



Financial Statements Summary for the Year Ended March 31, 2020 [IFRS] (Consolidated)

April 30, 2020

Company name: NIDEC CORPORATION URL <https://www.nidec.com/en/>
 Stock listing: Tokyo Stock Exchange - First Section
 Code number: 6594
 Representative: Shigenobu Nagamori, Representative Director, Chairman
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 Department Tel: +81-75-935-6140 ir@nidec.com
 Scheduled date of Regular General Meeting of Shareholders: June 17, 2020
 Scheduled date of filing of Japanese annual securities report: June 18, 2020
 Scheduled date of dividend payable: June 1, 2020
 Supplemental materials: Yes
 Earnings presentation held: Yes

(Amount Unit: Yen in Millions, unless otherwise indicated)
 (Amounts are rounded to nearest million yen)

1. Consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the year	
		%		%		%		%		%
For the year ended March 31, 2020	1,534,800	4.0	110,326	(14.6)	106,927	(17.6)	60,084	(45.4)	6,694	(94.4)
For the year ended March 31, 2019	1,475,436	-	129,222	-	129,830	-	109,960	-	118,899	-
	Earnings per share attributable to owners of the parent-basic (Yen)				Earnings per share attributable to owners of the parent-diluted (Yen)					
For the year ended March 31, 2020	102.13				-					
For the year ended March 31, 2019	186.49				-					

(Reference) Share of net profit (loss) from associate accounting using the equity method:

¥ (1,665) million for the year ended March 31, 2020

¥ (633) million for the year ended March 31, 2019

- (Note) 1. "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".
2. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
3. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share attributable to owners of the parent-basic Earnings per share attributable to owners of the parent-diluted were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2019.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets	Total equity attributable to owners of the parent per share (Yen)
As of March 31, 2020	2,114,045	969,990	949,703	44.9%	1,621.33
As of March 31, 2019	1,884,008	1,019,629	996,795	52.9%	1,693.54

(Note) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Total equity attributable to owners of the parent per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2019.

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
For the year ended March 31, 2020	168,049	(311,513)	128,546	206,986
For the year ended March 31, 2019	170,233	(160,844)	(32,683)	242,267

2. Dividends

	Dividends per share (Yen)					Dividends for the year (Total)	Dividend payout ratio (consolidated) (%)	Ratio of total dividends to total equity attributable to owners of the parent (consolidated) (%)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
For the year ended March 31, 2019	-	50.00	-	55.00	105.00	30,909	28.2	3.2
For the year ended March 31, 2020	-	55.00	-	60.00	115.00	33,768	56.3	3.5
For the year ending March 31, 2021 (Forecast)	-	30.00	-	30.00	60.00		35.2	

(Note) NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, the actual amounts of dividends for the year ended March 31, 2020 have not been retroactively adjusted and are shown on a pre-stock split basis.

3. Forecast of Consolidated Financial Performance for the year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent-basic
		%		%		%		%	(Yen)
2nd Quarter end	700,000	(6.8)	55,000	(11.2)	55,000	(13.3)	40,000	46.2	68.29
Fiscal year end	1,500,000	(2.3)	125,000	13.3	125,000	16.9	100,000	66.4	170.72

(Note) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share attributable to owners of the parent-basic was calculated on the number of shares issued (excluding treasury stock) after the stock split.

Notes

- (1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (tokutei kogaisha) resulting in the change in scope of consolidation)
- : Yes (Newly consolidated) 3 companies
NIDEC COMPRESSOR (BEIJING) CO., LTD.
Ealing Compania de Gestiones y Participaciones SA
Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.
- (2) Changes in Accounting Policies and Changes in Accounting Estimates:
1. Changes in accounting policies required by IFRS : Yes
 2. Changes in accounting policies due to other reasons : None
 3. Changes in accounting estimates : None
- (3) Number of Shares Issued (Ordinary Shares)
1. Number of shares issued at the end of the period (including treasury stock):
As of March 31, 2020: 596,284,468 As of March 31, 2019: 596,284,468
 2. Number of treasury stock at the end of the period:
As of March 31, 2020: 10,530,534 As of March 31, 2019: 7,696,624
 3. Weighted-average number of shares outstanding during the period:
For the year ended March 31, 2020: 588,314,474 For the year ended March 31, 2019: 589,617,085

(Note) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Number of shares issued (ordinary shares) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2019.

For the basis for calculating earnings per share attributable to owners of the parent-basic, please refer to “7. Earnings per share” on page 27.

*This annual report is not subject to audit procedures by certified public accountants or an auditing firm.

*Explanation for appropriate use of forecast and other notes

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC’s expectations as a result of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Results, Etc. (3). Business Forecasts” on page 11.

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.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the previous year is also reclassified similarly.

Investor presentation materials relating to our financial results for the year ended March 31, 2020 are expected to be published on our corporate website on April 30, 2020.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Year Ended March 31, 2020

1. Overview of Business Environment for the Year Ended March 31, 2020

During the year ended March 31, 2020, the global economy was severely disrupted by the spread of infection of the new coronavirus (COVID-19), and there is a growing concern that an economic contraction due to a large-scale blockade and others to prevent the spread of infection will cause a global recession. Japan, the U.S., and Europe are implementing economic policies centered on huge fiscal stimulus, however, many emerging economies rely on external debt to finance their public spending, which could lead to debt crisis due to depreciations of their own currencies. Although the Chinese economy is beginning to show some signs of recovery in the automotive industry and others in March, its GDP from January to March 2020 marked the first negative growth since 1992, when official GDP record started. The prospects of Chinese export industries are extremely uncertain due to the sharp drop in external demand.

In addition, NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco by European Commission. In accordance with this order, in April 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 condensed quarterly consolidated statements of income. In September 2019, NIDEC completed share transfer of Secop and there was ¥15,707 million of the loss from discontinued operations for the year ended March 31, 2020.

2. Consolidated Operating Results

Consolidated Operating Results for the Year Ended March 31, 2020 (“this fiscal year”), Compared to the Year Ended March 31, 2019 (“the previous fiscal year”)

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales	1,475,436	1,534,800	59,364	4.0%
Operating profit	129,222	110,326	(18,896)	(14.6)%
Operating profit ratio	8.8%	7.2%	-	-
Profit before income taxes	129,830	106,927	(22,903)	(17.6)%
Profit for the year from continuing operations	104,059	77,008	(27,051)	(26.0)%
Profit (loss) for the year from discontinued operations	6,574	(15,707)	(22,281)	-
Profit attributable to owners of the parent	109,960	60,084	(49,876)	(45.4)%

Consolidated net sales from continuing operations increased 4.0% to ¥1,534,800 million for this fiscal year compared to the previous fiscal year, recording the highest annual net sales, despite lower sales by approximately ¥38,100 million due to the impact of foreign exchange fluctuations. Operating profit decreased 14.6% to ¥110,326 million for this fiscal year mainly due to the decrease in profit of approximately ¥7,700 million by the impact of foreign exchange fluctuations, the additional expense of approximately ¥14,000 million as the upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and approximately ¥3,000 million of the additional temporary expense of acquisition and others. The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥108.74 to the U.S. dollar, which reflected an approximately 2% appreciation of the Japanese yen against the U.S. dollar, compared to the previous fiscal year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥120.82 to the Euro, which reflected an approximately 6% appreciation of the Japanese yen against the Euro, compared to the previous fiscal year.

Profit before income taxes decreased 17.6% to ¥106,927 million and profit for the year from continuing operations, decreased 26.0% to ¥77,008 million compared to the previous fiscal year.

Profit attributable to owners of the parent, including profit (loss) for the year from discontinued operations, decreased 45.4% to ¥60,084 million due to the loss of ¥15,707 million as sales of the business of compressor for refrigerator of Secop and others.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the previous year is also reclassified similarly.

Operating Results by Product Category for This Fiscal Year Compared to the Previous Fiscal Year

Small precision motors

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales to external customers	441,467	424,288	(17,179)	(3.9) %
Spindle motors for hard disk drives (HDDs)	179,011	157,240	(21,771)	(12.2) %
Other small precision motors	262,456	267,048	4,592	1.7 %
Operating profit	54,556	45,116	(9,440)	(17.3) %
Operating profit ratio	12.4 %	10.6 %	-	-

Net sales of this category decreased 3.9% to ¥424,288 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,200 million for this fiscal year compared to the previous fiscal year.

Net sales of spindle motors for HDDs for this fiscal year decreased 12.2% to ¥157,240 million compared to the previous fiscal year. The number of units sold of spindle motors for HDDs decreased approximately 18.7% compared to the previous fiscal year.

Net sales of other small precision motors for this fiscal year increased 1.7% to ¥267,048 million compared to the previous fiscal year, due to increase in sales of fan motors and small vibration motors.

Operating profit of this category decreased 17.3% to ¥45,116 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥5,900 million.

Automotive products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales to external customers	297,298	333,241	35,943	12.1 %
Operating profit	32,900	22,483	(10,417)	(31.7) %
Operating profit ratio	11.1 %	6.7 %	-	-

Net sales of this category increased 12.1% to ¥333,241 million for this fiscal year compared to the previous fiscal year due to the impact of the acquisition of OMRON Automotive Electronics Co. Ltd., and the higher sales of products fully mass-produced at traction motors plants. The fluctuation of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥10,200 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category decreased 31.7% to ¥22,483 million compared to the previous fiscal year, mainly due to having recognized approximately ¥14,000 million of the additional upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and the negative impact of unfavorable foreign exchange rates of approximately ¥1,600 million.

Appliance, commercial and industrial products

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales to external customers	495,432	562,604	67,172	13.6 %
Operating profit	34,061	34,421	360	1.1 %
Operating profit ratio	6.9 %	6.1 %	-	-

Net sales of this category increased 13.6% to ¥562,604 million for this fiscal year compared to the previous fiscal year, primarily due to the impact of acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,700 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category increased 1.1% to ¥34,421 million, mainly due to higher sales and cost reductions, despite the temporary expenses of approximately ¥5,100 million related to the consolidation of plants and M&A expense. The fluctuation of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥41 million for this fiscal year compared to the previous fiscal year.

Machinery

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales to external customers	163,966	149,740	(14,226)	(8.7) %
Operating profit	22,329	21,738	(591)	(2.6) %
Operating profit ratio	13.6 %	14.5 %	-	-

Net sales of this category decreased 8.7% to ¥149,740 million for this fiscal year compared to the previous fiscal year due to lower sales in LCD panel handling robots, speed reducers and other factors, despite the impact of newly consolidated subsidiaries.

Operating profit of this category decreased 2.6% to ¥21,738 million for this fiscal year compared to the previous fiscal year due to the lower sales.

Electronic and optical components

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales to external customers	72,672	60,396	(12,276)	(16.9) %
Operating profit	4,870	3,201	(1,669)	(34.3) %
Operating profit ratio	6.7 %	5.3 %	-	-

Net sales of this category decreased 16.9% to ¥60,396 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,000 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category decreased 34.3% to ¥3,201 million for this fiscal year compared to the previous fiscal year.

Other products*(Yen in millions)*

	For the years ended March 31,		Increase or decrease	Ratio of change
	2019	2020		
Net sales to external customers	4,601	4,531	(70)	(1.5) %
Operating profit	679	612	(67)	(9.9) %
Operating profit ratio	14.8 %	13.5 %	-	-

Net sales of this category decreased 1.5% to ¥4,531 million and operating profit of this category decreased 9.9% to ¥612 million for this fiscal year compared to the previous fiscal year.

Consolidated Operating Results for the Three Months Ended March 31, 2020 (“4Q”), Compared to the Previous Three Months Ended December 31, 2019 (“3Q”)

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales	408,331	375,192	(33,139)	(8.1)%
Operating profit	32,562	15,848	(16,714)	(51.3)%
Operating profit ratio	8.0%	4.2%	-	-
Profit before income taxes	30,865	12,603	(18,262)	(59.2)%
Profit for the period from continuing operations	22,350	6,152	(16,198)	(72.5)%
Profit for the period from discontinued operations	824	3,424	2,600	315.5%
Profit attributable to owners of the parent	22,957	9,765	(13,192)	(57.5)%

Consolidated net sales from continuing operations decreased 8.1% to ¥375,192 million for 4Q compared to 3Q. Operating profit from continuing operations decreased 51.3% to ¥15,848 million mainly due to a decrease sales for 4Q compared to 3Q. The average exchange rate between the Japanese yen and the U.S. dollar for 4Q was ¥108.92 to the U.S. dollar, which reflected a slight depreciation of the Japanese yen against the U.S. dollar, compared to 3Q. The average exchange rate between the Japanese yen and the Euro for 4Q was ¥120.11 to the Euro, which reflected a slight appreciation of the Japanese yen against the Euro, compared to 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥400 million and operating profit by approximately ¥300 million for 4Q compared to 3Q.

Profit before income taxes decreased 59.2% to ¥12,603 million for 4Q compared to 3Q and profit from continuing operations decreased 72.5% to ¥6,152 million for 4Q compared to 3Q.

Profit attributable to owners of the parent, including profit for the period from discontinued operations, decreased 57.5% to ¥9,765 million.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Condensed quarterly consolidated financial statements for the three months ended December 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.

Operating Results by Product Category for 4Q Compared to 3Q

Small precision motors

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales to external customers	115,122	89,356	(25,766)	(22.4) %
Spindle motors for hard disk drives (HDDs)	39,571	40,055	484	1.2 %
Other small precision motors	75,551	49,301	(26,250)	(34.7) %
Operating profit	15,548	4,579	(10,969)	(70.5) %
Operating profit ratio	13.5 %	5.1 %	-	-

Net sales of this category decreased 22.4% to ¥89,356 million and the impact of foreign change increased sales by approximately ¥300 million from 3Q. Net sales of spindle motors for HDDs increased 1.2% to ¥40,055 million for 4Q compared to 3Q. Net sales of other small precision motors for 4Q decreased 34.7% to ¥49,301 million compared to 3Q due to the decrease in sales of DC motors, fan motors and small vibration motors.

Operating profit of this category decreased 70.5% to ¥4,579 million for 4Q compared to 3Q due to having recognized approximately ¥4,100 million of structural reform expenses such as the loss related to launching new products, and the closure and consolidation of overseas HDD motor parts plants and others. The impact of foreign change increased operating profit by approximately ¥100 million from 3Q.

Automotive products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales to external customers	92,189	90,220	(1,969)	(2.1) %
Operating profit	5,308	3,593	(1,715)	(32.3) %
Operating profit ratio	5.8 %	4.0 %	-	-

Net sales of this category decreased 2.1% to ¥90,220 million for 4Q compared to 3Q due to the decrease in sales of automotive motors for electric power steering systems, and other factors. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥36 million for 4Q compared to 3Q.

Operating profit of this category decreased 32.3% to ¥3,593 million for 4Q compared to 3Q mainly due to the lower sales.

Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales to external customers	147,000	145,024	(1,976)	(1.3) %
Operating profit	8,696	6,981	(1,715)	(19.7) %
Operating profit ratio	5.9 %	4.8 %	-	-

Net sales of this category decreased 1.3% to ¥145,024 million for 4Q compared to 3Q mainly due to the decrease in sales of motors for appliances, and others. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥100 million for 4Q compared to 3Q.

Operating profit of this category decreased 19.7% to ¥6,981 million, due to the expenses of the consolidation of plants and others.

Machinery

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales to external customers	38,233	34,527	(3,706)	(9.7) %
Operating profit	6,022	4,527	(1,495)	(24.8) %
Operating profit ratio	15.8 %	13.1 %	-	-

Net sales of this category decreased 9.7% to ¥34,527 million for 4Q compared to 3Q due to the decrease in sales of speed reducers and others.

Operating profit of this category decreased 24.8% to ¥4,527 million for 4Q compared to 3Q mainly due to the lower sales.

Electronic and optical components

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales to external customers	14,595	14,996	401	2.7 %
Operating profit (loss)	957	(144)	(1,101)	-
Operating profit ratio	6.6 %	(1.0) %	-	-

Net sales of this category increased 2.7% to ¥14,996 million for 4Q compared to 3Q.

Operating profit (loss) of this category decreased ¥1,101 million, recording an operating loss of ¥144 million for 4Q compared to 3Q due to the disposal of slow-moving inventory and other factors.

Other products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	December 31, 2019	March 31, 2020		
Net sales to external customers	1,192	1,069	(123)	(10.3) %
Operating profit	178	102	(76)	(42.7) %
Operating profit ratio	14.9 %	9.5 %	-	-

Net sales of this category decreased 10.3% to ¥1,069 million and operating profit of this category decreased 42.7% to ¥102 million for 4Q compared to 3Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020	Increase or decrease
Total assets	1,884,008	2,114,045	230,037
Total liabilities	864,379	1,144,055	279,676
Total equity attributable to owners of the parent	996,795	949,703	(47,092)
Interest-bearing debt *1	372,761	600,318	227,557
Net interest-bearing debt *2	130,494	393,332	262,838
Debt ratio (%) *3	19.8	28.4	8.6
Debt to equity ratio ("D/E ratio") (times) *4	0.37	0.63	0.26
Net D/E ratio (times) *5	0.13	0.41	0.28
Ratio of total equity attributable to owners of the parent to total assets (%) *6	52.9	44.9	(8.0)

(Notes) *1. Interest-bearing debt: The sum of "short term borrowings", "long term debt due within one year" and "long term debt" on the consolidated statements of financial position

*2. Net interest-bearing debt: Interest-bearing debt less "cash and cash equivalents"

*3. Debt ratio: Interest-bearing debt divided by total assets

*4. D/E ratio: Interest-bearing debt divided by total equity attributable to owners of the parent

*5. Net D/E ratio: Net interest-bearing debt divided by total equity attributable to owners of the parent

*6. Ratio of total equity attributable to owners of the parent to total assets: Total equity attributable to owners of the parent divided by total assets

Total assets increased ¥230,037 million to ¥2,114,045 million as of March 31, 2020 compared to March 31, 2019. This was mainly due to increases of ¥112,519 million in property, plant and equipment and ¥105,333 million in goodwill.

Total liabilities increased ¥279,676 million to ¥1,144,055 million as of March 31, 2020 compared to March 31, 2019. This was mainly due to an increase of ¥227,557 million in interest-bearing debt. Specifically, short term borrowings increased ¥99,560 million to ¥116,954 million, long term debt due within one year increased ¥16,655 million to ¥111,994 million, and long term debt increased ¥111,342 million to ¥371,370 million as of March 31, 2020 compared to March 31, 2019.

As a result, net interest-bearing debt increased to ¥393,332 million as of March 31, 2020 from ¥130,494 million as of March 31, 2019. The debt ratio increased to 28.4% as of March 31, 2020 from 19.8% as of March 31, 2019. The D/E ratio increased to 0.63 times as of March 31, 2020 from 0.37 times as of March 31, 2019. The net D/E ratio increased to 0.41 times as of March 31, 2020 from 0.13 times as of March 31, 2019.

Total equity attributable to owners of the parent decreased ¥47,092 million to ¥949,703 million as of March 31, 2020 compared to March 31, 2019. Ratio of total equity attributable to owners of the parent to total assets decreased to 44.9% as of March 31, 2020 from 52.9% as of March 31, 2019. This decrease was mainly due to a decrease in other components of equity of ¥50,339 million caused mainly by foreign currency translation adjustments.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Overview of Cash Flow

(Yen in millions)

	For the years ended March 31,		Increase or decrease
	2019	2020	
Net cash provided by operating activities	170,233	168,049	(2,184)
Net cash used in investing activities	(160,844)	(311,513)	(150,669)
Free cash flow *1	9,389	(143,464)	(152,853)
Net cash used in financing activities	(32,683)	128,546	161,229

(Note) *1. Free cash flow: The sum of “net cash provided by operating activities” and “net cash used in investing activities”.

Cash flows from operating activities for this fiscal year came to a net cash inflow of ¥168,049 million. Compared to the previous fiscal year, the cash inflow from operating activities for this fiscal year decreased ¥2,184 million. This decrease was mainly due to decrease in profit for the year ¥49,332 million. On the other hand, there were increases in inventories net changes year on year of ¥15,915 million, depreciation of property, plant and equipment net changes year on year of ¥14,557 million and loss from sales of discontinued operations net changes year on year of ¥14,167 million.

Cash flows from investing activities for this fiscal year came to a net cash outflow of ¥311,513 million. Compared to the previous fiscal year, the net cash outflow from investing activities for this fiscal year increased ¥150,669 million mainly due to an increase in acquisitions of business, net of cash acquired of ¥147,272 million.

As a result, we had a negative free cash flow of ¥143,464 million for this fiscal year, a decrease of ¥152,853 million compared to a positive free cash flow of ¥9,389 million for the previous fiscal year.

Cash flows from financing activities for this fiscal year came to a net cash inflow of ¥128,546 million. Compared to the previous fiscal year, the net cash inflow from financing activities for this fiscal year increased ¥161,229 million mainly due to increases in short term borrowings net changes year on year of ¥74,393 million and in proceeds from issuance of bonds of ¥160,358 million. On the other hand, redemption of bonds increased ¥65,000 million.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of March 31, 2020 decreased ¥35,281 million to ¥206,986 million from March 31, 2019.

Reference:

	As of March 31, 2019	As of March 31, 2020
Ratio of total equity attributable to owners of the parent to total assets (%)(*1)	52.9	44.9
Total market value of NIDEC's shares to total assets (%)(*2)	219.1	155.3
Interest-bearing debt to net cash provided by operating activities (years) (*3)	2.2	3.6
Interest coverage ratio (times) (*4)	21.2	18.6

(Notes) *1. Ratio of total equity attributable to owners of the parent to total assets: Total equity attributable to owners of the parent divided by total assets

*2. Total market value of NIDEC's shares to total assets: Total market value of NIDEC's shares (1) divided by total assets

*3. Interest-bearing debt to net cash provided by operating activities: Interest-bearing debt (2) divided by net cash provided by operating activities

*4. Interest coverage ratio: Net cash provided by operating activities divided by interest payments (3)

(1) Total market value: Closing stock price at fiscal year end (TSE) multiplied by the number of shares issued at fiscal year end (excluding treasury stock)

(2) Interest-bearing debt: The sum of “short term borrowings”, “long term debt due within one year” and “long term debt” on the consolidated statements of financial position

(3) Interest payments: “Interests paid” on the consolidated statements of cash flows

(3) Business Forecasts

Regarding the global economic trends, mainly developed countries are starting to consider resuming economic activities while implementing large-scale fiscal stimulus packages and infection prevention measures. However, if the resumption is too soon, the infection may spread again, with the economic downturn prolonging and the government spending expanding further. It continues to be an unpredictable situation.

The forecasts for the year ending March 31, 2021 described below are prepared based on an assumption that exchange rates are US\$1 = ¥105 and €1 = ¥117.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2021

Net sales	¥1,500,000 million	(97.7% compared to the previous fiscal year)
Operating profit	¥125,000 million	(113.3% compared to the previous fiscal year)
Profit before income taxes	¥125,000 million	(116.9% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥100,000 million	(166.4% compared to the previous fiscal year)

Forecast of Consolidated Financial Performance for the Six Months Ending September 30, 2020

Net sales	¥700,000 million	(93.2% compared to the same period of the previous fiscal year)
Operating profit	¥55,000 million	(88.8% compared to the same period of the previous fiscal year)
Profit before income taxes	¥55,000 million	(86.7% compared to the same period of the previous fiscal year)
Profit attributable to owners of the parent	¥40,000 million	(146.2% compared to the same period of the previous fiscal year)

(Notes) 1. Consolidated performance is based on IFRS.

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥105 and €1 = ¥117.

Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC's expectations as a result of various factors.

(4) Basic Policy on Profit Distribution and Dividends for This Fiscal Year and the Next Fiscal Year

From the standpoint of upholding shareholder-oriented management, we strive to make the efforts mandated by our shareholders; namely, we aim to maintain and improve over the long term our dynamic growth, large revenues, high share price, advanced technology, and generous treatment of our workers. We also strive to present a vision for the future that is reflective of our constant and vigilant attention to the changing times. Fundamental to this stance of ours is our untiring and enduring commitment to growth. In our policy on profit distribution as well, we place importance on maintaining stable dividends, targeting a dividend payout ratio to around 30% of our consolidated profit for the year, and strive to improve dividends while keeping them commensurate with consolidated profit for the year.

At the same time, we work to improve revenues by utilizing internal reserves to further strengthen our operational structure and invest in business expansion.

1. Dividends for this fiscal year: Year-end dividend of ¥60 per share and annual dividend of ¥115 per share

The dividends for the year ended March 31, 2020 comprises, in addition to the interim dividend of ¥55 per share already paid, the scheduled year-end dividend of ¥60 per share. As a result, annual dividends are ¥115 per share, which makes the dividend payout ratio for this fiscal year, which is obtained by dividing total dividends for the year by profit for the year attributable to owners of the parent, 56.3%.

2. Dividends for the next fiscal year: Forecasted full-year dividend of ¥60 (an interim dividend of ¥30 per share and a year-end dividend of ¥30 per share)

Our current dividend forecast for the year ending March 31, 2021 is an annual dividend of ¥60 per share, comprising an interim dividend of ¥30 per share and a year-end dividend of ¥30 per share. Based on current forecasts, the dividend payout ratio for the fiscal year ending March 31, 2021, which is obtained as described above, is 35.2%.

NIDEC implemented a two-for-one common stock split, effective April 1, 2020. The foregoing dividends for the next fiscal year are after the stock split. Without the effect of this stock split, our dividend forecast for the year ending March 31, 2021 would have been ¥120 per share, including an interim dividend of ¥60 per share.

2. Management Policies, Business Environment, and Challenges

(1) Basic Management Policies

We aim to become the world's leading comprehensive motor manufacturer, maximize shareholder value, and meet the expectations of shareholders by delivering higher technology solutions, offering higher wages, and thus achieving higher growth, profit and stock prices, over the long-term. We seek to uphold the following three management goals and principles:

1. Employment stability based on sustainable business growth;
2. Available supply of highest quality, indispensable, and widely desired products for the common good for all;
3. Pursuit of the top leader position in each of the company's chosen paths.

In addition, NIDEC's basic business strategy is to make innovative changes in existing large markets with new drive technology and to quickly adapt to the needs of new markets. As a means of achieving these goals, NIDEC has reinforced technology and speed through M&As.

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

Currently, NIDEC aims to ride five innovative waves. The five fields of "automotive electrification," "expansion of robot applications," "home appliances driven by brushless DC motors," "manpower-saving in agriculture & logistics," and "next-generation technologies arising from 5G communications," which are strongly demanded to solve the global issues such as carbon dioxide emissions, road accidents, and aging of population, are promising growth markets. NIDEC will concentrate management resources in these fields. By combining M&As with the elemental technology NIDEC has accumulated, NIDEC will control all five innovative waves and contribute to sustainable development of the world. During the year ended March 31, 2020, progress has not been as expected partly due to the U.S.-China trade friction and the spread of the new coronavirus (COVID-19), but it remains the basic policy of the medium-term strategic target.

1. Small precision motors

Among the five innovative waves, "next-generation technologies arising from 5G communications" will be the pillar of sales growth in the small precision motors business. When 5G communications become the mainstream, the communication speed will increase by 100 times and the communication capacity will increase by 1,000 times. However, intense heat is generated in the CPU (Central Processing Unit) and electronic circuits due to a huge amount of data being processed at a high speed. Therefore, it is expected that the demand for thermal management such as heat dissipation and cooling will increase more and more. To meet this demand, NIDEC provides the market with thermal module products that combine heat sinks, heat pipes, vapor chambers, and others. Further opportunities arising from the adaption of "home appliances driven by brushless DC motors" can also be expected. Demand for brushless DC motor, which has such features as energy-efficiency, long-life expectancy, and low-noise, will increase more and more as home appliances become energy efficient and cordless. Furthermore, NIDEC will explore its new usage in a wide variety of fields such as AV, IT, OA and communication equipment, home appliances, and industrial equipment, achieving to sustainable growth.

On the other hand, NIDEC makes efforts to improve the profitability of HDD motors. HDDs for PCs are not expected to grow significantly in the future due to the spread of new IT terminals such as tablets and smartphones, though the spread of 5G communications will accelerate the era of big data such as the improvement for the image quality and capacity of images and videos, and spread social media and games. Due to the expansion of storage demand accompanying it, it is expected that the demand for HDD motors in server applications and others will continue to be stable.

2. Automotive products

In the automotive business, as the impact of climate change increases in severity, the automotive industry is accelerating its efforts toward decarbonization. Since passenger cars, trucks, and others account for approximately one fifth of the total CO2 emissions in the world, major countries have announced a ban on the sales of gasoline and diesel vehicles one after another, and are supporting the vehicle electrification and the shift to electric vehicles. NIDEC takes "automotive electrification" as a medium- to long-term growth opportunity, and provides automotive motors such as electric power steering motors and brake motors, for which it has the largest market share, as well as automotive products such as automotive cameras, control valves, electric oil pumps and others.

Furthermore, by developing and supplying drive motor system (traction motor) for EVs, which is equivalent to the engine part of a gasoline vehicle, NIDEC will actively participate in the industry's efforts to reduce the CO2 emitted by running vehicles to virtually zero. By combining these with an electronic control unit (ECU), each part can be systemized and high-value-added modular products can be provided.

In addition, by integrating motors, ECUs, sensors, and others to electronically control various vehicle functions, safe driving, collision avoidance, damage reduction, and automatic driving will become possible, which will enhance vehicle safety. Furthermore, reducing CO2 emissions can also be expected by improving fuel efficiency. In the future, aiming to become an automotive electronics manufacturer, NIDEC will contribute to the development of safer, eco-friendly and comfortable cars by providing the automotive industry with system module products that integrate advanced technologies of sensor and ECU into motor technologies NIDEC has accumulated.

3. Appliance, commercial and industrial products

In appliance, commercial and industrial products, motors currently account for approximately half of the world's electric power demand, and since the consumption of industrial motors is particularly large, there is an urgent need to replace them with higher-efficiency motors. In the appliance sector, NIDEC handles motors for washing machines, dryers, dishwashers, compressors for refrigerators, motors for compressors and others. Riding the wave of "home appliances driven by brushless DC motors," NIDEC will contribute to higher efficiency of appliances such as refrigerators. The commercial sector deals with air conditioner motors, and the industrial sector develops business mainly in markets such as agriculture, gas, mining, water and sewage, and marine markets. There is a global trend toward energy-efficiency and power-saving, and NIDEC is aiming for further development of the appliance, commercial, and industrial businesses by following this trend.

4. Others

Demand for factory automation (FA) is increasing mainly in China, aiming to solve the global labor shortage. NIDEC is promoting business expansion by capturing demand for small robot core parts (speed reducers), which is expanding due to the "expansion of robot applications." In order to reliably win the increased orders, NIDEC has started the operation of a new factory for speed reducers for small robots, and has significantly increased its production capacity.

5. M&A

In order to achieve the above goals, in the small precision motors business, NIDEC has acquired Chaun-Choung Technology, which has cooling products centered on vapor chambers. In combination with NIDEC's existing technology, cooling technology centered on fan motors, NIDEC will provide higher value-added thermal solutions. In the automotive business, NIDEC has acquired OMRON Automotive Electronics, which has the technology of electronic control unit (ECU). NIDEC will increase the ECU capacity of Nidec Elesys and pursue synergies with its existing automotive motors. For appliance, commercial and industrial products, NIDEC has acquired Embraco, which has technology for refrigerator compressors. In combination with its existing technology for compressor motors, NIDEC contributes to the development of refrigerators with even greater energy-efficiency performance.

3. Basic Rationale for Selection of Accounting Standards

NIDEC has adopted International Financial Reporting Standards (IFRS) since the first quarter in the fiscal year ended March 31, 2017 to strengthen the foundation of financial reporting and make it more efficient.

4. Consolidated Financial Statements and Other Information

(1) Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31,	
	2019	2020
Assets		
Current assets		
Cash and cash equivalents	242,267	206,986
Trade and other receivables	371,134	394,192
Other financial assets	695	913
Income tax receivables	12,173	12,885
Inventories	255,732	278,185
Other current assets	37,547	40,450
Total current assets	919,548	933,611
Non-current assets		
Property, plant and equipment	520,509	633,028
Goodwill	250,940	356,273
Intangible assets	143,552	139,317
Investments accounted for using the equity method	2,785	3,294
Other investments	18,444	14,479
Other financial assets	6,514	6,888
Deferred tax assets	11,968	16,878
Other non-current assets	9,748	10,277
Total non-current assets	964,460	1,180,434
Total assets	1,884,008	2,114,045

(Yen in millions)

	As of March 31,	
	2019	2020
Liabilities		
Current liabilities		
Short term borrowings	17,394	116,954
Long term debt due within one year	95,339	111,994
Trade and other payables	310,644	345,193
Other financial liabilities	2,148	9,109
Income tax payables	17,133	18,726
Provisions	28,514	30,346
Other current liabilities	62,521	64,628
Total current liabilities	<u>533,693</u>	<u>696,950</u>
Non-current liabilities		
Long term debt	260,028	371,370
Other financial liabilities	1,887	4,085
Retirement benefit liabilities	28,886	30,701
Provisions	903	942
Deferred tax liabilities	36,776	35,374
Other non-current liabilities	2,206	4,633
Total non-current liabilities	<u>330,686</u>	<u>447,105</u>
Total liabilities	<u>864,379</u>	<u>1,144,055</u>
Equity		
Common stock	87,784	87,784
Additional paid-in capital	118,314	114,754
Retained earnings	900,768	926,029
Other components of equity	(64,775)	(115,114)
Treasury stock	(45,296)	(63,750)
Total equity attributable to owners of the parent	<u>996,795</u>	<u>949,703</u>
Non-controlling interests	22,834	20,287
Total equity	<u>1,019,629</u>	<u>969,990</u>
Total liabilities and equity	<u><u>1,884,008</u></u>	<u><u>2,114,045</u></u>

**(2) Consolidated Statements of Income
and Consolidated Statements of Comprehensive Income**
For the years ended March 31, 2019 and 2020
Consolidated Statements of Income

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Continuing operations		
Net Sales	1,475,436	1,534,800
Cost of sales	(1,139,694)	(1,200,873)
Gross profit	335,742	333,927
Selling, general and administrative expenses	(143,697)	(144,971)
Research and development expenses	(62,823)	(78,630)
Operating profit	129,222	110,326
Financial income	10,557	9,424
Financial expenses	(8,720)	(9,300)
Derivative gain (loss)	352	(1,644)
Foreign exchange differences	(948)	(214)
Share of net profit (loss) from associate accounting using the equity method	(633)	(1,665)
Profit before income taxes	129,830	106,927
Income tax expenses	(25,771)	(29,919)
Profit for the year from continuing operations	104,059	77,008
Discontinued operations		
Profit (loss) for the year from discontinued operations	6,574	(15,707)
Profit for the year	110,633	61,301
Profit for the year attributable to:		
Owners of the parent	109,960	60,084
Non-controlling interests	673	1,217
Profit for the year	110,633	61,301

Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the years ended March 31,	
	2019	2020
Profit for the year	110,633	61,301
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	(1,085)	(944)
Fair value movements on FVTOCI equity financial assets	(2,540)	(1,939)
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	12,468	(46,915)
Effective portion of net changes in fair value of cash flow hedges	(584)	(4,810)
Fair value movements on FVTOCI debt financial assets	7	1
Total other comprehensive income for the year, net of taxation	8,266	(54,607)
Comprehensive income for the year	118,899	6,694
Comprehensive income for the year attributable to:		
Owners of the parent	118,441	6,854
Non-controlling interests	458	(160)
Comprehensive income for the year	118,899	6,694

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2019

(Yen in millions)

	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 March 31, 2018	87,784	118,136	822,589	(76,857)	(19,151)	932,501	9,890	942,391
Changes in accounting policies			199			199		199
Balance after restatement	87,784	118,136	822,788	(76,857)	(19,151)	932,700	9,890	942,590
Comprehensive income								
Profit for the year			109,960			109,960	673	110,633
Other comprehensive income				8,481		8,481	(215)	8,266
Total comprehensive income						118,441	458	118,899
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(26,145)	(26,145)	-	(26,145)
Dividends paid to the owners of the parent			(29,513)			(29,513)	-	(29,513)
Dividends paid to non-controlling interests						-	(93)	(93)
Share-based payment transactions		164				164	-	164
Transfer to retained earnings			(3,600)	3,600		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries						-	12,615	12,615
Other		14	1,133	1		1,148	(36)	1,112
Balance at March 31, 2019	87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629

For the year ended March 31, 2020

(Yen in millions)

	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, 2019	87,784	118,314	900,768	(64,775)	(45,296)	996,795	22,834	1,019,629
Changes in accounting policies			(407)			(407)		(407)
Balance after restatement	87,784	118,314	900,361	(64,775)	(45,296)	996,388	22,834	1,019,222
Comprehensive income								
Profit for the year			60,084			60,084	1,217	61,301
Other comprehensive income				(53,230)		(53,230)	(1,377)	(54,607)
Total comprehensive income						6,854	(160)	6,694
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(18,458)	(18,458)	-	(18,458)
Dividends paid to the owners of the parent			(32,372)			(32,372)	-	(32,372)
Dividends paid to non-controlling interests						-	(759)	(759)
Share-based payment transactions		132				132	-	132
Transfer to retained earnings			(2,891)	2,891		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(3,698)				(3,698)	(1,771)	(5,469)
Other		6	847		4	857	143	1,000
Balance at March 31, 2020	87,784	114,754	926,029	(115,114)	(63,750)	949,703	20,287	969,990

(4) Consolidated Statements of Cash Flows*(Yen in millions)*

	For the years ended March 31,	
	2019	2020
Cash flows from operating activities:		
Profit for the period from continuing operations	104,059	77,008
Profit (loss) for the period from discontinued operations	6,574	(15,707)
Profit for the year	110,633	61,301
Adjustments to reconcile profit for the year to net cash provided by operating activities		
Depreciation	59,115	73,672
Amortization	11,901	13,184
Loss from sales, disposal or impairment of property, plant and equipment	1,498	1,269
Loss from sales of discontinued operations	-	14,167
Financial income	(1,942)	(404)
Share of net (profit) loss from associate accounting using the equity method	633	1,665
Deferred income taxes	(1,356)	3,676
Current income taxes	28,493	27,850
Foreign currency adjustments	7,007	4,359
Increase (decrease) in retirement benefit liability	4,457	881
Decrease (increase) in accounts receivable	33,280	25,005
Decrease (increase) in inventories	(12,922)	2,993
Increase (decrease) in accounts payable	(27,391)	(24,111)
Other, net	(11,944)	(10,361)
Interests and dividends received	10,378	9,294
Interests paid	(8,046)	(9,056)
Income taxes paid	(33,561)	(27,335)
Net cash provided by operating activities	170,233	168,049

(Yen in millions)

For the years ended March 31,

2019 2020

Cash flows from investing activities:

Additions to property, plant and equipment	(120,555)	(132,926)
Proceeds from sales of property, plant and equipment	2,961	4,428
Additions to intangible assets	(10,894)	(10,612)
Proceeds from sales of discontinued operations	-	5,065
Acquisitions of business, net of cash acquired	(27,675)	(174,947)
Other, net	(4,681)	(2,521)
Net cash used in investing activities	(160,844)	(311,513)

Cash flows from financing activities:

Increase (decrease) in short term borrowings	14,022	88,415
Proceeds from issuance of long term debt	37	68
Repayments of long term debt	(30,456)	(37,367)
Proceeds from issuance of bonds	39,642	200,000
Redemption of bonds	-	(65,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(43)	(7,147)
Purchase of treasury stock	(26,145)	(18,458)
Dividends paid to the owners of the parent	(29,513)	(32,372)
Other, net	(227)	407

Net cash (used in) provided by financing activities (32,683) 128,546

Effect of exchange rate changes on cash and cash equivalents (386) (20,363)

Net decrease in cash and cash equivalents (23,680) (35,281)

Cash and cash equivalents at beginning of year 265,947 242,267

Cash and cash equivalents at end of year 242,267 206,986

(5) Notes to Consolidated Financial Statements

Notes Regarding Going Concern Assumption

Not applicable.

Notes to Consolidated Financial Statements

1. Reporting entity

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

Consolidated financial statements as of March 31, 2020 and for the fiscal year then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation of consolidated financial statements

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

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS pursuant to the provision of Article 93 of Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

(2) Basis of measurement

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

(4) Change in presentation

Profit or loss from business classified as discontinued operations are presented on the consolidated statements of income, net of income tax expense, separately from the profit from continuing operations. Regarding business classified as discontinued operations, reclassification was made on the consolidated statements of income and consolidated statements of cash flows for the twelve months and the three months ended March 31, 2019. Cash flows from operating activities, investing activities and financial activities are presented in the total amount of continuing operations and discontinued operations cash flows in the consolidated statements of cash flows.

In addition, “Payments for acquisition of interests in subsidiaries from non-controlling interests” included on the “Other, net” line of “Cash flows from financing activities” on the consolidated statements of cash flows in the same period of the prior year, are presented as a separate line item in this year because their quantitative materiality increased. Consolidated financial statements for the year ended March 31, 2019 contained herein have been reclassified to reflect this change in presentation. As a result, the (¥270) million reported as “Cash flows from financing activities” on the “Other, net” line of the same period of the prior year’s consolidated

statements of cash flows have been reclassified herein with (¥43) million on the “Payments for acquisition of interests in subsidiaries from non-controlling interests” line and (¥227) million on the “Other, net” line.

3. Significant accounting policies

With the exception of the item explained below, significant accounting policies adopted in preparation of the annual consolidated financial statements are consistent with those used in the preparation of the NIDEC’s consolidated financial statements for the year ended March 31, 2019.

(Leases)

IFRS		Summary of new standard and amendment
IFRS 16	Leases	Revised accounting standard for leases

From the three months ended June 30, 2019, NIDEC adopted IFRS 16 “Leases”.

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration. If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the condensed quarterly consolidated financial statements at the inception date. In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. Lease liabilities are initially measured as the present value of the unsettled lease payments at the inception of the lease. The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period.

Leases with a lease term of 12 months or less and leases that have a small amount of underlying assets are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

In applying IFRS 16, NIDEC has adopted a method whereby cumulative effects that are allowed as transitional measures are recognized as an adjustment to the opening balance of retained earnings at the date of the initial application. With regard to whether leases are contained in contracts concluded prior to the previous consolidated fiscal year, NIDEC has elected the practical expedient of IFRS 16 C3 and continues under IAS 17 “Leases” and IFRIC 4 “Determining whether an arrangement contains a Lease”. After the effective date, NIDEC determines whether leases are contained in contracts in accordance with IFRS 16. The weighted-average incremental borrowing rate for the lessee is 3.05% which is applied to the lease liabilities recognized in the consolidated statement of financial position as of the effective date.

Leases that were classified as operating leases under IAS 17 are also accounted for by the following interim measures:

- *Apply a single discount rate to a portfolio of leases with reasonably similar characteristics
- *Apply a recognition exemption for leases for which the lease term ends within 12 months
- *Exclude initial direct costs from the measurement of the right-of-use assets at the date of initial application

As a result of the adoption of IFRS 16, assets and liabilities increased by ¥25,211 million and ¥25,618 million, respectively. There was immaterial effect on operating profit and its quarterly earnings.

The following is a reconciliation of the lease liabilities recognized in the consolidated statement of financial position as of the effective date and the non-cancelable operating lease agreement disclosed by applying IAS 17 at the end of the previous consolidated fiscal year.

(Yen in millions)

Non-cancelable operating lease agreements (March 31, 2019)	10,778
Finance lease liabilities recognized at the end of the previous fiscal year	1,120
Cancelable operating lease contracts, etc.	13,720
The amount of lease liabilities recognized in the consolidated statement of financial position as of the effective date	25,618

(Uncertainty over income tax treatments)

From the year ended March 31, 2020, NIDEC adopted IFRIC 23 “Uncertainty over income tax treatments”. As a result of this change, ¥3,699 million reported as "Provisions" on Non-current liabilities has been reclassified on the "Income tax payables" on current liabilities in the Consolidated Statement of Financial Position for the year ended March 31, 2019.

4. Significant accounting estimates, judgments and assumptions

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

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

Judgments and estimates with accompanying significant risks of causing material adjustments to the carrying amounts of assets and liabilities in next fiscal year are the same as those for the financial statements for the year ended March 31, 2019.

5. Business combinations and loss of control

NIDEC adopts the provisions of IFRS 3 “Business Combinations”.

During the three months ended September 30, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Chaun-Choung Technology Corp., MS-Graessner GmbH & Co. KG, and its group companies in the previous fiscal year. Furthermore, during the three months ended December 31, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Systeme + Steuerungen GmbH and its group companies (currently, Nidec SYS GmbH) in the previous fiscal year. In addition, during the three months ended March 31, 2020, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of DESCH Antriebstechnik GmbH & Co. KG and its group companies in the previous fiscal year. NIDEC’s consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2020, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statements of financial position based on provisional management estimation as of March 31, 2020.

In addition, NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco by European Commission. In accordance with this order, in April 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 the consolidated statements of income. In September 2019, NIDEC completed share transfer of Secop and there was ¥15,707 million of the loss from discontinued operations for the year ended March 31, 2020. The loss amount on the sales recognized with the loss of control is ¥14,167 million for the year ended March 31, 2020. The loss amount on the sales is included in “Loss for the year from discontinued operations” in the consolidated statements of income.

6. Operating Segment Information

(Yen in millions)

		For the years ended March 31,				Increase or decrease	
		2019		2020			
		Amounts	%	Amounts	%	Amounts	%
Net Sales	Nidec Corporation	215,685	11.2	183,036	9.5	(32,649)	(15.1)
	Nidec Electronics (Thailand)	123,498	6.4	116,135	6.1	(7,363)	(6.0)
	Nidec Singapore	47,603	2.5	31,682	1.7	(15,921)	(33.4)
	Nidec (H.K.)	126,129	6.6	117,454	6.1	(8,675)	(6.9)
	Nidec Sankyo	153,935	8.0	139,173	7.2	(14,762)	(9.6)
	Nidec Copal	53,767	2.8	48,590	2.5	(5,177)	(9.6)
	Nidec Techno Motor	86,416	4.5	77,520	4.0	(8,896)	(10.3)
	Nidec Motor	414,128	21.6	488,128	25.4	74,000	17.9
	Nidec Motors & Actuators	306,334	16.0	301,792	15.7	(4,542)	(1.5)
	Others	391,671	20.4	419,144	21.8	27,473	7.0
	Sub-total	1,919,166	100.0	1,922,654	100.0	3,488	0.2
	Adjustments and Elimination/Corporate	(443,730)	-	(387,854)	-	55,876	-
Consolidated total	1,475,436	-	1,534,800	-	59,364	4.0	
Operating profit (loss)	Nidec Corporation	19,400	12.7	4,254	3.4	(15,146)	(78.1)
	Nidec Electronics (Thailand)	14,922	9.8	14,533	11.5	(389)	(2.6)
	Nidec Singapore	764	0.5	523	0.4	(241)	(31.5)
	Nidec (H.K.)	861	0.6	881	0.7	20	2.3
	Nidec Sankyo	13,739	9.0	8,197	6.5	(5,542)	(40.3)
	Nidec Copal	(4,242)	(2.8)	706	0.6	4,948	-
	Nidec Techno Motor	10,082	6.6	10,662	8.4	580	5.8
	Nidec Motor	24,043	15.8	25,260	19.9	1,217	5.1
	Nidec Motors & Actuators	34,832	22.9	31,975	25.3	(2,857)	(8.2)
	Others	37,999	24.9	29,506	23.3	(8,493)	(22.4)
	Sub-total	152,400	100.0	126,497	100.0	(25,903)	(17.0)
	Adjustments and Elimination/Corporate	(23,178)	-	(16,171)	-	7,007	-
Consolidated total	129,222	-	110,326	-	(18,896)	(14.6)	

- (Notes) 1. The operating segments are the segments of NIDEC for which separate financial information is available and for which operating income or loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.
2. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop, which was included in Nidec Motor segment, has been classified as discontinued operations.
3. All of Nidec Seimitsu group except Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd. that were previously included in Others segment are currently included in Nidec Copal segment from the three months ended June 30, 2019.
4. Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda. which was newly consolidated in the three months ended September 30, 2019 has been included in the Nidec Motor segment.
5. NIDEC MOBILITY CORPORATION which was newly consolidated in the three months ended December 31, 2019 has been included in the Others segment.

7. Earnings per share

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

There were no potentially dilutive common shares outstanding.

	For the years ended March 31,	
	2019	2020
Profit attributable to owners of the parent (Yen in millions)	109,960	60,084
Weighted average shares (Shares)	589,617,085	588,314,474
Earnings per share attributable to owners of the parent-basic (Yen)	186.49	102.13

(Notes) NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2019.

5. Others

(1) Status of Directors

1. Transition to a Company with Audit and Supervisory Committee

The Company plans to transition to a Company with Audit and Supervisory Committee, assuming the matter is approved at the 47th Regular General Meeting of Shareholders scheduled to be held on June 17, 2020. For details, please refer to the April 30, 2020, press release entitled “Notice Regarding the Transition to a Company with Audit and Supervisory Committee and Partial Change to the Article of Incorporation”.

2. Changes in Directors

1) Proposed changes regarding Representative Directors (effective as of June 17, 2020):

(Reason)

Decrease two Representative Directors to enable more strategic and agile decision-making of the Company’s Board of Directors.

(Description)

Candidate to Representative Director

Jun Seki: New post: Representative Director and President (Chief Operating Officer)
(Current post: President (Chief Operating Officer))

Outgoing Representative Directors

Hiroshi Kobe (current post: Representative Director and Vice Chairman)
Hiroyuki Yoshimoto (current post: Representative Director and Executive Vice President)
Mikio Katayama (current post: Representative Director and Executive Vice President)

(Note) Mr. Hiroshi Kobe is expected to assume office as Vice Chairman, and Mr. Hiroyuki Yoshimoto and Mr. Mikio Katayama are expected to assume office as Executive Vice President as of the above date.

(Biographical information of the newly appointed representative director)

New title: Representative Director and President (Chief Operating Officer)
Name: Jun Seki
Birth date: May 9, 1961
Career summary: April 1986: Nissan Motor Co., Ltd.
April 2014: Senior Vice President
December 2019: Executive Officer, Vice-COO
January 2020: Special Executive Consultant, Nidec Corporation
April 2020: President (Chief Operating Officer) (current post)

2) Proposed changes regarding Members of the Board of Directors and Audit and Supervisory Board Members (effective as of June 17, 2020)

Changes for the transition to a Company with Audit and Supervisory Committee are as follows:

Candidates to Members of the Board of Directors who are not Audit and Supervisory Committee Members

Shigenobu Nagamori (current post: Representative Director and Chairman)

Jun Seki (current post: President)

Teiichi Sato (current post: Outside Board Member)

Osamu Shimizu (current post: Outside Board Member)

(Note) Mr. Teiichi Sato and Mr. Osamu Shimizu are candidates for the posts of Outside Board Members (Independent Officers).

Candidates to Members of the Board of Directors who are Audit and Supervisory Committee Members

Kazuya Murakami (current post: Fulltime Member of the Audit and Supervisory Board)

Hiroyuki Ochiai (current post: Fulltime Member of the Audit and Supervisory Board)

Takeshi Nakane (current post: Outside Audit and Supervisory Board Member)

Aya Yamada (current post: Professor, Graduate School of Law, Kyoto University)

Takako Sakai (current post: Professor, Graduate School of Economics, Osaka Prefecture University)

(Note) Mr. Takeshi Nakane, Ms. Aya Yamada and Ms. Takako Sakai are candidates for the posts of Outside Board Members (Independent Officers).

Candidate to Member of the Board of Directors who is substitute Audit and Supervisory Committee Member

Junko Watanabe (current post: Outside Audit and Supervisory Board Member)

(Note) Ms. Junko Watanabe is a candidate for the post of substitute Outside Board Member (Independent Officer).

Outgoing Audit and Supervisory Board Members

Kazuya Murakami (current post: Fulltime Member of the Audit and Supervisory Board)

Hiroyuki Ochiai (current post: Fulltime Member of the Audit and Supervisory Board)

Eisuke Nagatomo (current post: Outside Audit and Supervisory Board Member)

Junko Watanabe (current post: Outside Audit and Supervisory Board Member)

Takeshi Nakane (current post: Outside Audit and Supervisory Board Member)

(Note) All members of the Audit and Supervisory Board Member will resign their posts for the transition to a Company with Audit and Supervisory Committee at the 47th Regular General Meeting of Shareholders scheduled to be held on June 17, 2020.

**(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2019 and 2020**

Condensed Quarterly Consolidated Statements of Income	<i>(Yen in millions)</i>	
	For the three months ended March 31,	
	2019	2020
Continuing operations		
Net sales	353,023	375,192
Cost of sales	(290,121)	(299,631)
Gross profit	62,902	75,561
Selling, general and administrative expenses	(40,498)	(39,517)
Research and development expenses	(17,704)	(20,196)
Operating profit	4,700	15,848
Financial income	2,876	1,563
Financial expenses	(2,455)	(2,057)
Derivative loss	(640)	(861)
Foreign exchange differences	(614)	(1,456)
Share of net profit (loss) from associate accounting using the equity method	(260)	(434)
Profit before income taxes	3,607	12,603
Income tax expenses	1,082	(6,451)
Profit for the period from continuing operations	4,689	6,152
Discontinued operations		
Profit for the period from discontinuing operations	2,460	3,424
Profit for the period	7,149	9,576
Profit for the period attributable to:		
Owners of the parent	7,118	9,765
Non-controlling interests	31	(189)
Profit for the period	7,149	9,576

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

	For the three months ended March 31,	
	2019	2020
Profit for the period	7,149	9,576
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	(1,105)	(16)
Fair value movements on FVTOCI equity financial assets	1,041	(3,383)
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	2,192	(28,430)
Effective portion of net changes in fair value of cash flow hedges	578	(5,152)
Fair value movements on FVTOCI debt financial assets	3	(2)
Total other comprehensive income for the period, net of taxation	2,709	(36,983)
Comprehensive income for the period	9,858	(27,407)
Comprehensive income for the period attributable to:		
Owners of the parent	9,703	(26,372)
Non-controlling interests	155	(1,035)
Comprehensive income for the period	9,858	(27,407)

(3) Quarterly Financial Data for This Fiscal Year
(Yen in millions)

	For the three months ended			
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net sales	360,874	390,403	408,331	375,192
Operating profit	27,632	34,284	32,562	15,848
Profit before income taxes	30,935	32,524	30,865	12,603
Profit for the period	3,896	24,655	23,174	9,576
Profit attributable to owners of the parent	3,284	24,078	22,957	9,765

(4) Information by Product Category

For the year ended March 31, 2019

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	441,467	297,298	495,432	163,966	72,672	4,601	1,475,436	-	1,475,436
Intersegment	3,469	2,608	6,125	18,167	6,126	1,888	38,383	(38,383)	-
Total	444,936	299,906	501,557	182,133	78,798	6,489	1,513,819	(38,383)	1,475,436
Operating expenses	390,380	267,006	467,496	159,804	73,928	5,810	1,364,424	(18,210)	1,346,214
Operating profit	54,556	32,900	34,061	22,329	4,870	679	149,395	(20,173)	129,222

For the year ended March 31, 2020

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	424,288	333,241	562,604	149,740	60,396	4,531	1,534,800	-	1,534,800
Intersegment	4,767	1,225	5,331	13,383	6,243	1,760	32,709	(32,709)	-
Total	429,055	334,466	567,935	163,123	66,639	6,291	1,567,509	(32,709)	1,534,800
Operating expenses	383,939	311,983	533,514	141,385	63,438	5,679	1,439,938	(15,464)	1,424,474
Operating profit	45,116	22,483	34,421	21,738	3,201	612	127,571	(17,245)	110,326

For the three months ended March 31, 2019

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	98,214	73,532	124,581	39,020	16,506	1,170	353,023	-	353,023
Intersegment	1,814	754	1,300	7,173	984	469	12,494	(12,494)	-
Total	100,028	74,286	125,881	46,193	17,490	1,639	365,517	(12,494)	353,023
Operating expenses	97,448	69,983	122,844	45,278	19,092	1,513	356,158	(7,835)	348,323
Operating profit (loss)	2,580	4,303	3,037	915	(1,602)	126	9,359	(4,659)	4,700

For the three months ended March 31, 2020

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	89,356	90,220	145,024	34,527	14,996	1,069	375,192	-	375,192
Intersegment	294	366	1,157	3,261	1,497	352	6,927	(6,927)	-
Total	89,650	90,586	146,181	37,788	16,493	1,421	382,119	(6,927)	375,192
Operating expenses	85,071	86,993	139,200	33,261	16,637	1,319	362,481	(3,137)	359,344
Operating profit (loss)	4,579	3,593	6,981	4,527	(144)	102	19,638	(3,790)	15,848

(Notes) 1. Product categories are classified based on similarities in product type, product attributes, and production and sales methods.

2. Major products of each product category:

(1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.

(2) Automotive products: Automotive motors and components.

(3) Appliance, commercial and industrial products: Home appliance, commercial and industrial motors and related products.

(4) Machinery: Industrial robots, card readers, test systems, press machines and power transmission drives, etc.

(5) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.

(6) Others: Services, etc.

(5) Sales by Geographic Segment*(Yen in millions)*

	For the year ended March 31, 2019		For the year ended March 31, 2020		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	297,469	20.2	279,264	18.2	(18,205)	(6.1)
U.S.A.	255,628	17.3	308,460	20.1	52,832	20.7
Singapore	53,234	3.6	37,333	2.4	(15,901)	(29.9)
Thailand	129,824	8.8	126,507	8.3	(3,317)	(2.6)
Germany	117,035	7.9	118,324	7.7	1,289	1.1
China	343,046	23.3	334,667	21.8	(8,379)	(2.4)
Others	279,200	18.9	330,245	21.5	51,045	18.3
Total	1,475,436	100.0	1,534,800	100.0	59,364	4.0

(Yen in millions)

	For the three months ended March 31, 2019		For the three months ended March 31, 2020		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	67,893	19.2	70,924	18.9	3,031	4.5
U.S.A.	64,548	18.3	87,544	23.3	22,996	35.6
Singapore	11,166	3.1	10,262	2.7	(904)	(8.1)
Thailand	27,523	7.8	35,580	9.5	8,057	29.3
Germany	31,998	9.1	26,871	7.2	(5,127)	(16.0)
China	74,371	21.1	57,807	15.4	(16,564)	(22.3)
Others	75,524	21.4	86,204	23.0	10,680	14.1
Total	353,023	100.0	375,192	100.0	22,169	6.3

(Note) The sales are classified by domicile of the seller, and the figures exclude intra-segment transactions.

(6) Sales by Region*(Yen in millions)*

	For the year ended March 31, 2019		For the year ended March 31, 2020		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	299,999	20.3	341,961	22.3	41,962	14.0
Asia	689,525	46.7	689,196	44.9	(329)	(0.0)
Europe	256,387	17.4	264,073	17.2	7,686	3.0
Others	18,362	1.3	42,470	2.8	24,108	131.3
Overseas total	1,264,273	85.7	1,337,700	87.2	73,427	5.8
Japan	211,163	14.3	197,100	12.8	(14,063)	(6.7)
Total	1,475,436	100.0	1,534,800	100.0	59,364	4.0

(Yen in millions)

	For the three months ended March 31, 2019		For the three months ended March 31, 2020		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	77,226	21.9	94,073	25.1	16,847	21.8
Asia	160,385	45.4	151,880	40.5	(8,505)	(5.3)
Europe	66,519	18.8	67,243	17.9	724	1.1
Others	594	0.2	11,678	3.1	11,084	—
Overseas total	304,724	86.3	324,874	86.6	20,150	6.6
Japan	48,299	13.7	50,318	13.4	2,019	4.2
Total	353,023	100.0	375,192	100.0	22,169	6.3

(Note) The sales are classified by domicile of the buyer, and the figures exclude intra-segment transactions.



6. Overview of Consolidated Financial Results

April 30, 2020

(1) Summary of Consolidated Financial Performance

(Yen in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2020	Increase or decrease	For the three months ended March 31, 2019	For the three months ended March 31, 2020	Increase or decrease
Net Sales	1,475,436	1,534,800	4.0 %	353,023	375,192	6.3 %
Operating profit	129,222 8.8 %	110,326 7.2 %	(14.6) %	4,700 1.3 %	15,848 4.2 %	237.2 %
Profit before income taxes	129,830 8.8 %	106,927 7.0 %	(17.6) %	3,607 1.0 %	12,603 3.4 %	249.4 %
Profit attributable to owners of the parent	109,960 7.5 %	60,084 3.9 %	(45.4) %	7,118 2.0 %	9,765 2.6 %	37.2 %
Earnings per share attributable to owners of the parent-basic (Yen)	186.49	102.13		12.09	16.62	
Earnings per share attributable to owners of the parent-diluted (Yen)	-	-		-	-	

(2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020
Total assets	1,884,008	2,114,045
Total equity attributable to owners of the parent	996,795	949,703
Ratio of equity attributable to owners of the parent to total asset	52.9 %	44.9 %
	For the year ended March 31, 2019	For the year ended March 31, 2020
Net cash provided by operating activities	170,233	168,049
Net cash used in investing activities	(160,844)	(311,513)
Net cash used in financing activities	(32,683)	128,546
Cash and cash equivalents at end of year	242,267	206,986

(3) Dividends

(Yen)

	2nd quarter end	Fiscal year end	Total
Year ended March 31, 2019 (actual)	50.00	55.00	105.00
Year ended March 31, 2020 (actual)	55.00	60.00	115.00
Year ending March 31, 2021 (forecast)	30.00	30.00	60.00

(4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries	332
Number of associates accounted for under the equity method	4

	Change from March 31, 2019
Number of companies newly consolidated	33
Number of companies excluded from consolidation	23
Number of companies newly accounted for by the equity method	0
Number of companies excluded from accounting by the equity method	0

- (Notes) 1. The amounts of percentage in “(1) Summary of Consolidated Financial Performance” represent percentage of sales.
2. “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”.
3. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2020. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.
4. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.
5. NIDEC implemented a two-for-one stock split on our common stock effective April 1, 2020. Earnings per share attributable to owners of the parent-basic and earnings per share attributable to owners of the parent-diluted were calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous fiscal year ended March 31, 2019. On the other hand, we described actual amount of dividends before the stock split for the year ended March 31, 2020.