



## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (U.S. GAAP)

April 26, 2022

### OMRON Corporation (6645)

Exchanges Listed:	Tokyo
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Annual General Shareholders' Meeting (Scheduled):	June 23, 2022
Start of Distribution of Dividends (scheduled):	June 24, 2022
Filing of Securities Report (Yuka shoken hokokusho) (Scheduled):	June 24, 2022
Preparation of Supplementary Materials for the Financial Results:	Yes
Holding of Presentation of Financial Results:	Yes (Financial results presentation held via online streaming and teleconference for investors on April 26)

*Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.*

Note: Figures are rounded to the nearest million yen.

#### 1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

##### (1) Sales and Income (cumulative)

(Percentages represent changes compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2022	762,927	16.4	89,316	43.0	86,714	33.2	61,400	41.8
Year ended March 31, 2021	655,529	(3.3)	62,480	14.1	65,089	25.6	43,307	(42.2)

Note: Comprehensive income:

Year ended March 31, 2022:

JPY108,105 million (14.2% change);

Year ended March 31, 2021:

JPY94,695 million (53.1% change)

	Net income per share attributable to shareholders, basic	Net income per share attributable to shareholders, diluted	Return on equity	Income before income taxes / total assets ratio	Operating income / net sales ratio
Year ended	Yen	Yen	%	%	%
Year ended March 31, 2022	305.65	—	9.7	9.9	11.7
Year ended March 31, 2021	214.72	—	7.6	8.2	9.5

##### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	Million yen	%	Yen
Year ended March 31, 2022	930,629	667,971	665,227	71.5	3,339.64
Year ended March 31, 2021	820,379	609,358	606,858	74.0	3,009.15

##### (3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
Year ended	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2022	67,428	(150,163)	(29,603)	155,484
Year ended March 31, 2021	93,831	(14,785)	(20,352)	250,755

## 2. Dividends

	Dividends per share					Total cash dividends paid	Payout ratio (consolidated)	Dividends / Shareholders' equity ratio (consolidated)
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	—	42.00	—	42.00	84.00	17,004	39.1	3.0
March 31, 2022	—	46.00	—	46.00	92.00	18,502	30.1	2.9
Year ending March 31, 2023 (projected)	—	—	—	—	98.00		31.0	

Notes: 1 Interim and year-end dividends for the fiscal year ending March 31, 2023 have yet to be determined.

2 The number used in calculating shareholders' equity ratio (consolidated) above is the average shareholders' equity ratio at the beginning and the end of the fiscal year. Beginning next fiscal year (ending March 31, 2023), we will perform this calculation based on the average of the number at the beginning of the fiscal year and at the end of each fiscal quarter during the period in question. Further, under this calculation method, shareholders' equity ratio (consolidated) for the fiscal years ended March 31, 2021 and 2022 were 3.0% and 2.9%, respectively.

## 3. Projected Results for the Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent changes compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders		Net income per share attributable to shareholders, basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	850,000	11.4	93,000	4.1	89,000	2.6	63,000	2.6	316.28

\*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No

New: - company (company name) Excluded: - company (company name)

(2) Changes in accounting policy

(a) Changes in accounting policy accompanying revision of accounting standards, etc.: Yes

(b) Changes in accounting policy other than (a) above: No

Note: For details, refer to 5. Consolidated Financial Statements and Notes(5) Notes Regarding Consolidated Financial Statements on P.19.

(3) Number of shares issued and outstanding (common stock)

[1] Number of shares outstanding at period-end (including treasury stock)	Year ended March 31, 2022	206,244,872	Year ended March 31, 2021	206,244,872
[2] Treasury stock at period-end	Year ended March 31, 2022	7,053,647	Year ended March 31, 2021	4,574,294
[3] Average number of shares during the period	Year ended March 31, 2022	200,882,669	Year ended March 31, 2021	201,692,643

Note: As of the end of the fiscal year ended March 31, 2022, 606,434 shares of OMRON stock held for the Board Incentive Plan and Employee Stock Ownership Plan are included in period-end treasury stock. The average number of shares during the period includes treasury stock deducted in the calculation of net income per share attributable to OMRON shareholders, basic.

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Non-consolidated Sales and Income

(Percentages represent changes compared with the previous fiscal year.)

Year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	310,989	20.3	20,612	228.9	42,084	78.6	23,250	25.7
March 31, 2021	258,494	(12.6)	6,266	(55.9)	23,562	(16.2)	18,503	(76.7)

Notes: 1 We adopted *Accounting Standard for Revenue Recognition* (ASBJ Statement No. 29, March 31, 2020) as of the beginning of the fiscal year under review. Each figure related to the fiscal year ended March 31, 2022 reflects the adoption of this accounting standard.

2 As disclosed in *Notice Regarding Non-Consolidated Loss on Valuation of Stocks of Affiliates*, published January 28, 2022, the Company recorded JPY16.8 billion (including JPY5.7 billion in foreign exchange impact) in non-consolidated loss on valuation of stocks of affiliates in connection with the valuation of shares of consolidated subsidiary OMRON Electronica do Brasil LTDA. The amount recorded is reflected in extraordinary loss in the OMRON Corporation non-consolidated financial results.

	Net income per share	Net income per share, diluted
Year ended	Yen	Yen
March 31, 2022	115.74	—
March 31, 2021	91.74	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	606,482	277,159	45.7	1,391.42
March 31, 2021	537,742	298,916	55.6	1,482.20

(Reference) Net worth: Year ended March 31, 2022: JPY277,159 million; Year ended March 31, 2021: JPY298,916 million

\*Summaries of consolidated financial results are not subject to audit by certified public accountants or audit corporations

\*Commentary Regarding Appropriate Use of Projections of Results and Other Matters

1. Projections of results and future developments are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks, uncertainties and other factors could cause actual results to differ materially from these projections.

See *1. Analysis of Results of Operations and Financial Condition (5) Outlook for the Year Ending March 31, 2023* on P.7 for more regarding assumptions used in earnings forecasts.

2. The Company applies the single step method for presentation of its Consolidated Financial Statements based on U.S. GAAP. However, to facilitate comparison with other companies, operating income on the Consolidated Statements of Operations is presented by subtracting selling, *general and administrative expenses* and *research and development expenses* from *gross profit*.

3. As we become able to provide earnings forecasts with greater reliability, we will determine and announce interim and year-end dividends for the fiscal year ending March 2023. We plan to disclose interim dividends for the next fiscal year in October 2022, at the latest, and year-end dividends in April 2023.

4. The Company plans to hold a presentation for investors and information session via online streaming and teleconference on Tuesday, April 26, 2022.

The following abbreviations of business segment names are used in the attached materials.

IAB: Industrial Automation Business

HCB: Healthcare Business

SSB: Social Systems, Solutions and Service Business

DMB: Devices & Module Solutions Business

\*In connection with the start of our long-term vision beginning April 2022, the name of EMC: Electronic and Mechanical

Components Business will change to DMB: Device & Module Solutions Business beginning with the fiscal year ending March 31, 2023. The new segments are used in these financial statements for consistency.

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# 1. Analysis of Results of Operations and Financial Condition

## (1) Analysis of Results of Operations

### 1) General Overview

The business environment surrounding the OMRON Group during the consolidated fiscal year (ended March 31, 2022) experienced ongoing strong demand overall from the digital industry, mainly in Greater China, Asia and the Americas. At the same time, investments related to carbon-neutral and plastic-free products expanded against the backdrop of social demands to protect the global environment. Further, the COVID-19 pandemic led to increased demand for home medical equipment as consumers gained a new appreciation of the importance of preventing serious chronic diseases. On the other hand, the fiscal year ended March 31, 2022 was one of continued uncertainty due to a variety of factors such as the emergence of extended supply chain disruptions beginning in the second quarter, the deteriorating situation in Russia and Ukraine, and the Shanghai lockdowns in the fourth quarter.

Amid this business environment, the Industrial Automation Business continued to build on the ability to propose solutions, securing parts and responding to increased production to meet strong demand in response to capital investment in semiconductors, electric vehicles, secondary batteries, and food packaging machinery. As global demand for blood pressure monitors increased, our Healthcare Business responded by strengthening promotions through our retail pharmacy and online channels, securing components, and improving logistics.

As a result, sales increased significantly year on year. Gross profit margin remained almost unchanged from the previous year, despite the impact of soaring material and logistics costs, due to efforts to reduce variable costs and improve production efficiency, as well as the results of profit structure reforms implemented to date. Our strong earnings structure generated a multiplicative effect on net sales, leading not only to a significant increase in operating income year on year, but also to a record high.

Consolidated results for fiscal 2021 were as follows.

(Billions of yen, except exchange rate data and percentages)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Net sales	655.5	762.9	+16.4%
Gross profit [% of net sales]	298.4 [45.5%]	346.8 [45.5%]	+16.2% [-0.1%pt]
Operating income [% of net sales]	62.5 [9.5%]	89.3 [11.7%]	+43.0% [+2.2%pt]
Income before income taxes	65.1	86.7	+33.2%
Net income attributable to OMRON shareholders	43.3	61.4	+41.8%
Average USD exchange rate (Yen)	105.8	112.1	+6.2
Average EUR exchange rate (Yen)	123.2	130.5	+7.3
Average CNY exchange rate (Yen)	15.5	17.4	+1.9

## 2) Results by Business Segment

### IAB (Industrial Automation Business)

(Billions of yen, %)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Sales to external customers	346.4	432.6	+24.9%
Operating income	58.8	78.1	+32.8%

#### Sales

Demand for capital investment rose in the manufacturing industry in all areas of the globe. Demand for secondary batteries and semiconductor-related capital investment in the digital industry expanded, particularly in Greater China, Asia, and the Americas, and demand among Japanese equipment manufacturers also increased. At the same time, demand for capital investment related to electric vehicles continued to increase in the automobile industry. The food and daily goods industry experienced firm demand, mainly for packaging equipment. We accurately captured these rising demands through solution proposal-based sales, which we have strengthened over time, while also engaging in production increases, etc. As a result, net sales grew significantly year on year, reaching a record high.

#### Operating Income

Operating income increased significantly year on year, reaching a record high, mainly due to the large increase in sales.

### HCB (Healthcare Business)

(Billions of yen, %)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Sales to external customers	123.1	132.9	+7.9%
Operating income	20.6	18.5	-9.9%

#### Sales

Demand for blood pressure monitors continued to grow globally with increased awareness of the need to prevent the progression of serious chronic diseases due to the COVID-19 pandemic. Demand for nebulizers continued to recover as patients had more opportunities to visit hospitals. Demand for thermometers experienced a reactionary decline to the previous-year surge in demand. Despite factory operation restrictions in the first half of the year due to the COVID-19 pandemic and supply chain disruptions beginning in the third quarter, the Company steadily captured robust demand by implementing rapid product design changes and switching transportation routes. As a result, sales increased year on year.

#### Operating Income

Despite efforts to control fixed costs and improve added value, operating income declined compared to the previous fiscal year due to soaring component and logistics costs.

## SSB (Social Systems, Solutions and Service Business)

(Billions of yen, %)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Sales to external customers	95.7	87.7	-8.3%
Operating income	5.7	6.5	+14.3%

### Sales

Our Energy Solutions Business saw significant growth in sales of storage battery systems as we endeavored to secure components to meet the growing demand for carbon-neutral businesses and disaster prevention and mitigation. The Public Transportation System Business experienced the impact of ongoing restrained investment by customers owing to the prolonged effects of the COVID-19 pandemic. As a result, sales were lower year on year.

### Operating Income

Operating income rose significantly year on year, despite the impact of lower sales, owing to efforts to control fixed costs and increase added value.

## DMB (Device & Module Solutions Business)

(Billions of yen, %)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Sales to external customers	86.0	106.4	+23.7%
Operating income	3.0	8.2	+178.2%

Note: In connection with the start of our long-term vision beginning April 2022, the name of EMC (Electronic and Mechanical Components Business) will change to DMB (Device & Module Solutions Business) beginning with the fiscal year ending March 31, 2023.

### Sales

Demand for components increased significantly in our focus industries, including home appliances, housing equipment, and power tools for the consumer industry. Demand for components for the automotive industry recovered moderately, despite the impact of the COVID-19 pandemic and production adjustments among our customers due to the shortage of semiconductors. We accurately captured this demand and responded quickly to secure product supplies in response to production increases and by engaging in other measures. As a result, sales rose significantly year on year.

### Operating Income

Despite the impact of soaring raw material prices and logistics costs, operating income increased significantly year on year, mainly due to the significant increase in net sales, as well as value-added initiatives and restructuring.

## (2) Analysis of Financial Condition

Total assets as of the end of the fiscal year amounted to JPY930.6 billion, a JPY110.3 billion increase compared to the end of the previous fiscal year. This increase was, mainly due to an increase in trade receivables stemming from strong sales and an increase in inventories due the securing of components. Total liabilities amounted to JPY262.7 billion, up JPY51.6 billion compared to the end of the previous fiscal year, mainly due to external borrowings, increases in accounts payable, and accrued expenses. Net assets increased JPY58.6 billion compared to the end of the previous fiscal year to JPY668.0 billion, mainly due to the recording of net income attributable to OMRON shareholders. The Company also conducted an acquisition of treasury stock, etc., contributing to this result.

As a result, the OMRON Group shareholders' equity ratio was 71.5%, indicating a strong financial footing. Cash on hand as of the end of the fiscal year amounted to JPY155.5 billion. Further, OMRON has signed commitment line agreements with financial institutions in the amount of JPY30.0 billion. In addition, OMRON has received a long-term credit rating of stable from ratings firms, reflecting our strong ability to raise capital. Even in an uncertain business environment, we will maintain good relationships with financial institutions on a global basis to ensure the liquidity of funds and our ability to raise funds.

(Billions of yen, except exchange rate data and percentages)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Total Assets	820.4	930.6	+110.3
Total liabilities	211.0	262.7	+51.6
Shareholders' equity	606.9	665.2	+58.4
Noncontrolling interests	2.5	2.7	+0.2
Total net assets	609.4	668.0	+58.6
Total liabilities and net assets	820.4	930.6	+110.3
ROIC	7.8%	9.6%	+1.8%pt
ROE	7.6%	9.7%	+2.0%pt

## (3) Summary of Cash Flows for the Year Ended March 31, 2022

Net cash provided by operating activities was JPY67.4 billion, JPY26.4 billion lower compared to the previous fiscal year. This result was mainly due to the recording of net income, as well as increases in notes and accounts receivable-trade, inventories, and other working capital.

Net cash used in investing activities amounted to JPY150.2 billion (an increase of JPY135.4 billion compared to the previous fiscal year), mainly due to investments for future growth, including our acquisition of JMDC stock, and capital expenditures, such as investments in production capacity expansion.

Free cash flow, which is the sum of net cash provided by operating activities and net cash used in investing activities, resulted in a net cash outflow of JPY82.7 billion, compared with a net cash inflow of JPY79.0 billion in the previous fiscal year.

Net cash used in financing activities amounted to JPY29.6 billion (an increase of JPY9.3 billion compared to the previous fiscal year), mainly due to dividend payments and the purchase of treasury stock.

As a result, cash and cash equivalents at the end of the fiscal year amounted to JPY155.5 billion, down JPY95.3 billion yen compared with the end of the previous fiscal year.



(Billions of yen, except exchange rate data and percentages)

	Year ended March 31, 2021	Year ended March 31, 2022	Change
Cash flows from operating activities	93.8	67.4	(26.4)
Cash flows from investing activities	(14.8)	(150.2)	(135.4)
Free cash flows	79.0	(82.7)	(161.8)
Cash flows from financing activities	(20.4)	(29.6)	(9.3)
Depreciation and amortization	22.8	23.4	+0.6
Capital expenditures (capital investment)	(26.7)	(33.4)	(6.7)

Note: Capital expenditures represent the amount from the consolidated statement of cash flows

#### **(4) Basic Policy for Distribution of Profits, and Dividends for the Year Ended March 31, 2022 and the Year Ending March 31, 2023**

OMRON consults with our general meeting of Shareholders regarding decisions on dividends from retained earnings, with the exception of interim dividends, which are decided by resolution of the Board of Directors based on the provisions of the Articles of Incorporation. In addition, the Company will apply the following basic policy regarding distribution of profits to shareholders, including shareholder returns.

##### Cash Allocation Policy

- 1) We prioritize investments that create new value from a medium- to long-term perspective, aiming to maximize corporate value by achieving our Long-Term Vision. Under our Medium-Term Management Plan (*SF 1st Stage*) covering the fiscal years 2022 to 2024, we intend to invest in human resources and R&D to solve social issues and innovate driven by social needs. We also intend to invest in production capacity increases and digital transformation (DX), M&A&A (mergers and acquisitions and alliances), and other growth investments. We will also give priority to investments in sustainability initiatives, including decarbonization, environmental impact reduction, and respect for human rights in the value chain. Having committed to these investments, we will also engage in stable and continued shareholder returns.
- 2) In principle, we will source the funds for these value-creating investments and shareholder returns through retained earnings and the sustained creation of operating cash flows. As needed, we will allocate funds by raising capital through appropriate means. In addition, we will continue to strive to maintain financial soundness to facilitate the raising of capital regardless of financial market conditions.

##### Shareholder Return Policy

- 1) We will prioritize investments necessary for value creation from a medium- to long-term perspective, establishing a dividend on equity (DOE) target of approximately 3% as a standard for annual dividends. We will also consider past dividend performance, striving to provide stable and continuing returns to our shareholders.
- 2) Having engaged in the investments and allocation of profits described above, the Company will distribute retained earnings accumulated over the long term to shareholders through opportunistic share buybacks and other measures.

For the current fiscal year (ended March 31, 2022), OMRON plans to pay a year-end dividend of JPY46 per share for the purpose of stable, ongoing dividends in light of company earnings, DOE standards\*, and past dividend levels. Combined with an interim dividend of JPY46 per share implemented on December 2, 2021, our full-year dividend will amount to JPY92 per share. For the next fiscal year (ending March 31, 2023), we plan to pay an annual dividend of JPY98 per share, applying the DOE standard in line with the policy above. The interim dividend (end of the second quarter) and year-end dividend for the next fiscal year have yet to be determined.

\* Beginning next fiscal year (ending March 31, 2023), we will perform this calculation based on the average of the shareholders' equity at the beginning of the fiscal year and at the end of each fiscal quarter during the period in question.

## (5) Outlook for the Year Ending March 31, 2023

### 1) General Outlook

The OMRON Group will begin executing our Long-Term Vision *SF2030* and the initial year of our three-year Medium-Term Management Plan beginning next fiscal year (ending March 31, 2023). Working from the customer assets we have cultivated to date, we will seize on newly emerging business opportunities and offer solutions as we invest steadily for future growth. As the transformation to social and economic systems accelerates toward the post-COVID-19 era, we will strive to reform our business models and create new businesses, aiming for sustainable growth.

The business environment over the next fiscal year will continue to present uncertainties, including growing geopolitical risks, supply chain disruptions, accelerated inflation, and the impact of urban lockdowns in response to new outbreaks of COVID-19. At the same time, we expect generally that strong demand will continue globally in the areas addressed by the OMRON Group. In particular, the widening adoption of digital transformation (DX) equipment, increasing decentralization of production sites, and growing social demands to protect the global environment will lead to growing demand for capital investment in semiconductor manufacturing, electric vehicles, plastics-free approaches, and renewable energy-related areas. At the same time, aging societies and rising health consciousness will lead to continued firm demand for blood pressure monitors and other health-related equipment.

In light of this highly uncertain business environment, the OMRON Group will continue to bring to bear our resilience in the face of change and achieve strong growth. To this end, we will seize on business opportunities presented by changes in society, while factoring into our forecasts the risk of company-wide performance fluctuations (JPY10.0 billion decrease in net sales and JPY4.0 billion decrease in operating income). In addition, we will engage actively in growth investments, particularly in our Industrial Automation Business and Healthcare Business, seeking to create new value in line with our Long-Term Vision. Because of these efforts, we expect to increase sales and profits for a second consecutive fiscal year, setting a new record high for operating income.

Our outlook for the next fiscal year is as follows.

(Billions of yen, except exchange rate data and percentages)

	Year ended March 31, 2022	Year ending March 31, 2023	Year-on-year change
Net sales	762.9	850.0	+11.4%
Gross profit ratio	45.5%	45.6%	[+0.1%pt]
Operating income	89.3	93.0	+4.1%
Income before income taxes	86.7	89.0	+2.6%
Net income attributable to OMRON shareholders	61.4	63.0	+2.6%
Net income per share attributable to OMRON shareholders, basic (JPY)	305.65	316.28	[+10.63]
Average USD exchange rate (Yen)	112.1	121.0	+8.9
Average EUR exchange rate (Yen)	130.5	133.0	+2.5
Average CNY exchange rate (Yen)	17.4	19.0	+1.6

## 2) Outlook by Segment

### IAB (Industrial Automation Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ending March 31, 2023	Change
Sales to external customers	418.1	483.0	+15.5%
Operating income	76.3	90.0	+18.0%

Note: After revising business management classifications, we have included a portion of IAB in the DMB business segment beginning with the fiscal year ending March 31, 2023. Accordingly, the Company reclassified results for the fiscal year ended March 31, 2022 under this new categorization for presentation herein.

#### Sales

We expect demand for capital investment for semiconductors and electronic components to remain strong due to the advancement of DX. We also expect demand for capital investment related to the food and medical-related industries to continue to grow due to efforts to eliminate plastics and promote safety, security, and labor savings. In addition, we project strong global demand to continue in the manufacturing industry in general, as capital investment decisions are made in response to carbon neutrality movements. We intend to strengthen reliance on local sales personnel and systems engineers, while accelerating the creation and marketing of innovative control applications. In this way, we expect to accurately capture demand and achieve a significant increase in year-on-year sales over the next fiscal year.

#### Operating Income

We expect operating income for the next fiscal year to increase significantly over the current fiscal year through efforts to increase sales and raise productivity.

### HCB (Healthcare Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ending March 31, 2023	Change
Sales to external customers	132.9	154.0	+15.9%
Operating income	18.5	20.0	+7.9%

#### Sales

We expect strong demand for blood pressure monitors to continue as consumers become more aware of the need to prevent the progression of serious chronic diseases. As restrictions on outpatient transportation are eased, patients will have more opportunities to visit hospitals, and we expect demand for nebulizers to grow. By boosting sales through growing online channels and other measures, we expect to accurately capture this demand and increase year-on-year sales over the next fiscal year.

#### Operating Income

Despite the continued impact of soaring material and logistics costs, we expect an increase in sales and efforts to increase added value will lead to operating income growth in the next fiscal year.

## SSB (Social Systems, Solutions and Service Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ending March 31, 2023	Change
Sales to external customers	87.7	92.0	+4.9%
Operating income	6.5	6.5	+0.0%

### Sales

We expect the Public Transportation System Business to continue to experience the ongoing impact of restrained investment by customers owing to the prolonged effects of the COVID-19 pandemic. Our Energy Solutions Business should see strong demand for storage battery systems due to growing needs to address carbon-neutrality and disaster prevention and mitigation. By responding quickly to these demands and providing solutions that combine products and services, we expect year-on-year sales growth over the next fiscal year.

### Operating Income

Despite the ongoing impact of soaring product supply costs, we forecast a year-on-year increase in operating income based on increased sales and efforts to strengthen our earnings structure.

## DMB (Device & Module Solutions Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ending March 31, 2023	Change
Sales to external customers	121.0	128.0	+5.8%
Operating income	10.1	10.5	+4.1%

- Notes: 1. In connection with the start of our long-term vision beginning April 2022, the name of EMC (Electronic and Mechanical Components Business) will change to DMB (Device & Module Solutions Business) beginning with the fiscal year ending March 31, 2023.
2. After revising business management classifications, we have included a portion of IAB in the DMB business segment beginning with the fiscal year ending March 31, 2023. Accordingly, the Company reclassified results for the fiscal year ended March 31, 2022 under this new categorization for presentation herein.

### Sales

We expect demand for consumer products to continue to expand as the market recovers from the COVID-19 pandemic. At the same time, demand for automotive applications should remain strong due to growing needs for electrification. By accelerating industry development for high-frequency relays, expanding the customer base for DC equipment relays, and creating new applications, we expect to steadily capture growing demand and see increased year-on-year net sales for the next fiscal year.

### Operating Income

Despite the continued impact of soaring raw materials and logistics costs, we expect a significant increase in operating income for the next fiscal year as a result of our efforts to increase added value.

## **2. The OMRON Group**

As a result of the acquisition of JMDC, Inc. shares, JMDC, Inc. and its 27 consolidated subsidiaries will be included in the scope of equity-method affiliates effective as of the current fiscal year under review.

## **3. Management Policies**

### **(1) OMRON's Basic Management Policies**

Since our founding, the mission of the OMRON Group has been to improve lives and contribute to a better society by solving social issues through our businesses. Through the practice of the OMRON Principles, we strive for sustainable improvement in corporate value and engage in management based on these principles.

### **(2) Medium- to Long-Term Corporate Management Strategy**

#### **Overview of Long-Term Vision *Shaping the Future 2030***

The OMRON Group has formulated our Long-Term Vision *Shaping the Future 2030* (SF2030), which covers fiscal years 2022 to 2030. As society enters a period of change, we have written a story of our own transformation and the creation of new value to fulfill our purpose, to solve more social issues, and to contribute to our stakeholders, including investors and society. Under this Long-Term Vision, we intend to shape sustainable societies through our business and enhance corporate value through an evolution in integrated business growth and sustainability. Our vision statement says that we will *continue to create innovation driven by social needs through automation to empower people*. This statement reflects the desire of all OMRON Group employees to embody the OMRON Principles and to work in harmony with stakeholders for sustainable societies through Sensing & Control + Think technologies. Many new social issues will arise over the next decade. Working from the perspective of leveraging OMRON Group strengths in automation, our customer assets, and business assets, we identified three social issues that will have an outsized social impact in the future: (1) Achieving Carbon Neutrality; (2) Realizing a Digital Society; and (3) Extending Healthy Life Expectancy. To maximize the social impact of these solutions, we revised the OMRON Group business domains under SF2030, establishing four domains and defining social value within these domains. Through Industrial Automation, we aim to contribute to the advancement of manufacturing to support sustainable societies. Through Healthcare Solutions, we aim to contribute to the achievement of *Zero Events* of cardiovascular diseases. Through Social Solutions, we aim to contribute to the adoption and efficient use of renewable energy and a sustainable infrastructure to support digital societies. In addition, through Device & Module Solutions, we aim to contribute to the take-up of new energy and high-speed communications.

#### **Overview of the *SF 1st Stage* Medium-Term Management Plan**

Our medium-term management plan for fiscal years 2022 through 2024 ("*SF 1st Stage*") describes these three years as a phase of accelerated transformation. During this phase we will accelerate the transformation of our capabilities to create value and achieve sustainable growth in response to emerging social issues. We will seize growth opportunities arising from changes in the social structure, bringing to bear the competitive strengths we have cultivated over the years for achieve dynamic growth. At the same time, we will promote the transformation of our organizational capabilities to adapt to a changing society and enhance the sustainability of our growth.

The corporate policy we pursue under *SF 1st Stage* is "taking on the challenge of value creation by accelerating transformation." To achieve this policy, we established three group strategies. The first is the transformation of our business. Specifically, we will pursue the evolution of four core businesses (Industrial Automation Business, Healthcare Business, Social Systems, Solutions and Service Business, and Devices & Module Solutions Business), expand customer asset-type service businesses, and create new businesses sparked by social issues. In evolving our four core businesses, we will review the growth areas within each, establishing focus domains to create new value and drive sales growth. Second, we will transform corporate management and organizational capabilities. To continue creating value while adapting to change in the business environment, we will accelerate Diversity & Inclusion, engage in data-driven enterprise operations through DX, and improve the resilience of our supply chain. And third, we will strengthen our sustainability initiatives. Here, we will strive to reduce GHG emissions toward decarbonization and a smaller environmental burden, as well as address human rights issues comprehensively throughout our value chain.

*SF 1st Stage* includes both financial and non-financial management targets by which we will create value through business growth and sustainability initiatives integrated at higher levels than ever before. For financial

targets, we aim to achieve sales of JPY930 billion, operating income of JPY120 billion, operating cash flow (three-year cumulative total) of JPY250 billion, ROIC of at least 10%, ROE of at least 10%, and EPS of JPY400 or more by fiscal 2024. In terms of non-financial targets, we have set 10+1 goals that indicate the social value to be created by the OMRON Group and secure our ability to compete in the future. Specifically, we have set targets that will reflect the transformation of corporate operations and organizational capabilities, and targets that reflect stronger environmental and human rights initiatives. These targets include raising the ratio of women in management to at least 18% on a global basis and achieving *Carbon Zero* at all 76 sites in Japan. In addition, we will establish three of the non-financial targets by global employee vote. As all employees strive to achieve these targets, their efforts will become an engine for the strong acceleration of group value creation. Last, we have set a “+1” target: for top management of each region to declare their commitment to contribute to local communities in alignment with OMRON’s Sustainability Policy.

\*Further details can be found in the Long-Term Vision and Medium-Term Management Plan presentation materials.

[https://www.omron.com/global/en/ir/irlib/sf\\_info/](https://www.omron.com/global/en/ir/irlib/sf_info/)

### (3) Management Plan for the Next Fiscal Year

#### **Fiscal 2021 Results**

In fiscal 2021, we began executing business operations under the policies of maximizing our resilience in the face of change and accelerating the shift of our business structure. However, fiscal 2021 was a year that required us to respond to a rapidly changing external environment that included supply chain disruptions, the re-emergence of COVID-19 infections, and the situation in Ukraine. Despite these challenges, we captured robust demand and recorded a historic high for operating income. At the same time, our businesses took steps toward sustainable growth, such as the creation of innovative applications in the Industrial Automation Business and the development of telemedicine services in Europe and the United States in the Healthcare Business. Through the capital and business alliance with JMDC announced in February, we aim to develop a database platform business for solutions in health promotion and the prevention of serious illnesses. We are working with JMDC on business concepts, value development, and business operations in data-based services, and we will accelerate OMRON Group data-driven businesses by applying the knowledge we gain here to our Industrial Automation Business and Social Systems, Solutions and Service Business.

#### **Fiscal 2022 Policies and Action Plans**

In fiscal 2022, which is the first year we will operate under *SF 1st Stage*, we are pursuing a policy of *changing gears to create new value*. We intend to leverage the assets we have built over time to accelerate growth, as well as to invest for future growth. Even amid continuing product supply constraints, rising inflation, and turmoil in the world order, we aim for growth through our focus domains, demonstrating our resilience in the face of change and to capture global demand, which is generally strong.

We will also change gears to evolve value creation at a higher stage to execute our Long-Term Vision and Medium-Term Management Plan successfully. To this end, we will focus on the following five key initiatives.

#### **1. Expand and stabilize product supply**

We will demonstrate our resilience in the face of change and enhance our product supply capabilities in the face of supply chain disruptions, including limited supplies of parts and materials due to increased demand. Specifically, we will continue efforts in ongoing negotiations with suppliers and in switching procured parts and materials via design changes. In addition, we will develop supply chain strategies to further enhance resilience from a medium- to long-term perspective.

#### **2. Optimize selling price levels in an inflationary environment**

In response to the rapid advancements in inflation that began in fiscal 2021, we plan to add value by engaging in appropriate price revisions, addressing unprofitable products through portfolio management, and achieving growth through highly profitable businesses.

#### **3. Create new social value**

To achieve sustainable sales growth, we will look at customer needs from the perspective of services, combining products and services to extend our service businesses. To create new businesses, we will define business categories according to social issues, developing both business models and Sensing & Control + Think technologies for commercialization.

#### 4. Strengthen human resources and DX infrastructure

We intend to be more active than ever before in pursuing initiatives to strengthen human resources. These initiatives include hiring diverse human resources who possess specialties, investing in human resource development to help employees exercise their talents more fully, and a job-based personnel system aimed at improving business productivity and increasing added value. In addition, we will work steadily toward the first-year milestone of our Medium-Term Management Plan to build a DX infrastructure that supports employees in the exercise of their talents.

#### 5. Strengthen sustainability initiatives

To engage with the materialities of decarbonization/lowering the environmental burden and thorough respect for human rights throughout the value chain, business divisions and headquarters departments will work together in formulating plans and implementing initiatives on a consistent basis.

Our financial targets for fiscal 2022 are net sales of JPY850 billion (+11% year on year), operating income of JPY93 billion (+4%), ROIC of at least 10% (+0.4%pt), ROE of at least 10% (+0.3%pt), and EPS of JPY316 (+JPY10.6). Our plans for non-financial targets in fiscal 2022 are shown below.

#### Non-Financial Targets

Medium-Term Management Plan Targets	Targets for FY2022
1) Grow sustainability sales (*) 45% vs. FY2021 (reflects contribution to solving 3 social issues)	+15% vs. FY2021
2) Raise ratio of women in management roles above 18% on a global basis	17.4%
3) Hire disabled individuals at 28 overseas bases; maintain 3% level achieved in Japan	26 overseas bases / 3% in Japan
4) Reduce Scope 1 & 2 GHG emissions by 53% versus FY2016	-51% vs. FY2016
5) Achieve Carbon Zero at all 76 domestic locations	9 locations
6) Implement human rights due diligence in alignment with UNGP and develop mechanism for remedying abuses in the value chain	Identify human rights issues / Establish and test primary remedy mechanism
7) Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World	Selected to DJSI World
8) 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	40%
9) In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others	Create training program / Trial in Europe
10) Make full use of digital tools to reduce use of paper	-40% vs. FY2019
+1 Top management of each region to declare their commitment to contribute to local communities in alignment with OMRON's Sustainability Policy	Declaration/execution ongoing in all areas

(\*) Sales of focus domains that lead to achieving carbon neutrality, realizing a digital society, and extending healthy life expectancy.

#### 4. Basic Stance on the Selection of Accounting Standards

The OMRON Group has adopted U.S. GAAP, an international accounting standard, to secure the trust of stakeholders worldwide.

## 5. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021		As of March 31, 2022		Increase (decrease)
		%		%	
<b>ASSETS</b>					
Current assets:	514,432	62.7	482,905	51.9	(31,527)
Cash and cash equivalents	250,755		155,484		(95,271)
Notes and accounts receivable-trade	135,161		151,820		16,659
Allowance for doubtful receivables	(756)		(798)		(42)
Inventories	103,265		141,935		38,670
Assets held for sale	—		363		363
Other current assets	26,007		34,101		8,094
Property, plant and equipment:	113,028	13.8	122,098	13.1	9,070
Land	19,778		20,926		1,148
Buildings	124,404		130,863		6,459
Machinery and equipment	153,142		174,184		21,042
Construction in progress	3,281		4,748		1,467
Accumulated depreciation	(187,577)		(208,623)		(21,046)
Investments and other assets:	192,919	23.5	325,626	35.0	132,707
Right-of-use assets under operating leases	38,153		39,746		1,593
Goodwill	39,160		39,718		558
Investments in and advances to affiliates	13,159		124,691		111,532
Investment securities	33,423		43,757		10,334
Leasehold deposits	7,675		7,815		140
Prepaid benefit costs	6,736		14,391		7,655
Deferred income taxes	24,179		18,116		(6,063)
Other assets	30,434		37,392		6,958
<b>Total assets</b>	<b>820,379</b>	<b>100.0</b>	<b>930,629</b>	<b>100.0</b>	<b>110,250</b>



(Millions of yen)

	As of March 31, 2021		As of March 31, 2022		Increase (decrease)
		%		%	
<b>LIABILITIES</b>					
Current liabilities	161,370	19.7	211,672	22.7	50,302
Notes and accounts payable-trade	69,561		86,827		17,266
Short-term debt	—		20,000		20,000
Accrued expenses	44,441		48,365		3,924
Income taxes payable	3,504		5,657		2,153
Short-term operating lease liabilities	11,179		11,549		370
Other current liabilities	32,685		39,274		6,589
Deferred income taxes	1,671	0.2	2,177	0.2	506
Termination and retirement benefits	7,598	0.9	8,194	0.9	596
Long-term operating lease liabilities	27,709	3.4	28,567	3.1	858
Other long-term liabilities	12,673	1.5	12,048	1.3	(625)
Total liabilities	211,021	25.7	262,658	28.2	51,637
<b>NET ASSETS</b>					
Shareholders' equity	606,858	74.0	665,227	71.5	58,369
Common stock	64,100	7.8	64,100	6.9	—
Capital surplus	101,403	12.4	100,652	10.8	(751)
Legal reserve	22,931	2.8	24,503	2.6	1,572
Retained earnings	476,185	58.0	517,566	55.6	41,381
Accumulated other comprehensive income (loss)	(32,945)	(4.0)	13,013	1.4	45,958
Foreign currency translation adjustments	(8,096)		33,908		42,004
Pension liability adjustments	(24,567)		(19,930)		4,637
Net gains (losses) on derivative instruments	(282)		(965)		(683)
Treasury stock	(24,816)	(3.0)	(54,607)	(5.8)	(29,791)
Noncontrolling interests	2,500	0.3	2,744	0.3	244
Total net assets	609,358	74.3	667,971	71.8	58,613
Total liabilities and net assets	820,379	100.0	930,629	100.0	110,250

**(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Operations)**

(Millions of yen)

	Year ended March 31, 2021		Year ended March 31, 2022		Increase (decrease)
		%		%	
Net sales	655,529	100.0	762,927	100.0	107,398
Cost of sales	357,178	54.5	416,100	54.5	58,922
Gross profit	298,351	45.5	346,827	45.5	48,476
Selling, general and administrative expenses	192,687	29.4	213,234	28.0	20,547
Research and development expenses	43,184	6.6	44,277	5.8	1,093
Operating income	62,480	9.5	89,316	11.7	26,836
Other expenses (income), net	(2,609)	(0.4)	2,602	0.3	5,211
Income before income taxes	65,089	9.9	86,714	11.4	21,625
Income taxes	15,093	2.3	23,046	3.1	7,953
Current	13,929		18,594		4,665
Deferred	1,164		4,452		3,288
Equity in loss (earnings) of affiliates	6,098	0.9	1,624	0.2	(4,474)
Net income	43,898	6.7	62,044	8.1	18,146
Net income attributable to noncontrolling interests	591	0.1	644	0.1	53
Net income attributable to OMRON shareholders	43,307	6.6	61,400	8.0	18,093

Note: Other expenses (income), net for the consolidated fiscal year under review includes impairment loss of JPY3,384 million in related to NS Industria de Aparelhos Medicos LTDA. in Brazil, as disclosed in Notice Regarding Non-Consolidated Loss on Valuation of Stocks of Affiliates published on January 28, 2022. NS Industria de Aparelhos Medicos LTDA. was acquired under our Healthcare Business.

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022	Increase (decrease)
Net income	43,898	62,044	18,146
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	23,448	42,107	18,659
Pension liability adjustments	27,683	4,637	(23,046)
Net gains (losses) on derivative instruments	(334)	(683)	(349)
Other comprehensive income (loss)	50,797	46,061	(4,736)
Comprehensive income	94,695	108,105	13,410
(Breakdown)			
Comprehensive income attributable to noncontrolling interests	727	747	20
Comprehensive income attributable to OMRON shareholders	93,968	107,358	13,390

**(3) Consolidated Statements of Changes in Shareholders' Equity**

(Millions of yen)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Non-controlling interests	Total net assets
Balance, March 31, 2020	64,100	100,521	20,981	451,768	(83,606)	(23,349)	530,415	2,174	532,589
Net income				43,307			43,307	591	43,898
Cash dividends paid to OMRON Corporation shareholders				(16,940)			(16,940)		(16,940)
Cash dividends paid to noncontrolling interests							—	(401)	(401)
Equity transactions with noncontrolling interests and other		0					0		0
Stock-based payment		882					882		882
Transfer to legal reserve			1,950	(1,950)			—		—
Foreign currency translation adjustments					23,312		23,312	136	23,448
Pension liability adjustments					27,683		27,683		27,683
Net gains (losses) on derivative instruments					(334)		(334)		(334)
Acquisition of treasury stock and other						(1,467)	(1,467)		(1,467)
Balance, March 31, 2021	64,100	101,403	22,931	476,185	(32,945)	(24,816)	606,858	2,500	609,358
Net income				61,400			61,400	644	62,044
Cash dividends paid to OMRON Corporation shareholders				(18,447)			(18,447)		(18,447)
Cash dividends paid to noncontrolling interests							—	(503)	(503)
Stock-based payment		(751)				1,639	888		888
Transfer to legal reserve			1,572	(1,572)			—		—
Foreign currency translation adjustments					42,004		42,004	103	42,107
Pension liability adjustments					4,637		4,637		4,637
Net gains (losses) on derivative instruments					(683)		(683)		(683)
Acquisition of treasury stock and other						(31,430)	(31,430)		(31,430)
Balance, March 31, 2022	64,100	100,652	24,503	517,566	13,013	(54,607)	665,227	2,744	667,971

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

(Millions of yen)

	Year ended March 31, 2021		Year ended March 31, 2022	
<b>I Operating Activities</b>				
1. Net income		43,898		62,044
2. Adjustments to reconcile net income to net cash provided by operating activities:				
(1) Depreciation and amortization	22,756		23,367	
(2) Decrease (increase) in notes and accounts receivable - trade	3,893		(9,074)	
(3) Decrease (increase) in inventories	5,425		(30,427)	
(4) Increase in notes and accounts payable - trade	6,237		13,293	
(5) Other, net	11,622	49,933	8,225	5,384
Net cash provided by operating activities		93,831		67,428
<b>II Investing Activities</b>				
1. Purchases of investment securities		(1,057)		(5,386)
2. Capital expenditures		(26,662)		(33,357)
3. Proceeds from sale of property, plant and equipment		2,069		748
4. Decrease (increase) in investments in and loans to affiliates, net		7,850		(112,444)
5. Other, net		3,015		276
Net cash used in investing activities		(14,785)		(150,163)
(Reference) Free cash flows		79,046		(82,735)
<b>III Financing Activities</b>				
1. Net borrowings (repayments) of short-term debt		(1,587)		20,000
2. Dividends paid by the Company		(16,952)		(17,754)
3. Acquisition of treasury stock		(1,471)		(31,430)
4. Other, net		(342)		(419)
Net cash used in financing activities		(20,352)		(29,603)
<b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		6,528		17,067
Net increase in cash and cash equivalents		65,222		(95,271)
Cash and cash equivalents at beginning of the period		185,533		250,755
Cash and cash equivalents at end of the period		250,755		155,484

Note: Free cash flow is cash flow from operating activities plus cash flow from investing activities.

**(5) Notes Regarding Consolidated Financial Statements**

**(Notes Regarding Assumptions of Going Concern)**

None applicable

**(Basis of Presentation for Consolidated Financial Statements)**

As a result of the acquisition of JMDC, Inc. shares, JMDC, Inc. and its 27 consolidated subsidiaries will be included in the scope of equity-method affiliates effective as of the current fiscal year under review.

**(Notes in the Event of Significant Changes in Shareholders' Equity)**

None applicable

**(Changes in Accounting Policies)**

For the current consolidated fiscal year, OMRON elected for the early adoption of FASB Accounting Standards Update No.2017-04, *Simplifying the Test for Goodwill Impairment*. This accounting standards update eliminates step 2 of the two-step test previously required for goodwill impairment testing, and requires that if the carrying amount of a reporting unit exceeds its fair value, the excess of the carrying amount over the fair value of the reporting unit shall be recognized as an impairment loss, up to the amount of the total goodwill allocated to the reporting unit. The adoption of this accounting standards update has no impact on OMRON or our subsidiaries.

**(Per-Share Information)**

In calculating earnings per share, the Company applies FASB Statement No. 260, Earnings per Share.

The number of shares used to calculate net income per share attributable to OMRON shareholders, basic and diluted net income per share attributable to OMRON shareholders, basic are as follows.

No. of Shares (in shares)	Year ended March 31, 2021	Year ended March 31, 2022
Basic	201,692,643	200,882,669
Diluted	—	—

Note: The number of diluted shares for the fiscal year ended March 31, 2021 and March 31, 2022 are not shown, as there are not dilutive shares.

**(Details of Other Expenses (Income), Net)**

Details of other expenses (income), net are as follows.

Year ended March 31, 2021

Foreign exchange loss (net)	1,238	Million yen
Net gain on sale and disposals of property, plant and equipment	(325)	
Net periodic benefit costs	3,006	
Gain on valuation of investment securities (net)	(7,615)	
Impairment losses on long-lived assets	1,976	
Settlements paid	844	

Year ended March 31, 2022

Foreign exchange loss (net)	2,223	Million yen
Net loss on sale and disposals of property, plant and equipment	901	
Net periodic benefit costs	2,747	
Gain on valuation of investment securities (net)	(5,447)	
Impairment losses on long-lived assets	410	
Loss on transfer of business	1,116	
Impairment of goodwill	3,384	

We have omitted notes on lease transactions, transactions with related parties, tax effect accounting, financial instruments, securities, derivative transactions, retirement benefits, business combinations, etc., and asset retirement obligations, as the necessity for disclosure in the summary of financial results is not considered significant.

**(Segment Information)**

## Business Segment Information

(Millions of yen)

		Year ended March 31, 2021	Year ended March 31, 2022	Year-on-year change
IAB	Sales to external customers	346,446	432,637	124.9%
	Intersegment sales	5,029	6,483	128.9%
	Total net sales	351,475	439,120	124.9%
	Operating expenses	292,682	361,017	123.3%
	Operating income (loss)	58,793	78,103	132.8%
HCB	Sales to external customers	123,087	132,857	107.9%
	Intersegment sales	292	160	54.8%
	Total net sales	123,379	133,017	107.8%
	Operating expenses	102,806	114,473	111.3%
	Operating income (loss)	20,573	18,544	90.1%
SSB	Sales to external customers	95,663	87,692	91.7%
	Intersegment sales	8,994	10,779	119.8%
	Total net sales	104,657	98,471	94.1%
	Operating expenses	98,964	91,966	92.9%
	Operating income (loss)	5,693	6,505	114.3%
DMB	Sales to external customers	86,028	106,442	123.7%
	Intersegment sales	43,327	53,594	123.7%
	Total net sales	129,355	160,036	123.7%
	Operating expenses	126,393	151,796	120.1%
	Operating income (loss)	2,962	8,240	278.2%
Eliminations & Corporate	Sales to external customers	4,305	3,299	76.6%
	Intersegment sales	(57,642)	(71,016)	—
	Total net sales	(53,337)	(67,717)	—
	Operating expenses	(27,796)	(45,641)	—
	Operating income (loss)	(25,541)	(22,076)	—
Consolidated	Sales to external customers	655,529	762,927	116.4%
	Intersegment sales	—	—	—
	Total net sales	655,529	762,927	116.4%
	Operating expenses	593,049	673,611	113.6%
	Operating income (loss)	62,480	89,316	143.0%

Notes: 1. In connection with the start of our long-term vision beginning April 2022, the name of EMC (Electronic and Mechanical Components Business) will change to DMB (Device & Module Solutions Business) beginning with the fiscal year ending March 31, 2023.

2. Beginning with the prior consolidated fiscal year, the OMRON Group has changed our depreciation method related to property, plant and equipment from the declining balance method to the straight-line method for the Company and our domestic consolidated subsidiaries. This change resulted in a decrease in operating expense (total JPY2,120 million, consisting of JPY427 million under the IAB, JPY311 million under the HCB, JPY370 million under the SSB, JPY418 million under the DMB, and JPY594 million under Eliminations & Corporate). Rather than allocate these amounts to each segment, we have posted the entire JPY2,120 million to Eliminations & Corporate. This change has been reflected under each business segment for the fiscal year ended March 31, 2022.



## Sales by Geographical Region

(Millions of yen)

		Year ended March 31, 2021	Year ended March 31, 2022	Year-on- year change
IAB	Japan	126,805	149,635	118.0%
	Americas	27,629	38,224	138.3%
	Europe	65,554	81,157	123.8%
	Greater China	87,824	117,104	133.3%
	Southeast Asia and Others	38,534	46,487	120.6%
	Direct Exports	100	30	30.0%
	Total	346,446	432,637	124.9%
HCB	Japan	29,610	27,841	94.0%
	Americas	23,952	22,651	94.6%
	Europe	22,784	23,012	101.0%
	Greater China	34,160	43,346	126.9%
	Southeast Asia and Others	12,140	15,542	128.0%
	Direct Exports	441	465	105.4%
	Total	123,087	132,857	107.9%
SSB	Japan	95,414	87,226	91.4%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	174	96	55.2%
	Southeast Asia and Others	—	—	—
	Direct Exports	75	370	493.3%
	Total	95,663	87,692	91.7%
DMB	Japan	20,885	21,895	104.8%
	Americas	12,061	17,421	144.4%
	Europe	13,141	16,254	123.7%
	Greater China	28,668	35,805	124.9%
	Southeast Asia and Others	11,089	14,895	134.3%
	Direct Exports	184	172	93.5%
	Total	86,028	106,442	123.7%
Eliminations & Corporate	Japan	3,898	3,299	84.6%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	341	—	—
	Southeast Asia and Others	—	—	—
	Direct Exports	66	0	0.0%
	Total	4,305	3,299	76.6%
Consolidated	Japan	276,612	289,896	104.8%
	Americas	63,642	78,296	123.0%
	Europe	101,479	120,423	118.7%
	Greater China	151,167	196,351	129.9%
	Southeast Asia and Others	61,763	76,924	124.5%
	Direct Exports	866	1,037	119.7%
	Total	655,529	762,927	116.4%

Note: In connection with the start of our long-term vision beginning April 2022, the name of EMC (Electronic and Mechanical Components Business) will change to DMB (Device & Module Solutions Business) beginning with the fiscal year ending March 31, 2023.

## 6. Supplementary Information

### (1) Projected Consolidated Performance by Business Segment

(Billions of yen)

		Year ended March 31, 2022	Year ending March 2023	Year-on-year change
IAB	Sales to external customers	418.1	483.0	+15.5%
	Operating income (loss)	76.3	90.0	+18.0%
HCB	Sales to external customers	132.9	154.0	+15.9%
	Operating income (loss)	18.5	20.0	+7.9%
SSB	Sales to external customers	87.7	92.0	+4.9%
	Operating income (loss)	6.5	6.5	+0.0%
DMB	Sales to external customers	121.0	128.0	+5.8%
	Operating income (loss)	10.1	10.5	+4.1%
Eliminations & Corporate	Sales to external customers	3.3	3.0	-9.1%
	Operating income (loss)	(22.1)	(30.0)	—
Risk of fluctuations in group-wide performance	Sales to external customers	—	(10.0)	—
	Operating income (loss)	—	(4.0)	—
Consolidated	Sales to external customers	762.9	850.0	+11.4%
	Operating income (loss)	89.3	93.0	+4.1%

Notes: 1. In connection with the start of our long-term vision beginning April 2022, the name of EMC (Electronic and Mechanical Components Business) will change to DMB (Device & Module Solutions Business) beginning with the fiscal year ending March 31, 2023.

2. After revising business management classifications, we have included a portion of IAB in the DMB business segment beginning with the fiscal year ending March 31, 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

## (2) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2022	Year ending March 2023	Year-on-year change
IAB	Japan	135.1	148.5	+9.9%
	Americas	38.2	43.0	+12.5%
	Europe	81.2	92.5	+14.0%
	Greater China	117.1	144.0	+23.0%
	Southeast Asia and Others	46.5	55.0	+18.3%
	Direct Exports	0.0	0.0	+0.0%
	Total	418.1	483.0	+15.5%
HCB	Japan	27.8	28.0	+0.6%
	Americas	22.7	29.5	+30.2%
	Europe	23.0	21.5	-6.6%
	Greater China	43.3	54.5	+25.7%
	Southeast Asia and Others	15.5	20.0	+28.7%
	Direct Exports	0.5	0.5	+7.5%
	Total	132.9	154.0	+15.9%
SSB	Japan	87.2	91.0	+4.3%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	0.1	0.5	+420.8
	Southeast Asia and Others	—	—	—
	Direct Exports	0.4	0.5	+35.1%
	Total	87.7	92.0	+4.9%
DMB	Japan	36.4	37.0	+1.6%
	Americas	17.4	18.5	+6.2%
	Europe	16.3	16.5	+1.5%
	Greater China	35.8	40.0	+11.7%
	Southeast Asia and Others	14.9	16.0	+7.4%
	Direct Exports	0.2	0.0	+0.0%
	Total	121.0	128.0	+5.8%
Eliminations & Corporate	Japan	3.3	3.0	-9.1%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	—	—	—
	Southeast Asia and Others	—	—	—
	Direct Exports	0.0	0.0	0.0%
	Total	3.3	3.0	-9.1%
Risk of fluctuations in group-wide performance		—	(10.0)	—
Consolidated	Japan	289.9	307.5	+6.1%
	Americas	78.3	91.0	+16.2%
	Europe	120.4	130.5	+8.4%
	Greater China	196.4	239.0	+21.7%
	Southeast Asia and Others	76.9	91.0	+18.3%
	Direct Exports	1.0	1.0	-3.6%
	Risk of fluctuations in group-wide performance	—	(10.0)	—
	Total	762.9	850.0	+11.4%

Notes: 1. In connection with the start of our long-term vision beginning April 2022, the name of EMC (Electronic and Mechanical Components Business) will change to DMB (Device & Module Solutions Business) beginning with the fiscal year ending March 31, 2023.

2. After revising business management classifications, we have included a portion of IAB in the DMB business segment beginning with the fiscal year ending March 31, 2023. Accordingly, the Company reclassified results for the fiscal year ended March 31, 2022 under this new categorization for presentation herein.