


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

January 23, 2020

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

Scheduled date of dividend payable: -

Supplemental materials for quarterly results: Yes

Quarterly earning presentation held: Yes

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

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

## (1) Consolidated Operating Results

(Percentage represents year-on-year changes)

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

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

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

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

## (2) Consolidated Financial Position

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

## 2. Dividends

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

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

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

(Percentage represents year-on-year changes)

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

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

Notes

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

: Yes (Newly consolidated) 3 companies  
 NIDEC COMPRESSOR (BEIJING) CO., LTD.  
 Ealing Compania de Gestiones y Participaciones SA  
 Embraco Industria de Compressores e Solucoes em Refrigeracao Ltda.

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

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

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued at the end of the period (including treasury stock):

As of December 31, 2019: 298,142,234 As of March 31, 2019: 298,142,234

2. Number of treasury stock at the end of the period:

As of December 31, 2019: 3,849,497 As of March 31, 2019: 3,848,312

3. Weighted-average number of shares outstanding during the period:

For the nine months ended December 31, 2019: 294,293,374 For the nine months ended December 31, 2018: 294,979,958

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

\*Explanation for appropriate use of forecast and other notes

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC’s expectations as a result of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Results, Etc. (3). Explanation Regarding Future Forecast Information of Consolidated Financial Results” on page 12.

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

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

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

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

## **1. Overview of Operating Results, Etc.**

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

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

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

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

## 2. Consolidated Operating Results

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

(Yen in millions)

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

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

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

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

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

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

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

### Small precision motors

(Yen in millions)

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

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

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

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

### Automotive products

(Yen in millions)

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

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

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

## Appliance, commercial and industrial products

(Yen in millions)

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

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

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

## Machinery

(Yen in millions)

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

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

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

## Electronic and optical components

(Yen in millions)

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

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

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

**Other products***(Yen in millions)*

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

Net sales of this category increased 0.9% to ¥3,462 million and operating profit of this category decreased 7.8% to ¥510 million for this nine-month period compared to the same period of the prior year.

**Consolidated Operating Results for the Three Months Ended December 31, 2019 (“3Q”),  
Compared to the Previous Three Months Ended September 30, 2019 (“2Q”)**

*(Yen in millions)*

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

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

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

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

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

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

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

### Small precision motors

(Yen in millions)

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

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

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

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

### Automotive products

(Yen in millions)

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

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

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

## Appliance, commercial and industrial products

(Yen in millions)

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

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

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

## Machinery

(Yen in millions)

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

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

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

## Electronic and optical components

(Yen in millions)

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

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

**Other products***(Yen in millions)*

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

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

## (2) Financial Position

(Yen in millions)

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

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

\*2. Net interest-bearing debt: Interest-bearing debt less "cash and cash equivalents"

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

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

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

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

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

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

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

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

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

## Overview of Cash Flow

(Yen in millions)

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

(Note) \*1. Free cash flow: The sum of “net cash provided by operating activities” and “net cash used in investing activities”.

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

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

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

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

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

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

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

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

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

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

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

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥105 and €1 = ¥125.

#### **Cautionary Note Regarding Forward-Looking Statements**

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

## **2. Condensed Quarterly Consolidated Financial Statements and Other Information**

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

*(Yen in millions)*

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

*(Yen in millions)*

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

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

For the nine months ended December 31, 2018 and 2019

**Condensed Quarterly Consolidated Statements of Income**

*(Yen in millions)*

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

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

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

For the three months ended December 31, 2018 and 2019

**Condensed Quarterly Consolidated Statements of Income**

*(Yen in millions)*

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

## Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

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

### (3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2018

(Yen in millions)

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

For the nine months ended December 31, 2019

(Yen in millions)

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

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

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

(Yen in millions)

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

## **(5) Notes to Condensed Quarterly Consolidated Financial Statements**

### **Notes Regarding Going Concern Assumption**

Not applicable.

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

### **1. Reporting entity**

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

Condensed quarterly consolidated financial statements as of December 31, 2019 and for the nine months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

### **2. Basis of preparation**

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

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

The condensed quarterly consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements, and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2019.

#### **(2) Basis of measurement**

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

#### **(3) Presentation currency and level of rounding**

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

#### (4) Change in presentation

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

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

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

### 3. Significant accounting policies

With the exception of the item explained below, significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the NIDEC’s consolidated financial statements for the year ended March 31, 2019.

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

(Leases)

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

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

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

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

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

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

\*Apply a single discount rate to a portfolio of leases with reasonably similar characteristics

\*Apply a recognition exemption for leases for which the lease term ends within 12 months

\*Exclude initial direct costs from the measurement of the right-of-use assets at the date of initial application

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

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

*(Yen in millions)*

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

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

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

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

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

#### 5. Business combinations and loss of control

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

During the three months ended September 30, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Chaun-Choung Technology Corp., MS-Graessner GmbH & Co. KG, and its group companies in the previous fiscal year. Furthermore, during the three months ended December 31, 2019, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of Systeme + Steuerungen GmbH and its group companies (currently, Nidec SYS GmbH) in the previous fiscal year. NIDEC’s consolidated financial statements for the year ended March 31, 2019 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the previous fiscal year and in the nine months ended December 31, 2019, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statements of financial position based on provisional management estimation as of December 31, 2019.

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

### 3. Others

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

(Yen in millions)

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

#### (2) Information by Product Category

For the nine months ended December 31, 2018

(Yen in millions)

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

For the nine months ended December 31, 2019

(Yen in millions)

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

For the three months ended December 31, 2018

(Yen in millions)

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

For the three months ended December 31, 2019

(Yen in millions)

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

(Notes) 1. Product categories are classified based on similarities in product type, product attributes, and production and sales methods.

2. Major products of each product category:

- (1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
- (2) Automotive products: Automotive motors and components.
- (3) Appliance, commercial and industrial products: Home appliance, commercial and industrial motors and related products.
- (4) Machinery: Industrial robots, card readers, test systems, press machines and power transmission drives, etc.
- (5) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
- (6) Others: Services, etc.

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

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

*(Yen in millions)*

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

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

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

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

*(Yen in millions)*

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

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



## 4. Overview of Consolidated Financial Results

January 23, 2020

### (1) Summary of Consolidated Financial Performance

(Yen in millions)

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

### (2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

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

### (3) Dividends

(Yen)

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

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

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

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

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

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

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

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