


Financial Statements Summary for the Nine Months Ended December 31, 2019 [IFRS](Consolidated)

January 23, 2020

Company name: NIDEC CORPORATION URL <https://www.nidec.com/en/>
 Stock listing: Tokyo Stock Exchange - First Section
 Code number: 6594
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Scheduled date of filing of Japanese quarterly report: February 13, 2020

Scheduled date of dividend payable: -

Supplemental materials for quarterly results: Yes

Quarterly earning presentation held: Yes

(Amount Unit: Yen in Millions, unless otherwise indicated)
 (Amounts are rounded to nearest million yen)

1. Consolidated Financial Results for the Nine Months ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the period	
		%		%		%		%		%
For the nine months ended December 31, 2019	1,159,608	3.3	94,754	(23.9)	94,600	(25.1)	50,507	(50.9)	34,284	(68.6)
For the nine months ended December 31, 2018	1,122,413	-	124,522	-	126,223	-	102,842	-	109,041	-

	Earnings per share attributable to owners of the parent-basic (Yen)	Earnings per share attributable to owners of the parent-diluted (Yen)
For the nine months ended December 31, 2019	171.62	-
For the nine months ended December 31, 2018	348.64	-

(Notes) 1. "Earnings per share attributable to owners of the parent-basic" and "Earnings per share attributable to owners of the parent-diluted" have been calculated based on figures of "Profit attributable to owners of the parent".

2. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets
As of December 31, 2019	2,200,975	1,019,776	996,216	45.3%
As of March 31, 2019	1,882,694	1,020,092	997,258	53.0%

2. Dividends

	Dividends per share (Yen)				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Fiscal year end	Total
Year ended March 31, 2019	-	50.00	-	55.00	105.00
Year ending March 31, 2020	-	55.00	-		
Year ending March 31, 2020 (Forecast)				60.00	115.00

(Note) Revision of previously announced dividend targets during this reporting period: None

3. Forecast of Consolidated Financial Performance for the Year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent-basic
		%		%		%		%	(Yen)
Fiscal year end	1,550,000	5.1	140,000	7.8	140,000	7.3	85,000	(23.0)	288.83

(Note) Revision of the previously announced financial performance forecast during this reporting period: Yes

Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation) : Yes (Newly consolidated) 3 companies
 NIDEC COMPRESSOR (BEIJING) CO., LTD.
 Ealing Compania de Gestiones y Participaciones SA
 Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.

(2) Changes in Accounting Policies and Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS : Yes
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):
 As of December 31, 2019: 298,142,234 As of March 31, 2019: 298,142,234
2. Number of treasury stock at the end of the period:
 As of December 31, 2019: 3,849,497 As of March 31, 2019: 3,848,312
3. Weighted-average number of shares outstanding during the period:
 For the nine months ended December 31, 2019: 294,293,374 For the nine months ended December 31, 2018: 294,979,958

*This quarterly report is not subject to quarterly review procedures by certified public accountants or an auditing firm.

*Explanation for appropriate use of forecast and other notes

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. For the assumptions used and other notes, please refer to “1. Overview of Operating Results, Etc. (3). Explanation Regarding Future Forecast Information of Consolidated Financial Results” on page 12.

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 year ended March 31, 2019 and the nine months ended December 31, 2019. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the same period of the previous year is also reclassified similarly.

Investor presentation materials relating to our financial results for the nine months ended December 31, 2019 are expected to be published on our corporate website on January 23, 2020.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Nine Months Ended December 31, 2019

1. Overview of Business Environment for the Nine Months Ended December 31, 2019

During the nine months ended December 31, 2019, the global economy saw the U.S. economy continue its expansion for the longest time in the post-World War II period, though decelerating after peaking in the middle of 2018. While the ongoing U.S.-China trade friction has calmed down temporarily after, among other factors, the partial agreement out of consideration to the U.S. economy ahead of the November 2020 presidential election in the U.S., geopolitical risks are on the rise as the country's confrontation with Iran continues. In the meantime, the Chinese economy is slowing down. Though it seems to have already hit the bottom after recent economic stimulus measures, the country's problems with excessive debts, non-performing loans, and human rights issues in Hong Kong and the Xinjiang Uighur Autonomous Region among others are making the country's economic outlook uncertain. Europe, susceptible to the Chinese economy, is showing signs of recovery after the Britain's secession from the European Union (the Brexit) has once settled, while the Japanese economy, though on a modest recovery, continues to be plagued with an uncertain future outlook, among other factors, the impact of the ongoing U.S.-China trade friction and concerns over the yen's appreciation due to heightened geopolitical risks.

In addition, NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco by European Commission. In accordance with this order, in April 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on condensed quarterly consolidated statements of income. In September 2019, NIDEC completed share transfer of Secop and there was ¥19,131 million of the loss from discontinued operations for the nine months ended December 31, 2019.

2. Consolidated Operating Results

Consolidated Operating Results for the Nine Months Ended December 31, 2019 (“this nine-month period”), Compared to the Nine Months Ended December 31, 2018 (“the same period of the prior year”)

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales	1,122,413	1,159,608	37,195	3.3%
Operating profit	124,522	94,754	(29,768)	(23.9)%
Operating profit ratio	11.1%	8.2%	-	-
Profit before income taxes	126,223	94,600	(31,623)	(25.1)%
Profit for the period from continuing operations	99,370	71,044	(28,326)	(28.5)%
Profit (loss) for the period from discontinued operations	4,114	(19,131)	(23,245)	-
Profit attributable to owners of the parent	102,842	50,507	(52,335)	(50.9)%

Consolidated net sales from continuing operations increased 3.3% to ¥1,159,608 million for this nine-month period compared to the same period of the prior year, despite lower sales by approximately ¥32,800 million due to the impact of foreign exchange fluctuations. Net sales from continuing operations for this nine-month period renewed the highest record of the nine-month consolidated accounting period. Operating profit decreased 23.9% to ¥94,754 million compared to the same period of the prior year mainly due to the decrease in profit of approximately ¥7,900 million by the impact of foreign exchange fluctuations, the additional expenses of approximately ¥12,000 million as the upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and approximately ¥3,000 million of the additional temporary cost of acquisition. The average exchange rate between the Japanese yen and the U.S. dollar for this nine-month period was ¥108.67 to the U.S. dollar, which reflected an approximately 2% appreciation 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 ¥121.05 to the Euro, which reflected an approximately 7% appreciation of the Japanese yen against the Euro, compared to the same period of the prior year.

Profit before income taxes decreased 25.1% to ¥94,600 million and profit for the period from continuing operations decreased 28.5% to ¥71,044 million compared to the same period of the prior year, respectively.

Profit attributable to owners of the parent, including profit (loss) for the period from discontinued operations, decreased 50.9% to ¥50,507 million, due to the loss of ¥19,131 million as sales of the business of compressor for refrigerator of Secop and others.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2019 and the nine months ended December 31, 2019. Condensed quarterly consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations. The result for the same period of the previous year is also reclassified similarly.

Operating Results by Product Category for This Nine-Month Period Compared to the Same Period of the Previous Year

Small precision motors

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales to external customers	343,253	334,932	(8,321)	(2.4)%
Spindle motors for hard disk drives (HDDs)	142,153	117,185	(24,968)	(17.6)%
Other small precision motors	201,100	217,747	16,647	8.3%
Operating profit	51,976	40,537	(11,439)	(22.0)%
Operating profit ratio	15.1%	12.1%	-	-

Net sales of this category decreased 2.4% to ¥334,932 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 negative effect on net sales of this category by approximately ¥9,400 million for this nine-month period compared to the same period of the prior year.

Net sales of spindle motors for HDDs decreased 17.6% to ¥117,185 million for this nine-month period compared to the same period of the prior year. The number of units sold of spindle motors for HDDs for this nine-month period decreased approximately 20.4% compared to the same period of the prior year. Net sales of other small precision motors increased 8.3% to ¥217,747 million compared to the same period of the prior year.

Operating profit of this category decreased 22.0% to ¥40,537 million for this nine-month period compared to the same period of the prior year, due to a decrease of the number of units of spindle motors for HDDs and other factors. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥5,600 million.

Automotive products

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales to external customers	223,766	243,021	19,255	8.6%
Operating profit	28,597	18,890	(9,707)	(33.9)%
Operating profit ratio	12.8%	7.8%	-	-

Net sales of this category increased 8.6% to ¥243,021 million compared to the same period of the previous year, due to the impact of the acquisition of OMRON Automotive Electronics Co. Ltd. (“NIDEC MOBILITY CORPORATION”), and the higher sales of products fully mass-produced traction motors at their plants. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥8,800 million for this nine-month period compared to the same period of the previous year.

Operating profit of this category decreased 33.9% to ¥18,890 million compared to the same period of the prior year, mainly due to having recognized approximately ¥12,000 million of the additional upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and the negative impact of unfavorable foreign exchange rates of approximately ¥1,900 million.

Appliance, commercial and industrial products

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales to external customers	370,851	417,580	46,729	12.6%
Operating profit	31,024	27,440	(3,584)	(11.6)%
Operating profit ratio	8.4%	6.6%	-	-

Net sales of this category increased 12.6% to ¥417,580 million for this nine-month period compared to the same period of the prior year, primarily due to the impact of the acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥9,900 million for this nine-month period compared to the same period of the previous year.

Operating profit of this category decreased 11.6% to ¥27,440 million, due to having recognized approximately ¥3,500 million of additional temporary expenses for the acquisition cost of Embraco to promote our modularization strategy and other expenses. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥30 million for this nine-month period compared to the same period of the previous year.

Machinery

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales to external customers	124,946	115,213	(9,733)	(7.8)%
Operating profit	21,414	17,487	(3,927)	(18.3)%
Operating profit ratio	17.1%	15.2%	-	-

Net sales of this category decreased 7.8% to ¥115,213 million, due to lower sales in LCD panel handling robots and speed reducers and other factors, despite the impact of newly consolidated subsidiaries. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,700 million for this nine-month period compared to the same period of the previous year.

Operating profit of this category decreased 18.3% to ¥17,487 million, mainly due to the lower sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥300 million for this nine-month period compared to the same period of the previous year.

Electronic and optical components

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales to external customers	56,166	45,400	(10,766)	(19.2)%
Operating profit	6,472	3,345	(3,127)	(48.3)%
Operating profit ratio	11.5%	7.4%	-	-

Net sales of this category decreased 19.2% to ¥45,400 million. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,000 million for this nine-month period compared to the same period of the previous year.

Operating profit of this category decreased 48.3% to ¥3,345 million mainly due to the decrease in sales. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for this nine-month period compared to the same period of the previous year.

Other products*(Yen in millions)*

	For the nine months ended December 31,		Increase or decrease	Ratio of change
	2018	2019		
Net sales to external customers	3,431	3,462	31	0.9%
Operating profit	553	510	(43)	(7.8)%
Operating profit ratio	16.1%	14.7%	-	-

Net sales of this category increased 0.9% to ¥3,462 million and operating profit of this category decreased 7.8% to ¥510 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, 2019 (“3Q”),
Compared to the Previous Three Months Ended September 30, 2019 (“2Q”)**

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales	390,403	408,331	17,928	4.6%
Operating profit	34,374	32,654	(1,720)	(5.0)%
Operating profit ratio	8.8%	8.0%	-	-
Profit before income taxes	32,614	30,957	(1,657)	(5.1)%
Profit for the period from continuing operations	24,890	22,413	(2,477)	(10.0)%
Profit (loss) for the period from discontinued operations	(174)	824	998	-
Profit attributable to owners of the parent	24,139	23,020	(1,119)	(4.6)%

Consolidated net sales from continuing operations increased 4.6% to ¥408,331 million for 3Q compared to 2Q. Net sales from continuing operations for 3Q renewed the highest record of the quarterly consolidated accounting period. Operating profit decreased 5.0% to ¥32,654 million compared to 2Q due to having recognized such additional expenses as the upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of approximately ¥1,500 million and others. The average exchange rate between the Japanese yen and the U.S. dollar for 3Q was ¥108.76 to the U.S. dollar, which reflected an approximately 1% depreciation of the Japanese yen against the U.S. dollar, compared to 2Q. The average exchange rate between the Japanese yen and the Euro for 3Q was ¥120.32 to the Euro, which reflected an approximately 1% depreciation of the Japanese yen against the Euro, compared to 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥4,800 million and on operating profit by approximately ¥500 million for 3Q compared to 2Q.

Profit before income taxes decreased 5.1% to ¥30,957 million and profit for the period from continuing operations decreased 10.0% to ¥22,413 million compared to 2Q, respectively.

Profit attributable to owners of the parent, including Profit (loss) for the period from discontinued operations, decreased 4.6% to ¥23,020 million for 3Q compared to 2Q due to the decrease in the loss of the sales of Secop compressor business for refrigerators.

NIDEC finalized the provisional accounting treatment for the business combination in the nine months ended December 31, 2019. Condensed quarterly consolidated financial statements for the three months ended September 30, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.

Operating Results by Product Category for 3Q Compared to 2Q

Small precision motors

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales to external customers	111,804	115,122	3,318	3.0%
Spindle motors for hard disk drives (HDDs)	39,606	39,571	(35)	(0.1)%
Other small precision motors	72,198	75,551	3,353	4.6%
Operating profit	14,495	15,548	1,053	7.3%
Operating profit ratio	13.0%	13.5%	-	-

Net sales of this category increased 3.0% to ¥115,122 million and the impact of foreign exchange increased sales by approximately ¥1,600 million from 2Q.

Net sales of spindle motors for HDDs decreased 0.1% to ¥39,571 million for 3Q compared to 2Q. The number of units sold of spindle motors for HDDs for 3Q decreased approximately 3.7% compared to 2Q. Net sales of other small precision motors for 3Q increased 4.6% to ¥75,551 million compared to 2Q.

Operating profit of this category increased 7.3% to ¥15,548 million for 3Q compared to 2Q, due to the increase in sales and other factors. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for 3Q compared to 2Q.

Automotive products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales to external customers	75,344	92,189	16,845	22.4%
Operating profit	6,815	5,308	(1,507)	(22.1)%
Operating profit ratio	9.0%	5.8%	-	-

Net sales of this category increased 22.4% to ¥92,189 million for 3Q compared to 2Q mainly due to the impact of the acquisition of NIDEC MOBILITY CORPORATION. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥500 million for 3Q compared to 2Q.

Operating profit of this category decreased 22.1% to ¥5,308 million for 3Q compared to 2Q due to having recognized the temporary expense of approximately ¥700 million for the acquisition of NIDEC MOBILITY CORPORATION and the decrease in sales of the consolidated subsidiaries except the new ones, and others. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥400 million for 3Q compared to 2Q.

Appliance, commercial and industrial products

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales to external customers	147,571	147,000	(571)	(0.4)%
Operating profit	10,069	8,696	(1,373)	(13.6)%
Operating profit ratio	6.8%	5.9%	-	-

Net sales of this category decreased 0.4% to ¥147,000 million for 3Q compared to 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥2,100 million for 3Q compared to 2Q.

Operating profit of this category decreased 13.6% to ¥8,696 million due to the decrease in sales and the increase in research and development expenses, and others. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥100 million for 3Q compared to 2Q.

Machinery

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales to external customers	38,894	38,233	(661)	(1.7)%
Operating profit	5,972	6,114	142	2.4%
Operating profit ratio	15.4%	16.0%	-	-

Net sales of this category decreased 1.7% to ¥38,233 million for 3Q compared to 2Q due to the decrease in sales of speed reducers, and others.

Despite the lower sales, operating profit of this category increased 2.4% to ¥6,114 million for 3Q compared to 2Q due to the transfer of the sales rights of some businesses and others.

Electronic and optical components

(Yen in millions)

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales to external customers	15,635	14,595	(1,040)	(6.7)%
Operating profit	1,097	957	(140)	(12.8)%
Operating profit ratio	7.0%	6.6%	-	-

Net sales of this category decreased 6.7% to ¥14,595 million for 3Q compared to 2Q and operating profit of this category decreased 12.8% to ¥957 million for 3Q compared to 2Q mainly due to the decrease in sales.

Other products*(Yen in millions)*

	For the three months ended		Increase or decrease	Ratio of change
	September 30, 2019	December 31, 2019		
Net sales to external customers	1,155	1,192	37	3.2%
Operating profit	144	178	34	23.6%
Operating profit ratio	12.5%	14.9%	-	-

Net sales of this category increased 3.2% from 2Q to ¥1,192 million and operating profit of this category increased 23.6% to ¥178 million.

(2) Financial Position

(Yen in millions)

	As of March 31, 2019	As of December 31, 2019	Increase or decrease
Total assets	1,882,694	2,200,975	318,281
Total liabilities	862,602	1,181,199	318,597
Total equity attributable to owners of the parent	997,258	996,216	(1,042)
Interest-bearing debt *1	372,761	608,222	235,461
Net interest-bearing debt *2	130,494	388,408	257,914
Debt ratio (%) *3	19.8	27.6	7.8
Debt to equity ratio (“D/E ratio”) (times) *4	0.37	0.61	0.24
Net D/E ratio (times) *5	0.13	0.39	0.26
Ratio of total equity attributable to owners of the parent to total assets (%) *6	53.0	45.3	(7.7)

(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 statements 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 ¥318,281 million to ¥2,200,975 million as of December 31, 2019 compared to March 31, 2019. This was mainly due to increases of ¥126,204 million in goodwill, ¥115,629 million in property, plant and equipment, and ¥50,910 million in trade and other receivables.

Total liabilities increased ¥318,597 million to ¥1,181,199 million as of December 31, 2019 compared to March 31, 2019. This was mainly due to an increase of ¥235,461 million in interest-bearing debt. Specifically, short term borrowings increased ¥90,452 million to ¥107,846 million, long term debt due within one year decreased ¥9,530 million to ¥85,809 million and long term debt increased ¥154,539 million to ¥414,567 million as of December 31, 2019 compared to March 31, 2019.

As a result, net interest-bearing debt increased to ¥388,408 million as of December 31, 2019 from ¥130,494 million as of March 31, 2019. The debt ratio that includes lease liabilities increased to 27.6% as of December 31, 2019 from 19.8% as of March 31, 2019. The D/E ratio increased to 0.61 times as of December 31, 2019 from 0.37 times as of March 31, 2019. The net D/E ratio increased to 0.39 times as of December 31, 2019 from 0.13 times as of March 31, 2019.

Total equity attributable to owners of the parent decreased ¥1,042 million to ¥996,216 million as of December 31, 2019 compared to March 31, 2019. Ratio of total equity attributable to owners of the parent to total assets decreased to 45.3% as of December 31, 2019 from 53.0% as of March 31, 2019. This was mainly due to decreases in other components of equity of ¥17,562 million caused mainly by foreign currency translation adjustments and others, and in additional paid-in capital of ¥1,924 million caused by acquisition of interests in subsidiaries from non-controlling interests. On the other hand, there was an increase in retained earnings of ¥18,461 million as of December 31, 2019 compared to March 31, 2019.

NIDEC finalized the provisional accounting treatment for the business combination in the nine months ended December 31, 2019. Consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Overview of Cash Flow

(Yen in millions)

	For the nine months ended December 31,		Increase or decrease
	2018	2019	
Net cash provided by operating activities	137,510	132,227	(5,283)
Net cash used in investing activities	(118,625)	(301,662)	(183,037)
Free cash flow *1	18,885	(169,435)	(188,320)
Net cash (used in) provided by financing activities	(19,805)	156,672	176,477

(Note) *1. Free cash flow: 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 ¥132,227 million. Compared to the same period of the prior year, the cash inflow from operating activities for this nine-month period decreased ¥5,283 million. This decrease was mainly due to decrease in profit for the period of ¥51,571 million. On the other hand, there were increases in inventories net changes year on year of ¥23,663 million and in accounts payable net changes year on year of ¥24,651 million.

Cash flows from investing activities for this nine-month period came to a net cash outflow of ¥301,662 million. Compared to the same period of the prior year, the net cash outflow from investing activities for this nine-month period increased ¥183,037 million mainly due to increases in acquisitions of businesses, net of cash acquired of ¥174,934 million and in additions to property, plant and equipment of ¥13,661 million.

As a result, we had a negative free cash flow of ¥169,435 million for this nine-month period, a decrease of ¥188,320 million compared to a positive free cash flow of ¥18,885 million for the same period of the prior year.

Cash flows from financing activities for this nine-month period came to a net cash inflow of ¥156,672 million. Compared to the same period of the prior year, the net cash inflow from financing activities for this nine-month period increased ¥176,477 million mainly due to increase in proceeds from issuance of bonds of ¥160,358 million.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of December 31, 2019 decreased ¥22,453 million to ¥219,814 million from March 31, 2019. All the above amounts include discontinued operations.

(3) Explanation Regarding Future Forecast Information of Consolidated Financial Results

The world economy continues to warrant no optimism due to, among other factors, concerns over a U.S. economic slowdown, China's sluggish economic recovery, and geopolitical risks involving Iran and other parts of the Middle East. In view of the recent macroeconomic instability, NIDEC has decided to revise its full-year consolidated financial forecast to better reflect ongoing changes in market dynamics and demand uncertainties.

The forecasts for the year ending March 31, 2020 described below are prepared based on an assumption that exchange rates are US\$1 = ¥105 and €1 = ¥125.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2020

Net sales	¥1,550,000 million	(105.1% compared to the previous fiscal year)
Operating profit	¥140,000 million	(107.8% compared to the previous fiscal year)
Profit before income taxes	¥140,000 million	(107.3% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥85,000 million	(77.0% compared to 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 = ¥105 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.

2. Condensed Quarterly Consolidated Financial Statements and Other Information

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	242,267	219,814
Trade and other receivables	371,134	422,044
Other financial assets	695	1,856
Income tax receivables	12,173	11,854
Inventories	255,732	290,697
Other current assets	37,547	44,411
Total current assets	919,548	990,676
Non-current assets		
Property, plant and equipment	519,752	635,381
Goodwill	255,200	381,404
Intangible assets	138,735	136,841
Investments accounted for using the equity method	2,785	3,799
Other investments	18,444	19,287
Other financial assets	6,514	8,683
Deferred tax assets	11,968	14,807
Other non-current assets	9,748	10,097
Total non-current assets	963,146	1,210,299
Total assets	1,882,694	2,200,975

(Yen in millions)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Short term borrowings	17,394	107,846
Long term debt due within one year	95,339	85,809
Trade and other payables	310,644	358,621
Other financial liabilities	2,148	5,673
Income tax payables	13,434	30,725
Provisions	28,514	28,405
Other current liabilities	62,521	67,002
Total current liabilities	529,994	684,081
Non-current liabilities		
Long term debt	260,028	414,567
Other financial liabilities	1,887	2,056
Retirement benefit liabilities	28,886	30,382
Provisions	4,602	5,540
Deferred tax liabilities	34,999	35,721
Other non-current liabilities	2,206	8,852
Total non-current liabilities	332,608	497,118
Total liabilities	862,602	1,181,199
Equity		
Common stock	87,784	87,784
Additional paid-in capital	118,314	116,390
Retained earnings	901,235	919,696
Other components of equity	(64,779)	(82,341)
Treasury stock	(45,296)	(45,313)
Total equity attributable to owners of the parent	997,258	996,216
Non-controlling interests	22,834	23,560
Total equity	1,020,092	1,019,776
Total liabilities and equity	1,882,694	2,200,975

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

For the nine months ended December 31, 2018 and 2019

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	For the nine months ended December 31,	
	2018	2019
Continuing operations		
Net Sales	1,122,413	1,159,608
Cost of sales	(849,573)	(900,966)
Gross profit	272,840	258,642
Selling, general and administrative expenses	(103,199)	(105,454)
Research and development expenses	(45,119)	(58,434)
Operating profit	124,522	94,754
Financial income	7,681	7,861
Financial expenses	(6,265)	(7,243)
Derivative gain (loss)	992	(783)
Foreign exchange differences	(334)	1,242
Share of net profit (loss) from associate accounting using the equity method	(373)	(1,231)
Profit before income taxes	126,223	94,600
Income tax expenses	(26,853)	(23,556)
Profit for the period from continuing operations	99,370	71,044
Discontinued operations		
Profit (loss) for the period from discontinued operations	4,114	(19,131)
Profit for the period	103,484	51,913
Profit for the period attributable to:		
Owners of the parent	102,842	50,507
Non-controlling interests	642	1,406
Profit for the period	103,484	51,913

Condensed Quarterly Consolidated Statements of Comprehensive Income
(Yen in millions)

	For the nine months ended December 31,	
	2018	2019
Profit for the period	103,484	51,913
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	20	(928)
Fair value movements on FVTOCI equity financial assets	(3,581)	1,444
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	10,276	(18,490)
Effective portion of net changes in fair value of cash flow hedges	(1,162)	342
Fair value movements on FVTOCI debt financial assets	4	3
Total other comprehensive income for the period, net of taxation	5,557	(17,629)
Comprehensive income for the period	109,041	34,284
Comprehensive income for the period attributable to:		
Owners of the parent	108,738	33,409
Non-controlling interests	303	875
Comprehensive income for the period	109,041	34,284

For the three months ended December 31, 2018 and 2019

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	For the three months ended December 31,	
	2018	2019
Continuing operations		
Net Sales	366,966	408,331
Cost of sales	(285,553)	(318,506)
Gross profit	81,413	89,825
Selling, general and administrative expenses	(36,783)	(35,790)
Research and development expenses	(16,276)	(21,381)
Operating profit	28,354	32,654
Financial income	2,855	1,811
Financial expenses	(2,165)	(1,729)
Derivative gain (loss)	(931)	947
Foreign exchange differences	2,478	(2,288)
Share of net profit (loss) from associate accounting using the equity method	(111)	(438)
Profit before income taxes	30,480	30,957
Income tax expenses	(7,847)	(8,544)
Profit for the period from continuing operations	22,633	22,413
Discontinued operations		
Profit for the period from discontinued operations	2,025	824
Profit for the period	24,658	23,237
Profit for the period attributable to:		
Owners of the parent	24,414	23,020
Non-controlling interests	244	217
Profit for the period	24,658	23,237

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the three months ended December 31,	
	2018	2019
Profit for the period	24,658	23,237
Other comprehensive income, net of taxation		
Items that will not be reclassified to net profit or loss:		
Remeasurement of defined benefit plans	86	44
Fair value movements on FVTOCI equity financial assets	(3,057)	1,452
Items that may be reclassified to net profit or loss:		
Foreign currency translation adjustments	(31,303)	30,947
Effective portion of net changes in fair value of cash flow hedges	(605)	1,457
Fair value movements on FVTOCI debt financial assets	(4)	(1)
Total other comprehensive income for the period, net of taxation	(34,883)	33,899
Comprehensive income for the period	(10,225)	57,136
Comprehensive income for the period attributable to:		
Owners of the parent	(10,097)	56,031
Non-controlling interests	(128)	1,105
Comprehensive income for the period	(10,225)	57,136

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 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		
Balance at April 1, 2018	87,784	118,136	822,589	(76,857)	(19,151)	932,501	9,890	942,391
Changes in accounting policies			199			199		199
Balance after restatement	87,784	118,136	822,788	(76,857)	(19,151)	932,700	9,890	942,590
Comprehensive income								
Profit for the period			102,842			102,842	642	103,484
Other comprehensive income				5,896		5,896	(339)	5,557
Total comprehensive income						108,738	303	109,041
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(26,134)	(26,134)	-	(26,134)
Dividends paid to the owners of the parent			(29,486)			(29,486)	-	(29,486)
Dividends paid to non-controlling interests						-	(81)	(81)
Share-based payment transactions		224				224	-	224
Transfer to retained earnings			(3,500)	3,500		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries						-	11,922	11,922
Other		15	(942)	2		(925)	(91)	(1,016)
Balance at December 31, 2018	87,784	118,375	891,702	(67,459)	(45,285)	985,117	21,943	1,007,060

For the nine months ended December 31, 2019

(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		
Balance at April 1, 2019	87,784	118,314	901,235	(64,779)	(45,296)	997,258	22,834	1,020,092
Changes in accounting policies			(407)			(407)		(407)
Balance after restatement	87,784	118,314	900,828	(64,779)	(45,296)	996,851	22,834	1,019,685
Comprehensive income								
Profit for the period			50,507			50,507	1,406	51,913
Other comprehensive income				(17,098)		(17,098)	(531)	(17,629)
Total comprehensive income						33,409	875	34,284
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(21)	(21)	-	(21)
Dividends paid to the owners of the parent			(32,372)			(32,372)	-	(32,372)
Dividends paid to non-controlling interests						-	(744)	(744)
Share-based payment transactions		202				202	-	202
Transfer to retained earnings			463	(463)		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries		(2,133)				(2,133)	428	(1,705)
Other		7	270	(1)	4	280	167	447
Balance at December 31, 2019	87,784	116,390	919,696	(82,341)	(45,313)	996,216	23,560	1,019,776

(4) Condensed Quarterly Consolidated Statements of Cash Flows*(Yen in millions)*

	For the nine months ended December 31,	
	2018	2019
Cash flows from operating activities:		
Profit for the period from continuing operations	99,370	71,044
Profit (loss) for the period from discontinued operations	4,114	(19,131)
Profit for the period	103,484	51,913
Adjustments to reconcile profit for the period to net cash provided by operating activities		
Depreciation and amortization	53,223	62,475
Loss (gain) from sales, disposal or impairment of property, plant and equipment	419	846
Loss from sales of discontinued operations	-	17,591
Financial expenses (income)	(1,564)	(778)
Share of net loss (profit) from associate accounting using the equity method	412	1,231
Deferred income taxes	2,949	4,999
Current income taxes	24,370	20,165
Foreign currency adjustments	8,277	1,390
Increase (decrease) in retirement benefit liability	1,699	1,392
Decrease (increase) in accounts receivable	29,461	2,922
Decrease (increase) in inventories	(32,312)	(8,649)
Increase (decrease) in accounts payable	(13,818)	10,833
Other, net	(14,751)	(14,538)
Interests and dividends received	6,975	7,201
Interests paid	(4,775)	(5,991)
Income taxes paid	(26,539)	(20,775)
Net cash provided by operating activities	137,510	132,227

(Yen in millions)

	For the nine months ended December 31,	
	2018	2019
Cash flows from investing activities:		
Additions to property, plant and equipment	(90,101)	(103,762)
Proceeds from sales of property, plant and equipment	2,307	1,490
Additions to intangible assets	(8,747)	(8,399)
Proceeds from sales of discontinued operations	-	5,448
Acquisitions of business, net of cash acquired	(17,987)	(192,921)
Other, net	(4,097)	(3,518)
Net cash used in investing activities	(118,625)	(301,662)
Cash flows from financing activities:		
Increase (decrease) in short term borrowings	12,245	76,625
Proceeds from issuance of long term debt	-	64
Repayments of long term debt	(15,814)	(20,463)
Proceeds from issuance of bonds	39,642	200,000
Redemption of bonds	-	(65,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(43)	(2,583)
Purchase of treasury stock	(26,134)	(21)
Dividends paid to the owners of the parent	(29,486)	(32,372)
Other, net	(215)	422
Net cash (used in) provided by financing activities	(19,805)	156,672
Effect of exchange rate changes on cash and cash equivalents	(3,166)	(9,690)
Net increase (decrease) in cash and cash equivalents	(4,086)	(22,453)
Cash and cash equivalents at beginning of period	265,947	242,267
Cash and cash equivalents at end of period	261,861	219,814

(5) Notes to 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 addresses of headquarters and principal business offices are available on the Company’s website (<https://www.nidec.com/en/>).

Condensed quarterly consolidated financial statements as of December 31, 2019 and for the nine months then ended 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 products, which include automotive motors and components.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines and power transmission drives.
- 5) Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- 6) 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 in 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, 2019.

(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.

(4) Change in presentation

Profit or loss from business classified as discontinued operations are presented on the condensed quarterly consolidated statements of income, net of income tax expense, separately from the profit from continuing operations. Regarding business classified as discontinued operations, reclassification were made on the condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of cash flows for the nine months and the three months ended December 31, 2018. Cash flows from operating activities, investing activities and financial activities are presented in the total amount of continuing operations and discontinued operations cash flows in the consolidated statements of cash flows.

In addition, “Payments for acquisition of interests in subsidiaries from non-controlling interests” included on the “Other, net” line of “Cash flows from financing activities” on the condensed quarterly consolidated statements of cash flows in the same period of the prior year, are presented as a separate line item in this nine-month period because their quantitative materiality increased.

Condensed quarterly consolidated financial statements for the nine months ended December 31, 2018 contained herein have been reclassified to reflect this change in presentation. As a result, the (¥258) million reported as “Cash flows from financing activities” on the “Other, net” line of the same period of the prior year’s condensed quarterly consolidated statements of cash flows have been reclassified herein with (¥43) million on the “Payments for acquisition of interests in subsidiaries from non-controlling interests” line and (¥215) million on the “Other, net” line.

3. Significant accounting policies

With the exception of the item explained below, 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 consolidated financial statements for the year ended March 31, 2019.

Income taxes for the nine months ended December 31, 2019 are computed using the estimated annual effective tax rate.

(Leases)

IFRS		Summary of new standard and amendment
IFRS 16	Leases	Revised accounting standard for leases

From the three months ended June 30, 2019, NIDEC adopted IFRS 16 “Leases”.

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration. If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the condensed quarterly consolidated financial statements at the inception date. In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. Lease liabilities are initially measured as the present value of the unsettled lease payments at the inception of the lease. The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period.

Leases with a lease term of 12 months or less and leases that have a small amount of underlying assets are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

In applying IFRS 16, NIDEC has adopted a method whereby cumulative effects that are allowed as transitional measures are recognized as an adjustment to the opening balance of retained earnings at the date of the initial application. With regard to whether leases are contained in contracts concluded prior to the previous consolidated fiscal year, NIDEC has elected the practical expedient of IFRS 16 C3 and continues under IAS 17 “Leases” and IFRIC 4 “Determining whether an arrangement contains a Lease”. After the effective date, NIDEC determines whether leases are contained in contracts in accordance with IFRS 16. The weighted-average incremental borrowing rate for the lessee is 3.05% which is applied to the lease liabilities recognized in the consolidated statement of financial position as of the effective date.

Leases that were classified as operating leases under IAS 17 are also accounted for by the following interim measures:

- *Apply a single discount rate to a portfolio of leases with reasonably similar characteristics
- *Apply a recognition exemption for leases for which the lease term ends within 12 months
- *Exclude initial direct costs from the measurement of the right-of-use assets at the date of initial application

As a result of the adoption of IFRS 16, assets and liabilities increased by ¥25,211 million and ¥25,618 million, respectively. There was immaterial effect on operating profit and its quarterly earnings.

The following is a reconciliation of the lease liabilities recognized in the consolidated statement of financial position as of the effective date and the non-cancelable operating lease agreement disclosed by applying IAS 17 at the end of the previous consolidated fiscal year.

(Yen in millions)

Non-cancelable operating lease agreements (March 31, 2019)	10,778
Finance lease liabilities recognized at the end of the previous fiscal year	1,120
Cancelable operating lease contracts, etc.	13,720
The amount of lease liabilities recognized in the consolidated statement of financial position as of the effective date	25,618

4. Significant accounting estimates, judgments and assumptions

The preparation of the condensed quarterly consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, 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 the assumptions are reviewed on an ongoing basis, and the effects resulting from the revisions of accounting estimates are recognized in the period in which the estimates are revised and in future periods.

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of December 31, 2019 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2019.

5. Business combinations and loss of control

NIDEC adopts the provisions of IFRS 3 “Business Combinations”.

During the three months ended September 30, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Chaun-Choung Technology Corp., MS-Graessner GmbH & Co. KG, and its group companies in the previous fiscal year. Furthermore, during the three months ended December 31, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Systeme + Steuerungen GmbH and its group companies (currently, Nidec SYS GmbH) in the previous fiscal year. NIDEC’s consolidated financial statements for the year ended March 31, 2019 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 previous fiscal year and in the nine months ended December 31, 2019, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statements of financial position based on provisional management estimation as of December 31, 2019.

In addition, NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco by European Commission. In accordance with this order, in April 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on condensed quarterly consolidated statements of income. In September 2019, NIDEC completed share transfer of Secop and there was ¥19,131 million of the loss from discontinued operations for the nine months ended December 31, 2019. The loss amount on the sales recognized with the loss of control is ¥17,591 million for the nine months ended December 31, 2019. The loss amount on the sales is included in “Loss for the period from discontinued operations” in the condensed quarterly consolidated statements of income.

3. Others

(1) Quarterly Financial Data for the three months ended December 31, 2019, September 30, 2019 and June 30, 2019

(Yen in millions)

	For the three months ended		
	June 30, 2019	September 30, 2019	December 31, 2019
Net sales	360,874	390,403	408,331
Operating profit	27,726	34,374	32,654
Profit before income taxes	31,029	32,614	30,957
Profit for the period	3,960	24,716	23,237
Profit attributable to owners of the parent	3,348	24,139	23,020

(2) Information by Product Category

For the nine months ended December 31, 2018

(Yen in millions)

	Small precision motors	Automotive Products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	343,253	223,766	370,851	124,946	56,166	3,431	1,122,413	-	1,122,413
Intersegment	1,655	1,854	4,825	10,994	5,142	1,419	25,889	(25,889)	-
Total	344,908	225,620	375,676	135,940	61,308	4,850	1,148,302	(25,889)	1,122,413
Operating expenses	292,932	197,023	344,652	114,526	54,836	4,297	1,008,266	(10,375)	997,891
Operating profit	51,976	28,597	31,024	21,414	6,472	553	140,036	(15,514)	124,522

For the nine months ended December 31, 2019

(Yen in millions)

	Small precision motors	Automotive Products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	334,932	243,021	417,580	115,213	45,400	3,462	1,159,608	-	1,159,608
Intersegment	4,473	859	4,174	10,122	4,746	1,408	25,782	(25,782)	-
Total	339,405	243,880	421,754	125,335	50,146	4,870	1,185,390	(25,782)	1,159,608
Operating expenses	298,868	224,990	394,314	107,848	46,801	4,360	1,077,181	(12,327)	1,064,854
Operating profit	40,537	18,890	27,440	17,487	3,345	510	108,209	(13,455)	94,754

For the three months ended December 31, 2018

(Yen in millions)

	Small precision motors	Automotive Products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	114,298	71,862	120,860	39,533	19,198	1,215	366,966	-	366,966
Intersegment	807	885	1,486	4,378	1,824	474	9,854	(9,854)	-
Total	115,105	72,747	122,346	43,911	21,022	1,689	376,820	(9,854)	366,966
Operating expenses	100,227	67,045	117,583	38,442	18,668	1,507	343,472	(4,860)	338,612
Operating profit	14,878	5,702	4,763	5,469	2,354	182	33,348	(4,994)	28,354

For the three months ended December 31, 2019

(Yen in millions)

	Small precision motors	Automotive Products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:									
External sales	115,122	92,189	147,000	38,233	14,595	1,192	408,331	-	408,331
Intersegment	1,211	54	1,566	2,561	1,613	440	7,445	(7,445)	-
Total	116,333	92,243	148,566	40,794	16,208	1,632	415,776	(7,445)	408,331
Operating expenses	100,785	86,935	139,870	34,680	15,251	1,454	378,975	(3,298)	375,677
Operating profit	15,548	5,308	8,696	6,114	957	178	36,801	(4,147)	32,654

(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 products: Automotive motors and components.
- (3) Appliance, commercial and industrial products: Home appliance, commercial and industrial motors and related products.
- (4) Machinery: Industrial robots, card readers, test systems, press machines and power transmission drives, etc.
- (5) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
- (6) Others: Services, etc.

(3) Sales by Geographic Segment*(Yen in millions)*

	For the nine months ended December 31,				Increase or decrease	
	2018		2019			
	Amounts	%	Amounts	%	Amounts	%
Japan	229,576	20.5	208,340	18.0	(21,236)	(9.3)
U.S.A.	191,080	17.0	220,916	19.1	29,836	15.6
Singapore	42,068	3.8	27,071	2.3	(14,997)	(35.6)
Thailand	102,301	9.1	90,927	7.8	(11,374)	(11.1)
Germany	85,037	7.6	91,453	7.9	6,416	7.5
China	268,675	23.9	276,860	23.9	8,185	3.0
Others	203,676	18.1	244,041	21.0	40,365	19.8
Total	1,122,413	100.0	1,159,608	100.0	37,195	3.3

(Yen in millions)

	For the three months ended December 31,				Increase or decrease	
	2018		2019			
	Amounts	%	Amounts	%	Amounts	%
Japan	73,870	20.1	71,601	17.5	(2,269)	(3.1)
U.S.A.	62,572	17.0	76,148	18.7	13,576	21.7
Singapore	13,269	3.6	9,180	2.2	(4,089)	(30.8)
Thailand	30,414	8.3	31,244	7.7	830	2.7
Germany	27,443	7.5	28,539	7.0	1,096	4.0
China	88,726	24.2	102,079	25.0	13,353	15.0
Others	70,672	19.3	89,540	21.9	18,868	26.7
Total	366,966	100.0	408,331	100.0	41,365	11.3

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

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

	For the nine months ended December 31,				Increase or decrease	
	2018		2019			
	Amounts	%	Amounts	%	Amounts	%
North America	222,773	19.9	247,888	21.4	25,115	11.3
Asia	529,140	47.1	537,316	46.3	8,176	1.5
Europe	189,868	16.9	196,830	17.0	6,962	3.7
Others	17,768	1.6	30,792	2.6	13,024	73.3
Overseas total	959,549	85.5	1,012,826	87.3	53,277	5.6
Japan	162,864	14.5	146,782	12.7	(16,082)	(9.9)
Total	1,122,413	100.0	1,159,608	100.0	37,195	3.3

(Yen in millions)

	For the three months ended December 31,				Increase or decrease	
	2018		2019			
	Amounts	%	Amounts	%	Amounts	%
North America	72,343	19.7	85,626	21.0	13,283	18.4
Asia	166,011	45.2	190,932	46.8	24,921	15.0
Europe	64,402	17.6	67,872	16.6	3,470	5.4
Others	8,733	2.4	13,070	3.2	4,337	49.7
Overseas total	311,489	84.9	357,500	87.6	46,011	14.8
Japan	55,477	15.1	50,831	12.4	(4,646)	(8.4)
Total	366,966	100.0	408,331	100.0	41,365	11.3

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



4. Overview of Consolidated Financial Results

January 23, 2020

(1) Summary of Consolidated Financial Performance

(Yen in millions)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019	Increase or decrease	For the three months ended December 31, 2018	For the three months ended December 31, 2019	Increase or decrease
Net Sales	1,122,413	1,159,608	3.3%	366,966	408,331	11.3 %
Operating profit	124,522 11.1 %	94,754 8.2%	(23.9)%	28,354 7.7 %	32,654 8.0 %	15.2 %
Profit before income taxes	126,223 11.2 %	94,600 8.2%	(25.1)%	30,480 8.3 %	30,957 7.6 %	1.6 %
Profit attributable to owners of the parent	102,842 9.2 %	50,507 4.4%	(50.9)%	24,414 6.7 %	23,020 5.6 %	(5.7) %
Earnings per share attributable to owners of the parent - basic (Yen)	348.64	171.62		82.96	78.22	
Earnings per share attributable to owners of the parent - diluted (Yen)	—	—		—	—	

(2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	As of December 31, 2018	As of December 31, 2019	As of March 31, 2019
Total assets	1,890,478	2,200,975	1,882,694
Total equity attributable to owners of the parent	985,117	996,216	997,258
Ratio of equity attributable to owners of the parent to total asset	52.1%	45.3%	53.0%
	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019	For the year ended March 31, 2019
Net cash provided by operating activities	137,510	132,227	170,233
Net cash used in investing activities	(118,625)	(301,662)	(160,844)
Net cash (used in) provided by financing activities	(19,805)	156,672	(32,683)
Cash and cash equivalents at end of period	261,861	219,814	242,267

(3) Dividends

(Yen)

	3rd quarter end	Fiscal year end	Total
Year ended March 31, 2019 (actual)	50.00	55.00	105.00
Year ending March 31, 2020 (actual)	55.00	—	—
Year ending March 31, 2020 (forecast)	—	60.00	115.00

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

Number of consolidated subsidiaries	328
Number of associates accounted for under the equity method	4

	Change from March 31, 2019	Change from December 31, 2018
Number of companies newly consolidated	28	35
Number of companies excluded from consolidation	22	26
Number of companies newly accounted for by the equity method	-	-
Number of companies excluded from accounting by the equity method	-	1

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

2. “Earnings per share attributable to owners of the parent-basic” and “Earnings per share attributable to owners of the parent-diluted” have been calculated based on figures of “Profit attributable to owners of the parent”.

3. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2019 and the nine months ended December 31, 2019. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

4. From the three months ended June 30, 2019, the business of compressor for refrigerator of Secop has been classified as discontinued operations. As a result, the amounts of net sales, operating profit and profit before income taxes no longer include discontinued operations, presenting only the amounts for continuing operations.