

[Translation]

Quarterly Report

(The First Quarter of 45th Business Term)
From April 1, 2017 to June 30, 2017

NIDEC CORPORATION

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[Cover]

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| [Document Filed] | Quarterly Report (“Shihanki Hokokusho”) |
| [Applicable Law] | Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan |
| [Filed with] | Director, Kanto Local Finance Bureau |
| [Filing Date] | August 9, 2017 |
| [Fiscal Year] | The First Quarter of 45th Business Term (from April 1, 2017 to June 30, 2017) |
| [Company Name] | Nihon Densan Kabushiki Kaisha |
| [Company Name in English] | NIDEC CORPORATION |
| [Title and Name of Representative] | Shigenobu Nagamori, Chairman of the Board, President, Chief Executive Officer and Representative Director |
| [Address of Head Office] | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto |
| [Phone No.] | 075-922-1111 |
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| [Phone No.] | 075-922-1111 |
| [Contact Person] | Tomohiko Hatori, General Manager, Accounting Department |
| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) |

This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise stated)

| | Three months ended June 30, 2016 | Three months ended June 30, 2017 | Year ended March 31, 2017 |
|--|-------------------------------------|-------------------------------------|------------------------------|
| Net Sales | 276,206 | 343,091 | 1,199,311 |
| Profit before income taxes | 29,087 | 36,326 | 142,278 |
| Profit attributable to owners of the parent | 22,028 | 28,194 | 111,721 |
| Comprehensive income attributable to owners of the parent | (43,929) | 38,786 | 108,024 |
| Total equity attributable to owners of the parent | 707,225 | 867,669 | 847,285 |
| Total assets | 1,311,125 | 1,716,577 | 1,676,901 |
| Earnings per share attributable to owners of the parent- Basic (Yen) | 74.27 | 95.22 | 376.67 |
| Earnings per share attributable to owners of the parent-Diluted (Yen) | - | - | - |
| Ratio of total equity attributable to owners of the parent to total assets (%) | 53.9 | 50.5 | 50.5 |
| Net cash provided by operating activities | 37,198 | 44,200 | 129,853 |
| Net cash used in investing activities | (19,127) | (18,935) | (211,476) |
| Net cash (used in) provided by financing activities | (11,729) | (23,500) | 95,848 |
| Cash and cash equivalents at end of period | 284,759 | 326,611 | 321,580 |

- (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. Sales do not include consumption taxes.
5. There were no potentially dilutive common shares outstanding for the three months ended June 30, 2016 and 2017.
6. During the three months ended September 30, 2016 and three months ended March 31, 2017, NIDEC (Nidec Corporation and its consolidated subsidiaries) finalized the provisional accounting treatment for business combinations. As a result, figures as of three months ended June 30, 2016 reflect the revision of the initially allocated amounts of acquisition price. Details are stated in “6. Business combinations” of “Notes to Condensed Quarterly Consolidated Financial Statements” incorporated in this Quarterly Report.

2. Description of Business

There were no significant changes in NIDEC's businesses during the three months ended June 30, 2017. 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, 2017. There were no material changes in the risk factors stated in the annual securities report for the 44th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Material Agreements, etc.

The material agreement executed during the three months ended June 30, 2017 is as follows:

(1) Share Purchase and Transfer Agreement

(Secop Holding GmbH and other 3 entities)

NIDEC agreed to acquire 100% equity shares of Secop Holding GmbH, Secop s.r.o., Secop Compressors (Tianjin) Co., Ltd. and Secop Inc. (herein collectively "Secop") and shareholder loans from Secop Beteiligungs GmbH through the Company's subsidiaries, Nidec Europe B.V. and Nidec Americas Holding Corporation. NIDEC entered into stock purchase agreement on April 25, 2017, and completed the acquisition on July 31, 2017, Germany time (the "Transaction").

1. Purpose of the Transaction

Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators. Under the Transaction, our appliance motor business in Global Appliance Division which is our new growth platform with particular focus on appliance, industrial and commercial business improves competitiveness in the European market. Through the Transaction, NIDEC is adding compressors to its product portfolio, which allows NIDEC to expand further into the refrigeration market.

2. Funds for the Transaction

Self-financing

3. Information on Secop

| | |
|-----------------------------|--|
| Company Name (Head office): | Secop GmbH |
| Headquarters: | Flensburg, Germany |
| Business: | Development, manufacturing and sales of compressors for consumer and commercial type refrigerators |

4. Execution date of the share purchase and transfer agreement

April 25, 2017

5. Date of the completion of the business acquisition

July 31, 2017, Germany time

(2) Equity Transfer Agreement

(LGB Elettropompe S.r.l.)

Nidec Europe B.V., a subsidiary of the Company, entered into an equity transfer agreement on June 27, 2017 to acquire 100% of the ownership interest of LGB Elettropompe S.r.l. ("LGB") in Italy from its shareholders, and completed the acquisition on July 3, 2017 (the "Transaction").

1. Purpose of the Transaction

LGB designs, manufactures and sells products of pumps for commercial dishwashers and motors for convection ovens. Through the Transaction, it will be another foothold for NIDEC to increase its presence in the European commercial food equipment market.

2. Funds for the Transaction
Self-financing

3. Information on LGB Elettropompe

Company Name (Head office): LGB Elettropompe S.r.l.
Headquarters: Padua, Italy
Business: Designs, manufactures and sales of pumps for commercial dishwashers and motors for convection ovens

4. Execution date of the equity transfer agreement
June 27, 2017

5. Date of the completion of the share acquisition
July 3, 2017

(3) The Business Succession Agreement
(Tokyo Maruzen Industry Co., Ltd.)

NIDEC resolved to make Nidec Sankyo Corporation (“Nidec Sankyo”), the Company’s subsidiary, succeed the business of Tokyo Maruzen Industry Co., Ltd. (“Tokyo Maruzen”) by way of an absorption type company split. For this purpose, on August 9, 2017, both companies have entered into an agreement under which Nidec Sankyo will form a new company to succeed the Tokyo Maruzen’s business (the “Transaction”). Details of the Transaction are stated in “14. Events after the Reporting Period” of “Notes to Condensed Quarterly Consolidated Financial Statements” incorporated in this Quarterly Report.

3. Analysis of Consolidated Financial Position, Operating Results and Cash Flows

(1) Operating Results

During the three months ended June 30, 2017, the world economy saw the U.S. economy continues to expand moderately, and the FRB carries out an additional interest rate hike in June. The European economy continued to recover as well, after political uncertainty was dispelled upon Mr. Emmanuel Macron’s election as the new French president and the victory of the new political party led by him in the latest election for the lower house of the country’s parliament.

While the Japanese economy enjoyed a moderate recovery as well, the Chinese economy, though with its hi-tech and other industries in good shape, may decelerate depending on the country’s future financial policies.

It was under such an environment that NIDEC continued to pursue our targets for the fiscal year ending March 31, 2021 of consolidated net sales of ¥2 trillion and an operating profit ratio of 15% based on our mid-term strategic goal, “Vision 2020,” and achieved in the three months ended June 30, 2017 the highest three-month net sales and operating profit for the period in our history.

The following table sets first consolidated operating results for the year ended June 30, 2017:

(Yen in millions)

| | Three months ended June 30, 2016 | Three months ended June 30, 2017 | Increase or decrease | Increase or decrease ratio |
|---|----------------------------------|----------------------------------|----------------------|----------------------------|
| Net sales | 276,206 | 343,091 | 66,885 | 24.2% |
| Operating profit | 31,524 | 39,022 | 7,498 | 23.8% |
| Profit before income taxes | 29,087 | 36,326 | 7,239 | 24.9% |
| Profit attributable to owners of the parent | 22,028 | 28,194 | 6,166 | 28.0% |

Consolidated net sales increased 24.2% to ¥343,091 million for this three-month period compared to the same period of the prior year, recording the highest quarterly net sales in our

history. Operating profit increased 23.8% to ¥39,022 million for this three-month period compared to the same period of the prior year, also recording the highest quarterly operating profit in our history. Profit before income taxes increased 24.9% to ¥36,326 million for this three-month period compared to the same period of the prior year. Profit attributable to owners of the parent increased 28.0% to ¥28,194 million for this three-month period compared to the same period of the prior year.

The following table sets forth operating results by segment:

(Yen in millions)

| | Three months ended June 30 | | | | | |
|------------------------------|----------------------------|----------|----------------------|------------------|---------|----------------------|
| | Net sales | | | Operating profit | | |
| | 2016 | 2017 | Increase or decrease | 2016 | 2017 | Increase or decrease |
| Nidec Corporation | 42,448 | 47,385 | 4,937 | 3,131 | 3,795 | 664 |
| Nidec Electronics (Thailand) | 27,854 | 30,909 | 3,055 | 4,174 | 5,722 | 1,548 |
| Nidec Singapore | 12,616 | 11,237 | (1,379) | 184 | 133 | (51) |
| Nidec (H.K.) | 23,958 | 25,220 | 1,262 | 196 | 362 | 166 |
| Nidec Sankyo | 32,222 | 37,798 | 5,576 | 4,550 | 5,208 | 658 |
| Nidec Copal | 11,791 | 12,065 | 274 | 1,074 | 1,346 | 272 |
| Nidec Techno Motor | 17,683 | 22,348 | 4,665 | 2,246 | 2,421 | 175 |
| Nidec Motor | 57,804 | 99,018 | 41,214 | 5,150 | 6,336 | 1,186 |
| Nidec Motors & Actuators | 64,908 | 70,843 | 5,935 | 6,343 | 8,355 | 2,012 |
| All Others | 68,640 | 81,293 | 12,653 | 7,346 | 10,196 | 2,850 |
| Adjustments | (83,718) | (95,025) | (11,307) | (2,870) | (4,852) | (1,982) |
| Consolidated total | 276,206 | 343,091 | 66,885 | 31,524 | 39,022 | 7,498 |

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

Net sales of Nidec Corporation increased 11.6% to ¥47,385 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to increases in demand for other small precision motors and automotive motors such as electric power steering motors, and the positive effect of the depreciation of the Japanese yen against the U.S. dollar. Operating profit of Nidec Corporation increased 21.2% to ¥3,795 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales, and cost reduction.

Net sales of Nidec Electronics (Thailand) increased 11.0% to ¥30,909 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the positive effects of the depreciation of Japanese yen against the U.S. dollar and an increase in sales caused by production shift for hard disk drives spindle motors. Operating profit of Nidec Electronics (Thailand) increased 37.1% to ¥5,722 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales and the changes in the product mix.

Net sales of Nidec Singapore decreased 10.9% to ¥11,237 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This decrease was primarily due to a decrease in demand and the negative effect of change of product distribution for hard disk drives spindle motors. Operating profit of Nidec Singapore decreased 27.7% to ¥133 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This decrease was primarily due to the decrease in sales.

Net sales of Nidec (H.K.) increased 5.3% to ¥25,220 million for the three months ended

June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to an increase in demand for other small precision motors and the positive effect of the depreciation of the Japanese yen against the Hong Kong dollar, despite the negative effect of change of product distribution for hard disk drives spindle motors. Operating profit of Nidec (H.K.) increased 84.7% to ¥362 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Sankyo increased 17.3% to ¥37,798 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to an increase in sales of brushless DC motors. Operating profit of Nidec Sankyo increased 14.5% to ¥5,208 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Copal increased 2.3% to ¥12,065 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to an increase in sales of mounting machine units and the positive effect of the depreciation of Japanese yen against the Thai baht, despite a decrease in sales of other small precision motors. Operating profit of Nidec Copal increased 25.3% to ¥1,346 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales and cost reduction.

Net sales of Nidec Techno Motor increased 26.4% to ¥22,348 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to an increase in demand for motors for air conditioning equipment in China. Operating profit of Nidec Techno Motor increased 7.8% to ¥2,421 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales, despite the changes in the product mix.

Net sales of Nidec Motor increased 71.3% to ¥99,018 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended March 31, 2017. Operating profit of Nidec Motor increased 23.0% to ¥6,336 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Motors & Actuators increased 9.1% to ¥70,843 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to an increase in sales for automotive motors such as electric power steering motors and products of control valves at the Nidec Tosok Corporation. Operating profit of Nidec Motors & Actuators increased 31.7% to ¥8,355 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales and cost reduction.

With respect to the All Others segment, net sales increased 18.4% to ¥81,293 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to an increase in sales for other small precision motors and the press machines, despite the negative effect caused by production shift for hard disk drives spindle motors. Operating profit increased 38.8% to ¥10,196 million for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. This increase was primarily due to the increase in sales and cost reduction.

(2) Cash Flows

(Cash Flows from Operating Activities)

Net cash provided by operating activities increased ¥7,002 million to ¥44,200 million for the three months ended June 30, 2017 compared to the three months June 30, 2016. This increase in net cash provided by operating activities was mainly due to an increase of ¥6,047 million of profit for

the period and increase of ¥5,372 million of a change in accounts receivable, although there was net negative impact of ¥6,706 million of a change in inventories.

For the three months ended June 30, 2017, NIDEC had ¥44,200 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥28,298 million and an increase in accounts payable of ¥9,038 million. Accounts payable increased primarily due to an increase in sales as of June 30, 2017 compared to March 31, 2017.

For the three months ended June 30, 2016, NIDEC had ¥37,198 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥22,251 million and an increase in accounts payable of ¥8,841 million. However, net cash provided by operating activities was negatively impacted by an increase in accounts receivable of ¥11,916 million. Accounts payable and accounts receivable increased primarily due to an increase in sales as of June 30, 2016 compared to March 31, 2016, except for the effect of exchange rate changes.

(Cash Flows from Investing Activities)

Net cash used in investing activities decreased ¥192 million to ¥18,935 million for the three months ended June 30, 2017 compared to the three months June 30, 2016. The decrease in net cash used in investing activities was mainly due to a decrease in acquisition of business, net of cash acquired of ¥1,935 million, although there was increase of ¥3,750 million in additions to property, plant and equipment.

For the three months ended June 30, 2017, NIDEC had ¥18,935 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥20,033 million.

For the three months ended June 30, 2016, NIDEC had ¥19,127 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥16,283 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities increased ¥11,771 million to ¥23,500 million for the three months ended June 30, 2017 compared to the three months June 30, 2016. This increase was mainly due to an increase in net cash outflow from short term borrowings of ¥133,254 million, although there were proceeds from issuance of long term debt of ¥82,339 million and proceeds from issuance of corporate bonds of ¥50,001 million.

For the three months ended June 30, 2017, NIDEC had ¥23,500 million of net cash outflows from financing activities mainly due to a decrease in short term borrowings of ¥131,580 million and dividends paid to the owner of the parent of ¥13,347 million partially offset by proceeds from issuance of long term debt of ¥82,583 million and proceeds from issuance of corporate bonds of ¥50,001 million.

For the three months ended June 30, 2016, NIDEC had ¥11,729 million of net cash outflows from financing activities mainly due to dividends paid to the owner of the parent of ¥11,864 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents increased ¥5,031 million from ¥321,580 million as of March 31, 2017 to ¥326,611 million as of June 30, 2017. NIDEC hold its cash and cash equivalents primarily in U.S. dollars, Chinese yuan, Japanese yen, Thai baht and Euros.

(3) Research and Development

NIDEC's research and development expenses for the three months ended June 30, 2017 were ¥13,244 million. There were no significant changes in research and development activities for the period.

(4) Production, Orders Received and Sales

Production, orders received and sales of "Nidec Motor" segment for the three months ended June 30, 2017 increased significantly compared to the three months ended June 30, 2016, due to the effect of the newly consolidated subsidiaries acquired in the three months ended March 31, 2017.

III. Information on the Company

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

(1) Total Number of Shares, etc.

1) Total number of shares

| Class | Total number of shares authorized to be issued (shares) |
|--------------|---|
| Common stock | 960,000,000 |
| Total | 960,000,000 |

2) Issued shares

| Class | Number of shares issued as of the end of first quarter (shares) (June 30, 2017) | Number of shares issued as of the filing date (shares) (August 9, 2017) | Stock exchange on which the Company is listed | Description |
|--------------|---|---|--|---|
| Common stock | 298,142,234 | 298,142,234 | Tokyo Stock Exchange, Inc. (the first section) | This is our standard stock. There is no restriction on contents of the right of the stock. The number of shares per one unit of shares is 100 shares. |
| Total | 298,142,234 | 298,142,234 | - | - |

(2) Information on the Stock Acquisition Rights, etc.
Not applicable.

(3) Information on Moving Strike Convertible Bonds, etc.
Not applicable.

(4) Information on Shareholder Right Plans
Not applicable.

(5) Changes in the Total Number of Issued Shares and the Amount of Common Stock and Other

| Date | Change in the total number of issued shares (shares) | Balance of the total number of issued shares (shares) | Changes in common stock (Yen in millions) | Balance of common stock (Yen in millions) | Changes in capital reserve (Yen in millions) | Balance of capital reserve (Yen in millions) |
|-------------------------------------|--|---|---|---|--|--|
| From April 1, 2017 to June 30, 2017 | - | 298,142,234 | - | 87,784 | - | 92,005 |

(6) Major Shareholders
Not applicable.

(7) Information on Voting Rights

Information on voting rights as of March 31, 2017 is stated in this item because the Company does not identify the number of voting rights as of June 30, 2017 due to the lack of information on the details entered in the shareholders registry as of June 30, 2017.

1) Issued shares

As of June 30, 2017

| Classification | Number of shares (shares) | Number of voting rights | Description |
|---|---------------------------|-------------------------|-------------|
| Shares without voting right | - | - | - |
| Shares with restricted voting rights (treasury stock, etc.) | - | - | - |
| Shares with restricted voting rights (others) | - | - | - |
| Shares with full voting right (treasury stock, etc.) | Common stock 1,544,600 | - | - |
| Shares with full voting right (others) | Common stock 296,089,900 | 2,960,899 | - |
| Shares less than one unit | Common stock 507,734 | - | - |
| Number of issued shares | 298,142,234 | - | - |
| Total number of voting rights | - | 2,960,899 | - |

(Notes) 1. The “Shares with full voting right (others)” column includes 35,500 shares registered in the name of Japan Securities Depository Center (“JASDEC”) and 355 voting rights for those shares. The “Shares with full voting right (others)” column includes 200 shares registered in the name of Nidec-Shimpo Corporation (shares of stocks that were not registered when the shares were exchanged with the Company on October 1, 2003) and two voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 200 shares (two voting rights) registered in its name.

2. Common stock in the “Shares less than one unit” column includes 34 shares of the Company’s treasury stock.

2) Treasury stock, etc.

As of June 30, 2017

| Name of shareholder | Address | Number of shares held under own name (shares) | Number of shares held under the name of others (shares) | Total shares held (shares) | Ownership percentage to the total number of issued shares (%) |
|---------------------|---|---|---|----------------------------|---|
| Nidec Corporation | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto | 1,544,600 | - | 1,544,600 | 0.51 |
| Total | - | 1,544,600 | - | 1,544,600 | 0.51 |

(Note) As of June 30, 2017, the number of shares held under own name (except shares of less than one unit) is 2,065,500.

2. Changes in Directors and Senior Management

There were no changes in Members of the Board of Directors and the Members of the Audit & Supervisory Board of Nidec Corporation from the filing date of the annual securities report for the 44th business term pursuant to the Financial Instruments and Exchange Act of Japan to June 30, 2017.

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

| | | <i>(Yen in millions)</i> | |
|---|------|--------------------------|-------------------------|
| | Note | March 31, 2017 | June 30, 2017 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 321,580 | 326,611 |
| Trade and other receivables | | 348,897 | 359,858 |
| Other financial assets | 12 | 2,951 | 2,095 |
| Income tax receivables | | 1,676 | 3,268 |
| Inventories | | 197,283 | 205,430 |
| Other current assets | | 28,342 | 29,886 |
| Total current assets | | <u>900,729</u> | <u>927,148</u> |
| Non-current assets | | | |
| Property, plant, and equipment | | 394,051 | 402,725 |
| Goodwill | 7 | 260,183 | 262,347 |
| Intangible assets | 7 | 77,215 | 76,452 |
| Investments accounted for using the equity method | | 1,125 | 1,099 |
| Other investments | 12 | 19,583 | 21,365 |
| Other financial assets | 12 | 3,764 | 4,019 |
| Deferred tax assets | | 15,526 | 16,502 |
| Other non-current assets | | 4,725 | 4,920 |
| Total non-current assets | | <u>776,172</u> | <u>789,429</u> |
| Total assets | | <u><u>1,676,901</u></u> | <u><u>1,716,577</u></u> |

| <i>(Yen in millions)</i> | | | |
|--|------|-------------------------|-------------------------|
| | Note | March 31, 2017 | June 30, 2017 |
| Liabilities | | | |
| Current liabilities | | | |
| Short term borrowings | 12 | 166,606 | 34,120 |
| Long term debt due within one year | 12 | 84,040 | 95,895 |
| Trade and other payables | | 251,236 | 261,324 |
| Other financial liabilities | 12 | 1,844 | 3,339 |
| Income tax payables | | 6,690 | 7,110 |
| Provisions | | 25,210 | 26,400 |
| Other current liabilities | | 66,461 | 70,608 |
| Total current liabilities | | <u>602,087</u> | <u>498,796</u> |
| Non-current liabilities | | | |
| Long term debt | 12 | 161,785 | 282,015 |
| Other financial liabilities | 12 | 1,315 | 1,255 |
| Retirement benefit liabilities | | 22,656 | 23,493 |
| Provisions | | 3,614 | 3,679 |
| Deferred tax liabilities | | 25,994 | 27,471 |
| Other non-current liabilities | | 2,931 | 2,976 |
| Total non-current liabilities | | <u>218,295</u> | <u>340,889</u> |
| Total liabilities | | <u>820,382</u> | <u>839,685</u> |
| Equity | | | |
| Common stock | | 87,784 | 87,784 |
| Additional paid-in capital | | 118,340 | 118,340 |
| Retained earnings | | 716,625 | 732,815 |
| Other components of equity | | (63,321) | (53,977) |
| Treasury stock | | (12,143) | (17,293) |
| Total equity attributable to owners of the parent | | <u>847,285</u> | <u>867,669</u> |
| Non-controlling interests | | 9,234 | 9,223 |
| Total equity | | <u>856,519</u> | <u>876,892</u> |
| Total liabilities and equity | | <u><u>1,676,901</u></u> | <u><u>1,716,577</u></u> |

(2) Condensed Quarterly Consolidated Statements of Income and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2016 and 2017
Condensed Quarterly Consolidated Statements of Income

| | | <i>(Yen in millions)</i> | |
|--|------|----------------------------|-----------|
| | Note | Three months ended June 30 | |
| | | 2016 | 2017 |
| Net Sales | 5 | 276,206 | 343,091 |
| Cost of sales | | (212,265) | (258,771) |
| Gross profit | | 63,941 | 84,320 |
| Selling, general and administrative expenses | | (19,757) | (32,054) |
| Research and development expenses | | (12,660) | (13,244) |
| Operating profit | 5 | 31,524 | 39,022 |
| Financial income | | 689 | 1,263 |
| Financial expenses | | (532) | (1,423) |
| Derivative gain | | (2,417) | 18 |
| Foreign exchange differences | | (152) | (2,569) |
| Share of net profit (loss) from associate accounting using the equity method | | (25) | 15 |
| Profit before income taxes | | 29,087 | 36,326 |
| Income tax expenses | | (6,836) | (8,028) |
| Profit for the period | | 22,251 | 28,298 |
| Profit attributable to: | | | |
| Owners of the parent | | 22,028 | 28,194 |
| Non-controlling interests | | 223 | 104 |
| Profit for the period | | 22,251 | 28,298 |
| Earnings per share attributable to owners of the parent | 11 | | |
| Basic (Yen) | | 74.27 | 95.22 |
| Diluted (Yen) | | - | - |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

| | Note | Three months ended June 30 | |
|--|------|----------------------------|--------|
| | | 2016 | 2017 |
| Profit for the period | | 22,251 | 28,298 |
| Other comprehensive income, net of taxation | | | |
| Items that will not be reclassified to net profit or loss: | | | |
| Remeasurement of defined benefit plans | | (113) | (46) |
| Fair value movements on FVTOCI equity financial assets | | (962) | 1,316 |
| Items that may be reclassified to net profit or loss: | | | |
| Foreign currency translation adjustments | | (65,758) | 8,761 |
| Effective portion of net changes in fair value of cash flow hedges | | 157 | 465 |
| Fair value movements on FVTOCI debt financial assets | | 1 | 0 |
| Total other comprehensive income for the period, net of taxation | | (66,675) | 10,496 |
| Comprehensive income for the period | | (44,424) | 38,794 |
| Comprehensive income for the period attributable to: | | | |
| Owners of the parent | | (43,929) | 38,786 |
| Non-controlling interests | | (495) | 8 |
| Comprehensive income for the period | | (44,424) | 38,794 |

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended June 30, 2016

(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 | | |
| As of April 1, 2016 | | 87,784 | 118,341 | 625,168 | (56,159) | (12,111) | 763,023 | 8,346 | 771,369 |
| Comprehensive income | | | | | | | | | |
| Profit for the period | | | | 22,028 | | | 22,028 | 223 | 22,251 |
| Other comprehensive income | | | | | (65,957) | | (65,957) | (718) | (66,675) |
| Total comprehensive income | | | | | | | (43,929) | (495) | (44,424) |
| Transactions with owners directly recognized in equity: | | | | | | | | | |
| Purchase of treasury stock | | | | | | (4) | (4) | - | (4) |
| Dividends paid to the owners of the parent | 10 | | | (11,864) | | | (11,864) | - | (11,864) |
| Dividends paid to non-controlling interests | | | | | | | - | (8) | (8) |
| Transfer to retained earnings | | | | (1,060) | 1,060 | | - | - | - |
| Other | | | (1) | | | | (1) | (47) | (48) |
| As of June 30, 2016 | | 87,784 | 118,340 | 634,272 | (121,056) | (12,115) | 707,225 | 7,796 | 715,021 |

Three months ended June 30, 2017

(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 | | |
| As of April 1, 2017 | | 87,784 | 118,340 | 716,625 | (63,321) | (12,143) | 847,285 | 9,234 | 856,519 |
| Comprehensive income | | | | | | | | | |
| Profit for the period | | | | 28,194 | | | 28,194 | 104 | 28,298 |
| Other comprehensive income | | | | | 10,592 | | 10,592 | (96) | 10,496 |
| Total comprehensive income | | | | | | | 38,786 | 8 | 38,794 |
| Transactions with owners directly recognized in equity: | | | | | | | | | |
| Purchase of treasury stock | | | | | | (5,149) | (5,149) | - | (5,149) |
| Dividends paid to the owners of the parent | 10 | | | (13,347) | | | (13,347) | - | (13,347) |
| Dividends paid to non-controlling interests | | | | | | | - | (13) | (13) |
| Transfer to retained earnings | | | | 1,343 | (1,343) | | - | - | - |
| Other | | | | | 95 | (1) | 94 | (6) | 88 |
| As of June 30, 2017 | | 87,784 | 118,340 | 732,815 | (53,977) | (17,293) | 867,669 | 9,223 | 876,892 |

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

| | | Three months ended June 30 | |
|---|------|----------------------------|----------|
| | Note | 2016 | 2017 |
| Cash flows from operating activities: | | | |
| Profit for the period | | 22,251 | 28,298 |
| Adjustments to reconcile profit for the period to net cash provided by operating activities | | | |
| Depreciation and amortization | | 12,093 | 16,077 |
| Gain from sales, disposal or impairment of property, plant and equipment | | (1,032) | (100) |
| Financial (income) expenses | | (181) | 24 |
| Share of net loss (profit) from associate accounting using the equity method | | 25 | (15) |
| Deferred income taxes | | 621 | (1,080) |
| Current income taxes | | 6,216 | 9,108 |
| Foreign currency adjustments | | 3,197 | 970 |
| Increase in retirement benefit liability | | 252 | 349 |
| Increase in accounts receivable | | (11,916) | (6,544) |
| Decrease (increase) in inventories | | 353 | (6,353) |
| Increase in accounts payable | | 8,841 | 9,038 |
| Other, net | | 3,521 | 4,660 |
| Interests and dividends received | | 641 | 1,032 |
| Interests paid | | (460) | (872) |
| Income taxes paid | | (7,224) | (10,392) |
| Net cash provided by operating activities | | 37,198 | 44,200 |

(Yen in millions)

| | | Three months ended June 30 | |
|--|------|----------------------------|-----------|
| | Note | 2016 | 2017 |
| Cash flows from investing activities: | | | |
| Additions to property, plant and equipment | | (16,283) | (20,033) |
| Proceeds from sales of property, plant and equipment | | 249 | 1,129 |
| Acquisitions of business, net of cash acquired | | (1,935) | - |
| Other, net | | (1,158) | (31) |
| Net cash used in investing activities | | (19,127) | (18,935) |
| Cash flows from financing activities: | | | |
| Increase (decrease) in short term borrowings | | 1,674 | (131,580) |
| Proceeds from issuance of long term debt | | 244 | 82,583 |
| Repayments of long term debt | | (1,771) | (5,923) |
| Proceeds from issuance of corporate bonds | 8 | - | 50,001 |
| Purchase of treasury stock | | (4) | (5,149) |
| Dividends paid to the owner of the parent | 10 | (11,864) | (13,347) |
| Other, net | | (8) | (85) |
| Net cash used in financing activities | | (11,729) | (23,500) |
| Effect of exchange rate changes on cash and cash equivalents | | (27,525) | 3,266 |
| Net (decrease) increase in cash and cash equivalents | | (21,183) | 5,031 |
| Cash and cash equivalents at beginning of period | | 305,942 | 321,580 |
| Cash and cash equivalents at end of period | | 284,759 | 326,611 |

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 address of headquarters and principal business offices are available on the Company's website (<http://www.nidec.com/en-Global>).

The condensed quarterly consolidated financial statements as of June 30, 2017 consist of the Company and its consolidated subsidiaries (NIDEC) and shares of 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, appliance, commercial and industrial products, which include automotive motors and components, home appliance, commercial and industrial motors and related products.
- 3) Machinery, which includes industrial robots, card readers, test systems, press machines and power transmission drives.
- 4) Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- 5) Others, which include services.

2. Basis of Preparation

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

The condensed quarterly consolidated financial statements of NIDEC have been prepared in accordance with IAS 34 "Interim Financial Reporting" pursuant to the provision of article 93 of Regulations for Quarterly Consolidated Financial Statements, as the Company meets the criteria of a "Designated IFRS Specified Company" defined under 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, 2017.

(2) Basis of Measurement

The condensed quarterly consolidated financial statements have been prepared on a historical cost basis, except for some assets and liabilities, including derivative and other financial instruments measured at fair value.

(3) Presentation Currency and Level of Rounding

The condensed quarterly consolidated financial statements are presented in Japanese Yen, which is also the Company's functional currency, and figures are rounded to the nearest million yen, unless otherwise indicated.

3. Significant Accounting Policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of NIDEC's consolidated financial statements for the year ended March 31, 2017.

Income taxes for three months ended June 30, 2017 are computed using the estimated annual effective tax rate.

4. Significant Accounting Estimates, Judgments and Assumptions

The preparation of the condensed quarterly consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the financial statements 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, 2017 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2017.

5. Segment Information

(Operating segment information)

The operating segments reported below are defined as components of an enterprise for which separate financial information is available and regularly reviewed by management, the chief operating decision maker. Companies and company groups are identified as reporting segments.

NIDEC's operating segments are as follows:

| Name | Components and basic information |
|---------------------------------|---|
| 1. Nidec Corporation | Nidec Corporation in Japan, which primarily develops and sells hard disk drives spindle motors, other small precision motors, automotive products and machinery. |
| 2. Nidec Electronics (Thailand) | Nidec Electronics (Thailand) Co., Ltd., a subsidiary in Thailand, and its consolidated subsidiaries, which primarily produce and sell hard disk drives spindle motors. This segment also includes other subsidiaries in Asia which produce components for hard disk drives. |
| 3. Nidec Singapore | Nidec Singapore Pte. Ltd., a subsidiary in Singapore, and its consolidated subsidiary, which primarily sell hard disk drives spindle motors, and other small precision motors. |
| 4. Nidec (H.K.) | Nidec (H.K.) Co., Ltd., a subsidiary in Hong Kong, and its consolidated subsidiaries, which primarily sell hard disk drives spindle motors and other small precision motors. |
| 5. Nidec Sankyo | Nidec Sankyo Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell machinery, automotive products, electronic parts and other small precision motors. |
| 6. Nidec Copal | Nidec Copal Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell optical and electronic parts and machinery and other small precision motors. |
| 7. Nidec Techno Motor | Nidec Techno Motor Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell commercial and industrial products. |
| 8. Nidec Motor | Nidec Motor Corporation and other subsidiaries in North America, which are subsidiaries of Nidec Americas Holding Corporation, an intermediate holding company in the United States, as well as other subsidiaries in Latin America, Asia and Europe, which primarily produce and sell home appliance, commercial and industrial products. This segment also includes Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were newly consolidated for the year ended March 2017. |
| 9. Nidec Motors & Actuators | Nidec Motors & Actuators (Germany) GmbH in Germany, other subsidiaries in Europe and North America, and other manufacturing subsidiaries in Japan and Asia, which primarily produce and sell automotive products. |
| 10. Others | Subsidiaries that are operating segments but not designated as reportable segments due to their immateriality. |

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

Net sales to external customers:

(Yen in millions)

| | Three months ended June 30 | |
|------------------------------|----------------------------|---------|
| | 2016 | 2017 |
| Nidec Corporation | 8,075 | 9,133 |
| Nidec Electronics (Thailand) | 18,843 | 23,703 |
| Nidec Singapore | 12,462 | 11,075 |
| Nidec (H.K.) | 23,696 | 25,001 |
| Nidec Sankyo | 32,146 | 37,496 |
| Nidec Copal | 8,745 | 9,327 |
| Nidec Techno Motor | 16,503 | 21,093 |
| Nidec Motor | 57,741 | 98,922 |
| Nidec Motors & Actuators | 59,800 | 63,982 |
| Others | 38,195 | 43,359 |
| Consolidated net sales | 276,206 | 343,091 |

Net sales to other operating segments:

(Yen in millions)

| | Three months ended June 30 | |
|------------------------------|----------------------------|----------|
| | 2016 | 2017 |
| Nidec Corporation | 34,373 | 38,252 |
| Nidec Electronics (Thailand) | 9,011 | 7,206 |
| Nidec Singapore | 154 | 162 |
| Nidec (H.K.) | 262 | 219 |
| Nidec Sankyo | 76 | 302 |
| Nidec Copal | 3,046 | 2,738 |
| Nidec Techno Motor | 1,180 | 1,255 |
| Nidec Motor | 63 | 96 |
| Nidec Motors & Actuators | 5,108 | 6,861 |
| Others | 30,445 | 37,934 |
| Total | 83,718 | 95,025 |
| Intersegment elimination | (83,718) | (95,025) |
| Consolidated total | - | - |

Segment income (loss):*(Yen in millions)*

| | Three months ended June 30 | |
|---|----------------------------|---------|
| | 2016 | 2017 |
| Nidec Corporation | 3,131 | 3,795 |
| Nidec Electronics (Thailand) | 4,174 | 5,722 |
| Nidec Singapore | 184 | 133 |
| Nidec (H.K.) | 196 | 362 |
| Nidec Sankyo | 4,550 | 5,208 |
| Nidec Copal | 1,074 | 1,346 |
| Nidec Techno Motor | 2,246 | 2,421 |
| Nidec Motor | 5,150 | 6,336 |
| Nidec Motors & Actuators | 6,343 | 8,355 |
| Others | 7,346 | 10,196 |
| Total | 34,394 | 43,874 |
| Elimination and Corporate (Note) | (2,870) | (4,852) |
| Operating profit (loss) | 31,524 | 39,022 |
| Financial income (loss) | 157 | (160) |
| Derivative gain | (2,417) | 18 |
| Foreign exchange differences | (152) | (2,569) |
| Equity in net income (loss) of associates | (25) | 15 |
| Profit before income taxes | 29,087 | 36,326 |

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥4,604 million and ¥3,349 million for the three months ended June 30, 2017 and 2016, respectively. The corporate expenses include basic research expenses and head office expenses.

(Supplemental Information)

Sales by type of product

Sales by type of product are as follows:

(Yen in millions)

| | Three months ended June 30 | |
|---|----------------------------|---------|
| | 2016 | 2017 |
| Small precision motors: | | |
| Hard disk drives spindle motors | 42,799 | 44,730 |
| Other small precision motors | 52,002 | 59,023 |
| Sub-total | 94,801 | 103,753 |
| Automotive, appliance, commercial and industrial products | 138,250 | 188,893 |
| Machinery | 27,146 | 32,583 |
| Electronic and optical components | 15,161 | 16,939 |
| Others | 848 | 923 |
| Consolidated Total | 276,206 | 343,091 |

(Notes) The “Small precision motors” group of products consists of “Hard disk drives spindle motors” and “Other small precision motors”. The “Other small precision motors” group of products consists of brushless motors, fan motors, vibration motors, brush motors, motor applications, etc.

The “Automotive, appliance, commercial and industrial products” group of products consists of automotive motors and components, home appliance, commercial and industrial motors and related products.

The “Machinery” group of products consists of industrial robots, card readers, test systems, press machines, power transmission drives, etc.

The “Electronic and optical components” group of products consists of switches, trimmer potentiometers, lens units, camera shutters, etc.

“Others” consists of services, etc.

6. Business Combination

Pursuant to IFRS 3 “Business Combinations,” during the three months ended September 30, 2016, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of KB Electronics, Inc. (merged into Nidec Motor Corporation in March 2016). In addition, during the three months ended March 31, 2017, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of E.C.E. S.r.l. and ANA IMEP S.A. (currently, Nidec Motor Corporation Romania). NIDEC’s condensed quarterly consolidated financial statements for the three months ended June 30, 2016 reflects the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. NIDEC has been evaluating the fair values of the assets acquired and the liabilities assumed upon the acquisitions of companies in the fiscal year ended March 31, 2017. The assets and liabilities such as the motors, drives and electric power generation businesses of Emerson Electric Co. (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited) which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of June 30, 2017.

7. Goodwill and Intangible Assets

The changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

| | Three months ended June 30 | |
|--|----------------------------|---------|
| | 2016 | 2017 |
| Balance at the beginning of the period | | |
| Goodwill | 162,043 | 260,183 |
| Acquisition | 598 | - |
| Translation adjustments and others | (8,905) | 2,164 |
| Balance at the end of the period | | |
| Goodwill | 153,736 | 262,347 |

Intangible assets subject to amortization are as follows:

(Yen in millions)

| | March 31, 2017 | | |
|------------------------|------------------------|--------------------------|------------------|
| | Gross carrying amounts | Accumulated amortization | Carrying amounts |
| Proprietary technology | 14,032 | (4,801) | 9,231 |
| Customer relationships | 60,360 | (20,625) | 39,735 |
| Software | 27,263 | (14,521) | 12,742 |
| Other | 8,271 | (4,555) | 3,716 |
| Total | 109,926 | (44,502) | 65,424 |

(Yen in millions)

| | June 30, 2017 | | |
|------------------------|------------------------|--------------------------|------------------|
| | Gross carrying amounts | Accumulated amortization | Carrying amounts |
| Proprietary technology | 14,900 | (5,223) | 9,677 |
| Customer relationships | 61,054 | (21,604) | 39,450 |
| Software | 27,964 | (16,132) | 11,832 |
| Other | 8,283 | (4,764) | 3,519 |
| Total | 112,201 | (47,723) | 64,478 |

Total amortization of intangible assets for the years ended March 31, 2017 and for the three months ended June 30, 2017 amounted to ¥7,837 million and ¥2,233 million, respectively. Total indefinite lived intangible assets amounted to ¥11,791 million and ¥11,974 million as of March 31, 2017 and June 30, 2017, respectively.

8. Bonds

Three months ended June 30, 2016

There are no issuance and redemption of bonds.

Three months ended June 30, 2017

Summary of the terms of bonds issuance is as follows. There is no redemption of bonds.

| Company name | Description | Issued date | Total amount of issuance (Yen in millions) | Interest rate | Maturity date |
|-------------------|-------------------------------------|--------------|--|---------------|---------------|
| Nidec Corporation | The Sixth Series of Unsecured Bonds | May 26, 2017 | 50,000 | 0.001% | May 26, 2020 |

9. Employee Benefits

The amounts of net periodic benefit cost in pension and severance plans for the three months ended June 30, 2016 and 2017 are as follows:

(Yen in millions)

| | Three months ended 30 June | |
|--|----------------------------|-------|
| | 2016 | 2017 |
| Net periodic pension cost for defined benefit plans: | | |
| Current service cost | 434 | 498 |
| Net interest cost | 73 | 133 |
| Net periodic pension cost for defined benefit plans | 507 | 631 |
| Payments to multiemployer pension plans | 22 | 6 |
| Payments to defined contribution plans | 787 | 1,014 |

10. Dividends

Dividends declared and paid to the common stock holders are as follows:

Three months ended June 30, 2016

| Resolution | Stock Category | Dividends Amount (Yen in millions) | Dividends per share (Yen) | Record Date | Effective Date |
|---|----------------|------------------------------------|---------------------------|----------------|----------------|
| May 25, 2016 Board of directors meeting | Common Stock | 11,864 | 40 | March 31, 2016 | June 2, 2016 |

Three months ended June 30, 2017

| Resolution | Stock Category | Dividends Amount (Yen in millions) | Dividends per share (Yen) | Record Date | Effective Date |
|---|----------------|------------------------------------|---------------------------|----------------|----------------|
| May 24, 2017 Board of directors meeting | Common Stock | 13,347 | 45 | March 31, 2017 | June 1, 2017 |

11. Earnings per Share

The basis for calculating earnings per share attributable to owners of the parent for the three months ended June 30, 2016 and 2017 is as follows. There were no potentially dilutive common shares outstanding for the three months ended June 30, 2016 and 2017.

| | Three months ended June 30 | |
|---|----------------------------|-------------|
| | 2016 | 2017 |
| Profit attributable to owners of the parent (Yen in millions) | 22,028 | 28,194 |
| Weighted average shares (Shares) | 296,600,641 | 296,077,185 |
| Earnings per share attributable to owners of the parent -Basic (Yen) | 74.27 | 95.22 |

12. 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: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measured using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3: Fair value measured using significant unobservable inputs for the assets or liabilities.

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.

Financial instruments measured at amortized cost

(Yen in millions)

| | March 31, 2017 | | June 30, 2017 | |
|---|------------------|------------|------------------|------------|
| | Carrying amounts | Fair value | Carrying amounts | Fair value |
| Short term investments | 2,103 | 2,103 | 476 | 476 |
| Short term loans receivable | 34 | 34 | 34 | 34 |
| Long term loans receivable | 118 | 116 | 132 | 130 |
| Short term borrowings | (166,606) | (166,606) | (34,120) | (34,120) |
| Long term debt (including the current portion and excluding the finance lease obligation and bonds) | (88,591) | (89,111) | (176,470) | (177,043) |
| Bonds (including the current portion) | (149,943) | (151,087) | (199,953) | (200,725) |

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 Loans Receivable

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

(3) Long Term Debt

The fair value of long term debt (including the current portion and excluding the finance lease obligation and bonds) is estimated based on the discounted amounts of future cash flows using NIDEC's current incremental borrowing rates for similar liabilities and classified as Level 2.

(4) Bonds

The fair value of bonds (including the current portion) issued by NIDEC 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 carrying amounts of "Cash and cash equivalents", "Trade and other receivable" and "Trade and other payable" approximate their fair values because of the short maturity of these instruments. 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 or liabilities categorized by the levels of the fair value hierarchy used in the analysis is as follows:

March 31, 2017

(Yen in millions)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|--------|
| Assets: | | | | |
| Marketable securities and other securities | | | | |
| FVTOCI equity financial assets | 17,135 | - | 1,519 | 18,654 |
| FVTOCI debt financial assets | - | 228 | - | 228 |
| Derivatives | 604 | 503 | - | 1,107 |
| Total financial assets | 17,739 | 731 | 1,519 | 19,989 |
| Liabilities: | | | | |
| Derivatives | - | 87 | - | 87 |
| Total financial liabilities | - | 87 | - | 87 |

There were no significant transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2017.

June 30, 2017

(Yen in millions)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|--------|
| Assets: | | | | |
| Marketable securities and other securities | | | | |
| FVTOCI equity financial assets | 18,904 | - | 1,517 | 20,421 |
| FVTOCI debt financial assets | - | 243 | - | 243 |
| Derivatives | 427 | 1,592 | - | 2,019 |
| Total financial assets | 19,331 | 1,835 | 1,517 | 22,683 |
| Liabilities: | | | | |
| Derivatives | - | 212 | - | 212 |
| Total financial liabilities | - | 212 | - | 212 |

There were no significant transfers between Level 1, Level 2 and Level 3 during the three months ended June 30, 2017.

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 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 equity shares. Fair values of those unlisted equity shares are calculated by discounted cash flow method and others. 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 movement of fair value of financial instruments categorized within Level 3 of the fair value hierarchy is as follows:

(Yen in millions)

| | Three months ended June 30 | |
|---|----------------------------|-------|
| | 2016 | 2017 |
| Balance at the beginning of the period | 1,589 | 1,519 |
| Gains or losses: | | |
| Recognized in other comprehensive income (Note) | (92) | (2) |
| Purchases | - | - |
| Sales | (2) | - |
| Transfers to/from Level 3 | - | - |
| Balance at the end of the period | 1,495 | 1,517 |

(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.

13. Contingent Liabilities

NIDEC has no material changes in contingent liabilities since March 31, 2017 except for the items shown below.

NIDEC was aware of total contingent liabilities of ¥12,342 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at June 30, 2017. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

14. Events after the Reporting Period

(1) Completion of Acquisition of LGB Elettropompe S.r.l.

On July 3, 2017, Nidec Europe B.V., the Company's subsidiary, acquired 100% of the ownership interest of LGB Elettropompe S.r.l. ("LGB") in Italy from its shareholders (the "Transaction").

| | |
|-----------------------|---|
| 1. Purpose | LGB designs, manufactures and sells products of pumps for commercial dishwashers and motors for convection ovens. Through the Transaction, it will be another foothold for NIDEC to increase its presence in the European commercial food equipment market. |
| 2. Acquisition method | Funds for the Transaction are own funds. |

(2) Completion of Acquisition of Secop Group (Secop Holding GmbH and Other 3 Entities) and Shareholder Loans

On July 31, 2017, Germany time, NIDEC acquired 100% equity shares of Secop Holding GmbH, Secop s.r.o., Secop Compressors (Tianjin) Co., Ltd. and Secop Inc. (herein collectively "Secop") and shareholder loans from Secop Beteilligungs GmbH (the "Transaction").

| | |
|-----------------------|---|
| 1. Purpose | Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators. Under the Transaction, our appliance motor business in Global Appliance Division which is our new growth platform with particular focus on appliance, industrial and commercial business improves competitiveness in the European market. Through the Transaction, NIDEC is adding compressors to its product portfolio, which allows NIDEC to expand further into the refrigeration market. |
| 2. Acquisition method | Funds for the Transaction are own funds. |

(3) An Agreement on Succeeding the Business of Tokyo Maruzen Industry Co., Ltd.

NIDEC resolved to make Nidec Sankyo Corporation ("Nidec Sankyo"), the Company's subsidiary, succeed the business of Tokyo Maruzen Industry Co., Ltd. ("Tokyo Maruzen") by way of an absorption type company split. For this purpose, on August 9, 2017, both companies have entered into an agreement under which Nidec Sankyo will form a new company to succeed Tokyo Maruzen's business (the "Transaction").

| | |
|--|---|
| 1. Purpose | Tokyo Maruzen develops, manufactures and sells products of electric contact materials, rivet contacts and contact staking. For the rapid growth of electric contact market, the Transaction will help strengthen their capacity in material development, production engineering and manufacturing responsiveness, which will lead to profitability improvement. |
| 2. Acquisition method and schedule for the Transaction | Funds for the Transaction are own funds. Completion of the Transaction is scheduled for October 1, 2017. |

15. Authorization of Condensed Quarterly Consolidated Financial Statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on August 9, 2017 by Shigenobu Nagamori, Representative Director, Member of the Board of Directors, Chairman of the Board, President and Chief Executive Officer, and Akira Sato, Member of the Board of Directors, Executive Vice President and Chief Financial Officer.

2. Other

On May 24, 2017, the Company's Board of Directors resolved to pay cash dividends to shareholders as of March 31, 2017 as follows:

- (1) Total Amount of Dividends:¥13,347 million
- (2) Amount per Share:¥45.00
- (3) Effective Date of Claim of Payment and Start Date of Payment:.....June 1, 2017

Part II Information on Guarantors, etc. for the Company

Not applicable.