor	2,049	2,049
Nidec Mobility	Nidec Mobility	38,056	38,056
Nidec Shimpo	Nidec Shimpo	13,642	14,767
Others	Nidec Copal	16,520	16,520
	Other	19,015	19,159
Total		319,926	339,904

(Intangible assets with indefinite useful lives)

(Yen in millions)

Reporting Segment	CGU	March 31, 2021	March 31, 2022
AMEC	AMEC	2,998	3,228
ACIM	Nidec Motor	11,212	13,259
	Nidec Leroy-Somer Holding	10,877	12,847
	Embraco	20,597	24,356
	Other	5,297	6,263
Nidec Shimpo	Nidec Shimpo	1,744	1,884
	Nidec Minster	2,614	3,046
Others	Other	2	3
Total		55,341	64,886

Intangible assets with indefinite useful lives are mainly trademarks. Those trademarks were acquired through the business combination. NIDEC regards them as intangible assets with indefinite useful lives because those trademarks continue as long as business lasts.

NIDEC performs the impairment test of goodwill and intangible assets with indefinite useful lives annually or whenever there is an indication of impairment.

The recoverable amount of the impairment test reflects past experience and external information and is calculated using a value in use. The value in use is a discounted cash flow model. It is based on a management approved budget for five years. The discount rate is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit (4.06% - 10.07%). The growth rate in the terminal value is determined based on the long term average growth rate of industries or countries to which each group of cash-generating unit belongs (0.92% - 3.81%). Regarding the effects of the global epidemic of COVID-19, we have judged that it will not have a significant impact on future performance on the management budget used in impairment test of each group of cash-generating unit.

The discount rates which used for calculating a value in use are followings.

CGU group	March 31, 2022
AMEC	6.49%
ACIM	7.10%
Nidec Sankyo	10.07%
Nidec Mobility	6.23%
Nidec Copal	9.12%

Even if key assumptions used in the impairment test change to a reasonably foreseeable extent, would not have resulted in an impairment.

16. Other investments

The breakdown of other investments is as follows:

	(Yen in millions)	
	March 31, 2021	March 31, 2022
Other investments		
FVTOCI equity financial assets	19,278	20,765
FVTOCI debt financial assets	82	73
Total	19,360	20,839

Of the financial instruments measured at fair value held by NIDEC, equity instruments held with the principal objective of maintaining and strengthening business relations with the issuers are classified as FVTOCI equity financial assets. These FVTOCI equity financial assets consist mainly of ordinary shares. The FVTOCI equity financial assets and fair values of these assets are as follows:

As of March 31, 2021

Principal FVTOCI financial assets	Fair value (Yen in millions)
Brother Industries, Ltd.	2,743
ROHM Co., Ltd.	2,471
Canon Inc.	1,888
The Bank of Kyoto,Ltd.	1,830
NICHICON CORPORATION	1,328

As of March 31, 2022

Principal FVTOCI financial assets	Fair value (Yen in millions)
Brother Industries, Ltd.	2,506
Canon Inc.	2,254
ROHM Co., Ltd.	2,192
The Bank of Kyoto,Ltd.	1,437
NICHICON CORPORATION	1,392

The information on FVTOCI equity financial assets that were derecognized for the years ended March 31, 2021 and 2022 is as follows:

	For the years ended March 31,	
	2021	2022
Fair value at the time of derecognition	430	78
Accumulated gains at the time of derecognition	289	61

17. Other non-current assets

The breakdown of other non-current assets is as follows:

	(Yen in millions)	March 31, 2021	March 31, 2022
Prepaid pension expenses		1,364	2,098
Incremental costs of obtaining a contract with a customer		3,700	4,653
Long-term prepaid expenses		3,300	6,927
Deposit		1	1,016
Other		2,486	2,093
Total		10,851	16,787

(Note) "Long-term prepaid expenses" and "Deposit" on the consolidated statements of other non-current assets in the same period of the prior year, are presented as a separate line item in this year because their quantitative materiality increased. Consolidated financial statements for the year ended March 31, 2021 contained herein have been reclassified to reflect this change in presentation.

18. Trade and other payables

The breakdown of trade and other payables is as follows:

	(Yen in millions)	March 31, 2021	March 31, 2022
Notes payable		9,774	14,473
Trade payable		306,020	405,685
Electronically recorded monetary obligations		8,398	11,905
Other payables		75,871	93,780
Equipment notes payable		244	265
Total		400,307	526,108

19. Other financial liabilities

The breakdown of other financial liabilities is as follows:

	(Yen in millions)	March 31, 2021	March 31, 2022
Derivatives liabilities		796	151
Deposits received		1,667	2,004
Total		2,463	2,155

(Note) "Deposits received" on the consolidated statements of other financial liabilities in the same period of the prior year, are presented as a separate line item in this year because their quantitative materiality increased. Consolidated financial statements for the year ended March 31, 2021 contained herein have been reclassified to reflect this change in presentation.

20. Other current liabilities

The breakdown of other current liabilities is as follows:

	(Yen in millions)	
	March 31, 2021	March 31, 2022
Accrued expenses	45,916	47,279
Contract liabilities	19,023	29,032
Other	3,930	3,606
Total	68,869	79,917

21. Short term borrowings and long term debt

(1) Short term borrowings

The breakdown of short term borrowings is as follows:

	(Yen in millions)	
	March 31, 2021	March 31, 2022
Unsecured loans, principally from banks average interest per annum: 2021 4.20% 2022 0.17%	30,977	130,635
Total	30,977	130,635

As of March 31, 2022, NIDEC had unused lines of credit amounting to ¥1,180,248 million with banks. Under these programs, NIDEC is authorized to obtain short-term financing at prevailing interest rates.

(2) Long term debt

The breakdown of long term debt is as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Unsecured loans, principally from banks Due 2021 to 2028 in 2021 with interest ranging from 0.00% to 3.85% per annum Due 2023 to 2036 in 2022 with interest ranging from 0.00% to 3.15% per annum	29,632 - -	- 20,893 -
Secured loans, principally from banks Due 2022 to 2028 in 2021 with interest ranging from 1.25% to 2.20% per annum Due 2022 to 2023 in 2022 with interest ranging from 1.95% to 2.43% per annum	455 - -	- 67 -
The Third Series of Domestic Unsecured bonds due 2022 Interest at 0.96% per annum in 2021 and 2022	19,991	19,997
The Seventh Series of Domestic Unsecured bonds due 2022 Interest at 0.11% per annum in 2021 and 2022	64,965	64,990
Euro-Denominated Senior Unsecured bonds due 2021 Interest at 0.49% per annum in 2021 and 2022	38,918	-
The Eighth Series of Domestic Unsecured bonds due 2024 Interest at 0.10% per annum in 2021 and 2022	99,871	99,910
The Ninth Series of Domestic Unsecured bonds (Green Bond) due 2022 Interest at 0.02% per annum in 2021 and 2022	49,960	49,984
The Tenth Series of Domestic Unsecured bonds (Green Bond) due 2024 Interest at 0.09% per annum in 2021 and 2022	29,954	29,966
The Eleventh Series of Domestic Unsecured bonds (Green Bond) due 2026 Interest at 0.15% per annum in 2021 and 2022	19,955	19,963
The Twelfth Series of Domestic Unsecured bonds due 2023 Interest at 0.03% per annum in 2021 and 2022	49,948	49,972
Euro-Denominated Senior Unsecured bonds (Green Bond) due 2026 Interest at 0.05% per annum in 2021 and 2022	64,686	68,179
Lease liabilities Due 2021 to 2062 in 2021, with interest ranging from (0.25%) to 18% per annum Due 2022 to 2062 in 2022, with interest ranging from (0.4%) to 13.23% per annum	32,161 - -	- 41,155 -
Subtotal	500,496	465,076
Less - Bonds due within one year	(38,918)	(134,971)
Less - Long term debt due within one year	(29,553)	(201)
Less - lease liabilities due within one year	(7,125)	(8,029)
Total	424,900	321,874

(3) The aggregate amounts of annual maturity of long term debt

The aggregate amounts of annual maturity of long term debt are as follows:

(Yen in millions)

Term	March 31, 2021	March 31, 2022
Within one year	75,618	143,230
Over one year within two years	142,917	58,404
Over two years within three years	53,899	135,075
Over three years within four years	132,916	24,153
Over four years within five years	67,198	91,614
Over five years	28,539	12,988

(Note) Amounts are based on contractual cash flows.

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks' request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future indebtedness to such banks.

(4) Assets pledged as security

Assets pledged as security are as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Property, plant and equipment, net	967	676
Total	967	676

(5) Debts attributable to collateral pledged assets

Debts attributable to collateral pledged assets are as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Long term debt due within one year	210	67
Long term debt	245	-
Total	455	67

22. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

	Short term borrowings	Long term borrowings due within one year	Corporate Bonds due within one year	Long term borrowings	Corporate Bonds	Lease obligations and others
Balance at April 1, 2020	116,954	55,414	50,000	28,739	320,676	28,168
Cash flows from financing activities	(89,209)	(55,190)	(50,000)	(22)	114,900	(6,896)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	2,531	-	-	-	-	807
Effect of exchange rate changes	3,160	456	3,075	688	-	1,096
Transfer from long term to short term	-	28,874	35,799	(28,874)	(35,799)	-
New lease	-	-	-	-	-	8,015
Others	(2,459)	(1)	44	2	(446)	971
Balance at March 31, 2021	30,977	29,553	38,918	533	399,331	32,161
Cash flows from financing activities	93,380	(32,217)	(38,940)	16,634	-	(7,992)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	5,586	1,470	-	3,664	-	1,131
Effect of exchange rate changes	692	1,313	-	9	3,450	3,499
Transfer from long term to short term	-	85	134,916	(85)	(134,916)	-
New lease	-	-	-	-	-	13,389
Others	-	(3)	77	3	126	(1,033)
Balance at March 31, 2022	130,635	201	134,971	20,758	267,991	41,155

23. Employee benefits

(1) Retirement benefits

1) Defined benefit plan

The Company and certain subsidiaries' pension and retirement benefit plans usually entitle employees lump-sum indemnities or pension payments based on current rates of pay and length of service at the time of termination or the number of "points".

Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement.

Employees receive additional benefits upon involuntary retirement, including retirement at the mandatory retirement age. The defined benefit plan is subjected to the actuarial risks of changes in cost, interest rate and life expectancy.

The breakdown of retirement benefit plan recognized in the consolidated statements of financial position is as follows:

As of March 31, 2021

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	24,433	46,973	71,406
Fair value of plan assets	19,948	21,119	41,067
Funded status	4,485	25,854	30,339
Net defined benefit liability (asset)	4,485	25,854	30,339
Amounts in the consolidated statements of financial position:			
Other non-current assets	(1,348)	(16)	(1,364)
Retirement benefit liabilities	5,833	25,870	31,703

As of March 31, 2022

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	28,028	48,262	76,290
Fair value of plan assets	19,639	22,183	41,822
Funded status	8,389	26,079	34,468
Net defined benefit liability (asset)	8,389	26,079	34,468
Amounts in the consolidated statements of financial position:			
Other non-current assets	(2,021)	(77)	(2,098)
Retirement benefit liabilities	10,410	26,156	36,566

The breakdown of retirement benefit expenses of defined benefit plans recognized in the consolidated statements of income is as follows:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Current service cost	3,126	2,823
Past service cost and gains or losses arising from settlements	(246)	356
Interest cost (net)	592	646
Total retirement benefit expenses	3,472	3,825

Changes in the present value of defined benefit obligations are as follows:

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2020	25,772	44,245	70,017
The amount recognized in net profit or loss			
Current service cost	1,328	1,798	3,126
Past service cost and gains or losses arising from settlements	(3)	(243)	(246)
Interest cost	113	1,111	1,224
Total	1,438	2,666	4,104
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	74	(68)	6
-actuarial gains or losses arising from changes in financial assumptions	(211)	359	148
-actuarial gains or losses arising from experience adjustments	(516)	2,532	2,016
Total	(653)	2,823	2,170
Others			
Benefits paid	(2,124)	(2,900)	(5,024)
Foreign currency translation adjustments	-	139	139
Total	(2,124)	(2,761)	(4,885)
Balance at March 31, 2021	24,433	46,973	71,406
The amount recognized in net profit or loss			
Current service cost	1,122	1,701	2,823
Past service cost and gains or losses arising from settlements	16	340	356
Interest cost	132	1,169	1,301
Total	1,270	3,210	4,480
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	(116)	(25)	(141)
-actuarial gains or losses arising from changes in financial assumptions	(73)	(3,250)	(3,323)
-actuarial gains or losses arising from experience adjustments	(163)	1,842	1,679
Total	(352)	(1,433)	(1,785)
Others			
Benefits paid	(2,194)	(2,092)	(4,286)
Settlement	(597)	(296)	(893)
Effects of business combinations	5,468	16	5,484
Foreign currency translation adjustments	-	1,884	1,884
Total	2,677	(488)	2,189
Balance at March 31, 2022	28,028	48,262	76,290

Changes in the fair value of plan assets are as follows:

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2020	20,779	19,619	40,398
The amount recognized in net profit or loss			
Interest income	99	533	632
Total	99	533	632
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	236	1,096	1,332
Total	236	1,096	1,332
Others			
Employer's contributions	812	1,021	1,833
Benefits paid	(1,224)	(2,017)	(3,241)
Trust dividend	(754)	-	(754)
Foreign currency translation adjustments	-	867	867
Total	(1,166)	(129)	(1,295)
Balance at March 31, 2021	19,948	21,119	41,067
The amount recognized in net profit or loss			
Interest income	150	505	655
Total	150	505	655
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	542	8	550
Total	542	8	550
Others			
Employer's contributions	964	1,034	1,998
Benefits paid	(1,471)	(1,762)	(3,233)
Trust dividend	(438)	-	(438)
Settlement	(597)	(296)	(893)
Effects of business combinations	541	-	541
Foreign currency translation adjustments	-	1,575	1,575
Total	(1,001)	551	(450)
Balance at March 31, 2022	19,639	22,183	41,822

NIDEC expects to contribute ¥1,907 million to its defined benefit plans in the fiscal year ending March 31, 2023.

The fair values of plan assets (Japanese plan) by asset category are as follows:

(Yen in millions)

	Japanese plan			
	With a quoted market price in an active market		Without a quoted market price in an active market	
	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022
Equity instruments:				
Domestic equities	395	337	-	-
Overseas equities	324	259	-	-
Debt instruments:				
Pooled funds *1	-	-	1,852	1,984
Other assets:				
Cash and cash equivalents	2,738	3,825	-	-
General accounts of insurance companies	-	-	7,687	7,495
Pooled funds *2	-	-	6,864	5,658
Others	27	26	60	55
Total	3,484	4,447	16,464	15,192

(Notes) *1. As of March 31, 2021, Japanese pooled funds categorized as debt instruments invested approximately 73% in Japanese bonds and 27% in foreign bonds. As of March 31, 2022, they invested approximately 61% in Japanese bonds and 39% in foreign bonds.

*2. As of March 31, 2021, Japanese pooled funds categorized as other assets invested approximately 24% in Japanese stocks, 24% in foreign stocks, 30% in Japanese bonds and 18% in foreign bonds. As of March 31, 2022, they invested approximately 10% in Japanese stocks, 24% in foreign stocks, 13% in Japanese bonds and 34% in foreign bonds.

The fair values of plan assets (non-Japanese plan) by asset category are as follows:

(Yen in millions)

	Non-Japanese plan			
	With a quoted market price in an active market		Without a quoted market price in an active market	
	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022
Equity instruments:				
Domestic equities	-	-	-	-
Overseas equities	1,074	1,130	-	-
Debt instruments:				
Pooled funds *1	-	-	388	90
Other assets:				
Cash and cash equivalents	1,805	1,713	-	-
General accounts of insurance companies	-	-	4,357	4,671
Pooled funds *2	-	-	8,977	9,883
Others	96	23	4,422	4,673
Total	2,975	2,866	18,144	19,317

(Notes) *1. As of March 31, 2022, non-Japanese pooled funds categorized as debt instruments invested in foreign bonds.

*2. As of March 31, 2021, non-Japanese pooled funds categorized as other assets invested approximately 24% in foreign stocks and 46% in foreign bonds. As of March 31, 2022, they invested approximately 24% in foreign stocks and 46% in foreign bonds.

NIDEC's policy and objective for plan asset management is to generate, under the acceptable risk exposed to NIDEC, a stable return on the investment over the long term, which enables NIDEC's pension funds to meet future benefit payment requirements. NIDEC formulates a "basic" portfolio that best suits the above-mentioned policy. NIDEC evaluates its actual return and revises the "basic" portfolio, if necessary.

NIDEC's portfolio for plans consists of three major components: approximately 4% is invested in equity instruments, approximately 5% is invested in debt instruments, and approximately 91% is invested in other investment vehicles, primarily consisting of investments in pooled funds and life insurance companies' general accounts.

The equity instruments are selected from shares that are listed on the securities exchanges. The debt instruments are selected from Japanese and foreign government bonds, public debt instruments, and corporate bonds. Pooled funds included in other assets invest in equity and debt instruments selected from the same portfolios as the two instruments mentioned above. As for investments in life insurance companies' general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital.

The weighted-average actuarial assumptions used to estimate the benefit obligations are set forth as follows:

	Japanese plan		Non-Japanese plan	
	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022
Discount rate	0.5 %	0.6 %	2.6 %	2.5 %
Rate of increase in future compensation levels	2.5 %	2.6 %	1.7 %	2.0 %

When calculating the sensitivity of the defined benefit obligations to significant assumptions the same method has been applied as when calculating the retirement benefit liabilities recognized in the consolidated statements of financial position. It is all actuarial assumptions other than actuarial assumptions to be analyzed are constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous fiscal year.

The impacts on the defined benefit obligation as a result of change in major actuarial assumptions are summarized as follows: NIDEC does not expect any significant changes in the anticipated rate of increase in future compensation levels.

(Yen in millions)

	March 31, 2021	March 31, 2022
Discount rate		
0.5% increase	(3,737)	(3,764)
0.5% decrease	3,759	3,821

The weighted-average duration of the defined benefit obligation is as follows:

	March 31, 2021	March 31, 2022
Japanese plan	12.5 years	9.2 years
Non-Japanese plan	11.7 years	12.1 years

2) Defined contribution pension plan

Total amounts of cost recognized for the contribution to the plans were ¥3,776 million and ¥5,028 million for the years ended March 31, 2021 and 2022, respectively. NIDEC expects to contribute approximately ¥5,439 million for the year ending March 31, 2023.

24. Other components of equity and other comprehensive income

The changes in other components of equity (net of tax) are as follows:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Fair value movements on FVTOCI debt financial assets		
Balance at beginning of year	(3)	5
Changes during year	8	2
Balance at end of year	5	7
Fair value movements on FVTOCI equity financial assets		
Balance at beginning of year	-	-
Changes during year	3,799	247
Transfer to retained earnings	(3,799)	(247)
Balance at end of year	-	-
Foreign currency translation adjustments		
Balance at beginning of year	(111,165)	(51,055)
Changes during year	60,110	154,299
Balance at end of year	(51,055)	103,244
Effective portion of net changes in fair value of cash flow hedges		
Balance at beginning of year	(4,623)	1,417
Changes during year	6,040	(749)
Balance at end of year	1,417	668
Remeasurement of defined benefit plans		
Balance at beginning of year	-	-
Changes during year	795	1,770
Transfer to retained earnings	(795)	(1,770)
Balance at end of year	-	-
Other components of equity		
Balance at beginning of year	(115,791)	(49,633)
Changes during year	70,726	155,568
Transfer to retained earnings	(4,568)	(2,016)
Balance at end of year	(49,633)	103,919

The amounts of other comprehensive income including non-controlling interests, reclassification adjustment and tax effect accounting are as follows:

(Yen in millions)

	For the years ended March 31,					
	2021			2022		
	Before tax effect	Tax effect accounting	After tax effect	Before tax effect	Tax effect accounting	After tax effect
Fair value movements on FVTOCI debt financial assets						
Amounts	9	(2)	7	2	(1)	1
Reclassification adjustment	1	0	0	1	(0)	1
Changes during year	10	(2)	7	3	(1)	2
Fair value movements on FVTOCI equity financial assets						
Amounts	5,343	(1,544)	3,799	253	(6)	247
Changes during year	5,343	(1,544)	3,799	253	(6)	247
Foreign currency translation adjustments						
Amounts	553	-	553	(444)	-	(444)
Reclassification adjustment	60,892	-	60,892	156,320	-	156,320
Changes during year	61,445	-	61,445	155,876	-	155,876
Effective portion of net changes in fair value of cash flow hedges						
Amounts	7,327	(1,386)	5,941	358	(66)	292
Reclassification adjustment	1,163	(1,064)	99	(1,384)	343	(1,041)
Changes during year	8,490	(2,450)	6,040	(1,026)	277	(749)
Remeasurement of defined benefit plans						
Amounts	838	(79)	759	2,335	(525)	1,810
Changes during year	838	(79)	759	2,335	(525)	1,810
Other comprehensive income	76,126	(4,076)	72,050	157,441	(255)	157,186

25. Income taxes

(1) Income tax expenses

The breakdown of income tax expenses recognized in profit or loss is as follows:

	(Yen in millions)	
	For the years ended March 31,	
	2021	2022
Current income taxes	(30,318)	(37,033)
Deferred income taxes		
Origination and reversal of temporary differences	211	2,955
Changes in tax rates	(17)	27
Total	194	2,982
Total income tax expenses	(30,124)	(34,051)

(2) Reconciliation of effective statutory tax rate and actual tax rate

NIDEC is subject to several taxes and an effective statutory income tax rate in Japan for the fiscal year ended March 31, 2022 was approximately 30.5%. Differences between the effective statutory income tax rate in Japan and effective tax rate in income tax expense on consolidated statements of income are as follows:

	For the years ended March 31,	
	2021	2022
Effective statutory income tax rate in Japan	30.5%	30.5%
Increase (decrease) in tax rate resulting from:		
Difference in tax rate applied to foreign subsidiaries	(9.0)%	(6.8)%
Tax effect on undistributed earnings	(1.0)%	0.1%
Assessment of the realizability of deferred tax assets	(0.3)%	(0.6)%
Tax credit for experimental research costs and other	(1.3)%	(2.5)%
Foreign tax credits	(0.5)%	(0.9)%
Permanent non-deductible items	0.6%	0.8%
Others	0.7%	(0.7)%
Effective tax rate in income tax expenses on the consolidated statements of income	19.7%	19.9%

(3) Components of and changes in deferred tax assets and liabilities

The main reasons and changes in deferred tax assets and liabilities are as follows:

For the year ended March 31, 2021

(Yen in millions)

	As of April 1, 2020	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2021
Deferred tax assets:					
Inventories	8,453	(229)	-	-	8,224
Property, plant and equipment	(4,158)	1,152	-	-	(3,006)
Provision for bonuses	2,189	483	-	-	2,672
Accrued enterprise tax	254	189	-	-	443
Retirement benefit liabilities	5,710	76	(79)	-	5,707
Tax loss carryforwards	3,852	925	-	-	4,777
Provision for paid leave	1,578	(327)	-	-	1,251
Accrued expense	3,575	1,099	-	-	4,674
Others	3,122	(2,376)	-	-	746
Total	24,575	992	(79)	-	25,488
Deferred tax liabilities:					
FVTOCI financial assets	(3,302)	36	(1,544)	-	(4,810)
Basis difference of acquired assets	(820)	1	-	-	(819)
Undistributed earnings	(12,142)	1,766	-	-	(10,376)
Intangible assets	(31,536)	(214)	-	9	(31,741)
Others	(4,331)	(4,150)	(2,453)	-	(10,934)
Total	(52,131)	(2,561)	(3,997)	9	(58,680)
Net	(27,556)	(1,569)	(4,076)	9	(33,192)

The differences between the total amount recognized through net profit or loss, and total deferred tax expense are due to currency fluctuations. Others mainly consist of business combinations.

For the year ended March 31, 2022

(Yen in millions)

	As of April 1, 2021	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2022
Deferred tax assets:					
Inventories	8,224	1,282	-	-	9,506
Property, plant and equipment	(3,006)	(3,103)	-	(3,073)	(9,182)
Provision for bonuses	2,672	(36)	-	-	2,636
Accrued enterprise tax	443	125	-	-	568
Retirement benefit liabilities	5,707	642	(525)	-	5,824
Tax loss carryforwards	4,777	5,130	-	-	9,907
Provision for paid leave	1,251	171	-	-	1,422
Accrued expense	4,674	(232)	-	-	4,442
Others	746	1,094	-	457	2,297
Total	25,488	5,073	(525)	(2,616)	27,420
Deferred tax liabilities:					
FVTOCI financial assets	(4,810)	(74)	(6)	(215)	(5,105)
Basis difference of acquired assets	(819)	(8)	-	-	(827)
Undistributed earnings	(10,376)	(641)	-	-	(11,017)
Intangible assets	(31,741)	(2,166)	-	-	(33,907)
Others	(10,934)	(2,816)	276	(247)	(13,721)
Total	(58,680)	(5,705)	270	(462)	(64,577)
Net	(33,192)	(632)	(255)	(3,078)	(37,157)

The differences between the total amount recognized through net profit or loss, and total deferred tax expense are due to currency fluctuations. Others mainly consist of business combinations.

In the recognition of a deferred tax asset, NIDEC considers the possibility that future deductible temporary differences and all or a part of tax loss carryforwards will be available against future taxable profit. In assessing the recoverability of deferred tax assets, the planned reversal of future deferred tax liabilities, foreseeable future taxable profit and tax planning will be considered.

Regarding the recognized deferred tax asset, NIDEC determines that it is more likely to realize tax benefit based on the forecast of future taxable profit in the period when the previous taxable standard and deferred tax assets are recognized. However, the amount of realizable deferred tax assets will decrease providing the expectation of generating future taxable profit in the deductible period decreases as well. In assessing the recoverability of deferred tax assets for the years ended March 31, 2021 and 2022 the deferred tax assets decreased by ¥38,280 million and ¥42,953 million, respectively.

(4) Deferred tax assets and liabilities on consolidated statements of financial position

Deferred tax assets and liabilities on the consolidated statements of financial position are as follow:

	March 31, 2021	March 31, 2022
Deferred tax assets	15,022	21,062
Deferred tax liabilities	(48,214)	(58,219)
Net	(33,192)	(37,157)

(5) Future deductible temporary differences etc. for unrecognized deferred tax assets

Future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Future deductible temporary differences	99,872	85,366
Tax loss carryforwards	46,522	54,219
Total	146,394	139,585

NIDEC does not recognize the deferred tax assets for some of the tax loss carryforwards and future deductible temporary differences. They are related to tax loss carryforwards mainly arising in domestic subsidiaries. To assess the recoverability of these deferred tax assets, NIDEC analyses the applicable subsidiaries individually and decreases a portion that it is less likely to realize tax benefit. As it is less likely to realize future taxable profit, future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets were ¥146,394 million and ¥139,585 million in the years ended March 31, 2021 and 2022, respectively. There is no expiration date for future deductible temporary differences under the current taxation system.

(6) The expiration date of tax loss carryforwards for unrecognized deferred tax assets

The expiration date of tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Year 1	612	1,140
Year 2	1,261	1,151
Year 3	1,546	1,198
Year 4	8,180	1,959
Year 5 or later	1,988	9,000
No expiration	32,935	39,771
Total	46,522	54,219

(7) Future taxable temporary differences for unrecognized deferred tax liabilities

At the March 31, 2021 and 2022, NIDEC did not recognize the deferred tax liabilities regarding future taxable temporary differences related to the investment in some subsidiaries, etc. NIDEC can control the timing of reversal of temporary differences and ensure that these differences are not reversed in foreseeable period. At the March 31, 2021 and 2022, future taxable temporary differences related to the investment in subsidiaries, etc. for unrecognized deferred tax liabilities were ¥783,223 million and ¥881,951 million, respectively.

26. Provisions

Changes in the balance and components of provisions are as follows:

	Provision for product warranties	Others	Total	(Yen in millions)
Balance at April 1, 2021	7,503	26,799	34,302	
Increase during the year	4,997	41,053	46,050	
Acquisitions through business combinations	339	674	1,013	
Decrease due to intended use	(4,198)	(36,022)	(40,220)	
Reversal during the year	(943)	(4,626)	(5,569)	
Foreign currency translation and other	625	1,611	2,236	
Balance at March 31, 2022	8,323	29,489	37,812	

	March 31, 2021	March 31, 2022	(Yen in millions)
Current liabilities	33,546	36,691	
Non-current liabilities	756	1,121	
Total	34,302	37,812	

Provision for product warranties

NIDEC provides warranties for specific products and services for a certain period. A provision for product warranties is calculated mainly based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

Provisions for others

Provisions for others consist of mainly provision for bonuses and provision for paid leave. The majority of these costs is estimated to be incurred in the subsequent year.

27. Share-Based Payment (Performance-Linked Share-Based Compensation Plan)

NIDEC has adopted a performance-linked share-based compensation plan from the fiscal year ended March 31, 2019, for the purpose of clarifying the link between the compensation of the group executives and the stock value of our company, in order to develop motivations for achieving performance targets in the mid-term strategic goal, and increasing long-term corporate value.

NIDEC has adopted the structure of the BIP Trust and the ESOP Trust as equity-settled share-based payments to the group executives. In addition, NIDEC has adopted the structure of providing in cash with the amount determined based on stock price of the company as cash-settled share-based payments to some group executives in overseas resident.

Continuous service during three consecutive fiscal years targeted by the Plan is the vesting conditions. The rights will be determined as of the end of each fiscal year based on the achievements of performance targets.

The expenses for the equity-settled share-based payment recognized for the years ended March 31, 2021 and 2022 were ¥34 million and ¥404 million, respectively.

The fair value at the grant date and the changes in the number of points are as follows. The share price on the grant date was used to calculate the fair value, and no adjustments of expected dividends or others have been made because the fair value of the grant date was determined to be close to the share price of our company stock on the grant date.

Points granted before the revision of the Plan (for the period from FY 2018 to FY 2020) are 2 shares per point, and points granted after the revision of the Plan (for the period from FY 2021 to FY 2023) are 1 share per point.

Before the revision of the Plan

	For the year ended March 31, 2021		For the year ended March 31, 2022	
	BIP Trust	ESOP Trust	BIP Trust	ESOP Trust
(Yen)				
Fair value of the grant date	6,733	6,733	8,473	8,521
(Number of points)				
Balance at beginning of year	6,432	2,528	9,663	4,232
Granted	6,154	2,718	9,107	4,725
Expired	(2,502)	(879)	(6,393)	(2,672)
Settled	(421)	(135)	(1,087)	(4,493)
Balance at end of year	9,663	4,232	11,290	1,792

(Note) The number of remaining contractual life of the points as of March 31, 2021 and 2022 are approximately 0.2 year and 0 year.

After the revision of the Plan

	For the year ended March 31, 2022	
	BIP Trust	ESOP Trust
(Yen)		
Fair value of the grant date	12,690	12,690

The number of shares held as BIP Trust for the years ended March 31, 2021 and 2022, are 118,426 and 317,052, respectively. Also, the number of shares held as ESOP Trust for the years ended March 31, 2021 and 2022, are 42,962 and 158,476, respectively.

The expenses for the cash-settled share-based payment recognized for the years ended March 31, 2021 and 2022 were ¥1 million and ¥34 million, respectively. The related liabilities as of March 31, 2021 and 2022 were ¥22 million and ¥34 million, respectively.

28. Common stock and surplus

(1) Common stock

The number and changes of authorized shares and issued shares for the years ended March 31, 2021 and 2022, are as follows:

	For the years ended March 31,	
	2021	2022
	Number of shares	Number of shares
Total number of authorized shares:		
Ordinary shares (no-par value)	1,920,000,000	1,920,000,000
Total number of issued shares:		
Balance at beginning of year	596,284,468	596,284,468
Increase (decrease)	-	-
Balance at end of year	596,284,468	596,284,468

(Notes) 1. The number of treasury stocks included in the total number of issued shares in the above table for the years ended March 31, 2021 and 2022, are 10,552,192 and 16,023,034, respectively.

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

(2) Additional paid-in capital and retained earnings

Additional paid-in capital mainly consists of capital reserve. The changes in additional paid-in capital for the years ended March 31, 2021 and 2022, are as follows:

	(Yen in millions)	
	2021	2022
Balance at beginning of year	114,754	105,179
Increase (decrease)	(9,575)	(1,963)
Balance at end of year	105,179	103,216

Retained earnings consist of a legal reserve and other retained earnings.

The Companies Act of Japan provides that an amount equal to 10% of dividends must be appropriated as legal reserves until the total of aggregate amount of the legal reserves equals 25% of the common stock.

29. Dividends

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

For the year ended March 31, 2021

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

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

2. Total dividends resolved at the board of directors on October 26, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.
3. NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. Dividends per share resolved on May 25, 2020 have not been retroactively adjusted and are shown on a pre-stock split basis. Dividends per share resolved on October 26, 2020 was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2020.

For the year ended March 31, 2022

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
October 26, 2021 Board of directors	Ordinary shares	17,574	30	September 30, 2021	December 1, 2021

(Notes) 1. 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.

2. 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.

Among the dividends whose record date falls in the year ended March 31, 2022, those whose effective date falls in the year ending March 31, 2023 are as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2022 Board of directors	Ordinary shares	20,326	35	March 31, 2022	June 1, 2022

(Note) Total dividends resolved at the board of directors on May 26, 2022 included dividends of ¥16 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

30. Revenue

(1) Disaggregation of revenue

For the year ended March 31, 2021

(Yen in millions)

		Type of product								
		Small precision motors			Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Other products	Total
		Hard disk drives spindle motors	Other small precision motors	Subtotal						
Segment	SPMS	144,029	218,139	362,168	-	2,084	10	-	-	364,262
	AMEC	-	-	-	181,925	-	-	-	-	181,925
	ACIM	-	-	-	-	530,961 (26,712)	-	-	-	530,961 (26,712)
	Nidec Sankyo	-	56,666	56,666	8,360	-	43,906	19,698	747	129,377
	Nidec Techno Motor	-	-	-	-	68,566	-	-	-	68,566
	Nidec Mobility	-	-	-	88,803	-	-	-	-	88,803
	Nidec Shimpo	-	-	-	-	-	65,902 (16,578)	-	-	65,902 (16,578)
	Others	-	24,764	24,764	78,987	-	40,757	41,126	2,634	188,268
	Consolidated net sales	144,029	299,569	443,598	358,075	601,611 (26,712)	150,575 (16,578)	60,824	3,381	1,618,064 (43,290)

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

For the year ended March 31, 2022

(Yen in millions)

		Type of product								
		Small precision motors			Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Other products	
		Hard disk drives spindle motors	Other small precision motors	Subtotal						
S e g m e n t	SPMS	98,783	239,701	338,484	-	2,556	9	-	-	341,049
	AMEC	-	-	-	226,019	-	-	-	-	226,019
	ACIM	-	-	-	-	702,184 (47,663)	-	-	-	702,184 (47,663)
	Nidec Sankyo	-	58,835	58,835	12,765	-	50,959	22,154	745	145,458
	Nidec Techno Motor	-	-	-	-	81,848	-	-	-	81,848
	Nidec Mobility	-	-	-	97,411	-	-	-	-	97,411
	Nidec Shimpo	-	-	-	-	-	105,357 (24,444)	-	-	105,357 (24,444)
	Others	-	27,588	27,588	81,448	-	59,263	47,545	3,004	218,848
	Consolidated net sales	98,783	326,124	424,907	417,643	786,588 (47,663)	215,588 (24,444)	69,699	3,749	1,918,174 (72,107)

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

NIDEC mainly manufactures and sells small precision motors, automotive products, appliances, commercial and industrial products, machinery, electronic and optical components and other products. Business revenue resulting from such business is accounted for under contracts with customers. The amount of revenue which mainly includes its variable considerations is immaterial and does not include significant financing component.

① Small precision motors

Small precision motors product group manufactures and sells hard disk drives spindle motors and other small precision motors. Other small precision motors consist of brushless motors, fan motors, vibration motors, brush motors, motor applications and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

② Automotive products

Automotive product group manufactures and sells automotive motors and components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

③ Appliance, commercial and industrial products

Appliance, commercial and industrial product group manufactures and sells home appliance, commercial and industrial motors and related products. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

④ Machinery

Machinery product group manufactures and sells product of industrial robots, card readers, test systems, press machines, power transmission drives and so forth. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

⑤ Electronic and optical components

Electronic and optical components product group manufactures and sells product of switches, trimmer potentiometers, lens units, camera shutters and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

⑥ Other products

Other product group provides services and so on. In selling such services, NIDEC deems its performance obligations to be satisfied upon completion of service provision. Accordingly, NIDEC recognizes revenue from sales at the time of service provision.

(2) Contract balances

The contract assets and contract liabilities for the year ended March 31, 2021 and 2022 are as follows:

(Yen in millions)

	As of March 31, 2021	As of March 31, 2022
Contract assets		
Other current assets	21,943	21,995
Other noncurrent assets	132	576
Contract liabilities		
Other current liabilities	19,023	29,032
Other noncurrent liabilities	102	46

Contract assets are the Company's rights to consideration, excluding any amounts presented as a receivable, in exchange for services rendered under the construction contracts in which revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers. Contract assets are recorded by transferring goods or services to a customer before the customer pays consideration or before payment is due and are reclassified into receivables at the time when invoice to the customer because of the Company's right to consideration becomes to unconditional status required only the passage of time.

Contract liabilities are advances from customers. Contract liabilities are recorded when Nidec has received consideration from the customer before transferring goods or services to a customer and are reclassified into revenue when transferring goods or services to a customer that has satisfied performance obligations.

The balances of contract liabilities as of April 1st, 2020 and 2021 were recognized as revenue during the fiscal years ended March 31, 2021 and 2022, respectively.

The amount of revenue recognized during the fiscal years ended March 31, 2022 from performance obligations satisfied in previous period was not material.

(3) Assets recognized from the costs to obtain or fulfill contracts with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer are as described below. The amount of amortization of the assets for the year ended March 31, 2022 is 536 million.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2022
Incremental costs of obtaining a contract with a customer		
Other current assets	40	22
Other noncurrent assets	3,700	4,653
Assets recognized from the costs to fulfill contracts		
Other noncurrent assets	195	160

(4) Transaction price allocated to the remaining performance obligations

Transaction price and period for satisfaction allocated to the remaining performance obligations related to construction contracts are as described below. The transactions for which individual estimated contract terms are within one year are excluded.

(Yen in millions)

Period	As of March 31, 2021	As of March 31, 2022
Within one year	21,630	44,836
Over one year	10,079	35,519
Total	31,709	80,355

31. Operating expenses

Operating expenses for the year ended March 31, 2022 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥87,279 million of depreciation, ¥17,645 million of amortization and ¥320,983 million of employee benefit expenses. Operating expenses for the year ended March 31, 2021 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥80,930 million of depreciation, ¥15,872 million of amortization and ¥292,889 million of employee benefit expenses.

32. Financial income and expenses

(1) Financial income

The breakdown of financial income is as follows:

	<i>(Yen in millions)</i>	
	For the years ended March 31,	
	2021	2022
Interest income		
Financial assets measured at amortized cost	3,275	3,435
Dividend income		
FVTOCI equity financial assets	293	494
Others	632	358
Total	4,200	4,287

(2) Financial expenses

The breakdown of financial expenses is as follows:

	<i>(Yen in millions)</i>	
	For the years ended March 31,	
	2021	2022
Interest expenses		
Financial liabilities measured at amortized cost	(5,575)	(5,228)
Others	(349)	(425)
Total	(5,924)	(5,653)

33. Earnings per share

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

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

	For the years ended March 31,	
	2021	2022
Profit attributable to owners of the parent (Yen in millions)	121,945	136,870
Profit from continuing operations attributable to owners of the parent (Yen in millions)	122,173	137,197
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(228)	(327)
Weighted average shares (Shares)	585,733,130	584,157,081
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	208.19	234.30
Continuing operations (Yen)	208.58	234.86
Discontinued operations (Yen)	(0.39)	(0.56)

(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".

34. Derivatives

NIDEC manages the exposure of the fluctuations in currency, interest rate and commodity prices through the use of derivative financial instruments which include foreign exchange forward contracts, interest rate swap agreements, currency swap agreements and commodity futures contracts. NIDEC does not hold derivative financial instruments for trading purpose. NIDEC is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered to be minimal due to high credit rating of the counterparties.

(1) Cash flow hedges

NIDEC uses foreign exchange forward contracts and commodity futures contracts designated as cash flow hedges to protect against currency risks and commodity price risks inherent in a portion of its forecasted transactions related to purchase commitments.

(2) Derivatives not designated as hedges

NIDEC is unable or has elected not to apply hedge accounting to some of these derivatives from time to time. The changes in the fair value of these contracts are included in "Derivative gain (loss)".

Derivatives designated as cash flow hedges are as follows:

As of March 31, 2021

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	16,663	513	478	Other financial assets Other financial liabilities
Currency swap agreements	130	15	-	Other financial assets
Commodity price risk				
Commodity futures contracts	5,810	2,296	139	Other financial assets Other financial liabilities

As of March 31, 2022

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	15,737	813	91	Other financial assets Other financial liabilities
Currency swap agreements	48	8	-	Other financial assets
Commodity price risk				
Commodity futures contracts	87	549	0	Other financial assets Other financial liabilities

Derivatives not designated as hedges are as follows:

As of March 31, 2021

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	138,227	3,996	26	Other financial assets Other financial liabilities
Interest rate swap agreements	16,607	-	213	Other financial assets

As of March 31, 2022

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	70,358	337	60	Other financial assets Other financial liabilities

Carrying amounts of cash flow hedge reserve are as follows:

(Yen in millions)

		March 31, 2021	March 31, 2022
Currency risk			
Foreign exchange forward contracts		(14)	135
Commodity price risk			
Commodity futures contracts		1,432	534

The effects of derivatives designated as cash flow hedges on profit or loss are as follows:

For the year ended March 31, 2021

(Yen in millions)

	Hedging gain or loss recognized in OCI	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in the consolidated statements of income that includes the reclassification adjustment
Currency risk Foreign exchange forward contracts	957	2,270	Cost of sales
Commodity price risk Commodity futures contracts	4,984	(2,171)	Cost of sales

For the year ended March 31, 2022

(Yen in millions)

	Hedging gain or loss recognized in OCI	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in the consolidated statements of income that includes the reclassification adjustment
Currency risk Foreign exchange forward contracts	537	(388)	Cost of sales
Commodity price risk Commodity futures contracts	(245)	(653)	Cost of sales

The amount of hedge ineffectiveness or exclusion from the assessment of hedge effectiveness recognized in profit or loss was not material for the years ended March 31, 2021 and 2022.

As at March 31, 2022, the maximum length of time over which NIDEC hedged its exposure to variability in future cash flows for forecast transactions was approximately 15 months.

The effects of derivatives not designated as hedges on profit or loss are as follows:

(Yen in millions)

	Line item in the consolidated financial statements	For the years ended March 31,	
		2021	2022
Foreign exchange forward contracts	Foreign exchange differences	3,904	330
Currency swap agreements	Derivative gain (loss)	724	-
	Financial income and expenses	354	-
Interest rate swap agreements	Derivative gain (loss)	290	213
	Financial income and expenses	(332)	(219)

35. 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)

	March 31, 2021		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	78	78	260	260
Long term investments	26	28	23	25
Short term loans receivable	23	23	14	14
Long term loans receivable	107	107	158	152
Short term borrowings	(30,977)	(30,977)	(130,635)	(130,635)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(30,087)	(30,133)	(20,960)	(20,755)
Corporate bonds (including corporate bonds due within one year)	(438,249)	(438,501)	(402,962)	(399,277)

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 March 31, 2022

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTPL equity financial assets	1,940	-	-	1,940
FVTOCI equity financial assets	18,611	-	2,154	20,765
FVTOCI debt financial assets	-	73	-	73
Derivatives	549	1,158	-	1,707
Total financial assets	21,100	1,231	2,154	24,485
Liabilities:				
Derivatives	-	151	-	151
Total financial liabilities	-	151	-	151

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022.

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 years ended March 31,	
	2021	2022
Balance at beginning of year	1,536	1,445
Gains or losses:		
Recognized in other comprehensive income (Note)	(15)	367
Purchases	65	58
Sales	(141)	(28)
Acquisition by business combination	-	312
Balance at end of year	1,445	2,154

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

36. Related party transactions

(1) Transactions with related parties for the years ended March 31, 2021 and 2022 are as follows:

Sales of goods and services

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	12	12
Nagamori Gakuen Educational Foundation*3	57	1
Nagamori Culture Foundation*4	27	27

(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 years ended March 31,	
	2021	2022
Related parties		
S.N. Kosan, LLC.	10	11
Nagamori Gakuen Educational Foundation	65	47
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	March 31, 2022
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	4	3
Nagamori Culture Foundation	0	0
Payables to related parties		
S.N. Kosan, LLC.	-	-
Nagamori Gakuen Educational Foundation	-	19
Nagamori Culture Foundation	-	0

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2021 and 2022. In addition, there were no expenses recognized during the years ended March 31, 2021 and 2022 in respect of receivables from related parties.

(2) NIDEC's key management personnel compensation for the years ended March 31, 2021 and 2022 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Fixed compensation	200	198
Variable compensation	-	59
Performance-linked share-based compensation	(10)	27
Total	190	284

37. Subsidiaries and associates

(1) Composition of the group

The composition of the NIDEC group is presented in "I. Overview of the Company, 4. Information on Affiliates".

(2) Subsidiaries that have non-controlling interests that are material

There is no subsidiary that has non-controlling interests that are material.

(3) Aggregate financial information about investments in associates that are not individually material

(Yen in millions)

	As of March 31, 2021	As of March 31, 2022
Carrying amount of interest in associates	2,422	1,241

(Yen in millions)

	For the years ended March 31,	
	2021	2022
Comprehensive income for the year		
Profit for the year	(989)	(1,461)
Total	(989)	(1,461)

38. Leases

NIDEC leases certain assets under lease arrangements. The summary of leases is as follows:

(1) Carrying amounts of right-of-use assets

(Yen in millions)

Right-of-use assets	Land	Buildings	Machinery and equipment	Vehicles	Software
Balance at April 1, 2020	6,570	21,849	1,982	1,045	366
Depreciation	(444)	(5,357)	(614)	(464)	(215)
New consolidation	-	432	384	2	396
New contract	523	8,009	333	457	-
Others *3	-	-	-	-	(57)
Balance at March 31, 2021	6,649	24,933	2,085	1,040	490
Depreciation	(762)	(5,276)	(595)	(225)	(183)
New consolidation	-	383	181	60	5
New contract	888	12,700	539	441	-
Others *3	-	-	-	-	(0)
Balance at March 31, 2022	6,775	32,740	2,210	1,316	312

(Notes)*1. Land, buildings, machinery and equipment, vehicles are included in "Property, plant and equipment" in the consolidated statement of financial position.

*2. Software is included in "Intangible asset" on the Consolidated Statement of Financial Position.

*3. Others include cancellations of lease contract and so forth.

(2) Lease liabilities

(Yen in millions)

Term	March 31, 2021	March 31, 2022
Within one year	8,078	9,252
Over one year within five years	18,877	23,813
Over five years	10,409	15,174
Total undiscounted lease liabilities at March 31, 2022	37,364	48,239
Lease liabilities included in consolidated statements of financial position at March 31, 2022	32,161	41,155
Current	7,125	8,029
Non-current	25,036	33,126
Total	32,161	41,155

(Note) Lease liabilities are split between long term debt due within one year and long term debt in the consolidated statements of financial position.

(3) The amount recognized in profit or loss

	(Yen in millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
Depreciation of right-of-use assets		
Land	444	762
Buildings	5,357	5,276
Machinery and equipment	614	595
Vehicles	464	225
Software	216	183
Subtotal	7,095	7,041
Interest expense	1,267	1,296
Expenses relating to short-term leases	1,845	2,457
Expenses relating to Low-value asset leases	763	1,303
Expenses relating to variable leases	12	—
Subtotal	3,887	5,056
Total	10,982	12,097

(4) The amount recognized in statements of cash flows

At March 31, 2022 and 2021, The total cash outflow for leases is ¥7,992 million and ¥6,896 million.

(5) Operating lease (lessor)

NIDEC is a lessor of a portion of the buildings and equipment in operating leases.

Rental income under operating leases for the year ended March 31, 2022 and 2021 were ¥22 million and ¥39 million.

The future minimum rental income under operating leases with remaining non-cancellable terms are as follows:

	(Yen in millions)	
Term	March 31, 2021	March 31, 2022
Within one year	14	18
Over one year within five years	13	3
Over five years	-	-
Total future minimum rental income	27	21

39. Financial instruments

(1) Capital management

NIDEC's capital management principle is to optimize capital structure by achieving a balance between capital efficiency and financial strength, while sustainably increasing corporate value and aiming at 30% dividend payout ratio.

NIDEC's ratio of equity attributable to owners of the parent to total assets and profit ratio of equity attributable to owners of the parent are as follows:

	March 31, 2021	March 31, 2022
Ratio of equity attributable to owners of the parent to total assets	48.6 %	48.3 %

	For the years ended March 31,	
	2021	2022
Profit ratio of equity attributable to owners of the parent	11.9 %	11.5 %

There are no material capital regulations applicable to NIDEC.

(2) Credit risk management

NIDEC defines default on trade receivables as "claims becoming unrecoverable due to customer's failure to fulfill its obligation". Therefore, regarding trade receivables, Nidec is regularly monitoring the financial position of main clients by checking payment terms and credit balance for each client according to the credits management policies to ensure early identification and mitigation of the potential credit loss associated with deterioration of their financial position.

No significant concentration of credit risk is present in a particular customer.

NIDEC's maximum exposure to credit risks is the carrying amount of financial assets less impairment losses in the consolidated financial statements.

The analysis of aging of receivables that are past due and expected credit loss of those financial assets are as follows:

As of March 31, 2021

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	45,694	34,303	6,427	4,964
Expected credit loss allowance	(3,801)	(165)	(51)	(3,585)
Net amount	41,893	34,138	6,376	1,379
Rate of expected credit loss	8.3%	0.5%	0.8%	72.2%
Other financial assets:				
Gross amount	1,047	-	-	1,047
Expected credit loss allowance	(442)	-	-	(442)
Net amount	605	-	-	605
Rate of expected credit loss	42.3%	-	-	42.3%

As of March 31, 2022

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	73,739	67,676	2,228	3,835
Expected credit loss allowance	(3,071)	(286)	(71)	(2,714)
Net amount	70,668	67,390	2,157	1,121
Rate of expected credit loss	4.2%	0.4%	3.2%	70.8%
Other financial assets:				
Gross amount	624	-	-	624
Expected credit loss allowance	(442)	-	-	(442)
Net amount	182	-	-	182
Rate of expected credit loss	70.9%	-	-	70.9%

The changes in the balance of expected credit loss allowance are as follows:

(Yen in millions)

	For the year ended March 31,			
	2021		2022	
	Trade and other receivables	Other financial assets	Trade and other receivables	Other financial assets
Expected credit loss allowances at beginning of the year	3,378	452	4,531	448
Expected credit loss allowance, net of reversal	667	(3)	(728)	0
Usage as intended	(855)	-	(341)	-
Foreign currency translation and other	1,341	(1)	508	1
Expected credit loss allowances at the end of the year	4,531	448	3,970	449

(3) Liquidity risk management

NIDEC relies on borrowings from financial institutions and capital raising from direct financing markets to finance its operations and capital expenditures. If, due to changes in financial market conditions or other factors, financial institutions reduce, terminate or otherwise modify the amounts or terms of their lending or credit lines to NIDEC, if there is a significant downgrade of its credit ratings by one or more credit rating agencies as a result of any deterioration of its financial condition or if investor demand significantly decreases due to economic downturns or otherwise, NIDEC may not be able to access funds when NIDEC needs them on acceptable terms.

NIDEC regularly checks the status of liquidity on hand and interest-bearing liabilities, and develops a financing plan against the liquidity risk. Furthermore, the board of directors approves the establishment of credit line for flexible financing in accordance with the plan.

See "21. Short term borrowings and long term debt" for the aggregate amounts of annual maturity of long term debts.

(4) Market risk management

1) Currency risk management

A significant portion of NIDEC overseas sales is denominated in currencies other than Japanese yen, primarily the U.S. dollar, Euro, Chinese yuan and Thai baht. NIDEC is exposed to currency risks arising from the appreciation of the Japanese yen against each currency. The appreciation of the Japanese yen against each currency would have negative effects on NIDEC's sales, operating profit and profit for the year, etc. Furthermore, foreign exchange fluctuation affects the consolidation of financial statements of foreign subsidiaries.

To mitigate the currency risks, NIDEC, in principle, controls the balance of monetary assets and liabilities of each currency and uses a natural hedge such as selling and purchasing in a same currency. For some cases, NIDEC uses foreign exchange forward contracts and other contracts to reduce the impact of foreign exchange fluctuations.

The financial impacts on profit before income taxes in the case of appreciation of Japanese yen against the U.S. dollar and Euro by 1% on the foreign currency denominated financial instruments held by NIDEC while all other variables are held constant as of March 31, 2021 and 2022 are as follows:

	<i>(Yen in millions)</i>	
	For the years ended March 31,	
	2021	2022
U.S. dollar (appreciation of Japanese yen by 1%)	(620)	(1,116)
Euro (appreciation of Japanese yen by 1%)	(235)	(473)

2) Interest rate risk management

As NIDEC has no significant interest-bearing assets, NIDEC's profit or loss and cash flows are substantially independent of changes in market interest rates.

NIDEC has interest-bearing liabilities and enters into interest rate swaps and other contracts in order to manage the risks of the interest rate fluctuation and changes in cash flows of those liabilities. In addition, we monitor the interest rate fluctuation regularly. As a result, interest rate sensitivity analysis is omitted because payment of interest does not have material impacts on NIDEC.

3) Share price fluctuation risk management

For shares that NIDEC holds, we regularly check their market share price and financial condition of the issuers and monitor unrealized profits or losses. In addition, we review the shareholding on a continuous and as needed basis, taking into consideration the relationship with the issuers.

40. Contingent liabilities

At March 31, 2022, NIDEC has guaranteed ¥9,952 million for bank borrowing by equity method affiliates. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

At March 31, 2022, NIDEC was aware of total contingent liabilities of ¥13,816 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds. 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.

NIDEC held discussions with a certain automobile manufacturer regarding product warranties in the automotive business, and discussed the necessity of bearing costs at March 31, 2022. As there is a possibility that NIDEC's position may be significantly unfavorable, detailed disclosure is not made in accordance with Article 92 of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets."

41. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	March 31, 2021	March 31, 2022
Property, plant and equipment and other assets	26,940	33,764

42. Events after the reporting period

Own Share repurchase

The Company resolved to set a share repurchase plan as stipulated in Article 156, Paragraph 1 of the Company Law of Japan at the Company's Board of Directors held on April 21, 2022, in accordance with provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Company Law of Japan. This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows. The total number of own shares repurchased is 2,400,000 shares and yen amount is approximately 20 billion yen by May 31, 2022, pursuant to this program.

1. Class of shares	Common stock
2. Total number of shares to be repurchased	Up to 5,500,000 shares (0.95% of total number of shares issued, excluding treasury stock)
3. Total repurchase amount	Up to 50 billion yen
4. Period of repurchase	From April 22, 2022 to January 24, 2023

43. Authorization of consolidated financial statements

NIDEC's consolidated financial statements were authorized for issue on June 20, 2022 by Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer, Jun Seki, Representative Director, President and Chief Operating Officer and Akinobu Samura, Vice President and Chief Financial Officer.

2. Others

Quarterly information, etc. from April 1, 2021 to March 31, 2022

(Yen in millions, unless otherwise indicated)

(Accumulated period)	For the three months ended June 30, 2021	For the six months ended September 30, 2021	For the nine months ended December 31, 2021	For the year ended March 31, 2022
Net sales	447,470	910,668	1,407,210	1,918,174
Profit before income taxes	43,752	88,282	130,554	171,145
Profit attributable to owners of the parent	33,451	67,767	100,443	136,870
Earnings per share attributable to owners of the parent-basic (yen)	57.14	115.76	171.67	234.30

(Fiscal period)	For the three months ended June 30, 2021	For the three months ended September 30, 2021	For the three months ended December 31, 2021	For the three months ended March 31, 2022
Earnings per share attributable to owners of the parent-basic (yen)	57.14	58.63	55.90	62.67

(Notes) 1. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2022.

Related quarterly items for the year ended March 31, 2022 reflect the revision of the initially allocated amount of acquisition price as NIDEC finalized the provisional accounting treatment.

2. "Earnings per share attributable to owners of the parent - basic" has been calculated based on figures of "Profit attributable to owners of the parent".

VI. Share-related Administration of the Company

Fiscal year	April 1 - March 31
Annual General Meeting of Shareholders	During June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Number of shares in one trading unit	100 shares
Buyback in holdings of shares less than one unit	
Place of handling	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. 5-33, Kitahama 4-chome, Chuo-ku, Osaka
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	-
Fees for buyback in holdings	Amount separately specified as an amount equivalent to fees for entrusting sale or purchase of shares
Method of giving public notice	Nidec carries out its public notifications by means of electronic public notice https://www.nidec.com/en/ However, in the event of an accident which makes electronic notice impossible, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper).
Shareholders privileges	Shareholder Benefit Program 1. Music box 1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of March 31 every year. 2) Type of benefits <Target: Shareholders with a shareholding period of 10 years or longer* and a share unit (100 shares) or more> - Contents : Music box (by application or lot) - Benefit : A) An Orpheus music box (worth from 75,000 yen to 90,000yen) - Shareholders : 10 by lot <Target: Shareholders with a shareholding period of 3 years or longer and a share unit (100 shares) or more> - Contents : Music box (by application or lot) - Benefit : B) A music box (worth 5,000 yen) (Possible to choose Nidec special model or one from other multiple models every year) - Shareholders : 100 by lot *Those who own the Company's shares for 10 years or longer may choose either A) or B) above when applying.

Shareholders privileges	<p>2. A leaflet which serves as an admission ticket to Suwanone Museam where Nidec Sankyo Corporation showcases their music box products</p> <p>1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits NIDEC offers a leaflet which serves as an admission ticket to Suwanone Museam where Nidec Sankyo Corporation showcases their music box products. NIDEC will also offer a 10% discount ticket that can be used for a purchase of merchandise over ¥5,000. (Please have your leaflet with you when visiting Suwanone Museum.)</p>
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- (Notes)
1. The Articles of Incorporation provide that a holder of shares less than one unit does not have any rights other than rights under each item of Article 189, Paragraph 2 of the Companies Act or rights to be allotted rights to subscribe for free for new shares and share acquisition rights in proportion to the number of shares held by the shareholder.
 2. We assume that a buyback of shares less than one unit is charged through an account administration authority, such as a brokerage firm and so on (in case of the special account, the above Sumitomo Mitsui Trust Bank, Limited).

VII. Reference Information on the Company

1. Information on Parent Company, etc. of the Company

The Company has no parent company pursuant to Article 24-7, Paragraph 1 of Financial Instruments and Exchange Act of Japan.

2. Other Reference Information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2022 to the filing date of the Annual Securities Report.

1. Annual Securities Report and the attachments thereto, and Confirmation Letter

(The 48th business term) (From April 1, 2020 to March 31, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on June 23, 2021
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2. Internal Control Report and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on June 23, 2021

3. Quarterly Report and Confirmation Letter

(First Quarter of the 49th business term) (From April 1, 2021 to June 30, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on August 6, 2021
(Second Quarter of the 49th business term) (From July 1, 2021 to September 30, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on November 12, 2021
(Third Quarter of the 49th business term) (From October 1, 2021 to December 31, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on February 10, 2022

4. Shelf Registration Statements (Straight bond) and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on April 1, 2022

5. Extraordinary Report

Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on June 24, 2021
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6. Securities Registration Statement and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on July 21, 2021

7. Status Report of Acquisition of Treasury Shares

(From June 1, 2021 to June 30, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on July 6, 2021
(From July 1, 2021 to July 31, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on August 5, 2021
(From August 1, 2021 to August 31, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on September 6, 2021
(From September 1, 2021 to September 30, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on October 6, 2021
(From October 1, 2021 to October 31, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on November 5, 2021
(From November 1, 2021 to November 30, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on December 6, 2021
(From December 1, 2021 to December 31, 2021)	Filed with the Director-General of the Kanto Local Finance Bureau on January 11, 2022
(From January 1, 2022 to January 31, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on February 4, 2022
(From February 1, 2022 to February 28, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on March 4, 2022
(From March 1, 2022 to March 31, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on April 6, 2022
(From April 1, 2022 to April 30, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 10, 2022
(From May 1, 2022 to May 31, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on June 6, 2022

Part II Information on Guarantors, etc. for the Company

Not applicable.

TRANSLATION

Following is an English translation of the Independent Auditors' report filed under the Financial Instrument and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditors' Report

(filed under the Financial Instruments and Exchange Act of Japan)

June 20, 2022

To the Board of Directors of
NIDEC CORPORATION (Nihon Densan Kabushiki Kaisha):

PricewaterhouseCoopers Kyoto

Designated and Engagement Partner,
Certified Public Accountant: Minamoto Nakamura

Designated and Engagement Partner,
Certified Public Accountant: Keiichiro Kagi

Designated and Engagement Partner,
Certified Public Accountant: Tatsuro Iwai

Audit of Financial Statements

Audit Opinion

Pursuant to the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the "Consolidated Financial Statements and Other Information", namely, the consolidated statements of financial position as of March 31, 2022 of Nidec Corporation (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, including notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) pursuant to the provision of Article 93 of the *Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements*.

Basis for opinion

We conducted our audit in accordance with generally considered acceptable in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of goodwill (Note 3 of the consolidated financial statements, "Material accounting policy ((10) Impairment of non-financial assets)," and Note 15 of the statements, "Goodwill and intangible assets")	
Key audit matter description	How our audit addressed the key audit matter
<p>In its consolidated financial statements as of March 31, 2022, Nidec Corporation (the "Company") recorded a goodwill of 339,904 million yen, which accounted for 12.7% of total assets on the consolidated statements of financial position as of March 31, 2022. Regardless of any indicators of impairment, The Company performs its annual impairment test on January 1 or whenever there is an indication of impairment. An impairment loss is recognized when the carrying amount of a cash-generating unit ("CGU") exceeds its recoverable amount. In the current year, the recoverable amount of each CGU exceeded the respective carrying amount, and therefore no impairment losses on goodwill were recognized.</p> <p>The recoverable amount of the CGUs is determined based on the value in use. Value in use is determined based on the estimated future cash flows based on management-approved business plans with a maximum term of five years and estimated future cash flows based on growth rates, which are discounted to the present using a discount rate that reflects the time value of money and the risks inherent in the projections specific to each CGU.</p> <p>The measurement of the value in use involves management judgment and estimates of significant assumptions, such as business plans, growth rates, and discount rates. Considering the high degree of estimation uncertainty of the value in use, as well as the significance of goodwill to the consolidated financial statements, we determined the auditing of the value in use was a key audit matter.</p>	<p>PricewaterhouseCoopers Kyoto performed the following principal audit procedures regarding the Company's impairment assessment of goodwill:</p> <ul style="list-style-type: none"> - We understood the business environment in which the CGUs operate and evaluated the latest trends of each CGU's results by inquiring with management and by examining the minutes of meetings and related materials of the board of directors and other bodies. - We understood the design and implementation and tested the operating effectiveness of internal controls related to the fair values of the CGUs. - We assessed the reasonableness of the models used by management to determine the value in use with the assistance of our valuation specialists. - We confirmed that the business plan the Company used in its goodwill impairment test is the business plan approved by the Company. In addition, we examined if the market environment that the management anticipates in the business plan is consistent with the past performance of the CGUs as well as the market forecasts in available analyst reports. - We compared the business plan used in the prior fiscal year's impairment test with the current fiscal year's results. - We assessed discount rate, growth rate, and other significant assumptions used with the assistance of our valuation specialists as well as based on publicly-available information of comparable companies. - With regard to the sensitivity analysis conducted by NIDEC on important assumptions, the rationality of the analysis method was examined, and the analysis results were recalculated. - We compared the value in use determined for the CGUs taken as a whole to the market capitalization of the Company to assess the reasonableness of the values in use.

Recording and evaluation of capitalization of development cost (Note 3 of the consolidated financial statements, "Material accounting policy" (7) Goodwill and intangible assets, and Note 15 of the consolidated financial statements, "Goodwill and intangible assets")	
Key audit matter description	How our audit addressed the key audit matter
<p>As described in Note 15 ("Goodwill and intangible assets") to the consolidated financial statements, during the fiscal year 2021, Nidec Corporation (the "Company") capitalized development costs of ¥11,363 billion during the current fiscal year and recorded capitalized development costs of ¥35,778 billion as of March 2022 in the consolidated financial statements. In accordance with paragraph 57 of IAS No. 38, the Company capitalizes expenditures for development activities such costs can be measured reliably, are technologically and commercially feasible, are likely to provide economic benefits in the future, development is substantially complete, the Company has the intention to use or sell the assets and has sufficient resources to do so. In order to support the assertion that economic benefits are likely to exist in the future, the Company creates plans for each project based on the letter of intent. It also updates and evaluates plans for each development project to see if the initial recognition requirements are met at the end of the term.</p> <p>Initial recognition of capitalized development costs and the assessment as of the end of the current period involve a number of management judgments regarding significant assumptions, such as plans supporting the likelihood that future economic benefits exist for each development project. Considering the possibility that expenditures which do not meet the recognition criteria could be recorded depend on these assumptions, and the fact that the capitalized development costs are material as of the current period, we determined that the auditing of capitalized development costs was a key audit matter.</p>	<p>PricewaterhouseCoopers Kyoto and its component auditors performed the following principal audit procedures regarding the recording and evaluation of development assets:</p> <ul style="list-style-type: none"> - We understood the design and operating effectiveness of the internal controls related to the recording of capitalized development costs and the associated evaluation at the end of the fiscal year. - We performed testing procedures on a sampling basis to obtain underlying evidence of sufficient documentation supporting the amounts capitalized and plans for each development project, including the letter of intent from the customer. - We performed testing procedures on a sampling basis the scope and amount of expenditures for development activities recorded as development assets and relevant vouchers of expenditures - We performed inquiries with management whether there was an update regarding the plan for each development project prior to beginning production as compared to plans made at the time of initial recognition. - We compared the planned and actual production results for each development project, and performed related inquiries and examination procedures where there were differences between planned production and actual results.

Other information

The other information comprises the information excepting the consolidated financial statements, non-consolidated financial statements and these Auditors' report of the information included in the annual securities report. Management is responsible for the preparation and disclosure of the other information.

The Audit and Supervisory Committee is responsible for monitoring the execution of the duties of Directors related to designing and operating the reporting process of the other information.

PricewaterhouseCoopers Kyoto's opinion on the non-consolidated financial statements does not cover the other information, and PricewaterhouseCoopers Kyoto does not express an audit opinion thereon.

In connection with PricewaterhouseCoopers Kyoto's audit of the non-consolidated financial statements, PricewaterhouseCoopers Kyoto's responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or PricewaterhouseCoopers Kyoto's knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work PricewaterhouseCoopers Kyoto has performed, PricewaterhouseCoopers Kyoto concludes that there is a material misstatement of the other information, PricewaterhouseCoopers Kyoto is required to report that fact.

PricewaterhouseCoopers Kyoto has nothing to report in this regard.

Responsibilities of management, the Audit and Supervisory Committee for consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern in accordance with IFRS.

The Audit and Supervisory Committee is responsible for monitoring the execution of the duties of Directors related to designing and operating the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the accounting auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any material weaknesses in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Of the matters discussed with Audit and Supervisory Committee, PricewaterhouseCoopers Kyoto determines matters that were determined to be particularly important during the financial statement audit of the fiscal year 2021 as major audit-related issues to consider, and describes them as such in the audit report, unless it is prohibited to disclose such issues by law, regulation, etc., or unless PricewaterhouseCoopers Kyoto determines that such issues not to be reported on the basis that it is reasonably expected that reporting such issues in an audit report would, though on an extremely limited scale, cause disadvantages to be incurred as a result to exceed public interests.

Audit of Internal Control

Audit Opinion

Pursuant to the Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of the Company as of March 31, 2022.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of the Company as of March 31, 2022 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis of Opinion

We conducted our audit of Internal Control in accordance with an audit standard of internal control over financial reporting that is generally considered acceptable in Japan. Our responsibilities under the auditing standards of internal control over financial reporting are further described in the "Auditor's Responsibilities for the Audit of the internal control."

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the internal control in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management, the Audit and Supervisory Committee for report on internal control

Management has responsibilities to maintain and operate internal controls for financial reporting, and prepare and properly present report on internal control in accordance with the standards for evaluation of internal controls for financial reporting generally accepted in Japan.

It is the responsibility of the Audit and Supervisory Committee to monitor and verify the status of establishment and operation of internal control over financial reporting.

There is a possibility that the false statements in the financial reporting cannot be completely prevented or found by the internal control over financial reporting.

Auditor's Responsibilities for the Audit of the internal control.

Our objectives are to obtain reasonable assurance about whether the report on internal control as a whole are free from material misstatement, and to issue an auditor's report that includes our opinion from an independent point of view over the report on internal control.

As part of an audit in accordance with auditing standards of internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures for obtaining audit evidence regarding the evaluation results of internal control over financial reporting in the report on internal control. Audit procedures for internal control audits are selected and applied depend on the auditor's judgement, based on the significance of impact on the reliability of financial reporting.
- Consider presentation of the report on internal control as a whole, including the description made by the management regarding the scope of evaluation of internal control over financial reporting, the procedures for evaluation, and the results of the evaluation.
- Obtain sufficient and appropriate audit evidence regarding the evaluation results of internal control over financial reporting in the report on internal control. We are responsible for the direction, supervision and performance of the audit of the report on internal control. We are solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, the results of internal control audits, any material weakness in internal control identified, the results of their corrections, and other matters required in internal control auditing.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Company for which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.