



## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (U.S. GAAP)

January 30, 2023

### OMRON Corporation (6645)

Exchanges Listed:	Tokyo
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Filing of Quarterly Securities Report ( <i>Shihanki hokokusho</i> ) (scheduled):	February 10, 2023
Start of Distribution of Dividends (scheduled):	—
Preparation of Supplementary Materials for the Quarterly Financial Results:	Yes
Holding of Presentation of Quarterly Financial Results:	Yes (Financial results presentation held via online streaming and teleconference for investors on January 30)

*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 Third Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 – December 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 OMRON shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2022	637,977	14.2	72,854	9.0	70,661	10.9	50,517	12.7
December 31, 2021	558,609	19.0	66,858	57.5	63,731	36.2	44,815	32.2

Note: Comprehensive income: Nine months ended December 31, 2022: 70,493 million yen (7.5% change);  
Nine months ended December 31, 2021: 65,599 million yen (59.1% change)

	Net income per share attributable to OMRON shareholders, basic	Net income per share attributable to OMRON shareholders, diluted
Nine months ended	Yen	Yen
December 31, 2022	253.94	—
December 31, 2021	222.53	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity	Shareholders' equity ratio
	Million yen	Million yen	Million yen	%
December 31, 2022	944,462	711,584	708,926	75.1
March 31, 2022	930,629	667,971	665,227	71.5

## 2. Dividends

	Dividends per share				
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	46.00	—	46.00	92.00
Fiscal year ending March 31, 2023	—	49.00	—		
Fiscal year ending March 31, 2023 (projected)				49.00	98.00

Note: Revisions since the most recently announced dividend forecast: No

## 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 OMRON shareholders		Net income per share attributable to OMRON shareholders, basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	880,000	15.3	95,000	6.4	90,000	3.8	64,500	5.0	323.83

Note: Revisions since the most recently announced performance forecast: No

### \*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) Application of simplified accounting methods and/or special accounting methods: No

(3) Changes in accounting policy

(a) Changes in accounting policy accompanying revision of accounting standards, etc.: No

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

(4) Number of shares issued and outstanding

[1] Number of shares outstanding at period-end (including treasury stock)

December 31, 2022	206,244,872	Year ended March 31, 2022	206,244,872
December 31, 2022	9,088,972	Year ended March 31, 2022	7,053,647
Nine months ended December 31, 2022	198,933,622	Nine months ended December 31, 2021	201,390,043

[2] Treasury stock at period-end

[3] Average number of shares during the period (quarterly cumulative)

Note: As of the end of the consolidated first nine months of the fiscal year ending March 31, 2023, 600,208 shares of OMRON stock held for 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.

\*Quarterly summaries of consolidated financial results are not subject to review 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.

For the assumptions that form the basis of the projected results and appropriate use, see *1. Qualitative Information on Quarterly Financial Results (2) Description of Information on Outlook, Including Consolidated Performance Forecast* on P.5.

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. The Company plans to hold a presentation for investors and information session via online streaming and teleconference on Monday, January 30, 2023.

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 changed to DMB: Devices & 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. Qualitative Information on Quarterly Financial Results

## (1) Description of Results of Operations

### General Overview

OMRON Group sales increased year on year for the cumulative consolidated third quarter (April through December 2022). Sales in the first quarter (April through June) were impacted significantly by the Shanghai lockdowns, mainly in the Industrial Automation Business. However, sales increased significantly year on year due to a recovery in production and the rapid ramp-up of supply capacity in the second quarter and later to respond to heavy order backlogs.

Gross profit margin was affected by factors including soaring materials prices and a decline in capacity utilization at the main plant of our Industrial Automation Business in the first quarter. However, we narrowed the year-on-year decline in gross profit ratio throughout the first half through ongoing company-wide efforts to improve the value-added ratio, including price optimizations. We continued with active investing for future growth to achieve the goals of our medium-term management plan (SF 1st Stage).

As a result, operating income rose year on year. Both sales and operating income marked a record high for any cumulative consolidated third quarter.

Consolidated results for the cumulative consolidated third quarter of fiscal 2022 were as follows.

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

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Net sales	558.6	638.0	+14.2%
Gross profit [% of net sales]	256.4 [45.9%]	286.8 [45.0%]	+11.9% [-0.9%pt]
Operating income [% of net sales]	66.9 [12.0%]	72.9 [11.4%]	+9.0% [-0.5%pt]
Income before income taxes	63.7	70.7	+10.9%
Net income attributable to OMRON shareholders	44.8	50.5	+12.7%
Average USD exchange rate (Yen)	111.0	135.7	+24.7
Average EUR exchange rate (Yen)	130.8	140.3	+9.5
Average CNY exchange rate (Yen)	17.2	19.8	+2.6

## Results by Business Segment

### IAB (Industrial Automation Business)

(Billions of yen, %)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Sales to external customers	310.6	359.1	+15.6%
Operating income	57.9	64.5	+11.4%

Note: Due to a revision of business management classifications, certain businesses of the IAB have been transferred to the DMB beginning with the fiscal year ending March 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

#### Sales

Capital investment trends in the manufacturing industry indicate a risk of slowdown in the near term. However, demand for semiconductor production equipment, electric vehicles (EVs), and rechargeable batteries, on which we focus, remained steady.

Under these circumstances, we continued to accelerate efforts to strengthen supply capacity against the backdrop of a heavy order backlog. As a result, sales for the cumulative consolidated third quarter rose significantly year on year.

#### Operating Income

Despite the impact of lower factory utilization rates in the first quarter, higher material and logistics costs, and continued execution of growth investments, the segment posted a significant increase in operating income year on year due to the large increase in sales.

### HCB (Healthcare Business)

(Billions of yen, %)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Sales to external customers	101.1	106.7	+5.6%
Operating income	16.2	13.1	-19.3%

#### Sales

Demand, mainly for blood pressure monitors, remained sluggish, affected by declining consumer confidence in response to global inflation. Demand was also impacted by dealer closures and stagnation in our distribution networks due to the Zero-COVID policy in China.

Despite these circumstances, we captured needs associated with growing health consciousness globally, while foreign exchange rates also provided a positive impact. As a result, sales rose year on year.

#### Operating Income

Despite efforts to curb fixed costs and optimize prices, operating income declined significantly year on year due to soaring materials prices and continued investments in future growth.

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

(Billions of yen, %)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Sales to external customers	55.2	63.9	+15.6%
Operating income (loss)	(0.9)	(0.2)	—

### Sales

The Energy Solutions Business continued to experience firm demand for renewable energy-related solutions, mainly for captive consumption, due to factors including soaring energy costs. With the recovery in the number of railway users, the Public Transportation System Business saw the beginnings of a recovery in customer investment demand in the second quarter.

As a result, sales increased significantly year on year.

### Operating Income (loss)

Despite the foreign exchange impact of foreign currency-denominated purchases, operating loss narrowed year on year due to higher sales and continued efforts to optimize prices.

## DMB (Devices & Module Solutions Business)

(Billions of yen, %)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Sales to external customers	89.2	105.0	+17.7%
Operating income	8.2	13.5	+64.1%

Note: Due to a revision of business management classifications, certain businesses of the IAB have been transferred to the DMB beginning with the fiscal year ending March 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

### Sales

Although there were signs of a global slowdown in parts for the consumer industry, demand remained strong for products in which the business focuses, including solar power generation, storage batteries, and other energy-related products, as well as semiconductor inspection equipment-related products.

In response to this rising demand, we improved supply chains, resulting in a significant increase in sales year on year.

### Operating Income

Despite the impact of soaring raw material prices and other factors, operating income increased significantly year on year, mainly due to a significant increase in sales, as well as efforts to optimize prices and improve productivity.

## **(2) Description of Information on Outlook, Including Consolidated Performance Forecast**

We recognize that the risk of a global economic slowdown in the business environment surrounding the OMRON Group will increase in the fourth quarter, particularly for uncertainties related to demand in the Chinese market. We also expect the yen to gain more strength in the fourth quarter compared to our previous forecast.

Despite this business environment, the OMRON Group expects both net sales and operating income for the year to be in line with our prior forecasts in response to our efforts to strengthen supply capacity to meet heavy order backlog in the Industrial Automation Business and Devices & Module Solutions Business, as well as through company-wide price optimization and other measures to improve gross profit margin.

In light of these circumstances, we left full-year consolidated performance forecasts unrevised from the forecast announced previously (October 26, 2022).

We set exchange rate assumptions for the fourth quarter to USD1 = JPY125.0, EUR1 = JPY135.0, and CNY1 = JPY19.0. (The assumed exchange rates used for the fourth quarter in our previous forecast were USD1 = JPY140.0, EUR1 = 140.0, and CNY1 = 20.0.)



## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022		As of December 31, 2022	
		%		%
<b>ASSETS</b>				
Current assets	482,905	51.9	467,873	49.5
Cash and cash equivalents	155,484		87,564	
Notes and accounts receivable-trade	151,820		159,340	
Allowance for doubtful receivables	(798)		(1,039)	
Inventories	141,935		187,445	
Assets held for sale	363		2	
Other current assets	34,101		34,561	
Property, plant and equipment, net	122,098	13.1	123,669	13.1
Investments and other assets	325,626	35.0	352,920	37.4
Right-of-use assets under operating leases	39,746		37,899	
Goodwill	39,718		43,179	
Investments in and advances to affiliates	124,691		134,557	
Investment securities	43,757		42,275	
Leasehold deposits	7,815		8,001	
Prepaid benefit cost	14,391		15,179	
Deferred income taxes	18,116		25,553	
Other assets	37,392		46,277	
<b>Total assets</b>	<b>930,629</b>	<b>100.0</b>	<b>944,462</b>	<b>100.0</b>

(Millions of yen)

	As of March 31, 2022		As of December 31, 2022	
		%		%
<b>LIABILITIES</b>				
Current liabilities	211,672	22.7	188,182	19.9
Notes and accounts payable-trade	86,827		97,248	
Short-term debt	20,000		—	
Accrued expenses	48,365		40,294	
Income taxes payable	5,657		4,934	
Short-term operating lease liabilities	11,549		11,309	
Other current liabilities	39,274		34,397	
Deferred income taxes	2,177	0.2	2,555	0.3
Termination and retirement benefits	8,194	0.9	3,364	0.4
Long-term operating lease liabilities	28,567	3.1	26,548	2.8
Other long-term liabilities	12,048	1.3	12,229	1.3
Total liabilities	262,658	28.2	232,878	24.7
<b>NET ASSETS</b>				
Shareholders' equity	665,227	71.5	708,926	75.1
Common stock	64,100	6.9	64,100	6.8
Capital surplus	100,652	10.8	98,159	10.4
Legal reserve	24,503	2.6	24,736	2.6
Retained earnings	517,566	55.6	558,101	59.1
Accumulated other comprehensive income (loss)	13,013	1.4	32,334	3.4
Foreign currency translation adjustments	33,908		48,400	
Pension liability adjustments	(19,930)		(16,044)	
Net gains (losses) on derivative instruments	(965)		(22)	
Treasury stock	(54,607)	(5.8)	(68,504)	(7.3)
Noncontrolling interests	2,744	0.3	2,658	0.2
Total net assets	667,971	71.8	711,584	75.3
Total liabilities and net assets	930,629	100.0	944,462	100.0

**(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income**  
**(Quarterly Consolidated Statements of Operations)**  
**(Nine months ended December 31, 2022)**

(Millions of yen)

	Nine months ended December 31, 2021		Nine months ended December 31, 2022	
		%		%
Net sales	558,609	100.0	637,977	100.0
Cost of sales	302,227	54.1	351,200	55.0
Gross profit	256,382	45.9	286,777	45.0
Selling, general and administrative expenses	156,467	28.0	177,568	27.9
Research and development expenses	33,057	5.9	36,355	5.7
Operating income	66,858	12.0	72,854	11.4
Other expenses, net	3,127	0.6	2,193	0.3
Income before income taxes	63,731	11.4	70,661	11.1
Income taxes	17,139	3.1	19,074	3.0
Equity in loss of affiliates	1,209	0.2	467	0.1
Net income	45,383	8.1	51,120	8.0
Net income attributable to noncontrolling interests	568	0.1	603	0.1
Net income attributable to OMRON shareholders	44,815	8.0	50,517	7.9

Note: *Other expenses, net* for the nine months ended December 2021 includes impairment loss of JPY3,384 million on goodwill related to NS Industria de Aparelhos Medicos LTDA. in Brazil, which was acquired under our Healthcare Business

**(Quarterly Consolidated Statements of Comprehensive Income)****(Nine months ended December 31, 2022)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	45,383	51,120
Other comprehensive income, net of tax		
Foreign currency translation adjustments	17,813	14,544
Pension liability adjustments	2,325	3,886
Net gains (losses) on derivative instruments	78	943
Other comprehensive income	20,216	19,373
Comprehensive income	65,599	70,493
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	594	655
Comprehensive income attributable to OMRON shareholders	65,005	69,838

### (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2021		Nine months ended December 31, 2022	
<b>I Operating Activities:</b>				
1. Net income		45,383		51,120
2. Adjustments to reconcile net income to net cash provided by operating activities:				
(1) Depreciation and amortization	17,355		19,777	
(2) Decrease (increase) in notes and accounts receivable-trade	5,447		(3,891)	
(3) Increase in inventories	(27,419)		(43,703)	
(4) Increase in notes and accounts payable-trade	8,834		9,103	
(5) Others, net	(2,288)	1,929	(12,164)	(30,878)
Net cash provided by operating activities		47,312		20,242
<b>II Investing Activities:</b>				
1. Purchases of investment securities		(4,271)		(1,911)
2. Capital expenditures		(19,553)		(27,983)
3. Proceeds from sale of property, plant and equipment		456		1,430
4. Increase in investments in and loans to affiliates, net		(217)		(9,976)
5. Others, net		(390)		(186)
Net cash used in investing activities		(23,975)		(38,626)
(Reference) Free cash flows		23,337		(18,384)
<b>III Financing Activities:</b>				
1. Net decrease in net borrowings of short-term debt		—		(20,000)
2. Dividends paid by the Company		(17,754)		(18,912)
3. Acquisition of treasury stock		(31,422)		(17,900)
4. Others, net		(437)		(4)
Net cash used in financing activities		(49,613)		(56,816)
<b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		10,762		7,280
Net increase (decrease) in cash and cash equivalents		(15,514)		(67,920)
Cash and cash equivalents at beginning of the period		250,755		155,484
Cash and cash equivalents at end of the period		235,241		87,564

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

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

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

None applicable

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

None applicable

**(Segment Information)****Business Segment Information**

(Millions of yen)

		Nine months ended December 31, 2021	Nine months ended December 31, 2022	Year-on-year change
IAB	Sales to external customers	310,555	359,073	115.6%
	Intersegment sales	4,768	5,217	109.4%
	Total net sales	315,323	364,290	115.5%
	Operating expenses	257,444	299,831	116.5%
	Operating income (loss)	57,879	64,459	111.4%
HCB	Sales to external customers	101,057	106,720	105.6%
	Intersegment sales	104	205	197.1%
	Total net sales	101,161	106,925	105.7%
	Operating expenses	84,951	93,847	110.5%
	Operating income (loss)	16,210	13,078	80.7%
SSB	Sales to external customers	55,234	63,855	115.6%
	Intersegment sales	7,275	9,421	129.5%
	Total net sales	62,509	73,276	117.2%
	Operating expenses	63,421	73,493	115.9%
	Operating income (loss)	(912)	(217)	—
DMB	Sales to external customers	89,243	105,030	117.7%
	Intersegment sales	31,845	37,642	118.2%
	Total net sales	121,088	142,672	117.8%
	Operating expenses	112,886	129,210	114.5%
	Operating income (loss)	8,202	13,462	164.1%
Eliminations & Corporate	Sales to external customers	2,520	3,299	130.9%
	Intersegment sales	(43,992)	(52,485)	—
	Total net sales	(41,472)	(49,186)	—
	Operating expenses	(26,951)	(31,258)	—
	Operating income (loss)	(14,521)	(17,928)	—
Consolidated	Sales to external customers	558,609	637,977	114.2%
	Intersegment sales	—	—	—
	Total net sales	558,609	637,977	114.2%
	Operating expenses	491,751	565,123	114.9%
	Operating income (loss)	66,858	72,854	109.0%

Note: Due to a revision of business management classifications, certain businesses of the IAB have been transferred to the DMB beginning with the fiscal year ending March 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

## Sales by Geographical Region

(Millions of yen)

		Nine months ended December 31, 2021	Nine months ended December 31, 2022	Year-on-year change
IAB	Japan	98,490	106,864	108.5%
	Americas	27,003	38,589	142.9%
	Europe	61,003	68,601	112.5%
	Greater China	90,098	102,998	114.3%
	Southeast Asia and Others	33,940	41,984	123.7%
	Direct Exports	21	37	176.2%
	Total	310,555	359,073	115.6%
HCB	Japan	21,023	20,014	95.2%
	Americas	17,871	21,400	119.7%
	Europe	16,139	16,955	105.1%
	Greater China	34,322	34,220	99.7%
	Southeast Asia and Others	11,350	13,647	120.2%
	Direct Exports	352	484	137.5%
	Total	101,057	106,720	105.6%
SSB	Japan	55,119	63,835	115.8%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	77	7	9.1%
	Southeast Asia and Others	—	—	—
	Direct Exports	38	13	34.2%
	Total	55,234	63,855	115.6%
DMB	Japan	27,111	31,075	114.6%
	Americas	12,033	18,522	153.9%
	Europe	11,485	13,649	118.8%
	Greater China	27,480	29,112	105.9%
	Southeast Asia and Others	11,023	12,581	114.1%
	Direct Exports	111	91	82.0%
	Total	89,243	105,030	117.7%
Eliminations & Corporate	Japan	2,520	3,299	130.9%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	—	—	—
	Southeast Asia and Others	—	—	—
	Direct Exports	0	0	—
	Total	2,520	3,299	130.9%
Consolidated	Japan	204,263	225,087	110.2%
	Americas	56,907	78,511	138.0%
	Europe	88,627	99,205	111.9%
	Greater China	151,977	166,337	109.4%
	Southeast Asia and Others	56,313	68,212	121.1%
	Direct Exports	522	625	119.7%
	Total	558,609	637,977	114.2%

Note1: Due to a revision of business management classifications, certain businesses of the IAB have been transferred to the DMB beginning with the fiscal year ending March 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

Note 2: Major countries or regions belonging to segments other than Japan are as follows:

- (1) Americas: United States of America, Canada, Brazil
- (2) Europe: Netherlands, Great Britain, Germany, France, Italy, Spain
- (3) Greater China: China, Hong Kong, Taiwan
- (4) Southeast Asia and Others: Singapore, Republic of Korea, India, Australia
- (5) Direct Exports: Direct export transactions