

[Translation]

# **Quarterly Report**

(The Third Quarter of 44th Business Term)  
From October 1, 2016 to December 31, 2016

**NIDEC CORPORATION**

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[Fiscal Year]	The Third Quarter of 44th Business Term (from October 1, 2016 to December 31, 2016)
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This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

Unless the context indicates otherwise, the term “Company” refers to Nidec Corporation and the term “NIDEC” refers to the Company and its consolidated subsidiaries.

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

# Part I Information on the Company

## I. Overview of the Company

### *1. Key Financial Data*

Consolidated financial data, etc.

*(Yen in millions, unless otherwise stated)*

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Year ended March 31, 2016
Net Sales	895,353 [308,001]	868,228 [304,198]	1,178,290
Profit before income taxes	92,467	107,771	117,164
Profit attributable to owners of the parent	69,526 [22,669]	81,638 [31,528]	89,945
Comprehensive income attributable to owners of the parent	53,513	94,069	30,983
Total equity attributable to owners of the parent	797,673	833,337	763,023
Total assets	1,452,311	1,491,335	1,376,636
Earnings per share attributable to owners of the parent- Basic (yen)	234.19 [76.04]	275.25 [106.30]	303.04
Earnings per share attributable to owners of the parent-Diluted (yen)	233.05	275.25	301.93
Ratio of total equity attributable to owners of the parent to total assets (%)	54.9	55.9	55.4
Net cash provided by operating activities	113,480	102,996	147,659
Net cash used in investing activities	(79,337)	(56,929)	(95,377)
Net cash provided by (used in) financing activities	27,773	(40,975)	7,775
Cash and cash equivalents at end of period	324,931	314,813	305,942

- (Notes) 1. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).
2. As the Company prepares its condensed quarterly consolidated financial statements, its non-consolidated financial data are not presented.
3. Figures shown in yen in millions are rounded to the nearest million.
4. Sales do not include consumption taxes.
5. During the three months ended September 30, 2016, NIDEC (Nidec Corporation and its consolidated subsidiaries) finalized the provisional accounting treatment for business combinations. As a result, figures as of nine months ended December 31, 2015 and year ended March 31, 2016

reflect the revision of the initially allocated amounts of acquisition price. Details are stated in “6.Business combinations” of “Notes to Condensed Quarterly Consolidated Financial Statements” incorporated in this Quarterly Report.

6. The figures of “Net sales”, “Profit attributable to owners of the parent” and “Earnings per share attributable to owners of the parent- Basic” in square bracket are those for the three months ended December 31, 2015 and 2016, respectively.

## **2. Description of Business**

There were no significant changes in NIDEC’s businesses during the nine months ended December 31, 2016. Moreover, there were no changes in principal subsidiaries and associates.

## **II. Business Overview**

### **1. Risk Factors**

There were no new risk factors recognized during the nine months ended December 31, 2016. There were no material changes in the risk factors stated in the Annual Securities Report for the 43rd business term pursuant to the Financial Instruments and Exchange Act of Japan.

### **2. Material Agreements, etc.**

The material agreement executed during the three months ended December 31, 2016 is as follows:

#### **Share purchase and transfer agreement**

The Company entered into a share purchase and transfer agreement and acquired 100% of the shares of Canton Elevator, Inc. (“Canton”) from its shareholders through the Company’s subsidiary, Nidec Motor Corporation and completed the share acquisition on December 5, 2016. (the “Transaction”)

#### **1. Purpose of the Transaction**

Canton designs, manufactures and sales of commercial, residential, and freight elevator systems and components. The Transaction enables NIDEC’s Elevator & Drive Systems (“EDS”) business of its appliance, commercial and industrial motor businesses on which NIDEC provides particular focus to accelerate growth of its elevator business in North America by providing a broader range of Canton’s customers with suitable elevator solutions combining Canton’s competitive elevator packages with existing products in its EDS business.

#### **2. Considerations for the Transaction**

Cash

#### **3. Information on Canton**

Company Name: Canton Elevator, Inc.  
Headquarters: North Canton, Ohio, U.S.  
Businesses: Designing, manufacturing and sales of commercial, residential, and freight elevator systems and components

#### **4. Execution date of the share purchase and transfer agreement**

December 5, 2016

#### **5. Date of the completion of the share acquisition**

December 5, 2016

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

NIDEC adopts IFRS for its consolidated financial statements from the first quarter of the fiscal year ending March 31, 2017. Accordingly, the consolidated financial statements for the nine months ended December 31, 2015 and those for the fiscal year ended March 31, 2016 are also presented in accordance with IFRS.

#### (1) Operating Results

The U.S. economy continued to expand moderately for the nine months ended December 31, 2016, and Donald J. Trump's electoral win to be the next President of the United States in November raised expectations for a fiscal stimulus package by the Trump Administration and for the future of the American economy. In addition, a concurrent global stock market rally known as the "Trump rally" in major developed nations led to a slow economic recovery in Japan and Europe. On the other hand, close monitoring is required for the economic prospect of China and other emerging economies, which may be affected by the United States' trade policy, as well as for national elections slated for 2017 in Europe and Italian financial institutions' financial crisis, both of which may trigger a financial unrest in the continent.

Under such a business environment, NIDEC continued to pursue our targets for the fiscal year ending March 31, 2021 of consolidated net sales of ¥2 trillion and an operating profit ratio of 15% based on our mid-term strategic goal, "Vision 2020," and achieved in the nine months ended December 31, 2016 the highest nine-month operating profit, profit before income taxes and profit for the period in our history.

The following table sets forth consolidated operating results for the nine months ended December 31, 2016:

*(Yen in millions)*

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales	895,353	868,228	(27,125)	(3.0)%
Operating profit	90,286	106,197	15,911	17.6%
Profit before income taxes	92,467	107,771	15,304	16.6%
Profit attributable to owners of the parent	69,526	81,638	12,112	17.4%

Consolidated net sales decreased 3.0% to ¥868,228 million for this nine-month period compared to the same period of the prior year due to a rapid appreciation of the Japanese yen. On the other hand, operating profit increased 17.6% to ¥106,197 million for this nine-month period compared to the same period of the prior year, achieving the highest operating profit for nine-month period in our history.

Profit before income taxes increased 16.6% to ¥107,771 million for this nine-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 17.4% to ¥81,638 million for this nine-month period compared to the same period of the prior year, respectively achieving the highest profit for nine-month period in our history.

The following table sets forth operating results by segment:

*(Yen in millions)*

	For the nine months ended December 31					
	Net sales			Operating profit		
	2015	2016	Increase or decrease	2015	2016	Increase or decrease
Nidec Corporation	183,389	168,775	(14,614)	13,644	12,021	(1,623)
Nidec Electronics (Thailand)	101,164	95,791	(5,373)	14,818	14,579	(239)
Nidec Singapore	55,381	41,638	(13,743)	823	616	(207)
Nidec (H.K.)	91,396	102,519	11,123	830	1,137	307
Nidec Sankyo	97,814	99,995	2,181	11,664	14,812	3,148
Nidec Copal	45,454	34,486	(10,968)	1,152	3,787	2,635
Nidec Techno Motor	46,577	48,512	1,935	3,984	6,276	2,292
Nidec Motor	166,141	165,369	(772)	10,505	14,822	4,317
Nidec Motors & Actuators	201,824	194,189	(7,635)	18,067	21,383	3,316
All Others	273,197	256,177	(17,020)	25,612	29,087	3,475
Adjustments	(366,984)	(339,223)	27,761	(10,813)	(12,323)	(1,510)
Consolidated total	895,353	868,228	(27,125)	90,286	106,197	15,911

(Note) Net sales are the total of sales to external customers and sales to other operating segments.

Net sales of Nidec Corporation decreased 8.0% to ¥168,775 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the negative effect of the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales of other small precision motors. Operating profit of Nidec Corporation decreased 11.9% to ¥12,021 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the decrease in sales, despite a decrease in research and development expenses.

Net sales of Nidec Electronics (Thailand) decreased 5.3% to ¥95,791 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the negative effects of the appreciation of Japanese yen against the Thai baht and the U.S. dollar, despite an increase in sales caused by changes of product distribution for hard disk drives spindle motors. Operating profit of Nidec Electronics (Thailand) decreased 1.6% to ¥14,579 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the decrease in sales.

Net sales of Nidec Singapore decreased 24.8% to ¥41,638 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to a decrease in demand for hard disk drives spindle motors, the negative effect of change of product distribution for hard disk drives spindle motors and the negative effect of the appreciation of the Japanese yen against the U.S. dollar. Operating profit of Nidec Singapore decreased 25.2% to ¥616 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the decrease in sales.

Net sales of Nidec (H.K.) increased 12.2% to ¥102,519 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to an increase in demands for other small precision motors and hard disk drives spindle motors, despite the negative effect of the appreciation of the Japanese yen against the Hong Kong dollar. Operating profit of Nidec (H.K.) increased 37.0% to ¥1,137 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to the increase in sales, despite changes in the product mix.

Sales of Nidec Sankyo increased 2.2% to ¥99,995million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to an increase in sales of LCD panel handling robots and Organic EL transfer robots, despite the negative effect of the appreciation of the Japanese yen against the U.S. dollar. Operating profit of Nidec Sankyo increased 27.0% to ¥14,812million for the nine months ended December 31 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to cost reduction, in addition to the increase in sales.

Net sales of Nidec Copal decreased 24.1% to ¥34,486 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to a decrease in sales of other small precision motors and the negative effects of the appreciation of the Japanese yen against the Thai baht and other currencies. However, operating profit of Nidec Copal increased 228.7% to ¥3,787 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to cost reduction and changes in the product mix, despite the decrease in sales.

Sales of Nidec Techno Motor increased 4.2% to ¥48,512 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to an increase in demand for motors for air conditioning equipment in China, despite the negative effect of the appreciation of the Japanese yen against the Chinese yuan. Operating profit of Nidec Techno Motor increased 57.5% to ¥6,276 million for the nine months ended December 31 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to cost reduction, in addition to the increase in sales.

Net sales of Nidec Motor decreased 0.5% to ¥165,369 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the negative effect of the appreciation of the Japanese yen against the U.S. dollar, despite an increase in sales through our “Three-new Strategy” (new products, new markets and new clients). However, operating profit of Nidec Motor increased 41.1% to ¥14,822 million for nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to the changes in the product mix caused by the increase in sales through our “Three-new Strategy”.

Net sales of Nidec Motors & Actuators decreased 3.8% to ¥194,189 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to the negative effects of the appreciation of the Japanese yen against the U.S. dollar and the Euro, despite an increase in sales for automotive motors such as electric power steering motors and products of control valves at the Nidec Tosok Corporation. However, operating profit of Nidec Motors & Actuators increased 18.4% to ¥21,383 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to cost reduction and changes in product mix.

With respect to the All Others segment, net sales decreased 6.2% to ¥256,177 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This decrease was primarily due to a decrease in sales caused by changes of product distribution for hard disk drives spindle motors and a decrease in demand for other small precision motors, in addition to the negative effect of the appreciation of the Japanese yen against the U.S. dollar. However, operating profit increased 13.6% to ¥29,087 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. This increase was primarily due to cost reduction and changes in product mix.

## (2) Cash Flows

### (Cash Flows from Operating Activities)

Net cash provided by operating activities decreased ¥10,484 million to ¥102,996 million for the nine months ended December 31, 2016 compared to the nine months December 31, 2015. This decrease in net cash provided by operating activities was mainly due to net negative impacts of ¥41,746 million of a change in accounts receivable, although there were increases of ¥31,266 million in account payable and ¥11,774 million of profit for the period.

For the nine months ended December 31, 2016, NIDEC had ¥102,996 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥82,337 million and an increase in accounts payable of ¥42,103 million. However, net cash provided by operating activities was negatively impacted by an increase in accounts receivable of ¥54,456 million. Accounts payable and accounts receivable increased as of December 31, 2016 compared to March 31, 2016 primarily due to an increase in customers demand except for the effect of exchange rate changes.

For the nine months ended December 31, 2015, NIDEC had ¥113,480 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥70,563 million and positively impacted by an increase in accounts payable of ¥10,837 million. However, net cash provided by operating activities was negatively impacted by an increase in inventories of ¥13,971 million and an increase in accounts receivable of ¥12,710 million. Accounts receivable and inventories increased as of December 31, 2015 compared to March 31, 2015 primarily due to an increase in sales.

#### (Cash Flows from Investing Activities)

Net cash used in investing activities decreased ¥22,408 million to ¥56,929 million for the nine months ended December 31, 2016 compared to the nine months ended December 31, 2015. The decrease in net cash used in investing activities was mainly due to a decrease in additions to property, plant and equipment of ¥19,351 million.

For the nine months ended December 31, 2016, NIDEC had ¥56,929 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥47,505 million.

For the nine months ended December 31, 2015, NIDEC had ¥79,337 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥66,856 million.

#### (Cash Flows from Financing Activities)

Net cash used in financing activities was ¥40,975 million for the nine months ended December 31, 2016, while net cash provided by financing activities was ¥27,773 million for the nine months ended December 31, 2015.

For the nine months ended December 31, 2016, NIDEC had ¥40,975 million of net cash outflows from financing activities mainly due to a redemption of corporate bonds of ¥50,000 million, dividends paid to the owner of the parent of ¥23,728 million and a decrease in short term borrowings of ¥15,148 million, partially offset by inflow from proceeds from issuance of corporate bonds of ¥50,001 million.

For the nine months ended December 31, 2015, NIDEC had ¥27,773 million of net cash inflows from financing activities mainly due to an increase in short term borrowings of ¥69,182 million partially offset by repayments of long term debt of ¥23,818 million and dividends paid to the owner of the parent of ¥23,690 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents increased ¥8,871 million from ¥305,942 million as of March 31, 2016 to ¥314,813 million as of December 31, 2016.

NIDEC holds its cash and cash equivalents primarily in U.S. dollars, Chinese yuan, Japanese yen, Thai baht and Euros.

#### (3) Issues to address on business and finance

There were no material changes in the issues for NIDEC to address during the nine months ended December 31, 2016.

#### (4) Research and Development

NIDEC's research and development expenses for the nine months ended December 31, 2016 were ¥38,760 million. There were no significant changes in research and development activities for the period.

### **III. Information on the Company**

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

##### (1) Total number of shares, etc.

###### 1) Total Number of Shares

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

###### 2) Issued Shares

Class	Number of shares issued as of the end of third quarter (shares) (December 31, 2016)	Number of shares issued as of the filing date (shares) (February 13, 2017)	Stock exchange on which the Company is listed	Description
Common stock	298,142,234	298,142,234	Tokyo Stock Exchange, Inc. (the first section)	This is our standard stock. There is no restriction on contents of the right of the stock. The number of shares per one unit of shares is 100 shares.
Total	298,142,234	298,142,234	-	-

##### (2) Information on the stock acquisition rights, etc.

Not applicable.

##### (3) Information on moving strike convertible bonds, etc.

Not applicable.

##### (4) Information on shareholder right plans

Not applicable.

##### (5) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Changes in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From October 1, 2016 to December 31, 2016	-	298,142,234	-	87,784	-	92,005

##### (6) Major shareholders

Not applicable.

### (7) Information on voting rights

Information on voting rights as of September 30, 2016 is stated in this item because the Company does not identify the number of voting rights as of December 31, 2016 due to the lack of information on the details entered in the shareholders registry as of December 31, 2016.

#### 1) Issued shares

(As of December 31, 2016)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting right (treasury stock, etc.)	Common stock 1,542,400	-	-
Shares with full voting right (others)	Common stock 296,062,900	2,960,629	-
Shares less than one unit	Common stock 536,934	-	-
Number of issued shares	298,142,234	-	-
Total number of voting rights	-	2,960,629	-

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

2. Common stock in the “Shares less than one unit” column includes 54 shares of the Company’s treasury stock.

#### 2) Treasury stock, etc.

(As of December 31, 2016)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	1,542,400	-	1,542,400	0.51
Total	-	1,542,400	-	1,542,400	0.51

(Note) As of December 31, 2016, the number of shares held under own name (except shares of less than one unit) is 1,543,600.

## **2. Changes in Directors and Senior Management**

Changes in the Members of the Board of Directors and the Members of the Audit & Supervisory Board of Nidec Corporation from the filing date of the Annual Securities Report for the 43rd business term pursuant to the Financial Instruments and Exchange Act of Japan to December 31, 2016 are as follows:

Changes in positions and responsibilities

New position	New responsibility	Former position	Former responsibility	Name	Effective date
Member of the Board of Directors	Executive Vice President Adviser to President (Small Precision Motor & Solutions (SPMS) Business Unit (BU)); Executive General Manager, SPMS Business Unit; in charge of supervising BU-wide Business Planning; First Senior General Manager, General Application Motor & Solutions Business Group; and Member of the Board of Directors and Chairman, Nidec (Zhejiang) Corporation and Nidec Philippines Corporation	Member of the Board of Directors	Executive Vice President Adviser to President (Fluid Dynamic Bearing Motor (FDBM) and General Application Motor & Solutions (GAMS) Business Units); Executive General Manager, GAMS Business Unit; and Member of the Board of Directors and Chairman, Nidec (Zhejiang) Corporation and Nidec Philippines Corporation	Toshihiko Miyabe	July 1, 2016
Representative Director and Member of the Board of Directors	Vice Chairman Chief Technology Officer, Adviser to President (New Business Development Unit, Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, and Production Engineering Center); Executive General Manager, New Business Development Unit; in charge of managing Intellectual Property Department; Member of the Board of Directors and Chairman, Nidec India Private Limited; and Representative Director, Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation, Nidec Copal Corporation, and Nidec Seimitsu Corporation	Representative Director and Member of the Board of Directors	Vice Chairman Chief Technology Officer, Adviser to President (Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, and Production Engineering Center); in charge of managing Intellectual Property Department, New Business Administration Department, Strategic Technology and Business Planning Department, and New Business Development Department; Member of the Board of Directors and Chairman, Nidec India Private Limited; and Representative Director, Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation, Nidec Copal Corporation, and Nidec Seimitsu Corporation	Mikio Katayama	July 11, 2016

Member of the Board of Directors	Executive Vice President Chief Financial Officer, Adviser to President (Global PMI Promotion Division, Corporate Strategy Office, Group Companies Management Department, and Finance Department); in charge of managing CFO Strategy Department, Accounting Department, Global Tax Planning Department, and CSR Promotion Office; Member of the Board of Directors and Chairman, Nidec Management Shanghai Corporation, and Nidec Americas Holding Corporation; and Member of the Board of Directors and President, Green Sun Insurance, Inc.	Member of the Board of Directors	Executive Vice President Chief Financial Officer, Adviser to President (Global PMI Promotion Division, Corporate Strategy Office, Affiliates Administration Department, and Finance Department); in charge of managing CFO Strategy Department, Accounting Department, Global Tax Planning Department, and CSR Promotion Office; Member of the Board of Directors and Chairman, Nidec Management Shanghai Corporation, and Nidec Americas Holding Corporation; and Member of the Board of Directors and President, Green Sun Insurance, Inc.	Akira Sato	October 1, 2016
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#### **IV. Financial Information**

##### ***1. Condensed Quarterly Consolidated Financial Statements***

Refer to the condensed quarterly consolidated financial statements incorporated in this Quarterly Report.

##### ***2. Other***

On October 24, 2016, the Company's Board of Directors resolved to pay cash dividends to shareholders as of September 30, 2016 as follows:

(1) Total amount of dividends .....	¥11,864 million
(2) Amount per share .....	¥40.00
(3) Effective Date of Claim of Payment and Start Date of Payment .....	December 1, 2016

#### **Part II Information on Guarantors, etc. for the Company**

Not applicable.

# 1. Condensed Quarterly Consolidated Financial Statements

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

(Yen in millions)

	Note	The date of transition to IFRS (April 1, 2015)	March 31, 2016	December 31, 2016
<b>Assets</b>				
Current assets				
Cash and cash equivalents		269,902	305,942	314,813
Trade and other receivables		255,470	251,310	315,523
Other financial assets	11	262	2,010	5,241
Income tax receivables		1,551	2,063	2,756
Inventories		170,880	170,874	184,901
Other current assets		20,018	22,892	25,966
Total current assets		718,083	755,091	849,200
Non-current assets				
Property, plant, and equipment		342,556	346,932	364,074
Goodwill	7	162,959	162,043	164,300
Intangible assets	7	83,931	77,049	74,811
Investments accounted for using the equity method		2,167	1,896	1,137
Other investments	11	21,507	15,998	19,276
Other financial assets	11	2,274	1,804	3,030
Deferred tax assets		10,749	11,545	10,718
Other non-current assets		5,646	4,278	4,789
Total non-current assets		631,789	621,545	642,135
Total assets		1,349,872	1,376,636	1,491,335

*(Yen in millions)*

	Note	The date of transition to IFRS (April 1, 2015)	March 31, 2016	December 31, 2016
<b>Liabilities</b>				
<b>Current liabilities</b>				
Short term borrowings	11	52,401	81,092	61,919
Long term debt due within one year	11	45,432	82,777	102,618
Trade and other payables		204,372	186,990	238,486
Other financial liabilities	11	2,941	3,192	4,436
Income tax payables		5,913	5,831	6,109
Provisions		18,583	18,886	16,448
Other current liabilities		31,151	40,891	45,531
<b>Total current liabilities</b>		<b>360,793</b>	<b>419,659</b>	<b>475,547</b>
<b>Non-current liabilities</b>				
Long term debt	11	184,432	136,798	116,457
Other financial liabilities	11	569	1,029	931
Retirement benefit liabilities		19,834	19,488	19,665
Provisions		2,904	3,337	3,355
Deferred tax liabilities		23,467	22,641	30,963
Other non-current liabilities		3,126	2,315	2,103
<b>Total non-current liabilities</b>		<b>234,332</b>	<b>185,608</b>	<b>173,474</b>
<b>Total liabilities</b>		<b>595,125</b>	<b>605,267</b>	<b>649,021</b>
<b>Equity</b>				
Common stock		77,071	87,784	87,784
Additional paid-in capital		107,732	118,341	118,336
Retained earnings		562,787	625,168	685,272
Other components of equity		(1,072)	(56,159)	(45,921)
Treasury stock		(27)	(12,111)	(12,134)
<b>Total equity attributable to owners of the parent</b>		<b>746,491</b>	<b>763,023</b>	<b>833,337</b>
Non-controlling interests		8,256	8,346	8,977
<b>Total equity</b>		<b>754,747</b>	<b>771,369</b>	<b>842,314</b>
<b>Total liabilities and equity</b>		<b>1,349,872</b>	<b>1,376,636</b>	<b>1,491,335</b>

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

For the nine months ended December 31, 2015 and 2016

Condensed Quarterly Consolidated Statements of Income

*(Yen in millions)*

	Note	For the nine months ended December 31	
		2015	2016
Net Sales	5	895,353	868,228
Cost of sales		(691,924)	(658,992)
Gross profit		203,429	209,236
Selling, general and administrative expenses		(73,436)	(64,279)
Research and development expenses		(39,707)	(38,760)
Operating profit	5	90,286	106,197
Financial income		1,307	2,276
Financial expenses		(1,301)	(1,811)
Derivative gain		161	1,246
Foreign exchange differences		2,010	405
Equity in net income (loss) of associates		4	(542)
Profit before income taxes		92,467	107,771
Income tax expenses		(21,904)	(25,434)
Profit for the period		70,563	82,337
Profit attributable to:			
Owners of the parent		69,526	81,638
Non-controlling interests		1,037	699
Profit for the period		70,563	82,337
Earnings per share attributable to owners of the parent	10		
Basic (yen)		234.19	275.25
Diluted (yen)		233.05	275.25

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the nine months ended December 31	
		2015	2016
Profit for the period		70,563	82,337
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		8	(182)
Fair value movements on FVTOCI equity financial assets		(1,161)	2,367
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		(14,645)	9,896
Effective portion of net changes in fair value of cash flow hedges		(579)	194
Fair value movements on FVTOCI debt financial assets		(8)	(2)
Other comprehensive income for the period, net of taxation		(16,385)	12,273
Comprehensive income for the period		54,178	94,610
Comprehensive income attributable to:			
Owners of the parent		53,513	94,069
Non-controlling interests		665	541
Comprehensive income for the period		54,178	94,610

For the three months ended December 31, 2015 and 2016  
Condensed Quarterly Consolidated Statements of Income

*(Yen in millions)*

	Note	For the three months ended December 31	
		2015	2016
Net Sales	5	308,001	304,198
Cost of sales		(238,560)	(230,445)
Gross profit		69,441	73,753
Selling, general and administrative expenses		(24,472)	(23,402)
Research and development expenses		(14,286)	(13,158)
Operating profit	5	30,683	37,193
Financial income		410	944
Financial expenses		(406)	(653)
Derivative gain		46	3,941
Foreign exchange differences		(412)	578
Equity in net loss of associates		(1)	(525)
Profit before income taxes		30,320	41,478
Income tax expenses		(7,176)	(9,657)
Profit for the period		23,144	31,821
Profit attributable to:			
Owners of the parent		22,669	31,528
Non-controlling interests		475	293
Profit for the period		23,144	31,821
Earnings per share attributable to owners of the parent	10		
Basic (yen)		76.04	106.30
Diluted (yen)		76.04	106.30

Condensed Quarterly Consolidated Statements of Comprehensive Income

*(Yen in millions)*

	Note	For the three months ended December 31	
		2015	2016
Profit for the period		23,144	31,821
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		80	(72)
Fair value movements on FVTOCI equity financial assets		675	2,022
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		140	86,754
Effective portion of net changes in fair value of cash flow hedges		62	73
Fair value movements on FVTOCI debt financial assets		4	(3)
Other comprehensive income for the period, net of taxation		961	88,774
Comprehensive income for the period		24,105	120,595
Comprehensive income attributable to:			
Owners of the parent		23,513	119,780
Non-controlling interests		592	815
Comprehensive income for the period		24,105	120,595

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2015

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2015		77,071	107,732	562,787	(1,072)	(27)	746,491	8,256	754,747
Comprehensive income									
Profit for the period				69,526			69,526	1,037	70,563
Other comprehensive income					(16,013)		(16,013)	(372)	(16,385)
Total comprehensive income							53,513	665	54,178
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(34)	(34)	-	(34)
Conversion of convertible bonds		10,713	10,620			23	21,356	-	21,356
Dividends paid to the owners of the parent	9			(23,690)			(23,690)	-	(23,690)
Dividends paid to non-controlling interests							-	(67)	(67)
Transfer to retained earnings				(1,179)	1,179		-	-	-
Other			39		(1)	(1)	37	(151)	(114)
As of December 31, 2015		87,784	118,391	607,444	(15,907)	(39)	797,673	8,703	806,376

For the nine months ended December 31, 2016

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2016		87,784	118,341	625,168	(56,159)	(12,111)	763,023	8,346	771,369
Comprehensive income									
Profit for the period				81,638			81,638	699	82,337
Other comprehensive income					12,431		12,431	(158)	12,273
Total comprehensive income							94,069	541	94,610
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(23)	(23)	-	(23)
Dividends paid to the owners of the parent	9			(23,728)			(23,728)	-	(23,728)
Dividends paid to non-controlling interests							-	(18)	(18)
Transfer to retained earnings				2,194	(2,194)		-	-	-
Other			(5)		1		(4)	108	104
As of December 31, 2016		87,784	118,336	685,272	(45,921)	(12,134)	833,337	8,977	842,314

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

For the nine months ended December 31

	Note	2015	2016
<b>Cash flows from operating activities:</b>			
Profit for the period		70,563	82,337
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization		50,651	44,368
Gain from sales, disposal or impairment of property, plant and equipment		(355)	(1,263)
Financial income		(50)	(504)
Equity in net (income) loss of associates		(4)	542
Deferred income taxes		3,850	5,933
Current income taxes		18,054	19,501
Foreign currency adjustments		983	(346)
(Decrease) increase in retirement benefit liability		(111)	283
Increase in accounts receivable		(12,710)	(54,456)
Increase in inventories		(13,971)	(11,834)
Increase in accounts payable		10,837	42,103
Other, net		4,625	(3,904)
Interests and dividends received		1,333	2,064
Interests paid		(1,196)	(1,846)
Income taxes paid		(19,019)	(19,982)
<b>Net cash provided by operating activities</b>		<b>113,480</b>	<b>102,996</b>

For the nine months ended December 31

	Note	2015	2016
<b>Cash flows from investing activities:</b>			
Additions to property, plant and equipment		(66,856)	(47,505)
Proceeds from sales of property, plant and equipment		1,184	1,423
Proceeds from sales or redemption of marketable securities		1,313	224
Acquisitions of business, net of cash acquired		(9,711)	(5,703)
Other, net		(5,267)	(5,368)
<b>Net cash used in investing activities</b>		<b>(79,337)</b>	<b>(56,929)</b>
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short term borrowings		69,182	(15,148)
Repayments of long term debt		(23,818)	(2,404)
Proceeds from issuance of corporate bonds		-	50,001
Redemption of corporate bonds		-	(50,000)
Purchase of treasury stock		(34)	(23)
Dividends paid to the owner of the parent	9	(23,690)	(23,728)
Other, net		6,133	327
<b>Net cash provided by (used in) financing activities</b>		<b>27,773</b>	<b>(40,975)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(6,887)</b>	<b>3,779</b>
<b>Net increase in cash and cash equivalents</b>		<b>55,029</b>	<b>8,871</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>269,902</b>	<b>305,942</b>
<b>Cash and cash equivalents at end of period</b>		<b>324,931</b>	<b>314,813</b>

## **Notes to Condensed Quarterly Consolidated Financial Statements**

### **1. Reporting entity**

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

Condensed Quarterly Consolidated Financial Statements as of December 31, 2016 consist of the Company and its consolidated subsidiaries (NIDEC), and shares of associates of NIDEC.

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

- i. Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors and motor applications.
- ii. Automotive, appliance, commercial and industrial products, which includes automotive motors and components, home appliance, commercial and industrial motors and related products.
- iii. Machinery, which includes industrial robots, card readers, test systems, pressing machines and power transmission drives.
- iv. Electronic and optical components, which include switches, trimmer potentiometers, lens units and camera shutters.
- v. Others, which include services.

### **2. Basis of Preparation**

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

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

NIDEC adopts IFRS for the first time this financial year (commencing on April 1, 2016 and ending on March 31, 2017), and so the annual consolidated financial statements for the year are the first ones prepared in conformity with IFRS. The date of transition of NIDEC to IFRS is April 1, 2015. Explanations of how the first time adoption of, and the transition to, IFRS have affected NIDEC's financial position, business results and cash flows are provided in "Note 15. First-Time Adoption of IFRS".

#### **(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, except as otherwise indicated.

#### **(4) Early adoption of new IFRS standards**

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

### **3. Significant accounting policies**

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

Significant accounting policies are stated in notes to NIDEC's condensed quarterly consolidated financial statements for the three months ended June 30, 2016.

#### 4. Significant accounting estimates, judgments and assumptions

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

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

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

#### 5. Segment Information

(Operating segment information)

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

NIDEC's operating segments are as follows;

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

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

Net sales to external customers:

*(Yen in millions)*

Name	For the nine months ended December 31	
	2015	2016
Nidec Corporation	23,417	24,474
Nidec Electronics (Thailand)	67,689	65,975
Nidec Singapore	54,735	41,164
Nidec (H.K.)	90,367	98,435
Nidec Sankyo	97,547	99,720
Nidec Copal	31,259	26,886
Nidec Techno Motor	42,859	44,616
Nidec Motor	165,221	165,221
Nidec Motors & Actuators	184,930	177,896
Others	137,329	123,841
Consolidated total	895,353	868,228

*(Yen in millions)*

Name	For the three months ended December 31	
	2015	2016
Nidec Corporation	7,733	7,436
Nidec Electronics (Thailand)	24,011	25,275
Nidec Singapore	18,959	15,294
Nidec (H.K.)	43,345	37,185
Nidec Sankyo	31,903	35,660
Nidec Copal	8,820	9,501
Nidec Techno Motor	12,955	14,684
Nidec Motor	55,097	53,577
Nidec Motors & Actuators	61,542	61,948
Others	43,636	43,638
Consolidated total	308,001	304,198

Net sales to other operating segments:

*(Yen in millions)*

Name	For the nine months ended December 31	
	2015	2016
Nidec Corporation	159,972	144,301
Nidec Electronics (Thailand)	33,475	29,816
Nidec Singapore	646	474
Nidec (H.K.)	1,029	4,084
Nidec Sankyo	267	275
Nidec Copal	14,195	7,600
Nidec Techno Motor	3,718	3,896
Nidec Motor	920	148
Nidec Motors & Actuators	16,894	16,293
Others	135,868	132,336
Total	366,984	339,223
Intersegment elimination	(366,984)	(339,223)
Consolidated total	-	-

*(Yen in millions)*

Name	For the three months ended December 31	
	2015	2016
Nidec Corporation	70,843	55,764
Nidec Electronics (Thailand)	11,143	10,354
Nidec Singapore	174	146
Nidec (H.K.)	333	316
Nidec Sankyo	96	118
Nidec Copal	8,763	2,820
Nidec Techno Motor	1,434	1,485
Nidec Motor	387	41
Nidec Motors & Actuators	5,431	6,220
Others	54,297	52,355
Total	152,901	129,619
Intersegment elimination	(152,901)	(129,619)
Consolidated total	-	-

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

Name	For the nine months ended December 31	
	2015	2016
Nidec Corporation	13,644	12,021
Nidec Electronics (Thailand)	14,818	14,579
Nidec Singapore	823	616
Nidec (H.K.)	830	1,137
Nidec Sankyo	11,664	14,812
Nidec Copal	1,152	3,787
Nidec Techno Motor	3,984	6,276
Nidec Motor	10,505	14,822
Nidec Motors & Actuators	18,067	21,383
Others	25,612	29,087
Total	101,099	118,520
Elimination and Corporate (Note)	(10,813)	(12,323)
Operating profit (loss)	90,286	106,197
Financial income (loss)	6	465
Derivative gain	161	1,246
Foreign exchange differences	2,010	405
Equity in net income (loss) of associates	4	(542)
Profit before income taxes	92,467	107,771

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥11,691 million and ¥10,142 million for the nine months ended December 31, 2016 and 2015, respectively. The corporate expenses include basic research expenses and head office expenses.

(Yen in millions)

Name	For the three months ended December 31	
	2015	2016
Nidec Corporation	6,330	5,168
Nidec Electronics (Thailand)	4,704	5,350
Nidec Singapore	269	224
Nidec (H.K.)	398	(110)
Nidec Sankyo	3,726	4,973
Nidec Copal	(247)	1,354
Nidec Techno Motor	1,060	1,949
Nidec Motor	3,357	4,286
Nidec Motors & Actuators	6,720	8,249
Others	8,143	10,941
Total	34,460	42,384
Elimination and Corporate (Note)	(3,777)	(5,191)
Operating profit (loss)	30,683	37,193
Financial income (loss)	4	291
Derivative gain	46	3,941
Foreign exchange differences	(412)	578
Equity in net income (loss) of associates	(1)	(525)
Profit before income taxes	30,320	41,478

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥4,431 million and ¥3,444 million for the three months ended December 31, 2016 and 2015, respectively. The corporate expenses include basic research expenses and head office expenses.

(Supplemental Information)

Sales by type of product

Sales by type of product are as follows:

*(Yen in millions)*

Type of product	For the nine months ended December 31	
	2015	2016
Small precision motors:		
Hard disk drives spindle motors	162,454	144,040
Other small precision motors	189,623	186,826
Sub-total	352,077	330,866
Automotive, appliance, commercial and industrial products	411,031	400,709
Machinery	80,245	86,610
Electronic and optical components	49,264	47,307
Others	2,736	2,736
Consolidated Total	895,353	868,228

*(Yen in millions)*

Type of product	For the three months ended December 31	
	2015	2016
Small precision motors:		
Hard disk drives spindle motors	55,648	53,674
Other small precision motors	73,916	65,476
Sub-total	129,564	119,150
Automotive, appliance, commercial and industrial products	134,846	135,064
Machinery	25,886	32,726
Electronic and optical components	16,736	16,275
Others	969	983
Consolidated Total	308,001	304,198

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

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

The “Machinery” group of products consists of industrial robots, card readers, test systems, pressing machines and power transmission drives, etc.

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

“Others” consists of services, etc.

## 6. Business combinations

On May 20, 2016, NIDEC acquired all of the voting rights in E.C.E. S.r.l., an Italian company from the shareholders for cash of ¥675 million. Its business is design, manufacturing and sales of hoists for building constructions. Through this acquisition, NIDEC expects to expand its sales in the building construction machines market mainly in the Middle East and North Africa. This acquisition did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

On May 31, 2016, NIDEC acquired approximately 94.8% of the voting rights in ANA IMEP S.A. (present Nidec Motor Corporation Romania), a Romanian company from its major shareholder for cash of ¥2,285 million. Its business is development, manufacturing and sales of washing machine and drying machine motors. Through this acquisition, NIDEC not only expects to enhance the competitiveness of its appliance motor business in the European market but also intends to build up Nidec Motor Corporation Romania as a major manufacturing base for NIDEC's appliance, commercial and industrial motors business. This acquisition did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

On December 5, 2016, NIDEC acquired all of the voting rights in Canton Elevator, Inc., a US company from the shareholders for cash of ¥3,677 million. Its business is design, manufacture and sales of commercial, residential, and freight elevator systems and components. This acquisition will enable NIDEC to provide a broader range of Canton Elevator, Inc.'s customers with comprehensive elevator solutions by adding Canton Elevator, Inc.'s competitive elevator packages to NIDEC's existing product line-up and, accelerate the growth of NIDEC's business of Elevator & Drive Systems in North America. It did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

Pursuant to IFRS 3 "Business Combinations," during the three months ended September 30, 2016, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of KB Electronics, Inc. (merged into Nidec Motor Corporation in March 2016.) Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the nine months ended December 31, 2015 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

NIDEC has been evaluating the fair values of the assets acquired and the liabilities assumed upon the acquisitions of companies in the nine months ended December 31, 2016. The assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statement of financial position based on preliminary management estimation as of December 31, 2016. These evaluations do not have material impacts on NIDEC's consolidated financial position, results of operations or liquidity.

## 7. Goodwill and intangible assets

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

*(Yen in millions)*

	For the nine months ended December 31	
	2015	2016
Balance at the beginning of the period		
Goodwill	162,959	162,043
Acquisition	4,402	1,729
Translation adjustments and others	137	528
Balance at the end of the period		
Goodwill	167,498	164,300

Intangible assets subject to amortization are as follows:

*(Yen in millions)*

	The date of transition to IFRS (April 1, 2015)		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	15,652	(3,485)	12,167
Customer relationships	58,881	(13,934)	44,947
Software	21,660	(10,979)	10,681
Other	7,608	(3,734)	3,874
Total	103,801	(32,132)	71,669

*(Yen in millions)*

	March 31, 2016		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	15,182	(4,444)	10,738
Customer relationships	56,428	(16,908)	39,520
Software	24,021	(12,593)	11,428
Other	7,218	(3,887)	3,331
Total	102,849	(37,832)	65,017

*(Yen in millions)*

	December 31, 2016		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	15,121	(5,105)	10,016
Customer relationships	57,969	(19,679)	38,290
Software	25,248	(14,172)	11,076
Other	7,316	(4,084)	3,232
Total	105,654	(43,040)	62,614

Total amortization of intangible assets for the years ended March 31, 2016 and for the nine months ended December 31, 2016 amounted to ¥8,303 million and ¥5,765 million, respectively. Total indefinite lived intangible assets amounted to ¥12,262 million, ¥12,032 million and ¥12,197 million as of April 1, 2015, March 31, 2016 and December 31, 2016, respectively.

## 8. Employee Benefits

The amounts of net periodic benefit cost in pension and severance plans for the nine months ended December 31, 2015 and 2016 are as follows:

*(Yen in millions)*

	For the nine months ended December 31	
	2015	2016
Net periodic pension cost for defined benefit plans:		
Current service cost	1,211	1,335
Net interest cost	139	221
Net periodic pension cost for defined benefit plans	1,350	1,556
Payments to multiemployer pension plans	109	36
Payments to defined contribution plans	2,444	2,195

## 9. Dividends

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

For the nine months ended December 31, 2015

Resolution	Stock Category	Dividend Amounts (Yen in millions)	Dividends per share (Yen)	Record Date	Effective Date
May 27, 2015 Board of directors meeting	Common Stock	11,764	40	March 31, 2015	June 3, 2015
October 21, 2015 Board of directors meeting	Common Stock	11,925	40	September 30, 2015	November 30, 2015

For the nine months ended December 31, 2016

Resolution	Stock Category	Dividend Amounts (Yen in millions)	Dividends per share (Yen)	Record Date	Effective Date
May 25, 2016 Board of directors meeting	Common Stock	11,864	40	March 31, 2016	June 2, 2016
October 24, 2016 Board of directors meeting	Common Stock	11,864	40	September 30, 2016	December 1, 2016

## 10. Earnings per Share

For the nine months ended December 31, 2015

	Profit attributable to owners of the parent (Yen in millions)	Weighted average shares (Thousands of shares)	Earnings per share attributable to owners of the parent (Yen)
Earnings per share attributable to owners of the parent -Basic:			
Profit attributable to owners of the parent	69,526	296,877	234.19
Effect of dilutive securities:			
Convertible bonds	(3)	1,441	
Earnings per share attributable to owners of the parent -Diluted:			
Profit attributable to owners of the parent	69,523	298,318	233.05

For the nine months ended December 31, 2016

	Profit attributable to owners of the parent (Yen in millions)	Weighted average shares (Thousands of shares)	Earnings per share attributable to owners of the parent (Yen)
Earnings per share attributable to owners of the parent -Basic:			
Profit attributable to owners of the parent	81,638	296,600	275.25
Effect of dilutive securities:			
Convertible bonds	-	-	
Earnings per share attributable to owners of the parent -Diluted:			
Profit attributable to owners of the parent	81,638	296,600	275.25

For the three months ended December 31, 2015

	Profit attributable to owners of the parent (Yen in millions)	Weighted average shares (Thousands of shares)	Earnings per share attributable to owners of the parent (Yen)
Earnings per share attributable to owners of the parent -Basic:			
Profit attributable to owners of the parent	22,669	298,132	76.04
Effect of dilutive securities:			
Convertible bonds	-	-	
Earnings per share attributable to owners of the parent -Diluted:			
Profit attributable to owners of the parent	22,669	298,132	76.04

For the three months ended December 31, 2016

	Profit attributable to owners of the parent (Yen in millions)	Weighted average shares (Thousands of shares)	Earnings per share attributable to owners of the parent (Yen)
Earnings per share attributable to owners of the parent -Basic:			
Profit attributable to owners of the parent	31,528	296,599	106.30
Effect of dilutive securities:			
Convertible bonds	-	-	
Earnings per share attributable to owners of the parent -Diluted:			
Profit attributable to owners of the parent	31,528	296,599	106.30

## 11. Fair values

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

The levels of the fair value hierarchy are as follows:

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

### Financial instruments measured at amortized cost.

(Yen in millions)

	The date of transition to IFRS (April 1, 2015)		March 31, 2016		December 31, 2016	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Short term investments	2	2	1,947	1,947	3,792	3,792
Long term investments	160	160	38	38	-	-
Short term loan receivable	171	171	49	49	40	40
Long term loan receivable	42	41	134	135	122	120
Short term borrowings	(52,401)	(52,401)	(81,092)	(81,092)	(61,919)	(61,919)
Long term debt (including the current portion and excluding capital lease obligation and bonds)	(55,161)	(55,099)	(60,941)	(61,066)	(61,800)	(61,881)
Bonds (including the current portion)	(171,222)	(183,687)	(149,886)	(151,541)	(149,933)	(151,158)

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

(1) Short term investments, short term loan receivable and short term borrowings

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

(2) Long term investments

NIDEC's long term investments are mainly time deposits which are due over one year from December 31, 2016 to their original maturity dates and are classified as Level 2. The fair value of long term investments is estimated by discounting expected future cash flows.

(3) Long term loan receivable

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

(4) Long term debt

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

(5) Bonds

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

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

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

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

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

The date of transition to IFRS (April 1, 2015)

*(Yen in millions)*

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other securities				
FVTOCI equity financial assets	19,053	-	1,724	20,777
FVTOCI debt financial assets	-	330	-	330
Derivatives	47	8	-	55
Total financial assets	19,100	338	1,724	21,162
Liabilities				
Derivatives	324	1,738	-	2,062
Total financial liabilities	324	1,738	-	2,062

March 31, 2016

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other securities				
FVTOCI equity financial assets	13,227	-	1,589	14,816
FVTOCI debt financial assets	-	281	-	281
Derivatives	48	55	-	103
Total financial assets	13,275	336	1,589	15,200
Liabilities				
Derivatives	254	1,156	-	1,410
Total financial liabilities	254	1,156	-	1,410

December 31, 2016

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other securities				
FVTOCI equity financial assets	16,624	-	1,711	18,335
FVTOCI debt financial assets	-	240	-	240
Derivatives	636	1,326	-	1,962
Total financial assets	17,260	1,566	1,711	20,537
Liabilities				
Derivatives	173	1,502	-	1,675
Total financial liabilities	173	1,502	-	1,675

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

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

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

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

*(Yen in millions)*

	For the nine months ended December 31	
	2015	2016
Balance at the beginning of the period	1,724	1,589
Gains or losses		
Recognized in other comprehensive income (*1)	(5)	124
Purchases	-	-
Sales	(30)	(2)
Transfers to/from Level 3	-	-
Balance at the end of the period	1,689	1,711

\*1 Those are included in “Fair value movements on FVTOCI equity financial assets” and “Foreign currency translation adjustments” in the condensed quarterly consolidated statements of comprehensive income.

## 12. Commitments

Commitments for expenditures after the closing date are as follows:

*(Yen in millions)*

	The date of transition to IFRS (April 1, 2015)	March 31, 2016	December 31, 2016
Property, plant and equipment and other assets	3,356	6,101	9,256

## 13. Events after the Reporting Period

### (1) Own share repurchase

On January 24, 2017, the Company's Board of Directors resolved to repurchase its own shares according to the provisions of the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1, Item 1 of the Company Law of Japan.

This resolution is a part of efforts to ensure agile capital management highly responsive to the changing business environment. The details of the share repurchase are as follows:

1. Class of shares:	Common stock
2. Total number of shares to be repurchased:	Up to 5,000,000 shares (1.69% of total number of shares issued excluding treasury stock)
3. Total repurchase amount:	Up to 50 billion yen
4. Period of repurchase:	From January 27, 2017 to January 26, 2018

### (2) Completion of Acquisition of Emerson Electric Co.’s Motors, Drives and Electric Power Generation Businesses

The Company completed the acquisition of the motors, drives and electric power generation businesses (the “Acquired Business”) of Emerson Electric Co. (“Emerson”) (the “Transaction”) on January 31, 2017, US time. The

fair value of the consideration paid is \$1,253 million. Since the initial accounting for the business combination has not been completed at the time of the approval of the condensed quarterly financial statement, further details have not yet been disclosed.

1. Purpose	<p>The Emerson's Acquired Business develops, manufactures and sells motors, drives and alternators. The Transaction enables NIDEC to further enhance its appliance, commercial, and industrial motor businesses on which NIDEC provides particular focus and significantly grow its presence in the market.</p> <p>The Acquired Business has a strong brand and solid business foundation and an excellent customer base, particularly in Europe and North America. With the Transaction executed, NIDEC expects a complementary product fit with its full lineup of industrial products, geographic complementation of business foundation in Europe and North America, and enhancement of proposal to customers by combining the Acquired Business's drives with NIDEC's existing products.</p>
2. Considerations for the Transaction	<p>Borrowings and debts from financial institutions</p> <p>For the Transaction, the company borrowed \$1,300 million as of January 31, 2017.</p>

#### **14. Authorization of condensed quarterly consolidated financial statements**

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

#### **15. First-Time Adoption of IFRS**

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

##### **(1) Exemptions to retrospective application of IFRS**

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

##### Business combinations:

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

##### Use of fair value as deemed cost:

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

##### Exchange differences on translating foreign operations:

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

##### **(2) Reconciliations**

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

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

*(Yen in millions)*

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

(Yen in millions)

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

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

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

### A. Retirement benefit liabilities

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

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

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

### B. Deferred tax

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

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

### C. Translation adjustment of foreign operations

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

### D. Reclassification on the consolidated statement of financial position

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

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

## (ii) Reconciliation of equity as of December 31, 2015

*(Yen in millions)*

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Assets						Assets
Current assets						Current assets
Cash and cash equivalents	324,931	-	-	324,931		Cash and cash equivalents
	-	269,303	104	269,407		Trade and other receivables
Trade note receivable	21,827	(21,827)	-	-		
Trade accounts receivable	230,017	(230,017)	-	-		
	-	336	-	336	D	Other financial assets
	-	2,827	-	2,827		Income tax receivables
Inventories	186,360	-	165	186,525		Inventories
Other current assets	51,972	(32,195)	178	19,955		Other current assets
Total current assets	815,107	(11,573)	447	803,981		Total current assets
	-	358,822	599	359,421		Non-current assets
	-	358,822	599	359,421		Property, plant, and equipment
Land	47,903	(47,903)	-	-		
Buildings	194,286	(194,286)	-	-		
Machinery and equipment	464,419	(464,419)	-	-		
Construction in progress	34,154	(34,154)	-	-		
Accumulated depreciation	(381,940)	381,940	-	-		
Goodwill	168,483	-	(985)	167,498	E	Goodwill
	-	81,073	211	81,284	E	Intangible assets
	-	1,937	-	1,937		Investments accounted for using the equity method
	-	18,721	-	18,721		Other investments
Marketable securities and other securities investments	18,727	(18,727)	-	-		
Investments in and advances to affiliated companies	1,937	(1,937)	-	-		
	-	1,736	-	1,736	D	Other financial assets
	-	14,694	(3,488)	11,206	B	Deferred tax assets
	-	10,973	(4,446)	6,527		Other non-current assets
Other tangible assets	96,897	(96,897)	-	-		
Total non-current assets	644,866	11,573	(8,109)	648,330		Total non-current assets
Total assets	1,459,973	-	(7,662)	1,452,311		Total assets

(Yen in millions)

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Liabilities and equity						Liabilities and equity
Liabilities						Liabilities
Current liabilities						Current liabilities
Short-term borrowings	121,937	-	-	121,937		Short term borrowings
Current portion of long-term debt	52,495	-	(24)	52,471		Long term debt due within one year
	-	214,638	45	214,683		Trade and other payables
Trade notes and accounts payable	203,190	(203,190)	-	-		
	-	5,477	-	5,477		Other financial liabilities
	-	6,243	-	6,243		Income tax payable
	-	15,614	15	15,629		Provisions
Accrued expenses	32,652	(32,652)	-	-		
Other current liabilities	46,149	(8,714)	376	37,811		Other current liabilities
Total current liabilities	456,423	(2,584)	412	454,251		Total current liabilities
Long term liabilities						Non-current liabilities
Long-term debt	139,328	-	(105)	139,223		Long term debt
	-	890	-	890		Other financial liabilities
	-	19,140	653	19,793	A	Retirement benefit liabilities
Accrued pension and severance costs	19,151	(19,151)	-	-		
	-	2,920	68	2,988		Provisions
	-	35,002	(9,333)	25,669	B	Deferred tax liabilities
	-	3,121	-	3,121		Other non-current liabilities
Other long term liabilities	39,338	(39,338)	-	-		
Total long term liabilities	197,817	2,584	(8,717)	191,684		Total non-current liabilities
Total liabilities	654,240	-	(8,305)	645,935		Total liabilities
Equity						Equity
Common stock	87,784	-	-	87,784		Common stock
Additional paid-in capital	116,108	-	2,283	118,391		Additional paid-in capital
Retained earnings	474,879	-	132,565	607,444	C	Retained earnings
	-	118,407	(134,314)	(15,907)	A	Other components of equity
Accumulated other comprehensive income	118,407	(118,407)	-	-	C	
Treasury stock	(39)	-	-	(39)		Treasury stock
Total Nidec Corporation shareholders' equity	797,139	-	534	797,673		Total equity attributable to owners of the parent
Noncontrolling interests	8,594	-	109	8,703		Non-controlling interests
Total equity	805,733	-	643	806,376		Total equity
Total liabilities and equity	1,459,973	-	(7,662)	1,452,311		Total liabilities and equity

## Notes to reconciliation of equity as of December 31, 2015

The major items of the reconciliation of equity as of December 31, 2015 are as follows:

### A. Retirement benefit liabilities

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

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

As a result of the factors described above, the amount that was reclassified from accumulated other comprehensive income (loss) to a decrease in “Retained earnings” as of December 31, 2015 was ¥2,791 million.

### B. Deferred tax

- (a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,264 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers’ tax rates.
- (b) Temporary differences resulting from the transition to IFRS are recognized as additional deferred tax assets and liabilities.
- (c) Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets with current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

As a result, deferred tax assets and liabilities (net) decreased by ¥5,845 million as of December 31, 2015.

### C. Translation adjustment of foreign operations

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

### D. Reclassification on the consolidated statement of financial position

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

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

### E. Retrospective adjustment on business combinations

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

## (iii) Reconciliation of equity as of March 31, 2016

*(Yen in millions)*

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

(Yen in millions)

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

## Notes to reconciliation of equity as of March 31, 2016

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

### A. Retirement benefit liabilities

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

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

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

### B. Deferred tax

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

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

### C. Translation adjustment of foreign operations

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

### D. Reclassification on the consolidated statement of financial position

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

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

### E. Retrospective adjustment on business combinations

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

## (iv) Reconciliation of income and comprehensive income for the nine months ended December 31, 2015

*(Yen in millions)*

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of income						Condensed quarterly consolidated statement of income
Net sales	895,353	-	-	895,353		Net sales
Cost of products sold	(690,915)	(13)	(996)	(691,924)	A,D	Cost of sales
Gross profit	204,438	(13)	(996)	203,429		Gross profit
Selling, general and administrative expenses	(70,741)	(2,782)	87	(73,436)	A	Selling, general and administrative expenses
Research and development expenses	(39,707)	-	-	(39,707)		Research and development expenses
Operating income	93,990	(2,795)	(909)	90,286		Operating profit
	-	2,253	(946)	1,307	C	Financial income
	-	(1,262)	(39)	(1,301)	C	Financial expenses
	-	161	-	161		Derivative gain
	-	2,010	-	2,010		Foreign exchange differences
	-	4	-	4		Equity in net income (loss) of associates
Interest and dividend income	1,303	(1,303)	-	-		
Interest expense	(1,164)	1,164	-	-		
Foreign exchange (loss) gain, net	2,010	(2,010)	-	-		
Gain on marketable securities, net	946	(946)	-	-	B	
Other, net	(2,728)	2,728	-	-		
Income before income tax	94,357	4	(1,894)	92,467		Profit before income taxes
Income taxes	(22,458)	-	554	(21,904)		Income tax expenses
Equity in net income of affiliated companies	4	(4)	-	-		
Consolidated net income	71,903	-	(1,340)	70,563		Profit for the period
Net income attributable to:						Profit attributable to:
Nidec Corporation	70,928	-	(1,402)	69,526		Owners of the parent
Noncontrolling interests	975	-	62	1,037		Non-controlling interests

(Yen in millions)

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of comprehensive income						Condensed quarterly consolidated statement of comprehensive income
Consolidated net income	71,903	-	(1,340)	70,563		Profit for the period
Pension liability adjustments	78	-	(70)	8	A	Remeasurement of defined benefit plans
Net unrealized gains and losses on securities	(1,874)	8	705	(1,161)	B	Fair value movements on FVTOCI equity financial assets
Foreign currency translation adjustments	(14,426)	-	(219)	(14,645)		Foreign currency translation adjustments
Net gains and losses on derivative instruments	(579)	-	-	(579)		Effective portion of net changes in fair value of cash flow hedges
	-	(8)	-	(8)		Fair value movements on FVTOCI debt financial assets
Total other comprehensive income	(16,801)	-	416	(16,385)		Other comprehensive income for the period, net of taxation
Total comprehensive income	55,102	-	(924)	54,178		Comprehensive income for the period
(Breakdown)						Comprehensive income attributable to:
Comprehensive income (loss) attributable to Nidec Corporation	54,507	-	(994)	53,513		Owners of the parent
Comprehensive income (loss) attributable to noncontrolling interests	595	-	70	665		Non-controlling interests

### Notes to reconciliation of income and comprehensive income for the nine months ended December 31, 2015

The major items of the reconciliation of income and comprehensive income for the nine months ended December 31, 2015 are as follows:

#### A. Retirement benefit liabilities

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

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

As a result of the factors described above, retirement benefit costs have increased by ¥303 million on the condensed quarterly consolidated statement of income for the nine months ended December 31, 2015.

#### B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

## (v) Reconciliation of income and comprehensive income for the three months ended December 31, 2015

*(Yen in millions)*

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of income						Condensed quarterly consolidated statement of income
Net sales	308,001	-	-	308,001		Net sales
Cost of products sold	(237,857)	(7)	(696)	(238,560)	A,D	Cost of sales
Gross profit	70,144	(7)	(696)	69,441		Gross profit
Selling, general and administrative expenses	(23,698)	(847)	73	(24,472)	A	Selling, general and administrative expenses
Research and development expenses	(14,286)	-	-	(14,286)		Research and development expenses
Operating income	32,160	(854)	(623)	30,683		Operating profit
	-	436	(26)	410	C	Financial income
	-	(408)	2	(406)	C	Financial expenses
	-	46	-	46		Derivative gain
	-	(412)	-	(412)		Foreign exchange differences
	-	(1)	-	(1)		Equity in net income (loss) of associates
Interest and dividend income	407	(407)	-	-		
Interest expense	(374)	374	-	-		
Foreign exchange (loss) gain, net	(412)	412	-	-		
Gain on marketable securities, net	26	(26)	-	-	B	
Other, net	(839)	839	-	-		
Income before income tax	30,968	(1)	(647)	30,320		Profit before income taxes
Income taxes	(7,246)	-	70	(7,176)		Income tax expenses
Equity in net income of affiliated companies	(1)	1	-	-		
Consolidated net income	23,721	-	(577)	23,144		Profit for the period
Net income attributable to:						Profit attributable to:
Nidec Corporation	23,320	-	(651)	22,669		Owners of the parent
Noncontrolling interests	401	-	74	475		Non-controlling interests

(Yen in millions)

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of comprehensive income						Condensed quarterly consolidated statement of comprehensive income
Consolidated net income	23,721	-	(577)	23,144		Profit for the period
Pension liability adjustments	101	-	(21)	80	A	Remeasurement of defined benefit plans
Net unrealized gains and losses on securities	510	(4)	169	675	B	Fair value movements on FVTOCI equity financial assets
Foreign currency translation adjustments	115	-	25	140		Foreign currency translation adjustments
Net gains and losses on derivative instruments	62	-	-	62		Effective portion of net changes in fair value of cash flow hedges
	-	4	-	4		Fair value movements on FVTOCI debt financial assets
Total other comprehensive income	788	-	173	961		Other comprehensive income for the period, net of taxation
Total comprehensive income	24,509	-	(404)	24,105		Comprehensive income for the period
(Breakdown)						Comprehensive income attributable to:
Comprehensive income (loss) attributable to Nidec Corporation	23,999	-	(486)	23,513		Owners of the parent
Comprehensive income (loss) attributable to noncontrolling interests	510	-	82	592		Non-controlling interests

### Notes to reconciliation of income and comprehensive income for the three months ended December 31, 2015

The major items of the reconciliation of income and comprehensive income for the three months ended December 31, 2015 are as follows:

#### A. Retirement benefit liabilities

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

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

As a result of the factors described above, retirement benefit costs have increased by ¥92 million on the condensed quarterly consolidated statement of income for the three months ended December 31, 2015.

#### B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

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

*(Yen in millions)*

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

(Yen in millions)

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

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

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

#### A. Retirement benefit liabilities

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

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

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

#### B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

(vii) Disclosure of material items of reconciliation of the consolidated statements of cash flows for the nine months ended December 31, 2015 and the year ended March 31, 2016

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