



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

October 23, 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: November 13, 2023
 Scheduled date of dividend payable: December 1, 2023
 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 Six Months Ended September 30, 2023 (April 1, 2023 to September 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 six months ended September 30, 2023 | 1,160,662 | 2.6 | 115,782 | 20.1 | 145,359 | 22.8 | 106,081 | 22.4 | 276,856 | (6.0) |
| For the six months ended September 30, 2022 | 1,130,767 | 24.2 | 96,368 | 8.1 | 118,375 | 35.9 | 86,649 | 30.1 | 294,401 | 279.3 |
| | Earnings per share attributable to owners of the parent-basic (Yen) | | | | Earnings per share attributable to owners of the parent-diluted (Yen) | | | | | |
| For the six months ended September 30, 2023 | | | | | 184.62 | | - | | | |
| For the six months ended September 30, 2022 | | | | | 150.31 | | - | | | |

(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 September 30, 2023 | 3,163,757 | 1,628,727 | 1,607,741 | 50.8% |
| As of March 31, 2023 | 2,872,789 | 1,373,694 | 1,354,505 | 47.1% |

2. Dividends

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

| Fiscal year end | 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) |
| | 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 : Yes
2. Changes in accounting policies due to other reasons : None
3. Changes in accounting estimates : None

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued at the end of the period (including treasury stock):

As of September 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 September 30, 2023: 21,684,333 As of March 31, 2023: 21,527,674

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

For the six months ended September 30, 2023: 574,600,682 For the six months ended September 30, 2022: 576,465,867

*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 14.

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 six months ended September 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 six months ended September 30, 2023 are expected to be published on our corporate website on October 23, 2023.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Six Months Ended September 30, 2023

1. Overview of Business Environment for the Six Months Ended September 30, 2023

As of October 2023, the IMF forecasts global economic growth of 3.0% in 2023. Many indicators relating to the manufacturing industry in major countries around the world continued to be sluggish in the six months ended September 30, 2023. As in 2Q, the business environment surrounding NIDEC was uneven to each division, with the IT equipment industry showing signs of bottoming out, recovery of global automobile production volume, and strong demand for industrial and infrastructure-related services etc., despite 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 was 10.0% in 2Q.

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 Six Months Ended September 30, 2023 (“this Six-month period”), Compared to the Six Months Ended September 30, 2022 (“the same period of the previous year”)

(Yen in millions)

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|--|--|-----------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales | 1,130,767 | 1,160,662 | 29,895 | 2.6% |
| Operating profit | 96,368 | 115,782 | 19,414 | 20.1% |
| Operating profit ratio | 8.5% | 10.0% | - | - |
| Profit before income taxes | 118,375 | 145,359 | 26,984 | 22.8% |
| Profit for the period from continuing operations | 87,243 | 106,985 | 19,742 | 22.6% |
| Profit for the period from discontinued operations(Loss) | (171) | (14) | 157 | - |
| Profit attributable to owners of the parent | 86,649 | 106,081 | 19,432 | 22.4% |

Consolidated net sales from continuing operations increased 2.6% to ¥1,160,662 million for this six-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 ¥45,700 million, due to the signs of bottoming out in IT equipment industry, the recovery of global automobile production volume and strong demand for industrial and infrastructure-related services, etc., despite the continued reconciliation of the demand for home appliances and the decline in unit growth rate in the Chinese EV market.

Operating profit of this category increased 20.1% to ¥115,782 million for this six-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 ¥3,200 million, due to steady progress in manufacturing cost improvement such as significant reductions in fixed costs in line with restructuring implemented in the previous fiscal year.

Profit before income taxes increased 22.8% to ¥145,359 million, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥26,000 million, profit for the period from continuing operations increased 22.6% to ¥106,985 million, and profit attributable to owners of the parent increased 22.4% to ¥106,081 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 six-month period was ¥141.00 to the U.S. dollar, which reflected an approximately 5% 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 six-month period was ¥153.39 to the Euro, which reflected an approximately 11% depreciation of the Japanese yen against the Euro, compared to the same period of the previous year.

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

Small precision motors

(Yen in millions)

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|--|--|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 226,311 | 207,078 | (19,233) | (8.5)% |
| Spindle motors for hard disk drives (HDDs) | 42,406 | 29,055 | (13,351) | (31.5)% |
| Other small precision motors | 183,905 | 178,023 | (5,882) | (3.2)% |
| Operating profit | 24,035 | 17,025 | (7,010) | (29.2)% |
| Operating profit ratio | 10.6% | 8.2% | - | - |

Net sales of this category decreased 8.5% to ¥207,078 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥8,300 million.

Net sales of spindle motors for HDDs decreased 31.5% to ¥29,055 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,300 million, mainly due to a decrease in the number of units sold.

Net sales of other small precision motors decreased 3.2% to ¥178,023 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥6,000 million.

Operating profit of this category decreased 29.2% to ¥17,025 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥600 million, due to the impact of lower sales and changes in product mix, despite the significant reductions in fixed costs.

Automotive products

(Yen in millions)

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|---------------------------------|--|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 254,150 | 282,176 | 28,026 | 11.0% |
| Operating profit | 5,463 | 16,363 | 10,900 | 199.5% |
| Operating profit ratio | 2.1% | 5.8% | - | - |

Net sales of this category increased 11.0% to ¥282,176 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥11,600 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 199.5% to ¥16,363 million for this six-month period compared to the same period of the previous year 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.

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

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|---------------------------------|--|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 453,396 | 479,663 | 26,267 | 5.8% |
| Operating profit | 38,292 | 58,624 | 20,332 | 53.1% |
| Operating profit ratio | 8.4% | 12.2% | - | - |

Net sales of this category increased 5.8% to ¥479,663 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥22,200 million, mainly due to higher sales of the Motion & Energy (MOEN) in the industrial sector, supported by tailwinds in the power generator and clean energy markets, despite the continued reconciliation of the demand for home appliances.

Operating profit of this category increased 53.1% to ¥58,624 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,100 million, due to steady progress in manufacturing cost improvement and a substantial reduction in fixed costs in line with restructuring implemented in the previous fiscal year.

Machinery*(Yen in millions)*

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|---------------------------------|--|---------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 153,365 | 146,445 | (6,920) | (4.5)% |
| Operating profit | 27,959 | 23,414 | (4,545) | (16.3)% |
| Operating profit ratio | 18.2% | 16.0% | - | - |

Net sales of this category decreased 4.5% to ¥146,445 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,900 million, mainly due to lower sales of semiconductor inspection systems.

Operating profit of this category decreased 16.3% to ¥23,414 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥300 million, due to an impact of the lower sales and changes in product mix.

Electronic and optical components*(Yen in millions)*

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|---------------------------------|--|--------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 41,501 | 42,986 | 1,485 | 3.6% |
| Operating profit | 7,694 | 7,844 | 150 | 1.9% |
| Operating profit ratio | 18.5% | 18.2% | - | - |

Net sales of this category increased 3.6% to ¥42,986 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥700 million.

Operating profit of this category increased 1.9% to ¥7,844 million for this six-month period compared to the same period of the previous year, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥300 million.

Other products*(Yen in millions)*

| | For the six months ended September 30, | | Increase or decrease | Ratio of change |
|---------------------------------|--|-------|----------------------|-----------------|
| | 2022 | 2023 | | |
| Net sales to external customers | 2,044 | 2,314 | 270 | 13.2% |
| Operating profit | 229 | 239 | 10 | 4.4% |
| Operating profit ratio | 11.2% | 10.3% | - | - |

Net sales of this category increased 13.2% to ¥2,314 million and operating profit of this category increased 4.4% to ¥239 million for this six-month period compared to the same period of the previous year.

**Consolidated Operating Results for the Three Months Ended September 30, 2023 (“2Q”),
Compared to the Previous Three Months Ended June 30, 2023 (“1Q”)**

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|--|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales | 566,055 | 594,607 | 28,552 | 5.0% |
| Operating profit | 60,152 | 55,630 | (4,522) | (7.5)% |
| Operating profit ratio | 10.6% | 9.4% | - | - |
| Profit before income taxes | 86,081 | 59,278 | (26,803) | (31.1)% |
| Profit for the period from continuing operations | 64,388 | 42,597 | (21,791) | (33.8)% |
| Profit for the period from discontinued operations(Loss) | 8 | (22) | (30) | - |
| Profit attributable to owners of the parent | 64,041 | 42,040 | (22,001) | (34.4)% |

Consolidated net sales from continuing operations increased 5.0% to ¥594,607 million for 2Q compared to 1Q, and we renewed the highest record of the quarterly consolidated accounting period, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥22,500 million, due to the signs of bottoming out in IT equipment industry, the recovery of global automobile production volume and strong demand for industrial and infrastructure-related services, etc., despite the continued reconciliation of the demand for appliances and the decline in unit growth rate in the Chinese EV market.

Operating profit of this category decreased 7.5% to ¥55,630 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,500 million, due to decreased profits from the Automotive products and the Appliance, commercial and industrial products.

Profit before income taxes decreased 31.1% to ¥59,278 million for 2Q compared to 1Q, 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 decreased 33.8% to ¥42,597 million for 2Q compared to 1Q, and profit attributable to owners of the parent decreased 34.4% to ¥42,040 million for 2Q compared to 1Q.

The average exchange rate between the Japanese yen and the U.S. dollar for 2Q was ¥144.62 to the U.S. dollar, which reflected an approximately 5% depreciation of the Japanese yen against the U.S. dollar, compared to 1Q. The average exchange rate between the Japanese yen and the Euro for 2Q was ¥157.30 to the Euro, which reflected an approximately 5% depreciation of the Japanese yen against the Euro, compared to 1Q.

Operating Results by Product Category for 2Q Compared to 1Q

Small precision motors

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|--|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales to external customers | 95,760 | 111,318 | 15,558 | 16.2% |
| Spindle motors for hard disk drives (HDDs) | 10,641 | 18,414 | 7,773 | 73.0% |
| Other small precision motors | 85,119 | 92,904 | 7,785 | 9.1% |
| Operating profit | 6,001 | 11,024 | 5,023 | 83.7% |
| Operating profit ratio | 6.3% | 9.9% | - | - |

Net sales of this category increased 16.2% to ¥111,318 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥3,500 million.

Net sales of spindle motors for HDDs decreased 73.0% to ¥18,414 million for 2Q compared to 1Q, mainly due to an increase in sales volume, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥600 million.

Net sales of other small precision motors increased 9.1% to ¥92,904 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥2,900 million.

Operating profit of this category increased 83.7% to ¥11,024 million for 2Q compared to 1Q, mainly due to the impact of increased sales, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥200 million.

Automotive products

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales to external customers | 137,600 | 144,576 | 6,976 | 5.1% |
| Operating Profit | 11,028 | 5,335 | (5,693) | (51.6)% |
| Operating profit ratio | 8.0% | 3.7% | - | - |

Net sales of this category increased 5.1% to ¥144,576 million for 2Q compared to 1Q including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥5,300 million.

Operating profit of this category decreased 51.6% to ¥5,335 million for 2Q compared to 1Q including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥400 million. This was due to an increase in development investment to expand the product lineup.

Appliance, commercial and industrial products

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales to external customers | 238,879 | 240,784 | 1,905 | 0.8% |
| Operating profit | 30,905 | 27,719 | (3,186) | (10.3)% |
| Operating profit ratio | 12.9% | 11.5% | - | - |

Net sales of this category increased 0.8% to ¥240,784 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥11,900 million, due to an impact of lower sales in line with seasonal factors under the continued reconciliation of the demand for home appliances, despite higher sales of the Motion & Energy (MOEN) in the industrial sector.

Operating profit of this category decreased 10.3% to ¥27,719 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,600 million, mainly due to the impact of the lower sales.

Machinery

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales to external customers | 70,770 | 75,675 | 4,905 | 6.9% |
| Operating profit | 11,059 | 12,355 | 1,296 | 11.7% |
| Operating profit ratio | 15.6% | 16.3% | - | - |

Net sales of this category increased 6.9% to ¥75,675 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥1,400 million.

Operating profit of this category increased 11.7% to ¥12,355 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥200 million.

Electronic and optical components

(Yen in millions)

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales to external customers | 21,858 | 21,128 | (730) | (3.3)% |
| Operating profit | 4,224 | 3,620 | (604) | (14.3)% |
| Operating profit ratio | 19.3% | 17.1% | - | - |

Net sales of this category decreased 3.3% to ¥21,128 million for 2Q compared to 1Q, including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥400 million. Operating profit of this category decreased 14.3% to ¥3,620 million for 2Q compared to 1Q.

Other products*(Yen in millions)*

| | For the three months ended | | Increase or decrease | Ratio of change |
|---------------------------------|----------------------------|--------------------|----------------------|-----------------|
| | June 30, 2023 | September 30, 2023 | | |
| Net sales to external customers | 1,188 | 1,126 | (62) | (5.2)% |
| Operating profit | 166 | 73 | (93) | (56.0)% |
| Operating profit ratio | 14.0% | 6.5% | - | - |

Net sales of this category decreased 5.2% to ¥1,126 million for 2Q compared to 1Q and operating profit of this category was ¥73 million for 2Q.

(2) Financial Position

(Yen in millions)

| | As of March 31, 2023 | As of September 30, 2023 | Increase or decrease |
|---|----------------------|--------------------------|----------------------|
| Total assets | 2,872,789 | 3,163,757 | 290,968 |
| Total liabilities | 1,499,095 | 1,535,030 | 35,935 |
| Total equity attributable to owners of the parent | 1,354,505 | 1,607,741 | 253,236 |
| Interest-bearing debt *1 | 705,349 | 673,539 | (31,810) |
| Net interest-bearing debt *2 | 519,251 | 467,175 | (52,076) |
| Debt ratio (%) *3 | 24.6 | 21.3 | (3.3) |
| Debt to equity ratio (“D/E ratio”) (times) *4 | 0.52 | 0.42 | (0.10) |
| Net D/E ratio (times) *5 | 0.38 | 0.29 | (0.09) |
| Ratio of total equity attributable to owners of the parent to total assets (%) *6 | 47.1 | 50.8 | 3.7 |

(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 ¥290,968 million to ¥3,163,757 million as of September 30, 2023 compared to March 31, 2023. This was mainly due to increases of ¥78,485 million in trade and other receivables, ¥63,486 million in property, plant and equipment, and ¥44,058 million in inventories.

Total liabilities increased ¥35,935 million to ¥1,535,030 million as of September 30, 2023 compared to March 31, 2023. This was mainly due to an increase of ¥36,169 million in trade and other payables. On the other hand, there was a decrease of ¥31,810 million in interest-bearing debt. Specifically, short term borrowings decreased ¥37,642 million to ¥121,637 million, long term debt due within one year increased ¥50,639 million to ¥110,404 million and long term debt decreased ¥44,807 million to ¥441,498 million as of September 30, 2023 compared to March 31, 2023.

As a result, net interest-bearing debt decreased to ¥467,175 million as of September 30, 2023 from ¥519,251 million as of March 31, 2023. The debt ratio that includes lease liabilities decreased to 21.3% as of September 30, 2023 from 24.6% as of March 31, 2023. The D/E ratio decreased to 0.42 times as of September 30, 2023 from 0.52 times as of March 31, 2023. The net D/E ratio decreased 0.29 times as of September 30, 2023 from 0.38 times as of March 31, 2023.

Total equity attributable to owners of the parent increased ¥253,236 million to ¥1,607,741 million as of September 30, 2023 compared to March 31, 2023. Ratio of total equity attributable to owners of the parent to total assets increased to 50.8% as of September 30, 2023 from 47.1% as of March 31, 2023. This was mainly due to increases in retained earnings of ¥89,498 million and other components of equity of ¥165,182 million.

NIDEC completed the price adjustment on acquisition costs for the business combination in the six months ended September 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 six months ended September 30, | | Increase or decrease |
|---|--|----------|----------------------|
| | 2022 | 2023 | |
| Net cash provided by operating activities | 56,351 | 141,279 | 84,928 |
| Net cash used in investing activities | (80,968) | (79,552) | 1,416 |
| Free cash flow *1 | (24,617) | 61,727 | 86,344 |
| Net cash used in financing activities | (14,088) | (72,708) | (58,620) |

(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 six months ended September 30, 2023 came to a net cash inflow of ¥141,279 million. Compared to the same period of the previous fiscal year, the net cash inflow from provided by operating activities for the six months ended September 30, 2023 increased ¥84,928 million mainly due to profit for the period from continuing operations increased by ¥19,742 million to ¥106,985 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 ¥79,552 million mainly due to additions to property, plant and equipment of ¥54,634 million and other factors. Net cash used in investing activities decreased by ¥1,416 million year on year.

As a result, we had a positive free cash flow of ¥61,727 million for the six months ended September 30, 2023, an increase of ¥86,344 million compared to the same period of the previous year.

Net cash used in financing activities for the six months ended September 30, 2023 came to a net cash out flow of ¥72,708 million for this period, an increase of ¥58,620 million compared to the same period of the previous fiscal year. This is due to repayment for interest-bearing debt of ¥100,555 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 September 30, 2023 increased by ¥20,266 million to ¥206,364 million from March 31, 2023.

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

As of October 2023, the IMF forecasts global economic growth of + 3.0 % in 2023. Many of the world's major central banks are expected to continue to raise interest rates for the time being, and the overall business environment has become increasingly uncertain amid sluggish global manufacturing related indicators. 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) |

(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 September 30, 2023 |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 186,098 | 206,364 |
| Trade and other receivables | 592,948 | 671,433 |
| Other financial assets | 3,811 | 3,516 |
| Income tax receivables | 10,536 | 10,187 |
| Inventories | 519,348 | 563,406 |
| Other current assets | 71,877 | 91,858 |
| Total current assets | 1,384,618 | 1,546,764 |
| Non-current assets | | |
| Property, plant and equipment | 835,691 | 899,177 |
| Goodwill | 363,678 | 392,245 |
| Intangible assets | 221,740 | 242,624 |
| Investments accounted for using the equity method | 3,097 | 11,485 |
| Other investments | 25,943 | 29,704 |
| Other financial assets | 9,610 | 10,680 |
| Deferred tax assets | 12,091 | 12,075 |
| Other non-current assets | 16,321 | 19,003 |
| Total non-current assets | 1,488,171 | 1,616,993 |
| Total assets | 2,872,789 | 3,163,757 |

(Yen in millions)

| | As of March 31, 2023 | As of September 30, 2023 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Short term borrowings | 159,279 | 121,637 |
| Long term debt due within one year | 59,765 | 110,404 |
| Trade and other payables | 493,980 | 530,149 |
| Other financial liabilities | 4,473 | 3,467 |
| Income tax payables | 27,363 | 35,158 |
| Provisions | 50,815 | 47,089 |
| Other current liabilities | 104,930 | 116,468 |
| Total current liabilities | 900,605 | 964,372 |
| Non-current liabilities | | |
| Long term debt | 486,305 | 441,498 |
| Other financial liabilities | 485 | 998 |
| Retirement benefit liabilities | 32,337 | 33,894 |
| Provisions | 1,377 | 1,595 |
| Deferred tax liabilities | 71,210 | 82,267 |
| Other non-current liabilities | 6,776 | 10,406 |
| Total non-current liabilities | 598,490 | 570,658 |
| Total liabilities | 1,499,095 | 1,535,030 |
| Equity | | |
| Common stock | 87,784 | 87,784 |
| Additional paid-in capital | 97,670 | 97,245 |
| Retained earnings | 1,129,212 | 1,218,710 |
| Other components of equity | 206,756 | 371,938 |
| Treasury stock | (166,917) | (167,936) |
| Total equity attributable to owners of the parent | 1,354,505 | 1,607,741 |
| Non-controlling interests | 19,189 | 20,986 |
| Total equity | 1,373,694 | 1,628,727 |
| Total liabilities and equity | 2,872,789 | 3,163,757 |

**(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 six months ended September 30, | |
|--|--|-----------|
| | 2022 | 2023 |
| Continuing operations | | |
| Net Sales | 1,130,767 | 1,160,662 |
| Cost of sales | (901,985) | (906,780) |
| Gross profit | 228,782 | 253,882 |
| Selling, general and administrative expenses | (93,672) | (97,255) |
| Research and development expenses | (38,742) | (40,845) |
| Operating profit | 96,368 | 115,782 |
| Financial income | 5,612 | 16,394 |
| Financial expenses | (5,120) | (9,446) |
| Derivative gain (loss) | 17 | (426) |
| Foreign exchange differences | 23,007 | 26,026 |
| Share of net profit (loss) from associate accounting using the equity method | (1,509) | (2,971) |
| Profit before income taxes | 118,375 | 145,359 |
| Income tax expenses | (31,132) | (38,374) |
| Profit for the period from continuing operations | 87,243 | 106,985 |
| Discontinued operations | | |
| Loss for the period from discontinued operations | (171) | (14) |
| Profit for the period | 87,072 | 106,971 |
| Profit for the period attributable to: | | |
| Owners of the parent | 86,649 | 106,081 |
| Non-controlling interests | 423 | 890 |
| Profit for the period | 87,072 | 106,971 |

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

| | For the six months ended September 30, | |
|--|--|---------|
| | 2022 | 2023 |
| Profit for the period | 87,072 | 106,971 |
| Other comprehensive income, net of taxation | | |
| Items that will not be reclassified to net profit or loss: | | |
| Remeasurement of defined benefit plans | 861 | 850 |
| Fair value movements on FVTOCI equity financial assets | (140) | 2,786 |
| Items that may be reclassified to net profit or loss: | | |
| Foreign currency translation adjustments | 207,712 | 166,411 |
| Effective portion of net changes in fair value of cash flow hedges | (1,080) | (161) |
| Fair value movements on FVTOCI debt financial assets | (24) | (1) |
| Total other comprehensive income for the period, net of taxation | 207,329 | 169,885 |
| Comprehensive income for the period | 294,401 | 276,856 |
| Comprehensive income for the period attributable to: | | |
| Owners of the parent | 293,067 | 274,928 |
| Non-controlling interests | 1,334 | 1,928 |
| Comprehensive income for the period | 294,401 | 276,856 |

For the three months ended September 30, 2022 and 2023

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

| | For the three months ended September 30, | |
|--|--|-----------|
| | 2022 | 2023 |
| Continuing operations | | |
| Net Sales | 590,398 | 594,607 |
| Cost of sales | (470,793) | (466,172) |
| Gross profit | 119,605 | 128,435 |
| Selling, general and administrative expenses | (46,900) | (51,105) |
| Research and development expenses | (20,997) | (21,700) |
| Operating profit | 51,708 | 55,630 |
| Financial income | 3,428 | 8,701 |
| Financial expenses | (2,853) | (4,660) |
| Derivative gain (loss) | 17 | (577) |
| Foreign exchange differences | 9,557 | 1,679 |
| Share of net profit (loss) from associate accounting using the equity method | (471) | (1,495) |
| Profit before income taxes | 61,386 | 59,278 |
| Income tax expenses | (16,030) | (16,681) |
| Profit for the period from continuing operations | 45,356 | 42,597 |
| Discontinued operations | | |
| Loss for the period from discontinued operations | (31) | (22) |
| Profit for the period | 45,325 | 42,575 |
| Profit for the period attributable to: | | |
| Owners of the parent | 45,328 | 42,040 |
| Non-controlling interests | (3) | 535 |
| Profit for the period | 45,325 | 42,575 |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

| | For the three months ended September 30, | |
|--|--|--------|
| | 2022 | 2023 |
| Profit for the period | 45,325 | 42,575 |
| Other comprehensive income, net of taxation | | |
| Items that will not be reclassified to net profit or loss: | | |
| Remeasurement of defined benefit plans | 42 | 12 |
| Fair value movements on FVTOCI equity financial assets | (418) | 451 |
| Items that may be reclassified to net profit or loss: | | |
| Foreign currency translation adjustments | 58,795 | 47,020 |
| Effective portion of net changes in fair value of cash flow hedges | 147 | (710) |
| Fair value movements on FVTOCI debt financial assets | (22) | 0 |
| Total other comprehensive income for the period, net of taxation | 58,544 | 46,773 |
| Comprehensive income for the period | 103,869 | 89,348 |
| Comprehensive income for the period attributable to: | | |
| Owners of the parent | 104,058 | 88,513 |
| Non-controlling interests | (189) | 835 |
| Comprehensive income for the period | 103,869 | 89,348 |

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

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

For the six months ended September 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 | | | 106,081 | | | 106,081 | 890 | 106,971 |
| Other comprehensive income | | | | 168,847 | | 168,847 | 1,038 | 169,885 |
| Total comprehensive income | | | | | | 274,928 | 1,928 | 276,856 |
| Transactions with owners directly recognized in equity: | | | | | | | | |
| Purchase of treasury stock | | | | | (1,019) | (1,019) | - | (1,019) |
| Dividends paid to the owners of the parent | | | (20,116) | | | (20,116) | - | (20,116) |
| Dividends paid to non-controlling interests | | | | | | - | (147) | (147) |
| Share-based payment transactions | | (425) | | | | (425) | - | (425) |
| Transfer to retained earnings | | | 3,664 | (3,664) | | - | - | - |
| Changes in equity by purchase of shares of consolidated subsidiaries | | | | | | - | (197) | (197) |
| Other | | | (131) | (1) | | (132) | 213 | 81 |
| Balance at September 30, 2023 | 87,784 | 97,245 | 1,218,710 | 371,938 | (167,936) | 1,607,741 | 20,986 | 1,628,727 |

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

| | For the six months ended September 30, | |
|---|--|----------|
| | 2022 | 2023 |
| Cash flows from operating activities: | | |
| Profit for the period from continuing operations | 87,243 | 106,985 |
| Loss for the period from discontinued operations | (171) | (14) |
| Profit for the period | 87,072 | 106,971 |
| Adjustments to reconcile profit for the period to net cash provided by operating activities | | |
| Depreciation and amortization | 58,320 | 61,815 |
| Loss (gain) from sales, disposal or impairment of property, plant and equipment | (539) | (4,191) |
| Loss from sales of discontinued operations | 171 | 14 |
| Financial expenses (income) | (960) | (7,068) |
| Share of net loss (profit) from associate accounting using the equity method | 1,509 | 2,971 |
| Deferred income taxes | (2,838) | 3,762 |
| Current income taxes | 33,970 | 34,613 |
| Foreign currency adjustments | (3,573) | 114 |
| Increase (decrease) in retirement benefit liability | (1,627) | (879) |
| Decrease (increase) in accounts receivable | (16,173) | (21,931) |
| Decrease (increase) in inventories | (35,182) | (349) |
| Increase (decrease) in accounts payable | (49,972) | 6,527 |
| Other, net | 9,344 | (20,571) |
| Interests and dividends received | 5,277 | 16,184 |
| Interests paid | (3,912) | (8,868) |
| Income taxes paid | (24,536) | (27,835) |
| Net cash provided by operating activities | 56,351 | 141,279 |

(Yen in millions)

For the six months ended September 30,

| | 2022 | 2023 |
|--|----------|----------|
| Cash flows from investing activities: | | |
| Additions to property, plant and equipment | (66,649) | (54,634) |
| Proceeds from sales of property, plant and equipment | 2,184 | 4,324 |
| Additions to intangible assets | (9,130) | (6,577) |
| Acquisitions of business, net of cash acquired | — | (10,586) |
| Other, net | (7,373) | (12,079) |
| Net cash used in investing activities | (80,968) | (79,552) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short term borrowings | 80,234 | (38,389) |
| Proceeds from issuance of long term debt | 14,000 | 50,000 |
| Repayments of long term debt | (5,908) | (12,166) |
| Proceeds from issuance of bonds | 50,000 | — |
| Redemption of bonds | (85,000) | (50,000) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | (54) | (869) |
| Purchase of treasury stock | (46,680) | (1,019) |
| Dividends paid to the owners of the parent | (20,309) | (20,116) |
| Other, net | (371) | (149) |
| Net cash used in financing activities | (14,088) | (72,708) |
| Effect of exchange rate changes on cash and cash equivalents | 52,721 | 31,247 |
| Net increase (decrease) in cash and cash equivalents | 14,016 | 20,266 |
| Cash and cash equivalents at beginning of period | 199,655 | 186,098 |
| Cash and cash equivalents at end of period | 213,671 | 206,364 |

(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 September 30, 2023 and for the six months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation

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

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

With the exception of the item explained below, material 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 six months ended September 30, 2023 are computed using the estimated annual effective tax rate.

(Income Taxes)

| IFRS | | Summaries of new standards and amendments |
|--------|--------------|---|
| IAS 12 | Income Taxes | Clarified accounting processing for deferred taxes on leases and disposal obligations. |
| IAS 12 | Income Taxes | Requirements for disclosure on specific information relating corporate income tax arising from the application of the Pillar 2 Model Rules. |

There are no material impacts of the above statement on NIDEC's condensed quarterly consolidated financial statements.

4. Significant accounting estimates, judgments and assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 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 and the six months ended September 30, 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 September 30, 2023.

6. Events after the Reporting Period

No items to report

3. Others

(1) Quarterly Financial Data for the three months ended September 30, 2023 and June 30, 2023

(Yen in millions)

| | For the three months ended | |
|---|----------------------------|--------------------|
| | June 30, 2023 | September 30, 2023 |
| Net sales | 566,055 | 594,607 |
| Operating profit | 60,152 | 55,630 |
| Profit before income taxes | 86,081 | 59,278 |
| Profit for the period | 64,396 | 42,575 |
| Profit attributable to owners of the parent | 64,041 | 42,040 |

(2) Information by Product Category

For the six months ended September 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 | 226,311 | 254,150 | 453,396 | 153,365 | 41,501 | 2,044 | 1,130,767 | - | 1,130,767 |
| Intersegment | 2,262 | 146 | 4,083 | 9,021 | 2,411 | 525 | 18,448 | (18,448) | - |
| Total | 228,573 | 254,296 | 457,479 | 162,386 | 43,912 | 2,569 | 1,149,215 | (18,448) | 1,130,767 |
| Operating expenses | 204,538 | 248,833 | 419,187 | 134,427 | 36,218 | 2,340 | 1,045,543 | (11,144) | 1,034,399 |
| Operating profit | 24,035 | 5,463 | 38,292 | 27,959 | 7,694 | 229 | 103,672 | (7,304) | 96,368 |

For the six months ended September 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 | 207,078 | 282,176 | 479,663 | 146,445 | 42,986 | 2,314 | 1,160,662 | - | 1,160,662 |
| Intersegment | 2,465 | 81 | 5,170 | 3,646 | 2,522 | 535 | 14,419 | (14,419) | - |
| Total | 209,543 | 282,257 | 484,833 | 150,091 | 45,508 | 2,849 | 1,175,081 | (14,419) | 1,160,662 |
| Operating expenses | 192,518 | 265,894 | 426,209 | 126,677 | 37,664 | 2,610 | 1,051,572 | (6,692) | 1,044,880 |
| Operating profit | 17,025 | 16,363 | 58,624 | 23,414 | 7,844 | 239 | 123,509 | (7,727) | 115,782 |

For the three months ended September 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 | 115,189 | 140,870 | 230,710 | 80,275 | 22,266 | 1,088 | 590,398 | - | 590,398 |
| Intersegment | 1,041 | 54 | 2,255 | 5,964 | 1,257 | 252 | 10,823 | (10,823) | - |
| Total | 116,230 | 140,924 | 232,965 | 86,239 | 23,523 | 1,340 | 601,221 | (10,823) | 590,398 |
| Operating expenses | 105,225 | 135,429 | 212,576 | 71,633 | 19,282 | 1,195 | 545,340 | (6,650) | 538,690 |
| Operating profit | 11,005 | 5,495 | 20,389 | 14,606 | 4,241 | 145 | 55,881 | (4,173) | 51,708 |

For the three months ended September 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 | 111,318 | 144,576 | 240,784 | 75,675 | 21,128 | 1,126 | 594,607 | - | 594,607 |
| Intersegment | 913 | 60 | 1,776 | 2,212 | 1,370 | 359 | 6,690 | (6,690) | - |
| Total | 112,231 | 144,636 | 242,560 | 77,887 | 22,498 | 1,485 | 601,297 | (6,690) | 594,607 |
| Operating expenses | 101,207 | 139,301 | 214,841 | 65,532 | 18,878 | 1,412 | 541,171 | (2,194) | 538,977 |
| Operating profit | 11,024 | 5,335 | 27,719 | 12,355 | 3,620 | 73 | 60,126 | (4,496) | 55,630 |

(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.

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

| | For the six months ended September 30, | | | | Increase or decrease | |
|------------|--|-------|-----------|-------|----------------------|-------|
| | 2022 | | 2023 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 201,942 | 17.9 | 188,174 | 16.2 | (13,768) | (6.8) |
| China | 295,975 | 26.2 | 274,060 | 23.6 | (21,915) | (7.4) |
| Other Asia | 137,227 | 12.1 | 130,839 | 11.3 | (6,388) | (4.7) |
| U.S.A. | 256,601 | 22.7 | 282,453 | 24.3 | 25,852 | 10.1 |
| Europe | 195,677 | 17.3 | 238,855 | 20.6 | 43,178 | 22.1 |
| Others | 43,345 | 3.8 | 46,281 | 4.0 | 2,936 | 6.8 |
| Total | 1,130,767 | 100.0 | 1,160,662 | 100.0 | 29,895 | 2.6 |

(Yen in millions)

| | For the three months ended September 30, | | | | Increase or decrease | |
|------------|--|-------|---------|-------|----------------------|--------|
| | 2022 | | 2023 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 103,376 | 17.5 | 98,784 | 16.6 | (4,592) | (4.4) |
| China | 162,598 | 27.5 | 137,552 | 23.1 | (25,046) | (15.4) |
| Other Asia | 70,244 | 11.9 | 69,967 | 11.8 | (277) | (0.4) |
| U.S.A. | 133,884 | 22.7 | 148,869 | 25.1 | 14,985 | 11.2 |
| Europe | 98,645 | 16.7 | 119,723 | 20.1 | 21,078 | 21.4 |
| Others | 21,651 | 3.7 | 19,712 | 3.3 | (1,939) | (9.0) |
| Total | 590,398 | 100.0 | 594,607 | 100.0 | 4,209 | 0.7 |

(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

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

| | For the six months ended September 30, | | | | Increase or decrease | |
|------------|--|-------|-----------|-------|----------------------|--------|
| | 2022 | | 2023 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 128,630 | 11.4 | 133,154 | 11.5 | 4,524 | 3.5 |
| China | 297,104 | 26.3 | 284,551 | 24.5 | (12,553) | (4.2) |
| Other Asia | 181,600 | 16.0 | 162,779 | 14.0 | (18,821) | (10.4) |
| U.S.A. | 234,807 | 20.8 | 244,887 | 21.1 | 10,080 | 4.3 |
| Europe | 188,482 | 16.7 | 218,185 | 18.8 | 29,703 | 15.8 |
| Others | 100,144 | 8.8 | 117,106 | 10.1 | 16,962 | 16.9 |
| Total | 1,130,767 | 100.0 | 1,160,662 | 100.0 | 29,895 | 2.6 |

(Yen in millions)

| | For the three months ended September 30, | | | | Increase or decrease | |
|------------|--|-------|---------|-------|----------------------|--------|
| | 2022 | | 2023 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 66,375 | 11.2 | 68,046 | 11.5 | 1,671 | 2.5 |
| China | 162,505 | 27.5 | 146,262 | 24.6 | (16,243) | (10.0) |
| Other Asia | 91,903 | 15.6 | 85,433 | 14.4 | (6,470) | (7.0) |
| U.S.A. | 118,741 | 20.1 | 125,101 | 21.0 | 6,360 | 5.4 |
| Europe | 96,612 | 16.4 | 109,580 | 18.4 | 12,968 | 13.4 |
| Others | 54,262 | 9.2 | 60,185 | 10.1 | 5,923 | 10.9 |
| Total | 590,398 | 100.0 | 594,607 | 100.0 | 4,209 | 0.7 |

(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

October 23, 2023

(1) Summary of Consolidated Financial Performance

(Yen in millions)

| | For the six months ended September 30, 2022 | For the six months ended September 30, 2023 | Increase or decrease | For the three months ended September 30, 2022 | For the three months ended September 30, 2023 | Increase or decrease |
|---|---|---|----------------------|---|---|----------------------|
| Net Sales | 1,130,767 | 1,160,662 | 2.6 % | 590,398 | 594,607 | 0.7 % |
| Operating profit | 96,368 8.5 % | 115,782 10.0 % | 20.1 % | 51,708 8.8 % | 55,630 9.4 % | 7.6 % |
| Profit before income taxes | 118,375 10.5 % | 145,359 12.5 % | 22.8 % | 61,386 10.4 % | 59,278 10.0 % | (3.4) % |
| Profit attributable to owners of the parent | 86,649 7.7 % | 106,081 9.1 % | 22.4 % | 45,328 7.7 % | 42,040 7.1 % | (7.3) % |
| Earnings per share attributable to owners of the parent - basic (Yen) | 150.31 | 184.62 | | 78.83 | 73.16 | |
| 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 September 30, 2022 | As of September 30, 2023 | As of March 31, 2023 |
|---|---|---|-----------------------------------|
| Total assets | 3,023,437 | 3,163,757 | 2,872,789 |
| Total equity attributable to owners of the parent | 1,518,134 | 1,607,741 | 1,354,505 |
| Ratio of total equity attributable to owners of the parent to total asset | 50.2% | 50.8% | 47.1% |
| | For the six months ended September 30, 2022 | For the six months ended September 30, 2023 | For the year ended March 31, 2023 |
| Net cash provided by operating activities | 56,351 | 141,279 | 143,485 |
| Net cash used in investing activities | (80,968) | (79,552) | (164,943) |
| Net cash used in financing activities | (14,088) | (72,708) | (19,238) |
| Cash and cash equivalents at end of period | 213,671 | 206,364 | 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 | 35.00 | - | - |
| Year ending March 31, 2024 (forecast) | - | 35.00 | 70.00 |

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

| Number of consolidated subsidiaries | 346 | |
|---|----------------------------|--------------------------------|
| Number of associates accounted for using the equity method | 5 | |
| | Change from March 31, 2023 | Change from September 30, 2022 |
| Number of companies newly consolidated | 6 | 21 |
| Number of companies excluded from consolidation | 3 | 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 six months ended September 30, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the above accounting treatment.