


Financial Statements Summary for the Six Months Ended September 30, 2018 [IFRS] (Consolidated)

October 23, 2018

Company name: NIDEC CORPORATION URL <http://www.nidec.com/en-Global/>
 Stock listing: Tokyo Stock Exchange - First Section
 Code number: 6594
 Representative: Shigenobu Nagamori, Representative Director, Chairman and CEO
 Information on contact: Masahiro Nagayasu, General Manager of Investor Relations & CSR Promotion
 Department Tel: +81-75-935-6140 ir@nidec.com
 Scheduled date of filing of Japanese quarterly report: November 13, 2018
 Scheduled date of dividend payable: December 3, 2018
 Supplemental materials for quarterly results: Yes
 Quarterly earning presentation held: Yes

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

1. Consolidated Financial Results for the six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)
(1) Consolidated Operating Results

(Percentage represents year-on-year changes)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Comprehensive income for the period	
		%		%		%		%		%
For the six months ended September 30, 2018	777,604	8.6	98,237	20.1	98,267	29.7	78,510	32.1	119,349	34.1
For the six months ended September 30, 2017	715,890	26.9	81,765	18.5	75,783	14.3	59,421	18.6	89,025	-

	Earnings per share attributable to owners of the parent-basic (Yen)	Earnings per share attributable to owners of the parent-diluted (Yen)
For the six months ended September 30, 2018	265.84	-
For the six months ended September 30, 2017	200.69	-

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

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets
As of September 30, 2018	1,894,588	1,021,013	1,010,849	53.4%
As of March 31, 2018	1,774,009	942,391	932,501	52.6%

2. Dividends

	Dividends per share (Yen)				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Fiscal year end	Total
For the year ended March 31, 2018	-	45.00	-	50.00	95.00
For the year ending March 31, 2019	-	50.00	-	-	-
For the year ending March 31, 2019 (Forecast)	-	-	-	55.00	105.00

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

3. Forecast of Consolidated Financial Performance for the Year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentage represents year-on-year changes)

Fiscal year end	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent-basic
		%		%		%		%	(Yen)
	1,600,000	7.5	195,000	16.9	187,500	14.6	147,000	12.4	498.63

(Note) Revision of the previously announced financial performance forecast during this reporting period: No

Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation) : None

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

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

(3) Number of Shares Issued (Ordinary Shares)

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

As of September 30, 2018: 298,142,234 As of March 31, 2018: 298,142,234

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

As of September 30, 2018: 3,846,856 As of March 31, 2018: 2,182,209

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

For the six months ended September 30, 2018: 295,322,474 For the six months ended September 30, 2017: 296,076,556

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

*Explanation for appropriate use of forecast and other notes

Forward-looking statements, such as forecast of consolidated financial performance, stated in this document are based on information currently possessed by NIDEC or certain assumptions that NIDEC has deemed as rational. NIDEC cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from NIDEC’s expectations as a result of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Result, Etc. (3). Explanation Regarding Future Forecast Information of Consolidated Financial Results” on page 10.

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

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018 and the six months ended September 30, 2018. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2018 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Investor presentation materials relating to our financial results for the six months ended September 30, 2018 are expected to be published on our corporate website on October 24, 2018.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for Six Months Ended September 30, 2018

1. Overview of Business Environment for Six Months Ended September 30, 2018

During the six-month period ended September 30, 2018, the global economy saw a moderate economic expansion continue in the U.S., while the trade friction between the U.S. and China intensified after Washington imposed its third round of import tariffs on Beijing in September. In addition, the recent interest rate hikes by the Federal Reserve Board (FRB), combined with inflation fears triggered by the current upward trends in the economy and taxable goods prices, caused an increase in the long-term interest rate in the U.S., generating concerns for possible negative impacts to emerging countries. In Europe, as the euro zone continued its economic recovery, political risks persisted in the southern region, while in Japan, though its economy expanded moderately, concerns remained for possible effects of the U.S.-China trade conflict to the Chinese economy.

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 of ¥300 billion based on our mid-term strategic goal, “Vision 2020,” and achieved in six months ended September 30, 2018 the highest net sales, operating profit, profit before income taxes and profit for the period attributable to owners of the parent in our history.

2. Consolidated Operating Results

Consolidated Operating Results for the Six Months Ended September 30, 2018 (“this six-month period”), Compared to the Six Months Ended September 30, 2017 (“the same period of the prior year”)

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales	715,890	777,604	61,714	8.6%
Operating profit	81,765	98,237	16,472	20.1%
Operating profit ratio	11.4%	12.6%	-	-
Profit before income taxes	75,783	98,267	22,484	29.7%
Profit attributable to owners of the parent	59,421	78,510	19,089	32.1%

Consolidated net sales increased 8.6% to ¥777,604 million for this six-month period compared to the same period of the prior year, recording the highest net sales for six-month period in our history. Operating profit increased 20.1% to ¥98,237 million for this six-month period compared to the same period of the prior year, also recording the highest operating profit for six-month period in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this six-month period was ¥110.26 to the U.S. dollar, which reflected an approximately 1% appreciation of the Japanese yen against the U.S. dollar, compared to the same period of the prior year. The average exchange rate between the Japanese yen and the Euro for this six-month period was ¥129.85 to the Euro, which reflected an approximately 3% 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 net sales by approximately ¥1,100 million and had a negative effect on operating profit by approximately ¥900 million for this six-month period compared to the same period of the prior year.

Profit before income taxes increased 29.7% to ¥98,267 million for this six-month period compared to the same period of the prior year and profit attributable to owners of the parent

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increased 32.1% to ¥78,510 million for this six-month period compared to the same period of the prior year, achieving the highest profits for six-month period in our history, respectively.

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

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

Small precision motors

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	220,474	228,955	8,481	3.8%
Spindle motors for hard disk drives (HDDs)	93,722	100,103	6,381	6.8%
Other small precision motors	126,752	128,852	2,100	1.7%
Operating profit	36,142	37,098	956	2.6%
Operating profit ratio	16.4%	16.2%	-	-

Net sales of this category increased 3.8% to ¥228,955 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,200 million for this six-month period compared to the same period of the prior year.

Net sales of spindle motors for HDDs for this six-month period increased 6.8% to ¥100,103 million compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs decreased approximately 3.5% compared to the same period of the prior year, there was the increase in sales due to an increase of selling price and other factors.

Net sales of other small precision motors for this six-month period increased 1.7% to ¥128,852 million compared to the same period of the prior year. This increase was mainly due to an increase in sales of DC motors and fan motors.

Operating profit of this category increased 2.6% to ¥37,098 million for this six-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥1,400 million for this six-month period compared to the same period of the prior year.

Automotive products

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	140,499	151,904	11,405	8.1%
Operating profit	18,832	22,895	4,063	21.6%
Operating profit ratio	13.4%	15.1%	-	-

Net sales of this category increased 8.1% to ¥151,904 million for this six-month period compared to the same period of the prior year due to an increase in sales of automotive motors such as electric power steering motors and products of actuators at Nidec Motors & Actuators. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,400 million for this six-month period compared to the same period of the prior year.

Operating profit of this category increased 21.6% to ¥22,895 million for this six-month period compared to the same period of the prior year mainly due to the increase in sales. The

fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥600 million for this six-month period compared to the same period of the prior year.

Appliance, commercial and industrial products

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	250,073	272,148	22,075	8.8%
Operating profit	19,113	28,216	9,103	47.6%
Operating profit ratio	7.6%	10.4%	-	-

Net sales of this category increased 8.8% to ¥272,148 million for this six-month period compared to the same period of the prior year. This increase was primarily due to the newly consolidated subsidiaries acquired in the three months ended September 30, 2017 and an increase in sales of industrial motors, generators and other products. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥400 million for this six-month period compared to the same period of the prior year.

Operating profit of this category increased 47.6% to ¥28,216 million for this six-month period compared to the same period of the prior year mainly due to the increase in sales and cost reduction benefits. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥200 million for this six-month period compared to the same period of the prior year.

Machinery

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	67,849	85,413	17,564	25.9%
Operating profit	12,438	16,059	3,621	29.1%
Operating profit ratio	18.3%	18.8%	-	-

Net sales of this category increased 25.9% to ¥85,413 million for this six-month period compared to the same period of the prior year due to an increase in sales of LCD panel handling robots, press machines, speed reducers and test systems and other factors.

Operating profit of this category increased 29.1% to ¥16,059 million for this six-month period compared to the same period of the prior year mainly due to the increase in sales.

Electronic and optical components

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	34,997	36,968	1,971	5.6%
Operating profit	5,531	4,118	(1,413)	(25.5)%
Operating profit ratio	15.8%	11.1%	-	-

Net sales of this category increased 5.6% to ¥36,968 million for this six-month period compared to the same period of the prior year. Operating profit of this category decreased 25.5% to ¥4,118 million for this six-month period compared to the same period of the prior year mainly due to the disposal of slow moving inventory at Nidec Copal Corporation and the expense of the starting up of a factory in Mexico and the loss related to launching new models at Nidec Sankyo Corporation although there was an increase in profit caused by the increase of

net sales.

Other products

(Yen in millions)

	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	1,998	2,216	218	10.9%
Operating profit	281	371	90	32.0%
Operating profit ratio	14.1%	16.7%	-	-

Net sales of this category increased 10.9% to ¥2,216 million and operating profit of this category increased 32.0% to ¥371 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, 2018 (“2Q”),
Compared to the Previous Three Months Ended June 30, 2018 (“1Q”)**

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales	383,765	393,839	10,074	2.6%
Operating profit	46,588	51,649	5,061	10.9%
Operating profit ratio	12.1%	13.1%	-	-
Profit before income taxes	46,888	51,379	4,491	9.6%
Profit attributable to owners of the parent	37,318	41,192	3,874	10.4%

Consolidated net sales increased 2.6% to ¥393,839 million for 2Q compared to 1Q and operating profit increased 10.9% to ¥51,649 million for 2Q compared to 1Q, recording the highest net sales and operating profit for quarterly period in our history. In addition, operating profit ratio improved 1.0% to 13.1% for 2Q compared to 1Q. The average exchange rate between the Japanese yen and the U.S. dollar for 2Q was ¥111.46 to the U.S. dollar, which reflected an approximately 2% depreciation of the Japanese yen against the U.S. dollar, compared to 1Q. The average exchange rate between the Japanese yen and the Euro for 2Q was ¥129.63 to the Euro, which reflected slight appreciation of the Japanese yen against the Euro, compared to 1Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥3,000 million and operating profit by approximately ¥1,100 million for 2Q compared to 1Q.

Profit before income taxes increased 9.6% to ¥51,379 million for 2Q compared to 1Q and profit attributable to owners of the parent increased 10.4% to ¥41,192 million for 2Q compared to 1Q, achieving the highest profits for quarterly period in our history, respectively.

Operating Results by Product Category for 2Q Compared to 1Q

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

Small precision motors

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	106,333	122,622	16,289	15.3%
Spindle motors for hard disk drives (HDDs)	48,782	51,321	2,539	5.2%
Other small precision motors	57,551	71,301	13,750	23.9%
Operating profit	16,542	20,556	4,014	24.3%
Operating profit ratio	15.6%	16.8%	-	-

Net sales of this category increased 15.3% to ¥122,622 million for 2Q compared to 1Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,400 million for 2Q compared to 1Q.

Net sales of spindle motors for HDDs increased 5.2% to ¥51,321 million for 2Q compared to 1Q. The number of units sold of spindle motors for HDDs for 2Q increased

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approximately 3.5% compared to 1Q. Net sales of other small precision motors for 2Q increased 23.9% to ¥71,301 million compared to 1Q.

Operating profit of this category increased 24.3% to ¥20,556 million for 2Q compared to 1Q mainly due to an increase in sales and cost reduction benefits. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥500 million for 2Q compared to 1Q.

Automotive products

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	77,181	74,723	(2,458)	(3.2)%
Operating profit	10,905	11,990	1,085	9.9%
Operating profit ratio	14.1%	16.0%	-	-

Net sales of this category decreased 3.2% to ¥74,723 million for 2Q compared to 1Q mainly due to seasonal variation and other factors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥100 million for 2Q compared to 1Q.

Operating profit of this category increased 9.9% to ¥11,990 million for 2Q compared to 1Q mainly due to cost reduction benefits, although net sales decreased. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥40 million for 2Q compared to 1Q.

Appliance, commercial and industrial products

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	138,558	133,590	(4,968)	(3.6)%
Operating profit	14,015	14,201	186	1.3%
Operating profit ratio	10.1%	10.6%	-	-

Net sales of this category decreased 3.6% to ¥133,590 million for 2Q compared to 1Q mainly due to seasonal variation. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,500 million for 2Q compared to 1Q.

Operating profit of this category increased 1.3% to ¥14,201 million for 2Q compared to 1Q. This was due to a positive effect of the fluctuations of the foreign currency exchange rates on operating profit by approximately ¥400 million for 2Q compared to 1Q and cost reduction benefits.

Machinery

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	42,616	42,797	181	0.4%
Operating profit	8,243	7,816	(427)	(5.2)%
Operating profit ratio	19.3%	18.3%	-	-

Net sales of this category increased 0.4% to ¥42,797 million for 2Q compared to 1Q due to an increase in sales of LCD panel handling robots and speed reducers and other factors,

although sales of test systems decreased.

Operating profit of this category decreased 5.2% to ¥7,816 million for 2Q compared to 1Q mainly due to the decrease in sales of test systems.

Electronic and optical components

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	17,987	18,981	994	5.5%
Operating profit	1,955	2,163	208	10.6%
Operating profit ratio	10.9%	11.4%	-	-

Net sales of this category increased 5.5% to ¥18,981 million for 2Q compared to 1Q and operating profit of this category increased 10.6% to ¥2,163 million for 2Q compared to 1Q.

Other products

(Yen in millions)

	Three months ended June 30, 2018	Three months ended September 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	1,090	1,126	36	3.3%
Operating profit	192	179	(13)	(6.8)%
Operating profit ratio	17.6%	15.9%	-	-

Net sales of this category increased 3.3% to ¥1,126 million and operating profit of this category decreased 6.8% to ¥179 million for 2Q compared to 1Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2018	As of September 30, 2018	Increase or decrease
Total assets	1,774,009	1,894,588	120,579
Total liabilities	831,618	873,575	41,957
Total equity attributable to owners of the parent	932,501	1,010,849	78,348
Interest-bearing debt *1	345,826	376,546	30,720
Net interest-bearing debt *2	79,879	99,058	19,179
Debt ratio (%) *3	19.5	19.9	0.4
Debt to equity ratio ("D/E ratio") (times) *4	0.37	0.37	0.00
Net D/E ratio (times) *5	0.09	0.10	0.01
Ratio of total equity attributable to owners of the parent to total assets (%) *6	52.6	53.4	0.8

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

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

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

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

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

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

Total assets increased approximately ¥120,600 million to ¥1,894,588 million as of September 30, 2018 compared to March 31, 2018. This was mainly due to increases of approximately ¥32,700 million in property, plant and equipment, approximately ¥29,900 million in inventories, approximately ¥14,300 million in goodwill, approximately ¥11,500 million in cash and cash equivalents and approximately ¥11,100 million in trade and other receivables.

Total liabilities increased approximately ¥42,000 million to ¥873,575 million as of September 30, 2018 compared to March 31, 2018. This was mainly due to an increase of approximately ¥30,700 million in interest-bearing debt. Specifically, long term debt due within one year increased approximately ¥16,800 million to approximately ¥46,300 million, long term debt increased approximately ¥15,000 million to approximately ¥329,600 million, and short term borrowings decreased approximately ¥1,100 million to approximately ¥600 million as of September 30, 2018 compared to March 31, 2018.

As a result, net interest-bearing debt increased to approximately ¥99,100 million as of September 30, 2018 from approximately ¥79,900 million as of March 31, 2018. The debt ratio increased to 19.9% as of September 30, 2018 from 19.5% as of March 31, 2018. The D/E ratio remain unchanged as of September 30, 2018 from 0.37 times as of March 31, 2018. The net D/E ratio increased to 0.10 times as of September 30, 2018 from 0.09 times as of March 31, 2018.

Total equity attributable to owners of the parent increased approximately ¥78,300 million to ¥1,010,849 million as of September 30, 2018 compared to March 31, 2018. Ratio of total equity attributable to owners of the parent to total assets increased to 53.4% as of September 30,

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2018 from 52.6% as of March 31, 2018. This was mainly due to an increase in retained earnings of approximately ¥63,300 million as of September 30, 2018 compared to March 31, 2018 and an increase in other components of equity of approximate ¥41,000 million caused mainly by foreign currency translation adjustments. On the other hand, treasury stock increased approximately ¥26,100 million.

Overview of Cash Flow

(Yen in millions)

	For the six months ended September 30,		Increase or decrease
	2017	2018	
Net cash provided by operating activities	74,242	96,348	22,106
Net cash used in investing activities	(51,879)	(72,473)	(20,594)
Free cash flow *1	22,363	23,875	1,512
Net cash (used in) provided by financing activities	(67,643)	(18,266)	49,377

(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 this six-month period came to a net cash inflow of ¥96,348 million. Compared to the same period of the prior year, the cash inflow from operating activities for this six-month period increased approximately ¥22,100 million. This increase was mainly due to increases in accounts receivable net changes year on year of approximately ¥32,800 million and in profit for the period approximately ¥19,200 million. On the other hand, there was a decrease in account payable net changes year on year of approximately ¥31,800 million.

Cash flows from investing activities for this six-month period came to a net cash outflow of ¥72,473 million. Compared to the same period of the prior year, the net cash outflow from investing activities for this six-month period increased approximately ¥20,600 million mainly due to increases in additions to property, plant and equipment of approximately ¥15,300 million and increases in additions to intangible assets of approximately ¥4,900 million.

As a result, we had a positive free cash flow of ¥23,875 million for this six-month period, an increase of approximately ¥1,500 million compared to a positive free cash flow of ¥22,363 million for the same period of the prior year.

Cash flows from financing activities for this six-month period came to a net cash outflow of ¥18,266 million. Compared to the same period of the prior year, the net cash outflow from financing activities for this six-month period decreased approximately ¥49,400 million mainly due to a decrease in short term borrowings net changes year on year of approximately ¥157,800 million and a decrease in redemption of corporate bonds of approximately ¥65,000 million. On the other hand, proceeds from issuance of long term debt decreased approximately ¥83,200 million, proceeds from issuance of corporate bonds decreased approximately ¥75,400 million and purchase of treasury stock increased approximately ¥21,000 million.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of September 30, 2018 decreased approximately ¥11,500 million to ¥277,488 million from March 31, 2018.

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

In the global economy, while expectations are growing for the U.S. to sustain its economic growth, the room for optimism is limited as the U.S.-China and U.S.-Europe trade conflict may raise uncertainty especially about the Chinese economy, and also due to geopolitical risks in the Middle East, political risks in Southern Europe, and concerns for possible impact of the rising U.S. interest rates to emerging economies.

Under such an environment NIDEC continues to pursue our targets for the fiscal year ending March 31, 2021, "Vision 2020". Our business forecasts for the fiscal year ending March 31, 2019 remain unchanged as of the date of this report from those which were announced on July 25, 2018. Also the exchange rates used for the preparation of the foregoing forecasts remain unchanged from those announced previously (i.e., US\$1=¥100 and €1=¥125 respectively). On the other hand, we have comprehensively considered our financial condition, profit levels, dividend payout ratio, etc., and revised our year-end dividend target upwards by ¥5 to ¥55 per share compared to the previous target of ¥50. As a result, our annual dividend target is ¥105 per share.

Forecast of Consolidated Financial Performance for the Year Ending March 31, 2019

Net sales	¥1,600,000 million	(107.5% compared to the previous fiscal year)
Operating profit	¥195,000 million	(116.9% compared to the previous fiscal year)
Profit before income taxes	¥187,500 million	(114.6% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥147,000 million	(112.4% compared to the previous fiscal year)

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

2. The calculations for the conversion of Asian currencies into Japanese yen also used the exchange rates, US\$1 = ¥100 and €1 = ¥125.

Cautionary Note Regarding Forward-Looking Statements

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

2. Condensed Quarterly Consolidated Financial Statements and Other Information

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	As of March 31, 2018		As of September 30, 2018		Increase or decrease
	Amounts	%	Amounts	%	
Assets					
Current assets					
Cash and cash equivalents	265,947		277,488		11,541
Trade and other receivables	388,741		399,819		11,078
Other financial assets	1,718		1,000		(718)
Income tax receivables	2,402		3,485		1,083
Inventories	227,766		257,698		29,932
Other current assets	30,155		38,629		8,474
Total current assets	916,729	51.7	978,119	51.6	61,390
Non-current assets					
Property, plant and equipment	451,298		484,006		32,708
Goodwill	234,915		249,171		14,256
Intangible assets	124,413		133,158		8,745
Investments accounted for using the equity method	1,112		1,923		811
Other investments	22,295		21,475		(820)
Other financial assets	5,464		7,514		2,050
Deferred tax assets	11,055		11,977		922
Other non-current assets	6,728		7,245		517
Total non-current assets	857,280	48.3	916,469	48.4	59,189
Total assets	1,774,009	100.0	1,894,588	100.0	120,579

(Yen in millions)

	As of March 31, 2018		As of September 30, 2018		Increase or decrease
	Amounts	%	Amounts	%	
Liabilities					
Current liabilities					
Short term borrowings	1,657		577		(1,080)
Long term debt due within one year	29,538		46,326		16,788
Trade and other payables	317,031		317,239		208
Other financial liabilities	1,557		1,944		387
Income tax payables	7,582		9,907		2,325
Provisions	32,733		31,669		(1,064)
Other current liabilities	61,915		65,336		3,421
Total current liabilities	452,013	25.5	472,998	25.0	20,985
Non-current liabilities					
Long term debt	314,631		329,643		15,012
Other financial liabilities	2,373		1,968		(405)
Retirement benefit liabilities	24,178		26,643		2,465
Provisions	6,577		6,193		(384)
Deferred tax liabilities	28,922		32,739		3,817
Other non-current liabilities	2,924		3,391		467
Total non-current liabilities	379,605	21.4	400,577	21.1	20,972
Total liabilities	831,618	46.9	873,575	46.1	41,957
Equity					
Common stock	87,784	4.9	87,784	4.6	-
Additional paid-in capital	118,136	6.7	118,301	6.3	165
Retained earnings	822,589	46.4	885,930	46.8	63,341
Other components of equity	(76,857)	(4.3)	(35,890)	(1.9)	40,967
Treasury stock	(19,151)	(1.1)	(45,276)	(2.4)	(26,125)
Total equity attributable to owners of the parent	932,501	52.6	1,010,849	53.4	78,348
Non-controlling interests	9,890	0.5	10,164	0.5	274
Total equity	942,391	53.1	1,021,013	53.9	78,622
Total liabilities and equity	1,774,009	100.0	1,894,588	100.0	120,579

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

For the six months ended September 30, 2017 and 2018

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	For the six months ended September 30,				Increase or decrease		For the year ended March 31, 2018	
	2017		2018					
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Net sales	715,890	100.0	777,604	100.0	61,714	8.6	1,488,090	100.0
Cost of sales	(541,952)	(75.7)	(582,304)	(74.9)	(40,352)	7.4	(1,131,557)	(76.0)
Gross profit	173,938	24.3	195,300	25.1	21,362	12.3	356,533	24.0
Selling, general and administrative expenses	(65,384)	(9.1)	(68,175)	(8.8)	(2,791)	4.3	(134,253)	(9.0)
Research and development expenses	(26,789)	(3.8)	(28,888)	(3.7)	(2,099)	7.8	(55,438)	(3.8)
Operating profit	81,765	11.4	98,237	12.6	16,472	20.1	166,842	11.2
Financial income	2,854	0.4	4,831	0.6	1,977	69.3	6,577	0.5
Financial expenses	(3,367)	(0.4)	(4,173)	(0.5)	(806)	23.9	(7,007)	(0.5)
Derivative gain (loss)	92	0.0	1,923	0.2	1,831	-	(275)	(0.0)
Foreign exchange differences	(5,581)	(0.8)	(2,289)	(0.3)	3,292	-	(2,590)	(0.2)
Share of net profit (loss) from associate accounting using the equity method	20	0.0	(262)	(0.0)	(282)	-	118	0.0
Profit before income taxes	75,783	10.6	98,267	12.6	22,484	29.7	163,665	11.0
Income tax expenses	(16,052)	(2.3)	(19,359)	(2.5)	(3,307)	20.6	(32,144)	(2.2)
Profit for the period	59,731	8.3	78,908	10.1	19,177	32.1	131,521	8.8
Profit for the period attributable to:								
Owners of the parent	59,421	8.3	78,510	10.1	19,089	32.1	130,834	8.8
Non-controlling interests	310	0.0	398	0.0	88	28.4	687	0.0
Profit for the period	59,731	8.3	78,908	10.1	19,177	32.1	131,521	8.8

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the six months ended September 30,				Increase or decrease		For the year ended March 31, 2018	
	2017		2018					
	Amounts	Amounts	Amounts	%	Amounts	%	Amounts	%
Profit for the period	59,731	78,908	19,177	32.1			131,521	
Other comprehensive income, net of taxation								
Items that will not be reclassified to net profit or loss:								
Remeasurement of defined benefit plans	(46)	(66)	(20)	-			425	
Fair value movements on FVTOCI equity financial assets	2,137	(524)	(2,661)	-			2,093	
Items that may be reclassified to net profit or loss:								
Foreign currency translation adjustments	26,703	41,580	14,877	55.7			(13,881)	
Effective portion of net changes in fair value of cash flow hedges	502	(557)	(1,059)	-			399	
Fair value movements on FVTOCI debt financial assets	(2)	8	10	-			(3)	
Total other comprehensive income for the period, net of taxation	29,294	40,441	11,147	38.1			(10,967)	
Comprehensive income for the period	89,025	119,349	30,324	34.1			120,554	
Comprehensive income for the period attributable to:								
Owners of the parent	88,690	118,918	30,228	34.1			119,812	
Non-controlling interests	335	431	96	28.7			742	
Comprehensive income for the period	89,025	119,349	30,324	34.1			120,554	

For the three months ended September 30, 2017 and 2018

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

	For the three months ended September 30,				Increase or decrease	
	2017		2018			
	Amounts	%	Amounts	%	Amounts	%
Net sales	372,799	100.0	393,839	100.0	21,040	5.6
Cost of sales	(283,055)	(75.9)	(294,002)	(74.7)	(10,947)	3.9
Gross profit	89,744	24.1	99,837	25.3	10,093	11.2
Selling, general and administrative expenses	(33,301)	(8.9)	(34,466)	(8.7)	(1,165)	3.5
Research and development expenses	(13,545)	(3.7)	(13,722)	(3.5)	(177)	1.3
Operating profit	42,898	11.5	51,649	13.1	8,751	20.4
Financial income	1,591	0.4	2,408	0.6	817	51.4
Financial expenses	(1,944)	(0.5)	(2,178)	(0.6)	(234)	12.0
Derivative gain	74	0.0	540	0.1	466	629.7
Foreign exchange differences	(3,012)	(0.8)	(939)	(0.2)	2,073	-
Share of net profit (loss) from associate accounting using the equity method	5	0.0	(101)	(0.0)	(106)	-
Profit before income taxes	39,612	10.6	51,379	13.0	11,767	29.7
Income tax expenses	(8,062)	(2.1)	(9,989)	(2.5)	(1,927)	23.9
Profit for the period	31,550	8.5	41,390	10.5	9,840	31.2
Profit for the period attributable to:						
Owners of the parent	31,344	8.4	41,192	10.5	9,848	31.4
Non-controlling interests	206	0.1	198	0.0	(8)	(3.9)
Profit for the period	31,550	8.5	41,390	10.5	9,840	31.2

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the three months ended September 30,		Increase or decrease	
	2017	2018		
	Amounts	Amounts	Amounts	%
Profit for the period	31,550	41,390	9,840	31.2
Other comprehensive income, net of taxation				
Items that will not be reclassified to net profit or loss:				
Remeasurement of defined benefit plans	0	(66)	(66)	-
Fair value movements on FVTOCI equity financial assets	821	79	(742)	(90.4)
Items that may be reclassified to net profit or loss:				
Foreign currency translation adjustments	17,936	28,499	10,563	58.9
Effective portion of net changes in fair value of cash flow hedges	37	212	175	473.0
Fair value movements on FVTOCI debt financial assets	(2)	4	6	-
Total other comprehensive income for the period, net of taxation	18,792	28,728	9,936	52.9
Comprehensive income for the period	50,342	70,118	19,776	39.3
Comprehensive income for the period attributable to:				
Owners of the parent	50,015	69,806	19,791	39.6
Non-controlling interests	327	312	(15)	(4.6)
Comprehensive income for the period	50,342	70,118	19,776	39.3

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the 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		
Balance at April 1, 2017	87,784	118,340	715,911	(63,320)	(12,143)	846,572	9,234	855,806
Comprehensive income								
Profit for the period			59,421			59,421	310	59,731
Other comprehensive income				29,269		29,269	25	29,294
Total comprehensive income						88,690	335	89,025
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
Balance at September 30, 2017	87,784	118,340	764,099	(36,165)	(17,304)	916,754	9,550	926,304

For the six months ended September 30, 2018

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2018	87,784	118,136	822,589	(76,857)	(19,151)	932,501	9,890	942,391
Changes in accounting policies			199			199		199
Balance after restatement	87,784	118,136	822,788	(76,857)	(19,151)	932,700	9,890	942,590
Comprehensive income								
Profit for the period			78,510			78,510	398	78,908
Other comprehensive income				40,408		40,408	33	40,441
Total comprehensive income						118,918	431	119,349
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(26,125)	(26,125)	-	(26,125)
Dividends paid to the owners of the parent			(14,798)			(14,798)	-	(14,798)
Dividends paid to non-controlling interests						-	(87)	(87)
Share-based payment transactions		151				151	-	151
Transfer to retained earnings			(559)	559		-	-	-
Other		14	(11)			3	(70)	(67)
Balance at September 30, 2018	87,784	118,301	885,930	(35,890)	(45,276)	1,010,849	10,164	1,021,013

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

	For the six months ended September 30,		Increase or decrease	For the year ended
	2017	2018		March 31,
				2018
Cash flows from operating activities:				
Profit for the period	59,731	78,908	19,177	131,521
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Depreciation and amortization	33,071	33,874	803	68,697
Loss from sales, disposal or impairment of property, plant and equipment	210	178	(32)	372
Financial expense (income)	164	(896)	(1,060)	(23)
Share of net (profit) loss from associate accounting using the equity method	(20)	262	282	(118)
Deferred income taxes	(2,063)	2,264	4,327	(2,349)
Current income taxes	18,114	17,098	(1,016)	34,493
Foreign currency adjustments	1,628	9,158	7,530	(7,096)
Increase in retirement benefit liability	1,083	1,625	542	915
(Increase) decrease in accounts receivable	(28,565)	4,202	32,767	(30,632)
Increase in inventories	(17,099)	(19,269)	(2,170)	(24,398)
Increase (decrease) in accounts payable	21,664	(10,102)	(31,766)	47,809
Other, net	4,595	(5,805)	(10,400)	(8,947)
Interests and dividends received	2,806	4,783	1,977	6,482
Interests paid	(3,166)	(3,844)	(678)	(6,647)
Income taxes paid	(17,911)	(16,088)	1,823	(34,511)
Net cash provided by operating activities	74,242	96,348	22,106	175,568
Cash flows from investing activities:				
Additions to property, plant and equipment	(41,841)	(57,165)	(15,324)	(90,841)
Proceeds from sales of property, plant and equipment	2,185	1,229	(956)	6,856
Additions to intangible assets	(1,521)	(6,419)	(4,898)	(9,544)
Acquisitions of business, net of cash acquired	(7,919)	(8,290)	(371)	(20,071)
Other, net	(2,783)	(1,828)	955	(315)
Net cash used in investing activities	(51,879)	(72,473)	(20,594)	(113,915)
Cash flows from financing activities:				
Decrease in short term borrowings	(159,188)	(1,411)	157,777	(178,724)
Proceeds from issuance of long term debt	83,220	-	(83,220)	84,062
Repayments of long term debt	(22,932)	(15,443)	7,489	(38,023)
Proceeds from issuance of corporate bonds	115,001	39,642	(75,359)	115,001
Redemption of corporate bonds	(65,000)	-	65,000	(65,000)
Purchase of treasury stock	(5,161)	(26,124)	(20,963)	(7,008)
Dividends paid to the owner of the parent	(13,347)	(14,798)	(1,451)	(26,670)
Other, net	(236)	(132)	104	(496)
Net cash used in financing activities	(67,643)	(18,266)	49,377	(116,858)
Effect of exchange rate changes on cash and cash equivalents	10,872	5,932	(4,940)	(428)
Net (decrease) increase in cash and cash equivalents	(34,408)	11,541	45,949	(55,633)
Cash and cash equivalents at beginning of period	321,580	265,947	(55,633)	321,580
Cash and cash equivalents at end of period	287,172	277,488	(9,684)	265,947

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

Not applicable.

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

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

Condensed quarterly consolidated financial statements as of September 30, 2018 and for the three months then ended consist of the Company and its consolidated subsidiaries (“NIDEC”) and interests in associates of NIDEC.

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

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

2. Basis of preparation of condensed quarterly consolidated financial statements

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

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

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

(2) Basis of measurement

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

(3) Presentation currency and level of rounding

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

3. Significant accounting policies

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

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

(Share-Based Payment)

NIDEC has adopted a performance-linked share-based compensation plan (the “Plan”) from the three months ended June 30, 2018. NIDEC has adopted equity-settled share-based payments and cash-settled share-based payments.

(1) Equity-settled share-based payments

Equity-settled share-based payments measured with the Plan is recognized as an expense, and an equivalent amount is recognized as an increase in additional paid-in capital.

(2) Cash-settled share-based payments

Cash-settled share-based payments measured with the Plan is recognized as an expense, and an equivalent amount is recognized as an increase in liabilities.

(Revenue Recognition)

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

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

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

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

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

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

Step 2: Identify the performance obligation in the contract.

Step 3: Calculate the transaction price.

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

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

(i) Sales of goods

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

(ii) Construction contracts

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

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

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

4. Significant accounting estimates, judgments and assumptions

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

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

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of September 30, 2018 are same as those estimates and judgments for the consolidated financial statements for the year ended March 31, 2018.

5. Business combinations

NIDEC adopts the provisions of IFRS 3 “Business Combinations”. During the three months ended June 30, 2018, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition in the previous fiscal year of Secop Holding GmbH (currently, Nidec Global Appliance Compressors GmbH), Secop s.r.o. (currently, Nidec Global Appliance Slovakia s.r.o.), Secop Compressors (Tianjin) Co., Ltd. (currently, Nidec Compressors (Tianjin) Co., Ltd.) and Secop Inc. (currently, Nidec Global Appliance USA Inc.) and LGB Elettropompe S. r. l. In addition, during the three months ended September 30, 2018, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the acquisition in the previous fiscal year of SV Probe Pte. Ltd. NIDEC’s consolidated financial statements for the year ended March 31, 2018 reflects the revision of the initial allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2018 and the six months ended September 30, 2018, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statement of financial position based on provisional management estimation as of September 30, 2018.

6. Events after the reporting period

Tender Offer for Shares of Chaun-Choung Technology Corp.

On October 1, 2018, NIDEC's Board of Directors has resolved to acquire 48.0% shares of common stock outstanding of Chaun-Choung Technology Corp. ("CCI") in Taiwan by way of Tender Offer (the "Tender Offer").

1. Purpose

CCI develops, manufactures and sells thermal module products. Through this Tender Offer, NIDEC aims to improve thermal management technology and its product development capability through collaboration with CCI and to propose a thermal solution by combining motor products with CCI's thermal module to customers in a wide range of markets.

2. Outline of the Tender Offer

1) Number of shares to be purchased	41,444,831 shares
2) Minimum number of shares to be purchased	28,838,695 shares (which are equivalent to 33.4% of the shares outstanding)
3) Maximum number of shares to be purchased	41,444,831 shares (which are equivalent to 48.0% of the shares outstanding)
4) Tender Offer period	October 3, 2018 through November 21, 2018 ("Tender Offer Period")(tentative) Note) Unless the terms of the Tender Offer are met, NIDEC may extend the Tender Offer Period for up to 50 days.
5) Tender Offer price	TWD 108 per share
6) Tender Offer funds	Approximately TWD 4,476 million Note) This number is the amount required to make payment related to the purchase of 48.0% of CCI's outstanding shares.
7) Funds for Tender Offer	Own funds
8) Date of stock transfer	November 30, 2018 (tentative)
9) Terms of Tender Offer	The Tender Offer closing will condition on fulfilling 28,838,695 shares (which are equivalent to 33.4% of the shares outstanding) subscription, obtaining approval from MOEAIC (Investment Commission of the Ministry of Economic Affairs) and FSC (Financial Supervisory Commission) and will be carried out on the premise that the Tender Offer meets various conditions which normally required for similar transactions.
10) Other	In parallel with the Tender Offer, we will apply for obtaining approval from competition regulatory authorities.

3. Summary of target

1) Company name	Chaun-Choung Technology Corp.
2) Headquarters	12F, No.123-1, Xingde Road. Sanchung, New Taipei City, Taiwan, R.O.C.
3) Name and title of representative	Chairman, Wu Shih Ling
4) Description of business	Development, manufacturing, and sales of thermal module products
5) Capital	TWD 863,433,960
6) Date of establishment	December 14, 1973

3. Others

(1) Quarterly Financial Data for the three months ended September 30, 2018 and June 30, 2018

(Yen in millions)

	For the three months ended			
	June 30, 2018		September 30, 2018	
	Amounts	%	Amounts	%
Net sales	383,765	100.0	393,839	100.0
Operating profit	46,588	12.1	51,649	13.1
Profit before income taxes	46,888	12.2	51,379	13.0
Profit for the period	37,518	9.8	41,390	10.5
Profit attributable to owners of the parent	37,318	9.7	41,192	10.5

(2) Information by Product Category

For the six months ended September 30, 2017

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:									
External sales	220,474	140,499	250,073	67,849	34,997	1,998	715,890	-	715,890
Intersegment	1,321	477	2,654	7,316	3,836	912	16,516	(16,516)	-
Total	221,795	140,976	252,727	75,165	38,833	2,910	732,406	(16,516)	715,890
Operating expenses	185,653	122,144	233,614	62,727	33,302	2,629	640,069	(5,944)	634,125
Operating profit	36,142	18,832	19,113	12,438	5,531	281	92,337	(10,572)	81,765

For the six months ended September 30, 2018

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:									
External sales	228,955	151,904	272,148	85,413	36,968	2,216	777,604	-	777,604
Intersegment	848	969	3,339	6,616	3,318	945	16,035	(16,035)	-
Total	229,803	152,873	275,487	92,029	40,286	3,161	793,639	(16,035)	777,604
Operating expenses	192,705	129,978	247,271	75,970	36,168	2,790	684,882	(5,515)	679,367
Operating profit	37,098	22,895	28,216	16,059	4,118	371	108,757	(10,520)	98,237

For the three months ended September 30, 2017

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:									
External sales	116,721	71,790	129,889	35,266	18,058	1,075	372,799	-	372,799
Intersegment	658	329	1,444	3,929	2,008	504	8,872	(8,872)	-
Total	117,379	72,119	131,333	39,195	20,066	1,579	381,671	(8,872)	372,799
Operating expenses	98,151	61,999	120,862	33,012	17,597	1,449	333,070	(3,169)	329,901
Operating profit	19,228	10,120	10,471	6,183	2,469	130	48,601	(5,703)	42,898

For the three months ended September 30, 2018

(Yen in millions)

	Small precision motors	Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Others	Total	Eliminations/ Corporate	Consolidated
Net sales:									
External sales	122,622	74,723	133,590	42,797	18,981	1,126	393,839	-	393,839
Intersegment	97	523	1,671	3,072	1,828	498	7,689	(7,689)	-
Total	122,719	75,246	135,261	45,869	20,809	1,624	401,528	(7,689)	393,839
Operating expenses	102,163	63,256	121,060	38,053	18,646	1,445	344,623	(2,433)	342,190
Operating profit	20,556	11,990	14,201	7,816	2,163	179	56,905	(5,256)	51,649

(Notes)

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

2. Major products of each product category:

(1) Small precision motors: Spindle motors for HDDs, brushless motors, fan motors, vibration motors, brush motors and motor applications, etc.

(2) Automotive products: Automotive motors and components.

(3) Appliance, commercial and industrial products: Home appliance, commercial and industrial motors and related products.

(4) Machinery: Industrial robots, card readers, test systems, press machines and power transmission drives, etc.

(5) Electronic and optical components: Switches, trimmer potentiometers, lens units and camera shutters, etc.

(6) Others: Services, etc.

3. From the three months ended June 30, 2018, the product category "Automotive, appliance, commercial and industrial products" has been divided and presented as "Automotive products" and "Appliance, commercial and industrial products".

(3) Sales by Geographic Segment

(Yen in millions)

	For the six months ended September 30, 2017		For the six months ended September 30, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	150,501	21.0%	155,706	20.0%	5,205	3.5%
U.S.A.	125,415	17.5%	129,951	16.7%	4,536	3.6%
Singapore	28,044	3.9%	28,799	3.7%	755	2.7%
Thailand	60,973	8.5%	71,887	9.3%	10,914	17.9%
Germany	58,812	8.2%	68,010	8.8%	9,198	15.6%
China	167,083	23.4%	186,138	23.9%	19,055	11.4%
Others	125,062	17.5%	137,113	17.6%	12,051	9.6%
Total	715,890	100.0%	777,604	100.0%	61,714	8.6%

(Yen in millions)

	For the three months ended September 30, 2017		For the three months ended September 30, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
Japan	76,714	20.6%	78,540	19.9%	1,826	2.4%
U.S.A.	63,179	16.9%	59,646	15.1%	(3,533)	(5.6)%
Singapore	15,329	4.1%	14,848	3.8%	(481)	(3.1)%
Thailand	32,127	8.6%	36,381	9.2%	4,254	13.2%
Germany	31,934	8.6%	32,869	8.4%	935	2.9%
China	87,959	23.6%	97,638	24.8%	9,679	11.0%
Others	65,557	17.6%	73,917	18.8%	8,360	12.8%
Total	372,799	100.0%	393,839	100.0%	21,040	5.6%

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

(4) Sales by Region

(Yen in millions)

	For the six months ended September 30, 2017		For the six months ended September 30, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	139,098	19.4%	152,185	19.6%	13,087	9.4%
Asia	333,869	46.7%	371,793	47.8%	37,924	11.4%
Europe	121,606	17.0%	135,680	17.4%	14,074	11.6%
Others	13,806	1.9%	10,559	1.4%	(3,247)	(23.5)%
Overseas total	608,379	85.0%	670,217	86.2%	61,838	10.2%
Japan	107,511	15.0%	107,387	13.8%	(124)	(0.1)%
Total	715,890	100.0%	777,604	100.0%	61,714	8.6%

(Yen in millions)

	For the three months ended September 30, 2017		For the three months ended September 30, 2018		Increase or decrease	
	Amounts	%	Amounts	%	Amounts	%
North America	69,976	18.8%	76,508	19.4%	6,532	9.3%
Asia	177,433	47.6%	190,375	48.3%	12,942	7.3%
Europe	64,024	17.2%	67,717	17.2%	3,693	5.8%
Others	7,568	2.0%	5,357	1.4%	(2,211)	(29.2)%
Overseas total	319,001	85.6%	339,957	86.3%	20,956	6.6%
Japan	53,798	14.4%	53,882	13.7%	84	0.2%
Total	372,799	100.0%	393,839	100.0%	21,040	5.6%

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

4. Overview of Consolidated Financial Results

October 23, 2018

(Yen in millions)

(1) Summary of Consolidated Financial Performance

	For the six months ended September 30, 2017	For the six months ended September 30, 2018	Increase or decrease	For the three months ended September 30, 2017	For the three months ended September 30, 2018	Increase or decrease
Net Sales	715,890	777,604	8.6%	372,799	393,839	5.6%
Operating profit	81,765 11.4%	98,237 12.6%	20.1%	42,898 11.5%	51,649 13.1%	20.4%
Profit before income taxes	75,783 10.6%	98,267 12.6%	29.7%	39,612 10.6%	51,379 13.0%	29.7%
Profit attributable to owners of the parent	59,421 8.3%	78,510 10.1%	32.1%	31,344 8.4%	41,192 10.5%	31.4%
Earnings per share attributable to owners of the parent - basic (Yen)	200.69	265.84		105.86	139.67	
Earnings per share attributable to owners of the parent - diluted (Yen)	-	-		-	-	

(2) Summary of Consolidated Financial Position and Cash Flows

(Yen in millions)

	As of September 30, 2017	As of September 30, 2018	As of March 31, 2018
Total assets	1,779,620	1,894,588	1,774,009
Total equity attributable to owners of the parent	916,754	1,010,849	932,501
Ratio of equity attributable to owners of the parent to total asset	51.5%	53.4%	52.6%
	For the six months ended September 30, 2017	For the six months ended September 30, 2018	For the year ended March 31, 2018
Net cash provided by operating activities	74,242	96,348	175,568
Net cash used in investing activities	(51,879)	(72,473)	(113,915)
Net cash (used in) provided by financing activities	(67,643)	(18,266)	(116,858)
Cash and cash equivalents at end of period	287,172	277,488	265,947

(3) Dividends

(Yen)

	2 nd quarter end	Fiscal year end	Total
For the year ended March 31, 2018 (actual)	45.00	50.00	95.00
For the year ending March 31, 2019 (actual)	50.00	-	-
For the year ending March 31, 2019 (target)	-	55.00	105.00

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

Number of consolidated subsidiaries	317
Number of associates accounted for under the equity method	5

	Change from March 31, 2018	Change from September 30, 2017
Number of companies newly consolidated	14	24
Number of companies excluded from consolidation	7	14
Number of companies newly accounted for by the equity method	1	1
Number of companies excluded from accounting by the equity method	-	1

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

- "Earnings per share attributable to owners of the parent-basic" and "Earnings per share attributable to owners of the parent-diluted" have been calculated based on figures of "Profit attributable to owners of the parent".
- NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018 and the six months ended September 30, 2018. Condensed quarterly consolidated financial statements and consolidated financial statements for the year ended March 31, 2018 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.