

# NEWS RELEASE



## NIDEC CORPORATION

### FOR IMMEDIATE RELEASE

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

**RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017  
FROM APRIL 1, 2017 TO SEPTEMBER 30, 2017  
CONSOLIDATED**

Released on October 24, 2017

# **NIDEC CORPORATION**

**Stock Listings:** Tokyo Stock Exchange

**Head Office:** Kyoto, Japan

**Date of Filing of Japanese Quarterly Report (Plan):** November 13, 2017

## **1. Selected Consolidated Financial Performance Information for the Six Months Ended September 30, 2017 (IFRS) (unaudited)**

### **(1) Consolidated Results of Operations**

*(Yen in millions)*

	Six months ended September 30	
	2016	2017
Net sales	564,030	715,890
Ratio of change from the same period of previous fiscal year	(4.0)%	26.9%
Operating profit	68,985	82,612
Ratio of change from the same period of previous fiscal year	15.7%	19.8%
Profit before income taxes	66,274	76,630
Ratio of change from the same period of previous fiscal year	6.6%	15.6%
Profit attributable to owners of the parent	50,094	60,074
Ratio of change from the same period of previous fiscal year	6.9%	19.9%
Comprehensive income for the period	(26,001)	89,674
Ratio of change from the same period of previous fiscal year	-	-

*(Yen)*

	Six months ended September 30	
	2016	2017
Earnings per share attributable to owners of the parent - Basic	168.89	202.90
Earnings per share attributable to owners of the parent - Diluted	-	-

### **(2) Consolidated Financial Position**

*(Yen in millions)*

	March 31, 2017	September 30, 2017
Total assets	1,676,106	1,772,631
Total equity	855,837	926,984
Total equity attributable to owners of the parent	846,603	917,434
Ratio of total equity attributable to owners of the parent to total assets	50.5%	51.8%

### **2. Dividends (unaudited)**

*(Yen)*

	Year ended March 31, 2017 (actual)	Year ending March 31, 2018
Interim dividend per share	40.00	45.00 (actual)
Year-end dividend per share	45.00	50.00 (target)
Annual dividend per share	85.00	95.00 (target)

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

### 3. Forecast of Consolidated Financial Performance (for the fiscal year ending March 31, 2018)

(Yen in millions)

	Year ending March 31, 2018
Net sales	1,450,000
Operating profit	170,000
Profit before income taxes	163,000
Profit attributable to owners of the parent	128,000
Earnings per share attributable to owners of the parent – Basic (Yen)	432.32

(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 March 31, 2017  
298,142,234 shares at September 30, 2017
2. Number of treasury stock at the end of each period:  
1,544,634 shares at March 31, 2017  
2,066,518 shares at September 30, 2017
3. Weighted-average number of shares issued at the beginning and end of each period:  
296,600,339 shares for the six months ended September 30, 2016  
296,076,556 shares for the six months ended September 30, 2017

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NIDEC (Nidec Corporation and its consolidated subsidiaries) finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017. Condensed quarterly consolidated financial statements for the six months ended September 30, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

NIDEC partly finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2017. Consolidated financial statements for the year ended March 31, 2017 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 six months ended September 30, 2017 are expected to be published on our corporate website on October 25, 2017.

# **1. Operating and Financial Review and Prospects**

## **(1) Analysis of Operating Results**

### **1. Overview of Business Environment for the Six Months Ended September 30, 2017**

In the global economy during the six months ended September 30, 2017, the U.S. economy continued to expand moderately, and the country's Federal Reserve Board (FRB) decided to start reducing its assets, and embarked on a complete lifting of its quantitative easing policy. In the meantime, with the European economy on a recovery track, discussion started within the European Central Bank (ECB) on monetary easing and reduction. As the Japanese economy continued its moderate recovery, the Chinese economy grew more strongly than anticipated as well, making the basic interest rate likely to be raised by the end of this year.

It was under such an environment that NIDEC (Nidec Corporation and its consolidated subsidiaries) continued to pursue our targets for the fiscal year ending March 31, 2021 of consolidated net sales of ¥2 trillion and an operating profit ratio of 15% based on our mid-term strategic goal, "Vision 2020," and achieved in the six months ended September 30, 2017 the highest net sales, operating profit, profit before income taxes and profit attributable to owners of the parent for the period in our history.

### **2. Consolidated Operating Results**

#### **Consolidated Operating Results for the Six Months Ended September 30, 2017 ("this six-month period"), Compared to the Six Months Ended September 30, 2016 ("the same period of the prior year")**

*(Yen in millions)*

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales	564,030	715,890	151,860	26.9%
Operating profit	68,985	82,612	13,627	19.8%
Operating profit ratio	12.2%	11.5%	-	-
Profit before income taxes	66,274	76,630	10,356	15.6%
Profit attributable to owners of the parent	50,094	60,074	9,980	19.9%

Consolidated net sales increased 26.9% to ¥715,890 million for this six-month period compared to the same period of the prior year, recording the highest interim net sales in our history. Operating profit increased 19.8% to ¥82,612 million for this six-month period compared to the same period of the prior year, also recording the highest interim operating profit in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this six-month period was ¥111.06 to the U.S. dollar, which reflected an approximate 5% depreciation of the Japanese yen against the U.S. dollar, compared to the same period of the prior year. The average exchange rate between the Japanese yen and the Euro for this six-month period was ¥126.29 to the Euro, which reflected an approximate 7% depreciation of the Japanese yen against the Euro, compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales approximately ¥26,200 million and our operating profit approximately ¥4,500 million for this six-month period compared to the same period of the prior year.

Profit before income taxes increased 15.6% to ¥76,630 million for this six-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 19.9% to ¥60,074 million for this six-month period compared to the same period of the prior year, achieving the highest interim profit in our history, respectively.

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NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017. NIDEC's condensed quarterly consolidated financial statements for the six months ended September 30, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

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

### Small precision motors

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	211,716	220,474	8,758	4.1%
Hard disk drives spindle motors	90,366	93,722	3,356	3.7%
Other small precision motors	121,350	126,752	5,402	4.5%
Operating profit of small precision motors	32,967	36,142	3,175	9.6%
Operating profit ratio	15.6%	16.4%	-	-

Net sales of small precision motors increased 4.1% to ¥220,474 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of small precision motors approximately ¥9,200 million for this six-month period compared to the same period of the prior year.

Net sales of spindle motors for hard disk drives, or HDDs, for this six-month period increased 3.7% to ¥93,722 million compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs decreased approximately 5% compared to the same period of the prior year, there were increases in sales due to a positive effect of the foreign currency exchange rate fluctuations.

Net sales of other small precision motors for this six-month period increased 4.5% to ¥126,752 million compared to the same period of the prior year. This increase was mainly due to an increase in sales of brushless DC motors and fan motors.

Operating profit of small precision motors increased 9.6% to ¥36,142 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our operating profit of small precision motors approximately ¥1,900 million for this six-month period compared to the same period of the prior year.

### Automotive, appliance, commercial and industrial products

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	265,645	390,572	124,927	47.0%
Appliance, commercial and industrial products	141,581	250,073	108,492	76.6%
Automotive products	124,064	140,499	16,435	13.2%
Operating profit of automotive, appliance, commercial and industrial products	27,969	38,644	10,675	38.2%
Operating profit ratio	10.5%	9.9%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 47.0% to ¥390,572 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of automotive, appliance, commercial and industrial products approximately ¥14,200 million for this six-month period compared to the same period of the prior year.

Net sales of appliance, commercial and industrial products for this six-month period increased 76.6% compared to the same period of the prior year. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended March 31, 2017 and

the three months ended September 30, 2017.

Net sales of automotive products for this six-month period increased 13.2% compared to the same period of the prior year due to increases in sales for automotive motors such as electric power steering motors and products of control valves at Nidec Tosok Corporation and positive effect of the foreign currency exchange rate fluctuations.

Operating profit of automotive, appliance, commercial and industrial products increased 38.2% to ¥38,644 million for this six-month period compared to the same period of the prior year mainly due to an 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 approximately ¥2,100 million for this six-month period compared to the same period of the prior year.

Excluding sales of approximate ¥85,100 million and operating profit of approximate ¥3,300 million for this six-month period by Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were acquired in three month ended March 31, 2017, and Nidec Global Appliance Compressors which was acquired in three month ended September 30, 2017, operating profit ratio of automotive, appliance, commercial and industrial products would have been higher than 11.6% for this six-month period.

## Machinery

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of machinery	53,884	67,849	13,965	25.9%
Operating profit of machinery	10,200	12,586	2,386	23.4%
Operating profit ratio	18.9%	18.6%	-	-

Net sales of machinery increased 25.9% to ¥67,849 million for this six-month period compared to the same period of the prior year due to the increase in sales of press machines and Nidec Sankyo Corporation's LCD panel handling robots.

Operating profit of machinery increased 23.4% to ¥12,586 million for this six-month period compared to the same period of the prior year due to the increase in sales.

## Electronic and optical components

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	31,032	34,997	3,965	12.8%
Operating profit of electronic and optical components	4,878	5,531	653	13.4%
Operating profit ratio	15.7%	15.8%	-	-

Net sales of electronic and optical components increased 12.8% to ¥34,997 million this six-month period compared to the same period of the prior year. Operating profit of electronic and optical components increased 13.4% to ¥5,531 million for this six-month period compared to the same period of the prior year due to the increase in sales.

## Other products

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of other products	1,753	1,998	245	14.0%
Operating profit of other products	287	281	(6)	(2.1)%
Operating profit ratio	16.4%	14.1%	-	-

Net sales of other products increased 14.0% to ¥1,998 million and operating profit of other products decreased 2.1% to ¥281 million for this six-month period compared to the same period of the prior year.

## Consolidated Operating Results for the Three Months Ended September 30, 2017 (“this 2Q”), Compared to the Three Months Ended June 30, 2017 (“the previous 1Q”)

(Yen in millions)

	Three months ended June 30, 2017	Three months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales	343,091	372,799	29,708	8.7%
Operating profit	39,022	43,590	4,568	11.7%
Operating profit ratio	11.4%	11.7%	-	-
Profit before income taxes	36,326	40,304	3,978	11.0%
Profit attributable to owners of the parent	28,194	31,880	3,686	13.1%

Consolidated net sales increased 8.7% to ¥372,799 million for this 2Q compared to the previous 1Q and operating profit increased 11.7% to ¥43,590 million for this 2Q compared to the previous 1Q, achieving the highest net sales and operating profit for quarterly period in our history.

The average exchange rate between the Japanese yen and the U.S. dollar for this 2Q was ¥111.03 to the U.S. dollar, which reflected a slight appreciation of the Japanese yen against the U.S. dollar, compared to the previous 1Q. The average exchange rate between the Japanese yen and the Euro for this 2Q was ¥130.38 to the Euro, which reflected an approximate 7% depreciation of the Japanese yen against the Euro, compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales approximately ¥3,600 million as well as on our operating profit approximately ¥400 million for this 2Q compared to the previous 1Q.

Profit before income taxes increased 11.0% to ¥40,304 million for this 2Q compared to the previous 1Q and profit attributable to owners of the parent increased 13.1% to ¥31,880 million for this 2Q compared to the previous 1Q, achieving the highest profit attributable to owners of the parent for quarterly period in our history.

## Operating Results by Product Category for this 2Q Compared to the Previous 1Q

### Small precision motors

(Yen in millions)

	Three months ended June 30, 2017	Three months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of small precision motors	103,753	116,721	12,968	12.5%
Hard disk drives spindle motors	44,730	48,992	4,262	9.5%
Other small precision motors	59,023	67,729	8,706	14.8%
Operating profit of small precision motors	16,914	19,228	2,314	13.7%
Operating profit ratio	16.3%	16.5%	-	-

Net sales of small precision motors increased 12.5% to ¥116,721 million for this 2Q compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of small precision motors approximately ¥4 million for this 2Q compared to the previous 1Q.

Net sales of spindle motors for HDDs increased 9.5% to ¥48,992 million for this 2Q compared to the previous 1Q. The number of units sold of spindle motors for HDDs for this 2Q increased approximately 9% compared to the previous 1Q.

Net sales of other small precision motors for this 2Q increased 14.8% to ¥67,729 million compared to the previous 1Q due to increase in sales in fan motors and other small precision motors.

Operating profit of small precision motors increased 13.7% to ¥19,228 million for this 2Q compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of small precision motors approximately ¥300 million for this 2Q compared to the previous 1Q.

### Automotive, appliance, commercial and industrial products

(Yen in millions)

	Three months ended June 30, 2017	Three months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of automotive, appliance, commercial and industrial products	188,893	201,679	12,786	6.8%
Appliance, commercial and industrial products	120,184	129,889	9,705	8.1%
Automotive products	68,709	71,790	3,081	4.5%
Operating profit of automotive, appliance, commercial and industrial products	17,435	21,209	3,774	21.6%
Operating profit ratio	9.2%	10.5%	-	-

Net sales of automotive, appliance, commercial and industrial products increased 6.8% to ¥201,679 million for this 2Q compared to the previous 1Q. The fluctuations of the foreign currency exchange rates had a positive effect on our net sales of automotive, appliance, commercial and industrial products approximately ¥3,100 million for this 2Q compared to the previous 1Q.

Net sales of appliance, commercial and industrial products for this 2Q increased 8.1% compared to the previous 1Q mainly due to increase in sales in each area and consolidation of Nidec Global Appliance Compressors which was acquired in this 2Q.

Net sales of automotive products for this 2Q increased 4.5% compared to the previous 1Q mainly due to positive effect of the foreign exchange fluctuations and increases in sales for automotive motors such as electric power steering motors.

Operating profit of automotive, appliance, commercial and industrial products increased 21.6% to ¥21,209 million for this 2Q compared to the previous 1Q 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 approximately ¥700 million for this 2Q compared to the previous 1Q.

Excluding sales of approximate ¥46,500 million and operating profit of approximate ¥2,100 million for this 2Q by Nidec Leroy-Somer Holding and Nidec Control Techniques Limited which were acquired in three month ended March 31, 2017, and Nidec Global Appliance Compressors which was acquired in this 2Q, operating profit ratio of automotive, appliance, commercial and industrial products would have been higher than 12.3% for this 2Q.

### Machinery

(Yen in millions)

	Three months ended June 30, 2017	Three months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of machinery	32,583	35,266	2,683	8.2%
Operating profit of machinery	6,329	6,257	(72)	(1.1)%
Operating profit ratio	19.4%	17.7%	-	-

Net sales of machinery increased 8.2% to ¥35,266 million for this 2Q compared to the previous 1Q due to the increase in sales of press machines and Nidec Sankyo Corporation's LCD panel handling robots.

Operating profit of machinery decreased 1.1% to ¥6,257 million for this 2Q compared to the previous 1Q.

### Electronic and optical components

(Yen in millions)

	Three months ended June 30, 2017	Three months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of electronic and optical components	16,939	18,058	1,119	6.6%
Operating profit of electronic and optical components	3,062	2,469	(593)	(19.4)%
Operating profit ratio	18.1%	13.7%	-	-

Net sales of electronic and optical components increased 6.6% to ¥18,058 million for this 2Q compared to the previous 1Q.

Operating profit of electronic and optical components decreased 19.4% to ¥2,469 million for this 2Q compared to the previous 1Q due to changes in product mix.

### Other products

(Yen in millions)

	Three months ended June 30, 2017	Three months ended September 30, 2017	Increase or decrease	Increase or decrease ratio
Net sales of other products	923	1,075	152	16.5%
Operating profit of other products	151	130	(21)	(13.9)%
Operating profit ratio	16.4%	12.1%	-	-

Net sales of other products increased 16.5% to ¥1,075 million for this 2Q compared to the previous 1Q.

Operating profit of other products decreased 13.9% to ¥130 million for this 2Q compared to the previous 1Q.

## (2) Financial Position

(Yen in millions)

	As of March 31, 2017	As of September 30, 2017	Increase or decrease
Total assets	1,676,106	1,772,631	96,525
Total liabilities	820,269	845,647	25,378
Total equity attributable to owners of the parent	846,603	917,434	70,831
Interest-bearing debt *1	412,431	385,390	(27,041)
Net interest-bearing debt *2	90,851	98,218	7,367
Debt ratio (%) *3	24.6	21.7	(2.9)
Debt to equity ratio (“D/E ratio”) (times) *4	0.49	0.42	(0.07)
Net D/E ratio (times) *5	0.11	0.11	(0.00)
Ratio of total equity attributable to owners of the parent to total assets (%) *6	50.5	51.8	1.3

(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 ¥96,500 million to ¥1,772,631 million as of September 30, 2017 compared to March 31, 2017. This was mainly due to increase of approximate ¥44,700 million in trade and other receivables, approximate ¥30,900 million in property, plant, and equipment, approximate ¥29,300 million in inventories. On the other hand, there was a decrease of approximate ¥ 34,400 million in cash and cash equivalents.

Total liabilities increased approximately ¥25,400 million to ¥845,647 million as of September 30, 2017 compared to March 31, 2017. This was mainly due to increase of approximate ¥173,500 million in our long term debt and approximate ¥41,100 million in trade and other payable, while there were decreases in short term borrowings of approximate ¥147,900 million and in our long term debt due within one year of approximate ¥52,600 million. As a result, our interest-bearing debt decreased approximately ¥27,000 million. Specifically, our short term borrowings decreased approximately ¥147,900 million to approximate ¥18,700 million, our long term debt due within one year decreased approximately ¥52,600 million to approximate ¥31,500 million, and our long term debt increased approximately ¥173,500 million to approximate ¥335,300 million as of September 30, 2017 compared to March 31, 2017. The increase of approximate ¥173,500 million in our long term debt was mainly due to the loan of \$750 million as a portion of the funds necessary to acquire the motors, drives and electric power generation businesses of Emerson Electric Co. (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited, etc.) and the issuance of approximate ¥50,000 million sixth series unsecured bonds and approximate ¥65,000 million seventh series unsecured bonds. On the other hand, there was a decrease of approximate ¥65,000 million due to the redemption of first series of unsecured bonds. The decrease of approximate ¥147,900 million in our short term borrowings was mainly due to repayment of borrowings in a yen through portion of bonds issued and repayment of the borrowings in dollars.

As a result, our net interest-bearing debt increased to approximate ¥98,200 million as of September 30, 2017 from approximate ¥90,900 million as of March 31, 2017. Our debt ratio decreased to 21.7% as of September 30, 2017 from 24.6% as of March 31, 2017. Our D/E ratio decreased to 0.42 as of September 30, 2017 from 0.49 as of March 31, 2017. Our net D/E ratio remains unchanged as of September 30, 2017 from 0.11 as of March 31, 2017.

Total equity attributable to owners of the parent increased approximately ¥70,800 million to approximate ¥917,434 million as of September 30, 2017 compared to March 31, 2017. Ratio of total equity attributable to owners of the parent to total assets increased to 51.8% as of September 30, 2017 from 50.5% as of March 31, 2017. The increase of total equity attributable to owners of the parent to total assets was mainly due to an increase in retained earnings of approximate ¥48,800 million, and an increase in other components of equity of approximate ¥27,200 million caused mainly by foreign currency translation adjustments. On the other hand, there was a decrease of approximate ¥5,200 million of acquisition of treasury stock as of September 30, 2017 compared to March 31, 2017.

Assets totaled approximate ¥36,200 million mainly consisting of trade and other receivables of approximate ¥7,800 million and liabilities totaled ¥13,800 million consisting of trade and other payable of approximate ¥9,200 million brought by the acquisition of Secop Group (currently, Nidec Global Appliance Compressors, etc.) are included.

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NIDEC partly finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2017. Consolidated financial statements for the year ended March 31, 2017 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

## Overview of Cash Flow

(Yen in millions)

	Six months ended September 30		Increase or decrease
	2016	2017	
Net cash provided by operating activities	96,493	74,242	(22,251)
Net cash used in investing activities	(34,760)	(51,879)	(17,119)
Free cash flow *1	61,733	22,363	(39,370)
Net cash used in financing activities	(34,942)	(67,643)	(32,701)

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

Cash flows from operating activities for the six months ended September 30, 2017 (“the six-month period”) came to a net cash inflow of ¥74,242 million. Compared to the six months ended September 30, 2016 (“the same period of the previous year”), our cash inflow from operating activities for the six-month period decreased approximately ¥22,300 million. This decrease was mainly due to increases of approximate ¥15,900 million in inventories and approximate ¥12,200 million in accounts receivable and a decrease of approximate ¥11,200 million in accounts payable, although there was an increase of approximate ¥9,900 million of our profit for the period.

Cash flows from investing activities for the six-month period came to a net cash outflow of ¥51,879 million. Compared to the same period of the previous year, our net cash outflow from investing activities for the six-month period increased approximately ¥17,100 million mainly due to increases in additions to property, plant and equipment of approximate ¥11,400 million and in acquisitions of businesses of approximate ¥5,700 million.

As a result, we had a positive free cash flow of ¥22,363 million for the six-month period, a decrease of approximate ¥39,400 million compared to a positive free cash flow of ¥61,733 million for the same period of the previous year.

Cash flows from financing activities for the six-month period came to a net cash outflow of ¥67,643 million. Compared to the same period of the previous year, our net cash outflow from financing activities for the six-month period increased approximately ¥32,700 million mainly due to an increase in net cash outflow from short term borrowings of approximate ¥137,800 million and increases outflow from redemption of corporate bonds of approximate ¥65,000 million and repayments of long term debt of approximate ¥21,100 million. On the other hand, inflow from issuance of corporate bonds and long term debt increased approximately ¥115,000 million and ¥83,000 million, respectively.

As a result of the foregoing and the impact of foreign exchange fluctuations of approximate positive ¥10,900 million, the balance of cash and cash equivalents as of September 30, 2017 decreased approximately ¥34,400 million to ¥287,172 million from September 30, 2016.

### **(3) Business Forecasts for the Fiscal Year ending March 31, 2018**

The financial results for the six months ended September 30, 2017 exceeded our previous forecasts. In view of this favorable profit growth during the above financial period, we have revised our previously announced financial performance forecasts for the fiscal year ending March 31, 2018 as shown below. The exchange rates used for the preparation of the foregoing forecasts remain unchanged from those announced previously (i.e., US\$1 = ¥105 and €1 = ¥110 respectively).

In addition, we have comprehensively considered our financial condition, profit levels, dividend payout ratio, etc., and revised our year-end dividend target upwards by ¥5 to ¥50 per share compared to the previous target of ¥45. As a result, our annual dividend target is ¥95 per share.

#### **Forecast of consolidated results for the fiscal year ending March 31, 2018**

Net sales	¥1,450,000 million	(Up 120.9% from the previous fiscal year)
Operating profit	¥170,000 million	(Up 121.9% from the previous fiscal year)
Profit before income taxes	¥163,000 million	(Up 115.3% from the previous fiscal year)
Profit attributable to owners of the parent	¥128,000 million	(Up 115.3% from the previous fiscal year)

(Notes) 1. Consolidated results are based on IFRS.

2. The exchange rates used for the preparation of the foregoing forecasts are:  
US\$1 = ¥105 and €1 = ¥110.

The exchange rates between the relevant Asian currencies and the Japanese yen used for the preparation of the foregoing forecasts were determined assuming these exchange rates.

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

This report contains forward-looking statements based on our current expectations, assumptions, estimates and projections in light of the information currently available. We cannot make any assurances for our expectations expressed in these forward-looking statements. Actual results could be materially different from our expectations depending on various factors.

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

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

*(Yen in millions)*

	March 31, 2017		September 30, 2017		Increase or decrease
	Amounts	%	Amounts	%	
Assets					
Current assets					
Cash and cash equivalents	321,580		287,172		(34,408)
Trade and other receivables	348,897		393,612		44,715
Other financial assets	2,951		2,320		(631)
Income tax receivables	1,676		1,533		(143)
Inventories	196,629		225,944		29,315
Other current assets	28,342		31,862		3,520
Total current assets	900,075	53.7	942,443	53.2	42,368
Non-current assets					
Property, plant, and equipment	394,051		424,959		30,908
Goodwill	260,042		275,354		15,312
Intangible assets	77,215		78,214		999
Investments accounted for using the equity method	1,125		1,103		(22)
Other investments	19,583		22,449		2,866
Other financial assets	3,764		4,455		691
Deferred tax assets	15,526		17,689		2,163
Other non-current assets	4,725		5,965		1,240
Total non-current assets	776,031	46.3	830,188	46.8	54,157
Total assets	1,676,106	100.0	1,772,631	100.0	96,525

*(Yen in millions)*

	March 31, 2017		September 30, 2017		Increase or decrease
	Amounts	%	Amounts	%	
Liabilities					
Current liabilities					
Short term borrowings	166,606		18,674		(147,932)
Long term debt due within one year	84,040		31,455		(52,585)
Trade and other payables	251,236		292,350		41,114
Other financial liabilities	1,844		1,624		(220)
Income tax payables	6,690		7,027		337
Provisions	25,210		27,755		2,545
Other current liabilities	66,461		71,138		4,677
Total current liabilities	602,087	35.9	450,023	25.4	(152,064)
Non-current liabilities					
Long term debt	161,785		335,261		173,476
Other financial liabilities	1,315		1,018		(297)
Retirement benefit liabilities	22,656		25,117		2,461
Provisions	3,614		3,874		260
Deferred tax liabilities	25,881		27,118		1,237
Other non-current liabilities	2,931		3,236		305
Total non-current liabilities	218,182	13.0	395,624	22.3	177,442
Total liabilities	820,269	48.9	845,647	47.7	25,378
Equity					
Common stock	87,784	5.2	87,784	5.0	-
Additional paid-in capital	118,340	7.1	118,340	6.7	(0)
Retained earnings	715,940	42.7	764,781	43.1	48,841
Other components of equity	(63,318)	(3.8)	(36,167)	(2.0)	27,151
Treasury stock	(12,143)	(0.7)	(17,304)	(1.0)	(5,161)
Total equity attributable to owners of the parent	846,603	50.5	917,434	51.8	70,831
Non-controlling interests	9,234	0.6	9,550	0.5	316
Total equity	855,837	51.1	926,984	52.3	71,147
Total liabilities and equity	1,676,106	100.0	1,772,631	100.0	96,525

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

For the six months ended September 30, 2016 and 2017

**Condensed Quarterly Consolidated Statements of Income**

(Yen in millions)

	Six months ended September 30				Increase or decrease		Year ended March 31, 2017	
	2016		2017		Amounts		Amounts	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Net sales	564,030	100.0	715,890	100.0	151,860	26.9	1,199,311	100.0
Cost of sales	(428,562)	(76.0)	(541,189)	(75.6)	(112,627)	26.3	(913,643)	(76.2)
Gross profit	135,468	24.0	174,701	24.4	39,233	29.0	285,668	23.8
Selling, general and administrative expenses	(40,881)	(7.3)	(65,300)	(9.1)	(24,419)	59.7	(93,458)	(7.8)
Research and development expenses	(25,602)	(4.5)	(26,789)	(3.8)	(1,187)	4.6	(52,807)	(4.4)
Operating profit	68,985	12.2	82,612	11.5	13,627	19.8	139,403	11.6
Financial income	1,332	0.3	2,854	0.4	1,522	114.3	3,368	0.3
Financial expenses	(1,158)	(0.2)	(3,367)	(0.4)	(2,209)	190.8	(3,063)	(0.2)
Derivative gain (loss)	(2,695)	(0.5)	92	0.0	2,787	-	405	0.0
Foreign exchange differences	(173)	(0.0)	(5,581)	(0.8)	(5,408)	-	1,771	0.1
Share of net profit (loss) from associate accounting using the equity method	(17)	(0.0)	20	0.0	37	-	(534)	(0.0)
Profit before income taxes	66,274	11.8	76,630	10.7	10,356	15.6	141,350	11.8
Income tax expenses	(15,774)	(2.8)	(16,246)	(2.3)	(472)	3.0	(29,364)	(2.5)
Profit for the period	50,500	9.0	60,384	8.4	9,884	19.6	111,986	9.3
Profit for the period attributable to:								
Owners of the parent	50,094	8.9	60,074	8.4	9,980	19.9	111,036	9.2
Non-controlling interests	406	0.1	310	0.0	(96)	(23.6)	950	0.1
Profit for the period	50,500	9.0	60,384	8.4	9,884	19.6	111,986	9.3

**Condensed Quarterly Consolidated Statements of Comprehensive Income**

(Yen in millions)

	Six months ended September 30				Increase or decrease		Year ended March 31, 2017	
	2016		2017		Amounts		Amounts	
	Amounts	Amounts	Amounts	Amounts	Amounts	%	Amounts	Amounts
Profit for the period	50,500	60,384	9,884	19.6			111,986	
Other comprehensive income, net of taxation								
Items that will not be reclassified to net profit or loss:								
Remeasurement of defined benefit plans	(110)	(46)	64	-			761	
Fair value movements on FVTOCI equity financial assets	345	2,137	1,792	519.4			2,694	
Items that may be reclassified to net profit or loss:								
Foreign currency translation adjustments	(76,858)	26,699	103,557	-			(8,316)	
Effective portion of net changes in fair value of cash flow hedges	121	502	381	314.9			1,118	
Fair value movements on FVTOCI debt financial assets	1	(2)	(3)	-			(0)	
Total other comprehensive income for the period, net of taxation	(76,501)	29,290	105,791	-			(3,743)	
Comprehensive income for the period	(26,001)	89,674	115,675	-			108,243	
Comprehensive income for the period attributable to:								
Owners of the parent	(25,727)	89,339	115,066	-			107,342	
Non-controlling interests	(274)	335	609	-			901	
Comprehensive income for the period	(26,001)	89,674	115,675	-			108,243	

For the three months ended September 30, 2016 and 2017

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	Three months ended September 30				Increase or decrease	
	2016		2017			
	Amounts	%	Amounts	%	Amounts	%
Net sales	287,824	100.0	372,799	100.0	84,975	29.5
Cost of sales	(216,297)	(75.1)	(282,418)	(75.8)	(66,121)	30.6
Gross profit	71,527	24.9	90,381	24.2	18,854	26.4
Selling, general and administrative expenses	(21,124)	(7.4)	(33,246)	(8.9)	(12,122)	57.4
Research and development expenses	(12,942)	(4.5)	(13,545)	(3.6)	(603)	4.7
Operating profit	37,461	13.0	43,590	11.7	6,129	16.4
Financial income	643	0.2	1,591	0.4	948	147.4
Financial expenses	(626)	(0.2)	(1,944)	(0.5)	(1,318)	210.5
Derivative gain (loss)	(278)	(0.1)	74	0.0	352	-
Foreign exchange differences	(21)	(0.0)	(3,012)	(0.8)	(2,991)	-
Share of net profit from associate accounting using the equity method	8	0.0	5	0.0	(3)	(37.5)
Profit before income taxes	37,187	12.9	40,304	10.8	3,117	8.4
Income tax expenses	(8,938)	(3.1)	(8,218)	(2.2)	720	(8.1)
Profit for the period	28,249	9.8	32,086	8.6	3,837	13.6
Profit for the period attributable to:						
Owners of the parent	28,066	9.7	31,880	8.6	3,814	13.6
Non-controlling interests	183	0.1	206	0.0	23	12.6
Profit for the period	28,249	9.8	32,086	8.6	3,837	13.6

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	Three months ended September 30		Increase or decrease	
	2016	2017		
	Amounts	Amounts	Amounts	%
Profit for the period	28,249	32,086	3,837	13.6
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	3	0	(3)	(100.0)
Fair value movements on FVTOCI equity financial assets	1,307	821	(486)	(37.2)
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	(11,100)	17,938	29,038	-
Effective portion of net changes in fair value of cash flow hedges	(36)	37	73	-
Fair value movements on FVTOCI debt financial assets	0	(2)	(2)	-
Total other comprehensive income for the period, net of taxation	(9,826)	18,794	28,620	-
Comprehensive income for the period	18,423	50,880	32,457	176.2
Comprehensive income for the period attributable to:				
Owners of the parent	18,202	50,553	32,351	177.7
Non-controlling interests	221	327	106	48.0
Comprehensive income for the period	18,423	50,880	32,457	176.2

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

Six months ended September 30, 2016

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2016	87,784	118,341	625,168	(56,159)	(12,111)	763,023	8,346	771,369
Comprehensive income								
Profit for the period			50,094			50,094	406	50,500
Other comprehensive income				(75,821)		(75,821)	(680)	(76,501)
Total comprehensive income						(25,727)	(274)	(26,001)
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(11)	(11)	-	(11)
Dividends paid to the owners of the parent			(11,864)			(11,864)	-	(11,864)
Dividends paid to non-controlling interests						-	(18)	(18)
Transfer to retained earnings			250	(250)		-	-	-
Other		(1)			1	0	63	63
As of September 30, 2016	87,784	118,340	663,648	(132,230)	(12,121)	725,421	8,117	733,538

Six months ended September 30, 2017

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2017	87,784	118,340	715,940	(63,318)	(12,143)	846,603	9,234	855,837
Comprehensive income								
Profit for the period			60,074			60,074	310	60,384
Other comprehensive income				29,265		29,265	25	29,290
Total comprehensive income						89,339	335	89,674
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(5,161)	(5,161)	-	(5,161)
Dividends paid to the owners of the parent			(13,347)			(13,347)	-	(13,347)
Dividends paid to non-controlling interests						-	(39)	(39)
Transfer to retained earnings			2,113	(2,113)		-	-	-
Other		(0)	1	(1)		(0)	20	20
As of September 30, 2017	87,784	118,340	764,781	(36,167)	(17,304)	917,434	9,550	926,984

**(4) Condensed Quarterly Consolidated Statements of Cash Flows**

*(Yen in millions)*

	Six months ended September 30		Increase or decrease	Year ended
	2016	2017		March 31
				2017
Cash flows from operating activities:				
Profit for the period	50,500	60,384	9,884	111,986
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Depreciation and amortization	28,860	32,832	3,972	59,700
(Gain) loss from sales, disposal or impairment of property, plant and equipment	(1,289)	210	1,499	(1,224)
Financial (income) expense	(149)	164	313	(163)
Share of net loss (profit) from associate accounting using the equity method	17	(20)	(37)	534
Deferred income taxes	2,602	(1,869)	(4,471)	588
Current income taxes	13,172	18,114	4,942	28,775
Foreign currency adjustments	1,106	1,628	522	(6,636)
Increase (decrease) in retirement benefit liability	305	1,083	778	(94)
Increase in accounts receivable	(16,408)	(28,565)	(12,157)	(65,582)
Increase in inventories	(1,765)	(17,707)	(15,942)	(5,942)
Increase in accounts payable	32,814	21,664	(11,150)	39,229
Other, net	(921)	4,595	5,516	(6,465)
Interests and dividends received	1,207	2,806	1,599	3,160
Interests paid	(1,651)	(3,166)	(1,515)	(3,052)
Income taxes paid	(11,907)	(17,911)	(6,004)	(24,961)
Net cash provided by operating activities	96,493	74,242	(22,251)	129,853
Cash flows from investing activities:				
Additions to property, plant and equipment	(30,483)	(41,841)	(11,358)	(68,718)
Proceeds from sales of property, plant and equipment	642	2,185	1,543	1,786
Acquisitions of business, net of cash acquired	(2,242)	(7,919)	(5,677)	(139,862)
Other, net	(2,677)	(4,304)	(1,627)	(4,682)
Net cash used in investing activities	(34,760)	(51,879)	(17,119)	(211,476)
Cash flows from financing activities:				
(Decrease) increase in short term borrowings	(21,425)	(159,188)	(137,763)	93,784
Proceeds from issuance of long term debt	237	83,220	82,983	58,707
Repayments of long term debt	(1,861)	(22,932)	(21,071)	(32,782)
Proceeds from issuance of corporate bonds	-	115,001	115,001	50,001
Redemption of corporate bonds	-	(65,000)	(65,000)	(50,000)
Purchase of treasury stock	(11)	(5,161)	(5,150)	(33)
Dividends paid to the owner of the parent	(11,864)	(13,347)	(1,483)	(23,728)
Other, net	(18)	(236)	(218)	(101)
Net cash (used in) provided by financing activities	(34,942)	(67,643)	(32,701)	95,848
Effect of exchange rate changes on cash and cash equivalents	(33,799)	10,872	44,671	1,413
Net (decrease) increase in cash and cash equivalents	(7,008)	(34,408)	(27,400)	15,638
Cash and cash equivalents at beginning of period	305,942	321,580	15,638	305,942
Cash and cash equivalents at end of period	298,934	287,172	(11,762)	321,580

**(5) Notes of Condensed Quarterly Consolidated Financial Statements**  
**Notes Regarding Going Concern Assumption**

Not applicable.

**Notes to Condensed Quarterly Consolidated Financial Statements**

**1. Reporting entity**

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

Condensed Quarterly Consolidated Financial Statements as of September 30, 2017 consist of the Company and its consolidated subsidiaries (NIDEC), and shares of associates of NIDEC.

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

- 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 include automotive motors and components, home appliance, commercial and industrial motors and related products.
- iii. Machinery, which includes industrial robots, card readers, test systems, press 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.

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

**(2) Basis of measurement**

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

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

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

**3. Significant accounting policies**

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

Income taxes for six month ended September 30, 2017 are computed using the estimated annual effective tax rate.

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

The preparation of the condensed quarterly consolidated financial statements requires management 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 previous fiscal year ended March 31, 2017.

## 5. Business Combinations

Pursuant to IFRS 3 “Business Combinations”, during the three months ended March 31, 2017, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of E.C.E. S.r.l. and ANA IMEP S.A. (currently, Nidec Motor Corporation Romania). NIDEC’s condensed quarterly consolidated financial statements for the six months ended September 30, 2016 reflects the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination. In addition, during the three months ended September 30, 2017, NIDEC partly completed its valuation of the assets acquired and the liabilities assumed upon the acquisition of the motors, drives and electric power generation businesses of Emerson Electric Co. (currently, Nidec Leroy-Somer Holding and Nidec Control Techniques Limited, etc.). NIDEC’s consolidated financial statement for the year ended March 31, 2017 reflects 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 fiscal year ended March 31, 2017 and six months ended September 30, 2017. The assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on preliminary management estimation as of September 30, 2017.

## 6. Event after the Reporting Period

### Completion of Business Succession from Tokyo Maruzen Industry Co., Ltd.

On October 1, 2017, Nidec Sankyo Corporation, the Company’s subsidiary, completed succeeding the business of Tokyo Maruzen Industry Co., Ltd. (“Tokyo Maruzen”) by way of an absorption type company split, through a new company formed to this effect (the “Transaction”).

1. Purpose	Tokyo Maruzen develops, manufactures and sells products of electric contact materials, contact rivets and contact staking. The Transaction will help strengthen their capacity in material development, production engineering and manufacturing responsiveness, which will allow to introduce unparalleled sophistication in electric contacts both in terms of quality and reliability to automotive market.
2. Acquisition method	Funds for the Transaction are own funds.

### 3. Others (unaudited)

#### (1) Quarterly Financial Data for the three months ended September 30, 2017 and June 30, 2017

(Yen in millions)

	Three months ended			
	June 30, 2017		September 30, 2017	
	Amounts	%	Amounts	%
Net sales	343,091	100.0	372,799	100.0
Operating profit	39,022	11.4	43,590	11.7
Profit before income taxes	36,326	10.6	40,304	10.8
Profit for the period	28,298	8.2	32,086	8.6
Profit attributable to owners of the parent	28,194	8.2	31,880	8.6

#### (2) Information by Product Category

Six months ended September 30, 2016

(Yen in millions)

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
External sales	211,716	265,645	53,884	31,032	1,753	564,030	-	564,030
Intersegment	1,018	2,549	4,071	2,642	712	10,992	(10,992)	-
Total	212,734	268,194	57,955	33,674	2,465	575,022	(10,992)	564,030
Operating expenses	179,767	240,225	47,755	28,796	2,178	498,721	(3,676)	495,045
Operating profit	32,967	27,969	10,200	4,878	287	76,301	(7,316)	68,985

Six months ended September 30, 2017

(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	220,474	390,572	67,849	34,997	1,998	715,890	-	715,890
Intersegment	1,321	3,131	7,316	3,836	912	16,516	(16,516)	-
Total	221,795	393,703	75,165	38,833	2,910	732,406	(16,516)	715,890
Operating expenses	185,653	355,059	62,579	33,302	2,629	639,222	(5,944)	633,278
Operating profit	36,142	38,644	12,586	5,531	281	93,184	(10,572)	82,612

Three months ended September 30, 2016

(Yen in millions)

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
External sales	116,915	127,395	26,738	15,871	905	287,824	-	287,824
Intersegment	481	1,327	2,349	1,383	365	5,905	(5,905)	-
Total	117,396	128,722	29,087	17,254	1,270	293,729	(5,905)	287,824
Operating expenses	98,177	114,567	23,782	14,486	1,117	252,129	(1,766)	250,363
Operating profit	19,219	14,155	5,305	2,768	153	41,600	(4,139)	37,461

Three months ended September 30, 2017

(Yen in millions)

	Small precision motors	Automotive, appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:								
External sales	116,721	201,679	35,266	18,058	1,075	372,799	-	372,799
Intersegment	658	1,773	3,929	2,008	504	8,872	(8,872)	-
Total	117,379	203,452	39,195	20,066	1,579	381,671	(8,872)	372,799
Operating expenses	98,151	182,243	32,938	17,597	1,449	332,378	(3,169)	329,209
Operating profit	19,228	21,209	6,257	2,469	130	49,293	(5,703)	43,590

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

2. Major products of each product category:

- (1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.
- (2) Automotive, 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, press machines and power transmission drives, etc.
- (4) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.
- (5) Others: Services, etc.

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

	Six months ended September 30, 2016		Six months ended September 30, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	136,517	24.2%	150,501	21.0%	13,984	10.2%
U.S.A.	94,145	16.7%	125,415	17.5%	31,270	33.2%
Singapore	28,103	5.0%	28,044	3.9%	(59)	(0.2)%
Thailand	48,591	8.6%	60,973	8.5%	12,382	25.5%
Germany	44,397	7.9%	58,812	8.2%	14,415	32.5%
China	138,037	24.5%	167,083	23.4%	29,046	21.0%
Others	74,240	13.1%	125,062	17.5%	50,822	68.5%
Total	564,030	100.0%	715,890	100.0%	151,860	26.9%

*(Yen in millions)*

	Three months ended September 30, 2016		Three months ended September 30, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	68,067	23.6%	76,714	20.6%	8,647	12.7%
U.S.A.	45,470	15.8%	63,179	16.9%	17,709	38.9%
Singapore	14,546	5.0%	15,329	4.1%	783	5.4%
Thailand	25,512	8.9%	32,127	8.6%	6,615	25.9%
Germany	21,222	7.4%	31,934	8.6%	10,712	50.5%
China	74,223	25.8%	87,959	23.6%	13,736	18.5%
Others	38,784	13.5%	65,557	17.6%	26,773	69.0%
Total	287,824	100.0%	372,799	100.0%	84,975	29.5%

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

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

	Six months ended September 30, 2016		Six months ended September 30, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	114,792	20.4%	139,098	19.4%	24,306	21.2%
Asia	276,266	49.0%	333,869	46.7%	57,603	20.9%
Europe	72,969	12.9%	121,606	17.0%	48,637	66.7%
Others	9,269	1.6%	13,806	1.9%	4,537	48.9%
Overseas total	473,296	83.9%	608,379	85.0%	135,083	28.5%
Japan	90,734	16.1%	107,511	15.0%	16,777	18.5%
Total	564,030	100.0%	715,890	100.0%	151,860	26.9%

*(Yen in millions)*

	Three months ended September 30, 2016		Three months ended September 30, 2017		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	57,074	19.8%	69,976	18.8%	12,902	22.6%
Asia	144,842	50.3%	177,433	47.6%	32,591	22.5%
Europe	35,519	12.4%	64,024	17.2%	28,505	80.3%
Others	4,653	1.6%	7,568	2.0%	2,915	62.6%
Overseas total	242,088	84.1%	319,001	85.6%	76,913	31.8%
Japan	45,736	15.9%	53,798	14.4%	8,062	17.6%
Total	287,824	100.0%	372,799	100.0%	84,975	29.5%

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

## 4. Overview of Consolidated Financial Results

24 October, 2017

### (1) Summary of Consolidated Financial Performance

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Increase or decrease	Three months ended September 30, 2016	Three months ended September 30, 2017	Increase or decrease
Net Sales	564,030	715,890	26.9%	287,824	372,799	29.5%
Operating profit	68,985 12.2%	82,612 11.5%	19.8%	37,461 13.0%	43,590 11.7%	16.4%
Profit before income taxes	66,274 11.8%	76,630 10.7%	15.6%	37,187 12.9%	40,304 10.8%	8.4%
Profit attributable to owners of the parent	50,094 8.9%	60,074 8.4%	19.9%	28,066 9.7%	31,880 8.6%	13.6%
Earnings per share attributable to owners of the parent - Basic (Yen)	168.89	202.90		94.63	107.68	
Earnings per share attributable to owners of the parent - Diluted (Yen)	-	-		-	-	

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

(Yen in millions)

	September 30, 2016	September 30, 2017	March 31, 2017
Total assets	1,327,250	1,772,631	1,676,106
Total equity attributable to owners of the parent	725,421	917,434	846,603
Ratio of equity attributable to owners of the parent to total asset	54.7%	51.8%	50.5%
	Six months ended September 30, 2016	Six months ended September 30, 2017	Year ended March 31, 2017
Net cash provided by operating activities	96,493	74,242	129,853
Net cash used in investing activities	(34,760)	(51,879)	(211,476)
Net cash (used in) provided by financing activities	(34,942)	(67,643)	95,848
Cash and cash equivalents at end of period	298,934	287,172	321,580

### (3) Dividends

(Yen)

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
Year ended March 31, 2017 (actual)	40.00	45.00	85.00
Year ending March 31, 2018 (actual)	45.00	-	-
Year ending March 31, 2018 (target)	-	50.00	95.00

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

Number of consolidated subsidiaries	307
Number of associates accounted for under the equity method	5

		Change from March 31, 2017	Change from September 30, 2016
Number of consolidated subsidiaries	(Increase)	13	83
	(Decrease)	2	4
Number of associates accounted for under the equity method	(Increase)	-	1
	(Decrease)	1	1

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

2. NIDEC finalized the provisional accounting treatment for the business combination in the three months ended March 31, 2017.

Condensed quarterly consolidated financial statements for the six months ended September 30, 2016 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

3. NIDEC partly finalized the provisional accounting treatment for the business combination in the three months ended September 30, 2017.

Consolidated financial statements for the year ended March 31, 2017 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.