

[Translation]

# Quarterly Report

(The Third Quarter of 50th Business Term)

From October 1, 2022 to December 31, 2022

NIDEC CORPORATION

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

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

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

# Part I Information on the Company

## I. Overview of the Company

### 1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the nine months ended December 31,		For the year ended March 31, 2022
	2021	2022	
Net sales	1,407,210 [496,542]	1,699,747 [568,980]	1,918,174
Profit before income taxes	129,410	141,944	170,032
Profit attributable to owners of the parent	99,312 [32,700]	104,077 [17,428]	135,759
Comprehensive income attributable to owners of the parent	152,542	184,599	291,328
Total equity attributable to owners of the parent	1,197,489	1,388,101	1,292,241
Total assets	2,527,328	2,876,302	2,678,483
Earnings per share attributable to owners of the parent - basic (yen)	169.73 [55.94]	180.72 [30.32]	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 (%)	47.4	48.3	48.2
Net cash provided by operating activities	68,477	94,195	94,994
Net cash used in investing activities	(90,603)	(108,862)	(112,597)
Net cash provided by (used in) financing activities	(32,000)	(15,650)	(64,393)
Cash and cash equivalents at end of period	187,900	182,454	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 nine months ended December 31, 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 nine months ended December 31, 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 December 31, 2021 and 2022, respectively.

## ***2. Description of Business***

There were no significant changes in NIDEC's businesses during the nine months ended December 31, 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 nine months ended December 31, 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 December 31, 2022.

NIDEC finalized the provisional accounting treatment for the business combination in the nine months ended December 31, 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.

### **(1) Operating results**

The IMF expects global economic growth in calendar year 2022 to be +3.2% as of October 2022. During the period from October to December 2022, in financial markets, central banks around the world continued to raise interest rates and reduce monetary easing with a focus on countering inflation. In December, the Bank of Japan reviewed its implementation of yield curve control. Compared with the July to September period, the yen appreciated against the U.S. dollar during the October to December period, reaching 132.70 yen to the U.S. dollar and the macroeconomic environment faced strong headwinds.

The recent business environment surrounding NIDEC continued to be severe, with shipments of IT equipment and home appliances peaking out, global automobile production volume recovery delayed, housing starts in the U.S. continuing to slow down, and demand related to capital investment peaking out. In addition, EV-related products were affected by production slowdown due to the lockdown in China. Reflecting these changes in the business environment, NIDEC recorded restructuring expenses and revised its fiscal 2022 earnings forecast. With regard to changes in the business environment, NIDEC has launched the “WPR-X” activity (under the concept that “costs are built by technology”, the goal is to develop products that can overwhelmingly win with technological strength and to achieve substantial reductions in fixed costs) and is currently working as a group to strengthen competitiveness not only in the short term but also in the medium to long term.

The following table sets forth consolidated operating results for the nine months ended December 31, 2022:

*(Yen in millions)*

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2021	2022		
Net sales	1,407,210	1,699,747	292,537	20.8%
Operating profit	133,487	124,404	(9,083)	(6.8)%
Operating profit ratio	9.5%	7.3%	-	-
Profit before income taxes	129,410	141,944	12,534	9.7%
Profit for the period from continuing operations	99,264	104,187	4,923	5.0%
Loss for the period from discontinued operations	(232)	(213)	19	-
Profit attributable to owners of the parent	99,312	104,077	4,765	4.8%

Consolidated net sales from continuing operations increased 20.8% to ¥1,699,747 million for this nine-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 ¥221,300 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.

We continuously improved manufacturing cost and rationalized fixed cost, and at the same time reflected rise in costs to sales prices. As a result of reflecting changes in the business environment by recording approximately ¥17,800 million in restructuring costs in Europe and others with a focus on automotive business for this nine-month period under these circumstances, operating profit decreased 6.8% to ¥124,404 million for this nine-month period compared to the same period of the previous year, including a positive effect of the foreign currency exchange rates by approximately ¥20,700 million.

Profit before income taxes increased 9.7% to ¥141,944 million due to recording approximately ¥18,400 million in foreign exchange gain, profit for the period from continuing operations increased 5.0% to ¥104,187 million, and profit attributable to owners of the parent increased 4.8% to ¥104,077 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 nine months ended December 31,					
	Net sales			Operating profit (loss)		
	2021	2022	Increase or decrease	2021	2022	Increase or decrease
SPMS	262,570	269,795	7,225	31,293	20,619	(10,674)
AMEC	162,271	233,894	71,623	(6,505)	(23,801)	(17,296)
MOEN	236,424	291,750	55,326	25,758	29,068	3,310
ACIM	285,770	328,465	42,695	23,272	20,695	(2,577)
Nidec Sankyo	109,348	128,905	19,557	8,741	15,269	6,528
Nidec Techno Motor	66,703	72,558	5,855	8,865	8,909	44
Nidec Mobility	71,454	87,830	16,376	7,240	9,242	2,002
Nidec Shimpo	78,499	128,567	50,068	11,918	15,930	4,012
Nidec Read	40,495	47,762	7,267	11,428	13,424	1,996
Others	152,674	169,936	17,262	21,682	27,264	5,582
Elimination/corporate	(58,998)	(59,715)	(717)	(10,205)	(12,215)	(2,010)
Consolidated total	1,407,210	1,699,747	292,537	133,487	124,404	(9,083)

(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 ¥7,225 million to ¥269,795 million for this nine-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 despite a decrease in the number of HDD motors sold. Operating profit decreased ¥10,674 million to ¥20,619 million for this nine-month period compared to the same period of the prior year. This decrease was due to the changes in product mix despite continuous manufacturing cost improvement and fixed cost rationalization.

Net sales of AMEC increased ¥71,623 million to ¥233,894 million for this nine-month period compared to the same period of the prior year. This increase was due to an increase in sales of the traction motor system (E-Axle), others and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit (loss) was ¥23,801 million operating loss for this nine-month period due to recording the restructuring costs as a result of reflecting changes in the business environment in Europe and others.

Net sales of MOEN increased ¥55,326 million to ¥291,750 million for this nine-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 ¥3,310 million to ¥29,068 million for this nine-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 ¥42,695 million to ¥328,465 million for this nine-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 decreased ¥2,577 million to ¥20,695 million for this nine-month period compared to the same period of the prior year. This decrease was due to rise in costs.

Net sales of Nidec Sankyo increased ¥19,557 million to ¥128,905 million for this nine-month period compared to the same period of the prior year. This increase was due to an increase in sales of LCD panel handling robots and semiconductor robots. Operating profit increased ¥6,528 million to ¥15,269 million for this nine-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 ¥5,855 million to ¥72,558 million for this nine-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 ¥44 million to ¥8,909 million for this nine-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.

Net sales of Nidec Mobility increased ¥16,376 million to ¥87,830 million for this nine-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 ¥2,002 million to ¥9,242 million for this nine-month period. This increase was due to an increase in sales.

Net sales of Nidec Shimpo increased ¥50,068 million to ¥128,567 million for this nine-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 ¥4,012 million to ¥15,930 million for this nine-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 ¥7,267 million to ¥47,762 million for this nine-month period compared to the same period of the prior year. This increase was due to higher sales of semiconductor inspection systems. Operating profit increased ¥1,996 million to ¥13,424 million for this nine-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 ¥17,262 million to ¥169,936 million for this nine-month period compared to the same period of the prior year. Operating profit increased ¥5,582 million to ¥27,264 million for this nine-month period compared to the same period of the prior year.

Operating results by product category are as follows:

(Yen in millions)

	For the nine months ended December 31,					
	Net sales			Operating profit		
	2021	2022	Increase or decrease	2021	2022	Increase or decrease
Small precision motors	321,225	333,782	12,557	37,126	28,917	(8,209)
Automotive products	301,118	394,509	93,391	10,829	(2,562)	(13,391)
Appliance, commercial and industrial products	575,778	681,304	105,526	57,916	58,923	1,007
Machinery	154,254	222,921	68,667	30,079	38,547	8,468
Electronic and optical components	51,988	64,113	12,125	7,349	12,278	4,929
Other products	2,847	3,118	271	324	308	(16)
Elimination/corporate	-	-	-	(10,136)	(12,007)	(1,871)
Consolidated total	1,407,210	1,699,747	292,537	133,487	124,404	(9,083)

Net sales of small precision motors increased 3.9% to ¥333,782 million for this nine-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 ¥53,900 million. Net sales of spindle motors for HDDs decreased 20.5% to ¥61,067 million for this nine-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 ¥18,300 million, mainly due to a decrease in the number of units sold. Net sales of other small precision motors increased 11.6% to ¥272,715 million for this nine-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 ¥35,600 million. Operating profit of this category decreased 22.1% to ¥28,917 million for this nine-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 ¥4,200 million, despite continuous manufacturing cost improvement and fixed cost rationalization for the impact of changes in product mix.

Under the impact of the COVID-19 outbreak in China in addition to the influences of the Russian invasion of Ukraine and difficulties in procuring semiconductors and other electronic components among customers, net sales of automotive products increased 31.0% to ¥394,509 million for this nine-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 ¥36,700 million. In particular, we successfully improved the business performance of the traction motor system (E-Axle) due to continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for rise in costs. As a result of reflecting changes in the business environment by recording restructuring costs in Europe and others for this nine-month period under these circumstances, operating profit (loss) of this category decreased ¥13,391 to ¥2,562 million for this nine-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 ¥2,500 million.

Net sales of appliance, commercial and industrial products increased 18.3% to ¥681,304 million for this nine-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 ¥114,300 million. This was due to an increase in the sales of power generator business for which we received many orders for large-scale projects, despite the continued impact of the Russian invasion of Ukraine. Operating profit of this category increased 1.7% to ¥58,923 million for this nine-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 ¥13,100 million, as a result of continuous manufacturing cost improvement and fixed cost rationalization as well as reflections to sales prices for rise in costs despite the changes in product mix.

Net sales of machinery increased 44.5% to ¥222,921 million for this nine-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 ¥12,500 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 due to the trend in deplasticization. Operating profit of this category increased 28.2% to ¥38,547 million for this nine-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 ¥900 million, mainly due to the higher sales.

Net sales of electronic and optical components increased 23.3% to ¥64,113 million for this nine-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 ¥3,800 million. Operating profit of this category increased 67.1% to ¥12,278 million for this nine-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 ¥100 million.

Net sales of other products increased 9.5% to ¥3,118 million and operating profit of this category decreased 4.9% to ¥308 million for this nine-month period compared to the same period of the previous year.

## (2) Financial position

Total assets increased ¥197,819 million to ¥2,876,302 million as of December 31, 2022 compared to March 31, 2022. This was mainly due to increases of ¥73,348 million in inventories, ¥54,913 million in property, plant and equipment, and ¥32,736 million in trade and other receivables.

Total liabilities increased ¥101,881 million to ¥1,463,666 million as of December 31, 2022 compared to March 31, 2022. This was mainly due to an increase of ¥93,657 million in interest-bearing debt. Specifically, short term borrowings increased ¥33,041 million to ¥163,676 million, long term debt due within one year decreased ¥83,799 million to ¥59,402 million and long term debt increased ¥144,415 million to ¥466,289 million as of December 31, 2022 compared to March 31, 2022.

Total equity attributable to owners of the parent increased ¥95,860 million to ¥1,388,101 million as of December 31, 2022 compared to March 31, 2022. Ratio of total equity attributable to owners of the parent to total assets increased to 48.3% as of December 31, 2022 from 48.2% as of March 31, 2022. This was mainly due to increases of ¥64,612 million in retained earnings and ¥80,195 million in other components of equity.

## (3) Cash flows

### (Cash flows from operating activities)

Net cash provided by operating activities for the nine months ended December 31, 2022 amounted to ¥94,195 million mainly due to ¥103,974 million in profit for the period and other factors, despite ¥48,363 million increase in inventories, and ¥45,601 million decrease in accounts payable. Net cash provided by operating activities increased by ¥25,718 million year on year.

### (Cash flows from investing activities)

Net cash used in investing activities amounted to ¥108,862 million mainly due to additions to property, plant and equipment of ¥91,694 million and other factors. Net cash used in investing activities increased by ¥18,259 million year on year.

### (Cash flows from financing activities)

Net cash used in financing activities amounted to ¥15,650 million mainly due to ¥135,000 million in redemption of corporate bonds, purchase of treasury stock of ¥46,683 million, and ¥40,426 million in payment of dividends of the parent, despite proceeds from issuance of bonds of ¥120,000 million and long term debt of ¥66,009 million. Net cash used in financing activities decreased by ¥16,350 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 December 31, 2022 decreased by ¥17,201 million to ¥182,454 million from ¥199,655 million as of March 31, 2022.

The main currencies we had as of December 31, 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 nine months ended December 31, 2022 were ¥59,611 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 nine months ended December 31, 2022 increased compared to the nine months ended December 31, 2021.

Production, orders received and sales in the "Nidec Shimpo" segment for the nine months ended December 31, 2022 increased compared to the nine months ended December 31, 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 nine months ended December 31, 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.*

The material agreement executed during the three months ended December 31, 2022 is as follows:

Share purchase and transfer agreement  
(PAMA S.p.A.)

The Company passed a resolution on, among others, purchasing the shares of Italian machine tool manufacturer PAMA and its nine affiliates (collectively "PAMA") (the "Stock Acquisition") on November 28, 2022 (Japan time). The Company executed a transfer agreement on the Stock Acquisition, etc. on November 30, 2022 (Japan time).

#### 1. Purpose

The Company entered into the machine tool business on a full scale after purchasing Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, "Nidec Machine Tool") in August 2021, and purchasing the shares of OKK Corporation (currently, "Nidec OKK") through a third-party allocation of common shares in February 2022. With the latest purchase of PAMA, the Company will be able to accelerate the generation of strong synergies with its existing two machine tool manufacturers in the product range, as well as product sale, development, and manufacturing.

PAMA is one of the most well-known companies in the machine tool industry for the wide range of product lineup and the high-level technological capabilities of its large machine tools, particularly boring and milling machines. The company is also known for its solid sales and service networks in Europe and other places such as China, the US, and India.

Nidec Machine Tool and Nidec OKK, whose main products are gear cutting machines, large machine tools and machining centers, have been in need of further developing the multitasking and 5-axis machining technology as well as expanding its lineup of boring and milling machines in the large machine tools space. Also, both companies' main sales area has been in Japan and, compared with other major Japanese machine tool manufacturers, both companies have generated less sales from overseas markets such as European and American markets and Chinese market, where the future growth is expected.

Following completion of the acquisition of PAMA, through reciprocal usage of management resources between PAMA and the two machine tool companies, the Nidec Group intends to pursue synergies in all the areas of sale, manufacturing, and product development, including:

- (1) expanding sales in the Asian, European and American markets based on a wide range of product lineup and cross-selling;
- (2) developing new products and components by combining the companies' technological expertise; and
- (3) reducing lead time for delivery and manufacturing cost based on a global production optimization in Europe, the US, and Asia.

After completing the Stock Acquisition, the Company will actively provide PAMA with resources and make necessary investments in PAMA to accelerate the growth of Nidec's machine tool business, which will contribute to the development of the machine tool market on a global scale.

#### 2. Information on PAMA S.p.A

Company name	PAMA S.p.A.
Headquarters	The city of Rovereto, Trentino-Alto Adige, Italy
Foundation	1926
Business	Manufacturing and sale of machine tools (boring and milling machines, and machining centers, among others)

## Share Exchange Agreement

(Nidec OKK Corporation becomes a wholly owned subsidiary of Nidec Corporation)

The Company and Nidec OKK Corporation (“Nidec OKK”) announced that, at their respective meetings of the Board of Directors held on December 12, 2022, the two companies have decided to enter into a share exchange transaction (the “Share Exchange”) to make Nidec OKK a wholly owned subsidiary of the Company, which will serve as the wholly owning parent company, and that the two companies have signed a share exchange agreement.

### 1. Purpose

Since its establishment in 1973, the Company has been developing its business with a focus on brushless DC motors, which have characteristics of cost-effectiveness, noiselessness and longer operation life. Through M&As, the Company has enhanced its motor product line-up from small precision motors to motors for supersized industrial systems, expanding into applied products such as machinery, electronic and optical components and other products. The Company has developed its business not only in IT and office automation areas, but in various other areas, including home appliance, automobile and industrial equipment to be the “world's leading comprehensive motor manufacturer.”

Whereas, Nidec OKK, a venerable machine manufacturer established more than a century ago, has been successfully growing its businesses required to meet the needs of the time, ranging from the production of centrifugal pumps and water meters, which are their initial business, to fiber and others. Recent years have witnessed Nidec OKK engage mainly in the machine tool business, which is the foundation of all industries. With its high-level basic machining capabilities combined with general versatility of its mother machines, Nidec OKK enjoys the trust of wide range of its customers.

Aiming to generate synergies in the area of machine tool, where the Nidec Group operates business, the Company purchased the shares of Nidec OKK through a third-party allotment of common shares on February 1, 2022, owning 15,853,444 (66.61% of the total number of the shares issued as of September 30, 2022, i.e., 23,798,708 (except for treasury shares) (The percentage point is rounded off to the second decimal place. Share ownership ratios will be calculated the same way hereinafter)) of the shares as of December 12, 2022.

As part of the Nidec Group, the Company and Nidec OKK share business strategies with each other, engaging in Nidec’s group-wide efforts to generate synergies especially with Nidec Machine Tool Corporation (“Nidec Machine Tool”)’s machine tool business in such areas as element technology development, product manufacturing, and sales operations.

Nonetheless, in this rapidly globalizing economy, winning a global competition to achieve a dramatic business growth requires companies to invest in development and human resources more than ever, and further accelerate the pace of creating new products, markets, and technologies. Under such circumstances, where the Company and Nidec OKK, both listed, operate business separately, the Nidec Group as a whole cannot make optimum decisions swiftly and flexibly enough. For example, to make a decision on the mutual use of the two companies’ joint business management and management resources, careful consideration must be made by taking into account the profit of Nidec OKK’s minority shareholders. Such facts represent an issue in the further business development on a global scale and in the speedy new business and technology development. It is based on this understanding that the two companies concluded that executing the Share Exchange to make Nidec OKK a wholly owned subsidiary of the Company would contribute to a swifter decision making and an effective use of management resources; and be an optimum choice for the Company and Nidec OKK to improve their corporate value.

### 2. Share Exchange Effective Date

March 1, 2023

### 3. Method of the Share Exchange

As a result of the Share Exchange, the Company is expected to become the parent company owning all of the outstanding shares in Nidec OKK, and Nidec OKK is expected to become a wholly owned subsidiary of the Company. The Share Exchange is expected to take effect on March 1, 2023, subject to approval by Nidec OKK’s shareholders at an extraordinary general meeting scheduled to be held on February 15, 2023. The Company intends to use a simplified share exchange procedure in accordance with Article 796, Paragraph 2, of the Companies Act, without obtaining the approval of its shareholders for the Share Exchange.

#### 4. Share Exchange Ratio

For each share of Nidec OKK common stock, 0.128 shares of the Company's common stock will be allotted. No shares of the Company will be allotted in exchange for the 15,853,444 shares of Nidec OKK common stock currently and directly held by the Company (as of September 30, 2022).

#### 5. Basis for Calculation of the Share Exchange Ratio

To secure fairness and validity in the calculation of the Share Exchange Ratio, the two companies decided to separately request third-party calculation agents that are independent of the two companies to calculate the Share Exchange Ratio, with the Company selecting KPMG FAS ("KPMG") as its third-party calculation agent, and Nidec OKK selecting AGS Consulting Co., Ltd. ("AGS Consulting") as its third-party calculation agent.

KPMG calculated the value of the Company by using the market price method based on the fact that the Company's Stock is listed on the Tokyo Stock Exchange's Prime Market, and that the Company's market price is available. In addition, KPMG calculated the value of Nidec OKK based on the fact that Nidec OKK's stock is listed on the Tokyo Stock Exchange's Standard Market, and Nidec OKK's market price is available. In addition, KPMG used the discounted cash flow ("DCF") method to reflect the status of Nidec OKK's future business activities.

Whereas, AGS Consulting calculated the value of the Company by using the market price method, based on the fact that the Company's Stock is listed on the Tokyo Stock Exchange's Prime Market, and that the Company's market price is available. In addition, AGS Consulting evaluated the value of Nidec OKK by using the market price method based on the fact that Nidec OKK's stock is listed on the Tokyo Stock Exchange's Standard Market, and that Nidec OKK's market price is available. AGS Consulting calculated the value of Nidec OKK by using the DCF method as well to reflect the status of Nidec OKK's future business activities in the evaluation.

After mutual negotiations and discussion based on the results of the calculation on respective sides, the two companies determined the Share Exchange Ratio.

#### 6. Overview of the company as a wholly owned subsidiary through the share exchange

Company name	Nidec OKK Corporation
Headquarters	8-10-1, Kita-Itami, Itami, Hyogo
Company representative	Yoshihide Morimoto, Representative Director and President
Business	Manufacturing and sale of machine tools
Share capital	9,022 million yen

#### 7. Overview of the company as the parent company through the share exchange

Company name	Nidec Corporation
Headquarters	338 Tonoshiro-cho, Kuze, Minami-ku, Kyoto
Company representative	Hiroshi Kobe, Representative Director and President
Business	Manufacturing and sales of small precision motors, automotive products, appliance, commercial, and industrial products, machinery, electronic and optical components, and other products
Share capital	87,784 million yen



### **III. Information on the Company**

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of third quarter (Shares) (December 31, 2022)	Number of shares issued as of the filing date (Shares) (February 13, 2023)	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 October 1, 2022 to December 31, 2022	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of September 30, 2022 is stated in this item because the Company cannot identify the number of voting rights as of December 31, 2022 due to the lack of information on the details entered in the shareholders registry as of December 31, 2022.

1) Issued shares

(As of December 31, 2022)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 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 December 31, 2022)

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

(Notes) 1. The number of shares held under own name (except for shares less than one unit) is 21,048,600, as of December 31, 2022.

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

## 2. Members of the Board of Directors

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 December 31, 2022 are as follows:

### (1) Newly appointed of the Board of Directors

Position	Name	Date of birth	Brief personal records	Term of office	Share ownership (1,000 shares)	Effective date
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Junko Watanabe	October 17, 1965	<p>Apr. 1994: Research Associate, Faculty of Economics, Hokkaido University</p> <p>Apr. 1997: Research Associate, Graduate School of Economics &amp; Faculty of Economics, The University of Tokyo</p> <p>Apr. 1998: Assistant Professor, Faculty of Humanities (currently Faculty of Humanities &amp; Social Sciences), Shizuoka University</p> <p>Oct. 2002: Assistant Professor, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications</p> <p>Apr. 2004: Assistant Professor, Graduate School of Economics &amp; Faculty of Economics, Kyoto University</p> <p>Mar. 2005: Visiting Scholar, the University of Paris 7 - Denis Diderot (France)</p> <p>Jul. 2011: Received a Ph. D. in Economics from Kyoto University</p> <p>Oct. 2011: Visiting Scholar, Edwin O. Reischauer Institute of Japanese Studies, Harvard University</p> <p>Apr. 2012: Professor, Graduate School of Economics &amp; Faculty of Economics, Kyoto University (current position)</p> <p>Aug. 2012: Visiting Associate Professor, Graduate School of Economics &amp; Faculty of Economics, The University of Tokyo</p> <p>Jun. 2016: Outside Member of the Audit and Supervisory Board, Nidec Corporation</p> <p>Apr. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Morozoff Limited (current position)</p> <p>Oct. 2022: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nidec Corporation (current position)</p>	*	-	October 13, 2022

(Note) As Ms. Watanabe was appointed to serve as a substitute for a retired Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member, her term of office will expire at the end of the Regular General Meeting of Shareholders for the fiscal year ending March 31, 2024, when the term of office of her predecessor would have expired.

### (2) 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
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Takeshi Nakane	October 12, 2022

(3) Changes in positions and responsibilities

New position	Former position	Name	Effective date
<p>Representative Director and Chairman / Chief Executive Officer (CEO)</p> <p>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</p>	<p>Representative Director and Chairman / Chief Executive Officer (CEO)</p> <p>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</p>	Shigenobu Nagamori	September 3, 2022
<p>Representative Director and President / Chief Operating Officer (COO)</p>	<p>Representative Director and Vice Chairman / Chief Performance Officer (CPO)</p>	Hiroshi Kobe	September 3, 2022
<p>Representative Director and Chairman / Chief Executive Officer (CEO)</p> <p>Chairman of the Board, Nagamori Gakuen Educational Foundation</p>	<p>Representative Director and Chairman / Chief Executive Officer (CEO)</p> <p>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</p>	Shigenobu Nagamori	November 1, 2022

(4) 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 5 males and 5 females. (The percentage of female Directors and Corporate Executive Officers is 50.0%.)

#### **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 December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		199,655	182,454
Trade and other receivables		572,123	604,859
Other financial assets	14	4,828	5,336
Income tax receivables		8,290	9,856
Inventories		457,372	530,720
Other current assets		50,396	71,051
Total current assets		1,292,664	1,404,276
Non-current assets			
Property, plant and equipment		764,397	819,310
Goodwill	8	339,904	354,936
Intangible assets	8	214,498	224,760
Investments accounted for using the equity method		1,241	3,986
Other investments	14	20,839	20,018
Other financial assets	14	6,613	9,141
Deferred tax assets		21,545	22,994
Other non-current assets		16,782	16,881
Total non-current assets		1,385,819	1,472,026
Total assets		2,678,483	2,876,302

*(Yen in millions)*

	Note	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>			
Current liabilities			
Short term borrowings	14	130,635	163,676
Long term debt due within one year	14	143,201	59,402
Trade and other payables		526,108	511,160
Other financial liabilities	14	2,155	8,285
Income tax payables		20,083	25,316
Provisions		36,691	33,209
Other current liabilities		79,917	87,957
Total current liabilities		938,790	889,005
Non-current liabilities			
Long term debt	14	321,874	466,289
Other financial liabilities	14	264	1,175
Retirement benefit liabilities		36,566	37,731
Provisions		1,121	1,052
Deferred tax liabilities		58,219	62,729
Other non-current liabilities		4,951	5,685
Total non-current liabilities		422,995	574,661
Total liabilities		1,361,785	1,463,666
<b>Equity</b>			
Common stock		87,784	87,784
Additional paid-in capital		103,216	100,951
Retained earnings		1,118,594	1,183,206
Other components of equity		103,919	184,114
Treasury stock		(121,272)	(167,954)
Total equity attributable to owners of the parent		1,292,241	1,388,101
Non-controlling interests		24,457	24,535
Total equity		1,316,698	1,412,636
Total liabilities and equity		2,678,483	2,876,302

(2) Condensed Quarterly Consolidated Statements of Income  
and Condensed Quarterly Consolidated Statements of Comprehensive Income  
For the nine months ended December 31, 2021 and 2022  
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the nine months ended December 31, 2021	2022
Continuing operations			
Net Sales	5	1,407,210	1,699,747
Cost of sales		(1,102,667)	(1,368,217)
Gross profit		304,543	331,530
Selling, general and administrative expenses		(113,820)	(147,515)
Research and development expenses		(57,236)	(59,611)
Operating profit	5	133,487	124,404
Financial income		3,464	11,422
Financial expenses		(3,732)	(8,880)
Derivative gain (loss)		136	(736)
Foreign exchange differences		(2,860)	18,438
Share of net profit (loss) from associate accounting using the equity method		(1,085)	(2,704)
Profit before income taxes		129,410	141,944
Income tax expenses		(30,146)	(37,757)
Profit for the period from continuing operations		99,264	104,187
Discontinued operations			
Loss for the period from discontinued operations	6	(232)	(213)
Profit for the period		99,032	103,974
Profit for the period attributable to:			
Owners of the parent		99,312	104,077
Non-controlling interests		(280)	(103)
Profit for the period		99,032	103,974
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	170.13	181.09
Discontinued operations		(0.40)	(0.37)
Total		169.73	180.72

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the nine months ended December 31,	
		2021	2022
Profit for the period		99,032	103,974
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		188	816
Fair value movements on FVTOCI equity financial assets		307	(468)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		54,591	80,457
Effective portion of net changes in fair value of cash flow hedges		(1,113)	109
Fair value movements on FVTOCI debt financial assets		3	(21)
Total other comprehensive income for the period, net of taxation		53,976	80,893
Comprehensive income for the period		153,008	184,867
Comprehensive income for the period attributable to:			
Owners of the parent		152,542	184,599
Non-controlling interests		466	268
Comprehensive income for the period		153,008	184,867



For the three months ended December 31, 2021 and 2022

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended December 31,	
		2021	2022
<b>Continuing operations</b>			
Net Sales	5	496,542	568,980
Cost of sales		(390,881)	(466,232)
Gross profit		105,661	102,748
Selling, general and administrative expenses		(41,821)	(53,843)
Research and development expenses		(19,497)	(20,869)
Operating profit	5	44,343	28,036
Financial income		946	5,810
Financial expenses		(1,238)	(3,760)
Derivative gain (loss)		(3)	(753)
Foreign exchange differences		(1,456)	(4,569)
Share of net profit (loss) from associate accounting using the equity method		(285)	(1,195)
Profit before income taxes		42,307	23,569
Income tax expenses		(9,571)	(6,625)
Profit for the period from continuing operations		32,736	16,944
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	6	(84)	(42)
Profit for the period		32,652	16,902
<b>Profit for the period attributable to:</b>			
Owners of the parent		32,700	17,428
Non-controlling interests		(48)	(526)
Profit for the period		32,652	16,902
<b>Earnings (loss) per share attributable to owners of the parent-basic (yen)</b>			
Continuing operations	13	56.09	30.40
Discontinued operations		(0.14)	(0.07)
Total		55.94	30.32

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended December 31,	
		2021	2022
Profit for the period		32,652	16,902
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		53	(45)
Fair value movements on FVTOCI equity financial assets		90	(328)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		42,662	(127,255)
Effective portion of net changes in fair value of cash flow hedges		(66)	1,189
Fair value movements on FVTOCI debt financial assets		1	3
Total other comprehensive income for the period, net of taxation		42,740	(126,436)
Comprehensive income for the period		75,392	(109,534)
Comprehensive income for the period attributable to:			
Owners of the parent		74,842	(108,468)
Non-controlling interests		550	(1,066)
Comprehensive income for the period		75,392	(109,534)

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2021

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 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				99,312			99,312	(280)	99,032
Other comprehensive income					53,230		53,230	746	53,976
Total comprehensive income							152,542	466	153,008
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(14,258)	(14,258)	-	(14,258)
Dividends paid to the owners of the parent	12			(35,132)			(35,132)	-	(35,132)
Dividends paid to non-controlling interests							-	(112)	(112)
Share-based payment transactions			537				537	-	537
Transfer to retained earnings				456	(456)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,330)				(2,330)	726	(1,604)
Other			18	(1)	(1)	94	110	93	203
Balance at December 31, 2021		87,784	103,404	1,081,194	3,140	(78,033)	1,197,489	19,088	1,216,577

For the nine months ended December 31, 2022

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 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				104,077			104,077	(103)	103,974
Other comprehensive income					80,522		80,522	371	80,893
Total comprehensive income							184,599	268	184,867
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(46,683)	(46,683)	-	(46,683)
Dividends paid to the owners of the parent	12			(40,426)			(40,426)	-	(40,426)
Dividends paid to non-controlling interests							-	(268)	(268)
Share-based payment transactions			424				424	-	424
Transfer to retained earnings				327	(327)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,692)				(2,692)	234	(2,458)
Other			3	634		1	638	(156)	482
Balance at December 31, 2022		87,784	100,951	1,183,206	184,114	(167,954)	1,388,101	24,535	1,412,636

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the nine months ended December 31,	
		2021	2022
Cash flows from operating activities:			
Profit for the period from continuing operations		99,264	104,187
Loss for the period from discontinued operations	6	(232)	(213)
Profit for the period		99,032	103,974
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		76,766	89,080
Loss (gain) from sales, disposal or impairment of property, plant and equipment		(2,855)	1,815
Loss from sales of discontinued operations		232	213
Financial expenses (income)		394	(2,950)
Share of net loss (profit) from associate accounting using the equity method		1,085	2,704
Deferred income taxes		2,325	1,167
Current income taxes		27,820	36,589
Foreign currency adjustments		(6,990)	3,240
Increase (decrease) in retirement benefit liability		664	(670)
Decrease (increase) in accounts receivable		(54,049)	(7,867)
Decrease (increase) in inventories		(98,418)	(48,363)
Increase (decrease) in accounts payable		67,062	(45,601)
Other, net		(15,798)	(8,725)
Interests and dividends received		2,576	9,853
Interests paid		(3,408)	(6,980)
Income taxes paid		(27,961)	(33,284)
Net cash provided by operating activities		68,477	94,195

(Yen in millions)

	Note	For the nine months ended December 31,	
		2021	2022
Cash flows from investing activities:			
Additions to property, plant and equipment		(75,488)	(91,694)
Proceeds from sales of property, plant and equipment		7,115	4,096
Additions to intangible assets		(12,269)	(13,106)
Acquisitions of business, net of cash acquired		(9,015)	-
Other, net		(946)	(8,158)
Net cash used in investing activities		(90,603)	(108,862)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		80,147	31,299
Proceeds from issuance of long term debt		-	66,009
Repayments of long term debt		(21,463)	(7,654)
Proceeds from issuance of bonds		-	120,000
Redemption of bonds		(38,940)	(135,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(4,012)	(2,687)
Purchase of treasury stock		(14,258)	(46,683)
Dividends paid to the owners of the parent	12	(35,132)	(40,426)
Other, net		1,658	(508)
Net cash (used in) provided by financing activities		(32,000)	(15,650)
Effect of exchange rate changes on cash and cash equivalents		22,502	13,116
Net increase (decrease) in cash and cash equivalents		(31,624)	(17,201)
Cash and cash equivalents at beginning of period		219,524	199,655
Cash and cash equivalents at end of period		187,900	182,454

## **Notes to Condensed Quarterly Consolidated Financial Statements**

### **1. Reporting entity**

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

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

Condensed quarterly consolidated financial statements as of December 31, 2022 and for the nine months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- 2) Automotive products, which include automotive motors and components, 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 nine months ended December 31, 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 December 31, 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. Based on the business results for the nine months ended December 31, 2022, we have judged that it will not have a significant impact on NIDEC's business results, and we assume that it 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 nine months ended December 31,	
	2021	2022
SPMS	260,344	267,539
AMEC	161,203	233,508
MOEN	232,978	289,609
ACIM	279,399	322,042
Nidec Sankyo	106,619	123,155
Nidec Techno Motor	61,331	66,992
Nidec Mobility	70,233	86,464
Nidec Shimpo	69,706	125,893
Nidec Read	40,172	47,256
Others	125,225	137,289
Consolidated net sales	1,407,210	1,699,747

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

*(Yen in millions)*

	For the three months ended December 31,	
	2021	2022
SPMS	93,913	86,535
AMEC	54,986	85,035
MOEN	80,636	103,557
ACIM	96,038	102,384
Nidec Sankyo	38,258	38,899
Nidec Techno Motor	20,514	20,953
Nidec Mobility	24,491	30,247
Nidec Shimpo	28,625	42,284
Nidec Read	14,773	12,759
Others	44,308	46,327
Consolidated net sales	496,542	568,980

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



Net sales to other operating segments:

(Yen in millions)

	For the nine months ended December 31,	
	2021	2022
SPMS	2,226	2,256
AMEC	1,068	386
MOEN	3,446	2,141
ACIM	6,371	6,423
Nidec Sankyo	2,729	5,750
Nidec Techno Motor	5,372	5,566
Nidec Mobility	1,221	1,366
Nidec Shimpo	8,793	2,674
Nidec Read	323	506
Others	27,449	32,647
Total	58,998	59,715
Intersegment elimination	(58,998)	(59,715)
Consolidated net sales	-	-

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

(Yen in millions)

	For the three months ended December 31,	
	2021	2022
SPMS	749	948
AMEC	382	31
MOEN	1,304	189
ACIM	2,159	2,203
Nidec Sankyo	948	2,008
Nidec Techno Motor	1,497	1,865
Nidec Mobility	432	498
Nidec Shimpo	3,026	930
Nidec Read	194	245
Others	9,524	11,163
Total	20,215	20,080
Intersegment elimination	(20,215)	(20,080)
Consolidated net sales	-	-

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

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

	For the nine months ended December 31,	
	2021	2022
SPMS	31,293	20,619
AMEC	(6,505)	(23,801)
MOEN	25,758	29,068
ACIM	23,272	20,695
Nidec Sankyo	8,741	15,269
Nidec Techno Motor	8,865	8,909
Nidec Mobility	7,240	9,242
Nidec Shimpo	11,918	15,930
Nidec Read	11,428	13,424
Others	21,682	27,264
Total	143,692	136,619
Elimination and Corporate (Note)	(10,205)	(12,215)
Operating profit	133,487	124,404
Financial income (expenses)	(268)	2,542
Derivative gain (loss)	136	(736)
Foreign exchange differences	(2,860)	18,438
Share of net profit (loss) from associate accounting using the equity method	(1,085)	(2,704)
Profit before income taxes	129,410	141,944

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥10,763 million and ¥10,177 million for the nine months ended December 31, 2022 and 2021, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended December 31,	
	2021	2022
SPMS	12,059	2,066
AMEC	(3,274)	(15,164)
MOEN	7,900	10,596
ACIM	6,638	7,676
Nidec Sankyo	2,994	5,040
Nidec Techno Motor	2,843	2,277
Nidec Mobility	2,443	3,238
Nidec Shimpo	3,975	4,534
Nidec Read	4,195	3,203
Others	7,856	9,268
Total	47,629	32,734
Elimination and Corporate (Note)	(3,286)	(4,698)
Operating profit	44,343	28,036
Financial income (expenses)	(292)	2,050
Derivative gain (loss)	(3)	(753)
Foreign exchange differences	(1,456)	(4,569)
Share of net profit (loss) from associate accounting using the equity method	(285)	(1,195)
Profit before income taxes	42,307	23,569

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥4,141 million and ¥3,248 million for the three months ended December 31, 2022 and 2021, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

Net sales by type of product

(Yen in millions)

	For the nine months ended December 31,	
	2021	2022
Small precision motors:		
Hard disk drives spindle motors	76,859	61,067
Other small precision motors	244,366	272,715
Subtotal	321,225	333,782
Automotive products	301,118	394,509
Appliance, commercial and industrial products	575,778	681,304
Machinery	154,254	222,921
Electronic and optical components	51,988	64,113
Other products	2,847	3,118
Consolidated net sales	1,407,210	1,699,747

(Yen in millions)

	For the three months ended December 31,	
	2021	2022
Small precision motors:		
Hard disk drives spindle motors	27,419	18,661
Other small precision motors	88,695	88,810
Subtotal	116,114	107,471
Automotive products	103,921	140,359
Appliance, commercial and industrial products	197,757	227,908
Machinery	58,889	69,556
Electronic and optical components	18,842	22,612
Other products	1,019	1,074
Consolidated net sales	496,542	568,980

- (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 nine months ended December 31,	
	2021	2022
Other loss	(232)	(213)
Loss before income taxes from discontinued operations	(232)	(213)
Loss for the period from discontinued operations	(232)	(213)

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

2. Various conditions for sales of Secop are based on the forecasts as of December 31, 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 nine months ended December 31,	
	2021	2022
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	(81)	(208)
Net cash used in financing activities	-	-
Total	(81)	(208)

(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. Moreover, during the three months ended December 31, 2022, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of OKK Co., Ltd. (currently, "Nidec OKK"). Nidec's consolidated financial statements for the year ended March 31, 2022 are not impacted by Nidec's finalization of the provisional accounting for business combinations.

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)

## 8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the nine months ended December 31,	
	2021	2022
Balance at beginning of period		
Goodwill	319,926	339,904
Acquisitions through business combinations	-	-
Sales or disposals	-	-
Translation adjustments and others	6,837	15,032
Balance at end of period		
Goodwill	326,763	354,936

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 December 31, 2022		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	135,193	(51,707)	83,486
Proprietary technology	21,925	(10,622)	11,303
Software	44,380	(26,829)	17,551
Capitalized development costs	51,546	(12,259)	39,287
Others	8,362	(5,296)	3,066
Total	261,406	(106,713)	154,693

(Note) The carrying amounts of software include the right-of-use assets of ¥181 million.

Total amortization of intangible assets for the year ended March 31, 2022 and for the nine months ended December 31, 2022 amounted to ¥14,906 million and ¥12,788 million, respectively. Total indefinite lived intangible assets amounted to ¥64,886 million and ¥70,067 million as of March 31, 2022 and December 31, 2022, respectively.



## 9. Bonds

For the nine months ended December 31, 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 nine months ended December 31, 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
Nidec Corporation	The Fifteenth Series of Domestic Unsecured Bonds	November 24, 2022	20,000	0.250	November 21, 2025
Nidec Corporation	The Sixteenth Series of Domestic Unsecured Bonds	November 24, 2022	50,000	0.440	November 24, 2027

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
Nidec Corporation	The Ninth Series of Domestic Unsecured Bonds (Green Bond)	November 28, 2019	50,000	0.020	November 28, 2022

## 10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the nine months ended December 31, 2021 and 2022 are as follows:

*(Yen in millions)*

	For the nine months ended December 31,	
	2021	2022
Net periodic pension cost for defined benefit plans:		
Current service cost	2,598	1,400
Interest cost (net)	336	547
Net periodic pension cost for defined benefit plans	2,934	1,947
Payments to defined contribution pension plans	2,810	4,485

## 11. Related party transactions

Transactions with related parties for the nine months ended December 31, 2021 and 2022 are as follows:

### Sales of goods and services

(Yen in millions)

	For the nine months ended December 31,	
	2021	2022
Related parties		
S.N. Kosan, LLC.*1	-	0
S.N. Kosan, LTD.*2	-	0
Nagamori Foundation*3	9	9
Nagamori Gakuen Educational Foundation*4	1	33
Nagamori Culture Foundation*5	20	45

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

\*2. A director of NIDEC owns a majority of voting rights of S.N. Kosan, LTD.

\*3. A director of NIDEC concurrently serves as president of Nagamori Foundation.

\*4. A director of NIDEC concurrently serves as chairman of the board of trustees of Nagamori Gakuen Educational Foundation.

\*5. 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 nine months ended December 31,	
	2021	2022
Related parties		
S.N. Kosan, LLC.	8	-
S.N. Kosan, LTD.	-	9
Nagamori Gakuen Educational Foundation	35	3
Nagamori Culture Foundation	-	1

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	December 31, 2022
Receivables from related parties		
S.N. Kosan, LLC.	1	0
S.N. Kosan, LTD.	-	-
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	3	4
Nagamori Culture Foundation	0	1
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 December 31, 2022. In addition, there were no expenses recognized during the years ended March 31, 2022 and the nine months ended December 31, 2022 in respect of receivables from related parties.

## 12. Dividends

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

For the nine months ended December 31, 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
October 26, 2021 Board of directors	Ordinary shares	17,574	30	September 30, 2021	December 1, 2021

(Notes) 1. Total dividends resolved at the board of directors on May 27, 2021 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

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

For the nine months ended December 31, 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
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.

### 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 nine months ended December 31,	
	2021	2022
Profit attributable to owners of the parent (Yen in millions)	99,312	104,077
Profit from continuing operations attributable to owners of the parent (Yen in millions)	99,544	104,290
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(232)	(213)
Weighted average shares (Shares)	585,111,113	575,897,385
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	169.73	180.72
Continuing operations	170.13	181.09
Discontinued operations	(0.40)	(0.37)

	For the three months ended December 31,	
	2021	2022
Profit attributable to owners of the parent (Yen in millions)	32,700	17,428
Profit from continuing operations attributable to owners of the parent (Yen in millions)	32,784	17,470
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(84)	(42)
Weighted average shares (Shares)	584,532,020	574,760,422
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	55.94	30.32
Continuing operations	56.09	30.40
Discontinued operations	(0.14)	(0.07)

(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 December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	260	260	48	48
Long term investments	23	25	46	46
Short term loans receivable	14	14	3,548	3,548
Long term loans receivable	158	152	165	146
Short term borrowings	(130,635)	(130,635)	(163,676)	(163,676)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(20,960)	(20,755)	(86,761)	(84,839)
Corporate bonds (including corporate bonds due within one year)	(402,962)	(399,277)	(390,246)	(380,835)

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 December 31, 2022

*(Yen in millions)*

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	17,669	-	2,268	19,937
FVTOCI debt financial assets	-	81	-	81
Derivatives	151	1,475	-	1,626
Total financial assets	17,820	1,556	2,268	21,644
Liabilities				
Derivatives	72	2,959	-	3,031
Total financial liabilities	72	2,959	-	3,031

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

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

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

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

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

*(Yen in millions)*

	For the nine months ended December 31,	
	2021	2022
Balance at beginning of period	1,445	2,154
Gains or losses:		
Recognized in other comprehensive income (Note)	303	123
Sales	(8)	(9)
Acquisition by business combination	191	-
Balance at end of period	1,931	2,268

(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 ¥10,288 million for bank borrowing by equity method affiliates at December 31, 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 ¥17,179 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at December 31, 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 December 31, 2022. As there is a possibility that NIDEC's position may be significantly unfavorable, detailed disclosure is not made in accordance with Article 92 of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets.”

## 16. Commitments

Commitments for expenditures after the closing date are as follows:

*(Yen in millions)*

	As of March 31, 2022	As of December 31, 2022
Property, plant and equipment and other assets	33,764	21,496

## 17. Events after the reporting period

### (1) Own share repurchase

The Company resolved to set a share repurchase plan as stipulated in Article 156, Paragraph 1 of the Company Law of Japan at the Company's Board of Directors held on January 24, 2023, in accordance with provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Company Law of Japan. This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows.

1) Class of shares	Common stock
2) Total number of shares to be repurchased	Up to 5,000,000 shares (0.87% of total number of shares issued excluding treasury stock)
3) Total repurchase amount	Up to 35 billion yen
4) Period of repurchase	From January 25, 2023 to January 24, 2024

### (2) Completion of Acquisition of PAMA S.p.A. and its Affiliates

On February 1, 2023, NIDEC has acquired 100% of PAMA S.p.A. owns and its Affiliates(collectively "PAMA") (the "Transaction"). Since the initial accounting for the business combination has not been completed at the time of the approval of the condensed quarterly financial statement, further details have not yet been disclosed.

1) Purpose of the Transaction	PAMA manufactures and sells machine tools(boring and milling machines and machining centers, among others). Through the Transaction, NIDEC will be able to pursue synergies in all the areas of sale, manufacturing, and product development, including: (1) expanding sales in the Asian, European and American markets based on a wide range of product lineup and cross selling; (2) developing new products and components by combining the technological expertise of PAMA, Nidec Machine Tool Corporation and Nidec OKK Corporation; and (3) reducing lead time for delivery and manufacturing cost based on a global production optimization in Europe, America, and Asia.
2) Funds for the Transaction	Own funds

## 18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on February 13, 2023 by Hiroshi Kobe, Representative Director and President 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.