NEWS RELEASE

NIDEC CORPORATION

FOR IMMEDIATE RELEASE

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UNAUDITED FINANCIAL STATEMENTS (IFRS)

(English Translation)

RESULTS FOR THE YEAR ENDED MARCH 31, 2017
FROM APRIL 1, 2016 TO MARCH 31, 2017
CONSOLIDATED

Released on April 25, 2017

NIDEC CORPORATION

Stock Listings: Tokyo Stock Exchange

Head Office: Kyoto, Japan

Date of Filing of Japanese Annual Securities Report (Plan): June 19, 2017

1. Selected Consolidated Financial Performance Information for the Year Ended March 31, 2017 (IFRS) (unaudited)

(1) Consolidated Results of Operations

	Yen in millions	
	Year ended March 31	
	2017	2016
Net sales	1,199,311	1,178,290
Ratio of change from the previous fiscal year	1.8%	-
Operating profit	140,331	117,662
Ratio of change from the previous fiscal year	19.3%	-
Profit before income taxes	142,278	117,164
Ratio of change from the previous fiscal year	21.4%	-
Profit attributable to owners of the parent	111,721	89,945
Ratio of change from the previous fiscal year	24.2%	-
Comprehensive income for the year	108,925	31,278
Ratio of change from the previous fiscal year	248.2%	-

	Yen	
	Year ended March 31	
	2017	2016
Earnings per share attributable to owners of the parent -Basic	376.67	303.04
Earnings per share attributable to owners of the parent -Diluted	376.67	301.93

Notes:

1. Weighted-average of Nidec Corporation shareholders' equity at the beginning and the end of each fiscal year
2. Share of net profit (loss) from associate accounting using the equity method:
   ¥ (534) million for the year ended March 31, 2017
   ¥ 1 million for the year ended March 31, 2016

(2) Consolidated Financial Position

	Yen in millions	
	March 31, 2017	March 31, 2016
Total assets	1,676,901	1,376,636
Total equity	856,519	771,369
Total equity attributable to owners of the parent	847,285	763,023
Ratio of total equity attributable to owners of the parent to total assets	50.5%	55.4%

2. Dividends (unaudited)

	Yen		
	Year ending March 31, 2018 (target)	**Year ended March 31, 2017 (actual)**	**Year ended March 31, 2016 (actual)**
Interim dividend per share	¥45.00	¥40.00	¥40.00
Year-end dividend per share	45.00	45.00	40.00
Annual dividend per share	¥90.00	¥85.00	¥80.00
Dividends declared for the year	-	¥25,211 million	¥23,789 million
Dividend payout ratio *1	21.4%	22.6%	26.4.%
Dividend to Nidec Corporation shareholders' equity	-	3.1%	3.1%

Note:

1. "Annual dividend per share" to "earning per share-basic"

3. Forecast of Consolidated Financial Performance (for the fiscal year ending March 31, 2018)

	Yen in millions	Inc./Dec. ratio of change from the previous fiscal year
Net sales	1,350,000	12.6%
Operating profit	160,000	14.0%
Profit before income taxes	158,000	11.1%
Profit attributable to owners of the parent	125,000	11.9%
Earnings per share attributable to owners of the parent –Basic (Yen)	421.44	

4. Others

(1) Changes in significant subsidiaries (changes in "specified subsidiaries" (*tokutei kogaisha*) accompanying changes in the scope of consolidation) during this period: None

(2) Changes in accounting policies:

1. Changes due to revisions to accounting standards: None
2. Changes due to other reasons: None
3. Changes in accounting estimates: None

(3) Number of shares issued (common stock)

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

   298,142,234 shares at March 31, 2017

   298,142,234 shares at March 31, 2016

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

   1,544,634 shares at March 31, 2017

   1,541,210 shares at March 31, 2016

3. Weighted-average number of shares issued at the beginning and end of each period:

   296,599,414 shares for the year ended March 31, 2017

   296,807,985 shares for the year ended March 31, 2016

NIDEC adopts International Financial Reporting Standards (“IFRS”) for its consolidated financial statements from the first quarter of the fiscal year ended March 31, 2017. Accordingly, the consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the year ended March 31, 2016 are also presented in accordance with IFRS.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2016. Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the year ended March 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Investor presentation materials relating to our financial results for year ended March 31, 2017 are expected to be published on our corporate website on April 26, 2017.

1. Operating and Financial Review and Prospects

(1) Quantitative Information on the Company's Consolidated Operating Results

1. Overview of Business Environment for the Year Ended March 31, 2017

For the year ended March 31, 2017, the U.S. economy continued to expand moderately, while a concurrent global stock market rally known as the "Trump rally," which continued since Donald Trump was elected as President of the United States, has now been settled. While Europe and Japan continue to enjoy a moderate recovery, China, supported by its domestic demand expansion based on public works projects, is making a steady economic growth, with resource-rich countries like Brazil and Russia on their way to exit the current economic struggle as their commodity markets recover.

Under such a business environment, NIDEC (Nidec Corporation and its consolidated subsidiaries) 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 we achieved in the fiscal year ended March 31, 2017 the highest operating profit, profit before income taxes and profit for the period in our history.

2. Consolidated Operating Results

NIDEC adopts International Financial Reporting Standards ("IFRS") for its consolidated financial statements instead of U.S. GAAP from the first quarter of the fiscal year ended March 31, 2017. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2016 are presented in accordance with IFRS for comparative analysis.

Consolidated Operating Results for the Year Ended March 31, 2017 ("this fiscal year"), Compared to the Year ended March 31, 2016 ("the previous year")

Yen in millions

	Year ended March 31, 2016	Year ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales	1,178,290	1,199,311	21,021	1.8%
Operating profit	117,662	140,331	22,669	19.3%
Operating profit ratio	10.0%	11.7%	-	-
Profit before income taxes	117,164	142,278	25,114	21.4%
Profit attributable to owners of the parent	89,945	111,721	21,776	24.2%

Consolidated net sales increased 1.8% to ¥1,199,311 million for this fiscal year compared to the previous fiscal year, recording the highest annual net sales in our history. Operating profit increased 19.3% to ¥140,331 million for this fiscal year compared to the previous fiscal year, recording the highest annual operating profit in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥108.38 to the U.S. dollar, which reflected an appreciation of the Japanese yen against the U.S. dollar of approximately 10%, compared to the prior year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥118.79 to the Euro, which reflected an appreciation of the Japanese yen against the Euro of approximately 10% compared to the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of approximately ¥107,400 million and our operating profit of approximately ¥16,700 million for this fiscal year compared to the prior year.

Profit before income taxes increased 21.4% to ¥142,278 million for this fiscal year compared to the prior year and profit attributable to owners of the parent increased 24.2% to ¥111,721 million for this fiscal year compared to the prior year, respectively achieving the highest annual profit our history.

Operating Results by Product Category for this fiscal year Compared to the prior year

Small precision motors-

Yen in millions

		Year ended March 31, 2016	Year ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors		447,988	437,105	(10,883)	(2.4)%
	Hard disk drives spindle motors	207,974	191,074	(16,900)	(8.1)%
	Other small precision motors	240,014	246,031	6,017	2.5%
Operating profit of small precision motors		64,706	67,929	3,223	5.0%
Operating profit ratio		14.4%	15.5%	-	-

Net sales of small precision motors decreased 2.4% to ¥437,105 million for this fiscal year compared to the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of small precision motors of approximately ¥38,600 million for this fiscal year compared to the prior year.

Net sales of spindle motors for hard disk drives, or HDDs, for this fiscal year decreased 8.1% to ¥191,074 million compared to the prior year. Although the number of units sold of spindle motors for HDDs remained unchanged compared to the prior year, there were decreases in sales due to a negative effect of the foreign currency exchange rate fluctuations.

Net sales of other small precision motors for this fiscal year increased 2.5% to ¥246,031 million compared to the prior year. This increase was mainly due to increases in sales of other small motors.

Operating profit of small precision motors increased 5.0% to ¥67,929 million for this fiscal year compared to the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of small precision motors of approximately ¥9,100 million for this fiscal year compared to the prior year.

Automotive, appliance, commercial and industrial products-

Yen in millions

		Year ended March 31, 2016	Year ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products		554,713	572,085	17,372	3.1%
	Appliance, commercial and industrial products	283,382	310,939	27,557	9.7%
	Automotive products	271,331	261,146	(10,185)	(3.8)%
Operating profit of automotive, appliance, commercial and industrial products		45,797	58,085	12,288	26.8%
Operating profit ratio		8.3%	10.2%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 3.1% to ¥572,085 million for this fiscal year compared to the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of automotive, appliance, commercial and industrial products of approximately ¥56,800 million for this fiscal year compared to the prior year.

Net sales of appliance, commercial and industrial products for this fiscal year increased 9.7% compared to the prior year. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended March 31, 2017 and the increase in sales through our “Three-new Strategy” (new products, new markets and new clients).

Net sales of automotive products for this fiscal year decreased 3.8% compared to the prior year due to a negative effect of the foreign currency exchange rate fluctuations, although there were increases in sales for automotive motors such as electric power steering motors and products of control valves at Nidec Tosok Corporation.

Operating profit of automotive, appliance, commercial and industrial products increased 26.8% to ¥58,085 million for this fiscal year compared to the prior year mainly due to cost reduction and changes in product mix. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of automotive, appliance, commercial and industrial products of approximately ¥6,900 million for this fiscal year compared to the prior year.

Machinery-

Yen in millions

	Year ended March 31, 2016	Year ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of machinery	107,811	122,341	14,530	13.5%
Operating profit of machinery	15,035	21,791	6,756	44.9%
Operating profit ratio	13.9%	17.8%	-	-

Net sales of machinery increased 13.5% to ¥122,341 million for this fiscal year compared to the prior year due to the contribution of the newly consolidated companies and the increases in sales of LCD panel or Organic EL handling robots at Nidec Sankyo Corporation, although there was a negative effect of the foreign currency exchange rate fluctuations.

Operating profit of machinery increased 44.9% to ¥21,791 million for this fiscal year compared to the prior year due to the contributions of the newly consolidated companies and the increase in sales of LCD panel or Organic EL handling robots.

Electronic and optical components-

Yen in millions

	Year ended March 31, 2016	Year ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	64,112	64,072	(40)	(0.1)%
Operating profit of electronic and optical components	5,410	9,862	4,452	82.3%
Operating profit ratio	8.4%	15.4%	-	-

Net sales of electronic and optical components decreased 0.1% to ¥64,072 million and operating profit of electronic and optical components increased 82.3% to ¥9,862 million for this fiscal year compared to the prior year.

Other products-

Yen in millions

	Year ended March 31, 2016	Year ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of other products	3,666	3,708	42	1.1%
Operating profit of other products	538	559	21	3.9%
Operating profit ratio	14.7%	15.1%	-	-

Net sales of other products increased 1.1% to ¥3,708 million and operating profit of other products increased 3.9% to ¥559 million for this fiscal year compared to the prior year.

Consolidated Operating Results for the Three Months Ended March 31, 2017 ("this 4Q"), Compared to the Three Months Ended December 31, 2016 ("the previous 3Q")

Yen in millions

	Three months ended December 31, 2016	Three months ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales	304,198	331,083	26,885	8.8%
Operating profit	37,188	34,158	(3,030)	(8.1)%
Operating profit ratio	12.2%	10.3%	-	-
Profit before income taxes	41,473	34,531	(6,942)	(16.7)%
Profit attributable to owners of the parent	31,523	30,104	(1,419)	(4.5)%

Consolidated net sales increased 8.8% to ¥331,083 million for this 4Q compared to the previous 3Q. Operating profit decreased 8.1% to ¥34,158 million for this 4Q compared to the previous 3Q.

The average exchange rate between the Japanese yen and the U.S. dollar for this 4Q was ¥113.64 to the U.S. dollar, which reflected a depreciation of the Japanese yen against the U.S. dollar of approximately 4%, compared to the previous 3Q. The average exchange rate between the Japanese yen and the Euro for this 4Q was ¥121.08 to the Euro, which reflected a depreciation of the Japanese yen against the Euro of approximately 3%, compared to the previous 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of approximately ¥8,700 million as well as on our operating profit of approximately ¥900 million for this 4Q compared to the previous 3Q.

Operating profit of spindle motors for HDDs decreased ¥3,800 million due to the decrease of special demands for spindle motors for HDDs for previous 3Q and decreases in shipments caused by a model change of vibration motors, although, operating profit ratio increased 2% to 26% for this quarter compared to previous 3Q.

Also, brand strategy fee was approximately ¥1,000 million, hiring costs was approximately ¥700 million and acquisition fee was approximately ¥600 million due to expense incurred temporarily, and that made the operating profit approximately ¥34,200 million.

Operating Results by Product Category for This 4Q Compared to The previous 3Q

Small precision motors-

Yen in millions

	Three months ended December 31, 2016	Three months ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	119,150	106,239	(12,911)	(10.8)%
Hard disk drives spindle motors	53,674	47,034	(6,640)	(12.4)%
Other small precision motors	65,476	59,205	(6,271)	(9.6)%
Operating profit of small precision motors	19,169	15,793	(3,376)	(17.6)%
Operating profit ratio	16.1%	14.9%	-	-

Net sales of small precision motors decreased 10.8% to ¥106,239 million for this 4Q compared to the previous 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of small precision motors of approximately ¥3,200 million for this 4Q compared to the previous 3Q.

Net sales of spindle motors for HDDs decreased 12.4% to ¥47,034 million for this 4Q compared to the previous 3Q. The number of units sold of spindle motors for HDDs for this 4Q decreased approximately 16.0% compared to the previous 3Q due to special demands for previous 3Q.

Net sales of other small precision motors for this 4Q decreased 9.6% to ¥59,205 million compared to the previous 3Q. This was due to a tentative decrease in shipments caused by a model change of vibration motors of other small motors.

Operating profit of small precision motors decreased 17.6% to ¥15,793 million for this 4Q compared to the previous 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of small precision motors of approximately ¥500 million for this 4Q compared to the previous 3Q.

Operating profit ratio of spindle motors for HDDs came to 26% (24% in 3Q) which is improved approximately by 2% due to the rapid cost reduction even though sales volume decreased.

Automotive, appliance, commercial and industrial products-

Yen in millions

	Three months ended December 31, 2016	Three months ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	135,064	171,376	36,312	26.9%
Appliance, commercial and industrial products	68,323	101,035	32,712	47.9%
Automotive products	66,741	70,341	3,600	5.4%
Operating profit of automotive, appliance, commercial and industrial products	14,181	15,935	1,754	12.4%
Operating profit ratio	10.5%	9.3%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 26.9% to ¥171,376 million for this 4Q compared to the previous 3Q.

Net sales of appliance, commercial and industrial products for this 4Q increased 47.9% compared to the previous 3Q mainly due to the newly consolidated companies, which were the completion of the acquisition in the three months ended March 31, 2017 and the increase in sales through our “Three-new Strategy” (new products, new markets and new clients).

Net sales of automotive products for this 4Q increased 5.4% compared to the previous 3Q. This increase was due to increases in sales for automotive motors such as electric power steering motors and products of control valves at Nidec Tosok Corporation and the positive effect of the foreign currency exchange rate fluctuations and seasonal factors.

Operating profit of automotive, appliance, commercial and industrial products increased 12.4% to ¥15,935 million for this 4Q compared to the previous 3Q mainly due to the increase in sales.

Operating profit ratio of automotive, appliance, commercial and industrial products is secured more than 10.5% after excluding the effect of the newly consolidated companies’ net sales, approximately ¥25,100 million and operating profit, approximately ¥60,000 million.

Machinery-

Yen in millions

	Three months ended December 31, 2016	Three months ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of machinery	32,726	35,731	3,005	9.2%
Operating profit of machinery	5,601	5,990	389	6.9%
Operating profit ratio	17.1%	16.8%	-	-

Net sales of machinery increased 9.2% to ¥35,731 million for this 4Q compared to the previous 3Q due to the increase in sales of power transmission drives at Nidec Shimpo Corporation and increase in sales of test systems for smart phones and tablet devices at Nidec Read Corporation.

Operating profit of machinery increased 6.9% to ¥5,990 million for this 4Q compared to the previous 3Q mainly due to increases in sales.

Electronic and optical components-

Yen in millions

	Three months ended December 31, 2016	Three months ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	16,275	16,765	490	3.0%
Operating profit of electronic and optical components	2,904	2,080	(824)	(28.4)%
Operating profit ratio	17.8%	12.4%	-	-

Net sales of electronic and optical components increased 3.0% to ¥16,765 million for this 4Q compared to the previous 3Q.

Operating profit of electronic and optical components decreased 28.4% to ¥2,080 million for this 4Q compared to the previous 3Q due to loss on disposal of low-use facilities approximately ¥900 million..

Other products-

Yen in millions

	Three months ended December 31, 2016	Three months ended March 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of other products	983	972	(11)	(1.1)%
Operating profit of other products	156	116	(40)	(25.6)%
Operating profit ratio	15.9%	11.9%	-	-

Net sales of other products decreased 1.1% to ¥972 million for this 4Q compared to the previous 3Q.

Operating profit of other products decreased 25.6% to ¥116 million for this 4Q compared to the previous 3Q.

(2) Financial Position

Yen in millions

	As of March 31, 2016	As of March 31, 2017	Increase or decrease
Total assets	1,376,636	1,676,901	300,265
Total liabilities	605,267	820,382	215,115
Total equity attributable to owners of the parent	763,023	847,285	84,262
Interest-bearing debt *1	300,667	412,431	111,764
Net interest-bearing debt *2	(5,275)	90,851	96,126
Debt ratio *3	21.8%	24.6%	2.8%
Debt to equity ratio ("D/E ratio") (times) *4	0.39	0.49	0.10
Net D/E ratio (times) *5	(0.01)	0.11	0.12
Ratio of total equity attributable to owners of the parent to total assets *6	55.4%	50.5%	(4.9)%

Notes:

*1: The sum of "short term borrowings," "long term debt due within one year" and "long term debt" in our consolidated statement of financial position

*2: "Interest-bearing debt" less "cash and cash equivalents"

*3: "Interest-bearing debt" divided by "total assets"

*4: "Interest-bearing debt" divided by "total equity attributable to owners of the parent"

*5: "Net interest-bearing debt" divided by "total equity attributable to owners of the parent"

*6: "Total equity attributable to owners of the parent" divided by "total assets"

Total assets increased approximately ¥300,300 million to ¥1,676,901 million as of March 31, 2017 compared to March 31, 2016. This increase was mainly due to an increase of approximately ¥98,100 million in goodwill, an increase of approximately ¥97,600 million in trade and other receivables and an increase of approximately ¥47,100 million in property, plant, and equipment.

Total liabilities increased approximately ¥215,100 million to ¥820,382 million as of March 31, 2017 compared to March 31, 2016. This increase was mainly due to an increase of approximately ¥111,800 million in interest-bearing debt and an increase of approximately ¥64,200 million in trade and other payables. Specifically, our short term borrowings increased approximately ¥85,500 million to approximately ¥166,600 million, our long term debt due within one year increased approximately ¥1,300 million to approximately ¥84,000 million, and our long term debt increased approximately ¥25,000 million to approximately ¥161,800 million as of March 31, 2017 compared to March 31, 2016. The decrease of approximately ¥50,000 million was mainly due to the redemption of fourth series unsecured bonds (ranking *pari passu* with the other series of unsecured straight bonds) issued in December 2013, however approximately ¥50,000 million increased due to the issue of fifth series unsecured bonds (ranking *pari passu* with the other series of unsecured straight bonds) in November 2016.

As a result, our net interest-bearing debt increased to approximately ¥90,900 million as of March 31, 2017 from approximately negative ¥5,300 million as of March 31, 2016. Our debt ratio increased to 24.6% as of March 31, 2017 from 21.8% as of March 31, 2016. Our D/E ratio increased to 0.49 as of March 31, 2017 from 0.39 as of March 31, 2016. Our net D/E ratio increased to 0.11 as of March 31, 2017 compared to negative 0.01 as of March 31, 2016.

Total equity attributable to owners of the parent increased approximately ¥84,300 million to ¥847,285 million as of March 31, 2017 compared to March 31, 2016. Ratio of total equity attributable to owners of the parent to total assets decreased to 50.5% as of March 31, 2017 from 55.4% as of March 31, 2016. The decrease of ratio of total equity attributable to owners of the parent to total assets was mainly due to an increase in retained earnings of approximately ¥91,500 million as of March 31, 2017 compared to March 31, 2016.

The financial position includes approximately ¥207,000 million of total assets such as approximately ¥33,900 million in trade and other receivables and approximately ¥59,100 million of total liabilities such as approximately ¥21,200 million in notes payable and accounts payable related to the acquisition of the motors, drives and electric power generation businesses in Emerson Electric Co (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited, etc).

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2016. Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the year ended March 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Overview of Cash Flow-

	Yen in millions		
	For the year ended March 31		Increase or decrease
	2016	2017	
Net cash provided by operating activities	147,659	129,853	(17,806)
Net cash used in investing activities	(95,377)	(211,476)	(116,099)
Free cash flow *1	52,282	(81,623)	(133,905)
Net cash provided by (used in) financing activities	7,775	95,848	88,073

Note:
*1: Free cash flow is the sum of "net cash provided by operating activities" and "net cash used in investing activities."

Cash flows from operating activities for the fiscal year ended March 31, 2017 ("this fiscal year") were a net cash inflow of ¥129,853 million. Compared to the fiscal year ended March 31, 2016 ("the prior fiscal year"), our cash inflow from operating activities for this fiscal year decreased approximately ¥17,800 million. This decrease was mainly due to an increase of approximately ¥60,400 million in accounts receivable, although there were increases of approximately ¥46,100 million in account payable and approximately ¥21,700 million of profit for the period.

Cash flows from investing activities for this fiscal year were a net cash outflow of ¥211,476 million. Compared to the prior fiscal year, our net cash outflow from investing activities for this fiscal year increased approximately ¥116,100 million mainly due to an increase in acquisition of business of approximately ¥130,200 million.

As a result, we had a negative free cash flow of ¥81,623 million for this fiscal year, an decrease of approximately ¥133,900 million compared to a positive free cash flow of ¥52,282 million for the prior fiscal year.

Cash flows from financing activities for this fiscal year were a net cash inflow of ¥95,848 million. Compared to the prior fiscal year, our net cash inflow from financing activities for this fiscal year increased approximately ¥88,100 million mainly due to an increase in net cash inflow from short term borrowings of approximately ¥61,400 million, long term debt of ¥20,800 and issuance of corporate bonds of approximately ¥50,000 million. On the other hand, outflow from redemption of corporate bonds increased approximately ¥50,000 million.

As a result of the foregoing and the impact of foreign exchange fluctuations of approximately positive ¥1,400 million, the balance of cash and cash equivalents as of March 31, 2017 was ¥321,580 million, an increase of approximately ¥15,600 million from March 31, 2016.

Reference:

	As of March 31, 2016	As of March 31, 2017
Ratio of total equity attributable to owners of the parent to total assets (%)(*1)	55.4	50.5
Total market value of Nidec's shares to total assets (%)(*2)	165.9	187.4
Interest-bearing liabilities to net cash provided by operating activities (years) (*3)	2.0	3.2
Interest coverage ratio (times) (*4)	82.2	42.5

Notes:

*1. Ratio of total equity attributable to owners of the parent to total assets: Total equity attributable to owners of the parent divided by total assets

*2. Total market value of Nidec's shares to total assets: Total market value of Nidec's shares (1) divided by total assets

*3. Interest-bearing liabilities to net cash provided by operating activities: Interest-bearing liabilities (2) divided by net cash provided by operating activities

*4. Interest coverage ratio: Net cash provided by operating activities divided by interest payments (3)

(1) Total market value: Closing stock price at fiscal year end (TSE) multiplied by the number of shares issued at fiscal year end (excluding treasury stock)

(2) Interest-bearing liabilities: Total amount of “short term borrowings”, “current portion of long term debt” and “long term debt” on the consolidated statements of financial position

(3) Interest payments: “Interests paid” on the consolidated statements of cash flows

(3) Business Forecasts for the Fiscal Year ending March 31, 2018

While expectations grow for a continued economic recovery supported by the US's financial policies, the US government's future trade and financial policies may cause uncertainty over the future economic outlook of China and other emerging economies. Such uncertainty, which may pose geopolitical risks in the Middle East, affect national political elections scheduled to be held in Europe this year, and lead Italian financial institutions' management crisis to cause financial unrest, requires a constant monitoring.

Under such a business environment, NIDEC continued to pursue our targets for the fiscal year ending March 31, 2021 based on our mid-term strategic goal, "Vision 2020".

Forecast of consolidated results for the fiscal year ending March 31, 2018

Net sales	¥1,350,000 million	(Up 12.6% from the previous fiscal year)
Operating profit	¥160,000 million	(Up 14.0% from the previous fiscal year)
Profit before income taxes	¥158,000 million	(Up 11.1% from the previous fiscal year)
Profit attributable to owners of the parent	¥125,000 million	(Up 11.9% from the previous fiscal year)

Forecast of consolidated results for the six months ending September 30, 2017

Net sales	¥625,000 million	(Up 10.8% from the same period of the previous fiscal year)
Operating profit	¥75,000 million	(Up 8.7% from the same period of the previous fiscal year)
Profit before income taxes	¥74,000 million	(Up 11.7% from the same period of the previous fiscal year)
Profit attributable to owners of the parent	¥58,000 million	(Up 15.8% from the same period of the previous fiscal year)

Notes:

1. Consolidated results are based on IFRS.

2.The exchange rates used for the preparation of the foregoing forecasts are US$1 = ¥105 and €1 = ¥110. The exchange rates between the relevant Asian currencies and the Japanese yen used for the preparation of the foregoing forecasts were determined assuming these exchange rates.

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements based on the current expectations, assumptions, estimates and projections of the Nidec Group in light of the information currently available to it. The Nidec Group cannot make any assurances that the expectations expressed in these forward-looking statements will prove to be correct. Actual results could be materially different from and worse than the Nidec Group's expectations as a result of various factors.

(4) Dividend Policy

We uphold shareholder-oriented management and seek to deliver higher technology solutions while offering higher wages in order to achieve higher growth, profitability and share value so as to build long-term, sustainable growth in shareholder value. We also seek to lay out our vision for the future on a regular and timely basis to keep stakeholders informed on how we intend to respond to changing opportunities and challenges as we continue to strive to succeed in our endeavors. Placing importance on regular dividend payments, we seek to increase our dividend payout to around 30% of our consolidated net profit and use reserves to reinforce our management structure, expand our business horizons, and eventually to improve our profitability and shareholder value.

We have determined the year-end dividend to be ¥45.0 per share for the fiscal year ended March 31, 2017. As a result, together with the interim dividend of ¥40.0 per share, the full-year dividend will be ¥85.0 per share. The dividend payout ratio, which is obtained by dividing dividend declared for the year by profit attributable to owners of the parent, for this fiscal year is approximately 22.6%.

Our current dividend forecast for the year ending March 31, 2018 is a full-year dividend of ¥90.0 per share (an interim dividend of ¥45.0 per share and a year-end dividend of ¥45.0 per share.) Based on this forecast, the dividend payout ratio for the fiscal year ending March 31, 2018 that we are aiming to achieve is approximately 21.4.%.

2. Management Policies, Business Environment, and Challenges

(1) Basic management policies

We aim to become the world's leading comprehensive motor manufacturer, maximize shareholder value, and meet the expectations of shareholders by delivering higher technology solutions, offering higher wages, and thus achieving higher growth, profit and stock prices, over the long-term. We seek to uphold the following three management goals and principles:

1. Employment stability based on sustainable business growth;
2. Available supply of highest quality, indispensable, and widely desired products for the common good for all;
3. Pursuit of the top leader position in each of the company's chosen paths.

(2) Management targets

We endeavor to pursue profitable growth by setting a new medium-term strategic target for the fiscal year ending March 31, 2021. Its main components are as follows:

1.Consolidated net sales of ¥2 trillion (including approximately ¥500 billion contributed by new M&A activity);
2. Consolidated net sales of automotive products of ¥700 billion to ¥1 trillion;
3. Consolidated operating profit ratio of at least 15%;
4. ROE (return on shareholders' equity) of at least 18% (assuming shareholders' equity to total assets of 60%);
5. Establishment of a five-pronged global business management system

(3) The Nidec Group's mid- to long-term business strategies

To achieve the targets set forth in our new medium-term strategic target, the Nidec Group, acting based on "its organic growth strategy" and "M&A strategy" strives to enhance and expand its business portfolio and achieve more uniformity among the group companies.

We are currently shifting from our current business portfolio to an improved and expanded business portfolio consisting of four core business lines, namely "small precision motors," "appliance, commercial and industrial motor products," "automotive products" and "other products," and have launched in the fiscal year ending March 31, 2013, a business enhancement system through which we aim to promote a market-oriented approach for each area of operation, particularly in terms of formulating new strategic ideas and operational implementation.

To strengthen the group's advanced R&D structures, we intend to develop new business and shift to an improved and expanded business portfolio under the leadership of our Chief Technology Officer while actively interacting with external research institutions. Taking advantage of our core technologies, we seek to realize innovation and achieve growth by exploring the market with high value-added products developed by our group's unique technology and pursuing Technology Application Development to cultivate new market demand.

As a critical part of the growth strategy of the Nidec Group, we plan to continue to actively seek M&A opportunities as we aim to achieve growth quickly and efficiently. In the fiscal year ended March 31, 2017, we successfully acquired companies formerly E.C.E. S.r.l., ANA IMEP S.A. (currently, Nidec Motor Corporation Romania), Canton Elevator, Inc., the motors, drives, and electric power generation businesses of Emerson Electric Co. (currently, Nidec Leroy-Somer Holding, Nidec Control Techniques Limited, etc.), and Vamco International, Inc..

Furthermore, with the purpose of promoting our production technology and realizing profitable applications of new materials, engineering methods, robots and automation equipment, we established in October 2015 the Nidec Center for Industrial Science, the construction of which began in Kansai Science City from December 2016. We seek to build a manufacturing system so as to be better able to stay ahead of the global competition while nurturing our manufacturing engineers.

We also established Global Learning Center in Minami-ku in the city of Kyoto in March 2017 aiming to raise the next generation of Nidec employees who will work globally and support the company's global business expansion.

(4) Business environment

In the global economy, while U.S., Europe and Japan continue to enjoy a moderate recovery, China, supported by its domestic demand expansion based on public works projects, is making a steady economic growth, with resource-rich countries like Brazil and Russia on their way to exit the current economic struggle as their commodity markets recover. On the other hand, as competitions in the global market intensify, better and improved competitiveness is essential for the Nidec Group's sustainable growth, which urgently requires us to improve our company's additional values based on new, competitive products and fresh, advanced technologies.

(5) The Nidec Group's challenges

1. Enhancing the corporate governance system

As the company operates its governance system that includes independent directors from the outside, we plan to have a total of three independent auditors and two directors from the outside for the current fiscal year ending March 31, 2018. In addition, as part of our ongoing efforts to reform the board of directors and further strengthen our corporate governance system.

2. Building and strengthening the company's global management infrastructure

Nidec as a global company will further enhance its group's business management, accounting and financial reporting, and business information disclosure systems in accordance with global standards..

To secure a global sustainable growth and accelerate the pace of the post-merger integration (PMI) process of companies purchased overseas, we are building a "five-pronged matrix-based business management system" intended to strengthen the foundation of our growth strategy. Specific actions include the establishment and functional expansion of regional management companies, which will be tasked to improve management quality (in the areas of governance, compliance, and internal control), secure good management efficiency (providing high-quality, low-cost shared services for individual regions), and actively support PMI.

We previously maintained a "federate-style" management system, under which individual group companies maintained a high degree of independence and autonomy in their business operations; however, to address globalization needs, we are shifting towards a "unified group management" increasingly quickly.

The company's Corporate Administration & Internal Audit Department, which is responsible for group-wide internal controls, has in place a global auditing system to enhance our internal control system based on the experience and know-how gained through the past audits of our financial statements and the implementation of measures to comply with the U.S. Sarbanes-Oxley Act of 2002. We also seek to improve our information disclosure system and policy through enhanced cooperation between a committee responsible for information disclosure and other relevant specialized departments.

Such specialized departments and offices, including the Compliance Office, the Risk Management Office, and the CSR (corporate social responsibility) Promotion Office, also collaborate with one another and other departments as appropriate. We seek to find ways to create and maintain jobs and otherwise contribute to society based on our basic management policy as a good corporate citizen..

3. Basic rationale for selection of accounting standards

NIDEC has adopted International Financial Reporting Standards (IFRS) since the first quarter in the fiscal year ended March 31, 2017 to strengthen the foundation of financial reporting and make it more efficient.

4. Consolidated Financial Statements and Other Information

(1) Consolidated Statements of Financial Position

	The date of transition to IFRS (April 1, 2015)		March 31, 2016		March 31, 2017		Increase or decrease
	Amounts	%	Amounts	%	Amounts	%	
Assets	Yen in millions		Yen in millions		Yen in millions		Yen in millions
Current assets							
Cash and cash equivalents	269,902		305,942		321,580		15,638
Trade and other receivables	255,470		251,310		348,897		97,587
Other financial assets	262		2,010		2,951		941
Income tax receivables	1,551		2,063		1,676		(387)
Inventories	170,880		170,874		197,283		26,409
Other current assets	20,018		22,892		28,342		5,450
Total current assets	718,083	53.2	755,091	54.9	900,729	53.7	145,638
Non-current assets							
Property, plant, and equipment	342,556		346,932		394,051		47,119
Goodwill	162,959		162,043		260,183		98,140
Intangible assets	83,931		77,049		77,215		166
Investments accounted for using the equity method	2,167		1,896		1,125		(771)
Other investments	21,507		15,998		19,583		3,585
Other financial assets	2,274		1,804		3,764		1,960
Deferred tax assets	10,749		11,545		15,526		3,981
Other non-current assets	5,646		4,278		4,725		447
Total non-current assets	631,789	46.8	621,545	45.1	776,172	46.3	154,627
Total assets	1,349,872	100.0	1,376,636	100.0	1,676,901	100.0	300,265

	The date of transition to IFRS (April 1, 2015)		March 31, 2016		March 31, 2017		Increase or decrease
	Amounts	%	Amounts	%	Amounts	%	
Liabilities	Yen in millions		Yen in millions		Yen in millions		Yen in millions
Current liabilities							
Short term borrowings	52,401		81,092		166,606		85,514
Long term debt due within one year	45,432		82,777		84,040		1,263
Trade and other payables	204,372		186,990		251,236		64,246
Other financial liabilities	2,941		3,192		1,844		(1,348)
Income tax payables	5,913		5,831		6,690		859
Provisions	18,583		18,886		25,210		6,324
Other current liabilities	31,151		40,891		66,461		25,570
Total current liabilities	360,793	26.7	419,659	30.5	602,087	35.9	182,428
Non-current liabilities							
Long term debt	184,432		136,798		161,785		24,987
Other financial liabilities	569		1,029		1,315		286
Retirement benefit liabilities	19,834		19,488		22,656		3,168
Provisions	2,904		3,337		3,614		277
Deferred tax liabilities	23,467		22,641		25,994		3,353
Other non-current liabilities	3,126		2,315		2,931		616
Total non-current liabilities	234,332	17.4	185,608	13.5	218,295	13.0	32,687
Total liabilities	595,125	44.1	605,267	44.0	820,382	48.9	215,115
Equity							
Common stock	77,071	5.7	87,784	6.4	87,784	5.2	-
Additional paid-in capital	107,732	8.0	118,341	8.6	118,340	7.1	(1)
Retained earnings	562,787	41.7	625,168	45.4	716,625	42.7	91,457
Other components of equity	(1,072)	(0.1)	(56,159)	(4.1)	(63,321)	(3.8)	(7,162)
Treasury stock	(27)	(0.0)	(12,111)	(0.9)	(12,143)	(0.7)	(32)
Total equity attributable to owners of the parent	746,491	55.3	763,023	55.4	847,285	50.5	84,262
Non-controlling interests	8,256	0.6	8,346	0.6	9,234	0.6	888
Total equity	754,747	55.9	771,369	56.0	856,519	51.1	85,150
Total liabilities and equity	1,349,872	100.0	1,376,636	100.0	1,676,901	100.0	300,265

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

For the years ended March 31, 2016 and 2017

Consolidated Statements of Income

	Year ended March 31				Increase or decrease	
	2016		2017			
	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions	
Net sales	1,178,290	100.0	1,199,311	100.0	21,021	1.8
Cost of sales	(909,953)	(77.2)	(912,715)	(76.1)	(2,762)	0.3
Gross profit	268,337	22.8	286,596	23.9	18,259	6.8
Selling, general and administrative expenses	(98,697)	(8.4)	(93,458)	(7.8)	5,239	(5.3)
Research and development expenses	(51,978)	(4.4)	(52,807)	(4.4)	(829)	1.6
Operating profit	117,662	10.0	140,331	11.7	22,669	19.3
Financial income	1,913	0.2	3,368	0.3	1,455	76.1
Financial expenses	(2,410)	(0.3)	(3,063)	(0.2)	(653)	27.1
Derivative gain	151	0.0	405	0.0	254	168.2
Foreign exchange differences	(153)	(0.0)	1,771	0.1	1,924	-
Share of net profit (loss) from associate accounting using the equity method	1	0.0	(534)	(0.0)	(535)	-
Profit before income taxes	117,164	9.9	142,278	11.9	25,114	21.4
Income tax expenses	(26,166)	(2.2)	(29,607)	(2.5)	(3,441)	13.2
Profit for the year	90,998	7.7	112,671	9.4	21,673	23.8
Profit for the year attributable to:						
Owners of the parent	89,945	7.6	111,721	9.3	21,776	24.2
Non-controlling interests	1,053	0.1	950	0.1	(103)	(9.8)
Profit for the year	90,998	7.7	112,671	9.4	21,673	23.8

Consolidated Statements of Comprehensive Income

	Year ended March 31		Increase or decrease	
	2016	2017		
	Amounts	Amounts	Amounts	%
	Yen in millions	Yen in millions	Yen in millions	
Profit for the year	90,998	112,671	21,673	23.8
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	(941)	761	1,702	-
Fair value movements on FVTOCI equity financial assets	(2,909)	2,694	5,603	-
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	(56,190)	(8,319)	47,871	-
Effective portion of net changes in fair value of cash flow hedges	326	1,118	792	242.9
Fair value movements on FVTOCI debt financial assets	(6)	(0)	6	-
Total other comprehensive income for the year, net of taxation	(59,720)	(3,746)	55,974	-
Comprehensive income for the year	31,278	108,925	77,647	248.2
Comprehensive income for the year attributable to:				
Owners of the parent	30,983	108,024	77,041	248.7
Non-controlling interests	295	901	606	205.4
Comprehensive income for the year	31,278	108,925	77,647	248.2

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2016

	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		
	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions
As of April 1, 2015	77,071	107,732	562,787	(1,072)	(27)	746,491	8,256	754,747
Comprehensive income								
Profit for the year			89,945			89,945	1,053	90,998
Other comprehensive income				(58,962)		(58,962)	(758)	(59,720)
Total comprehensive income						30,983	295	31,278
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(12,133)	(12,133)	-	(12,133)
Conversion of convertible bonds	10,713	10,615			22	21,350	-	21,350
Dividends paid to the owners of the parent			(23,690)			(23,690)	-	(23,690)
Dividends paid to non-controlling interests						-	(54)	(54)
Transfer to retained earnings			(3,874)	3,874		-	-	-
Other		(6)		1	27	22	(151)	(129)
As of March 31, 2016	87,784	118,341	625,168	(56,159)	(12,111)	763,023	8,346	771,369

For the year ended March 31, 2017

	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		
	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions
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 year			111,721			111,721	950	112,671
Other comprehensive income				(3,697)		(3,697)	(49)	(3,746)
Total comprehensive income						108,024	901	108,925
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(33)	(33)	-	(33)
Dividends paid to the owners of the parent			(23,728)			(23,728)	-	(23,728)
Dividends paid to non-controlling interests						-	(18)	(18)
Transfer to retained earnings			3,464	(3,464)		-	-	-
Other		(1)		(1)	1	(1)	5	4
As of March 31, 2017	87,784	118,340	716,625	(63,321)	(12,143)	847,285	9,234	856,519

(4) Consolidated Statements of Cash Flows

	Yen in millions		
	Year ended March 31		Increase or decrease
	2016	2017	
Cash flows from operating activities:			
Profit for the year	90,998	112,671	21,673
Adjustments to reconcile profit for the year to net cash provided by operating activities			
Depreciation	55,559	50,662	(4,897)
Amortization	9,391	9,038	(353)
Gain from sales, disposal or impairment of property, plant and equipment	(155)	(1,224)	(1,069)
Financial expenses (income)	420	(163)	(583)
Share of net (profit) loss from associate accounting using the equity method	(1)	534	535
Deferred income taxes	2,148	831	(1,317)
Current income taxes	24,019	28,775	4,756
Foreign currency adjustments	(368)	(6,636)	(6,268)
Increase (decrease) in retirement benefit liability	217	(94)	(311)
Increase in accounts receivable	(5,163)	(65,582)	(60,419)
Increase in inventories	(6,176)	(6,870)	(694)
(Decrease) increase in accounts payable	(6,897)	39,229	46,126
Other, net	8,028	(6,465)	(14,493)
Interests and dividends received	1,904	3,160	1,256
Interests paid	(1,797)	(3,052)	(1,255)
Income taxes paid	(24,468)	(24,961)	(493)
Net cash provided by operating activities	147,659	129,853	(17,806)
Cash flows from investing activities:			
Additions to property, plant and equipment	(81,898)	(68,718)	13,180
Proceeds from sales of property, plant and equipment	1,417	1,786	369
Proceeds from sales or redemption of marketable securities	1,319	237	(1,082)
Acquisitions of business, net of cash acquired	(9,665)	(139,862)	(130,197)
Other, net	(6,550)	(4,919)	1,631
Net cash used in investing activities	(95,377)	(211,476)	(116,099)
Cash flows from financing activities:			
Increase in short term borrowings	32,412	93,784	61,372
Proceeds from issuance of long term debt	37,903	58,707	20,804
Repayments of long term debt	(26,210)	(32,782)	(6,572)
Proceeds from issuance of corporate bonds	-	50,001	50,001
Redemption of corporate bonds	-	(50,000)	(50,000)
Purchase of treasury stock	(12,133)	(33)	12,100
Dividends paid to the owner of the parent	(23,690)	(23,728)	(38)
Other, net	(507)	(101)	406
Net cash provided by financing activities	7,775	95,848	88,073
Effect of exchange rate changes on cash and cash equivalents	(24,017)	1,413	25,430
Net increase in cash and cash equivalents	36,040	15,638	(20,402)
Cash and cash equivalents at beginning of year	269,902	305,942	36,040
Cash and cash equivalents at end of year	305,942	321,580	15,638

(5) Notes to Consolidated Financial Statements

Notes Regarding Going Concern Assumption

Not applicable.

Notes to 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/).

Consolidated Financial Statements as of March 31, 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:

i. Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.

ii. Automotive, appliance, commercial and industrial products, which includes automotive motors and components, home appliance, commercial and industrial motors and related products.

iii. Machinery, which includes industrial robots, card readers, test systems, pressing machines and power transmission drives.

iv. Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.

v. Others, which include services.

2. Basis of Preparation

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

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS pursuant to the provision of article 93 of Regulations for Consolidated Financial Statements, as the Company meets the criteria of a "Designated IFRS Specified Company" defined under article 1-2 of the regulations.

NIDEC adopts IFRS for the first time this financial year (commencing on April 1, 2016 and ended on March 31, 2017), and so the annual consolidated financial statements for the year are the first ones prepared in conformity with IFRS. The date of transition of NIDEC to IFRS is April 1, 2015. Explanations of how the first time adoption of, and the transition to, IFRS have affected NIDEC's financial position, business results and cash flows are provided in "Note 9. First-Time Adoption of IFRS".

(2) Basis of measurement

The 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 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, except as otherwise indicated.

(4) Early adoption of new IFRS standards

NIDEC has early adopted IFRS 9 "Financial instruments" (amended in July 2014).

3. Significant accounting policies

Significant accounting policies are applied to all periods mentioned in the consolidated financial statements, including the consolidated statement of financial position on the transition date of IFRS.

Significant accounting policies are stated in notes to NIDEC's condensed consolidated financial statements for the first quarter of the current fiscal year, covering the period from April 1, 2016 to June 30, 2016.

4. Significant accounting estimates, judgments and assumptions

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

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

Judgments and estimates accompanying significant risks that may cause material adjustments to the carrying amounts of assets and liabilities in the current and next fiscal years are the same as those for the condensed consolidated financial statements for the first quarter of the current fiscal year, covering the period from April 1, 2016 to June 30, 2016.

5. Business Combinations

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) Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the three months ended March 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. 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) Consolidated financial statements for the condensed quarterly financial data in the fiscal year ended March 31, 2017 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. 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 March 31, 2017.

6. Operating Segment Information

Yen in millions

	Name	Year ended March 31 2016 Amount	2016 Composition ratio	2017 Amount	2017 Composition ratio	Increase or decrease Amount	Increase or decrease Composition ratio
Net Sales			%		%		%
	Nidec Corporation	229,982	14.1	218,648	13.3	(11,334)	(4.9)
	Nidec Electronics (Thailand)	131,753	8.1	127,122	7.8	(4,631)	(3.5)
	Nidec Singapore	68,935	4.2	53,470	3.3	(15,465)	(22.4)
	Nidec (H.K.)	114,785	7.0	133,300	8.1	18,515	16.1
	Nidec Sankyo	129,304	7.9	136,161	8.3	6,857	5.3
	Nidec Copal	59,366	3.6	46,676	2.8	(12,690)	(21.4)
	Nidec Techno Motor	63,542	3.9	67,017	4.1	3,475	5.5
	Nidec Motor	225,387	13.7	249,419	15.2	24,032	10.7
	Nidec Motors & Actuators	270,166	16.5	266,091	16.2	(4,075)	(1.5)
	All others	343,168	21.0	343,826	20.9	658	0.2
	Sub-total	1,636,388	100.0	1,641,730	100.0	5,342	0.3
	Adjustments and eliminations	(458,098)	－	(442,419)	－	15,679	－
	Consolidated total	1,178,290	－	1,199,311	－	21,021	1.8
Operating income(loss)			%		%		%
	Nidec Corporation	17,677	13.5	16,556	10.4	(1,121)	(6.3)
	Nidec Electronics (Thailand)	18,910	14.5	18,792	11.8	(118)	(0.6)
	Nidec Singapore	1,434	1.1	704	0.4	(730)	(50.9)
	Nidec (H.K.)	381	0.3	1,698	1.1	1,317	345.7
	Nidec Sankyo	15,047	11.5	19,408	12.2	4,361	29.0
	Nidec Copal	718	0.5	4,628	2.9	3,910	544.6
	Nidec Techno Motor	5,835	4.5	7,879	5.0	2,044	35.0
	Nidec Motor	15,611	12.0	21,216	13.4	5,605	35.9
	Nidec Motors & Actuators	25,885	19.8	29,572	18.6	3,687	14.2
	All others	29,078	22.3	38,425	24.2	9,347	32.1
	Sub-total	130,576	100.0	158,878	100.0	28,302	21.7
	Adjustments and eliminations	(12,914)	－	(18,547)	－	(5,633)	－
	Consolidated total	117,662	－	140,331	－	22,669	19.3

Notes:

1.The operating segments are the segments of Nidec for which separate financial information is available and for which operating income or loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

2.Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were newly consolidated in February 2017 have been included in the Nidec Motor segment.

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7.Earnings per share

The Earnings per share information are as follows:

For the year ended March 31, 2016

	(Yen in millions) Profit (loss) attributable to owners of the parent	(Thousands of shares) Weighted-average shares	(Yen) Earnings per share attributable to owners of the parent
Earnings per share attributable to owners of the parent -Basic	89,945	296,808	303.04
Effect of dilutive securities			
Convertible bonds	(3)	1,083	
Earnings per share attributable to owners of the parent -Diluted	89,942	297,891	301.93

For the year ended March 31, 2017

	(Yen in millions) Profit (loss) attributable to owners of the parent	(Thousands of shares) Weighted-average shares	(Yen) Earnings per share attributable to owners of the parent
Earnings per share attributable to owners of the parent -Basic	111,721	296,599	376.67
Effect of dilutive securities			
Convertible bonds	-	-	
Earnings per share attributable to owners of the parent -Diluted	111,721	296,599	376.67

8. Events after the Reporting period

A significant borrowing

On April 8, 2017, NIDEC plans to execute borrowing under the decision of the Board of Directors meeting.

1) Purpose of the Loan	A portion of the funds necessary to acquire the motors, drives and electric power generation businesses of Emerson Electric Co. (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited, etc.)
2) The lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd and Sumitomo Mitsui Banking Corporation
3) Total amount of the loan	$750 million
4) Rate of the interest	The aggregate of 0.60% per annum and the London interbank offered rate administered by ICE Benchmark Administration Limited for US Dollars for a period of 6 month.
5) Execution date	The end of May, 2017
6) Repayment date	The end of March, 2022
7) Collateral assets or guarantee	None

A stock purchase agreement of Secop Group (Secop Holding GmbH and other 3 entities), a German Compressor Manufacturer

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 Beteillingungs GmbH, a portfolio management company owned by AURELIUS Equity Opportunities SE & Co KGaA (the "Transaction"). For this purpose, NIDEC entered into a stock purchase agreement on April 25, 2017.

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 improve competitiveness in European market. Through the Transaction, NIDEC is adding compressors to its product portfolio, which allows NIDEC to expand further into refrigeration market.
2) Payment and funding method and schedule	Acquisition method is to finance the Transaction with debt finance. Closing of the Transaction will be completed at the end of June, 2017.
3) Purchase Price	€185 million (on enterprise value basis)

9. First-Time Adoption of IFRS

NIDEC discloses the consolidated financial statements under IFRS for the first time for the fiscal year ending March 31, 2017. The latest consolidated financial statements under accounting principles generally accepted in the United States ("U.S. GAAP") were prepared for the fiscal year ended March 31, 2016 and the date of transition to IFRS is April 1, 2015.

(1) Exemptions to retrospective application of IFRS

IFRS 1 stipulates that an entity adopting IFRS for the first time shall apply IFRS retrospectively to prior periods. However, IFRS 1 allows certain exemptions from the retrospective application of certain aspects of IFRS, and accordingly NIDEC has applied the following exemptions:

Business combinations:

IFRS 1 permits an entity not to apply IFRS 3 "Business Combinations" retrospectively to business combinations that occurred prior to the date of transition to IFRS. NIDEC elected to apply this exemption and did not apply IFRS 3 retrospectively to business combinations that occurred before the date of transition to IFRS. As a result, the goodwill recognized prior to the transition date is recorded based on the U.S. GAAP book value of the transition date. NIDEC performed an impairment test on goodwill at the date of transition to IFRS regardless of whether there was any indication that the goodwill may be impaired.

Use of fair value as deemed cost:

IFRS 1 permits an entity to measure items of property, plant and equipment, investment property or intangible assets at the date of transition to IFRS at its fair value and use that fair value as deemed cost at that date. NIDEC elected to use the fair value at the date of transition to IFRS as deemed cost at the date of transition to IFRS for certain items of property, plant and equipment. Further, NIDEC elected to use the cost model for items of property, plant and equipment and intangible assets under IFRS, thus the revaluation model is not applied.

Exchange differences on translating foreign operations:

IFRS 1 permits the cumulative amount of exchange differences on translating foreign operations to be deemed to be zero at the date of transition to IFRS. NIDEC elected to apply this exemption and deemed all cumulative exchange differences on translating foreign operations as zero at the date of transition to IFRS.

(2) Reconciliations

The reconciliations required to be disclosed in the first IFRS financial statements are described in the reconciliations below. "Re-classification" includes items that do not affect retained earnings and comprehensive income, while "Recognition and measurement, etc." includes items that affect retained earnings and comprehensive income.

(i) Reconciliation of equity as of the date of transition to IFRS (April 1, 2015)

Yen in millions

U.S. GAAP	U.S. GAAP	Re-classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Assets						Assets
Current assets						Current assets
Cash and cash equivalents	269,902	-	-	269,902		Cash and cash equivalents
	-	255,470	-	255,470		Trade and other receivables
Trade note receivable	15,221	(15,221)	-	-		
Trade accounts receivable	222,396	(222,396)	-	-		
	-	262	-	262	D	Other financial assets
	-	1,551	-	1,551		Income tax receivables
Inventories	170,874	-	6	170,880		Inventories
Other current assets	50,622	(30,180)	(424)	20,018		Other current assets
Total current assets	729,015	(10,514)	(418)	718,083		Total current assets
						Non-current assets
	-	342,122	434	342,556		Property, plant, and equipment
Land	47,427	(47,427)	-	-		
Buildings	189,742	(189,742)	-	-		
Machinery and equipment	430,019	(430,019)	-	-		
Construction in progress	33,831	(33,831)	-	-		
Accumulated depreciation	(358,897)	358,897	-	-		
Goodwill	162,959	-	-	162,959		Goodwill
	-	83,931	-	83,931		Intangible assets
	-	2,167	-	2,167		Investments accounted for using the equity method
	-	21,507	-	21,507		Other investments
Marketable securities and other securities investments	21,516	(21,516)	-	-		
Investments in and advances to affiliated companies	2,167	(2,167)	-	-		
	-	2,274	-	2,274	D	Other financial assets
	-	13,869	(3,120)	10,749	B	Deferred tax assets
	-	10,010	(4,364)	5,646		Other non-current assets
Other tangible assets	99,561	(99,561)	-	-		
Total non-current assets	628,325	10,514	(7,050)	631,789		Total non-current assets
Total assets	1,357,340	-	(7,468)	1,349,872		Total assets

Yen in millions

U.S. GAAP	U.S. GAAP	Re-classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Liabilities and equity						Liabilities and equity
Liabilities						Liabilities
Current liabilities						Current liabilities
Short-term borrowings	52,401	-	-	52,401		Short term borrowings
Current portion of long-term debt	45,485	-	(53)	45,432		Long term debt due within one year
	-	204,328	44	204,372		Trade and other payables
Trade notes and accounts payable	194,998	(194,998)	-	-		
	-	2,941	-	2,941		Other financial liabilities
	-	5,855	58	5,913		Income tax payables
	-	18,583	-	18,583		Provisions
Accrued expenses	33,375	(33,375)	-	-		
Other current liabilities	36,689	(5,538)	-	31,151		Other current liabilities
Total current liabilities	362,948	(2,204)	49	360,793		Total current liabilities
Long term liabilities						Non-current liabilities
Long-term debt	184,612	-	(180)	184,432		Long term debt
	-	569	-	569		Other financial liabilities
	-	19,565	269	19,834	A	Retirement benefit liabilities
Accrued pension and severance costs	19,576	(19,576)	-	-		
	-	2,904	-	2,904		Provisions
	-	32,721	(9,254)	23,467	B	Deferred tax liabilities
	-	3,126	-	3,126		Other non-current liabilities
Other long term liabilities	37,105	(37,105)	-	-		
Total long term liabilities	241,293	2,204	(9,165)	234,332		Total non-current liabilities
Total liabilities	604,241	-	(9,116)	595,125		Total liabilities
Equity						Equity
Common stock	77,071	-	-	77,071		Common stock
Additional paid-in capital	105,459	-	2,273	107,732		Additional paid-in capital
Retained earnings	427,641	-	135,146	562,787	C	Retained earnings
	-	134,828	(135,900)	(1,072)	A	Other components of equity
Accumulated other comprehensive income	134,828	(134,828)	-	-	C	
Treasury stock	(27)	-	-	(27)		Treasury stock
Total Nidec Corporation shareholders' equity	744,972	-	1,519	746,491		Total equity attributable to owners of the parent
Noncontrolling interests	8,127	-	129	8,256		Non-controlling interests
Total equity	753,099	-	1,648	754,747		Total equity
Total liabilities and equity	1,357,340	-	(7,468)	1,349,872		Total liabilities and equity

Notes to reconciliation of equity as of the date of transition to IFRS (April 1, 2015)

The major items of the reconciliation of equity as of the date of transition to IFRS are as follows:

A. Retirement benefit liabilities

Under U.S. GAAP, the actuarial gain and loss, and prior service costs resulted from defined benefit plan or lump-sum indemnities which incurred during the fiscal year but not recognized as the same periodic pension cost are recognized as accumulated other comprehensive income (loss) by the amount after tax. The amount recognized as accumulated other comprehensive income (loss) is amortized into net periodic pension costs over the certain future periods.

Under IFRS, actuarial gain and loss are recognized in other comprehensive income by the amount after tax and the prior service costs are expensed as incurred. The actuarial gain and loss are transferred from other components of equity to retained earnings directly without going through net profit or loss.

As a result of the factors described above, the amount that was reclassified from accumulated other comprehensive income (loss) to a decrease in “Retained earnings” at the IFRS transition date was ¥2,844 million.

B. Deferred tax

(a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,185 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers’ tax rates.
(b) Temporary differences resulting from the transition to IFRS are recognized as additional deferred tax assets and liabilities.
(c) Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets with current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

As a result, deferred tax assets and liabilities (net) decreased by ¥6,134 million at the date of transition to IFRS.

C. Translation adjustment of foreign operations

As noted in (1) above, IFRS 1 permits the cumulative amount of exchange differences on translating foreign operations to be deemed to be zero at the date of transition to IFRS. NIDEC elected to apply this exemption and deemed all cumulative exchange differences on translating foreign operations as zero at the date of transition to IFRS. As a result, translation adjustments reclassified from accumulated other comprehensive income to “Retained earnings” was ¥131,332 million at the date of transition to IFRS.

D. Reclassification on the consolidated statement of financial position

Certain reclassifications have been made to consolidated statement of financial position to conform to provisions under IFRS. The major reclassifications on consolidated statement of financial position are as follows:

(a) Under U.S. GAAP, deferred tax assets and deferred tax liabilities are presented as current assets/non-current assets and current liabilities/non-current liabilities. Under IFRS, as deferred tax assets and deferred tax liabilities are not allowed to be presented as current assets/current liabilities, all of them are reclassified to non-current assets/non-current liabilities.
(b) Financial assets and financial liabilities are disclosed separately based on a provision for presentation under IFRS.

(ii)Reconciliation of equity as of March 31, 2016

Yen in millions

U.S. GAAP	U.S. GAAP	Re-classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Assets						Assets
Current assets						Current assets
Cash and cash equivalents	305,942	-	-	305,942		Cash and cash equivalents
	-	251,209	101	251,310		Trade and other receivables
Trade note receivable	16,589	(16,589)	-	-		
Trade accounts receivables	218,680	(218,680)	-	-		
	-	2,010	-	2,010	D	Other financial assets
	-	2,063	-	2,063		Income tax receivables
Inventories	170,951	-	(77)	170,874		Inventories
Other current assets	53,150	(30,380)	122	22,892		Other current assets
Total current assets	765,312	(10,367)	146	755,091		Total current assets
						Non-current assets
	-	347,729	(797)	346,932		Property, plant, and equipment
Land	47,477	(47,477)	-	-		
Buildings	190,362	(190,362)	-	-		
Machinery and equipment	450,860	(450,860)	-	-		
Construction in progress	33,340	(33,340)	-	-		
Accumulated depreciation	(374,310)	374,310	-	-		
Goodwill	162,963	-	(920)	162,043	E	Goodwill
	-	76,859	190	77,049	E	Intangible assets
	-	1,896	-	1,896		Investments accounted for using the equity method
	-	15,998	-	15,998		Other investments
Marketable securities and other securities investments	16,004	(16,004)	-	-		
Investments in and advances to affiliated companies	1,896	(1,896)	-	-		
	-	1,804	-	1,804	D	Other financial assets
	-	13,554	(2,009)	11,545	B	Deferred tax assets
	-	8,724	(4,446)	4,278		Other non-current assets
Other tangible assets	90,568	(90,568)	-	-		
Total non-current assets	619,160	10,367	(7,982)	621,545		Total non-current assets
Total assets	1,384,472	-	(7,836)	1,376,636		Total assets

Yen in millions

U.S. GAAP	U.S. GAAP	Re-classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Liabilities and equity						Liabilities and equity
Liabilities						Liabilities
Current liabilities						Current liabilities
Short-term borrowings	81,092	-	-	81,092		Short term borrowings
Current portion of long-term debt	82,796	-	(19)	82,777		Long term debt due within one year
	-	186,946	44	186,990		Trade and other payables
Trade notes and accounts payable	177,254	(177,254)	-	-		
	-	3,192	-	3,192		Other financial liabilities
	-	5,831	-	5,831		Income tax payable
	-	18,886	-	18,886		Provisions
Accrued expenses	34,948	(34,948)	-	-		
Other current liabilities	44,388	(3,832)	335	40,891		Other current liabilities
Total current liabilities	420,478	(1,179)	360	419,659		Total current liabilities
Long term liabilities						Non-current liabilities
Long-term debt	136,894	-	(96)	136,798		Long term debt
	-	1,029	-	1,029		Other financial liabilities
	-	19,158	330	19,488	A	Retirement benefit liabilities
Accrued pension and severance costs	19,169	(19,169)	-	-		
	-	3,283	54	3,337		Provisions
	-	29,989	(7,348)	22,641	B	Deferred tax liabilities
	-	2,315	-	2,315		Other non-current liabilities
Other long term liabilities	35,426	(35,426)	-	-		
Total long term liabilities	191,489	1,179	(7,060)	185,608		Total non-current liabilities
Total liabilities	611,967	-	(6,700)	605,267		Total liabilities
Equity						Equity
Common stock	87,784	-	-	87,784		Common stock
Additional paid-in capital	116,058	-	2,283	118,341		Additional paid-in capital
Retained earnings	495,761	-	129,407	625,168	C	Retained earnings
	-	76,729	(132,888)	(56,159)	A	Other components of equity
Accumulated other comprehensive income	76,729	(76,729)	-	-	C	
Treasury stock	(12,111)	-	-	(12,111)		Treasury stock
Total Nidec Corporation shareholders' equity	764,221	-	(1,198)	763,023		Total equity attributable to owners of the parent
Noncontrolling interests	8,284	-	62	8,346		Non-controlling interests
Total equity	772,505	-	(1,136)	771,369		Total equity
Total liabilities and equity	1,384,472	-	(7,836)	1,376,636		Total liabilities and equity

Notes to reconciliation of equity as of March 31, 2016

The major items of the reconciliation of equity as of March 31,2016 are as follows:

A. Retirement benefit liabilities

Under U.S. GAAP, the actuarial gain and loss, and prior service costs resulted from defined benefit plan or lump-sum indemnities which incurred during the fiscal year but not recognized as the same periodic pension cost are recognized as accumulated other comprehensive income (loss) by the amount after tax. The amount recognized as accumulated other comprehensive income (loss) is amortized into net periodic pension costs over the certain future periods.

Under IFRS, actuarial gain and loss are recognized in other comprehensive income by the amount after tax and the prior service costs are expensed as incurred. The actuarial gain and loss are transferred from other components of equity to retained earnings directly without going through net profit or loss.

As a result of the factors described above, the amount that was reclassified from accumulated other comprehensive income (loss) to a decrease in “Retained earnings” as of March 31, 2016 was ¥3,847 million.

B. Deferred tax

(a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,111 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers’ tax rates.
(b) Temporary differences resulting from the transition to IFRS are recognized as additional deferred tax assets and liabilities.
(c) Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets with current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

As a result, deferred tax assets and liabilities (net) decreased by ¥5,635 million as of March 31, 2016.

C. Translation adjustment of foreign operations

As noted in (1) above, IFRS 1 permits the cumulative amount of exchange differences on translating foreign operations to be deemed to be zero at the date of transition to IFRS. NIDEC elected to apply this exemption and deemed all cumulative exchange differences on translating foreign operations as zero at the date of transition to IFRS. As a result, translation adjustments reclassified from accumulated other comprehensive income to “retained earnings” was ¥131,332 million at the date of transition to IFRS.

D. Reclassification on the consolidated statement of financial position

Certain reclassifications have been made to consolidated statement of financial position to conform to provisions under IFRS. The major reclassifications on consolidated statement of financial position are as follows:

(a) Under U.S. GAAP, deferred tax assets and deferred tax liabilities are presented as current assets/non-current assets and current liabilities/non-current liabilities. Under IFRS, as deferred tax assets and deferred tax liabilities are not allowed to be presented as current assets/current liabilities, all of them are reclassified to non-current assets/non-current liabilities.
(b) Financial assets and financial liabilities are disclosed separately based on a provision for presentation under IFRS.

E. Retrospective adjustment on business combinations

During the six months ended September 30, 2016, NIDEC completed some of its valuation of the fair values of the assets acquired and the liabilities assumed upon the acquisition in the previous years. Accordingly, retrospective adjustments are included in “Recognition and measurement differences, etc.”

(iii) Reconciliation of income and comprehensive income for the year ended March 31, 2016

Yen in millions

U.S. GAAP	U.S. GAAP	Re-classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Consolidated statement of income						Consolidated statement of income
Net sales	1,178,290	-	-	1,178,290		Net sales
Cost of products sold	(908,311)	(131)	(1,511)	(909,953)	A,D	Cost of sales
Gross profit	269,979	(131)	(1,511)	268,337		Gross profit
Selling, general and administrative expenses	(93,463)	(5,580)	346	(98,697)	A	Selling, general and administrative expenses
Research and development expenses	(51,978)	-	-	(51,978)		Research and development expenses
Operating income	124,538	(5,711)	(1,165)	117,662		Operating profit
	-	2,859	(946)	1,913	C	Financial income
	-	(2,356)	(54)	(2,410)	C	Financial expenses
	-	151	-	151		Derivative gain
	-	(153)	-	(153)		Foreign exchange differences
	-	1	-	1		Equity in net income (loss) of associates
Interest and dividend income	1,913	(1,913)	-	-		
Interest expense	(2,228)	2,228	-	-		
Foreign exchange (loss) gain, net	(153)	153	-	-		
Gain on marketable securities, net	946	(946)	-	-	B	
Other, net	(5,688)	5,688	-	-		
Income before income tax	119,328	1	(2,165)	117,164		Profit before income taxes
Income taxes	(26,466)	-	300	(26,166)		Income tax expenses
Equity in net income of affiliated companies	1	(1)	-	-		
Consolidated net income	92,863	-	(1,865)	90,998		Profit for the period
Net income attributable to:						Profit attributable to:
Nidec Corporation	91,810	-	(1,865)	89,945		Owners of the parent
Noncontrolling interests	1,053	-	-	1,053		Non-controlling interests

Yen in millions

U.S. GAAP	U.S. GAAP	Re-classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Consolidated statement of comprehensive income						Consolidated statement of comprehensive income
Consolidated net income	92,863	-	(1,865)	90,998		Profit for the period
Pension liability adjustments	(981)	-	40	(941)	A	Remeasurement of defined benefit plans
Net unrealized gains and losses on securities	(3,714)	-	805	(2,909)	B	Fair value movements on FVTOCI equity financial assets
Foreign currency translation adjustments	(54,491)	-	(1,699)	(56,190)		Foreign currency translation adjustments
Net gains and losses on derivative instruments	326	-	-	326		Effective portion of net changes in fair value of cash flow hedges
	-	-	(6)	(6)		Fair value movements on FVTOCI debt financial assets
Total other comprehensive income	(58,860)	-	(860)	(59,720)		Other comprehensive income for the period, net of taxation
Total comprehensive income	34,003	-	(2,725)	31,278		Comprehensive income for the period
(Breakdown)						Comprehensive income attributable to:
Comprehensive income (loss) attributable to Nidec Corporation	33,711	-	(2,728)	30,983		Owners of the parent
Comprehensive income (loss) attributable to noncontrolling interests	292	-	3	295		Non-controlling interests

Notes to reconciliation of income and comprehensive income for the year ended March 31, 2016

The major items of the reconciliation of income and comprehensive income for the year ended March 31, 2016 are as follows:

A. Retirement benefit liabilities

Under U.S. GAAP, the actuarial gain and loss, and prior service costs resulted from defined benefit plan or lump-sum indemnities which incurred during the fiscal year but not recognized as the same periodic pension cost are recognized as accumulated other comprehensive income (loss) by the amount after tax. The amount recognized as accumulated other comprehensive income (loss) is amortized into net periodic pension costs over the certain future periods.

Under IFRS, actuarial gain and loss are recognized in other comprehensive income by the amount after tax and the prior service costs are expensed as incurred. The actuarial gain and loss are transferred from other components of equity to retained earnings directly without going through net profit or loss.

As a result of the factors described above, retirement benefit costs have increased by ¥378 million on the consolidated statement of income for the year ended March 31, 2016.

B. Equity financial assets

Under U.S. GAAP, gains and losses from the sales of investment securities and impairment of the securities are recognized through profit or loss. Under IFRS, however, NIDEC adopts IFRS 9 and accordingly any gain or loss arising from a difference between the carrying value and fair value of equity financial assets designated as measured at fair value through other comprehensive income (“FVTOCI equity financial assets”) are recognized in other comprehensive income without reclassification.

C. Reclassifications on the consolidated statement of income

Certain reclassifications are made on the consolidated statement of income in order to comply with the IFRS provisions. The major reclassification on the consolidated statement of income is as follows:

(a) Based on an IFRS provision concerning presentations, the financial income and financial expenses are presented separately.

D. Retrospective adjustment on business combinations

During the six months ended September 30, 2016, NIDEC completed some of its valuation of the fair values of the assets acquired and the liabilities assumed upon the acquisition in the previous years. Accordingly, retrospective adjustments are included in “Recognition and measurement differences, etc.”

(iv) Disclosure of material items of reconciliation of the consolidated statements of cash flows for the year ended March 31, 2016

There are no material differences between the consolidated statement of cash flows presented under IFRS and the consolidated statement of cash flows presented under U.S. GAAP.

5. Others (unaudited)

(1) Changes in Directors

1. Proposed changes regarding Representative Directors
   Not applicable.

2. Proposed changes regarding other Members of the Board of Directors and Audit & Supervisory Board Members

   1) Candidates to the Board of Directors (effective as of June 16, 2017):
      Hiroyuki Yoshimoto (current post: Executive Vice President)
      Tetsuo Onishi (current post: Executive Vice President)

   2) Candidate to the Audit & Supervisory Board (effective as of June 16, 2017):
      Kazuya Murakami (current post: Vice President)

      Note: Mr. Kazuya Murakami is expected to assume office as a Fulltime Member of the Audit & Supervisory Board as of the above date.

   3) Outgoing Audit & Supervisory Board Member (effective as of June 16, 2017):
      Tetsuo Inoue (current post: Fulltime Member of the Audit & Supervisory Board)

      Note: Mr. Tetsuo Inoue is expected to assume office as a Non-fulltime Executive Consultant as of the above date.

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

For the three months ended March 31, 2016 and 2017

Condensed Quarterly Consolidated Statements of Income

	Three months ended March 31				Increase or decrease	
	2016		2017			
	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions	
Net sales	282,937	100.0	331,083	100.0	48,146	17.0
Cost of sales	(218,029)	(77.1)	(253,707)	(76.6)	(35,678)	16.4
Gross profit	64,908	22.9	77,376	23.4	12,468	19.2
Selling, general and administrative expenses	(25,261)	(8.9)	(29,171)	(8.8)	(3,910)	15.5
Research and development expenses	(12,271)	(4.3)	(14,047)	(4.3)	(1,776)	14.5
Operating profit	27,376	9.7	34,158	10.3	6,782	24.8
Financial income	606	0.2	1,092	0.3	486	80.2
Financial expenses	(1,109)	(0.4)	(1,252)	(0.4)	(143)	12.9
Derivative gain	(10)	(0.0)	(841)	(0.2)	(831)	-
Foreign exchange differences	(2,163)	(0.8)	1,366	0.4	3,529	-
Share of net profit (loss) from associate accounting using the equity method	(3)	(0.0)	8	0.0	11	-
Profit before income taxes	24,697	8.7	34,531	10.4	9,834	39.8
Income tax expenses	(4,262)	(1.5)	(4,176)	(1.2)	86	(2.0)
Profit for the period	20,435	7.2	30,355	9.2	9,920	48.5
Profit for the period attributable to:						
Owners of the parent	20,419	7.2	30,104	9.1	9,685	47.4
Non-controlling interests	16	0.0	251	0.1	235	-
Profit for the period	20,435	7.2	30,355	9.2	9,920	48.5

Condensed Quarterly Consolidated Statements of Comprehensive Income

	Three months ended March 31		Increase or decrease	
	2016	2017		
	Amounts	Amounts	Amounts	%
	Yen in millions	Yen in millions	Yen in millions	
Profit for the period	20,435	30,355	9,920	48.5
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	(948)	943	1,891	-
Fair value movements on FVTOCI equity financial assets	(1,748)	327	2,075	-
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	(41,537)	(18,213)	23,324	-
Effective portion of net changes in fair value of cash flow hedges	905	924	19	2.1
Fair value movements on FVTOCI debt financial assets	2	2	0	0.0
Total other comprehensive income for the period, net of taxation	(43,326)	(16,017)	27,309	-
Comprehensive income for the period	(22,891)	14,338	37,229	-
Comprehensive income attributable to:				
Owners of the parent	(22,529)	13,978	36,507	-
Non-controlling interests	(362)	360	722	-
Comprehensive income for the period	(22,891)	14,338	37,229	-

(3) Quarterly Financial Data for the three months ended December 31, 2016, September 30, 2016 and June 30, 2016

	Three months ended					
	June 30, 2016		September 30, 2016		December 31, 2016	
	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions	
Net sales	276,206	100.0	287,824	100.0	304,198	100.0
Operating profit	31,524	11.4	37,461	13.0	37,188	12.2
Profit before income taxes	29,087	10.5	37,187	12.9	41,473	13.6
Profit for the period	22,251	8.1	28,249	9.8	31,816	10.5
Profit attributable to owners of the parent	22,028	8.0	28,066	9.8	31,523	10.4

(4) Information by Product Category

Year ended March 31, 2016 Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
Exteral sales	447,988	554,713	107,811	64,112	3,666	1,178,290	-	1,178,290
Intersegment	2,414	5,134	11,566	4,894	1,653	25,661	(25,661)	-
Total	450,402	559,847	119,377	69,006	5,319	1,203,951	(25,661)	1,178,290
Operating expenses	385,696	514,050	104,342	63,596	4,781	1,072,465	(11,837)	1,060,628
Operating profit	64,706	45,797	15,035	5,410	538	131,486	(13,824)	117,662

Year ended March 31, 2017 Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
Exteral sales	437,105	572,085	122,341	64,072	3,708	1,199,311	-	1,199,311
Intersegment	2,310	5,664	9,208	5,915	1,521	24,618	(24,618)	-
Total	439,415	577,749	131,549	69,987	5,229	1,223,929	(24,618)	1,199,311
Operating expenses	371,486	519,664	109,758	60,125	4,670	1,065,703	(6,723)	1,058,980
Operating profit	67,929	58,085	21,791	9,862	559	158,226	(17,895)	140,331

Three months ended March 31, 2016 Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
Exteral sales	95,911	143,682	27,566	14,848	930	282,937	-	282,937
Intersegment	518	1,255	1,751	1,197	385	5,106	(5,106)	-
Total	96,429	144,937	29,317	16,045	1,315	288,043	(5,106)	282,937
Operating expenses	84,872	130,747	26,099	15,180	1,167	258,065	(2,504)	255,561
Operating profit	11,557	14,190	3,218	865	148	29,978	(2,602)	27,376

Three months ended March 31, 2017 Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
Exteral sales	106,239	171,376	35,731	16,765	972	331,083	-	331,083
Intersegment	556	1,362	2,789	1,619	426	6,752	(6,752)	-
Total	106,795	172,738	38,520	18,384	1,398	337,835	(6,752)	331,083
Operating expenses	91,002	156,803	32,530	16,304	1,282	297,921	(996)	296,925
Operating profit	15,793	15,935	5,990	2,080	116	39,914	(5,756)	34,158

Notes:
1. Product categories are classified based on similarities in product type, product attributes, and production and sales methods.
2. Major products of each product category:
   (1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
   (2) Automotive, appliance, commercial and industrial products: Automotive motors and components, home appliance, commercial and industrial motors and related products.
   (3) Machinery: Industrial robots, card readers, test systems, pressing machines and power transmission drives, etc.
   (4) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
   (5) Others: Services, etc.
3. NIDEC adopts IFRS for its consolidated financial statements from the fiscal year ending March 31, 2017 and previous period amounts are also presented in accordance with IFRS.

(5) Sales by Geographic Segment

Yen in millions

	Year ended March 31, 2016		Year ended March 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	271,571	23.1%	283,178	23.6%	11,607	4.3%
U.S.A.	197,235	16.7%	208,964	17.4%	11,729	5.9%
Singapore	72,727	6.2%	57,733	4.8%	(14,994)	(20.6)%
Thailand	106,998	9.1%	105,897	8.8%	(1,101)	(1.0)%
Germany	87,502	7.4%	89,574	7.5%	2,072	2.4%
China	293,353	24.9%	293,059	24.5%	(294)	(0.1)%
Others	148,904	12.6%	160,906	13.4%	12,002	8.1%
Total	1,178,290	100.0%	1,199,311	100.0%	21,021	1.8%

Yen in millions

	Three months ended March 31, 2016		Three months ended March 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	66,361	23.5%	74,509	22.5%	8,148	12.3%
U.S.A.	49,649	17.5%	70,899	21.4%	21,250	42.8%
Singapore	14,673	5.2%	13,121	4.0%	(1,552)	(10.6)%
Thailand	26,849	9.5%	28,408	8.6%	1,559	5.8%
Germany	23,017	8.1%	25,674	7.7%	2,657	11.5%
China	62,951	22.3%	74,016	22.4%	11,065	17.6%
Others	39,437	13.9%	44,456	13.4%	5,019	12.7%
Total	282,937	100.0%	331,083	100.0%	48,146	17.0%

Note: The sales are classified by domicile of the seller, and the figures exclude intra-segment transactions.

(6) Sales by Region

Yen in millions

	Year ended March 31, 2016		Year ended March 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	230,698	19.6%	231,079	19.3%	381	0.2%
Asia	600,840	51.0%	592,212	49.4%	(8,628)	(1.4)%
Europe	152,412	12.9%	164,350	13.7%	11,938	7.8%
Others	14,452	1.2%	21,557	1.8%	7,105	49.2%
Overseas total	998,402	84.7%	1,009,198	84.2%	10,796	1.1%
Japan	179,888	15.3%	190,113	15.8%	10,225	5.7%
Total	1,178,290	100.0%	1,199,311	100.0%	21,021	1.8%

Yen in millions

	Three months ended March 31, 2016		Three months ended March 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	59,678	21.1%	63,969	19.3%	4,291	7.2%
Asia	135,611	47.9%	154,305	46.6%	18,694	13.8%
Europe	39,974	14.1%	55,131	16.7%	15,157	37.9%
Others	4,735	1.7%	7,081	2.1%	2,346	49.5%
Overseas total	239,998	84.8%	280,486	84.7%	40,488	16.9%
Japan	42,939	15.2%	50,597	15.3%	7,658	17.8%
Total	282,937	100.0%	331,083	100.0%	48,146	17.0%

Note: The sales are classified by domicile of the buyer, and the figures exclude intra-segment transactions.

6. Other information (unaudited)

25 April, 2017

(1) Summary of Consolidated Financial Performance

	Year ended March 31, 2016	Increase or decrease	Year ended March 31, 2017	Three months ended March 31, 2016	Increase or decrease	Three months ended March 31, 2017
Net Sales	Yen in millions 1,178,290	% 1.8	Yen in millions 1,199,311	Yen in millions 282,937	% 17.0	Yen in millions 331,083
Operating profit	117,662 10.0%	19.3	140,331 11.7%	27,376 9.7%	24.8	34,158 10.3%
Profit before income taxes	117,164 9.9%	21.4	142,278 11.9%	24,697 8.7%	39.8	34,531 10.4%
Profit attributable to owners of the parent	89,945 7.6%	24.2	111,721 9.3%	20,419 7.2%	47.4	30,104 9.1%
Earnings per share attributable to owners of the parent -Basic	Yen 303.04		Yen 376.67	Yen 68.84		Yen 101.50
Earnings per share attributable to owners of the parent -Diluted	301.93		376.67	68.84		101.50

(2) Summary of Consolidated Financial Position and Cash Flows

	March 31, 2016	March 31, 2017
Total assets	Yen in millions 1,376,636	Yen in millions 1,676,901
Total equity attributable to owners of the parent	763,023	847,285
Ratio of equity attributable to owners of the parent to total asset	% 55.4	% 50.5
	Year ended March 31, 2016	Year ended March 31, 2017
Net cash provided by operating activities	Yen in millions 147,659	Yen in millions 129,853
Net cash used in investing activities	(95,377)	(211,476)
Net cash provided by (used in) financing activities	7,775	95,848
Cash and cash equivalents at end of period	305,942	321,580

(3) Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
Year ended March 31, 2016 (actual)	Yen 40.00	Yen 40.00	Yen 80.00
Year ended March 31, 2017 (actual)	40.00	45.00	85.00
Year ending March 31, 2018 (target)	45.00	45.00	90.00

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

Number of consolidated subsidiaries	296
Number of associates accounted for under the equity method	6

		Change from March 31, 2016
Number of consolidated subsidiaries	(Increase)	74
	(Decrease)	3
Number of associates accounted for under the equity method	(Increase)	2
	(Decrease)	-

Note:

1. NIDEC adopts IFRS for its consolidated financial statements from the first quarter of the fiscal year ended March 31, 2017. Accordingly, the consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the year ended March 31, 2016 are also in accordance with IFRS.
2. The amounts of percentage in "(1) Summary of Consolidated Financial Performance" represent percentage of sales.
3. Earnings per share attributable to owners of the parent - Basic and - Diluted are calculated based on profit attributable to owners of the parent.
4. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2016. Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the year ended March 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.