

# NEWS RELEASE



## NIDEC CORPORATION

### FOR IMMEDIATE RELEASE

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## **UNAUDITED INTERIM FINANCIAL STATEMENTS (IFRS)** **(English Translation)**

**RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**  
**FROM APRIL 1, 2017 TO DECEMBER 31, 2017**  
**CONSOLIDATED**

Released on January 24, 2018

# **NIDEC CORPORATION**

**Stock Listings:** Tokyo Stock Exchange

**Head Office:** Kyoto, Japan

**Date of Filing of Japanese Quarterly Report (Plan):** February 13, 2018

## **1. Selected Consolidated Financial Performance Information for the Nine Months Ended December 31, 2017 (IFRS) (unaudited)**

### **(1) Consolidated Results of Operations**

*(Yen in millions)*

	Nine months ended December 31	
	2016	2017
Net sales	868,228	1,105,921
Ratio of change from the same period of previous fiscal year	(3.0)%	27.4%
Operating profit	106,173	127,127
Ratio of change from the same period of previous fiscal year	17.6%	19.7%
Profit before income taxes	107,747	119,723
Ratio of change from the same period of previous fiscal year	16.5%	11.1%
Profit attributable to owners of the parent	81,617	94,763
Ratio of change from the same period of previous fiscal year	17.4%	16.1%
Comprehensive income for the period	94,587	135,533
Ratio of change from the same period of previous fiscal year	74.6%	43.3%

*(Yen)*

	Nine months ended December 31	
	2016	2017
Earnings per share attributable to owners of the parent - Basic	275.18	320.06
Earnings per share attributable to owners of the parent - Diluted	-	-

### **(2) Consolidated Financial Position**

*(Yen in millions)*

	March 31, 2017	December 31, 2017
Total assets	1,678,997	1,826,664
Total equity	855,806	959,264
Total equity attributable to owners of the parent	846,572	949,067
Ratio of total equity attributable to owners of the parent to total assets	50.4%	52.0%

## **2. Dividends (unaudited)**

*(Yen)*

	Year ended March 31, 2017 (actual)	Year ending March 31, 2018
Interim dividend per share	40.00	45.00 (actual)
Year-end dividend per share	45.00	50.00 (target)
Annual dividend per share	85.00	95.00 (target)

(Note) Revision of previously announced dividend targets during this reporting period: No

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

(Yen in millions)

	Year ending March 31, 2018
Net sales	1,450,000
Operating profit	170,000
Profit before income taxes	163,000
Profit attributable to owners of the parent	128,000
Earnings per share attributable to owners of the parent - Basic (Yen)	432.32

(Note) Revision of the previously announced financial performance forecast during this reporting period: No

### 4. Others

#### (1) Changes in significant subsidiaries (changes in “specified subsidiaries” (*tokutei kogaisha*) accompanying changes in the scope of consolidation) during this period:

Exclusion - Nidec Electronics GmbH

(Note) Nidec Electronics GmbH, a specified subsidiary, was merged and terminated through absorption into Nidec Motors & Actuators (Germany) GmbH, the surviving company, during the three months ended December 31, 2017.

#### (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 December 31, 2017
2. Number of treasury stock at the end of each period:  
1,544,634 shares at March 31, 2017  
2,067,531 shares at December 31, 2017
3. Weighted-average number of shares issued at the beginning and end of each period:  
296,599,932 shares for the nine months ended December 31, 2016  
296,076,060 shares for the nine months ended December 31, 2017

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NIDEC (Nidec Corporation and its consolidated subsidiaries) finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017. Condensed quarterly consolidated financial statements for the nine months ended December 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended December 31, 2017. Consolidated financial statements for the year ended March 31, 2017 reflect the important 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 the nine months ended December 31, 2017 are expected to be published on our corporate website on January 24, 2018.

# **1. Operating and Financial Review and Prospects**

## **(1) Analysis of Operating Results**

### **1. Overview of Business Environment for the Nine Months Ended December 31, 2017**

During the nine months ended December 31, 2017, the global economy saw the U.S. economy continue its moderate expansion, and the major tax cut bill that was approved by the Congress last December is expected to enhance the nation's corporate performance. In the meantime, with the European economy on a recovery track, the ECB continued its discussion on reducing the scale of monetary easing in the light of the stable European economy and the shortage of government bonds to be purchased, while the Japanese economy continued its moderate recovery, and China sustained its economic growth by departing from its debt dependency and intensifying the reform of its state-owned enterprises.

It was under such an environment that 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 achieved in the nine months ended December 31, 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.

### **2. Consolidated Operating Results**

#### **Consolidated Operating Results for the Nine Months Ended December 31, 2017 ("this nine-month period"), Compared to the Nine Months Ended December 31, 2016 ("the same period of the prior year")**

*(Yen in millions)*

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales	868,228	1,105,921	237,693	27.4%
Operating profit	106,173	127,127	20,954	19.7%
Operating profit ratio	12.2%	11.5%	-	-
Profit before income taxes	107,747	119,723	11,976	11.1%
Profit attributable to owners of the parent	81,617	94,763	13,146	16.1%

Consolidated net sales increased 27.4% to ¥1,105,921 million for this nine-month period compared to the same period of the prior year, recording the highest net sales for nine-month period in our history. Operating profit increased 19.7% to ¥127,127 million for this nine-month period compared to the same period of the prior year, also recording the highest operating profit for nine-month period in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this nine-month period was ¥111.70 to the U.S. dollar, which reflected an approximate 5% depreciation of the Japanese yen against the U.S. dollar, compared to the same period of the prior year. The average exchange rate between the Japanese yen and the Euro for this nine-month period was ¥128.53 to the Euro, which reflected an approximate 9% depreciation of the Japanese yen against the Euro, compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales by approximately ¥39,200 million and our operating profit by approximately ¥5,900 million for this nine-month period compared to the same period of the prior year.

Profit before income taxes increased 11.1% to ¥119,723 million for this nine-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 16.1% to ¥94,763 million for this nine-month period compared to the same period of the prior year, achieving the highest profits for nine-month period in our history, respectively.

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NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017. Condensed quarterly consolidated financial statements for the nine months ended December 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

## Operating Results by Product Category for this nine-month period Compared to the same period of the prior year

### Small precision motors

(Yen in millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	330,866	345,039	14,173	4.3%
Hard disk drives spindle motors	144,040	144,516	476	0.3%
Other small precision motors	186,826	200,523	13,697	7.3%
Operating profit of small precision motors	52,136	56,704	4,568	8.8%
Operating profit ratio	15.8%	16.4%	-	-

Net sales of small precision motors increased 4.3% to ¥345,039 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of small precision motors by approximately ¥12,600 million for this nine-month period compared to the same period of the prior year.

Net sales of spindle motors for hard disk drives, or HDDs, for this nine-month period increased 0.3% to ¥144,516 million compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs decreased approximately 9% compared to the same period of the prior year, there was the increase in sales due to a positive effect of the foreign currency exchange rate fluctuations.

Net sales of other small precision motors for this nine-month period increased 7.3% to ¥200,523 million compared to the same period of the prior year. This increase was mainly due to an increase of sales of DC motors and fan motors.

Operating profit of small precision motors increased 8.8% to ¥56,704 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of small precision motors by approximately ¥1,500 million for this nine-month period compared to the same period of the prior year.

### Automotive, appliance, commercial and industrial products

(Yen in millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	400,709	598,228	197,519	49.3%
Appliance, commercial and industrial products	209,904	381,318	171,414	81.7%
Automotive products	190,805	216,910	26,105	13.7%
Operating profit of automotive, appliance, commercial and industrial products	42,150	58,727	16,577	39.3%
Operating profit ratio	10.5%	9.8%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 49.3% to ¥598,228 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of automotive, appliance, commercial and industrial products by approximately ¥22,800 million for this nine-month period compared to the same period of the prior year.

Net sales of appliance, commercial and industrial products for this nine-month period increased 81.7% compared to the same period of the prior year. 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 and other factors.

Net sales of automotive products for this nine-month period increased 13.7% compared to the same period of the prior year due to an increase in sales of electric power steering motors and products of control valves at Nidec Tosok Corporation and a positive effect of the foreign currency exchange rate fluctuations.

Operating profit of automotive, appliance, commercial and industrial products increased 39.3% to ¥58,727 million for this nine-month period compared to the same period of the prior year mainly due to the increase in sales. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of automotive, appliance, commercial and industrial products by approximately ¥3,900 million for this nine-month period compared to the same period of the prior year.

Excluding sales of approximate ¥135,600 million and operating profit of approximate ¥5,300 million for this nine-month period by Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were acquired in the three month ended March 31, 2017, and Nidec Global Appliance Compressors which was acquired in the three month ended September 30, 2017, operating profit ratio of automotive, appliance, commercial and industrial products would have been higher than 11.6% for this nine-month period.

## Machinery

(Yen in millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of machinery	86,610	105,869	19,259	22.2%
Operating profit of machinery	15,801	19,785	3,984	25.2%
Operating profit ratio	18.2%	18.7%	-	-

Net sales of machinery increased 22.2% to ¥105,869 million for this nine-month period compared to the same period of the prior year due to the newly consolidated subsidiaries, an increase in sales of press machines, speed reducers and LCD panel handling robots and other factors.

Operating profit of machinery increased 25.2% to ¥19,785 million for this nine-month period compared to the same period of the prior year due to the increase in sales.

## Electronic and optical components

(Yen in millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	47,307	53,695	6,388	13.5%
Operating profit of electronic and optical components	7,782	8,073	291	3.7%
Operating profit ratio	16.4%	15.0%	-	-

Net sales of electronic and optical components increased 13.5% to ¥53,695 million this nine-month period compared to the same period of the prior year.

Operating profit of electronic and optical components increased 3.7% to ¥8,073 million for this nine-month period compared to the same period of the prior year due to the increase in sales.

## Other products

(Yen in millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of other products	2,736	3,090	354	12.9%
Operating profit of other products	443	432	(11)	(2.5)%
Operating profit ratio	16.2%	14.0%	-	-

Net sales of other products increased 12.9% to ¥3,090 million and operating profit of other products decreased 2.5% to ¥432 million for this nine-month period compared to the same period of the prior year.

## Consolidated Operating Results for the Three Months Ended December 31, 2017 (“this 3Q”), Compared to the Three Months Ended September 30, 2017 (“the previous 2Q”)

(Yen in millions)

	Three months ended September 30, 2017	Three months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales	372,799	390,031	17,232	4.6%
Operating profit	43,508	44,678	1,170	2.7%
Operating profit ratio	11.7%	11.5%	-	-
Profit before income taxes	40,222	43,256	3,034	7.5%
Profit attributable to owners of the parent	31,836	34,776	2,940	9.2%

Consolidated net sales increased 4.6% to ¥390,031 million for this 3Q compared to the previous 2Q and operating profit increased 2.7% to ¥44,678 million for this 3Q compared to the previous 2Q, achieving the highest net sales and operating profit for quarterly period in our history.

The average exchange rate between the Japanese yen and the U.S. dollar for this 3Q was ¥112.98 to the U.S. dollar, which reflected an approximate 2% depreciation of the Japanese yen against the U.S. dollar, compared to the previous 2Q. The average exchange rate between the Japanese yen and the Euro for this 3Q was ¥133.01 to the Euro, which reflected an approximate 2% depreciation of the Japanese yen against the Euro, compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales by approximately ¥5,900 million as well as on our operating profit by approximately ¥700 million for this 3Q compared to the previous 2Q.

Profit before income taxes increased 7.5% to ¥43,256 million for this 3Q compared to the previous 2Q and profit attributable to owners of the parent increased 9.2% to ¥34,776 million for this 3Q compared to the previous 2Q, achieving the highest profits for quarterly period in our history, respectively.

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NIDEC finalized the provisional accounting treatment for the business combination in the three months ended December 31, 2017. Condensed quarterly consolidated financial statements for the six months ended September 30, 2017 reflect the important revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

## Operating Results by Product Category for this 3Q Compared to the Previous 2Q

### Small precision motors

(Yen in millions)

	Three months ended September 30, 2017	Three months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	116,721	124,565	7,844	6.7%
Hard disk drives spindle motors	48,992	50,794	1,802	3.7%
Other small precision motors	67,729	73,771	6,042	8.9%
Operating profit of small precision motors	19,228	20,562	1,334	6.9%
Operating profit ratio	16.5%	16.5%	-	-

Net sales of small precision motors increased 6.7% to ¥124,565 million for this 3Q compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of small precision motors by approximately ¥1,800 million for this 3Q compared to the previous 2Q.

Net sales of spindle motors for HDDs increased 3.7% to ¥50,794 million for this 3Q compared to the previous 2Q. Although the number of units sold of spindle motors for HDDs for this 3Q decreased approximately 3% compared to the previous 2Q, net sales of spindle motors for HDDs increased due to an increase of selling price.

Net sales of other small precision motors for this 3Q increased 8.9% to ¥73,771 million compared to the previous 2Q due to an increase in sales of fan motors and other small precision motors.

Operating profit of small precision motors increased 6.9% to ¥20,562 million for this 3Q compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of small precision motors by approximately ¥300 million for this 3Q compared to the previous 2Q.

### Automotive, appliance, commercial and industrial products

(Yen in millions)

	Three months ended September 30, 2017	Three months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	201,679	207,656	5,977	3.0%
Appliance, commercial and industrial products	129,889	131,245	1,356	1.0%
Automotive products	71,790	76,411	4,621	6.4%
Operating profit of automotive, appliance, commercial and industrial products	21,127	20,246	(881)	(4.2)%
Operating profit ratio	10.5%	9.7%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 3.0% to ¥207,656 million for this 3Q compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of automotive, appliance, commercial and industrial products by approximately ¥3,500 million for this 3Q compared to the previous 2Q.

Net sales of appliance, commercial and industrial products for this 3Q increased 1.0% compared to the previous 2Q mainly due to consolidation of Nidec Global Appliance Compressors which was acquired in the three months ended September 30, 2017.

Net sales of automotive products for this 3Q increased 6.4% compared to the previous 2Q mainly due to a positive effect of the foreign exchange fluctuations and an increase in sales of electric power steering motors.

Operating profit of automotive, appliance, commercial and industrial products decreased 4.2% to ¥20,246 million for this 3Q compared to the previous 2Q mainly due to the changes in product mix. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of automotive, appliance, commercial and industrial products by approximately ¥400 million for this 3Q compared to the previous 2Q.

Excluding sales of approximate ¥50,500 million and operating profit of approximate ¥2,100 million for this 3Q by Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were acquired in the three months ended March 31, 2017, and Nidec Global Appliance Compressors which was acquired in the three months ended September 30, 2017, operating profit ratio of automotive, appliance, commercial and industrial products would have been higher than 11.5% for this 3Q.

### Machinery

(Yen in millions)

	Three months ended September 30, 2017	Three months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of machinery	35,266	38,020	2,754	7.8%
Operating profit of machinery	6,257	7,199	942	15.1%
Operating profit ratio	17.7%	18.9%	-	-

Net sales of machinery increased 7.8% to ¥38,020 million for this 3Q compared to the previous 2Q due to an increase in sales of press machines and LCD panel handling robots and other factors.

Operating profit of machinery increased 15.1% to ¥7,199 million for this 3Q compared to the previous 2Q mainly due to the increase in sales.

### Electronic and optical components

(Yen in millions)

	Three months ended September 30, 2017	Three months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	18,058	18,698	640	3.5%
Operating profit of electronic and optical components	2,469	2,542	73	3.0%
Operating profit ratio	13.7%	13.6%	-	-

Net sales of electronic and optical components increased 3.5% to ¥18,698 million for this 3Q compared to the previous 2Q.

Operating profit of electronic and optical components increased 3.0% to ¥2,542 million for this 3Q compared to the previous 2Q due to changes in product mix.

## Other products

(Yen in millions)

	Three months ended September 30, 2017	Three months ended December 31, 2017	Increase or decrease	Increase or decrease ratio
Net sales of other products	1,075	1,092	17	1.6%
Operating profit of other products	130	151	21	16.2%
Operating profit ratio	12.1%	13.8%	-	-

Net sales of other products increased 1.6% to ¥1,092 million and operating profit of other products increased 16.2% to ¥151 million for this 3Q compared to the previous 2Q.

## (2) Financial Position

(Yen in millions)

	As of March 31, 2017	As of December 31, 2017	Increase or decrease
Total assets	1,678,997	1,826,664	147,667
Total liabilities	823,191	867,400	44,209
Total equity attributable to owners of the parent	846,572	949,067	102,495
Interest-bearing debt *1	412,431	384,688	(27,743)
Net interest-bearing debt *2	90,851	86,219	(4,632)
Debt ratio (%) *3	24.6	21.1	(3.5)
Debt to equity ratio ("D/E ratio") (times) *4	0.49	0.41	(0.08)
Net D/E ratio (times) *5	0.11	0.09	(0.02)
Ratio of total equity attributable to owners of the parent to total assets (%) *6	50.4	52.0	1.6

(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 ¥147,700 million to ¥1,826,664 million as of December 31, 2017 compared to March 31, 2017. This was mainly due to increases of approximate ¥47,500 million in trade and other receivables, approximate ¥42,300 million in inventories, approximate ¥41,100 million in property, plant, and equipment and approximate ¥23,200 million in goodwill. On the other hand, there was a decrease of approximate ¥ 23,100 million in cash and cash equivalents.

Total liabilities increased approximately ¥44,200 million to ¥867,400 million as of December 31, 2017 compared to March 31, 2017. This was mainly due to increases of approximate ¥174,200 million in our long term debt and approximate ¥60,500 million in trade and other payable, while there were decreases in our short term borrowings of approximate ¥149,200 million and in our long term debt due within one year of approximate ¥52,700 million. As a result, our interest-bearing debt decreased approximately ¥27,700 million.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended December 31, 2017. Consolidated financial statements for the year ended March 31, 2017 reflect the important revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Specifically, our short term borrowings decreased approximately ¥149,200 million to approximate ¥17,400 million, our long term debt due within one year decreased approximately ¥52,700 million to approximate ¥31,300 million, and our long term debt increased approximately ¥174,200 million to approximate ¥335,900 million as of December 31, 2017 compared to March 31, 2017. The increase of approximate ¥121,400 million in our long term debt including our long term debt due within one year was mainly due to the loan of \$750 million as 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.) and the issuance of approximate ¥50,000 million sixth series unsecured bonds and approximate ¥65,000 million seventh series unsecured bonds. On the other hand, there was a decrease of approximate ¥65,000 million due to the redemption of first series of unsecured bonds. The decrease of approximate ¥149,200 million in our short term borrowings was mainly due to repayment of borrowings in a yen through portion of sixth series unsecured bonds issued and repayment of the borrowings in U.S. dollars.

As a result, our net interest-bearing debt decreased to approximate ¥86,200 million as of December 31, 2017 from approximate ¥90,900 million as of March 31, 2017. Our debt ratio decreased to 21.1% as of December 31, 2017 from 24.6% as of March 31, 2017. Our D/E ratio decreased to 0.41 as of December 31, 2017 from 0.49 as of March 31, 2017. Our net D/E ratio decreased to 0.09 as of December 31, 2017 from 0.11 as of March 31, 2017.

Total equity attributable to owners of the parent increased approximately ¥102,500 million to ¥949,067 million as of December 31, 2017 compared to March 31, 2017. Ratio of total equity attributable to owners of the parent to total assets increased to 52.0% as of December 31, 2017 from 50.4% as of March 31, 2017. The increase of total equity attributable to owners of the parent to total assets was mainly due to an increase in retained earnings of approximate ¥71,600 million, and an increase in other components of equity of approximate ¥36,300 million caused mainly by foreign currency translation adjustments. On the other hand, there was a decrease of approximate ¥5,200 million due to acquisition of treasury stock as of December 31, 2017 compared to March 31, 2017.

Assets totaled approximate ¥37,400 million mainly consisting of trade and other receivables of approximate ¥7,600 million and liabilities totaled approximate ¥14,800 million consisting of trade and other payable of approximate ¥10,000 million brought by the acquisition of Secop Group (currently, Nidec Global Appliance Compressors, etc.) are included.

## Overview of Cash Flow

(Yen in millions)

	Nine months ended December 31		Increase or decrease
	2016	2017	
Net cash provided by operating activities	102,996	133,401	30,405
Net cash used in investing activities	(56,929)	(87,377)	(30,448)
Free cash flow *1	46,067	46,024	(43)
Net cash used in financing activities	(40,975)	(84,710)	(43,735)

(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 this nine-month period came to a net cash inflow of ¥133,401 million. Compared to the same period of the prior year, our cash inflow from operating activities for this nine-month period increased approximately ¥30,400 million. This increase was mainly due to increases of approximate ¥29,200 million of change in accounts receivable and approximate ¥13,000 million of profit for the period. On the other hand, there was a decrease of approximate ¥15,300 million of change in inventories.

Cash flows from investing activities for this nine-month period came to a net cash outflow of ¥87,377 million. Compared to the same period of the prior year, our net cash outflow from investing activities for this nine-month period increased approximately ¥30,400 million

mainly due to increases in additions to property, plant and equipment of approximate ¥19,600 million and in acquisitions of businesses of approximate ¥14,300 million.

As a result, we had a positive free cash flow of ¥46,024 million for this nine-month period, a decrease of approximate ¥43 million compared to a positive free cash flow of ¥46,067 million for the same period of the prior year.

Cash flows from financing activities for this nine-month period came to a net cash outflow of ¥84,710 million. Compared to the same period of the prior year, our net cash outflow from financing activities for this nine-month period increased approximately ¥43,700 million mainly due to increase in net changes in short term borrowings of approximate ¥147,900 million and increases in outflow from repayments of long term debt of approximate ¥20,900 million and redemption of corporate bonds of approximate ¥15,000 million. On the other hand, inflow from long term debt and issuance of corporate bonds increased approximately ¥83,600 million and ¥65,000 million, respectively.

As a result of the foregoing and the impact of foreign exchange fluctuations of approximate positive ¥15,600 million, the balance of cash and cash equivalents as of December 31, 2017 decreased approximately ¥ 23,100 million to ¥ 298,469 million from March 31, 2017.

### **(3) Business Forecasts for the Fiscal Year Ending March 31, 2018**

While expectations are growing in the world economy that principal countries will continue their economic growth, the room for optimism is limited as the commercial and financial policies that the U.S. Government will adopt, as the financial policy that the Chinese Government will employ, may bring about a sense of uncertainty to the future outlook of China and other emerging economies, while geopolitical and other risks in the East Asia, Europe, and the Middle East may trigger a financial unrest.

Under such an environment that NIDEC continues to pursue our targets for the fiscal year ending March 31, 2021, “Vision 2020”.

#### **Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018**

Net sales	¥1,450,000 million	(Up 120.9% from the previous fiscal year)
Operating profit	¥170,000 million	(Up 122.0% from the previous fiscal year)
Profit before income taxes	¥163,000 million	(Up 115.3% from the previous fiscal year)
Profit attributable to owners of the parent	¥128,000 million	(Up 115.3% from 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 our current expectations, assumptions, estimates and projections in light of the information currently available. We cannot make any assurances for our expectations expressed in these forward-looking statements. Actual results could be materially different from our expectations depending on various factors.

## **2. Condensed Quarterly Consolidated Financial Statements and Other Information**

### **(1) Condensed Quarterly Consolidated Statements of Financial Position**

*(Yen in millions)*

	March 31, 2017		December 31, 2017		Increase or decrease
	Amounts	%	Amounts	%	
Assets					
Current assets					
Cash and cash equivalents	321,580		298,469		(23,111)
Trade and other receivables	348,897		396,432		47,535
Other financial assets	2,951		1,091		(1,860)
Income tax receivables	1,676		3,007		1,331
Inventories	196,629		238,926		42,297
Other current assets	28,302		30,866		2,564
Total current assets	900,035	53.6	968,791	53.0	68,756
Non-current assets					
Property, plant, and equipment	399,754		440,871		41,117
Goodwill	221,033		244,207		23,174
Intangible assets	118,999		121,508		2,509
Investments accounted for using the equity method	1,125		1,154		29
Other investments	19,583		24,486		4,903
Other financial assets	3,764		5,869		2,105
Deferred tax assets	9,979		11,458		1,479
Other non-current assets	4,725		8,320		3,595
Total non-current assets	778,962	46.4	857,873	47.0	78,911
Total assets	1,678,997	100.0	1,826,664	100.0	147,667

(Yen in millions)

	March 31, 2017		December 31, 2017		Increase or decrease
	Amounts	%	Amounts	%	
Liabilities					
Current liabilities					
Short term borrowings	166,606		17,436		(149,170)
Long term debt due within one year	84,040		31,315		(52,725)
Trade and other payables	251,236		311,781		60,545
Other financial liabilities	1,844		3,694		1,850
Income tax payables	6,690		5,773		(917)
Provisions	25,210		24,558		(652)
Other current liabilities	63,398		69,864		6,466
Total current liabilities	599,024	35.7	464,421	25.4	(134,603)
Non-current liabilities					
Long term debt	161,785		335,937		174,152
Other financial liabilities	1,315		1,222		(93)
Retirement benefit liabilities	22,656		25,340		2,684
Provisions	3,614		4,651		1,037
Deferred tax liabilities	31,498		32,470		972
Other non-current liabilities	3,299		3,359		60
Total non-current liabilities	224,167	13.3	402,979	22.1	178,812
Total liabilities	823,191	49.0	867,400	47.5	44,209
Equity					
Common stock	87,784	5.2	87,784	4.8	-
Additional paid-in capital	118,340	7.1	118,136	6.5	(204)
Retained earnings	715,911	42.6	787,474	43.1	71,563
Other components of equity	(63,320)	(3.8)	(27,007)	(1.5)	36,313
Treasury stock	(12,143)	(0.7)	(17,320)	(0.9)	(5,177)
Total equity attributable to owners of the parent	846,572	50.4	949,067	52.0	102,495
Non-controlling interests	9,234	0.6	10,197	0.5	963
Total equity	855,806	51.0	959,264	52.5	103,458
Total liabilities and equity	1,678,997	100.0	1,826,664	100.0	147,667

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

For the nine months ended December 31, 2016 and 2017

**Condensed Quarterly Consolidated Statements of Income**

(Yen in millions)

	Nine months ended December 31				Increase or decrease		Year ended March 31, 2017	
	2016		2017		Amounts		Amounts	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Net sales	868,228	100.0	1,105,921	100.0	237,693	27.4	1,199,311	100.0
Cost of sales	(659,008)	(75.9)	(837,641)	(75.7)	(178,633)	27.1	(913,680)	(76.2)
Gross profit	209,220	24.1	268,280	24.3	59,060	28.2	285,631	23.8
Selling, general and administrative expenses	(64,287)	(7.4)	(100,147)	(9.1)	(35,860)	55.8	(93,458)	(7.8)
Research and development expenses	(38,760)	(4.5)	(41,006)	(3.7)	(2,246)	5.8	(52,807)	(4.4)
Operating profit	106,173	12.2	127,127	11.5	20,954	19.7	139,366	11.6
Financial income	2,276	0.3	4,597	0.4	2,321	102.0	3,368	0.3
Financial expenses	(1,811)	(0.2)	(5,119)	(0.5)	(3,308)	182.7	(3,063)	(0.2)
Derivative gain	1,246	0.1	693	0.1	(553)	(44.4)	405	0.0
Foreign exchange differences	405	0.1	(7,686)	(0.7)	(8,091)	-	1,771	0.1
Share of net (loss) profit from associate accounting using the equity method	(542)	(0.1)	111	0.0	653	-	(534)	(0.0)
Profit before income taxes	107,747	12.4	119,723	10.8	11,976	11.1	141,313	11.8
Income tax expenses	(25,431)	(2.9)	(24,423)	(2.2)	1,008	(4.0)	(29,356)	(2.5)
Profit for the period	82,316	9.5	95,300	8.6	12,984	15.8	111,957	9.3
Profit for the period attributable to:								
Owners of the parent	81,617	9.4	94,763	8.6	13,146	16.1	111,007	9.2
Non-controlling interests	699	0.1	537	0.0	(162)	(23.2)	950	0.1
Profit for the period	82,316	9.5	95,300	8.6	12,984	15.8	111,957	9.3

**Condensed Quarterly Consolidated Statements of Comprehensive Income**

(Yen in millions)

	Nine months ended December 31				Increase or decrease		Year ended March 31, 2017	
	2016		2017		Amounts		Amounts	
	Amounts	Amounts	Amounts	Amounts	Amounts	%	Amounts	Amounts
Profit for the period	82,316	95,300	12,984	15.8			111,957	
Other comprehensive income, net of taxation								
Items that will not be reclassified to net profit or loss:								
Remeasurement of defined benefit plans	(182)	(72)	110	-			761	
Fair value movements on FVTOCI equity financial assets	2,367	3,545	1,178	49.8			2,694	
Items that may be reclassified to net profit or loss:								
Foreign currency translation adjustments	9,894	36,390	26,496	267.8			(8,318)	
Effective portion of net changes in fair value of cash flow hedges	194	371	177	91.2			1,118	
Fair value movements on FVTOCI debt financial assets	(2)	(1)	1	-			(0)	
Total other comprehensive income for the period, net of taxation	12,271	40,233	27,962	227.9			(3,745)	
Comprehensive income for the period	94,587	135,533	40,946	43.3			108,212	
Comprehensive income for the period attributable to:								
Owners of the parent	94,046	134,546	40,500	43.1			107,311	
Non-controlling interests	541	987	446	82.4			901	
Comprehensive income for the period	94,587	135,533	40,946	43.3			108,212	

**For the three months ended December 31, 2016 and 2017**  
**Condensed Quarterly Consolidated Statements of Income**

*(Yen in millions)*

	Three months ended December 31				Increase or decrease	
	2016		2017			
	Amounts	%	Amounts	%	Amounts	%
Net sales	304,198	100.0	390,031	100.0	85,833	28.2
Cost of sales	(230,446)	(75.8)	(296,289)	(76.0)	(65,843)	28.6
Gross profit	73,752	24.2	93,742	24.0	19,990	27.1
Selling, general and administrative expenses	(23,406)	(7.7)	(34,847)	(8.9)	(11,441)	48.9
Research and development expenses	(13,158)	(4.3)	(14,217)	(3.6)	(1,059)	8.0
Operating profit	37,188	12.2	44,678	11.5	7,490	20.1
Financial income	944	0.3	1,743	0.4	799	84.6
Financial expenses	(653)	(0.2)	(1,752)	(0.5)	(1,099)	168.3
Derivative gain	3,941	1.3	601	0.2	(3,340)	(84.8)
Foreign exchange differences	578	0.2	(2,105)	(0.5)	(2,683)	-
Share of net (loss) profit from associate accounting using the equity method	(525)	(0.2)	91	0.0	616	-
Profit before income taxes	41,473	13.6	43,256	11.1	1,783	4.3
Income tax expenses	(9,657)	(3.1)	(8,253)	(2.1)	1,404	(14.5)
Profit for the period	31,816	10.5	35,003	9.0	3,187	10.0
Profit for the period attributable to:						
Owners of the parent	31,523	10.4	34,776	8.9	3,253	10.3
Non-controlling interests	293	0.1	227	0.1	(66)	(22.5)
Profit for the period	31,816	10.5	35,003	9.0	3,187	10.0

**Condensed Quarterly Consolidated Statements of Comprehensive Income**

*(Yen in millions)*

	Three months ended December 31		Increase or decrease	
	2016	2017		
	Amounts	Amounts	Amounts	%
Profit for the period	31,816	35,003	3,187	10.0
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	(72)	(26)	46	-
Fair value movements on FVTOCI equity financial assets	2,022	1,408	(614)	(30.4)
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	86,752	9,679	(77,073)	(88.8)
Effective portion of net changes in fair value of cash flow hedges	73	(131)	(204)	-
Fair value movements on FVTOCI debt financial assets	(3)	1	4	-
Total other comprehensive income for the period, net of taxation	88,772	10,931	(77,841)	(87.7)
Comprehensive income for the period	120,588	45,934	(74,654)	(61.9)
Comprehensive income for the period attributable to:				
Owners of the parent	119,773	45,282	(74,491)	(62.2)
Non-controlling interests	815	652	(163)	(20.0)
Comprehensive income for the period	120,588	45,934	(74,654)	(61.9)

### (3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2016

(Yen in millions)

	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			81,617			81,617	699	82,316
Other comprehensive income				12,429		12,429	(158)	12,271
Total comprehensive income						94,046	541	94,587
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(23)	(23)	-	(23)
Dividends paid to owners of the parent			(23,728)			(23,728)	-	(23,728)
Dividends paid to non-controlling interests						-	(18)	(18)
Transfer to retained earnings			2,194	(2,194)		-	-	-
Other		(5)		1		(4)	128	124
As of December 31, 2016	87,784	118,336	685,251	(45,923)	(12,134)	833,314	8,997	842,311

Nine months ended December 31, 2017

(Yen in millions)

	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	715,911	(63,320)	(12,143)	846,572	9,234	855,806
Comprehensive income								
Profit for the period			94,763			94,763	537	95,300
Other comprehensive income				39,783		39,783	450	40,233
Total comprehensive income						134,546	987	135,533
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(5,177)	(5,177)	-	(5,177)
Dividends paid to owners of the parent			(26,670)			(26,670)	-	(26,670)
Dividends paid to non-controlling interests						-	(39)	(39)
Transfer to retained earnings			3,469	(3,469)		-	-	-
Other		(204)	1	(1)		(204)	15	(189)
As of December 31, 2017	87,784	118,136	787,474	(27,007)	(17,320)	949,067	10,197	959,264

**(4) Condensed Quarterly Consolidated Statements of Cash Flows**

*(Yen in millions)*

	Nine months ended December 31		Increase or decrease	Year ended
	2016	2017		March 31
				2017
Cash flows from operating activities:				
Profit for the period	82,316	95,300	12,984	111,957
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Depreciation and amortization	44,376	51,761	7,385	59,737
Gain from sales, disposal or impairment of property, plant and equipment	(1,263)	(174)	1,089	(1,224)
Financial (income) expense	(504)	100	604	(163)
Share of net loss (profit) from associate accounting using the equity method	542	(111)	(653)	534
Deferred income taxes	5,930	(1,037)	(6,967)	580
Current income taxes	19,501	25,461	5,960	28,775
Foreign currency adjustments	(346)	380	726	(6,636)
Increase (decrease) in retirement benefit liability	283	1,106	823	(94)
Increase in accounts receivable	(54,456)	(25,284)	29,172	(65,582)
Increase in inventories	(11,830)	(27,165)	(15,335)	(5,942)
Increase in accounts payable	42,103	40,470	(1,633)	39,229
Other, net	(3,892)	86	3,978	(6,465)
Interests and dividends received	2,064	4,089	2,025	3,160
Interests paid	(1,846)	(3,529)	(1,683)	(3,052)
Income taxes paid	(19,982)	(28,052)	(8,070)	(24,961)
Net cash provided by operating activities	102,996	133,401	30,405	129,853
Cash flows from investing activities:				
Additions to property, plant and equipment	(47,505)	(67,135)	(19,630)	(68,718)
Proceeds from sales of property, plant and equipment	1,423	3,343	1,920	1,786
Proceeds from sales or redemption of marketable securities	224	-	(224)	237
Acquisitions of business, net of cash acquired	(5,703)	(20,021)	(14,318)	(139,862)
Other, net	(5,368)	(3,564)	1,804	(4,919)
Net cash used in investing activities	(56,929)	(87,377)	(30,448)	(211,476)
Cash flows from financing activities:				
(Decrease) increase in short term borrowings	(15,148)	(163,083)	(147,935)	93,784
Proceeds from issuance of long term debt	421	84,060	83,639	58,707
Repayments of long term debt	(2,404)	(23,345)	(20,941)	(32,782)
Proceeds from issuance of corporate bonds	50,001	115,001	65,000	50,001
Redemption of corporate bonds	(50,000)	(65,000)	(15,000)	(50,000)
Purchase of treasury stock	(23)	(5,177)	(5,154)	(33)
Dividends paid to owners of the parent	(23,728)	(26,670)	(2,942)	(23,728)
Other, net	(94)	(496)	(402)	(101)
Net cash (used in) provided by financing activities	(40,975)	(84,710)	(43,735)	95,848
Effect of exchange rate changes on cash and cash equivalents	3,779	15,575	11,796	1,413
Net increase (decrease) in cash and cash equivalents	8,871	(23,111)	(31,982)	15,638
Cash and cash equivalents at beginning of period	305,942	321,580	15,638	305,942
Cash and cash equivalents at end of period	314,813	298,469	(16,344)	321,580

**(5) Notes of Condensed Quarterly Consolidated Financial Statements**  
**Notes Regarding Going Concern Assumption**

Not applicable.

**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/>).

Condensed Quarterly Consolidated Financial Statements as of December 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 include automotive motors and components, home appliance, commercial and industrial motors and related products.
- iii. Machinery, which includes industrial robots, card readers, test systems, press 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 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 the NIDEC's annual consolidated financial statements for the year ended March 31, 2017.

Income taxes for nine months ended December 31, 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 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 previous fiscal year ended March 31, 2017.

## **5. Business Combinations**

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 nine months ended December 31, 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 December 31, 2017, NIDEC 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.) and Canton Elevator, Inc. NIDEC’s consolidated financial statement for the year ended March 31, 2017 reflects the important 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 nine months ended December 31, 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 December 31, 2017.

### 3. Others (unaudited)

#### (1) Quarterly Financial Data for the three months ended December 31, 2017, September 30, 2017 and June 30, 2017

(Yen in millions)

	Three months ended					
	June 30, 2017		September 30, 2017		December 31, 2017	
	Amounts	%	Amounts	%	Amounts	%
Net sales	343,091	100.0	372,799	100.0	390,031	100.0
Operating profit	38,941	11.4	43,508	11.7	44,678	11.5
Profit before income taxes	36,245	10.6	40,222	10.8	43,256	11.1
Profit for the period	28,255	8.2	32,042	8.6	35,003	9.0
Profit attributable to owners of the parent	28,151	8.2	31,836	8.5	34,776	8.9

#### (2) Information by Product Category

Nine months ended December 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:								
External sales	330,866	400,709	86,610	47,307	2,736	868,228	-	868,228
Intersegment	1,754	4,302	6,419	4,296	1,095	17,866	(17,866)	-
Total	332,620	405,011	93,029	51,603	3,831	886,094	(17,866)	868,228
Operating expenses	280,484	362,861	77,228	43,821	3,388	767,782	(5,727)	762,055
Operating profit	52,136	42,150	15,801	7,782	443	118,312	(12,139)	106,173

Nine months ended December 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:								
External sales	345,039	598,228	105,869	53,695	3,090	1,105,921	-	1,105,921
Intersegment	1,985	5,327	11,402	5,929	1,348	25,991	(25,991)	-
Total	347,024	603,555	117,271	59,624	4,438	1,131,912	(25,991)	1,105,921
Operating expenses	290,320	544,828	97,486	51,551	4,006	988,191	(9,397)	978,794
Operating profit	56,704	58,727	19,785	8,073	432	143,721	(16,594)	127,127

Three months ended December 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:								
External sales	119,150	135,064	32,726	16,275	983	304,198	-	304,198
Intersegment	736	1,753	2,348	1,654	383	6,874	(6,874)	-
Total	119,886	136,817	35,074	17,929	1,366	311,072	(6,874)	304,198
Operating expenses	100,717	122,636	29,473	15,025	1,210	269,061	(2,051)	267,010
Operating profit	19,169	14,181	5,601	2,904	156	42,011	(4,823)	37,188

Three months ended December 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:								
External sales	124,565	207,656	38,020	18,698	1,092	390,031	-	390,031
Intersegment	664	2,196	4,086	2,093	436	9,475	(9,475)	-
Total	125,229	209,852	42,106	20,791	1,528	399,506	(9,475)	390,031
Operating expenses	104,667	189,606	34,907	18,249	1,377	348,806	(3,453)	345,353
Operating profit	20,562	20,246	7,199	2,542	151	50,700	(6,022)	44,678

(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, press 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) Sales by Geographic Segment***(Yen in millions)*

	Nine months ended December 31, 2016		Nine months ended December 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	208,669	24.0%	229,272	20.7%	20,603	9.9%
U.S.A.	138,065	15.9%	185,977	16.8%	47,912	34.7%
Singapore	44,612	5.2%	43,022	3.9%	(1,590)	(3.6)%
Thailand	77,489	8.9%	96,547	8.7%	19,058	24.6%
Germany	63,900	7.4%	91,902	8.3%	28,002	43.8%
China	219,043	25.2%	267,580	24.2%	48,537	22.2%
Others	116,450	13.4%	191,621	17.4%	75,171	64.6%
Total	868,228	100.0%	1,105,921	100.0%	237,693	27.4%

*(Yen in millions)*

	Three months ended December 31, 2016		Three months ended December 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	72,152	23.7%	78,771	20.2%	6,619	9.2%
U.S.A.	43,920	14.5%	60,562	15.5%	16,642	37.9%
Singapore	16,509	5.4%	14,978	3.8%	(1,531)	(9.3)%
Thailand	28,898	9.5%	35,574	9.1%	6,676	23.1%
Germany	19,503	6.4%	33,090	8.5%	13,587	69.7%
China	81,006	26.6%	100,497	25.8%	19,491	24.1%
Others	42,210	13.9%	66,559	17.1%	24,349	57.7%
Total	304,198	100.0%	390,031	100.0%	85,833	28.2%

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

**(4) Sales by Region***(Yen in millions)*

	Nine months ended December 31, 2016		Nine months ended December 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	167,110	19.2%	207,145	18.7%	40,035	24.0%
Asia	437,907	50.4%	528,749	47.8%	90,842	20.7%
Europe	109,219	12.6%	186,852	16.9%	77,633	71.1%
Others	14,476	1.7%	22,847	2.1%	8,371	57.8%
Overseas total	728,712	83.9%	945,593	85.5%	216,881	29.8%
Japan	139,516	16.1%	160,328	14.5%	20,812	14.9%
Total	868,228	100.0%	1,105,921	100.0%	237,693	27.4%

*(Yen in millions)*

	Three months ended December 31, 2016		Three months ended December 31, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	52,318	17.2%	68,047	17.5%	15,729	30.1%
Asia	161,641	53.2%	194,880	50.0%	33,239	20.6%
Europe	36,250	11.9%	65,246	16.7%	28,996	80.0%
Others	5,207	1.7%	9,041	2.3%	3,834	73.6%
Overseas total	255,416	84.0%	337,214	86.5%	81,798	32.0%
Japan	48,782	16.0%	52,817	13.5%	4,035	8.3%
Total	304,198	100.0%	390,031	100.0%	85,833	28.2%

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

## 4. Overview of Consolidated Financial Results

24 January, 2018

### (1) Summary of Consolidated Financial Performance

(Yen in millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase or decrease	Three months ended December 31, 2016	Three months ended December 31, 2017	Increase or decrease
Net Sales	868,228	1,105,921	27.4%	304,198	390,031	28.2%
Operating profit	106,173 12.2%	127,127 11.5%	19.7%	37,188 12.2%	44,678 11.5%	20.1%
Profit before income taxes	107,747 12.4%	119,723 10.8%	11.1%	41,473 13.6%	43,256 11.1%	4.3%
Profit attributable to owners of the parent	81,617 9.4%	94,763 8.6%	16.1%	31,523 10.4%	34,776 8.9%	10.3%
Earnings per share attributable to owners of the parent - Basic (Yen)	275.18	320.06		106.28	117.46	
Earnings per share attributable to owners of the parent - Diluted (Yen)	-	-		-	-	

### (2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	December 31, 2016	December 31, 2017	March 31, 2017
Total assets	1,492,444	1,826,664	1,678,997
Total equity attributable to owners of the parent	833,314	949,067	846,572
Ratio of equity attributable to owners of the parent to total asset	55.8%	52.0%	50.4%
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year ended March 31, 2017
Net cash provided by operating activities	102,996	133,401	129,853
Net cash used in investing activities	(56,929)	(87,377)	(211,476)
Net cash (used in) provided by financing activities	(40,975)	(84,710)	95,848
Cash and cash equivalents at end of period	314,813	298,469	321,580

### (3) Dividends

(Yen)

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
Year ended March 31, 2017 (actual)	40.00	45.00	85.00
Year ending March 31, 2018 (actual)	45.00	-	-
Year ending March 31, 2018 (target)	-	50.00	95.00

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

Number of consolidated subsidiaries	310
Number of associates accounted for under the equity method	4

		Change from March 31, 2017	Change from December 31, 2016
Number of consolidated subsidiaries	(Increase)	23	86
	(Decrease)	9	10
Number of associates accounted for under the equity method	(Increase)	-	-
	(Decrease)	2	2

(Notes) 1. The amounts of percentage in "(1) Summary of Consolidated Financial Performance" represent percentage of sales.

2. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017.

Condensed quarterly consolidated financial statements for the nine months ended December 31, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

3. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended December 31, 2017.

Consolidated financial statements for the year ended March 31, 2017 reflect the important revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.