


Financial Statements Summary for the Nine Months Ended December 31, 2018 [IFRS] (Consolidated)

January 23, 2019

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
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 Department Tel: +81-75-935-6140 ir@nidec.com
 Scheduled date of filing of Japanese quarterly report: February 13, 2019
 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 for the Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 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 nine months ended December 31, 2018 | 1,154,306 | 4.4 | 129,367 | 2.5 | 131,298 | 10.6 | 103,214 | 9.8 | 109,409 | (18.8) |
| For the nine months ended December 31, 2017 | 1,105,921 | 27.4 | 126,160 | 18.8 | 118,756 | 10.2 | 93,984 | 15.2 | 134,742 | 42.5 |

| | Earnings per share attributable to owners of the parent-basic (Yen) | Earnings per share attributable to owners of the parent-diluted (Yen) |
|---|---|---|
| For the nine months ended December 31, 2018 | 349.90 | - |
| For the nine months ended December 31, 2017 | 317.43 | - |

(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 December 31, 2018 | 1,882,860 | 1,002,645 | 985,484 | 52.3% |
| As of March 31, 2018 | 1,774,009 | 942,391 | 932,501 | 52.6% |

2. Dividends

| | Dividends per share (Yen) | | | | |
|---|---------------------------|-----------------|-----------------|-----------------|--------|
| | 1st quarter end | 2nd quarter end | 3rd 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: 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) |
| Fiscal year end | 1,450,000 | (2.6) | 145,000 | (13.1) | 140,000 | (14.5) | 112,000 | (14.4) | 379.91 |

(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 December 31, 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 December 31, 2018: 3,847,459 As of March 31, 2018: 2,182,209

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

For the nine months ended December 31, 2018: 294,979,958 For the nine months ended December 31, 2017: 296,076,060

*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 nine months ended December 31, 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 nine months ended December 31, 2018 are expected to be published on our corporate website on January 23, 2019.

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for Nine Months Ended December 31, 2018

1. Overview of Business Environment for Nine Months Ended December 31, 2018

During the nine-month period ended December 31, 2018, the global economy saw the ongoing U.S.-China trade friction escalate and affect the financial performance of some U.S. businesses, while the U.S. Federal Reserve Board (FRB) maintained a cautious stance toward further interest hikes. Meanwhile, with the Chinese economy's slowdown in consumption becoming increasingly clear, the country's new auto and retail sales both declined, while companies in the manufacturing and other industries struggled with their financial performance. The Japanese economy, while maintaining its stability, started to exhibit a cautious stance toward the strong yen caused by the aforementioned U.S.-China trade conflict and the FRB's decision to procrastinate raising interest rates.

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 nine months ended December 31, 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 Nine Months Ended December 31, 2018 ("this nine-month period"), Compared to the Nine Months Ended December 31, 2017 ("the same period of the prior year")

(Yen in millions)

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---|-------------------------------------|-------------------------------------|----------------------|-----------------|
| Net sales | 1,105,921 | 1,154,306 | 48,385 | 4.4% |
| Operating profit | 126,160 | 129,367 | 3,207 | 2.5% |
| Operating profit ratio | 11.4% | 11.2% | - | - |
| Profit before income taxes | 118,756 | 131,298 | 12,542 | 10.6% |
| Profit attributable to owners of the parent | 93,984 | 103,214 | 9,230 | 9.8% |

Consolidated net sales increased 4.4% to ¥1,154,306 million for this nine-month period compared to the same period of the prior year, recording the highest net sales for nine-month period in our history. Operating profit increased 2.5% to ¥129,367 million for this nine-month period compared to the same period of the prior year, also recording the highest operating profit for nine-month period in our history, although there were approximately ¥15,000 million of temporary expenses such as structural reform expense for streamlining of plants in Japan and abroad and M&A expense. The average exchange rate between the Japanese yen and the U.S. dollar for this nine-month period was ¥111.14 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 nine-month period was ¥129.49 to the Euro, which reflected an approximately 1% 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 negative effect on net sales by approximately ¥2,300 million and on operating profit by approximately ¥1,400 million for this nine-month period compared to the same period of the prior year.

Profit before income taxes increased 10.6% to ¥131,298 million for this nine-month period compared to the same period of the prior year and profit attributable to owners of the parent increased 9.8% to ¥103,214 million for this nine-month period compared to the same period of the prior year, achieving the highest profits for nine-month period in our history, respectively.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018 and the nine months ended December 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 Nine-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)

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|--|-------------------------------------|-------------------------------------|----------------------|-----------------|
| Net sales to external customers | 345,039 | 343,253 | (1,786) | (0.5)% |
| Spindle motors for hard disk drives (HDDs) | 144,516 | 142,153 | (2,363) | (1.6)% |
| Other small precision motors | 200,523 | 201,100 | 577 | 0.3% |
| Operating profit | 56,704 | 52,177 | (4,527) | (8.0)% |
| Operating profit ratio | 16.4% | 15.2% | - | - |

Net sales of this category decreased 0.5% to ¥343,253 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥1,600 million for this nine-month period compared to the same period of the prior year.

Net sales of spindle motors for HDDs for this nine-month period decreased 1.6% to ¥142,153 million compared to the same period of the prior year. Although there was an increase of selling price and other factors, the number of units sold of spindle motors for HDDs decreased approximately 8.8% compared to the same period of the prior year.

Net sales of other small precision motors for this nine-month period increased 0.3% to ¥201,100 million compared to the same period of the prior year. This increase was due to an increase in sales of fan motors.

Operating profit of this category decreased 8.0% to ¥52,177 million for this nine-month period compared to the same period of the prior year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥1,600 million for this nine-month period compared to the same period of the prior year. In addition, there were approximately ¥4,500 million expenses of structural reform and other factors.

Automotive products

(Yen in millions)

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|-------------------------------------|----------------------|-----------------|
| Net sales to external customers | 216,910 | 223,766 | 6,856 | 3.2% |
| Operating profit | 28,929 | 28,597 | (332) | (1.1)% |
| Operating profit ratio | 13.3% | 12.8% | - | - |

Net sales of this category increased 3.2% to ¥223,766 million for this nine-month period compared to the same period of the prior year mainly due to an increase in sales of products of control valves at Nidec Tosok Corporation and other factors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥200 million for this nine-month period compared to the same period of the prior year.

Operating profit of this category decreased 1.1% to ¥28,597 million for this nine-month period compared to the same period of the prior year due to approximately ¥4,500 million of temporary expenses such as structural reform expense in spite of an increase in profit caused by the increase in sales, changes in product mix and cost improvement. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥200 million for this nine-month period compared to the same period of the prior year.

Appliance, commercial and industrial products*(Yen in millions)*

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|-------------------------------------|----------------------|-----------------|
| Net sales to external customers | 381,318 | 402,744 | 21,426 | 5.6% |
| Operating profit | 29,232 | 35,373 | 6,141 | 21.0% |
| Operating profit ratio | 7.7% | 8.8% | - | - |

Net sales of this category increased 5.6% to ¥402,744 million for this nine-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 negative effect on net sales of this category by approximately ¥800 million for this nine-month period compared to the same period of the prior year.

Operating profit of this category increased 21.0% to ¥35,373 million for this nine-month period compared to the same period of the prior year mainly due to the increase in sales and cost reduction benefits in spite of approximately ¥4,000 million of temporary expenses such as structural reform expense. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for this nine-month period compared to the same period of the prior year.

Machinery*(Yen in millions)*

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|-------------------------------------|----------------------|-----------------|
| Net sales to external customers | 105,869 | 124,946 | 19,077 | 18.0% |
| Operating profit | 19,384 | 21,709 | 2,325 | 12.0% |
| Operating profit ratio | 18.3% | 17.4% | - | - |

Net sales of this category increased 18.0% to ¥124,946 million for this nine-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 12.0% to ¥21,709 million for this nine-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)*

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|-------------------------------------|-------------------------------------|----------------------|-----------------|
| Net sales to external customers | 53,695 | 56,166 | 2,471 | 4.6% |
| Operating profit | 8,073 | 6,472 | (1,601) | (19.8)% |
| Operating profit ratio | 15.0% | 11.5% | - | - |

Net sales of this category increased 4.6% to ¥56,166 million for this nine-month period compared to the same period of the prior year. Operating profit of this category decreased 19.8% to ¥6,472 million for this nine-month period compared to the same period of the prior year due to approximately ¥2,000 million expenses of the disposal of slow moving inventory at Nidec Copal Corporation and the starting up of a factory in Mexico, the loss related to launching new models and the other factors at Nidec Sankyo Corporation although there was an increase in profit caused by the increase in sales.

Other products*(Yen in millions)*

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|--|--|-------------------------|--------------------|
| Net sales to external customers | 3,090 | 3,431 | 341 | 11.0% |
| Operating profit | 432 | 553 | 121 | 28.0% |
| Operating profit ratio | 14.0% | 16.1% | - | - |

Net sales of this category increased 11.0% to ¥3,431 million and operating profit of this category increased 28.0% to ¥553 million for this nine-month period compared to the same period of the prior year.

Consolidated Operating Results for the Three Months Ended December 31, 2018 (“3Q”), Compared to the Previous Three Months Ended September 30, 2018 (“2Q”)

(Yen in millions)

| | Three months ended September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---|---------------------------------------|--------------------------------------|----------------------|-----------------|
| Net sales | 393,839 | 376,702 | (17,137) | (4.4)% |
| Operating profit | 51,649 | 31,130 | (20,519) | (39.7)% |
| Operating profit ratio | 13.1% | 8.3% | - | - |
| Profit before income taxes | 51,379 | 33,031 | (18,348) | (35.7)% |
| Profit attributable to owners of the parent | 41,192 | 24,704 | (16,488) | (40.0)% |

Consolidated net sales decreased 4.4% to ¥376,702 million for 3Q compared to 2Q. Operating profit decreased 39.7% to ¥31,130 million for 3Q compared to 2Q, because there were approximately ¥11,500 million of temporary expenses such as structural reform expense for streamlining of plants in Japan and abroad and M&A expense, in addition to the decrease in sales. The average exchange rate between the Japanese yen and the U.S. dollar for 3Q was ¥112.90 to the U.S. dollar, which reflected an approximately 1% depreciation of the Japanese yen against the U.S. dollar, compared to 2Q. The average exchange rate between the Japanese yen and the Euro for 3Q was ¥128.78 to the Euro, which reflected an approximately 1% appreciation of the Japanese yen against the Euro, compared to 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales by approximately ¥2,400 million and operating profit by approximately ¥200 million for 3Q compared to 2Q.

Profit before income taxes decreased 35.7% to ¥33,031 million for 3Q compared to 2Q and profit attributable to owners of the parent decreased 40.0% to ¥24,704 million for 3Q compared to 2Q.

Operating Results by Product Category for 3Q Compared to 2Q

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 September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|--|---------------------------------------|--------------------------------------|----------------------|-----------------|
| Net sales to external customers | 122,622 | 114,298 | (8,324) | (6.8)% |
| Spindle motors for hard disk drives (HDDs) | 51,321 | 42,050 | (9,271) | (18.1)% |
| Other small precision motors | 71,301 | 72,248 | 947 | 1.3% |
| Operating profit | 20,556 | 15,079 | (5,477) | (26.6)% |
| Operating profit ratio | 16.8% | 13.2% | - | - |

Net sales of this category decreased 6.8% to ¥114,298 million for 3Q compared to 2Q. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,000 million for 3Q compared to 2Q.

Net sales of spindle motors for HDDs decreased 18.1% to ¥42,050 million for 3Q compared to 2Q. The number of units sold of spindle motors for HDDs for 3Q decreased approximately 17.3% compared to 2Q. Net sales of other small precision motors for 3Q increased 1.3% to ¥72,248 million compared to 2Q.

Operating profit of this category decreased 26.6% to ¥15,079 million for 3Q compared to 2Q due to the decrease in sales and approximately ¥3,000 million of structural reform expense and other factors at 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥100 million for 3Q compared to 2Q.

Automotive products

(Yen in millions)

| | Three months ended September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|---|--|-------------------------|--------------------|
| Net sales to external customers | 74,723 | 71,862 | (2,861) | (3.8)% |
| Operating profit | 11,990 | 5,702 | (6,288) | (52.4)% |
| Operating profit ratio | 16.0% | 7.9% | - | - |

Net sales of this category decreased 3.8% to ¥71,862 million for 3Q compared to 2Q mainly due to a decrease in sales of electric power steering motors. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥60 million for 3Q compared to 2Q.

Operating profit of this category decreased 52.4% to ¥5,702 million for 3Q compared to 2Q due to the decrease in sales and approximately ¥4,500 million of structural reform expense and other factors at 3Q. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥100 million for 3Q compared to 2Q.

Appliance, commercial and industrial products

(Yen in millions)

| | Three months ended September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|---|--|-------------------------|--------------------|
| Net sales to external customers | 133,590 | 130,596 | (2,994) | (2.2)% |
| Operating profit | 14,201 | 7,157 | (7,044) | (49.6)% |
| Operating profit ratio | 10.6% | 5.5% | - | - |

Net sales of this category decreased 2.2% to ¥130,596 million for 3Q compared to 2Q mainly due to a decrease in sales of industrial motors and other products. The fluctuations of the foreign currency exchange rates had a positive effect on net sales of this category by approximately ¥1,000 million for 3Q compared to 2Q.

Operating profit of this category decreased 49.6% to ¥7,157 million for 3Q compared to 2Q due to the decrease in sales and approximately ¥3,700 million of structural reform expense and other factors at 3Q. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit by approximately ¥100 million for 3Q compared to 2Q.

Machinery

(Yen in millions)

| | Three months ended September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|---|--|-------------------------|--------------------|
| Net sales to external customers | 42,797 | 39,533 | (3,264) | (7.6)% |
| Operating profit | 7,816 | 5,650 | (2,166) | (27.7)% |
| Operating profit ratio | 18.3% | 14.3% | - | - |

Net sales of this category decreased 7.6% to ¥39,533 million for 3Q compared to 2Q due to a decrease in sales of LCD panel handling robots and test systems and other factors.

Operating profit of this category decreased 27.7% to ¥5,650 million for 3Q compared to 2Q mainly due to the decrease in sales.

Electronic and optical components*(Yen in millions)*

| | Three months ended September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|---|--|-------------------------|--------------------|
| Net sales to external customers | 18,981 | 19,198 | 217 | 1.1% |
| Operating profit | 2,163 | 2,354 | 191 | 8.8% |
| Operating profit ratio | 11.4% | 12.3% | - | - |

Net sales of this category increased 1.1% to ¥19,198 million for 3Q compared to 2Q and operating profit of this category increased 8.8% to ¥2,354 million for 3Q compared to 2Q.

Other products*(Yen in millions)*

| | Three months ended September 30, 2018 | Three months ended December 31, 2018 | Increase or decrease | Ratio of change |
|---------------------------------|---|--|-------------------------|--------------------|
| Net sales to external customers | 1,126 | 1,215 | 89 | 7.9% |
| Operating profit | 179 | 182 | 3 | 1.7% |
| Operating profit ratio | 15.9% | 15.0% | - | - |

Net sales of this category increased 7.9% to ¥1,215 million and operating profit of this category increased 1.7% to ¥182 million for 3Q compared to 2Q.

(2) Financial Position

(Yen in millions)

| | As of March 31, 2018 | As of December 31, 2018 | Increase or decrease |
|---|-------------------------|----------------------------|-------------------------|
| Total assets | 1,774,009 | 1,882,860 | 108,851 |
| Total liabilities | 831,618 | 880,215 | 48,597 |
| Total equity attributable to owners of the parent | 932,501 | 985,484 | 52,983 |
| Interest-bearing debt *1 | 345,826 | 384,727 | 38,901 |
| Net interest-bearing debt *2 | 79,879 | 122,866 | 42,987 |
| Debt ratio (%) *3 | 19.5 | 20.4 | 0.9 |
| Debt to equity ratio (“D/E ratio”) (times) *4 | 0.37 | 0.39 | 0.02 |
| Net D/E ratio (times) *5 | 0.09 | 0.12 | 0.03 |
| 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 ¥108,851 million to ¥1,882,860 million as of December 31, 2018 compared to March 31, 2018. This was mainly due to increases of ¥44,677 million in property, plant and equipment, ¥42,352 million in inventories, ¥15,553 million in goodwill. On the other hand, there was a decrease of ¥10,811 million in trade and other receivables.

Total liabilities increased ¥48,597 million to ¥880,215 million as of December 31, 2018 compared to March 31, 2018. This was mainly due to an increase of ¥38,901 million in interest-bearing debt. Specifically, long term debt due within one year increased ¥66,060 million to ¥95,598 million, short term borrowings increased ¥12,732 million to ¥14,389 million, and long term debt decreased ¥39,891 million to ¥274,740 million as of December 31, 2018 compared to March 31, 2018.

As a result, net interest-bearing debt increased to ¥122,866 million as of December 31, 2018 from ¥79,879 million as of March 31, 2018. The debt ratio increased to 20.4% as of December 31, 2018 from 19.5% as of March 31, 2018. The D/E ratio increased to 0.39 times as of December 31, 2018 from 0.37 times as of March 31, 2018. The net D/E ratio increased to 0.12 times as of December 31, 2018 from 0.09 times as of March 31, 2018.

Total equity attributable to owners of the parent increased ¥52,983 million to ¥985,484 million as of December 31, 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 December 31, 2018 from 52.6% as of March 31, 2018. This was mainly due to an increase in retained earnings of ¥69,485 million as of December 31, 2018 compared to March 31, 2018 and an increase in other components of equity of ¥9,393 million caused mainly by foreign currency translation adjustments. On the other hand, treasury stock increased ¥26,134 million.

NIDEC finalized the provisional accounting treatment for the business combination in the nine months ended December 31, 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.

Overview of Cash Flow

(Yen in millions)

| | For the nine months ended December 31, | | Increase or decrease |
|---|---|-----------|----------------------------|
| | 2017 | 2018 | |
| Net cash provided by operating activities | 133,401 | 137,510 | 4,109 |
| Net cash used in investing activities | (87,377) | (118,625) | (31,248) |
| Free cash flow *1 | 46,024 | 18,885 | (27,139) |
| Net cash (used in) provided by financing activities | (84,710) | (19,805) | 64,905 |

(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 nine-month period came to a net cash inflow of ¥137,510 million. Compared to the same period of the prior year, the cash inflow from operating activities for this nine-month period increased ¥4,109 million. This increase was mainly due to increases in accounts receivable net changes year on year of ¥54,745 million and in profit for the period ¥9,336 million. On the other hand, there was a decrease in accounts payable net changes year on year of ¥54,288 million.

Cash flows from investing activities for this nine-month period came to a net cash outflow of ¥118,625 million. Compared to the same period of the prior year, the net cash outflow from investing activities for this nine-month period increased ¥31,248 million mainly due to increases in additions to property, plant and equipment of ¥22,966 million and in additions to intangible assets of ¥5,720 million.

As a result, we had a positive free cash flow of ¥18,885 million for this nine-month period, a decrease of ¥27,139 million compared to a positive free cash flow of ¥46,024 million for the same period of the prior year.

Cash flows from financing activities for this nine-month period came to a net cash outflow of ¥19,805 million. Compared to the same period of the prior year, the net cash outflow from financing activities for this nine-month period decreased ¥64,905 million mainly due to an increase in short term borrowings net changes year on year of ¥175,328 million and a decrease in redemption of corporate bonds of ¥65,000 million. On the other hand, proceeds from issuance of long term debt decreased ¥84,060 million, proceeds from issuance of corporate bonds decreased ¥75,359 million and purchase of treasury stock increased ¥20,957 million.

As a result of the foregoing factors and the impact of foreign exchange fluctuations, the balance of cash and cash equivalents as of December 31, 2018 decreased ¥4,086 million to ¥261,861 million from March 31, 2018.

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

The room for optimism continues to be limited in the global economy, while expectations are growing for the U.S. to sustain its economic growth, the uncertainty caused by the U.S.-China trade friction over China and other parts of the global economy continues to exist, together with other factors such as the concerns for geopolitical risks in the Middle East and political risks in Southern Europe.

Our business forecasts for the fiscal year ending March 31, 2019 at this time are as follows. The exchange rates used for the preparation of the foregoing forecasts remain unchanged (i.e., US\$1=¥100 and €1=¥125 respectively).

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

| | | |
|---|--------------------|--|
| Net sales | ¥1,450,000 million | (97.4% compared to the previous fiscal year) |
| Operating profit | ¥145,000 million | (86.9% compared to the previous fiscal year) |
| Profit before income taxes | ¥140,000 million | (85.5% compared to the previous fiscal year) |
| Profit attributable to owners of the parent | ¥112,000 million | (85.6% 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 December 31, 2018 | | Increase or decrease |
|--|----------------------|-------|-------------------------|-------|----------------------------|
| | Amounts | % | Amounts | % | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 265,947 | | 261,861 | | (4,086) |
| Trade and other receivables | 388,741 | | 377,930 | | (10,811) |
| Other financial assets | 1,718 | | 403 | | (1,315) |
| Income tax receivables | 2,402 | | 11,114 | | 8,712 |
| Inventories | 227,766 | | 270,118 | | 42,352 |
| Other current assets | 30,155 | | 39,208 | | 9,053 |
| Total current assets | 916,729 | 51.7 | 960,634 | 51.0 | 43,905 |
| Non-current assets | | | | | |
| Property, plant and equipment | 451,298 | | 495,975 | | 44,677 |
| Goodwill | 234,915 | | 250,468 | | 15,553 |
| Intangible assets | 124,413 | | 129,431 | | 5,018 |
| Investments accounted for using the equity method | 1,112 | | 3,180 | | 2,068 |
| Other investments | 22,295 | | 16,987 | | (5,308) |
| Other financial assets | 5,464 | | 6,222 | | 758 |
| Deferred tax assets | 11,055 | | 11,611 | | 556 |
| Other non-current assets | 6,728 | | 8,352 | | 1,624 |
| Total non-current assets | 857,280 | 48.3 | 922,226 | 49.0 | 64,946 |
| Total assets | 1,774,009 | 100.0 | 1,882,860 | 100.0 | 108,851 |

(Yen in millions)

| | As of March 31, 2018 | | As of December 31, 2018 | | Increase or decrease |
|--|----------------------|-------|-------------------------|-------|----------------------------|
| | Amounts | % | Amounts | % | |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Short term borrowings | 1,657 | | 14,389 | | 12,732 |
| Long term debt due within one year | 29,538 | | 95,598 | | 66,060 |
| Trade and other payables | 317,031 | | 316,213 | | (818) |
| Other financial liabilities | 1,557 | | 4,535 | | 2,978 |
| Income tax payables | 7,582 | | 14,655 | | 7,073 |
| Provisions | 32,733 | | 26,573 | | (6,160) |
| Other current liabilities | 61,915 | | 65,886 | | 3,971 |
| Total current liabilities | 452,013 | 25.5 | 537,849 | 28.5 | 85,836 |
| Non-current liabilities | | | | | |
| Long term debt | 314,631 | | 274,740 | | (39,891) |
| Other financial liabilities | 2,373 | | 2,036 | | (337) |
| Retirement benefit liabilities | 24,178 | | 26,092 | | 1,914 |
| Provisions | 6,577 | | 4,478 | | (2,099) |
| Deferred tax liabilities | 28,922 | | 32,330 | | 3,408 |
| Other non-current liabilities | 2,924 | | 2,690 | | (234) |
| Total non-current liabilities | 379,605 | 21.4 | 342,366 | 18.2 | (37,239) |
| Total liabilities | 831,618 | 46.9 | 880,215 | 46.7 | 48,597 |
| Equity | | | | | |
| Common stock | 87,784 | 4.9 | 87,784 | 4.7 | - |
| Additional paid-in capital | 118,136 | 6.7 | 118,375 | 6.3 | 239 |
| Retained earnings | 822,589 | 46.4 | 892,074 | 47.4 | 69,485 |
| Other components of equity | (76,857) | (4.3) | (67,464) | (3.7) | 9,393 |
| Treasury stock | (19,151) | (1.1) | (45,285) | (2.4) | (26,134) |
| Total equity attributable to owners of the parent | 932,501 | 52.6 | 985,484 | 52.3 | 52,983 |
| Non-controlling interests | 9,890 | 0.5 | 17,161 | 1.0 | 7,271 |
| Total equity | 942,391 | 53.1 | 1,002,645 | 53.3 | 60,254 |
| Total liabilities and equity | 1,774,009 | 100.0 | 1,882,860 | 100.0 | 108,851 |

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

For the nine months ended December 31, 2017 and 2018

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

| | For the nine months ended December 31, | | | | Increase or decrease | | For the year ended March 31, 2018 | |
|---|---|--------|-----------|--------|-------------------------|------|--------------------------------------|--------|
| | 2017 | | 2018 | | Amounts | % | Amounts | % |
| | Amounts | % | Amounts | % | | | | |
| Net sales | 1,105,921 | 100.0 | 1,154,306 | 100.0 | 48,385 | 4.4 | 1,488,090 | 100.0 |
| Cost of sales | (838,431) | (75.8) | (875,796) | (75.9) | (37,365) | 4.5 | (1,131,557) | (76.0) |
| Gross profit | 267,490 | 24.2 | 278,510 | 24.1 | 11,020 | 4.1 | 356,533 | 24.0 |
| Selling, general and administrative expenses | (100,324) | (9.1) | (103,948) | (9.0) | (3,624) | 3.6 | (134,253) | (9.0) |
| Research and development expenses | (41,006) | (3.7) | (45,195) | (3.9) | (4,189) | 10.2 | (55,438) | (3.8) |
| Operating profit | 126,160 | 11.4 | 129,367 | 11.2 | 3,207 | 2.5 | 166,842 | 11.2 |
| Financial income | 4,597 | 0.4 | 7,690 | 0.7 | 3,093 | 67.3 | 6,577 | 0.5 |
| Financial expenses | (5,119) | (0.5) | (6,384) | (0.6) | (1,265) | 24.7 | (7,007) | (0.5) |
| Derivative gain (loss) | 693 | 0.1 | 992 | 0.1 | 299 | 43.1 | (275) | (0.0) |
| Foreign exchange differences | (7,686) | (0.7) | 6 | 0.0 | 7,692 | - | (2,590) | (0.2) |
| Share of net profit (loss) from associate accounting using the equity method | 111 | 0.0 | (373) | (0.0) | (484) | - | 118 | 0.0 |
| Profit before income taxes | 118,756 | 10.7 | 131,298 | 11.4 | 12,542 | 10.6 | 163,665 | 11.0 |
| Income tax expenses | (24,235) | (2.2) | (27,441) | (2.4) | (3,206) | 13.2 | (32,144) | (2.2) |
| Profit for the period | 94,521 | 8.5 | 103,857 | 9.0 | 9,336 | 9.9 | 131,521 | 8.8 |
| Profit for the period attributable to: | | | | | | | | |
| Owners of the parent | 93,984 | 8.5 | 103,214 | 8.9 | 9,230 | 9.8 | 130,834 | 8.8 |
| Non-controlling interests | 537 | 0.0 | 643 | 0.1 | 106 | 19.7 | 687 | 0.0 |
| Profit for the period | 94,521 | 8.5 | 103,857 | 9.0 | 9,336 | 9.9 | 131,521 | 8.8 |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

| | For the nine months ended December 31, | | | | Increase or decrease | | For the year ended March 31, 2018 |
|---|---|---------|---------|---------|-------------------------|--------|--------------------------------------|
| | 2017 | | 2018 | | Amounts | % | Amounts |
| | Amounts | Amounts | Amounts | Amounts | | | |
| Profit for the period | 94,521 | | 103,857 | | 9,336 | 9.9 | 131,521 |
| Other comprehensive income, net of taxation | | | | | | | |
| Items that will not be reclassified to net profit or loss: | | | | | | | |
| Remeasurement of defined benefit plans | (72) | | 20 | | 92 | - | 425 |
| Fair value movements on FVTOCI equity financial assets | 3,545 | | (3,581) | | (7,126) | - | 2,093 |
| Items that may be reclassified to net profit or loss: | | | | | | | |
| Foreign currency translation adjustments | 36,378 | | 10,271 | | (26,107) | (71.8) | (13,881) |
| Effective portion of net changes in fair value of cash flow hedges | 371 | | (1,162) | | (1,533) | - | 399 |
| Fair value movements on FVTOCI debt financial assets | (1) | | 4 | | 5 | - | (3) |
| Total other comprehensive income for the period, net of taxation | 40,221 | | 5,552 | | (34,669) | (86.2) | (10,967) |
| Comprehensive income for the period | 134,742 | | 109,409 | | (25,333) | (18.8) | 120,554 |
| Comprehensive income for the period attributable to: | | | | | | | |
| Owners of the parent | 133,755 | | 109,105 | | (24,650) | (18.4) | 119,812 |
| Non-controlling interests | 987 | | 304 | | (683) | (69.2) | 742 |
| Comprehensive income for the period | 134,742 | | 109,409 | | (25,333) | (18.8) | 120,554 |

For the three months ended December 31, 2017 and 2018

Condensed Quarterly Consolidated Statements of Income

(Yen in millions)

| | For the three months ended December 31, | | | | Increase or decrease | |
|--|---|--------|-----------|--------|----------------------|--------|
| | 2017 | | 2018 | | | |
| | Amounts | % | Amounts | % | Amounts | % |
| Net sales | 390,031 | 100.0 | 376,702 | 100.0 | (13,329) | (3.4) |
| Cost of sales | (296,479) | (76.0) | (293,492) | (77.9) | 2,987 | (1.0) |
| Gross profit | 93,552 | 24.0 | 83,210 | 22.1 | (10,342) | (11.1) |
| Selling, general and administrative expenses | (34,940) | (9.0) | (35,773) | (9.5) | (833) | 2.4 |
| Research and development expenses | (14,217) | (3.6) | (16,307) | (4.3) | (2,090) | 14.7 |
| Operating profit | 44,395 | 11.4 | 31,130 | 8.3 | (13,265) | (29.9) |
| Financial income | 1,743 | 0.4 | 2,859 | 0.8 | 1,116 | 64.0 |
| Financial expenses | (1,752) | (0.5) | (2,211) | (0.6) | (459) | 26.2 |
| Derivative gain (loss) | 601 | 0.2 | (931) | (0.3) | (1,532) | - |
| Foreign exchange differences | (2,105) | (0.5) | 2,295 | 0.6 | 4,400 | - |
| Share of net profit (loss) from associate accounting using the equity method | 91 | 0.0 | (111) | (0.0) | (202) | - |
| Profit before income taxes | 42,973 | 11.0 | 33,031 | 8.8 | (9,942) | (23.1) |
| Income tax expenses | (8,183) | (2.1) | (8,082) | (2.2) | 101 | (1.2) |
| Profit for the period | 34,790 | 8.9 | 24,949 | 6.6 | (9,841) | (28.3) |
| Profit for the period attributable to: | | | | | | |
| Owners of the parent | 34,563 | 8.9 | 24,704 | 6.6 | (9,859) | (28.5) |
| Non-controlling interests | 227 | 0.0 | 245 | 0.0 | 18 | 7.9 |
| Profit for the period | 34,790 | 8.9 | 24,949 | 6.6 | (9,841) | (28.3) |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Yen in millions)

| | For the three months ended December 31, | | Increase or decrease | |
|--|---|----------|----------------------|--------|
| | 2017 | 2018 | | |
| | Amounts | Amounts | Amounts | % |
| Profit for the period | 34,790 | 24,949 | (9,841) | (28.3) |
| Other comprehensive income, net of taxation | | | | |
| Items that will not be reclassified to net profit or loss: | | | | |
| Remeasurement of defined benefit plans | (26) | 86 | 112 | - |
| Fair value movements on FVTOCI equity financial assets | 1,408 | (3,057) | (4,465) | - |
| Items that may be reclassified to net profit or loss: | | | | |
| Foreign currency translation adjustments | 9,675 | (31,309) | (40,984) | - |
| Effective portion of net changes in fair value of cash flow hedges | (131) | (605) | (474) | - |
| Fair value movements on FVTOCI debt financial assets | 1 | (4) | (5) | - |
| Total other comprehensive income for the period, net of taxation | 10,927 | (34,889) | (45,816) | - |
| Comprehensive income for the period | 45,717 | (9,940) | (55,657) | - |
| Comprehensive income for the period attributable to: | | | | |
| Owners of the parent | 45,065 | (9,813) | (54,878) | - |
| Non-controlling interests | 652 | (127) | (779) | - |
| Comprehensive income for the period | 45,717 | (9,940) | (55,657) | - |

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 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 | | | 93,984 | | | 93,984 | 537 | 94,521 |
| Other comprehensive income | | | | 39,771 | | 39,771 | 450 | 40,221 |
| Total comprehensive income | | | | | | 133,755 | 987 | 134,742 |
| Transactions with owners directly recognized in equity: | | | | | | | | |
| Purchase of treasury stock | | | | | (5,177) | (5,177) | - | (5,177) |
| Dividends paid to owners of the parent | | | (26,670) | | | (26,670) | - | (26,670) |
| Dividends paid to non-controlling interests | | | | | | - | (39) | (39) |
| Transfer to retained earnings | | | 3,469 | (3,469) | | - | - | - |
| Other | | (204) | 1 | (1) | | (204) | 15 | (189) |
| Balance at December 31, 2017 | 87,784 | 118,136 | 786,695 | (27,019) | (17,320) | 948,276 | 10,197 | 958,473 |

For the nine months ended December 31, 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 |
| Change 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 | | | 103,214 | | | 103,214 | 643 | 103,857 |
| Other comprehensive income | | | | 5,891 | | 5,891 | (339) | 5,552 |
| Total comprehensive income | | | | | | 109,105 | 304 | 109,409 |
| Transactions with owners directly recognized in equity: | | | | | | | | |
| Purchase of treasury stock | | | | | (26,134) | (26,134) | - | (26,134) |
| Dividends paid to owners of the parent | | | (29,486) | | | (29,486) | - | (29,486) |
| Dividends paid to non-controlling interests | | | | | | - | (81) | (81) |
| Share-based payment transactions | | 224 | | | | 224 | - | 224 |
| Transfer to retained earnings | | | (3,500) | 3,500 | | - | - | - |
| Changes in equity by purchase of shares of consolidated subsidiaries | | | | | | - | 7,140 | 7,140 |
| Other | | 15 | (942) | 2 | | (925) | (92) | (1,017) |
| Balance at December 31, 2018 | 87,784 | 118,375 | 892,074 | (67,464) | (45,285) | 985,484 | 17,161 | 1,002,645 |

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Yen in millions)

| | For the nine months ended December 31, | | Increase or decrease | For the year ended March 31, |
|---|---|-----------|-------------------------|---------------------------------|
| | 2017 | 2018 | | 2018 |
| Cash flows from operating activities: | | | | |
| Profit for the period | 94,521 | 103,857 | 9,336 | 131,521 |
| Adjustments to reconcile profit for the period to net cash provided by operating activities | | | | |
| Depreciation and amortization | 52,009 | 53,045 | 1,036 | 68,697 |
| (Gain) loss from sales, disposal or impairment of property, plant and equipment | (174) | 419 | 593 | 372 |
| Financial expense (income) | 100 | (1,564) | (1,664) | (23) |
| Share of net (profit) loss from associate accounting using the equity method | (111) | 412 | 523 | (118) |
| Deferred income taxes | (1,225) | 3,071 | 4,296 | (2,349) |
| Current income taxes | 25,461 | 24,370 | (1,091) | 34,493 |
| Foreign currency adjustments | 380 | 8,277 | 7,897 | (7,096) |
| Increase in retirement benefit liability | 1,106 | 1,699 | 593 | 915 |
| (Increase) decrease in accounts receivable | (25,284) | 29,461 | 54,745 | (30,632) |
| Increase in inventories | (26,446) | (32,682) | (6,236) | (24,398) |
| Increase (decrease) in accounts payable | 40,470 | (13,818) | (54,288) | 47,809 |
| Other, net | 86 | (14,697) | (14,783) | (8,947) |
| Interests and dividends received | 4,089 | 6,975 | 2,886 | 6,482 |
| Interests paid | (3,529) | (4,775) | (1,246) | (6,647) |
| Income taxes paid | (28,052) | (26,540) | 1,512 | (34,511) |
| Net cash provided by operating activities | 133,401 | 137,510 | 4,109 | 175,568 |
| Cash flows from investing activities: | | | | |
| Additions to property, plant and equipment | (67,135) | (90,101) | (22,966) | (90,841) |
| Proceeds from sales of property, plant and equipment | 3,343 | 2,307 | (1,036) | 6,856 |
| Additions to intangible assets | (3,027) | (8,747) | (5,720) | (9,544) |
| Acquisitions of business, net of cash acquired | (20,021) | (17,987) | 2,034 | (20,071) |
| Other, net | (537) | (4,097) | (3,560) | (315) |
| Net cash used in investing activities | (87,377) | (118,625) | (31,248) | (113,915) |
| Cash flows from financing activities: | | | | |
| (Decrease) increase in short term borrowings | (163,083) | 12,245 | 175,328 | (178,724) |
| Proceeds from issuance of long term debt | 84,060 | - | (84,060) | 84,062 |
| Repayments of long term debt | (23,345) | (15,814) | 7,531 | (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 | (5,177) | (26,134) | (20,957) | (7,008) |
| Dividends paid to owners of the parent | (26,670) | (29,486) | (2,816) | (26,670) |
| Other, net | (496) | (258) | 238 | (496) |
| Net cash used in financing activities | (84,710) | (19,805) | 64,905 | (116,858) |
| Effect of exchange rate changes on cash and cash equivalents | 15,575 | (3,166) | (18,741) | (428) |
| Net decrease in cash and cash equivalents | (23,111) | (4,086) | 19,025 | (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 | 298,469 | 261,861 | (36,608) | 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 addresses of headquarters and principal business offices are available on the Company’s website (<http://www.nidec.com/en-Global>).

Condensed quarterly consolidated financial statements as of December 31, 2018 and for the nine 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 the nine months ended December 31, 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 nine months ended December 31, 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 December 31, 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 reflect 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 nine months ended December 31, 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 December 31, 2018.

3. Others

(1) Quarterly Financial Data for the three months ended December 31, 2018, September 30, 2018 and June 30, 2018

(Yen in millions)

| | For the three months ended | | | | | |
|---|----------------------------|-------|--------------------|-------|-------------------|-------|
| | June 30, 2018 | | September 30, 2018 | | December 31, 2018 | |
| | Amounts | % | Amounts | % | Amounts | % |
| Net sales | 383,765 | 100.0 | 393,839 | 100.0 | 376,702 | 100.0 |
| Operating profit | 46,588 | 12.1 | 51,649 | 13.1 | 31,130 | 8.3 |
| Profit before income taxes | 46,888 | 12.2 | 51,379 | 13.0 | 33,031 | 8.8 |
| Profit for the period | 37,518 | 9.8 | 41,390 | 10.5 | 24,949 | 6.6 |
| Profit attributable to owners of the parent | 37,318 | 9.7 | 41,192 | 10.5 | 24,704 | 6.6 |

(2) Information by Product Category

For the nine months ended December 31, 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 | 345,039 | 216,910 | 381,318 | 105,869 | 53,695 | 3,090 | 1,105,921 | - | 1,105,921 |
| Intersegment | 1,985 | 811 | 4,516 | 11,402 | 5,929 | 1,348 | 25,991 | (25,991) | - |
| Total | 347,024 | 217,721 | 385,834 | 117,271 | 59,624 | 4,438 | 1,131,912 | (25,991) | 1,105,921 |
| Operating expenses | 290,320 | 188,792 | 356,602 | 97,887 | 51,551 | 4,006 | 989,158 | (9,397) | 979,761 |
| Operating profit | 56,704 | 28,929 | 29,232 | 19,384 | 8,073 | 432 | 142,754 | (16,594) | 126,160 |

For the nine months ended December 31, 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 | 343,253 | 223,766 | 402,744 | 124,946 | 56,166 | 3,431 | 1,154,306 | - | 1,154,306 |
| Intersegment | 1,655 | 1,854 | 4,825 | 10,994 | 5,142 | 1,419 | 25,889 | (25,889) | - |
| Total | 344,908 | 225,620 | 407,569 | 135,940 | 61,308 | 4,850 | 1,180,195 | (25,889) | 1,154,306 |
| Operating expenses | 292,731 | 197,023 | 372,196 | 114,231 | 54,836 | 4,297 | 1,035,314 | (10,375) | 1,024,939 |
| Operating profit | 52,177 | 28,597 | 35,373 | 21,709 | 6,472 | 553 | 144,881 | (15,514) | 129,367 |

For the three months ended December 31, 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 | 124,565 | 76,411 | 131,245 | 38,020 | 18,698 | 1,092 | 390,031 | - | 390,031 |
| Intersegment | 664 | 334 | 1,862 | 4,086 | 2,093 | 436 | 9,475 | (9,475) | - |
| Total | 125,229 | 76,745 | 133,107 | 42,106 | 20,791 | 1,528 | 399,506 | (9,475) | 390,031 |
| Operating expenses | 104,667 | 66,648 | 122,988 | 35,160 | 18,249 | 1,377 | 349,089 | (3,453) | 345,636 |
| Operating profit | 20,562 | 10,097 | 10,119 | 6,946 | 2,542 | 151 | 50,417 | (6,022) | 44,395 |

For the three months ended December 31, 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 | 114,298 | 71,862 | 130,596 | 39,533 | 19,198 | 1,215 | 376,702 | - | 376,702 |
| Intersegment | 807 | 885 | 1,486 | 4,378 | 1,824 | 474 | 9,854 | (9,854) | - |
| Total | 115,105 | 72,747 | 132,082 | 43,911 | 21,022 | 1,689 | 386,556 | (9,854) | 376,702 |
| Operating expenses | 100,026 | 67,045 | 124,925 | 38,261 | 18,668 | 1,507 | 350,432 | (4,860) | 345,572 |
| Operating profit | 15,079 | 5,702 | 7,157 | 5,650 | 2,354 | 182 | 36,124 | (4,994) | 31,130 |

(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 nine months ended December 31, 2017 | | For the nine months ended December 31, 2018 | | Increase or decrease | |
|-----------|--|-------|--|-------|----------------------|-------|
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 229,272 | 20.7 | 229,576 | 19.9 | 304 | 0.1 |
| U.S.A. | 185,977 | 16.8 | 193,279 | 16.7 | 7,302 | 3.9 |
| Singapore | 43,022 | 3.9 | 42,068 | 3.7 | (954) | (2.2) |
| Thailand | 96,547 | 8.7 | 102,301 | 8.9 | 5,754 | 6.0 |
| Germany | 91,902 | 8.3 | 99,279 | 8.6 | 7,377 | 8.0 |
| China | 267,580 | 24.2 | 277,399 | 24.0 | 9,819 | 3.7 |
| Others | 191,621 | 17.4 | 210,404 | 18.2 | 18,783 | 9.8 |
| Total | 1,105,921 | 100.0 | 1,154,306 | 100.0 | 48,385 | 4.4 |

(Yen in millions)

| | For the three months ended December 31, 2017 | | For the three months ended December 31, 2018 | | Increase or decrease | |
|-----------|---|-------|---|-------|----------------------|--------|
| | Amounts | % | Amounts | % | Amounts | % |
| Japan | 78,771 | 20.2 | 73,870 | 19.6 | (4,901) | (6.2) |
| U.S.A. | 60,562 | 15.5 | 63,328 | 16.8 | 2,766 | 4.6 |
| Singapore | 14,978 | 3.8 | 13,269 | 3.5 | (1,709) | (11.4) |
| Thailand | 35,574 | 9.1 | 30,414 | 8.1 | (5,160) | (14.5) |
| Germany | 33,090 | 8.5 | 31,269 | 8.3 | (1,821) | (5.5) |
| China | 100,497 | 25.8 | 91,261 | 24.2 | (9,236) | (9.2) |
| Others | 66,559 | 17.1 | 73,291 | 19.5 | 6,732 | 10.1 |
| Total | 390,031 | 100.0 | 376,702 | 100.0 | (13,329) | (3.4) |

(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 nine months ended December 31, 2017 | | For the nine months ended December 31, 2018 | | Increase or decrease | |
|----------------|--|-------|--|-------|----------------------|--------|
| | Amounts | % | Amounts | % | Amounts | % |
| North America | 207,145 | 18.7 | 225,319 | 19.5 | 18,174 | 8.8 |
| Asia | 528,749 | 47.8 | 540,949 | 46.9 | 12,200 | 2.3 |
| Europe | 186,852 | 16.9 | 205,112 | 17.8 | 18,260 | 9.8 |
| Others | 22,847 | 2.1 | 20,062 | 1.7 | (2,785) | (12.2) |
| Overseas total | 945,593 | 85.5 | 991,442 | 85.9 | 45,849 | 4.8 |
| Japan | 160,328 | 14.5 | 162,864 | 14.1 | 2,536 | 1.6 |
| Total | 1,105,921 | 100.0 | 1,154,306 | 100.0 | 48,385 | 4.4 |

(Yen in millions)

| | For the three months ended December 31, 2017 | | For the three months ended December 31, 2018 | | Increase or decrease | |
|----------------|---|-------|---|-------|----------------------|--------|
| | Amounts | % | Amounts | % | Amounts | % |
| North America | 68,047 | 17.5 | 73,134 | 19.4 | 5,087 | 7.5 |
| Asia | 194,880 | 50.0 | 169,156 | 44.9 | (25,724) | (13.2) |
| Europe | 65,246 | 16.7 | 69,432 | 18.5 | 4,186 | 6.4 |
| Others | 9,041 | 2.3 | 9,503 | 2.5 | 462 | 5.1 |
| Overseas total | 337,214 | 86.5 | 321,225 | 85.3 | (15,989) | (4.7) |
| Japan | 52,817 | 13.5 | 55,477 | 14.7 | 2,660 | 5.0 |
| Total | 390,031 | 100.0 | 376,702 | 100.0 | (13,329) | (3.4) |

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



4. Overview of Consolidated Financial Results

January 23, 2019

(Yen in millions)

(1) Summary of Consolidated Financial Performance

| | For the nine months ended December 31, 2017 | For the nine months ended December 31, 2018 | Increase or decrease | For the three months ended December 31, 2017 | For the three months ended December 31, 2018 | Increase or decrease |
|---|--|--|-------------------------|---|---|-------------------------|
| Net Sales | 1,105,921 | 1,154,306 | 4.4% | 390,031 | 376,702 | (3.4)% |
| Operating profit | 126,160 11.4% | 129,367 11.2% | 2.5% | 44,395 11.4% | 31,130 8.3% | (29.9)% |
| Profit before income taxes | 118,756 10.7% | 131,298 11.4% | 10.6% | 42,973 11.0% | 33,031 8.8% | (23.1)% |
| Profit attributable to owners of the parent | 93,984 8.5% | 103,214 8.9% | 9.8% | 34,563 8.9% | 24,704 6.6% | (28.5)% |
| Earnings per share attributable to owners of the parent - basic (Yen) | 317.43 | 349.90 | | 116.74 | 83.94 | |
| 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 December 31, 2017 | As of December 31, 2018 | As of March 31, 2018 |
|---|--|--|--------------------------------------|
| Total assets | 1,832,386 | 1,882,860 | 1,774,009 |
| Total equity attributable to owners of the parent | 948,276 | 985,484 | 932,501 |
| Ratio of equity attributable to owners of the parent to total asset | 51.8% | 52.3% | 52.6% |
| | For the nine months ended December 31, 2017 | For the nine months ended December 31, 2018 | For the year ended March 31, 2018 |
| Net cash provided by operating activities | 133,401 | 137,510 | 175,568 |
| Net cash used in investing activities | (87,377) | (118,625) | (113,915) |
| Net cash (used in) provided by financing activities | (84,710) | (19,805) | (116,858) |
| Cash and cash equivalents at end of period | 298,469 | 261,861 | 265,947 |

(3) Dividends

(Yen)

| | 2nd 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 | 319 |
| Number of associates accounted for under the equity method | 5 |

| | Change from March 31, 2018 | Change from December 31, 2017 |
|---|-------------------------------|----------------------------------|
| Number of companies newly consolidated | 22 | 22 |
| Number of companies excluded from consolidation | 13 | 13 |
| Number of companies newly accounted for by the equity method | 1 | 1 |
| Number of companies excluded from accounting by the equity method | - | - |

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

2. "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".

3. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2018 and the nine months ended December 31, 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.