


Financial Statements Summary for the three months ended June 30, 2018 [IFRS] (Consolidated)

July 25, 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: August 9, 2018
 Scheduled date of dividend payable: -
 Supplemental materials for quarterly results: Yes
 Quarterly earning presentation held: Yes

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

1. Consolidated Financial Results of for the three months ended June 30, 2018 (April 1, 2018 to June 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 three months ended June 30, 2018	383,765	11.9	46,641	20.0	46,941	29.8	37,353	33.0	49,271	27.4
For the three months ended June 30, 2017	343,091	24.2	38,867	23.3	36,171	24.4	28,077	27.5	38,683	-

	Earnings per share attributable to owners of the parent-basic (Yen)	Earnings per share attributable to owners of the parent-diluted (Yen)
For the three months ended June 30, 2018	126.29	-
For the three months ended June 30, 2017	94.83	-

(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 June 30, 2018	1,844,276	974,256	964,340	52.3%
As of March 31, 2018	1,773,238	942,500	932,610	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	-				
For the year ending March 31, 2019 (Forecast)		50.00	-	50.00	100.00

(Note) Revision of previously announced dividend targets during this reporting period: No

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)

	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)
2nd Quarter end	775,000	8.3	95,000	16.2	90,000	18.8	72,000	21.2	243.42
Fiscal year end	1,600,000	7.5	195,000	16.8	187,500	14.4	147,000	12.3	496.99

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

Notes

(1) Changes in Significant Subsidiaries during This Period (changes in “specified subsidiaries” (*tokutei kogaisha*) resulting in the change in scope of consolidation) : 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 June 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 June 30, 2018: 2,363,001

As of March 31, 2018: 2,182,209

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

For the three months ended June 30, 2018: 295,779,502

For the three months ended June 30, 2017: 296,077,185

*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 three months ended June 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 three months ended June 30, 2018 are expected to be published on our corporate website on July 25, 2018.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for Three Months Ended June 30, 2018

1. Overview of Business Environment for Three Months Ended June 30, 2018

During the three months ended June 30, 2018, the global economy saw the U.S. economy continue its moderate expansion, while trade conflicts became serious after China and the EU implemented retaliatory tariffs in response to the U.S.-imposed import tariffs, causing Washington to suggest an expansion of the scale of its levies. In Europe, as the euro zone continued its economic recovery, political risks persisted in the southern region, while in Japan, whose economy expanded moderately, concerns remained for possible effects of the U.S.-China and U.S.-Europe trade conflicts.

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 three months ended June 30, 2018 the highest three-month 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 Three Months Ended June 30, 2018 (“this three-month period”), Compared to the Three Months Ended June 30, 2017 (“the same period of the prior year”)

(Yen in millions)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales	343,091	383,765	40,674	11.9%
Operating profit	38,867	46,641	7,774	20.0%
Operating profit ratio	11.3%	12.2%	-	-
Profit before income taxes	36,171	46,941	10,770	29.8%
Profit attributable to owners of the parent	28,077	37,353	9,276	33.0%

Consolidated net sales increased 11.9% to ¥383,765 million for this three-month period compared to the same period of the prior year. Operating profit increased 20.0% to ¥46,641 million for this three-month period compared to the same period of the prior year, recording the highest quarterly operating profit in our history. The average exchange rate between the Japanese yen and the U.S. dollar for this three-month period was ¥109.07 to the U.S. dollar, which reflected an approximately 2% appreciation of the Japanese yen against the U.S. dollar, compared to the same period of the prior year. The average exchange rate between the Japanese yen and the Euro for this three-month period was ¥130.06 to the Euro, which reflected an approximately 6% 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 ¥700 million and had a negative effect on operating profit by approximately ¥1,100 million for this three-month period compared to the same period of the prior year.

Profit before income taxes increased 29.8% to ¥46,941 million for this three-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 33.0% to ¥37,353 million for this three-month period compared to the same period of the prior year, achieving the highest quarterly profits in our history, respectively.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018. Condensed quarterly 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.

Operating Results by Product Category for This three-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” is divided and presented as “Automotive products” and “Appliance, commercial and industrial products”.

Small precision motors

(Yen in millions)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	103,753	106,333	2,580	2.5%
Spindle motors for hard disk drives (HDDs)	44,730	48,782	4,052	9.1%
Other small precision motors	59,023	57,551	(1,472)	(2.5)%
Operating profit	16,914	16,542	(372)	(2.2)%
Operating profit ratio	16.3%	15.6%	-	-

Net sales of this category increased 2.5% to ¥106,333 million for this three-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 three-month period compared to the same period of the prior year.

Net sales of spindle motors for HDDs for this three-month period increased 9.1% to ¥48,782 million compared to the same period of the prior year. Although the number of units sold of spindle motors for HDDs decreased approximately 0.7% 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 three-month period decreased 2.5% to ¥57,551 million compared to the same period of the prior year. This decrease was mainly due to a decrease in sales of DC motors.

Operating profit of this category decreased 2.2% to ¥16,542 million for this three-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 ¥1,200 million for this three-month period compared to the same period of the prior year.

Automotive products

(Yen in millions)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	68,709	77,181	8,472	12.3%
Operating profit	8,712	10,905	2,193	25.2%
Operating profit ratio	12.7%	14.1%	-	-

Net sales of this category increased 12.3% to ¥77,181 million for this three-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 ¥1,800 million for this three-month period compared to the same period of the prior year.

Operating profit of this category increased 25.2% to ¥10,905 million for this three-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 ¥700 million for this three-month period compared to the same period of the prior year.

Appliance, commercial and industrial products

(Yen in millions)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	120,184	138,558	18,374	15.3%
Operating profit	8,642	14,015	5,373	62.2%
Operating profit ratio	7.2%	10.1%	-	-

Net sales of this category increased 15.3% to ¥138,558 million for this three-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 other factors. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥400 million for this three-month period compared to the same period of the prior year.

Operating profit of this category increased 62.2% to ¥14,015 million for this three-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 ¥400 million for this three-month period compared to the same period of the prior year.

Machinery

(Yen in millions)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	32,583	42,616	10,033	30.8%
Operating profit	6,255	8,296	2,041	32.6%
Operating profit ratio	19.2%	19.5%	-	-

Net sales of this category increased 30.8% to ¥42,616 million for this three-month period compared to the same period of the prior year due to an increase in sales of LCD panel handling robots, press machines, test systems and other factors.

Operating profit of this category increased 32.6% to ¥8,296 million for this three-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)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	16,939	17,987	1,048	6.2%
Operating profit	3,062	1,955	(1,107)	(36.2)%
Operating profit ratio	18.1%	10.9%	-	-

Net sales of this category increased 6.2% to ¥17,987 million this three-month period compared to the same period of the prior year. Operating profit of this category decreased 36.2% to ¥1,955 million for this three-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.

Other products*(Yen in millions)*

	Three months ended June 30, 2017	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	923	1,090	167	18.1%
Operating profit	151	192	41	27.2%
Operating profit ratio	16.4%	17.6%	-	-

Net sales of this category increased 18.1% to ¥1,090 million and operating profit of this category increased 27.2% to ¥192 million for this three-month period compared to the same period of the prior year.

**Consolidated Operating Results for the Three Months Ended June 30, 2018 (“1Q”),
Compared to the Previous Three Months Ended March 31, 2018 (“4Q”)**

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales	382,169	383,765	1,596	0.4%
Operating profit	40,733	46,641	5,908	14.5%
Operating profit ratio	10.7%	12.2%	-	-
Profit before income taxes	44,960	46,941	1,981	4.4%
Profit attributable to owners of the parent	36,884	37,353	469	1.3%

Consolidated net sales increased 0.4% to ¥383,765 million for 1Q compared to 4Q and operating profit increased 14.5% to ¥46,641 million for 1Q compared to 4Q, recording the highest operating profit for quarterly period in our history. The reasons of this increase of operating profit were the increase of net sales, cost reduction benefits and a decrease of temporary expenses for structural reform and so forth.

The average exchange rate between the Japanese yen and the U.S. dollar for 1Q was ¥109.07 to the U.S. dollar, which reflected an approximately 1% depreciation of the Japanese yen against the U.S. dollar, compared to 4Q. The average exchange rate between the Japanese yen and the Euro for 1Q was ¥130.06 to the Euro, which reflected an approximately 2% appreciation of the Japanese yen against the Euro, compared to 4Q. The fluctuations of the foreign currency exchange rates had a slight effect on net sales but had a negative effect on operating profit by approximately ¥100 million for 1Q compared to 4Q.

Profit before income taxes increased 4.4% to ¥46,941 million for 1Q compared to 4Q and profit attributable to owners of the parent increased 1.3% to ¥37,353 million for 1Q compared to 4Q, achieving the highest profits for quarterly period in our history, respectively.

Operating Results by Product Category for 1Q Compared to 4Q

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

Small precision motors

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	107,337	106,333	(1,004)	(0.9)%
Spindle motors for hard disk drives (HDDs)	46,981	48,782	1,801	3.8%
Other small precision motors	60,356	57,551	(2,805)	(4.6)%
Operating profit	16,010	16,542	532	3.3%
Operating profit ratio	14.9%	15.6%	-	-

Net sales of this category decreased 0.9% to ¥106,333 million for 1Q compared to 4Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥400 million for 1Q compared to 4Q.

Net sales of spindle motors for HDDs increased 3.8% to ¥48,782 million for 1Q compared to 4Q. The number of units sold of spindle motors for HDDs for 1Q increased approximately 0.5% compared to 4Q. Net sales of other small precision motors for 1Q decreased 4.6% to ¥57,551 million compared to 4Q.

Operating profit of this category increased 3.3% to ¥16,542 million for 1Q compared to 4Q. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥100 million for 1Q compared to 4Q.

Automotive products

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	78,450	77,181	(1,269)	(1.6)%
Operating profit	10,044	10,905	861	8.6%
Operating profit ratio	12.8%	14.1%	-	-

Net sales of this category decreased 1.6% to ¥77,181 million for 1Q compared to 4Q mainly due to a decrease in shipments of automotive ECU (Electronic Control Unit) and so forth. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥600 million for 1Q compared to 4Q.

Operating profit of this category increased 8.6% to ¥10,905 million for 1Q compared to 4Q mainly due to cost reduction benefits. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for 1Q compared to 4Q.

Appliance, commercial and industrial products

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	137,324	138,558	1,234	0.9%
Operating profit	10,558	14,015	3,457	32.7%
Operating profit ratio	7.7%	10.1%	-	-

Net sales of this category increased 0.9% to ¥138,558 million for 1Q compared to 4Q mainly due to an increase in sales through our “Three-new Strategy” (new products, new markets and new clients). The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥200 million for 1Q compared to 4Q.

Operating profit of this category increased 32.7% to ¥14,015 million for 1Q compared to 4Q mainly due to the 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 ¥40 million for 1Q compared to 4Q.

Machinery

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	40,692	42,616	1,924	4.7%
Operating profit	7,914	8,296	382	4.8%
Operating profit ratio	19.4%	19.5%	-	-

Net sales of this category increased 4.7% to ¥42,616 million for 1Q compared to 4Q due to an increase in sales of test systems, although sales of press machines decreased.

Operating profit of this category increased 4.8% to ¥8,296 million for 1Q compared to 4Q mainly due to the increase in sales of test systems.

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2018. 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.

Electronic and optical components

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	17,281	17,987	706	4.1%
Operating profit	1,647	1,955	308	18.7%
Operating profit ratio	9.5%	10.9%	-	-

Net sales of this category increased 4.1% to ¥17,987 million for 1Q compared to 4Q and operating profit of this category increased 18.7% to ¥1,955 million for 1Q compared to 4Q.

Other products

(Yen in millions)

	Three months ended March 31, 2018	Three months ended June 30, 2018	Increase or decrease	Ratio of change
Net sales to external customers	1,085	1,090	5	0.5%
Operating profit	142	192	50	35.2%
Operating profit ratio	13.1%	17.6%	-	-

Net sales of this category increased 0.5% to ¥1,090 million and operating profit of this category increased 35.2% to ¥192 million for 1Q compared to 4Q.

(2) Financial Position

(Yen in millions)

	As of March 31, 2018	As of June 30, 2018	Increase or decrease
Total assets	1,773,238	1,844,276	71,038
Total liabilities	830,738	870,020	39,282
Total equity attributable to owners of the parent	932,610	964,340	31,730
Interest-bearing debt *1	345,826	381,709	35,883
Net interest-bearing debt *2	79,879	92,277	12,398
Debt ratio (%) *3	19.5	20.7	1.2
Debt to equity ratio (“D/E ratio”) (times) *4	0.37	0.40	0.03
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	52.3	(0.3)

(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 ¥71,000 million to ¥1,844,276 million as of June 30, 2018 compared to March 31, 2018. This was mainly due to increases of approximately ¥23,500 million in cash and cash equivalents, approximately ¥17,400 million in inventories, approximately ¥13,200 million in property, plant and equipment and approximately ¥4,000 million in goodwill.

Total liabilities increased approximately ¥39,300 million to ¥870,020 million as of June 30, 2018 compared to March 31, 2018. This was mainly due to an increase of approximately ¥35,900 million in interest-bearing debt. Specifically, short term borrowings increased approximately ¥33,300 million to approximately ¥34,900 million, long term debt increased approximately ¥2,300 million to approximately ¥316,900 million and long term debt due within one year increased approximately ¥300 million to approximately ¥29,900 million as of June 30, 2018 compared to March 31, 2018.

As a result, net interest-bearing debt increased to approximately ¥92,300 million as of June 30, 2018 from approximately ¥79,900 million as of March 31, 2018. The debt ratio increased to 20.7% as of June 30, 2018 from 19.5% as of March 31, 2018. The D/E ratio increased to 0.40 times as of June 30, 2018 from 0.37 times as of March 31, 2018. The net D/E ratio increased to 0.10 times as of June 30, 2018 from 0.09 times as of March 31, 2018.

Total equity attributable to owners of the parent increased approximately ¥31,700 million to ¥964,340 million as of June 30, 2018 compared to March 31, 2018. Ratio of total equity attributable to owners of the parent to total assets decreased to 52.3% as of June 30, 2018 from 52.6% as of March 31, 2018. This was mainly due to an increase in retained earnings of approximately ¥22,200 million as of June 30, 2018 compared to March 31, 2018 and an increase

NIDEC finalized the provisional accounting treatment for the business combination in the three months ended June 30, 2018. 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.

in other components of equity of approximate ¥12,400 million caused mainly by foreign currency translation adjustments.

Overview of Cash Flow

(Yen in millions)

	For the three months ended June 30,		Increase or decrease
	2017	2018	
Net cash provided by operating activities	44,200	44,740	540
Net cash used in investing activities	(18,935)	(36,640)	(17,705)
Free cash flow *1	25,265	8,100	(17,165)
Net cash (used in) provided by financing activities	(23,500)	15,409	38,909

(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 three-month period came to a net cash inflow of ¥44,740 million. Compared to the same period of the prior year, the cash inflow from operating activities for this three-month period increased approximately ¥500 million. This increase was mainly due to increases in accounts receivable net changes year on year of approximately ¥9,900 million and in profit for the period approximately ¥9,400 million. On the other hand, there was a decrease in account payable net changes year on year of approximately ¥17,200 million.

Cash flows from investing activities for this three-month period came to a net cash outflow of ¥36,640 million. Compared to the same period of the prior year, the net cash outflow from investing activities for this three-month period increased approximately ¥17,700 million mainly due to increases in additions to property, plant and equipment of approximately ¥10,000 million and acquisitions of businesses, net cash acquired of approximately ¥3,200 million.

As a result, we had a positive free cash flow of ¥8,100 million for this three-month period, a decrease of approximately ¥17,200 million compared to a positive free cash flow of ¥25,265 million for the same period of the prior year.

Cash flows from financing activities for this three-month period came to a net cash inflow of ¥15,409 million. Compared to the same period of the prior year, the net cash inflow from financing activities for this three-month period increased approximately ¥38,900 million mainly due to an increase in short term borrowings net changes year on year of approximately ¥165,100 million. On the other hand, proceeds from issuance of long term debt and proceeds from issuance of corporate bonds decreased approximately ¥82,600 million and approximately ¥50,000 million, respectively.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of June 30, 2018 increased approximately ¥23,500 million to ¥289,432 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 conflicts may raise uncertainty, and as the geopolitical risks in the Middle East and the political risks in Southern Europe may trigger a financial unrest.

Under such an environment, as the business forecasts in the three months ended June 30, 2018 was stronger than our expectations underlying our previous forecasts announced on April 24, 2018, we are revising our business forecasts for the year ending March 31, 2019 and the six months ending September 30, 2018 as follows.

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).

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	(116.8% compared to the previous fiscal year)
Profit before income taxes	¥187,500 million	(114.4% compared to the previous fiscal year)
Profit attributable to owners of the parent	¥147,000 million	(112.3% compared to the previous fiscal year)

Forecast of Consolidated Financial Performance for the Six Months Ending September 30, 2018

Net sales	¥775,000 million	(108.3% compared to the same period of the previous fiscal year)
Operating profit	¥95,000 million	(116.2% compared to the same period of the previous fiscal year)
Profit before income taxes	¥90,000 million	(118.8% compared to the same period of the previous fiscal year)
Profit attributable to owners of the parent	¥72,000 million	(121.2% compared to the same period of 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 June 30, 2018		Increase or decrease
	Amounts	%	Amounts	%	
Assets					
Current assets					
Cash and cash equivalents	265,947		289,432		23,485
Trade and other receivables	388,741		388,141		(600)
Other financial assets	1,718		683		(1,035)
Income tax receivables	2,402		5,140		2,738
Inventories	227,766		245,123		17,357
Other current assets	30,155		35,867		5,712
Total current assets	916,729	51.7	964,386	52.3	47,657
Non-current assets					
Property, plant and equipment	451,085		464,261		13,176
Goodwill	236,741		240,751		4,010
Intangible assets	122,029		125,526		3,497
Investments accounted for using the equity method	1,112		1,996		884
Other investments	22,295		21,355		(940)
Other financial assets	5,464		6,507		1,043
Deferred tax assets	11,055		12,472		1,417
Other non-current assets	6,728		7,022		294
Total non-current assets	856,509	48.3	879,890	47.7	23,381
Total assets	1,773,238	100.0	1,844,276	100.0	71,038

(Yen in millions)

	As of March 31, 2018		As of June 30, 2018		Increase or decrease
	Amounts	%	Amounts	%	
Liabilities					
Current liabilities					
Short term borrowings	1,657		34,914		33,257
Long term debt due within one year	29,538		29,887		349
Trade and other payables	317,031		311,022		(6,009)
Other financial liabilities	1,557		4,729		3,172
Income tax payables	7,582		8,910		1,328
Provisions	32,733		32,963		230
Other current liabilities	61,915		64,567		2,652
Total current liabilities	452,013	25.5	486,992	26.4	34,979
Non-current liabilities					
Long term debt	314,631		316,908		2,277
Other financial liabilities	2,373		1,218		(1,155)
Retirement benefit liabilities	24,178		25,629		1,451
Provisions	6,577		6,979		402
Deferred tax liabilities	28,042		29,742		1,700
Other non-current liabilities	2,924		2,552		(372)
Total non-current liabilities	378,725	21.3	383,028	20.8	4,303
Total liabilities	830,738	46.8	870,020	47.2	39,282
Equity					
Common stock	87,784	4.9	87,784	4.8	-
Additional paid-in capital	118,136	6.7	118,217	6.4	81
Retained earnings	822,703	46.4	844,855	45.8	22,152
Other components of equity	(76,862)	(4.3)	(64,460)	(3.5)	12,402
Treasury stock	(19,151)	(1.1)	(22,056)	(1.2)	(2,905)
Total equity attributable to owners of the parent	932,610	52.6	964,340	52.3	31,730
Non-controlling interests	9,890	0.6	9,916	0.5	26
Total equity	942,500	53.2	974,256	52.8	31,756
Total liabilities and equity	1,773,238	100.0	1,844,276	100.0	71,038

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

(Yen in millions)

	For the three months ended June 30,				Increase or decrease		For the year ended	
	2017		2018				March 31, 2018	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Net sales	343,091	100.0	383,765	100.0	40,674	11.9	1,488,090	100.0
Cost of sales	(258,897)	(75.5)	(288,284)	(75.1)	(29,387)	11.4	(1,131,445)	(76.0)
Gross profit	84,194	24.5	95,481	24.9	11,287	13.4	356,645	24.0
Selling, general and administrative expenses	(32,083)	(9.3)	(33,674)	(8.8)	(1,591)	5.0	(134,193)	(9.0)
Research and development expenses	(13,244)	(3.9)	(15,166)	(3.9)	(1,922)	14.5	(55,438)	(3.8)
Operating profit	38,867	11.3	46,641	12.2	7,774	20.0	167,014	11.2
Financial income	1,263	0.4	2,423	0.6	1,160	91.8	6,577	0.5
Financial expenses	(1,423)	(0.4)	(1,995)	(0.5)	(572)	40.2	(7,007)	(0.5)
Derivative gain (loss)	18	0.0	1,383	0.4	1,365	-	(275)	(0.0)
Foreign exchange differences	(2,569)	(0.8)	(1,350)	(0.4)	1,219	-	(2,590)	(0.2)
Share of net profit (loss) from associate accounting using the equity method	15	0.0	(161)	(0.1)	(176)	-	118	0.0
Profit before income taxes	36,171	10.5	46,941	12.2	10,770	29.8	163,837	11.0
Income tax expenses	(7,990)	(2.3)	(9,388)	(2.4)	(1,398)	17.5	(32,202)	(2.2)
Profit for the period	28,181	8.2	37,553	9.8	9,372	33.3	131,635	8.8
Profit for the period attributable to:								
Owners of the parent	28,077	8.2	37,353	9.7	9,276	33.0	130,948	8.8
Non-controlling interests	104	0.0	200	0.1	96	92.3	687	0.0
Profit for the period	28,181	8.2	37,553	9.8	9,372	33.3	131,635	8.8

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

	For the three months ended June 30,				Increase or decrease		For the year ended	
	2017		2018				March 31, 2018	
	Amounts	Amounts	Amounts	Amounts	Amounts	%	Amounts	Amounts
Profit for the period	28,181	37,553	9,372	33.3			131,635	
Other comprehensive income, net of taxation								
Items that will not be reclassified to net profit or loss:								
Remeasurement of defined benefit plans	(46)	0	46	-			425	
Fair value movements on FVTOCI equity financial assets	1,316	(603)	(1,919)	-			2,093	
Items that may be reclassified to net profit or loss:								
Foreign currency translation adjustments	8,767	13,086	4,319	49.3			(13,886)	
Effective portion of net changes in fair value of cash flow hedges	465	(769)	(1,234)	-			399	
Fair value movements on FVTOCI debt financial assets	0	4	4	-			(3)	
Total other comprehensive income for the period, net of taxation	10,502	11,718	1,216	11.6			(10,972)	
Comprehensive income for the period	38,683	49,271	10,588	27.4			120,663	
Comprehensive income for the period attributable to:								
Owners of the parent	38,675	49,152	10,477	27.1			119,921	
Non-controlling interests	8	119	111	-			742	
Comprehensive income for the period	38,683	49,271	10,588	27.4			120,663	

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 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			28,077			28,077	104	28,181
Other comprehensive income				10,598		10,598	(96)	10,502
Total comprehensive income						38,675	8	38,683
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(5,149)	(5,149)	-	(5,149)
Dividends paid to the owners of the parent			(13,347)			(13,347)	-	(13,347)
Dividends paid to non-controlling interests						-	(13)	(13)
Transfer to retained earnings			1,343	(1,343)		-	-	-
Other				95	(1)	94	(6)	88
Balance at June 30, 2017	87,784	118,340	731,984	(53,970)	(17,293)	866,845	9,223	876,068

For the three months ended June 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	822,703	(76,862)	(19,151)	932,610	9,890	942,500
Changes in accounting polices			199			199		199
Balance after restatement	87,784	118,136	822,902	(76,862)	(19,151)	932,809	9,890	942,699
Comprehensive income								
Profit for the period			37,353			37,353	200	37,553
Other comprehensive income				11,799		11,799	(81)	11,718
Total comprehensive income						49,152	119	49,271
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(2,905)	(2,905)	-	(2,905)
Dividends paid to the owners of the parent			(14,798)			(14,798)	-	(14,798)
Dividends paid to non-controlling interests						-	(71)	(71)
Share-based payment transactions		81				81	-	81
Transfer to retained earnings			(603)	603		-	-	-
Other			1			1	(22)	(21)
Balance at June 30, 2018	87,784	118,217	844,855	(64,460)	(22,056)	964,340	9,916	974,256

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

	For the three months ended June 30,		Increase or decrease	For the year ended
	2017	2018		March 31,
				2018
Cash flows from operating activities:				
Profit for the period	28,181	37,553	9,372	131,635
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Depreciation and amortization	16,183	16,435	252	68,525
(Gain) loss from sales, disposal or impairment of property, plant and equipment	(100)	4	104	372
Financial expense (income)	24	(476)	(500)	(23)
Share of net (profit) loss from associate accounting using the equity method	(15)	161	176	(118)
Deferred income taxes	(1,118)	671	1,789	(2,291)
Current income taxes	9,108	8,717	(391)	34,493
Foreign currency adjustments	970	5,881	4,911	(7,096)
Increase in retirement benefit liability	349	1,217	868	915
(Increase) decrease in accounts receivable	(6,544)	3,395	9,939	(30,632)
Increase in inventories	(6,304)	(12,658)	(6,354)	(24,398)
Increase (decrease) in accounts payable	9,038	(8,128)	(17,166)	47,809
Other, net	4,660	947	(3,713)	(8,947)
Interests and dividends received	1,032	1,784	752	6,482
Interests paid	(872)	(675)	197	(6,647)
Income taxes paid	(10,392)	(10,088)	304	(34,511)
Net cash provided by operating activities	44,200	44,740	540	175,568
Cash flows from investing activities:				
Additions to property, plant and equipment	(20,033)	(30,081)	(10,048)	(90,841)
Proceeds from sales of property, plant and equipment	1,129	876	(253)	6,856
Additions to intangible assets	(825)	(2,794)	(1,969)	(9,544)
Acquisitions of business, net of cash acquired	-	(3,205)	(3,205)	(20,071)
Other, net	794	(1,436)	(2,230)	(315)
Net cash used in investing activities	(18,935)	(36,640)	(17,705)	(113,915)
Cash flows from financing activities:				
(Decrease) increase in short term borrowings	(131,580)	33,515	165,095	(178,724)
Proceeds from issuance of long term debt	82,583	-	(82,583)	84,062
Repayments of long term debt	(5,923)	(332)	5,591	(38,023)
Proceeds from issuance of corporate bonds	50,001	-	(50,001)	115,001
Redemption of corporate bonds	-	-	-	(65,000)
Purchase of treasury stock	(5,149)	(2,905)	2,244	(7,008)
Dividends paid to the owner of the parent	(13,347)	(14,798)	(1,451)	(26,670)
Other, net	(85)	(71)	14	(496)
Net cash (used in) provided by financing activities	(23,500)	15,409	38,909	(116,858)
Effect of exchange rate changes on cash and cash equivalents	3,266	(24)	(3,290)	(428)
Net increase (decrease) in cash and cash equivalents	5,031	23,485	18,454	(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	326,611	289,432	(37,179)	265,947

(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 June 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

(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, 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 three months ended June 30, 2018 are computed using the estimated annual effective tax rate.

(Share-Based Payment)

NIDEC has adopted a performance-linked share-based compensation plan from the three months ended June 30, 2018. The compensation measured with the performance-linked share-based compensation plan is recognized as an expense, and an equivalent amount is recognized as an increase in additional paid-in capital.

(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 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 is immaterial.

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.

Significant accounting estimates and judgments that accompany estimates for the condensed quarterly consolidated financial statements as of June 30, 2018 are same as those estimates and judgments for the consolidated financial statements for the previous fiscal 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. 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 three months ended June 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 June 30, 2018.

6. Events after the reporting period

Completion of Acquisition of CIMA S.p.A.

On July 2, 2018, Nidec Europe B.V., NIDEC’s subsidiary, acquired 100% of the ownership interest of CIMA S.p.A. (“CIMA”) in Italy from its main shareholders (the “Transaction”).

1) Purpose of the Transaction	CIMA designs, manufactures and sells commercial motors. Through the Transaction, FIR Elettromeccanica S.r.l., NIDEC’s subsidiary, can expand its product portfolio.
2) Funds for the Transaction	Own funds

3. Others (unaudited)

(1) Information by Product Category

For the three months ended June 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	103,753	68,709	120,184	32,583	16,939	923	343,091	-	343,091
Intersegment	663	148	1,210	3,387	1,828	408	7,644	(7,644)	-
Total	104,416	68,857	121,394	35,970	18,767	1,331	350,735	(7,644)	343,091
Operating expenses	87,502	60,145	112,752	29,715	15,705	1,180	306,999	(2,775)	304,224
Operating profit	16,914	8,712	8,642	6,255	3,062	151	43,736	(4,869)	38,867

For the three months ended June 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	106,333	77,181	138,558	42,616	17,987	1,090	383,765	-	383,765
Intersegment	751	446	1,668	3,544	1,490	447	8,346	(8,346)	-
Total	107,084	77,627	140,226	46,160	19,477	1,537	392,111	(8,346)	383,765
Operating expenses	90,542	66,722	126,211	37,864	17,522	1,345	340,206	(3,082)	337,124
Operating profit	16,542	10,905	14,015	8,296	1,955	192	51,905	(5,264)	46,641

(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" is divided and presented as "Automotive products" and "Appliance, commercial and industrial products".

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

	For the three months ended June 30,				Increase or decrease	
	2017		2018			
	Amounts	%	Amounts	%	Amounts	%
Japan	73,787	21.5%	77,166	20.1%	3,379	4.6%
U.S.A.	62,236	18.1%	70,305	18.3%	8,069	13.0%
Singapore	12,715	3.7%	13,951	3.6%	1,236	9.7%
Thailand	28,846	8.4%	35,506	9.2%	6,660	23.1%
Germany	26,878	7.8%	35,141	9.2%	8,263	30.7%
China	79,124	23.1%	88,500	23.1%	9,376	11.8%
Others	59,505	17.4%	63,196	16.5%	3,691	6.2%
Total	343,091	100.0%	383,765	100.0%	40,674	11.9%

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

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

	For the three months ended June 30,				Increase or decrease	
	2017		2018			
	Amounts	%	Amounts	%	Amounts	%
North America	69,122	20.1%	75,677	19.7%	6,555	9.5%
Asia	156,436	45.6%	181,418	47.3%	24,982	16.0%
Europe	57,582	16.8%	67,963	17.7%	10,381	18.0%
Others	6,238	1.8%	5,202	1.4%	(1,036)	(16.6)%
Overseas total	289,378	84.3%	330,260	86.1%	40,882	14.1%
Japan	53,713	15.7%	53,505	13.9%	(208)	(0.4)%
Total	343,091	100.0%	383,765	100.0%	40,674	11.9%

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

4. Overview of Consolidated Financial Results

July 25, 2018
(Yen in millions)

(1) Summary of Consolidated Financial Performance

	For the three months ended June 30, 2017	For the three months ended June 30, 2018	Increase or decrease
Net Sales	343,091	383,765	11.9%
Operating profit	38,867 11.3%	46,641 12.2%	20.0%
Profit before income taxes	36,171 10.5%	46,941 12.2%	29.8%
Profit attributable to owners of the parent	28,077 8.2%	37,353 9.7%	33.0%
Earnings per share attributable to owners of the parent - basic (Yen)	94.83	126.29	
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 June 30, 2017	As of June 30, 2018	As of March 31, 2018
Total assets	1,718,314	1,844,276	1,773,238
Total equity attributable to owners of the parent	866,845	964,340	932,610
Ratio of equity attributable to owners of the parent to total asset	50.4%	52.3%	52.6%
	For the three months ended June 30, 2017	For the three months ended June 30, 2018	For the year ended March 31, 2018
Net cash provided by operating activities	44,200	44,740	175,568
Net cash used in investing activities	(18,935)	(36,640)	(113,915)
Net cash (used in) provided by financing activities	(23,500)	15,409	(116,858)
Cash and cash equivalents at end of period	326,611	289,432	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)	-	-	-
For the year ending March 31, 2019 (target)	50.00	50.00	100.00

(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 June 30, 2017
Number of companies newly consolidated	7	29
Number of companies excluded from consolidation	-	7
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 three months ended June 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.