

[Translation]

Annual Securities Report

(The 51st Business Term)

From April 1, 2023 to March 31, 2024

NIDEC CORPORATION

CONTENTS

Cover	1
Part I Information on the Company	2
I. Overview of the Company	2
1. Key Financial Data	2
2. History	5
3. Description of Business	8
4. Information on Affiliates	11
5. Employees	15
II. Business Overview	18
1. Management Policies, Business Environment, and Challenges	18
2. Views and Initiatives on Sustainability	22
3. Risk Factors	44
4. Management Analysis of Financial Position, Operating Results and Cash Flows	57
5. Material Agreements, etc	69
6. Research and Development	71
III. Property, Plant and Equipment	77
1. Summary of Capital Investment, etc.	77
2. Major Property, Plant and Equipment	78
3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc.	81
IV. Information on the Company	82
1. Information on the Company's Shares, etc	82
(1) Total number of shares, etc.	82
(2) Information on the share acquisition rights, etc.	82
(3) Information on moving strike convertible bonds, etc.	82
(4) Changes in the total number of issued shares, common stock, etc.	82
(5) Shareholders composition	83
(6) Major shareholders	84
(7) Information on voting rights	87
(8) Officer/employee stock ownership plans	88
2. Information on Acquisition, etc. of Treasury Stock	90
3. Dividend Policy	93
4. Corporate Governance, etc	94
(1) Overview of Corporate Governance	94
(2) Members of the Board of Directors	101
(3) Audit Status	111
(4) Remuneration etc, for members of the Board of Directors	117
(5) Status of shares held	122
V. Consolidated Financial Statements and Other Information	126
1. Consolidated Financial Statements	126
2. Others	210
VI. Share-related Administration of the Company	211
VII. Reference Information on the Company	213
1. Information on Parent Company, etc. of the Company	213
2. Other Reference Information	213
Part II Information on Guarantors, etc. for the Company	215
[Independent Auditors' Report (Translation)]	216

Cover

[Document Filed]	Annual Securities Report ("Yukashoken Hokokusho")
[Applicable Law]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director-General of the Kanto Local Finance Bureau
[Filing Date]	June 19, 2024
[Fiscal Year]	The 51st Business Term (from April 1, 2023 to March 31, 2024)
[Company Name]	Nidec Kabushiki Kaisha
[Company Name in English]	NIDEC CORPORATION
[Title and Name of Representative]	Mitsuya Kishida, Representative Director, President and Chief Executive Officer
[Address of Head Office]	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
[Phone No.]	075-935-6200
[Contact Person]	Akinobu Samura, Senior Vice President and Chief Financial Officer
[Contact Address]	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
[Phone No.]	075-935-6200
[Contact Person]	Akinobu Samura, Senior Vice President and Chief Financial Officer
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the 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				
	47th business term	48th business term	49th business term	50th business term	51st business term
Year end	March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	1,534,800	1,618,064	1,918,174	2,230,027	2,347,159
Profit before income taxes	105,160	152,937	170,032	110,435	202,612
Profit attributable to owners of the parent	58,459	121,945	135,759	36,982	125,144
Comprehensive income attributable to owners of the parent	4,552	192,671	291,328	145,905	326,415
Total equity attributable to owners of the parent	947,290	1,096,020	1,292,241	1,346,565	1,632,184
Total assets	2,122,493	2,256,024	2,678,483	2,862,749	3,160,635
Total equity per share attributable to owners of the parent (yen)	1,617.21	1,871.20	2,227.00	2,342.84	2,840.56
Earnings per share attributable to owners of the parent - basic (yen)	99.37	208.19	232.40	64.26	217.79
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	44.6	48.6	48.2	47.0	51.6
Profit ratio of total equity attributable to owners of the parent (%)	6.0	11.9	11.4	2.8	8.4
Price earnings ratio (times)	56.4	64.5	41.8	101.1	28.1
Net cash provided by operating activities	168,049	219,156	94,994	143,485	320,766
Net cash used in investing activities	(311,513)	(100,568)	(112,597)	(164,943)	(153,553)
Net cash provided by (used in) financing activities	128,546	(136,191)	(64,393)	(19,238)	(181,557)
Cash and cash equivalents at end of year	206,986	219,524	199,655	186,098	217,005
Number of employees [Separately, average number of temporary employees]	117,206 [27,963]	112,551 [23,635]	114,371 [27,977]	106,592 [21,410]	101,112 [17,815]

(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", 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, 2024. As a result, figures for the year ended March 31, 2023 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 47th business term.

(2) Financial data, etc. of the Company

(Yen in millions, unless otherwise stated)

Fiscal year	47th business term	48th business term	49th business term	50th business term	51st business term
Year end	March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	190,206	200,138	198,127	199,470	222,138
Ordinary profit	31,845	45,646	47,695	84,171	164,990
Net profit	31,027	41,572	45,079	77,294	135,748
Common stock	87,784	87,784	87,784	87,784	87,784
Number of issued shares (thousands of shares)	298,142	596,284	596,284	596,284	596,284
Total net assets	288,888	298,063	250,330	240,793	339,520
Total assets	1,183,299	1,307,494	1,403,315	1,471,552	1,691,144
Net assets per share (yen)	493.19	508.87	431.41	418.95	590.88
Dividends per share (yen) [Of the above, interim dividend per share (yen)]	58 [28]	60 [30]	65 [30]	70 [35]	75 [35]
Earnings per share - basic (yen)	52.74	70.98	77.17	134.30	236.25
Earnings per share - diluted (yen)	-	-	-	-	-
Shareholders' equity ratio (%)	24.4	22.8	17.8	16.4	20.1
Return on equity (%)	10.4	14.2	16.4	31.5	46.8
Price earnings ratio (times)	106.3	189.3	126.3	51.0	25.9
Dividend payout ratio (%)	109.0	84.5	84.2	52.1	31.7
Number of employees [Separately, average number of temporary employees]	2,756 [148]	2,568 [87]	2,511 [108]	2,176 [61]	1,964 [37]
Total shareholder return (%) [Comparative index: Dividend- included TOPIX(%)]	80.8 [90.5]	193.3 [128.6]	141.6 [131.2]	101.2 [138.8]	92.1 [196.2]
Highest share prices in each of the fiscal years (yen)	16,835 *5,899	15,175	14,335	10,110	8,706
Lowest share prices in each of the fiscal years (yen)	9,675 *5,515	4,989	8,645	6,145	5,345

(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 47th business term.
3. The highest and lowest share prices were in regards to the First Section of Tokyo Stock Exchange before April 3, 2022, and changed to the Prime Market of Tokyo Stock Exchange after April 4, 2022, 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" 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.
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. Took a stake in Shinano Tokki Co., Ltd.
August 1990	Established Nidec Electronics (Thailand) Co., Ltd.
February 1992	Established Nidec (Dalian) Ltd. in China.
October 1992	Established Nidec Taiwan Corporation.
April 1993	Established Nidec Electronics GmbH (currently, Nidec Motors & Actuators (Germany) 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). Took a stake in Shimpo Industries Co., Ltd. (currently, Nidec Drive Technology Corporation).
December 1995	Established Nidec Philippines Corporation.
March 1997	Took a stake in Tosok Corporation (currently, Nidec Powertrain Systems Corporation).
April 1997	Took a stake in Read Electronics Corporation (currently, Nidec Advance Technology Corporation).
May 1997	Took a stake in Kyori Kogyo Co., Ltd.
February 1998	Took a stake in Copal Co., Ltd. (currently, Nidec Precision Corporation) and Copal Electronics Co., Ltd. (currently, Nidec Components Corporation).
September 1998	Listed its stock on the first section of the Tokyo Stock Exchange. 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. (currently, Nidec Techno Motor (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) Co., Ltd. in China.
April 2003	Established Nidec (Shanghai) International Trading Co., Ltd. (currently, Nidec (Shanghai) 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 Instruments 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. (currently, Nidec Motors & Actuators), 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 Advanced Motor 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 (currently, Nidec Die-casting Thailand Co., Ltd.).
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 (currently, Nidec (Shaoguan) Co., Ltd.) in China.
December 2010	Established Nidec India Private Ltd.
July 2011	Took a stake in SANYO 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. (currently, Nidec Die-casting (Cambodia) Co., Ltd.) in Cambodia.
April 2012	Nidec-Shimpo Corporation (currently, Nidec Drive Technology 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 (currently, Nidec Shinkawasaki Technology Center), Japan.
September 2012	Acquired Avtron Industrial Automation, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
October 2012	Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired SCD Co., Ltd. of Korea.
November 2012	Acquired Kinetek Group Inc. of the U.S.
December 2012	Took a stake in Jiangsu Kaiyu Auto Appliance (currently, Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.) of China.
January 2014	Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired Mitsubishi Materials C.M.I. Corporation (currently, Nidec Material Corporation).
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.

Month/Year	History
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. of the U.S.
September 2015	Acquired business assets of E.M.G. Elettromeccanica S.r.l. of Italy. Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired PT. NAGATA OPTO INDONESIA.
May 2016	Acquired E.C.E. S.r.l. of Italy. Acquired ANA IMEP S.A. (currently, Nidec Global Appliance Romania S.A.) 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 of the U.S.
March 2017	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 (currently, Nidec Instruments Corporation) succeeded the business of Tokyo Maruzen Industry Co., Ltd. Nidec-Read Corporation (currently, Nidec Advance Technology) acquired SV Probe Pte. Ltd. of Singapore.
November 2017	Acquired driveXpert GmbH of Germany (currently, Nidec driveXpert GmbH).
February 2018	Nidec Center for Industrial Science and Technology (currently, Nidec Keihanna Technology Center) 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 S.A. 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 (currently, Nidec Chaun-Choung Technology Corp) of Taiwan.
February 2019	Acquired Systeme + Steuerungen GmbH of Germany.
March 2019	Acquired DESCH Antriebstechnik GmbH & Co. KG (currently, Nidec 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. Acquired OMRON Automotive Electronics Co., Ltd. (currently, Nidec Mobility Corporation).
November 2019	Acquired Roboteq Inc. of the U.S.
June 2020	Acquired Delta compressor business of Secop Austria GmbH.
January 2021	Established Nidec Electric Motor Serbia LLC and Nidec Elesys Europe LLC in Serbia.
August 2021	Acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, Nidec Machine Tool Corporation).
February 2022	Took a stake in OKK Co., Ltd. (currently, Nidec OKK Corporation).
December 2022	Established the joint venture company Nidec Energy AS with FRYER BATTERY AS of Norway.
February 2023	Acquired PAMA S.p.A. of Italy.
March 2023	Nidec Copal Electronics Corporation (currently, Nidec Components Corporation) acquired Midori Precisions Co., Ltd.
June 2023	Established Nidec Aerospace LLC as a joint venture with Embraer S.A., a Brazilian aircraft manufacturer.
July 2023	Acquired Houma Armature Works of the U.S.
August 2023	Acquired Automatic Feed Company (currently, Nidec Automatic Feed Company) and two affiliated companies of the U.S.
November 2023	Acquired Takisawa Machine Tool Co., Ltd. through TOB.

3. Description of Business

Major businesses of our group, which is comprised mainly of the Company, 345 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 9 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, 2024 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 (Shanghai) Co., Ltd., Nidec Electronics (Thailand) Co., Ltd., Nidec Motor (Dongguan) Corporation, Nidec Chaun-Choung Technology Corp, Nidec Vietnam Corporation
AMEC	Automotive products	Nidec Automotive Motor (Zhejiang) Corporation, Nidec Motors & Actuators (Germany) GmbH, Nidec (Shanghai) Co., Ltd., Nidec Gpm GmbH, Nidec Motor (Dalian) Ltd., Nidec Automotive Motor Americas LLC, Nidec Motors & Actuators (Poland) Sp.Z O.O.
MOEN	Appliance, commercial and industrial products	Nidec Americas Holding Corporation, Nidec ASI S.P.A., Nidec Control Techniques Limited
ACIM	Appliance, commercial and industrial products	Nidec Global Appliance Brazil Ltda.
Nidec Instruments	Machinery, automotive products, electronic components and other small precision motors	Nidec Instruments Corporation
Nidec Techno Motor	Appliance, commercial and industrial products	Nidec Techno Motor Corporation, Nidec Techno Motor (Zhejiang) Co., Ltd.
Nidec Mobility	Automotive products	Nidec Mobility Corporation
Nidec Machinery and Automation	Machinery	Nidec Drive Technology Corporation, Nidec Minster Corporation, Nidec Machine Tool Corporation.
Nidec Advance Technology	Machinery	Nidec Advance Technology Corporation
Others	Automotive products, machinery, electronic components, other small precision motors and others	Nidec Powertrain Systems Corporation, Nidec Components Corporation, Nidec Powertrain Systems (Vietnam) Co., Ltd., Nidec Global Service Corporation, Nidec Precision Corporation, Nidec Advanced Motor Corporation

(Notes) 1. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

2. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

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 (H.K.) Co., Ltd., Nidec Electronics (Thailand) Co., Ltd.
	Other small precision motors	Nidec Corporation, Nidec (H.K.) Co., Ltd., Nidec Instruments Corporation, Nidec Motor (Dongguan) Corporation, Nidec Chaun-Choung Technology Corp, Nidec Vietnam Corporation, Nidec (Shanghai) Co., Ltd., Nidec Components Corporation, Nidec Advanced Motor Corporation, Nidec Precision Corporation
Automotive products		Nidec Corporation, Nidec (Shanghai) Co., Ltd., Nidec Automotive Motor (Zhejiang) Corporation, Nidec Gpm Gmbh, Nidec Motor (Dalian) Ltd., Nidec Automotive Motor Americas LLC, Nidec Mobility Corporation, Nidec Powertrain Systems (Vietnam) Co., Ltd., Nidec Powertrain Systems Corporation, Nidec Motors & Actuators (Germany) Gmbh, Nidec Motors & Actuators (Poland) Sp.z o.o.
Appliance, commercial and industrial products		Nidec Americas Holding Corporation, Nidec ASI S.P.A., Nidec Control Techniques Limited, Nidec Leroy-Somer Holding, Nidec Global Appliance Brazil Ltda., Nidec Techno Motor Corporation, Nidec Techno Motor (Zhejiang) Co., Ltd.
Machinery		Nidec Instruments Corporation, Nidec Advance Technology Corporation, Nidec Minster Corporation, Nidec Machine Tool Corporation, Nidec Precision Corporation
Electronic and optical components		Nidec Instruments Corporation, Nidec Components Corporation, Nidec Precision Corporation
Others		Nidec Instruments Corporation, Nidec Global Service Corporation

(Business Diagram)

(Business Diagram)

Product Category		Operating Segment	Principal Companies	Client
Small precision motors	Hard disk drives spindle motors	SPMS	Nidec Corporation	
		SPMS	Nidec (H.K.) Co., Ltd.	
		SPMS	Nidec Electronics (Thailand) Co., Ltd.	
	Other small precision motors	SPMS	Nidec Corporation	
		SPMS	Nidec (H.K.) Co., Ltd.	
		NIST-G	Nidec Instruments Corporation	
		SPMS	Nidec Motor (Dongguan) Corporation	
		SPMS	Nidec Chun-Choung Technology Corp.	
		SPMS	Nidec Vietnam Corporation	
		SPMS	Nidec (Shanghai) Co., Ltd.	
		OTHERS	Nidec Components Corporation	
		OTHERS	Nidec Advanced Motor Corporation	
		OTHERS	Nidec Precision Corporation	
Automotive products		AMEC	Nidec Corporation	
		AMEC	Nidec (Shanghai) Co., Ltd.	
		AMEC	Nidec Automotive Motor (Zhejiang) Corporation	
		AMEC	Nidec GPM GmbH	
		AMEC	Nidec Motor (Dalian) Ltd.	
		AMEC	Nidec Automotive Motor Americas LLC	
		NMOJ-G	Nidec Mobility Corporation	
		OTHERS	Nidec Powertrain Systems (Vietnam) Co., Ltd.	
		OTHERS	Nidec Powertrain Systems Corporation	
		AMEC	Nidec Motors & Actuators (Germany) GmbH	
Appliance, commercial and industrial products		MOEN	Nidec Americas Holding Corporation	
		MOEN	Nidec ASI S.P.A.	
		MOEN	Nidec Control Techniques Limited	
		ACDM	Nidec Global Appliance Brazil Ltda.	
		NTMC-G	Nidec Techno Motor Corporation	
Machinery		NTMC-G	Nidec Techno Motor (Zhejiang) Co., Ltd.	
		NIST-G	Nidec Instruments Corporation	
		NATC-G	Nidec Advance Technology Corporation	
		Machinery and Automation	Nidec Drive Technology Corporation	
		Machinery and Automation	Nidec Minster Corporation	
		Machinery and Automation	Nidec Machine Tool Corporation	
Electronic and optical components		OTHERS	Nidec Precision Corporation	
		OTHERS	Nidec Components Corporation	
		OTHERS	Nidec Instruments Corporation	
Other	Services	NIST-G	Nidec Instruments Corporation	
		OTHERS	Nidec Global Service Corporation	

4. Information on Affiliates

(1) Consolidated subsidiaries

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec (H.K.) Co., Ltd.	Hong Kong, China	HKD 2,352 thousand	Small Precision Motors	100.0	Yes		Sales of products of the Company	*1
Nidec (SHANGHAI) Co., Ltd.	Shanghai, China	CNY 1,655 thousand	Small Precision Motors, Automotive products	100.0 (100.0)	Yes		Payment of commissions	
Nidec Motor Corporation	Missouri, U.S.A.	USD 1,402,316 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)	Yes		Receipt of royalties	
Nidec Global Appliance Brazil Ltda.	Santa Catarina, Brazil	BRL 1,275,243 thousand	Appliance, Commercial and Industrial products	100.0	Yes	Loan	Receipt of royalties	*1
Nidec Instruments Corporation	Shimosuwa-machi, 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	
Nidec Mobility Corporation	Komaki, Aichi	JPY 5,000 million	Automotive products	100.0	Yes	Loan	Receipt of royalties	
Nidec Drive Technology Corporation	Muko, Kyoto	JPY 3,796 million	Machinery	100.0	Yes	Loan	Receipt of royalties	
Nidec Advance Technology Corporation	Muko, Kyoto	JPY 938 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	*1
Nidec Chaun-Choung Technology Corp	New Taipei, Taiwan	TWD 863 million	Small Precision Motors	86.3	Yes	Loan		

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec Motor (Dongguan) Corporation	Dongguan, Guangdong, China	USD 23,000 thousand	Small Precision Motors	100.0 (37.5)	Yes		Supply of products to the Company, Receipt of royalties	
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	*1
Nidec Automobile Motor (Zhejiang) Corporation	Pinghu, Zhejiang, China	USD 135,966 thousand	Automotive products	100.0 (9.9)	Yes		Supply of products to the Company, Receipt of royalties	*1
Nidec Motors & Actuators (Germany) GmbH	Baden-Württemberg, Germany	EUR 25 thousand	Automotive products	100.0	Yes		Sales of products of the Company, Receipt of royalties	*1
NIDEC GPM GmbH	Thüringen, Germany	EUR 294,273 thousand	Automotive products	100.0 (100.0)	Yes	Loan	Receipt of royalties	*1
Nidec Motor (Dalian) Ltd.	Dalian, Liaoning, China	USD 76,500 thousand	Automotive products	100.0	Yes		Supply of products to the Company, Receipt of royalties	*1
Nidec Automotive Motor Americas LLC	Michigan, U.S.A.	USD 0.01 thousand	Automotive products	100.0 (100.0)	Yes		Receipt of royalties	
Nidec Motors & Actuators (Poland), Sp.z.o.o	Niepolomice, Poland	PLN 45,769 thousand	Automotive products	100.0 (100.0)	Yes		Receipt of royalties	
Nidec ASI S.p.A.	Lombardia, Italy	EUR 17,429 thousand	Industrial products	100.0 (100.0)			Receipt of royalties	
Nidec Control Techniques Limited	Powys, England	USD 6,185 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)			Receipt of royalties	
Nidec Leroy-Somer Holding	Angoulême county, France	USD 39,060 thousand	Appliance, Commercial and Industrial products	99.9 (99.9)	Yes		Receipt of royalties	
Nidec Techno Motor (Zhejiang) Co., Ltd.	Pinghu, Zhejiang, China	CNY 553,944 thousand	Appliance, Commercial and Industrial products	100.0 (91.7)				

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec Minster Corporation	Ohio, U.S.A.	USD 687 thousand	Machinery	100.0 (100.0)				
Nidec Machine Tool Corporation	Ritto, Shiga	JPY 3,000 million	Machinery	100.0	Yes	Loan	Receipt of royalties	
Nidec Powertrain Systems (Zhejiang) Corporation	Pinghu, Zhejiang, China	CNY 432,657 thousand	Automotive products	100.0 (100.0)				
Nidec Components Corporation	Shinjuku-ku, Tokyo	JPY 2,362 million	Small Precision Motors, Electronic and Optical parts	100.0	Yes		Receipt of royalties	
Nidec Powertrain Systems Corporation	Zama, Kanagawa	JPY 5,087 million	Automotive products	100.0	Yes		Receipt of royalties	
Nidec Advanced Motor Corporation	Kiryu, Gunma	JPY 2,548 million	Small Precision Motors	100.0	Yes		Receipt of royalties	
Nidec Precision Corporation	Itabashi-ku, Tokyo	JPY 11,080 million	Small Precision Motors, Machinery, Electronic and Optical parts	100.0	Yes		Receipt of royalties	*1
Nidec Global Service Corporation	Minami-ku, Kyoto	JPY 109 million	Service	100.0 (70.2)	Yes	Loan		
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	
Nidec Powertrain Systems (Vietnam) Co., Ltd.	Ho Chi Minh, Vietnam	JPY 4,105 million	Automotive products	100.0 (61.5)				
Guangzhou Nidec Auto Drive System Co., Ltd.	Guangzhou, Guangdong, China	CNY 600,000 thousand	Automotive products	51.0	Yes		Receipt of royalties	*1
Nidec OKK Corporation	Itami, Hyogo	JPY 9,023 million	Machinery	100.0 (100.0)	Yes		Receipt of royalties	*1

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec Seimitsu Motor (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 Americas Holding Corporation	Missouri, U.S.A.	USD 1,629,996 thousand	Appliance, Commercial and Industrial products	100.0	Yes			*1

(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, 2024)

Name of segment	Number of employees	
SPMS	22,891	(6,511)
AMEC	10,395	(1,130)
MOEN	12,367	(439)
ACIM	17,168	(911)
Nidec Instruments	10,270	(3,385)
Nidec Techno Motor	2,821	(1,872)
Nidec Mobility	3,509	(351)
Nidec Machinery and Automation	7,124	(719)
Nidec Advance Technology	1,942	(40)
Others	11,622	(2,446)
Corporate	1,003	(11)
Total	101,112	(17,815)

(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. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Shimpco" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

4. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

(2) The Company

(As of March 31, 2024)

Number of employees	Average age	Average length of service	Average annual salary
1,964 (37)	41.7	12.6	7,207,712

Name of segment	Number of employees	
SPMS	630	(—)
AMEC	438	(17)
MOEN	—	(—)
ACIM	—	(—)
Corporate	896	(20)
Total	1,964	(37)

(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.

(4) Ratio of female workers in managerial positions, percentage of male workers taking childcare leave, and difference in wages between male and female workers

i. Submitting company

Current fiscal year						
Ratio of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)			Difference in wages between male and female workers (%) (Note 1)		
	All workers	Regularly employed workers	Part-time and fixed-term workers	All workers	Regularly employed workers	Part-time and fixed-term workers (Note 3)
8.1	47.4	47.4	-	69.6	78.2	31.8

(Notes) 1. Calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees who take childcare leave, etc. under Article 71-4, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

3. Part-time and fixed-term workers include employees rehired after retirement.2.The Company has introduced a job type personnel system (job grade system), whereby employees are treated according to the "size of job responsibilities and duties" and the "results".

ii. Consolidated subsidiary in Japan

Current fiscal year							
Name	Ratio of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)			Difference in wages between male and female workers (%) (Note 1)		
		All workers	Regularly employed workers	Part-time and fixed-term workers	All workers	Regularly employed workers	Part-time and fixed-term workers
Nidec Instruments Corporation	1.8	27.0	27.0	-	70.5	70.5	70.4
Nidec Instruments AKITA Corporation	0.0	0.0	0.0	-	63.4	68.8	51.1
Nidec Material Corporation	3.6	0.0	0.0	-	56.1	79.1	45.1
Nidec Advance Technology Corporation	8.5	20.0	20.0	-	80.0	82.9	49.9
Nidec Drive Technology Corporation	4.5	36.4	36.4	-	82.0	80.3	87.5
Nidec Techno Motor Corporation	2.3	15.0	15.0	-	69.8	82.1	54.5
Nidec Mobility Corporation	4.0	12.5	12.5	-	66.3	68.1	59.5
Nidec Components Corporation	2.4	33.3	33.3	-	62.1	64.9	50.8
Nidec Powertrain Systems Corporation	9.3	37.5	37.5	-	74.7	81.0	38.8
Nidec Precision Corporation	3.5	40.0	40.0	-	68.6	75.3	85.4
Nidec Machine Tool Corporation	2.0	7.1	7.1	-	73.5	79.5	74.2
Nidec Elesys Corporation	3.2	60.0	60.0	-	59.3	58.2	141.7
Nidec Advanced Motor Corporation	0.0	0.0	0.0	-	76.1	77.7	54.2
Nidec OKK Corporation	2.0	20.0	20.0	-	77.2	75.6	53.0
Takisawa Machine Tool Co., Ltd.	4.8	92.9	92.9	-	63.9	90.5	55.0

(Notes) 1. Calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees who take childcare leave, etc. under Article 71-4, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

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

For celebrating our 50th anniversary in July 2023, NIDEC established the “New Corporate Philosophies” with a view of growing sustainably beyond 100 years. The “New Corporate Philosophies” is based on NIDEC’s policy. The “New Corporate Philosophies” includes the values, code of conduct, and action guidelines that have been the source of NIDEC’s 50-year growth, and clearly defines the purpose of NIDEC’s growth and the significance of its existence as the "Mission". NIDEC newly established the "Vision" that NIDEC is the world’s leading solution-providing business group for solving numerous problems for the people in the world.

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 beyond 100 years.
- 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 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.

FY2023 to FY2025

- 1) Target for consolidated net sales : ¥4 trillion
- 2) Productivity improvement : To double sales and profit per employee
- 3) ROIC (Return On Invested Capital) : over 15%
- 4) To be a top-rated ESG company
 - Address social issues with accumulated skills of creating the world’s first and No.1 product
 - Promote ESG management centered on carbon neutrality
 - Strengthen unified organization of Nidec group and its governance

To incorporate ESG-related items as additional targets and ensure sustainability in each of our business operations, NIDEC has identified five key materiality issues based on the mid- to long-term perspectives of internal and external stakeholders. NIDEC has been actively and sustainably working on improvement activities such as “realizing a decarbonized society,” “respecting human rights and promoting proper labor practices,” and “securing and developing internationally competitive talent.” In “realizing a decarbonized society,” NIDEC has set a goal to achieve carbon neutral for Scope 1 and 2 in FY2040, and has been promoting CO2 reduction activities. In February 2024, these efforts are evaluated and NIDEC obtained a B score from CDP, an international non-governmental organization focusing on climate change.

In March 2024, NIDEC also has set new medium- to long-term goals for a reduction of CO2 emissions. NIDEC aims to achieve net-zero CO2 emissions for our whole supply chain by FY2050. And by FY2030, NIDEC will reduce emissions in Scope 1 and 2 by 42%, and in Scope 3 by 25% compared to FY2022. These goals are aligned with the levels set by the Paris Agreement adopted at COP21 in 2015. In order to reduce CO2 emissions in our business operations, NIDEC will actively implement renewable energy solutions and adopt energy-saving measures. Additionally, using NIDEC’s expertise in light, thin, short, and small technologies, NIDEC will work for reducing CO2 emissions in our supply chain by developing resource- and energy-efficient products.

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

Currently, NIDEC believes we can provide solutions to common problems of humankind in the five fields of “decarbonization,” “manpower saving,” “power saving,” “5G & 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

This segment has HDD motors business and other small motor business. HDD is mainly used in personal computers, servers and many other kinds of information-processing equipment, and the HDD motor serves as the heart of the HDDs. HDD market for PC is not expected to grow significantly due to the spread of new IT terminals such as tablets and smartphones. On the other hand, the shift to big data will be accelerated, as there will be increasing demands for high-quality and high-capacity of images and videos and the spread of social media and games. The increase in the demand for storage capacity is expected to keep the demand for HDD motors for servers and other equipment stable.

As for other small motors, there are expected growth opportunities in fields such as “next-generation technologies arising from 5G communication,” “brushless DC motorization of home appliances,” and “small mobility.” When 5G communications become the mainstream, the communication speed will be faster by 100 times and the communication capacity will increase by 1,000 times. However, due to the high-speed processing of enormous amounts of data, demand for thermal management, such as heat dissipation and cooling, will further increase, as high temperatures are generated in CPUs (central processing units) and electronic circuits. To meet this demand, NIDEC provides thermal module products that combine heat sinks, heat pipes, vapor chambers, and others. In addition, new business opportunities such as water-cooling modules are emerging with the increase of demand for data centers in the fields of generative AI. Demand for brushless DC motors, with features of energy-efficiency, long-life expectancy, and low-noise, will increase more and more as home appliances become energy efficient and cordless. Electrification of small mobility including autos, bikes, scooters and mini vehicle will also lead our growth in a medium-and-long term. NIDEC will explore these new business opportunities in fields such as AV, IT, OA and communication equipment, home appliances, and industrial equipment, and achieve sustainable growth.

2. Automotive products

In the automotive organic business(existing business) sector, supply constraints of semiconductors ease and global automobile production is gradually recovering. NIDEC captures strong demands of motors for auto electrification, and supplies auto motors for electric power steering, brakes and electric oil pumps and electric water pumps. NIDEC aims to acquire more market share and promote sales and profit growth.

In the Battery EV related business, as fierce price competition occurs in the Chinese EV market and sound competition is eroded, NIDEC swiftly shifted its strategy to put first priority on our profitability. NIDEC will achieve steady improvement in profitability by product development and further localizing component sourcing to respond to the competition in the Chinese EV market. In Europe, NIDEC will enhance collaboration with Nidec PSA e-Motors, the joint venture between NIDEC and Stellantis, and aim for vertical integration with Nidec PSA e-Motors, which will be consolidated in FY2024. We will surely capture the wave of electrification shift in the medium-and-long term.

3. Appliance, commercial and industrial products

Motors currently account for approximately half of the world's electric power consumption, 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. Home appliance demand expansion in emerging countries is also expected in the medium term. 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. In particular, demand for power generators for construction machinery and data centers is increasing and NIDEC expects more business opportunities. Additionally, there is a growing demand for Battery Energy Storage Systems (BESS) for power generation and transmission companies in various countries. With the increase of renewable energy, NIDEC's BESS-related business is expected significant growth. NIDEC also expects the growth in the fields of transportation infrastructure and established a joint venture of motors for eVTOL (electric vertical takeoff and landing aircraft) with Embraer, the Brazilian aircraft manufacturer.

4. Machinery and Others

Demand for factory automation (FA) is increasing mainly in China, responding to the global labor shortage. To secure the demand for small robot core components (reduction gear) under the trend of expansion of using robots, NIDEC will aggressively expand global market share and expand sales. In addition, NIDEC is aiming to supply high-value-added products by accelerating the modularization of speed reducer related products. We are also aggressively making acquisitions in the machine tool business, and the profitability of acquired companies has improved significantly in a short period of time. As with the press machine business, we expect further growth in the machine tool business as we expand our product lineup through acquisition and taking profitability improvement measures.

5. M&A

In order to achieve the above goals, in the small precision motors business, NIDEC has acquired Chaun-Choung Technology Nidec Chaun-Choung Technology Corporation at present) 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 (Nidec Mobility Corporation at present) in October 2019, which has the technology of electronic control unit (ECU). NIDEC will increase the ECU capacity of Nidec Elesys Corporation 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 machinery and others, in August 2021, NIDEC has acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd.(Nidec Machine Tool Corporation at present), which has high accuracy and efficiency gear processing technology. NIDEC has acquired OKK Corporation ("Nidec OKK Corporation at present"), a well-established machinery manufacturer, in February 2022, PAMA, the largest boring and milling machine manufacturer, in February 2023, and Takisawa Machine Tool, a lathe manufacturer, in December 2023. Through these acquisitions, NIDEC achieved to expand its product lineup and strengthen its presence in overseas markets.

2. Views and Initiatives on Sustainability

Sustainability-minded management, in our view, opens the gateway for solid and future-proof business growth by aligning NIDEC's strategic course of action with the world's collective response to shared challenges. Some of the ongoing and emerging global risks, particularly those attributed to climate crisis, pandemics, and geopolitical tensions, have brought profound changes to the global economic landscape. These evolving dynamics have triggered an unprecedented reorientation of people, goods, capital and technology, forcing companies to update an understanding of people's expectations of business and its role in society.

NIDEC has identified key sustainability challenges (referred to as "materiality") in 5 thematic areas further classified into 15 action categories and started transforming itself into a highly adaptable, more resilient international business with an ability to flexibly optimize resource allocation. NIDEC's sustainability governance framework consists of two primary committees: the Sustainability Promotion Meeting (formerly, the ESG Materiality Steering Committee) and the Sustainability Committee. The Sustainability Promotion Meeting is an executive body composed of the president and all executive officers. It is convened in principle once every two months to discuss progress and challenges on our pathway to sustainability as well as to keep track of evolving social requirements. The outcome of the Sustainability Promotion Meeting is subject to a quarterly review by the Sustainability Committee, an oversight body consisting of a majority of outside directors. Furthermore, the Company's performance-linked stock compensation system has been revised to include, in addition to the existing financial performance indicators, a non-financial performance metrics based on the Company's ESG ratings provided by global ESG evaluation agencies (MSCI, FTSE, and CDP) to track progress achieved by the Company's directors, executives and high-performing managers. This revision was submitted for review to the 51st Annual General Meeting of Shareholders held on June 18, 2024,

Material Issues for Sustainable Management



(For details on materiality, please visit our website .

Please refer to <https://www.nidec.com/en/sustainability/principle/materiality/action/>)

Agenda items discussed in the meetings of Sustainability Committee in FY2023

	Date of Meeting	Agenda
The 4th meeting	June 2023	<ul style="list-style-type: none"> • Nomination of a new committee member • Results of TCFD scenario analysis • Schedule for FY2023 ESG Conference • Outline of Integrated Report 2023 • Policy and priorities with regard to social contribution activities
The 5th meeting	September 2023	<ul style="list-style-type: none"> • Progress on information security projects • Approach toward CSRD compliance (Corporate Sustainability Reporting Directive) • Issuance of Integrated Report 2023
The 6th meeting	December 2023	<ul style="list-style-type: none"> • Executive development plan • Agenda for ESG briefing for investors • Adoption of carbon neutrality targets aligned with the SBT (Science-based Targets) and application for SBT certification
The 7th meeting	March 2024	<ul style="list-style-type: none"> • Initiatives for enhancing product safety and quality • Review and Feedback on ESG Conference • Revamp of organizational framework for driving sustainability

(1) Climate Change Measures Based on the TCFD Guidelines

<Governance>

Since we announced our support for the TCFD recommendations in April 2022, we have worked to analyze climate change - related risks and opportunities and understand their financial impacts in line with the TCFD initiative. The results of these efforts are discussed by the Sustainability Promotion Meeting and the Sustainability Committee, and then reflected in management strategies.

<Strategy>

In fiscal 2023, key executives and staff members from across our businesses domains, which account for at least 95% of NIDEC's consolidated net sales, discussed the potential impacts of climate change on our businesses from a variety of perspectives and conducted scenario analyses through the four-step process as follows:

Steps for scenario analysis

Step 1: Identify and Define Range of Scenarios

In proceeding with a scenario analysis, we used the following assumptions as future warming scenarios.

• Transition risk scenario (2°C/1.5°C scenario)

A world in which various measures and regulations are adopted to achieve a decarbonized society . (IPCC SSP1-2.6, RCP2.6, IEA NZE)

• Physical risk scenario (4°C scenario)

A world in which a delayed, disorderly transition to a decarbonized society amplifies the consequences of climate related extreme weather events (IPCC SSP5-8.5, RCP8.5)

Time axis: Short-term: 2025 Medium-term: 2030 Long-term: 2050

Scope: Business domains accounting for at least 95% of NIDEC's consolidated net sales

Step 2: Identify climate change - related risks and opportunities

We listed climate change-related business risks and opportunities by reference to the TCFD recommendations.

Step 3: Assess business impact assessment

We performed climate change-related business impact assessments from three perspectives: the degree of impact, the timing of the materialization of identified risks and opportunities, and the level of urgency. We also estimated potential financial losses incurred in connection with global adoption of carbon taxes and flood damage.

Step 4: Consideration of countermeasures

We created approaches and measures to address the specific climate change-related risks and opportunities deemed particularly relevant to NIDEC's business operations.

(Reference) Major climate change risks, opportunities, and mitigation approaches

(Note: Asterisks denote the climate change-related risks and opportunities identified as most impactful)

Climate Change-related Risks, Opportunities, and Impacts				Approaches/Actions		Small Precision Motors	Automotive Products	Appliance - Commercial/Industrial Products	Machinery and Automation
						SPMS	AMEC	ACTH	MDEN
Transition Risks	Policy and regulatory developments	Introduction of carbon tax	Increase in manufacturing costs leading to less competitive pricing	<ul style="list-style-type: none"> Reduction in Scope 1 emissions through measures including: LED lighting, energy-efficient facilities, switchover to low-carbon fuels, and optimization of manufacturing processes Reduction in Scope 2 emissions through the use of renewable energy 		*	*	*	*
			Increase in costs associated with adopting renewables	<ul style="list-style-type: none"> Cost-effective adoption of renewable energy through corporate PPAs 			*	*	
			Increase in costs associated with purchasing oil and fossil fuel-based electricity	<ul style="list-style-type: none"> Adoption of renewables Use of LED lighting, energy-efficient facilities 				*	*
			Increase in procurement costs due to carbon charge on raw materials	<ul style="list-style-type: none"> Use of low-carbon materials (including recycled materials) Product miniaturization and resource-saving Diversification of procurement sources Reduction in greenhouse gas emissions in the supply chain (Scope 3) 			*	*	
		Strengthening fuel efficiency and ZEV regulations	Impairment of manufacturing facilities geared toward applications related to internal combustion engines	<ul style="list-style-type: none"> Adoption of versatile designs enabling horizontal application Repurposing underutilized manufacturing facilities for other product lines 			*		
			Intensification of market competition and price collapse due to deluge of new entrants	<ul style="list-style-type: none"> Development of technologically advanced and competitively priced products Achievement of economies of scale through market share expansion Protection and utilization of intellectual property 	*	*			*
			Intensification of procurement competition for raw materials due to the expansion of the EV market	<ul style="list-style-type: none"> Product miniaturization and resource-saving Research and development efforts for putting alternative materials into practical use Vertical acquisitions Establishment of a high-capacity supply chain Forming long-term supply contracts 				*	*
		Introduction of rare earth-related regulations	Difficulty in sourcing rare earths and increase in procurement costs	<ul style="list-style-type: none"> Development of products free from heavy rare metals and magnets Establishment of a high-capacity supply chain 	*			*	
	Technology	Impact on research and development	A delay in the development of new products	<ul style="list-style-type: none"> Development of elemental technologies in collaboration with research institutes 	*				
		Failure of investment in new technologies	Opportunity losses resulting from product design below the required level of environmental efficiency	<ul style="list-style-type: none"> Joint product development with customers Miniaturization and resource-saving 			*		
		Transition to low-carbon technologies	Increase in costs associated with switching to low-carbon raw materials and processes	<ul style="list-style-type: none"> Pursuit of miniaturization technology Strong emphasis on supply chain engagement 			*		
	Market	Changes in customer behavior	Suspension/Cancellation of business dealings with customers resulting from failure to meet growing calls for renewable energy adoption, or delayed transition toward carbon neutrality.	<ul style="list-style-type: none"> Use of LED lighting and energy-efficient facilities, shift toward low-carbon fuels, and optimization of manufacturing processes conducive to Scope 1 emission reduction Reduction in Scope 2 emissions through the adoption of renewable energy Environmental initiatives through collaboration with customers Renewed focus on sustainability management Enhanced information disclosure and stakeholder dialogues 	*		*	*	
		Difficulty in sourcing raw materials and an increase in procurement costs	Difficulty in sourcing steel, rare minerals, and other non-ferrous metals such as high-end aluminum and copper, collectively leading to higher procurement costs	<ul style="list-style-type: none"> Use of recycled materials Product miniaturization and resource-saving Development of products free from heavy rare metals and magnets Establishment of a high-capacity supply chain 			*	*	
	Reputation	Shift in investor interest toward sustainability-focused investment	<ul style="list-style-type: none"> Increase in costs due to the tightening of ESG evaluation criteria and expansion of disclosure requirements Difficulty in capital funding due to the Company's information disclosure efforts deemed insufficient by investors and financial institutions Downgrade of the credit rating on the Company 	<ul style="list-style-type: none"> Enhanced information disclosure and stakeholder dialogues 	*			*	

Climate Change-related Risks, Opportunities, and Impacts				Approaches/Actions	Small Precision Motors	Automotive Products	Appliance - Commercial - Industrial Products	Machine Tool Automation	
					SPMS	AMEC	ACIM	MOEN	
Physical Risks	Acute	Effects of floods, inundation, heavy rainfall, and hurricanes	<ul style="list-style-type: none">• Factory shutdowns• Malfunction of infrastructure network, including electricity and water supply• Increase in costs associated with relocating production and rearranging transportation• Disruption of the supply chain• Increase in insurance premiums	<ul style="list-style-type: none">●Geographic dispersion of production locations●Diversification of procurement sources●Implementation of Business Continuity Plan (BCP)	*	*		*	
	Chronic	Effects of drought, water scarcity, and changes in precipitation patterns	<ul style="list-style-type: none">• Difficulty in securing stable water supply and shortage of factory water due to water intake restrictions• Increase in costs due to rising water prices• Factory shutdowns due to power supply-demand constraints• Constraints on raw material production and procurement capability• Increase in costs of purchasing component/parts• Deterioration of water quality due to changes in precipitation and temperature patterns	<ul style="list-style-type: none">●Geographic dispersion of production locations●Optimization of manufacturing processes for water-saving●Improvement in water reuse and water recycling rates		*		*	
Opportunities	Products/Services	Growth in global demand for low-carbon products	<ul style="list-style-type: none">• Mobility (E-Axle, electric power steering motors, braking motor systems, electric oil pumps, in-wheel motors, etc.) driven by the expansion of the market for electric vehicles and motorcycles• Energy efficiency (brushless DC motors, refrigerator compressors, coolant distribution units for data centers, HDD motors, high-efficiency motors for industrial use, high-performance machining equipment with high energy efficiency reducers, etc.)• Renewables (BESS, smart microgrid solutions, products related to wind and hydropower generation, small-scale power generators, machining equipment for manufacturing wind and gas turbine cases, etc.)• Alternative approach to plastic (Can making press machines)	<ul style="list-style-type: none">●Enhancement of R&D efforts●Development of products with a higher level of sophistication in terms of: compactness, stiffness, resource-saving characteristics, energy-efficiency, and precision quality	*	*	*	*	*
		Expansion of markets for products with broader temperature tolerance	<ul style="list-style-type: none">• Air conditioning (air-conditioner motors, air-cooled clothing fans, etc.)• Temperature-resistant machining equipment and press machines		*				*
	Market	Expansion of the EV market	<ul style="list-style-type: none">• E-Axle, electric power steering motors, braking motor systems, electric oil pumps, in-wheel motors, etc.• High-precision machining equipment		*	*			*
		Advance of electrification	Cross-industry growth in demand for electricity-driven product applications						*
		New product/market expansion	Expansion of new markets such as electric propulsion ships and electric aircraft				*		
	Resilience	Contingency perspective of supply chain resilience	Disaster-resistant manufacturing underpinned by well-prepared BCP frameworks	<ul style="list-style-type: none">●Establishment of a highly resilient supply chain					*

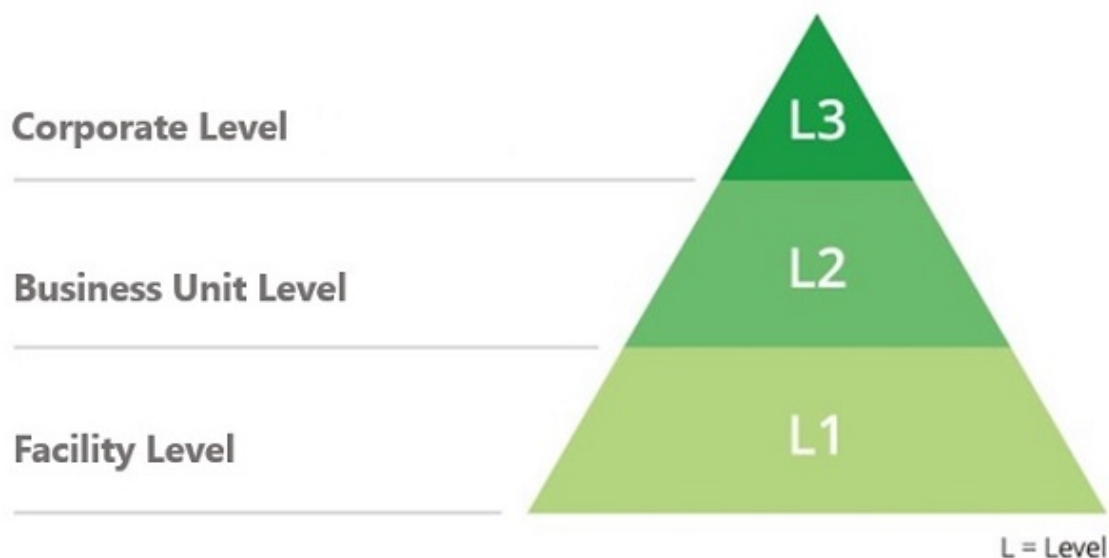
<Quantitative evaluation of major business impacts>

Risk	Financial Impact	Calculation method
Introduction of a carbon tax	12.4 Billion Yen	The assumed carbon price is set at 140 USD/t-CO ₂ by reference to the estimated 2030 carbon prices for developed countries provided by the IEA's "World Energy Outlook 2022." CO ₂ emissions (Scope 1 and 2) are calculated based on our fiscal 2030 emission target of 610,000 t-CO ₂ .
Flood damage	42.2 Billion Yen	Aqueduct's assessment tools were used to select 38 high-risk sites from NIDEC's business locations worldwide and measure the overall financial impacts under the assumption that all of the selected sites suffer flood damage. Flood-induced opportunity losses, including those resulting from operational shutdowns and the disposal of fixed assets and inventories, are calculated by reference to the guidance on the assessment of "Climate-related physical risks in line with the TCFD Recommendations" issued by the Ministry of Land, Infrastructure, Transport and Tourism, Japan.

We are committed to continuous improvement in the quality of our impact evaluation activity and development of effective means for climate risk mitigation.

3. Risk Management

As shown in the diagram below, we have established a system for conducting risk surveys at each level and mutually using the survey results.



As for serious contingent risks that could lead to business interruptions, the business division level (L2) periodically confirms the status of the development of the BCP (Business Continuity Plan) at the major business sites* level (L1) under its umbrella and works to establish continuous improvement activities to reduce risks.

*Major business sites: Business sites that are selected to cover 80% of the sales of the business headquarters and Group companies to which they belong.

In addition, risk managers at each of our business sites around the world play a central role in the early detection of factors that could hinder business continuity and appropriate responses. In addition to conducting BCP simulation training at sites in Japan and overseas that assumes the occurrence of floods and droughts, we are focusing on the overall identification and mitigation of climate change risks through measures that focus on compliance with increasingly stringent climate change-related laws and regulations, adapting to changing market trends, and strengthening communication with customers, investors, and other stakeholders.

4. Indicators and Targets

We have identified “contribute to environmental sustainability” as one of our materiality and have established the following KPIs

- (i) Promote the reduction of CO₂ emissions from automobiles through the EV traction motor system E-Axle (reduction target for fiscal 2020 to fiscal 2025: cumulative total of 11.7 million t-CO₂).
- (ii) Promote the reduction of CO₂ emissions from automobiles through the sale of electric power steering motors (reduction target for fiscal 2020 to fiscal 2025: cumulative total of 26.261 million t-CO₂).
- (iii) Increase the ratio of renewable energy to 40% on a consolidated basis by fiscal 2025.
- (iv) Complete 100% of water risk assessments at all production sites.

In addition, as one of the main pillars of medium-term strategic goal Vision 2025 and our ESG materiality actions, we have set the goal of achieving carbon neutrality in fiscal 2040. In fiscal 2023, we underwent third party verification of the emission calculation results and also applied for SBT certification for our plan to achieve the CO₂ reduction target by fiscal 2030, which was set in accordance with the guidelines of the Science Based Targets (SBT), an international initiative.

Fiscal 2030 Targets

- (1) Reduce the total amount of CO₂ emitted directly through our business activities (Scope 1) and CO₂ emitted indirectly through the purchase of electricity and fuel (Scope 2) by 42% from the fiscal 2022 level.
- (2) Reduce the total amount of CO₂ emitted by the supply chain (Scope 3) by 25% compared to fiscal 2022.

(2) Initiatives to expand human capital

On April 1, 2023, the Company changed its Japanese name from Nihon Densan Group to Nidec Group in preparation for the 50th anniversary of the Company's founding on July 23, 2023. The Company intends to further evolve as its second founding period. The Company, which had four people at the time of its founding, has made steady progress as a company over the past 50 years. In doing so, the Company has expanded its business globally through both self-sustaining growth and M&A strategy. The Company has achieved significant growth and achieved net sales of over 2 trillion yen in fiscal 2022.

In the growth cycle of companies and businesses (introduction, growth, maturity, and decline), the Company will enter a new stage toward the next 50 years as its second foundation, while focusing on the future business portfolio. In order to achieve further growth (management targets: 4 trillion yen in FY 2025 and 10 trillion yen in FY 2030), the Company is moving forward with new HR measures and infrastructure development to create Group synergies through One Nidec (management that creates Group synergies while optimizing the Group as a whole), instead of the conventional federal management (management that emphasizes the autonomy of individual companies and promotes growth while competing with each other even within the Group).

For the past 50 years, the Company has led the growth of its group companies and businesses through the strong leadership of its founder, Mr. Shigenobu Nagamori. In the next 50 years, the Company is striving to create a corporate group that can compete on a global scale in order to realize its corporate philosophy and vision ("a global company that continues to grow beyond 100 years" and "NIDEC is the world's leading solution-providing business group that solves numerous problems for the people in the world"), while passing on to the next generation "Nagamori-ism" and the "Nidec Way" (our code of conduct for all employees). As "One Nidec," our corporate group development always focuses on the "organization" and "human resources" that are at the center of it. Based on the perspective of human capital (a multifaceted perspective in terms of "soft" and "hard" aspects of HR management), our HR strategy and measures are incorporated into specific activities.

The NIDEC Global HR Policy is based on the NIDEC Group's corporate philosophy, corporate slogan, and the "Nidec Way," which are the foundation of the NIDEC Group's strengths, and summarizes our basic approach to corporate organization and human resources.

<NIDEC Global HR Policy>

"For Our Future, For Our Dream" — We will continue to be an organization that is always ready to take on challenges for the future of people around the world and for our dreams.

●Organization & Human Resource Development Policy "Encourage Uniqueness, Respect Team Spirit"

We respect individuals who proactively demonstrate their value. We are open to diverse opinions and create new value through honest communication.

This is a policy regarding the "soft" aspects of HR affairs. Based on this policy, we promote organizational development measures to foster a culture that accepts diverse perspectives while sharing a vision and talking openly. We are also promoting organizational and human resource development measures that encourage employees to develop and make the most of their individuality.

●HR System Policy "Reward Based on Contributions without Bias"

Performance will always be rewarded in a correct, fair, open, and impartial manner using simple criteria, and appropriate career opportunities will be provided.

This is a policy regarding the "hard" aspects of HR affairs (measures related to systems and frameworks). Based on this policy, we develop the core systems (grading, compensation, evaluation) necessary as the company's HR infrastructure and their associated systems and frameworks for organizational management, relocation rules, welfare benefits, etc. from a fair, transparent, and impartial perspective. We provide a variety of career opportunities based on ability and support the challenges of organizations and human resources by responding appropriately to performance and results.

*The following indicators related to human capital are the figures of Nidec Corporation (as of the end of March 2024) unless otherwise stated. Figures are rounded to one decimal place.

<Human resource development strategy>

Based on the NIDEC Global HR Policy, surrounding human resource development, we respect diverse personalities and encourage employees to demonstrate such personalities while providing career opportunities that reflect their actual abilities and performance. We are building a leadership pipeline through the “development of management and key positions”, the “development of the next generation of leaders (managers)”, and the “permeation of our corporate philosophy”. At the same time, we are promoting the early visibility, development and strengthening of human resources on a global scale by promoting the “Revitalization of the Organization with Diversity.”

Development of human resources for management and key positions

For the Nidec Group to achieve steady growth, we place importance on the appointment of human resources who understand NIDEC's unique management methods and have a solid track record for the Group's key positions. NIDEC visualizes key positions in its group and discuss the appropriateness of the succession plans (successor development plans) among executives. At the same time, we identify potential candidates for the next generation of management human resources and promote strategic early development initiatives. In addition to assigning highly difficult tasks such as corporate restructuring and promotion, we have held a “training school,” taught by the founder, aimed at instilling Nidec's philosophy and management mindset, and the Global Business School and the Next-Generation Global Business School to provide opportunities for management candidates from Nidec Group companies around the world to acquire high-level management knowledge required of leaders of global companies.

The two business schools have so far selected participants from 14 countries around the world (Japan, the United States, Canada, Mexico, China, Thailand, the Philippines, Singapore, India, Italy, Germany, France, the United Kingdom, and Poland), and after the completion of the courses, they are working successfully as global leaders in their countries and regions.

As described above, in many important positions, NIDEC's basic policy is to systematically develop and appoint internal candidates for successors, and to use internal human resources to fulfill the succession plan. As a result of these efforts, the internal succession rate has increased. At the same time, as our business expands and reforms, we need to hire business-ready human resources with skills and experience needed at the time and appoint them to management positions.

For our business-ready human resources to fully demonstrate their abilities and produce results for the Nidec Group, we are working to build a management system with diverse perspectives by disseminating our management methods and philosophy through training courses and other means provided by the founder mentioned above.

In fiscal 2020, NIDEC established the Talent Development Committee. Under this committee, senior management discuss matters such as the succession plan of key positions in the Nidec Group on a semi-annual basis. The committee is responsible for formulating plans for each operating segment and examining them from the perspective of optimizing the Group as a whole. Furthermore, in November 2022, NIDEC established the “Nomination Committee” as a superior committee for some of the particularly important posts, including the President of Nidec Corporation, and has established a system that leads to the appointment of management (the Members of the Board of Directors and executive officers).

Indicators for the development of successor candidates for management and key positions	FY2022	FY2023	FY2025 Target
Readiness of executive candidates	-	59.8%	70%
Internal succession rate	65%	84.6%	85%
Successor candidate readiness rate	62%	55.6%	70%
Successor readiness (ready to succeed)	-	59.8%	70%
Successor readiness (ready to succeed in 1-2 years)	62%	55.6%	70%
Successor readiness (ready to succeed in 3-5 years)	-	40.2%	60%

*The scope of indicators for the development of successor candidates for management and key positions is for the Nidec Group as a whole.

*Readiness of executive candidates: Ratio of the number of candidates ready to succeed to the number of key positions

Internal succession rate: Ratio of the number of internal human resources appointed to key positions to the number of key positions

Successor candidate readiness rate: Ratio of the number of successor candidates ready to succeed in 1-2 years to the number of key positions

Successor readiness (ready to succeed): Ratio of the number of candidates ready to succeed to the number of key positions

Successor readiness (ready to succeed in 1-2 years): Ratio of the number of candidates ready to succeed in 1-2 years to the number of key positions

Successor readiness (ready to succeed in 3-5 years): Ratio of the number of candidates ready to succeed in 3-5 years to the number of key positions

Since fiscal 2023, we have conducted a global review of key positions and are working to establish a succession plan for new key positions. As a result, the actual figures for the successor candidate readiness rate and the successor readiness (1-2 years) have declined.

<Development of next-generation leaders (Manager and person in charge)>

NIDEC believes that understanding and respecting the characteristics of each employee allows individual expertise to be demonstrated, leading to improvement of NIDEC's performance and the development of candidates for future leaders. Therefore, through various talent development initiatives, we aim to enhance employees' motivation to learn autonomously and provide a wide range of learning opportunities tailored to individual needs. We continue to focus on providing training opportunities based on the roles according to the state of their careers, as well as development initiatives and opportunities tailored to individual learning needs.

- a) The Company conducts training for managers to identify their strengths and weaknesses as leaders. Individual feedback reports created as a result of the training are shared with employees and their supervisors so that they can use them on the job.
- b) For employees in charge, the Company conducts a two-year youth development program for new graduates who have joined the Company and provides various types of training to cultivate practical work performance and basic skills as businesspersons. During the period of this program, in addition to training, specific training plans are formulated in the workplace, and efforts are made to develop human resources through on-the-job training
- c) In addition to providing various training opportunities for each level, we also provide opportunities to promote self-reflection to motivate each individual to study through career development support (career training for managers and young employees, career plan sheets, periodic one-on-one meeting, etc.).
- d) For employees in general, we have prepared a self-development program in which individual employees can take correspondence courses of their choice (with subsidies for those who have completed the course), and we are working to promote individual capacity building and reskilling.
- e) In order to develop and strengthen professional human resources, Nidec has introduced the "Function-based Talent Management System" starting with the administrative division, to support various experiences from the perspective of company functions and is accelerating the development of human resources through workplaces and work that they should experience in the process of becoming professional human resources. Including the Three Corporate Policies of Nidec, which we have cherished since our founding: "Passion, Enthusiasm and Tenacity," "Work smart," and "Do your work now; do it without hesitation; do it until completed," we are refining our "Nidec Philosophy" in line with the times and instilling them in all of our employees. We are also promoting initiatives to foster a sense of unity (alignment of vectors) among employees within the diversity that we should aim for as an organization.

Indicators related to education and training	FY2022	FY2023	FY2025 Target
Training hours per employee	12.9 hours	11.6 hours	15 hours
Training costs per employee	¥13,526	¥17,409	¥20,000
Career consciousness	50.2%	50.4%	55.0%

*Career consciousness: The percentage of employees who answered "yes" or "slight yes" on a five-point scale to the question "Do you have a career plan in mind?" in the annual employee awareness survey "Organizational Performance Survey."

<Permeation of the Philosophy>

It is essential for each employee to resonate with the Nidec Group's philosophy and management policy to respect the characteristics of each employee and improve the performance of the entire Nidec Group. To achieve the steady growth of the Nidec Group, we are implementing the following initiatives to align the vectors of our employees and create an organization in which each employee can fully play his or her role.

- a) In penetration of philosophies, we distribute “The Challenging Road,” a summary of our founder’s thoughts (NIDEC’s philosophy and way of thinking, etc.), to our employees, and instill it in them as the corporate philosophy which should be shared within the Company daily. We also provide opportunities to review the level of understanding and practice of these ideas regularly in our philosophy training, to create an organization that is aligned with our corporate culture.
- b) As One Nidec, we conduct an “Organizational Performance Survey” with the aim of stimulating relationships among employees and improving performance from each workplace to the entire organization so that employees can make the most of their abilities
- c) As an initiative for organizational development that utilizes the results of the “Organizational Performance Survey,” we have introduced “Workplace Workshops” at each workplace where employees can talk frankly with each other. We are promoting the creation of an organizational culture and structure that can promote decision-making based on a vision while respecting diverse opinions

Through these initiatives, we aim to achieve sustainable corporate growth centered on the organizations and human resources that support our group.

Indicators for penetration of philosophies	FY2022	FY2023	FY2025 Target
Penetration of the vision	80.9%	76.4%	85.0%

*Penetration of the vision: Percentage of employees who answered “yes” or “slight yes” on a five-point scale to the question “Does your workplace share the company's management philosophy and vision?” in the annual employee awareness survey “Organizational Performance Survey.”

As part of our efforts to achieve our fiscal 2025 targets, in fiscal 2024 we established an in-house committee to promote the permeation of our vision, in addition to our initiatives on Penetration of the vision, Organizational Performance Survey, and Workplace Workshops.

Strategy for HR Infrastructure Development

As global competition accelerates, we believe that in order to achieve our goal of becoming a 10 trillion yen company, it is essential to strengthen our international competitiveness, improve productivity through the promotion of work style reforms, and strengthen our competitiveness through a thorough focus on actual performance and results. In light of global conditions, social trends, and relations with foreign countries, we are aiming to create a solid foundation (organization and human resources) under One Nidec by starting to reform our HR system, particularly in Japan, where enhanced productivity is desired. As for infrastructure development, we will focus on creating a diverse organizational (workplace) culture and working environment and proceed while building the foundation for smooth daily corporate activities.

In 2019, we began studying ways to reform our HR system, and through the subsequent development of various HR measures, we are aiming to create a systematic organization and structure from the management level to general employees. This will facilitate the mobilization of human resources, strengthen governance, and revitalize the organization and people.

<HR Infrastructure Development: System>

a) The Company has established the “Remuneration Committee” (February 2021) and the “Nomination Committee” (November 2022) as advisory bodies to the Board of Directors (the majority of the members are Independent Outside Directors). The Company aims to ensure fairness, transparency and objectivity and further enhance the Company's corporate governance system by obtaining appropriate involvement and advice from Independent Outside Directors regarding matters such as the policy on the appointment of Directors and Executive Officers, the criteria for appointment, and the decision on candidate proposals, as well as compensation for Directors and Executive Officers.

- (i) The Nomination Committee deliberates on policies and standards for the appointment of Directors and Executive Officers, etc., as well as on the succession plan and approach to succession plan, the proposed candidates for President and Vice Presidents, the method of selecting the President, and other matters.
- (ii) The Remuneration Committee deliberates on matters such as the formulation of policies for determining the compensation of officers and the design of the compensation system (the setting of performance targets, the rationality of performance-linked compensation, the appropriateness of the compensation structure, and the amount of individual compensation based on the compensation system). We will further strengthen Group management and Group governance to ensure stable management succession in order to strengthen the Group's global competitiveness and achieve sustainable growth and development.

b) As part of our efforts to promote integrated Group management, we are working to unify the basic personnel systems for grading, remuneration, and evaluations for approximately 10,000 employees, including those at major group companies in Japan. In fiscal 2020, we introduced a Group-wide evaluation system ahead of other systems. From fiscal 2021 to fiscal 2022, we introduced a grading system and a remuneration system.

- (i) In order to thoroughly implement the performance-based evaluation system, the contribution to the organization (performance (actions, outputs, results) for the relevant work (duties) is comprehensively evaluated, and the evaluation results are reflected in monthly salaries and bonuses.
- (ii) Under the new grading and remuneration systems, the Company has introduced a job type personnel system (job grade system) for managerial and non-managerial leadership levels and above, clarified responsibilities and duties, and realized position-based personnel transfers of the right person in the right place. Monthly remuneration (wages) is determined based on the “size of job responsibilities and duties” and the “results (evaluation results)” clarified in the job grade system. The remuneration (wages) is determined by unifying monthly remuneration into job remuneration, setting the amount based on the market level with reference to remuneration surveys and benchmarks (75percentile, 50percentile, 25percentile) from external organizations. In light of the trends in the Japanese job type market (the market is still immature), non-managerial personnel in charge of specific duties (roles), the system is designed to steadily develop and strengthen human resources by limiting the definition of each stage to a definition that retains a certain level of functional element. It is based on the accumulation of past evaluations, followed by promotions, recommendations as candidates for promotion, and promotions. In addition to monthly salary, we also offer bonuses based on the results of the company's and individual's performance. In order to provide employees with well-balanced treatment, our basic policy is to place the highest priority on those who make the most profits and the second highest on those who bring positive change to the company. Based on this policy, we aim to always evaluate employees fairly and impartially, regardless of age, years of service, work experience, gender, nationality or other factors.

c) The Company has adopted the following three concepts in its retirement allowance system to reward employees who have made a significant contribution to the Company on the basis of ability and performance.

- (i) To reward each year's contribution as a part of the total compensation (gives a sense of remuneration)
- (ii) Create a system that contributes to the hiring and retention of excellent human resources and the improvement of performance (retention)
- (iii) Ensure the governance of our group and create a framework that ensures smooth transfers (ensuring liquidity within the Group).

Based on this concept, we have eliminated the practice of increasing retirement benefits according to the number of years of service, and instead have adopted a system in which retirement premiums fluctuate and are determined according to the base salary (reflecting annual evaluation). Group companies also had various retirement benefit systems. However, we have changed from a twotier retirement benefit system consisting of a defined benefit corporate pension plan (DB) and a defined contribution corporate pension plan (DC) to a DC-only retirement benefit system. By integrating the retirement allowance system into the DC system, we are taking advantage of the DC portability system to facilitate the mobility of human resources within our group. In addition, we are avoiding the risk of rising debt in the future by freezing the DB and converting the whole life portion to annuity.

d) In order to make the position-based HR system function more effectively (to promote the mobility of human resources within the company), the “Internal Job Posting System” will be implemented twice a year on a regular basis. In addition to the company-led personnel changes that have been implemented for many years, we also publish job openings for positions in each division in April and October, when people usually transfer. When an employee applies to a job opening, each division makes a selection and if a match is made between the employee and the division, the employee is assigned to the position. By encouraging employees to act on their own initiative and having them take on challenges proactively, we hope to support their career development and revitalize the organization. The in-house job posting system began on a non-consolidated basis with the introduction of the HR system, and we plan to gradually expand the system to include Group companies.

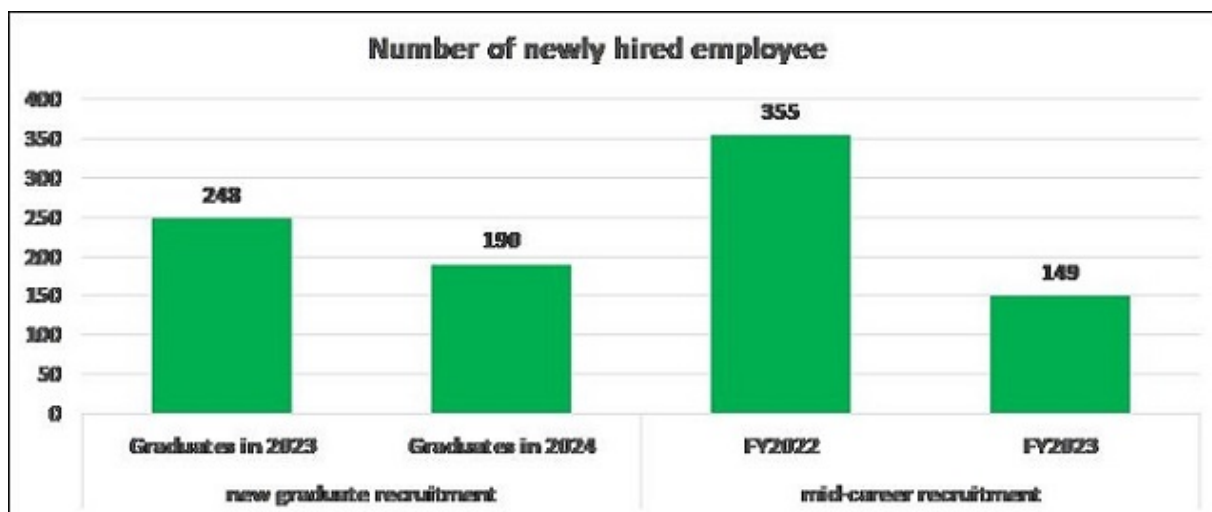
e) As the environment changes and global business expands and deepens, the quality of human resources needed by Nidec is becoming more diverse. Under these circumstances, to realize “the right person in the right place” (acquisition of organizational capabilities, securing and utilization of human resources) on a global scale, we have started to develop systems and mechanisms, including the formulation of the Global Mobility Policy. We will further promote One Nidec by creating an environment in which more human resources will be born who will be active not only in Japan but also globally.

<HR Infrastructure Development: Recruitment>

Our group continues to grow as a global enterprise with bases in more than 40 countries around the world. Employees travel and interact with each other across countries. By developing an organization (workplace) and working environment where diversity is a matter of course, we aim to become an organization with human resources that can respond quickly to changes in the global situation and market.

As the world's No. 1 comprehensive motor manufacturer, Nidec has consistently sought growth and provided solutions that are indispensable to society. To be a company that can respond quickly to the changes of the times and the needs of society, we will continue to acquire and retain human resources with the three Ps (Proactive, Productive, Professional), who agree with “Nagamori-ism” and the “Nidec Way,” and who constantly strive to achieve high goals. As the Nidec Group grows, we are implementing the following initiatives to maintain our position as a small, highly selective group of employees with a strong vector, even as new employees steadily join.

- (i) In fiscal 2023, 149 mid-career employees were hired at group companies in Japan, including Nidec. To survive fierce competition, employees who have been with Nidec from the beginning of their careers and those from a variety of backgrounds should work together. In this way, Nidec strives to prevent rigidity in its workforce as an organization that constantly evolves while emphasizing employee diversity. At the same time, we hire business-ready human resources with the skills and experience needed at the time of business expansion. We actively develop on-boarding measures to enable employees to play an active role in the Nidec Group at an early stage. These include retention measures such as programs to instill the Group's philosophy, post-employment interviews, and monthly questionnaires after hiring.
- (ii) 190 new graduates were hired at Group companies in Japan, including Nidec in April 2024. We expect that they will develop into future executive candidates of the Nidec Group by actively engaging in work at their own discretion from a young age and through various education and work experience. We recognize that it is important for us to retain newly hired graduates as well as mid-career employees and to promote their active participation. We are working to improve the retention rate by promoting understanding of our management philosophy and policies through activities to instill the philosophy in employees, grasping the situation through monthly questionnaires, holding individual interviews, and improving the salary levels of new hires and managers.
- (iii) In Japan, full-time employees account for the majority of the professional group in charge of the development of advanced technologies. Non-regular employees who meet the requirements are actively promoted to regular positions. Based on our policy that “age has nothing to do with work,” we aim to create a company and organization in which each and every employee can play an active role according to his or her position and role, rather than having an age limit system for managerial positions.



Recruitment Indicators	FY2023	FY2025 Target
Recruitment cost per employee (new graduate recruitment)	¥302 thousand *Graduates in 2024	-
Recruitment cost per employee (mid-career recruitment)	¥2,129 thousand	-
Average number of days for recruitment (mid-career recruitment)	32.9 days	Within 30 days
Retention rate	79.6%	-

*Among the recruitment indicators, the number of recruits (new graduate recruitment) and the number of recruits (mid-career recruitment) are applicable to Nidec and its domestic Group companies, and other indicators are applicable only to Nidec.

*Recruitment cost per employee: Expenses paid to external parties for recruitment / Number of recruits

Average number of days for recruitment: Lead time from application to offer

Retention rate: 100% - turnover (number of employees who left in FY2023 / average number of employees in FY2023)

HR Infrastructure Development: Diversity & Inclusion

Our group continues to grow as a global enterprise with bases in more than 40 countries around the world. Employees travel and interact with each other across countries. By developing an organization (workplace) and working environment where diversity is a matter of course, we aim to become an organization with human resources that can respond quickly to changes in the global situation and market.

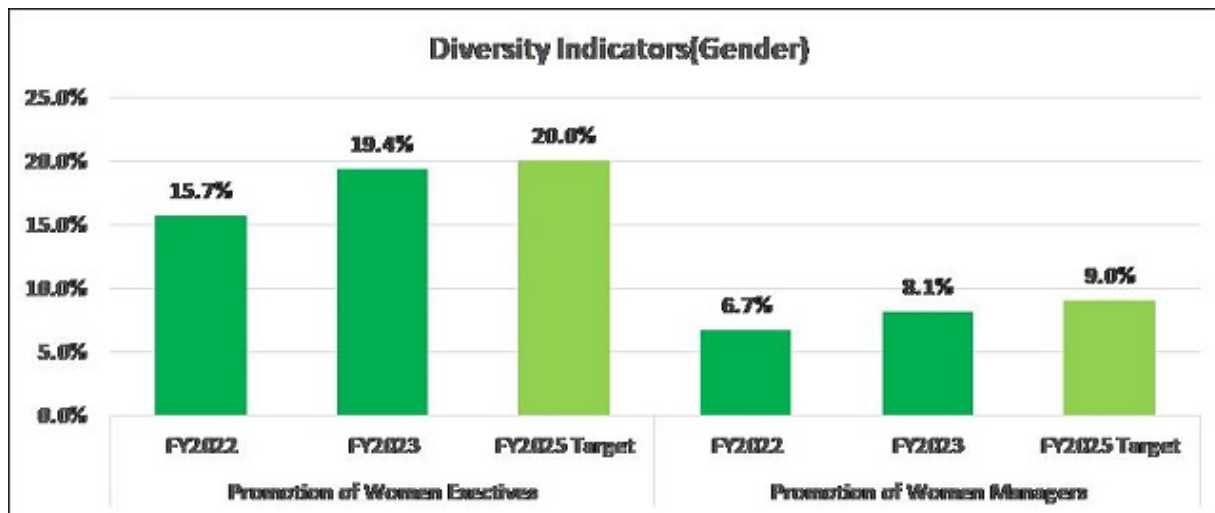
- a) To encourage diverse employees to play active roles and create new value throughout the organization, we are promoting an organizational culture that evaluates performance regardless of attributes, as well as flexible working styles and an organization that accepts diversity.
 - (i) From around 2005, we have been working on the promotion of diversity. Since then, we have gradually shifted from supporting a balance between work and family to supporting active participation. In addition to staggered working hours, telecommuting, and annual paid leave on an hourly basis as ways of working for both men and women, we have also expanded various systems such as reduced working hours and provided career support. As a result, the rate of employees returning from childcare leave has increased, the number of women in managerial positions and candidates for managerial positions has increased, and the degree of male participation in childcare has increased. At Nidec, we will continue to place a high priority on the promotion of women's active engagement. In fiscal 2023, the ratio of female managers was 8.1% (the ratio of female employees was 21.1%), and we are aiming for 9% in fiscal 2025.
 - (ii) As part of our initiatives for LGBTQ employees, our employment regulations explicitly state the importance of respecting individuals regardless of gender, sexual orientation, gender identity, etc., and promoting mutual cooperation. As part of this, we apply the HR regulations that apply to spouses to same-sex partners as well.
 - (iii) In April 2022, the Company appointed two non-Japanese executives to the executive officer. The Company strives to ensure flexibility in working styles to become a company in which human resources can play an active role regardless of gender, nationality, or other personal attributes or values.

Structure of Human Resources by Gender



Structure of Human Resources by Age





Diversity Indicators	FY2023
Employment rate of people with disabilities	2.67%

Indicators related to childcare leave	FY2022	FY2023
Number of male employees who took childcare leave	24	27
Number of female employees who took childcare leave	19	12
Childcare leave utilization rate (men)	31%	47.4%
Childcare leave utilization rate (women)	100%	100%
Child care leave return rate	93%	100%
Childcare leave retention rate *Percentage of employees who continued to work for one year after returning to work	81%	76.9%

Percentage of employees who can utilize the system	FY2022	FY2023
Telework application rate	100%	100%
Staggered working hours system application rate	83%	97.2%
Staggered working hours system implementation rate	—	3.7%

* Limited to employees who work in Japan. Employees assigned overseas will be subject to the working regulations of the local subsidiary of the host company.

- b) The Company strives to stimulate communication with employees while being aware of appropriate sharing and constructive discussions at various opportunities for dialogue between the Company and employees.
- (i) Once a month, the Company has established a venue for two way information sharing and opinion exchange with the Employees' Association. To create a workplace environment where employees feel motivated to work, the Employee Satisfaction Improvement Committee meets twice a year, based on employee opinions gathered from the Employees' Association, and the Employees' Association and the Company hold discussions.
 - (ii) Since fiscal 2021, employees from the HR Department have been visiting each of our business sites to ask and answer questions with employees. Through these visits, we are working to raise awareness of issues at each site and to ensure that employees are thoroughly informed and understand our HR policies and initiatives.
- c) The Company considers the health and motivation of its employees to be an important source of its sustainable growth. The Company is committed to health management based on the idea that it is essential to create a workplace where diverse human resources can play an active role and a sustainable working style where employees can play an active role for a long time. Another pillar of our health management strategy is to improve productivity and engagement.
- (i) From the perspective of improving productivity, the Company strives to minimize losses due to absence from work, leave of absence, etc., and prevent performance declines due to health problems by maintaining and promoting mental and physical health. As measures for people with high health risks, we provide personalized health guidance based on the results of health examinations and effectively encourage people to undergo detailed examinations. In order to prevent injuries and diseases, we hold online seminars by our occupational health physicians and public health nurses to raise employees' health literacy. We also encourage employees to quit smoking on the premises and exercise regularly to change their behavior. As a mental health measure, we are strengthening follow-ups such as group analysis after the stress check. In addition, from the perspective of occupational safety, we control the working hours of employees, including those in managerial positions, and work to reduce the risk of health problems resulting from long working hours.
 - (ii) From the perspective of enhancing engagement, we will focus on the correlation between “engagement” and “ease of working” scores based on the analysis of the results of the NIDEC Health Survey, our internal health awareness survey, and promote measures that lead to improvements in the “ease of working” score in particular. To improve the “ease of working” score, we have introduced one-on-one meetings and career interviews to stimulate communication between supervisors and subordinates, and workshops to discuss solutions to workplace issues to revitalize the organization. We are also working to improve the working environment in terms of systems, including the expansion of staggered working hours and telecommuting systems.

Indicators related to health management	FY2022	FY2023
Number of employees on long-term leave due to mental health issues	70	33
Number of employees on long-term annual leave due to illness other than mental health issues	13	4
Participation in health promotion programs	83.4%	67.8%

d) The Company recognizes the importance of consideration for human rights in the global business environment and supports international guidelines such as the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, in order to respond to the diversification of issues surrounding human rights.

(i) The Nidec Group CSR Charter states “respect human rights,” and the NIDEC Group CSR Declaration of Conduct, which supplements the CSR Charter, stipulates the prohibition of forced labor, child labor, discrimination and inhumane treatment, the guarantee of appropriate wages, the guarantee of working hours and holidays, and the guarantee of freedom of association and the right to collective bargaining. At present, the Group has more than 300 business sites worldwide, and many times more business partners support our operations in their respective countries and regions. However, many of our important production and supplier plants operate in countries where human rights legislation is said to be inadequate.

(ii) In this environment, we recognize that we are responsible for labor and ethical issues that arise not only in the Group but also in the supply chain. In November 2021, we formulated the Nidec Group Basic Policies on Human Rights to clarify our stance and initiatives regarding respect for human rights. In addition to clearly stating our basic stance on human rights, the Guidelines also include eight action guidelines that must be observed, including the prohibition of forced labor, child labor, harassment, and workplace safety and health. These policies have been developed with the scope of all the Group business partners, including the Group and suppliers. In addition to identifying the risks of human rights violations and continuously working on improvements, we are conducting educational activities such as company-wide e-learning.

(iii) As for human rights risk assessment, we place the highest priority on the Asian region, where more than 70% of our employees are concentrated. In cooperation with a third-party certification organization, we periodically conduct audits of our main production plants in Asia based on our own standards, with reference to the RBA(*) Code of Conduct. Regarding the human rights of employees, we strictly check the audit items established for seven aspects, including “free choice of employment,” “youth labor,” and “working hours.” Based on this policy, we will fulfill our responsibility to respect human rights and promote the creation of a safe and secure workplace where diverse human resources can play an active role.

(*) RBA (Responsible Business Alliance) Code of Conduct: A code of conduct established by the electronics industry for business activities throughout the supply chain.

e) Based on the belief that creating a safe and secure workplace is essential for diverse human resources to play an active role, we are working to prevent work-related accidents and improve our compliance system.

- (i) We have positioned ensuring the safety of employees as a top priority issue at all Nidec Group sites and have organized a Safety and Health Committee to deliberate on measures to ensure safety at our domestic sites.
- (ii) Nidec continuously carries out compliance activities to raise the ethical awareness of officers and employees and to promote the creation of a safe and favorable work environment by complying with laws and regulations, internal rules and standards, the Code of Social Ethics, etc. and thoroughly educating employees to that end. In addition, Nidec has established a whistle-blowing hotline and an external third-party hotline that can be used by any Member of the Board of Directors, officer or employee of the Nidec Group, in an effort to create a workplace environment in which everyone can feel secure.

Indicators related to occupational accidents	FY2022	FY2023
Number of occupational accidents	2	6
Occupational injury frequency rate	0.46	1.68
Time lost due to occupational accidents	32 hours	948 hours
Fatalities due to occupational accidents	0	0

Regarding the time lost due to occupational accidents, out of the 6 cases that occurred in FY2023, one case accounted for 800 hours, representing a significant increase compared to FY2022. In addition to the Safety and Health Committee, we have launched a Labor Accident Eradication Project under the supervision of our Risk Management function to work on prevention of recurrence.

Indicators related to compliance	FY2022	FY2023
Number of disciplinary actions (dismissal)	2	0
Number of disciplinary actions (other than dismissal)	4	3
Attendance rate to compliance training courses	97%	94.4%

*Dismissal includes dismissal on persuaded basis.

3. 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, 2024.

1. Management strategy risks

(1) Risks related to political and economic downturns (Especially significant risk)
<p>Risk details</p> <p>Our products and the end-products are produced and consumed in Asia, Americas, Europe and Japan, mainly in China, and demand for our products may be adversely affected by unexpected economic, political and policy, consumption trends in these countries or regions. 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.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none">- Reduce risks and maximize business opportunities by promoting the opening of business sites (local sales and development activities) and local production for local consumption (local production and sales activities)- Reduce dependence on business models of existing businesses through timely confirmation and review of the business portfolio, and promote business and organizational renewal for sustainable corporate growth

(2) Risks related to changes in the technological environment and industrial structure (Especially significant risk)
<p>Risk details</p> <p>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.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none">- Optimize business by focusing on high-demand products such as HHDD motors for cloud servers- Accelerate business portfolio conversion, such as concentrating resources on new products

(3) Risks related to competition (Especially significant risk)
<p>Risk details</p> <p>We generally face aggressive competition in the markets in which we conduct business. Particularly in the markets for automotive and appliance components, we often face fierce competition with domestic manufacturers in emerging economies. Our competitiveness may decline and/or our profitability may be adversely affected if:</p> <ul style="list-style-type: none"> - 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. <p>Main countermeasures</p> <ul style="list-style-type: none"> - Maintain and increase investments in R&D fields, and expand manufacturing, sales and marketing capabilities - Timely launch of new products - Further improve profitability of existing products - Reduce costs to ensure profitability

(4) Risks related to prior investments for anticipated customer demands (Especially significant risk)
<p>Risk details</p> <p>If NIDEC anticipates growth in demand, we may expand our manufacturing capabilities in advance of anticipated customer demand or place advance orders for parts and materials in anticipation of lead times. Therefore, should we fail to accurately estimate the development and market entry trends of competitors or changes in product demand trends, the following risks could have a significant impact on NIDEC's operating results and financial position.</p> <p>Main countermeasures</p> <ul style="list-style-type: none"> - Consider thoroughly the necessity, recoverability, and amount of investment in the process of deciding on capital investment - Confirm progress against the plan monthly and consider appropriate measures/minimize loss risk - Minimize damage to economic value due to obsolescence - Reduce financial risk by minimizing the amount of investment

(5) Risks related to M&A (Especially significant risk)
<p>Risk details</p> <p>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. In a rapidly changing market, NIDEC may be unable to keep pace with the pace of market growth if we are unable to properly select and acquire the technologies necessary to change our business model. In addition, an inability to find suitable acquisition or investment targets, could have material adverse effect on NIDEC's business, operating results and financial position. Although we believe that these assets appropriately reflect the future profitability achieved through the efficient integration of the acquired businesses, we may not be able to generate the estimated profit 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 operating results and financial position.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none"> - Select companies to be acquired in line with NIDEC's business strategy - Purchase at a reasonable price following thorough preliminary investigation - Prompt and thorough post-acquisition PMI - Increase the corporate value of the acquired company and minimize the risk of goodwill impairment while deeply instilling NIDEC's management philosophy and management methods in all employees and creating synergies upon entering the Group

2. Business operation risks

(1) Risks related to recruiting and retaining highly skilled personnel (Especially significant risk)
<p>Risk details</p> <p>NIDEC is now on the verge of being able to ride the wave of technological innovation. Therefore, it is necessary to hire additional human resources with advanced knowledge and skills in new markets, and to create a system to develop and utilize them while fostering awareness as a NIDEC employee. If NIDEC may be unable to attract such additional personnel, NIDEC could lose the opportunity to ride on the wave of technological innovation.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none">- Gradually introduce three human resources system reforms (evaluation system, grading system, and compensation system)- Hire highly specialized human resources, secure management personnel, and strengthen development processes

(2) Risks related to our research and development
<p>Risk details</p> <p>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 such markets, our success will depend upon our ability to continue to develop superior technologies, products and processes in a manner in order to meet our customers' needs. 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. If we are unsuccessful in our research and development activities, our business, results of operations and financial position could be materially and adversely affected.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none">- Develop new products and solutions that meet the expectations and requirements of market, technological, and customer trends- Improve effectiveness and efficiency and create groundbreaking innovation- Further strengthen product development capabilities and advance and upgrade production technology

(3) Risks related to quality of our products
<p>Risk details</p> <p>Customer quality requirements are constantly changing, and environmental regulations on product materials and quality requirements for products are becoming more sophisticated. Failure to provide safe, high-quality products can lead to accidents that could result in property damage or the loss of human life. In addition to legal recalls, society demands particularly high levels of safety. If such malfunction is caused by or attributed or alleged to be attributed to defects in our products, significant legal claims and customer disputes could be occurred and we may be subject to adverse regulatory action. Our results of operations may be adversely affected by costs associated with recalls, deterioration of brand image or lost sales. 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.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none"> - Identify and address potential issues in order to ensure product quality and safety, and prevent product defects by developing a quality management system - Review regulations and guidelines as appropriate

(4) Risks related to procurement of raw materials or components
<p>Risk details</p> <p>NIDEC procures many of the raw materials and parts necessary for the manufacture of products from outside sources. If the supply and demand conditions for these materials deteriorate extremely, NIDEC's production capacity will decline. Furthermore, a country's governmental policy changes relating to specific raw materials or conditions of use of components and changes in customers' procurement policy, etc.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none"> - Secure alternative materials based on consideration of the environment, human rights, working environment and resource availability in the procurement process of parts - Continually review design concepts to reduce the amount of raw materials and parts used

(5) Risks related to intellectual property
<p>Risk details</p> <p>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 because legal systems may be inadequate in some regions.</p> <ul style="list-style-type: none"> - 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. <p>Main countermeasures</p> <ul style="list-style-type: none"> - Investigate intellectual property rights owned by third parties comprehensively and continuously from the initial stage of product development - Actively acquire, maintain and manage intellectual property rights in order to strengthen our competitive advantage and maintain our competitiveness by protecting our proprietary technologies
(6) Risks related to leaks of confidential information
<p>Risk details</p> <p>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.</p> <p>Main countermeasures</p> <ul style="list-style-type: none"> - Build a group-wide security management system (Establishment of the Information Security Management Office, monitoring of activities by the Information Security Committee, appointment of Information Security Management Officer and Information Security Promotion Officer) - Provide information security education to employees - Conclude confidentiality agreements for each M&A-related individual case to ensure thorough information management

(7) Risks related to our pension plans
<p>Risk details</p> <p>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.</p> <p>Main countermeasures</p> <ul style="list-style-type: none"> - Integrate the retirement allowance system into the defined contribution pension plan - Establish a governance system for the pension system and cooperation with third party organizations
(8) Risks related to fluctuations of foreign currency exchange rates
<p>Risk details</p> <p>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. 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.</p> <p>Main countermeasures</p> <ul style="list-style-type: none"> - Reduce exchange rate risk by offsetting exchange rates between sales and purchases

(9) Risks related to fluctuations of interest rates
<p>Risk details</p> <p>We have long-term receivables and interest-bearing liabilities with fixed and variable interest rates. We are exposed to interest rate fluctuation risks on these receivables and liabilities which may affect our interest expenses, interest income and the value of our financial assets and liabilities</p>
<p>Main countermeasures</p> <ul style="list-style-type: none"> - Reduce the risk of fluctuations in interest rates by entering into agreements such as interest swaps for long-term receivables and interest-bearing debt loans

(10) Risks related to our liquidity of funds
<p>Risk details</p> <p>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. If, due to rapid changes in financial market conditions or other factors, financial institutions reduce the amounts of their lending, creditlines, 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.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none"> - Maintain and improve credit ratings and diversify funding sources. Improve cash flow by curbing capital investment and reducing working capital and use a global cash management system (CMS) to concentrate the Group's surplus funds and respond to demand for funds, thereby increasing the efficiency of funds.

(11) Risks related to recoverability of deferred tax assets
<p>Risk details</p> <p>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.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none"> - Conduct periodic reviews of the recoverability of deferred income taxes assets and the need to record valuation allowances, and develop tax planning

3. Governance risks

(1) Risks related to our dependence on our Representative Director and Chairman, Shigenobu Nagamori
<p>Risk details</p> <p>The continued success of NIDEC has depended mainly on the abilities and skills of Mr. Shigenobu Nagamori, the founder of NIDEC. In the current situation where various economic and political risks have become apparent, there is a possibility that NIDEC will be unable to produce a new leader to drive growth under the founding spirit of NIDEC, “Do it now; do it without hesitation; do it until completed.” This may have a negative impact on NIDEC's businesses, operating results and financial position.</p> <p>Main countermeasures</p> <ul style="list-style-type: none"> - Continuously implement and operate a new succession plan to prepare for the next 50 years 1. Promote sustainability-minded management through a collective management (collective guidance) system 2. Under new President Fumio Kishida (Chief Executive Officer), build a solid management foundation and promote reform of the system that relies on the founder * The new President is deliberated by the Nomination Committee and resolved by the the Members of the Board of Directors Committee. 3. Strengthen the organizational cooperation among the Group executives (strengthening of the Chief Officer System)
(2) Risks related to internal controls over financial reporting
<p>Risk details</p> <p>NIDEC has determined that there is a material deficiency that should be disclosed in terms of the internal controls of the settlement of accounts and financial reporting process, as it has become clear that NIDEC's consolidated subsidiaries have misidentified a part of their consolidated reconciliation, such as net sales, which involves transactions between the Group's consolidated subsidiaries in the consolidated closing procedure, as subject to reconciliation, and that net sales has been overstated. NIDEC is fully aware of the significance of internal controls over financial reporting. In order to correct material deficiencies that should be disclosed, NIDEC secured the reliability of financial reporting by promptly formulating and implementing the following measures to prevent recurrence in the Group, such as examining the settlement of accounts from various perspectives and strengthening the approval procedures by the person with the authority to approve. However, if a material deficiency that should be disclosed occurs again in the future, the reliability of the Group's financial reporting may be affected.</p> <p>Main countermeasures</p> <ul style="list-style-type: none"> - Conduct of a detailed review of the financial statements disclosed in prior years and of the consolidated financial statements included in the revised consolidated financial statements to identify other related issues and improve accounting and presentation - Update of policies related to consolidated accounting procedures, strengthening of the system to grasp accurate and comprehensive information necessary for identifying reconciliation transactions related to transactions between consolidated subsidiaries, and implementation of training focusing on verification of consolidated accounting procedures and approval procedures by the person with the authority to approve - Strengthen the comprehensive monitoring function of the accounting and finance managers of NIDEC and its subsidiaries with respect to the consolidated settlement procedures and strengthen the review and approval procedures relating to the reconciliation of transactions between consolidated subsidiaries in the settlement of accounts and financial reporting process

4. Risks related to contingencies

(1) Risks related to natural and human disasters
<p>Risk details</p> <p>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. In the event of a large-scale natural disaster or pandemic that severely damages transportation and energy infrastructure, production and sales activities by NIDEC and its supply chain in the affected area will be suspended until safety is assured. In the event of a disaster in China or other overseas regions where NIDEC's production and development bases, customers, and many of its supply chains are active, or in Japan where NIDEC's head office functions and other important R&D facilities are located, the damage will be particularly severe. 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 may require large expenditures to repair or replace our facilities.</p>
<p>Main countermeasures</p> <ul style="list-style-type: none">- Risk transfer through non-life insurance- Implement business continuity measures such as the decentralization of production sites, duplication of supply chains, and strengthening of cybersecurity measures- Improve the effectiveness of the business continuity plan (BCP) by formulating BCP and conducting simulation exercises

(2) Climate Change Risks

Risk details

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. 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;
- 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.

Physical risk

- a) Suspension of business activities due to frequent flood damage caused by typhoons and heavy rains;
- b) Restriction on business activities due to drought;
- c) Health hazard due to rising temperature;
- d) Supply chain disruptions caused by the above factors.

Main countermeasures

The measures to address “transition risk”

- In March 2024, we set a new medium- to long-term target for CO₂ emissions reduction. Aiming to achieve net zero carbon emissions for the entire supply chain by fiscal 2050, we will aim to reduce Scope 1 and 2 emissions by 42% from fiscal 2022 levels by fiscal 2030 (carbon neutrality in fiscal 2040), and Scope 3 emissions by 25% from fiscal 2022 levels.
- Promotion of research and development activities based on the SDGs concept;
- Establishment of multiple purchasing routes.
- Eco-governance Department established in April 2022 (Established the Sustainability Management Department and transferred the Environmental Management Department in January 2024)
- Sustainability Committee established in August 2022
- Conduct scenario analysis in line with the TCFD and consider countermeasures

The measures to address “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.
- Conduct scenario analysis in line with the TCFD and consider countermeasures

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

Risk details

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 Depositary 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

Risk details

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

Risk details

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

Risk details

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

Risk details

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

Risk details

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.

4. 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, 2024. Consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

(1) Material accounting policies and significant accounting 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. Material accounting policies, 4. Significant accounting estimates, judgments and assumptions".

(2) Operating results

The business environment surrounding NIDEC in FY2023 varied depending on the respective final market's demands. In the small precision motors business, we had gradual signs of demand recovery relating IT equipment in the latter half of FY2023, although it had experienced a prolonged demand decline after COVID-19. In addition, new business opportunities such as water-cooling modules are emerging with the increase of demand for data centers in the fields of generative AI. In the automotive products business, supply constraints of semiconductors eased and global automobile production was gradually recovering. In the Chinese EV market, where fierce price competition occurs and sound competition is eroded, NIDEC swiftly shifted its strategy to put first priority on our profitability. In the appliance, commercial and industrial products, while demand adjustment in home appliance still continues, demand on replacement with new industrial and infrastructure equipment remains strongly. In the machinery business, the manufacturing industry index has been sluggish amid a prolonged period of economic downturn, and we built a new system to prepare for the upcoming demand recovery.

We promoted Three-new Strategy (new market, new product, new customer) and thorough reduction in material and processing costs as an entire group to provide quality products at appropriate prices to meet market and customer demands, and we renewed the highest record of annual consolidated net sales and profit before income taxes.

The following table sets forth consolidated operating results for the year ended March 31, 2024:

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2023	2024		
Net sales	2,230,027	2,347,159	117,132	5.3%
Operating profit	89,923	162,799	72,876	81.0%
Operating profit ratio	4.0%	6.9%	-	-
Profit before income taxes	110,435	202,612	92,177	83.5%
Profit for the year from continuing operations	37,683	126,344	88,661	235.3%
Loss for the year from discontinued operations	(1,983)	(44)	1,939	-
Profit attributable to owners of the parent	36,982	125,144	88,162	238.4%

Consolidated net sales from continuing operations increased 5.3% to ¥2,347,159 million for this fiscal year compared to the previous fiscal year, and we renewed the highest record of annual net sales.

This is because we achieved sales enhancement as a group by responding to the demand of each customer carefully and grasping the waves of growth in detail for each business with sales promotion throughout our global sales network even under the severe environment such as fiercer competition which is over our expectation in Chinese EV market and the continued reconciliation of the demand for home appliances.

Operating profit of this category increased 81.0% to ¥162,799 million, for this fiscal year compared to the previous fiscal year due to taking in the results of continuous reduction in fixed costs steadily in global basis, and steady progress in manufacturing cost and sales price improvement to each component. NIDEC recorded restructuring expenses to ensure financial soundness and future profitability, as it shifted its strategy to prioritize profitability of Battery EV related business.

Profit before income taxes increased 83.5% to ¥202,612 million for this fiscal year compared to the previous fiscal year, and renew the highest record, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥32,700 million. Profit attributable to owners of the parent increased 238.4% to ¥125,144 million.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥121,400 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥8,700 million compared to the same period of the previous year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit (loss)		
	2023	2024	Increase or decrease	2023	2024	Increase or decrease
SPMS	342,655	333,328	(9,327)	17,083	25,958	8,875
AMEC	305,143	339,748	34,605	(64,663)	(55,694)	8,969
MOEN	396,221	463,509	67,288	38,581	61,285	22,704
ACIM	437,402	437,990	588	21,349	42,646	21,297
Nidec Instruments	165,891	158,458	(7,433)	18,000	16,000	(2,000)
Nidec Techno Motor	97,551	86,394	(11,157)	10,680	11,004	324
Nidec Mobility	120,168	136,747	16,579	11,410	12,570	1,160
Nidec Machinery and Automation	164,352	207,084	42,732	8,969	29,296	20,327
Nidec Advance Technology	60,836	39,707	(21,129)	16,101	9,179	(6,922)
Others	218,447	217,985	(462)	27,358	26,641	(717)
Elimination/corporate	(78,639)	(73,791)	4,848	(14,945)	(16,086)	(1,141)
Consolidated total	2,230,027	2,347,159	117,132	89,923	162,799	72,876

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

2. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

4. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

Net sales of SPMS decreased ¥9,327 million to ¥333,328 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This decrease was due to a decrease in the number of HDD motors sold despite a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥8,875 million to ¥25,958 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to the significant reductions in fixed costs, steady progress in cost reductions, and improvement of selling price despite the impact of lower sales and fluctuations in product mix.

Net sales of AMEC increased ¥34,605 million to ¥339,748 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates, despite the fiercer competition which is over our expectation in Chinese EV market. Operating profit (loss) was ¥55,694 million operating loss for the year ended March 31, 2024 due to recording the restructuring costs.

Net sales of MOEN increased ¥67,288 million to ¥463,509 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to an increase in sales for power generators and related to green innovation demand. Operating profit increased ¥22,704 million to ¥61,285 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to the impact of the higher sales, steady progress in cost reductions, and the significant reductions in fixed costs.

Net sales of ACIM increased ¥588 million to ¥437,990 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to a positive effect of the fluctuations of the foreign currency exchange rates despite the continued reconciliation of the demand for home appliances. Operating profit increased ¥21,297 million to ¥42,646 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to steady progress in cost reductions and the significant reductions in fixed costs.

Net sales of Nidec Instruments decreased ¥7,433 million to ¥158,458 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This decrease was due to a decrease in sales of LCD panel handling robots. Operating profit decreased ¥2,000 million to ¥16,000 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to a decrease in sales.

Net sales of Nidec Techno Motor decreased ¥11,157 million to ¥86,394 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This decrease was due to a decrease in sales of motors for air conditioners. Operating profit increased ¥324 million to ¥11,004 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due fixed cost rationalization.

Net sales of Nidec Mobility increased ¥16,579 million to ¥136,747 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥1,160 million to ¥12,570 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to an increase in sales.

Net sales of Nidec Machinery and Automation increased ¥42,732 million to ¥207,084 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to increase in sales of machine tool business and press machine business, new consolidation and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥20,327 million to ¥29,296 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This increase was due to the increase in sales.

Net sales of Nidec Advance Technology decreased ¥21,129 million to ¥39,707 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This decrease was due to a decrease in sales of semiconductor inspection systems. Operating profit decreased ¥6,922 million to ¥9,179 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. This decrease was due to a decrease in sales.

With respect to the Others segment, net sales decreased ¥462 million to ¥217,985 million for the year ended March 31, 2024 compared to the year ended March 31, 2023. Operating profit decreased ¥717 million to ¥26,641 million for the year ended March 31, 2024 compared to the year ended March 31, 2023.

Operating results by product category are as follows:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit		
	2023	2024	Increase or decrease	2023	2024	Increase or decrease
Small precision motors	425,298	415,709	(9,589)	26,674	37,474	10,800
Automotive products	519,654	580,909	61,255	(42,291)	(31,192)	11,099
Appliance, commercial and industrial products	913,986	966,082	52,096	70,817	114,874	44,057
Machinery	283,720	298,375	14,655	35,386	44,112	8,726
Electronic and optical components	83,011	81,839	(1,172)	13,582	13,214	(368)
Other products	4,358	4,245	(113)	474	349	(125)
Elimination/corporate	-	-	-	(14,719)	(16,032)	(1,313)
Consolidated total	2,230,027	2,347,159	117,132	89,923	162,799	72,876

Net sales of small precision motors decreased 2.3% to ¥415,709 million for this fiscal year compared to the previous fiscal year. Net sales of spindle motors for HDDs decreased 10.0% to ¥70,608 million for this fiscal year compared to the previous fiscal year, mainly due to a decrease in the number of units sold. Net sales of other small precision motors decreased 0.5% to ¥345,101 million for this fiscal year compared to the previous fiscal year. Operating profit increased 40.5% to ¥37,474 million for this fiscal year compared to the previous fiscal year through significant fix cost reductions and cost and price improvements. We will launch large number of new products such as water-cooling module into the market and accelerate to make this business portfolio high profitable again.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥20,800 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥1,400 million compared to the same period of the previous year.

Net sales of automotive products increased 11.8% to ¥580,909 million for this fiscal year compared to the previous fiscal year by the impact of recovery in automobile production on a global basis, although NIDEC faced the fiercer competition in Chinese EV market. In the automotive organic business (existing business), NIDEC promoted a significant reduction in fixed costs even though this business increased profits due to sales expansion. In the Battery EV related business, in addition to further significant reduction in fixed costs, we have shifted the strategy to put first priority on our profitability such as limiting orders for unprofitable models. Along with this, including an impact of recording restructuring costs, operating profit increased ¥11,099 to ¥31,192 million loss for this fiscal year compared to the previous fiscal year. Regarding Battery EV related business, we made "Re-start" in line with the strategic shift, and the new structure is going smoothly. We will take on the speedy challenges for our future growth that maximizes the our group's inherent strengths.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating loss for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥31,500 million compared to the same period of the previous year.
- Operating loss : Positive effect by approximately ¥300 million compared to the same period of the previous year.

In the Motion & Energy (MOEN) with a focus on industrial related sector, in addition to capturing the tailwinds of expanding power generator and clean energy markets consistently, we expanded new businesses against the backdrop of strong infrastructure related demand despite the continued reconciliation of the demand for home appliances. As a result, net sales of appliance, commercial and industrial products increased 5.7% to ¥966,082 million for this fiscal year compared to the previous fiscal year. In the home appliance related sector, we realized a significant increase not only in sales but also in profit due to fundamental cost structure reform such as a substantial reduction in fixed costs. In the industrial related sector, we also realized a significant increase in profit due to the continuous manufacturing cost and sales prices improvement, in addition to the higher sales. As a result, operating profit increased 62.2% to ¥114,874 million for this fiscal year compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥58,600 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥5,900 million compared to the same period of the previous year.

Net sales of machinery increased 5.2% to ¥298,375 million for this fiscal year compared to the previous fiscal year due to sales increase of machine tool and press machine related business and newly consolidated subsidiaries despite lower sales of semiconductor inspection systems, LCD panel handling robots affected by market cycle. Operating profit increased 24.7% to ¥44,112 million for this fiscal year compared to the previous fiscal year due to the lower sales.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥8,400 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥600 million compared to the same period of the previous year.

Net sales of electronic and optical components decreased 1.4% to ¥81,839 million and operating profit decreased 2.7% to ¥13,214 million for this fiscal year compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥2,100 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥500 million compared to the same period of the previous year.

Net sales of other products decreased 2.6% to ¥4,245 million and operating profit decreased 26.4% to ¥349 million for this fiscal year compared to the previous fiscal year.

(3) Financial position

Our cash and cash equivalents increased ¥30,907 million to ¥217,005 million as of March 31, 2024 from ¥186,098 million as of March 31, 2023. This increase was due to a net cash outflow from investing activities of ¥153,553 million for additions of fixed asset and a net cash outflow from financial activities of ¥181,557 million, although they were supplemented by a net cash inflow from operating activities of ¥320,766 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, 2024, approximately 67% 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 decreased ¥116,325 million to ¥42,954 million as of March 31, 2024 compared to March 31, 2023. This decrease was mainly due to a repay of yen-denominated borrowings. The short term borrowings as of March 31, 2024 consisted of borrowings from banks denominated in Yen. We had no commercial paper outstanding as of March 31, 2024.

Our long term debt due within one year increased ¥83,363 million to ¥143,128 million as of March 31, 2024 compared to March 31, 2023. This increase was mainly due to ¥129,928 million reclassification to corporate bonds due within one year. The long term debt due within one year as of March 31, 2024 consisted of Domestic Unsecured Bonds.

Our long term debt decreased ¥71,488 million to ¥414,817 million as of March 31, 2024 compared to March 31, 2023. This decrease was mainly due to decreases of ¥129,928 million in reclassification into corporate bonds due within one year and increases of ¥50,000 million in borrowings from banks denominated in Yen. The long term debt as of March 31, 2024 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, 2024, were as follows:

Issue	Month of issuance	Total par value	Maturity	Use of proceeds
Eighth 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
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
Euro-Denominated Senior Unsecured Bonds (Green bond)	March 2021	500 million euro	March 2026	Manufacturing traction motors for electric vehicle
Thirteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	July 2022	30 billion yen	July 2025	Redemption of corporate bonds and repayment of short term borrowings
Fourteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	July 2022	20 billion yen	July 2032	Redemption of corporate bonds and repayment of short term borrowings
Fifteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	November 2022	20 billion yen	November 2025	Redemption of corporate bonds and repayment of short term borrowings
Sixteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	November 2022	50 billion yen	November 2027	Redemption of corporate bonds and repayment of short term borrowings

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 ¥300 billion and ¥600 billion of bond issuance, respectively. The first, filed in March 2019, was valid from April 5, 2019, through April 4, 2020. The second, filed in April 2020, was valid from April 9, 2020, through April 8, 2021. The third, filed in April 2022, was valid from April 9, 2022, through April 8, 2024. We registered these issuance 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 5,000,000 shares of treasury stock and an aggregate of ¥35,000 million of treasury stock between May 27, 2024 and May 26, 2025. And, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 2,000,000 shares of treasury stock and an aggregate of ¥11,000 million of treasury stock between January 25, 2024 and May 24, 2024. From January 25, 2024 to March 31, 2024, we didn't repurchase any shares under the plan. And we are authorized to repurchase the lesser amount of an aggregate of 5,000,000 shares of treasury stock and an aggregate of ¥35,000 million of treasury stock between January 25, 2023 and January 24, 2024. We repurchased an aggregate of 1,171,400 shares for approximately ¥7,900 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 ¥297,886 million to ¥3,160,635 million as of March 31, 2024 compared to March 31, 2023. This was mainly due to an effect of the fluctuations of the foreign currency exchange rates. Trade and other receivables increased ¥79,741 million, property, plant and equipment increased ¥41,531 million, and inventories increased ¥38,406 million.

Total liabilities increased ¥4,454 million to ¥1,501,449 million as of March 31, 2024 compared to March 31, 2023. Mainly due to an effect of the fluctuations of the foreign currency exchange rates, trade and other receivables increased ¥33,972 million and income tax payables and other current liabilities also increase. On the other hand, Interest-bearing debt decreased ¥104,450 million (14.8% decrease compared to March 31, 2023). Although, Interest-bearing debt tends to increase due to an effect of the fluctuations of the foreign currency exchange rates, specifically, short term borrowings decreased ¥116,325 million to ¥42,954 million, long term debt due within one year increased ¥83,363 million to ¥143,128 million and long term debt decreased ¥71,488 million to ¥414,817 million as of March 31, 2024 compared to March 31, 2023.

Our working capital (subtract total current liabilities from total current assets) increased ¥108,168 million to ¥582,181 million as of March 31, 2024 compared to March 31, 2023.

Accounts receivable (trade and other receivables) turnover ratio (net sales divided by account receivables) decreased 0.3 to 3.5 as of March 31, 2024 compared to March 31, 2023. In addition, inventory turnover ratio (cost of sales divided by inventories) decreased 0.2 to 3.3 as of March 31, 2024 compared to March 31, 2023.

Total equity attributable to owners of the parent increased ¥285,619 million to ¥1,632,184 million as of March 31, 2024 compared to March 31, 2023. This was resulted from increases of ¥194,048 million in other components of equity mainly due to increases of foreign currency translation adjustments. Ratio of total equity attributable to owners of the parent to total assets increased to 51.6% as of March 31, 2024 from 47.0% as of March 31, 2023.

(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, 2024, we had ¥527,952 million of trade and other payables, ¥42,954 million of short term borrowings, and ¥557,945 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 ¥112,049 million for the year ended March 31, 2024. We plan to invest ¥130,000 million in additions to property, plant and equipment for the year ending March 31, 2025. Outstanding commitments for the purchase of property, plant and equipment and other assets amounted to ¥25,017 million as of March 31, 2024.

Research and development expenses were ¥81,055 million for the year ended March 31, 2024 and are expected to reach approximately ¥95,000 million for the year ending March 31, 2025.

In the year ended March 31, 2024, we acquired the following companies.

Company name	Geographic	Principal Businesses
Houma Armature Works	North America	Manufacturing, repair, maintenance, upgrades, and installation services for motors, generators, and control systems
Automatic Feed Company	North America	Manufacturing, sales and service for press peripheral equipment
Lasercoil Technologies LLC	North America	Manufacturing, sales and service for press peripheral equipment
Automatic Leasing Company	North America	Manufacturing, sales and service for press peripheral equipment
Takisawa Machine Tool Co., Ltd.	Japan, Asia, North America	Manufacturing and sale of metal machine tools (CNC lathes, ordinary lathes, machining centers, FA cells, systems, 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, 2024 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
SPMS	285,591	96.6
AMEC	269,255	126.2
MOEN	461,032	116.6
ACIM	412,285	96.2
Nidec Instruments	151,685	92.8
Nidec Techno Motor	70,495	74.1
Nidec Mobility	137,688	118.3
Nidec Machinery and Automation	177,142	118.6
Nidec Advance Technology	38,512	65.0
Others	207,729	91.1
Total	2,211,414	103.1

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

2. NIDEC changed its company name of "Nidec Sankyo Corporation" which core of the Nidec Sankyo Group to "Nidec Instruments Corporation" on April 1, 2023.

3. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

4. NIDEC changed its company name of "Nidec-Read Corporation" which core of the Nidec Read Group to "Nidec Advance Technology Corporation" on April 1, 2023.

2) Orders received

Consolidated orders received by reporting segment for the year ended March 31, 2024 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)	Balance (Yen in millions)	Current to previous year ratio (%)
SPMS	332,206	100.4	25,579	117.5
AMEC	341,125	112.0	16,395	133.4
MOEN	473,716	103.4	343,146	118.4
ACIM	403,641	96.2	66,449	81.9
Nidec Instruments	157,363	104.2	32,974	123.1
Nidec Techno Motor	78,337	87.9	2,477	103.8
Nidec Mobility	-	-	-	-
Nidec Machinery and Automation	211,804	116.8	111,087	114.9
Nidec Advance Technology	22,346	48.7	12,478	42.1
Others	180,871	100.6	33,599	93.8
Total	2,201,409	101.9	644,184	108.0

- (Notes) 1. Intersegment transactions are eliminated.
2. Nidec Mobility adopts the production system based on estimated orders.
3. Orders received in the "Nidec Advance Technology" segment decreased compared to the previous fiscal year due to a decrease in customer demand.
4. NIDEC changed its company name of "Nidec Sankyo Corporation" which core of the Nidec Sankyo Group to "Nidec Instruments Corporation" on April 1, 2023.
5. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.
6. NIDEC changed its company name of "Nidec-Read Corporation" which core of the Nidec Read Group to "Nidec Advance Technology Corporation" on April 1, 2023.

3) Revenues

Consolidated revenues by reporting segment for the year ended March 31, 2024 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
SPMS	330,596	97.4
AMEC	338,540	111.1
MOEN	459,828	117.1
ACIM	428,009	100.0
Nidec Instruments	151,177	95.3
Nidec Techno Motor	78,245	87.7
Nidec Mobility	133,768	113.0
Nidec Machinery and Automation	204,388	126.8
Nidec Advance Technology	39,514	65.5
Others	183,094	103.3
Total	2,347,159	105.3

- (Notes) 1. Intersegment transactions are eliminated.
2. NIDEC changed its company name of "Nidec Sankyo Corporation" which core of the Nidec Sankyo Group to "Nidec Instruments Corporation" on April 1, 2023.
3. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.
4. NIDEC changed its company name of "Nidec-Read Corporation" which core of the Nidec Read Group to "Nidec Advance Technology Corporation" on April 1, 2023.

5. Material Agreements, etc.

(1) Cross license agreement

Party	Counterparty	Country	Item under contract	Contract description	Contract period
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. *1	From July 24, 2009 to May 7, 2030. (Renew or extend 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. *2	From April 1, 2013 to the expiration of the patent under contract

(Notes) *1. This is an agreement under which the Company pays consideration to NTN Corporation twice a year continuously.

*2. This is an agreement under which the Company pays consideration to Panasonic Corporation at once.

3. The cross license agreement of patents, etc. for fluid dynamic bearing and spindle motors for HDD with Minebea Mitsumi Inc., which was effective from December 18, 2004, was terminated during this fiscal year.

(2) Joint Venture Agreement

(Nidec Aerospace LLC)

On June 18, 2023 (Japan time), the Company signed an agreement to establish a joint venture company between the Company's US subsidiary, Nidec Motor Corporation, and Embraer S.A. ("Embraer"), a Brazilian air craft manufacturer, to develop Electric Propulsion Systems for the aerospace sector.

1. Purpose

The transaction combines the complementary synergies and distinct areas of expertise of two world-class engineering companies to spearhead a new era of air mobility.

The Company, the world's leading comprehensive motor manufacturer, will be backed by Embraer's more than 50-year history of complementary aerospace experience to design, certify, produce, and commercialize next-generation electric propulsion systems based on well-proven technologies suitable for powering more efficient and greener aircraft models. The JV will develop and manufacture the Electric Propulsion System for electric Vertical Take-Off Landing ("eVTOL") vehicles, with the aim of providing the system to non-eVTOL vehicles in the future.

2. Information on Joint Venture

Company Name	Nidec Aerospace LLC
Headquarters	St. Louis, Missouri, U.S.A.
Foundation	June 15, 2023
Business	Development, production and sale of electric propulsion system for eVTOL

3. Information on Embraer S.A.

Company Name	Embraer S.A.
Headquarters	Sao Jose dos Campos, Sao Paulo, Brazil
Foundation	1969
Business	Design, develop, manufacture and market aircraft and systems, providing services and support to customers after-sales

(3) Equity Transfer Agreement

(Houma Armature Works)

The Company announced that it has acquired full ownership of TAR, LLC d/b/a Houma Armature Works, a privately owned US company ("Houma"), from its founding family, through the Company's US subsidiary, Nidec Motor Corporation, on July 3, 2023 (US time).

1. Purpose

Houma manufactures, repairs, maintenances, upgrades and installation services for motors, generators and control systems. Through the Transaction, NIDEC will be able to enhance its service offering, including expanding its share within its own U.S. installed base.

2. Information on Houma Armature Works

Company Name	TAR, LLC d/b/a Houma Armature Works
Headquarters	Houma, Louisiana, U.S.A.
Foundation	1972
Business	Manufacturing, repair, maintenance, upgrades, and installation services for motors, generators, and control systems.

(Automatic Feed Company, Lasercoil Technologies LLC, Automatic Leasing Company)

The Company announced that it has acquired full ownership of Automatic Feed Company (currently, "NIDEC AUTOMATIC FEED COMPANY"), Lasercoil Technologies LLC, and Automatic Leasing Company (collectively the "Target"), from its founding family on August 1, 2023 (Japan time).

1. Purpose

The target is an Ohio, U.S.-based company that manufactures and sells peripheral equipment for medium and large presses and sheet metal cutting equipment for presses. Through the transaction, NIDEC will be able to offer a wide range of products and services to our customers and pursue following synergies in terms of products, sales, and technology.

- (1) Combine the Target's equipment with Nidec Minster Corporation and Nidec Arisa S.L.U.'s medium and large presses, offering a complete line on a turnkey basis.
- (2) Expand sales of Nidec Minster Corporation and Nidec Arisa S.L.U. presses to automotive customers based in North America.
- (3) Incorporation of laser blanking technology is our portfolio of products.

2. Information on Houma Armature Works

Company Name	(i) Automatic Feed Company (ii) Lasercoil Technologies LLC (iii) Automatic Leasing Company
Headquarters	Napoleon, Ohio, U.S.A.
Foundation	1949
Business	Manufacturing, sales and service for press peripheral equipment

(Note) The Target implemented an absorption-type merger on January 5, 2024 in which Automatic Feed Company was the surviving company and Lasercoil Technologies LLC and Automatic Leasing Company were the absorbed company. At the same time, Nidec changed its company name of "Automatic Feed Company" to "NIDEC AUTOMATIC FEED COMPANY".

6. Research and Development

The long-term objectives of our research and development 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.

We are focusing on five areas in market trends: decarbonization, power saving, manpower saving, 5G and thermal solutions, and digital data explosion. All of these are new needs that have risen against the backdrop of global social issues such as reducing carbon dioxide emissions, increasing data volumes, and dealing with aging populations and labor shortages. We plan to invest management resources intensively in promising markets where we can make use of our technological expertise. The spread of COVID-19, which developed into a global threat in 2020, has become a watershed that determines market orientation and brought about changes in market structure. Rapid progress in labor-saving and automation has led to stricter requirements for drive technologies used in automobiles, drones, and other products. The growth in data traffic due to the establishment and spread of telework has boosted demand for HDD motors and cooling modules for servers, and at the same time has led to the diversification of digital home appliances. In addition, the spread of 5G communications will ensure the effectiveness of new technologies in terms of infrastructure.

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, 2024 were ¥81,055 million. Internally developed costs recorded as intangible assets were ¥10,763 million.

In addition to the development divisions established within each business division, as “Corporate” division which does not belong to each segment, there are Nidec Shin-Kawasaki Technology Center and Nidec Research and Development Center, Taiwan to research fundamental technologies on motors in general for our future business. 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 and vibration technology, and control. Nidec Keihanna Technology Center engages in research and development activities aiming to realize smart factories with robot and IoT. We focus on research and development of new materials and systems, and production technology evolution which is independent of existing manufacturing methods, such as inspection technology innovation, data analysis, simulation, and others. 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, 2024, which is categorized as "Corporate", were ¥6,027 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, we conduct 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.

Our research and development activities during the fiscal year ended March 31, 2024 were as follows:

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 water-cooling modules for servers and air-conditioning heat pumps, as well as mobility solution fields such as motors for small EV, electric motorcycles, and electric bicycles. We have shifted to mass production of water-cooling modules and drone motors at a factory in Thailand.

The SPMS segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥15,884 million.

(2) AMEC

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

Our research and development activities during the fiscal year ended March 31, 2024 were as follows:

As for automotive motors, we are strengthening the development of drive motors for electric vehicles (EV). We are developing a compact and lightweight driving motor for the 3rd generation EV by drastically reducing the amount of raw material used and localizing development, parts procurement and production. At the same time, we are proceeding with the development of magnet-free driving motors for next-generation EV as part of the Green Innovation Fund project established by the New Energy and Industrial Technology Development Organization (NEDO) to realize decarbonized society. We are also developing compact, high-performance motors for next-generation power steering systems, motors for applications other than power steering systems (such as brakes, clutches, seats, and sunroofs), and associated electronic control units, as well as pump actuators for vehicle heat management. AMEC is lately 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, 2024 were ¥24,097 million.

(3) MOEN

In the MOEN segment, our research and development activities during the fiscal year ended March 31, 2024 were as follows:

- Power quality stabilization solutions
 - Battery Energy Storage System (BESS)
 - Electric vehicle charging station
 - Power quality stabilization solutions for renewable energy
- Industrial Automation
 - Driving mechanism module for transfer robots for automated warehouse systems
 - Joint module for robot arms
- Industrial and data center electrical generators
 - Industrial / commercial / residential / construction electrical generators
 - Communication base station electrical generators
- Electric equipment for construction machinery and commercial vehicles
 - Utility Task Vehicle, motors, gears and control units for golf carts
 - Large traction motor
 - Motors, gears and control units for aerial work vehicles, and material handling

- Drive units
 - Small universal drives
 - Drives for various industries such as pumps and air conditioning
 - High power drives for infrastructure
- Elevator
 - Slim traction machine for MRL (Machine Roomless Elevator), gearless traction machines for freight elevators
 - Control unit and peripheral equipment
 - Package solutions for traction machine and control unit
- Parts for electric vehicles
 - EV traction motor
- Other products developed for new markets
 - Motors and control units for high altitude (sub-stratospheric) airframe platforms
 - Motors and control unit for electric vertical takeoff and landing aircraft

The global trend toward the realization of a decarbonized society is rapidly promoting electrification and energy saving in the industrial world. In particular, there is a growing demand for highly energy-efficient industrial equipment. At the same time, demand for production automation systems is expanding, reflecting a shortage of labor.

Against this backdrop, we are currently focusing on research and development of a battery energy storage system (BESS) that enables stable and efficient use of electricity, generators for data centers, transfer robots for automated warehouses, and driving motors for commercial vehicles. In particular, the development of products that contribute to decarbonization is rapidly becoming more important. The main focus of BESS development, which can be said to be at the top of this, is the stable supply of low-cost electricity and the reduction of greenhouse gas emissions from industrial facilities and we are developing solutions that integrate renewable energy generation, storage and distribution up to transmission. In addition, in the development of driving motors for commercial vehicles, we are focusing on contributing to the hybrid and electric drive of large vehicles such as construction machinery and agricultural machinery as well as utility task vehicles.

The MOEN segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥4,739 million.

(4) ACIM

In the ACIM segment, we mainly conducts research and development of motors, compressors and electronic drives for residential, commercial, home appliance and industrial uses. Our research and development activities during the fiscal year ended March 31, 2024 were as follows:

- Residential and commercial use: motors used in air conditioning equipment and commercial refrigeration equipment, and others
- Home appliance use: motors used in washing machines, dryers, dishwashers, and compressors, and refrigerator compressors
- Industrial use: IE3 (premium efficiency), IE4 and IE5 compatible motors, and motors for various pumps used in water supply and sewerage, irrigation facilities and gas mining
 - This business focuses on the research and development of super premium class (IE4 and IE5) high-efficiency motors, and contributes to energy conservation in industrial facilities by reducing power consumption by motors.
- New research and development programs on electric propulsion for medium size passenger aircrafts.

The ACIM segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥8,881 million.

(5) Nidec Instruments

The Nidec Instruments 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 Instruments has been downsizing products, enhancing product performance and improving cost-performance. In addition, Nidec Instruments is developing its own optical image stabilizer for smartphones (TiltAC), as well as tactile devices for gaming devices and AR/VR applications. With respect to the motor drive product group, Nidec Instruments 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, which meet the demand for thermal cooling related to the electrification of automobile, and industrial equipment markets. In the area of system equipment-related business, Nidec Instruments is strengthening the security of peripheral equipment for various types of card media, and aggressively expanding into the fields of liquid crystal and organic EL displays, semiconductor robots, and transportation within vacuum devices.

The Nidec Instruments segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥3,585 million.

(6) Nidec Techno Motor

The Nidec Techno Motor segment develops motors for air conditioning and home appliances in Fukui, Kyoto, China and Thailand, while industrial motors are developed in Fukuoka and China.

As for motors for air conditioning and home appliances, the market for air conditioning is expanding globally due to global warming. In addition, the energy-saving regulations required for products are becoming stricter year by year, and the demand (market) for DC motors, which Nidec Techno Motor is promoting, continues to expand.

At the same time, in order to respond to various changes in the environment, such as soaring prices of copper wire, steel, and resin materials, which are the main materials, and fluctuations in exchange rates, we are advancing the development of elemental technologies and production technologies and accelerating business expansion by intermittently introducing new small and light motors to the market.

The Nidec Techno Motor segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥1,151 million.

(7) 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 recent years, we have taken advantage of NIDEC Group synergies to develop technologies for electric water pumps, electric oil pumps, and inverters, which are components of traction units for small EV vehicles, combining automotive motors, and to develop products through the use of power packs.

The Nidec Mobility segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥7,772 million.

(8) Nidec Machinery and Automation

In the Nidec Machinery and Automation 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. Regarding machine tool related products, we are developing machine tools for automobiles, automobile parts, metal molds, construction machinery, and electrical and precision machinery in Japan.

As for products related to reducers, we are conducting research and development activities centered on FLEXWAVE, a reducer for precision control (in particular, the “Smart FLEXWAVE” with a built-in multi-sensor for driving the joints of cooperative robots), the KINEX series of large reducers for robots, and the high-precision specifications of the VRS planetary gears (1-minute grinding specifications) for automation equipment that requires high-precision rotation. We are focusing on product development for installation in industrial robots, machine tools, and automation equipment, targeting not only Japanese but also Asian, European, and American markets.

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.

In the machine tool business, we are promoting the development of gear machines to meet the needs for higher accuracy and efficiency of gears represented by the EV shift. The need for higher precision is increasing not only in Japan but also in high-growth markets such as China and India, and we are promoting development that provides a set of software and processing technology in addition to the machine body.

As for large-scale machines, we are conducting research and development on double-column 5-face milling machines, laser processing machines, metal 3D printers, etc., and are promoting development that meets the needs of both domestic and overseas customers. We are conducting research and development to respond to minute and precise needs. For example, we are developing double-column 5-face milling machines to cope with larger work pieces for EV and wind power generation, laser processing machines to cope with complex shapes in addition to fine holes, and metal 3D printers to be applied to the automobile and defense markets.

Demand for machining centers to improve production efficiency has been increasing due to the integration of advanced machining processes and the decreasing labor force. By introducing 5-axis machining units and promoting research and development in response to automation needs, we developed and launched the new model “Vertical 5-Axis Machining Center VB-X350”. In addition, we have focused on the development of not only machines but also software such as a “load output function (load logger)” that can record various data obtained from the machining center during machining on a personal computer, and a function that displays the power consumption of the machine on the screen of the NC device.

The Nidec Machinery and Automation segment’s research and development expenses for the fiscal year ended March 31, 2024 were ¥2,444 million.

(9) Nidec Advance Technology

The Nidec Advance Technology segment is developing inspection equipment for determining the quality of electronic circuits wired on semiconductor package substrates and printed circuit boards.

The functions and performance of electronic devices used in electronic equipment and automobiles are increasing and diversifying. We are developing a new type of inspection equipment that can accurately and quickly inspect various substrates. We are also conducting research and development on process automation with the aim of improving production efficiency and shortening delivery of inspection jigs to be mounted on such inspection equipment.

Also, targeting the expanding EV market, we are developing equipment for performance tests and endurance tests of traction (for driving) motors and equipment for automatically inspecting the characteristics of IGBT modules in normal and high temperature environments.

The Nidec Advance Technology segment’s research and development expenses for the fiscal year ended March 31, 2024 were ¥2,121 million.

(10) Others

The Others segment is engaged in research and development of automotive products, equipment and devices, electronic components, and other small motors.

The Others segment's research and development expenses for the fiscal year ended March 31, 2024 were ¥4,354 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, 2024 was ¥112,049 million. This mainly consists of capital investment to increase production capacity of overseas subsidiaries.

The amounts of capital investment by segment are as follows:

(Yen in millions)

	For the year ended March 31, 2024
SPMS	9,288
AMEC	27,994
MOEN	7,190
ACIM	19,840
Nidec Instruments	5,559
Nidec Techno Motor	3,891
Nidec Mobility	5,403
Nidec Machinery and Automation	14,161
Nidec Advance Technology	2,019
Others, Corporate	16,703
Total	112,049

(Notes) 1. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

2. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

2. Major Property, Plant and Equipment

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

(1) The Company

(As of March 31, 2024)

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)	Others	Total	
Headquarters (Minami-ku, Kyoto)	-	Head office facilities	2,745	31	3,591 (20)	569	6,936	378 (8)
Nidec PARK Building C and Central Technical Laboratory (Muko-city, Kyoto)	SPMS	Head office facilities and development facilities for small precision motors	17,852	135	4,350 (79)	1,016	23,353	610 (8)
Tokyo Office (Shinagawa-ku, Tokyo)	-	Sales facilities for products	1,116	2	2,026 (2)	50	3,194	37 (1)
Shiga Technical Center (Aisho-cho, Echigun, Shiga)	AMEC	Development facilities for automotive products	2,943	233	1,780 (61)	230	5,186	423 (11)
Nidec Research and Development Center (Saiwai-ku, Kawasaki-city, Kanagawa)	-	Fundamental and applied research facilities	2,776	9	1,281 (6)	243	4,309	241 (6)
Nidec Corporation Head Office ANNEX Global Learning Center (Minami-ku, Kyoto)	-	Employee training facilities	2,691	0	410 (4)	118	3,219	20 (-)
Nidec Center for Industrial Science and Technology (Seika-cho, Soraku-gun, Kyoto)	-	Fundamental and applied research facilities	5,524	423	1,068 (27)	315	7,330	201 (3)

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

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. 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, 2024)

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)	Others	Total	
Nidec Drive Technology Corporation (Muko-city, Kyoto)	Nidec Machinery and Automation	Manufacturing facilities for machinery	3,798	3,176	1,370 (99) [21]	4,879	13,223	577 (98)
Nidec Precision Corporation (Itabashi-ku, Tokyo)	Others	Manufacturing facilities for small precision motors, machinery electronic and optical parts	2,168	3,458	2,905 (61) [127]	3,943	12,475	468 (137)
Nidec Instruments Corporation (Shimosuwa- cho, Suwa-gun, Nagano)	Nidec Instruments	Manufacturing facilities for small precision motors, automotive products, machinery and electronic parts	5,213	632	5,451 (493) [-]	847	12,143	899 (144)
Nidec Mobility Corporation (Komaki-city, Aichi)	Nidec Mobility	Manufacturing facilities for automotive products	2,689	1,796	1,968 (11) [-]	321	6,774	421 (326)
Nidec components Corporation (Shinjuku-ku, Tokyo)	Others	Manufacturing electronic part	3,017	1,436	1,317 (178) [3]	751	6,522	526 (59)

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

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. 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.

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

(3) Overseas subsidiaries

(As of March 31, 2024)

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)	Others	Total	
Nidec Automotive Motor (Zhejiang) Corporation (Pinghu, Zhejiang, China)	AMEC	Manufacturing facilities for automotive products	3,853	41,313	- (-) [57]	3,202	48,368	1,980 (612)
Nidec motor (Dalian) Ltd. (Dalian, Liaoning, China)	AMEC	Manufacturing facilities for small precision motors and automotive products	3,946	21,896	304 (-) [138]	3,613	29,759	2,582 (-)
Nidec Motors & Actuators (Poland) Sp.z o.o. (Niepolomice, Poland)	AMEC	Manufacturing facilities for automotive products	5,554	13,586	282 (74) [-]	5,948	25,370	1,051 (377)
Nidec Global Appliance Brazil Ltda. (Santa Catarina, Brazil)	ACIM	Manufacturing facilities for appliance, commercial and industrial products	6,107	13,049	73 (717) [-]	6,108	25,337	3,873 (479)
Nidec Automotive Motor Mexicana S de RL de C.V. (Chihuahua, Mexico)	AMEC	Manufacturing facilities for automotive products	1,965	15,642	- (-) [103]	5,443	23,050	1,663 (-)

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

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. The figures of "Number of employees" in round bracket are those of the annual average number of temporary employees, which are excluded from the number of employees.

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

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, 2024 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	25,490	Own funds, borrowing	year 2020	year 2030
Nidec Automotive Motor (Zhejiang) Corporation	Pinghu, Zhejiang, China	AMEC	Manufacturing factory for automotive products	45,000	41	Own funds	August 2022	March 2025
Nidec Motors & Actuators (Poland) Sp.z o.o.	Niepolomice, Poland	AMEC	Manufacturing factory for automotive products	10,934	6,616	Own funds	October 2019	June 2024

(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, 2024)	Number of shares issued as of the filing date (Shares) (June 19, 2024)	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 Prime Market	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, 2024)

(As of March 31, 2024)

	Status of shares (one unit of shares: 100 shares)								Number of shares less than one unit (Shares)
Category	Government and municipality	Financial institution	Financial instruments business operator	Other institution	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders	-	141	72	2,527	857	597	152,742	156,936	-
Share ownership (Unit)	-	2,230,482	139,459	412,835	1,575,922	6,148	1,590,174	5,955,020	782,468
Ownership percentage of share (%)	-	37.46	2.34	6.93	26.46	0.10	26.70	100	-

(Notes) 1. Of 21,213,851 treasury stock, 212,138 units are included in the "Individuals and others", while 51 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, 712 units are included in the "Other institution" column and 72 shares are included in the "Number of shares less than one unit" column.

(6) Major shareholders

(As of March 31, 2024)

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)	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	77,005	13.39
Shigenobu Nagamori	Nishikyo-ku, Kyoto	49,473	8.60
Custody Bank, of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	29,458	5.12
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	4.31
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto	20,245	3.52
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851	2.58
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 (Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo)	13,159	2.28
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	2.22
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)	11,173	1.94
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (11-1, Nihombashi 3-chome, Chuo-ku, Tokyo)	9,776	1.70
Total	-	262,747	45.68

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

2. The Number of shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank, of Japan, Ltd. (trust account) for their trustee business is not described because the Company is not able to grasp it.

3. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on October 16, 2023, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of October 9, 2023, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2024 (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. (%)
The Bank of Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,851,804	2.49
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	9,251,980	1.55
Mitsubishi UFJ Asset Management Co., Ltd.	9-1, Higashishimbashi 1-chome, Minato-ku, Tokyo	6,235,600	1.05
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	989,485	0.17
Total	-	31,328,869	5.25

4. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on November 21, 2023, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of November 15, 2023, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2024 (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	12,654,064	2.12
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	10,806,500	1.81
Total	-	30,472,164	5.11

5. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on November 22, 2022, has been received from Baillie Gifford & Co and states that each of these companies held shares as of November 15, 2022, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2024 (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. (%)
Baillie Gifford & Co	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	1,572,800	0.26
Baillie Gifford Overseas Limited	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	23,165,889	3.89
Total	-	24,738,689	4.15

6. The Statement of Correction was submitted on September 13, 2023, for the Statement of Changes to a Statement of Large-Volume Holdings that was made available for public inspection on April 7, 2020, from Capital Research and Management Company. It 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, 2024 (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 Correction to a Statement of Changes 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.	9,585,706	3.22
Capital International Inc.	11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A.	742,855	0.25
Capital International Co., Ltd.	1-1-14F, Marunouchi 2-chome, Chiyoda-ku, Tokyo	1,226,900	0.41
Total	-	11,555,461	3.88

7. The Statement of Large-Volume Holdings, made available for public inspection on October 7, 2022, has been received from Nomura Securities Co., Ltd. and states that each of these companies held shares as of September 30, 2022, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2024 (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. (%)
Nomura Securities Co., Ltd.	13-1, Nihombashi 1-chome, Chuo-ku, Tokyo	2,494,217	0.42
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	27,720,700	4.65
Total	-	30,214,917	5.07

8. The Statement of Large-Volume Holdings, made available for public inspection on March 3, 2023, has been received from BlackRock Japan Co., Ltd. and states that each of these companies held shares as of February 28, 2023, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2024 (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. (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi, 1-chome, Chiyoda-ku, Tokyo, Japan	9,785,100	1.64
BlackRock Advisers, LLC	251, Little Falls Drive, Wilmington, Delaware, USA	1,078,820	0.18
BlackRock Investment Management LLC	251, Little Falls Drive, Wilmington, Delaware, USA	814,039	0.14
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA, Amsterdam, Netherlands	1,502,758	0.25
BlackRock Fund Managers Limited	12, Throgmorton Avenue, London, United Kingdom	1,197,620	0.20
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	2,461,700	0.41
BlackRock Fund Advisors	400, Howard Street, San Francisco, CA, USA	7,151,800	1.20
BlackRock Institutional Trust Company, N.A.	400, Howard Street, San Francisco, CA, USA	5,756,648	0.97
BlackRock Investment Management (UK) Limited	12, Throgmorton Avenue, London, United Kingdom	695,900	0.12
Total	-	30,444,385	5.11

(7) Information on voting rights

1) Issued shares

(As of March 31, 2024)

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 21,213,800	-	-
Shares with full voting rights (others)	Ordinary share 574,288,200	5,742,882	-
Shares less than one unit	Ordinary share 782,468	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,742,882	-

- (Notes) 1. The "Shares with full voting rights (others)" row includes 71,200 shares registered in the name of Japan Securities Depository Center ("JASDEC") and the "Number of voting rights" column includes 712 voting rights for those shares. The "Shares with full voting rights (others)" row includes 400 shares registered in the name of Nidec Drive Technology 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 Drive Technology 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 51 shares of the Company's treasury stock.
3. Ordinary shares in the "Shares with full voting rights (others)" row include 315,200 shares (3,152 voting rights) of the BIP Trust and 156,700 shares (1,567 voting rights) of the ESOP Trust.
4. The "Shares with full voting rights (treasury Stock, etc.)" column consists entirely of treasury stock owned by Nidec Corporation.

2) Treasury stock, etc.

(As of March 31, 2024)

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	21,213,800	-	21,213,800	3.55
Total	-	21,213,800	-	21,213,800	3.55

(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 Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and other executives equivalent in rank thereto (the "Members of the Board of Directors et al. of NIDEC") and for our major group companies' Members of the Board of Directors (excluding outside Members of the Board of Directors) and Executive Officers (the "Members of the Board of Directors et al. of NIDEC Group", collectively referred to as the "Members of the Board of Directors et al. of NIDEC" are inclusive of our company directors and are collectively referred to as the "Eligible Board Members"). This Plan was partially revised in the 51st Regular General Meeting Shareholders held on June 18, 2024.

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:	August, 2024 (tentative)
Trust period:	July 26, 2018, through August 31, 2027 (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:	¥2.73 billion (tentative) (including trust fees and trust expenses)
Share acquisition method:	The Company's shares will be acquired from the Company (through disposal of treasury stocks) or the stock market.
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 370,000 shares (three-year total) (including shares for group companies)

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, we are planning to revise a part of the content of this Plan in 2024. Upon finalizing the details, we will disclose them promptly and provide additional information in the Annual Securities Report for the following 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:	¥1.58 billion
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)

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 24, 2023 (Term of validity: from January 25, 2023 to January 24, 2024)	5,000,000	35,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2024	1,020,000	6,882,558,300
Treasury stock acquired during the fiscal year ended March 31, 2024	151,400	983,247,800
Treasury stock not acquired for the fiscal year ended March 31, 2024	3,828,600	27,134,193,900
The percentage of remaining treasury stock not acquired as of March 31, 2024 (%)	76.57	77.53
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 (%)	76.57	77.53

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on January 24, 2024 (Term of validity: from January 25, 2024 to May 24, 2024)	2,000,000	11,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2024	-	-
Treasury stock acquired during the fiscal year ended March 31, 2024	-	-
Treasury stock not acquired for the fiscal year ended March 31, 2024	2,000,000	11,000,000,000
The percentage of remaining treasury stock not acquired as of March 31, 2024 (%)	100.00	100.00
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 (%)	100.00	100.00

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on May 24, 2024(Term of validity: from May 27, 2024 to May 26, 2025)	5,000,000	35,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2024	--	-
Treasury stock acquired during the fiscal year ended March 31, 2024	-	-
Treasury stock not acquired for the fiscal year ended March 31, 2024	-	-
The percentage of remaining treasury stock not acquired as of March 31, 2024 (%)	-	-
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 (%)	100.00	100.00

(Note) Treasury stock acquired during the period after the reporting period to the filing date of this report does not include acquisition of treasury stock from June 1, 2024 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, 2024	6,746	45,156,399
Treasury stock acquired during the period after the reporting period to the filing date of this report	401	2,871,979

(Note) Treasury stock acquired during the period after the reporting period to the filing date of this report does not include acquisition of shares less than one unit purchased from June 1, 2024 to the filing date of this report.

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

Classification	Fiscal year ended March 31, 2024		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 (-)	-	-	-	-
Total number of treasury stock held	21,213,851	-	21,214,252	-

(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, 2024 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 ¥40.00 per share for the fiscal year ended March 31, 2024 together with the interim dividend of ¥35.00 per share. As a result, the dividend payout ratio for the fiscal year ended March 31, 2024 on a consolidated basis was 34.4%.

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 23, 2023	20,128	35
The Meeting of the Board of Directors on May 24, 2024	23,003	40

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 "3 Principles of Nidec's Operations".

② Corporate governance system

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

In addition to the Board of Directors, the Audit and Supervisory Committee and the Accounting Auditor as stipulated in the Companies Act, the Company has established the Executive Management Meeting and the Monthly Executive Meeting as executive bodies. NIDEC has also established a Nomination Committee and a Remuneration Committee as advisory bodies to the Board of Directors.

As of March 31, 2024, the Board of Directors consists of 10 directors, including Shigenobu Nagamori, the Chairman and Representative Director, a majority of whom are independent Outside Directors. These directors make decisions on important management matters and supervise business execution. The Audit and Supervisory Committee, which comprises 5 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 3 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 3 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 Executive Management Meeting is held twice a month as the decision-making body for business execution. The President serves as the chairman and conducts pre-deliberation on matters to be submitted to the Board of Directors, as well as deliberation and resolution on business directions, plans, and individual important matters. The Monthly Executive Meeting is held once a month with the participation of all Executive members, and under the chairmanship of the Chief Executive Officer, it shares the enforcement of business execution policies and addresses important management themes and risk management, promoting business activities.

The majority of the members of the Nomination Committee are independent Outside Directors, with 5 members consisting of 2 Inside Directors and 3 independent Outside Directors. The Nomination Committee deliberates on matters such as basic policies and criteria concerning the election of Directors and Executive Officers, etc., and decisions on candidate proposals in response to requests by the Board of Directors and reports the results to the Board of Directors. The majority of the members of the Remuneration Committee are independent Outside Directors, with 5 members consisting of 2 Inside Directors and 3 independent Outside Directors. The Remuneration Committee deliberates on basic policies and remuneration structures related to executive remuneration in response to requests from the Board of Directors and reports the results to the Board of Directors. The Nomination Committee and the Remuneration Committee secure fairness, transparency and objectivity by obtaining appropriate involvement and advice from independent Outside Directors, and further enhance the NIDEC's corporate governance system in order to strengthen global competitiveness and lead to sustainable growth and development of the business.

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 our 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 our 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 of our group's officers and employees understand and act on them.
- As part of its compliance promotion activity, the Company holds compliance seminars for our individual 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 our group, the Company has in place a group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage our 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 our group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in our individual 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 of our group with internal control system-related instructions and support, and manage and audit our companies to ensure legal, proper, and efficient business operations.
- The internal audit departments of the Company and its subsidiaries conduct internal audits on our individual 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 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 the Company's risk management departments and our 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 our companies on the design of their risk management systems, as appropriate.
- In addition to "Risk Management Regulations," which are intended to manage daily risks, the Company adopts our 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. The Company established the Information Security Basic Regulations to secure our 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.
- The division responsible for managing information security 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, as appropriate.

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.
- Our 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 Executive Management Meeting and the Monthly Executive 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 our group companies as well, attend their Executive Management Meetings (Keiei-kaigi), hold a group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within our group.
- The administrative departments responsible for our individual 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 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 our 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 of our 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 our group companies.
 - The Company's Legal & Compliance Department reports the status of whistle blowing by our group's officers and employees to the Company's Audit and Supervisory Committee on a regular basis.
 - Our group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the 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 our individual companies onsite to conduct audits on operations.

3)Activities of the Board of Directors

NIDEC holds a meeting of the Board of Directors once a month in principle, and as needed. During the fiscal year under review, the Board of Directors meetings were held 26 times. The attendance of individual directors is as follows.

Name	Number of times held	Number of times attended
Shigenobu Nagamori	26	26
Hiroshi Kobe	26	24
Shinichi Sato	26	21
Yayoi Komatsu	26	22
Takako Sakai	26	23
Kazuya Murakami	26	26
Hiroyuki Ochiai	26	26
Aya Yamada	26	24
Tamame Akamatsu	6	5
Junko Watanabe	26	25
Hiroe Toyoshima	20	20

(Notes) 1. The difference in the number times held is due to the difference in the timing of appointment.

2. Changes in the Members of the Board of Directors (Audit and Supervisory Committee Members) at the Regular General Meeting of Shareholders held on June 20, 2023 are as follows:

- (1) Ms. Hiroe Toyoshima has been newly elected and appointed as a Member of the Board of Directors (Audit and Supervisory Committee Member).
- (2) Ms. Tamame Akamatsu retired from a Member of the Board of Directors(Audit and Supervisory Committee Member).

3. Mr. Kunio Umeda was newly elected as a director (Audit and Supervisory Committee Member) at the Regular General Meeting of Shareholders held on June 18, 2024. Therefore, his number of the times attended in this fiscal year is not recorded.

Specific details of activities by the Board of Directors are as follows.

The Board of Directors determines matters stipulated by laws and regulations, important matters related to corporate management and group management, and other matters stipulated in the Regulations of the Board of Directors. It also supervises the execution of Directors and Executive Officers' duties by receiving reports on the status of execution of duties from Directors and Executive Officers.

4)Activities of the Nomination Committee

In the current fiscal year, the company held 1 Nomination Committee meeting. The attendance of each Nomination Committee members is as follows.

Name	Number of times held	Number of times attended
Shigenobu Nagamori	1	1
Hiroshi Kobe	1	1
Yayoi Komatsu	1	1
Takako Sakai	1	1
Aya Yamada	1	1

Specific details of activities by the Nomination Committee are as follows.

The Nomination Committee deliberates, among issues, selection policies and criteria, succession plans, and their details of such executive positions as Members of the Board of Directors and Vice Presidents, as well as a draft list of the candidates for the Board of Directors, President, and Executive Vice Presidents.

While the Nominating Committee held a meeting once during this business year, the Committee constantly implemented actions to select new President (e.g., interviewing candidates, listening to those candidates' presentations on presidential business policy, and exchanging opinions) throughout the fiscal year, holding discussions on a regular basis.

5)Activities of the Remuneration Committee

In the current fiscal year, the company held 2 meetings of the Remuneration Committee, and attendance of the individual Remuneration Committee members is as follows.

Name	Number of times held	Number of times attended
Shigenobu Nagamori	2	2
Hiroshi Kobe	2	2
Shinichi Sato	2	2
Takako Sakai	2	2
Aya Yamada	2	2

Specific details of activities by the Renomination Committee are as follows.

The Remuneration Committee deliberates, among other issues, preparing a policy for determining executive compensations, and designing a remuneration system (e.g. setting a business performance target, the rationality of performance-linked compensation, the validity of the components of compensations, and the amounts of individual remunerations based on the remuneration system).

6)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 contract'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.

7) 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 Members of the Board of Directors

1) The number of the Members of the Board of Directors

The Company's Articles of Incorporation sets forth that the number of the Members of the Board of Directors who are not Audit and Supervisory Committee Members shall not exceed 15, and that the number of the Members of the Board of Directors who are Audit and Supervisory Committee Members shall not exceed 5.

2) Requirements for a resolution on the election of the Members of the Board of Directors

The Company's Articles of Incorporation sets forth that a resolution on the election of Members of the 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 Members 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 the 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 the Regular General Meeting of Shareholders for the final fiscal year that ends within 2 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 that are women: 36.4%)

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Founder and Chairman of the Board	Shigenobu Nagamori	August 28, 1944	<p>Jul. 1973: Founded NIDEC Representative Director, Chairman of the Board and President Chief Executive Officer (CEO)</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</p> <p>Apr. 2022: Chief Executive Officer (CEO)</p> <p>Apr. 2024: Founder and Executive Chairman</p> <p>Jun. 2024: Founder and Chairman of the Board (current position)</p>	*4	49,473
Representative Director and President Chief Executive Officer (CEO)	Mitsuya Kishida	February 7, 1960	<p>Apr. 1983: Sony Corporation (currently, Sony Group Corporation)</p> <p>Apr. 2018: Representative Director and President, Sony Mobile Communication Inc.</p> <p>Apr. 2021: Senior Vice President, Sony Corporation</p> <p>Jan. 2022: Senior Vice President, NIDEC</p> <p>Jul. 2022: First Senior Vice President</p> <p>Apr. 2023: Executive Vice President</p> <p>Sep. 2023: Member of the Board of Directors and Chairman, Nidec Powertrain Systems Corporation (current position)</p> <p>Member of the Board of Directors and Chairman, Nidec Elesys Corporation (current position)</p> <p>Oct. 2023: Member of the Board of Directors and Chairman, Nidec Mobility Corporation (current position)</p> <p>Apr. 2024: President Chief Executive Officer (CEO) (current position)</p> <p>Jun. 2024: Representative Director and President (current position)</p>	*4	0

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Member of the Board of Directors and Chairman	Hiroshi Kobe	March 28, 1949	<p>Jul. 1973: Participated in the foundation of NIDEC</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)</p> <p>Jun. 2022: Representative Director and Vice Chairman</p> <p>Sep. 2022: Representative Director and President Chief Operating Officer (COO)</p> <p>Apr. 2024: Member of the Board of Directors and Chairman (current position) Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation (current position)</p>	*4	948

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member)	Kazuya Murakami	January 18, 1955	<p>Apr. 1977: Joined 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</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, European Bank for Reconstruction and Development</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</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 (currently, Nidec Drive Technology Corporation) (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec-Read Corporation (currently, Nidec Advance Technology 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 (Fulltime 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> <p>Apr. 2023: Member of the Audit and Supervisory Board, Nidec OKK Corporation (current position)</p> <p>Mar. 2024: Member of the Audit and Supervisory Board, Takisawa Machine Tool Co., Ltd. (current position)</p>	*5	4

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member)	Hiroyuki Ochiai	July 3, 1959	<p>Apr. 1983: Joined Ministry of International Trade and Industry of Japan (currently, the Ministry of Economy, Trade and Industry of Japan)</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</p> <p>Aug. 2012: Returned to the Ministry of Economy, Trade and Industry of Japan. Director - General, Training Institute of Economy, Trade and Industry</p> <p>Dec. 2012: Left Ministry of Economy, Trade and Industry of Japan</p> <p>Mar. 2013: General Manager, General Affairs Department, NIDEC</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 (currently, Nidec Instruments Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Copal Electronics Corporation (currently, Nidec Components Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Copal Corporation (currently, Nidec Precision Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Servo Corporation (currently, Nidec Advanced motor 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 (Fulltime Audit and Supervisory Committee Member) (current position) Member of the Audit and Supervisory Board, Nidec Tosok Corporation (currently, Nidec Powertrain Systems Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Elesys Corporation (current position)</p>	*5	1

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors	Shinichi Sato	November 4, 1956	<p>Apr. 1980: Joined Ministry of Finance of Japan</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 of Japan</p> <p>Jul. 2003: Director, the Research Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2004: Director, Indirect Tax Policy Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2005: Director, Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2006: Director, Secretarial Division, the Minister's Secretariat, the Minister's the Ministry of Finance of Japan</p> <p>Jul. 2009: Deputy Director-General, the Tax Bureau, the Ministry of Finance of Japan</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 of Japan</p> <p>Jun. 2013: Director-General, the Minister's Secretariat, the Ministry of Finance of Japan</p> <p>Jul. 2014: Director-General, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jun. 2016: Vice-Minister of Finance</p> <p>Jul. 2017: Left Ministry of Finance of Japan</p> <p>Nov. 2017: Executive Consultant, Suntory Holdings Limited (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, NIDEC (current position)</p>	*4	-

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors	Yayoi Komatsu	March 23, 1959	<p>Apr. 1981: Joined Ministry of Education, Science, Sports and Culture of Japan (currently, the Ministry of Education, Culture, Sports, Science and Technology of Japan)</p> <p>Jul. 1995: Superintendent, the Kakegawa City Board of Education</p> <p>Apr. 1998: Superintendent, the Sendai City Board of Education</p> <p>Apr. 2001: Director, Early Childhood Education Division, Elementary and Secondary Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Apr. 2003: Director, Medical Education Division, Higher Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology of Japan</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 of Japan</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 of Japan</p> <p>Dec. 2016: Left Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Jun. 2017: Superintendent, the Saitama Prefecture Board of Education</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 (current position)</p>	*4	0

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of 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</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 (current position)</p>	*4	0
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 (current position)</p>	*5	-
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Hiroe Toyoshima	September 28, 1967	<p>Apr. 1998: Registered as attorney-at-law, the Osaka Bar Association Joined Nakamoto & Partners</p> <p>Nov. 2005: Registered as attorney-at-law in the state of New York, USA</p> <p>Apr. 2009: Partner, Nakamoto & Partners (current position)</p> <p>Oct. 2015: Outside Member of the Board of Directors, Sanesu Co., Ltd.</p> <p>Jun. 2020: Outside Member of the Board of Directors, Nitta Corporation (current position) Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., Ltd. (current position)</p> <p>Jun. 2023: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p>	*6	-

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Kunio Umeda	March 10, 1954	<p>Apr. 1978: Joined the Ministry of Foreign Affairs of Japan</p> <p>Apr. 1995: Director, Second Southeast Asia Division, Asian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jul. 1996: Director, Regional Policy Division, Asian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jul, 1997: Counsellor, the Japanese Embassy in Republic of Peru and Consul-General in Lima, the Ministry of Foreign Affairs of Japan</p> <p>Sep, 1998: Counsellor, the Japanese Embassy in United states of America, the Ministry of Foreign Affairs of Japan</p> <p>Jun, 1999: Counsellor, the Permanent Mission of Japan to the United Nations</p> <p>Jan, 2002: Minister, the Permanent Mission of Japan to the United Nations</p> <p>Sep, 2002: Director, Personnel Division, Minister's Secretariat, the Ministry of Foreign Affairs of Japan</p> <p>Sep, 2004: Counsellor, Minister's Secretariat, Foreign Policy Bureau and Asian and Oceanian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Dec, 2006: Chief Minister, the Japanese Embassy in People's Republic of China, the Ministry of Foreign Affairs of Japan</p> <p>Aug, 2010: Director-General, Southeast and Southwest Asian Affairs Department, Asian and Oceanian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Sep, 2012: Director-General, International Cooperation Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jan, 2014: Ambassador Extraordinary and Plenipotentiary of Japan to Federative Republic of Brazil</p> <p>Oct, 2016: Ambassador Extraordinary and Plenipotentiary of Japan to the Socialist Republic of Vietnam</p> <p>Apr, 2020: Left the Ministry of Foreign Affairs of Japan</p> <p>Nov, 2020: Special Assistant to the Ministry of Foreign Affairs of Japan (current position)</p> <p>Jun, 2024: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p>	*5	-
Total					50,429

- * 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, Ms. Aya Yamada, Ms. Hiroe Toyoshima and Mr. Kunio Umeda 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 follow.

Name	Date of birth	Brief personal records	Number of shares held (thousands of shares)
Hiroko Takiguchi	December 24, 1963	<p>Apr. 1992: Registered as attorney-at-law, the Osaka Bar Association Joined Kitahama Law Office (currently, Kitahama Partners L.P.C.)</p> <p>Jan. 2003: Partner, Kitahama Partners L.P.C. (current position)</p> <p>May. 2005: Outside Member of the Board of Directors, Medical Ikkou Co., Ltd. (currently, Medical Ikkou Group Co., Ltd.)</p> <p>Apr. 2018: Specially Appointed Professor, Osaka University Law School</p> <p>Sep. 2020: Auditor, Kyoto Institute of Technology (current position)</p> <p>Apr. 2021: Vice Chairperson, Osaka Bar Association</p> <p>Mar. 2022: Outside Audit and Supervisory Board Member, Senshukai Co., Ltd. (current position)</p> <p>Jun. 2022: Outside Audit and Supervisory Board Member, Mitsubishi Belting Ltd. (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 18, 2024.
5. Two years from the end of the Regular General Meeting of Shareholders held on June 18, 2024.
6. Two years from the end of the Regular General Meeting of Shareholders held on June 20, 2023.
7. The official name of Ms.Hiroko Takiguchi, a substitute Member of the Board of Directors who is an Audit and Supervisory Committee Member, in the family register is Hiroko Tamaizumi.

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 11 Members of the Board of Directors, 6 are Outside Members, of whom 3 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. 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 Tokyo Stock Exchange, Inc. that 6 Outside Members of the Board of Directors are independent officers.

With regard to the 6 Outside Members of the Board of Directors appointed as such following the end of the Regular General Meeting of Shareholders on June 18, 2024, 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 Consultant 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 the 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 Ms. Aya Yamada, who is also Audit and Supervisory Committee Member currently holds the position of Professor of Graduate School of Law, Kyoto University and so forth. The Company made donations to a donated course of the Graduate School of Engineering of Kyoto University to support its educational and research activities. The amounts of donations are ¥39 million in FY2019 (total amount of the university's donation-based income in the same fiscal year: ¥5,352 million), ¥39 million in FY2020 (total amount: ¥5,766 million), ¥39 million in FY2021 (total amount: ¥5,416 million), ¥49 million in FY2022 (total amount: ¥9,885 million), and ¥39 million in FY2023. The FY2022 donation includes those made for the university's 125th anniversary project. For any of the aforementioned fiscal years, the amounts of the Company's donations to Kyoto University are insignificant compared with the total amount of the university's donation-based income. Furthermore, based on its joint research contract with the university's Graduate School of Engineering, the Company made a payment of ¥18 million in FY2022, and another payment of ¥53 million in FY2023. In addition, the faculty to which the Company made donations and payment are 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. Hiroe Toyoshima, who is also Audit and Supervisory Committee Member currently holds the position of Partner, Nakamoto & Partners 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. Kunio Umeda 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 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.

The ownership of the Company's shares by the Outside Members of the Board of Directors is stated in "① List 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 the Audit by the Audit and Supervisory Committee

1) Organization, members and procedures of audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee consists of 5 members (including 3 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 produces an annual 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. Ms. Aya Yamada has considerable insight gained in the area of law as a university professor. Ms. Hiroe Toyoshima has a wealth of experience and expertise in the fields of corporate legal affairs, compliance, M&A, etc. as a lawyer. Mr. Kunio Umeda has a wealth of international experience and a broad range of knowledge, having served in key positions such as a special envoy and ambassador in Brazil and Vietnam. Ms. Aya Yamada, Ms. Hiroe Toyoshima, and Mr. Kunio Umeda, 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 respective expertise and experience in the area of corporate 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 3 outside directors, who are Audit and Supervisory Committee Members, are independent officers.

(Notes) 1. Mr. Kunio Umeda was elected and assumed as an Outside Director (Audit and Supervisory Committee Member) at the Regular General Meeting of Shareholders held on June 18, 2024.

2. Ms. Junko Watanabe, who was an Outside Director (Audit and Supervisory Committee Member), retired the position as a Director (Audit and Supervisory Committee Member) as of June 18, 2024.

2) Status of the Audit and Supervisory Committee

The Company holds meetings of the Audit and Supervisory Committee once a month in principle, and as needed. In the current fiscal year, the Company holds meetings of the Audit and Supervisory Committee totally 16 times, and the attendance status of each Audit and Supervisory Committee Members is as follows.

Category	Name	Number of times held	Number of times attended
Full-time Member of the Audit and Supervisory Committee	Kazuya Murakami	16	16
Full-time Member of the Audit and Supervisory Committee	Hiroyuki Ochiai	16	16
Member of the Audit and Supervisory Committee	Aya Yamada	16	14
Member of the Audit and Supervisory Committee	Junko Watanabe	16	16
Member of the Audit and Supervisory Committee	Hiroe Toyoshima	12	12
Member of the Audit and Supervisory Committee	Tamame Akamatsu	4	4

(Notes) 1. The difference in the number of times held is due to the difference in the timing of appointment.

2. Ms. Hiroe Toyoshima was newly appointed as an outside member of the Board of Directors who is an Audit and Supervisory Committee Member at the conclusion of the Regular General Meeting of Shareholders held on June 20, 2023.

3. Ms. Tamame Akamatsu resigned from her position as a director (Audit and Supervisory Committee Member) effective June 20, 2023.

4. As Mr. Kunio Umeda is a newly appointed Audit and Supervisory Committee Member who was elected at the Regular General Meeting of Shareholders held on June 18, 2024, his attendance status for the fiscal year is not stated.

The activities of the Audit and Supervisory Committee are outlined below

Matters to be resolved	Preparation of the audit plan
	Selection of Full-time Audit and Supervisory Committee Members and Chairman
	Election, remuneration and others of Directors, etc. (Decision not to state opinions at the General Meeting of Shareholders)
	Consent to election of Directors who are Audit and Supervisory Committee Members
	Preparation of audit reports
	Decision on reappointment of the Accounting Auditor, consent to the amount of audit fees, etc.
Matters to be reported	Interview with Executive Officers such as the Representative Director and President
	Audit and review report by the Accounting Auditor
	Report of plan and result for internal audit (accounting audit and internal control audit)
	Report on status of compliance promotion and whistleblowing, etc.
	Report on the calculation table for distributable amount, etc.
Matters to be discussed	Remuneration for Audit and Supervisory Committee Members

Specific details of activities by the Audit and Supervisory Committee are as follows.

The Audit and Supervisory Committee Members review the proposals of meetings of the board of directors with other Outside Directors and all Audit and Supervisory Committee Members attend them to ensure that decisions are made based on sufficient discussions.

The Audit and Supervisory Committee conducts direct interviews with Executive Officers such as the Representative Director and President. Full-time Audit and Supervisory Committee Members attend important meetings such as the Monthly Executive Meeting, and inspect the minutes of risk meetings, etc. and important documents for approval. In addition, the Company audits the status of business execution, etc. by means such as interviews with Directors, Executive Officers and key employees of the Company and its subsidiaries and conducting on-site audits. The results are reported to the Audit and Supervisory Committee, and important issues related to business risks are reported to the Board of Directors as necessary.

Regarding the issue of dividends exceeding the distributable amount, as defined by Article 461 of the Corporate Law, in the fiscal year ending March 2023, preventive measures have been established and implemented based on the report of the external investigation committee. As part of these measures, the calculation table for distributable amount, etc., which is required to be submitted to the Board of Directors by the management for each review of related proposals, will also be confirmed by the Audit and Supervisory Committee in advance. Additionally, the Audit and Supervisory Committee receives reports from the management on the implementation status of the preventive measures.

The Audit and Supervisory Committee shares information and exchanges opinions with the Corporate Administration & Internal Audit Department and the Accounting Auditor. The Full-time Audit and Supervisory Committee Members exchange audit information on a monthly basis with the Corporate Administration & Internal Audit Department, which is in charge of internal audit. The Corporate Administration & Internal Audit Department also requests the Audit and Supervisory Committee to report regularly and as needed.

The Audit and Supervisory Committee holds meetings with the Accounting Auditor as necessary, in addition to quarterly meetings, to exchange information and opinions on audit and review results, audit system, audit plan, audit implementation status, etc. Cooperation with the Accounting Auditor is as follows.

Cooperation with Accounting Auditor

Quarterly review report	August, November 2023, February 2024
Annual accounting audit report	May, June 2023
Explanation of audit plan, etc.	August 2023
Discussions related to KAM (Key Audit Matters)	June, November 2023, May, June 2024

Among the above, “Evaluation of non-financial assets which belongs to TRM segment,” “Correction of the adjustment such as sales accompanied by transactions between consolidated subsidiaries due to errors” (both on consolidated financial statements) and “Impairment of shares of subsidiaries and affiliates” (on non-consolidated financial statements), which were recognized as KAM for the fiscal year, and other important matters were explained in detail by the executive department and the Accounting Auditor, and questions were asked.

The Audit and Supervisory Committee received a report from the executive department and the Accounting Auditor on the correction issues of the prior-year consolidated financial statements due to the above errors at the Extraordinary Audit and Supervisory Committee meeting on May 23, 2024. Furthermore, in response to the correction of the Annual Securities Report for the fiscal year ended March 2023, the Accounting Auditor reported that "Correction of the adjustment such as sales accompanied by transactions between consolidated subsidiaries due to errors" had been added as a Key Audit Matter (KAM) in the audit result report for the fiscal year ended March 2023 under the Financial Instruments and Exchange Act. Based on the above, the Audit and Supervisory Committee has decided to add the following statement to the audit report of the Audit and Supervisory Committee under the Companies Act dated May 24, 2024: "As the Audit and Supervisory Committee, we will monitor the implementation status, such as that of the recurrence prevention measures within NIDEC Group companies."

The Audit and Supervisory Committee has been checking whether the independence of the Accounting Auditor is secured when judging the appropriateness of the methods and results of audits conducted by the Accounting Auditor. In particular, since January 2023, in cases where the Company and its subsidiaries receive non-assurance services from the Accounting Auditor or its network firm, the Company has implemented a procedure whereby the Accounting Auditor first judges that there is no problem with its independence before agreeing to the provision of such services, and then the Audit and Supervisory Committee gives consent on an individual basis.

In addition to the above, the Audit and Supervisory Committee reviews the election and remuneration of Directors who are not Audit and Supervisory Committee Members, etc., including confirmation of discussions at the Nomination Committee and the Remuneration Committee, which are advisory bodies to the Board of Directors, and determines its opinion.

② Status of the Internal Audit

1) Internal audit organization, personnel and procedures

The Company's Corporate Administrative & Internal Audit Department, which is made up of 28 members conducts internal audit based on an audit plan. Also the Company's Corporate Administration & Internal Audit Department conducts internal audit on the Company and other NIDEC Group companies to give instructions, support and advice for the improvement of business procedures, and, as necessary, reports and explains to the Company's management and at the Risk Management Meeting, etc. the issues and problems identified in relation to internal control and other matters to ensure that all departments concerned will improve those matters.

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

The Company's Corporate Administration & Internal Audit Department holds a meeting with the Company's Audit and Supervisory Committee on a regular basis, to report the results of internal audit on NIDEC group. If necessary, the Corporate Administrative & Internal Audit Department exchanges opinions and information with the Audit and Supervisory Committee and conducts onsite audits in accordance with requests from the Audit and Supervisory Committee. Also, the Corporate Administration & Internal Audit Department receives reports of audit results from the Accounting Auditor, exchanges opinions with them and is advised for improvement by them.

3) Measures to ensure the effectiveness of internal audit

As described in 1) and 2) above, the Corporate Administration & Internal Audit Department, which is in charge of internal audit, ensures that it is independent in terms of organizational structure and actual operations. It also directly reports on the results of audits to the Representative Director and President and the Audit and Supervisory Committee, etc. thereby ensuring the reliability and effectiveness of internal audit.

③ Status of the audit by the Accounting Auditor

1) Name of Auditor

The Company has an auditing agreement with PricewaterhouseCoopers Japan LLC to conduct audits required under the Companies Act and the Financial Instruments and Exchange Act. PricewaterhouseCoopers Japan LLC 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.

(Note) PwC Kyoto Audit Corporation merged with PwC Arata Certified Public Accountants on December 1, 2023, and changed its name to PwC Japan Limited Liability Audit Corporation.

2) Continuous audit period

39 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 Limited liability Partner	Tsuyoshi Yamamoto
Designated Limited liability Partner	Minamoto Nakamura
Designated Limited liability Partner	Tatsuro Iwai

4) Assistants in auditing operations

26 CPAs, 9 members of the Japanese Institute of Junior Accountants, and 29 others

5) Reason and assessment for selection of Auditor

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 the audit was suitably conducted.

6) Evaluation contents of the auditor 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 Members 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 fiscal 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,			
	2023		2024	
	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	4	250	-
The Company's consolidated subsidiaries	346	-	363	-
Total	572	4	613	-

(For the fiscal year ended March 31, 2023)

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, 2024)

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,			
	2023		2024	
	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	5	-	6	-
The Company's consolidated subsidiaries	1,303	39	1,483	13
Total	1,308	39	1,489	13

(For the fiscal year ended March 31, 2023)

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

(For the fiscal year ended March 31, 2024)

Audit fees for non-audit services for the Company's 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 Audit & Supervisory Committee

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 Article 399, Paragraph 1 of the Companies Act of Japan.

(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 remuneration 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.

<Founder and Chairman of the Board>

The remuneration of Founder and Chairman of the Board shall be fixed remuneration only, which is paid monthly.

<Members of the Board of Directors (excluding Founder and Chairman of the Board, 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 Founder and Chairman of the Board, 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 and the number of ESG certifications that have achieved the goals in the ESG ratings 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"> • Each year, the number of performance-linked units will be granted based on the calculation of “Standard amount for each rank × Performance-linked coefficient” (※). ※ The number of points that fluctuates within a range of 0% to 200% according to the level of achievement of consolidated net sales and consolidated operating profit targets and the number of ESG certifications that have achieved the goals in the ESG ratings for each fiscal year will be granted • 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 FY2024

In FY2018, our group introduced a performance-linked share-based remuneration plan (the "Plan") for the Company's Members of Directors (excluding Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and other executives equivalent in rank thereto (the "Members of the Board of Directors et al. of NIDEC") and for our major group companies' Members of the Board of Directors (excluding outside Members of the Board of Directors) and Executive Officers (the "Members of the Board of Directors et al. of NIDEC Group", collectively referred to as the "Members of the Board of Directors et al. of NIDEC" are inclusive of our company directors, and are collectively referred to as the "Eligible Board Members"). This Plan was partially revised in the 51st Regular General Meeting of Shareholders held on June 18, 2024 (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 our group's corporate value on a mid- and long-term basis and the remuneration varies based on annual performance goal achievement 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. Additionally, we have newly incorporated the number of ESG certifications that have achieved their goals in major ESG ratings(namely MSCI, FTSE, and CDP) since 2024. 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 2025 to the one ending in March 2027, 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. However, we are planning to make certain amendments to the content of this plan in 2024. Upon finalizing the details, we will disclose them promptly.

<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	FY2022 Target	FY2022 Result	FY2023 Target	FY2023 Result
Consolidated net sales	50%	¥ 1.7600 trillion	¥ 1.8030 trillion	¥ 2.3000 trillion	¥ 2.0793 trillion	¥ 2.2500 trillion	¥ 2.1033 trillion
Consolidated operating profit	50%	¥ 200.0 billion	¥ 162.5 billion	¥ 237.0 billion	¥ 85.5 billion	¥ 323.0 billion	¥ 142.0 billion

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.

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

As the content of individual remuneration, etc. for Members of the Board of Directors was deliberated and determined by the Board of Directors with full regard for the recommendations of the Remuneration Committee, based on the committee's comprehensive consideration of the original proposal, including its consistency with the determination policy, the Company believes that the content is in line with the determination 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 in February and May 2024 to discuss the followings.

- The details to determine the amount of remuneration for Founder and Chairman of the Board
- The 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

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
Share-based	June 18, 2024	Members of the Board of Directors who are not Audit and Supervisory Committee Members (excluding Founder and Chairman of the Board and 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, 367,500 shares	Members of the Board of Directors: 2 Vice Presidents, etc.: 27

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

Category	Total amount of remuneration, etc. (Yen in millions)	Total amount of remuneration, etc. by type (Yen in millions)				Number of persons
		Fixed remuneration	Variable remuneration	Performance-linked share-based remuneration	Retirement benefits	
Members of the Board of Directors (excluding Audit and Supervisory Committee Members and outside Members of the Board of Directors)	139	139	-	-	-	2
Audit and Supervisory Committee Members (excluding outside Members of the Board of Directors)	38	38	-	-	-	2
Outside Members of the Board of Directors and outside Members of the Audit & Supervisory Committee	56	56	-	-	-	7

(Note) 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 2022 based on Japanese GAAP. Outside Members of the Board of Directors are not covered by this plan.

(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-shareholding

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-shareholding would make insignificant benefits.

2) Number of issuer and carrying value

	Number of issuer	Total carrying value (Yen in millions)
Unlisted shares	7	1,443
Other than unlisted shares	14	18,890

(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) 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	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares	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	Yes
	3,161	2,232	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
SCREEN Holdings Co., Ltd.	115,200	57,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	2,300	671	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year Number of shares are increasing due to stock split reason	
Kyoto Financial Group, Inc.	822,624	205,656	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	2,271	1,285	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year Number of shares are increasing due to stock split reason	
ROHM Co., Ltd.	914,400	228,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	2,221	2,508	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year Number of shares are increasing due to stock split reason	
HORIBA, Ltd.	124,500	124,500	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,996	985	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
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	Yes
	1,948	1,061	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

Issuer	Current fiscal year	Previous fiscal year	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares	Owned by another company (Yes / No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
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	Yes
	1,522	1,635	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
KYOCERA Corporation	702,400	175,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,421	1,210	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year Number of shares are increasing due to stock split reason	
The Shiga bank, Ltd.	318,488	318,488	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	1,336	853	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Sumitomo Mitsui Financial Group, Inc.	31,483	31,483	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	280	167	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
The Hachijuni Bank, Ltd.	256,439	256,439	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	267	147	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Nissha Printing Co., Ltd.	56,300	56,300	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	83	105	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

Issuer	Current fiscal year	Previous fiscal year	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares	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	Yes
	82	63	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
NAGANO KEIKI Co., Ltd.	665	665	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	2	1	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

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	-	-	-	-

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

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,	
		2023	2024
Assets			
Current assets			
Cash and cash equivalents	8	186,098	217,005
Trade and other receivables	10	592,914	672,655
Other financial assets	11, 35	3,811	3,762
Income tax receivables		10,538	12,457
Inventories	12	521,959	560,365
Other current assets	13	59,298	72,439
Total current assets		1,374,618	1,538,683
Non-current assets			
Property, plant and equipment	14	835,753	877,284
Goodwill	15	362,388	396,143
Intangible assets	15	223,427	248,922
Investments accounted for using the equity method	37	3,097	8,352
Other investments	16, 35	25,943	36,448
Other financial assets	35	9,610	18,649
Deferred tax assets	25	11,592	16,255
Other non-current assets	17	16,321	19,899
Total non-current assets		1,488,131	1,621,952
Total assets		2,862,749	3,160,635

(Yen in millions)

		As of March 31,	
	Note	2023	2024
Liabilities			
Current liabilities			
Short term borrowings	21, 22, 35	159,279	42,954
Long term debt due within one year	21, 22, 35	59,765	143,128
Trade and other payables	18	493,980	527,952
Other financial liabilities	19, 35	4,473	14,001
Income tax payables		27,363	44,343
Provisions	26	50,815	63,457
Other current liabilities	20	104,930	120,667
Total current liabilities		900,605	956,502
Non-current liabilities			
Long term debt	21, 22, 35	486,305	414,817
Other financial liabilities	35	485	5,115
Retirement benefit liabilities	23	32,337	34,344
Provisions	26	1,377	2,062
Deferred tax liabilities	25	69,110	78,200
Other non-current liabilities		6,776	10,409
Total non-current liabilities		596,390	544,947
Total liabilities		1,496,995	1,501,449
Equity			
Common stock	28	87,784	87,784
Additional paid-in capital	28	97,670	98,099
Retained earnings		1,121,191	1,213,361
Other components of equity	24, 28	206,837	400,885
Treasury stock		(166,917)	(167,945)
Total equity attributable to owners of the parent		1,346,565	1,632,184
Non-controlling interests		19,189	27,002
Total equity		1,365,754	1,659,186
Total liabilities and equity		2,862,749	3,160,635

(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,	
		2023	2024
Continuing operations			
Net Sales	5, 30	2,230,027	2,347,159
Cost of sales	31	(1,826,976)	(1,849,854)
Gross profit		403,051	497,305
Selling, general and administrative expenses	31	(231,791)	(253,451)
Research and development expenses	31	(81,337)	(81,055)
Operating profit	5	89,923	162,799
Financial income	32	17,709	36,294
Financial expenses	32	(13,146)	(21,867)
Derivative gain (loss)	34	(177)	(188)
Foreign exchange differences		20,031	32,738
Share of net profit (loss) from associate accounting using the equity method	37	(3,905)	(7,164)
Profit before income taxes		110,435	202,612
Income tax expenses	25	(72,752)	(76,268)
Profit for the year from continuing operations		37,683	126,344
Discontinued operations			
Loss for the year from discontinued operations	6	(1,983)	(44)
Profit for the year		35,700	126,300
Profit for the year attributable to:			
Owners of the parent		36,982	125,144
Non-controlling interests		(1,282)	1,156
Profit for the year		35,700	126,300
Earnings (loss) per share attributable to owners of the parent-basic (yen)	33		
Continuing operations		67.70	217.87
Discontinued operations		(3.45)	(0.08)
Total		64.26	217.79

Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the years ended March 31,	
		2023	2024
Profit for the year		35,700	126,300
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		5,221	986
Fair value movements on FVTOCI equity financial assets		895	6,171
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		102,324	195,454
Effective portion of net changes in fair value of cash flow hedges		996	456
Fair value movements on FVTOCI debt financial assets		(54)	(390)
Total other comprehensive income for the year, net of taxation	24	109,382	202,677
Comprehensive income for the year		145,082	328,977
Comprehensive income for the year attributable to:			
Owners of the parent		145,905	326,415
Non-controlling interests		(823)	2,562
Comprehensive income for the year		145,082	328,977

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2023

(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, 2022		87,784	103,216	1,118,594	103,919	(121,272)	1,292,241	24,457	1,316,698
Comprehensive income									
Profit for the year				36,982			36,982	(1,282)	35,700
Other comprehensive income	24				108,923		108,923	459	109,382
Total comprehensive income							145,905	(823)	145,082
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(53,578)	(53,578)	-	(53,578)
Dividends paid to the owners of the parent	29			(40,426)			(40,426)	-	(40,426)
Dividends paid to non-controlling interests							-	(268)	(268)
Share-based payment transactions			475				475	-	475
Transfer to retained earnings				6,004	(6,004)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries (Note)			(6,029)	(5)		7,888	1,854	(4,166)	(2,312)
Other			8	42	(1)	45	94	(11)	83
Balance at March 31, 2023		87,784	97,670	1,121,191	206,837	(166,917)	1,346,565	19,189	1,365,754

(Note) Including changes due to share exchanges resulting from making Nidec OKK a wholly owned subsidiary.

For the year ended March 31, 2024

(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, 2023		87,784	97,670	1,121,191	206,837	(166,917)	1,346,565	19,189	1,365,754
Comprehensive income									
Profit for the year				125,144			125,144	1,156	126,300
Other comprehensive income	24				201,271		201,271	1,406	202,677
Total comprehensive income							326,415	2,562	328,977
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(1,028)	(1,028)	-	(1,028)
Dividends paid to the owners of the parent	29			(40,227)			(40,227)	-	(40,227)
Dividends paid to non-controlling interests							-	(156)	(156)
Share-based payment transactions			(85)				(85)	-	(85)
Transfer to retained earnings				7,223	(7,223)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			358				358	5,145	5,503
Other			156	30			186	262	448
Balance at March 31, 2024		87,784	98,099	1,213,361	400,885	(167,945)	1,632,184	27,002	1,659,186

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	For the years ended March 31,	
Note	2023	2024
Cash flows from operating activities:		
Profit for the year from continuing operations	37,683	126,344
Loss for the year from discontinued operations	(1,983)	(44)
Profit for the year	35,700	126,300
Adjustments to reconcile profit for the year to net cash provided by operating activities		
Depreciation	99,769	109,666
Amortization	19,753	21,924
Loss (gain) from sales, disposal and impairment of property, plant and equipment	15,446	20,262
Loss from sales of discontinued operations	1,983	44
Financial expenses (income)	(3,121)	(14,844)
Share of net (profit) loss from associate accounting using the equity method	3,905	7,164
Deferred income taxes	16,204	(8,039)
Current income taxes	56,549	84,307
Foreign currency adjustments	(5,373)	(5,316)
Increase (decrease) in retirement benefit liability	(6,788)	(1,536)
Decrease (increase) in accounts receivable	4,446	(2,910)
Decrease (increase) in inventories	(27,485)	21,374
Increase (decrease) in accounts payable	(61,274)	(4,312)
Other, net	41,239	21,961
Interests and dividends received	16,051	35,648
Interests paid	(11,357)	(20,221)
Income taxes paid	(52,162)	(70,706)
Net cash provided by operating activities	143,485	320,766

(Yen in millions)

For the years ended March 31,			
	Note	2023	2024
Cash flows from investing activities:			
Additions to property, plant and equipment		(137,814)	(112,049)
Proceeds from sales of property, plant and equipment		5,950	17,544
Additions to intangible assets		(15,924)	(16,391)
Acquisitions of business, net of cash acquired		(7,372)	(17,745)
Other, net		(9,783)	(24,912)
Net cash used in investing activities		(164,943)	(153,553)
Cash flows from financing activities:			
	9		
Increase (decrease) in short term borrowings		26,554	(118,576)
Proceeds from issuance of long term debt		76,009	50,000
Repayments of long term debt		(9,783)	(20,697)
Proceeds from issuance of bonds		120,000	-
Redemption of bonds		(135,000)	(50,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(2,775)	(869)
Purchase of treasury stock		(53,578)	(1,028)
Dividends paid to the owners of the parent		(40,426)	(40,227)
Other, net		(239)	(160)
Net cash used in financing activities		(19,238)	(181,557)
Effect of exchange rate changes on cash and cash equivalents		27,139	45,251
Net increase (decrease) in cash and cash equivalents		(13,557)	30,907
Cash and cash equivalents at beginning of year		199,655	186,098
Cash and cash equivalents at end of year	8	186,098	217,005

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, 2024 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, and traction motor system.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, sensors, lens units and camera shutters.
- 6) Others, which include music boxes and services.

2. 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, 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. Material 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, 2024.

IFRS		Summaries of new standards and amendments
IAS 12	Income Taxes	Clarified accounting processing for deferred taxes on leases and disposal obligations.
IAS 12	Income Taxes	Requirements for disclosure on specific information relating corporate income tax arising from the application of the Pillar 2 Model Rules.

There are no material impacts of the above standards 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 1	Presentation of Financial Statements	January 1, 2024	March 31, 2025	Clarified classification of liabilities into current or non-current liabilities.
IFRS 16	Leases	January 1, 2024	March 31, 2025	Clarified accounting processing related to post-measurement of lease liabilities arising from sales and leaseback transactions.
IAS 7 IFRS 7	Statement of Cash Flows Financial Instruments: Disclosures	January 1, 2024	March 31, 2025	Requirements for disclosure to increase transparency in supplier finance.
IAS 21	Lack of Exchangeability	January 1, 2025	March 31, 2026	Providing accounting and disclosure of currencies that are not convertible for other currencies.
IFRS9 IFRS7	Financial Instruments Financial Instruments: Disclosures	January 1, 2026	March 31, 2027	Clarifying the measurement of financial assets with environmental, social and corporate governance (ESG). Amendment of disclosures regarding investments in equity instruments.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	March 31, 2028	Require that the income statement be divided into five categories: operating, investing, financing, corporate income tax, and discontinued operations. Require disclosure of information about each MPM in a single note to the financial statements when disclosing company- specific performance measures that meet management's definition of performance measures (MPMs).
IFRS 10 IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Undecided	Undecided	Amendments of accounting processing for sales of assets to affiliates.

3. Material accounting policies

Material 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	10 – 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.

1. Lessee

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.

2. Lessor

Among the lease transactions, those that substantially transfer all the risks and rewards of ownership to the Group are classified as finance lease agreements, and leases other than finance leases are classified as operating leases.

For finance leases, net investments in finance leases are recognized as lease receivables (presented in "Trade and other receivables"). Lease payments receivable are categorized into amounts equivalent to the principal and interest of lease receivables, and the effective interest method is used to calculate the amount equivalent to the interest of each lease payment receivable.

For operating leases, lease income is recognized in profit or loss over the lease term.

(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. For Capitalized development costs, each development project is treated as a cash-generating unit, and NIDEC estimates the recoverable amount using the plan for each development project (including sales, raw material costs, and depreciation forecast).

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

(i) 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.

(ii) 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.

As part of the global minimum tax agreed upon by the Organization for Economic Cooperation and Development (OECD), the treatment of the Income Inclusion Rule (IIR) was stipulated in the “Act for the Partial Revision of the Income Tax Law.” (Act No. 3 of 2023) as part of the Japanese tax reform of 2023. As a result, from fiscal years beginning on or after April 1, 2024, if the effective tax rate calculated by country is lower than the standard tax rate (15%), the Ultimate Parent Entity(UPE) will file and pay tax in Japan up to the standard tax rate on net income (profit) aggregated by country (top-up taxation). In addition, NIDEC has applied the exceptional provisions regarding the recognition and disclosure of deferred tax assets and deferred tax liabilities related to corporate income taxes that arise from tax laws related to this rule, and has not recognized any deferred tax assets or deferred tax liabilities as of the end of current fiscal year.

(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)

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. MOEN	Appliance, commercial and industrial products
4. ACIM	Appliance, commercial and industrial products
5. Nidec Instruments	Machinery, automotive products, electronic components and other small precision motors
6. Nidec Techno Motor	Appliance, commercial and industrial products
7. Nidec Mobility	Automotive products
8. Nidec Machinery and Automation	Machinery, machine tools
9. Nidec Advance Technology	Machinery
10. Others	Automotive products, machinery, electronic components, other small precision motors and others

(Notes) 1. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

2. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

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,	
	2023	2024
SPMS	339,344	330,596
AMEC	304,733	338,540
MOEN	392,807	459,828
ACIM	428,193	428,009
Nidec Instruments	158,675	151,177
Nidec Techno Motor	89,187	78,245
Nidec Mobility	118,361	133,768
Nidec Machinery and Automation	161,185	204,388
Nidec Advance Technology	60,321	39,514
Others	177,221	183,094
Consolidated net sales	2,230,027	2,347,159

(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, 2024 and 2023.

Net sales to other operating segments:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
SPMS	3,311	2,732
AMEC	410	1,208
MOEN	3,414	3,681
ACIM	9,209	9,981
Nidec Instruments	7,216	7,281
Nidec Techno Motor	8,364	8,149
Nidec Mobility	1,807	2,979
Nidec Machinery and Automation	3,167	2,696
Nidec Advance Technology	515	193
Others	41,226	34,891
Total	78,639	73,791
Intersegment elimination	(78,639)	(73,791)
Consolidated net sales	-	-

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

Segment profit/loss:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
SPMS	17,083	25,958
AMEC	(64,663)	(55,694)
MOEN	38,581	61,285
ACIM	21,349	42,646
Nidec Instruments	18,000	16,000
Nidec Techno Motor	10,680	11,004
Nidec Mobility	11,410	12,570
Nidec Machinery and Automation	8,969	29,296
Nidec Advance Technology	16,101	9,179
Others	27,358	26,641
Total	104,868	178,885
Elimination and Corporate (Note)	(14,945)	(16,086)
Operating profit	89,923	162,799
Financial income (expenses)	4,563	14,427
Derivative gain (loss)	(177)	(188)
Foreign exchange differences	20,031	32,738
Share of net profit (loss) from associate accounting using the equity method	(3,905)	(7,164)
Profit before income taxes	110,435	202,612

(Notes)*1. “Elimination and corporate” includes corporate expenses, which do not belong to any operating segment, of ¥17,438 million and ¥13,719 million for the years ended March 31, 2024 and 2023, 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,	
	2023	2024
SPMS	23,116	21,265
AMEC	20,929	26,495
MOEN	10,802	12,369
ACIM	15,221	17,563
Nidec Instruments	7,851	8,616
Nidec Techno Motor	3,460	3,785
Nidec Mobility	6,527	7,753
Nidec Machinery and Automation	7,584	9,695
Nidec Advance Technology	1,755	2,072
Others	12,029	13,438
Subtotal	109,274	123,051
Others (Note)	(11,709)	(15,764)
Corporate	2,204	2,379
Total	99,769	109,666

(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.

In the AMEC segment, the impairment loss of ¥35,608 million is recognized during the fiscal year ended March 31, 2024. NIDEC does not have any other significant non-cash transactions except for the depreciation and the impairment loss 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,	
	2023	2024
Small precision motors:		
Hard disk drives spindle motors	78,462	70,608
Other small precision motors	346,836	345,101
Subtotal	425,298	415,709
Automotive products	519,654	580,909
Appliance, commercial and industrial products	913,986	966,082
Machinery	283,720	298,375
Electronic and optical components	83,011	81,839
Other products	4,358	4,245
Consolidated net sales	2,230,027	2,347,159

- (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, components and traction motor system.
 "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, sensors, 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,	
	2023	2024
Japan	392,727	381,530
China	560,627	535,640
Other Asia	273,291	277,773
U.S.A.	498,210	558,501
Europe	420,941	490,773
Others	84,231	102,942
Consolidated net sales	2,230,027	2,347,159

(Note) Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : Germany, Italy, France

Others : Brazil, Mexico, Canada

Non-current assets (Property, plant and equipment, Goodwill, Intangible assets and Long-term prepaid expenses)

(Yen in millions)

	As of March 31, 2023	As of March 31, 2024
Japan	302,211	292,000
China	269,726	266,453
Other Asia	148,676	155,773
U.S.A.	265,301	311,071
Europe	339,460	385,911
Others	104,022	122,560
Total non-current assets	1,429,396	1,533,768

(Note) Major countries which belong to segments are as follows:

Other Asia : Vietnam, Thailand, Philippine

Europe : Italy, France, Germany

Others : Brazil, Mexico, Canada

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. 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 commenced arbitration with Secop. After approximately 26 months of discussions, Nidec reached a settlement agreement with Secop on March 2023, and the arbitration concluded. However, some selling costs are still expected to arise in the future.

(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,	
	2023	2024
Other loss	(1,983)	(44)
Loss before income taxes from discontinued operations	(1,983)	(44)
Loss for the period from discontinued operations	(1,983)	(44)

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

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Net cash provided (used in) by operating activities	-	-
Net cash (used in) provided by investing activities	1,624	(76)
Net cash used in financing activities	-	-
Total	1,624	(76)

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

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

7. Business combinations

On July 3, 2023 (U.S. time), NIDEC has acquired full ownership of Houma Armature Works (corporate name is TAR, LLC, “Houma”), from the investors of ¥4,154 million. Houma manufactures, repairs, maintenances, upgrades and installation services for motors, generators and control systems. Through the transaction, NIDEC will be able to enhance its service offering, including expanding its share within its own U.S. installed base. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

On August 1, 2023 (U.S. time), NIDEC has acquired full ownership of Automatic Feed Company, Lasercoil Technologies LLC and Automatic Leasing Company (collectively the “Target”), from the investors of ¥3,931 million. The Target manufactures, sells and services for press peripheral equipment. Through the transaction, NIDEC will be able to offer a wide range of products and services to our customers and pursue following synergies in terms of products, sales, and technology.

- (1) Combine the Target’s equipment with Nidec Minster Corporation and Nidec Arisa S.L.U.’s medium and large presses, offering a complete line on a turnkey basis.
- (2) Expand sales of Nidec Minster Corporation and Nidec Arisa S.L.U. presses to automotive customers based in North America.
- (3) Incorporate laser blanking technology into our portfolio of products.

This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

On November 20, 2023, NIDEC has acquired 86.14% of equity shares of Takisawa Machine Tool Co., Ltd. (“TAKISAWA”) for ¥14,306 million through a tender offer in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended). The Company made TAKISAWA a wholly owned subsidiary with the consolidation of shares on February 2, 2024. TAKISAWA manufactures and sells machine tools such as numerically controlled lathes, machining centers and ordinary lathes. Through the transaction, NIDEC and TAKISAWA will be able to realize various synergies such as sales synergies (e.g., sales channel expansion and cross-selling through unification and mutual utilization of customer bases due to the complementary relationship between the products of both companies) and cost synergies (e.g., cost reduction through shared parts procurement and larger purchasing lots, and promotion of overseas procurement and overseas production), and believes that there is a high probability. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

Purchase price allocation to the assets and the liabilities

During the three months ended March 31, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of PAMA S.p.A.. NIDEC’s consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

During the three months ended March 31, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Midori Precisions Co., Ltd.. NIDEC’s consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2023 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Non-current assets	
Property, plant and equipment	62
Intangible assets	1,687
Deferred tax assets	(499)
Fair value of acquired assets	1,250
Current liabilities	
Trade and other payables	198
Fair value of assumed liabilities	198
Net fair value of acquired assets and assumed liabilities	1,052
Goodwill	(1,092)

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:

(Yen in millions)

	Weighted average amortization period	Retrospective amendment
Trademark Rights	No amortization	400
Customer Relationship	16 years	1,060
Proprietary Technology	10 years	227

Effect on the consolidated statement of income for the year ended March 31, 2023 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Operating profit	(53)
Profit before income taxes	(53)
Profit attributable to owners of the parent	(39)

Effect on the consolidated statement of income for the year ended March 31, 2024 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Operating profit	(43)
Profit before income taxes	(43)
Profit attributable to owners of the parent	(29)

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

8. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Cash on hand	791	2,266
Cash in banks	183,454	204,775
Cash equivalents	1,853	9,964
Cash and cash equivalents in consolidated statements of financial position	186,098	217,005
Cash and cash equivalents in consolidated statements of cash flows	186,098	217,005

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,	
	2023	2024
Non-cash investing and financing activities:		
Accrued amount of lease liabilities	16,923	12,505
Change in treasury stock in connection with share exchange transaction	7,907	—

10. Trade and other receivables

The breakdown of trade and other receivable is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Notes receivable	27,655	36,839
Electronically recorded monetary claims	17,795	18,764
Trade receivable	492,624	542,617
Other accounts receivable	60,223	79,696
Expected credit loss allowances	(5,383)	(5,261)
Total	592,914	672,655

11. Other financial assets

The breakdown of other financial assets is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Derivatives assets	3,109	3,166
Advances paid	660	556
Other	42	40
Total	3,811	3,762

12. Inventories

The breakdown of inventories is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Finished products	172,871	203,106
Raw materials	224,801	232,108
Work in progress	103,701	102,688
Supplies and other	20,586	22,463
Total	521,959	560,365

The acquisition costs of inventories that were recognized as expenses for the year ended March 31, 2024 were mainly included in "cost of sales". The amounts of write-down of inventories for the years ended March 31, 2023 and 2024 were ¥9,506 million and ¥6,051 million, respectively.

13. Other current assets

The breakdown of other current assets is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Prepaid expenses	16,684	18,115
Contract assets	22,508	32,115
Advance payments	13,164	11,941
Other	6,942	10,268
Total	59,298	72,439

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, 2023	March 31, 2024
Property, plant and equipment	783,781	818,585
Right-of-use assets	51,972	58,699
Total	835,753	877,284

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, 2022	72,646	314,762	901,957	106,057	1,395,422
Acquisitions	984	12,348	37,391	68,904	119,627
Acquisitions through business combinations	946	2,989	4,176	-	8,111
Disposals	(842)	(6,299)	(28,537)	(1,281)	(36,959)
Reclassification	4,139	9,201	62,381	(78,614)	(2,893)
Foreign currency translation adjustments	1,221	13,554	47,784	5,938	68,497
Others	(661)	(1,877)	796	(2,276)	(4,018)
Balance at March 31, 2023	78,433	344,678	1,025,948	98,728	1,547,787
Acquisitions	606	4,188	30,549	71,169	106,512
Acquisitions through business combinations	4,032	3,857	2,554	193	10,636
Disposals	(14,051)	(9,449)	(40,411)	(958)	(64,869)
Reclassification	847	7,350	59,666	(71,825)	(3,962)
Foreign currency translation adjustments	2,517	26,156	107,479	10,941	147,093
Others	(156)	43	7,314	(5,070)	2,131
Balance at March 31, 2024	72,228	376,823	1,193,099	103,178	1,745,328

(Accumulated depreciation and impairment losses)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2022	(1,834)	(153,642)	(517,906)	(684)	(674,066)
Depreciation	-	(12,502)	(76,769)	-	(89,271)
Impairment losses	(2)	(734)	(5,601)	(1,836)	(8,173)
Reversal of impairment losses	-	123	1,524	7	1,654
Disposals	4	4,759	25,726	13	30,502
Reclassification	-	(830)	1,187	-	357
Foreign currency translation adjustments	(2)	(6,551)	(27,541)	(107)	(34,201)
Changes in the scope of consolidation	-	-	-	-	-
Others	147	5,837	3,212	(4)	9,192
Balance at March 31, 2023	(1,687)	(163,540)	(596,168)	(2,611)	(764,006)
Depreciation	-	(12,441)	(84,769)	1	(97,209)
Impairment losses	-	(229)	(31,508)	(4,374)	(36,111)
Reversal of impairment losses	-	31	889	-	920
Disposals	-	7,410	37,510	-	44,920
Reclassification	-	22	477	-	499
Foreign currency translation adjustments	-	(12,169)	(62,075)	(849)	(75,093)
Changes in the scope of consolidation	-	4	-	-	4
Others	-	245	(912)	-	(667)
Balance at March 31, 2024	(1,687)	(180,667)	(736,556)	(7,833)	(926,743)

(Carrying amounts)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2022	70,812	161,120	384,051	105,373	721,356
Balance at March 31, 2023	76,746	181,138	429,780	96,117	783,781
Balance at March 31, 2024	70,541	196,156	456,543	95,345	818,585

(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.

At NIDEC, the recoverable amount of the impairment test on property, plant and equipment, etc. 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 (including sales forecasts and cost forecasts) for remaining useful life. The discount rate used in property, plant and equipment, etc. impairment test is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit. In the fiscal year, we conducted test of recoverability of property, plant and equipment, etc. (book value: 17,429 million) in the cash generation unit of the traction motor business. The discount rate used in the impairment test for this cash generation unit is 7.77%.

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

In addition, NIDEC has recorded an impairment losses of 35,608 million yen based on the recoverable amount, as it shifted its strategy to prioritize profitability of Battery EV related business.

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, 2023	March 31, 2024
Goodwill	362,388	396,143
Intangible assets	223,289	248,877
Right-of-use asset	138	45
Total	585,815	645,065

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, 2022	339,904	127,861	19,778	39,125	45,739	73,637	646,044
Acquisitions	-	22	1,342	5,198	-	31	6,593
Internally developed	-	-	-	-	9,812	-	9,812
Acquisitions through business combinations	4,524	1,069	227	67	538	691	7,116
Disposals	-	-	-	(1,221)	(457)	(621)	(2,299)
Foreign currency translation adjustment	18,114	8,278	889	1,125	1,427	6,945	36,778
Others	(154)	(389)	(488)	1,170	645	913	1,697
Balance at March 31, 2023	362,388	136,841	21,748	45,464	57,704	81,596	705,741
Acquisitions	-	-	-	5,395	-	45	5,440
Internally developed	-	-	-	-	10,763	-	10,763
Acquisitions through business combinations	3,280	809	-	326	-	801	5,216
Disposals	-	(992)	(32)	(1,335)	(33)	(246)	(2,638)
Foreign currency translation adjustment	29,306	15,865	3,401	2,965	4,443	8,936	64,916
Others	1,169	-	-	(214)	1,500	(64)	2,391
Balance at March 31, 2024	396,143	152,523	25,117	52,601	74,377	91,068	791,829

(Accumulated amortization and impairment losses)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2022	-	(44,619)	(9,020)	(23,084)	(9,961)	(5,270)	(91,954)
Amortization	-	(6,631)	(1,426)	(4,261)	(3,978)	(439)	(16,735)
Impairment losses	-	-	-	(22)	(8,095)	-	(8,117)
Disposals	-	-	-	1,173	422	608	2,203
Foreign currency translation adjustment	-	(2,771)	(367)	(700)	(480)	(792)	(5,110)
Others	-	762	241	(350)	1	(1,005)	(351)
Balance at March 31, 2023	-	(53,259)	(10,572)	(27,244)	(22,091)	(6,898)	(120,064)
Amortization	-	(6,666)	(1,488)	(4,822)	(4,433)	(381)	(17,790)
Impairment losses	-	-	-	(22)	112	-	90
Disposals	-	663	19	1,302	27	245	2,256
Foreign currency translation adjustment	-	(7,122)	(1,679)	(1,888)	(1,709)	477	(11,921)
Others	-	1	-	200	310	109	620
Balance at March 31, 2024	-	(66,383)	(13,720)	(32,474)	(27,784)	(6,448)	(146,809)

(Carrying amounts)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others*1	Total
Balance at April 1, 2022	339,904	83,242	10,758	16,041	35,778	68,367	554,090
Balance at March 31, 2023	362,388	83,582	11,176	18,220	35,613	74,698	585,677
Balance at March 31, 2024	396,143	86,140	11,397	20,127	46,593	84,620	645,020

(Note) 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 unit groups 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, 2023	March 31, 2024
SPMS	SPMS	17,897	19,966
AMEC	AMEC	20,075	22,356
MOEN	MOEN	101,958	114,328
ACIM	ACIM	95,448	107,023
Nidec Instruments *1	Nidec Instruments	30,754	31,115
Nidec Techno Motor	Nidec Techno Motor	2,049	2,049
Nidec Mobility	Nidec Mobility	37,902	37,902
Nidec Machinery and Automation	Nidec Machinery and Automation	18,496	23,388
Nidec Advance Technology *2	Nidec Advance Technology	1,794	2,003
Others	Nidec Precision *3	16,520	16,520
	Other	19,495	19,493
Total		362,388	396,143

(Notes) 1. NIDEC changed its company name of "Nidec Sankyo Corporation" to "Nidec Instruments Corporation" on April 1, 2023.

2. NIDEC changed its company name of "Nidec-Read Corporation" to "Nidec Advance Technology Corporation" on April 1, 2023.

3. NIDEC changed its company name of "Nidec Copal Corporation" to "Nidec Precision Corporation" on April 1, 2023.

(Intangible assets with indefinite useful lives)

(Yen in millions)

Reporting Segment	CGU group	March 31, 2023	March 31, 2024
AMEC	AMEC	3,441	3,855
MOEN	MOEN	42,691	48,847
ACIM	ACIM	19,193	21,961
Nidec Machinery and Automation	Nidec Machinery and Automation	5,972	6,728
Others	Other	4	5
Total		71,301	81,396

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, intangible assets with indefinite useful lives and an intangible asset not yet available for use 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 (including sales forecast and cost forecast) for five years. The discount rate used in goodwill impairment test is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit (5.00% - 10.06%), and 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 (2.18% - 3.80%).

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

CGU group	March 31, 2024
AMEC	7.33%

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, 2023	March 31, 2024
Other investments		
FVTOCI equity financial assets	20,866	31,355
FVTOCI debt financial assets	77	93
Financial assets measured at amortized costs	5,000	5,000
Total	25,943	36,448

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, 2023

(Yen in millions)

Principal FVTOCI financial assets	Fair value
ROHM Co., Ltd.	2,508
Brother Industries, Ltd.	2,232
Canon Inc.	2,225
The Bank of Kyoto, Ltd.	1,679
NICHICON CORPORATION	1,635

As of March 31, 2024

(Yen in millions)

Principal FVTOCI financial assets	Fair value
Canon Inc.	3,389
Brother Industries, Ltd.	3,161
The Bank of Kyoto, Ltd.	2,967
SCREEN Holdings Co., Ltd.	2,541
ROHM Co., Ltd.	2,221

The information on FVTOCI equity financial assets that were derecognized for the years ended March 31, 2023 and 2024 is as follows:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Fair value at the time of derecognition	1,124	512
Accumulated gains at the time of derecognition	493	196

17. Other non-current assets

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

(Yen in millions)

	March 31, 2023	March 31, 2024
Prepaid pension costs	3,602	4,956
Incremental costs of obtaining a contract with a customer	3,565	2,489
Long-term prepaid expenses	7,827	11,420
Deposit	1	11
Other	1,326	1,023
Total	16,321	19,899

18. Trade and other payables

The breakdown of trade and other payables is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Notes payable	18,565	22,384
Trade payable	363,808	385,558
Electronically recorded monetary obligations	13,168	13,332
Other payables	96,788	106,312
Equipment notes payable	1,651	366
Total	493,980	527,952

19. Other financial liabilities

The breakdown of other financial liabilities is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Derivatives liabilities	67	40
Deposits received	4,406	13,961
Total	4,473	14,001

20. Other current liabilities

The breakdown of other current liabilities is as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Accrued expenses	59,272	65,964
Contract liabilities	34,931	45,397
Other	10,727	9,306
Total	104,930	120,667

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, 2023	March 31, 2024
Unsecured loans, principally from banks average interest per annum: 2023 0.05% 2024 0.18%	159,279	42,951
Secured loans, principally from banks average interest per annum: 2024 4.98%	-	3
Total	159,279	42,954

As of March 31, 2024, NIDEC had unused lines of credit amounting to ¥1,340,242 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, 2023	March 31, 2024
Unsecured loans, principally from banks		
Due 2023 to 2036 in 2023 with interest ranging from 0.00% to 6.50% per annum	102,587	-
Due 2024 to 2036 in 2024 with interest ranging from 0.00% to 3.15% per annum	-	147,848
Secured loans, principally from banks		
Due 2024 to 2027 in 2024 with interest ranging from 2.02% to 4.20% per annum	-	1,146
The Eighth Series of Domestic Unsecured bonds due 2024 Interest at 0.10% per annum in 2023 and 2024	99,949	99,987
The Tenth Series of Domestic Unsecured bonds (Green Bond) due 2024 Interest at 0.09% per annum in 2023 and 2024	29,979	29,992
The Eleventh Series of Domestic Unsecured bonds (Green Bond) due 2026 Interest at 0.15% per annum in 2023 and 2024	19,971	19,979
The Twelfth Series of Domestic Unsecured bonds due 2023 Interest at 0.03% per annum in 2023 and 2024	49,996	-
The Thirteenth Series of Domestic Unsecured bonds due 2025 Interest at 0.25% per annum in 2023 and 2024	29,964	29,980
The Fourteenth Series of Domestic Unsecured bonds due 2032 Interest at 0.55% per annum in 2023 and 2024	19,945	19,951
The Fifteenth Series of Domestic Unsecured bonds due 2025 Interest at 0.25% per annum in 2023 and 2024	19,969	19,981
The Sixteenth Series of Domestic Unsecured bonds due 2027 Interest at 0.44% per annum in 2023 and 2024	49,909	49,929
Euro-Denominated Senior Unsecured bonds (Green Bond) due 2026 Interest at 0.05% per annum in 2023 and 2024	72,732	81,534
Lease liabilities		
Due 2023 to 2062 in 2023, with interest ranging from (0.33%) to 13.12% per annum	51,069	-
Due 2024 to 2069 in 2024, with interest ranging from (0.30%) to 55.95% per annum	-	57,619
Subtotal	546,070	557,946
Less - Bonds due within one year	(49,996)	(129,979)
Less - Long term debt due within one year	(71)	(1,708)
Less - lease liabilities due within one year	(9,698)	(11,441)
Total	486,305	414,818

(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, 2023	March 31, 2024
Within one year	61,086	143,149
Over one year within two years	140,553	162,359
Over two years within three years	150,044	58,026
Over three years within four years	45,439	55,090
Over four years within five years	53,998	44,047
Over five years	95,397	95,561

(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, 2023	March 31, 2024
Property, plant and equipment, net	-	3,612
Total	-	3,612

(5) Debts attributable to collateral pledged assets

Debts attributable to collateral pledged assets are as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Short term borrowings	-	3
Long term debt due within one year	-	696
Long term borrowings	-	453
Total	-	1,152

22. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

(Yen in millions)

	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, 2022	130,635	201	134,971	20,758	267,991	41,155
Cash flows from financing activities	26,554	(242)	(135,000)	75,449	120,000	(8,981)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	-	-	-	6,229	-	24
Effect of exchange rate changes	2,090	8	-	184	4,510	2,510
Transfer from long term to short term	-	106	49,972	(106)	(49,972)	-
New lease	-	-	-	-	-	16,923
Others	-	(2)	53	2	(112)	(562)
Balance at March 31, 2023	159,279	71	49,996	102,516	342,417	51,069
Cash flows from financing activities	(118,576)	(1,487)	(50,000)	41,647	-	(10,857)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	912	2,892	-	2,858	-	851
Effect of exchange rate changes	1,339	24	-	473	8,760	4,885
Transfer from long term to short term	-	210	129,928	(210)	(129,928)	-
New lease	-	-	-	-	-	12,505
Others	-	(2)	55	2	104	(834)
Balance at March 31, 2024	42,954	1,708	129,979	147,286	221,353	57,619

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, 2023

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	24,666	45,682	70,348
Fair value of plan assets	18,087	23,526	41,613
Funded status	6,579	22,156	28,735
Net defined benefit liability (asset)	6,579	22,156	28,735
Amounts in the consolidated statements of financial position:	6,579	22,156	28,735
Other non-current assets	(2,432)	(1,170)	(3,602)
Retirement benefit liabilities	9,011	23,326	32,337

As of March 31, 2024

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	22,153	51,621	73,774
Fair value of plan assets	18,127	26,259	44,386
Funded status	4,026	25,362	29,388
Net defined benefit liability (asset)	4,026	25,362	29,388
Amounts in the consolidated statements of financial position:	4,026	25,362	29,388
Other non-current assets	(3,829)	(1,127)	(4,956)
Retirement benefit liabilities	7,855	26,489	34,344

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,	
	2023	2024
Current service cost	3,094	3,432
Past service cost and gains or losses arising from settlements	(1,547)	(1,226)
Interest cost (net)	1,071	1,755
Total retirement benefit expenses	2,618	3,961

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, 2022	28,028	48,262	76,290
The amount recognized in net profit or loss			
Current service cost	890	2,204	3,094
Past service cost and gains or losses arising from settlements	(243)	(1,304)	(1,547)
Interest cost	185	1,703	1,888
Total	832	2,603	3,435
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	(125)	(18)	(143)
-actuarial gains or losses arising from changes in financial assumptions	(1,384)	(3,887)	(5,271)
-actuarial gains or losses arising from experience adjustments	80	(2,859)	(2,779)
Total	(1,429)	(6,764)	(8,193)
Others			
Benefits paid	(2,746)	(2,825)	(5,571)
Settlement	(207)	-	(207)
Effects of business combinations	188	139	327
Foreign currency translation adjustments	-	4,267	4,267
Total	(2,765)	1,581	(1,184)
Balance at March 31, 2023	24,666	45,682	70,348
The amount recognized in net profit or loss			
Current service cost	719	2,713	3,432
Past service cost and gains or losses arising from settlements	(302)	(924)	(1,226)
Interest cost	288	2,822	3,110
Total	705	4,611	5,316
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	55	(35)	20
-actuarial gains or losses arising from changes in financial assumptions	(347)	(15)	(362)
-actuarial gains or losses arising from experience adjustments	967	2,596	3,563
Total	675	2,546	3,221
Others			
Benefits paid	(4,577)	(3,378)	(7,955)
Effects of business combinations	684	-	684
Foreign currency translation adjustments	-	2,160	2,160
Total	(3,893)	(1,218)	(5,111)
Balance at March 31, 2024	22,153	51,621	73,774

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

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2022	19,639	22,183	41,822
The amount recognized in net profit or loss			
Interest income	145	670	815
Total	145	670	815
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	(521)	(1,257)	(1,778)
Total	(521)	(1,257)	(1,778)
Others			
Employer's contributions	435	1,475	1,910
Benefits paid	(1,512)	(1,916)	(3,428)
Trust dividend	32	-	32
Settlement	(131)	-	(131)
Foreign currency translation adjustments	-	2,371	2,371
Total	(1,176)	1,930	754
Balance at March 31, 2023	18,087	23,526	41,613
The amount recognized in net profit or loss			
Interest income	270	1,086	1,356
Total	270	1,086	1,356
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	2,165	(354)	1,811
Total	2,165	(354)	1,811
Others			
Employer's contributions	204	1,390	1,594
Benefits paid	(2,647)	(2,351)	(4,998)
Trust dividend	48	-	48
Foreign currency translation adjustments	-	2,962	2,962
Total	(2,395)	2,001	(394)
Balance at March 31, 2024	18,127	26,259	44,386

NIDEC expects to contribute approximately ¥1,166 million to its defined benefit plans in the fiscal year ending March 31, 2025.

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, 2023	March 31, 2024	March 31, 2023	March 31, 2024
Equity instruments:				
Domestic equities	1,133	1,383	-	-
Overseas equities	993	1,346	-	-
Debt instruments:				
Pooled funds *1	-	-	3,077	3,130
Other assets:				
Cash and cash equivalents	1,816	1,606	-	-
General accounts of insurance companies	-	-	7,567	7,707
Pooled funds *2	-	-	3,383	2,901
Others	118	54	-	-
Total	4,060	4,389	14,027	13,738

(Notes) *1. As of March 31, 2023, Japanese pooled funds categorized as debt instruments were invested approximately 29% in Japanese bonds and 71% in foreign bonds. As of March 31, 2024, they were invested approximately 75% in Japanese bonds and 25% in foreign bonds.

*2. As of March 31, 2023, Japanese pooled funds categorized as other assets were invested approximately 18% in Japanese stocks, 48% in foreign stocks, 14% in Japanese bonds and 9% in foreign bonds. As of March 31, 2024, they were invested approximately 9% in Japanese stocks, 50% in foreign stocks, 19% in Japanese bonds and 5% 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, 2023	March 31, 2024	March 31, 2023	March 31, 2024
Equity instruments:				
Domestic equities	-	-	-	-
Overseas equities	659	321	-	-
Debt instruments:				
Pooled funds *1	-	-	343	5
Other assets:				
Cash and cash equivalents	2,135	2,387	-	-
General accounts of insurance companies	-	-	5,255	5,652
Pooled funds *2	-	-	12,584	14,678
Others	51	1	2,499	3,215
Total	2,845	2,709	20,681	23,550

(Notes) *1. All non-Japanese pooled funds categorized as debt instruments were invested in foreign bonds.

*2. As of March 31, 2023, non-Japanese pooled funds categorized as other assets were invested approximately 24% in foreign stocks and 48% in foreign bonds. As of March 31, 2024, they were invested approximately 59% in foreign stocks and 8% 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 7% is invested in equity instruments, approximately 7% is invested in debt instruments, and approximately 86% 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, 2023	March 31, 2024	March 31, 2023	March 31, 2024
Discount rate	1.2 %	1.4 %	4.6 %	5.0 %
Rate of increase in future compensation levels	0.0 %	0.0 %	2.3 %	3.4 %

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, 2023	March 31, 2024
Discount rate		
0.5% increase	(3,232)	(2,942)
0.5% decrease	3,454	3,039

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

	March 31, 2023	March 31, 2024
Japanese plan	8.1 years	8.6 years
Non-Japanese plan	10.4 years	9.2 years

2) Defined contribution pension plan

Total amounts of cost recognized for the contribution to the plans were ¥5,808 million and ¥6,972 million for the years ended March 31, 2023 and 2024, respectively. NIDEC expects to contribute approximately ¥6,499 million for the year ending March 31, 2025.

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,	
	2023	2024
Fair value movements on FVTOCI debt financial assets		
Balance at beginning of year	7	(47)
Changes during year	(54)	(390)
Balance at end of year	(47)	(437)
Fair value movements on FVTOCI equity financial assets		
Balance at beginning of year	-	-
Changes during year	895	6,171
Transfer to retained earnings	(895)	(6,171)
Balance at end of year	-	-
Foreign currency translation adjustments		
Balance at beginning of year	103,244	205,220
Changes during year	101,976	193,982
Balance at end of year	205,220	399,202
Effective portion of net changes in fair value of cash flow hedges		
Balance at beginning of year	668	1,664
Changes during year	996	456
Balance at end of year	1,664	2,120
Remeasurement of defined benefit plans		
Balance at beginning of year	-	-
Changes during year	5,110	1,052
Transfer to retained earnings	(5,110)	(1,052)
Balance at end of year	-	-
Other components of equity		
Balance at beginning of year	103,919	206,837
Changes during year	108,923	201,271
Transfer to retained earnings	(6,005)	(7,223)
Balance at end of year	206,837	400,885

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,					
	2023			2024		
	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	(78)	23	(55)	(516)	126	(390)
Reclassification adjustment	1	0	1	—	—	—
Changes during year	(77)	23	(54)	(516)	126	(390)
Fair value movements on FVTOCI equity financial assets						
Amounts	1,270	(375)	895	8,950	(2,779)	6,171
Changes during year	1,270	(375)	895	8,950	(2,779)	6,171
Foreign currency translation adjustments						
Amounts	(932)	-	(932)	(1,277)	-	(1,277)
Reclassification adjustment	103,256	-	103,256	196,731	-	196,731
Changes during year	102,324	-	102,324	195,454	-	195,454
Effective portion of net changes in fair value of cash flow hedges						
Amounts	1,483	(363)	1,120	3,761	(921)	2,840
Reclassification adjustment	(166)	42	(124)	(3,162)	778	(2,384)
Changes during year	1,317	(321)	996	599	(143)	456
Remeasurement of defined benefit plans						
Amounts	6,415	(1,194)	5,221	1,410	(424)	986
Changes during year	6,415	(1,194)	5,221	1,410	(424)	986
Other comprehensive income	111,249	(1,867)	109,382	205,897	(3,220)	202,677

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,	
	2023	2024
Current income taxes	(56,549)	(84,239)
Deferred income taxes		
Origination and reversal of temporary differences	(16,199)	7,971
Changes in tax rates	(4)	-
Total	(16,203)	7,971
Total income tax expenses	(72,752)	(76,268)

(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, 2024 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,	
	2023	2024
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	(4.8)%	(7.9)%
Tax effect on undistributed earnings	12.4%	2.4%
Assessment of the realizability of deferred tax assets	19.1%	4.6%
Tax credit for experimental research costs and other	(2.4)%	(1.5)%
Foreign tax credits	(1.1)%	(0.7)%
Permanent non-deductible items	1.6%	1.3%
Dividend withholding tax	7.7%	5.6%
Others	2.9%	3.3%
Effective tax rate in income tax expenses on the consolidated statements of income	65.9%	37.6%

(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, 2023

(Yen in millions)

	As of April 1, 2022	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2023
Deferred tax assets:					
Inventories	9,506	65	-	-	9,571
Property, plant and equipment	(7,991)	(5,469)	-	-	(13,460)
Provision for bonuses	2,636	273	-	-	2,909
Accrued enterprise tax	568	139	-	-	707
Retirement benefit liabilities	5,824	637	(1,194)	-	5,267
Tax loss carryforwards	9,907	(5,178)	-	-	4,729
Provision for paid leave	1,422	150	-	-	1,572
Accrued expense	4,442	1,861	-	-	6,303
Lease liabilities	7,760	783	-	-	8,543
Others	1,560	374	-	689	2,623
Total	35,634	(6,365)	(1,194)	689	28,764
Deferred tax liabilities					
FVTOCI financial assets	(5,105)	134	(375)	-	(5,346)
Basis difference of acquired assets	(827)	(12)	-	-	(839)
Undistributed earnings	(11,017)	(12,717)	-	-	(23,734)
Intangible assets	(33,907)	(9,366)	-	-	(43,273)
Right-of-use assets	(7,731)	(781)	-	-	(8,512)
Others	(13,721)	9,552	(298)	(111)	(4,578)
Total	(72,308)	(13,190)	(673)	(111)	(86,282)
Net	(36,674)	(19,555)	(1,867)	578	(57,518)

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, 2024

(Yen in millions)

	As of April 1, 2023	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2024
Deferred tax assets:					
Inventories	9,571	3,128	-	323	13,022
Property, plant and equipment	(13,460)	5,557	-	(239)	(8,142)
Provision for bonuses	2,909	190	-	32	3,131
Accrued enterprise tax	707	281	-	6	994
Retirement benefit liabilities	5,267	(297)	(424)	206	4,752
Tax loss carryforwards	4,729	1,470	-	200	6,399
Provision for paid leave	1,572	173	-	10	1,755
Accrued expense	6,303	(1,557)	-	3	4,749
Lease liabilities	8,543	(2,628)	-	-	5,915
Others	2,623	1,770	-	(709)	3,684
Total	28,764	8,087	(424)	(168)	36,259
Deferred tax liabilities:					
FVTOCI financial assets	(5,346)	(249)	(2,779)	58	(8,316)
Basis difference of acquired assets	(839)	(17)	-	-	(856)
Undistributed earnings	(23,734)	(6,168)	-	-	(29,902)
Intangible assets	(43,273)	(6,188)	-	-	(49,461)
Right-of-use assets	(8,512)	3,503	-	-	(5,009)
Others	(4,578)	(176)	(17)	111	(4,660)
Total	(86,282)	(9,295)	(2,796)	169	(98,204)
Net	(57,518)	(1,208)	(3,220)	1	(61,945)

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.

From the fiscal year ended March 31, 2024, deferred taxes on lease liabilities and right-of-use assets have been changed from net to gross. In addition, on the fiscal year ended March 31, 2023, they have been reclassified in the same way.

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, 2023 and 2024 the deferred tax assets decreased by ¥67,795 million and ¥65,042 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:

(Yen in millions)

	March 31, 2023	March 31, 2024
Deferred tax assets	11,592	16,255
Deferred tax liabilities	(69,110)	(78,200)
Net	(57,518)	(61,945)

(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, 2023	March 31, 2024
Future deductible temporary differences	117,357	170,813
Tax loss carryforwards	123,151	133,044
Total	240,508	303,857

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 ¥240,508 million and ¥303,857 million in the years ended March 31, 2023 and 2024, 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, 2023	March 31, 2024
Year 1	1,465	1,348
Year 2	4,824	4,944
Year 3	7,215	5,677
Year 4	12,867	10,560
Year 5 or later	12,276	17,804
No expiration	84,504	92,711
Total	123,151	133,044

(7) Future taxable temporary differences for unrecognized deferred tax liabilities

At the March 31, 2023 and 2024, 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, 2023 and 2024, future taxable temporary differences related to the investment in subsidiaries, etc. for unrecognized deferred tax liabilities were ¥903,625 million and ¥1,071,278 million, respectively.

(8) Impact of the application of Pillar 2 Model Rules

Due to the complexity of the global minimum tax system, NIDEC has engaged external tax advisors to assist in the application of the system and is currently evaluating the impact of the system in preparation for its application from the fiscal year beginning on April 1, 2024. However, NIDEC expects there are no material impacts of the above statement on NIDEC's consolidated financial statements.

26. Provisions

Changes in the balance and components of provisions are as follows:

(Yen in millions)

	Provision for product warranties	Others	Total
Balance at April 1, 2023	16,836	35,356	52,192
Increase during the year	5,112	62,652	67,764
Acquisitions through business combinations	278	331	609
Decrease due to intended use	(10,594)	(41,213)	(51,807)
Reversal during the year	(3,610)	(8,627)	(12,237)
Foreign currency translation and other	4,444	4,554	8,998
Balance at March 31, 2024	12,466	53,053	65,519

(Yen in millions)

	March 31, 2023	March 31, 2024
Current liabilities	50,815	63,457
Non-current liabilities	1,377	2,062
Total	52,192	65,519

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, 2023 and 2024 were ¥450 million and ¥(21) 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, 2023		For the year ended March 31, 2024	
	BIP Trust	ESOP Trust	BIP Trust	ESOP Trust
(Yen)				
Fair value of the grant date	8,473	8,521	8,473	8,521
(Number of points)				
Balance at beginning of year	11,290	1,792	10,291	1,637
Granted	-	-	-	-
Expired	(775)	(113)	(676)	-
Settled	(224)	(42)	-	-
Balance at end of year	10,291	1,637	9,615	1,637

(Note) The number of remaining contractual life of the points as of March 31, 2023 and 2024 are 0 year.

After the revision of the Plan

	For the year ended March 31, 2023		For the year ended March 31, 2024	
	BIP Trust	ESOP Trust	BIP Trust	ESOP Trust
(Yen)				
Fair value of the grant date	12,690	12,690	12,690	12,690
(Number of points)				
Balance at beginning of year	-	-	17,017	7,180
Granted	22,480	8,796	-	-
Expired	(5,156)	(884)	(844)	(59)
Settled	(307)	(732)	-	-
Balance at end of year	17,017	7,180	16,173	7,121

(Note) The number of remaining contractual life of the points as of March 31, 2024 is approximately 0.2 year.

The number of shares held as BIP Trust for the years ended March 31, 2023 and 2024, are both 315,223. Also, the number of shares held as ESOP Trust for the years ended March 31, 2023 and 2024, are both 156,746.

The expenses for the cash-settled share-based payment recognized for the years ended March 31, 2023 and 2024 were ¥76 million and ¥20 million, respectively. The related liabilities as of March 31, 2023 and 2024 were ¥96 million and ¥150 million, respectively.

28. Common stock, surplus and others

(1) Common stock

The number and changes of authorized shares and issued shares for the years ended March 31, 2023 and 2024, are as follows:

	For the years ended March 31,	
	2023	2024
	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

(Note) The number of treasury stocks included in the total number of issued shares in the above table for the years ended March 31, 2023 and 2024, are 21,527,674 and 21,685,820, respectively.

(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, 2023 and 2024, are as follows:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Balance at beginning of year	103,216	97,670
Increase (decrease)	(5,546)	429
Balance at end of year	97,670	98,099

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.

(3) Treasury stock

	Number of shares	Amount (Yen in millions)
Balance at March 31, 2022	16,023,034	121,272
Repurchase of treasury shares	6,520,000	53,555
Repurchase of odd-lot shares	3,058	23
Decrease due to Stock exchange	(1,014,859)	(7,907)
Decrease due to settlement of the performance-linked remuneration	(3,559)	(26)
Balance at March 31, 2023	21,527,674	166,917
Repurchase of treasury shares	151,400	983
Repurchase of odd-lot shares	3,215	22
Repurchase of odd-lot shares for Stock exchange	3,531	23
Balance at March 31, 2024	21,685,820	167,945

(Note) It was confirmed that treasury stocks in the amount of ¥1,715 million repurchased in September 2022 based on the resolution of the Company's Board of Directors on 21 April 2022, and ¥6,883 million repurchased from 15 February 2023 to 20 March 2023 based on the resolution of the Company's Board of Directors on 24 January 2023, exceeded the distributable amount determined by the Companies Act of Japan and the Regulation on Corporate Accounting. Of these amounts, the treasury shares repurchased as at 31 March 2023, are included in "Purchase of treasury stock" and "Balance at 31 March 2023" in the consolidated statement of changes in equity.

29. Dividends

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

For the year ended March 31, 2023

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
October 24, 2022 Board of directors	Ordinary shares	20,133	35	September 30, 2022	December 1, 2022

(Notes) 1. 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.

2. Total dividends resolved at the board of directors on October 24, 2022 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

3. It was confirmed that the Dividend based on the resolution of the Company's Board of Directors on 24 October 2022 exceeded the distributable amount calculated in accordance with the Japanese Companies Act and the Regulation on Corporate Accounting.

For the year ended March 31, 2024

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2023 Board of directors	Ordinary shares	20,133	35	March 31, 2023	June 1, 2023
October 23, 2023 Board of directors	Ordinary shares	20,128	35	September 30, 2023	December 1, 2023

(Notes) 1. Total dividends resolved at the board of directors on May 26, 2023 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. Total dividends resolved at the board of directors on October 23, 2023 included dividends of ¥17 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, 2024, those whose effective date falls in the year ending March 31, 2025 are as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 24, 2024 Board of directors	Ordinary shares	23,003	40	March 31, 2024	June 3, 2024

(Note) Total dividends resolved at the board of directors on May 24, 2024 included dividends of ¥19 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, 2023

(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						
S e g m e n t	SPMS	78,462	257,022	335,484	-	3,799	61	-	-	339,344
	AMEC	-	-	-	304,733	-	-	-	-	304,733
	MOEN	-	-	-	-	392,807	-	-	-	392,807
	ACIM	-	-	-	-	428,193 (45,570)	-	-	-	428,193 (45,570)
	Nidec Instruments	-	60,709	60,709	12,648	-	56,137	27,989	1,192	158,675
	Nidec Techno Motor	-	-	-	-	89,187	-	-	-	89,187
	Nidec Mobility	-	-	-	118,361	-	-	-	-	118,361
	Nidec Machinery and Automation	-	-	-	-	-	161,185 (17,811)	-	-	161,185 (17,811)
	Nidec Advance Technology	-	-	-	-	-	60,321	-	-	60,321
	Others	-	29,105	29,105	83,912	-	6,016	55,022	3,166	177,221
	Consolidated net sales	78,462	346,836	425,298	519,654	913,986 (45,570)	283,720 (17,811)	83,011	4,358	2,230,027 (63,381)

(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.

3. Nidec changed its company name of "Nidec Sankyo Corporation" which core of the Nidec Sankyo Group to "Nidec Instruments Corporation" on April 1, 2023.

4. Nidec changed its company name of "Nidec-Shimpo Corporation" which core of the Nidec Shimpo Group to "Nidec Drive Technology Corporation" on April 1, 2023.

5. Nidec changed its company name of "Nidec-Read Corporation" which core of the Nidec Read Group to "Nidec Advance Technology Corporation" on April 1, 2023.

For the year ended March 31, 2024

(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						
S e g m e n t	SPMS	70,608	259,988	330,596	-	-	-	-	-	330,596
	AMEC	-	-	-	338,540	-	-	-	-	338,540
	MOEN	-	-	-	-	459,828	-	-	-	459,828
	ACIM	-	-	-	-	428,009 (67,808)	-	-	-	428,009 (67,808)
	Nidec Instruments	-	59,631	59,631	10,531	-	48,736	31,087	1,192	151,177
	Nidec Techno Motor	-	-	-	-	78,245	-	-	-	78,245
	Nidec Mobility	-	-	-	133,768	-	-	-	-	133,768
	Nidec Machinery and Automation	-	-	-	-	-	204,388 (62,192)	-	-	204,388 (62,192)
	Nidec Advance Technology	-	-	-	-	-	39,514	-	-	39,514
	Others	-	25,482	25,482	98,070	-	5,737	50,752	3,053	183,094
Consolidated net sales		70,608	345,101	415,709	580,909	966,082 (67,808)	298,375 (62,192)	81,839	4,245	2,347,159 (130,000)

(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.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) Electronic and optical components

Electronic and optical components product group manufactures and sells product of switches, sensors, 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.

(vi) 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, 2023 and 2024 are as follows:

(Yen in millions)

	As of March 31, 2023	As of March 31, 2024
Contract assets		
Other current assets	22,508	32,115
Other noncurrent assets	583	471
Contract liabilities		
Other current liabilities	34,931	45,397
Other noncurrent liabilities	43	29

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 1, 2022 and 2023 were recognized as revenue during the fiscal years ended March 31, 2023 and 2024, respectively.

The amount of revenue recognized during the fiscal years ended March 31, 2024 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 amortization of these assets is ¥1,199 million for the year ended March 31, 2024.

(Yen in millions)

	As of March 31, 2023	As of March 31, 2024
Incremental costs of obtaining a contract with a customer		
Other noncurrent assets	3,565	2,489
Assets recognized from the costs to fulfill contracts		
Other noncurrent assets	122	72

(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, 2023	As of March 31, 2024
Within one year	69,253	79,413
Over one year	18,902	30,612
Total	88,155	110,025

31. Operating expenses

Operating expenses for the year ended March 31, 2024 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥109,666 million of depreciation, ¥21,924 million of amortization and ¥429,898 million of employee benefit expenses. Operating expenses for the year ended March 31, 2023 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥99,769 million of depreciation, ¥19,753 million of amortization and ¥379,974 million of employee benefit expenses.

32. Financial income and expenses

(1) Financial income

The breakdown of financial income is as follows:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Interest income		
Financial assets measured at amortized cost	15,946	35,304
Dividend income		
FVTOCI equity financial assets	752	597
Others	1,011	393
Total	17,709	36,294

(2) Financial expenses

The breakdown of financial expenses is as follows:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Interest expenses		
Financial liabilities measured at amortized cost	(12,521)	(20,337)
Others	(625)	(1,530)
Total	(13,146)	(21,867)

33. Earnings per share

The basis for calculating earnings (loss) 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,	
	2023	2024
Profit attributable to owners of the parent (Yen in millions)	36,982	125,144
Profit from continuing operations attributable to owners of the parent (Yen in millions)	38,965	125,188
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(1,983)	(44)
Weighted average shares (Shares)	575,552,146	574,599,990
Earnings (loss) per share attributable to owners of the parent-basic (Yen)	64.26	217.79
Continuing operations (Yen)	67.70	217.87
Discontinued operations (Yen)	(3.45)	(0.08)

(Note) In the calculation of "Earnings (loss) 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, 2023

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	23,216	2,745	61	Other financial assets Other financial liabilities
Commodity price risk				
Commodity futures contracts	669	111	6	Other financial assets Other financial liabilities

As of March 31, 2024

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	29,865	3,385	33	Other financial assets Other financial liabilities
Commodity price risk				
Commodity futures contracts	1,736	333	6	Other financial assets Other financial liabilities

Derivatives not designated as hedges are as follows:

As of March 31, 2023

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	40,599	933	-	Other financial assets
Interest rate swap agreements	20,000	-	187	Other financial liabilities

As of March 31, 2024

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	27,651	58	1	Other financial assets Other financial liabilities
Interest rate swap agreements	20,000	-	376	Other financial liabilities

Carrying amounts of cash flow hedge reserve are as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Currency risk		
Foreign exchange forward contracts	1,533	1,818
Commodity price risk		
Commodity futures contracts	132	302

The effects of derivatives designated as cash flow hedges on profit or loss are as follows:

For the year ended March 31, 2023

(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	2,083	(684)	Cost of sales
Commodity price risk			
Commodity futures contracts	(962)	560	Cost of sales

For the year ended March 31, 2024

(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	2,542	(2,256)	Cost of sales
Commodity price risk			
Commodity futures contracts	298	(128)	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, 2023 and 2024.

As of March 31, 2024, the maximum length of time over which NIDEC hedged its exposure to variability in future cash flows for forecast transactions was approximately 23 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,	
		2023	2024
Foreign exchange forward contracts	Foreign exchange differences	933	57
Interest rate swap agreements	Derivative gain (loss)	(177)	(188)

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, 2023		March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	26	26	24	24
Long term investments	5,043	5,195	5,066	5,146
Short term loans receivable	14	14	12	12
Long term loans receivable	161	148	8,331	8,245
Short term borrowings	(159,279)	(159,279)	(42,954)	(42,954)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(102,587)	(101,483)	(148,994)	(147,145)
Corporate bonds (including corporate bonds due within one year)	(392,413)	(383,129)	(351,332)	(344,839)

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

The fair value of Long term investments is mainly held to maturity bonds. It is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(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, 2023

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTOCI equity financial assets	18,608	-	2,258	20,866
FVTOCI debt financial assets	-	77	-	77
Derivatives	111	3,678	-	3,789
Total financial assets	18,719	3,755	2,258	24,732
Liabilities:				
Derivatives	6	248	-	254
Total financial liabilities	6	248	-	254

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023.

As of March 31, 2024

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTOCI equity financial assets	29,135	-	2,220	31,355
FVTOCI debt financial assets	-	93	-	93
Derivatives	333	3,443	-	3,776
Total financial assets	29,468	3,536	2,220	35,224
Liabilities:				
Derivatives	6	410	-	416
Total financial liabilities	6	410	-	416

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024.

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,	
	2023	2024
Balance at beginning of year	2,154	2,258
Gains or losses:		
Recognized in other comprehensive income (Note)	141	(18)
Purchases	-	2
Sales	(37)	(43)
Acquisition by business combination	-	21
Balance at end of year	2,258	2,220

(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, 2023 and 2024 are as follows:

Sales of goods and services

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Related parties		
S.N. Kosan, LTD.*1	0	1
Nagamori Foundation*2	13	12
Nagamori Gakuen Educational Foundation*3	31	25
Nagamori Culture Foundation*4	65	79

(Notes) *1. A director of NIDEC owns a majority of voting rights of S.N. Kosan, LTD.

*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 representative director 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.

Purchase of goods and services

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Related parties		
S.N. Kosan, LTD	13	13
Nagamori Gakuen Educational Foundation	85	80
Nagamori Culture Foundation	1	1

Purchase of goods and services from 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.

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2023	March 31, 2024
Receivables from related parties		
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	2	2
Nagamori Culture Foundation	1	1
Payables to related parties		
S.N. Kosan, LTD.	0	-
Nagamori Gakuen Educational Foundation	-	-
Nagamori Culture Foundation	0	0

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2023 and 2024. In addition, there were no expenses recognized during the years ended March 31, 2023 and 2024 in respect of receivables from related parties.

(2) NIDEC's key management personnel compensation for the years ended March 31, 2023 and 2024 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Fixed compensation	232	233
Variable compensation	6	0
Performance-linked share-based compensation	15	0
Total	253	233

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, 2023	As of March 31, 2024
Carrying amount of interest in associates	3,097	8,352

(Yen in millions)

	For the years ended March 31,	
	2023	2024
Comprehensive income for the year		
Loss for the year	(3,905)	(7,164)
Total	(3,905)	(7,164)

38. Leases

1. Lessee

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, 2022	6,775	32,740	2,210	1,316	312
Depreciation	(503)	(7,227)	(769)	(543)	(174)
Acquisitions through business combinations	-	-	22	32	-
New contract	7	12,437	509	1,136	-
Foreign currency translation adjustments	385	2,815	460	170	-
Others *3	-	-	-	-	-
Balance at March 31, 2023	6,664	40,765	2,432	2,111	138
Depreciation	(801)	(4,853)	(1,132)	(430)	(93)
Acquisitions through business combinations	-	1,025	-	13	-
New contract	165	8,842	1,355	2,088	-
Foreign currency translation adjustments	992	7,197	916	514	-
Others *3	(38)	(7,023)	(898)	(1,205)	-
Balance at March 31, 2024	6,982	45,953	2,673	3,091	45

(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, 2023	March 31, 2024
Within one year	11,305	13,151
Over one year within five years	27,001	31,923
Over five years	22,816	23,824
Total undiscounted lease liabilities at March 31	61,122	68,898
Lease liabilities included in consolidated statements of financial position at March 31	51,069	57,619
Current	9,698	11,441
Non-current	41,371	46,178
Total	51,069	57,619

(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, 2023	For the year ended March 31, 2024
Depreciation of right-of-use assets		
Land	503	801
Buildings	7,227	4,853
Machinery and equipment	769	1,132
Vehicles	543	430
Software	174	93
Subtotal	9,216	7,309
Interest expense	1,635	1,721
Expenses relating to short-term leases	4,595	3,766
Expenses relating to Low-value asset leases	1,735	2,122
Subtotal	7,965	7,609
Total	17,181	14,918

(4) The amount recognized in statements of cash flows

At March 31, 2024 and 2023, the total cash outflow for leases is ¥10,857 million and ¥8,980 million.

2. Lessor

(1) Operating lease

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, 2024 and 2023 were ¥69 million and ¥35 million.

The future minimum rental income under operating leases with remaining non-cancellable terms are as follows:

(Yen in millions)

Term	March 31, 2023	March 31, 2024
Within one year	12	20
Over one year within five years	2	-
Over five years	-	-
Total future minimum rental income	14	20

(2) Finance lease

NIDEC is a lessor of a portion of the equipment in finance leases.

The gross investment in the lease and the net investment in the lease for finance lease contracts and the reconciliation of these items as of March 31, 2023 and 2024, are as follows:

(Yen in millions)

Term	March 31, 2023	March 31, 2024
Within one year	167	224
Over one year within five years	586	1,344
Over five years	514	1,803
Total gross investment in the lease	1,267	3,371
Less: Unearned finance income	129	167
Net investment in the lease	1,138	3,204

The breakdown of the revenue from finance leases is as follows:

(Yen in millions)

Term	March 31, 2023	March 31, 2024
Selling profit or loss	31	11
Interest income	8	41

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, 2023	March 31, 2024
Ratio of equity attributable to owners of the parent to total assets	47.0 %	51.6 %

	For the years ended March 31,	
	2023	2024
Profit ratio of equity attributable to owners of the parent	2.8 %	8.4 %

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, 2023

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	64,940	54,605	2,602	7,733
Expected credit loss allowance	(3,860)	(160)	(624)	(3,076)
Net amount	61,080	54,445	1,978	4,657
Rate of expected credit loss	5.9%	0.3%	24.0%	39.8%
Other financial assets:				
Gross amount	1,273	-	-	1,273
Expected credit loss allowance	(442)	-	-	(442)
Net amount	831	-	-	831
Rate of expected credit loss	34.7%	-	-	34.7%

As of March 31, 2024

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	55,182	46,280	2,999	5,902
Expected credit loss allowance	(3,949)	(234)	(81)	(3,634)
Net amount	51,233	46,046	2,918	2,268
Rate of expected credit loss	7.2%	0.5%	2.7%	61.6%
Other financial assets:				
Gross amount	446	-	-	446
Expected credit loss allowance	(445)	-	-	(445)
Net amount	1	-	-	1
Rate of expected credit loss	99.8%	-	-	99.8%

The changes in the balance of expected credit loss allowance directly deducted from assets are as follows:

(Yen in millions)

	For the year ended March 31,			
	2023		2024	
	Trade and other receivables	Other financial assets	Trade and other receivables	Other financial assets
Expected credit loss allowances at beginning of the year	3,970	449	5,383	447
Expected credit loss allowance, net of reversal	1,959	(2)	556	(26)
Usage as intended	(830)	-	(1,250)	-
Foreign currency translation and other	284	0	572	28
Expected credit loss allowances at the end of the year	5,383	447	5,261	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, 2023 and 2024 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2023	2024
U.S. dollar (appreciation of Japanese yen by 1%)	(1,269)	(1,869)
Euro (appreciation of Japanese yen by 1%)	(1,314)	(1,788)

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, 2024, NIDEC has guaranteed ¥18,929 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, 2024, NIDEC was aware of total contingent liabilities of ¥44,184 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.

41. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	March 31, 2023	March 31, 2024
Property, plant and equipment and other assets	18,521	25,017

42. Events after the reporting period

No items to report.

43. Authorization of consolidated financial statements

NIDEC's consolidated financial statements were authorized for issue on June 18, 2024 by Mitsuya Kishida, Representative Director and President and Chief Executive Officer and Akinobu Samura, Senior Vice President and Chief Financial Officer.

2. Others

Quarterly information, etc. from April 1, 2023 to March 31, 2024

(Yen in millions, unless otherwise indicated)

(Accumulated period)	For the three months ended June 30, 2023	For the six months ended September 30, 2023	For the nine months ended December 31, 2023	For the year ended March 31, 2024
Net sales	564,362	1,157,448	1,745,073	2,347,159
Profit before income taxes	86,105	144,958	192,406	202,612
Profit attributable to owners of the parent	64,066	105,782	144,894	125,144
Earnings per share attributable to owners of the parent-basic (yen)	111.50	184.10	252.17	217.79

(Fiscal period)	For the three months ended June 30, 2023	For the three months ended September 30, 2023	For the three months ended December 31, 2023	For the three months ended March 31, 2024
Earnings (loss) per share attributable to owners of the parent-basic (yen)	111.50	72.60	68.07	(34.37)

(Notes) 1. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2024.

Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

2. "Earnings (loss) 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	<p>Shareholder Benefit Program</p> <p>1. Music box</p> <p>1) Eligible shareholders</p> <p>The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits</p> <p><Target: Shareholders with a shareholding period of 10 years or longer* and a share unit (100 shares) or more></p> <p>— Contents : Music box (by application or lot)</p> <p>— Benefit : A) An Orpheus music box (worth from 75,000 yen to 90,000yen)</p> <p>— Shareholders : 10 by lot</p> <p><Target: Shareholders with a shareholding period of 3 years or longer and a share unit (100 shares) or more></p> <p>— Contents : Music box (by application or lot)</p> <p>— Benefit : B) A music box (worth 5,000 yen)</p> <p>— Shareholders : 100 by lot</p> <p>*Those who own the Company's shares for 10 years or longer may choose either A) or B) above when applying.</p>

Shareholders privileges	<p>2. A leaflet which serves as an admission ticket to Suwanone Museum of where Nidec Instruments Corporation showcases their music box products.</p> <p>1) Eligible shareholders</p> <p>The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits</p> <p>NIDEC offers a leaflet which serves as an admission ticket to Suwanone Museum where Nidec Instruments Corporation showcases their music box products.</p> <ul style="list-style-type: none"> • NIDEC will also offer a 10% discount ticket that can be used for a purchase of merchandise over 5,000 yen. • A 10% discount coupon that can be used for purchases of 5,000 yen or more at the museum's online shop. • A 10% discount coupon for the Green Sun Hotel, located near the museum, and operated by a Nidec group company. When booking this hotel online, please select on-site cash payment, so we will offer the discounted rate. <p>(Please have your leaflet with you when visiting Suwanone Museum.)</p>
-------------------------	--

- (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, 2024 to the filing date of the Annual Securities Report.

1. Annual Securities Report and the attachments thereto, and Confirmation Letter

(The 50th business term) (From April 1, 2022 to March 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on June 21, 2023
--	--

2. Amendment to Annual Securities Report and Confirmation Letter

(The 50th business term) (From April 1, 2022 to March 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
--	---

3. Internal Control Report

Filed with the Director-General of the Kanto Local Finance Bureau on June 21, 2023

4. Amendment to Internal Control Report

Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024

5. Shelf Registration Statements (Straight bond) and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on April 1, 2024

6. Amend shelf registration statement

Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024

7. Quarterly Report and Confirmation Letter

(First Quarter of the 51st business term) (From April 1, 2023 to June 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on August 9, 2023
(Second Quarter of the 51st business term) (From July 1, 2023 to September 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on November 13, 2023
(Third Quarter of the 51st business term) (From October 1, 2023 to December 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on February 13, 2024

8. Amendment to Quarterly Report and Confirmation Letter

(First Quarter of the 50th business term) (From April 1, 2022 to June 30, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Second Quarter of the 50th business term) (From July 1, 2022 to September 30, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Third Quarter of the 50th business term) (From October 1, 2022 to December 31, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(First Quarter of the 51st business term) (From April 1, 2023 to June 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Second Quarter of the 51st business term) (From July 1, 2023 to September 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Third Quarter of the 51st business term) (From October 1, 2023 to December 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024

9. 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 22, 2023
Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-4 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on December 4, 2023
Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on February 19, 2024

10. Status Report of Acquisition of Treasury Shares

(From June 1, 2023 to June 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on July 6, 2023
(From July 1, 2023 to July 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on August 4, 2023

(From August 1, 2023 to August 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on September 6, 2023
(From September 1, 2023 to September 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on October 5, 2023
(From October 1, 2023 to October 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on November 7, 2023
(From November 1, 2023 to November 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on December 6, 2023
(From December 1, 2023 to December 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on January 10, 2024
(From January 1, 2024 to January 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on February 6, 2024
(From February 1, 2024 to February 29, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on March 6, 2024
(From March 1, 2024 to March 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on April 4, 2024
(From April 1, 2024 to April 30, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on May 10, 2024
(From May 1, 2024 to May 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on June 6, 2024

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 18, 2024

To the Board of Directors of
NIDEC CORPORATION:

PricewaterhouseCoopers Japan LLC

Designated limited liability and Engagement Partner,
Certified Public Accountant: Tsuyoshi Yamamoto

Designated limited liability and Engagement Partner,
Certified Public Accountant: Minamoto Nakamura

Designated limited liability and Engagement Partner,
Certified Public Accountant: Tatsuro Iwai

Audit of Consolidated 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, 2024 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, 2024 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.

Assessment of impairment of non-financial assets in the traction motor business attributable to the AMEC segment [Notes to consolidated financial statements] 14. Property, plant and equipment	
Key audit matter description	How our audit addressed the key audit matter
<p>As of the end of March 2024, NIDEC Corporation (hereinafter referred to as the "Company") recorded non-financial assets of JPY 17,429 million in its traction motor business attributable to the AMEC segment.</p> <p>An impairment loss is recognized when the carrying amount of a cash-generating unit group exceeds its recoverable amount. In the current fiscal year, the carrying amount of non-financial assets in the traction motor business attributable to the AMEC segment was less than its recoverable amount, and therefore no impairment loss was recognized for non-financial assets.</p> <p>The recoverable amount of a group of cash-generating units is calculated by discounting estimated future cash flows, calculated based on business plans approved by management, to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.</p> <p>In calculating the value in use used in the impairment test, significant assumptions such as sales forecasts, expense forecasts, remaining useful lives and pre-tax discount rates included in the business plan contain many elements of accounting estimates and involve management judgment, resulting in a high degree of uncertainty in the estimate of the impairment loss measured as a result. In addition, restructuring costs have been recorded in the traction motor business of the AMEC segment, and non-financial assets after recording the restructuring costs are a significant amount. Taking these factors into consideration, we determined that this was a key audit matter issue.</p>	<p>We primarily performed the following audit procedures to examine the Company's valuation of non-financial assets in the traction motor business attributable to the AMEC segment:</p> <ul style="list-style-type: none"> - Understood the current business environment, focusing on the latest trends in the traction motor business in the AMEC segment, by inquiring management and reviewing the minutes of meetings such as the board of directors and other related documents. - Understood the internal controls related to the impairment testing of non-financial assets in the traction motor business in the AMEC segment, and evaluated their design and operation effectiveness. - Utilized our valuation expert to verify the valuation method for value in use. - Evaluated whether the business plan used in the impairment test of non-financial assets for the traction motor business attributable to the AMEC segment was approved by the Company. We also considered whether the market environment assumed by management in the business plan was consistent with the market forecasts presented in external reports. - Evaluated the pre-tax discount rate based on information obtained by ourselves and information on comparable companies that is publicly available. We also conducted additional stress tests and evaluated their impact. - Evaluated the reasonableness of the analytical methodology used in the sensitivity analysis performed by the Company for significant assumptions and recalculated the analysis results.

Correction of consolidated adjustments for sales and other amounts involving transactions between consolidated subsidiaries due to errors in each quarter	
Key audit matter description	How our audit addressed the key audit matter
<p>NIDEC Corporation (hereinafter referred to as the "Company") identified an error in which sales were overstated due to a misidentification of the items to be adjusted in the consolidated adjustments for sales and other amounts involving intercompany transactions between consolidated subsidiaries, which are implemented as part of the consolidated accounting procedures. The Company determined that the amount of the error was material and corrected the items related to the error in the consolidated financial statements included in the securities report for the previous fiscal year and the condensed quarterly consolidated financial statements for the first, second and third quarters of this consolidated fiscal year.</p> <p>The Company identified internal control deficiencies due to insufficient communication between related consolidated subsidiaries, which resulted in insufficient collection of accurate and comprehensive information necessary for calculating consolidation adjustments of sales revenue and other transactions between consolidated subsidiaries. Additionally, an insufficient monitoring system for consolidated financial statement procedures was noted and it was determined that these issues constituted material weaknesses in the financial statement reporting process that should be disclosed.</p> <p>The condensed quarterly consolidated financial statements for the first, second and third quarters of this consolidated fiscal year were revised, and material weaknesses in the closing and financial reporting process were identified. As a significant event that occurred during this consolidated fiscal year, the appropriateness of the restatement of sales and other amounts related to the errors requires careful consideration in the audit. For this reason, the restatement of consolidated adjustments for sales and other amounts involving transactions between consolidated subsidiaries due to errors was determined to be a key audit matter.</p>	<p>With regard to the consolidated adjustments of sales and other amounts involving transactions between consolidated subsidiaries that were the reason for the correction, we conducted the following audit procedures to ascertain whether the Company accurately and comprehensively understood the facts related to the errors and appropriately corrected the sales and other amounts in the first, second and third condensed quarterly consolidated financial statements for the current consolidated fiscal year.</p> <ul style="list-style-type: none"> - We inquired of management and reviewed the results of the Company's internal processes to understand the content of the errors and their root causes. - We evaluated the reliability of the supporting documents for sales figures and other amounts involving transactions between consolidated subsidiaries that caused the errors, and evaluated whether sales figures and other amounts had been appropriately revised based on the supporting documents. - We confirmed that the Company had appropriately identified and evaluated the internal control deficiencies related to the errors, and also inspected the supporting documents for similar consolidation adjustment entries to determine whether other similar errors had occurred.

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 Japan LLC's opinion on the non-consolidated financial statements does not cover the other information, and PricewaterhouseCoopers Japan LLC does not express an audit opinion thereon.

In connection with PricewaterhouseCoopers Japan LLC's audit of the non-consolidated financial statements, PricewaterhouseCoopers Japan LLC'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 Japan LLC's knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work PricewaterhouseCoopers Japan LLC has performed, PricewaterhouseCoopers Japan LLC concludes that there is a material misstatement of the other information, PricewaterhouseCoopers Japan LLC is required to report that fact.

PricewaterhouseCoopers Japan LLC 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.
- In order to express an opinion on the consolidated financial statements, the Company obtains sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries. The auditor is responsible for the direction, supervision and conduct of the audit of the consolidated financial statements. The auditor is solely responsible for the 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, safeguards applied to reduce the disincentive to an acceptable level.

Of the matters discussed with Audit and Supervisory Committee, PricewaterhouseCoopers Japan LLC determines matters that were determined to be particularly important during the financial statement audit of the fiscal year 2023 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 Japan LLC 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, 2024.

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, 2024 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.

Emphases

1. As described in the Internal Control Report, there are material deficiencies in the Company's financial closing and reporting processes that should be disclosed, but the Company has reflected in the consolidated financial statements any necessary corrections resulting from the material deficiencies that should be disclosed. This has no impact on the audit of financial statements.

2. As described in 4 [Supplementary Note] of the Internal Control Report, the Company implemented recurrence prevention measures to correct material deficiencies that should be disclosed after the end of the current consolidated fiscal year.

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.

<Remuneration Information>

The amounts of remuneration based on audit and attestation services and remuneration based on non-audit services provided for the Company and its subsidiaries by the audit corporation and persons who belong to the same network as the audit corporation are stated in the Corporate Governance, etc. (3) Audit Status included in “Information on the Company.”

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.