

[Translation]

Quarterly Report

(The Third Quarter of 45th Business Term)
From October 1, 2017 to December 31, 2017

NIDEC CORPORATION

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[Document Filed]	Quarterly Report (“Shihanki Hokokusho”)
[Applicable Law]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	February 13, 2018
[Fiscal Year]	The Third Quarter of 45th Business Term (from October 1, 2017 to December 31, 2017)
[Company Name]	Nihon Densan Kabushiki Kaisha
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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

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

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

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

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(Yen in millions, unless otherwise stated)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year ended March 31, 2017
Net sales	868,228 [304,198]	1,105,921 [390,031]	1,199,311
Profit before income taxes	107,747	119,723	141,313
Profit attributable to owners of the parent	81,617 [31,523]	94,763 [34,776]	111,007
Comprehensive income attributable to owners of the parent	94,046	134,546	107,311
Total equity attributable to owners of the parent	833,314	949,067	846,572
Total assets	1,492,444	1,826,664	1,678,997
Earnings per share attributable to owners of the parent - Basic (Yen)	275.18 [106.28]	320.06 [117.46]	374.27
Earnings per share attributable to owners of the parent - Diluted (Yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	55.8	52.0	50.4
Net cash provided by operating activities	102,996	133,401	129,853
Net cash used in investing activities	(56,929)	(87,377)	(211,476)
Net cash (used in) provided by financing activities	(40,975)	(84,710)	95,848
Cash and cash equivalents at end of period	314,813	298,469	321,580

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

2. Description of Business

There were no significant changes in NIDEC's businesses during the nine months ended December 31, 2017. A change in principal subsidiaries and associates is as follows:

[Nidec Motors & Actuators] Segment

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

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the nine months ended December 31, 2017. There were no material changes in the risk factors stated in the annual securities report for the 44th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Material Agreements, etc.

The material agreements executed during the three months ended December 31, 2017 are as follows:

(1) Equity Transfer Agreement (driveXpert GmbH)

NIDEC agreed to acquire 100% ownership interest of driveXpert GmbH ("driveXpert") through the Company's subsidiary, Nidec Motors & Actuators (Germany) GmbH. The acquisition was completed on November 30, 2017 (the "Transaction").

1. Purpose of the Transaction

NIDEC places importance on the market for automotive Electronic Control Unit (ECU) and electric motors, as electrification of in-vehicle parts accelerates. driveXpert has the high technical capability in designing ECUs for automotive motors and applications. The Transaction will enable the combination of Nidec's high-performance motors and driveXpert's high precision ECUs.

2. Funds for the Transaction Own funds

3. Information on driveXpert

Company Name:	driveXpert GmbH
Headquarters:	Ilmenau, Germany
Business:	Development and design of automotive ECU hardware and software

4. Execution date of the equity transfer agreement November 22, 2017 (Germany time)

5. Date of the completion of the acquisition November 30, 2017

(2) Joint Venture Agreement

The Company's subsidiary, Nidec Leroy-Somer Holding ("Nidec Leroy-Somer") resolved to enter into a joint venture agreement on automotive electric traction motors with Groupe PSA ("PSA") at a meeting of a Board of Directors held on December 4, 2017 (the "Transaction").

1. Purpose of the Transaction

NIDEC has been actively developing a new growth platform with particular emphasis on automotive motor business. Especially, traction motor has gained attention as one of the most important parts that will replace conventional internal combustion engines, and is the area Nidec has particularly concentrated its efforts on. Nidec Leroy-Somer, acquired by Nidec in February 2017, is the leading motor company in France and renowned for its high quality products in

industrial area as well as various other areas. PSA, with the second largest market share of automotive industry in Europe where environmental awareness is high, has been actively accelerating its shift to electrified vehicles. Nidec Leroy-Somer and PSA have acknowledged the strategic importance of traction motor in coming electrification age and agreed mutual cooperation for developing high-performance and competitive electric traction motor range for electrified vehicles for PSA such as Mild-hybrid (“MHEV”), Electric Vehicles (“EV”) and Plug-in Hybrid (“PHEV”).

2. Information on the joint venture

Headquarters:	Carrières sous Poissy, France
Business:	Development, production, and sales of automotive electric traction motor
Foundation:	March to April 2018 (To be determined)
Capital:	15 million euro (To be determined)
Investment Ratio:	Nidec Leroy-Somer 50%, PSA automobiles 50%*

The joint venture’s name and representative are not decided as of the date of filing this quarterly report.

(Note) *PSA automobiles is a French company of PSA.

3. Information on PSA automobiles

Company name:	PSA automobiles SA
Headquarters:	Poissy, France
Business:	Design, manufacturing and sales of automobiles and automotive engines
Capital:	300 million euro

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

(1) Operating Results

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

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

The following table sets forth consolidated operating results for the nine months ended December 31, 2017:

(Yen in millions)

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

Consolidated net sales increased 27.4% to ¥1,105,921 million for the nine months ended December 31, 2017 compared to the same period of the prior year and operating profit increased 19.7% to ¥127,127 million for the nine months ended December 31, 2017 compared to the same period of the prior year, achieving the highest net sales and operating profit for nine-month period in our history. Profit before income taxes increased 11.1% to ¥119,723 million for the nine months ended December 31, 2017 compared to the same period of the prior year and profit attributable to owners of the parent increased 16.1% to ¥94,763 million for the nine months ended December 31, 2017 compared to the same period of the prior year, achieving the highest profits for nine-month period in our history, respectively.

The following table sets forth operating results by segment:

(Yen in millions)

	Nine months ended December 31					
	Net sales			Operating profit		
	2016	2017	Increase or decrease	2016	2017	Increase or decrease
Nidec Corporation	168,775	170,173	1,398	12,021	19,141	7,120
Nidec Electronics (Thailand)	95,791	98,232	2,441	14,579	14,450	(129)
Nidec Singapore	41,638	38,218	(3,420)	616	597	(19)
Nidec (H.K.)	102,519	97,288	(5,231)	1,137	966	(171)
Nidec Sankyo	99,995	112,386	12,391	14,812	16,231	1,419
Nidec Copal	34,486	39,732	5,246	3,787	3,580	(207)
Nidec Techno Motor	48,512	63,554	15,042	6,276	7,101	825
Nidec Motor	165,369	322,186	156,817	14,799	22,795	7,996
Nidec Motors & Actuators	194,189	222,748	28,559	21,383	26,342	4,959
All Others	256,177	287,543	31,366	29,086	31,945	2,859
Adjustments	(339,223)	(346,139)	(6,916)	(12,323)	(16,021)	(3,698)
Consolidated total	868,228	1,105,921	237,693	106,173	127,127	20,954

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

Net sales of Nidec Corporation increased 0.8% to ¥170,173 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to a positive effect of the depreciation of the Japanese yen against the U.S. dollar, despite the decrease in demand for the hard disk drives spindle motors. Operating profit of Nidec Corporation increased 59.2% to ¥19,141 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the increase in sales and cost reduction.

Net sales of Nidec Electronics (Thailand) increased 2.5% to ¥98,232 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the positive effect of the depreciation of Japanese yen against the U.S. dollar. However, operating profit of Nidec Electronics (Thailand) decreased 0.9% to ¥14,450 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This decrease was primarily due to the appreciation of Thai baht against the U.S. dollar.

Net sales of Nidec Singapore decreased 8.2% to ¥38,218 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This decrease was primarily due to a decrease in demand for hard disk drives spindle motors, despite the positive effect of the depreciation of the Japanese yen against the U.S. dollar. Operating profit of Nidec Singapore decreased 3.1% to ¥597 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This decrease was primarily due to the decrease in sales.

Net sales of Nidec (H.K.) decreased 5.1% to ¥97,288 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This decrease was primarily due to a decrease in sales of hard disk drives spindle motors and other small precision motors, despite a positive effect of the depreciation of the Japanese yen against the Hong Kong dollar. Operating profit of Nidec (H.K.) decreased 15.0% to ¥966 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This decrease was primarily due to the decrease in sales.

Net sales of Nidec Sankyo increased 12.4% to ¥112,386 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to an increase in sales of other small precision motors and LCD panel handling robots. Operating profit of Nidec Sankyo increased 9.6% to ¥16,231 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Copal increased 15.2% to ¥39,732 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to an increase in sales of mounting machine units and camera components, despite a decrease in sales of other small precision motors. However, Operating profit of Nidec Copal decreased 5.5% to ¥3,580 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This decrease was primarily due to the fact that the one-off expense was booked in the nine months ended December 31, 2017.

Net sales of Nidec Techno Motor increased 31.0% to ¥63,554 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to an increase in demand for motors for air conditioning equipment in China. Operating profit of Nidec Techno Motor increased 13.1% to ¥7,101 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the increase in sales, despite an increase of material expenses.

Net sales of Nidec Motor increased 94.8% to ¥322,186 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended March 31, 2017 and the three months ended September 30, 2017. Operating profit of Nidec Motor increased 54.0% to ¥22,795 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the increase in sales.

Net sales of Nidec Motors & Actuators increased 14.7% to ¥222,748 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to an increase in sales for automotive motors such as electric power

steering motors and products of control valves at Nidec Tosok Corporation and a positive effect of the depreciation of the Japanese yen against the euro. Operating profit of Nidec Motors & Actuators increased 23.2% to ¥26,342 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the increase in sales.

With respect to the All Others segment, net sales increased 12.2% to ¥287,543 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to an increase in sales for other small precision motors, press machines and speed reducers. Operating profit increased 9.8% to ¥31,945 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was primarily due to the increase in sales.

(2) Cash Flow

(Cash Flows from Operating Activities)

Net cash provided by operating activities increased ¥30,405 million to ¥133,401 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was mainly due to increases of ¥29,172 million of change in accounts receivable and ¥12,984 million of profit for the period. On the other hand, there was a decrease of ¥15,335 million of change in inventories.

For the nine months ended December 31, 2017, NIDEC had ¥133,401 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥95,300 million and an increase in accounts payable of ¥40,470 million. However, net cash provided by operating activities was negatively impacted by an increase in inventories of ¥27,165 million and an increase in accounts receivable of ¥25,284 million. Inventories, accounts receivable and accounts payable increased primarily due to an increase in customers demand as of December 31, 2017 compared to March 31, 2017.

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 ¥82,316 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 receivable and accounts payable increased primarily due to an increase in customers demand as of December 31, 2016 compared to March 31, 2016, except for the effect of exchange rate changes.

(Cash Flows from Investing Activities)

Net cash used in investing activities increased ¥30,448 million to ¥87,377 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. The increase in net cash used in investing activities was mainly due to increases in additions to property, plant and equipment of ¥19,630 million and in acquisition of business of ¥14,318 million.

For the nine months ended December 31, 2017, NIDEC had ¥87,377 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥67,135 million and acquisition of business, net of cash acquired of ¥20,021 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.

(Cash Flows from Financing Activities)

Net cash used in financing activities increased ¥43,735 million to ¥84,710 million for the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016. This increase was mainly due to increase in net changes in short term borrowings of ¥147,935 million and increases in outflow from repayments of long term debt of ¥20,941 million and redemption of corporate bonds of ¥15,000 million. On the other hand, inflow from long term debt and issuance of corporate bonds increased ¥83,639 million and ¥65,000 million, respectively.

For the nine months ended December 31, 2017, NIDEC had ¥84,710 million of net cash outflows from financing activities mainly due to a decrease in short term borrowings of ¥163,083

million and redemption of corporate bonds of ¥65,000 million and dividends paid to owners of the parent of ¥26,670 million and repayments of long term debt of ¥23,345 million partially offset by proceeds from issuance of corporate bonds of ¥115,001 million and proceeds from issuance of long term debt of ¥84,060 million.

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 and dividends paid to owners of the parent of ¥23,728 million and decrease in short term borrowings of ¥15,148 million partially offset by proceeds from issuance of corporate bonds of ¥50,001 million.

As a result of the foregoing factors and the effect of exchange rate changes, NIDEC's total outstanding balance of cash and cash equivalents decreased by ¥23,111 million from ¥321,580 million as of March 31, 2017 to ¥298,469 million as of December 31, 2017. NIDEC hold its cash and cash equivalents primarily in U.S. dollars, Chinese yuan, Thai baht, Japanese yen and euros.

(3) Research and Development

NIDEC's research and development expenses for the nine months ended December 31, 2017 were ¥41,006 million. There were no significant changes in research and development activities for the period.

(4) Production, Orders Received and Sales

Order backlog of "Nidec Sankyo" segment for the nine months ended December 31, 2017 increased significantly compared to the nine months ended December 31, 2016, due to the increase in sales of LCD panel handling robots.

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

(5) Major Property, Plant and Equipment

In the nine months ended December 31, 2017, among the new construction plans of major property, plant and equipment as of March 31, 2017, the completion of the manufacturing factory of Nidec Sankyo Vietnam Corporation which is to manufacture components of home appliances has been rescheduled for March 2018.

In addition, the new installation plans of major property, plant and equipment which have been newly determined in the nine months ended December 31, 2017 are as follows:

Name of Company	Location	Name of Segment	Description	Total Planned Investment (Yen in millions)	Amount Already Paid (Yen in millions)	Funding Measures	Launch	Completion
Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd.	Dongguan, Guangdong, China	Other	Manufacturing factory for small precision motors	1,597	-	Own funds, borrowing	September 2017	May 2019
Nidec Tosok (Zhejiang) Corporation	Pinghu, Zhejiang, China	Nidec Motors & Actuators	Manufacturing factory for automotive products	2,734	-	Own funds	February 2018	December 2018

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, 2017)	Number of shares issued as of the filing date (shares) (February 13, 2018)	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, 2017 to December 31, 2017	-	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, 2017 is stated in this item because the Company cannot identify the number of voting rights as of December 31, 2017 due to the lack of information on the details entered in the shareholders registry as of December 31, 2017.

1) Issued shares

(As of December 31, 2017)

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

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

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

2) Treasury stock, etc.

(As of December 31, 2017)

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

(Note) As of December 31, 2017, the number of shares held under own name (except shares of less than one unit) is 2,067,500.

2. Changes in Directors and Senior Management

Changes in the Members of the Board of Directors and the Members of the Audit & Supervisory Board of Nidec Corporation from the filing date of the annual securities report for the 44th business term pursuant to the Financial Instruments and Exchange Act of Japan to December 31, 2017 are as follows:

Changes in positions and responsibilities

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

<p>Representative Director and Member of the Board of Directors</p>	<p>Vice Chairman, Chief Sales Officer, Adviser to President (Global Business Promotion Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., International Business Administration Dept., Sales Administration & Service Dept., and 3Q6S), In charge of managing Information Systems Dept., and Representative Director, Member of the Board of Directors and Chairman, Nidec Servo Corporation and Nidec Global Service Corporation</p>	<p>Representative Director and Member of the Board of Directors</p>	<p>Vice Chairman, Chief Sales Officer, Adviser to President (Global Business Promotion Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., Information Systems Dept., International Business Administration Dept., Sales Administration & Service Dept., and 3Q6S), and Representative Director, Member of the Board of Directors and Chairman, Nidec Servo Corporation and Nidec Global Service Corporation</p>	<p>Hiroshi Kobe</p>	<p>November 1, 2017</p>
<p>Representative Director and Member of the Board of Directors</p>	<p>Vice Chairman, Chief Technology Officer, Adviser to President (New Business Development Unit, Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, Production Engineering Center, and Intellectual Property Dept.), 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</p>	<p>Representative Director and Member of the Board of Directors</p>	<p>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), In charge of managing Intellectual Property Dept., 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</p>	<p>Mikio Katayama</p>	<p>November 1, 2017</p>

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

IV. Condensed Quarterly Consolidated Financial Statements and Other Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

		<i>(Yen in millions)</i>	
	Note	March 31, 2017	December 31, 2017
Assets			
Current assets			
Cash and cash equivalents		321,580	298,469
Trade and other receivables		348,897	396,432
Other financial assets	12	2,951	1,091
Income tax receivables		1,676	3,007
Inventories		196,629	238,926
Other current assets		28,302	30,866
Total current assets		900,035	968,791
Non-current assets			
Property, plant and equipment		399,754	440,871
Goodwill	7	221,033	244,207
Intangible assets	7	118,999	121,508
Investments accounted for using the equity method		1,125	1,154
Other investments	12	19,583	24,486
Other financial assets	12	3,764	5,869
Deferred tax assets		9,979	11,458
Other non-current assets		4,725	8,320
Total non-current assets		778,962	857,873
Total assets		1,678,997	1,826,664

<i>(Yen in millions)</i>			
	Note	March 31, 2017	December 31, 2017
Liabilities			
Current liabilities			
Short term borrowings	12	166,606	17,436
Long term debt due within one year	12	84,040	31,315
Trade and other payables		251,236	311,781
Other financial liabilities	12	1,844	3,694
Income tax payables		6,690	5,773
Provisions		25,210	24,558
Other current liabilities		63,398	69,864
Total current liabilities		<u>599,024</u>	<u>464,421</u>
Non-current liabilities			
Long term debt	12	161,785	335,937
Other financial liabilities	12	1,315	1,222
Retirement benefit liabilities		22,656	25,340
Provisions		3,614	4,651
Deferred tax liabilities		31,498	32,470
Other non-current liabilities		3,299	3,359
Total non-current liabilities		<u>224,167</u>	<u>402,979</u>
Total liabilities		<u>823,191</u>	<u>867,400</u>
Equity			
Common stock		87,784	87,784
Additional paid-in capital		118,340	118,136
Retained earnings		715,911	787,474
Other components of equity		(63,320)	(27,007)
Treasury stock		(12,143)	(17,320)
Total equity attributable to owners of the parent		<u>846,572</u>	<u>949,067</u>
Non-controlling interests		9,234	10,197
Total equity		<u>855,806</u>	<u>959,264</u>
Total liabilities and equity		<u><u>1,678,997</u></u>	<u><u>1,826,664</u></u>

(2) Condensed Quarterly Consolidated Statements of Income and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the nine months ended December 31, 2016 and 2017
Condensed Quarterly Consolidated Statements of Income

<i>(Yen in millions)</i>			
	Note	Nine months ended December 31	
		2016	2017
Net sales	5	868,228	1,105,921
Cost of sales		(659,008)	(837,641)
Gross profit		209,220	268,280
Selling, general and administrative expenses		(64,287)	(100,147)
Research and development expenses		(38,760)	(41,006)
Operating profit	5	106,173	127,127
Financial income		2,276	4,597
Financial expenses		(1,811)	(5,119)
Derivative gain		1,246	693
Foreign exchange differences		405	(7,686)
Share of net (loss) profit from associate accounting using the equity method		(542)	111
Profit before income taxes		107,747	119,723
Income tax expenses		(25,431)	(24,423)
Profit for the period		82,316	95,300
Profit for the period attributable to:			
Owners of the parent		81,617	94,763
Non-controlling interests		699	537
Profit for the period		82,316	95,300
Earnings per share attributable to owners of the parent			
Basic (Yen)	11	275.18	320.06
Diluted (Yen)		-	-

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	Nine months ended December 31	
		2016	2017
Profit for the period		82,316	95,300
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(182)	(72)
Fair value movements on FVTOCI equity financial assets		2,367	3,545
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		9,894	36,390
Effective portion of net changes in fair value of cash flow hedges		194	371
Fair value movements on FVTOCI debt financial assets		(2)	(1)
Total other comprehensive income for the period, net of taxation		12,271	40,233
Comprehensive income for the period		94,587	135,533
Comprehensive income for the period attributable to:			
Owners of the parent		94,046	134,546
Non-controlling interests		541	987
Comprehensive income for the period		94,587	135,533

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

(Yen in millions)

	Note	Three months ended December 31	
		2016	2017
Net sales	5	304,198	390,031
Cost of sales		(230,446)	(296,289)
Gross profit		73,752	93,742
Selling, general and administrative expenses		(23,406)	(34,847)
Research and development expenses		(13,158)	(14,217)
Operating profit	5	37,188	44,678
Financial income		944	1,743
Financial expenses		(653)	(1,752)
Derivative gain		3,941	601
Foreign exchange differences		578	(2,105)
Share of net (loss) profit from associate accounting using the equity method		(525)	91
Profit before income taxes		41,473	43,256
Income tax expenses		(9,657)	(8,253)
Profit for the period		31,816	35,003
Profit for the period attributable to:			
Owners of the parent		31,523	34,776
Non-controlling interests		293	227
Profit for the period		31,816	35,003
Earnings per share attributable to owners of the parent			
Basic (Yen)	11	106.28	117.46
Diluted (Yen)		-	-

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

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

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
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				81,617			81,617	699	82,316
Other comprehensive income					12,429		12,429	(158)	12,271
Total comprehensive income							94,046	541	94,587
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(23)	(23)	-	(23)
Dividends paid to owners of the parent	10			(23,728)			(23,728)	-	(23,728)
Dividends paid to non-controlling interests							-	(18)	(18)
Transfer to retained earnings				2,194	(2,194)		-	-	-
Other			(5)		1		(4)	128	124
As of December 31, 2016		87,784	118,336	685,251	(45,923)	(12,134)	833,314	8,997	842,311

Nine months ended December 31, 2017

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2017		87,784	118,340	715,911	(63,320)	(12,143)	846,572	9,234	855,806
Comprehensive income									
Profit for the period				94,763			94,763	537	95,300
Other comprehensive income					39,783		39,783	450	40,233
Total comprehensive income							134,546	987	135,533
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(5,177)	(5,177)	-	(5,177)
Dividends paid to owners of the parent	10			(26,670)			(26,670)	-	(26,670)
Dividends paid to non-controlling interests							-	(39)	(39)
Transfer to retained earnings				3,469	(3,469)		-	-	-
Other			(204)	1	(1)		(204)	15	(189)
As of December 31, 2017		87,784	118,136	787,474	(27,007)	(17,320)	949,067	10,197	959,264

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	Nine months ended December 31	
	Note	
	2016	2017
Cash flows from operating activities:		
Profit for the period	82,316	95,300
Adjustments to reconcile profit for the period to net cash provided by operating activities		
Depreciation and amortization	44,376	51,761
Gain from sales, disposal or impairment of property, plant and equipment	(1,263)	(174)
Financial (income) expenses	(504)	100
Share of net loss (profit) from associate accounting using the equity method	542	(111)
Deferred income taxes	5,930	(1,037)
Current income taxes	19,501	25,461
Foreign currency adjustments	(346)	380
Increase in retirement benefit liability	283	1,106
Increase in accounts receivable	(54,456)	(25,284)
Increase in inventories	(11,830)	(27,165)
Increase in accounts payable	42,103	40,470
Other, net	(3,892)	86
Interests and dividends received	2,064	4,089
Interests paid	(1,846)	(3,529)
Income taxes paid	(19,982)	(28,052)
Net cash provided by operating activities	102,996	133,401

(Yen in millions)

		Nine months ended December 31	
	Note	2016	2017
Cash flows from investing activities:			
Additions to property, plant and equipment		(47,505)	(67,135)
Proceeds from sales of property, plant and equipment		1,423	3,343
Proceeds from sales or redemption of marketable securities		224	—
Acquisitions of business, net of cash acquired		(5,703)	(20,021)
Other, net		(5,368)	(3,564)
Net cash used in investing activities		(56,929)	(87,377)
Cash flows from financing activities:			
Decrease in short term borrowings		(15,148)	(163,083)
Proceeds from issuance of long term debt		421	84,060
Repayments of long term debt		(2,404)	(23,345)
Proceeds from issuance of corporate bonds	8	50,001	115,001
Redemption of corporate bonds	8	(50,000)	(65,000)
Purchase of treasury stock		(23)	(5,177)
Dividends paid to owners of the parent	10	(23,728)	(26,670)
Other, net		(94)	(496)
Net cash used in financing activities		(40,975)	(84,710)
Effect of exchange rate changes on cash and cash equivalents		3,779	15,575
Net increase (decrease) in cash and cash equivalents		8,871	(23,111)
Cash and cash equivalents at beginning of period		305,942	321,580
Cash and cash equivalents at end of period		314,813	298,469

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting Entity

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

The condensed quarterly consolidated financial statements as of December 31, 2017 consist of the Company and its consolidated subsidiaries (NIDEC) and shares of associates of NIDEC.

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

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

2. Basis of Preparation

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

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

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

(2) Basis of Measurement

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

(3) Presentation Currency and Level of Rounding

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

3. Significant Accounting Policies

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

Income taxes for nine months ended December 31, 2017 are computed using the estimated annual effective tax rate.

4. Significant Accounting Estimates, Judgments and Assumptions

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

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

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

5. Segment Information

(Operating segment information)

The operating segments reported below are defined as components of an enterprise for which separate financial information is available and regularly reviewed by the management to decide how to distribute management resources and evaluate profit results. NIDEC identifies companies and company groups by which profit results are currently managed as reporting segments.

NIDEC's operating segments are as follows:

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

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

Net sales to external customers:

(Yen in millions)

	Nine months ended December 31	
	2016	2017
Nidec Corporation	24,474	28,134
Nidec Electronics (Thailand)	65,975	80,907
Nidec Singapore	41,164	37,749
Nidec (H.K.)	98,435	96,525
Nidec Sankyo	99,720	111,489
Nidec Copal	26,886	31,072
Nidec Techno Motor	44,616	58,925
Nidec Motor	165,221	321,908
Nidec Motors & Actuators	177,896	200,969
Others	123,841	138,243
Consolidated net sales	868,228	1,105,921

(Yen in millions)

	Three months ended December 31	
	2016	2017
Nidec Corporation	7,436	9,398
Nidec Electronics (Thailand)	25,275	30,239
Nidec Singapore	15,294	13,107
Nidec (H.K.)	37,185	39,075
Nidec Sankyo	35,660	37,304
Nidec Copal	9,501	10,777
Nidec Techno Motor	14,684	19,348
Nidec Motor	53,577	111,681
Nidec Motors & Actuators	61,948	70,484
Others	43,638	48,618
Consolidated net sales	304,198	390,031

Intersegment sales:*(Yen in millions)*

	Nine months ended December 31	
	2016	2017
Nidec Corporation	144,301	142,039
Nidec Electronics (Thailand)	29,816	17,325
Nidec Singapore	474	469
Nidec (H.K.)	4,084	763
Nidec Sankyo	275	897
Nidec Copal	7,600	8,660
Nidec Techno Motor	3,896	4,629
Nidec Motor	148	278
Nidec Motors & Actuators	16,293	21,779
Others	132,336	149,300
Total	339,223	346,139
Intersegment elimination	(339,223)	(346,139)
Consolidated total	-	-

(Yen in millions)

	Three months ended December 31	
	2016	2017
Nidec Corporation	55,764	52,433
Nidec Electronics (Thailand)	10,354	5,188
Nidec Singapore	146	146
Nidec (H.K.)	316	291
Nidec Sankyo	118	294
Nidec Copal	2,820	3,013
Nidec Techno Motor	1,485	1,906
Nidec Motor	41	104
Nidec Motors & Actuators	6,220	7,509
Others	52,355	56,234
Total	129,619	127,118
Intersegment elimination	(129,619)	(127,118)
Consolidated total	-	-

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

	Nine months ended December 31	
	2016	2017
Nidec Corporation	12,021	19,141
Nidec Electronics (Thailand)	14,579	14,450
Nidec Singapore	616	597
Nidec (H.K.)	1,137	966
Nidec Sankyo	14,812	16,231
Nidec Copal	3,787	3,580
Nidec Techno Motor	6,276	7,101
Nidec Motor	14,799	22,795
Nidec Motors & Actuators	21,383	26,342
Others	29,086	31,945
Total	118,496	143,148
Elimination and Corporate (Note)	(12,323)	(16,021)
Operating profit (loss)	106,173	127,127
Financial income (loss)	465	(522)
Derivative gain	1,246	693
Foreign exchange differences	405	(7,686)
Equity in net income (loss) of associates	(542)	111
Profit before income taxes	107,747	119,723

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥15,921 million and ¥11,691 million for the nine months ended December 31, 2017 and 2016, respectively. The corporate expenses include basic research expenses and head office expenses.

(Yen in millions)

	Three months ended December 31	
	2016	2017
Nidec Corporation	5,168	7,971
Nidec Electronics (Thailand)	5,350	4,729
Nidec Singapore	224	231
Nidec (H.K.)	(110)	479
Nidec Sankyo	4,973	5,459
Nidec Copal	1,354	986
Nidec Techno Motor	1,949	2,243
Nidec Motor	4,282	7,958
Nidec Motors & Actuators	8,249	9,007
Others	10,940	11,704
Total	42,379	50,767
Elimination and Corporate (Note)	(5,191)	(6,089)
Operating profit (loss)	37,188	44,678
Financial income (loss)	291	(9)
Derivative gain	3,941	601
Foreign exchange differences	578	(2,105)
Equity in net income (loss) of associates	(525)	91
Profit before income taxes	41,473	43,256

(Note) Elimination and Corporate includes corporate expenses, which do not belong to any operating segment, of ¥5,791 million and ¥4,431 million for the three months ended December 31, 2017 and 2016, respectively. The corporate expenses include basic research expenses and head office expenses.

(Supplemental Information)

Sales by type of product

Sales by type of product are as follows:

(Yen in millions)

	Nine months ended December 31	
	2016	2017
Small precision motors:		
Hard disk drives spindle motors	144,040	144,516
Other small precision motors	186,826	200,523
Sub-total	330,866	345,039
Automotive, appliance, commercial and industrial products	400,709	598,228
Machinery	86,610	105,869
Electronic and optical components	47,307	53,695
Others	2,736	3,090
Consolidated Total	868,228	1,105,921

(Yen in millions)

	Three months ended December 31	
	2016	2017
Small precision motors:		
Hard disk drives spindle motors	53,674	50,794
Other small precision motors	65,476	73,771
Sub-total	119,150	124,565
Automotive, appliance, commercial and industrial products	135,064	207,656
Machinery	32,726	38,020
Electronic and optical components	16,275	18,698
Others	983	1,092
Consolidated Total	304,198	390,031

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

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

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

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

“Others” consists of services, etc.

6. Business Combination

On July 3, 2017, NIDEC acquired 100% ownership interest in LGB Elettropompe S. r. l. (“LGB”), an Italian company, from the shareholders for cash of ¥875 million. LGB designs, manufactures and sells products of pumps for commercial dishwashers and motors for convection ovens. The purpose of this acquisition is to have another foothold for NIDEC to increase its presence in the European commercial food equipment market, on which NIDEC provides particular focus. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

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

On October 1, 2017, NIDEC acquired the business of Tokyo Maruzen Industry Co., Ltd. (“Tokyo Maruzen”), a Japanese company, for cash of ¥2,561 million. Tokyo Maruzen develops, manufactures and sells electric contact materials, contact rivets and contact staking. The transaction will help strengthen their capability in material development, production engineering and manufacturing responsiveness, which will allow to introduce unparalleled sophistication in electric contacts both in terms of quality and reliability to automotive market. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

On October 31, 2017, NIDEC acquired 100% equity shares of SV Probe Pte. Ltd. (“SV Probe”), a Singaporean company, from the shareholders for cash of ¥7,863 million. SV Probe manufactures and sells probe cards. Through the transaction, Nidec-Read Corporation (“Nidec-Read”) expects to gain competitiveness in the inspection market by applying MEMS spring probe, Nidec-Read’s unique technology, to the vertical probe cards manufactured by SV Probe. In addition, by mutually sharing its cutting-edge processing and assembly technology with SV Probe, Nidec-Read will be able to reduce manufacturing costs and improve investment efficiency. Nidec-Read also expects to sell its inspection equipment through SV Probe’s sales channel to the leading semiconductor manufacturers. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

On November 30, 2017, NIDEC acquired 100% ownership interest of driveXpert GmbH (“driveXpert”), a German company, from the shareholders for cash of ¥1,195 million. driveXpert develops and designs automotive ECU (Electronic Control Unit) hardware and software. driveXpert has the high technical capability in designing ECUs for automotive motors and applications. The transaction will enable the combination of Nidec’s high-performance motors and driveXpert’s high precision ECUs. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

Among the acquisitions above, fair values of assets acquired and liabilities assumed of the business acquired from Secop as of the acquisition date are as follows:

(Yen in millions)

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

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

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

Sales and profit attributable to owners of the parent for the nine months ended December 31, 2017 include the sales and loss attributable to owners of the parent of the business acquired from Secop for the period subsequent to July 31 2017, of ¥17,812 million and of ¥195 million respectively.

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

The amount of acquisition-related costs of this business combination is ¥352 million, which is recognized in "Selling, general and administrative expenses".

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

	Nine months ended December 31, 2017
Net sales (Yen in millions)	1,122,761
Profit attributable to owners of the parent (Yen in millions)	94,489
Earnings per share attributable to owners of the parent	
Basic (Yen)	319.14
Diluted (Yen)	-

Completion of purchase price allocation to the assets and the liabilities

During the three months ended March 31, 2017, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of E.C.E. S.r.l. and ANA IMEP S.A. (currently, Nidec Motor Corporation Romania). NIDEC's condensed quarterly consolidated financial statement for the nine months ended December 31, 2016 reflects the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. In addition, during the three months ended December 31, 2017, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the motors, drives and electric power generation businesses ("Acquired Business") of Emerson Electric Co. ("Emerson") (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited, etc.) and Canton Elevator, Inc. NIDEC's consolidated financial statement for the year ended March 31, 2017 reflects the important revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statements of financial position as of March 31, 2017 by the adjustments of assets acquired and liabilities assumed upon the acquisitions in the previous consolidated fiscal year is as follows:

(Yen in millions)

	Acquired Business of Emerson	Other
Current assets		
Inventories	(654)	-
Other current assets	(40)	-
Non-current assets		
Property, plant and equipment	5,703	-
Intangible assets	42,011	(227)
Deferred tax assets	(5,556)	9
Acquired assets at fair value	41,464	(218)
Current liabilities		
Other current liabilities	(3,063)	-
Non-current liabilities		
Deferred tax liabilities	5,504	-
Other non-current liabilities	368	-
Assumed liabilities at fair value	2,809	-
Acquired assets and assumed liabilities at fair value (net amount)	38,655	(218)
Goodwill	(39,267)	117

For further information on the changes in goodwill, refer to “7. Goodwill and Intangible Assets”. Details of the Intangible assets in above table are as follows:

(Yen in millions)

	Weighted average amortization period	Acquired Business of Emerson	Other
Trademark	No amortization	22,774	-
Customer relationships	30 years	18,108	(198)
Developed technologies	15 years	1,143	-
Other	-	(14)	(29)

Effect on the consolidated statement of income for the year ended March 31, 2017 by the adjustments of assets acquired and liabilities assumed upon the acquisitions in the previous consolidated fiscal year is as follows:

(Yen in millions)

	Acquired Business of Emerson	Other
Operating profit	(850)	(115)
Profit before income taxes	(850)	(115)
Profit for the year attributable to owners of the parent	(617)	(97)

Effect on the condensed quarterly consolidated statement of income for the six months ended September 30, 2017 by the adjustments of assets acquired and liabilities assumed upon the acquisitions in the previous consolidated fiscal year is as follows:

(Yen in millions)

	Acquired Business of Emerson	Other
Operating profit	(163)	-
Profit before income taxes	(163)	-
Profit for the period attributable to owners of the parent	(87)	-

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, 2017. The assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statement of financial position based on preliminary management estimation as of December 31, 2017.

7. Goodwill and Intangible Assets

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

(Yen in millions)

	Nine months ended December 31	
	2016	2017
Balance at the beginning of the period		
Goodwill	162,043	221,033
Acquisitions	1,313	18,476
Translation adjustments and others	526	4,698
Balance at the end of the period		
Goodwill	163,882	244,207

Intangible assets subject to amortization are as follows:

(Yen in millions)

	March 31, 2017		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	15,187	(4,813)	10,374
Customer relationships	78,397	(20,753)	57,644
Software	27,251	(14,521)	12,730
Other	8,271	(4,586)	3,685
Total	129,106	(44,673)	84,433

(Yen in millions)

	December 31, 2017		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	17,284	(5,954)	11,330
Customer relationships	81,199	(24,618)	56,581
Software	29,478	(17,854)	11,624
Other	11,918	(5,116)	6,802
Total	139,879	(53,542)	86,337

Total amortization of intangible assets for the years ended March 31, 2017 and for the nine months ended December 31, 2017 amounted to ¥8,008 million and ¥7,196 million, respectively. Total indefinite lived intangible assets amounted to ¥34,566 million and ¥35,171 million as of March 31, 2017 and December 31, 2017, respectively.

8. Bonds

Nine months ended December 31, 2016

Summary of the terms of issued bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate (%)	Maturity date
Nidec Corporation	The Fifth Series of Unsecured Bonds	November 25, 2016	50,000	0.001	November 25, 2019

Summary of the terms of redeemed bonds is as follows:

Company name	Description	Issued date	Total amount of issuance (Yen in millions)	Interest rate (%)	Maturity date
Nidec Corporation	The Fourth Series of Unsecured Bonds	December 25, 2013	50,000	0.207	December 20, 2016

Nine months ended December 31, 2017

Summary of the terms of issued bonds is as follows:

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

Summary of the terms of redeemed bonds is as follows:

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

9. Employee Benefits

The amounts of net periodic benefit cost in pension and severance plans for the nine months ended December 31, 2016 and 2017 are as follows:

(Yen in millions)

	Nine months ended December 31	
	2016	2017
Net periodic pension cost for defined benefit plans:		
Current service cost	1,335	1,769
Net interest cost	221	334
Net periodic pension cost for defined benefit plans	1,556	2,103
Payments to multiemployer pension plans	36	19
Payments to defined contribution plans	2,195	2,894

10. Dividends

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

Nine months ended December 31, 2016

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

Nine months ended December 31, 2017

Resolution	Stock Category	Dividends Amount (Yen in millions)	Dividends per share (Yen)	Record Date	Effective Date
May 24, 2017 Board of directors meeting	Common Stock	13,347	45	March 31, 2017	June 1, 2017
October 24, 2017 Board of directors meeting	Common Stock	13,323	45	September 30, 2017	December 1, 2017

11. Earnings per Share

The basis for calculating earnings per share attributable to owners of the parent is as follows:
There were no potentially dilutive common shares outstanding.

	Nine months ended December 31	
	2016	2017
Profit attributable to owners of the parent (Yen in millions)	81,617	94,763
Weighted average shares (Shares)	296,599,932	296,076,060
Earnings per share attributable to owners of the parent - Basic (Yen)	275.18	320.06

	Three months ended December 31	
	2016	2017
Profit attributable to owners of the parent (Yen in millions)	31,523	34,776
Weighted average shares (Shares)	296,599,118	296,075,066
Earnings per share attributable to owners of the parent - Basic (Yen)	106.28	117.46

12. Fair Values

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

The levels of the fair value hierarchy are as follows:

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

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

Financial instruments measured at amortized cost

(Yen in millions)

	March 31, 2017		December 31, 2017	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Short term investments	2,103	2,103	525	525
Long term investments	-	-	37	37
Short term loans receivable	34	34	44	44
Long term loans receivable	118	116	145	142
Short term borrowings	(166,606)	(166,606)	(17,436)	(17,436)
Long term debt (including the current portion and excluding the finance lease obligation and bonds)	(88,591)	(89,111)	(166,086)	(166,584)
Bonds (including the current portion)	(149,943)	(151,087)	(199,963)	(200,573)

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

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

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

(2) Long term investments

NIDEC's long term investments are mainly time deposits which are due over one year from December 31, 2017 to their original maturity dates, the fair value is estimated by discounted expected future cash flows and classified as Level 2.

(3) Long Term Loans Receivable

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

(4) Long Term Debt

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

(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 by levels of the fair value hierarchy

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

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

March 31, 2017

(Yen in millions)

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

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

December 31, 2017

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other securities				
FVTOCI equity financial assets	21,956	-	1,547	23,503
FVTOCI debt financial assets	-	283	-	283
Derivatives	946	1,285	-	2,231
Total financial assets	22,902	1,568	1,547	26,017
Liabilities:				
Derivatives	-	3	-	3
Total financial liabilities	-	3	-	3

There were no significant transfers between Level 1, Level 2 and Level 3 during the nine months ended December 31, 2017.

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

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

Level 3 securities are composed mainly of unlisted equity shares. Fair values of those unlisted equity shares are calculated by discounted cash flow method and others. For securities of

level 3, no significant changes in fair value are expected to occur as a result of changing unobservable inputs to other alternative assumptions that are considered reasonable.

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

(Yen in millions)

	Nine months ended December 31	
	2016	2017
Balance at the beginning of the period	1,589	1,519
Gains or losses:		
Recognized in other comprehensive income (Note)	124	28
Purchases	-	-
Sales	(2)	-
Transfers to/from Level 3	-	-
Balance at the end of the period	1,711	1,547

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

13. Contingent Liabilities

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

NIDEC was aware of total contingent liabilities of ¥15,339 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at December 31, 2017. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against guarantees and NIDEC does not anticipate any material claims.

14. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	March 31, 2017	December 31, 2017
Property, plant and equipment and other assets	8,473	7,799

15. Events after the Reporting Period

Own share repurchase

On January 24, 2018, 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 3,000,000 shares (1.01% of total number of shares issued excluding treasury stock)
3. Total repurchase amount:	Up to 50 billion yen
4. Period of repurchase:	From January 29, 2018 to January 28, 2019

16. Authorization of Condensed Quarterly Consolidated Financial Statements

NIDEC's condensed quarterly consolidated financial statements were authorized for issue on February 13, 2018 by Shigenobu Nagamori, Representative Director, Member of the Board of Directors, Chairman of the Board, President and Chief Executive Officer, and Akira Sato, Member of the Board of Directors, Executive Vice President and Chief Financial Officer.

2. Other

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

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

Part II Information on Guarantors, etc. for the Company

Not applicable.