

NEWS RELEASE



NIDEC CORPORATION

FOR IMMEDIATE RELEASE

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UNAUDITED FINANCIAL STATEMENTS (IFRS)

(English Translation)

**RESULTS FOR THE YEAR ENDED MARCH 31, 2018
FROM APRIL 1, 2017 TO MARCH 31, 2018
CONSOLIDATED**

Released on April 24, 2018

NIDEC CORPORATION

Stock Listings: Tokyo Stock Exchange

Head Office: Kyoto, Japan

Scheduled date of Filing of Japanese Annual Securities Report: June 21, 2018

1. Selected Consolidated Financial Performance Information for the Year Ended March 31, 2018 (IFRS) (unaudited)

(1) Consolidated Results of Operations

(Yen in millions)

	Years ended March 31	
	2017	2018
Net sales	1,199,311	1,488,090
Ratio of change from the previous fiscal year	1.8%	24.1%
Operating profit	139,366	167,637
Ratio of change from the previous fiscal year	18.4%	20.3%
Profit before income taxes	141,313	164,460
Ratio of change from the previous fiscal year	20.6%	16.4%
Profit for the year attributable to owners of the parent	111,007	131,434
Ratio of change from the previous fiscal year	23.4%	18.4%
Comprehensive income for the year	108,212	121,141
Ratio of change from the previous fiscal year	246.0%	11.9%

(Yen)

	Years ended March 31	
	2017	2018
Earnings per share attributable to owners of the parent - basic	374.27	443.94
Earnings per share attributable to owners of the parent - diluted	-	-

(Note) Share of net profit (loss) from associate accounting using the equity method:

¥ 118 million for the year ended March 31, 2018

¥ (534) million for the year ended March 31, 2017

(2) Consolidated Financial Position

(Yen in millions)

	March 31, 2017	March 31, 2018
Total assets	1,678,997	1,768,747
Total equity	855,806	942,978
Total equity attributable to owners of the parent	846,572	933,088
Ratio of total equity attributable to owners of the parent to total assets	50.4%	52.8%
Total equity attributable to owners of the parent per share (yen)	2,854.28	3,152.75

(3) Consolidated Results of Cash Flows

(Yen in millions)

	Years ended March 31	
	2017	2018
Net cash provided by operating activities	129,853	175,568
Net cash used in investing activities	(211,476)	(113,915)
Net cash provided by (used in) financing activities	95,848	(116,858)
Cash and cash equivalents at the end of year	321,580	265,947

2. Dividends (unaudited)*(Yen)*

	Year ended March 31, 2017 (actual)	Year ended March 31, 2018 (actual)	Year ending March 31, 2019 (forecast)
Interim dividend per share	40.00	45.00	50.00
Year-end dividend per share	45.00	50.00	50.00
Annual dividend per share	85.00	95.00	100.00
Dividends for the year (total)	25,211	28,121	
Dividend payout ratio (consolidated)	22.7	21.4	20.4
Ratio of total dividends to total equity attributable to owners of the parent (consolidated)	3.1	3.2	

3. Forecast of Consolidated Financial Performance (for the Year Ending March 31, 2019)*(Yen in millions)*

	Six months ending September 30, 2018	Year ending March 31, 2019
Net sales	750,000	1,575,000
Operating profit	90,000	190,000
Profit before income taxes	87,500	185,000
Profit attributable to owners of the parent	70,000	145,000
Earnings per share attributable to owners of the parent – basic (yen)	236.52	489.93

4. Others

(1) Changes in Significant Subsidiaries During This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation)

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 and Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies due to other reasons: None
3. Changes in accounting estimates: None

(3) Number of Shares Issued (ordinary shares)

1. Number of shares issued at the end of the period (including treasury stock):
298,142,234 shares as of March 31, 2017
298,142,234 shares as of March 31, 2018
2. Number of treasury stock at the end of the period:
1,544,634 shares as of March 31, 2017
2,182,209 shares as of March 31, 2018
3. Weighted-average number of shares outstanding during the period:
296,599,414 shares for the year ended March 31, 2017
296,064,943 shares for the year ended March 31, 2018

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.

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.

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Investor presentation materials relating to our financial results for the year ended March 31, 2018 are expected to be published on our corporate website on April 25, 2018.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Year Ended March 31, 2018

1. Overview of Business Environment for the Year Ended March 31, 2018

During the year ended March 31, 2018 the global economy saw the U.S. economy continue its moderate expansion, and China continue its high-level economic growth, while the trade conflict between the two countries became increasingly serious, due to China's retaliatory measures against the U.S.'s economic sanctions on the world's second largest economy. In the meantime, the European economy, the euro zone in particular, maintained its broad expansion, while Japan intended to achieve the longest postwar economic recovery, though the recent appreciation of the yen is feared to cause a decline in corporate profitability.

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 year ended March 31, 2018 the highest net sales, operating profit, profit before income taxes and profit for the year attributable to owners of the parent in our history.

2. Consolidated Operating Results

Consolidated Operating Results for the Year Ended March 31, 2018 ("this fiscal year"), Compared to the Year Ended March 31, 2017 ("the previous fiscal year")

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Ratio of change
Net sales	1,199,311	1,488,090	288,779	24.1%
Operating profit	139,366	167,637	28,271	20.3%
Operating profit ratio	11.6%	11.3%	-	-
Profit before income taxes	141,313	164,460	23,147	16.4%
Profit attributable to owners of the parent	111,007	131,434	20,427	18.4%

Consolidated net sales increased 24.1% to ¥1,488,090 million for this fiscal year compared to the previous fiscal year, recording the highest annual net sales in our history. Although there were expenses of structural reform for streamlining of parts production bases in Japan and abroad accompanying transformation of the business portfolio, strengthening research and development employees for future growth, an increase of M&A expense and other factors, operating profit increased 20.3% to ¥167,637 million for this fiscal year compared to the previous fiscal year, also recording the highest annual operating profit in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥110.85 to the U.S. dollar, which reflected an approximately 2.0% depreciation of the Japanese yen against the U.S. dollar, compared to the previous fiscal year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥129.70 to the Euro, which reflected an approximately 9.0% depreciation of the Japanese yen against the Euro, compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥39,000 million and operating profit by approximately ¥4,100 million for this fiscal year compared to the previous fiscal year.

Profit before income taxes increased 16.4% to ¥164,460 million for this fiscal year compared to the previous fiscal year and profit attributable to owners of the parent increased 18.4% to ¥131,434 million for this fiscal year compared to the previous fiscal year, achieving the highest annual profits in our history, respectively.

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.

Operating Results by Product Category for This Fiscal Year Compared to the Previous Fiscal Year

Small precision motors

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	437,105	452,376	15,271	3.5%
Spindle motors for hard disk drives (HDDs)	191,074	191,497	423	0.2%
Other small precision motors	246,031	260,879	14,848	6.0%
Operating profit	67,929	72,714	4,785	7.0%
Operating profit ratio	15.5%	16.1%	-	-

Net sales of this category increased 3.5% to ¥452,376 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥9,000 million for this fiscal year compared to the previous fiscal year.

Net sales of spindle motors for HDDs, for this fiscal year increased 0.2% to ¥191,497 million compared to the previous fiscal year. Although the number of units sold of spindle motors for HDDs decreased approximately 8.0% compared to the previous fiscal 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 fiscal year increased 6.0% to ¥260,879 million compared to the previous fiscal year. This increase was mainly due to an increase in sales of DC motors and fan motors.

Operating profit of this category increased 7.0% to ¥72,714 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥900 million for this fiscal year compared to the previous fiscal year.

Automotive, appliance, commercial and industrial products

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	572,085	814,002	241,917	42.3%
Appliance, commercial and industrial products	310,939	518,642	207,703	66.8%
Automotive products	261,146	295,360	34,214	13.1%
Operating profit	57,120	79,386	22,266	39.0%
Operating profit ratio	10.0%	9.8%	-	-

Net sales of this category increased 42.3% to ¥814,002 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥25,100 million for this fiscal year compared to the previous fiscal year.

Net sales of appliance, commercial and industrial products for this fiscal year increased 66.8% compared to the previous fiscal 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 fiscal year increased 13.1% compared to the previous fiscal year mainly 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 this category increased 39.0% to ¥79,386 million for this fiscal year compared to the previous fiscal year mainly due to the increase in sales. The fluctuations of the

foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥4,400 million for this fiscal year compared to the previous fiscal year.

Excluding sales of approximately ¥188,100 million and operating profit of approximately ¥8,700 million for this fiscal year 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 this category would have been higher than 11.2% for this fiscal year.

Machinery

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	122,341	146,561	24,220	19.8%
Operating profit	21,791	27,419	5,628	25.8%
Operating profit ratio	17.8%	18.7%	-	-

Net sales of this category increased 19.8% to ¥146,561 million for this fiscal year compared to the previous fiscal 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 this category increased 25.8% to ¥27,419 million for this fiscal year compared to the previous fiscal year due to the increase in sales.

Electronic and optical components

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	64,072	70,976	6,904	10.8%
Operating profit	9,862	9,720	(142)	(1.4%)
Operating profit ratio	15.4%	13.7%	-	-

Net sales of this category increased 10.8% to ¥70,976 million this fiscal year compared to the previous fiscal year and operating profit of this category decreased 1.4% to ¥9,720 million for this fiscal year compared to the previous fiscal year.

Other products

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	3,708	4,175	467	12.6%
Operating profit	559	574	15	2.7%
Operating profit ratio	15.1%	13.7%	-	-

Net sales of this category increased 12.6% to ¥4,175 million and operating profit of this category increased 2.7% to ¥574 million for this fiscal year compared to the previous fiscal year.

**Consolidated Operating Results for the Three Months Ended March 31, 2018 (“4Q”),
Compared to the Previous Three Months Ended December 31, 2017 (“3Q”)**

(Yen in millions)

	Three months ended December 31, 2017	Three months ended March 31, 2018	Increase or decrease	Ratio of change
Net sales	390,031	382,169	(7,862)	(2.0)%
Operating profit	44,561	40,775	(3,786)	(8.5)%
Operating profit ratio	11.4%	10.7%	-	-
Profit before income taxes	43,139	45,002	1,863	4.3%
Profit attributable to owners of the parent	34,678	36,917	2,239	6.5%

Consolidated net sales decreased 2.0% to ¥382,169 million for 4Q compared to 3Q and operating profit decreased 8.5% to ¥40,775 million for 4Q compared to 3Q. The reasons of this decrease of operating profit were that NIDEC recorded approximately ¥5,300 million temporarily for closure and consolidation of foreign factories of parts for spindle motors for HDDs accompanying transformation of the business portfolio, the expenses of the structural reform for streamlining of domestic production bases, the expenses related to new completion of Nidec Center for Industrial Science and other factors.

The average exchange rate between the Japanese yen and the U.S. dollar for 4Q was ¥108.30 to the U.S. dollar, which reflected an approximately 4% appreciation of the Japanese yen against the U.S. dollar, compared to 3Q. The average exchange rate between the Japanese yen and the Euro for 4Q was ¥133.22 to the Euro, which reflected a slight depreciation of the Japanese yen against the Euro, compared to 3Q. The fluctuations of the foreign currency exchange rates had a negative effect on net sales by approximately ¥8,800 million as well as on operating profit by approximately ¥2,000 million for 4Q compared to 3Q.

Profit before income taxes increased 4.3% to ¥45,002 million for 4Q compared to 3Q and profit attributable to owners of the parent increased 6.5% to ¥36,917 million for 4Q compared to 3Q, achieving the highest profits for quarterly period in our history, respectively.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2018. Condensed quarterly consolidated financial statements for the three months ended December 31, 2017 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 4Q Compared to 3Q

Small precision motors

(Yen in millions)

	Three months ended December 31, 2017	Three months ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	124,565	107,337	(17,228)	(13.8)%
Spindle motors for hard disk drives (HDDs)	50,794	46,981	(3,813)	(7.5)%
Other small precision motors	73,771	60,356	(13,415)	(18.2)%
Operating profit	20,562	16,010	(4,552)	(22.1)%
Operating profit ratio	16.5%	14.9%	-	-

Net sales of this category decreased 13.8% to ¥107,337 million for 4Q compared to 3Q. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥3,300 million for 4Q compared to 3Q.

Net sales of spindle motors for HDDs decreased 7.5% to ¥46,981 million for 4Q compared to 3Q. The number of units sold of spindle motors for HDDs for 4Q decreased approximately 8% compared to 3Q as well as the fluctuations of the foreign currency exchange rate had a negative effect on net sales.

Net sales of other small precision motors for 4Q decreased 18.2% to ¥60,356 million compared to 3Q due to the decrease in sales of fan motors and other small precision motors.

Operating profit of this category decreased 22.1% to ¥16,010 million for 4Q compared to 3Q. The reasons of this decrease were that NIDEC recorded approximately ¥3,100 million for the expenses of the structural reform accompanying closure and consolidation of foreign factories of parts for spindle motors for HDDs and other factors. In addition, the fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥1,400 million for 4Q compared to 3Q.

Automotive, appliance, commercial and industrial products

(Yen in millions)

	Three months ended December 31, 2017	Three months ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	207,656	215,774	8,118	3.9%
Appliance, commercial and industrial products	131,245	137,324	6,079	4.6%
Automotive products	76,411	78,450	2,039	2.7%
Operating profit	20,261	20,644	383	1.9%
Operating profit ratio	9.8%	9.6%	-	-

Net sales of this category increased 3.9% to ¥215,774 million for 4Q compared to 3Q.

Net sales of appliance, commercial and industrial products for 4Q increased 4.6% compared to 3Q mainly due to an increase in sales through our “Three-new Strategy” (new products, new markets and new clients).

Net sales of automotive products for 4Q increased 2.7% compared to 3Q mainly due to seasonal factors.

Operating profit of this category increased 1.9% to ¥20,644 million for 4Q compared to 3Q mainly due to the increase in sales.

Excluding sales of approximately ¥52,400 million and operating profit of approximately ¥3,400 million for 4Q 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 this category would have been higher than 10.5% for 4Q.

Machinery

(Yen in millions)

	Three months ended December 31, 2017	Three months ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	38,020	40,692	2,672	7.0%
Operating profit	7,067	7,914	847	12.0%
Operating profit ratio	18.6%	19.4%	-	-

Net sales of this category increased 7.0% to ¥40,692 million for 4Q compared to 3Q due to an increase in sales of press machines, etc.

Operating profit of this category increased 12.0% to ¥7,914 million for 4Q compared to 3Q mainly due to the increase in sales.

Electronic and optical components

(Yen in millions)

	Three months ended December 31, 2017	Three months ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	18,698	17,281	(1,417)	(7.6)%
Operating profit	2,542	1,647	(895)	(35.2)%
Operating profit ratio	13.6%	9.5%	-	-

Net sales of this category decreased 7.6% to ¥17,281 million for 4Q compared to 3Q.

Operating profit of this category decreased 35.2% to ¥1,647 million for 4Q compared to 3Q. The reasons of this decrease were that NIDEC recorded approximately ¥500 million for the expenses of the structural reform for streamlining of domestic bases, disposal loss of old inventories and other factors.

Other products

(Yen in millions)

	Three months ended December 31, 2017	Three months ended March 31, 2018	Increase or decrease	Ratio of change
Net sales to external customers	1,092	1,085	(7)	(0.6)%
Operating profit	151	142	(9)	(6.0)%
Operating profit ratio	13.8%	13.1%	-	-

Net sales of this category decreased 0.6% to ¥1,085 million and operating profit of this category decreased 6.0% to ¥142 million for 4Q compared to 3Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2017	As of March 31, 2018	Increase or decrease
Total assets	1,678,997	1,768,747	89,750
Total liabilities	823,191	825,769	2,578
Total equity attributable to owners of the parent	846,572	933,088	86,516
Interest-bearing debt *1	412,431	345,797	(66,634)
Net interest-bearing debt *2	90,851	79,850	(11,001)
Debt ratio (%) *3	24.6	19.6	(5.0)
Debt to equity ratio (“D/E ratio”) (times) *4	0.49	0.37	(0.12)
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	52.8	2.4

(Notes) *1. Interest-bearing debt: The sum of “short term borrowings”, “long term debt due within one year” and “long term debt” on the consolidated statement of financial position

*2. Net interest-bearing debt: Interest-bearing debt less “cash and cash equivalents”

*3. Debt ratio: Interest-bearing debt divided by total assets

*4. D/E ratio: Interest-bearing debt divided by total equity attributable to owners of the parent

*5. Net D/E ratio: Net interest-bearing debt divided by total equity attributable to owners of the parent

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

Total assets increased approximately ¥89,800 million to ¥1,768,747 million as of March 31, 2018 compared to March 31, 2017. This was mainly due to increases of approximately ¥47,600 million in property, plant and equipment, approximately ¥39,800 million in trade and other receivables, approximately ¥31,000 million in inventories and approximately ¥15,300 million in goodwill. On the other hand, there was a decrease of approximately ¥ 55,600 million in cash and cash equivalents.

Total liabilities increased approximately ¥2,600 million to ¥825,769 million as of March 31, 2018 compared to March 31, 2017. This was mainly due to an increase of approximately ¥65,800 million in trade and other payable, while there was a decrease in interest-bearing debt of approximately ¥66,600 million. Specifically, short term borrowings decreased approximately ¥164,900 million to approximately ¥1,700 million, long term debt due within one year decreased approximately ¥54,500 million to approximately ¥29,500 million, and long term debt increased approximately ¥152,800 million to approximately ¥314,600 million as of March 31, 2018 compared to March 31, 2017. The increase of approximately ¥98,300 million in long term debt including long term debt due within one year was mainly due to a 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 approximately ¥50,000 million Sixth Series of

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Domestic Unsecured Bonds and approximately ¥65,000 million Seventh Series of Domestic Unsecured Bonds. On the other hand, there was a decrease of approximately ¥65,000 million due to the redemption of First Series of Domestic Unsecured Bonds. The decrease of approximately ¥164,900 million in short term borrowings was mainly due to procurement of long term funds and repayment of borrowing using cash on hand.

As a result, net interest-bearing debt decreased to approximately ¥79,900 million as of March 31, 2018 from approximately ¥90,900 million as of March 31, 2017. The debt ratio decreased to 19.6% as of March 31, 2018 from 24.6% as of March 31, 2017. The D/E ratio decreased to 0.37 times as of March 31, 2018 from 0.49 times as of March 31, 2017. The net D/E ratio decreased to 0.09 times as of March 31, 2018 from 0.11 times as of March 31, 2017.

Total equity attributable to owners of the parent increased approximately ¥86,500 million to ¥933,088 million as of March 31, 2018 compared to March 31, 2017. Ratio of total equity attributable to owners of the parent to total assets increased to 52.8% as of March 31, 2018 from 50.4% as of March 31, 2017. This increase was mainly due to an increase in retained earnings of approximately ¥107,300 million as of March 31, 2018 compared to March 31, 2017.

Assets totaled approximately ¥39,400 million mainly consisting of trade and other receivables of approximately ¥7,900 million and liabilities totaled approximately ¥14,300 million consisting of trade and other payable of approximately ¥9,600 million brought by the acquisition of Secop Group (currently, Nidec Global Appliance Compressors, etc.) are included.

Overview of Cash Flow

(Yen in millions)

	Year ended March 31		Increase or decrease
	2017	2018	
Net cash provided by operating activities	129,853	175,568	45,715
Net cash used in investing activities	(211,476)	(113,915)	97,561
Free cash flow *1	(81,623)	61,653	143,276
Net cash provided by (used in) financing activities	95,848	(116,858)	(212,706)

(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 fiscal year came to a net cash inflow of ¥175,568 million. Compared to the previous fiscal year, the cash inflow from operating activities for this fiscal year increased approximately ¥45,700 million. This increase was mainly due to increases in accounts receivable net changes year on year of approximately ¥35,000 million and an increase of approximately ¥20,200 million of profit for the year. On the other hand, there was a decrease in inventories net changes year on year of approximately ¥19,000 million.

Cash flows from investing activities for this fiscal year came to a net cash outflow of ¥113,915 million. Compared to the previous fiscal year, the net cash outflow from investing activities for this fiscal year decreased approximately ¥97,600 million mainly due to a decrease in acquisitions of businesses, net cash acquired of approximately ¥119,800 million. On the other hand, there was an increase of property, plant and equipment of approximately ¥22,100 million.

As a result, we had a positive free cash flow of ¥61,653 million for this fiscal year, an increase of approximately ¥143,300 million compared to a negative free cash flow of ¥81,623 million for the previous fiscal year.

Cash flows from financing activities for this fiscal year came to a net cash outflow of ¥116,858 million. Compared to the previous fiscal year, the net cash outflow from financing activities for this fiscal year increased approximately ¥212,700 million mainly due to a decrease in short term borrowings net changes year on year of approximately ¥272,500 million and an increase in outflow from redemption of corporate bonds of approximately ¥15,000 million. On the other hand, inflow from issuance of corporate bonds and long term debt increased approximately ¥65,000 million and ¥25,400 million, respectively.

As a result of the foregoing factors and the impact of foreign exchange fluctuations of approximately negative ¥400 million, the balance of cash and cash equivalents as of March 31, 2018 decreased approximately ¥ 55,600 million to ¥ 265,947 million from March 31, 2017.

Reference:

	As of March 31, 2017	As of March 31, 2018
Ratio of total equity attributable to owners of the parent to total assets (%)(*1)	50.4	52.8
Total market value of NIDEC's shares to total assets (%)(*2)	187.2	274.2
Interest-bearing debt to net cash provided by operating activities (years) (*3)	3.2	2.0
Interest coverage ratio (times) (*4)	42.5	26.4

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

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

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

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

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

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

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

(3) Business Forecasts

In the world economy, while expectations are growing that major regions will sustain their economic growth, the room for optimism is limited as the U.S.-China trade conflict on the world economy, as well as the possible 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".

The forecasts for the year ending March 31, 2019 described below are prepared based on an assumption that exchange rates are US\$1 = ¥100 and €1 = ¥125.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2019

Net sales	¥1,575,000 million	(Up 105.8% compared to the previous fiscal year)
Operating profit	¥190,000 million	(Up 113.3% compared to the previous fiscal year)
Profit before income taxes	¥185,000 million	(Up 112.5% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥145,000 million	(Up 110.3% compared to the previous fiscal year)

Forecast of Consolidated Financial Performance for the Six Months Ending September 30, 2018

Net sales	¥750,000 million	(Up 104.8% compared to the same period of the previous fiscal year)
Operating profit	¥90,000 million	(Up 109.4% compared to the same period of the previous fiscal year)
Profit before income taxes	¥87,500 million	(Up 114.7% compared to the same period of the previous fiscal year)
Profit attributable to owners of the parent	¥70,000 million	(Up 117.0% compared to the same period of the previous fiscal year)

(Notes) 1. Consolidated performance is based on IFRS.

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥100 and €1 = ¥125.

Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC's expectations as a result of various factors.

(4) Basic Policy on Profit Distribution and Dividends for This Fiscal Year and the Next Fiscal Year

From the standpoint of upholding shareholder-oriented management, we strive to make the efforts mandated by our shareholders; namely, we aim to maintain and improve over the long term our dynamic growth, large revenues, high share price, advanced technology, and generous treatment of our workers. We also strive to present a vision for the future that is reflective of our constant and vigilant attention to the changing times. Fundamental to this stance of ours is our untiring and enduring commitment to growth. In our policy on profit distribution as well, we place importance on maintaining stable dividends, targeting a dividend payout ratio to around 30% of our consolidated profit for the year, and strive to improve dividends while keeping them commensurate with consolidated profit for the year.

At the same time, we work to improve revenues by utilizing internal reserves to further strengthen our operational structure and invest in business expansion.

1. Dividends for this fiscal year: Year-end dividend of ¥50 per share and annual dividend of ¥95 per share

The dividends for the year ended March 31, 2018 comprises, in addition to the interim dividend of ¥45 per share already paid, the scheduled year-end dividend of ¥50 per share. As a result, annual dividends are ¥95 per share, which makes the dividend payout ratio for this fiscal year, which is obtained by dividing total dividends for the year by profit for the year attributable to owners of the parent, 21.4%.

2. Dividends for the next fiscal year: Forecasted full-year dividend of ¥100 (an interim dividend of ¥50 per share and a year-end dividend of ¥50 per share)

Our current dividend forecast for the year ending March 31, 2019 is an annual dividend of ¥100 per share, comprising an interim dividend of ¥50 per share and a year-end dividend of ¥50 per share. Based on current forecasts, the dividend payout ratio for the fiscal year ending March 31, 2019, which is obtained as described above, is 20.4%.

2. Management Policies, Business Environment, and Challenges

(1) Basic Management Policies

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

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

(2) Management Targets

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

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

(3) NIDEC's Medium- to Long-term Business Strategies

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

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

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

As a critical part of the growth strategy of NIDEC, we plan to continue to actively seek M&A opportunities as we aim to achieve growth quickly and efficiently. In the fiscal year ended March 31, 2018, we successfully acquired companies formerly LGB Elettropompe s.r.l, Secop Group (currently, Nidec Global Appliance Compressors, etc.), Tokyo Maruzen Industry Co., Ltd., SV Probe Pte. Ltd., and driveXpert GmbH .

Furthermore, to improve our production engineering capabilities, we established Nidec Center for Industrial Science (NCIS) in October 2015 to engage in advanced development of new materials, engineering methods, robots and automation equipment, followed by the completion of NCIS's first-phase building in February 2018. Going forward, the entire facility will be improved as the Nidec group's central site for production engineering.

On another front, Global Learning Center, a training facility completed in March 2017, is now home to Nidec group employees who are trained to be capable of working globally to support Nidec's future global business expansion.

(4) Business Environment

In the world economy, while expectations are growing that major regions will sustain their economic growth, the room for optimism is limited as the U.S.-China trade conflict on the world economy, as well as the possible geopolitical and other risks in the East Asia, Europe, and the Middle East, may trigger a financial unrest. Since improved competitiveness is essential for NIDEC's sustainable growth, NIDEC has strived to launch new products with superior competitiveness, improved added value by employing new technologies, and improved cost competitiveness through better productivity realized through working style reforms.

(5) NIDEC's Challenges

1. Enhancing the Corporate Governance System

For this fiscal year ending March 31, 2019, NIDEC plans to have three independent outside members of the Audit and Supervisory Board and two independent outside members of the Board of Directors, five individuals in total, who will contribute to the carrying out of more lively discussions in the Meetings of the Board of Directors. With this system in the Meetings of the Board of Directors as a prime example, NIDEC is striving to further enhance corporate governance.

2. Building and Strengthening Global Management Infrastructure

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

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

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

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

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

3. Basic Rationale for Selection of Accounting Standards

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

4. Consolidated Financial Statements and Other Information

(1) Consolidated Statements of Financial Position

(Yen in millions)

	March 31, 2017		March 31, 2018		Increase or decrease
	Amounts	%	Amounts	%	
Assets					
Current assets					
Cash and cash equivalents	321,580		265,947		(55,633)
Trade and other receivables	348,897		388,741		39,844
Other financial assets	2,951		1,718		(1,233)
Income tax receivables	1,676		2,402		726
Inventories	196,827		227,792		30,965
Other current assets	28,302		31,463		3,161
Total current assets	900,233	53.6	918,063	51.9	17,830
Non-current assets					
Property, plant and equipment	399,739		447,323		47,584
Goodwill	218,786		234,116		15,330
Intangible assets	121,056		122,723		1,667
Investments accounted for using the equity method	1,125		1,112		(13)
Other investments	19,583		22,295		2,712
Other financial assets	3,764		5,464		1,700
Deferred tax assets	9,986		10,923		937
Other non-current assets	4,725		6,728		2,003
Total non-current assets	778,764	46.4	850,684	48.1	71,920
Total assets	1,678,997	100.0	1,768,747	100.0	89,750

(Yen in millions)

	March 31, 2017		March 31, 2018		Increase or decrease
	Amounts	%	Amounts	%	
Liabilities					
Current liabilities					
Short term borrowings	166,606		1,657		(164,949)
Long term debt due within one year	84,040		29,538		(54,502)
Trade and other payables	251,236		317,031		65,795
Other financial liabilities	1,844		1,557		(287)
Income tax payables	6,690		7,583		893
Provisions	25,210		28,498		3,288
Other current liabilities	63,398		61,771		(1,627)
Total current liabilities	599,024	35.7	447,635	25.3	(151,389)
Non-current liabilities					
Long term debt	161,785		314,602		152,817
Other financial liabilities	1,315		2,373		1,058
Retirement benefit liabilities	22,656		24,195		1,539
Provisions	3,614		4,544		930
Deferred tax liabilities	31,498		29,496		(2,002)
Other non-current liabilities	3,299		2,924		(375)
Total non-current liabilities	224,167	13.3	378,134	21.4	153,967
Total liabilities	823,191	49.0	825,769	46.7	2,578
Equity					
Common stock	87,784	5.2	87,784	5.0	-
Additional paid-in capital	118,340	7.1	118,136	6.7	(204)
Retained earnings	715,911	42.6	823,189	46.5	107,278
Other components of equity	(63,320)	(3.8)	(76,870)	(4.3)	(13,550)
Treasury stock	(12,143)	(0.7)	(19,151)	(1.1)	(7,008)
Total equity attributable to owners of the parent	846,572	50.4	933,088	52.8	86,516
Non-controlling interests	9,234	0.6	9,890	0.5	656
Total equity	855,806	51.0	942,978	53.3	87,172
Total liabilities and equity	1,678,997	100.0	1,768,747	100.0	89,750

**(2) Consolidated Statements of Income
and Consolidated Statements of Comprehensive Income
For the Years Ended March 31, 2017 and 2018
Consolidated Statements of Income**

(Yen in millions)

	Year ended March 31				Increase or decrease	
	2017		2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Net sales	1,199,311	100.0	1,488,090	100.0	288,779	24.1
Cost of sales	(913,680)	(76.2)	(1,130,926)	(76.0)	(217,246)	23.8
Gross profit	285,631	23.8	357,164	24.0	71,533	25.0
Selling, general and administrative expenses	(93,458)	(7.8)	(134,089)	(9.0)	(40,631)	43.5
Research and development expenses	(52,807)	(4.4)	(55,438)	(3.7)	(2,631)	5.0
Operating profit	139,366	11.6	167,637	11.3	28,271	20.3
Financial income	3,368	0.3	6,577	0.5	3,209	95.3
Financial expenses	(3,063)	(0.2)	(7,007)	(0.5)	(3,944)	128.8
Derivative gain (loss)	405	0.0	(275)	(0.0)	(680)	-
Foreign exchange differences	1,771	0.1	(2,590)	(0.2)	(4,361)	-
Share of net (loss) profit from associate accounting using the equity method	(534)	(0.0)	118	0.0	652	-
Profit before income taxes	141,313	11.8	164,460	11.1	23,147	16.4
Income tax expenses	(29,356)	(2.5)	(32,339)	(2.2)	(2,983)	10.2
Profit for the year	111,957	9.3	132,121	8.9	20,164	18.0
Profit for the year attributable to:						
Owners of the parent	111,007	9.3	131,434	8.8	20,427	18.4
Non-controlling interests	950	0.0	687	0.1	(263)	(27.7)
Profit for the year	111,957	9.3	132,121	8.9	20,164	18.0

Consolidated Statements of Comprehensive Income

(Yen in millions)

	Year ended March 31		Increase or decrease	
	2017	2018	Increase or decrease	
	Amounts	Amounts	Amounts	%
Profit for the year	111,957	132,121	20,164	18.0
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	761	425	(336)	(44.2)
Fair value movements on FVTOCI equity financial assets	2,694	2,093	(601)	(22.3)
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	(8,318)	(13,894)	(5,576)	-
Effective portion of net changes in fair value of cash flow hedges	1,118	399	(719)	(64.3)
Fair value movements on FVTOCI debt financial assets	(0)	(3)	(3)	-
Total other comprehensive income for the year, net of taxation	(3,745)	(10,980)	(7,235)	-
Comprehensive income for the year	108,212	121,141	12,929	11.9
Comprehensive income for the year attributable to:				
Owners of the parent	107,311	120,399	13,088	12.2
Non-controlling interests	901	742	(159)	(17.6)
Comprehensive income for the year	108,212	121,141	12,929	11.9

(3) Consolidated Statements of Changes in Equity

Year ended March 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, 2016	87,784	118,341	625,168	(56,159)	(12,111)	763,023	8,346	771,369
Comprehensive income								
Profit for the year			111,007			111,007	950	111,957
Other comprehensive income				(3,696)		(3,696)	(49)	(3,745)
Total comprehensive income						107,311	901	108,212
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(33)	(33)	-	(33)
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			3,464	(3,464)		-	-	-
Other		(1)		(1)	1	(1)	5	4
As of March 31, 2017	87,784	118,340	715,911	(63,320)	(12,143)	846,572	9,234	855,806

Year ended March 31, 2018

(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 year			131,434			131,434	687	132,121
Other comprehensive income				(11,035)		(11,035)	55	(10,980)
Total comprehensive income						120,399	742	121,141
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(7,008)	(7,008)	-	(7,008)
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			2,514	(2,514)		-	-	-
Other		(204)		(1)		(205)	(47)	(252)
As of March 31, 2018	87,784	118,136	823,189	(76,870)	(19,151)	933,088	9,890	942,978

(4) Consolidated Statements of Cash Flows

	Yen in millions		
	Year ended March 31		Increase or decrease
	2017	2018	
Cash flows from operating activities:			
Profit for the year	111,957	132,121	20,164
Adjustments to reconcile profit for the year to net cash provided by operating activities			
Depreciation	50,530	57,496	6,966
Amortization	9,207	10,924	1,717
(Gain) loss from sales, disposal or impairment of property, plant and equipment	(1,224)	372	1,596
Financial income	(163)	(23)	140
Share of net loss (profit) from associate accounting using the equity method	534	(118)	(652)
Deferred income taxes	580	(2,154)	(2,734)
Current income taxes	28,775	34,493	5,718
Foreign currency adjustments	(6,636)	(7,096)	(460)
(Decrease) increase in retirement benefit liability	(94)	915	1,009
Increase in accounts receivable	(65,582)	(30,632)	34,950
Increase in inventories	(5,942)	(24,916)	(18,974)
Increase in accounts payable	39,229	47,809	8,580
Other, net	(6,465)	(8,947)	(2,482)
Interests and dividends received	3,160	6,482	3,322
Interests paid	(3,052)	(6,647)	(3,595)
Income taxes paid	(24,961)	(34,511)	(9,550)
Net cash provided by operating activities	129,853	175,568	45,715
Cash flows from investing activities:			
Additions to property, plant and equipment	(68,718)	(90,841)	(22,123)
Proceeds from sales of property, plant and equipment	1,786	6,856	5,070
Additions to intangible assets	(3,494)	(9,544)	(6,050)
Acquisitions of business, net of cash acquired	(139,862)	(20,071)	119,791
Other, net	(1,188)	(315)	873
Net cash used in investing activities	(211,476)	(113,915)	97,561
Cash flows from financing activities:			
Increase (decrease) in short term borrowings	93,784	(178,724)	(272,508)
Proceeds from issuance of long term debt	58,707	84,062	25,355
Repayments of long term debt	(32,782)	(38,023)	(5,241)
Proceeds from issuance of corporate bonds	50,001	115,001	65,000
Redemption of corporate bonds	(50,000)	(65,000)	(15,000)
Purchase of treasury stock	(33)	(7,008)	(6,975)
Dividends paid to the owner of the parent	(23,728)	(26,670)	(2,942)
Other, net	(101)	(496)	(395)
Net cash provided by (used in) financing activities	95,848	(116,858)	(212,706)
Effect of exchange rate changes on cash and cash equivalents	1,413	(428)	(1,841)
Net increase (decrease) in cash and cash equivalents	15,638	(55,633)	(71,271)
Cash and cash equivalents at beginning of year	305,942	321,580	15,638
Cash and cash equivalents at end of year	321,580	265,947	(55,633)

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

Not applicable.

Notes to Consolidated Financial Statements

1. Reporting Entity

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

Consolidated financial statements as of March 31, 2018 and for the fiscal year then consist of the Company and its consolidated subsidiaries (NIDEC) and interests in associates of NIDEC.

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

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- 2) Automotive, 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 consolidated financial statements of NIDEC have been prepared in accordance with IFRS pursuant to the provision of Article 93 of Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

(2) Basis of Measurement

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

(3) Presentation Currency and Level of Rounding

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

(4) Early adoption of new IFRS standards

NIDEC has early adopted IFRS 9 “Financial Instruments” (amended in July 2014).

3. Significant Accounting Policies

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

4. Significant Accounting Estimates, Judgments and Assumptions

The preparation of the 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 reporting period and the reported amounts of income and expenses during the reporting period. 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.

Judgments and estimates with accompanying significant risks of causing material adjustments to the carrying amounts of assets and liabilities in next fiscal year are the same as those for the financial statements for the year ended March 31, 2017.

5. Business Combinations

NIDEC adopts the provisions of IFRS 3 “Business Combinations”. 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. in the previous fiscal year. 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. In addition, during the three months ended March 31, 2018, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Vamco International Inc. (currently, Nidec Vamco Corporation). 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.

During the three months ended March 31, 2018, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Tokyo Maruzen Industry Co., Ltd. in this fiscal year. In addition, NIDEC partly completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of SV Probe Pte. Ltd. Consolidated financial statements for the quarterly financial data in the fiscal year ended March 31, 2018 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2018, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on provisional management estimation as of March 31, 2018.

6. Operating Segment Information

(Yen in millions)

Name	Year ended March 31				Increase or decrease		
	2017		2018		Amounts	%	
	Amounts	%	Amounts	%			
Net Sales	Nidec Corporation	218,648	13.3	222,689	11.5	4,041	1.8
	Nidec Electronics (Thailand)	127,122	7.8	130,832	6.8	3,710	2.9
	Nidec Singapore	53,470	3.3	50,853	2.6	(2,617)	(4.9)
	Nidec (H.K.)	133,300	8.1	125,980	6.5	(7,320)	(5.5)
	Nidec Sankyo	136,161	8.3	150,282	7.7	14,121	10.4
	Nidec Copal	46,676	2.8	51,028	2.6	4,352	9.3
	Nidec Techno Motor	67,017	4.1	88,599	4.6	21,582	32.2
	Nidec Motor	249,419	15.2	435,586	22.5	186,167	74.6
	Nidec Motors & Actuators	266,091	16.2	302,824	15.6	36,733	13.8
	Others	343,826	20.9	380,552	19.6	36,726	10.7
	Sub-total	1,641,730	100.0	1,939,225	100.0	297,495	18.1
	Adjustments and eliminations/Corporate	(442,419)	-	(451,135)	-	(8,716)	-
Consolidated total	1,199,311	-	1,488,090	-	288,779	24.1	
Operating profit(loss)	Nidec Corporation	16,556	10.5	25,381	13.4	8,825	53.3
	Nidec Electronics (Thailand)	18,792	11.9	18,380	9.7	(412)	(2.2)
	Nidec Singapore	704	0.4	797	0.4	93	13.2
	Nidec (H.K.)	1,698	1.1	1,248	0.7	(450)	(26.5)
	Nidec Sankyo	19,408	12.3	21,661	11.5	2,253	11.6
	Nidec Copal	4,628	2.9	4,674	2.5	46	1.0
	Nidec Techno Motor	7,879	5.0	9,363	5.0	1,484	18.8
	Nidec Motor	20,251	12.8	31,129	16.4	10,878	53.7
	Nidec Motors & Actuators	29,572	18.8	34,932	18.4	5,360	18.1
	Others	38,425	24.3	41,567	22.0	3,142	8.2
	Sub-total	157,913	100.0	189,132	100.0	31,219	19.8
	Adjustments and eliminations/Corporate	(18,547)	-	(21,495)	-	(2,948)	-
Consolidated total	139,366	-	167,637	-	28,271	20.3	

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

2. Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were consolidated in the three months ended March 31, 2017 and Nidec Global Appliance Compressors which was consolidated in the three months ended September 30, 2017 have been included in the Nidec Motor segment.

7. Earnings per share

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

There were no potentially dilutive common shares outstanding.

	Years ended March 31	
	2017	2018
Profit attributable to owners of the parent (Yen in millions)	111,007	131,434
Weighted average shares (Shares)	296,599,414	296,064,943
Earnings per share attributable to owners of the parent - basic (Yen)	374.27	443.94

8. Events after the Reporting Period

A stock purchase agreement of Whirlpool Corporation's Compressor Businesses ("Embraco"), a U.S. Manufacturer

NIDEC has agreed to acquire the compressor businesses ("Embraco") of Whirlpool Corporation ("Whirlpool") (the "Transaction"). For this purpose, NIDEC entered into a stock purchase agreement on April 24, 2018 (Japan time).

1. Purpose	Embraco develops, manufactures and sells refrigeration compressors and electronic components. Through the Transaction, NIDEC is able to strengthen its refrigeration compressor business and expand its product reach and geographic footprint by gaining mutual complement of Embraco and Nidec Global Appliance Compressors. In addition, ever stricter environmental regulations in major regions like Europe, the Americas and China are stimulating customers demand for DC compressors. In addition to Embraco's excellent technologies for DC compressors, NIDEC's best in class brushless DC motor technology is expected to be utilized widely. Furthermore, because motors and compressors have similarities in terms of the nature of components used, Nidec Global Appliance Division expects to reduce procurement costs (to be benefit of customers) by taking advantage of synergies of the Nidec group's purchase capabilities.
2. Acquisition method and schedule	NIDEC utilizes its cash on hand and debt finance for funding. Closing of the Transaction is to be completed within 1st half of FY2019. (The Transaction will be filed for approval with a number of antitrust authorities. Also, the closing may be deferred in some regions.)
3. Purchase price	US\$1,080 million (on a cash and debt-free enterprise value basis)

Agreements on share acquisition of Genmark Automation, Inc., a U.S. Semiconductor Wafer Handling Robot Manufacturer

Nidec Sankyo Corporation ("Nidec Sankyo"), the NIDEC's subsidiary, has agreed to acquire 100% equity shares of Genmark Automation, Inc. ("Genmark") through Genmark Sub Corporation (the "Transaction"). For this purpose, Nidec Sankyo entered into agreements on share acquisition on April 24, 2018.

1. Purpose	Genmark develops, manufactures and sells semiconductor wafer handling robots, motion control products and integrated tool automation. Through the Transaction, Nidec Sankyo will utilize Genmark's product development, production capabilities and network to strengthen its product lineup and global network. Also Nidec Sankyo will conduct sales activities utilizing customer bases of both Nidec Sankyo and Genmark. NIDEC aims to further grow by capturing demand of expanding semiconductor market.
2. Acquisition method and schedule	NIDEC utilizes its cash on hand for funding. Closing of the Transaction is to be completed early May 2018.

5. Others

(1) Changes in Directors

1. Proposed changes regarding Representative Directors
Not applicable.

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

1) Candidates to the Board of Directors (effective as of June 20, 2018)

Teiichi Sato (former post: Vice Minister of Education, Science, Sports and Culture)

Osamu Shimizu (current post: Professor, Graduate School of Political Science, Waseda University; former post: Vice Minister for Policy Coordination)

(Note) Mr. Teiichi Sato and Mr. Osamu Shimizu are candidates for the posts of Outside Board Members (Independent Officers).

2) Outgoing Members of the Board of Directors (effective as of June 20, 2018)

Kiyoto Ido (current post: Outside Board Member)

Noriko Ishida (current post: Outside Board Member)

3) Candidate to the Audit & Supervisory Board (effective as of June 20, 2018)

Hiroyuki Ochiai (current post: General Manager, General Affairs Department)

(Note) Mr. Hiroyuki Ochiai is expected to assume the office as a Fulltime Member of the Audit & Supervisory Board as of the above date.

4) Outgoing Audit & Supervisory Board Member (effective as of June 20, 2018)

Osamu Narumiya (current post: Fulltime Member of the Audit & Supervisory Board)

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

For the Three Months Ended March 31, 2017 and 2018

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Three months ended March 31				Increase or decrease	
	2017		2018			
	Amounts	%	Amounts	%	Amounts	%
Net sales	331,083	100.0	382,169	100.0	51,086	15.4
Cost of sales	(254,672)	(76.9)	(293,108)	(76.7)	(38,436)	15.1
Gross profit	76,411	23.1	89,061	23.3	12,650	16.6
Selling, general and administrative expenses	(29,171)	(8.8)	(33,854)	(8.8)	(4,683)	16.1
Research and development expenses	(14,047)	(4.3)	(14,432)	(3.8)	(385)	2.7
Operating profit	33,193	10.0	40,775	10.7	7,582	22.8
Financial income	1,092	0.3	1,980	0.5	888	81.3
Financial expenses	(1,252)	(0.4)	(1,888)	(0.5)	(636)	50.8
Derivative loss	(841)	(0.2)	(968)	(0.2)	(127)	-
Foreign exchange differences	1,366	0.4	5,096	1.3	3,730	273.1
Share of net profit from associate accounting using the equity method	8	0.0	7	0.0	(1)	(12.5)
Profit before income taxes	33,566	10.1	45,002	11.8	11,436	34.1
Income tax expenses	(3,925)	(1.1)	(7,935)	(2.1)	(4,010)	102.2
Profit for the period	29,641	9.0	37,067	9.7	7,426	25.1
Profit for the period attributable to:						
Owners of the parent	29,390	8.9	36,917	9.7	7,527	25.6
Non-controlling interests	251	0.1	150	0.0	(101)	(40.2)
Profit for the period	29,641	9.0	37,067	9.7	7,426	25.1

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Three months ended March 31		Increase or decrease	
	2017	2018		
	Amounts	Amounts	Amounts	%
Profit for the period	29,641	37,067	7,426	25.1
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	943	497	(446)	(47.3)
Fair value movements on FVTOCI equity financial assets	327	(1,452)	(1,779)	-
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	(18,212)	(50,282)	(32,070)	-
Effective portion of net changes in fair value of cash flow hedges	924	28	(896)	(97.0)
Fair value movements on FVTOCI debt financial assets	2	(2)	(4)	-
Total other comprehensive income for the period, net of taxation	(16,016)	(51,211)	(35,195)	-
Comprehensive income for the period	13,625	(14,144)	(27,769)	-
Comprehensive income for the period attributable to:				
Owners of the parent	13,265	(13,899)	(27,164)	-
Non-controlling interests	360	(245)	(605)	-
Comprehensive income for the period	13,625	(14,144)	(27,769)	-

(3) Quarterly Financial Data for This Fiscal Year

(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	38,867	11.3	43,434	11.7	44,561	11.4
Profit before income taxes	36,171	10.5	40,148	10.8	43,139	11.1
Profit for the period	28,181	8.2	31,968	8.6	34,905	8.9
Profit attributable to owners of the parent	28,077	8.2	31,762	8.5	34,678	8.9

(4) Information by Product Category

Year ended March 31, 2017

(Yen in millions)

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
External sales	437,105	572,085	122,341	64,072	3,708	1,199,311	-	1,199,311
Intersegment	2,310	5,664	9,208	5,915	1,521	24,618	(24,618)	-
Total	439,415	577,749	131,549	69,987	5,229	1,223,929	(24,618)	1,199,311
Operating expenses	371,486	520,629	109,758	60,125	4,670	1,066,668	(6,723)	1,059,945
Operating profit	67,929	57,120	21,791	9,862	559	157,261	(17,895)	139,366

Year ended March 31, 2018

(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	452,376	814,002	146,561	70,976	4,175	1,488,090	-	1,488,090
Intersegment	2,706	7,139	15,141	8,239	1,816	35,041	(35,041)	-
Total	455,082	821,141	161,702	79,215	5,991	1,523,131	(35,041)	1,488,090
Operating expenses	382,368	741,755	134,283	69,495	5,417	1,333,318	(12,865)	1,320,453
Operating profit	72,714	79,386	27,419	9,720	574	189,813	(22,176)	167,637

Three months ended March 31, 2017

(Yen in millions)

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
External sales	106,239	171,376	35,731	16,765	972	331,083	-	331,083
Intersegment	556	1,362	2,789	1,619	426	6,752	(6,752)	-
Total	106,795	172,738	38,520	18,384	1,398	337,835	(6,752)	331,083
Operating expenses	91,002	157,768	32,530	16,304	1,282	298,886	(996)	297,890
Operating profit	15,793	14,970	5,990	2,080	116	38,949	(5,756)	33,193

Three months ended March 31, 2018

(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	107,337	215,774	40,692	17,281	1,085	382,169	-	382,169
Intersegment	721	1,812	3,739	2,310	468	9,050	(9,050)	-
Total	108,058	217,586	44,431	19,591	1,553	391,219	(9,050)	382,169
Operating expenses	92,048	196,942	36,517	17,944	1,411	344,862	(3,468)	341,394
Operating profit	16,010	20,644	7,914	1,647	142	46,357	(5,582)	40,775

(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.

(5) Sales by Geographic Segment

(Yen in millions)

	Year ended March 31, 2017		Year ended March 31, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	283,178	23.6%	306,445	20.6%	23,267	8.2%
U.S.A.	208,964	17.4%	253,643	17.0%	44,679	21.4%
Singapore	57,733	4.8%	57,255	3.9%	(478)	(0.8)%
Thailand	105,897	8.8%	130,756	8.8%	24,859	23.5%
Germany	89,574	7.5%	129,771	8.7%	40,197	44.9%
China	293,059	24.5%	351,155	23.6%	58,096	19.8%
Others	160,906	13.4%	259,065	17.4%	98,159	61.0%
Total	1,199,311	100.0%	1,488,090	100.0%	288,779	24.1%

(Yen in millions)

	Three months ended March 31, 2017		Three months ended March 31, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	74,509	22.5%	77,173	20.2%	2,664	3.6%
U.S.A.	70,899	21.4%	67,666	17.7%	(3,233)	(4.6)%
Singapore	13,121	4.0%	14,233	3.7%	1,112	8.5%
Thailand	28,408	8.6%	34,209	9.0%	5,801	20.4%
Germany	25,674	7.7%	37,869	9.9%	12,195	47.5%
China	74,016	22.4%	83,575	21.9%	9,559	12.9%
Others	44,456	13.4%	67,444	17.6%	22,988	51.7%
Total	331,083	100.0%	382,169	100.0%	51,086	15.4%

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

(6) Sales by Region

(Yen in millions)

	Year ended March 31, 2017		Year ended March 31, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	231,079	19.3%	278,995	18.8%	47,916	20.7%
Asia	592,212	49.4%	705,570	47.4%	113,358	19.1%
Europe	164,350	13.7%	259,471	17.4%	95,121	57.9%
Others	21,557	1.8%	29,874	2.0%	8,317	38.6%
Overseas total	1,009,198	84.2%	1,273,910	85.6%	264,712	26.2%
Japan	190,113	15.8%	214,180	14.4%	24,067	12.7%
Total	1,199,311	100.0%	1,488,090	100.0%	288,779	24.1%

(Yen in millions)

	Three months ended March 31, 2017		Three months ended March 31, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	63,969	19.3%	71,850	18.8%	7,881	12.3%
Asia	154,305	46.6%	176,821	46.3%	22,516	14.6%
Europe	55,131	16.7%	72,619	19.0%	17,488	31.7%
Others	7,081	2.1%	7,027	1.8%	(54)	(0.8)%
Overseas total	280,486	84.7%	328,317	85.9%	47,831	17.1%
Japan	50,597	15.3%	53,852	14.1%	3,255	6.4%
Total	331,083	100.0%	382,169	100.0%	51,086	15.4%

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

6. Overview of Consolidated Financial Results

24 April, 2018

(1) Summary of Consolidated Financial Performance

(Yen in millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Increase or decrease	Three months ended March 31, 2017	Three months ended March 31, 2018	Increase or decrease
Net Sales	1,199,311	1,488,090	24.1%	331,083	382,169	15.4%
Operating profit	139,366 11.6%	167,637 11.3%	20.3%	33,193 10.0%	40,775 10.7%	22.8%
Profit before income taxes	141,313 11.8%	164,460 11.1%	16.4%	33,566 10.1%	45,002 11.8%	34.1%
Profit attributable to owners of the parent	111,007 9.3%	131,434 8.8%	18.4%	29,390 8.9%	36,917 9.7%	25.6%
Earnings per share attributable to owners of the parent - basic (Yen)	374.27	443.94		99.09	124.71	
Earnings per share attributable to owners of the parent - diluted (Yen)	-	-		-	-	

(2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	March 31, 2017	March 31, 2018
Total assets	1,678,997	1,768,747
Total equity attributable to owners of the parent	846,572	933,088
Ratio of equity attributable to owners of the parent to total asset	50.4%	52.8%
	Year ended March 31, 2017	Year ended March 31, 2018
Net cash provided by operating activities	129,853	175,568
Net cash used in investing activities	(211,476)	(113,915)
Net cash provided by (used in) financing activities	95,848	(116,858)
Cash and cash equivalents at end of period	321,580	265,947

(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 ended March 31, 2018 (actual)	45.00	50.00	95.00
Year ending March 31, 2019 (target)	50.00	50.00	100.00

(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	
Number of consolidated subsidiaries	(Increase)	23
	(Decrease)	9
Number of associates accounted for under the equity method	(Increase)	-
	(Decrease)	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 December 31, 2017.

Consolidated financial statements for the year ended March 31, 2017 and condensed quarterly consolidated financial statements for the three months 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.

3. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2018.

Consolidated financial statements 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.