

[Translation]

Quarterly Report

(The Second Quarter of 45th Business Term)

From July 1, 2017 to September 30, 2017

NIDEC CORPORATION

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[Cover]

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| [Applicable Law] | Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan |
| [Filed with] | Director, Kanto Local Finance Bureau |
| [Filing Date] | November 13, 2017 |
| [Fiscal Year] | The Second Quarter of 45th Business Term (from July 1, 2017 to September 30, 2017) |
| [Company Name] | Nihon Densan Kabushiki Kaisha |
| [Company Name in English] | NIDEC CORPORATION |
| [Title and Name of Representative] | Shigenobu Nagamori, Chairman of the Board, President, Chief Executive Officer and Representative Director |
| [Address of Head Office] | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto |
| [Phone No.] | 075-922-1111 |
| [Contact Person] | Tomohiko Hatori, General Manager, Accounting Department |
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| [Phone No.] | 075-922-1111 |
| [Contact Person] | Tomohiko Hatori, General Manager, Accounting Department |
| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) |

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

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise stated)

| | Six months ended September 30, 2016 | Six months ended September 30, 2017 | Year ended March 31, 2017 |
|--|--|--|------------------------------|
| Net sales | 564,030 [287,824] | 715,890 [372,799] | 1,199,311 |
| Profit before income taxes | 66,274 | 76,630 | 141,350 |
| Profit attributable to owners of the parent | 50,094 [28,066] | 60,074 [31,880] | 111,036 |
| Comprehensive income attributable to owners of the parent | (25,727) | 89,339 | 107,342 |
| Total equity attributable to owners of the parent | 725,421 | 917,434 | 846,603 |
| Total assets | 1,327,250 | 1,772,631 | 1,676,106 |
| Earnings per share attributable to owners of the parent - Basic (Yen) | 168.89 [94.63] | 202.90 [107.68] | 374.36 |
| Earnings per share attributable to owners of the parent - Diluted (Yen) | - | - | - |
| Ratio of total equity attributable to owners of the parent to total assets (%) | 54.7 | 51.8 | 50.5 |
| Net cash provided by operating activities | 96,493 | 74,242 | 129,853 |
| Net cash used in investing activities | (34,760) | (51,879) | (211,476) |
| Net cash (used in) provided by financing activities | (34,942) | (67,643) | 95,848 |
| Cash and cash equivalents at end of period | 298,934 | 287,172 | 321,580 |

- (Notes) 1. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).
2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.
3. Figures shown in yen in millions are rounded to the nearest million.
4. Sales do not include consumption taxes.
5. There were no potentially dilutive common shares outstanding for the three months ended September 30, 2016 and 2017.
6. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017. As a result, figures for the six months ended September 30, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Moreover, NIDEC partly finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2017. As a result, figures for the 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. Details are stated in “6. Business combinations” of “Notes to Condensed Quarterly Consolidated Financial Statements” incorporated in this Quarterly Report.
7. The figures of “Net sales”, “Profit attributable to owners of the parent” and “Earnings per share attributable to owners of the parent - Basic (Yen)” in square bracket are those for the three months ended September 30, 2016 and 2017, respectively.

2. Description of Business

There were no significant changes in NIDEC's businesses during the six months ended September 30, 2017. Moreover, there were no changes in principal subsidiaries and associates.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the six months ended September 30, 2017. There were no material changes in the risk factors stated in the annual securities report for the 44th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Material Agreements, etc.

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

(1) Business Succession Agreement

(Tokyo Maruzen Industry Co., Ltd.)

Nidec Corporation resolved at a meeting of Board of Directors held on August 9, 2017 to make Nidec Sankyo Corporation ("Nidec Sankyo"), the Company's subsidiary, succeed the business of Tokyo Maruzen Industry Co., Ltd. ("Tokyo Maruzen") by way of an absorption type company split. For this purpose, both companies have entered into an agreement under which Nidec Sankyo will form a new company (the "New Company") to succeed the business of Tokyo Maruzen (the "Transaction"). Based on this agreement, we completed succeeding the business on October 1, 2017, by the company split.

1. Purpose of the Transaction

Tokyo Maruzen develops, manufactures and sells electric contact materials, contact rivets and contact staking. The Transaction will help strengthen their capacity in material development, production engineering and manufacturing responsiveness, which will allow to introduce unparalleled sophistication in electric contacts both in terms of quality and reliability to automotive market.

2. Funds for the Transaction

Own funds

3. Company split method

Under this absorption type company split, the New Company will be the succeeding company and Tokyo Maruzen will be the splitting company.

4. Split date (Effective date)

October 1, 2017

5. Details of allotments relating to this absorption type company split

The Transaction will be funded by cash. There shall be no allotment of shares.

6. Details of the transferred business

- 1) Development, manufacturing and sales of electric contact materials
- 2) Development, manufacturing and sales of rivet contacts
- 3) Development, manufacturing and sales of contact staking
- 4) Other related business

7. Operating results of the transferred business

Net sales: 3,745 million yen (year ended March 31, 2017)

8. Information on the succeeding company (New Company)

| | |
|----------------|--|
| Company Name: | Tokyo Maruzen Industry Co., Ltd. |
| Headquarters: | 591-11, Ishikawa, Sakura-shi, Chiba (commencement of operations: October 1, 2017) |
| Business: | Development, manufacturing, and sales of electric contact materials, contact rivets, and contact staking |
| Establishment: | August 17, 2017 |
| Capital: | 20 million yen |

(2) Share Purchase and Transfer Agreement

(SV Probe Pte. Ltd.)

Nidec-Read Corporation (“Nidec-Read”), the Company's subsidiary, agreed to acquire 100% equity shares of SV Probe Pte. Ltd. (“SV Probe”) from Ellipsiz Ltd., and entered into a share purchase agreement on August 21, 2017, Singapore time (the “Transaction”).

1. Purpose of the Transaction

Nidec-Read’s main business is the development, manufacturing and sales of inspection equipment for semiconductor package substrates and printed circuit boards, as well as inspection fixture. In recent years, it has expanded its product portfolio into small capacitance measurement equipment for touch screen panels and optical inspection equipment for semiconductor wafers. Inspection requirements are being diversified and tightened, and a new inspection method that responds to the foregoing development in semiconductor package is essential to Nidec-Read’s mid-to long- term growth target. Through the Transaction, Nidec-Read expects to gain competitiveness in the inspection market. In addition, by mutually sharing its cutting-edge processing and assembly technology with SV Probe, Nidec-Read will be able to reduce manufacturing costs and improve investment efficiency. Nidec-Read also expects to sell its inspection equipment through SV Probe’s sales channel to the leading semiconductor manufacturers.

2. Funds for the Transaction

Own funds

3. Information on SV Probe

| | |
|---------------|--|
| Company Name: | SV Probe Pte. Ltd. |
| Headquarters: | Serangoon, Singapore |
| Business: | Manufacturing and sales of probe cards |

4. Execution date of the share purchase and transfer agreement

August 21, 2017

5. Date of the completion of the acquisition

October 31, 2017

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

(1) Operating Results

In the global economy during the six months ended September 30, 2017, the U.S. economy continues to expand moderately, and the country’s Federal Reserve Board (FRB) decided to start reducing its assets, and embarked on a complete lifting of its quantitative easing policy. In the meantime, with the European economy on a recovery track, discussion started within the European Central Bank (ECB) on reduction of monetary easing. As the Japanese economy continued its moderate recovery, the Chinese economy grew more strongly than anticipated as well, making the basic interest rate likely to be raised by the end of this year.

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

The following table sets forth consolidated operating results for the six months ended September 30, 2017:

(Yen in millions)

| | Six months ended September 30, 2016 | Six months ended September 30, 2017 | Increase or decrease | Increase or decrease ratio |
|---|-------------------------------------|-------------------------------------|----------------------|----------------------------|
| Net sales | 564,030 | 715,890 | 151,860 | 26.9% |
| Operating profit | 68,985 | 82,612 | 13,627 | 19.8% |
| Profit before income taxes | 66,274 | 76,630 | 10,356 | 15.6% |
| Profit attributable to owners of the parent | 50,094 | 60,074 | 9,980 | 19.9% |

Consolidated net sales increased 26.9% to ¥715,890 million for this six-month period compared to the same period of the prior year, recording the highest interim net sales in our history. Operating profit increased 19.8% to ¥82,612 million for this six-month period compared to the same period of the prior year, also recording the highest interim operating profit in our history. Profit before income taxes increased 15.6% to ¥76,630 million for this six-month period compared to the same period of the prior year, and profit attributable to owners of the parent increased 19.9% to ¥60,074 million for this six-month period compared to the same period of the prior year, both achieving the highest interim profits in our history.

The following table sets forth operating results by segment:

(Yen in millions)

| | Six months ended September 30 | | | | | |
|------------------------------|-------------------------------|-----------|----------------------|------------------|---------|----------------------|
| | Net sales | | | Operating profit | | |
| | 2016 | 2017 | Increase or decrease | 2016 | 2017 | Increase or decrease |
| Nidec Corporation | 105,575 | 108,342 | 2,767 | 6,853 | 11,170 | 4,317 |
| Nidec Electronics (Thailand) | 60,162 | 62,805 | 2,643 | 9,229 | 9,721 | 492 |
| Nidec Singapore | 26,198 | 24,965 | (1,233) | 392 | 366 | (26) |
| Nidec (H.K.) | 65,018 | 57,922 | (7,096) | 1,247 | 487 | (760) |
| Nidec Sankyo | 64,217 | 74,788 | 10,571 | 9,839 | 10,772 | 933 |
| Nidec Copal | 22,165 | 25,942 | 3,777 | 2,433 | 2,594 | 161 |
| Nidec Techno Motor | 32,343 | 42,300 | 9,957 | 4,327 | 4,858 | 531 |
| Nidec Motor | 111,751 | 210,401 | 98,650 | 10,517 | 15,000 | 4,483 |
| Nidec Motors & Actuators | 126,021 | 144,755 | 18,734 | 13,134 | 17,335 | 4,201 |
| All Others | 160,184 | 182,691 | 22,507 | 18,146 | 20,241 | 2,095 |
| Adjustments | (209,604) | (219,021) | (9,417) | (7,132) | (9,932) | (2,800) |
| Consolidated total | 564,030 | 715,890 | 151,860 | 68,985 | 82,612 | 13,627 |

(Note) Net sales are the total of sales to external customers and intersegment sales.

Net sales of Nidec Corporation increased 2.6% to ¥108,342 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the positive effect of the depreciation of the Japanese yen against the U.S. dollar, despite the decrease in demand for the hard disk drives spindle motors. Operating profit of Nidec Corporation increased 63.0% to ¥11,170 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales and cost reduction.

Net sales of Nidec Electronics (Thailand) increased 4.4% to ¥62,805 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the positive effects of the depreciation of Japanese yen against the U.S. dollar and the Thai baht. Operating profit of Nidec Electronics (Thailand) increased 5.3% to ¥9,721 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales and cost reduction.

Net sales of Nidec Singapore decreased 4.7% to ¥24,965 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This decrease was primarily due to a decrease in demand for hard disk drives spindle motors, despite the positive effect of the depreciation of the Japanese yen against the U.S. dollar. Operating profit of Nidec Singapore decreased 6.6% to ¥366 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This decrease was primarily due to the decrease in sales.

Net sales of Nidec (H.K.) decreased 10.9% to ¥57,922 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This decrease was primarily due to a decrease in sales of hard disk drives spindle motors and other small precision motors, despite the positive effect of the depreciation of the Japanese yen against the Hong Kong dollar. Operating profit of Nidec (H.K.) decreased 60.9% to ¥487 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This decrease was primarily due to the decrease in sales.

Net sales of Nidec Sankyo increased 16.5% to ¥74,788 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to an increase in sales of DC motors and LCD panel handling robots. Operating profit of Nidec Sankyo increased 9.5% to ¥10,772 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Copal increased 17.0% to ¥25,942 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to an increase in sales of mounting machine units and the positive effect of the depreciation of Japanese yen against the Thai baht and the U.S. dollar, despite a decrease in sales of other small precision motors. Operating profit of Nidec Copal increased 6.6% to ¥2,594 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Techno Motor increased 30.8% to ¥42,300 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to an increase in demand for motors for air conditioning equipment in China. Operating profit of Nidec Techno Motor increased 12.3% to ¥4,858 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales, despite an increase of material expenses.

Net sales of Nidec Motor increased 88.3% to ¥210,401 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended March 31, 2017 and the three months ended September 30, 2017. Operating profit of Nidec Motor increased 42.6% to ¥15,000 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Motors & Actuators increased 14.9% to ¥144,755 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to an increase in sales for automotive motors such as electric power steering motors and products of control valves at the Nidec Tosok Corporation and the positive

effect of the depreciation of the Japanese yen against the Euro. Operating profit of Nidec Motors & Actuators increased 32.0% to ¥17,335 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales.

With respect to the All Others segment, net sales increased 14.1% to ¥182,691 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to an increase in sales for other small precision motors and the press machines. Operating profit increased 11.5% to ¥20,241 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was primarily due to the increase in sales.

(2) Cash Flows

(Cash Flows from Operating Activities)

Net cash provided by operating activities decreased ¥22,251 million to ¥74,242 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This decrease in net cash provided by operating activities was mainly due to decreases of ¥15,942 million of a change in inventories, ¥12,157 million of a change in accounts receivable and ¥11,150 million of a change in accounts payable, although there was an increase of ¥9,884 million of profit for the period.

For the six months ended September 30, 2017, NIDEC had ¥74,242 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥60,384 million and an increase in accounts payable of ¥21,664 million. However, net cash provided by operating activities was negatively impacted by an increase in accounts receivable of ¥28,565 million and an increase in inventories of ¥17,707 million. Accounts receivable, inventories and accounts payable increased primarily due to an increase in customers demand as of September 30, 2017 compared to March 31, 2017.

For the six months ended September 30, 2016, NIDEC had ¥96,493 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥50,500 million and an increase in accounts payable of ¥32,814 million. However, net cash provided by operating activities was negatively impacted by an increase in accounts receivable of ¥16,408 million. Accounts receivable and accounts payable increased primarily due to an increase in sales as of September 30, 2016 compared to March 31, 2016, except for the effect of exchange rate changes.

(Cash Flows from Investing Activities)

Net cash used in investing activities increased ¥17,119 million to ¥51,879 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. The increase in net cash used in investing activities was mainly due to increases in additions to property, plant and equipment of ¥11,358 million and in acquisition of business, net of cash acquired of ¥5,677 million.

For the six months ended September 30, 2017, NIDEC had ¥51,879 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥41,841 million and acquisition of business, net of cash acquired of ¥7,919 million.

For the six months ended September 30, 2016, NIDEC had ¥34,760 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥30,483 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities increased ¥32,701 million to ¥67,643 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. This increase was mainly due to an increase in net cash outflow from short term borrowings of ¥137,763 million and increases of outflows from redemption of corporate bonds of ¥65,000 million and repayments of long term debt of ¥21,071 million. On the other hand, inflow from issuance of corporate bonds and long term debt increased by ¥115,001 million and by ¥82,983 million, respectively.

For the six months ended September 30, 2017, NIDEC had ¥67,643 million of net cash

outflows from financing activities mainly due to a decrease in short term borrowings of ¥159,188 million and redemption of corporate bonds of ¥65,000 million and repayments of long term debt of ¥22,932 million partially offset by proceeds from issuance of corporate bonds of ¥115,001 million and proceeds from issuance of long term debt of ¥83,220 million.

For the six months ended September 30, 2016, NIDEC had ¥34,942 million of net cash outflows from financing activities mainly due to a decrease in short term borrowings of ¥21,425 million and dividends paid to the owner of the parent of ¥11,864 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased by ¥34,408 million from ¥321,580 million as of March 31, 2017 to ¥287,172 million as of September 30, 2017. NIDEC hold its cash and cash equivalents primarily in U.S. dollars, Chinese yuan, Thai baht, Japanese yen and Euros.

(3) Research and Development

NIDEC's research and development expenses for the six months ended September 30, 2017 were ¥26,789 million. There were no significant changes in research and development activities for the period.

(4) Production, Orders Received and Sales

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

(5) Major Property, Plants, and Equipment

In the six months ended September 30, 2017, among the new construction plans of major property, plants, and equipment as of March 31, 2017, the schedule of the completion of the manufacturing factory for products for home appliances of Nidec Sankyo Vietnam Corporation has been rescheduled for December 2017.

In addition, the new installation plans of major property, plants, and equipment which have been newly determined in the six months ended September 30, 2017 are as follows:

| Name of Company | Location | Name of Segment | Description | Total Planned Investment (Yen in millions) | Amount Already Paid (Yen in millions) | Funding Measures | Launch | Completion |
|--|----------------------------|-----------------|--|--|---------------------------------------|----------------------|----------------|------------|
| Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd. | Dongguan, Guangdong, China | Other | Manufacturing factory for small precision motors | 1,597 | - | Own funds, borrowing | September 2017 | May 2019 |

III. Information on the Company

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

(1) Total Number of Shares, etc.

1) Total number of shares

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

2) Issued shares

| Class | Number of shares issued as of the end of second quarter (shares) (September 30, 2017) | Number of shares issued as of the filing date (shares) (November 13, 2017) | Stock exchange on which the Company is listed | Description |
|--------------|---|--|--|---|
| Common stock | 298,142,234 | 298,142,234 | Tokyo Stock Exchange, Inc. (the first section) | This is our standard stock. There is no restriction on contents of the right of the stock. The number of shares per one unit of shares is 100 shares. |
| Total | 298,142,234 | 298,142,234 | - | - |

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

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

(4) Information on Shareholder Right Plans
Not applicable.

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

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

(6) Major Shareholders

(As of September 30, 2017)

| Name | Address | Number of shares owned (thousands of shares) | Ownership percentage to the total number of issued shares (%) |
|---|---|--|---|
| Shigenobu Nagamori | Nishikyo-ku, Kyoto | 24,736 | 8.29 |
| Japan Trustee Services Bank, Ltd. (trust account) | 8-11, Harumi 1-chome, Chuo-ku, Tokyo | 17,586 | 5.89 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 11-3 Hamamatsucho 2-chome, Minato-ku, Tokyo | 14,710 | 4.93 |
| The Bank of Kyoto, Ltd. (Standing proxy: Trust & Custody Services Bank, Ltd.) | 700, Yakushima-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo) | 12,399 | 4.15 |
| S.N. Kosan, Ltd. | 518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto | 11,122 | 3.73 |
| State Street Bank and Trust Company (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch) | One Lincoln Street, Boston, Massachusetts 02111, U.S.A. (11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo) | 9,757 | 3.27 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo | 7,425 | 2.49 |
| Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.) | In Nippon Life Management of securities department, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3 Hamamatsucho 2-chome, Minato-ku, Tokyo) | 6,579 | 2.20 |
| Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.) | 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo) | 6,402 | 2.14 |
| JPMC OPPENHEIMER JASDEC LENDING ACCOUNT (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.) | 6803 S. Tucson Way Centennial, CO 80112, U.S.A. (Settlement division 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo) | 5,957 | 1.99 |
| Total | - | 116,678 | 39.13 |

(Notes) 1. Holdings of less than 1,000 shares have been omitted.

2. All shares owned by Japan Trustee Services Bank, Ltd. (trust account) and The Master Trust Bank of Japan, Ltd. (trust account) are related to trust services.

3. An amendment report for large shareholders was published on January 16, 2017 by Mitsubishi UFJ Financial Group, Inc. The report indicates the number of shares held as of January 9, 2017. However, the above table is based on the register of shareholders since the Company is unable to confirm the actual number of shares held as of September 30, 2017.

A summary of the report as of January 9, 2017 is as follows:

| Name | Address | Number of shares held (shares) | Shareholding ratio (%) |
|--|--|--------------------------------|------------------------|
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo | 7,425,902 | 2.49 |
| Mitsubishi UFJ Trust and Banking Corporation | 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo | 7,802,482 | 2.62 |
| Mitsubishi UFJ Kokusai Asset Management Co., Ltd. | 12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo | 1,132,200 | 0.38 |
| Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | 5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo | 2,713,647 | 0.91 |
| Total | - | 19,074,231 | 6.40 |

4. An amendment report for large shareholders was published on December 21, 2016 by Sumitomo Mitsui Trust Bank, Limited. The report indicates the number of shares held as of December 15, 2016. However, the above table is based on the register of shareholders since the Company is unable to confirm the actual number of shares held as of September 30, 2017.

A summary of the report as of December 15, 2016 is as follows:

| Name | Address | Number of shares held (shares) | Shareholding ratio (%) |
|--|--|--------------------------------|------------------------|
| Sumitomo Mitsui Trust Bank, Limited | 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | 12,796,543 | 4.29 |
| Sumitomo Mitsui Trust Asset Management Co., Ltd. | 33-1, Shiba 3-chome, Minato-ku, Tokyo | 425,000 | 0.14 |
| Nikko Asset Management Co., Ltd. | 7-1, Akasaka 9-chome, Minato-ku, Tokyo | 2,362,300 | 0.79 |
| Total | - | 15,583,843 | 5.23 |

(7) Information on Voting Rights

1) Issued shares

(As of September 30, 2017)

| Classification | Number of shares (shares) | Number of voting rights | Description |
|---|---------------------------|-------------------------|-------------|
| Shares without voting right | - | - | - |
| Shares with restricted voting rights (treasury stock, etc.) | - | - | - |
| Shares with restricted voting rights (others) | - | - | - |
| Shares with full voting right (treasury stock, etc.) | Common stock 2,066,500 | - | - |
| Shares with full voting right (others) | Common stock 295,589,500 | 2,955,895 | - |
| Shares less than one unit | Common stock 486,234 | - | - |
| Number of issued shares | 298,142,234 | - | - |
| Total number of voting rights | - | 2,955,895 | - |

(Notes) 1. The “Shares with full voting right (others)” column includes 35,500 shares registered in the name of Japan Securities Depository Center (“JASDEC”) and 355 voting rights for those shares. The “Shares with full voting right (others)” column includes 200 shares registered in the name of Nidec-Shimpo Corporation (shares of stocks that were not registered when the shares were exchanged with the Company on October 1, 2003) and 2 voting rights for those shares. Nidec-Shimpo Corporation does not substantially own the 200 shares (2 voting rights) registered in its name.

2. Common stock in the “Shares less than one unit” column includes 18 shares of the Company’s treasury stock.

2) Treasury stock, etc.

(As of September 30, 2017)

| Name of shareholder | Address | Number of shares held under own name (shares) | Number of shares held under the name of others (shares) | Total shares held (shares) | Ownership percentage to the total number of issued shares (%) |
|---------------------|---|---|---|----------------------------|---|
| Nidec Corporation | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto | 2,066,500 | - | 2,066,500 | 0.69 |
| Total | - | 2,066,500 | - | 2,066,500 | 0.69 |

2. Changes in Directors and Senior Management

Changes in the Members of the Board of Directors and the Members of the Audit & Supervisory Board of Nidec Corporation from the filing date of the annual securities report for the 44th business term pursuant to the Financial Instruments and Exchange Act of Japan to September 30, 2017 are as follows:

Changes in positions and responsibilities

| New position | New responsibility | Former position | Former responsibility | Name | Effective date |
|--|---|--|--|--------------------|----------------|
| Member of the Board of Directors | Executive Vice President, Adviser to President (Advanced System Research and Development Center), Executive GM, Automotive Motor & Electronic Control Business Unit, Member of the Board of Directors and Chairman, Nidec (Dalian) Limited, and Nidec Automotive Motor (Zhejiang) Corporation* Representative Director, Member of the Board of Directors and Chairman, Nidec Tosok Corporation, and Chairman, Nidec Automotive Motor Americas, LLC | Member of the Board of Directors | Executive Vice President and Executive GM, Automotive Motor & Electronic Control Business Unit, Member of the Board of Directors and Chairman, Nidec (Dalian) Limited, and Nidec Automotive Motor (Zhejiang) Corporation Representative Director, Member of the Board of Directors and Chairman, Nidec Tosok Corporation, and Chairman, Nidec Automotive Motor Americas, LLC | Hiroyuki Yoshimoto | July 1, 2017 |
| Representative Director and Member of the Board of Directors | Vice Chairman, Chief Sales Officer, Adviser to President (Global Business Promotion Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., Information Systems Dept., International Business Administration Dept., Sales Administration & Service Dept., and 3Q6S), and Representative Director, Member of the Board of Directors and Chairman, Nidec Servo Corporation and Nidec Global Service Corporation | Representative Director and Member of the Board of Directors | Vice Chairman, Chief Sales Officer, Adviser to President (Global Business Promotion Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Management Dept., Human Resources Development Dept., Information Systems Dept., International Business Administration Dept., Sales Administration & Service Dept., and 3Q6S), and Representative Director, Member of the Board of Directors and Chairman, Nidec Servo Corporation and Nidec Global Service Corporation | Hiroshi Kobe | August 1, 2017 |

(Note) * The company was renamed from “Nidec Automobile Motor (Zhejiang) Corporation” to “Nidec Automotive Motor (Zhejiang) Corporation” as of August 1, 2017.

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

| | | <i>(Yen in millions)</i> | |
|---|------|--------------------------|-----------------------|
| | Note | March 31, 2017 | September 30, 2017 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 321,580 | 287,172 |
| Trade and other receivables | | 348,897 | 393,612 |
| Other financial assets | 12 | 2,951 | 2,320 |
| Income tax receivables | | 1,676 | 1,533 |
| Inventories | | 196,629 | 225,944 |
| Other current assets | | 28,342 | 31,862 |
| Total current assets | | 900,075 | 942,443 |
| Non-current assets | | | |
| Property, plant, and equipment | | 394,051 | 424,959 |
| Goodwill | 7 | 260,042 | 275,354 |
| Intangible assets | 7 | 77,215 | 78,214 |
| Investments accounted for using the equity method | | 1,125 | 1,103 |
| Other investments | 12 | 19,583 | 22,449 |
| Other financial assets | 12 | 3,764 | 4,455 |
| Deferred tax assets | | 15,526 | 17,689 |
| Other non-current assets | | 4,725 | 5,965 |
| Total non-current assets | | 776,031 | 830,188 |
| Total assets | | 1,676,106 | 1,772,631 |

| <i>(Yen in millions)</i> | | | |
|---|------|-------------------|-----------------------|
| | Note | March 31, 2017 | September 30, 2017 |
| Liabilities | | | |
| Current liabilities | | | |
| Short term borrowings | 12 | 166,606 | 18,674 |
| Long term debt due within one year | 12 | 84,040 | 31,455 |
| Trade and other payables | | 251,236 | 292,350 |
| Other financial liabilities | 12 | 1,844 | 1,624 |
| Income tax payables | | 6,690 | 7,027 |
| Provisions | | 25,210 | 27,755 |
| Other current liabilities | | 66,461 | 71,138 |
| Total current liabilities | | 602,087 | 450,023 |
| Non-current liabilities | | | |
| Long term debt | 12 | 161,785 | 335,261 |
| Other financial liabilities | 12 | 1,315 | 1,018 |
| Retirement benefit liabilities | | 22,656 | 25,117 |
| Provisions | | 3,614 | 3,874 |
| Deferred tax liabilities | | 25,881 | 27,118 |
| Other non-current liabilities | | 2,931 | 3,236 |
| Total non-current liabilities | | 218,182 | 395,624 |
| Total liabilities | | 820,269 | 845,647 |
| Equity | | | |
| Common stock | | 87,784 | 87,784 |
| Additional paid-in capital | | 118,340 | 118,340 |
| Retained earnings | | 715,940 | 764,781 |
| Other components of equity | | (63,318) | (36,167) |
| Treasury stock | | (12,143) | (17,304) |
| Total equity attributable to owners of the parent | | 846,603 | 917,434 |
| Non-controlling interests | | 9,234 | 9,550 |
| Total equity | | 855,837 | 926,984 |
| Total liabilities and equity | | 1,676,106 | 1,772,631 |

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

(Yen in millions)

| | Note | Six months ended September 30 | |
|--|------|-------------------------------|-----------|
| | | 2016 | 2017 |
| Net sales | 5 | 564,030 | 715,890 |
| Cost of sales | | (428,562) | (541,189) |
| Gross profit | | 135,468 | 174,701 |
| Selling, general and administrative expenses | | (40,881) | (65,300) |
| Research and development expenses | | (25,602) | (26,789) |
| Operating profit | 5 | 68,985 | 82,612 |
| Financial income | | 1,332 | 2,854 |
| Financial expenses | | (1,158) | (3,367) |
| Derivative (loss) gain | | (2,695) | 92 |
| Foreign exchange differences | | (173) | (5,581) |
| Share of net (loss) profit from associate accounting using the equity method | | (17) | 20 |
| Profit before income taxes | | 66,274 | 76,630 |
| Income tax expenses | | (15,774) | (16,246) |
| Profit for the period | | 50,500 | 60,384 |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 50,094 | 60,074 |
| Non-controlling interests | | 406 | 310 |
| Profit for the period | | 50,500 | 60,384 |
| Earnings per share attributable to owners of the parent | 11 | | |
| Basic (Yen) | | 168.89 | 202.90 |
| Diluted (Yen) | | - | - |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

| | Note | Six months ended September 30 2016 | 2017 |
|--|------|---------------------------------------|--------|
| Profit for the period | | 50,500 | 60,384 |
| Other comprehensive income, net of taxation | | | |
| Items that will not be reclassified to net profit or loss: | | | |
| Remeasurement of defined benefit plans | | (110) | (46) |
| Fair value movements on FVTOCI equity financial assets | | 345 | 2,137 |
| Items that may be reclassified to net profit or loss: | | | |
| Foreign currency translation adjustments | | (76,858) | 26,699 |
| Effective portion of net changes in fair value of cash flow hedges | | 121 | 502 |
| Fair value movements on FVTOCI debt financial assets | | 1 | (2) |
| Total other comprehensive income for the period, net of taxation | | (76,501) | 29,290 |
| Comprehensive income for the period | | (26,001) | 89,674 |
| Comprehensive income for the period attributable to: | | | |
| Owners of the parent | | (25,727) | 89,339 |
| Non-controlling interests | | (274) | 335 |
| Comprehensive income for the period | | (26,001) | 89,674 |

For the three months ended September 30, 2016 and 2017
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

| | Note | Three months ended September 30 | |
|---|------|---------------------------------|-----------|
| | | 2016 | 2017 |
| Net sales | 5 | 287,824 | 372,799 |
| Cost of sales | | (216,297) | (282,418) |
| Gross profit | | 71,527 | 90,381 |
| Selling, general and administrative expenses | | (21,124) | (33,246) |
| Research and development expenses | | (12,942) | (13,545) |
| Operating profit | 5 | 37,461 | 43,590 |
| Financial income | | 643 | 1,591 |
| Financial expenses | | (626) | (1,944) |
| Derivative (loss) gain | | (278) | 74 |
| Foreign exchange differences | | (21) | (3,012) |
| Share of net profit from associate accounting using the equity method | | 8 | 5 |
| Profit before income taxes | | 37,187 | 40,304 |
| Income tax expenses | | (8,938) | (8,218) |
| Profit for the period | | 28,249 | 32,086 |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 28,066 | 31,880 |
| Non-controlling interests | | 183 | 206 |
| Profit for the period | | 28,249 | 32,086 |
| Earnings per share attributable to owners of the parent | 11 | | |
| Basic (Yen) | | 94.63 | 107.68 |
| Diluted (Yen) | | - | - |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

| | Note | Three months ended September 30 | |
|--|------|---------------------------------|--------|
| | | 2016 | 2017 |
| Profit for the period | | 28,249 | 32,086 |
| Other comprehensive income, net of taxation | | | |
| Items that will not be reclassified to net profit or loss: | | | |
| Remeasurement of defined benefit plans | | 3 | 0 |
| Fair value movements on FVTOCI equity financial assets | | 1,307 | 821 |
| Items that may be reclassified to net profit or loss: | | | |
| Foreign currency translation adjustments | | (11,100) | 17,938 |
| Effective portion of net changes in fair value of cash flow hedges | | (36) | 37 |
| Fair value movements on FVTOCI debt financial assets | | 0 | (2) |
| Total other comprehensive income for the period, net of taxation | | (9,826) | 18,794 |
| Comprehensive income for the period | | 18,423 | 50,880 |
| Comprehensive income for the period attributable to: | | | |
| Owners of the parent | | 18,202 | 50,553 |
| Non-controlling interests | | 221 | 327 |
| Comprehensive income for the period | | 18,423 | 50,880 |

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
Six months ended September 30, 2016

(Yen in millions)

| | Note | Total equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|---|------|---|----------------------------|-------------------|----------------------------|----------------|----------|---------------------------|--------------|
| | | Common Stock | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total | | |
| As of April 1, 2016 | | 87,784 | 118,341 | 625,168 | (56,159) | (12,111) | 763,023 | 8,346 | 771,369 |
| Comprehensive income | | | | | | | | | |
| Profit for the period | | | | 50,094 | | | 50,094 | 406 | 50,500 |
| Other comprehensive income | | | | | (75,821) | | (75,821) | (680) | (76,501) |
| Total comprehensive income | | | | | | | (25,727) | (274) | (26,001) |
| Transactions with owners directly recognized in equity: | | | | | | | | | |
| Purchase of treasury stock | | | | | | (11) | (11) | - | (11) |
| Dividends paid to the owners of the parent | 10 | | | (11,864) | | | (11,864) | - | (11,864) |
| Dividends paid to non-controlling interests | | | | | | | - | (18) | (18) |
| Transfer to retained earnings | | | | 250 | (250) | | - | - | - |
| Other | | | (1) | | | 1 | 0 | 63 | 63 |
| As of September 30, 2016 | | 87,784 | 118,340 | 663,648 | (132,230) | (12,121) | 725,421 | 8,117 | 733,538 |

Six months ended September 30, 2017

(Yen in millions)

| | Note | Total equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|---|------|---|----------------------------|-------------------|----------------------------|----------------|----------|---------------------------|--------------|
| | | Common Stock | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total | | |
| As of April 1, 2017 | | 87,784 | 118,340 | 715,940 | (63,318) | (12,143) | 846,603 | 9,234 | 855,837 |
| Comprehensive income | | | | | | | | | |
| Profit for the period | | | | 60,074 | | | 60,074 | 310 | 60,384 |
| Other comprehensive income | | | | | 29,265 | | 29,265 | 25 | 29,290 |
| Total comprehensive income | | | | | | | 89,339 | 335 | 89,674 |
| Transactions with owners directly recognized in equity: | | | | | | | | | |
| Purchase of treasury stock | | | | | | (5,161) | (5,161) | - | (5,161) |
| Dividends paid to the owners of the parent | 10 | | | (13,347) | | | (13,347) | - | (13,347) |
| Dividends paid to non-controlling interests | | | | | | | - | (39) | (39) |
| Transfer to retained earnings | | | | 2,113 | (2,113) | | - | - | - |
| Other | | | (0) | 1 | (1) | | (0) | 20 | 20 |
| As of September 30, 2017 | | 87,784 | 118,340 | 764,781 | (36,167) | (17,304) | 917,434 | 9,550 | 926,984 |

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

| | | Six months ended September 30 | |
|---|------|-------------------------------|----------|
| | Note | 2016 | 2017 |
| Cash flows from operating activities: | | | |
| Profit for the period | | 50,500 | 60,384 |
| Adjustments to reconcile profit for the period to net cash provided by operating activities | | | |
| Depreciation and amortization | | 28,860 | 32,832 |
| (Gain) loss from sales, disposal or impairment of property, plant and equipment | | (1,289) | 210 |
| Financial (income) expenses | | (149) | 164 |
| Share of net loss (profit) from associate accounting using the equity method | | 17 | (20) |
| Deferred income taxes | | 2,602 | (1,869) |
| Current income taxes | | 13,172 | 18,114 |
| Foreign currency adjustments | | 1,106 | 1,628 |
| Increase in retirement benefit liability | | 305 | 1,083 |
| Increase in accounts receivable | | (16,408) | (28,565) |
| Increase in inventories | | (1,765) | (17,707) |
| Increase in accounts payable | | 32,814 | 21,664 |
| Other, net | | (921) | 4,595 |
| Interests and dividends received | | 1,207 | 2,806 |
| Interests paid | | (1,651) | (3,166) |
| Income taxes paid | | (11,907) | (17,911) |
| Net cash provided by operating activities | | 96,493 | 74,242 |

(Yen in millions)

| | | Six months ended September 30 | |
|--|------|-------------------------------|-----------|
| | Note | 2016 | 2017 |
| Cash flows from investing activities: | | | |
| Additions to property, plant and equipment | | (30,483) | (41,841) |
| Proceeds from sales of property, plant and equipment | | 642 | 2,185 |
| Acquisitions of business, net of cash acquired | | (2,242) | (7,919) |
| Other, net | | (2,677) | (4,304) |
| Net cash used in investing activities | | (34,760) | (51,879) |
| Cash flows from financing activities: | | | |
| Decrease in short term borrowings | | (21,425) | (159,188) |
| Proceeds from issuance of long term debt | | 237 | 83,220 |
| Repayments of long term debt | | (1,861) | (22,932) |
| Proceeds from issuance of corporate bonds | 8 | - | 115,001 |
| Redemption of corporate bonds | 8 | - | (65,000) |
| Purchase of treasury stock | | (11) | (5,161) |
| Dividends paid to the owner of the parent | 10 | (11,864) | (13,347) |
| Other, net | | (18) | (236) |
| Net cash used in financing activities | | (34,942) | (67,643) |
| Effect of exchange rate changes on cash and cash equivalents | | (33,799) | 10,872 |
| Net decrease in cash and cash equivalents | | (7,008) | (34,408) |
| Cash and cash equivalents at beginning of period | | 305,942 | 321,580 |
| Cash and cash equivalents at end of period | | 298,934 | 287,172 |

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting Entity

Nidec Corporation (the Company) is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange. The registered address of headquarters and principal business offices are available on the Company's website (<http://www.nidec.com/en-Global>).

The condensed quarterly consolidated financial statements as of September 30, 2017 consist of the Company and its consolidated subsidiaries (NIDEC) and shares of associates of NIDEC.

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

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

2. Basis of Preparation

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

The condensed quarterly consolidated financial statements of NIDEC have been prepared in accordance with IAS 34 "Interim Financial Reporting" pursuant to the provision of article 93 of Regulations for Quarterly Consolidated Financial Statements, as the Company meets the criteria of a "Designated IFRS Specified Company" defined under article 1-2 of the regulations.

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2017.

(2) Basis of Measurement

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

(3) Presentation Currency and Level of Rounding

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

3. Significant Accounting Policies

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

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

4. Significant Accounting Estimates, Judgments and Assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 2017 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2017.

5. Segment Information

(Operating segment information)

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

NIDEC's operating segments are as follows:

| Name | Components and basic information |
|---------------------------------|---|
| 1. Nidec Corporation | Nidec Corporation in Japan, which primarily develops and sells hard disk drives spindle motors, other small precision motors, automotive products and machinery. |
| 2. Nidec Electronics (Thailand) | Nidec Electronics (Thailand) Co., Ltd., a subsidiary in Thailand, and its consolidated subsidiaries, which primarily produce and sell hard disk drives spindle motors. This segment also includes other subsidiaries in Asia which produce components for hard disk drives. |
| 3. Nidec Singapore | Nidec Singapore Pte. Ltd., a subsidiary in Singapore, and its consolidated subsidiary, which primarily sell hard disk drives spindle motors and other small precision motors. |
| 4. Nidec (H.K.) | Nidec (H.K.) Co., Ltd., a subsidiary in Hong Kong, and its consolidated subsidiaries, which primarily sell hard disk drives spindle motors and other small precision motors. |
| 5. Nidec Sankyo | Nidec Sankyo Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell machinery, automotive products, electronic parts and other small precision motors. |
| 6. Nidec Copal | Nidec Copal Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell optical and electronic parts, machinery and other small precision motors. |
| 7. Nidec Techno Motor | Nidec Techno Motor Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell commercial and industrial products. |
| 8. Nidec Motor | Nidec Motor Corporation and other subsidiaries in North America, which are subsidiaries of Nidec Americas Holding Corporation, an intermediate holding company in the United States, as well as other subsidiaries in Latin America, Asia and Europe, which primarily produce and sell home appliance, commercial and industrial products. This segment also includes Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were newly consolidated in the three months ended March 31, 2017, and Nidec Global Appliance Compressors which was newly consolidated in the three month ended September 30, 2017. |
| 9. Nidec Motors & Actuators | Nidec Motors & Actuators (Germany) GmbH in Germany and other subsidiaries in Europe, North America, Latin America, Japan and Asia, which primarily produce and sell automotive products. |
| 10. Others | Subsidiaries that are operating segments but not designated as reportable segments due to their immateriality. |

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

Net sales to external customers:

(Yen in millions)

| | Six months ended September 30 | |
|------------------------------|-------------------------------|---------|
| | 2016 | 2017 |
| Nidec Corporation | 17,038 | 18,736 |
| Nidec Electronics (Thailand) | 40,700 | 50,668 |
| Nidec Singapore | 25,870 | 24,642 |
| Nidec (H.K.) | 61,250 | 57,450 |
| Nidec Sankyo | 64,060 | 74,185 |
| Nidec Copal | 17,385 | 20,295 |
| Nidec Techno Motor | 29,932 | 39,577 |
| Nidec Motor | 111,644 | 210,227 |
| Nidec Motors & Actuators | 115,948 | 130,485 |
| Others | 80,203 | 89,625 |
| Consolidated net sales | 564,030 | 715,890 |

(Yen in millions)

| | Three months ended September 30 | |
|------------------------------|---------------------------------|---------|
| | 2016 | 2017 |
| Nidec Corporation | 8,963 | 9,603 |
| Nidec Electronics (Thailand) | 21,857 | 26,965 |
| Nidec Singapore | 13,408 | 13,567 |
| Nidec (H.K.) | 37,554 | 32,449 |
| Nidec Sankyo | 31,914 | 36,689 |
| Nidec Copal | 8,640 | 10,968 |
| Nidec Techno Motor | 13,429 | 18,484 |
| Nidec Motor | 53,903 | 111,305 |
| Nidec Motors & Actuators | 56,148 | 66,503 |
| Others | 42,008 | 46,266 |
| Consolidated net sales | 287,824 | 372,799 |

Intersegment sales:*(Yen in millions)*

| | Six months ended September 30 | |
|------------------------------|-------------------------------|-----------|
| | 2016 | 2017 |
| Nidec Corporation | 88,537 | 89,606 |
| Nidec Electronics (Thailand) | 19,462 | 12,137 |
| Nidec Singapore | 328 | 323 |
| Nidec (H.K.) | 3,768 | 472 |
| Nidec Sankyo | 157 | 603 |
| Nidec Copal | 4,780 | 5,647 |
| Nidec Techno Motor | 2,411 | 2,723 |
| Nidec Motor | 107 | 174 |
| Nidec Motors & Actuators | 10,073 | 14,270 |
| Others | 79,981 | 93,066 |
| Total | 209,604 | 219,021 |
| Intersegment elimination | (209,604) | (219,021) |
| Consolidated total | - | - |

(Yen in millions)

| | Three months ended September 30 | |
|------------------------------|---------------------------------|-----------|
| | 2016 | 2017 |
| Nidec Corporation | 54,164 | 51,354 |
| Nidec Electronics (Thailand) | 10,451 | 4,931 |
| Nidec Singapore | 174 | 161 |
| Nidec (H.K.) | 3,506 | 253 |
| Nidec Sankyo | 81 | 301 |
| Nidec Copal | 1,734 | 2,909 |
| Nidec Techno Motor | 1,231 | 1,468 |
| Nidec Motor | 44 | 78 |
| Nidec Motors & Actuators | 4,965 | 7,409 |
| Others | 49,536 | 55,132 |
| Total | 125,886 | 123,996 |
| Intersegment elimination | (125,886) | (123,996) |
| Consolidated total | - | - |

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

| | Six months ended September 30 | |
|---|-------------------------------|---------|
| | 2016 | 2017 |
| Nidec Corporation | 6,853 | 11,170 |
| Nidec Electronics (Thailand) | 9,229 | 9,721 |
| Nidec Singapore | 392 | 366 |
| Nidec (H.K.) | 1,247 | 487 |
| Nidec Sankyo | 9,839 | 10,772 |
| Nidec Copal | 2,433 | 2,594 |
| Nidec Techno Motor | 4,327 | 4,858 |
| Nidec Motor | 10,517 | 15,000 |
| Nidec Motors & Actuators | 13,134 | 17,335 |
| Others | 18,146 | 20,241 |
| Total | 76,117 | 92,544 |
| Elimination and Corporate (Note) | (7,132) | (9,932) |
| Operating profit (loss) | 68,985 | 82,612 |
| Financial income (loss) | 174 | (513) |
| Derivative gain | (2,695) | 92 |
| Foreign exchange differences | (173) | (5,581) |
| Equity in net income (loss) of associates | (17) | 20 |
| Profit before income taxes | 66,274 | 76,630 |

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥10,130 million and ¥7,260 million for the six months ended September 30, 2017 and 2016, respectively. The corporate expenses include basic research expenses and head office expenses.

(Yen in millions)

| | Three months ended September 30 | |
|---|---------------------------------|---------|
| | 2016 | 2017 |
| Nidec Corporation | 3,722 | 7,375 |
| Nidec Electronics (Thailand) | 5,055 | 3,999 |
| Nidec Singapore | 208 | 233 |
| Nidec (H.K.) | 1,051 | 125 |
| Nidec Sankyo | 5,289 | 5,564 |
| Nidec Copal | 1,359 | 1,248 |
| Nidec Techno Motor | 2,081 | 2,437 |
| Nidec Motor | 5,367 | 8,664 |
| Nidec Motors & Actuators | 6,791 | 8,980 |
| Others | 10,800 | 10,045 |
| Total | 41,723 | 48,670 |
| Elimination and Corporate (Note) | (4,262) | (5,080) |
| Operating profit (loss) | 37,461 | 43,590 |
| Financial income (loss) | 17 | (353) |
| Derivative gain | (278) | 74 |
| Foreign exchange differences | (21) | (3,012) |
| Equity in net income (loss) of associates | 8 | 5 |
| Profit before income taxes | 37,187 | 40,304 |

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥5,526 million and ¥3,911 million for the three months ended September 30, 2017 and 2016, respectively. The corporate expenses include basic research expenses and head office expenses.

(Supplemental Information)

Sales by type of product

Sales by type of product are as follows:

(Yen in millions)

| | Six months ended September 30 | |
|---|-------------------------------|---------|
| | 2016 | 2017 |
| Small precision motors: | | |
| Hard disk drives spindle motors | 90,366 | 93,722 |
| Other small precision motors | 121,350 | 126,752 |
| Sub-total | 211,716 | 220,474 |
| Automotive, appliance, commercial and industrial products | 265,645 | 390,572 |
| Machinery | 53,884 | 67,849 |
| Electronic and optical components | 31,032 | 34,997 |
| Others | 1,753 | 1,998 |
| Consolidated Total | 564,030 | 715,890 |

(Yen in millions)

| | Three months ended September 30 | |
|---|---------------------------------|---------|
| | 2016 | 2017 |
| Small precision motors: | | |
| Hard disk drives spindle motors | 47,567 | 48,992 |
| Other small precision motors | 69,348 | 67,729 |
| Sub-total | 116,915 | 116,721 |
| Automotive, appliance, commercial and industrial products | 127,395 | 201,679 |
| Machinery | 26,738 | 35,266 |
| Electronic and optical components | 15,871 | 18,058 |
| Others | 905 | 1,075 |
| Consolidated Total | 287,824 | 372,799 |

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

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

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

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

“Others” consists of services, etc.

6. Business Combination

On July 3, 2017, NIDEC acquired a 100% ownership interest in LGB Elettropompe S. r. l. (“LGB”), an Italian company, from the shareholders for cash of ¥839 million. LGB designs, manufactures and sells products of pumps for commercial dishwashers and motors for convection ovens. The purpose of this acquisition is to have another foothold for NIDEC to increase its presence in the European commercial food equipment market, on which NIDEC provides particular focus. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

On July 31, 2017 (Germany time), NIDEC acquired 100% equity shares of Secop Holding GmbH (currently, Nidec Global Appliance Compressors GmbH) in Germany, Secop s.r.o. (currently, Nidec Global Appliance Slovakia s.r.o.), Secop Compressors (Tianjin) Co., Ltd. (currently, Nidec Compressors (Tianjin) Co., Ltd.) and Secop Inc. (currently, Nidec Global Appliance USA Inc.) (herein collectively “Secop”), from the shareholders for cash of ¥9,198 million. Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators. Through this transaction, NIDEC expects to enhance the competitiveness of its appliance motor business in appliance, commercial and industrial business, on which NIDEC provides particular focus, in the European market. At the same time, NIDEC is adding compressors to its product portfolio, which allows NIDEC to expand further into the refrigeration market.

Fair values of assets acquired and liabilities assumed of the business acquired from Secop as of the acquisition date are as follows:

(Yen in millions)

| | |
|--|--------|
| The fair value of the total consideration transferred | |
| Current assets | |
| Cash and cash equivalents | 2,201 |
| Trade and other receivables | 7,454 |
| Inventories | 6,202 |
| Others current assets | 965 |
| Non-current assets | |
| Property, plant, and equipment | 7,256 |
| Other non-current assets | 2,749 |
| Acquired assets at fair value | 26,827 |
| Current liabilities | |
| Long term debt due within one year | 12,911 |
| Trade and other payable | 11,196 |
| Other current liabilities | 1,480 |
| Non-current liabilities | |
| Long term debt | 1,182 |
| Other non-current liabilities | 764 |
| Assumed liabilities at fair value | 27,533 |
| Acquired assets and assumed liabilities at fair value (net amount) | (706) |
| Non-controlling interests at fair value | - |
| Goodwill | 9,904 |

Goodwill is mainly the reflection of excess earning power and synergies with the existing business expected from future business evolution.

The acquired assets and assumed liabilities shown above are being assessed and measured based on preliminary estimate at acquisition date. Main objects of the assessment and the measurement are inventories, property, plant and equipment, and intangible assets.

Sales and profit attributable to owners of the parent for the six months ended September 30, 2017 include the sales and loss of the business acquired from Secop for the period subsequent to July 31 2017, ¥7,072 million and ¥142 million respectively.

There is no amount of goodwill that is deductible for tax purpose.

The amount of acquisition-related costs of this business combination is ¥244 million, which is recognized in “Selling, general and administrative expenses”.

Supplemental information of the combined entity for the current reporting period, as though the acquisition of this business combination occurred as of April 1, 2017, is as follows (non-audited):

| | Six months ended September 30, 2017 |
|---|--|
| Net sales (Yen in millions) | 732,437 |
| Profit attributable to owners of the parent (Yen in millions) | 59,804 |
| Earnings per share attributable to owners of the parent | |
| Basic (Yen) | 201.99 |
| Diluted (Yen) | - |

Pursuant to IFRS 3 “Business Combinations”, during the three months ended March 31, 2017, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of E.C.E. S.r.l. and ANA IMEP S.A. (currently, Nidec Motor Corporation Romania). NIDEC’s condensed quarterly consolidated financial statements for the six months ended September 30, 2016 reflects 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 September 30, 2017, NIDEC partly completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the motors, drives and electric power generation businesses of Emerson Electric Co. (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited, etc.). NIDEC’s consolidated financial statement for the year ended March 31, 2017 reflects the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

NIDEC has been evaluating the fair values of the assets acquired and the liabilities assumed upon the acquisitions of companies in the fiscal year ended March 31, 2017 and six months ended September 30, 2017. The assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of September 30, 2017.

7. Goodwill and Intangible Assets

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

(Yen in millions)

| | Six months ended September 30 | |
|--|-------------------------------|---------|
| | 2016 | 2017 |
| Balance at the beginning of the period | | |
| Goodwill | 162,043 | 260,042 |
| Acquisition | 664 | 10,505 |
| Translation adjustments and others | (9,890) | 4,807 |
| Balance at the end of the period | | |
| Goodwill | 152,817 | 275,354 |

Intangible assets subject to amortization are as follows:

(Yen in millions)

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

(Yen in millions)

| | September 30, 2017 | | |
|------------------------|------------------------|--------------------------|------------------|
| | Gross carrying amounts | Accumulated amortization | Carrying amounts |
| Proprietary technology | 15,383 | (5,576) | 9,807 |
| Customer relationships | 62,030 | (22,874) | 39,156 |
| Software | 28,928 | (17,157) | 11,771 |
| Other | 10,278 | (4,953) | 5,325 |
| Total | 116,619 | (50,560) | 66,059 |

Total amortization of intangible assets for the years ended March 31, 2017 and for the six months ended September 30, 2017 amounted to ¥7,837 million and ¥4,414 million, respectively. Total indefinite lived intangible assets amounted to ¥11,791 million and ¥12,155 million as of March 31, 2017 and September 30, 2017, respectively.

8. Bonds

Six months ended September 30, 2016

There are no issuance and redemption of bonds.

Six months ended September 30, 2017

Summary of the terms of bonds issuance is as follows:

| Company name | Description | Issued date | Total amount of issuance (Yen in millions) | Interest rate (%) | Maturity date |
|-------------------|---------------------------------------|-----------------|--|-------------------|-----------------|
| Nidec Corporation | The Sixth Series of Unsecured Bonds | May 26, 2017 | 50,000 | 0.001 | May 26, 2020 |
| Nidec Corporation | The Seventh Series of Unsecured Bonds | August 30, 2017 | 65,000 | 0.114 | August 30, 2022 |

Redeemed bonds are as follows:

| Company name | Description | Issued date | Total amount of issuance (Yen in millions) | Interest rate (%) | Maturity date |
|-------------------|-------------------------------------|-------------------|--|-------------------|--------------------|
| Nidec Corporation | The First Series of Unsecured Bonds | November 13, 2012 | 65,000 | 0.386 | September 20, 2017 |

9. Employee Benefits

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

(Yen in millions)

| | Six months ended September 30 | |
|--|-------------------------------|-------|
| | 2016 | 2017 |
| Net periodic pension cost for defined benefit plans: | | |
| Current service cost | 905 | 1,394 |
| Net interest cost | 151 | 254 |
| Net periodic pension cost for defined benefit plans | 1,056 | 1,648 |
| Payments to multiemployer pension plans | 35 | 13 |
| Payments to defined contribution plans | 1,481 | 1,906 |

10. Dividends

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

Six months ended September 30, 2016

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

Six months ended September 30, 2017

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

The dividend whose record date falls in the six months ended September 30, 2017 and the effective date falls in the next period is as follows:

| Resolution | Stock Category | Dividend Amounts (Yen in millions) | Dividends per share (Yen) | Record Date | Effective Date |
|---|----------------|------------------------------------|---------------------------|--------------------|------------------|
| October 24, 2017 Board of directors meeting | Common Stock | 13,323 | 45 | September 30, 2017 | December 1, 2017 |

11. Earnings per Share

The basis for calculating earnings per share attributable to owners of the parent is as follows:

There were no potentially dilutive common shares outstanding.

| | Six months ended September 30 | |
|---|-------------------------------|-------------|
| | 2016 | 2017 |
| Profit attributable to owners of the parent (Yen in millions) | 50,094 | 60,074 |
| Weighted average shares (Shares) | 296,600,339 | 296,076,556 |
| Earnings per share attributable to owners of the parent - Basic (Yen) | 168.89 | 202.90 |

| | Three months ended September 30 | |
|---|---------------------------------|-------------|
| | 2016 | 2017 |
| Profit attributable to owners of the parent (Yen in millions) | 28,066 | 31,880 |
| Weighted average shares (Shares) | 296,600,036 | 296,075,927 |
| Earnings per share attributable to owners of the parent - Basic (Yen) | 94.63 | 107.68 |

12. Fair Values

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

The levels of the fair value hierarchy are as follows:

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

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period.

Financial instruments measured at amortized cost

(Yen in millions)

| | March 31, 2017 | | September 30, 2017 | |
|---|------------------|------------|--------------------|------------|
| | Carrying amounts | Fair value | Carrying amounts | Fair value |
| Short term investments | 2,103 | 2,103 | 500 | 500 |
| Short term loans receivable | 34 | 34 | 42 | 42 |
| Long term loans receivable | 118 | 116 | 136 | 134 |
| Short term borrowings | (166,606) | (166,606) | (18,674) | (18,674) |
| Long term debt (including the current portion and excluding the finance lease obligation and bonds) | (88,591) | (89,111) | (165,384) | (165,842) |
| Bonds (including the current portion) | (149,943) | (151,087) | (199,960) | (200,525) |

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

(1) Short Term Investments, Short Term Loans Receivable and Short Term Borrowings

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

(2) Long Term Loans Receivable

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

(3) Long Term Debt

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

(4) Bonds

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

The carrying amounts of "Cash and cash equivalents", "Trade and other receivable" and "Trade and other payable" approximate their fair values because of the short maturity of these instruments. The table described above excludes these financial instruments.

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

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

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

March 31, 2017

(Yen in millions)

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

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

September 30, 2017

(Yen in millions)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|--------|
| Assets: | | | | |
| Marketable securities and other securities | | | | |
| FVTOCI equity financial assets | 19,955 | - | 1,544 | 21,499 |
| FVTOCI debt financial assets | - | 250 | - | 250 |
| Derivatives | 589 | 1,560 | - | 2,149 |
| Total financial assets | 20,544 | 1,810 | 1,544 | 23,898 |
| Liabilities: | | | | |
| Derivatives | - | 40 | - | 40 |
| Total financial liabilities | - | 40 | - | 40 |

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

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

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

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

The movement of fair value of financial instruments categorized within Level 3 of the fair value hierarchy is as follows:

(Yen in millions)

| | Six months ended September 30 | |
|---|-------------------------------|-------|
| | 2016 | 2017 |
| Balance at the beginning of the period | 1,589 | 1,519 |
| Gains or losses: | | |
| Recognized in other comprehensive income (Note) | (17) | 25 |
| Purchases | - | - |
| Sales | (2) | - |
| Transfers to/from Level 3 | - | - |
| Balance at the end of the period | 1,570 | 1,544 |

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

13. Contingent Liabilities

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

NIDEC was aware of total contingent liabilities of ¥12,102 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at September 30, 2017. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

14. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

| | March 31, 2017 | September 30, 2017 |
|--|----------------|--------------------|
| Property, plant and equipment and other assets | 8,473 | 6,987 |

15. Events after the Reporting Period

(1) Completion of Business Succession from Tokyo Maruzen Industry Co., Ltd.

On October 1, 2017, Nidec Sankyo Corporation, the Company’s subsidiary, completed succeeding the business of Tokyo Maruzen Industry Co., Ltd. (“Tokyo Maruzen”) by way of an absorption type company split, through a new company formed to this effect (the “Transaction”).

| | |
|-----------------------|--|
| 1. Purpose | Tokyo Maruzen develops, manufactures and sells electric contact materials, contact rivets and contact staking. The Transaction will help strengthen their capacity in material development, production engineering and manufacturing responsiveness, which will allow to introduce unparalleled sophistication in electric contacts both in terms of quality and reliability to automotive market. |
| 2. Acquisition method | Funds for the Transaction are own funds. |

(2) Completion of Acquisition of SV Probe Pte. Ltd.

On October 31, 2017, Nidec Read-Corporation (“Nidec-Read”), the Company’s subsidiary, acquired 100% of equity shares of SV Probe Pte. Ltd. (“SV Probe”) in Singapore from its shareholder (the “Transaction”).

| | |
|-----------------------|---|
| 1. Purpose | SV Probe manufactures and sells probe cards. Through the Transaction, Nidec-Read expects to gain competitiveness in the inspection market by applying MEMS spring probe, Nidec-Read’s unique technology, to the vertical probe cards manufactured by SV Probe. In addition, by mutually sharing its cutting-edge processing and assembly technology with SV Probe, Nidec-Read will be able to reduce manufacturing costs and improve investment efficiency. Nidec-Read also expects to sell its inspection equipment through SV Probe’s sales channel to the leading semiconductor manufacturers. |
| 2. Acquisition method | Funds for the Transaction are own funds. |

16. Authorization of Condensed Quarterly Consolidated Financial Statements

NIDEC’s condensed quarterly consolidated financial statements were authorized for issue on November 13, 2017 by Shigenobu Nagamori, Representative Director, Member of the Board of Directors, Chairman of the Board, President and Chief Executive Officer, and Akira Sato, Member of the Board of Directors, Executive Vice President and Chief Financial Officer.

2. Other

On October 24, 2017, the Company’s Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2017 as follows:

- (1) Total Amount of Dividends:.....¥13,323 million
- (2) Amount per Share:¥45.00
- (3) Effective Date of Claim of Payment and Start Date of Payment:.....December 1, 2017

Part II Information on Guarantors, etc. for the Company

Not applicable.