



Financial Statements Summary for the Three Months Ended June 30, 2023 [IFRS](Consolidated)

July 20, 2023

Company name: NIDEC CORPORATION URL <https://www.nidec.com/en/>
 Stock listing: Tokyo Stock Exchange - Prime Market
 Code number: 6594
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 Scheduled date of filing of Japanese quarterly report: August 9, 2023
 Scheduled date of dividend payable: -
 Supplemental materials for quarterly results: Yes
 Quarterly earning presentation held: Yes

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(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 period | |
|--|---|------|------------------|------|---|------|---|------|-------------------------------------|-------|
| | | % | | % | | % | | % | | % |
| For the three months ended June 30, 2023 | 566,055 | 4.8 | 60,152 | 34.7 | 86,081 | 51.0 | 64,041 | 55.0 | 187,508 | (1.6) |
| For the three months ended June 30, 2022 | 540,369 | 20.8 | 44,660 | 0.2 | 56,989 | 30.3 | 41,321 | 23.5 | 190,532 | 392.4 |
| | Earnings per share attributable to owners of the parent-basic (Yen) | | | | Earnings per share attributable to owners of the parent-diluted (Yen) | | | | | |
| For the three months ended June 30, 2023 | 111.45 | | | | | | | | - | |
| For the three months ended June 30, 2022 | 71.50 | | | | | | | | - | |

(Note) "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) 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 |
|----------------------|--------------|--------------|---|--|
| As of June 30, 2023 | 3,087,586 | 1,539,565 | 1,519,206 | 49.2% |
| As of March 31, 2023 | 2,872,789 | 1,373,694 | 1,354,505 | 47.1% |

2. Dividends

| | Dividends per share (Yen) | | | | |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|-------|
| | 1 st quarter end | 2 nd quarter end | 3 rd quarter end | Fiscal year end | Total |
| Year ended March 31, 2023 | - | 35.00 | - | 35.00 | 70.00 |
| Year ending March 31, 2024 | - | | | | |
| Year ending March 31, 2024 (Forecast) | | 35.00 | - | 35.00 | 70.00 |

(Note) Revision of previously announced dividend forecast during this reporting period: None.

3. Forecast of Consolidated Financial Performance for the Year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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 | 1,000,000 | (11.6) | 100,000 | 3.8 | 95,000 | (19.7) | 74,000 | (14.6) | 128.79 |
| Fiscal year end | 2,200,000 | (1.9) | 220,000 | 119.8 | 210,000 | 74.1 | 165,000 | 266.6 | 287.16 |

(Note) Revision of the previously announced forecast of consolidated financial performance during this reporting period: None.

Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation) : None

(2) Changes in Accounting Policies and Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS : None
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 June 30, 2023: 596,284,468 As of March 31, 2023: 596,284,468

2. Number of treasury stock at the end of the period:

As of June 30, 2023: 21,683,780 As of March 31, 2023: 21,527,674

3. Weighted-average number of shares outstanding during the period:

For the three months ended June 30, 2023: 574,601,046 For the three months ended June 30, 2022: 577,927,912

*This quarterly report is not subject to quarterly review 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). Explanation Regarding Future Forecast Information of Consolidated Financial Results” on page 12.

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 completed the price adjustment on acquisition costs for the business combination in the three months ended June 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.

Investor presentation materials relating to our financial results for the three months ended June 30, 2023 are expected to be published on our corporate website on July 20, 2023.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Three Months Ended June 30, 2023

1. Overview of Business Environment for the Three Months Ended June 30, 2023

As of April 2023, the IMF forecasts global economic growth of 2.8% in 2023. During the fiscal year under review, many indicators relating to the manufacturing industry in major countries around the world declined. The business environment surrounding NIDEC was highly uneven to each divisions, with the recovery of global automobile production volume and strong demand for industrial and infrastructure-related services, etc., despite the shipments of IT equipment continuing to peaking out, the continued reconciliation of the demand for home appliances, and the decline in unit growth rate in the Chinese EV market.

Under these circumstances, as a result of reducing costs thoroughly, engaging in sales activities aggressively, and negotiating prices with customers as the entire group, operating profit ratio recovered to 10.6% in 1Q.

Under these circumstances, we have set a medium-term strategic target for fiscal year 2025 (Vision2025) and aim to be a growing company that is strongly adapted to changes in the environment.

The outline is as follows.

FY2023 to FY2025

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

2. Consolidated Operating Results

Consolidated Operating Results for the Three Months Ended June 30, 2023 (“this three-month period”), Compared to the Three Months Ended June 30, 2022 (“the same period of the previous year”)

(Yen in millions)

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|--|-------------------------------------|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales | 540,369 | 566,055 | 25,686 | 4.8% |
| Operating profit | 44,660 | 60,152 | 15,492 | 34.7% |
| Operating profit ratio | 8.3% | 10.6% | - | - |
| Profit before income taxes | 56,989 | 86,081 | 29,092 | 51.0% |
| Profit for the period from continuing operations | 41,887 | 64,388 | 22,501 | 53.7% |
| Profit for the period from discontinued operations(Loss) | (140) | 8 | 148 | - |
| Profit attributable to owners of the parent | 41,321 | 64,041 | 22,720 | 55.0% |

Consolidated net sales from continuing operations increased 4.8% to ¥566,055 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥23,300 million, due to the recovery of global automobile production volume and strong demand for industrial and infrastructure-related services, etc., despite the shipments of IT equipment continuing to peaking out and the decline in unit growth rate in the Chinese EV market.

Operating profit of this category increased 34.7% to ¥60,152 million for this three-month period compared to the same period of the previous year, and we renewed the highest record of the quarterly consolidated accounting periods, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,500 million, due to steady progress in cost reduction such as significant reductions in fixed costs in line with restructuring implemented in the previous fiscal year.

Regarding operating profit by product category, Battery EV related business achieved profitability in this first quarter in the Automotive product group. In addition, we renewed the highest record of the quarterly consolidated accounting periods in the Appliance, commercial and industrial products group.

Profit before income taxes increased 51.0% to ¥86,081 million, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥24,300 million, profit for the period from continuing operations increased 53.7% to ¥64,388 million, and profit attributable to owners of the parent increased 55.0% to ¥64,041 million compared to the same period of the previous year. They all renewed the highest records of the quarterly consolidated accounting periods.

The average exchange rate between the Japanese yen and the U.S. dollar for this three-month period was ¥137.37 to the U.S. dollar, which reflected an approximately 6% depreciation of the Japanese yen against the U.S. dollar, compared to the same period of the previous year. The average exchange rate between the Japanese yen and the Euro for this three-month period was ¥149.47 to the Euro, which reflected an approximately 8% depreciation of the Japanese yen against the Euro, compared to the same period of the previous year.

Operating Results by Product Category for This Three-Month Period Compared to the Same Period of the Previous Year

Small precision motors

(Yen in millions)

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|--|-------------------------------------|--------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 111,122 | 95,760 | (15,362) | (13.8)% |
| Spindle motors for hard disk drives (HDDs) | 20,923 | 10,641 | (10,282) | (49.1)% |
| Other small precision motors | 90,199 | 85,119 | (5,080) | (5.6)% |
| Operating profit | 13,030 | 6,001 | (7,029) | (53.9)% |
| Operating profit ratio | 11.7% | 6.3% | - | - |

Net sales of this category decreased 13.8% to ¥95,760 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥4,500 million.

Net sales of spindle motors for HDDs decreased 49.1% to ¥10,641 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,300 million mainly due to a decrease in the number of units sold.

Net sales of other small precision motors decreased 5.6% to ¥85,119 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥3,200 million.

Operating profit of this category decreased 53.9% to ¥6,001 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥400 million, due to the impact of lower sales and fluctuations in product mix, despite the significant reductions in fixed costs.

Automotive products

(Yen in millions)

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 113,280 | 137,600 | 24,320 | 21.5% |
| Operating profit (loss) | (32) | 11,028 | 11,060 | - |
| Operating profit ratio | (0.0)% | 8.0% | - | - |

Net sales of this category increased 21.5% to ¥137,600 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥4,900 million, due to a global automobile production volume recovery, despite a decline in unit growth rate in the Chinese EV market.

Operating profit of this category increased ¥11,060 million to ¥11,028 million for this three-month period compared to the same period of the previous year and operating profit recovered to 8.0%, due to the improvement of the product composition in traction motor systems (E-Axle) and significant reduction in fixed costs in line with restructuring implemented in the previous fiscal year,

In addition, Battery EV related business achieved profitability in the first quarter.

Appliance, commercial and industrial products*(Yen in millions)*

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 222,686 | 238,879 | 16,193 | 7.3% |
| Operating profit | 17,903 | 30,905 | 13,002 | 72.6% |
| Operating profit ratio | 8.0% | 12.9% | - | - |

Net sales of this category increased 7.3% to ¥238,879 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥12,300 million, mainly due to higher sales of the Motion & Energy (MOEN) in the industrial sector, supported by tailwinds in the power generation and clean energy markets.

MOEN is exploring demand related to green innovation, such as battery energy storage systems (BESS), which are indispensable in the renewable energy market, and expects significant growth in the medium term. In the current business performance, MOEN contributed to both sales and profit.

Operating profit of this category increased 72.6% to ¥30,905 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,100 million, due to an impact of the higher sales, steady progress in cost reductions, and a significant reduction in fixed costs in line with restructuring implemented in the previous fiscal year. In the operating profit, we renewed the highest record of the quarterly consolidated accounting period. Operating profit ratio improved significantly to 12.9% for 1Q.

Machinery*(Yen in millions)*

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|--------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 73,090 | 70,770 | (2,320) | (3.2)% |
| Operating profit | 13,353 | 11,059 | (2,294) | (17.2)% |
| Operating profit ratio | 18.3% | 15.6% | - | - |

Net sales of this category decreased 3.2% to ¥70,770 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,400 million, due to lower sales of semiconductor inspection systems.

Operating profit of this category decreased 17.2% to ¥11,059 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥100 million, due to an impact of the lower sales and changes in product mix.

Electronic and optical components*(Yen in millions)*

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|--------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 19,235 | 21,858 | 2,623 | 13.6% |
| Operating profit | 3,453 | 4,224 | 771 | 22.3% |
| Operating profit ratio | 18.0% | 19.3% | - | - |

Net sales of this category increased 13.6% to ¥21,858 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥300 million.

Operating profit of this category increased 22.3% to ¥4,224 million for this three-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥100 million.

Other products*(Yen in millions)*

| | For the three months ended June 30, | | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|-------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 956 | 1,188 | 232 | 24.3% |
| Operating profit | 84 | 166 | 82 | 97.6% |
| Operating profit ratio | 8.8% | 14.0% | - | - |

Net sales of this category increased 24.3% to ¥1,188 million and operating profit of this category increased 97.6% to ¥166 million for this three-month period compared to the same period of the previous year.

**Consolidated Operating Results for the Three Months Ended June 30, 2023 (“1Q”),
Compared to the Previous Three Months Ended March 31, 2023 (“4Q”)**

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|--|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales | 543,077 | 566,055 | 22,978 | 4.2% |
| Operating profit | (24,323) | 60,152 | 84,475 | - |
| Operating profit ratio | (4.5)% | 10.6% | - | - |
| Profit before income taxes | (21,351) | 86,081 | 107,432 | - |
| Profit for the period from continuing operations | (58,483) | 64,388 | 122,871 | - |
| Profit for the period from discontinued operations(Loss) | (1,770) | 8 | 1,778 | - |
| Profit attributable to owners of the parent | (59,074) | 64,041 | 123,115 | - |

Consolidated net sales from continuing operations increased 4.2% to ¥566,055 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥16,600 million, due to the recovery of global automobile production volume and strong demand for industrial and infrastructure-related services, etc., despite the shipments of IT equipment continuing to peaking out and the decline in unit growth rate in the Chinese EV market.

Operating profit of this category increased ¥84,475 million to ¥60,152 million for 1Q compared to 4Q, and we renewed the highest record of the quarterly consolidated accounting periods, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥700 million, due to steady progress in cost reductions such as significant reduction in fixed costs in line with recording restructuring cost by approximately ¥57,900 million for 4Q in the previous fiscal year.

Regarding operating profit by product category, Battery EV related business achieved profitability in this first quarter in the Automotive product group. In addition, we renewed the highest record of the quarterly consolidated accounting periods in the Appliance, commercial and industrial products group.

Profit before income taxes increased ¥107,432 million to ¥86,081 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥24,300 million, profit for the period from continuing operations increased ¥122,871 million to ¥64,388 million for 1Q compared to 4Q, and profit attributable to owners of the parent increased ¥123,115 million to ¥64,041 million for 1Q compared to 4Q. They all renewed the highest records of the quarterly consolidated accounting periods.

The average exchange rate between the Japanese yen and the U.S. dollar for 1Q was ¥137.37 to the U.S. dollar, which reflected an approximately 4% depreciation of the Japanese yen against the U.S. dollar, compared to 4Q. The average exchange rate between the Japanese yen and the Euro for 1Q was ¥149.47 to the Euro, which reflected an approximately 5% depreciation of the Japanese yen against the Euro, compared to 4Q.

Operating Results by Product Category for 1Q Compared to 4Q

Small precision motors

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|--|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales to external customers | 91,551 | 95,760 | 4,209 | 4.6% |
| Spindle motors for hard disk drives (HDDs) | 17,395 | 10,641 | (6,754) | (38.8)% |
| Other small precision motors | 74,156 | 85,119 | 10,963 | 14.8% |
| Operating profit (loss) | (2,237) | 6,001 | 8,238 | - |
| Operating profit ratio (loss) | (2.4)% | 6.3% | - | - |

Net sales of this category increased 4.6% to ¥95,760 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,500 million.

Net sales of spindle motors for HDDs decreased 38.8% to ¥10,641 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥700 million.

Net sales of other small precision motors increased 14.8% to ¥85,119 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,800 million.

Operating profit of this category increased ¥8,238 million to ¥6,001 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥100 million, due to the achievement of significant reduction for fixed costs in line with recording restructuring cost by approximately ¥3,400 million for 4Q in the previous fiscal year.

Automotive products

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales to external customers | 125,145 | 137,600 | 12,455 | 10.0% |
| Operating Profit (Loss) | (39,729) | 11,028 | 50,757 | - |
| Operating profit ratio | (31.7)% | 8.0% | - | - |

Net sales of this category increased 10.0% to ¥137,600 million for 1Q compared to 4Q including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥4,000 million, due to a global automobile production volume recovery, despite a decline in unit growth rate in the Chinese EV market.

Operating profit of this category increased ¥50,757 million to ¥11,028 million for 1Q compared to 4Q and operating profit recovered to 8.0%, due to the improvement of the product mix in traction motor systems (E-Axle) and the achievement of significant reduction for fixed costs in line with recording restructuring cost of by approximately ¥40,400 million for 4Q in the previous fiscal year.

In addition, Battery EV related business achieved profitability in the first quarter.

Appliance, commercial and industrial products

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales to external customers | 232,682 | 238,879 | 6,197 | 2.7% |
| Operating profit | 11,894 | 30,905 | 19,011 | 159.8% |
| Operating profit ratio | 5.1% | 12.9% | - | - |

Net sales of this category increased 2.7% to ¥238,879 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥8,300 million, mainly due to higher sales of the Motion & Energy (MOEN) in the industrial sector, supported by tailwinds in the power generation and clean energy markets.

Operating profit of this category increased 159.8% to ¥30,905 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥900 million, due to steady progress in manufacturing cost reduction and a substantial reduction in fixed costs in line with recording restructuring costs by approximately ¥10,500 million for 4Q in the previous fiscal year. In the operating profit, we renewed the highest record of the quarterly consolidated accounting period. Operating profit ratio improved significantly to 12.9% for 1Q.

Machinery

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales to external customers | 73,561 | 70,770 | (2,791) | (3.8)% |
| Operating profit | 6,991 | 11,059 | 4,068 | 58.2% |
| Operating profit ratio | 9.5% | 15.6% | - | - |

Net sales of this category decreased 3.8% to ¥70,770 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,500 million, due to lower sales of semiconductor inspection systems.

Operating profit of this category increased 58.2% to ¥11,059 million for 1Q compared to 4Q, due to steady progress in manufacturing cost improvement and a substantial reduction in fixed costs in line with recording restructuring costs by approximately ¥2,100 million for 4Q, despite an impact of the lower sales.

Electronic and optical components

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales to external customers | 18,898 | 21,858 | 2,960 | 15.7% |
| Operating profit | 1,304 | 4,224 | 2,920 | 223.9% |
| Operating profit ratio | 6.9% | 19.3% | - | - |

Net sales of this category increased 15.7% to ¥21,858 million for 1Q compared to 4Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥200 million.

Operating profit of this category increased 223.9% to ¥4,224 million for 1Q compared to 4Q, including an effect of recording restructuring costs by approximately ¥900 million for 4Q.

Other products*(Yen in millions)*

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|---------------|----------------------|-----------------|
| | March 31, 2023 | June 30, 2023 | | |
| Net sales to external customers | 1,240 | 1,188 | (52) | (4.2)% |
| Operating profit | 166 | 166 | 0 | 0.0% |
| Operating profit ratio | 13.4% | 14.0% | - | - |

Net sales of this category decreased 4.2% to ¥1,188 million for 1Q compared to 4Q and operating profit of this category was ¥166 million for 1Q.

(2) Financial Position

(Yen in millions)

| | As of March 31, 2023 | As of June 30, 2023 | Increase or decrease |
|---|----------------------|---------------------|----------------------|
| Total assets | 2,872,789 | 3,087,586 | 214,797 |
| Total liabilities | 1,499,095 | 1,548,021 | 48,926 |
| Total equity attributable to owners of the parent | 1,354,505 | 1,519,206 | 164,701 |
| Interest-bearing debt *1 | 705,349 | 689,307 | (16,042) |
| Net interest-bearing debt *2 | 519,251 | 484,464 | (34,787) |
| Debt ratio (%) *3 | 24.6 | 22.3 | (2.3) |
| Debt to equity ratio (“D/E ratio”) (times) *4 | 0.52 | 0.45 | (0.07) |
| Net D/E ratio (times) *5 | 0.38 | 0.32 | (0.06) |
| Ratio of total equity attributable to owners of the parent to total assets (%) *6 | 47.1 | 49.2 | 2.1 |

(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 ¥214,797 million to ¥3,087,586 million as of June 30, 2023 compared to March 31, 2023. This was mainly due to increases of ¥54,966 million in property, plant and equipment, ¥45,422 million in trade and other receivables, and ¥40,290 million in inventories.

Total liabilities increased ¥48,926 million to ¥1,548,021 million as of June 30, 2023 compared to March 31, 2023. This was mainly due to an increase of ¥40,239 million in trade and other payables. On the other hand, there was a decrease of ¥16,042 million in interest-bearing debt. Specifically, short term borrowings decreased ¥27,239 million to ¥132,040 million, long term debt due within one year decreased ¥47,959 million to ¥11,806 million and long term debt increased ¥59,156 million to ¥545,461 million as of June 30, 2023 compared to March 31, 2023.

As a result, net interest-bearing debt decreased to ¥484,464 million as of June 30, 2023 from ¥519,251 million as of March 31, 2023. The debt ratio that includes lease liabilities decreased to 22.3% as of June 30, 2023 from 24.6% as of March 31, 2023. The D/E ratio decreased to 0.45 times as of June 30, 2023 from 0.52 times as of March 31, 2023. The net D/E ratio decreased 0.32 times as of June 30, 2023 from 0.38 times as of March 31, 2023.

Total equity attributable to owners of the parent increased ¥164,701 million to ¥1,519,206 million as of June 30, 2023 compared to March 31, 2023. Ratio of total equity attributable to owners of the parent to total assets increased to 49.2% as of June 30, 2023 from 47.1% as of March 31, 2023. This was mainly due to increases in retained earnings of ¥47,133 million and other components of equity of ¥119,171 million.

NIDEC completed the price adjustment on acquisition costs for the business combination in the three months ended June 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.

Overview of Cash Flow

(Yen in millions)

| | For the three months ended June 30, | | Increase or decrease |
|---|-------------------------------------|----------|----------------------|
| | 2022 | 2023 | |
| Net cash provided by operating activities | 24,477 | 81,698 | 57,221 |
| Net cash used in investing activities | (46,326) | (32,397) | 13,929 |
| Free cash flow *1 | (21,849) | 49,301 | 71,150 |
| Net cash used in financing activities | (31,092) | (52,236) | (21,144) |

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

Net cash provided by operating activities for the three months ended June 30, 2023 came to a net cash inflow of ¥81,698 million. Compared to the same period of the previous fiscal year, the net cash inflow from provided by operating activities for the three months ended June 30, 2023 increased ¥57,221 million mainly due to profit for the period from continuing operations increased by ¥22,501 million to ¥64,388 million and promoted efficiency of working capital by reducing inventories and strengthening activities to collect trade receivables.

Net cash used in investing activities amounted to ¥32,397 million mainly due to additions to property, plant and equipment of ¥28,918 million and other factors. Net cash used in investing activities decreased by ¥13,929 million year on year.

As a result, we had a positive free cash flow of ¥49,301 million for the three months ended June 30, 2023, an increase of ¥71,150 million compared to the same period of the previous year.

Net cash used in financing activities for the three months ended June 30, 2023 came to a net cash out flow of ¥52,236 million for this period, an increase of ¥21,144 million compared to the same period of the previous fiscal year. This is due to repayment for interest-bearing debt of ¥81,015 million, mainly for redemption of corporate bonds and short term borrowings, and the payments of dividends to the owners of the parent of ¥20,116 million, despite the financing of ¥50,000 million by long term-debt.

As a result of the aforementioned factors and the impact of foreign exchange rates, the balance of cash and cash equivalents as of June 30, 2023 increased by ¥18,745 million to ¥204,843 million from March 31, 2023.

(3) Explanation Regarding Future Forecast Information of Consolidated Financial Results

As of April 2023, the IMF forecasts global economic growth of + 2.8 % in 2023. Many of the world's major central banks are expected to continue to raise interest rates for the time being, and with manufacturing related indicators weakening globally, it is difficult to provide an optimistic outlook for the overall business environment. Although it may take some time for demand for IT equipment and home appliances to recover, demand for industrial and infrastructure-related products is expected to remain firm. Against this backdrop, we are aiming for a V-shaped recovery in fiscal 2023 by implementing thorough cost reductions and structural reforms, as exemplified by the WPR-X program, as well as by negotiating prices with customers and tapping into new demand.

The forecasts for the year ending March 31, 2024 described below are prepared based on an assumption that exchange rates are US\$1 = ¥120 and €1 = ¥130.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2024

| | | |
|---|--------------------|---|
| Net sales | ¥2,200,000 million | (98.1% compared to the previous fiscal year) |
| Operating profit | ¥220,000 million | (219.8% compared to the previous fiscal year) |
| Profit before income taxes | ¥210,000 million | (174.1% compared to the previous fiscal year) |
| Profit attributable to owners of the parent | ¥165,000 million | (366.6% compared to the previous fiscal year) |

Forecast of Consolidated Financial Performance for the Six Months Ending September 30, 2023

| | | |
|---|--------------------|--|
| Net sales | ¥1,000,000 million | (88.4% compared to the same period of the previous fiscal year) |
| Operating profit | ¥100,000 million | (103.8% compared to the same period of the previous fiscal year) |
| Profit before income taxes | ¥95,000 million | (80.3% compared to the same period of the previous fiscal year) |
| Profit attributable to owners of the parent | ¥74,000 million | (85.4% compared to the same period of the previous fiscal year) |

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

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥120 and €1 = ¥130.

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 consolidated financial performance could be significantly different from NIDEC's expectations as a result of various factors.

2. Condensed Quarterly Consolidated Financial Statements and Other Information

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

| | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 186,098 | 204,843 |
| Trade and other receivables | 592,948 | 638,370 |
| Other financial assets | 3,811 | 3,935 |
| Income tax receivables | 10,536 | 11,738 |
| Inventories | 519,348 | 559,638 |
| Other current assets | 71,877 | 88,501 |
| Total current assets | 1,384,618 | 1,507,025 |
| Non-current assets | | |
| Property, plant and equipment | 835,691 | 890,657 |
| Goodwill | 363,678 | 382,347 |
| Intangible assets | 221,740 | 235,732 |
| Investments accounted for using the equity method | 3,097 | 1,267 |
| Other investments | 25,943 | 29,122 |
| Other financial assets | 9,610 | 10,766 |
| Deferred tax assets | 12,091 | 12,261 |
| Other non-current assets | 16,321 | 18,409 |
| Total non-current assets | 1,488,171 | 1,580,561 |
| Total assets | 2,872,789 | 3,087,586 |

(Yen in millions)

| | As of March 31, 2023 | As of June 30, 2023 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Short term borrowings | 159,279 | 132,040 |
| Long term debt due within one year | 59,765 | 11,806 |
| Trade and other payables | 493,980 | 534,219 |
| Other financial liabilities | 4,473 | 6,930 |
| Income tax payables | 27,363 | 30,049 |
| Provisions | 50,815 | 49,546 |
| Other current liabilities | 104,930 | 111,284 |
| Total current liabilities | <u>900,605</u> | <u>875,874</u> |
| Non-current liabilities | | |
| Long term debt | 486,305 | 545,461 |
| Other financial liabilities | 485 | 359 |
| Retirement benefit liabilities | 32,337 | 33,653 |
| Provisions | 1,377 | 1,547 |
| Deferred tax liabilities | 71,210 | 81,170 |
| Other non-current liabilities | 6,776 | 9,957 |
| Total non-current liabilities | <u>598,490</u> | <u>672,147</u> |
| Total liabilities | <u>1,499,095</u> | <u>1,548,021</u> |
| Equity | | |
| Common stock | 87,784 | 87,784 |
| Additional paid-in capital | 97,670 | 97,082 |
| Retained earnings | 1,129,212 | 1,176,345 |
| Other components of equity | 206,756 | 325,927 |
| Treasury stock | (166,917) | (167,932) |
| Total equity attributable to owners of the parent | <u>1,354,505</u> | <u>1,519,206</u> |
| Non-controlling interests | 19,189 | 20,359 |
| Total equity | <u>1,373,694</u> | <u>1,539,565</u> |
| Total liabilities and equity | <u><u>2,872,789</u></u> | <u><u>3,087,586</u></u> |

**(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income**

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

| | For the three months ended June 30, | |
|--|-------------------------------------|-----------|
| | 2022 | 2023 |
| Continuing operations | | |
| Net Sales | 540,369 | 566,055 |
| Cost of sales | (431,192) | (440,608) |
| Gross profit | 109,177 | 125,447 |
| Selling, general and administrative expenses | (46,772) | (46,150) |
| Research and development expenses | (17,745) | (19,145) |
| Operating profit | 44,660 | 60,152 |
| Financial income | 2,184 | 7,693 |
| Financial expenses | (2,267) | (4,786) |
| Derivative gain (loss) | – | 151 |
| Foreign exchange differences | 13,450 | 24,347 |
| Share of net profit (loss) from associate accounting using the equity method | (1,038) | (1,476) |
| Profit before income taxes | 56,989 | 86,081 |
| Income tax expenses | (15,102) | (21,693) |
| Profit for the period from continuing operations | 41,887 | 64,388 |
| Discontinued operations | | |
| Profit (loss) for the period from discontinued operations | (140) | 8 |
| Profit for the period | 41,747 | 64,396 |
| Profit for the period attributable to: | | |
| Owners of the parent | 41,321 | 64,041 |
| Non-controlling interests | 426 | 355 |
| Profit for the period | 41,747 | 64,396 |

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

| | For the three months ended June 30, | |
|--|-------------------------------------|---------|
| | 2022 | 2023 |
| Profit for the period | 41,747 | 64,396 |
| Other comprehensive income, net of taxation | | |
| Items that will not be reclassified to net profit or loss: | | |
| Remeasurement of defined benefit plans | 819 | 838 |
| Fair value movements on FVTOCI equity financial assets | 278 | 2,335 |
| Items that may be reclassified to net profit or loss: | | |
| Foreign currency translation adjustments | 148,917 | 119,391 |
| Effective portion of net changes in fair value of cash flow hedges | (1,227) | 549 |
| Fair value movements on FVTOCI debt financial assets | (2) | (1) |
| Total other comprehensive income for the period, net of taxation | 148,785 | 123,112 |
| Comprehensive income for the period | 190,532 | 187,508 |
| Comprehensive income for the period attributable to: | | |
| Owners of the parent | 189,009 | 186,415 |
| Non-controlling interests | 1,523 | 1,093 |
| Comprehensive income for the period | 190,532 | 187,508 |

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 2022

(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, 2022 | 87,784 | 103,216 | 1,118,594 | 103,919 | (121,272) | 1,292,241 | 24,457 | 1,316,698 |
| Comprehensive income | | | | | | | | |
| Profit for the period | | | 41,321 | | | 41,321 | 426 | 41,747 |
| Other comprehensive income | | | | 147,688 | | 147,688 | 1,097 | 148,785 |
| Total comprehensive income | | | | | | 189,009 | 1,523 | 190,532 |
| Transactions with owners directly recognized in equity: | | | | | | | | |
| Purchase of treasury stock | | | | | (34,357) | (34,357) | - | (34,357) |
| Dividends paid to the owners of the parent | | | (20,309) | | | (20,309) | - | (20,309) |
| Dividends paid to non-controlling interests | | | | | | - | (78) | (78) |
| Share-based payment transactions | | 163 | | | | 163 | - | 163 |
| Transfer to retained earnings | | | 1,087 | (1,087) | | - | - | - |
| Changes in equity by purchase of shares of consolidated subsidiaries | | (11) | | | | (11) | (29) | (40) |
| Other | | 0 | 49 | (1) | | 48 | 91 | 139 |
| Balance at June 30, 2022 | 87,784 | 103,368 | 1,140,742 | 250,519 | (155,629) | 1,426,784 | 25,964 | 1,452,748 |

For the three months ended June 30, 2023

(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, 2023 | 87,784 | 97,670 | 1,129,212 | 206,756 | (166,917) | 1,354,505 | 19,189 | 1,373,694 |
| Comprehensive income | | | | | | | | |
| Profit for the period | | | 64,041 | | | 64,041 | 355 | 64,396 |
| Other comprehensive income | | | | 122,374 | | 122,374 | 738 | 123,112 |
| Total comprehensive income | | | | | | 186,415 | 1,093 | 187,508 |
| Transactions with owners directly recognized in equity: | | | | | | | | |
| Purchase of treasury stock | | | | | (1,015) | (1,015) | - | (1,015) |
| Dividends paid to the owners of the parent | | | (20,116) | | | (20,116) | - | (20,116) |
| Dividends paid to non-controlling interests | | | | | | - | (89) | (89) |
| Share-based payment transactions | | (565) | | | | (565) | - | (565) |
| Transfer to retained earnings | | | 3,203 | (3,203) | | - | - | - |
| Other | | (23) | 5 | | | (18) | 166 | 148 |
| Balance at June 30, 2023 | 87,784 | 97,082 | 1,176,345 | 325,927 | (167,932) | 1,519,206 | 20,359 | 1,539,565 |

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

| | For the three months ended June 30, | |
|---|-------------------------------------|----------|
| | 2022 | 2023 |
| Cash flows from operating activities: | | |
| Profit for the period from continuing operations | 41,887 | 64,388 |
| Profit (loss) for the period from discontinued operations | (140) | 8 |
| Profit for the period | 41,747 | 64,396 |
| Adjustments to reconcile profit for the period to net cash provided by operating activities | | |
| Depreciation and amortization | 28,630 | 30,200 |
| Loss (gain) from sales, disposal or impairment of property, plant and equipment | (46) | (797) |
| Loss (gain) from sales of discontinued operations | 140 | (8) |
| Financial expenses (income) | (255) | (3,084) |
| Share of net loss (profit) from associate accounting using the equity method | 1,038 | 1,476 |
| Deferred income taxes | (2,852) | 5,206 |
| Current income taxes | 17,954 | 16,487 |
| Foreign currency adjustments | (6,357) | (2,617) |
| Increase (decrease) in retirement benefit liability | (691) | (568) |
| Decrease (increase) in accounts receivable | 5,925 | (6,206) |
| Decrease (increase) in inventories | (38,949) | (9,033) |
| Increase (decrease) in accounts payable | (23,855) | 21,000 |
| Other, net | 14,229 | (21,722) |
| Interests and dividends received | 2,036 | 7,338 |
| Interests paid | (1,512) | (4,338) |
| Income taxes paid | (12,705) | (16,032) |
| Net cash provided by operating activities | 24,477 | 81,698 |

(Yen in millions)

| | For the three months ended June 30, | |
|--|-------------------------------------|----------|
| | 2022 | 2023 |
| Cash flows from investing activities: | | |
| Additions to property, plant and equipment | (36,842) | (28,918) |
| Proceeds from sales of property, plant and equipment | 1,051 | 1,950 |
| Additions to intangible assets | (4,925) | (3,205) |
| Acquisitions of business, net of cash acquired | — | (1,346) |
| Other, net | (5,610) | (878) |
| Net cash used in investing activities | (46,326) | (32,397) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short term borrowings | 26,514 | (27,756) |
| Proceeds from issuance of long term debt | — | 50,000 |
| Repayments of long term debt | (2,827) | (3,259) |
| Redemption of bonds | — | (50,000) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | (35) | (0) |
| Purchase of treasury stock | (34,357) | (1,015) |
| Dividends paid to the owners of the parent | (20,309) | (20,116) |
| Other, net | (78) | (90) |
| Net cash used in financing activities | (31,092) | (52,236) |
| Effect of exchange rate changes on cash and cash equivalents | 44,046 | 21,680 |
| Net increase (decrease) in cash and cash equivalents | (8,895) | 18,745 |
| Cash and cash equivalents at beginning of period | 199,655 | 186,098 |
| Cash and cash equivalents at end of period | 190,760 | 204,843 |

(5) Notes to Condensed Quarterly Consolidated Financial Statements

Notes Regarding Going Concern Assumption

Not applicable.

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, 2023 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, and traction motor system.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, sensors, lens units and camera shutters.
- 6) Others, which include music boxes and services.

2. Basis of preparation

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

The condensed quarterly consolidated financial statements of NIDEC have been prepared in accordance with IAS 34 “Interim Financial Reporting” pursuant to the provision of article 93 of 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, 2023.

(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, 2023.

Income tax expenses for the three months ended June 30, 2023 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, 2023 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2023.

5. Business combinations

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

Regarding the acquisition cost of PAMA S.p.A., which was acquired in the year ended March 31, 2023, NIDEC completed the price adjustment for the business combination in the three months ended June 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2023, 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 June 30, 2023.

6. Events after the Reporting Period

(1) Completion of Acquisition of Houma Armature Works

On July 3, 2023 (U.S. time), NIDEC has acquired full ownership of Houma Armature Works (corporate name is TAR, LLC, “Houma”), from its founding family (the “Transaction”). Since the initial accounting for the business combination has not been completed as of July 20, 2023 further details have not yet been disclosed.

| | |
|-----------------------|--|
| 1. Purpose | Houma manufactures, repairs, maintenances, upgrades and installation services for motors, generators and control systems. Through the Transaction, NIDEC will be able to enhance its service offering, including expanding its share within its own U.S. installed base. |
| 2. Acquisition method | NIDEC utilizes its cash on hand for funding. |

(2) Capital Increase in Nidec PSA emotors

On July 8, 2023, the Company's Board of Directors resolved to increase capital to Nidec PSA emotors.

| | |
|---------------------------------|--------------------|
| 1. Capital increase destination | Nidec PSA emotors |
| 2. Capital increase funds | 75 million euros |
| 3. Date | July 2023 |
| 4. Purpose | Capital investment |

3. Others

(1) Information by Product Category

For the three months ended June 30, 2022

(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 | 111,122 | 113,280 | 222,686 | 73,090 | 19,235 | 956 | 540,369 | - | 540,369 |
| Intersegment | 1,221 | 92 | 1,828 | 3,057 | 1,154 | 273 | 7,625 | (7,625) | - |
| Total | 112,343 | 113,372 | 224,514 | 76,147 | 20,389 | 1,229 | 547,994 | (7,625) | 540,369 |
| Operating expenses | 99,313 | 113,404 | 206,611 | 62,794 | 16,936 | 1,145 | 500,203 | (4,494) | 495,709 |
| Operating profit (loss) | 13,030 | (32) | 17,903 | 13,353 | 3,453 | 84 | 47,791 | (3,131) | 44,660 |

For the three months ended June 30, 2023

(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 | 95,760 | 137,600 | 238,879 | 70,770 | 21,858 | 1,188 | 566,055 | - | 566,055 |
| Intersegment | 1,552 | 21 | 3,394 | 1,434 | 1,152 | 176 | 7,729 | (7,729) | - |
| Total | 97,312 | 137,621 | 242,273 | 72,204 | 23,010 | 1,364 | 573,784 | (7,729) | 566,055 |
| Operating expenses | 91,311 | 126,593 | 211,368 | 61,145 | 18,786 | 1,198 | 510,401 | (4,498) | 505,903 |
| Operating profit | 6,001 | 11,028 | 30,905 | 11,059 | 4,224 | 166 | 63,383 | (3,231) | 60,152 |

(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, and traction motor system.
- (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, power transmission drives and machine tools, etc.
- (5) Electronic and optical components: Switches, sensors, lens units and camera shutters, etc.
- (6) Others: Music boxes and services, etc.

(2) Sales by Geographic Segment

(Yen in millions)

| | For the three months ended June 30, | | | | Increase or decrease | |
|------------|-------------------------------------|-------|---------|-------|----------------------|-------|
| | 2022 | | 2023 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 98,566 | 18.2 | 89,390 | 15.8 | (9,176) | (9.3) |
| China | 133,377 | 24.7 | 136,508 | 24.1 | 3,131 | 2.3 |
| Other Asia | 66,983 | 12.4 | 60,872 | 10.8 | (6,111) | (9.1) |
| U.S.A. | 122,717 | 22.7 | 133,584 | 23.6 | 10,867 | 8.9 |
| Europe | 97,032 | 18.0 | 119,132 | 21.0 | 22,100 | 22.8 |
| Others | 21,694 | 4.0 | 26,569 | 4.7 | 4,875 | 22.5 |
| Total | 540,369 | 100.0 | 566,055 | 100.0 | 25,686 | 4.8 |

(Notes) 1. The sales are classified by domicile of the seller, and the figures exclude intra-segment transactions.

2. Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : Germany, Italy, France

Others : Brazil, Mexico, Canada

(3) Sales by Region

(Yen in millions)

| | For the three months ended June 30, | | | | Increase or decrease | |
|------------|-------------------------------------|-------|---------|-------|----------------------|--------|
| | 2022 | | 2023 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 62,255 | 11.5 | 65,108 | 11.4 | 2,853 | 4.6 |
| China | 134,599 | 24.9 | 138,289 | 24.4 | 3,690 | 2.7 |
| Other Asia | 89,697 | 16.6 | 77,346 | 13.7 | (12,351) | (13.8) |
| U.S.A. | 116,066 | 21.5 | 119,786 | 21.2 | 3,720 | 3.2 |
| Europe | 91,870 | 17.0 | 108,605 | 19.2 | 16,735 | 18.2 |
| Others | 45,882 | 8.5 | 56,921 | 10.1 | 11,039 | 24.1 |
| Total | 540,369 | 100.0 | 566,055 | 100.0 | 25,686 | 4.8 |

(Notes) 1. The sales are classified by domicile of the buyer, and the figures exclude intra-segment transactions.

2. Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : Germany, Italy, France

Others : Brazil, Mexico, Canada



4. Overview of Consolidated Financial Results

July 20, 2023

(1) Summary of Consolidated Financial Performance

(Yen in millions)

| | For the three months ended June 30, 2022 | For the three months ended June 30, 2023 | Increase or decrease |
|---|---|---|-------------------------|
| Net Sales | 540,369 | 566,055 | 4.8 % |
| Operating profit | 44,660 8.3 % | 60,152 10.6 % | 34.7 % |
| Profit before income taxes | 56,989 10.5 % | 86,081 15.2 % | 51.0 % |
| Profit attributable to owners of the parent | 41,321 7.6 % | 64,041 11.3 % | 55.0 % |
| Earnings per share attributable to owners of the parent - basic (Yen) | 71.50 | 111.45 | |
| 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 June 30, 2022 | As of June 30, 2023 | As of March 31, 2023 |
|---|---|---|--------------------------------------|
| Total assets | 2,903,214 | 3,087,586 | 2,872,789 |
| Total equity attributable to owners of the parent | 1,426,784 | 1,519,206 | 1,354,505 |
| Ratio of total equity attributable to owners of the parent to total asset | 49.1% | 49.2% | 47.1% |
| | For the three months ended June 30, 2022 | For the three months ended June 30, 2023 | For the year ended March 31, 2023 |
| Net cash provided by operating activities | 24,477 | 81,698 | 143,485 |
| Net cash used in investing activities | (46,326) | (32,397) | (164,943) |
| Net cash used in financing activities | (31,092) | (52,236) | (19,238) |
| Cash and cash equivalents at end of period | 190,760 | 204,843 | 186,098 |

(3) Dividends

(Yen)

| | 2nd quarter end | Fiscal year end | Total |
|---------------------------------------|-----------------|-----------------|-------|
| Year ended March 31, 2023 | 35.00 | 35.00 | 70.00 |
| Year ending March 31, 2024 | - | - | - |
| Year ending March 31, 2024 (forecast) | 35.00 | 35.00 | 70.00 |

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

| | |
|--|-----|
| Number of consolidated subsidiaries | 341 |
| Number of associates accounted for using the equity method | 5 |

| | Change from March 31, 2023 | Change from June 30, 2022 |
|---|----------------------------|---------------------------|
| Number of companies newly consolidated | 0 | 16 |
| Number of companies excluded from consolidation | 2 | 9 |
| Number of companies newly accounted for using the equity method | 1 | 1 |
| Number of companies excluded from using the equity method | 0 | 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 completed the price adjustment on acquisition costs for the business combination in the three months ended June 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.