

[Translation]

Quarterly Report

(The First Quarter of 46th Business Term)

From April 1, 2018 to June 30, 2018

NIDEC CORPORATION

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[Cover]	
[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-General of the Kanto Local Finance Bureau
[Filing Date]	August 9, 2018
[Fiscal Year]	The First Quarter of 46th Business Term (from April 1, 2018 to June 30, 2018)
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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-General 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 indicated)

	For the three months ended June 30,		For the year ended March 31, 2018
	2017	2018	
Net sales	343,091	383,765	1,488,090
Profit before income taxes	36,171	46,941	163,837
Profit attributable to owners of the parent	28,077	37,353	130,948
Comprehensive income attributable to owners of the parent	38,675	49,152	119,921
Total equity attributable to owners of the parent	866,845	964,340	932,610
Total assets	1,718,314	1,844,276	1,773,238
Earnings per share attributable to owners of the parent - basic (yen)	94.83	126.29	442.29
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	50.4	52.3	52.6
Net cash provided by operating activities	44,200	44,740	175,568
Net cash used in investing activities	(18,935)	(36,640)	(113,915)
Net cash (used in) provided by financing activities	(23,500)	15,409	(116,858)
Cash and cash equivalents at end of period	326,611	289,432	265,947

(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. "Net sales" do not include consumption taxes.

5. "Earnings per share attributable to owners of the parent - basic" and "Earnings per share attributable to owners of the parent - diluted" have been calculated based on figures of "Profit attributable to owners of the parent". "Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect.

6. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018 and the three months ended June 30, 2018. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2018 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. Details regarding for the three months ended June 30, 2018 are stated in "IV. Condensed Quarterly Consolidated Financial Statements and Other Information, 1. Condensed Quarterly Consolidated Financial Statements, Notes to Condensed Quarterly Consolidated Financial Statements, 6. Business combination".

2. Description of Business

There were no significant changes in NIDEC's businesses during the three months ended June 30, 2018. 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 three months ended June 30, 2018. There were no material changes in the risk factors stated in the annual securities report for the 45th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Management Analysis of Financial Position, Operating Results and Cash Flows

Forward-looking statements below were determined as of June 30, 2018.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018. Condensed quarterly consolidated financial statements for the year ended March 31, 2018 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

(1) Operating results

During the three months ended June 30, 2018, the global economy saw the U.S. economy continue its moderate expansion, while trade conflicts became serious after China and the EU implemented retaliatory tariffs in response to the U.S.-imposed import tariffs, causing Washington to suggest an expansion of the scale of its levies. In Europe, as the euro zone continued its economic recovery, political risks persisted in the southern region, while in Japan, whose economy expanded moderately, concerns remained for possible effects of the U.S.-China and U.S.-Europe trade conflicts.

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 of ¥300 billion based on our mid-term strategic goal, "Vision 2020," and achieved in three months ended June 30, 2018 the highest three-month operating profit, profit before income taxes and profit for the period attributable to owners of the parent in our history.

The following table sets forth consolidated operating results for the three months ended June 30, 2018:

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	Increase or decrease ratio
	2017	2018		
Net sales	343,091	383,765	40,674	11.9%
Operating profit	38,867	46,641	7,774	20.0%
Operating profit ratio	11.3%	12.2%	-	-
Profit before income taxes	36,171	46,941	10,770	29.8%
Profit attributable to owners of the parent	28,077	37,353	9,276	33.0%

Consolidated net sales increased 11.9% to ¥383,765 million for the three months ended June 30, 2018 ("this three-month period"), compared to the three months ended June 30, 2017 ("the same period of the prior year"). Operating profit increased 20.0% to ¥46,641 million for this three-month period compared to the same period of the prior year, recording the highest quarterly operating profit in our history. Profit before income taxes increased 29.8% to ¥46,941 million for this three-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 33.0% to ¥37,353 million for this three-month period compared to the same period of the prior year, achieving the highest quarterly profits in our history, respectively.

The following table sets forth operating results by segment:

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit		
	2017	2018	Increase or decrease	2017	2018	Increase or decrease
Nidec Corporation	47,385	49,707	2,322	3,795	4,983	1,188
Nidec Electronics (Thailand)	30,909	34,505	3,596	5,722	4,704	(1,018)
Nidec Singapore	11,237	12,381	1,144	133	208	75
Nidec (H.K.)	25,220	26,621	1,401	362	318	(44)
Nidec Sankyo	37,798	38,508	710	5,208	5,914	706
Nidec Copal	12,065	9,654	(2,411)	1,346	146	(1,200)
Nidec Techno Motor	22,348	25,162	2,814	2,421	3,011	590
Nidec Motor	99,018	114,836	15,818	6,255	11,023	4,768
Nidec Motors & Actuators	70,843	78,800	7,957	8,355	10,515	2,160
Others	81,293	96,995	15,702	10,122	11,666	1,544
Elimination/corporate	(95,025)	(103,404)	(8,379)	(4,852)	(5,847)	(995)
Consolidated total	343,091	383,765	40,674	38,867	46,641	7,774

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

Net sales of Nidec Corporation increased 4.9% to ¥49,707 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of other small precision motors, despite the negative effect of the appreciation of the Japanese yen against the U.S. dollar. Operating profit increased 31.3% to ¥4,983 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales and cost improvement.

Net sales of Nidec Electronics (Thailand) increased 11.6% to ¥34,505 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of hard disk drives spindle motors, despite the negative effects of the appreciation of Japanese yen against the U.S. dollar. However, operating profit decreased 17.8% to ¥4,704 million for this three-month period compared to the same period of the prior year. This decrease was due to the appreciation of Thai baht against the U.S. dollar and other factors.

Net sales of Nidec Singapore increased 10.2% to ¥12,381 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of hard disk drives spindle motors, despite the negative effect of the appreciation of the Japanese yen against the U.S. dollar. Operating profit increased 56.4% to ¥208 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales and the positive effect of the changes in the product mix.

Net sales of Nidec (H.K.) increased 5.6% to ¥26,621 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of other small precision motors, despite the negative effect of the appreciation of the Japanese yen against the Hong Kong dollar. However, operating profit decreased 12.2% to ¥318 million for this three-month period compared to the same period of the prior year. This decrease was primarily due to the negative effect of the changes in the product mix.

Net sales of Nidec Sankyo increased 1.9% to ¥38,508 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of LCD panel handling robots, despite a decrease in sales of other small precision motors. Operating profit increased 13.6% to ¥5,914 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales and cost improvement.

Net sales of Nidec Copal decreased 20.0% to ¥9,654 million for this three-month period compared to the same period of the prior year. This decrease was primarily due to a decrease in sales of other small precision motors and camera components. Operating

profit decreased 89.2% to ¥146 million for this three-month period compared to the same period of the prior year. This decrease was primarily due to the decrease in sales and the disposal of slow moving inventory.

Net sales of Nidec Techno Motor increased 12.6% to ¥25,162 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of motors for air conditioning equipment in China. Operating profit increased 24.4% to ¥3,011 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales.

Net sales of Nidec Motor increased 16.0% to ¥114,836 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended September 30, 2017 and other factors. Operating profit increased 76.2% to ¥11,023 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales and cost reduction benefits.

Net sales of Nidec Motors & Actuators increased 11.2% to ¥78,800 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of automotive motors such as electric power steering motors and products of actuators at Nidec Motors & Actuators and the positive effect of the depreciation of the Japanese yen against the Euro. Operating profit increased 25.9% to ¥10,515 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales.

With respect to the Others segment, net sales increased 19.3% to ¥96,995 million for this three-month period compared to the same period of the prior year. This increase was primarily due to an increase in sales of other small precision motors, test systems and press machines. Operating profit increased 15.3% to ¥11,666 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the increase in sales.

Operating results by product category are as follows:

From the three months ended June 30, 2018, the product category “Automotive, appliance, commercial and industrial products” is divided and presented as “Automotive products” and “Appliance, commercial and industrial products”.

(Yen in millions)

	For the three months ended June 30,					
	Net sales			Operating profit		
	2017	2018	Increase or decrease	2017	2018	Increase or decrease
Small precision motors	103,753	106,333	2,580	16,914	16,542	(372)
Automotive products	68,709	77,181	8,472	8,712	10,905	2,193
Appliance, commercial and industrial products	120,184	138,558	18,374	8,642	14,015	5,373
Machinery	32,583	42,616	10,033	6,255	8,296	2,041
Electronic and optical components	16,939	17,987	1,048	3,062	1,955	(1,107)
Other products	923	1,090	167	151	192	41
Elimination/corporate	-	-	-	(4,869)	(5,264)	(395)
Consolidated total	343,091	383,765	40,674	38,867	46,641	7,774

Net sales of small precision motors increased 2.5% to ¥106,333 million for this three-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,200 million for this three-month period compared to the same period of the prior year. Net sales of spindle motors for HDDs for this three-month period increased 9.1% to ¥48,782 million compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs decreased approximately 0.7% for this three-month period compared to the same period of the prior year, there was the increase in sales due to an increase of selling price and other factors. Net sales of other small precision motors for this three-month period decreased 2.5% to ¥57,551 million compared to the same period of the prior year. This decrease was mainly due to a decrease in sales of DC motors. Operating profit of small precision motors decreased 2.2% to ¥16,542 million for this three-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥1,200 million for this three-month period compared to the same period of the prior year.

Net sales of automotive products increased 12.3% to ¥77,181 million for this three-month period compared to the same period of the prior year due to an increase in sales of automotive motors such as electric power steering motors and products of actuators at Nidec Motors & Actuators. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,800 million for this three-month period compared to the same period of the prior year. Operating profit of this category increased 25.2% to ¥10,905 million for this three-month period compared to the same period of the prior year mainly due to the increase in sales. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥700 million for this three-month period compared to the same period of the prior year.

Net sales of appliance, commercial and industrial products increased 15.3% to ¥138,558 million for this three-month period compared to the same period of the prior year. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended September 30, 2017 and other factors. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥400 million for this three-month period compared to the same period of the prior year. Operating profit of this category increased 62.2% to ¥14,015 million for this three-month period compared to the same period of the prior year mainly due to the increase in sales and cost reduction benefits. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥400 million for this three-month period compared to the same period of the prior year.

Net sales of machinery increased 30.8% to ¥42,616 million for this three-month period compared to the same period of the prior year due to an increase in sales of LCD panel handling robots, press machines, test systems and other factors. Operating profit of this category increased 32.6% to ¥8,296 million for this three-month period compared to the same period of the prior year mainly due to the increase in sales.

Net sales of electronic and optical components increased 6.2% to ¥17,987 million this three-month period compared to the same period of the prior year. Operating profit of this category decreased 36.2% to ¥1,955 million for this three-month period compared to the same period of the prior year mainly due to the disposal of slow moving inventory at Nidec Copal and the expense of the starting up of a factory in Mexico and the loss related to launching new models at Nidec Sankyo.

Net sales of other products increased 18.1% to ¥1,090 million and operating profit of this category increased 27.2% to ¥192 million for this three-month period compared to the same period of the prior year.

(2) Financial position

Total assets increased ¥71,038 million to ¥1,844,276 million as of June 30, 2018 compared to March 31, 2018. This was mainly due to increases of ¥23,485 million in cash and cash equivalents, ¥17,357 million in inventories, ¥13,176 million in property, plant and equipment and ¥4,010 million in goodwill, respectively.

Total liabilities increased ¥39,282 million to ¥870,020 million as of June 30, 2018 compared to March 31, 2018. This was mainly due to an increase of ¥35,883 million in interest-bearing debt. Specifically, short term borrowings increased ¥33,257 million to ¥34,914 million, long term debt increased ¥2,277 million to ¥316,908 million and long term debt due within one year increased ¥349 million to ¥29,887 million as of June 30, 2018 compared to March 31, 2018.

Total equity attributable to owners of the parent increased ¥31,730 million to ¥964,340 million as of June 30, 2018 compared to March 31, 2018. Ratio of total equity attributable to owners of the parent to total assets decreased to 52.3% as of June 30, 2018 from 52.6% as of March 31, 2018. This was mainly due to an increase in retained earnings of ¥22,152 million as of June 30, 2018 compared to March 31, 2018 and an increase in other components of equity of ¥12,402 million caused mainly by foreign currency translation adjustments, respectively.

(3) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased ¥540 million to ¥44,740 million for this three-month period compared to the same period of the prior year. This increase in net cash provided by operating activities was mainly due to increases of ¥9,939 million of change in accounts receivable and ¥9,372 million of profit for the period, respectively. On the other hand, there was net negative impact of ¥17,166 million of change in accounts payable.

For the three months ended June 30, 2018, NIDEC had ¥44,740 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥37,553 million and a decrease in accounts receivable of ¥3,395 million. However, net cash provided by operating activities was negatively impacted by an increase in inventories of ¥12,658 million and a decrease in accounts payable of ¥8,128 million. Inventories increased primarily due to an increase in customers demand as of June 30, 2018 compared to March 31, 2018.

For the three months ended June 30, 2017, NIDEC had ¥44,200 million of net cash inflows provided by operating activities primarily due to profit for the period of ¥28,181 million and an increase in accounts payable of ¥9,038 million. Accounts payable increased primarily due to an increase in sales as of June 30, 2017 compared to March 31, 2017.

(Cash flows from investing activities)

Net cash used in investing activities increased ¥17,705 million to ¥36,640 million for this three-month period compared to the same period of the prior year. The increase in net cash used in investing activities was mainly due to increases in additions to property, plant and equipment of ¥10,048 million and in acquisitions of business, net of cash acquired of ¥3,205 million, respectively.

For the three months ended June 30, 2018, NIDEC had ¥36,640 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥30,081 million and acquisition of business, net of cash acquired of ¥3,205 million.

For the three months ended June 30, 2017, NIDEC had ¥18,935 million of net cash outflows in investing activities mainly due to additions to property, plant and equipment of ¥20,033 million.

(Cash flows from financing activities)

Net cash provided by financing activities increased ¥38,909 million to ¥15,409 million for this three-month period compared to the same period of the prior year. This increase was mainly due to an increase in net cash inflow from short term borrowings of ¥165,095 million. On the other hand, proceeds from issuance of long term debt and proceeds from issuance of corporate bonds decreased ¥82,583 million and ¥50,001 million, respectively.

For the three months ended June 30, 2018, NIDEC had ¥15,409 million of net cash inflows from financing activities mainly due to an increase in short term borrowings of ¥33,515 million partially offset by dividends paid to the owner of the parent of ¥14,798 million.

For the three months ended June 30, 2017, NIDEC had ¥23,500 million of net cash outflows from financing activities mainly due to decreases in short term borrowings of ¥131,580 million and dividends paid to the owner of the parent of ¥13,347 million partially offset by proceeds from issuance of long term debt of ¥82,583 million and 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 increased ¥23,485 million from ¥265,947 million as of March 31, 2018 to ¥289,432 million as of June 30, 2018.

The main currencies we had as of June 30, 2018 were U.S. dollars, Chinese yuan, Thai baht, Japanese yen and Euros.

(4) Research and development

NIDEC's research and development expenses for the three months ended June 30, 2018 were ¥15,166 million. There were no significant changes in research and development activities for the period.

(5) Major property, plant and equipment

In the three months ended June 30, 2018, among the new construction plans of major property, plant and equipment as of March 31, 2018, the completion of the manufacturing factory of Nidec Sankyo Vietnam Corporation which is to manufacture components of home appliances has been rescheduled for September 2018.

3. Material Agreements, etc.

The material agreement executed during the three months ended June 30, 2018 is as follows:

Share purchase and transfer agreement

(Whirlpool Corporation)

The Company has agreed to acquire the compressor businesses, Embraco, of Whirlpool Corporation (“Whirlpool”) and entered into stock purchase agreement on April 24, 2018 (the “Transaction”).

1. Purpose of the Transaction

Embraco develops, manufactures and sells refrigeration compressors and electronic components. Through the Transaction, NIDEC is able to strengthen its refrigeration compressor business and expand its product reach and geographic footprint by gaining mutual complement of Embraco and Nidec Global Appliance Compressors. In addition, ever stricter environmental regulations in major regions like Europe, the Americas and China are stimulating customers demand for DC compressors. In addition to Embraco's excellent technologies for DC compressors, NIDEC's best in class brushless DC motor technology is expected to be utilized widely. Furthermore, because motors and compressors have similarities in terms of the nature of components used, Nidec Global Appliance Division expects to reduce procurement costs (to be benefit of customers) by taking advantage of synergies of the Nidec group's purchase capabilities and give customers additional value.

2. Funds for the Transaction

Own funds and debt finance for funding

3. Information on Whirlpool

Company Name: Whirlpool Corporation

Headquarters: 2000 N M 63 Benton Harbor, MI, 49022-2692, U.S.A.

Business: Development, manufacture and sale of home appliances

4. Execution date of the share purchase and transfer agreement

April 24, 2018

5. Date of the completion of the share acquisition

Within 1st half of FY2019

(Genmark Automation, Inc.)

Nidec Sankyo Corporation (“Nidec Sankyo”), the NIDEC's subsidiary, entered into stock purchase agreement to acquire 100% equity shares of Genmark Automation, Inc. (“Genmark”) through Genmark Sub Corporation, the special purpose company which was established for this stock purchase on April 24, 2018, and in accordance with said agreement, completed the acquisition on April 30, 2018 (U.S. time) (the “Transaction”).

1. Purpose of the Transaction

Genmark develops, manufactures and sells semiconductor wafer handling robots, motion control products and integrated tool automation. Through the Transaction, Nidec Sankyo will utilize Genmark's product development, production capabilities and network to strengthen its product lineup and global network. Also Nidec Sankyo will conduct sales activities utilizing customer bases of both Nidec Sankyo and Genmark. NIDEC aims to further grow by capturing demand of expanding semiconductor market.

2. Funds for the Transaction

Own funds

3. Information on Genmark

Company Name: Genmark Automation, Inc.

Headquarters: 46723 Lakeview Blvd. Fremont, California 94538 U.S.A.

Business: Development, manufacture and sale of semiconductor wafer handling robots, motion control products and integrated tool automation

4. Execution date of the share purchase and transfer agreement

April 24, 2018

5. Date of the completion of the share acquisition

April 30, 2018 (U.S. time)

(CIMA S.p.A.)

Nidec Europe B.V., the NIDEC's subsidiary, entered into stock purchase agreement on June 26, 2018 to acquire 100% of the equity shares of CIMA S.p.A. ("CIMA") from its main shareholders, and in accordance with said agreement, completed the acquisition on July 2, 2018 (the "Transaction").

1. Purpose of the Transaction

CIMA designs, manufactures and sells commercial motors. Through the Transaction, FIR Elettromeccanica S.r.l., NIDEC's subsidiary, can expand its product portfolio.

2. Funds for the Transaction

Own funds

3. Information on CIMA

Company Name: CIMA S.p.A.

Headquarters: Vicenza (Italy)

Business: Design, manufacture and sale of commercial motors

4. Execution date of the share purchase and transfer agreement

June 26, 2018

5. Date of the completion of the share acquisition

July 2, 2018

III. Information on the Company

1. Information on the Company's Shares, etc.

(1) Total number of shares, etc.

1) Total Number of Shares

Class	Total number of shares authorized to be issued (Shares)
Ordinary share	960,000,000
Total	960,000,000

2) Issued Shares

Class	Number of shares issued as of the end of first quarter (Shares) (June 30, 2018)	Number of shares issued as of the filing date (Shares) (August 9, 2018)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	298,142,234	298,142,234	Tokyo Stock Exchange, Inc. (the first section)	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	298,142,234	298,142,234	-	-

(2) Information on the share acquisition rights, etc.

1) Details of share option plans

Not applicable.

2) Other information about share acquisition rights

Not applicable.

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

Not applicable.

(4) Changes in the total number of issued shares, common stock, etc.

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 April 1, 2018 to June 30, 2018	-	298,142,234	-	87,784	-	92,005

(5) Major shareholders

Not applicable.

(6) Information on voting rights

Information on voting rights as of March 31, 2018 is stated in this item because the Company cannot identify the number of voting rights as of June 30, 2018 due to the lack of information on the details entered in the shareholders registry as of June 30, 2018.

1) Issued shares

(As of June 30, 2018)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 2,182,200	-	-
Shares with full voting rights (others)	Ordinary share 295,481,700	2,954,817	-
Shares less than one unit	Ordinary share 478,334	-	-
Number of issued shares	298,142,234	-	-
Total number of voting rights	-	2,954,817	-

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

2. Ordinary share in the “Shares less than one unit” column includes 9 shares of the Company’s treasury stock.

2) Treasury stock, etc.

(As of June 30, 2018)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	2,182,200	-	2,182,200	0.73
Total	-	2,182,200	-	2,182,200	0.73

(Note) As of June 30, 2018, the number of shares held under own name (except shares of less than one unit) is 2,363,000.

2. Members of the Board of Directors and Members of the Audit & Supervisory Board

There were no changes in 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 45th business term pursuant to the Financial Instruments and Exchange Act of Japan to June 30, 2018.

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	As of March 31, 2018	As of June 30, 2018
Assets			
Current assets			
Cash and cash equivalents		265,947	289,432
Trade and other receivables		388,741	388,141
Other financial assets	12	1,718	683
Income tax receivables		2,402	5,140
Inventories		227,766	245,123
Other current assets		30,155	35,867
Total current assets		916,729	964,386
Non-current assets			
Property, plant and equipment		451,085	464,261
Goodwill	7	236,741	240,751
Intangible assets	7	122,029	125,526
Investments accounted for using the equity method		1,112	1,996
Other investments	12	22,295	21,355
Other financial assets	12	5,464	6,507
Deferred tax assets		11,055	12,472
Other non-current assets		6,728	7,022
Total non-current assets		856,509	879,890
Total assets		1,773,238	1,844,276

(Yen in millions)

	Note	As of March 31, 2018	As of June 30, 2018
Liabilities			
Current liabilities			
Short term borrowings	12	1,657	34,914
Long term debt due within one year	12	29,538	29,887
Trade and other payables		317,031	311,022
Other financial liabilities	12	1,557	4,729
Income tax payables		7,582	8,910
Provisions		32,733	32,963
Other current liabilities		61,915	64,567
Total current liabilities		<u>452,013</u>	<u>486,992</u>
Non-current liabilities			
Long term debt	12	314,631	316,908
Other financial liabilities	12	2,373	1,218
Retirement benefit liabilities		24,178	25,629
Provisions		6,577	6,979
Deferred tax liabilities		28,042	29,742
Other non-current liabilities		2,924	2,552
Total non-current liabilities		<u>378,725</u>	<u>383,028</u>
Total liabilities		<u>830,738</u>	<u>870,020</u>
Equity			
Common stock		87,784	87,784
Additional paid-in capital		118,136	118,217
Retained earnings		822,703	844,855
Other components of equity		(76,862)	(64,460)
Treasury stock		(19,151)	(22,056)
Total equity attributable to owners of the parent		<u>932,610</u>	<u>964,340</u>
Non-controlling interests		9,890	9,916
Total equity		<u>942,500</u>	<u>974,256</u>
Total liabilities and equity		<u><u>1,773,238</u></u>	<u><u>1,844,276</u></u>

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2017 and 2018
Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Note	For the three months ended June 30,	
		2017	2018
Net Sales	5	343,091	383,765
Cost of sales		(258,897)	(288,284)
Gross profit		84,194	95,481
Selling, general and administrative expenses		(32,083)	(33,674)
Research and development expenses		(13,244)	(15,166)
Operating profit	5	38,867	46,641
Financial income		1,263	2,423
Financial expenses		(1,423)	(1,995)
Derivative gain		18	1,383
Foreign exchange differences		(2,569)	(1,350)
Share of net profit (loss) from associate accounting using the equity method		15	(161)
Profit before income taxes		36,171	46,941
Income tax expenses		(7,990)	(9,388)
Profit for the period		28,181	37,553
Profit for the period attributable to:			
Owners of the parent		28,077	37,353
Non-controlling interests		104	200
Profit for the period		28,181	37,553
Earnings per share attributable to owners of the parent	11		
Basic (yen)		94.83	126.29
Diluted (yen)		-	-

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the three months ended June 30,	
		2017	2018
Profit for the period		28,181	37,553
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		(46)	0
Fair value movements on FVTOCI equity financial assets		1,316	(603)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		8,767	13,086
Effective portion of net changes in fair value of cash flow hedges		465	(769)
Fair value movements on FVTOCI debt financial assets		0	4
Total other comprehensive income for the period, net of taxation		10,502	11,718
Comprehensive income for the period		38,683	49,271
Comprehensive income for the period attributable to:			
Owners of the parent		38,675	49,152
Non-controlling interests		8	119
Comprehensive income for the period		38,683	49,271

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 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		
Balance at 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				28,077			28,077	104	28,181
Other comprehensive income					10,598		10,598	(96)	10,502
Total comprehensive income							38,675	8	38,683
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(5,149)	(5,149)	-	(5,149)
Dividends paid to the owners of the parent	10			(13,347)			(13,347)	-	(13,347)
Dividends paid to non-controlling interests							-	(13)	(13)
Transfer to retained earnings				1,343	(1,343)		-	-	-
Other					95	(1)	94	(6)	88
Balance at June 30, 2017		87,784	118,340	731,984	(53,970)	(17,293)	866,845	9,223	876,068

For the three months ended June 30, 2018

(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		
Balance at April 1, 2018		87,784	118,136	822,703	(76,862)	(19,151)	932,610	9,890	942,500
Changes in accounting policies	3			199			199		199
Balance after restatement		87,784	118,136	822,902	(76,862)	(19,151)	932,809	9,890	942,699
Comprehensive income									
Profit for the period				37,353			37,353	200	37,553
Other comprehensive income					11,799		11,799	(81)	11,718
Total comprehensive income							49,152	119	49,271
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(2,905)	(2,905)	-	(2,905)
Dividends paid to the owners of the parent	10			(14,798)			(14,798)	-	(14,798)
Dividends paid to non-controlling interests							-	(71)	(71)
Share-based payment transactions			81				81	-	81
Transfer to retained earnings				(603)	603		-	-	-
Other				1			1	(22)	(21)
Balance at June 30, 2018		87,784	118,217	844,855	(64,460)	(22,056)	964,340	9,916	974,256

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	For the three months ended June 30,	
	Note	
	2017	2018
Cash flows from operating activities:		
Profit for the period	28,181	37,553
Adjustments to reconcile profit for the period to net cash provided by operating activities		
Depreciation and amortization	16,183	16,435
(Gain) loss from sales, disposal or impairment of property, plant and equipment	(100)	4
Financial expenses (income)	24	(476)
Share of net (profit) loss from associate accounting using the equity method	(15)	161
Deferred income taxes	(1,118)	671
Current income taxes	9,108	8,717
Foreign currency adjustments	970	5,881
Increase in retirement benefit liability	349	1,217
(Increase) decrease in accounts receivable	(6,544)	3,395
Increase in inventories	(6,304)	(12,658)
Increase (decrease) in accounts payable	9,038	(8,128)
Other, net	4,660	947
Interests and dividends received	1,032	1,784
Interests paid	(872)	(675)
Income taxes paid	(10,392)	(10,088)
Net cash provided by operating activities	44,200	44,740

(Yen in millions)

		For the three months ended June 30,	
	Note	2017	2018
Cash flows from investing activities:			
Additions to property, plant and equipment		(20,033)	(30,081)
Proceeds from sales of property, plant and equipment		1,129	876
Additions to intangible assets		(825)	(2,794)
Acquisitions of business, net of cash acquired		-	(3,205)
Other, net		794	(1,436)
Net cash used in investing activities		<u>(18,935)</u>	<u>(36,640)</u>
Cash flows from financing activities:			
(Decrease) increase in short term borrowings		(131,580)	33,515
Proceeds from issuance of long term debt		82,583	-
Repayments of long term debt		(5,923)	(332)
Proceeds from issuance of corporate bonds		50,001	-
Purchase of treasury stock		(5,149)	(2,905)
Dividends paid to the owner of the parent	10	(13,347)	(14,798)
Other, net		(85)	(71)
Net cash (used in) provided by financing activities		<u>(23,500)</u>	<u>15,409</u>
Effect of exchange rate changes on cash and cash equivalents		<u>3,266</u>	<u>(24)</u>
Net increase in cash and cash equivalents		5,031	23,485
Cash and cash equivalents at beginning of period		<u>321,580</u>	<u>265,947</u>
Cash and cash equivalents at end of period		<u><u>326,611</u></u>	<u><u>289,432</u></u>

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

Condensed Quarterly Consolidated Financial Statements as of June 30, 2018 and for the three months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation of condensed quarterly consolidated financial statements

(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 the Regulations for Quarterly Consolidated Financial Statements, as the Company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2018.

(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) Changes in presentation methods

(Condensed quarterly consolidated statements of cash flows)

“Additions to intangible assets” included on the “Other, net” line of “Cash flows from investing activities” in the same period of the prior year, are presented as a separate line item in this three-month period under review because their quantitative materiality increased.

Condensed quarterly consolidated financial statements for three months ended June 30, 2017 contained herein have been reclassified to reflect this change in presentation.

As a result, the (¥31) million reported as “Cash flows from investing activities” on the “Other, net” line of the same period of the prior year’s condensed quarterly consolidated statements of cash flows have been reclassified herein with (¥825) million on the “Additions to intangible assets” line and ¥794 million on the “Other, net” line.

3. Significant accounting policies

With the exception of the item explained below, significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the NIDEC’s consolidated financial statements for the year ended March 31, 2018.

Income taxes for three months ended June 30, 2018 are computed using the estimated annual effective tax rate.

(Share-Based Payment)

NIDEC has adopted a performance-linked share-based compensation plan from the three months ended June 30, 2018. The compensation measured with the performance-linked share-based compensation plan is recognized as an expense, and an equivalent amount is recognized as an increase in additional paid-in capital.

(Revenue Recognition)

NIDEC has adopted the following standard from the three months ended June 30, 2018.

IFRS		Summary of new standard and amendment
IFRS15	Revenue from Contracts with Customers	Revised accounting standard for revenue recognition

IFRS 15 replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

In applying IFRS 15, NIDEC adopts the methods where cumulative effect is applied retrospectively to contracts that have not been completed as of the initial application date (April 1, 2018) and the cumulative effect is recognized as an adjustment to the opening balance of retained earnings, as permitted as a transition method (modified retrospective approach).

As a result of the adoption of IFRS 15, revenues are recognized based on the following five-step approach. This will result in the following main change in accounting policies and impact on condensed quarterly consolidated financial statements.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to each performance obligation in the contract.

Step 5: An entity recognizes revenue when a performance obligation is satisfied.

(i) Sales of goods

NIDEC manufactures and sells small precision motors, automotive products, certain appliance, commercial and industrial products, certain machinery, and electronic and optical components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Construction contracts

Additionally, for certain appliance, commercial and industrial products and certain machinery, NIDEC transfers control of a good or service over time and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales of certain appliance, commercial and industrial products and certain machinery based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period.

Of costs incurred in fulfilling contracts with customers, NIDEC recognizes costs as assets when those costs are not within the scope of another accounting standard, are directly related to a contract or an anticipated contract that NIDEC can specifically identify, are expected to be recovered, and generate or enhance resources of NIDEC that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

As a result of the adoption of IFRS 15, compared with reported figures under the standard NIDEC applied previously, at the beginning of the three months ended June 30, 2018, inventories decreased by ¥72 million and other non-current assets, deferred tax liabilities and retained earnings increased by ¥350 million, ¥79 million and ¥199 million, respectively. The impact of this change on income is immaterial.

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 June 30, 2018 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2018.

5. Segment information

(Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Companies and company groups that are currently profit management units of NIDEC are identified as its reportable segments.

As noted in “3. Significant accounting policies,” NIDEC has adopted IFRS 15 from the three months ended June 30, 2018. In applying IFRS 15, NIDEC has elected to recognize the cumulative effect of applying IFRS 15 at the date of initial application. Accordingly, data for the three months ended June 30, 2017 are not restated.

NIDEC’s operating segments are as follows;

Name	Outline of operating segment
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, which primarily sells 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 and 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 Global Appliance Compressors which was consolidated in the three months ended September 30, 2017.
9. Nidec Motors & Actuators	Nidec Motors & Actuators (Germany) GmbH in Germany, other subsidiaries in Europe, North America and South America, and other manufacturing subsidiaries in 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)

	For the three months ended June 30,	
	2017	2018
Nidec Corporation	9,133	7,849
Nidec Electronics (Thailand)	23,703	29,757
Nidec Singapore	11,075	12,237
Nidec (H.K.)	25,001	26,146
Nidec Sankyo	37,496	38,063
Nidec Copal	9,327	7,800
Nidec Techno Motor	21,093	23,754
Nidec Motor	98,922	114,450
Nidec Motors & Actuators	63,982	71,719
Others	43,359	51,990
Consolidated net sales	343,091	383,765

Net sales to other operating segments:

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Nidec Corporation	38,252	41,858
Nidec Electronics (Thailand)	7,206	4,748
Nidec Singapore	162	144
Nidec (H.K.)	219	475
Nidec Sankyo	302	445
Nidec Copal	2,738	1,854
Nidec Techno Motor	1,255	1,408
Nidec Motor	96	386
Nidec Motors & Actuators	6,861	7,081
Others	37,934	45,005
Total	95,025	103,404
Intersegment elimination	(95,025)	(103,404)
Consolidated net sales	-	-

Segment profit/loss:

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Nidec Corporation	3,795	4,983
Nidec Electronics (Thailand)	5,722	4,704
Nidec Singapore	133	208
Nidec (H.K.)	362	318
Nidec Sankyo	5,208	5,914
Nidec Copal	1,346	146
Nidec Techno Motor	2,421	3,011
Nidec Motor	6,255	11,023
Nidec Motors & Actuators	8,355	10,515
Others	10,122	11,666
Total	43,719	52,488
Elimination and Corporate (Note)	(4,852)	(5,847)
Operating profit (loss)	38,867	46,641
Financial (expenses) income	(160)	428
Derivative gain	18	1,383
Foreign exchange differences	(2,569)	(1,350)
Share of net profit (loss) from associate accounting using the equity method	15	(161)
Profit before income taxes	36,171	46,941

(Note) "Elimination and Corporate" includes corporate expenses, which do not belong to any operating segment, of ¥4,957 million and ¥4,604 million for the three months ended June 30, 2018 and 2017, respectively. The corporate expenses include basic research expenses and head office expenses.

(Supplemental Information)

Net sales by type of product are as follows:

Net sales by type of product

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Small precision motors:		
Hard disk drives spindle motors	44,730	48,782
Other small precision motors	59,023	57,551
Subtotal	103,753	106,333
Automotive products	68,709	77,181
Appliance, commercial and industrial products	120,184	138,558
Machinery	32,583	42,616
Electronic and optical components	16,939	17,987
Other products	923	1,090
Consolidated net sales	343,091	383,765

- (Notes) 1. “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 and applications, etc.
“Automotive products” consists of automotive motors and components.
“Appliance, commercial and industrial products” consists of home appliance, commercial and industrial motors and related products.
“Machinery” consists of industrial robots, card readers, test systems, press machines and power transmission drives, etc.
“Electronic and optical components” consists of switches, trimmer potentiometers, lens units and camera shutters, etc.
“Other products” consists of services, etc.
2. From the three months ended June 30, 2018, the product category “Automotive, appliance, commercial and industrial products” is divided and presented as “Automotive products” and “Appliance, commercial and industrial products”.

6. Business combination

On April 30, 2018 (U.S. time), NIDEC acquired 100% equity shares in Genmark Automation, Inc. (“Genmark”), a U.S. company, from the shareholders for cash of ¥2,873 million. Genmark develops, manufactures and sells semiconductor wafer handling robots, motion control products and integrated tool automation. Through the Transaction, Nidec Sankyo will utilize Genmark's product development, production capabilities and network to strengthen its product lineup and global network. Also Nidec Sankyo will conduct sales activities utilizing customer bases of both Nidec Sankyo and Genmark. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

Completion of purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2018, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition in the previous fiscal year of Secop Holding GmbH (currently, Nidec Global Appliance Compressors GmbH), 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”) and LGB Elettropompe S. r. l. NIDEC’s consolidated financial statements for the year ended March 31, 2018 reflect the revision of the initial allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2018 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Secop	Others
Current assets		
Inventories	-	(26)
Other current assets	(1,424)	116
Non-current assets		
Property, plant and equipment	3,747	15
Intangible assets	(685)	(9)
Deferred tax assets	132	-
Acquired assets at fair value	1,770	96
Current liabilities		
Income tax payables	(40)	39
Provisions	4,170	65
Other current liabilities	144	-
Non-current liabilities		
Long term debt	29	-
Retirement benefit liabilities	(17)	-
Provisions	2,033	-
Deferred tax liabilities	(1,599)	145
Assumed liabilities at fair value	4,720	249
Acquired assets and assumed liabilities at fair value (net amount)	(2,950)	(153)
Goodwill	2,499	126

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	Secop	Others
Customer relationships	15 years	-	(9)
Other	-	(685)	-

Effect on the consolidated statement of income for the year ended March 31, 2018 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Secop	Others
Operating profit	(592)	(31)
Profit before income taxes	(592)	(31)
Profit for the year attributable to owners of the parent	(458)	(28)

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the fiscal year ended March 31, 2018 and the three months ended June 30, 2018, 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 June 30, 2018.

7. Goodwill and intangible assets

Changes in the carrying amounts of goodwill are as follows:

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Balance at beginning of period		
Goodwill	218,786	236,741
Acquisitions	-	1,581
Translation adjustments and others	2,233	2,429
Balance at end of period		
Goodwill	221,019	240,751

Intangible assets subject to amortization are as follows:

(Yen in millions)

	As of March 31, 2018		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	17,713	(6,137)	11,576
Customer relationships	77,728	(24,440)	53,288
Software	29,098	(17,917)	11,181
Other	17,762	(5,110)	12,652
Total	142,301	(53,604)	88,697

(Yen in millions)

	As of June 30, 2018		
	Gross carrying amounts	Accumulated amortization	Carrying amounts
Proprietary technology	17,679	(6,301)	11,378
Customer relationships	81,626	(25,833)	55,793
Software	29,456	(18,091)	11,365
Other	18,082	(5,571)	12,511
Total	146,843	(55,796)	91,047

Total amortization of intangible assets for the year ended March 31, 2018 and for the three months ended June 30, 2018 amounted to ¥9,839 million and ¥2,517 million, respectively. Total indefinite lived intangible assets amounted to ¥33,332 million and ¥34,479 million as of March 31, 2018 and June 30, 2018, respectively.

8. Employee benefits

The amounts of net periodic benefit cost in pension and severance plans for the three months ended June 30, 2017 and 2018 are as follows:

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Net periodic pension cost for defined benefit plans:		
Current service cost	498	595
Interest cost (net)	133	211
Net periodic pension cost for defined benefit plans	631	806
Payments to defined contribution pension plans	1,014	713
Payments to multi-employer plans	6	0

9. Related party transactions

(1) Transactions with related parties for the three months ended June 30, 2017 and 2018 are as follows:

Sales of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Related parties		
SN Kosan Limited Company*1	-	-
Nagamori foundation*2	3	3

(Note) *1. NIDEC's directors and other officers, and their close relatives own a majority of voting rights of SN Kosan Limited Company.

*2. A director of NIDEC concurrently serves as president of Nagamori foundation.

Sales of goods and services to related parties are conducted on an arm's-length basis.

Purchase of goods and services

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Related parties		
SN Kosan Limited Company	4	4
Green Kohsan Limited Liability Company*3	-	27

(Note) *3. A director of NIDEC concurrently serves as representative member of Green Kohsan Limited Liability Company.

Purchase of goods and services from related parties are conducted on an arm's-length basis.

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2018	June 30, 2018
Receivables from related parties		
SN Kosan Limited Company	1	1
Nagamori foundation	-	0
Payables to related parties		
SN Kosan Limited Company	-	1

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2018 and June 30, 2018. In addition, there were no expenses recognized during the years ended March 31, 2018 and the three months ended June 30, 2018 in respect of receivables from related parties.

10. Dividends

Dividends declared and paid to the ordinary shareholders are as follows:

For the three months ended June 30, 2017

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 24, 2017 Board of directors meeting	Ordinary shares	13,347	45	March 31, 2017	June 1, 2017

For the three months ended June 30, 2018

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 28, 2018 Board of directors meeting	Ordinary shares	14,798	50	March 31, 2018	June 4, 2018

11. Earnings per share

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

“Earnings per share attributable to owners of the parent - diluted” are not presented because there were no securities with dilutive effect outstanding.

	For the three months ended June 30,	
	2017	2018
Profit attributable to owners of the parent (Yen in millions)	28,077	37,353
Weighted average shares (Shares)	296,077,185	295,779,502
Earnings per share attributable to owners of the parent - basic (Yen)	94.83	126.29

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: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means; and
- Level 3: Unobservable inputs for the asset or liability.

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 by reassessing the level to be applied to the asset or liability for measuring its fair value.

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	As of March 31, 2018		As of June 30, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	118	118	100	100
Long term investments	2	2	2	2
Short term loans receivable	43	43	25	25
Long term loans receivable	131	128	135	128
Short term borrowings	(1,657)	(1,657)	(34,914)	(34,914)
Long term debt (including long term debt due within one year and excluding the finance lease obligations and corporate bonds)	(143,183)	(143,575)	(145,520)	(145,912)
Corporate bonds (including corporate bonds due within one year)	(199,966)	(200,624)	(199,969)	(200,592)

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 June 30, 2018 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 to their present values.

(3) Long term loans receivable

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

(4) Long term debt

The fair value of long term debt (including long term debt due within one year and excluding the finance lease obligations and corporate bonds) is estimated based on the present value of future repayment amounts by discounting at NIDEC's expected incremental borrowing rates for similar liabilities and classified as Level 2.

(5) Corporate bonds

The fair value of bonds issued by NIDEC (including corporate bonds due within one year) 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 fair values of "cash and cash equivalents", "trade and other receivables" and "trade and other payables" approximate their carrying amounts because of the short maturity of these instruments. Therefore, 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 and financial liabilities categorized by the levels of the fair value hierarchy used in the analysis is as follows:

As of March 31, 2018

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	19,934	-	1,390	21,324
FVTOCI debt financial assets	-	271	-	271
Derivatives	134	2,353	-	2,487
Total financial assets	20,068	2,624	1,390	24,082
Liabilities				
Derivatives	143	1,063	-	1,206
Total financial liabilities	143	1,063	-	1,206

There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2018.

As of June 30, 2018

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities and other investment securities				
FVTOCI equity financial assets	19,027	-	1,429	20,456
FVTOCI debt financial assets	-	199	-	199
Derivatives	11	2,449	-	2,460
Total financial assets	19,038	2,648	1,429	23,115
Liabilities				
Derivatives	205	175	-	380
Total financial liabilities	205	175	-	380

There were no transfers between Level 1, Level 2 and Level 3 during the three months ended June 30, 2018.

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 forward 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 shares. Fair values of those unlisted shares are calculated by discounted cash flow method, etc. 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 reconciliation of financial instruments categorized as Level 3 is as follows:

(Yen in millions)

	For the three months ended June 30,	
	2017	2018
Balance at beginning of period	1,519	1,390
Gains or losses:		
Recognized in other comprehensive income (Note)	(2)	39
Balance at end of period	1,517	1,429

(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 was aware of total contingent liabilities of ¥11,679 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds at June 30, 2018. 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 has not found any event that may result in material claims.

14. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	As of March 31, 2018	As of June 30, 2018
Property, plant and equipment and other assets	4,236	6,169

15. Events after the reporting period

Completion of Acquisition of CIMA S.p.A.

On July 2, 2018, Nidec Europe B.V., NIDEC’s subsidiary, acquired 100% of the ownership interest of CIMA S.p.A. (“CIMA”) in Italy from its main shareholders (the “Transaction”).

1) Purpose of the Transaction	CIMA designs, manufactures and sells commercial motors. Through the Transaction, FIR Elettromeccanica S.r.l., NIDEC’s subsidiary, can expand its product portfolio.
2) Funds for the Transaction	Own funds

16. Authorization of condensed quarterly consolidated financial statements

NIDEC’s condensed quarterly consolidated financial statements were authorized for issue on August 9, 2018 by Shigenobu Nagamori, Representative Director, Chairman and Chief Executive Officer and Akira Sato, Member of the Board of Directors, Executive Vice President and Chief Financial Officer.

2. Other

On May 28, 2018, the Company’s Board of Directors resolved to pay cash dividends to shareholders as of March 31, 2018 as follows:

- (1) Total amount of dividends: ¥14,798 million
- (2) Amount per share: ¥50.00
- (3) Effective date of claim of payment and start date of payment: June 4, 2018

Part II Information on Guarantors, etc. for the Company

Not applicable.