

[Translation]

Amendment Report on Quarterly Report

(The First Quarter of 51st Business Term)

From April 1, 2023 to June 30, 2023

NIDEC CORPORATION

[Cover]	
[Document Filed]	Amendment Report on Quarterly Report (“Shihanki Hokokusho no Teisei Hokokusho”)
[Applicable Law]	Article 24-4-7, Paragraph 4 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director-General of the Kanto Local Finance Bureau
[Filing Date]	May 24, 2024
[Fiscal Year]	The First Quarter of 51st Business Term (from April 1, 2023 to June 30, 2023)
[Company Name]	Nidec Kabushiki Kaisha
[Company Name in English]	NIDEC CORPORATION
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This is an English translation of the Quarterly Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

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

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

Reason for submitting an amendment report on quarterly report

(1) Details

It became clear that, at Nidec Drive Technology, a consolidated subsidiary of the Company, the wrong data was identified for part of the adjustment, such as sales accompanied by transactions between consolidated subsidiaries of the Company's business group in its consolidated account closing procedure, resulting in sales recorded in an inflated manner.

We discussed this issue and the amount of the impact with PricewaterhouseCoopers Japan LLC, the accounting auditor of the Company. Considering the importance of the influences, we finally concluded to amend previous years' Securities Reports and Financial Statements Summary. And we also decided to amend Internal Control Report in accordance with Article 24-4-5(1) of the Financial Instruments and Exchange Act.

We have also revised the amount that had been disclosed through provisional accounting by the implementation of business combinations to the amount after the revision of the initial allocation of acquisition costs due to the finalization of the processing.

Moreover, in revising Securities Reports and Financial Statements Summary, we have revised uncorrected matters that were individually immaterial, and properly reflected the revisions in the consolidated financial statements after amendment.

The Company has amended the consolidated financial statements for each quarter from fiscal year 2022 to fiscal year 2023 by correcting above items.

(2) Overview

1) Corrections to accounting treatment related to consolidated adjustments such as sales

It became clear that, at Nidec Drive Technology, a consolidated subsidiary of the Company, there were errors in the consolidation adjustment, such as sales accompanied by transactions between consolidated subsidiaries of the Company's business group in its consolidated account closing procedure, and as a result, we have corrected them.

2) Revisions on completion of fair value assessment of PAMA S.p.A. and Midori Precisions Co., Ltd

During the three months ended March 31, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of PAMA S.p.A and Midori Precisions Co., Ltd in the fiscal year 2023. As a result, figures in consolidated financial statements for the year ended March 31, 2023 and condensed consolidated financial statements of 1Q for the year ended March 31, 2024 reflect the revision of the initial allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combinations.

3) Corrections by self-checking

We also have revised small errors that were found in our self-checking process and other matters that had not been corrected from the view point of importance.

4) Corrections to income taxes

Deferred tax assets and liabilities have been revised due to fluctuations in temporary differences by above corrections to accounting treatment for previous fiscal years.

Due to these corrections to the financial results, some of the items stated in the quarterly report on the 1st quarter of the 51st Business Term (April 1, 2023 to June 30, 2023) submitted on August 9, 2023 had to be corrected. Therefore, the Company submitted amendment report on quarterly report in accordance with Article 24-4-7(4) of the Financial Instruments and Exchange Act.

PricewaterhouseCoopers Japan LLC conducted quarterly review to the condensed quarterly consolidated financial statements after amendment, and its quarterly review report is attached.

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise indicated)

	For the three months ended June 30,		For the year ended March 31, 2023
	2022	2023	
Net sales	<u>530,183</u>	<u>564,362</u>	<u>2,230,027</u>
Profit before income taxes	<u>51,025</u>	<u>86,105</u>	<u>110,435</u>
Profit attributable to owners of the parent	<u>36,613</u>	<u>64,066</u>	<u>36,982</u>
Comprehensive income attributable to owners of the parent	<u>184,054</u>	<u>185,915</u>	<u>145,905</u>
Total equity attributable to owners of the parent	<u>1,421,829</u>	<u>1,510,766</u>	<u>1,346,565</u>
Total assets	<u>2,896,745</u>	<u>3,076,404</u>	<u>2,862,749</u>
Earnings per share attributable to owners of the parent - basic (yen)	<u>63.35</u>	<u>111.50</u>	<u>64.26</u>
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	49.1	<u>49.1</u>	<u>47.0</u>
Net cash provided by operating activities	24,477	<u>81,515</u>	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

(Notes) 1. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.

3. Figures shown in yen in millions are rounded to the nearest million.

4. "Earnings per share attributable to owners of the parent - basic" and "Earnings per share attributable to owners of the parent - diluted" have been calculated based on figures of "Profit attributable to owners of the parent". "Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect.

2. Description of Business

There were no significant changes in NIDEC's businesses during the three months ended June 30, 2023. Moreover, there were no changes in principal subsidiaries and associates.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the three months ended June 30, 2023. There were no material changes in the risk factors stated in the annual securities report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan.

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

Forward-looking statements below were determined as of June 30, 2023.

(1) Operating results

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 10.7% in 1Q.

The following table sets forth consolidated operating results for the three months ended June 30, 2023:

	For the three months ended June 30,		Increase or decrease	Ratio of change
	2022	2023		
Net sales	<u>530,183</u>	<u>564,362</u>	<u>34,179</u>	<u>6.4%</u>
Operating profit	<u>38,696</u>	<u>60,176</u>	<u>21,480</u>	<u>55.5%</u>
Operating profit ratio	<u>7.3%</u>	<u>10.7%</u>	-	-
Profit before income taxes	<u>51,025</u>	<u>86,105</u>	<u>35,080</u>	<u>68.8%</u>
Profit for the period from continuing operations	<u>37,179</u>	<u>64,413</u>	<u>27,234</u>	<u>73.3%</u>
Loss for the period from discontinued operations(Loss)	(140)	8	148	-
Profit attributable to owners of the parent	<u>36,613</u>	<u>64,066</u>	<u>27,453</u>	<u>75.0%</u>

Consolidated net sales from continuing operations increased 6.4% to ¥564,362 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 55.5% to ¥60,176 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.

Profit before income taxes increased 68.8% to ¥86,105 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 73.3% to ¥64,413 million, and profit attributable to owners of the parent increased 75.0% to ¥64,066 million compared to the same period of the previous year. They all renewed the highest records of the quarterly consolidated accounting periods.

The following table sets forth operating results by segment:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit (loss)		
	2022	2023	Increase or decrease	2022	2023	Increase or decrease
SPMS	<u>88,187</u>	<u>74,392</u>	<u>(13,795)</u>	<u>10,073</u>	<u>2,590</u>	<u>(7,483)</u>
AMEC	64,337	82,169	17,832	(6,246)	4,229	10,475
MOEN	89,644	112,664	23,020	8,599	15,195	6,596
ACIM	111,805	107,916	(3,889)	5,881	11,755	5,874
Nidec Instruments	42,205	37,888	(4,317)	4,706	4,757	51
Nidec Techno Motor	25,799	25,704	(95)	3,406	3,995	589
Nidec Mobility	26,065	32,668	6,603	2,676	3,998	1,322
Nidec Machinery and Automation	<u>30,012</u>	<u>47,129</u>	<u>17,117</u>	<u>(516)</u>	<u>5,268</u>	<u>5,784</u>
Nidec Advance Technology	17,869	11,359	(6,510)	5,165	3,430	(1,735)
Others	51,910	52,595	685	8,210	<u>8,306</u>	<u>96</u>
Elimination/corporate	(17,650)	(20,122)	(2,472)	(3,258)	(3,347)	(89)
Consolidated total	<u>530,183</u>	<u>564,362</u>	<u>34,179</u>	<u>38,696</u>	<u>60,176</u>	<u>21,480</u>

(Notes) 1. Net sales are the total of sales to external customers and sales to other operating segments.

2. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

4. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

Net sales of SPMS decreased ¥13,795 million to ¥74,392 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in the number of HDD motors sold despite a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit decreased ¥7,483 million to ¥2,590 million for this three-month period compared to the same period of the prior year. This decrease was due to the impact of lower sales and fluctuations in product mix.

Net sales of AMEC increased ¥17,832 million to ¥82,169 million for this three-month period compared to the same period of the prior year. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥10,475 million to ¥4,229 million for this three-month period compared to the same period of the prior year. This increase was due to the improvement of the product composition in tractionmotor systems (E-Axle) and significant reduction in fixed costs in line.

Net sales of MOEN increased ¥23,020 million to ¥112,664 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales for power generators and related to green innovation demand. Operating profit increased ¥6,596 million to ¥15,195 million for this three-month period compared to the same period of the prior year. This increase was due to the impact of the higher sales, steady progress in cost reductions, and the significant reductions in fixed costs.

Net sales of ACIM decreased ¥3,889 million to ¥107,916 million for this three-month period compared to the same period of the prior year. This decrease was due to the continued reconciliation of the demand for home appliances. Operating profit increased ¥5,874 million to ¥11,755 million for this three-month period compared to the same period of the prior year. This increase was due to steady progress in cost reductions and the significant reductions in fixed costs.

Net sales of Nidec Instruments decreased ¥4,317 million to ¥37,888 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of LCD panel handling robots. However, operating profit increased ¥51 million to ¥4,757 million for this three-month period compared to the same period of the prior year. This increase was due to manufacturing cost improvement.

Net sales of Nidec Techno Motor decreased ¥95 million to ¥25,704 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of motors for air conditioners. However, operating profit increased ¥589 million to ¥3,995 million for this three-month period compared to the same period of the prior year. This increase was due to fixed cost rationalization.

Net sales of Nidec Mobility increased ¥6,603 million to ¥32,668 million for this three-month period compared to the same period of the prior year. This increase was due to a global automobile production volume recovery and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥1,322 million to ¥3,998 million for this three-month period. This increase was due to an increase in sales.

Net sales of Nidec Machinery and Automation increased ¥17,117 million to ¥47,129 million for this three-month period compared to the same period of the prior year. This increase was due to new consolidation and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥5,784 million to ¥5,268 million for this three-month period compared to the same period of the prior year. This increase was due to an increase in sales.

Net sales of Nidec Advance Technology decreased ¥6,510 million to ¥11,359 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales of semiconductor inspection systems. Operating profit decreased ¥1,735 million to ¥3,430 million for this three-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

With respect to the Others segment, net sales increased ¥685 million to ¥52,595 million for this three-month period compared to the same period of the prior year. Operating profit increased ¥96 million to ¥8,306 million for this three-month period compared to the same period of the prior year.

Operating results by product category are as follows:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit (loss)		
	2022	2023	Increase or decrease	2022	2023	Increase or decrease
Small precision motors	<u>110,489</u>	<u>94,670</u>	<u>(15,819)</u>	<u>12,956</u>	<u>5,919</u>	<u>(7,037)</u>
Automotive products	113,280	137,600	24,320	(32)	11,028	11,060
Appliance, commercial and industrial products	222,686	238,879	16,193	17,903	30,905	13,002
Machinery	<u>63,537</u>	<u>70,167</u>	<u>6,630</u>	<u>7,463</u>	<u>11,176</u>	<u>3,713</u>
Electronic and optical components	19,235	21,858	2,623	3,453	<u>4,213</u>	<u>760</u>
Other products	956	1,188	232	84	166	82
Elimination/corporate	-	-	-	(3,131)	(3,231)	(100)
Consolidated total	<u>530,183</u>	<u>564,362</u>	<u>34,179</u>	<u>38,696</u>	<u>60,176</u>	<u>21,480</u>

Net sales of small precision motors decreased 14.3% to ¥94,670 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 6.2% to ¥84,029 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 54.3% to ¥5,919 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.

Net sales of automotive products 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.

Net sales of appliance, commercial and industrial products 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. 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.

Net sales of machinery increased 10.4% to ¥70,167 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. Operating profit of this category increased 49.8% to ¥11,176 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.

Net sales of electronic and optical components 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 22.0% to ¥4,213 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.

Net sales of other products 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.

(2) Financial position

Total assets increased ¥213,655 million to ¥3,076,404 million as of June 30, 2023 compared to March 31, 2023. This was mainly due to increases of ¥54,968 million in property, plant and equipment, ¥44,306 million in trade and other receivables, and ¥41,792 million in inventories.

Total liabilities increased ¥48,284 million to ¥1,545,279 million as of June 30, 2023 compared to March 31, 2023. This was mainly due to an increase of ¥39,706 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.

Total equity attributable to owners of the parent increased ¥164,201 million to ¥1,510,766 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 49.1% as of June 30, 2023 from 47.0% as of March 31, 2023. This was mainly due to increases in retained earnings of ¥47,158 million and other components of equity of ¥118,646 million.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities for the three months ended June 30, 2023 came to a net cash inflow of ¥81,515 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 ¥57,038 million mainly due to profit for the period from continuing operations increased by ¥27,234 million to ¥64,413 million and promoted efficiency of working capital by reducing inventories and strengthening activities to collect trade receivables.

(Cash flows from investing activities)

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.

(Cash flows from financing activities)

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 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.

The main currencies we had as of June 30, 2023 were U.S. dollars, Chinese yuan, Japanese yen, Euros, and Korean won. All the above amounts include discontinued operations.

(4) Management targets

We have set a 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 profit per employee compared to FY2020
- 3) ROIC (Return On Invested Capital) : over 15%
- 4) To be a top-rated ESG company

(5) Research and development

NIDEC's research and development expenses for the three months ended June 30, 2023 were ¥19,145 million. There were no significant changes in research and development activities for the period.

(6) Production, Orders Received and Sales

Production, orders received and sales mainly in the "MOEN / AMEC" segments increased, despite its mainly in the "SPMS / Nidec Advance Technology" segment decreased for the three months ended June 30, 2023 compared to the three months ended June 30, 2022.

3. *Material Agreements, etc.*

The material agreement executed during the three months ended June 30, 2023 is as follows:

Joint Venture Agreement

(Nidec Aerospace LLC)

On June 18 2023 (Japan time), the Company signed an agreement to establish a joint venture company between the Company's US subsidiary, Nidec Motor Corporation ("NMC"), and Embraer S.A. ("Embraer"), a Brazilian air craft manufacturer, to develop Electric Propulsion Systems for the aerospace sector.

1. Purpose

The transaction combines the complementary synergies and distinct areas of expertise of two world-class engineering companies to spearhead a new era of air mobility.

The Company, the world's leading comprehensive motor manufacturer, will be backed by Embraer's more than 50-year history of complementary aerospace experience to design, certify, produce, and commercialize next-generation electric propulsion systems based on well-proven technologies suitable for powering more efficient and greener aircraft models. The JV will develop and manufacture the Electric Propulsion System for electric Vertical Take-Off Landing ("eVTOL") vehicles, with the aim of providing the system to non-eVTOL vehicles in the future.

2. Information on Joint Venture

Company Name	Nidec Aerospace LLC
Headquarters	St. Louis, Missouri, U.S.A.
Foundation	June 15, 2023
Business	Development, production and sale of electric propulsion system for eVTOL
Shareholder (Plan)	NMC 51%, Embraer 49%

3. Information on Embraer S.A.

Company Name	Embraer S.A.
Headquarters	Sao Jose dos Campos, Sao Paulo, Brazil
Foundation	1969
Business	Design, develop, manufacture and market aircraft and systems, providing services and support to customers after-sales
CEO	Francisco Gomes Neto
Listed Market	New York Stock Exchange

Equity Transfer Agreement

(Houma Armature Works)

The Company announced that it has acquired full ownership of TAR, LLC d/b/a Houma Armature Works, a privately owned US company (“Houma”), from its founding family, through the Company’s subsidiary, NMC, on July 3, 2023 (US time). Details of the agreement are stated in “IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 18. Events after the reporting period”.

(Automatic Feed Company, Lasercoil Technologies LLC, Automatic Leasing Company)

The Company announced that it has acquired full ownership of Automatic Feed Company, Lasercoil Technologies LLC, and Automatic Leasing Company, from its founding family on August 1, 2023 (Japan time). Details of the agreement are stated in “IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 18. Events after the reporting period”.

III. Information on the Company

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of first quarter (Shares) (June 30, 2023)	Number of shares issued as of the filing date (Shares) (August 9, 2023)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	596,284,468	596,284,468	Tokyo Stock Exchange, Inc. Prime Market	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	596,284,468	596,284,468	-	-

(2) Information on the share acquisition rights, etc.

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares, common stock, etc.

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From Apr 1, 2023 to June 30, 2023	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of March 31, 2023 is stated in this item because the Company cannot identify the number of voting rights as of June 30, 2023 due to the lack of information on the details entered in the shareholders registry as of June 30, 2023.

1) Issued shares

(As of June 30, 2023)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 21,059,200	-	-
Shares with full voting rights (others)	Ordinary share 574,461,500	5,744,615	-
Shares less than one unit	Ordinary share 763,768	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,744,615	-

- (Notes) 1. The "Shares with full voting rights (others)" row includes 71,200 shares registered in the name of Japan Securities Depository Center ("JASDEC") and the "Number of voting rights" column includes 712 voting rights for those shares. The "Shares with full voting rights (others)" row includes 400 shares registered in the name of Nidec-Shimpo Corporation (shares that were not registered when the shares were exchanged with the Company on October 1, 2003) and the "Number of voting rights" column includes 4 voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 400 shares (4 voting rights) registered in its name. The name of "Nidec-Shimpo Corporation" was changed to "Nidec Drive Technology Corporation" on April 1, 2023.
2. Ordinary shares in the "Shares less than one unit" row include 36 shares of the Company's treasury stock. In addition, this treasury stocks include 31 fractional shares arising from the exchange of shares with Nidec OKK Corporation with an effective date of March 1, 2023.
3. Ordinary shares in the "Shares with full voting rights (others)" row include 315,200 shares (3,152 voting rights) of the BIP Trust and 156,700 shares (1,567 voting rights) of the ESOP Trust.

2) Treasury stock, etc.

(As of June 30, 2023)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	21,059,200	-	21,059,200	3.53
Total	-	21,059,200	-	21,059,200	3.53

- (Notes) 1. The number of shares held under own name (except for shares less than one unit) is 21,211,800, as of June 30, 2023.
2. The above treasury stock do not include shares of the Company held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust, but include 3,500 fractional shares arising from the exchange of shares with Nidec OKK Corporation with an effective date of March 1, 2023.

2. Members of the Board of Directors

There were no changes in Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to June 30, 2023.

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2023	As of June 30, 2023
Assets			
Current assets			
Cash and cash equivalents		186,098	204,843
Trade and other receivables		<u>592,914</u>	<u>637,220</u>
Other financial assets	14	3,811	3,935
Income tax receivables		<u>10,538</u>	<u>11,761</u>
Inventories		<u>521,959</u>	<u>563,751</u>
Other current assets		<u>59,298</u>	<u>74,395</u>
Total current assets		<u>1,374,618</u>	<u>1,495,905</u>
Non-current assets			
Property, plant and equipment		<u>835,753</u>	<u>890,721</u>
Goodwill	8	<u>362,388</u>	<u>380,977</u>
Intangible assets	8	<u>223,427</u>	<u>237,495</u>
Investments accounted for using the equity method		3,097	1,267
Other investments	14	25,943	29,122
Other financial assets	14	9,610	10,766
Deferred tax assets		<u>11,592</u>	<u>11,742</u>
Other non-current assets		16,321	18,409
Total non-current assets		<u>1,488,131</u>	<u>1,580,499</u>
Total assets		<u>2,862,749</u>	<u>3,076,404</u>

(Yen in millions)

	Note	As of March 31, 2023	As of June 30, 2023
Liabilities			
Current liabilities			
Short term borrowings	14	159,279	132,040
Long term debt due within one year	14	59,765	11,806
Trade and other payables		493,980	<u>533,686</u>
Other financial liabilities	14	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>875,341</u>
Non-current liabilities			
Long term debt	14	486,305	545,461
Other financial liabilities	14	485	359
Retirement benefit liabilities		32,337	33,653
Provisions		1,377	1,547
Deferred tax liabilities		<u>69,110</u>	<u>78,961</u>
Other non-current liabilities		6,776	9,957
Total non-current liabilities		<u>596,390</u>	<u>669,938</u>
Total liabilities		<u>1,496,995</u>	<u>1,545,279</u>
Equity			
Common stock		87,784	87,784
Additional paid-in capital		97,670	97,082
Retained earnings		<u>1,121,191</u>	<u>1,168,349</u>
Other components of equity		<u>206,837</u>	<u>325,483</u>
Treasury stock		(166,917)	(167,932)
Total equity attributable to owners of the parent		<u>1,346,565</u>	<u>1,510,766</u>
Non-controlling interests		19,189	20,359
Total equity		<u>1,365,754</u>	<u>1,531,125</u>
Total liabilities and equity		<u>2,862,749</u>	<u>3,076,404</u>

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

For the three months ended June 30, 2022 and 2023

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended June 30, 2022	2023
Continuing operations			
Net Sales	5	<u>530,183</u>	<u>564,362</u>
Cost of sales		<u>(426,970)</u>	<u>(438,867)</u>
Gross profit		<u>(103,213)</u>	<u>125,495</u>
Selling, general and administrative expenses		<u>(46,772)</u>	<u>(46,174)</u>
Research and development expenses		<u>(17,745)</u>	<u>(19,145)</u>
Operating profit	5	<u>38,696</u>	<u>60,176</u>
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		<u>51,025</u>	<u>86,105</u>
Income tax expenses		<u>(13,846)</u>	<u>(21,692)</u>
Profit for the period from continuing operations		<u>37,179</u>	<u>64,413</u>
Discontinued operations			
Profit (loss) for the period from discontinued operations	6	<u>(140)</u>	<u>8</u>
Profit for the period		<u>37,039</u>	<u>64,421</u>
Profit for the period attributable to:			
Owners of the parent		<u>36,613</u>	<u>64,066</u>
Non-controlling interests		426	355
Profit for the period		<u>37,039</u>	<u>64,421</u>
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	<u>63.59</u>	<u>111.48</u>
Discontinued operations		(0.24)	0.01
Total		<u>63.35</u>	<u>111.50</u>

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

	Note	For the three months ended June 30, 2022	2023
Profit for the period		<u>37,039</u>	<u>64,421</u>
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		<u>148,670</u>	<u>118,866</u>
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		<u>148,538</u>	<u>122,587</u>
Comprehensive income for the period		<u>185,577</u>	<u>187,008</u>
Comprehensive income for the period attributable to:			
Owners of the parent		<u>184,054</u>	<u>185,915</u>
Non-controlling interests		1,523	1,093
Comprehensive income for the period		<u>185,577</u>	<u>187,008</u>

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 2022

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2022		87,784	103,216	1,118,594	103,919	(121,272)	1,292,241	24,457	1,316,698
Comprehensive income									
Profit for the period				<u>36,613</u>	-	-	<u>36,613</u>	426	<u>37,039</u>
Other comprehensive income				-	<u>147,441</u>	-	<u>147,441</u>	1,097	<u>148,538</u>
Total comprehensive income							<u>184,054</u>	1,523	<u>185,577</u>
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	12			(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	<u>1,136,034</u>	<u>250,272</u>	(155,629)	<u>1,421,829</u>	25,964	<u>1,447,793</u>

For the three months ended June 30, 2023

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2023		87,784	97,670	<u>1,121,191</u>	<u>206,837</u>	(166,917)	<u>1,346,565</u>	19,189	<u>1,365,754</u>
Comprehensive income									
Profit for the period				<u>64,066</u>			<u>64,066</u>	355	<u>64,421</u>
Other comprehensive income					<u>121,849</u>		<u>121,849</u>	738	<u>122,587</u>
Total comprehensive income							<u>185,915</u>	1,093	<u>187,008</u>
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	12			(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	<u>1,168,349</u>	<u>325,483</u>	(167,932)	<u>1,510,766</u>	20,359	<u>1,531,125</u>

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the three months ended June 30,	
		2022	2023
Cash flows from operating activities:			
Profit for the period from continuing operations		<u>37,179</u>	<u>64,413</u>
Profit (loss) for the period from discontinued operations	6	(140)	8
Profit for the period		<u>37,039</u>	<u>64,421</u>
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		28,630	<u>30,226</u>
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		<u>(4,089)</u>	<u>5,177</u>
Current income taxes		<u>17,935</u>	<u>16,515</u>
Foreign currency adjustments		(6,357)	(2,617)
Increase (decrease) in retirement benefit liability		(691)	(568)
Decrease (increase) in accounts receivable		<u>6,587</u>	<u>(5,090)</u>
Decrease (increase) in inventories		<u>(42,984)</u>	<u>(10,270)</u>
Increase (decrease) in accounts payable		<u>(24,067)</u>	<u>20,467</u>
Other, net		<u>23,778</u>	<u>(21,301)</u>
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		<u>24,477</u>	<u>81,515</u>

(Yen in millions)

	Note	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	12	(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	<u>21,863</u>
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		<u>190,760</u>	<u>204,843</u>

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 the Regulations for Quarterly Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 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 three months ended June 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 June 30, 2023 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2023.

5. Segment information

(Operating segment information)

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

NIDEC's operating segments are as follows:

Name	Main products
1. SPMS	Hard disk drives spindle motors and other small precision motors
2. AMEC	Automotive products
3. MOEN	Appliance, commercial and industrial products
4. ACIM	Appliance, commercial and industrial products
5. Nidec Instruments	Machinery, automotive products, electronic components and other small precision motors
6. Nidec Techno Motor	Appliance, commercial and industrial products
7. Nidec Mobility	Automotive products
8. Nidec Machinery and Automation	Machinery, machine tools
9. Nidec Advance Technology	Machinery
10. Others	Automotive products, machinery, electronic components, other small precision motors and others

(Notes) 1. NIDEC changed its name of "Nidec Sankyo" segment to "Nidec Instruments" segment on April 1, 2023.

2. NIDEC changed its name of "Nidec Shimpo" segment to "Nidec Machinery and Automation" segment on April 1, 2023.

3. NIDEC changed its name of "Nidec Read" segment to "Nidec Advance Technology" segment on April 1, 2023.

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

Net sales to external customers:

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
SPMS	<u>87,639</u>	<u>73,739</u>
AMEC	64,166	81,871
MOEN	88,409	111,609
ACIM	109,336	104,746
Nidec Instruments	40,584	35,956
Nidec Techno Motor	24,195	22,479
Nidec Mobility	25,597	32,152
Nidec Machinery and Automation	<u>29,605</u>	<u>46,898</u>
Nidec Advance Technology	17,869	11,357
Others	42,783	43,555
Consolidated net sales	<u>530,183</u>	<u>564,362</u>

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

Net sales to other operating segments:

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
SPMS	548	653
AMEC	171	298
MOEN	1,235	1,055
ACIM	2,469	3,170
Nidec Instruments	1,621	1,932
Nidec Techno Motor	1,604	3,225
Nidec Mobility	468	516
Nidec Machinery and Automation	407	231
Nidec Advance Technology	-	2
Others	9,127	9,040
Total	17,650	20,122
Intersegment elimination	(17,650)	(20,122)
Consolidated net sales	-	-

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

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

	For the three months ended June 30,	
	2022	2023
SPMS	<u>10,073</u>	<u>2,590</u>
AMEC	(6,246)	4,229
MOEN	8,599	15,195
ACIM	5,881	11,755
Nidec Instruments	4,706	4,757
Nidec Techno Motor	3,406	3,995
Nidec Mobility	2,676	3,998
Nidec Machinery and Automation	<u>(516)</u>	<u>5,268</u>
Nidec Advance Technology	5,165	3,430
Others	8,210	<u>8,306</u>
Total	<u>41,954</u>	<u>63,523</u>
Elimination and Corporate (Note)	(3,258)	(3,347)
Operating profit	<u>38,696</u>	<u>60,176</u>
Financial income (expenses)	(83)	2,907
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	<u>51,025</u>	<u>86,105</u>

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥3,896 million and ¥3,173 million for the three months ended June 30, 2023 and 2022, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Supplemental Information)

Net sales by type of product are as follows:

Net sales by type of product

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Small precision motors:		
Hard disk drives spindle motors	20,923	10,641
Other small precision motors	<u>89,566</u>	<u>84,029</u>
Subtotal	<u>110,489</u>	<u>94,670</u>
Automotive products	113,280	137,600
Appliance, commercial and industrial products	222,686	238,879
Machinery	<u>63,537</u>	<u>70,167</u>
Electronic and optical components	19,235	21,858
Other products	956	1,188
Consolidated net sales	<u>530,183</u>	<u>564,362</u>

(Notes) 1. "Small precision motors" consists of "hard disk drives spindle motors" and "other small precision motors". "Other small precision motors" consists of brushless motors, fan motors, vibration motors, brush motors, motor and applications, etc.

"Automotive products" consists of automotive motors and components, and traction motor system.

"Appliance, commercial and industrial products" consists of home appliance, commercial and industrial motors and related products.

"Machinery" consists of industrial robots, card readers, test systems, press machines, power transmission drives and machine tools, etc.

"Electronic and optical components" consists of switches, sensors, lens units and camera shutters, etc.

"Other products" consists of music boxes and services, etc.

2. The above amounts no longer include discontinued operations.

6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. NIDEC has negotiated the purchase price adjustment and the other factors of the consideration for the sales with Orlando Management AG and ESSVP IV, but NIDEC did not reach an agreement. As the result, NIDEC submitted the request for an arbitration to the German Arbitration Institute (DIS) on January 12, 2021 and commenced arbitration with Secop. After approximately 26 months of discussions, Nidec reached a settlement agreement with Secop on March 2023, and the arbitration concluded. However, some selling costs are still expected to arise in the future.

(1) Main reason for the Transaction

NIDEC is actively moving forward with the development of new growth platforms with particular emphasis on appliance, commercial and industrial motors and solutions. As Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators, from the acquisition of Secop in 2017, NIDEC’s appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, on April 12, 2019, NIDEC acquired a conditional approval of the European Commission in connection with NIDEC’s acquisition of Embraco from Whirlpool Corporation and NIDEC decided to sell Secop. In addition, NIDEC acquired an approval of the European Commission that ESSVP IV is the appropriate purchaser of Secop and acquired the European Commission’s approval of the acquisition of Embraco on June 26, 2019. The Transaction was made following NIDEC’s commitment to the European Commission to sell Secop to a suitable purchaser as a condition for the European Commission’s approval.

(2) Name of the transferee company and date of the Transaction

Name of the transferee company	ESSVP IV
Date of the Transaction	September 9, 2019

(3) Name of the company to be transferred, major business and name of operating segment

Name of the company	Secop
Major business	Compressor business for refrigerator
Name of operating segment	ACIM

(4) Transition of ownership ratio for the company

Ownership ratio before the transfer	100%
Transferred ownership ratio	100%
Ownership ratio after the transfer	-

(5) Profit (loss) for the period from discontinued operations

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Other profit (loss)	(140)	8
Profit (loss) before income taxes from discontinued operations	(140)	8
Profit (loss) for the period from discontinued operations	(140)	8

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

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	(97)	-
Net cash used in financing activities	-	-
Total	(97)	-

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

2. Net cash (used in) provided by investing activities includes net cash related to sales of Secop.

7. Business combinations

Purchase price allocation to the assets and the liabilities

During the three months ended March 31, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of PAMA S.p.A.. NIDEC's consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Furthermore, during the three months ended March 31, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Midori Precisions Co., Ltd.. NIDEC's consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2023 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the fiscal 2022 is as follows:

(Yen in millions)

	<u>Retrospective amendment</u>
<u>Non-current assets</u>	
<u>Property, plant and equipment</u>	<u>62</u>
<u>Intangible assets</u>	<u>1,687</u>
<u>Deferred tax Assets</u>	<u>(499)</u>
<u>Acquired assets at fair value</u>	<u>1,250</u>
<u>Current liabilities</u>	
<u>Trade and other payables</u>	<u>198</u>
<u>Assumed liabilities at fair value</u>	<u>198</u>
<u>Acquired assets and assumed liabilities at fair value (net amount)</u>	<u>1,052</u>
<u>Goodwill</u>	<u>(1,092)</u>

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

(Yen in millions)

	<u>Weighted average amortization period</u>	<u>Retrospective amendment</u>
<u>Trademark</u>	<u>No amortization</u>	<u>400</u>
<u>Customer relationships</u>	<u>16 years</u>	<u>1,060</u>
<u>Proprietary technology</u>	<u>10 years</u>	<u>227</u>

Effect on the consolidated statement of income for the year ended March 31, 2023 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the fiscal 2022 is as follows:

(Yen in millions)

	<u>Retrospective amendment</u>
<u>Operating profit</u>	<u>(53)</u>
<u>Profit before income taxes</u>	<u>(53)</u>
<u>Profit attributable to owners of the parent</u>	<u>(39)</u>

Effect on the condensed quarterly consolidated statement of income for the three months ended June 30, 2023 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the fiscal 2022 is as follows:

(Yen in millions)

	Retrospective amendment
<u>Operating profit</u>	(26)
<u>Profit before income taxes</u>	(26)
<u>Profit attributable to owners of the parent</u>	(18)

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Balance at beginning of period		
Goodwill	339,904	<u>362,388</u>
Acquisitions through business combinations	-	-
Sales or disposals	-	-
Translation adjustments and others	23,523	<u>18,589</u>
Balance at end of period		
Goodwill	363,427	<u>380,977</u>

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2023		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	<u>136,841</u>	(53,259)	<u>83,582</u>
Proprietary technology	<u>21,748</u>	(10,572)	<u>11,176</u>
Software	46,389	(28,031)	18,358
Capitalized development costs	49,012	(13,399)	35,613
Others	<u>10,244</u>	(6,847)	3,397
Total	<u>264,234</u>	(112,108)	<u>152,126</u>

(Note) The carrying amounts of software include the right-of-use assets of ¥138 million.

(Yen in millions)

	As of June 30, 2023		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	<u>146,465</u>	(59,002)	<u>87,463</u>
Proprietary technology	<u>24,278</u>	(12,175)	<u>12,103</u>
Software	48,888	(29,642)	19,246
Capitalized development costs	53,147	(14,997)	38,150
Others	<u>9,061</u>	(5,917)	<u>3,144</u>
Total	<u>281,839</u>	(121,733)	<u>160,106</u>

(Note) The carrying amounts of software include the right-of-use assets of ¥110 million.

Total amortization of intangible assets for the year ended March 31, 2023 and for the three months ended June 30, 2023 amounted to ¥16,909 million and ¥4,213 million, respectively. Total indefinite lived intangible assets amounted to ¥71,301 million and ¥77,389 million as of March 31, 2023 and June 30, 2023, respectively.

9. Bonds

For the three months ended June 30, 2022

There are no issuance and redemption of bonds.

For the three months ended June 30, 2023

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate(%)	Maturity date
Nidec Corporation	The Twelfth Series of Domestic Unsecured Bonds	June 10, 2020	50,000	0.030	June 9, 2023

10. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the three months ended June 30, 2022 and 2023 are as follows:

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Net periodic pension cost for defined benefit plans:		
Current service cost	782	610
Interest cost (net)	96	212
Net periodic pension cost for defined benefit plans	878	822
Payments to defined contribution pension plans	1,446	1,738

11. Related party transactions

Transactions with related parties for the three months ended June 30, 2022 and 2023 are as follows:

Sales of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Related parties		
Nagamori Foundation*1	3	3
Nagamori Gakuen Educational Foundation*2	8	5
Nagamori Culture Foundation*3	6	21

(Notes) *1. A director of NIDEC concurrently serves as president of Nagamori Foundation.

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

*3. A director of NIDEC concurrently serves as representative director of Nagamori Culture Foundation.

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

Purchase of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Related parties		
Nagamori Gakuen Educational Foundation	2	1

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

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2023	June 30, 2023
Receivables from related parties		
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	2	2
Nagamori Culture Foundation	1	1
Payables to related parties		
Nagamori Gakuen Educational Foundation	-	-

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2023 and June 30, 2023. In addition, there were no expenses recognized during the years ended March 31, 2023 and the three months ended June 30, 2023 in respect of receivables from related parties.

12. Dividends

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

For the three months ended June 30, 2022

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2022 Board of directors	Ordinary shares	20,326	35	March 31, 2022	June 1, 2022

(Note) Total dividends resolved at the board of directors on May 26, 2022 included dividends of ¥16 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the three months ended June 30, 2023

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2023 Board of directors	Ordinary shares	20,133	35	March 31, 2023	June 1, 2023

(Note) Total dividends resolved at the board of directors on May 26, 2023 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

13. Earnings per share

The basis for calculating “Earnings (loss) per share attributable to owners of the parent - basic” is as follows:

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

	For the three months ended June 30,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	<u>36,613</u>	<u>64,066</u>
Profit from continuing operations attributable to owners of the parent (Yen in millions)	<u>36,753</u>	<u>64,058</u>
Profit (loss) from discontinued operations attributable to owners of the parent (Yen in millions)	(140)	8
Weighted average shares (Shares)	577,927,912	574,601,046
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	<u>63.35</u>	<u>111.50</u>
Continuing operations	<u>63.59</u>	<u>111.48</u>
Discontinued operations	(0.24)	0.01

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

14. Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means; and
- Level 3: Unobservable inputs for the asset or liability.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period by reassessing the level to be applied to the asset or liability for measuring its fair value.

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	As of March 31, 2023		As of June 30, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	26	26	23	23
Long term investments	5,043	5,195	5,060	5,210
Short term loans receivable	14	14	13	13
Long term loans receivable	161	148	161	143
Short term borrowings	(159,279)	(159,279)	(132,040)	(132,040)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(102,587)	(101,483)	(152,590)	(150,955)
Corporate bonds (including corporate bonds due within one year)	(392,413)	(383,129)	(348,396)	(339,324)

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

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

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

(2) Long term investments

The fair value of Long term investments is mainly held to maturity bonds. It is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(3) Long term loans receivable

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

(4) Long term debt

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

(5) Corporate bonds

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

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

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

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

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

As of March 31, 2023

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	18,608	-	2,258	20,866
FVTOCI debt financial assets	-	77	-	77
Derivatives	111	3,678	-	3,789
Total financial assets	18,719	3,755	2,258	24,732
Liabilities				
Derivatives	6	248	-	254
Total financial liabilities	6	248	-	254

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023.

As of June 30, 2023

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	21,881	-	2,158	24,039
FVTOCI debt financial assets	-	83	-	83
Derivatives	36	4,062	-	4,098
Total financial assets	21,917	4,145	2,158	28,220
Liabilities				
Derivatives	59	96	-	155
Total financial liabilities	59	96	-	155

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the three months ended June 30, 2023.

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

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

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

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

(Yen in millions)

	For the three months ended June 30,	
	2022	2023
Balance at beginning of period	2,154	2,258
Gains or losses:		
Recognized in other comprehensive income (Note)	171	(98)
Sales	-	(2)
Balance at end of period	2,325	2,158

(Note) Those are included in “fair value movements on FVTOCI equity financial assets” and “foreign currency translation adjustments” in the condensed quarterly consolidated statements of other comprehensive income.

15. Contingent liabilities

NIDEC has guaranteed ¥18,194 million for bank borrowing by equity method affiliates at June 30, 2023. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

NIDEC was aware of total contingent liabilities of ¥18,364 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at June 30, 2023. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

NIDEC held discussions with a certain automobile manufacturer regarding product warranties in the automotive business, and discussed the necessity of bearing costs at June 30, 2023. As there is a possibility that NIDEC's position may be significantly unfavorable, detailed disclosure is not made in accordance with Article 92 of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets.”

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2023	As of June 30, 2023
Property, plant and equipment and other assets	18,521	15,596

17. 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 August 8, 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

NIDEC has increased capital to Nidec PSA motors, an equity method affiliate, based on a resolution passed by the Company's Board of Directors on July 8, 2023.

1. Capital increase destination	Nidec PSA emotors
2. Capital increase funds	75 million euros
3. Date	July 25, 2023
4. Purpose	Capital investment

(3)Completion of Acquisition of Automatic Feed Company and Related 2 Companies

On August 1, 2023 (U.S. time), NIDEC has acquired full ownership of Automatic Feed Company, Lasercoil Technologies LLC and Automatic Leasing Company (collectively the "Target"), from its founding family (the "Transaction"). Since the initial accounting for the business combination has not been completed as of August 8, 2023 further details have not yet been disclosed.

1. Purpose	The Target is an Ohio, U.S.-based company that manufactures and sells peripheral equipment for medium and large presses and sheet metal cutting equipment for presses. Through the Transaction, NIDEC will be able to offer a wide range of products and services to our customers and pursue following synergies in terms of products, sales, and technology. (1) Combine the Target's equipment with Nidec Minster and Nidec Arisa's medium and large presses, offering a complete line on a turnkey basis. (2) Expand sales of Nidec Minster and Nidec Arisa presses to automotive customers based in North America. (3) Incorporation of laser blanking technology is our portfolio of products.
2. Acquisition method	NIDEC utilizes its cash on hand for funding.

We evaluated subsequent events by the publication date of the uncorrected financial statements summary (August 9, 2023).

18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on August 8, 2023 by Hiroshi Kobe, Representative Director and President and Akinobu Samura, Senior Vice President and Chief Financial Officer.

Consolidated financial statements in the amendment report were authorized by Shigenobu Nagamori, Founder and Executive Chairman and Akinobu Samura, Senior Vice President and Chief Financial Officer on May 24, 2024.

2. Other

On May 26, 2023, the Company's Board of Directors resolved to pay cash dividends to shareholders as of March 31, 2023 as follows:

- (1) Total amount of dividends:¥20,133 million
- (2) Amount per share:¥35.00
- (3) Effective date of claim of payment and start date of payment:June 1, 2023

Part II Information on Guarantors, etc. for the Company

Not applicable.