

[Translation]

Amendment Report on Quarterly Report

(The Third Quarter of 51st Business Term)

From October 1, 2023 to December 31, 2023

NIDEC CORPORATION

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[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]	February 13, 2024
[Fiscal Year]	The Third Quarter of 51st Business Term (from October 1, 2023 to December 31, 2023)
[Company Name]	Nidec Kabushiki Kaisha
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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 from 1Q to 3Q for the year ended March 31, 2024 reflected 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 3rd quarter of the 51st Business Term (October 1, 2023 to December 31, 2023) submitted on February 13, 2024 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 nine months ended December 31,		For the year ended March 31, 2023
	2022	2023	
Net sales	<u>1,686,573</u> [568,002]	<u>1,745,073</u> [587,625]	<u>2,230,027</u>
Profit before income taxes	<u>132,697</u>	<u>192,406</u>	<u>110,435</u>
Profit attributable to owners of the parent	<u>96,774</u> [16,203]	<u>144,894</u> [39,112]	<u>36,982</u>
Comprehensive income attributable to owners of the parent	<u>177,475</u>	<u>239,365</u>	<u>145,905</u>
Total equity attributable to owners of the parent	<u>1,380,977</u>	<u>1,544,340</u>	<u>1,346,565</u>
Total assets	<u>2,866,771</u>	<u>3,094,998</u>	<u>2,862,749</u>
Earnings per share attributable to owners of the parent - basic (yen)	<u>168.04</u> [28.19]	<u>252.17</u> [68.07]	<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 (%)	<u>48.2</u>	<u>49.9</u>	<u>47.0</u>
Net cash provided by operating activities	<u>94,195</u>	<u>203,659</u>	<u>143,485</u>
Net cash used in investing activities	(108,862)	(128,893)	(164,943)
Net cash used in financing activities	(15,650)	(77,505)	(19,238)
Cash and cash equivalents at end of period	182,454	200,358	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).

- As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.
- Figures shown in yen in millions are rounded to the nearest million.
- “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.
- The figures of “Net sales”, “Profit attributable to owners of the parent” and “Earnings per share attributable to owners of the parent - basic (yen)” in square bracket are those for the three months ended December 31, 2022 and 2023, respectively.

2. Description of Business

There were no significant changes in NIDEC’s businesses during the nine months ended December 31, 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 nine months ended December 31, 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 December 31, 2023.

NIDEC revised the provisional accounting treatment for the business combination in the nine months ended December 31, 2023. Consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC revised the provisional accounting treatment for the business combination.

(1) Operating results

As of October 2023, the IMF forecasts global economic growth of 3.0% in 2023, which is lower than those of 3.5% in 2022, and many indicators relating to the manufacturing industry in major countries around the world continued to be sluggish in 2023 as well.

Business environment surrounding NIDEC on demands is increasingly uncertain entirely. Especially, extreme price competition in Chinese EV market is likely to progress and it may spoil the market fairness.

In this environment, we promoted strengthening Three-new Strategy (new market, new product, new customer), significant reduction in fixed costs, and thorough reduction in material and processing costs as a entire group.

As a result, regarding net sales, operating profit, profit before income taxes and profit attributable to owners of the parent for this nine-month period, we renewed all the highest record of the quarterly consolidated accounting periods.

The following table sets forth consolidated operating results for the nine months ended December 31, 2023:

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2022	2023		
Net sales	<u>1,686,573</u>	<u>1,745,073</u>	<u>58,500</u>	<u>3.5%</u>
Operating profit	<u>115,157</u>	<u>167,983</u>	<u>52,826</u>	<u>45.9%</u>
Operating profit ratio	<u>6.8%</u>	9.6%	-	-
Profit before income taxes	<u>132,697</u>	<u>192,406</u>	<u>59,709</u>	<u>45.0%</u>
Profit for the period from continuing operations	<u>96,884</u>	<u>146,231</u>	<u>49,347</u>	<u>50.9%</u>
Loss for the period from discontinued operations(Loss)	(213)	(21)	192	-
Profit attributable to owners of the parent	<u>96,774</u>	<u>144,894</u>	<u>48,120</u>	<u>49.7%</u>

(Yen in millions)

Consolidated net sales from continuing operations increased 3.5% to ¥1,745,073 million for this nine-month period compared to the same period of the previous year, and we renewed the highest record of the quarterly consolidated accounting periods. This is because we achieved sales enhancement as a group by responding to the demand of each customer carefully and grasping the waves of growth in detail for each business with sales promotion throughout our global sales network, even under the severe environment such as fiercer competition which is over our expectation in Chinese EV market and the continued reconciliation of the demand for home appliances.

Operating profit of this category increased 45.9% to ¥167,983 million for this nine-month period compared to the same period of the previous year, due to taking in the results of continuous reduction in fixed costs steadily in global basis, and steady progress in manufacturing cost and sales price improvement to each component.

Profit before income taxes increased 45.0% to ¥192,406 million, and profit attributable to owners of the parent increased 49.7% to ¥144,894 million compared to the same period of the previous year. We 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 nine-month period was ¥143.29 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 nine-month period was ¥155.29 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.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this nine-month period is as follows.

- Net sales : Positive effect by approximately ¥69,500 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥5,100 million compared to the same period of the previous year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the nine months ended December 31,					
	Net sales			Operating profit (loss)		
	2022	2023	Increase or decrease	2022	2023	Increase or decrease
SPMS	<u>268,665</u>	<u>248,323</u>	<u>(20,342)</u>	<u>20,550</u>	<u>19,522</u>	<u>(1,028)</u>
AMEC	233,894	254,753	20,859	(23,801)	3,281	27,082
MOEN	291,750	346,446	54,696	29,068	46,045	16,977
ACIM	328,465	322,894	(5,571)	20,695	30,947	10,252
Nidec Instruments	128,905	115,882	(13,023)	15,269	12,788	(2,481)
Nidec Techno Motor	72,558	65,091	(7,467)	8,909	9,008	99
Nidec Mobility	87,830	101,608	13,778	9,242	9,890	648
Nidec Machinery and Automation	<u>116,523</u>	<u>150,265</u>	<u>33,742</u>	<u>6,752</u>	<u>16,885</u>	<u>10,133</u>
Nidec Advance Technology	47,762	30,853	(16,909)	13,424	7,858	(5,566)
Others	169,936	166,078	(3,858)	27,264	<u>23,945</u>	<u>(3,319)</u>
Elimination/corporate	(59,715)	(57,120)	2,595	(12,215)	(12,186)	29
Consolidated total	<u>1,686,573</u>	<u>1,745,073</u>	<u>58,500</u>	<u>115,157</u>	<u>167,983</u>	<u>52,826</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 ¥20,342 million to ¥248,323 million for this nine-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 ¥1,028 million to ¥19,522 million for this nine-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 despite steady progress in cost reductions, and the significant reductions in fixed costs.

Net sales of AMEC increased ¥20,859 million to ¥254,753 million for this nine-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, despite the fiercer competition which is over our expectation in Chinese EV market. Operating profit increased ¥27,082 million to ¥3,281 million for this nine-month period compared to the same period of the prior year. This increase was due to significant reduction in fixed costs in line and shifted the strategy to put first priority on our profitability, such as limiting orders for unprofitable models in the Battery EV related business.

Net sales of MOEN increased ¥54,696 million to ¥346,446 million for this nine-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 ¥16,977 million to ¥46,045 million for this nine-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 ¥5,571 million to ¥322,894 million for this nine-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 ¥10,252 million to ¥30,947 million for this nine-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 ¥13,023 million to ¥115,882 million for this nine-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. Operating profit decreased ¥2,481 million to ¥12,788 million for this nine-month period compared to the same period of the prior year. This decrease was due to a decrease in sales.

Net sales of Nidec Techno Motor decreased ¥7,467 million to ¥65,091 million for this nine-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. Operating profit increased ¥99 million to ¥9,008 million for this nine-month period compared to the same period of the prior year. This increase was due fixed cost rationalization.

Net sales of Nidec Mobility increased ¥13,778 million to ¥101,608 million for this nine-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 ¥648 million to ¥9,890 million for this nine-month period. This increase was due to an increase in sales.

Net sales of Nidec Machinery and Automation increased ¥33,742 million to ¥150,265 million for this nine-month period compared to the same period of the prior year. This increase was due to increase in sales of machine tool business and press machine business, new consolidation and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit increased ¥10,133 million to ¥16,885 million for this nine-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 ¥16,909 million to ¥30,853 million for this nine-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 ¥5,566 million to ¥7,858 million for this nine-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 decreased ¥3,858 million to ¥166,078 million for this nine-month period compared to the same period of the prior year. Operating profit decreased ¥3,319 million to ¥23,945 million for this nine-month period compared to the same period of the prior year.

Operating results by product category are as follows:

(Yen in millions)

	For the nine months ended December 31,					
	Net sales			Operating profit (loss)		
	2022	2023	Increase or decrease	2022	2023	Increase or decrease
Small precision motors	<u>332,652</u>	<u>310,591</u>	(22,061)	<u>28,848</u>	<u>29,047</u>	<u>199</u>
Automotive products	394,509	434,166	39,657	(2,562)	22,467	25,029
Appliance, commercial and industrial products	681,304	717,191	35,887	58,923	85,982	27,059
Machinery	<u>210,877</u>	<u>217,013</u>	<u>6,136</u>	<u>29,369</u>	<u>31,251</u>	<u>1,882</u>
Electronic and optical components	64,113	62,754	(1,359)	12,278	<u>11,026</u>	(1,252)
Other products	3,118	3,358	240	308	275	(33)
Elimination/corporate	-	-	-	(12,007)	(12,065)	(58)
Consolidated total	<u>1,686,573</u>	<u>1,745,073</u>	<u>58,500</u>	<u>115,157</u>	<u>167,983</u>	<u>52,826</u>

Net sales of small precision motors decreased 6.6% to ¥310,591 million for this nine-month period compared to the same period of the previous year. Net sales of spindle motors for HDDs decreased 21.2% to ¥48,096 million for this nine-month period compared to the same period of the previous year, mainly due to a decrease in the number of units sold. Net sales of other small precision motors decreased 3.3% to ¥262,495 million for this nine-month period compared to the same period of the previous year. We realized V-shape recovery from the loss in 4Q in previous accounting period, despite the impact of lower sales and changes in product mix, and completed a substantial reduction in fixed costs and manufacturing cost certainly. As a result, operating profit increased 0.7% to ¥29,047 million for this nine-month period compared to the same period of the previous year. We will launch large number of new profitable products into the market in this business area, and we are confident that we can make this business to recover as high profitable business again.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this nine-month period is as follows.

- Net sales : Positive effect by approximately ¥12,600 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥800 million compared to the same period of the previous year.

Net sales of automotive products increased 10.1% to ¥434,166 million for this nine-month period compared to the same period of the previous year, due to taking in the impact of recovery in automobile production on a global basis steadily, despite the fiercer competition which is over our expectation in Chinese EV market. In the automotive organic business (existing business), in addition to increased profits due to increased sales, we promoted a significant reduction in fixed costs. In the Battery EV related business, in addition to further significant reduction in fixed costs, we have shifted the strategy to put first priority on our profitability, such as limiting orders for unprofitable models. As a result, operating profit increased ¥25,029 to ¥22,467 million for this nine-month period compared to the same period of the previous year. Regarding Battery EV related business, we will make "Re-start" in line with the strategic shift, and we will take on the speedy challenges for our future growth that maximizes the our group's inherent strengths by building a new winnable systems in which we can drastically convert human resources from all department as well as management members.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this nine-month period is as follows.

- Net sales : Positive effect by approximately ¥18,900 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥200 million compared to the same period of the previous year.

In the Motion & Energy (MOEN) with a focus on industrial related sector, in addition to capturing the tailwinds of expanding power generator and clean energy markets consistently, we expanded new businesses against the backdrop of strong infrastructure related demand, despite the continued reconciliation of the demand for home appliances. As a result, net sales of appliance, commercial and industrial products increased 5.3% to ¥717,191 million for this nine-month period compared to the same period of the previous year. In the home appliance related sector, we realized a significant increase in profit, due to fundamental cost structure reform such as a substantial reduction in fixed costs, despite the lower sales. In the industrial related sector, we also realized a significant increase in profit, due to the continuous manufacturing cost and sales prices improvement, in addition to the higher sales. As a result, operating profit increased 45.9% to ¥85,982 million for this nine-month period compared to the same period of the previous year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this nine-month period is as follows.

- Net sales : Positive effect by approximately ¥32,100 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥3,300 million compared to the same period of the previous year.

Net sales of machinery decreased primarily due to market cycle impacts affecting semiconductor inspection systems and LCD panel handling robots. However, strong performance in the machine tool and press machine resulted in a 2.9% increase to ¥217,013 million compared to the same period of the previous year. Operating profit increased by 6.4% to ¥31,251 million compared to the previous year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this nine-month period is as follows.

- Net sales : Positive effect by approximately ¥4,600 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥400 million compared to the same period of the previous year.

Net sales of electronic and optical components decreased 2.1% to ¥62,754 million, and operating profit decreased 10.2% to ¥11,026 million for this nine-month period compared to the same period of the previous year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this nine-month period is as follows.

- Net sales : Positive effect by approximately ¥1,200 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥400 million compared to the same period of the previous year.

Net sales of other products increased 7.7% to ¥3,358 million and operating profit increased 10.7% to ¥275 million for this nine-month period compared to the same period of the previous year.

(2) Financial position

Total assets increased ¥232,249 million to ¥3,094,998 million as of December 31, 2023 compared to March 31, 2023. This is mainly due to an effect of the fluctuations of the foreign currency exchange rates. Trade and other receivables increased ¥46,099 million, property, plant and equipment increased ¥50,521 million, and inventories increased ¥48,856 million.

Total liabilities increased ¥24,904 million to ¥1,521,899 million as of December 31, 2023 compared to March 31, 2023. This is mainly due to an effect of the fluctuations of the foreign currency exchange rates. Trade and other payables increased ¥13,663 million. Interest-bearing debt tends to increase due to an effect of the fluctuations of the foreign currency exchange rates. Specifically, short term borrowings decreased ¥19,891 million to ¥139,388 million, long term debt due within one year increased ¥84,051 million to ¥143,816 million and long term debt decreased ¥74,900 million to ¥411,405 million as of December 31, 2023 compared to March 31, 2023.

Total equity attributable to owners of the parent increased ¥197,775 million to ¥1,544,340 million as of December 31, 2023 compared to March 31, 2023. Ratio of total equity attributable to owners of the parent to total assets increased to 50.0% as of December 31, 2023 from 47.0% as of March 31, 2023. This was mainly due to increases in retained earnings of ¥108,349 million and other components of equity of ¥90,699 million.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities for the nine months ended December 31, 2023 came to a net cash inflow of ¥203,659 million. Compared to the same period of the previous fiscal year, the net cash inflow from provided by operating activities for the nine months ended December 31, 2023 increased ¥109,464 million mainly due to profit for the period from continuing operations increased by ¥49,347 million to ¥146,231 million and promoted efficiency of working capital by reducing inventories and strengthening to collect trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥128,893 million mainly due to additions to property, plant and equipment of ¥86,077 million and acquisitions of mainly Takisawa Machine Tool Co., Ltd. of ¥17,925 million and other factors. Net cash used in investing activities increased by ¥20,031 million year on year.

(Cash flows from financing activities)

Net cash used in financing activities for the nine months ended December 31, 2023 came to a net cash out flow of ¥77,505 million for this period, an increase of ¥61,855 million compared to the same period of the previous fiscal year. This is due to repayment for interest-bearing debt of ¥85,228 million, mainly for redemption of corporate bonds and short term borrowings, and the payments of dividends to the owners of the parent of ¥40,227 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 December 31, 2023 increased by ¥14,260 million to ¥200,358 million from March 31, 2023.

The main currencies we had as of December 31, 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 (Vision 2025) 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 nine months ended December 31, 2023 were ¥61,645 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, although production, orders and sales mainly in the "Nidec Advance Technology" segment decreased for the nine months ended December 31, 2023 compared to the nine months ended December 31, 2022.

3. Material Agreements, etc.

During the three months ended December 31, 2023, there were no decisions or executions regarding material agreements, etc.

III. Information on the company.

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

(1) Total number of shares, etc.

1) Total number of shares

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

2) Issued shares

Class	Number of shares issued as of the end of third quarter (Shares) (December 31, 2023)	Number of shares issued as of the filing date (Shares) (February 13, 2024)	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 October 1, 2023 to December 31, 2023	-	596,284,468	-	87,784	-	92,005

(5) Major shareholders

Not applicable.

(6) Information on voting rights

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

1) Issued shares

(As of December 31, 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 21,212,300	-	-
Shares with full voting rights (others)	Ordinary share 574,317,500	5,743,175	-
Shares less than one unit	Ordinary share 754,668	-	-
Number of issued shares	596,284,468	-	-
Total number of voting rights	-	5,743,175	-

- (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" effective April 1, 2023.
2. Ordinary shares in the "Shares less than one unit" row include 64 shares of the Company's treasury stock.
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 December 31, 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	21,212,300	-	21,212,300	3.55
Total	-	21,212,300	-	21,212,300	3.55

- (Notes) 1. The number of shares held under own name (except for shares less than one unit) is 21,212,900, as of December 31, 2023.
2. The Company's shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

2. Members of the Board of Directors

There were no changes in Members of the Board of Directors of Nidec Corporation from the filing date of the Annual Securities Report for the previous fiscal year pursuant to the Financial Instruments and Exchange Act of Japan to December 31, 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 December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		186,098	200,358
Trade and other receivables		<u>592,914</u>	<u>639,013</u>
Other financial assets	14	3,811	4,408
Income tax receivables		<u>10,538</u>	<u>12,370</u>
Inventories		<u>521,959</u>	<u>570,815</u>
Other current assets		<u>59,298</u>	<u>78,025</u>
Total current assets		<u>1,374,618</u>	<u>1,504,989</u>
Non-current assets			
Property, plant and equipment		<u>835,753</u>	<u>886,274</u>
Goodwill	8	<u>362,388</u>	<u>379,088</u>
Intangible assets	8	<u>223,427</u>	<u>236,505</u>
Investments accounted for using the equity method		3,097	10,089
Other investments	14	25,943	30,158
Other financial assets	14	9,610	17,050
Deferred tax assets		<u>11,592</u>	<u>11,020</u>
Other non-current assets		16,321	19,825
Total non-current assets		<u>1,488,131</u>	<u>1,590,009</u>
Total assets		<u>2,862,749</u>	<u>3,094,998</u>

(Yen in millions)

	Note	As of March 31, 2023	As of December 31, 2023
Liabilities			
Current liabilities			
Short term borrowings	14	159,279	139,388
Long term debt due within one year	14	59,765	143,816
Trade and other payables		493,980	<u>507,643</u>
Other financial liabilities	14	4,473	5,642
Income tax payables		27,363	27,456
Provisions		50,815	35,900
Other current liabilities		104,930	120,584
Total current liabilities		<u>900,605</u>	<u>980,429</u>
Non-current liabilities			
Long term debt	14	486,305	411,405
Other financial liabilities	14	485	4,711
Retirement benefit liabilities		32,337	34,357
Provisions		1,377	2,342
Deferred tax liabilities		<u>69,110</u>	<u>76,987</u>
Other non-current liabilities		6,776	11,668
Total non-current liabilities		<u>596,390</u>	<u>541,470</u>
Total liabilities		<u>1,496,995</u>	<u>1,521,899</u>
Equity			
Common stock		87,784	87,784
Additional paid-in capital		97,670	97,420
Retained earnings		<u>1,121,191</u>	<u>1,229,540</u>
Other components of equity		<u>206,837</u>	<u>297,536</u>
Treasury stock		(166,917)	(167,940)
Total equity attributable to owners of the parent		<u>1,346,565</u>	<u>1,544,340</u>
Non-controlling interests		19,189	28,759
Total equity		<u>1,365,754</u>	<u>1,573,099</u>
Total liabilities and equity		<u>2,862,749</u>	<u>3,094,998</u>

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the nine months ended December 31, 2022 and 2023
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the nine months ended December 31, 2022	2023
Continuing operations			
Net Sales	5	<u>1,686,573</u>	<u>1,745,073</u>
Cost of sales		<u>(1,364,290)</u>	<u>(1,362,188)</u>
Gross profit		<u>322,283</u>	<u>382,885</u>
Selling, general and administrative expenses		<u>(147,515)</u>	<u>(153,257)</u>
Research and development expenses		<u>(59,611)</u>	<u>(61,645)</u>
Operating profit	5	<u>115,157</u>	<u>167,983</u>
Financial income		11,422	26,325
Financial expenses		(8,880)	(16,237)
Derivative gain (loss)		(736)	(137)
Foreign exchange differences		18,438	19,586
Share of net profit (loss) from associate accounting using the equity method		<u>(2,704)</u>	<u>(5,114)</u>
Profit before income taxes		<u>132,697</u>	<u>192,406</u>
Income tax expenses		<u>(35,813)</u>	<u>(46,175)</u>
Profit for the period from continuing operations		<u>96,884</u>	<u>146,231</u>
Discontinued operations			
Loss for the period from discontinued operations	6	<u>(213)</u>	<u>(21)</u>
Profit for the period		<u>96,671</u>	<u>146,210</u>
Profit for the period attributable to:			
Owners of the parent		<u>96,774</u>	<u>144,894</u>
Non-controlling interests		(103)	1,316
Profit for the period		<u>96,671</u>	<u>146,210</u>
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	<u>168.41</u>	<u>252.20</u>
Discontinued operations		(0.37)	(0.04)
Total		<u>168.04</u>	<u>252.17</u>

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the nine months ended December 31,	
		2022	2023
Profit for the period		<u>96,671</u>	<u>146,210</u>
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		816	823
Fair value movements on FVTOCI equity financial assets		(468)	2,921
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		<u>80,636</u>	<u>91,039</u>
Effective portion of net changes in fair value of cash flow hedges		109	308
Fair value movements on FVTOCI debt financial assets		(21)	65
Total other comprehensive income for the period, net of taxation		<u>81,072</u>	<u>95,156</u>
Comprehensive income for the period		<u>177,743</u>	<u>241,366</u>
Comprehensive income for the period attributable to:			
Owners of the parent		<u>177,475</u>	<u>239,365</u>
Non-controlling interests		268	2,001
Comprehensive income for the period		<u>177,743</u>	<u>241,366</u>

For the three months ended December 31, 2022 and 2023

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended December 31,	
		2022	2023
Continuing operations			
Net Sales	5	<u>568,002</u>	<u>587,625</u>
Cost of sales		<u>(466,803)</u>	<u>(458,268)</u>
Gross profit		<u>101,199</u>	<u>129,357</u>
Selling, general and administrative expenses		<u>(53,843)</u>	<u>(55,955)</u>
Research and development expenses		<u>(20,869)</u>	<u>(20,800)</u>
Operating profit	5	<u>26,487</u>	<u>52,602</u>
Financial income		5,810	9,931
Financial expenses		(3,760)	(6,791)
Derivative gain (loss)		(753)	289
Foreign exchange differences		(4,569)	(6,440)
Share of net profit (loss) from associate accounting using the equity method		(1,195)	(2,143)
Profit before income taxes		<u>22,020</u>	<u>47,448</u>
Income tax expenses		<u>(6,301)</u>	<u>(7,903)</u>
Profit for the period from continuing operations		<u>15,719</u>	<u>39,545</u>
Discontinued operations			
Loss for the period from discontinued operations	6	<u>(42)</u>	<u>(7)</u>
)Profit for the period		<u>15,677</u>	<u>39,538</u>
Profit for the period attributable to:			
Owners of the parent		<u>16,203</u>	<u>39,112</u>
Non-controlling interests		<u>(526)</u>	<u>426</u>
Profit for the period		<u>15,677</u>	<u>39,538</u>
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	13	<u>28.26</u>	<u>68.08</u>
Discontinued operations		<u>(0.07)</u>	<u>(0.01)</u>
Total		<u>28.19</u>	<u>68.07</u>

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended December 31,	
		2022	2023
Profit for the period		<u>15,677</u>	<u>39,538</u>
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(45)	(27)
Fair value movements on FVTOCI equity financial assets		(328)	135
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		<u>(126,608)</u>	<u>(74,790)</u>
Effective portion of net changes in fair value of cash flow hedges		1,189	469
Fair value movements on FVTOCI debt financial assets		3	66
Total other comprehensive income for the period, net of taxation		<u>(125,789)</u>	<u>(74,147)</u>
Comprehensive income for the period		<u>(110,112)</u>	<u>(34,609)</u>
Comprehensive income for the period attributable to:			
Owners of the parent		<u>(109,046)</u>	<u>(34,682)</u>
Non-controlling interests		(1,066)	73
Comprehensive income for the period		<u>(110,112)</u>	<u>(34,609)</u>

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 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>96,774</u>			<u>96,774</u>	(103)	<u>96,671</u>
Other comprehensive income					<u>80,701</u>		<u>80,701</u>	371	<u>81,072</u>
Total comprehensive income							<u>177,475</u>	268	<u>177,743</u>
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(46,683)	(46,683)	-	(46,683)
Dividends paid to the owners of the parent	12			(40,426)			(40,426)	-	(40,426)
Dividends paid to non-controlling interests							-	(268)	(268)
Share-based payment transactions			424				424	-	424
Transfer to retained earnings				327	(327)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries			(2,692)				(2,692)	234	(2,458)
Other			3	634		1	638	(156)	482
Balance at December 31, 2022		87,784	100,951	<u>1,175,903</u>	<u>184,293</u>	(167,954)	<u>1,380,977</u>	24,535	<u>1,405,512</u>

For the nine months ended December 31, 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>144,894</u>			<u>144,894</u>	1,316	<u>146,210</u>
Other comprehensive income					<u>94,471</u>		<u>94,471</u>	685	<u>95,156</u>
Total comprehensive income							<u>239,365</u>	2,001	<u>241,366</u>
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(1,023)	(1,023)	-	(1,023)
Dividends paid to the owners of the parent	12			(40,227)			(40,227)	-	(40,227)
Dividends paid to non-controlling interests							-	(156)	(156)
Share-based payment transactions			(250)				(250)	-	(250)
Transfer to retained earnings				3,772	(3,772)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries							-	7,564	7,564
Other			0	(90)			(90)	161	71
Balance at December 31, 2023		87,784	97,420	<u>1,229,540</u>	<u>297,536</u>	(167,940)	<u>1,544,340</u>	28,759	<u>1,573,099</u>

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Note	For the nine months ended December 31,	
		2022	2023
Cash flows from operating activities:			
Profit for the period from continuing operations		<u>96,884</u>	<u>146,231</u>
Loss for the period from discontinued operations	6	(213)	(21)
Profit for the period		<u>96,671</u>	<u>146,210</u>
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		89,080	<u>95,688</u>
Loss (gain) from sales, disposal or impairment of property, plant and equipment		1,815	(4,727)
Loss from sales of discontinued operations		213	21
Financial expenses (income)		(2,950)	(10,364)
Share of net loss (profit) from associate accounting using the equity method		2,704	5,114
Deferred income taxes		<u>(760)</u>	<u>2,704</u>
Current income taxes		<u>36,572</u>	<u>43,471</u>
Foreign currency adjustments		3,240	(1,244)
Increase (decrease) in retirement benefit liability		(670)	(111)
Decrease (increase) in accounts receivable		<u>(6,784)</u>	<u>(5,906)</u>
Decrease (increase) in inventories		<u>(51,720)</u>	<u>(13,007)</u>
Increase (decrease) in accounts payable		<u>(46,127)</u>	<u>(2,282)</u>
Other, net		<u>3,322</u>	<u>(17,044)</u>
Interests and dividends received		9,853	25,487
Interests paid		(6,980)	(14,455)
Income taxes paid		(33,284)	(45,896)
Net cash provided by operating activities		<u>94,195</u>	<u>203,659</u>

(Yen in millions)

	Note	For the nine months ended December 31,	
		2022	2023
Cash flows from investing activities:			
Additions to property, plant and equipment		(91,694)	(86,077)
Proceeds from sales of property, plant and equipment		4,096	6,409
Additions to intangible assets		(13,106)	(10,780)
Acquisitions of business, net of cash acquired		-	(17,925)
Other, net		(8,158)	(20,520)
Net cash used in investing activities		(108,862)	(128,893)
Cash flows from financing activities:			
Increase (decrease) in short term borrowings		31,299	(21,204)
Proceeds from issuance of long term debt		66,009	50,000
Repayments of long term debt		(7,654)	(14,024)
Proceeds from issuance of bonds		120,000	-
Redemption of bonds		(135,000)	(50,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(2,687)	(869)
Purchase of treasury stock		(46,683)	(1,023)
Dividends paid to the owners of the parent	12	(40,426)	(40,227)
Other, net		(508)	(158)
Net cash used in financing activities		(15,650)	(77,505)
Effect of exchange rate changes on cash and cash equivalents		13,116	<u>16,999</u>
Net increase (decrease) in cash and cash equivalents		(17,201)	14,260
Cash and cash equivalents at beginning of period		199,655	186,098
Cash and cash equivalents at end of period		<u>182,454</u>	<u>200,358</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 December 31, 2023 and for the nine 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, 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 nine months ended December 31, 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 December 31, 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 nine months ended December 31,	
	2022	2023
SPMS	<u>266,409</u>	<u>246,414</u>
AMEC	233,508	253,605
MOEN	289,609	343,573
ACIM	322,042	314,911
Nidec Instruments	123,155	110,002
Nidec Techno Motor	66,992	58,661
Nidec Mobility	86,464	99,683
Nidec Machinery and Automation	<u>113,849</u>	<u>148,689</u>
Nidec Advance Technology	47,256	30,848
Others	137,289	138,687
Consolidated net sales	<u>1,686,573</u>	<u>1,745,073</u>

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

(Yen in millions)

	For the three months ended December 31,	
	2022	2023
SPMS	<u>86,275</u>	<u>85,371</u>
AMEC	85,035	87,937
MOEN	103,557	114,993
ACIM	102,384	103,832
Nidec Instruments	38,899	37,338
Nidec Techno Motor	20,953	18,702
Nidec Mobility	30,247	33,669
Nidec Machinery and Automation	<u>41,566</u>	<u>49,453</u>
Nidec Advance Technology	12,759	7,969
Others	46,327	48,361
Consolidated net sales	<u>568,002</u>	<u>587,625</u>

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

Net sales to other operating segments:

(Yen in millions)

	For the nine months ended December 31,	
	2022	2023
SPMS	2,256	1,909
AMEC	386	1,148
MOEN	2,141	2,873
ACIM	6,423	7,983
Nidec Instruments	5,750	5,880
Nidec Techno Motor	5,566	6,430
Nidec Mobility	1,366	1,925
Nidec Machinery and Automation	2,674	1,576
Nidec Advance Technology	506	5
Others	32,647	27,391
Total	59,715	57,120
Intersegment elimination	(59,715)	(57,120)
Consolidated net sales	-	-

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

(Yen in millions)

	For the three months ended December 31,	
	2022	2023
SPMS	948	722
AMEC	31	463
MOEN	189	891
ACIM	2,203	2,183
Nidec Instruments	2,008	1,605
Nidec Techno Motor	1,865	1,509
Nidec Mobility	498	785
Nidec Machinery and Automation	930	882
Nidec Advance Technology	245	3
Others	11,163	8,743
Total	20,080	17,786
Intersegment elimination	(20,080)	(17,786)
Consolidated net sales	-	-

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

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

	For the nine months ended December 31,	
	2022	2023
SPMS	<u>20,550</u>	<u>19,522</u>
AMEC	(23,801)	3,281
MOEN	29,068	46,045
ACIM	20,695	30,947
Nidec Instruments	15,269	12,788
Nidec Techno Motor	8,909	9,008
Nidec Mobility	9,242	9,890
Nidec Machinery and Automation	<u>6,752</u>	<u>16,885</u>
Nidec Advance Technology	13,424	7,858
Others	27,264	<u>23,945</u>
Total	<u>127,372</u>	<u>180,169</u>
Elimination and Corporate (Note)	(12,215)	(12,186)
Operating profit	<u>115,157</u>	<u>167,983</u>
Financial income (expenses)	2,542	10,088
Derivative gain (loss)	(736)	(137)
Foreign exchange differences	18,438	19,586
Share of net profit (loss) from associate accounting using the equity method	(2,704)	(5,114)
Profit before income taxes	<u>132,697</u>	<u>192,406</u>

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥13,298 million and ¥10,763 million for the nine months ended December 31, 2023 and 2022, respectively. The corporate expenses include basic research expenses and head office expenses.

2. The above amounts no longer include discontinued operations.

(Yen in millions)

	For the three months ended December 31,	
	2022	2023
SPMS	<u>2,072</u>	<u>9,717</u>
AMEC	(15,164)	248
MOEN	10,596	14,803
ACIM	7,676	9,840
Nidec Instruments	5,040	3,893
Nidec Techno Motor	2,277	2,715
Nidec Mobility	3,238	2,185
Nidec Machinery and Automation	<u>2,979</u>	<u>4,191</u>
Nidec Advance Technology	3,203	1,400
Others	9,268	<u>7,961</u>
Total	<u>31,185</u>	<u>56,953</u>
Elimination and Corporate (Note)	(4,698)	(4,351)
Operating profit	<u>26,487</u>	<u>52,602</u>
Financial income (expenses)	2,050	3,140
Derivative gain (loss)	(753)	289
Foreign exchange differences	(4,569)	(6,440)
Share of net profit (loss) from associate accounting using the equity method	(1,195)	(2,143)
Profit before income taxes	<u>22,020</u>	<u>47,448</u>

(Notes) 1. "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥4,530 million and ¥4,141 million for the three months ended December 31, 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 nine months ended December 31,	
	2022	2023
Small precision motors:		
Hard disk drives spindle motors	61,067	48,096
Other small precision motors	<u>271,585</u>	<u>262,495</u>
Subtotal	<u>332,652</u>	<u>310,591</u>
Automotive products	394,509	434,166
Appliance, commercial and industrial products	681,304	717,191
Machinery	<u>210,877</u>	<u>217,013</u>
Electronic and optical components	64,113	62,754
Other products	3,118	3,358
Consolidated net sales	<u>1,686,573</u>	<u>1,745,073</u>

(Yen in millions)

	For the three months ended December 31,	
	2022	2023
Small precision motors:		
Hard disk drives spindle motors	18,661	19,041
Other small precision motors	<u>88,550</u>	<u>87,495</u>
Subtotal	<u>107,211</u>	<u>106,536</u>
Automotive products	140,359	151,990
Appliance, commercial and industrial products	227,908	237,528
Machinery	<u>68,838</u>	<u>70,759</u>
Electronic and optical components	22,612	19,768
Other products	1,074	1,044
Consolidated net sales	<u>568,002</u>	<u>587,625</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, 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, 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 nine months ended December 31,	
	2022	2023
Other profit (loss)	(213)	(21)
Profit (loss) before income taxes from discontinued operations	(213)	(21)
Profit (loss) for the period from discontinued operations	(213)	(21)

(Note) 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 nine months ended December 31,	
	2022	2023
Net cash provided by (used in) operating activities	-	-
Net cash (used in) provided by investing activities	(208)	(44)
Net cash used in financing activities	-	-
Total	(208)	(44)

(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

On July 3, 2023 (U.S. time), NIDEC has acquired full ownership of Houma Armature Works (corporate name is TAR, LLC, "Houma"), from the investors of ¥4,154 million. 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. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

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 the investors of ¥3,931 million. The Target manufactures, sells and services for press peripheral equipment. 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 Corporation and Nidec Arisa S.L.U.'s medium and large presses, offering a complete line on a turnkey basis.
- (2) Expand sales of Nidec Minster Corporation and Nidec Arisa S.L.U. presses to automotive customers based in North America.
- (3) Incorporate laser blanking technology into our portfolio of products.

This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

On November 20, 2023, NIDEC has acquired 86.14% of equity shares of Takisawa Machine Tool Co., Ltd. ("TAKISAWA") for ¥14,306 million through a tender offer in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended). TAKISAWA manufactures and sells machine tools such as numerically controlled lathes, machining centers and ordinary lathes. Through the transaction, NIDEC and TAKISAWA will be able to realize various synergies such as sales synergies (e.g., sales channel expansion and cross-selling through unification and mutual utilization of customer bases due to the complementary relationship between the products of both companies) and cost synergies (e.g., cost reduction through shared parts procurement and larger purchasing lots, and promotion of overseas procurement and overseas production), and believes that there is a high probability. This acquisition did not have a material impact on NIDEC's consolidated financial position and results of operations.

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>	62
<u>Intangible assets</u>	1,687
<u>Deferred tax assets</u>	(499)
<u>Fair value of acquired assets</u>	1,250
<u>Current liabilities</u>	
<u>Trade and other payables</u>	198
<u>Fair value of assumed liabilities</u>	198
<u>Net fair value of acquired assets and assumed liabilities</u>	1,052
<u>Goodwill</u>	(1,092)

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 Rights</u>	<u>No amortization</u>	400
<u>Customer Relationship</u>	<u>16 years</u>	1,060
<u>Proprietary Technology</u>	<u>10 years</u>	227

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 previous fiscal 2022 is as follows:

(Yen in millions)

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

Effect on the condensed quarterly consolidated statement of income for the nine months ended December 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>	(43)
<u>Profit before income taxes</u>	(43)
<u>Profit attributable to owners of the parent</u>	(29)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the nine months ended December 31, 2023, the assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statements of financial position based on provisional management estimation as of December 31, 2023.

8. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the nine months ended December 31,	
	2022	2023
Balance at beginning of period		
Goodwill	339,904	<u>362,388</u>
Acquisitions through business combinations	-	2,682
Sales or disposals	-	-
Translation adjustments and others	15,032	<u>14,018</u>
Balance at end of period		
Goodwill	354,936	<u>379,088</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>	<u>(53,259)</u>	<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>	<u>(6,847)</u>	3,397
Total	264,234	<u>(112,108)</u>	<u>152,126</u>

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

(Yen in millions)

	As of December 31, 2023		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Customer relationships	<u>145,097</u>	<u>(61,460)</u>	<u>83,637</u>
Proprietary technology	<u>24,099</u>	<u>(12,846)</u>	<u>11,253</u>
Software	51,131	(31,683)	19,448
Capitalized development costs	59,641	(17,033)	42,608
Others	<u>9,156</u>	<u>(6,026)</u>	3,130
Total	<u>289,124</u>	<u>(129,048)</u>	<u>160,076</u>

(Note) The carrying amounts of software include the right-of-use assets of ¥58 million.

Total amortization of intangible assets for the year ended March 31, 2023 and for the nine months ended December 31, 2023 amounted to ¥16,909 million and ¥13,247 million, respectively. Total indefinite lived intangible assets amounted to ¥71,301 million and ¥76,429 million as of March 31, 2023 and December 31, 2023, respectively.

9. Bonds

For the nine months ended December 31, 2022

Summary of the terms of issued bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate (%)	Maturity date
Nidec Corporation	The Thirteenth Series of Domestic Unsecured Bonds	July 12, 2022	30,000	0.250	July 11, 2025
Nidec Corporation	The Fourteenth Series of Domestic Unsecured Bonds	July 12, 2022	20,000	0.549	July 12, 2032
Nidec Corporation	The Fifteenth Series of Domestic Unsecured Bonds	November 24, 2022	20,000	0.250	November 21, 2025
Nidec Corporation	The Sixteenth Series of Domestic Unsecured Bonds	November 24, 2022	50,000	0.440	November 24, 2027

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 Third Series of Domestic Unsecured Bonds	November 13, 2012	20,000	0.956	September 20, 2022
Nidec Corporation	The Seventh Series of Domestic Unsecured Bonds	August 30, 2017	65,000	0.114	August 30, 2022
Nidec Corporation	The Ninth Series of Domestic Unsecured Bonds (Green Bond)	November 28, 2019	50,000	0.020	November 28, 2022

For the nine months ended December 31, 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 nine months ended December 31, 2022 and 2023 are as follows:

(Yen in millions)

	For the nine months ended December 31,	
	2022	2023
Net periodic pension cost for defined benefit plans:		
Current service cost	1,400	1,589
Interest cost (net)	547	562
Net periodic pension cost for defined benefit plans	1,947	2,151
Payments to defined contribution pension plans	4,485	5,253

11. Related party transactions

Transactions with related parties for the nine months ended December 31, 2022 and 2023 are as follows:

Sales of goods and services

(Yen in millions)

	For the nine months ended December 31,	
	2022	2023
Related parties		
Nagamori Foundation*1	9	9
Nagamori Gakuen Educational Foundation*2	33	20
Nagamori Culture Foundation*3	45	59

(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 nine months ended December 31,	
	2022	2023
Related parties		
S.N. Kosan, LTD.*4	9	10
Nagamori Gakuen Educational Foundation	3	7
Nagamori Culture Foundation	1	1

(Notes) *4. A director of NIDEC owns a majority of voting rights of S.N. Kosan, LTD.

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	December 31, 2023
Receivables from related parties		
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	2	4
Nagamori Culture Foundation	1	1
Payables to related parties		
S.N. Kosan, LTD.	0	-
Nagamori Gakuen Educational Foundation	-	-
Nagamori Culture Foundation	0	0

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

12. Dividends

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

For the nine months ended December 31, 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
October 24, 2022 Board of directors	Ordinary shares	20,133	35	September 30, 2022	December 1, 2022

(Notes) 1. 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.

2. Total dividends resolved at the board of directors on October 24, 2022 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the nine months ended December 31, 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
October 23, 2023 Board of directors	Ordinary shares	20,128	35	September 30, 2023	December 1, 2023

(Notes) 1. 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.

2. Total dividends resolved at the board of directors on October 23, 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 nine months ended December 31,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	<u>96,774</u>	<u>144,894</u>
Profit from continuing operations attributable to owners of the parent (Yen in millions)	<u>96,987</u>	<u>144,915</u>
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(213)	(21)
Weighted average shares (Shares)	575,897,385	574,600,338
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	<u>168.04</u>	<u>252.17</u>
Continuing operations	<u>168.41</u>	<u>252.20</u>
Discontinued operations	(0.37)	(0.04)

	For the three months ended December 31,	
	2022	2023
Profit attributable to owners of the parent (Yen in millions)	<u>16,203</u>	<u>39,112</u>
Profit from continuing operations attributable to owners of the parent (Yen in millions)	<u>16,245</u>	<u>39,119</u>
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(42)	(7)
Weighted average shares (Shares)	574,760,422	574,599,649
Earnings (loss) per share attributable to owners of the parent - basic (Yen)	<u>28.19</u>	<u>68.07</u>
Continuing operations	<u>28.26</u>	<u>68.08</u>
Discontinued operations	(0.07)	(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 December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	26	26	22	22
Long term investments	5,043	5,195	5,068	5,142
Short term loans receivable	14	14	13	13
Long term loans receivable	161	148	4,107	4,093
Short term borrowings	(159,279)	(159,279)	(139,388)	(139,388)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(102,587)	(101,483)	(152,468)	(150,321)
Corporate bonds (including corporate bonds due within one year)	(392,413)	(383,129)	(348,233)	(341,508)

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 December 31, 2023

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	22,677	-	2,146	24,823
FVTOCI debt financial assets	-	84	-	84
Derivatives	245	3,900	-	4,145
Total financial assets	22,922	3,984	2,146	29,052
Liabilities				
Derivatives	37	332	-	369
Total financial liabilities	37	332	-	369

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the three months ended December 31, 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 nine months ended December 31,	
	2022	2023
Balance at beginning of period	2,154	2,258
Gains or losses:		
Recognized in other comprehensive income (Note)	123	(123)
Sales	(9)	11
Balance at end of period	2,268	2,146

(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 ¥18,262 million for bank borrowing by equity method affiliates at December 31, 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 ¥22,138 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at December 31, 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.

16. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2023	As of December 31, 2023
Property, plant and equipment and other assets	18,521	20,795

17. Events after the reporting period

(1) Resolution for Approval of Takisawa Machine Tool Co., Ltd.'s Share Consolidation

At the Extraordinary General Meeting of Shareholders of Takisawa Machine Tool Co., Ltd. (“TAKISAWA”) held on January 12, 2024, TAKISAWA submitted a proposal regarding the consolidation of shares, and the proposal was approved. As a result, common shares of TAKISAWA (the “TAKISAWA shares”) fall under the delisting criteria set forth in the Security Listing Regulations of the Tokyo Stock Exchange, Inc. On January 31, 2024, TAKISAWA shares were delisted and the Company made TAKISAWA a wholly owned subsidiary with the consolidation of shares on February 2, 2024.

1. The Share Consolidation

1) Purpose	As part of the series of transactions to make TAKISAWA a wholly-owned subsidiary of the Company.
2) Class of shares to be consolidated	Common shares
3) Consolidation ratio	As of February 2, 2024, 900,000 shares of TAKISAWA shares owned by shareholders listed or recorded in the final register of shareholders as of February 1, 2024 were consolidated into one share.
4) Total number of issued shares to be reduced	6,387,803 shares
5) Total number of issued shares before effectuation	6,387,810 shares (after cancellation of treasury shares)
6) Total number of issued shares after effectuation	7 shares
7) Total number of authorized shares as of the effective date	28 shares
8) Method of handling cases where fractions of less than one share occur, and the amount of money expected to be delivered to shareholders as a result of such handling	As a result of the share consolidation, the number of TAKISAWA shares held by shareholders other than the Company has been a fraction of less than one share. With respect to fractions of less than one share, TAKISAWA sells the number of shares corresponding to the total number in accordance with the provisions of Article 235 of the Companies Act and other relevant laws and regulations in Japan and delivers the proceeds from the sale to the shareholders in proportion to the fraction. Price: An amount of money that is economically equivalent to the Tender Offer Price of 2,600 yen per a TAKISAWA share Payment Method: Cash Payment date: Late May 2024 (scheduled)

2. Schedule of the Share Consolidation

1) Date of the Extraordinary General Meeting	January 12, 2024
2) Designation of shares to be delisted	January 12, 2024
3) Last day of trading of the TAKISAWA shares	January 30, 2024
4) Delisting date of the TAKISAWA shares	January 31, 2024
5) Effective date of the consolidation of shares	February 2, 2024

(2) Own share repurchase

The Company resolved to set a share repurchase plan as stipulated in Article 156, Paragraph 1 of the Company Act of Japan at the Company's Board of Directors held on January 24, 2024, in accordance with provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Company Act of Japan. This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows.

1) Class of shares	Common stock
2) Total number of shares to be repurchased	Up to 2,000,000 shares (0.34% of total number of shares issued excluding treasury stock)
3) Total repurchase amount	Up to 11 billion yen
4) Period of repurchase	From January 25, 2024 to May 24, 2024

We evaluated subsequent events by the publication date of the uncorrected Quarterly Report (February 13, 2024).

18. Authorization of condensed quarterly consolidated financial statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on February 13, 2024 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 October 23, 2023, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2023 as follows:

- (1) Total amount of dividends:¥20,128 million
- (2) Amount per share:¥35.00
- (3) Effective date of claim of payment and start date of payment:December 1, 2023

Part II Information on Guarantors, etc. for the Company

Not applicable.