

NEWS RELEASE



NIDEC CORPORATION

FOR IMMEDIATE RELEASE

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

RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016
FROM APRIL 1, 2016 TO DECEMBER 31, 2016
CONSOLIDATED

Released on January 24, 2017

NIDEC CORPORATION

Stock Listings: Tokyo Stock Exchange

Head Office: Kyoto, Japan

Date of Filing of Japanese Quarterly Securities Report (Plan): February 13, 2017

1. Selected Consolidated Financial Performance Information for the Nine months Ended

December 31, 2016 (IFRS) (unaudited)

(1) Consolidated Results of Operations

	Yen in millions	
	Nine months ended December 31	
	2016	2015
Net sales	868,228	895,353
Ratio of change from the same period of previous fiscal year	(3.0)%	-
Operating profit	106,197	90,286
Ratio of change from the same period of previous fiscal year	17.6%	-
Profit before income taxes	107,771	92,467
Ratio of change from the same period of previous fiscal year	16.6%	-
Profit attributable to owners of the parent	81,638	69,526
Ratio of change from the same period of previous fiscal year	17.4%	-
Comprehensive income for the period	94,610	54,178
Ratio of change from the same period of previous fiscal year	74.6%	-

	Yen	
	Nine months ended December 31	
	2016	2015
Earnings per share attributable to owners of the parent -Basic	275.25	234.19
Earnings per share attributable to owners of the parent -Diluted	275.25	233.05

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	
	December 31, 2016	March 31, 2016
Total assets	1,491,335	1,376,636
Total equity	842,314	771,369
Total equity attributable to owners of the parent	833,337	763,023
Ratio of total equity attributable to owners of the parent to total assets	55.9%	55.4%

2. Dividends (unaudited)

	Yen	
	Year ending March 31, 2017 (target)	Year ended March 31, 2016 (actual)
Interim dividend per share	40.00	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: No

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	140,000	19.0%
Profit before income taxes	140,000	19.5%
Profit attributable to owners of the parent	105,000	16.7%
Earnings per share attributable to owners of the parent –Basic (Yen)	354.01	

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 December 31, 2016

298,142,234 shares at March 31, 2016

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

1,543,676 shares at December 31, 2016

1,541,210 shares at March 31, 2016

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

296,599,932 shares for the nine months ended December 31, 2016

296,876,935 shares for the nine months ended December 31, 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 previous fiscal year and condensed quarterly consolidated financial statements for the nine months ended December 31, 2015 are also presented in accordance with IFRS.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2016. Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the nine months ended December 31, 2015 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Investor presentation materials relating to our financial results for the nine months ended December 31, 2016 are expected to be published on our corporate website on January 24, 2017.

1. Operating and Financial Review and Prospects

(1) Analysis of Operating Results

1. Overview of Business Environment for the Nine months ended December 31, 2016

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

Under such a business environment, NIDEC (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 nine months ended December 31, 2016 the highest nine-month 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 nine months ended December 31, 2016 ("this nine-month period")

Yen in millions

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales	895,353	868,228	(27,125)	(3.0)%
Operating profit	90,286	106,197	15,911	17.6%
Operating profit ratio	10.1%	12.2%	-	-
Profit before income taxes	92,467	107,771	15,304	16.6%
Profit attributable to owners of the parent	69,526	81,638	12,112	17.4%

Consolidated net sales decreased 3.0% to ¥868,228 million for this nine-month period compared to the same period of the prior year due to a rapid appreciation of the Japanese yen. On the other hand, operating profit increased 17.6% to ¥106,197 million for this nine-month period compared to the same period of the prior year, achieving the highest operating profit for nine-month period in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this nine-month period was ¥106.63 to the U.S. dollar, which reflected an appreciation of the Japanese yen against the U.S. dollar of approximately 12%, compared to the same period of the prior year. The average exchange rate between the Japanese yen and the Euro for this nine-month period was ¥118.02 to the Euro, which reflected an appreciation of the Japanese yen against the Euro of approximately 12% 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 ¥101,000 million and our operating profit of approximately ¥15,700 million for this nine-month period compared to the same period of the prior year.

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

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

Small precision motors-

Yen in millions				
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	352,077	330,866	(21,211)	(6.0)%
Hard disk drives spindle motors	162,454	144,040	(18,414)	(11.3)%
Other small precision motors	189,623	186,826	(2,797)	(1.5)%
Operating profit of small precision motors	53,149	52,136	(1,013)	(1.9)%
Operating profit ratio	15.1%	15.8%	-	-

Net sales of small precision motors decreased 6.0% to ¥330,866 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of small precision motors of approximately ¥37,900 million for this nine-month period compared to the same period of the prior year.

Net sales of spindle motors for hard disk drives, or HDDs, for this nine-month period decreased 11.3% to ¥144,040 million compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs remained unchanged compared to the same period of the prior year, there were decreases in sales due to a negative effect of the foreign currency exchange rate fluctuations.

Net sales of other small precision motors for this nine-month period decreased 1.5% to ¥186,826 million compared to the same period of the prior year. This decrease was mainly due to decreases in sales of brushless DC motors and fan motors.

Operating profit of small precision motors decreased 1.9% to ¥52,136 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of small precision motors of approximately ¥9,000 million for this nine-month period compared to the same period of the prior year.

Automotive, appliance, commercial and industrial products-

Yen in millions

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	411,031	400,709	(10,322)	(2.5)%
Appliance, commercial and industrial products	208,082	209,904	1,822	0.9%
Automotive products	202,949	190,805	(12,144)	(6.0)%
Operating profit of automotive, appliance, commercial and industrial products	31,607	42,173	10,566	33.4%
Operating profit ratio	7.7%	10.5%	-	-

Net sales of automotive, appliance, commercial and industrial products decreased 2.5% to ¥400,709 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on our net sales of automotive, appliance, commercial and industrial products of approximately ¥52,100 million for this nine-month period compared to the same period of the prior year.

Net sales of appliance, commercial and industrial products for this nine-month period increased 0.9% 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 nine-month period decreased 6.0% 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 33.4% to ¥42,173 million for this nine-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 ¥6,200 million for this nine-month period compared to the same period of the prior year.

Machinery-

Yen in millions

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of machinery	80,245	86,610	6,365	7.9%
Operating profit of machinery	11,817	15,802	3,985	33.7%
Operating profit ratio	14.7%	18.2%	-	-

Net sales of machinery increased 7.9% to ¥86,610 million for this nine-month period compared to the same period of the prior year due to the contribution of the newly consolidated companies and the increases in sales of LCD panel or Organic EL handling robots at Nidec Sankyo Corporation, although there was a negative effect of the foreign currency exchange rate fluctuations.

Operating profit of machinery increased 33.7% to ¥15,802 million for this nine-month period compared to the same period of the prior year due to the contributions of the newly consolidated companies and the increase in sales of LCD panel or Organic EL handling robots.

Electronic and optical components-

Yen in millions

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	49,264	47,307	(1,957)	(4.0)%
Operating profit of electronic and optical components	4,545	7,782	3,237	71.2%
Operating profit ratio	9.2%	16.4%	-	-

Net sales of electronic and optical components decreased 4.0% to ¥47,307 million and operating profit of electronic and optical components increased 71.2% to ¥7,782 million for this nine-month period compared to the same period of the prior year.

Other products-

Yen in millions

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of other products	2,736	2,736	(0)	(0.0)%
Operating profit of other products	390	443	53	13.6%
Operating profit ratio	14.3%	16.2%	-	-

Net sales of other products was ¥2,736 million and operating profit of other products increased 13.6% to ¥443 million for this nine-month period compared to the same period of the prior year.

Consolidated Operating Results for the Three Months Ended December 31, 2016 (“this 3Q”), Compared to the Three Months Ended September 30, 2016 (“the previous 2Q”)

Yen in millions

	Three months ended September 30, 2016	Three months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales	287,824	304,198	16,374	5.7%
Operating profit	37,464	37,193	(271)	(0.7)%
Operating profit ratio	13.0%	12.2%	-	-
Profit before income taxes	37,190	41,478	4,288	11.5%
Profit attributable to owners of the parent	28,069	31,528	3,459	12.3%

Consolidated net sales increased 5.7% to ¥304,198 million for this 3Q compared to the previous 2Q. Operating profit decreased 0.7% to ¥37,193 million for this 3Q compared to the previous 2Q.

The average exchange rate between the Japanese yen and the U.S. dollar for this 3Q was ¥109.30 to the U.S. dollar, which reflected a depreciation of the Japanese yen against the U.S. dollar of approximately 7%, compared to the previous 2Q. The average exchange rate between the Japanese yen and the Euro for this 3Q was ¥117.78 to the

Euro, which reflected a depreciation of the Japanese yen against the Euro of approximately 3%, compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of approximately ¥12,400 million as well as on our operating profit of approximately ¥2,400 million for this 3Q compared to the previous 2Q.

Profit before income taxes increased 11.5% to ¥41,478 million for this 3Q compared to the previous 2Q and profit attributable to owners of the parent increased 12.3% to ¥31,528 million for this 3Q compared to the previous 2Q, respectively achieving the highest quarterly profit in our history.

Operating Results by Product Category for This 3Q Compared to The previous 2Q

Small precision motors-

Yen in millions				
	Three months ended September 30, 2016	Three months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	116,915	119,150	2,235	1.9%
Hard disk drives spindle motors	47,567	53,674	6,107	12.8%
Other small precision motors	69,348	65,476	(3,872)	(5.6)%
Operating profit of small precision motors	19,219	19,169	(50)	(0.3)%
Operating profit ratio	16.4%	16.1%	-	-

Net sales of small precision motors increased 1.9% to ¥119,150 million for this 3Q compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of small precision motors of approximately ¥5,300 million for this 3Q compared to the previous 2Q.

Net sales of spindle motors for HDDs increased 12.8% to ¥53,674 million for this 3Q compared to the previous 2Q. The number of units sold of spindle motors for HDDs for this 3Q increased approximately 4.5% compared to the previous 2Q.

Net sales of other small precision motors for this 3Q decreased 5.6% to ¥65,476 million compared to the previous 2Q. This decrease was due to decreases in sales of other small motors.

Operating profit of small precision motors slightly decreased to ¥19,169 million for this 3Q compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of small precision motors of approximately ¥1,700 million for this 3Q compared to the previous 2Q.

Automotive, appliance, commercial and industrial products-

Yen in millions

	Three months ended September 30, 2016	Three months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	127,395	135,064	7,669	6.0%
Appliance, commercial and industrial products	67,324	68,323	999	1.5%
Automotive products	60,071	66,741	6,670	11.1%
Operating profit of automotive, appliance, commercial and industrial products	14,158	14,185	27	0.2%
Operating profit ratio	11.1%	10.5%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 6.0% to ¥135,064 million for this 3Q compared to the previous 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of automotive, appliance, commercial and industrial products of approximately ¥5,700 million for this 3Q compared to the previous 2Q.

Net sales of appliance, commercial and industrial products for this 3Q increased 1.5% compared to the previous 2Q mainly due to the positive effect of the foreign currency exchange rate fluctuations.

Net sales of automotive products for this 3Q increased 11.1% compared to the previous 2Q. This increase was due to the positive effect of the foreign currency exchange rate fluctuations and increases in sales for automotive motors such as electric power steering motors.

Operating profit of automotive, appliance, commercial and industrial products increased 0.2% to ¥14,185 million for this 3Q compared to the previous 2Q mainly due to the increase in sales. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of automotive, appliance, commercial and industrial products of approximately ¥500 million for this 3Q compared to the previous 2Q.

Machinery-

Yen in millions

	Three months ended September 30, 2016	Three months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of machinery	26,738	32,726	5,988	22.4%
Operating profit of machinery	5,305	5,602	297	5.6%
Operating profit ratio	19.8%	17.1%	-	-

Net sales of machinery increased 22.4% to ¥32,726 million for this 3Q compared to the previous 2Q due to the increase in sales of LCD panel handling robots at Nidec Sankyo Corporation.

Operating profit of machinery increased 5.6% to ¥5,602 million for this 3Q compared to the previous 2Q mainly due to increases in sales, despite a negative effect of changes in product mix.

Electronic and optical components-

Yen in millions

	Three months ended September 30, 2016	Three months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	15,871	16,275	404	2.5%
Operating profit of electronic and optical components	2,768	2,904	136	4.9%
Operating profit ratio	17.4%	17.8%	-	-

Net sales of electronic and optical components increased 2.5% to ¥16,275 million for this 3Q compared to the previous 2Q.

Operating profit of electronic and optical components increased 4.9% to ¥2,904 million for this 3Q compared to the previous 2Q.

Other products-

Yen in millions

	Three months ended September 30, 2016	Three months ended December 31, 2016	Increase or decrease	Increase or decrease ratio
Net sales of other products	905	983	78	8.6%
Operating profit of other products	153	156	3	2.0%
Operating profit ratio	16.9%	15.9%	-	-

Net sales of other products increased 8.6% to ¥983 million for this 3Q compared to the previous 2Q.

Operating profit of other products increased 2.0% to ¥156 million for this 3Q compared to the previous 2Q.

(2) Financial Position

	Yen in millions		
	As of March 31, 2016	As of December 31, 2016	Increase or decrease
Total assets	1,376,636	1,491,335	114,699
Total liabilities	605,267	649,021	43,754
Total equity attributable to owners of the parent	763,023	833,337	70,314
Interest-bearing debt *1	300,667	280,994	(19,673)
Net interest-bearing debt *2	(5,275)	(33,819)	(28,544)
Debt ratio *3	21.8%	18.8%	(3.0)%
Debt to equity ratio (“D/E ratio”) (times) *4	0.39	0.34	(0.05)
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%	55.9%	0.5%

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 increased approximately ¥114,700 million to ¥1,491,335 million as of December 31, 2016 compared to March 31, 2016. This increase was mainly due to an increase of approximately ¥64,200 million in trade and other receivables, an increase of approximately ¥17,100 million in property, plant, and equipment and an increase of approximately ¥14,000 million in inventories.

Total liabilities increased approximately ¥43,800 million to ¥649,021 million as of December 31, 2016 compared to March 31, 2016. Our trade and other payables increased approximately ¥51,500 million. On the other hand, our interest-bearing debt decreased approximately ¥19,700 million. Specifically, our short term borrowings decreased approximately ¥19,200 million to approximately ¥61,900 million, our long term debt due within one year increased approximately ¥19,800 million to approximately ¥102,600 million, and our long term debt decreased approximately ¥20,300 million to approximately ¥116,500 million as of December 31, 2016 compared to March 31, 2016. The increase of ¥19,800 million in our long term debt due within one year was mainly attributable to a reclassification of approximately ¥65,000 million aggregate principal amount of first series unsecured bonds (ranking *pari passu* with the other series of unsecured straight bonds) (hereafter referred to as first series unsecured bonds) issued in November 2012 from non-current liability to current liability as the bonds matured within one year, despite a decrease of approximately ¥50,000 million due to the redemption of fourth series unsecured bonds (ranking *pari passu* with the other series of unsecured straight bonds) issued in December 2013. The decrease of ¥20,300 million in our long-term debt was mainly attributable to the reclassification of approximately ¥65,000 million aggregate principal amount of first series unsecured bonds from non-current liability to current liability, despite an increase of approximately ¥50,000 million due to the issue of fifth series unsecured bonds (ranking *pari passu* with the other series of unsecured straight bonds) in November 2016.

As a result, our net interest-bearing debt decreased to approximately negative ¥33,800 million as of December 31, 2016 from approximately negative ¥5,300 million as of March 31, 2016. Our debt ratio decreased to 18.8% as of December 31, 2016 from 21.8% as of March 31, 2016. Our D/E ratio decreased to 0.34 as of December 31, 2016 from 0.39 as of March 31, 2016. Our net D/E ratio improved to negative 0.04 as of December 31, 2016 compared to negative 0.01 as of March 31, 2016.

Total equity attributable to owners of the parent increased approximately ¥70,300 million to ¥833,337 million as of December 31, 2016 compared to March 31, 2016. Ratio of total equity attributable to owners of the parent to total assets increased to 55.9% as of December 31, 2016 from 55.4% as of March 31, 2016. The increase of ratio of total equity attributable to owners of the parent to total assets was mainly due to an increase in retained earnings of approximately ¥60,100 million as of December 31, 2016 compared to March 31, 2016, and an increase in other components of equity of approximately ¥10,200 million caused by exchange differences related to foreign operations.

Overview of Cash Flow-

	Yen in millions		
	Nine months ended December 31		Increase or decrease
	2015	2016	
Net cash provided by operating activities	113,480	102,996	(10,484)
Net cash used in investing activities	(79,337)	(56,929)	22,408
Free cash flow *1	34,143	46,067	11,924
Net cash provided by (used in) financing activities	27,773	(40,975)	(68,748)

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 nine months ended December 31, 2016 (“this nine-month period”) were a net cash inflow of ¥102,996 million. Compared to the nine months ended December 31, 2015 (“the same period of the previous year”), our cash inflow from operating activities for this nine-month period decreased approximately ¥10,500 million. This decrease was mainly due to an increase of approximately ¥41,700 million in accounts receivable, although there were increases of approximately ¥31,300 million in account payable and approximately ¥11,800 million of profit for the period.

Cash flows from investing activities for this nine-month period were a net cash outflow of ¥56,929 million. Compared to the same period of the previous year, our net cash outflow from investing activities for this nine-month period decreased approximately ¥22,400 million mainly due to decreases in additions to property, plant and equipment of approximately ¥19,400 million.

As a result, we had a positive free cash flow of ¥46,067 million for this nine-month period, an increase of approximately ¥11,900 million compared to a positive free cash flow of ¥34,143 million for the same period of the previous year.

Cash flows from financing activities for this nine-month period were a net cash outflow of ¥40,975 million. Compared to the same period of the previous year, our net cash outflow from financing activities for this nine-month period increased approximately ¥68,700 million mainly due to an increase in net cash outflow from short term borrowings of approximately ¥84,300 million and outflow from redemption of corporate bonds of approximately ¥50,000 million. On the other hand, inflow from proceeds from issuance of corporate bonds increased of approximately ¥50,000 million and outflow from repayments of long term debt decreased approximately ¥21,400 million.

As a result of the foregoing and the impact of foreign exchange fluctuations of approximately positive ¥3,800 million, the balance of cash and cash equivalents as of December 31, 2016 was ¥314,813 million, an increase of approximately ¥8,900 million from March 31, 2016.

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

Regarding global economic trends, we expect that, while a continuous economic recovery driven by fiscal policy of the United States is anticipated, close monitoring is required for the economic prospect of China and other emerging economies, which may be affected by the United States' trade policy, as well as for national elections slated for 2017 in Europe and Italian financial institutions' financial crisis, both of which may trigger a financial unrest in the continent.

We are revising our business performance forecast as follows since our sales and profits for the nine months ended December 31, 2016 are more than our expectations underlying our previous forecast. Also, in light of the recent depreciation of the Japanese yen, the average exchange rates used for the below forecasts are reset at ¥110 from previous ¥100 for US\$1 and ¥117 from previous ¥110 for €1.

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	¥140,000 million	(Up 19.0% from the previous fiscal year)
Profit before income taxes	¥140,000 million	(Up 19.5% from the previous fiscal year)
Profit attributable to owners of the parent	¥105,000 million	(Up 16.7% 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 = ¥110 and €1 = ¥117. 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 reflected the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2016.

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		December 31, 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		314,813		8,871
Trade and other receivables	255,470		251,310		315,523		64,213
Other financial assets	262		2,010		5,241		3,231
Income tax receivables	1,551		2,063		2,756		693
Inventories	170,880		170,874		184,901		14,027
Other current assets	20,018		22,892		25,966		3,074
Total current assets	718,083	53.2	755,091	54.9	849,200	56.9	94,109
Non-current assets							
Property, plant, and equipment	342,556		346,932		364,074		17,142
Goodwill	162,959		162,043		164,300		2,257
Intangible assets	83,931		77,049		74,811		(2,238)
Investments accounted for using the equity method	2,167		1,896		1,137		(759)
Other investments	21,507		15,998		19,276		3,278
Other financial assets	2,274		1,804		3,030		1,226
Deferred tax assets	10,749		11,545		10,718		(827)
Other non-current assets	5,646		4,278		4,789		511
Total non-current assets	631,789	46.8	621,545	45.1	642,135	43.1	20,590
Total assets	1,349,872	100.0	1,376,636	100.0	1,491,335	100.0	114,699

	The date of transition to IFRS (April 1, 2015)		March 31, 2016		December 31, 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		61,919		(19,173)
Long term debt due within one year	45,432		82,777		102,618		19,841
Trade and other payables	204,372		186,990		238,486		51,496
Other financial liabilities	2,941		3,192		4,436		1,244
Income tax payables	5,913		5,831		6,109		278
Provisions	18,583		18,886		16,448		(2,438)
Other current liabilities	31,151		40,891		45,531		4,640
Total current liabilities	360,793	26.7	419,659	30.5	475,547	31.9	55,888
Non-current liabilities							
Long term debt	184,432		136,798		116,457		(20,341)
Other financial liabilities	569		1,029		931		(98)
Retirement benefit liabilities	19,834		19,488		19,665		177
Provisions	2,904		3,337		3,355		18
Deferred tax liabilities	23,467		22,641		30,963		8,322
Other non-current liabilities	3,126		2,315		2,103		(212)
Total non-current liabilities	234,332	17.4	185,608	13.5	173,474	11.6	(12,134)
Total liabilities	595,125	44.1	605,267	44.0	649,021	43.5	43,754
Equity							
Common stock	77,071	5.7	87,784	6.4	87,784	5.9	-
Additional paid-in capital	107,732	8.0	118,341	8.6	118,336	7.9	(5)
Retained earnings	562,787	41.7	625,168	45.4	685,272	46.0	60,104
Other components of equity	(1,072)	(0.1)	(56,159)	(4.1)	(45,921)	(3.1)	10,238
Treasury stock	(27)	(0.0)	(12,111)	(0.9)	(12,134)	(0.8)	(23)
Total equity attributable to owners of the parent	746,491	55.3	763,023	55.4	833,337	55.9	70,314
Non-controlling interests	8,256	0.6	8,346	0.6	8,977	0.6	631
Total equity	754,747	55.9	771,369	56.0	842,314	56.5	70,945
Total liabilities and equity	1,349,872	100.0	1,376,636	100.0	1,491,335	100.0	114,699

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

For the nine months ended December 31, 2015 and 2016

Condensed Quarterly Consolidated Statements of Income

	Nine months ended December 31				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	895,353	100.0	868,228	100.0	(27,125)	(3.0)	1,178,290	100.0
Cost of sales	(691,924)	(77.3)	(658,992)	(75.9)	32,932	(4.8)	(909,953)	(77.2)
Gross profit	203,429	22.7	209,236	24.1	5,807	2.9	268,337	22.8
Selling, general and administrative expenses	(73,436)	(8.2)	(64,279)	(7.4)	9,157	(12.5)	(98,697)	(8.4)
Research and development expenses	(39,707)	(4.4)	(38,760)	(4.5)	947	(2.4)	(51,978)	(4.4)
Operating profit	90,286	10.1	106,197	12.2	15,911	17.6	117,662	10.0
Financial income	1,307	0.1	2,276	0.3	969	74.1	1,913	0.2
Financial expenses	(1,301)	(0.1)	(1,811)	(0.2)	(510)	39.2	(2,410)	(0.3)
Derivative gain	161	0.0	1,246	0.1	1,085	673.9	151	0.0
Foreign exchange differences	2,010	0.2	405	0.1	(1,605)	(79.9)	(153)	(0.0)
Equity in net income (loss) of associates	4	0.0	(542)	(0.1)	(546)	-	1	0.0
Profit before income taxes	92,467	10.3	107,771	12.4	15,304	16.6	117,164	9.9
Income tax expenses	(21,904)	(2.4)	(25,434)	(2.9)	(3,530)	16.1	(26,166)	(2.2)
Profit for the period	70,563	7.9	82,337	9.5	11,774	16.7	90,998	7.7
Profit attributable to:								
Owners of the parent	69,526	7.8	81,638	9.4	12,112	17.4	89,945	7.6
Non-controlling interests	1,037	0.1	699	0.1	(338)	(32.6)	1,053	0.1
Profit for the period	70,563	7.9	82,337	9.5	11,774	16.7	90,998	7.7

Condensed Quarterly Consolidated Statements of Comprehensive Income

	Nine months ended December 31				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	70,563		82,337		11,774	16.7	90,998	
Other comprehensive income, net of taxation								
Items that will not be reclassified to net profit or loss:								
Remeasurement of defined benefit plans	8		(182)		(190)	-	(941)	
Fair value movements on FVTOCI equity financial assets	(1,161)		2,367		3,528	-	(2,909)	
Items that may be reclassified to net profit or loss:								
Foreign currency translation adjustments	(14,645)		9,896		24,541	-	(56,190)	
Effective portion of net changes in fair value of cash flow hedges	(579)		194		773	-	326	
Fair value movements on FVTOCI debt financial assets	(8)		(2)		6	-	(6)	
Other comprehensive income for the period, net of taxation	(16,385)		12,273		28,658	-	(59,720)	
Comprehensive income for the period	54,178		94,610		40,432	74.6	31,278	
Comprehensive income attributable to:								
Owners of the parent	53,513		94,069		40,556	75.8	30,983	
Non-controlling interests	665		541		(124)	(18.6)	295	
Comprehensive income for the period	54,178		94,610		40,432	74.6	31,278	

For the three months ended December 31, 2015 and 2016

Condensed Quarterly Consolidated Statements of Income

	Three months ended December 31				Increase or decrease	
	2015		2016			
	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions	
Net sales	308,001	100.0	304,198	100.0	(3,803)	(1.2)
Cost of sales	(238,560)	(77.5)	(230,445)	(75.8)	8,115	(3.4)
Gross profit	69,441	22.5	73,753	24.2	4,312	6.2
Selling, general and administrative expenses	(24,472)	(7.9)	(23,402)	(7.7)	1,070	(4.4)
Research and development expenses	(14,286)	(4.6)	(13,158)	(4.3)	1,128	(7.9)
Operating profit	30,683	10.0	37,193	12.2	6,510	21.2
Financial income	410	0.1	944	0.3	534	130.2
Financial expenses	(406)	(0.1)	(653)	(0.2)	(247)	60.8
Derivative gain	46	0.0	3,941	1.3	3,895	-
Foreign exchange differences	(412)	(0.2)	578	0.2	990	-
Equity in net loss of associates	(1)	(0.0)	(525)	(0.2)	(524)	-
Profit before income taxes	30,320	9.8	41,478	13.6	11,158	36.8
Income tax expenses	(7,176)	(2.3)	(9,657)	(3.1)	(2,481)	34.6
Profit for the period	23,144	7.5	31,821	10.5	8,677	37.5
Profit attributable to:						
Owners of the parent	22,669	7.4	31,528	10.4	8,859	39.1
Non-controlling interests	475	0.1	293	0.1	(182)	(38.3)
Profit for the period	23,144	7.5	31,821	10.5	8,677	37.5

Condensed Quarterly Consolidated Statements of Comprehensive Income

	Three months ended December 31		Increase or decrease	
	2015	2016		
	Amounts	Amounts	Amounts	%
	Yen in millions	Yen in millions	Yen in millions	
Profit for the period	23,144	31,821	8,677	37.5
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	80	(72)	(152)	-
Fair value movements on FVTOCI equity financial assets	675	2,022	1,347	199.6
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	140	86,754	86,614	-
Effective portion of net changes in fair value of cash flow hedges	62	73	11	17.7
Fair value movements on FVTOCI debt financial assets	4	(3)	(7)	-
Other comprehensive income for the period, net of taxation	961	88,774	87,813	-
Comprehensive income for the period	24,105	120,595	96,490	400.3
Comprehensive income attributable to:				
Owners of the parent	23,513	119,780	96,267	409.4
Non-controlling interests	592	815	223	37.7
Comprehensive income for the period	24,105	120,595	96,490	400.3

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 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			69,526			69,526	1,037	70,563
Other comprehensive income				(16,013)		(16,013)	(372)	(16,385)
Total comprehensive income						53,513	665	54,178
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(34)	(34)	-	(34)
Conversion of convertible bonds	10,713	10,620			23	21,356	-	21,356
Dividends paid to the owners of the parent			(23,690)			(23,690)	-	(23,690)
Dividends paid to non-controlling interests						-	(67)	(67)
Transfer to retained earnings			(1,179)	1,179		-	-	-
Other		39		(1)	(1)	37	(151)	(114)
As of December 31, 2015	87,784	118,391	607,444	(15,907)	(39)	797,673	8,703	806,376

Nine months ended December 31, 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			81,638			81,638	699	82,337
Other comprehensive income				12,431		12,431	(158)	12,273
Total comprehensive income						94,069	541	94,610
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(23)	(23)	-	(23)
Dividends paid to the owners of the parent			(23,728)			(23,728)	-	(23,728)
Dividends paid to non-controlling interests						-	(18)	(18)
Transfer to retained earnings			2,194	(2,194)		-	-	-
Other		(5)		1		(4)	108	104
As of December 31, 2016	87,784	118,336	685,272	(45,921)	(12,134)	833,337	8,977	842,314

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	Yen in millions			Yen in millions
	Nine months ended December 31		Increase or decrease	Year ended
	2015	2016		March 31
				2016
Cash flows from operating activities:				
Profit for the period	70,563	82,337	11,774	90,998
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Depreciation and amortization	50,651	44,368	(6,283)	64,950
Gain from sales, disposal or impairment of property, plant and equipment	(355)	(1,263)	(908)	(155)
Financial (income) loss	(50)	(504)	(454)	420
Equity in net (income) loss of associates	(4)	542	546	(1)
Deferred income taxes	3,850	5,933	2,083	2,148
Current income taxes	18,054	19,501	1,447	24,019
Foreign currency adjustments	983	(346)	(1,329)	(368)
(Decrease) increase in retirement benefit liability	(111)	283	394	217
Increase in accounts receivable	(12,710)	(54,456)	(41,746)	(5,163)
Increase in inventories	(13,971)	(11,834)	2,137	(6,176)
Increase (decrease) in accounts payable	10,837	42,103	31,266	(6,897)
Other, net	4,625	(3,904)	(8,529)	8,028
Interests and dividends received	1,333	2,064	731	1,904
Interests paid	(1,196)	(1,846)	(650)	(1,797)
Income taxes paid	(19,019)	(19,982)	(963)	(24,468)
Net cash provided by operating activities	113,480	102,996	(10,484)	147,659
Cash flows from investing activities:				
Additions to property, plant and equipment	(66,856)	(47,505)	19,351	(81,898)
Proceeds from sales of property, plant and equipment	1,184	1,423	239	1,417
Proceeds from sales or redemption of marketable securities	1,313	224	(1,089)	1,319
Acquisitions of business, net of cash acquired	(9,711)	(5,703)	4,008	(9,665)
Other, net	(5,267)	(5,368)	(101)	(6,550)
Net cash used in investing activities	(79,337)	(56,929)	22,408	(95,377)
Cash flows from financing activities:				
Increase (decrease) in short term borrowings	69,182	(15,148)	(84,330)	32,412
Repayments of long term debt	(23,818)	(2,404)	21,414	(26,210)
Proceeds from issuance of corporate bonds	-	50,001	50,001	-
Redemption of corporate bonds	-	(50,000)	(50,000)	-
Purchase of treasury stock	(34)	(23)	11	(12,133)
Dividends paid to the owner of the parent	(23,690)	(23,728)	(38)	(23,690)
Other, net	6,133	327	(5,806)	37,396
Net cash provided by (used in) financing activities	27,773	(40,975)	(68,748)	7,775
Effect of exchange rate changes on cash and cash equivalents	(6,887)	3,779	10,666	(24,017)
Net increase in cash and cash equivalents	55,029	8,871	(46,158)	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	324,931	314,813	(10,118)	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 December 31, 2016 consist of the Company and its consolidated subsidiaries (NIDEC), and shares of associates of NIDEC.

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

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

2. Basis of Preparation

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

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

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

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

(4) Early adoption of new IFRS standards

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

3. Significant accounting policies

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

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

4. Significant accounting estimates, judgments and assumptions

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

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

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

5. 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 nine months ended December 31, 2015 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. NIDEC has been evaluating the fair values of the assets acquired and the liabilities assumed upon the acquisitions of companies in the nine months ended December 31, 2016. The assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statement of financial position based on preliminary management estimation as of December 31, 2016. These evaluations do not have material impacts on NIDEC's consolidated financial position, results of operations or liquidity.

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
	-	342,122	434	342,556		Property, plant, and equipment
Land	47,427	(47,427)	-	-		
Buildings	189,742	(189,742)	-	-		
Machinery and equipment	430,019	(430,019)	-	-		
Construction in progress	33,831	(33,831)	-	-		
Accumulated depreciation	(358,897)	358,897	-	-		
Goodwill	162,959	-	-	162,959		Goodwill
	-	83,931	-	83,931		Intangible assets
	-	2,167	-	2,167		Investments accounted for using the equity method
	-	21,507	-	21,507		Other investments
Marketable securities and other securities investments	21,516	(21,516)	-	-		
Investments in and advances to affiliated companies	2,167	(2,167)	-	-		
	-	2,274	-	2,274	D	Other financial assets
	-	13,869	(3,120)	10,749	B	Deferred tax assets
	-	10,010	(4,364)	5,646		Other non-current assets
Other tangible assets	99,561	(99,561)	-	-		
Total non-current assets	628,325	10,514	(7,050)	631,789		Total non-current assets
Total assets	1,357,340	-	(7,468)	1,349,872		Total assets

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

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

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

A. Retirement benefit liabilities

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

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

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

B. Deferred tax

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

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

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

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

C. Translation adjustment of foreign operations

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

D. Reclassification on the consolidated statement of financial position

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

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

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

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

Yen in millions

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

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

Notes to reconciliation of equity as of December 31, 2015

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

A. Retirement benefit liabilities

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

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

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

B. Deferred tax

(a) Under U.S. GAAP, when taxes on intercompany profits arising from transfer of assets between entities within NIDEC were paid by sellers, the taxes were deferred as prepaid expenses (¥4,264 million). Under IFRS, however, these temporary differences are recognized as deferred tax assets using the purchasers' tax rates.

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

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

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

C. Translation adjustment of foreign operations

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

D. Reclassification on the consolidated statement of financial position

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

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

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

E. Retrospective adjustment on business combinations

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

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

Yen in millions

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

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

Notes to reconciliation of equity as of March 31, 2016

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

A. Retirement benefit liabilities

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

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

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

B. Deferred tax

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

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

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

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

C. Translation adjustment of foreign operations

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

D. Reclassification on the consolidated statement of financial position

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

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

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

E. Retrospective adjustment on business combinations

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

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

Yen in millions

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

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

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

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

A. Retirement benefit liabilities

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

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

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

B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

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

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

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

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

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

A. Retirement benefit liabilities

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

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

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

B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

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

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

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

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

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

A. Retirement benefit liabilities

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

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

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

B. Equity financial assets

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

C. Reclassifications on the consolidated statement of income

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

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

D. Retrospective adjustment on business combinations

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

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

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

4. Supplementary Information

(1) Quarterly Financial Data for the three months ended December 31, 2016, September 30, 2016 and June 30, 2016

	Three months ended					
	June 30, 2016		September 30, 2016		December 31, 2016	
	Amounts	%	Amounts	%	Amounts	%
	Yen in millions		Yen in millions		Yen in millions	
Net sales	276,206	100.0	287,824	100.0	304,198	100.0
Operating profit	31,540	11.4	37,464	13.0	37,193	12.2
Profit before income taxes	29,103	10.5	37,190	12.9	41,478	13.6
Profit for the period	22,264	8.1	28,252	9.8	31,821	10.5
Profit attributable to owners of the parent	22,041	8.0	28,069	9.7	31,528	10.4

(2) Information by Product Category

Nine months ended December 31, 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	352,077	411,031	80,245	49,264	2,736	895,353	-	895,353
Intersegment	1,896	3,879	9,815	3,697	1,268	20,555	(20,555)	-
Total	353,973	414,910	90,060	52,961	4,004	915,908	(20,555)	895,353
Operating expenses	300,824	383,303	78,243	48,416	3,614	814,400	(9,333)	805,067
Operating profit	53,149	31,607	11,817	4,545	390	101,508	(11,222)	90,286

Nine months ended December 31, 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	330,866	400,709	86,610	47,307	2,736	868,228	-	868,228
Intersegment	1,754	4,302	6,419	4,296	1,095	17,866	(17,866)	-
Total	332,620	405,011	93,029	51,603	3,831	886,094	(17,866)	868,228
Operating expenses	280,484	362,838	77,227	43,821	3,388	767,758	(5,727)	762,031
Operating profit	52,136	42,173	15,802	7,782	443	118,336	(12,139)	106,197

Three months ended December 31, 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	129,564	134,846	25,886	16,736	969	308,001	-	308,001
Intersegment	640	1,501	2,739	1,183	396	6,459	(6,459)	-
Total	130,204	136,347	28,625	17,919	1,365	314,460	(6,459)	308,001
Operating expenses	111,653	125,559	25,020	16,424	1,219	279,875	(2,557)	277,318
Operating profit	18,551	10,788	3,605	1,495	146	34,585	(3,902)	30,683

Three months ended December 31, 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	119,150	135,064	32,726	16,275	983	304,198	-	304,198
Intersegment	736	1,753	2,348	1,654	383	6,874	(6,874)	-
Total	119,886	136,817	35,074	17,929	1,366	311,072	(6,874)	304,198
Operating expenses	100,717	122,632	29,472	15,025	1,210	269,056	(2,051)	267,005
Operating profit	19,169	14,185	5,602	2,904	156	42,016	(4,823)	37,193

Notes:

- Product categories are classified based on similarities in product type, product attributes, and production and sales methods.
- Major products of each product category:
 - (1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
 - (2) Automotive, appliance, commercial and industrial products: Automotive motors and components, home appliance, commercial and industrial motors and related products.
 - (3) Machinery: Industrial robots, card readers, test systems, pressing machines and power transmission drives, etc.
 - (4) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
 - (5) 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

	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	205,210	22.9%	208,669	24.0%	3,459	1.7%
U.S.A.	147,586	16.5%	138,065	15.9%	(9,521)	(6.5)%
Singapore	58,054	6.5%	44,612	5.2%	(13,442)	(23.2)%
Thailand	80,149	9.0%	77,489	8.9%	(2,660)	(3.3)%
Germany	64,485	7.2%	63,900	7.4%	(585)	(0.9)%
China	230,402	25.7%	219,043	25.2%	(11,359)	(4.9)%
Others	109,467	12.2%	116,450	13.4%	6,983	6.4%
Total	895,353	100.0%	868,228	100.0%	(27,125)	(3.0)%

Yen in millions

	Three months ended December 31, 2015		Three months ended December 31, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	65,141	21.1%	72,152	23.7%	7,011	10.8%
U.S.A.	43,940	14.3%	43,920	14.5%	(20)	0.0%
Singapore	20,429	6.6%	16,509	5.4%	(3,920)	(19.2)%
Thailand	27,986	9.1%	28,898	9.5%	912	3.3%
Germany	19,994	6.5%	19,503	6.4%	(491)	(2.5)%
China	90,689	29.4%	81,006	26.6%	(9,683)	(10.7)%
Others	39,822	13.0%	42,210	13.9%	2,388	6.0%
Total	308,001	100.0%	304,198	100.0%	(3,803)	(1.2)%

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

	Nine months ended December 31, 2015		Nine months ended December 31, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	171,020	19.1%	167,110	19.2%	(3,910)	(2.3)%
Asia	465,229	52.0%	437,907	50.4%	(27,322)	(5.9)%
Europe	112,438	12.5%	109,219	12.6%	(3,219)	(2.9)%
Others	9,717	1.1%	14,476	1.7%	4,759	49.0%
Overseas total	758,404	84.7%	728,712	83.9%	(29,692)	(3.9)%
Japan	136,949	15.3%	139,516	16.1%	2,567	1.9%
Total	895,353	100.0%	868,228	100.0%	(27,125)	(3.0)%

Yen in millions

	Three months ended December 31, 2015		Three months ended December 31, 2016		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	53,294	17.3%	52,318	17.2%	(976)	(1.8)%
Asia	168,179	54.6%	161,641	53.2%	(6,538)	(3.9)%
Europe	38,289	12.4%	36,250	11.9%	(2,039)	(5.3)%
Others	3,650	1.2%	5,207	1.7%	1,557	42.7%
Overseas total	263,412	85.5%	255,416	84.0%	(7,996)	(3.0)%
Japan	44,589	14.5%	48,782	16.0%	4,193	9.4%
Total	308,001	100.0%	304,198	100.0%	(3,803)	(1.2)%

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

5. Other information (unaudited)

24 January, 2017

(1) Summary of Consolidated Financial Performance

	Nine months ended December 31, 2015	Increase or decrease	Nine months ended December 31, 2016	Three months ended December 31, 2015	Increase or decrease	Three months ended December 31, 2016
	Yen in millions	%	Yen in millions	Yen in millions	%	Yen in millions
Net Sales	895,353	(3.0)	868,228	308,001	(1.2)	304,198
Operating profit	90,286 10.1%	17.6	106,197 12.2%	30,683 10.0%	21.2	37,193 12.2%
Profit before income taxes	92,467 10.3%	16.6	107,771 12.4%	30,320 9.8%	36.8	41,478 13.6%
Profit attributable to owners of the parent	69,526 7.8%	17.4	81,638 9.4%	22,669 7.4%	39.1	31,528 10.4%
Earnings per share attributable to owners of the parent -Basic	Yen 234.19		Yen 275.25	Yen 76.04		Yen 106.30
Earnings per share attributable to owners of the parent -Diluted	233.05		275.25	76.04		106.30

(2) Summary of Consolidated Financial Position and Cash Flows

	December 31, 2015	December 31, 2016	March 31, 2016
	Yen in millions	Yen in millions	Yen in millions
Total assets	1,452,311	1,491,335	1,376,636
Total equity attributable to owners of the parent	797,673	833,337	763,023
Ratio of equity attributable to owners of the parent to total asset	54.9%	55.9%	55.4%
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Year ended March 31, 2016
	Yen in millions	Yen in millions	Yen in millions
Net cash provided by operating activities	113,480	102,996	147,659
Net cash used in investing activities	(79,337)	(56,929)	(95,377)
Net cash provided by (used in) financing activities	27,773	(40,975)	7,775
Cash and cash equivalents at end of period	324,931	314,813	305,942

(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	234
Number of associates accounted for under the equity method	6

		Change from March 31, 2016	Change from December 31, 2015
Number of consolidated subsidiaries	(Increase)	11	12
	(Decrease)	2	15
Number of associates accounted for under the equity method	(Increase)	2	2
	(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 previous fiscal year and condensed quarterly consolidated financial statements for the nine months ended December 31, 2015 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.
- NIDEC finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2016. Consolidated financial statements for the previous fiscal year and condensed quarterly consolidated financial statements for the nine months ended December 31, 2015 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.