

[Translation]

# Quarterly Report

(The First Quarter of 49th Business Term)

From April 1, 2021 to June 30, 2021

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 three months ended June 30,		For the year ended March 31, 2021
	2020	2021	
Net sales	336,876	447,470	1,618,064
Profit before income taxes	27,410	43,752	152,937
Profit attributable to owners of the parent	20,058	33,451	121,945
Comprehensive income attributable to owners of the parent	20,043	38,670	192,671
Total equity attributable to owners of the parent	949,546	1,110,766	1,096,020
Total assets	2,085,926	2,281,013	2,256,024
Earnings per share attributable to owners of the parent - basic (yen)	34.24	57.14	208.19
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	45.5	48.7	48.6
Net cash provided by operating activities	22,435	23,048	219,156
Net cash used in investing activities	(27,647)	(22,047)	(100,568)
Net cash provided by (used in) financing activities	(13,058)	(51,560)	(136,191)
Cash and cash equivalents at end of period	185,736	173,619	219,524

(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 a part or all of the provisional accounting treatment for the business combination in the three months ended June 30, 2021. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the three months ended June 30, 2021 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".

## **2. Description of Business**

There were no significant changes in NIDEC's businesses during the three months ended June 30, 2021. Moreover, there were no changes in principal subsidiaries and associates.

## **II. Business Overview**

### **1. Risk Factors**

There were no new risk factors recognized during the three months ended June 30, 2021. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

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

Forward-looking statements below were determined as of June 30, 2021.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2021. Consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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. Details 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, 6. Discontinued Operations".

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

The World Bank forecasts the global economic growth rate for the calendar year 2021 to be + 5.6% as of June 2021, which is 1.5 points higher than the previous announcement in January 2021, reflecting the faster vaccination pace in many developed countries and additional financial support in the United States. The business environment is expected to remain uncertain due to emerging risk factors such as the COVID-19 spreading again, soaring raw material prices, and shortages of semiconductors and other components.

The following table sets forth consolidated operating results for the three months ended June 30, 2021:

*(Yen in millions)*

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2020	2021		
Net sales	336,876	447,470	110,594	32.8%
Operating profit	27,793	44,555	16,762	60.3%
Operating profit ratio	8.3 %	10.0%	-	-
Profit before income taxes	27,410	43,752	16,342	59.6%
Profit for the period from continuing operations	20,461	33,384	12,923	63.2%
Loss for the period from discontinued operations	(74)	(39)	35	-
Profit attributable to owners of the parent	20,058	33,451	13,393	66.8%

Consolidated net sales from continuing operations increased 32.8% to ¥447,470 million for the three months ended June 30, 2021 (“this three-month period”), compared to the three months ended June 30, 2020 (“the same period of the prior year”), renewing the highest record of the quarterly consolidated accounting period. Operating profit increased 60.3% to ¥44,555 million for this three-month period compared to the same period of the previous year mainly due to thorough manufacturing cost improvement, fixed cost rationalization, and others through WPR4 Project in addition to increased sales of appliance, commercial and industrial products and automotive products.

Profit before income taxes increased 59.6% to ¥43,752 million and profit for the period from continuing operations increased 63.2% to ¥33,384 million compared to the same period of the previous year, respectively.

Profit attributable to owners of the parent increased 66.8% to ¥33,451 million for this three-month period compared to the same period of the previous year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit (loss)		
	2020	2021	Increase or decrease	2020	2021	Increase or decrease
SPMS	87,429	81,106	(6,323)	13,392	9,360	(4,032)
AMEC	27,201	52,585	25,384	(1,632)	(966)	666
ACIM	109,714	163,624	53,910	6,554	16,294	9,740
Nidec Sankyo	29,221	36,985	7,764	1,956	3,704	1,748
Nidec Techno Motor	16,361	24,544	8,183	2,410	3,316	906
Nidec Mobility	13,906	22,844	8,938	(192)	2,321	2,513
Nidec Shimpo	17,013	20,625	3,612	2,113	3,373	1,260
Others	48,830	62,297	13,467	6,170	10,455	4,285
Elimination/corporate	(12,799)	(17,140)	(4,341)	(2,978)	(3,302)	(324)
Consolidated total	336,876	447,470	110,594	27,793	44,555	16,762

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

Net sales of SPMS decreased ¥6,323 million to ¥81,106 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of HDD motors, despite engaging in new demands one after another by launching a number of new products such as IT fan motors, thermal solution products for game consoles and other products. Operating profit decreased ¥4,032 million to ¥9,360 million for this three-month period compared to the same period of the prior year. This decrease was due to a result of advanced investments for launching new products, which are customer-based, although Nidec made thorough manufacturing cost improvement and others by in-house production of parts.

Net sales of AMEC increased ¥25,384 million to ¥52,585 million for this three-month period compared to the same period of the prior year under the recovery trend from a decrease in global demand for the same period of the prior year. Operating profit(loss) was ¥966 million operating loss for this three-month period. This decrease of loss was due to continuous recording the advanced development costs, despite recovery in sales.

Net sales of ACIM increased ¥53,910 million to ¥163,624 million for this three-month period compared to the same period of the prior year. This increase was due to strong sales of compressors and motors for home appliances, motors and gears for transportation robots in Europe and the United States. Operating profit increased ¥9,740 million to ¥16,294 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Sankyo increased ¥7,764 million to ¥36,985 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales of other small precision motors and semiconductor robots. Operating profit increased ¥1,748 million to ¥3,704 million for this three-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 ¥8,183 million to ¥24,544 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales of motors for home appliances in China. Operating profit increased ¥906 million to ¥3,316 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Mobility increased ¥8,938 million to ¥22,844 million for this three-month period compared to the same period of the prior year under the recovery trend from a decrease in global demand for the same period of the prior year. Operating profit increased ¥2,513 million to ¥2,321 million for this three-month period. This increase was due to an increase in sales.

Net sales of Nidec Shimpo increased ¥3,612 million to ¥20,625 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales of speed reducers and press machines. Operating profit increased ¥1,260 million to ¥3,373 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales and a sale of fixed assets.

With respect to the Others segment, net sales increased ¥13,467 million to ¥62,297 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales of machinery, electronic and optical components, semiconductor inspection system due to strong demands for 5G and automotive products. Operating profit increased ¥4,285 million to ¥10,455 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales.



Operating results by product category are as follows:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit		
	2020	2021	Increase or decrease	2020	2021	Increase or decrease
Small precision motors	104,418	101,306	(3,112)	14,283	12,305	(1,978)
Automotive products	56,797	97,747	40,950	(258)	4,892	5,150
Appliance, commercial and industrial products	125,096	186,432	61,336	8,967	19,619	10,652
Machinery	35,729	44,651	8,922	6,181	8,609	2,428
Electronic and optical components	14,086	16,417	2,331	1,496	2,302	806
Other products	750	917	167	84	88	4
Elimination/corporate	-	-	-	(2,960)	(3,260)	(300)
Consolidated total	336,876	447,470	110,594	27,793	44,555	16,762

In small precision motors, NIDEC is focusing on creating new demands based on our technical advantages through Three-new Strategy and improving profitability based on our competitive advantages. Net sales of small precision motors decreased 3.0% to ¥101,306 million for this three-month period compared to the same period of the previous year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥4,400 million for this three-month period compared to the same period of the previous year. Net sales of spindle motors for HDDs decreased 37.8% to ¥23,037 million for this three-month period compared to the same period of the previous year, mainly due to a decrease in the number of units sold. On the other hand, net sales of other small precision motors increased 16.2% to ¥78,269 million for this three-month period compared to the same period of the previous year by engaging in new demands one after another by launching a number of new products such as IT fan motors, high-efficiency motors for home appliance, and thermal solution products for game consoles and other products. Although NIDEC made thorough manufacturing cost improvement and others by in-house production of parts, operating profit of this category decreased 13.8% to ¥12,305 million for this three-month period compared to the same period of the previous year as a result of advanced investments for launching new products, which are customer-based. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥1,400 million for this three-month period compared to the same period of the previous year.

In automotive products, NIDEC has been engaged in research and development of the automotive products with the aim of providing high-value-added modules for driving motors for EVs and PHEVs, drawing on our core motor technology and advanced technology. NIDEC is focusing on expanding our product lineup in order to respond to a variety of vehicle model configurations, in preparation for the coming demand generated by the development of electric vehicles. Net sales of automotive products increased 72.1% to ¥97,747 million for this three-month period compared to the same period of the previous year under the recovery trend from a decrease in global demand for the same period of the previous year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥5,200 million for this three-month period compared to the same period of the previous year. As a result of improvement of profitability through WPR4 project with our total efforts, operating profit of this category increased ¥5,150 million to ¥4,892 million for this three-month period compared to the same period of the previous year mainly due to the recovery in sales, although NIDEC continued to record advanced development costs for the traction motor system (E-Axle), which is experiencing rapid growth in demand. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥200 million for this three-month period compared to the same period of the previous year.

In appliance, commercial and industrial products, NIDEC is focusing on the pursuit of synergistic effects in both sales and costs and improving profitability as key growth businesses. Net sales of appliance, commercial and industrial products increased 49.0% to ¥186,432 million for this three-month period compared to the same period of the previous year, primarily due to higher sales of compressors for home appliances, and motors and gears for transfer robots in the U.S. and Europe. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥5,300 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 118.8% to ¥19,619 million for this three-month period compared to the same period of the previous year, as a result of efforts to continuous manufacturing cost improvement and fixed cost rationalization in addition to the effect of increased sales. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥200 million for this three-month period compared to the same period of the previous year.

In machinery, NIDEC is improving profitability by enhancing speed reducers production capacity for small robots due to expanding demand of speed reducers. Net sales of machinery increased 25.0% to ¥44,651 million for this three-month period compared to the same period of the previous year due to an increase in sales of semiconductor inspection system due to strong demands for 5G and other factors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,400 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 39.3% to ¥8,609 million for this three-month period compared to the same period of the previous year, mainly due to the higher sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥400 million for this three-month period compared to the same period of the previous year.

Net sales of electronic and optical components increased 16.5% to ¥16,417 million for this three-month period compared to the same period of the previous year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥800 million for this three-month period compared to the same period of the previous year. Operating profit of this category increased 53.9% to ¥2,302 million for this three-month period compared to the same period of the previous year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥20 million for this three-month period compared to the same period of the previous year.

Net sales of other products increased 22.3% to ¥917 million and operating profit of this category increased 4.8% to ¥88 million for this three-month period compared to the same period of the previous year.

## (2) Financial position

Total assets increased ¥24,989 million to ¥2,281,013 million as of June 30, 2021 compared to March 31, 2021. This was mainly due to increases of ¥38,675 million in inventories, and ¥21,771 million in trade and other receivables. On the other hand, there was a decrease of ¥45,905 million in cash and cash equivalents.

Total liabilities increased ¥11,268 million to ¥1,153,357 million as of June 30, 2021 compared to March 31, 2021. This was mainly due to an increase of ¥25,815 million in trade and other payables. On the other hand, there was a decrease of ¥22,698 million in interest-bearing debt. Specifically, short term borrowings decreased ¥23,731 million to ¥7,246 million, long term debt due within one year increased ¥454 million to ¥76,050 million and long term debt increased ¥579 million to ¥425,479 million as of June 30, 2021 compared to March 31, 2021.

Total equity attributable to owners of the parent increased ¥14,746 million to ¥1,110,766 million as of June 30, 2021 compared to March 31, 2021. Ratio of total equity attributable to owners of the parent to total assets increased to 48.7% as of June 30, 2021 from 48.6% as of March 31, 2021. This was mainly due to an increase in retained earnings of ¥15,555 million.

### (3) Cash flows

#### (Cash flows from operating activities)

Net cash provided by operating activities for the three months ended June 30, 2021 amounted to ¥23,048 million mainly due to ¥33,345 million in profit for the period and ¥23,501 million increase in accounts payable and other factors, despite ¥38,265 million increase in inventories and ¥21,053 million increase in accounts receivable. Net cash provided by operating activities increased by ¥613 million year on year.

#### (Cash flows from investing activities)

Net cash used in investing activities for the three months ended June 30, 2021 amounted to ¥22,047 million mainly due to additions to property, plant and equipment of ¥21,179 million and other factors. Net cash used in investing activities decreased by ¥5,600 million year on year.

#### (Cash flows from financing activities)

Net cash used in financing activities for the three months ended June 30, 2021 amounted to ¥51,560 million mainly due to decrease in short term borrowings of ¥23,362 million and other factors. Net cash used in financing activities increased by ¥38,502 million year on year.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased ¥45,905 million from ¥219,524 million as of March 31, 2021 to ¥173,619 million as of June 30, 2021.

The main currencies we had as of June 30, 2021 were U.S. dollars, Chinese yuan, Japanese yen, Euros, and Korean won. All the above amounts include discontinued operations.

### (4) Management targets

We have set a new medium-term strategic target for fiscal year 2025 (Vision2025) and aim to be a growing company that is strongly adapted to changes in the 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%
- 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
- 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 three months ended June 30, 2021 were ¥19,221 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 / Nidec Mobility" segment increased for the three months ended June 30, 2021 mainly increased compared to the three months ended June 30, 2020 with the recovery trend from a temporary decrease due to the impact of COVID-19.

(7) Major property, plant and equipment

In the three months ended June 30, 2021, among the new construction plans of major property, plant and equipment as of March 31, 2021, the total planned investment in construction of the manufacturing factory of Nidec Elesys Europe LLC which is to manufacture automotive products has been updated to ¥7,697 million.

**3. Material Agreements, etc.**

During the three months ended June 30, 2021, there were no decisions or executions regarding material agreements, etc.

### **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 first quarter (Shares) (June 30, 2021)	Number of shares issued as of the filing date (Shares) (August 6, 2021)	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. (the first section)	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)
April 1, 2020	298,142,234	596,284,468	-	87,784	-	92,005

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

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of March 31, 2021 is stated in this item because the Company cannot identify the number of voting rights as of June 30, 2021 due to the lack of information on the details entered in the shareholders registry as of June 30, 2021.

1) Issued shares

(As of June 30, 2021)

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 10,390,800	-	-
Shares with full voting rights (others)	Ordinary share 585,320,100	5,853,201	-
Shares less than one unit	Ordinary share 573,568	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,853,201	-

(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 4 shares of the Company’s treasury stock.

3. Ordinary shares in the “Shares with full voting rights (others)” row include 118,400 shares (1,184 voting rights) of the BIP Trust and 42,900 shares (429 voting rights) of the ESOP Trust.

2) Treasury stock, etc.

(As of June 30, 2021)

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	10,390,800	-	10,390,800	1.74
Total	-	10,390,800	-	10,390,800	1.74

(Notes) 1. The number of shares held under own name (except for shares less than one unit) is 10,796,200, as of June 30, 2021.

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**

There were no changes in 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 June 30, 2021.

#### **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, 2021	As of June 30, 2021
Assets			
Current assets			
Cash and cash equivalents		219,524	173,619
Trade and other receivables		441,083	462,854
Other financial assets	14	10,556	9,908
Income tax receivables		9,454	9,974
Inventories		296,641	335,316
Other current assets		46,869	47,797
Total current assets		1,024,127	1,039,468
Non-current assets			
Property, plant and equipment		662,659	669,232
Goodwill	8	319,926	320,660
Intangible assets	8	195,601	197,516
Investments accounted for using the equity method		2,422	2,047
Other investments	14	19,360	18,664
Other financial assets	14	6,056	5,976
Deferred tax assets		15,022	16,043
Other non-current assets		10,851	11,407
Total non-current assets		1,231,897	1,241,545
Total assets		2,256,024	2,281,013

*(Yen in millions)*

	Note	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>			
Current liabilities			
Short term borrowings	14	30,977	7,246
Long term debt due within one year	14	75,596	76,050
Trade and other payables		400,307	426,122
Other financial liabilities	14	2,463	5,620
Income tax payables		17,910	16,990
Provisions		33,546	32,762
Other current liabilities		68,869	74,271
Total current liabilities		629,668	639,061
Non-current liabilities			
Long term debt	14	424,900	425,479
Other financial liabilities	14	1,666	1,142
Retirement benefit liabilities		31,703	32,237
Provisions		756	576
Deferred tax liabilities		48,214	49,746
Other non-current liabilities		5,182	5,116
Total non-current liabilities		512,421	514,296
Total liabilities		1,142,089	1,153,357
<b>Equity</b>			
Common stock		87,784	87,784
Additional paid-in capital		105,179	103,571
Retained earnings		1,016,559	1,032,114
Other components of equity		(49,633)	(44,080)
Treasury stock		(63,869)	(68,623)
Total equity attributable to owners of the parent		1,096,020	1,110,766
Non-controlling interests		17,915	16,890
Total equity		1,113,935	1,127,656
Total liabilities and equity		2,256,024	2,281,013



(2) Condensed Quarterly Consolidated Statements of Income  
and Condensed Quarterly Consolidated Statements of Comprehensive Income  
For the three months ended June 30, 2020 and 2021  
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended June 30, 2020	2021
Continuing operations			
Net Sales	5	336,876	447,470
Cost of sales		(263,710)	(347,761)
Gross profit		73,166	99,709
Selling, general and administrative expenses		(30,278)	(35,933)
Research and development expenses		(15,095)	(19,221)
Operating profit	5	27,793	44,555
Financial income		1,424	1,081
Financial expenses		(1,679)	(1,229)
Derivative gain (loss)		(165)	(2)
Foreign exchange differences		208	(256)
Share of net profit (loss) from associate accounting using the equity method		(171)	(397)
Profit before income taxes		27,410	43,752
Income tax expenses		(6,949)	(10,368)
Profit for the period from continuing operations		20,461	33,384
Discontinued operations			
Loss for the period from discontinued operations	6	(74)	(39)
Profit for the period		20,387	33,345
Profit for the period attributable to:			
Owners of the parent		20,058	33,451
Non-controlling interests		329	(106)
Profit for the period		20,387	33,345
Earnings (loss) per share attributable to owners of the parent			
Basic (yen)			
Continuing operations		34.37	57.20
Discontinued operations		(0.13)	(0.07)
Total		34.24	57.14

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended June 30,	
		2020	2021
Profit for the period		20,387	33,345
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(48)	125
Fair value movements on FVTOCI equity financial assets		516	(453)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(3,152)	5,515
Effective portion of net changes in fair value of cash flow hedges		2,702	164
Fair value movements on FVTOCI debt financial assets		17	2
Total other comprehensive income for the period, net of taxation		35	5,353
Comprehensive income for the period		20,422	38,698
Comprehensive income for the period attributable to:			
Owners of the parent		20,043	38,670
Non-controlling interests		379	28
Comprehensive income for the period		20,422	38,698

**(3) Condensed Quarterly Consolidated Statements of Changes in Equity**

For the three months ended June 30, 2020

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2020		87,784	114,754	924,293	(115,791)	(63,750)	947,290	20,343	967,633
Comprehensive income									
Profit for the period				20,058			20,058	329	20,387
Other comprehensive income					(15)		(15)	50	35
Total comprehensive income							20,043	379	20,422
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(103)	(103)	-	(103)
Dividends paid to the owners of the parent	12			(17,573)			(17,573)	-	(17,573)
Dividends paid to non-controlling interests							-	(38)	(38)
Share-based payment transactions			21				21	-	21
Transfer to retained earnings				1,661	(1,661)		-	-	-
Other				(137)		5	(132)	(19)	(151)
Balance at June 30, 2020		87,784	114,775	928,302	(117,467)	(63,848)	949,546	20,665	970,211

For the three months ended June 30, 2021

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2021		87,784	105,179	1,016,559	(49,633)	(63,869)	1,096,020	17,915	1,113,935
Comprehensive income									
Profit for the period				33,451			33,451	(106)	33,345
Other comprehensive income					5,219		5,219	134	5,353
Total comprehensive income							38,670	28	38,698
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(4,833)	(4,833)	-	(4,833)
Dividends paid to the owners of the parent	12			(17,572)			(17,572)	-	(17,572)
Dividends paid to non-controlling interests							-	(41)	(41)
Share-based payment transactions			104				104	-	104
Transfer to retained earnings				(334)	334		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(1,711)				(1,711)	(1,020)	(2,731)
Other			(1)	10		79	88	8	96
Balance at June 30, 2021		87,784	103,571	1,032,114	(44,080)	(68,623)	1,110,766	16,890	1,127,656

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the three months ended June 30,	
		2020	2021
Cash flows from operating activities:			
Profit for the period from continuing operations		20,461	33,384
Loss for the period from discontinued operations	6	(74)	(39)
Profit for the period		20,387	33,345
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		23,990	25,050
Loss (gain) from sales, disposal or impairment of property, plant and equipment		(44)	(1,839)
Loss from sales of discontinued operations		74	39
Financial expenses (income)		436	288
Share of net loss (profit) from associate accounting using the equity method		171	397
Deferred income taxes		210	589
Current income taxes		6,739	9,779
Foreign currency adjustments		497	(5,916)
Increase (decrease) in retirement benefit liability		153	450
Decrease (increase) in accounts receivable		16,133	(21,053)
Decrease (increase) in inventories		(5,394)	(38,265)
Increase (decrease) in accounts payable		(20,424)	23,501
Other, net		(11,795)	8,684
Interests and dividends received		1,010	226
Interests paid		(1,101)	(965)
Income taxes paid		(8,607)	(11,262)
Net cash provided by operating activities		22,435	23,048

(Yen in millions)

	Note	For the three months ended June 30,	
		2020	2021
Cash flows from investing activities:			
Additions to property, plant and equipment		(25,497)	(21,179)
Proceeds from sales of property, plant and equipment		359	3,557
Additions to intangible assets		(3,994)	(4,203)
Proceeds from sales of discontinued operations		2,717	-
Acquisitions of business, net of cash acquired		(2,531)	-
Other, net		1,299	(222)
Net cash used in investing activities		(27,647)	(22,047)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		6,703	(23,362)
Repayments of long term debt		(1,980)	(2,341)
Proceeds from issuance of bonds		50,000	-
Redemption of bonds		(50,000)	-
Payments for acquisition of interests in subsidiaries from non-controlling interests		-	(3,079)
Purchase of treasury stock		(103)	(4,833)
Dividends paid to the owners of the parent	12	(17,573)	(17,572)
Other, net		(105)	(373)
Net cash (used in) provided by financing activities		(13,058)	(51,560)
Effect of exchange rate changes on cash and cash equivalents		(2,980)	4,654
Net increase (decrease) in cash and cash equivalents		(21,250)	(45,905)
Cash and cash equivalents at beginning of period		206,986	219,524
Cash and cash equivalents at end of period		185,736	173,619

## **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 June 30, 2021 and for the three 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.
- 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**

#### (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, 2021.

#### (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, 2021.

Income taxes for the three months ended June 30, 2021 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 June 30, 2021 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2021.

Regarding the global epidemic of the new coronavirus (COVID-19), at the time of disclosure of this report, based on the business results for the three months ended June 30, 2021, 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. However, any new negative impact of the COVID-19, such as the spread of the new variants of the COVID-19, could have a negative impact on NIDEC's business, operating results and financial position.

#### 5. Segment information

(Operating segment information)

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

NIDEC's operating segments are as follows:

Name	Main products
1. SPMS	Hard disk drives spindle motors and other small precision motors
2. AMEC	Automotive products
3. ACIM	Appliance, commercial and industrial products
4. Nidec Sankyo	Machinery, automotive products, electronic components and other small precision motors
5. Nidec Techno Motor	Appliance, commercial and industrial products
6. Nidec Mobility	Automotive products
7. Nidec Shimpo	Machinery
8. Others	Automotive products, machinery, electronic components, other small precision motors and others

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

Net sales to external customers:

*(Yen in millions)*

	For the three months ended June 30,	
	2020	2021
SPMS	86,937	80,115
AMEC	26,907	52,243
ACIM	109,646	163,472
Nidec Sankyo	28,535	36,085
Nidec Techno Motor	15,213	22,320
Nidec Mobility	13,896	22,451
Nidec Shimpo	15,145	17,645
Others	40,597	53,139
Consolidated net sales	336,876	447,470

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

Net sales to other operating segments:

*(Yen in millions)*

	For the three months ended June 30,	
	2020	2021
SPMS	492	991
AMEC	294	342
ACIM	68	152
Nidec Sankyo	686	900
Nidec Techno Motor	1,148	2,224
Nidec Mobility	10	393
Nidec Shimpo	1,868	2,980
Others	8,233	9,158
Total	12,799	17,140
Intersegment elimination	(12,799)	(17,140)
Consolidated net sales	-	-

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



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

	For the three months ended June 30,	
	2020	2021
SPMS	13,392	9,360
AMEC	(1,632)	(966)
ACIM	6,554	16,294
Nidec Sankyo	1,956	3,704
Nidec Techno Motor	2,410	3,316
Nidec Mobility	(192)	2,321
Nidec Shimpo	2,113	3,373
Others	6,170	10,455
Total	30,771	47,857
Elimination and Corporate (Note)	(2,978)	(3,302)
Operating profit	27,793	44,555
Financial income (expenses)	(255)	(148)
Derivative gain (loss)	(165)	(2)
Foreign exchange differences	208	(256)
Share of net profit (loss) from associate accounting using the equity method	(171)	(397)
Profit before income taxes	27,410	43,752

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,030 million and ¥3,071 million for the three months ended June 30, 2021 and 2020, 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 three months ended June 30,	
	2020	2021
Small precision motors:		
Hard disk drives spindle motors	37,043	23,037
Other small precision motors	67,375	78,269
Subtotal	104,418	101,306
Automotive products	56,797	97,747
Appliance, commercial and industrial products	125,096	186,432
Machinery	35,729	44,651
Electronic and optical components	14,086	16,417
Other products	750	917
Consolidated net sales	336,876	447,470

- (Notes) 1. “Small precision motors” consists of “hard disk drives spindle motors” and “other small precision motors”. “Other small precision motors” consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.  
“Automotive products” consists of automotive motors and components.  
“Appliance, commercial and industrial products” consists of home appliance, commercial and industrial motors and related products.  
“Machinery” consists of industrial robots, card readers, test systems, press machines and power transmission drives, etc.  
“Electronic and optical components” consists of switches, trimmer potentiometers, lens units and camera shutters, etc.  
“Other products” consists of 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 three months ended June 30,	
	2020	2021
Other loss	(74)	(39)
Loss before income taxes from discontinued operations	(74)	(39)
Loss for the period from discontinued operations	(74)	(39)

(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 June 30, 2021, 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 three months ended June 30,	
	2020	2021
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	2,717	(25)
Net cash used in financing activities	-	-
Total	2,717	(25)

(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, 2021, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the Metal Stamping Support Group, LLC and its group companies in the previous fiscal year. NIDEC's consolidated financial statements for the year ended March 31, 2021 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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

*(Yen in millions)*

	Retrospective amendment
Current assets	
Trade and other receivables	5
Inventories	10
Non-current assets	
Intangible assets	36
Acquired assets at fair value	51
Non-current liabilities	
Deferred tax liabilities	(9)
Assumed liabilities at fair value	(9)
Acquired assets and assumed liabilities at fair value (net amount)	60
Goodwill	(94)

For further information on the changes in goodwill, refer to "8. Goodwill and intangible assets". Details of the intangible assets in above table are as follows:

*(Yen in millions)*

	Weighted average amortization period	Retrospective amendment
Trademark	No amortization	36

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

*(Yen in millions)*

	Retrospective amendment
Operating profit	(41)
Profit before income taxes	(41)
Profit for the year attributable to owners of the parent	(32)

## 8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the three months ended June 30,	
	2020	2021
Balance at beginning of period		
Goodwill	310,488	319,926
Acquisitions through business combinations	-	-
Sales or disposals	-	-
Translation adjustments and others	(1,997)	734
Balance at end of period		
Goodwill	308,491	320,660

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2021		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	118,042	(35,153)	82,889
Proprietary technology	18,463	(7,412)	11,051
Software	34,506	(21,732)	12,774
Capitalized development costs	31,976	(5,340)	26,636
Others	11,593	(4,683)	6,910
Total	214,580	(74,320)	140,260

(Note) The carrying amounts of software include the right-of-use assets of ¥490 million.

(Yen in millions)

	As of June 30, 2021		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	118,475	(36,836)	81,639
Proprietary technology	18,627	(7,766)	10,861
Software	34,724	(21,328)	13,396
Capitalized development costs	35,374	(6,039)	29,335
Others	8,245	(4,905)	3,340
Total	215,445	(76,874)	138,571

(Note) The carrying amounts of software include the right-of-use assets of ¥444 million.

Total amortization of intangible assets for the year ended March 31, 2021 and for the three months ended June 30, 2021 amounted to ¥13,504 million and ¥3,535 million, respectively. Total indefinite lived intangible assets amounted to ¥55,341 million and ¥58,945 million as of March 31, 2021 and June 30, 2021, respectively.

## 9. Bonds

For the three months ended June 30, 2020

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 Twelfth Series of Domestic Unsecured Bonds	June 10, 2020	50,000	0.030	June 9, 2023

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 Sixth Series of Domestic Unsecured Bonds	May 26, 2017	50,000	0.001	May 26, 2020

For the three months ended June 30, 2021

There are no issuance and redemption of bonds.

## 10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the three months ended June 30, 2020 and 2021 are as follows:

*(Yen in millions)*

	For the three months ended June 30,	
	2020	2021
Net periodic pension cost for defined benefit plans:		
Current service cost	891	905
Interest cost (net)	132	106
Net periodic pension cost for defined benefit plans	1,023	1,011
Payments to defined contribution pension plans	806	938

## 11. Related party transactions

Transactions with related parties for the three months ended June 30, 2020 and 2021 are as follows:

### Sales of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2020	2021
Related parties		
S.N. Kosan, LLC.*1	-	-
Nagamori Foundation*2	3	3
Nagamori Gakuen Educational Foundation*3	18	0
Nagamori Culture Foundation*4	8	7

(Notes) \*1. NIDEC's directors and other officers, and their close relatives own a majority of voting rights of S.N. Kosan, LLC.

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

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

\*4. A director of NIDEC concurrently serves as president of Nagamori Culture Foundation.

Sales of goods and services to related parties are entered into on terms consistent with third-party transactions and considering market prices. The payment of joint research costs to Nagamori Gakuen Educational Foundation is determined based on the joint research agreement concluded upon mutual consultation.

### Purchase of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2020	2021
Related parties		
S.N. Kosan, LLC.	3	3
Nagamori Gakuen Educational Foundation	65	57
Nagamori Culture Foundation	-	-

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



Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2021	June 30, 2021
Receivables from related parties		
S.N. Kosan, LLC.	1	1
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	4	3
Nagamori Culture Foundation	0	2
Payables to related parties		
S.N. Kosan, LLC.	-	-
Nagamori Gakuen Educational Foundation	-	-
Nagamori Culture Foundation	-	0

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2021 and June 30, 2021. In addition, there were no expenses recognized during the years ended March 31, 2021 and the three months ended June 30, 2021 in respect of receivables from related parties.

## 12. Dividends

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

For the three months ended June 30, 2020

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 25, 2020 Board of directors	Ordinary shares	17,577	60	March 31, 2020	June 1, 2020

(Notes) 1. Total dividends resolved at the board of directors on May 25, 2020 included dividends of ¥5 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. NIDEC implemented a two-for-one stock split of our common stock effective April 1, 2020. However, Dividends per share have not been retroactively adjusted and are shown on a pre-stock split basis.

For the three months ended June 30, 2021

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

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

### 13. Earnings per share

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

“Earnings per share attributable to owners of the parent - diluted” are not presented because there were no securities with dilutive effect outstanding.

	For the three months ended June 30,	
	2020	2021
Profit attributable to owners of the parent (Yen in millions)	20,058	33,451
Profit from continuing operations attributable to owners of the parent (Yen in millions)	20,132	33,490
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(74)	(39)
Weighted average shares (Shares)	585,733,720	585,465,018
Earnings per share attributable to owners of the parent - basic (Yen)	34.24	57.14
Earnings per share from continuing operations (Yen)	34.37	57.20
Earnings (loss) per share from discontinued operations (Yen)	(0.13)	(0.07)

(Note) In the calculation of “Earnings per share attributable to owners of the parent - basic”, the Company’s shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of “Weighted average shares”.

### 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, 2021		As of June 30, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	78	78	73	73
Long term investments	26	28	30	30
Short term loans receivable	23	23	11	11
Long term loans receivable	107	107	111	110
Short term borrowings	(30,977)	(30,977)	(7,246)	(7,246)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(30,087)	(30,133)	(30,069)	(30,117)
Corporate bonds (including corporate bonds due within one year)	(438,249)	(438,501)	(439,729)	(439,767)

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

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

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

(2) Long term investments

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

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2021

*(Yen in millions)*

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTPL equity financial assets	2,974	-	-	2,974
FVTOCI equity financial assets	17,833	-	1,445	19,278
FVTOCI debt financial assets	-	82	-	82
Derivatives	2,296	4,524	-	6,820
Total financial assets	23,103	4,606	1,445	29,154
Liabilities				
Derivatives	139	717	-	856
Total financial liabilities	139	717	-	856

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021.

As of June 30, 2021

*(Yen in millions)*

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTPL equity financial assets	3,169	-	-	3,169
FVTOCI equity financial assets	17,129	-	1,454	18,583
FVTOCI debt financial assets	-	72	-	72
Derivatives	1,958	4,213	-	6,171
Total financial assets	22,256	4,285	1,454	27,995
Liabilities				
Derivatives	0	1,224	-	1,224
Total financial liabilities	0	1,224	-	1,224

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the three months ended June 30, 2021.

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 three months ended June 30,	
	2020	2021
Balance at beginning of period	1,536	1,445
Gains or losses:		
Recognized in other comprehensive income (Note)	(7)	9
Balance at end of period	1,529	1,454

(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 ¥7,417 million for bank borrowing by equity method affiliates at June 30, 2021. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

## 16. Commitments

Commitments for expenditures after the closing date are as follows:

*(Yen in millions)*

	As of March 31, 2021	As of June 30, 2021
Property, plant and equipment and other assets	26,940	28,224

## 17. Events after the reporting period

### (1) Own share disposal

The Company's Board of Directors has resolved to dispose treasury stock through third-party allotment (the "Disposal of Treasury Stock") at a meeting held on July 21, 2021. The Disposal of Treasury Stock has completed as of the date of this report.

#### 1. Purpose of and Reason for the Disposal

The Disposal of Treasury Stock shall be carried out in the form of disposal of treasury stock through third-party allotment to The Master Trust Bank of Japan, Ltd., the co-trustee under the BIP trust agreement and the ESOP trust agreement concluded between the Company and Mitsubishi UFJ Trust and Banking Corporation.

As the shares of the Company allotted through the Disposal of Treasury Stock shall be delivered to Directors, etc. covered by the BIP and the Executives covered by the ESOP pursuant to the Policies on the BIP and the ESOP, we believe that its impact on secondary market shall be insignificant.

#### 2. Outline of the Disposal of Treasury Stock

1) Date of Disposal	August 5, 2021
2) Class and Total Number of Shares to be Disposed of	325,100 shares of common stock Board Incentive Plan Trust Account: 200,700 shares Employee Stock Ownership Plan Trust Account: 124,400 shares
3) Disposal Value	12,690 yen per share
4) Total Disposal Value	4,125,519,000 yen
5) Disposal Recipient	The Master Trust Bank of Japan, Ltd. (Board Incentive Plan Trust Account: 76268) (Employee Stock Ownership Plan Trust Account: 76269)
6) Other	The disposal of Treasury Shares shall be conducted subject to the effectiveness of the registration statement submitted under the Financial Instruments and Exchange Act.

### (2) Completion of Acquisition of Mitsubishi Heavy Industries Machine Tool Co., Ltd.

On August 2, 2021, NIDEC has acquired 100% of Mitsubishi Heavy Industries Machine Tool Co., Ltd. ("Mitsubishi Heavy Industries Machine Tool") owns, 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 (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	Mitsubishi Heavy Industries Machine Tool designs, manufactures and sells machine tools, cutting tools and related products and provides after-sales services for the products. Through the Transaction, NIDEC will be able to achieve a mutual complement with our existing businesses and utilize Mitsubishi Heavy Industries Machine Tool's technology for our future insourcing plan. Furthermore, NIDEC mutually leverages the NIDEC Group's and Mitsubishi Heavy Industries Machine Tool's respective technological capabilities, brand strength, and customer bases, to contribute to the further development of the global machine tool market.
2) 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 August 6, 2021 by Jun Seki, Representative Director, President and Chief Executive Officer and Hidetoshi Yokota, Senior Vice President and Chief Financial Officer.

**2. Other**

On May 27, 2021, the Company's Board of Directors resolved to pay cash dividends to shareholders as of March 31, 2021 as follows:

(1) Total amount of dividends: .....¥17,577 million

(2) Amount per share: .....¥30.00

(3) Effective date of claim of payment and start date of payment: .....June 1, 2021

## **Part II Information on Guarantors, etc. for the Company**

Not applicable.