

[Translation]

Quarterly Report

(The Second Quarter of 50th Business Term)

From July 1, 2022 to September 30, 2022

NIDEC CORPORATION

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[Company Name]	Nihon Densan Kabushiki Kaisha
[Company Name in English]	NIDEC CORPORATION
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This is an English translation of the Quarterly Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the six months ended September 30,		For the year ended March 31, 2022
	2021	2022	
Net sales	910,668 [463,198]	1,130,767 [590,398]	1,918,174
Profit before income taxes	87,103	118,375	170,032
Profit attributable to owners of the parent	66,612 [33,161]	86,649 [45,328]	135,759
Comprehensive income attributable to owners of the parent	77,700	293,067	291,328
Total equity attributable to owners of the parent	1,149,338	1,518,134	1,292,241
Total assets	2,375,487	3,023,437	2,678,483
Earnings per share attributable to owners of the parent - basic (yen)	113.79 [56.65]	150.31 [78.83]	232.40
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	48.4	50.2	48.2
Net cash provided by operating activities	40,283	56,351	94,994
Net cash used in investing activities	(56,331)	(80,968)	(112,597)
Net cash provided by (used in) financing activities	(21,125)	(14,088)	(64,393)
Cash and cash equivalents at end of period	187,806	213,671	199,655

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

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

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

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

5. NIDEC finalized the provisional accounting treatment for the business combination in the six months ended September 30, 2022. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2022 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the six months ended September 30, 2022 are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 7. Business combinations".

6. The figures of "Net sales", "Profit attributable to owners of the parent" and "Earnings per share attributable to owners of the parent - basic (yen)" in square bracket are those for the three months ended September 30, 2021 and 2022, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the six months ended September 30, 2022. Moreover, there were no changes in principal subsidiaries and associates.

The reporting segment classification was changed in the three months ended June 30, 2022. For details, please refer to "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information".

II. Business Overview

1. Risk Factors

Material changes during the six months ended September 30, 2022 from the risk factors stated in the annual securities report for the previous fiscal year are as follows. The item number attached to the headings below correspond to the item numbers in “Part I Information on the Company II. Business Overview 2. Risk Factors” in the annual securities report for the previous fiscal year.

3. Governance risks

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

The continued success of NIDEC has depended mainly on the abilities and skills of Mr. Shigenobu Nagamori, the founder of NIDEC. To grow out of this, we have actively promoted the appointment of executives, including candidates for successors, mainly from outside the Company. However, in the current situation where various economic and political risks have become apparent, we have not been able to create a new leader who will be the driving force behind the growth of “Do your work now; do it without hesitation; do it until completed.” which is the founding spirit of NIDEC. Mr. Kobe, who has supported NIDEC since its founding alongside Mr. Nagamori (Chief Executive Officer), was appointed as Representative Director and President (Chief Operating Officer) because he has the judgment and speed to overcome this difficult situation. Under the management system led by Mr. Nagamori and Mr. Kobe, we aim to achieve sales of 4 trillion yen in 2025 and 10 trillion yen in 2030 through the original swift management of NIDEC. In addition, this system is short-term based on succession planning. The policy is to select a vice president in fiscal 2023 and the next president in fiscal 2024 from internal personnel who understands the corporate culture of NIDEC. By building a solid management foundation for the future, we will promote reform of the structure dependent on the founder, strengthen the organizational collaboration among the Group executives (strengthening the chief officer system), and exceed our business plan.

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

Forward-looking statements below were determined as of September 30, 2022.

NIDEC finalized the provisional accounting treatment for the business combination in the six months ended September 30, 2022. Consolidated financial statements for the year ended March 31, 2022 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

(1) Operating results

The IMF expects global economic growth in calendar year 2022 to be +3.2% as of October 2022. In financial markets, central banks around the world continued to raise interest rates and reduce monetary easing with a focus on countering inflation. The business environment surrounding NIDEC continued to be challenging with respect to demand, as the number of housing starts in the U.S. slowed down, shipments of IT equipment and home appliances peaked out, and automobile production volumes did not return to a full-scale recovery trend. Japanese yen continued to depreciate as the yen-dollar exchange rate at 2nd quarter end marked the mid-140 yen range.

The following table sets forth consolidated operating results for the six months ended September 30, 2022:

(Yen in millions)

	For the six months ended September 30,		Increase or decrease	Ratio of change
	2021	2022		
Net sales	910,668	1,130,767	220,099	24.2%
Operating profit	89,144	96,368	7,224	8.1%
Operating profit ratio	9.8%	8.5%	-	-
Profit before income taxes	87,103	118,375	31,272	35.9%
Profit for the period from continuing operations	66,528	87,243	20,715	31.1%
Loss for the period from discontinued operations	(148)	(171)	(23)	-
Profit attributable to owners of the parent	66,612	86,649	20,037	30.1%

Consolidated net sales from continuing operations increased 24.2% to ¥1,130,767 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥139,600 million. We renewed the highest record of the quarterly consolidated accounting period, despite the continued influences of the Russian invasion of Ukraine, and difficulties in procuring semiconductors and other electronic components among customers.

Operating profit increased 8.1% to ¥96,368 million for this six-month period compared to the same period of the previous year, including a positive effect of the foreign currency exchange rates by approximately ¥17,000 million, due to continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for global rise in costs.

Profit before income taxes increased 35.9% to ¥118,375 million due to recording ¥23,000 million in foreign exchange gain, profit for the period from continuing operations increased 31.1% to ¥87,243 million, and profit attributable to owners of the parent increased 30.1% to ¥86,649 million compared to the same period of the previous year. They all renewed the highest records of the quarterly consolidated accounting periods.

The following table sets forth operating results by segment:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit (loss)		
	2021	2022	Increase or decrease	2021	2022	Increase or decrease
SPMS	167,908	182,312	14,404	19,234	18,553	(681)
AMEC	106,903	148,828	41,925	(3,231)	(8,637)	(5,406)
MOEN	154,484	188,004	33,520	17,858	18,472	614
ACIM	187,573	223,878	36,305	16,634	13,019	(3,615)
Nidec Sankyo	70,142	87,998	17,856	5,747	10,229	4,482
Nidec Techno Motor	44,692	49,740	5,048	6,022	6,632	610
Nidec Mobility	46,531	57,085	10,554	4,797	6,004	1,207
Nidec Shimpo	46,848	85,353	38,505	7,943	11,396	3,453
Nidec Read	25,528	34,758	9,230	7,233	10,221	2,988
Others	98,842	112,446	13,604	13,826	17,996	4,170
Elimination/corporate	(38,783)	(39,635)	(852)	(6,919)	(7,517)	(598)
Consolidated total	910,668	1,130,767	220,099	89,144	96,368	7,224

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

2. NIDEC has changed its reporting segment classification in the three months ended June 30, 2022. For details, please refer to “IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements 5. Segment Information”.

Net sales of SPMS increased ¥14,404 million to ¥182,312 million for this six-month period compared to the same period of the prior year. This increase was due to strong sales of IT fan motors, high-efficiency motors for home appliance, and thermal solution products for game consoles and other products and a positive effect of the fluctuations of the foreign currency exchange rates despite a decrease in the number of HDD motors sold. Operating profit decreased ¥681 million to ¥18,553 million for this six-month period compared to the same period of the prior year. This decrease was due to continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for global rise in costs, despite the changes in product mix.

Net sales of AMEC increased ¥41,925 million to ¥148,828 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of the traction motor system (E-Axle), others and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit (loss) was ¥8,637 million operating loss for this six-month period due to continuously recording development costs and others for the traction motor system (E-Axle) in high demand.

Net sales of MOEN increased ¥33,520 million to ¥188,004 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales for power generator business and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥614 million to ¥18,472 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of ACIM increased ¥36,305 million to ¥223,878 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales for commercial and industrial motors and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit decreased ¥3,615 million to ¥13,019 million for this six-month period compared to the same period of the prior year. This decrease was due to global rise in costs.

Net sales of Nidec Sankyo increased ¥17,856 million to ¥87,998 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales of LCD panel handling robots and semiconductor robots. Operating profit increased ¥4,482 million to ¥10,229 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Techno Motor increased ¥5,048 million to ¥49,740 million for this six-month period compared to the same period of the prior year. This increase was due to a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥610 million to ¥6,632 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Mobility increased ¥10,554 million to ¥57,085 million for this six-month period compared to the same period of the prior year. This increase was due to a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥1,207 million to ¥6,004 million for this six-month period. This increase was due to an increase in sales.

Net sales of Nidec Shimpo increased ¥38,505 million to ¥85,353 million for this six-month period compared to the same period of the prior year. This increase was due to the entry into machine tool business and can making presses moving towards deplasticization. Operating profit increased ¥3,453 million to ¥11,396 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Read increased ¥9,230 million to ¥34,758 million for this six-month period compared to the same period of the prior year. This increase was due to higher sales of semiconductor inspection systems in strong demand for 5G. Operating profit increased ¥2,988 million to ¥10,221 million for this six-month period compared to the same period of the prior year. This increase was due to an increase in sales.

With respect to the Others segment, net sales increased ¥13,604 million to ¥112,446 million for this six-month period compared to the same period of the prior year. Operating profit increased ¥4,170 million to ¥17,996 million for this six-month period compared to the same period of the prior year.

Operating results by product category are as follows:

(Yen in millions)

	For the six months ended September 30,					
	Net sales			Operating profit		
	2021	2022	Increase or decrease	2021	2022	Increase or decrease
Small precision motors	205,111	226,311	21,200	23,095	24,035	940
Automotive products	197,197	254,150	56,953	8,337	5,463	(2,874)
Appliance, commercial and industrial products	378,021	453,396	75,375	40,528	38,292	(2,236)
Machinery	95,365	153,365	58,000	19,446	27,959	8,513
Electronic and optical components	33,146	41,501	8,355	4,446	7,694	3,248
Other products	1,828	2,044	216	191	229	38
Elimination/corporate	-	-	-	(6,899)	(7,304)	(405)
Consolidated total	910,668	1,130,767	220,099	89,144	96,368	7,224

Net sales of small precision motors increased 10.3% to ¥226,311 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥34,100 million. Net sales of spindle motors for HDDs decreased 14.2% to ¥42,406 million for this six-month period compared to the same period of the previous year, mainly due to a decrease in the number of units sold. On the other hand, net sales of other small precision motors increased 18.1% to ¥183,905 million for this six-month period compared to the same period of the previous year, due to strong sales of IT fan motors, high-efficiency motors for home appliance, and thermal solution products for game consoles and other products. Operating profit of this category increased 4.1% to ¥24,035 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥5,900 million. This was due to continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for global rise in costs, despite the changes in product mix.

Under the continued influences of the Russian invasion of Ukraine and difficulties in procuring semiconductors and other electronic components among customers, net sales of automotive products increased 28.9% to ¥254,150 million for this six-month period compared to the same period of the previous year due to increase in sales of traction motor system (E-Axle), including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥22,900 million. Operating profit of this category decreased 34.5% to ¥5,463 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,000 million. This was due to continuing development costs and others for the traction motor system (E-Axle) in high demand, despite continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for global rise in costs.

Under the continued influences of the Russian invasion of Ukraine, net sales of appliance, commercial and industrial products increased 19.9% to ¥453,396 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥72,300 million, due to higher sales of power generator business that has received lots of large orders. Operating profit of this category decreased 5.5% to ¥38,292 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥8,700 million. This was mainly due to the changes in product mix, despite continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for global rise in costs.

Net sales of machinery increased 60.8% to ¥153,365 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥7,800 million, due to the entry into machine tool business in addition to higher sales of semiconductor inspection systems in strong demand for 5G, and can making presses moving towards deplasticization. Operating profit of this category increased 43.8% to ¥27,959 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥500 million, mainly due to the higher sales.

Net sales of electronic and optical components increased 25.2% to ¥41,501 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,400 million. Operating profit of this category increased 73.1% to ¥7,694 million for this six-month period compared to the same period of the previous year, including a negative effect of the fluctuations of the foreign currency exchange rates by approximately ¥300 million.

Net sales of this category increased 11.8% to ¥2,044 million and operating profit of this category increased 19.9% to ¥229 million for this six-month period compared to the same period of the previous year.

(2) Financial position

Total assets increased ¥344,954 million to ¥3,023,437 million as of September 30, 2022 compared to March 31, 2022. This was mainly due to increases of ¥91,886 million in inventories, ¥87,107 million in property, plant and equipment, and ¥69,484 million in trade and other receivables.

Total liabilities increased ¥118,002 million to ¥1,479,787 million as of September 30, 2022 compared to March 31, 2022. This was mainly due to an increase of ¥7,836 million in trade and other payables and ¥70,329 million in interest-bearing debt. Specifically, short term borrowings increased ¥82,564 million to ¥213,199 million, long term debt due within one year decreased ¥33,728 million to ¥109,473 million and long term debt increased ¥21,493 million to ¥343,367 million as of September 30, 2022 compared to March 31, 2022.

Total equity attributable to owners of the parent increased ¥225,893 million to ¥1,518,134 million as of September 30, 2022 compared to March 31, 2022. Ratio of total equity attributable to owners of the parent to total assets increased to 50.2% as of September 30, 2022 from 48.2% as of March 31, 2022. This was mainly due to an increase in retained earnings of ¥66,728 million and other components of equity of ¥205,715 million.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities for the six months ended September 30, 2022 amounted to ¥56,351 million mainly due to ¥87,072 million in profit for the period and other factors, despite ¥49,972 million decrease in accounts payable, ¥35,182 million increase in inventories, and ¥16,173 million increase in accounts receivable. Net cash provided by operating activities increased by ¥16,068 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities for the six months ended September 30, 2022 amounted to ¥80,968 million mainly due to additions to property, plant and equipment of ¥66,649 million and other factors. Net cash used in investing activities increased by ¥24,637 million year on year.

(Cash flows from financing activities)

Net cash used in financing activities for the six months ended September 30, 2022 amounted to ¥14,088 million mainly due to ¥85,000 million in redemption of corporate bonds and purchase of treasury stock of ¥46,680 million, despite increases in short term borrowings of ¥80,234 million and proceeds from issuance of bonds of ¥50,000 million. Net cash used in financing activities decreased by ¥7,037 million year on year.

As a result of aforementioned factors and the impact of foreign exchange rates, the balance of cash and cash equivalents as of September 30, 2022 increased by ¥14,016 million to ¥213,671 million from March 31, 2022.

The main currencies we had as of September 30, 2022 were U.S. dollars, Chinese yuan, Japanese yen, Korean won, and Euros. All the above amounts include discontinued operations.

(4) Management targets

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 environment.

The outline is as follows.

FY2021 to FY2022

- 1) Target for consolidated net sales : ¥2 trillion
- 2) Productivity improvement : To increase sales and profit per employee by 30% compared to FY2020
- 3) ROIC (Return On Invested Capital) : over 10%
- 4) To be a top-rated ESG company

FY2023 to FY2025

- 1) Target for consolidated net sales : ¥4 trillion
- 2) Productivity improvement : To double sales and profit per employee compared to FY2020
- 3) ROIC (Return On Invested Capital) : over 15%
- 4) To be a top-rated ESG company

(5) Research and development

NIDEC's research and development expenses for the six months ended September 30, 2022 were ¥38,742 million. There were no significant changes in research and development activities for the period.

(6) Production, Orders Received and Sales

Production, orders received and sales in the "AMEC / MOEN / ACIM / Nidec Shimpo" segments mainly for the six months ended September 30, 2022 increased compared to the six months ended September 30, 2021.

Production, orders received and sales in the "Nidec Shimpo" segment for the six months ended September 30, 2022 increased compared to the six months ended September 30, 2021 with the acquisitions of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, "Nidec Machine Tool") in the three months ended September 30, 2021, and OKK Co., Ltd. (currently, "Nidec OKK") in the three months ended March 31, 2022 and others.

(7) Major property, plant and equipment

The new construction plan of major property, plant and equipment which has been newly determined in the six months ended September 30, 2022, is as follows.

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 Automotive Motor (Zhejiang) Corporation	Pinghu, Zhejiang, China	AMEC	Manufacturing factory for automotive products	45,000	41	Own funds	August 2022	September 2023

3. Material Agreements, etc.

(Joint Venture Agreement)

On August 30, 2022 (Japan Standard Time), the Company signed a joint venture agreement with FREYR BATTERY SA (“FREYR”), a Norwegian semi-solid lithium-ion battery manufacturer.

1. Purpose of the Joint Venture Agreement

FREYR is a lithium-ion battery manufacturer founded in 2018, listed on the New York Stock Exchange in 2021, and planning to start mass production in 2024. FREYR has innovative semi-solid lithium-ion battery manufacturing technology in terms of quality and manufacturing process. FREYR will manufacture batteries in Norway, an advanced decarbonization country, exclusively using clean renewable hydroelectric power locally available. Consequently, FREYR’s production of battery cell is environmentally friendly, and it gains competitive advantage in terms of abundant energy supply and lower cost coupled with lower CO2 emissions.

Nidec’s Battery Energy Storage Solutions (“BESS”) provide services to the grid that enable accelerated adoption of renewable power generation which contributes to the realization of a carbon-zero society. FREYR will manufacture eco-friendly semi-solid lithium-ion batteries using 100% renewable energy through a dedicated Power Purchase Agreement with Statkraft (Europe’s largest renewable energy producer) based on 100% hydroelectric power. Our partnership with FREYR will ensure a stable procurement of competitive and clean semi-solid lithium-ion batteries for Nidec’s BESS solutions. This will help reduce CO2 emissions significantly throughout the entire process from the battery manufacturing process to the use of our BESS solution by our customers.

The objective of the alliance is to jointly create a global leading provider of utility scale battery energy storage products drawing on FREYR’s innovative, low-carbon battery technology and Nidec’s leading position in utility scale energy storage systems. By concluding this joint venture agreement, Nidec will strengthen strategic partnership with FREYR and aim to further expand the BESS solution business in the future.

In parallel, Nidec continues to work on strengthening its partnerships with leading lithium-ion battery suppliers in order to secure our needs for battery products and support our growth in the coming years.

2. Joint Venture Outline

Company Name	To be determined
Headquarters	Oslo, Norway
Founded	Between November and December, 2022 (Plan)
Business	Development, manufacturing, and sales of battery products
CEO	Dominique Llonch [TBD]
Shareholder	Nidec 66.7%, FREYR 33.3%

3. FREYR Business Outline

Company Name	FREYR BATTERY SA
Headquarters	Luxembourg
Founded	2018
Listed Market	New York Stock Exchange (listed in 2021 under the ticker symbol FREY)
CEO	Tom Einar Jensen
Production Location	Mo i Rana, Norway (under construction, start of operation planned in 2024)
Business	Manufacture and sale of lithium-ion battery cells

III. Information on the Company

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of second quarter (Shares) (September 30, 2022)	Number of shares issued as of the filing date (Shares) (November 11, 2022)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	596,284,468	596,284,468	Tokyo Stock Exchange, Inc. 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) Other information about share acquisition rights

Not applicable.

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

Not applicable.

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

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From July1, 2022 to September 30, 2022	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

(As of September 30, 2022)

Name	Address	Number of shares held (thousands of shares)	Ownership percentage to the total number of issued shares (Excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	83,555	14.52
Shigenobu Nagamori	Nishikyo-ku, Kyoto	49,473	8.60
Custody Bank, of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	31,192	5.42
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	3.51
THE BANK OF NEW YORK MELLON 140042 (Standing proxy: Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286 USA (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	14,883	2.58
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 (11-3, Hamamatsucho 2-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
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE LINCOLN STREET, BOSTON MA USA 02111 (11-1, Nihombashi 3-chome, Chuo-ku, Tokyo)	10,217	1.77
Total	-	275,182	47.83

(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 April 16, 2018, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of April 9, 2018, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2022, the status of major shareholders shown above is based on the content of the shareholders' register.

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

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

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

4. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on January 7, 2022, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of December 31, 2021, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2022, the status of major shareholders shown above is based on the content of the shareholders' register. The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows:

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	7,011,600	1.18
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakouen 1-chome, Minato-ku, Tokyo	18,684,034	3.13
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	8,425,400	1.41
Total	-	34,121,034	5.72

5. The Statement of Large-Volume Holdings, made available for public inspection on August 6, 2020, has been received from Baillie Gifford & Co and states that each of these companies held shares as of July 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2022, the status of major shareholders shown above is based on the content of the shareholders' register.

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

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

6. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on April 7, 2020, has been received from Capital Research and Management Company and states that each of these companies held shares as of March 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of September 30, 2022, the status of major shareholders shown above is based on the content of the shareholders' register.

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

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

7. 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 September 30, 2022, 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

(6) Information on voting rights

1) Issued shares

(As of September 30, 2022)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 21,048,300	-	-
Shares with full voting rights (others)	Ordinary share 574,636,000	5,746,360	-
Shares less than one unit	Ordinary share 600,168	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,746,360	-

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

2. Ordinary shares in the "Shares less than one unit" row include 28 shares of the Company's treasury stock.

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

2) Treasury stock, etc.

(As of September 30, 2022)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	21,048,300	-	21,048,300	3.52
Total	-	21,048,300	-	21,048,300	3.52

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

2. Members of the Board of Directors

Changes in the Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to September 30, 2022 are as follows:

(1) Resigned Members of the Board of Directors

Position	Name	Effective date
Representative Director and President / Chief Operating Officer (COO) Member of the Board of Directors and Chairman, Nidec Tosok Corporation / Member of the Board of Directors and Chairman, Nidec India Private Limited	Jun Seki	September 2, 2022

(2) Changes in positions and responsibilities

New position	Former position	Name	Effective date
Representative Director and Chairman / Chief Executive Officer (CEO) Member of the Board of Directors and Chairman, Nidec-Shimpo Corporation / Member of the Board of Directors and Chairman, Nidec Tosok Corporation / Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation / Member of the Board of Directors and Chairman, Nidec Mobility Corporation / Chairman of the Board, Nagamori Gakuen Educational Foundation	Representative Director and Chairman / Chief Executive Officer (CEO) Member of the Board of Directors and Chairman, Nidec-Shimpo Corporation / Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation / Member of the Board of Directors and Chairman, Nidec Mobility Corporation / Chairman of the Board, Nagamori Gakuen Educational Foundation	Shigenobu Nagamori	September 3, 2022
Representative Director and President / Chief Operating Officer (COO)	Representative Director and Vice Chairman / Chief Performance Officer (CPO)	Hiroshi Kobe	September 3, 2022

(3) The number of male and female Directors and Corporate Executive Officers and the percentage of female Directors and Corporate Executive Officers after the change

The Directors and Corporate Executive Officers are composed of 6 males and 4 females. (The percentage of female Directors and Corporate Executive Officers is 40.0%.)

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2022	As of September 30, 2022
Assets			
Current assets			
Cash and cash equivalents		199,655	213,671
Trade and other receivables		572,123	641,607
Other financial assets	14	4,828	3,577
Income tax receivables		8,290	7,812
Inventories		457,372	549,258
Other current assets		50,391	67,887
Total current assets		1,292,659	1,483,812
Non-current assets			
Property, plant and equipment		764,397	851,504
Goodwill	8	339,904	372,739
Intangible assets	8	214,498	239,729
Investments accounted for using the equity method		1,241	5,529
Other investments	14	20,839	20,579
Other financial assets	14	6,613	7,977
Deferred tax assets		21,545	23,497
Other non-current assets		16,787	18,071
Total non-current assets		1,385,824	1,539,625
Total assets		2,678,483	3,023,437

(Yen in millions)

	Note	As of March 31, 2022	As of September 30, 2022
Liabilities			
Current liabilities			
Short term borrowings	14	130,635	213,199
Long term debt due within one year	14	143,201	109,473
Trade and other payables		526,108	533,944
Other financial liabilities	14	2,155	3,544
Income tax payables		20,083	30,332
Provisions		36,691	38,371
Other current liabilities		79,917	97,058
Total current liabilities		938,790	1,025,921
Non-current liabilities			
Long term debt	14	321,874	343,367
Other financial liabilities	14	264	395
Retirement benefit liabilities		36,566	38,628
Provisions		1,121	1,127
Deferred tax liabilities		58,219	63,048
Other non-current liabilities		4,951	7,301
Total non-current liabilities		422,995	453,866
Total liabilities		1,361,785	1,479,787
Equity			
Common stock		87,784	87,784
Additional paid-in capital		103,216	103,346
Retained earnings		1,118,594	1,185,322
Other components of equity		103,919	309,634
Treasury stock		(121,272)	(167,952)
Total equity attributable to owners of the parent		1,292,241	1,518,134
Non-controlling interests		24,457	25,516
Total equity		1,316,698	1,543,650
Total liabilities and equity		2,678,483	3,023,437

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the six months ended September 30, 2021 and 2022
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the six months ended September 30,	
		2021	2022
Continuing operations			
Net Sales	5	910,668	1,130,767
Cost of sales		(711,786)	(901,985)
Gross profit		198,882	228,782
Selling, general and administrative expenses		(71,999)	(93,672)
Research and development expenses		(37,739)	(38,742)
Operating profit	5	89,144	96,368
Financial income		2,518	5,612
Financial expenses		(2,494)	(5,120)
Derivative gain (loss)		139	17
Foreign exchange differences		(1,404)	23,007
Share of net profit (loss) from associate accounting using the equity method		(800)	(1,509)
Profit before income taxes		87,103	118,375
Income tax expenses		(20,575)	(31,132)
Profit for the period from continuing operations		66,528	87,243
Discontinued operations			
Loss for the period from discontinued operations	6	(148)	(171)
Profit for the period		66,380	87,072
Profit for the period attributable to:			
Owners of the parent		66,612	86,649
Non-controlling interests		(232)	423
Profit for the period		66,380	87,072
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	114.04	150.61
Discontinued operations		(0.25)	(0.30)
Total		113.79	150.31

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the six months ended September 30,	
		2021	2022
Profit for the period		66,380	87,072
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		135	861
Fair value movements on FVTOCI equity financial assets		217	(140)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		11,929	207,712
Effective portion of net changes in fair value of cash flow hedges		(1,047)	(1,080)
Fair value movements on FVTOCI debt financial assets		2	(24)
Total other comprehensive income for the period, net of taxation		11,236	207,329
Comprehensive income for the period		77,616	294,401
Comprehensive income for the period attributable to:			
Owners of the parent		77,700	293,067
Non-controlling interests		(84)	1,334
Comprehensive income for the period		77,616	294,401

For the three months ended September 30, 2021 and 2022

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended September 30, 2021	For the three months ended September 30, 2022
Continuing operations			
Net Sales	5	463,198	590,398
Cost of sales		(364,025)	(470,793)
Gross profit		99,173	119,605
Selling, general and administrative expenses		(36,066)	(46,900)
Research and development expenses		(18,518)	(20,997)
Operating profit	5	44,589	51,708
Financial income		1,437	3,428
Financial expenses		(1,265)	(2,853)
Derivative gain (loss)		141	17
Foreign exchange differences		(1,148)	9,557
Share of net profit (loss) from associate accounting using the equity method		(403)	(471)
Profit before income taxes		43,351	61,386
Income tax expenses		(10,207)	(16,030)
Profit for the period from continuing operations		33,144	45,356
Discontinued operations			
Loss for the period from discontinued operations	6	(109)	(31)
Profit for the period		33,035	45,325
Profit for the period attributable to:			
Owners of the parent		33,161	45,328
Non-controlling interests		(126)	(3)
Profit for the period		33,035	45,325
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	56.84	78.89
Discontinued operations		(0.19)	(0.05)
Total		56.65	78.83

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended September 30,	
		2021	2022
Profit for the period		33,035	45,325
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		10	42
Fair value movements on FVTOCI equity financial assets		670	(418)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		6,414	58,795
Effective portion of net changes in fair value of cash flow hedges		(1,211)	147
Fair value movements on FVTOCI debt financial assets		0	(22)
Total other comprehensive income for the period, net of taxation		5,883	58,544
Comprehensive income for the period		38,918	103,869
Comprehensive income for the period attributable to:			
Owners of the parent		39,030	104,058
Non-controlling interests		(112)	(189)
Comprehensive income for the period		38,918	103,869

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2021

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2021		87,784	105,179	1,016,559	(49,633)	(63,869)	1,096,020	17,915	1,113,935
Comprehensive income									
Profit for the period				66,612			66,612	(232)	66,380
Other comprehensive income					11,088		11,088	148	11,236
Total comprehensive income							77,700	(84)	77,616
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(4,838)	(4,838)	-	(4,838)
Dividends paid to the owners of the parent	12			(17,572)			(17,572)	-	(17,572)
Dividends paid to non-controlling interests							-	(113)	(113)
Share-based payment transactions			330				330	-	330
Transfer to retained earnings				282	(282)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,330)				(2,330)	726	(1,604)
Other			18	(37)	(41)	88	28	(1)	27
Balance at September 30, 2021		87,784	103,197	1,065,844	(38,868)	(68,619)	1,149,338	18,443	1,167,781

For the six months ended September 30, 2022

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 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 period				86,649			86,649	423	87,072
Other comprehensive income					206,418		206,418	911	207,329
Total comprehensive income							293,067	1,334	294,401
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(46,680)	(46,680)	-	(46,680)
Dividends paid to the owners of the parent	12			(20,309)			(20,309)	-	(20,309)
Dividends paid to non-controlling interests							-	(262)	(262)
Share-based payment transactions			145				145	-	145
Transfer to retained earnings				703	(703)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(18)				(18)	(47)	(65)
Other			3	(315)			(312)	34	(278)
Balance at September 30, 2022		87,784	103,346	1,185,322	309,634	(167,952)	1,518,134	25,516	1,543,650

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the six months ended September 30,	
		2021	2022
Cash flows from operating activities:			
Profit for the period from continuing operations		66,528	87,243
Loss for the period from discontinued operations	6	(148)	(171)
Profit for the period		66,380	87,072
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		50,350	58,320
Loss (gain) from sales, disposal or impairment of property, plant and equipment		(2,774)	(539)
Loss from sales of discontinued operations		148	171
Financial expenses (income)		475	(960)
Share of net loss (profit) from associate accounting using the equity method		800	1,509
Deferred income taxes		841	(2,838)
Current income taxes		19,734	33,970
Foreign currency adjustments		(5,238)	(3,573)
Increase (decrease) in retirement benefit liability		17	(1,627)
Decrease (increase) in accounts receivable		(35,197)	(16,173)
Decrease (increase) in inventories		(63,838)	(35,182)
Increase (decrease) in accounts payable		33,035	(49,972)
Other, net		(6,139)	9,344
Interests and dividends received		1,814	5,277
Interests paid		(2,467)	(3,912)
Income taxes paid		(17,658)	(24,536)
Net cash provided by operating activities		40,283	56,351

(Yen in millions)

	Note	For the six months ended September 30,	
		2021	2022
Cash flows from investing activities:			
Additions to property, plant and equipment		(44,657)	(66,649)
Proceeds from sales of property, plant and equipment		6,170	2,184
Additions to intangible assets		(8,095)	(9,130)
Acquisitions of business, net of cash acquired		(9,015)	-
Other, net		(734)	(7,373)
Net cash used in investing activities		(56,331)	(80,968)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		62,124	80,234
Proceeds from issuance of long term debt		-	14,000
Repayments of long term debt		(19,555)	(5,908)
Proceeds from issuance of bonds		-	50,000
Redemption of bonds		(38,940)	(85,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(4,012)	(54)
Purchase of treasury stock		(4,838)	(46,680)
Dividends paid to the owners of the parent	12	(17,572)	(20,309)
Other, net		1,668	(371)
Net cash (used in) provided by financing activities		(21,125)	(14,088)
Effect of exchange rate changes on cash and cash equivalents		5,455	52,721
Net increase (decrease) in cash and cash equivalents		(31,718)	14,016
Cash and cash equivalents at beginning of period		219,524	199,655
Cash and cash equivalents at end of period		187,806	213,671

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

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

Condensed quarterly consolidated financial statements as of September 30, 2022 and for the six months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- 2) Automotive products, which include automotive motors and components, 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

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

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

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2022.

(2) Basis of measurement

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

(3) Presentation currency and level of rounding

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

3. Significant accounting policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the NIDEC’s annual consolidated financial statements for the year ended March 31, 2022.

Income taxes for the six months ended September 30, 2022 are computed using the estimated annual effective tax rate.

4. Significant accounting estimates, judgments and assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 2022 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2022.

Any unexpected situations of the COVID-19, such as the spread of the new variants of the COVID-19, could have a negative impact on NIDEC's business, operating results and financial position. The Russian invasion of Ukraine could also have a negative impact on NIDEC's business, operating results and financial position. Regarding them, based on the business results for the six months ended September 30, 2022, we have judged that they will not have a significant impact on NIDEC's business results, and we assume that they will not affect accounting estimates.

5. Segment information

(Operating segment information)

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

NIDEC has changed its operating segment classification in the three months ended June 30, 2022. This was due to review of the report materials by NIDEC's chief operating decision maker. "ACIM" segment is divided into "ACIM" segment and "MOEN" segment. Also Nidec-Read Group, which was previously included in "Other" segment, has been disclosed as "Nidec Read" segment due to its increasing importance from the three months ended June 30, 2022.

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

NIDEC's operating segments are as follows:

Name	Main products
1. SPMS	Hard disk drives spindle motors and other small precision motors
2. AMEC	Automotive products
3. MOEN	Appliance, commercial and industrial products
4. ACIM	Appliance, commercial and industrial products
5. Nidec Sankyo	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 Shimpo	Machinery
9. Nidec Read	Machinery
10. Others	Automotive products, machinery, electronic components, other small precision motors and others

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

Net sales to external customers:

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
SPMS	166,431	181,004
AMEC	106,217	148,473
MOEN	152,342	186,052
ACIM	183,361	219,658
Nidec Sankyo	68,361	84,256
Nidec Techno Motor	40,817	46,039
Nidec Mobility	45,742	56,217
Nidec Shimpo	41,081	83,609
Nidec Read	25,399	34,497
Others	80,917	90,962
Consolidated net sales	910,668	1,130,767

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

(Yen in millions)

	For the three months ended September 30,	
	2021	2022
SPMS	86,316	92,732
AMEC	53,974	84,307
MOEN	78,993	97,643
ACIM	93,238	110,322
Nidec Sankyo	32,276	43,672
Nidec Techno Motor	18,497	21,844
Nidec Mobility	23,291	30,620
Nidec Shimpo	23,436	44,451
Nidec Read	13,302	16,628
Others	39,875	48,179
Consolidated net sales	463,198	590,398

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

Net sales to other operating segments:

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
SPMS	1,477	1,308
AMEC	686	355
MOEN	2,142	1,952
ACIM	4,212	4,220
Nidec Sankyo	1,781	3,742
Nidec Techno Motor	3,875	3,701
Nidec Mobility	789	868
Nidec Shimpo	5,767	1,744
Nidec Read	129	261
Others	17,925	21,484
Total	38,783	39,635
Intersegment elimination	(38,783)	(39,635)
Consolidated net sales	-	-

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

(Yen in millions)

	For the three months ended September 30,	
	2021	2022
SPMS	486	760
AMEC	344	184
MOEN	1,035	717
ACIM	2,129	1,751
Nidec Sankyo	881	2,121
Nidec Techno Motor	1,651	2,097
Nidec Mobility	396	400
Nidec Shimpo	2,787	1,337
Nidec Read	129	261
Others	8,767	12,357
Total	18,605	21,985
Intersegment elimination	(18,605)	(21,985)
Consolidated net sales	-	-

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

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

	For the six months ended September 30,	
	2021	2022
SPMS	19,234	18,553
AMEC	(3,231)	(8,637)
MOEN	17,858	18,472
ACIM	16,634	13,019
Nidec Sankyo	5,747	10,229
Nidec Techno Motor	6,022	6,632
Nidec Mobility	4,797	6,004
Nidec Shimpo	7,943	11,396
Nidec Read	7,233	10,221
Others	13,826	17,996
Total	96,063	103,885
Elimination and Corporate (Note)	(6,919)	(7,517)
Operating profit	89,144	96,368
Financial income (expenses)	24	492
Derivative gain (loss)	139	17
Foreign exchange differences	(1,404)	23,007
Share of net profit (loss) from associate accounting using the equity method	(800)	(1,509)
Profit before income taxes	87,103	118,375

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥6,622 million and ¥6,929 million for the six months ended September 30, 2022 and 2021, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended September 30,	
	2021	2022
SPMS	9,874	8,406
AMEC	(2,265)	(2,391)
MOEN	9,265	9,873
ACIM	8,933	7,138
Nidec Sankyo	2,043	5,523
Nidec Techno Motor	2,706	3,226
Nidec Mobility	2,476	3,328
Nidec Shimpo	4,570	6,022
Nidec Read	3,912	5,056
Others	6,692	9,786
Total	48,206	55,967
Elimination and Corporate (Note)	(3,617)	(4,259)
Operating profit	44,589	51,708
Financial income (expenses)	172	575
Derivative gain (loss)	141	17
Foreign exchange differences	(1,148)	9,557
Share of net profit (loss) from associate accounting using the equity method	(403)	(471)
Profit before income taxes	43,351	61,386

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,449 million and ¥3,899 million for the three months ended September 30, 2022 and 2021, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

Net sales by type of product

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Small precision motors:		
Hard disk drives spindle motors	49,440	42,406
Other small precision motors	155,671	183,905
Subtotal	205,111	226,311
Automotive products	197,197	254,150
Appliance, commercial and industrial products	378,021	453,396
Machinery	95,365	153,365
Electronic and optical components	33,146	41,501
Other products	1,828	2,044
Consolidated net sales	910,668	1,130,767

(Yen in millions)

	For the three months ended September 30,	
	2021	2022
Small precision motors:		
Hard disk drives spindle motors	26,403	21,483
Other small precision motors	77,402	93,706
Subtotal	103,805	115,189
Automotive products	99,450	140,870
Appliance, commercial and industrial products	191,589	230,710
Machinery	50,714	80,275
Electronic and optical components	16,729	22,266
Other products	911	1,088
Consolidated net sales	463,198	590,398

- (Notes) 1. “Small precision motors” consists of “hard disk drives spindle motors” and “other small precision motors”. “Other small precision motors” consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.
“Automotive products” consists of automotive motors and components, 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.

6. Discontinued Operations

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

(1) Main reason for the Transaction

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

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

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

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

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

(4) Transition of ownership ratio for the company

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

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

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Other loss	(148)	(171)
Loss before income taxes from discontinued operations	(148)	(171)
Loss for the period from discontinued operations	(148)	(171)

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

2. Various conditions for sales of Secop are based on the forecasts as of September 30, 2022, therefore the final loss amount on the sales may change in the future due to the purchase price adjustment and other factors.

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	(73)	(182)
Net cash used in financing activities	-	-
Total	(73)	(182)

(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

Purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2022, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, "Nidec Machine Tool"); all the Mitsubishi Heavy Industries Group-owned shares of three overseas subsidiaries specialized in machine tool business; and the machine tool business run by overseas subsidiaries in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2022 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, 2022 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	(1,589)
Deferred tax assets	483
Other non-current assets	(5)
Acquired assets at fair value	(1,111)
Negative Goodwill	1,111

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

(Yen in millions)

	Retrospective amendment
Operating profit	(1,113)
Profit before income taxes	(1,113)
Profit for the year attributable to owners of the parent	(1,111)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2022, the assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statements of financial position based on provisional management estimation as of September 30, 2022.

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Balance at beginning of period		
Goodwill	319,926	339,904
Acquisitions through business combinations	-	-
Sales or disposals	-	-
Translation adjustments and others	1,911	32,835
Balance at end of period		
Goodwill	321,837	372,739

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2022		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	127,861	(44,620)	83,241
Proprietary technology	19,778	(9,019)	10,759
Software	40,045	(23,694)	16,351
Capitalized development costs	45,249	(9,470)	35,779
Others	8,700	(5,218)	3,482
Total	241,633	(92,021)	149,612

(Note) The carrying amounts of software include the right-of-use assets of ¥312 million.

(Yen in millions)

	As of September 30, 2022		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	143,746	(53,030)	90,716
Proprietary technology	22,598	(10,397)	12,201
Software	44,284	(26,712)	17,572
Capitalized development costs	51,985	(11,915)	40,070
Others	9,318	(6,079)	3,239
Total	271,931	(108,133)	163,798

(Note) The carrying amounts of software include the right-of-use assets of ¥225 million.

Total amortization of intangible assets for the year ended March 31, 2022 and for the six months ended September 30, 2022 amounted to ¥14,906 million and ¥8,432 million, respectively. Total indefinite lived intangible assets amounted to ¥64,886 million and ¥75,931 million as of March 31, 2022 and September 30, 2022, respectively.

9. Bonds

For the six months ended September 30, 2021

Summary of the terms of redeemed bonds is as follows:

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

For the six months ended September 30, 2022

Summary of the terms of issued bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Thirteenth Series of Domestic Unsecured Bonds	July 12, 2022	30,000	0.250	July 11, 2025
Nidec Corporation	The Fourteenth Series of Domestic Unsecured Bonds	July 12, 2022	20,000	0.549	July 12, 2032

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Third Series of Domestic Unsecured Bonds	November 13, 2012	20,000	0.956	September 20, 2022
Nidec Corporation	The Seventh Series of Domestic Unsecured Bonds	August 30, 2017	65,000	0.114	August 30, 2022

10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the six months ended September 30, 2021 and 2022 are as follows:

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Net periodic pension cost for defined benefit plans:		
Current service cost	1,749	1,022
Interest cost (net)	230	394
Net periodic pension cost for defined benefit plans	1,979	1,416
Payments to defined contribution pension plans	1,816	2,817

11. Related party transactions

Transactions with related parties for the six months ended September 30, 2021 and 2022 are as follows:

Sales of goods and services

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	6	6
Nagamori Gakuen Educational Foundation*3	0	18
Nagamori Culture Foundation*4	14	26

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

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

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

*4. A director of NIDEC concurrently serves as 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 six months ended September 30,	
	2021	2022
Related parties		
S.N. Kosan, LLC.	5	-
S.N. Kosan, LTD.*1	-	6
Nagamori Gakuen Educational Foundation	46	3
Nagamori Culture Foundation	-	1

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

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

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2022	September 30, 2022
Receivables from related parties		
S.N. Kosan, LLC.	1	-
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	3	2
Nagamori Culture Foundation	0	16
Payables to related parties		
S.N. Kosan, LLC.	-	-
S.N. Kosan, LTD.	-	-
Nagamori Gakuen Educational Foundation	19	-
Nagamori Culture Foundation	0	0

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2022 and September 30, 2022. In addition, there were no expenses recognized during the years ended March 31, 2022 and the six months ended September 30, 2022 in respect of receivables from related parties.

12. Dividends

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

For the six months ended September 30, 2021

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

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

For the six months ended September 30, 2022

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2022 Board of directors	Ordinary shares	20,326	35	March 31, 2022	June 1, 2022

(Note) Total dividends resolved at the board of directors on May 26, 2022 included dividends of ¥16 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

The dividend whose record date falls in the six months ended September 30, 2022 and the effective date falls in the next period is as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
October 24, 2022 Board of directors	Ordinary shares	20,133	35	September 30, 2022	December 1, 2022

(Note) 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.

13. 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 six months ended September 30,	
	2021	2022
Profit attributable to owners of the parent (Yen in millions)	66,612	86,649
Profit from continuing operations attributable to owners of the parent (Yen in millions)	66,760	86,820
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(148)	(171)
Weighted average shares (Shares)	585,400,659	576,465,867
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	113.79	150.31
Continuing operations	114.04	150.61
Discontinued operations	(0.25)	(0.30)

	For the three months ended September 30,	
	2021	2022
Profit attributable to owners of the parent (Yen in millions)	33,161	45,328
Profit from continuing operations attributable to owners of the parent (Yen in millions)	33,270	45,359
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(109)	(31)
Weighted average shares (Shares)	585,336,301	575,003,821
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	56.65	78.83
Continuing operations	56.84	78.89
Discontinued operations	(0.19)	(0.05)

(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”.

14. Fair values

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

The levels of the fair value hierarchy are as follows:

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

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

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	As of March 31, 2022		As of September 30, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	260	260	372	372
Long term investments	23	25	29	29
Short term loans receivable	14	14	14	14
Long term loans receivable	158	152	177	157
Short term borrowings	(130,635)	(130,635)	(213,199)	(213,199)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(20,960)	(20,755)	(34,794)	(34,570)
Corporate bonds (including corporate bonds due within one year)	(402,962)	(399,277)	(370,757)	(361,888)

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

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

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

(2) Long term investments

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

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2022

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTPL equity financial assets	1,940	-	-	1,940
FVTOCI equity financial assets	18,611	-	2,154	20,765
FVTOCI debt financial assets	-	73	-	73
Derivatives	549	1,158	-	1,707
Total financial assets	21,100	1,231	2,154	24,485
Liabilities				
Derivatives	-	151	-	151
Total financial liabilities	-	151	-	151

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022.

As of September 30, 2022

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTPL equity financial assets	1,651	-	-	1,651
FVTOCI equity financial assets	18,122	-	2,377	20,499
FVTOCI debt financial assets	-	80	-	80
Derivatives	8	1,060	-	1,068
Total financial assets	19,781	1,140	2,377	23,298
Liabilities				
Derivatives	844	98	-	942
Total financial liabilities	844	98	-	942

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the six months ended September 30, 2022.

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

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

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

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

(Yen in millions)

	For the six months ended September 30,	
	2021	2022
Balance at beginning of period	1,445	2,154
Gains or losses:		
Recognized in other comprehensive income (Note)	187	232
Sales	(8)	(9)
Balance at end of period	1,624	2,377

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

15. Contingent liabilities

NIDEC has guaranteed ¥10,351 million for bank borrowing by equity method affiliates at September 30, 2022. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

NIDEC was aware of total contingent liabilities of ¥15,578 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at September 30, 2022. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

NIDEC held discussions with a certain automobile manufacturer regarding product warranties in the automotive business, and discussed the necessity of bearing costs at September 30, 2022. As there is a possibility that NIDEC's position may be significantly unfavorable, detailed disclosure is not made in accordance with Article 92 of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets.”

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2022	As of September 30, 2022
Property, plant and equipment and other assets	33,764	13,142

17. Events after the reporting period

No items to report.

18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on November 11, 2022 by Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer, Hiroshi Kobe, Representative Director, President and Chief Operating Officer and Akinobu Samura, Senior Vice President and Chief Financial Officer.

2. Other

On October 24, 2022, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2022 as follows:

- (1) Total amount of dividends:¥20,133 million
- (2) Amount per share:¥35.00
- (3) Effective date of claim of payment and start date of payment:December 1, 2022

Part II Information on Guarantors, etc. for the Company

Not applicable.