

NEWS RELEASE



NIDEC CORPORATION

FOR IMMEDIATE RELEASE

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UNAUDITED INTERIM FINANCIAL STATEMENTS (IFRS) **(English Translation)**

RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
FROM APRIL 1, 2016 TO SEPTEMBER 30, 2016
CONSOLIDATED

Released on October 24, 2016

NIDEC CORPORATION

Stock Listings: Tokyo Stock Exchange

Head Office: Kyoto, Japan

Date of Filing of Japanese Quarterly Securities Report (Plan): November 11, 2016

1. Selected Consolidated Financial Performance Information for the Six Months Ended September 30, 2016 (IFRS) (unaudited)

(1) Consolidated Results of Operations

	Yen in millions	
	Six months ended September 30	
	2016	2015
Net sales	564,030	587,352
Ratio of change from the same period of previous fiscal year	(4.0)%	-
Operating profit	69,004	59,603
Ratio of change from the same period of previous fiscal year	15.8%	-
Profit before income taxes	66,293	62,147
Ratio of change from the same period of previous fiscal year	6.7%	-
Profit attributable to owners of the parent	50,110	46,857
Ratio of change from the same period of previous fiscal year	6.9%	-
Comprehensive income for the period	(25,985)	30,073
Ratio of change from the same period of previous fiscal year	-	-

	Yen	
	Six months ended September 30	
	2016	2015
Earnings per share attributable to owners of the parent -Basic	168.95	158.17
Earnings per share attributable to owners of the parent -Diluted	168.95	157.10

Note:

Earnings per share attributable to owners of the parent -Basic and earnings per share attributable to owners of the parent -Diluted are calculated based on profit attributable to owners of the parent.

(2) Consolidated Financial Position

	Yen in millions	
	September 30, 2016	March 31, 2016
Total assets	1,326,859	1,376,636
Total equity	733,535	771,369
Total equity attributable to owners of the parent	725,437	763,023
Ratio of total equity attributable to owners of the parent to total assets	54.7%	55.4%

2. Dividends (unaudited)

	Yen	
	Year ending March 31, 2017 (target)	Year ended March 31, 2016 (actual)
	Interim dividend per share	40.00
Year-end dividend per share	45.00	40.00
Annual dividend per share	85.00	80.00

Note:

Revision of previously announced dividend targets during this reporting period: Yes

3. Forecast of Consolidated Financial Performance (for the fiscal year ending March 31, 2017)

	Yen in millions	Inc./Dec. ratio of change from the previous fiscal year
Net sales	1,200,000	1.8%
Operating profit	135,000	14.7%
Profit before income taxes	133,000	13.5%
Profit attributable to owners of the parent	100,000	11.2%
Earnings per share attributable to owners of the parent –Basic (Yen)	337.15	

Note:

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

4. Others

(1) Changes in significant subsidiaries (changes in “specified subsidiaries” (*tokutei kogaisha*) accompanying changes in the scope of consolidation) during this period: None

(2) Changes in accounting policies:

1. Changes due to revisions to accounting standards: None
2. Changes due to other reasons: None
3. Changes in accounting estimates: None

(3) Number of shares issued (common stock)

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

298,142,234 shares at September 30, 2016

298,142,234 shares at March 31, 2016

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

1,542,454 shares at September 30, 2016

1,541,210 shares at March 31, 2016

3. Weighted-average number of shares issued at the beginning and end of each period:

296,600,339 shares for the six months ended September 30, 2016

296,249,477 shares for the six months ended September 30, 2015

NIDEC adopts International Financial Reporting Standards (“IFRS”) for its consolidated financial statements from the first quarter of the fiscal year ending March 31, 2017. Accordingly, the consolidated financial statements for the six months ended September 30, 2015 and those for the fiscal year ended March 31, 2016 are also presented in accordance with IFRS.

Pursuant to IFRS 3 “Business Combinations,” NIDEC completed its valuation of the fair values of the assets acquired and the liabilities assumed upon the acquisition in the previous fiscal years during the three months ended September 30, 2016. Accordingly, consolidated financial statements for the previous year have been retrospectively adjusted.

Investor presentation materials relating to our financial results for the six months ended September 30, 2016 are expected to be published on our corporate website on October 25, 2016.

1. Operating and Financial Review and Prospects

(1) Analysis of Operating Results

1. Overview of Business Environment for the Six months ended September 30, 2016

Despite the US economy's moderate expansion, the global economy remained uncertain during the six months ended September 30, 2016 because of the U.S. presidential election in November 2016 and concerns about a possible rise in the FRB interest rates. In the meantime, financial risks that started in Germany caused concerns in Europe, while China's economic slowdown caused by excessive investment continued while the Japanese domestic economy remained affected by the rapid appreciation of the Japanese yen, resulting in a lack of dynamism in the overall global economy.

Under such a business environment, NIDEC (Nidec Corporation and its consolidated subsidiaries) continued to pursue our targets for the fiscal year ending March 31, 2021 of consolidated net sales of ¥2 trillion and an operating profit ratio of 15% based on our mid-term strategic goal, "Vision 2020," and achieved in the six months ended September 30, 2016 the highest first half operating profit, profit before income taxes and profit for the period in our history.

With regard to the results for the three months ended September 30, 2016, the operating profit ratio of our automotive, appliance, commercial and industrial products, the product category that serves as the driving force behind the transformation of our business portfolio, has been improving, and we achieved the highest quarterly operating profit, profit before income taxes and profit for the period in our history.

2. Consolidated Operating Results

NIDEC adopts International Financial Reporting Standards ("IFRS") for its consolidated financial statements instead of U.S. GAAP from the first quarter of the fiscal year ending March 31, 2017. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2016 are presented in accordance with IFRS for comparative analysis.

Consolidated Operating Results for the six months ended September 30, 2016 ("this six-month period")

Yen in millions

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales	587,352	564,030	(23,322)	(4.0)%
Operating profit	59,603	69,004	9,401	15.8%
Operating profit ratio	10.1%	12.2%	-	-
Profit before income taxes	62,147	66,293	4,146	6.7%
Profit attributable to owners of the parent	46,857	50,110	3,253	6.9%

Consolidated net sales decreased 4.0% to ¥564,030 million for this six-month period compared to the same period of the prior year due to a rapid appreciation of the Japanese yen. On the other hand, operating profit increased 15.8% to ¥69,004 million for this six-month period compared to the same period of the prior year, achieving the highest first half operating profit in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this six-month period was ¥105.29 to the U.S. dollar, which reflected an appreciation of the Japanese yen against the U.S. dollar of approximately 14%, compared to the same period of the prior year. The average exchange rate between the Japanese yen and the Euro for this six-month period was ¥118.15 to the Euro, which reflected an appreciation of the Japanese yen against the Euro of approximately 13% compared to the same period of the prior

year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of approximately ¥71,500 million and our operating profit of approximately ¥10,700 million for this six-month period compared to the same period of the prior year.

Profit before income taxes increased 6.7% to ¥66,293 million for this six-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 6.9% to ¥50,110 million for this six-month period compared to the same period of the prior year, respectively achieving the highest first half profit in our history.

Operating Results by Product Category for this six-month period Compared to the same period of the prior year

Small precision motors-

	Yen in millions			
	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	222,513	211,716	(10,797)	(4.9)%
Hard disk drives spindle motors	106,806	90,366	(16,440)	(15.4)%
Other small precision motors	115,707	121,350	5,643	4.9%
Operating profit of small precision motors	34,598	32,967	(1,631)	(4.7)%
Operating profit ratio	15.5%	15.6%	-	-

Net sales of small precision motors decreased 4.9% to ¥211,716 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of small precision motors of approximately ¥26,400 million for this six-month period compared to the same period of the prior year.

Net sales of spindle motors for hard disk drives, or HDDs, for this six-month period decreased 15.4% to ¥90,366 million compared to the same period of the prior year. The number of units sold of spindle motors for HDDs decreased approximately 3% compared to the same period of the prior year.

Net sales of other small precision motors for this six-month period increased 4.9% to ¥121,350 million compared to the same period of the prior year. This increase was due to increases in sales of other small motors.

Operating profit of small precision motors decreased 4.7% to ¥32,967 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of small precision motors of approximately ¥5,600 million for this six-month period compared to the same period of the prior year.

Automotive, appliance, commercial and industrial products-

Yen in millions

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	276,185	265,645	(10,540)	(3.8)%
Appliance, commercial and industrial products	140,029	141,581	1,552	1.1%
Automotive products	136,156	124,064	(12,092)	(8.9)%
Operating profit of automotive, appliance, commercial and industrial products	20,819	27,988	7,169	34.4%
Operating profit ratio	7.5%	10.5%	-	-

Net sales of automotive, appliance, commercial and industrial products decreased 3.8% to ¥265,645 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of automotive, appliance, commercial and industrial products of approximately ¥37,300 million for this six-month period compared to the same period of the prior year.

Net sales of appliance, commercial and industrial products for this six-month period increased 1.1% compared to the same period of the prior year. This increase was primarily due to the increase in sales through our “Three-new Strategy” (new products, new markets and new clients), although there was a negative effect of the foreign currency exchange rate fluctuations.

Net sales of automotive products for this six-month period decreased 8.9% compared to the same period of the prior year due to a negative effect of the foreign currency exchange rate fluctuations, although there were increases in sales for automotive motors such as electric power steering motors and products of control valves at Nidec Tosok Corporation.

Operating profit of automotive, appliance, commercial and industrial products increased 34.4% to ¥27,988 million for this six-month period compared to the same period of the prior year mainly due to cost reduction and changes in product mix. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of automotive, appliance, commercial and industrial products of approximately ¥4,500 million for this six-month period compared to the same period of the prior year.

Machinery-

Yen in millions

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of machinery	54,359	53,884	(475)	(0.9)%
Operating profit of machinery	8,212	10,200	1,988	24.2%
Operating profit ratio	15.1%	18.9%	-	-

Net sales of machinery decreased 0.9% to ¥53,884 million for this six-month period compared to the same period of the prior year due to a negative effect of the foreign currency exchange rate fluctuations, although there were contributions by the newly consolidated companies and the increases in sales of LCD panel handling robots at Nidec Sankyo Corporation.

Operating profit of machinery increased 24.2% to ¥10,200 million for this six-month period compared to the same period of the prior year mainly due to contributions by the newly consolidated companies and the increase in sales of LCD panel handling robots.

Electronic and optical components-

Yen in millions				
	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	32,528	31,032	(1,496)	(4.6)%
Operating profit of electronic and optical components	3,050	4,878	1,828	59.9%
Operating profit ratio	9.4%	15.7%	-	-

Net sales of electronic and optical components decreased 4.6% to ¥31,032 million and operating profit of electronic and optical components increased 59.9% to ¥4,878 million for this six-month period compared to the same period of the prior year.

Other products-

Yen in millions				
	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of other products	1,767	1,753	(14)	(0.8)%
Operating profit of other products	244	287	43	17.6%
Operating profit ratio	13.8%	16.4%	-	-

Net sales of other products decreased 0.8% to ¥1,753 million and operating profit of other products increased 17.6% to ¥287 million for this six-month period compared to the same period of the prior year.

Consolidated Operating Results for the Three Months Ended September 30, 2016 (“this 2Q”), Compared to the Three Months Ended June 30, 2016 (“the previous 1Q”)

Yen in millions				
	Three months ended June 30, 2016	Three months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales	276,206	287,824	11,618	4.2%
Operating profit	31,540	37,464	5,924	18.8%
Operating profit ratio	11.4%	13.0%	-	-
Profit before income taxes	29,103	37,190	8,087	27.8%
Profit attributable to owners of the parent	22,041	28,069	6,028	27.3%

Consolidated net sales increased 4.2% to ¥287,824 million for this 2Q compared to the previous 1Q. Operating profit increased 18.8% to ¥37,464 million for this 2Q compared to the previous 1Q, achieving the highest quarterly operating profit in our history.

The average exchange rate between the Japanese yen and the U.S. dollar for this 2Q was ¥102.43 to the U.S.

dollar, which reflected an appreciation of the Japanese yen against the U.S. dollar of approximately 5%, compared to the previous 1Q. The average exchange rate between the Japanese yen and the Euro for this 2Q was ¥114.28 to the Euro, which reflected an appreciation of the Japanese yen against the Euro of approximately 6%, compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of approximately ¥13,400 million as well as on our operating profit of approximately ¥2,300 million for this 2Q compared to the previous 1Q.

Profit before income taxes increased 27.8% to ¥37,190 million for this 2Q compared to the previous 1Q and profit attributable to owners of the parent increased 27.3% to ¥28,069 million for this 2Q compared to the previous 1Q, respectively achieving the highest quarterly profit in our history.

Operating Results by Product Category for This 2Q Compared to The previous 1Q

Small precision motors-

Yen in millions				
	Three months ended June 30, 2016	Three months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	94,801	116,915	22,114	23.3%
Hard disk drives spindle motors	42,799	47,567	4,768	11.1%
Other small precision motors	52,002	69,348	17,346	33.4%
Operating profit of small precision motors	13,748	19,219	5,471	39.8%
Operating profit ratio	14.5%	16.4%	-	-

Net sales of small precision motors increased 23.3% to ¥116,915 million for this 2Q compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of small precision motors of approximately ¥5,200 million for this 2Q compared to the previous 1Q.

Net sales of spindle motors for HDDs increased 11.1% to ¥47,567 million for this 2Q compared to the previous 1Q. The number of units sold of spindle motors for HDDs for this 2Q increased approximately 17% compared to the previous 1Q.

Net sales of other small precision motors for this 2Q increased 33.4% to ¥69,348 million compared to the previous 1Q. This increase was due to increases in sales of brushless DC motors, fan motors and other small motors.

Operating profit of small precision motors increased 39.8% to ¥19,219 million for this 2Q compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of small precision motors of approximately ¥1,300 million for this 2Q compared to the previous 1Q.

Automotive, appliance, commercial and industrial products-

Yen in millions

	Three months ended June 30, 2016	Three months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	138,250	127,395	(10,855)	(7.9)%
Appliance, commercial and industrial products	74,257	67,324	(6,933)	(9.3)%
Automotive products	63,993	60,071	(3,922)	(6.1)%
Operating profit of automotive, appliance, commercial and industrial products	13,830	14,158	328	2.4%
Operating profit ratio	10.0%	11.1%	-	-

Net sales of automotive, appliance, commercial and industrial products decreased 7.9% to ¥127,395 million for this 2Q compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of automotive, appliance, commercial and industrial products of approximately ¥6,800 million for this 2Q compared to the previous 1Q.

Net sales of appliance, commercial and industrial products for this 2Q decreased 9.3% compared to the previous 1Q due to the negative effect of the seasonal factors and foreign currency exchange rate fluctuations.

Net sales of automotive products for this 2Q decreased 6.1% compared to the previous 1Q. This decrease was due to the negative effect of the foreign currency exchange rate fluctuations and seasonal factors.

Operating profit of automotive, appliance, commercial and industrial products increased 2.4% to ¥14,158 million for this 2Q compared to the previous 1Q mainly due to cost reduction and changes in product mix. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of automotive, appliance, commercial and industrial products of approximately ¥1,000 million for this 2Q compared to the previous 1Q.

Machinery-

Yen in millions

	Three months ended June 30, 2016	Three months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of machinery	27,146	26,738	(408)	(1.5)%
Operating profit of machinery	4,895	5,305	410	8.4%
Operating profit ratio	18.0%	19.8%	-	-

Net sales of machinery decreased 1.5% to ¥26,738 million for this 2Q compared to the previous 1Q due to the decrease in sales of LCD panel handling robots at Nidec Sankyo Corporation and the negative effect of foreign currency exchange rate fluctuations.

Operating profit of machinery increased 8.4% to ¥5,305 million for this 2Q compared to the previous 1Q mainly due to cost reduction.

Electronic and optical components-

Yen in millions

	Three months ended June 30, 2016	Three months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	15,161	15,871	710	4.7%
Operating profit of electronic and optical components	2,110	2,768	658	31.2%
Operating profit ratio	13.9%	17.4%	-	-

Net sales of electronic and optical components increased 4.7% to ¥15,871 million for this 2Q compared to the previous 1Q.

Operating profit of electronic and optical components increased 31.2% to ¥2,768 million for this 2Q compared to the previous 1Q.

Other products-

Yen in millions

	Three months ended June 30, 2016	Three months ended September 30, 2016	Increase or decrease	Increase or decrease ratio
Net sales of other products	848	905	57	6.7%
Operating profit of other products	134	153	19	14.2%
Operating profit ratio	15.8%	16.9%	-	-

Net sales of other products increased 6.7% to ¥905 million for this 2Q compared to the previous 1Q.

Operating profit of other products increased 14.2% to ¥153 million for this 2Q compared to the previous 1Q.

(2) Financial Position

Yen in millions

	As of March 31, 2016	As of September 30, 2016	Increase or decrease
Total assets	1,376,636	1,326,859	(49,777)
Total liabilities	605,267	593,324	(11,943)
Total equity attributable to owners of the parent	763,023	725,437	(37,586)
Interest-bearing debt *1	300,667	268,074	(32,593)
Net interest-bearing debt *2	(5,275)	(30,860)	(25,585)
Debt ratio *3	21.8%	20.2%	(1.6) %
Debt to equity ratio (“D/E ratio”) (times) *4	0.39	0.37	(0.02)
Net D/E ratio (times) *5	(0.01)	(0.04)	(0.03)
Ratio of total equity attributable to owners of the parent to total assets *6	55.4%	54.7%	(0.7) %

Notes:

- *1: The sum of “short term borrowings,” “long term debt due within one year” and “long term debt” in our consolidated statement of financial position
- *2: “Interest-bearing debt” less “cash and cash equivalents”
- *3: “Interest-bearing debt” divided by “total assets”
- *4: “Interest-bearing debt” divided by “total equity attributable to owners of the parent”
- *5: “Net interest-bearing debt” divided by “total equity attributable to owners of the parent”
- *6: “Total equity attributable to owners of the parent” divided by “total assets”

Total assets decreased approximately ¥49,800 million to ¥1,326,859 million as of September 30, 2016 compared to March 31, 2016. This decrease was mainly due to a decrease of approximately ¥14,900 million in property, plant, and equipment and a decrease of approximately ¥11,700 million in inventories.

Total liabilities decreased approximately ¥11,900 million to ¥593,324 million as of September 30, 2016 compared to March 31, 2016. Our interest-bearing debt decreased approximately ¥32,600 million. Specifically, our short term borrowings decreased approximately ¥27,500 million to approximately ¥53,600 million, our long term debt due within one year increased approximately ¥69,200 million to approximately ¥152,000 million, and our long term debt decreased approximately ¥74,300 million to approximately ¥62,500 million as of September 30, 2016 compared to March 31, 2016. The decrease of ¥74,300 million in our long term debt and the increase of ¥69,200 million in our long term debt due within one year were mainly attributable to the reclassification of approximately ¥65,000 million aggregate principal amount of unsecured straight bonds (ranking *pari passu* with the other series of Bonds) issued in November 2012 from non-current liability to current liability, as the bonds will mature within one year. On the other hand, our trade and other payables increased approximately ¥21,200 million as of September 30, 2016 compared to March 31, 2016.

As a result, our net interest-bearing debt decreased to approximately negative ¥30,900 million as of September 30, 2016 from approximately negative ¥5,300 million as of March 31, 2016. Our debt ratio decreased to 20.2% as of September 30, 2016 from 21.8% as of March 31, 2016. Our D/E ratio decreased to 0.37 as of September 30, 2016 from 0.39 as of March 31, 2016. Our net D/E ratio improved to negative 0.04 as of September 30, 2016 compared to negative 0.01 as of March 31, 2016.

Total equity attributable to owners of the parent decreased approximately ¥37,600 million to ¥725,437 million as of September 30, 2016 compared to March 31, 2016. Ratio of total equity attributable to owners of the parent to total assets decreased to 54.7% as of September 30, 2016 from 55.4% as of March 31, 2016. The decrease of ratio of total equity attributable to owners of the parent to total assets was mainly due to a decrease in other components of equity of approximately ¥76,100 million caused mainly by exchange differences related to foreign

operations, although there was an increase in retained earnings of approximately ¥38,500 million, as of September 30, 2016 compared to March 31, 2016.

Overview of Cash Flow-

	Yen in millions		
	Six months ended September 30		Increase or decrease
	2015	2016	
Net cash provided by operating activities	69,639	96,493	26,854
Net cash used in investing activities	(59,269)	(34,760)	24,509
Free cash flow *1	10,370	61,733	51,363
Net cash provided by (used in) financing activities	13,474	(34,942)	(48,416)

Note:

*1: Free cash flow is the sum of “net cash provided by operating activities” and “net cash used in investing activities.”

Cash flows from operating activities for the six months ended September 30, 2016 ("this six-month period") were a net cash inflow of ¥96,493 million. Compared to the six months ended September 30, 2015 ("the same period of the previous year"), our cash inflow from operating activities for this six-month period increased approximately ¥26,900 million. This increase was mainly due to an increase of approximately ¥22,900 million in accounts payable and a decrease of approximately ¥10,000 million in inventories.

Cash flows from investing activities for this six-month period were a net cash outflow of ¥34,760 million. Compared to the same period of the previous year, our net cash outflow from investing activities for this six-month period decreased approximately ¥24,500 million mainly due to decreases in additions to property, plant and equipment of approximately ¥17,300 million and in acquisitions of businesses, net of cash acquired of approximately ¥7,500 million.

As a result, we had a positive free cash flow of ¥61,733 million for this six-month period, an increase of approximately ¥51,400 million compared to a positive free cash flow of ¥10,370 million for the same period of the previous year.

Cash flows from financing activities for this six-month period were a net cash outflow of ¥34,942 million. Compared to the same period of the previous year, our net cash outflow from financing activities for this six-month period increased approximately ¥48,400 million mainly due to a decrease in net cash inflow from short term borrowings of approximately ¥59,700 million. On the other hand, outflow from repayments of long term debt decreased approximately ¥11,100 million.

As a result of the foregoing and the impact of foreign exchange fluctuations of approximately negative ¥33,800 million, the balance of cash and cash equivalents as of September 30, 2016 was ¥298,934 million, a decrease of approximately ¥7,000 million from March 31, 2016.

(3) Business Forecasts for the Fiscal Year ending March 31, 2017

Regarding global economic trends, we expect that, while an economic recovery in the United States is anticipated, uncertainties relating to the U.S. presidential election in November 2016, concerns about financial risks in Germany and other parts of Europe, the slowdown in the Chinese economy, and the negative impact of the appreciation of the yen on the Japanese economy will continue to require close monitoring.

In spite of the above, based on our sales and profits for the six months ended September 30, 2016 being stronger than our expectations underlying our previous forecast, we are revising our business performance forecast as follows. Also, in light of the recent appreciation of the Japanese yen, the average exchange rates used for the below forecasts are reset at ¥100 from previous ¥105 for US\$1 and ¥110 from previous ¥115 for €1, each adjusted to reflect the Japanese yen appreciation trend respectively.

In addition, based on this upward revision, we have comprehensively considered our financial condition, profit levels, dividend payout ratio, etc., and revised our year-end dividend target upwards by ¥5 to ¥45 per share compared to the previous target of ¥40. As a result, our annual dividend target is ¥85 per share.

Forecast of consolidated results for the fiscal year ending March 31, 2017

Net sales	¥1,200,000 million	(Up 1.8% from the previous fiscal year)
Operating profit	¥135,000 million	(Up 14.7% from the previous fiscal year)
Profit before income taxes	¥133,000 million	(Up 13.5% from the previous fiscal year)
Profit attributable to owners of the parent	¥100,000 million	(Up 11.2% from the previous fiscal year)

Note:

1. Consolidated results are based on IFRS.
2. The exchange rates used for the preparation of the foregoing forecasts are US\$1 = ¥100 and €1 = ¥110. The exchange rates between the relevant Asian currencies and the Japanese yen used for the preparation of the foregoing forecasts were determined assuming these exchange rates.

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements based on the current expectations, assumptions, estimates and projections of the Nidec Group in light of the information currently available to it. The Nidec Group cannot make any assurances that the expectations expressed in these forward-looking statements will prove to be correct. Actual results could be materially different from and worse than the Nidec Group's expectations as a result of various factors.

Percentage changes from the previous fiscal year are calculated by the previous year amounts which have been retrospectively adjusted pursuant to IFRS 3 "Business Combinations".

2. Others

(1) Changes in significant subsidiaries during this period

None

(2) Changes in accounting policy or estimate

None

3. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

	The date of transition to IFRS (April 1, 2015)		March 31, 2016		September 30, 2016		Increase or decrease
	Amounts	%	Amounts	%	Amounts	%	
Assets	Yen in millions		Yen in millions		Yen in millions		Yen in millions
Current assets							
Cash and cash equivalents	269,902		305,942		298,934		(7,008)
Trade and other receivables	255,470		251,310		253,808		2,498
Other financial assets	262		2,010		2,281		271
Income tax receivables	1,551		2,063		1,048		(1,015)
Inventories	170,880		170,874		159,163		(11,711)
Other current assets	20,018		22,892		25,040		2,148
Total current assets	718,083	53.2	755,091	54.9	740,274	55.8	(14,817)
Non-current assets							
Property, plant, and equipment	342,556		346,932		332,000		(14,932)
Goodwill	162,959		162,043		152,577		(9,466)
Intangible assets	83,931		77,049		67,885		(9,164)
Investments accounted for using the equity method	2,167		1,896		1,752		(144)
Other investments	21,507		15,998		16,345		347
Other financial assets	2,274		1,804		1,538		(266)
Deferred tax assets	10,749		11,545		10,200		(1,345)
Other non-current assets	5,646		4,278		4,288		10
Total non-current assets	631,789	46.8	621,545	45.1	586,585	44.2	(34,960)
Total assets	1,349,872	100.0	1,376,636	100.0	1,326,859	100.0	(49,777)

	The date of transition to IFRS (April 1, 2015)		March 31, 2016		September 30, 2016		Increase or decrease
	Amounts	%	Amounts	%	Amounts	%	
Liabilities	Yen in millions		Yen in millions		Yen in millions		Yen in millions
Current liabilities							
Short term borrowings	52,401		81,092		53,614		(27,478)
Long term debt due within one year	45,432		82,777		151,950		69,173
Trade and other payables	204,372		186,990		208,195		21,205
Other financial liabilities	2,941		3,192		1,877		(1,315)
Income tax payables	5,913		5,831		5,716		(115)
Provisions	18,583		18,886		19,276		390
Other current liabilities	31,151		40,891		39,648		(1,243)
Total current liabilities	360,793	26.7	419,659	30.5	480,276	36.2	60,617
Non-current liabilities							
Long term debt	184,432		136,798		62,510		(74,288)
Other financial liabilities	569		1,029		3,616		2,587
Retirement benefit liabilities	19,834		19,488		18,235		(1,253)
Provisions	2,904		3,337		3,209		(128)
Deferred tax liabilities	23,467		22,641		23,552		911
Other non-current liabilities	3,126		2,315		1,926		(389)
Total non-current liabilities	234,332	17.4	185,608	13.5	113,048	8.5	(72,560)
Total liabilities	595,125	44.1	605,267	44.0	593,324	44.7	(11,943)
Equity							
Common stock	77,071	5.7	87,784	6.4	87,784	6.6	-
Additional paid-in capital	107,732	8.0	118,341	8.6	118,340	8.9	(1)
Retained earnings	562,787	41.7	625,168	45.4	663,664	50.1	38,496
Other components of equity	(1,072)	(0.1)	(56,159)	(4.1)	(132,230)	(10.0)	(76,071)
Treasury stock	(27)	(0.0)	(12,111)	(0.9)	(12,121)	(0.9)	(10)
Total equity attributable to owners of the parent	746,491	55.3	763,023	55.4	725,437	54.7	(37,586)
Non-controlling interests	8,256	0.6	8,346	0.6	8,098	0.6	(248)
Total equity	754,747	55.9	771,369	56.0	733,535	55.3	(37,834)
Total liabilities and equity	1,349,872	100.0	1,376,636	100.0	1,326,859	100.0	(49,777)

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

Result for the six months ended September 30

Condensed Quarterly Consolidated Statements of Income

	Six months ended September 30				Increase or decrease		Year ended March 31, 2016	
	2015		2016					
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions		Yen in millions	
Net sales	587,352	100.0	564,030	100.0	(23,322)	(4.0)	1,178,290	100.0
Cost of sales	(453,364)	(77.2)	(428,547)	(76.0)	24,817	(5.5)	(909,953)	(77.2)
Gross profit	133,988	22.8	135,483	24.0	1,495	1.1	268,337	22.8
Selling, general and administrative expenses	(48,964)	(8.4)	(40,877)	(7.3)	8,087	(16.5)	(98,697)	(8.4)
Research and development expenses	(25,421)	(4.3)	(25,602)	(4.5)	(181)	0.7	(51,978)	(4.4)
Operating profit	59,603	10.1	69,004	12.2	9,401	15.8	117,662	10.0
Financial income	1,012	0.2	1,332	0.3	320	31.6	2,181	0.2
Financial expenses	(895)	(0.1)	(3,853)	(0.7)	(2,958)	330.5	(2,527)	(0.3)
Foreign exchange differences	2,422	0.4	(173)	(0.0)	(2,595)	-	(153)	(0.0)
Equity in net income (loss) of associates	5	0.0	(17)	(0.0)	(22)	-	1	0.0
Profit before income taxes	62,147	10.6	66,293	11.8	4,146	6.7	117,164	9.9
Income tax expenses	(14,728)	(2.5)	(15,777)	(2.8)	(1,049)	-	(26,166)	(2.2)
Profit for the period	47,419	8.1	50,516	9.0	3,097	6.5	90,998	7.7
Profit attributable to:								
Owners of the parent	46,857	8.0	50,110	8.9	3,253	6.9	89,945	7.6
Non-controlling interests	562	0.1	406	0.1	(156)	(27.8)	1,053	0.1
Profit for the period	47,419	8.1	50,516	9.0	3,097	6.5	90,998	7.7

Condensed Quarterly Consolidated Statements of Comprehensive Income

	Six months ended September 30				Increase or decrease		Year ended March 31, 2016	
	2015		2016					
	Amounts		Amounts		Amounts	%	Amounts	
	Yen in millions		Yen in millions		Yen in millions		Yen in millions	
Profit for the period	47,419		50,516		3,097	6.5	90,998	
Other comprehensive income, net of taxation								
Items that will not be reclassified to net profit or loss:								
Remeasurement of defined benefit plans	(72)		(110)		(38)	-	(941)	
Fair value movements on FVTOCI equity financial assets	(1,836)		345		2,181	-	(2,909)	
Items that may be reclassified to net profit or loss:								
Foreign currency translation adjustments	(14,785)		(76,858)		(62,073)	-	(56,190)	
Effective portion of net changes in fair value of cash flow hedges	(641)		121		762	-	326	
Fair value movements on FVTOCI debt financial assets	(12)		1		13	-	(6)	
Other comprehensive income for the period, net of taxation	(17,346)		(76,501)		(59,155)	-	(59,720)	
Comprehensive income for the period	30,073		(25,985)		(56,058)	-	31,278	
Comprehensive income attributable to:								
Owners of the parent	30,000		(25,711)		(55,711)	-	30,983	
Non-controlling interests	73		(274)		(347)	-	295	
Comprehensive income for the period	30,073		(25,985)		(56,058)	-	31,278	

Result for the three months ended September 30

Condensed Quarterly Consolidated Statements of Income

	Three months ended September 30				Increase or decrease	
	2015		2016			
	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions	
Net sales	302,311	100.0	287,824	100.0	(14,487)	(4.8)
Cost of sales	(232,392)	(76.9)	(216,297)	(75.1)	16,095	(6.9)
Gross profit	69,919	23.1	71,527	24.9	1,608	2.3
Selling, general and administrative expenses	(26,408)	(8.7)	(21,121)	(7.4)	5,287	(20.0)
Research and development expenses	(13,767)	(4.6)	(12,942)	(4.5)	825	(6.0)
Operating profit	29,744	9.8	37,464	13.0	7,720	26.0
Financial income	452	0.2	643	0.2	191	42.3
Financial expenses	(505)	(0.2)	(904)	(0.3)	(399)	-
Foreign exchange differences	865	0.3	(21)	(0.0)	(886)	-
Equity in net (loss) income of associates	(0)	(0.0)	8	0.0	8	-
Profit before income taxes	30,556	10.1	37,190	12.9	6,634	21.7
Income tax expenses	(6,788)	(2.2)	(8,938)	(3.1)	(2,150)	-
Profit for the period	23,768	7.9	28,252	9.8	4,484	18.9
Profit attributable to:						
Owners of the parent	23,606	7.8	28,069	9.7	4,463	18.9
Non-controlling interests	162	0.1	183	0.1	21	13.0
Profit for the period	23,768	7.9	28,252	9.8	4,484	18.9

Condensed Quarterly Consolidated Statements of Comprehensive Income

	Three months ended September 30				Increase or decrease	
	2015		2016			
	Amounts		Amounts		Amounts	%
	Yen in millions		Yen in millions	Yen in millions		
Profit for the period	23,768		28,252		4,484	18.9
Other comprehensive income, net of taxation						
Items that will not be reclassified to net profit or loss:						
Remeasurement of defined benefit plans	(2)		3		5	-
Fair value movements on FVTOCI equity financial assets	(1,898)		1,307		3,205	-
Items that may be reclassified to net profit or loss:						
Foreign currency translation adjustments	(26,125)		(11,100)		15,025	-
Effective portion of net changes in fair value of cash flow hedges	(642)		(36)		606	-
Fair value movements on FVTOCI debt financial assets	(12)		0		12	-
Other comprehensive income for the period, net of taxation	(28,679)		(9,826)		18,853	-
Comprehensive income for the period	(4,911)		18,426		23,337	-
Comprehensive income attributable to:						
Owners of the parent	(4,610)		18,205		22,815	-
Non-controlling interests	(301)		221		522	-
Comprehensive income for the period	(4,911)		18,426		23,337	-

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Six months ended September 30, 2015

	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		
	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions
As of April 1, 2015	77,071	107,732	562,787	(1,072)	(27)	746,491	8,256	754,747
Comprehensive income								
Profit for the period			46,857			46,857	562	47,419
Other comprehensive income				(16,857)		(16,857)	(489)	(17,346)
Total comprehensive income						30,000	73	30,073
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(25)	(25)	-	(25)
Conversion of convertible bonds	10,713	10,620			23	21,356	-	21,356
Dividends paid to the owners of the parent			(11,764)			(11,764)	-	(11,764)
Dividends paid to non-controlling interests						-	(67)	(67)
Transfer to retained earnings			(1,896)	1,896		-	-	-
Other		42				42	(86)	(44)
As of September 30, 2015	87,784	118,394	595,984	(16,033)	(29)	786,100	8,176	794,276

Six months ended September 30, 2016

	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		
	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions	Yen in millions
As of April 1, 2016	87,784	118,341	625,168	(56,159)	(12,111)	763,023	8,346	771,369
Comprehensive income								
Profit for the period			50,110			50,110	406	50,516
Other comprehensive income				(75,821)		(75,821)	(680)	(76,501)
Total comprehensive income						(25,711)	(274)	(25,985)
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(11)	(11)	-	(11)
Dividends paid to the owners of the parent			(11,864)			(11,864)	-	(11,864)
Dividends paid to non-controlling interests						-	(18)	(18)
Transfer to retained earnings			250	(250)		-	-	-
Other		(1)			1	0	44	44
As of September 30, 2016	87,784	118,340	663,664	(132,230)	(12,121)	725,437	8,098	733,535

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	Yen in millions			Yen in millions
	Six months ended September 30		Increase or decrease	Year ended
	2015	2016		March 31
				2016
Cash flows from operating activities:				
Profit for the period	47,419	50,516	3,097	90,998
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Depreciation and amortization	30,491	28,856	(1,635)	64,950
Gain from sales, disposal or impairment of property, plant and equipment	(227)	(1,289)	(1,062)	(155)
Financial (income) loss	(32)	(149)	(117)	420
Equity in net (income) loss of associates	(5)	17	22	(1)
Deferred income taxes	2,166	2,605	439	2,148
Current income taxes	12,562	13,172	610	24,019
Foreign currency adjustments	(596)	1,106	1,702	(368)
(Decrease) increase in retirement benefit liability	(79)	305	384	217
Increase in accounts receivable	(13,367)	(16,408)	(3,041)	(5,163)
Increase in inventories	(11,802)	(1,768)	10,034	(6,176)
Increase (decrease) in accounts payable	9,960	32,814	22,854	(6,897)
Other, net	3,832	(933)	(4,765)	8,028
Interests and dividends received	953	1,207	254	1,904
Interests paid	(910)	(1,651)	(741)	(1,797)
Income taxes paid	(10,726)	(11,907)	(1,181)	(24,468)
Net cash provided by operating activities	69,639	96,493	26,854	147,659
Cash flows from investing activities:				
Additions to property, plant and equipment	(47,814)	(30,483)	17,331	(81,898)
Proceeds from sales of property, plant and equipment	805	642	(163)	1,417
Proceeds from sales or redemption of marketable securities	1,276	224	(1,052)	1,319
Acquisitions of business, net of cash acquired	(9,721)	(2,242)	7,479	(9,665)
Other, net	(3,815)	(2,901)	914	(6,550)
Net cash used in investing activities	(59,269)	(34,760)	24,509	(95,377)
Cash flows from financing activities:				
Increase (decrease) in short term borrowings	38,324	(21,425)	(59,749)	32,412
Repayments of long term debt	(12,977)	(1,861)	11,116	(26,210)
Purchase of treasury stock	(25)	(11)	14	(12,133)
Dividends paid to the owner of the parent	(11,764)	(11,864)	(100)	(23,690)
Other, net	(84)	219	303	37,396
Net cash provided by (used in) financing activities	13,474	(34,942)	(48,416)	7,775
Effect of exchange rate changes on cash and cash equivalents	(7,140)	(33,799)	(26,659)	(24,017)
Net increase (decrease) in cash and cash equivalents	16,704	(7,008)	(23,712)	36,040
Cash and cash equivalents at beginning of period	269,902	305,942	36,040	269,902
Cash and cash equivalents at end of period	286,606	298,934	12,328	305,942

(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 address of headquarters and principal business offices are available on the Company's website (<http://www.nidec.com/en-Global/>).

Condensed Quarterly Consolidated Financial Statements as of September 30, 2016 consist of the Company and its consolidated subsidiaries (NIDEC), and shares of associates of NIDEC.

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

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

2. Basis of Preparation

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

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

NIDEC adopts IFRS for the first time this financial year (commencing on April 1, 2016 and ending on March 31, 2017), and so the annual consolidated financial statements for the year are the first ones prepared in conformity with IFRS. The date of transition of NIDEC to IFRS is April 1, 2015. Explanations of how the first time adoption of, and the transition to, IFRS have affected NIDEC's financial position, business results and cash flows are provided in "Note 6. First-Time Adoption of IFRS".

(2) Basis of measurement

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

(3) Presentation currency and Unit of currency

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

(4) Early adoption of new IFRS standards

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

3. Significant accounting policies

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

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

4. Significant accounting estimates, judgments and assumptions

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

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

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

5. Business Combinations

Pursuant to IFRS 3 "Business Combinations," during the three months ended September 30, 2016, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of KB Electronics, Inc. (merged into Nidec Motor Corporation in March 2016) Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the three months ended June 30, 2016 have been retrospectively adjusted to reflect NIDEC's valuation of the fair values of the assets and liabilities of KB Electronics, Inc. NIDEC has been evaluating the fair values of the assets acquired and the liabilities assumed upon the acquisitions of companies in the six months ended September 30, 2016. The assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statement of financial position based on preliminary management estimation as of September 30, 2016. These evaluations do not have material impacts on NIDEC's consolidated financial position, results of operations or liquidity.

6. First-Time Adoption of IFRS

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

(1) Exemptions to retrospective application of IFRS

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

Business combinations:

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

Use of fair value as deemed cost:

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

Exchange differences on translating foreign operations:

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

(2) Reconciliations

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

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

Yen in millions

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

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

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

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

A. Retirement benefit liabilities

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

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

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

B. Deferred tax

(a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,185 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers' tax rates.

(b) Temporary differences resulting from the transition to IFRS are recognized as additional deferred tax assets and liabilities.

(c) Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets with current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

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

C. Translation adjustment of foreign operations

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

D. Reclassification on consolidated statement of financial position

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

(a) Under U.S. GAAP, deferred tax assets and deferred tax liabilities are presented as current assets/non-current assets and current liabilities/non-current liabilities. Under IFRS, as deferred tax assets and deferred tax liabilities are not allowed to be presented as current assets/current liabilities, all of them are reclassified to non-current assets/non-current liabilities.

(b) Financial assets and financial liabilities are disclosed separately based on a provision for presentation under IFRS.

(ii) Reconciliation of equity as of September 30, 2015

Yen in millions

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Assets						Assets
Current assets						Current assets
Cash and cash equivalents	286,606	-	-	286,606		Cash and cash equivalents
	-	270,233	107	270,340		Trade and other receivables
Trade note receivable	19,226	(19,226)	-	-		
Trade accounts receivable	233,661	(233,661)	-	-		
	-	415	-	415	D	Other financial assets
	-	434	-	434		Income tax receivables
Inventories	183,868	-	592	184,460		Inventories
Other current assets	49,869	(30,146)	12	19,735		Other current assets
Total current assets	773,230	(11,951)	711	761,990		Total current assets
	-	361,037	640	361,677		Non-current assets
	-	361,037	640	361,677		Property, plant, and equipment
Land	47,950	(47,950)	-	-		
Buildings	193,486	(193,486)	-	-		
Machinery and equipment	447,003	(447,003)	-	-		
Construction in progress	40,863	(40,863)	-	-		
Accumulated depreciation	(368,265)	368,265	-	-		
Goodwill	169,243	-	(994)	168,249	E	Goodwill
	-	82,533	215	82,748	E	Intangible assets
	-	1,937	-	1,937		Investments accounted for using the equity method
	-	17,997	-	17,997		Other investments
Marketable securities and other securities investments	18,003	(18,003)	-	-		
Investments in and advances to affiliated companies	1,937	(1,937)	-	-		
	-	1,588	-	1,588	D	Other financial assets
	-	19,475	(8,067)	11,408	B	Deferred tax assets
	-	6,752	(175)	6,577		Other non-current assets
Other tangible assets	98,391	(98,391)	-	-		
Total non-current assets	648,611	11,951	(8,381)	652,181		Total non-current assets
Total assets	1,421,841	-	(7,670)	1,414,171		Total assets

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Liabilities and equity						Liabilities and equity
Liabilities						Liabilities
Current liabilities						Current liabilities
Short-term borrowings	91,830	-	-	91,830		Short term borrowings
Current portion of long-term debt	12,704	-	-	12,704		Long term debt due within one year
	-	214,103	46	214,149		Trade and other payables
Trade notes and accounts payable	203,186	(203,186)	-	-		
	-	3,862	-	3,862		Other financial liabilities
	-	6,610	-	6,610		Income tax payable
	-	20,390	-	20,390		Provisions
Accrued expenses	36,604	(36,604)	-	-		
Other current liabilities	43,691	(8,262)	174	35,603		Other current liabilities
Total current liabilities	388,015	(3,087)	220	385,148		Total current liabilities
Long term liabilities						Non-current liabilities
Long-term debt	183,606	-	(145)	183,461		Long term debt
	-	860	-	860		Other financial liabilities
	-	19,490	530	20,020	A	Retirement benefit liabilities
Accrued pension and severance costs	19,501	(19,501)	-	-		
	-	2,960	81	3,041		Provisions
	-	33,729	(9,471)	24,258	B	Deferred tax liabilities
	-	3,107	-	3,107		Other non-current liabilities
Other long term liabilities	37,558	(37,558)	-	-		
Total long term liabilities	240,665	3,087	(9,005)	234,747		Total non-current liabilities
Total liabilities	628,680	-	(8,785)	619,895		Total liabilities
Equity						Equity
Common stock	87,784	-	-	87,784		Common stock
Additional paid-in capital	116,134	-	2,260	118,394		Additional paid-in capital
Retained earnings	463,485	-	132,499	595,984	C	Retained earnings
	-	117,728	(133,761)	(16,033)	A	Other components of equity
Accumulated other comprehensive income	117,728	(117,728)	-	-	C	
Treasury stock	(29)	-	-	(29)		Treasury stock
Total Nidec Corporation shareholders' equity	785,102	-	998	786,100		Total equity attributable to owners of the parent
Noncontrolling interests	8,059	-	117	8,176		Non-controlling interests
Total equity	793,161	-	1,115	794,276		Total equity
Total liabilities and equity	1,421,841	-	(7,670)	1,414,171		Total liabilities and equity

Notes to reconciliation of equity as of September 30, 2015

The major items of the reconciliation of equity as of September 30, 2015 are as follows:

A. Retirement benefit liabilities

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

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

As a result of the factors described above, the amount that was reclassified from accumulated other comprehensive income (loss) to a decrease in "Retained earnings" as of September 30, 2015 was ¥2,855 million.

B. Deferred tax

(a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,171 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers' tax rates.

(b) Temporary differences resulting from the transition to IFRS are recognized as additional deferred tax assets and liabilities.

(c) Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets with current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

As a result, deferred tax assets and liabilities (net) decreased by ¥1,404 million as of September 30, 2015.

C. Translation adjustment of foreign operations

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

D. Reclassification on condensed quarterly consolidated statement of financial position

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

(a) Under U.S. GAAP, deferred tax assets and deferred tax liabilities are presented as current assets/non-current assets and current liabilities/non-current liabilities. Under IFRS, as deferred tax assets and deferred tax liabilities are not allowed to be presented as current assets/current liabilities, all of them are reclassified to non-current assets/non-current liabilities.

(b) Financial assets and financial liabilities are disclosed separately based on a provision for presentation under IFRS.

E. Retrospective adjustment on business combinations

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

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

Yen in millions

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

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

Notes to reconciliation of equity as of March 31, 2016

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

A. Retirement benefit liabilities

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

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

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

B. Deferred tax

(a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,111 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers' tax rates.

(b) Temporary differences resulting from the transition to IFRS are recognized as additional deferred tax assets and liabilities.

(c) Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets with current tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.

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

C. Translation adjustment of foreign operations

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

D. Reclassification on consolidated statement of financial position

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

(a) Under U.S. GAAP, deferred tax assets and deferred tax liabilities are presented as current assets/non-current assets and current liabilities/non-current liabilities. Under IFRS, as deferred tax assets and deferred tax liabilities are not allowed to be presented as current assets/current liabilities, all of them are reclassified to non-current assets/non-current liabilities.

(b) Financial assets and financial liabilities are disclosed separately based on a provision for presentation under IFRS.

E. Retrospective adjustment on business combinations

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

(iv) Reconciliation of income and comprehensive income for the six months ended September 30, 2015

Yen in millions

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of income						Condensed quarterly consolidated statement of income
Net sales	587,352	-	-	587,352		Net sales
Cost of products sold	(453,058)	(6)	(300)	(453,364)	A,D	Cost of sales
Gross profit	134,294	(6)	(300)	133,988		Gross profit
Selling, general and administrative expenses	(47,043)	(1,935)	14	(48,964)	A	Selling, general and administrative expenses
Research and development expenses	(25,421)	-	-	(25,421)		Research and development expenses
Operating income	61,830	(1,941)	(286)	59,603		Operating profit
	-	1,932	(920)	1,012	C	Financial income
	-	(854)	(41)	(895)	C	Financial expenses
	-	2,422	-	2,422		Foreign exchange differences
	-	5	-	5		Equity in net income (loss) of associates
Interest and dividend income	896	(896)	-	-		
Interest expense	(790)	790	-	-		
Foreign exchange (loss) gain, net	2,422	(2,422)	-	-		
Gain on marketable securities, net	920	(920)	-	-	B	
Other, net	(1,889)	1,889	-	-		
Income before income tax	63,389	5	(1,247)	62,147		Profit before income taxes
Income taxes	(15,212)	-	484	(14,728)		Income tax expenses
Equity in net income of affiliated companies	5	(5)	-	-		
Consolidated net income	48,182	-	(763)	47,419		Profit for the period
Net income attributable to:						Profit attributable to:
Nidec Corporation	47,608	-	(751)	46,857		Owners of the parent
Noncontrolling interests	574	-	(12)	562		Non-controlling interests

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of comprehensive income						Condensed quarterly consolidated statement of comprehensive income
Consolidated net income	48,182	-	(763)	47,419		Profit for the period
Pension liability adjustments	(23)	-	(49)	(72)	A	Remeasurement of defined benefit plans
Net unrealized gains and losses on securities	(2,384)	12	536	(1,836)	B	Fair value movements on FVTOCI equity financial assets
Foreign currency translation adjustments	(14,541)	-	(244)	(14,785)		Foreign currency translation adjustments
Net gains and losses on derivative instruments	(641)	-	-	(641)		Effective portion of net changes in fair value of cash flow hedges
	-	(12)	-	(12)		Fair value movements on FVTOCI debt financial assets
Total other comprehensive income	(17,589)	-	243	(17,346)		Other comprehensive income for the period, net of taxation
Total comprehensive income	30,593	-	(520)	30,073		Comprehensive income for the period
(Breakdown)						Comprehensive income attributable to:
Comprehensive income (loss) attributable to Nidec Corporation	30,508	-	(508)	30,000		Owners of the parent
Comprehensive income (loss) attributable to noncontrolling interests	85	-	(12)	73		Non-controlling interests

Notes to reconciliation of income and comprehensive income for the six months ended September 30, 2015

The major items of the reconciliation of income and comprehensive income for the six months ended September 30, 2015 are as follows:

A. Retirement benefit liabilities

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

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

As a result of the factors described above, retirement benefit costs have increased by ¥211 million on the condensed quarterly consolidated statement of income for the six months ended September 30, 2015.

B. Equity financial assets

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

C. Reclassifications on the condensed quarterly consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

(v) Reconciliation of income and comprehensive income for the three months ended September 30, 2015

Yen in millions

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of income						Condensed quarterly consolidated statement of income
Net sales	302,311	-	-	302,311		Net sales
Cost of products sold	(232,206)	(15)	(171)	(232,392)	A,D	Cost of sales
Gross profit	70,105	(15)	(171)	69,919		Gross profit
Selling, general and administrative expenses	(25,245)	(1,051)	(112)	(26,408)	A	Selling, general and administrative expenses
Research and development expenses	(13,767)	-	-	(13,767)		Research and development expenses
Operating income	31,093	(1,066)	(283)	29,744		Operating profit
	-	636	(184)	452	C	Financial income
	-	(486)	(19)	(505)	C	Financial expenses
	-	865	-	865		Foreign exchange differences
	-	(0)	-	(0)		Equity in net income (loss) of associates
Interest and dividend income	411	(411)	-	-		
Interest expense	(445)	445	-	-		
Foreign exchange (loss) gain, net	865	(865)	-	-		
Gain on marketable securities, net	184	(184)	-	-	B	
Other, net	(1,066)	1,066	-	-		
Income before income tax	31,042	(0)	(486)	30,556		Profit before income taxes
Income taxes	(7,054)	-	266	(6,788)		Income tax expenses
Equity in net income of affiliated companies	(0)	0	-	-		
Consolidated net income	23,988	-	(220)	23,768		Profit for the period
Net income attributable to:						Profit attributable to:
Nidec Corporation	23,818	-	(212)	23,606		Owners of the parent
Noncontrolling interests	170	-	(8)	162		Non-controlling interests

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Quarterly consolidated statement of comprehensive income						Condensed quarterly consolidated statement of comprehensive income
Consolidated net income	23,988	-	(220)	23,768		Profit for the period
Pension liability adjustments	100	-	(102)	(2)	A	Remeasurement of defined benefit plans
Net unrealized gains and losses on securities	(2,001)	12	91	(1,898)	B	Fair value movements on FVTOCI equity financial assets
Foreign currency translation adjustments	(25,957)	-	(168)	(26,125)		Foreign currency translation adjustments
Net gains and losses on derivative instruments	(642)	-	-	(642)		Effective portion of net changes in fair value of cash flow hedges
	-	(12)	0	(12)		Fair value movements on FVTOCI debt financial assets
Total other comprehensive income	(28,500)	-	(179)	(28,679)		Other comprehensive income for the period, net of taxation
Total comprehensive income	(4,512)	-	(399)	(4,911)		Comprehensive income for the period
(Breakdown)						Comprehensive income attributable to:
Comprehensive income (loss) attributable to Nidec Corporation	(4,219)	-	(391)	(4,610)		Owners of the parent
Comprehensive income (loss) attributable to noncontrolling interests	(293)	-	(8)	(301)		Non-controlling interests

Notes to reconciliation of income and comprehensive income for the three months ended September 30, 2015

The major items of the reconciliation of income and comprehensive income for the three months ended September 30, 2015 are as follows:

A. Retirement benefit liabilities

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

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

As a result of the factors described above, retirement benefit costs have increased by ¥93 million on the condensed quarterly consolidated statement of income for the three months ended September 30, 2015.

B. Equity financial assets

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

C. Reclassifications on the condensed quarterly consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

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

Yen in millions

U.S. GAAP	U.S. GAAP	Re- classification	Recognition and measurement differences, etc.	IFRS	Note	IFRS
Consolidated statement of income						Consolidated statement of income
Net sales	1,178,290	-	-	1,178,290		Net sales
Cost of products sold	(908,311)	(131)	(1,511)	(909,953)	A,D	Cost of sales
Gross profit	269,979	(131)	(1,511)	268,337		Gross profit
Selling, general and administrative expenses	(93,463)	(5,580)	346	(98,697)	A	Selling, general and administrative expenses
Research and development expenses	(51,978)	-	-	(51,978)		Research and development expenses
Operating income	124,538	(5,711)	(1,165)	117,662		Operating profit
	-	3,127	(946)	2,181	C	Financial income
	-	(2,473)	(54)	(2,527)	C	Financial expenses
	-	(153)	-	(153)		Foreign exchange differences
	-	1	-	1		Equity in net income (loss) of associates
Interest and dividend income	1,913	(1,913)	-	-		
Interest expense	(2,228)	2,228	-	-		
Foreign exchange (loss) gain, net	(153)	153	-	-		
Gain on marketable securities, net	946	(946)	-	-	B	
Other, net	(5,688)	5,688	-	-		
Income before income tax	119,328	1	(2,165)	117,164		Profit before income taxes
Income taxes	(26,466)	-	300	(26,166)		Income tax expenses
Equity in net income of affiliated companies	1	(1)	-	-		
Consolidated net income	92,863	-	(1,865)	90,998		Profit for the period
Net income attributable to:						Profit attributable to:
Nidec Corporation	91,810	-	(1,865)	89,945		Owners of the parent
Noncontrolling interests	1,053	-	-	1,053		Non-controlling interests

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

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

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

A. Retirement benefit liabilities

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

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

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

B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

During the six months ended September 30, 2016, NIDEC completed some of its valuation of the fair values of the assets

acquired and the liabilities assumed upon the acquisition in the previous years. Accordingly, retrospective adjustments are included in “Recognition and measurement differences, etc.”

(vii) Disclosure of material items of reconciliation of the consolidated statements of cash flows for the six months ended September 30, 2015 and the year ended March 31, 2016

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

4. Supplementary Information

(1) Quarterly Financial Data for the three months ended September 30, 2016 and June 30, 2016

	Three months ended			
	June 30, 2016		September 30, 2016	
	Amounts	%	Amounts	%
	Yen in millions		Yen in millions	
Net sales	276,206	100.0	287,824	100.0
Operating profit	31,540	11.4	37,464	13.0
Profit before income taxes	29,103	10.5	37,190	12.9
Profit for the period	22,264	8.1	28,252	9.8
Profit attributable to owners of the parent	22,041	8.0	28,069	9.7

(2) Information by Product Category

Six months ended September 30, 2015

Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:								
External sales	222,513	276,185	54,359	32,528	1,767	587,352	-	587,352
Intersegment	1,256	2,378	7,076	2,514	872	14,096	(14,096)	-
Total	223,769	278,563	61,435	35,042	2,639	601,448	(14,096)	587,352
Operating expenses	189,171	257,744	53,223	31,992	2,395	534,525	(6,776)	527,749
Operating profit	34,598	20,819	8,212	3,050	244	66,923	(7,320)	59,603

Six months ended September 30, 2016

Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:								
External sales	211,716	265,645	53,884	31,032	1,753	564,030	-	564,030
Intersegment	1,018	2,549	4,071	2,642	712	10,992	(10,992)	-
Total	212,734	268,194	57,955	33,674	2,465	575,022	(10,992)	564,030
Operating expenses	179,767	240,206	47,755	28,796	2,178	498,702	(3,676)	495,026
Operating profit	32,967	27,988	10,200	4,878	287	76,320	(7,316)	69,004

Three months ended September 30, 2015

Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:								
External sales	118,455	138,868	27,364	16,705	919	302,311	-	302,311
Intersegment	592	2,242	3,894	1,226	431	8,385	(8,385)	-
Total	119,047	141,110	31,258	17,931	1,350	310,696	(8,385)	302,311
Operating expenses	101,740	130,749	27,132	16,287	1,224	277,132	(4,565)	272,567
Operating profit	17,307	10,361	4,126	1,644	126	33,564	(3,820)	29,744

Three months ended September 30, 2016

Yen in millions

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/Corporate	Consolidated
Net sales:								
External sales	116,915	127,395	26,738	15,871	905	287,824	-	287,824
Intersegment	481	1,327	2,349	1,383	365	5,905	(5,905)	-
Total	117,396	128,722	29,087	17,254	1,270	293,729	(5,905)	287,824
Operating expenses	98,177	114,564	23,782	14,486	1,117	252,126	(1,766)	250,360
Operating profit	19,219	14,158	5,305	2,768	153	41,603	(4,139)	37,464

Notes:

- Product categories are classified based on similarities in product type, product attributes, and production and sales methods.
- Major products of each product category:
 - Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
 - Automotive, appliance, commercial and industrial products: Automotive motors and components, home appliance, commercial and industrial motors and related products.
 - Machinery: Industrial robots, card readers, test systems, pressing machines and power transmission drives, etc.
 - Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
 - Others: Services, etc.
- NIDEC adopts IFRS for its consolidated financial statements from the fiscal year ending March 31, 2017 and previous period amounts are also presented in accordance with IFRS.

(3) Sales by Geographic Segment

Yen in millions

	Six months ended September 30, 2015		Six months ended September 30, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	140,069	23.9%	136,517	24.2%	(3,552)	(2.5)%
U.S.A.	103,646	17.6%	94,145	16.7%	(9,501)	(9.2)%
Singapore	37,625	6.4%	28,103	5.0%	(9,522)	(25.3)%
Thailand	52,163	8.9%	48,591	8.6%	(3,572)	(6.8)%
Germany	44,491	7.5%	44,397	7.9%	(94)	(0.2)%
China	139,713	23.8%	138,037	24.5%	(1,676)	(1.2)%
Others	69,645	11.9%	74,240	13.1%	4,595	6.6%
Total	587,352	100.0%	564,030	100.0%	(23,322)	(4.0)%

Yen in millions

	Three months ended September 30, 2015		Three months ended September 30, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	70,461	23.3%	68,067	23.6%	(2,394)	(3.4)%
U.S.A.	51,306	17.0%	45,470	15.8%	(5,836)	(11.4)%
Singapore	20,553	6.8%	14,546	5.0%	(6,007)	(29.2)%
Thailand	27,658	9.1%	25,512	8.9%	(2,146)	(7.8)%
Germany	24,235	8.0%	21,222	7.4%	(3,013)	(12.4)%
China	74,072	24.5%	74,223	25.8%	151	0.2%
Others	34,026	11.3%	38,784	13.5%	4,758	14.0%
Total	302,311	100.0%	287,824	100.0%	(14,487)	(4.8)%

Note:

1. The sales are classified by domicile of the seller, and the figures exclude intra-segment transactions.
2. From the three months ended March 31, 2016, the sales by the Germany segment are separated from the Others segment as an individual segment whilst the sales by the Philippines segment are combined into the Others segment. Accordingly, previous period amounts have been reclassified.

(4) Sales by Region

Yen in millions

	Six months ended September 30, 2015		Six months ended September 30, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	117,726	20.1%	114,792	20.4%	(2,934)	(2.5)%
Asia	297,050	50.6%	276,266	49.0%	(20,784)	(7.0)%
Europe	74,149	12.6%	72,969	12.9%	(1,180)	(1.6)%
Others	6,067	1.0%	9,269	1.6%	3,202	52.8%
Overseas total	494,992	84.3%	473,296	83.9%	(21,696)	(4.4)%
Japan	92,360	15.7%	90,734	16.1%	(1,626)	(1.8)%
Total	587,352	100.0%	564,030	100.0%	(23,322)	(4.0)%

Yen in millions

	Three months ended September 30, 2015		Three months ended September 30, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	59,687	19.7%	57,074	19.8%	(2,613)	(4.4)%
Asia	153,830	50.9%	144,842	50.3%	(8,988)	(5.8)%
Europe	38,974	12.9%	35,519	12.4%	(3,455)	(8.9)%
Others	3,107	1.0%	4,653	1.6%	1,546	49.8%
Overseas total	255,598	84.5%	242,088	84.1%	(13,510)	(5.3)%
Japan	46,713	15.5%	45,736	15.9%	(977)	(2.1)%
Total	302,311	100.0%	287,824	100.0%	(14,487)	(4.8)%

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

5. Other information (unaudited)

24 October, 2016

(1) Summary of Consolidated Financial Performance

	Six months ended September 30, 2015	Increase or decrease	Six months ended September 30, 2016	Three months ended September 30, 2015	Increase or decrease	Three months ended September 30, 2016
	Yen in millions	%	Yen in millions	Yen in millions	%	Yen in millions
Net Sales	587,352	(4.0)	564,030	302,311	(4.8)	287,824
Operating profit	59,603 10.1%	15.8	69,004 12.2%	29,744 9.8%	26.0	37,464 13.0%
Profit before income taxes	62,147 10.6%	6.7	66,293 11.8%	30,556 10.1%	21.7	37,190 12.9%
Profit attributable to owners of the parent	46,857 8.0%	6.9	50,110 8.9%	23,606 7.8%	18.9	28,069 9.7%
Earnings per share attributable to owners of the parent -Basic	Yen 158.17		Yen 168.95	Yen 79.38		Yen 94.64
Earnings per share attributable to owners of the parent -Diluted	157.10		168.95	79.13		94.64

(2) Summary of Consolidated Financial Position and Cash Flows

	September 30, 2015	September 30, 2016	March 31, 2016
	Yen in millions	Yen in millions	Yen in millions
Total assets	1,414,171	1,326,859	1,376,636
Total equity attributable to owners of the parent	786,100	725,437	763,023
Ratio of equity attributable to owners of the parent to total asset	% 55.6	% 54.7	% 55.4
	Six months ended September 30, 2015	Six months ended September 30, 2016	Year ended March 31, 2016
	Yen in millions	Yen in millions	Yen in millions
Net cash provided by operating activities	69,639	96,493	147,659
Net cash used in investing activities	(59,269)	(34,760)	(95,377)
Net cash provided by (used in) financing activities	13,474	(34,942)	7,775
Cash and cash equivalents at end of period	286,606	298,934	305,942

(3) Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
	Yen	Yen	Yen
Year ended March 31, 2016 (actual)	40.00	40.00	80.00
Year ending March 31, 2017 (actual)	40.00	-	-
Year ending March 31, 2017 (target)	-	45.00	85.00

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

Number of consolidated subsidiaries	228
Number of associates accounted for under the equity method	5

		Change from March 31, 2016	Change from September 30, 2015
Number of consolidated subsidiaries	(Increase)	4	5
	(Decrease)	1	16
Number of associates accounted for under the equity method	(Increase)	1	1
	(Decrease)	-	-

Note:

- NIDEC adopts IFRS for its consolidated financial statements from the first quarter of the fiscal year ending March 31, 2017. Accordingly, the consolidated financial statements for the six months ended September 30, 2015 and those for the fiscal year ended March 31, 2016 are also in accordance with IFRS.
- The amounts of percentage in "(1) Summary of Consolidated Financial Performance" represent percentage of sales.
- Earnings per share attributable to owners of the parent - Basic and - Diluted are calculated based on profit attributable to owners of the parent.
- Pursuant to IFRS 3 "Business Combinations," previous fiscal year amounts have been retrospectively adjusted.