



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (U.S. GAAP)

April 27, 2015

OMRON Corporation (6645)

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Annual General Shareholders' Meeting (Scheduled):	June 23, 2015
Start of Distribution of Dividends (Scheduled):	June 24, 2015
Filing of Securities Report (<i>Yuka shoken hokokusho</i>) (Scheduled):	June 24, 2015
Preparation of Supplementary Materials for the Financial Results:	Yes
Holding of Presentation of Financial Results:	Yes (for investors)

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 management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

1. Consolidated Financial Results for the Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Figures rounded to the nearest million yen)

(1) Sales and Income

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

	Year ended March 31, 2015		Year ended March 31, 2014	
		Change (%)		Change (%)
Net sales	847,252	9.6	772,966	18.8
Operating income	86,591	27.2	68,055	50.1
Income before income taxes	87,388	40.9	62,007	50.4
Net income attributable to shareholders	62,170	34.6	46,185	52.9
Net income attributable to shareholders per share, basic (JPY)	283.89		209.82	
Net income attributable to shareholders per share, diluted (JPY)	283.89		—	
Return on equity	13.5%		11.6%	
Income before income taxes / total assets ratio	12.8%		10.1%	
Operating income / net sales ratio	10.2%		8.8%	

Note: Comprehensive income: Year ended March 31, 2015: JPY 90,152 million (19.1% change);
Year ended March 31, 2014: JPY 75,686 million (39.2% change)

(Reference) Equity in loss (earnings) of affiliates: Year ended March 31, 2015: JPY (3,937 million);
Year ended March 31, 2014: JPY (3,782 million)

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2015	As of March 31, 2014
Total assets	711,011	654,704
Net assets	492,094	432,778
Shareholders' equity	489,769	430,509
Shareholders' equity ratio (%)	68.9	65.8
Shareholders' equity per share (JPY)	2,254.37	1,956.06

(3) Consolidated Cash Flows

	Millions of yen	
	Year ended March 31, 2015	Year ended March 31, 2014
Net cash provided by operating activities	77,057	79,044
Net cash used in investing activities	(39,517)	(31,125)
Net cash used in financing activities	(29,303)	(16,298)
Cash and cash equivalents at end of period	102,622	90,251

2. Dividends

		Year ended March 31, 2014	Year ended March 31, 2015	Year ending March 31, 2016 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	—
	Interim dividend (JPY)	25.00	31.00	—
	3rd quarter dividend (JPY)	—	—	—
	Year-end dividend (JPY)	28.00	40.00	—
	Total dividends for the year (JPY)	53.00	71.00	92.00
Total cash dividends paid (JPY million)		11,666	15,513	
Payout ratio (%)		25.3	25.0	30.1
Dividends / Shareholders' equity ratio (%)		2.9	3.4	

Notes: 1. Interim and year-end dividends for the year ending March 31, 2016 are undetermined.

2. For details of projected dividends for the year ending March 31, 2016, see "(3) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2015 and the Year Ending March 31, 2016" on page 15.

3. Projected Results for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Millions of yen	
	Full year ending March 31, 2016	Change (%)
Net sales	900,000	6.2
Operating income	90,000	3.9
Income before income taxes	89,000	1.8
Net income attributable to shareholders	66,500	7.0
Net income per share attributable to shareholders (JPY)	306.09	

Note: Projected results for the interim period are not disclosed from the fiscal year ending March 31, 2016.

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No
 New: — companies (—) Excluded: — companies (—)
- (2) Changes in accounting policy
 (a) Changes in accounting policy accompanying revision of accounting standards: No
 (b) Changes in accounting policy other than (a) above: No
- (3) Number of shares issued and outstanding (common stock)
 (a) Number of shares at end of period (including treasury stock): March 31, 2015: 217,397,872 shares;
 March 31, 2014: 227,121,372 shares
 (b) Treasury stock at end of period: March 31, 2015: 144,467 shares; March 31, 2014: 7,032,043 shares
 (c) Average number of shares during the period: Year ended March 31, 2015: 218,995,929 shares;
 Year ended March 31, 2014: 220,118,721 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Non-consolidated Sales and Income

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

	Millions of yen - except per share data and percentages			
	Year ended March 31, 2015		Year ended March 31, 2014	
		Change (%)		Change (%)
Net sales	275,060	14.5	240,167	20.1
Operating income	31,290	47.0	21,292	57.9
Ordinary income	45,157	85.8	24,306	28.7
Net income	31,697	63.1	19,432	192.0
Net income per share (JPY)	144.74		88.28	
Net income per share, diluted (JPY)	144.74		—	

(2) Non-consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2015	As of March 31, 2014
	Total assets.....	406,711
Net assets.....	257,499	240,133
Net worth ratio (%)	63.3	63.0
Net assets per share (JPY).....	1,185.23	1,091.07

(Reference) Net worth: Year ended March 31, 2015: JPY 257,494 million; Year ended March 31, 2014: JPY 240,133 million

Items Regarding the Implementation of Review Procedures

This summary of consolidated results is exempt from the review procedures based on the Financial Instruments and Exchange Act. Review procedures for the consolidated financial statements based on the Financial Instruments and Exchange Act had not been completed by the time of disclosure of this summary of consolidated results.

Notes Regarding 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 factors could cause actual results to differ materially from these projections. Major factors influencing Omron's actual results include, but are not limited to, (a) the economic conditions affecting the Omron Group's businesses in Japan and overseas, (b) demand trends for the Omron Group's products and services, (c) the ability of the Omron Group to develop new technologies and new products, (d) major changes in the fund-raising environment, (e) tie-ups or cooperative relationships with other companies, (f) movements in currency exchange rates and stock markets, and (g) accidents, earthquakes, etc..

For the assumptions that form the basis of the projected results, see "1. Analysis of Results of Operations and Financial Condition, (1) Analysis of Results of Operations, 2) Outlook for the Year Ending March 31, 2016" on page 10.

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 Income Statement is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.
3. The interim and year-end dividends for the year ending March 31, 2016 will be set and disclosed at a point when there is a high level of certainty of achieving the Company's performance forecast. The Company plans to announce its interim dividend by October 2015 at the latest and its year-end dividend in April 2016.
4. The Company plans to hold a presentation for investors on Monday, April 27, 2015. The Company also plans to post an overview and the (voice) content of its explanations, together with financial materials used at the presentation, promptly on its website.

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

IAB: Industrial Automation Business

EMC: Electronic and Mechanical Components Business

AEC: Automotive Electronic Components Business

SSB: Social Systems, Solutions and Service Business

HCB: Healthcare Business

Other: Environmental Business, Electronic Systems & Equipments Division, Micro Devices Business, Backlight Business and others

Table of Contents

1. Analysis of Results of Operations and Financial Condition	6
(1) Analysis of Results of Operations	6
(2) Analysis of Financial Condition	14
(3) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2015 and the Year Ending March 31, 2016	15
2. The Omron Group	15
3. Management Policies	
(1) Omron's Basic Management Policies	16
(2) Targeted Management Indicators and Medium-to-Long-Term Corporate Management Strategy	16
(3) Issues Facing the Company	16
4. Basic Stance on Selection of Accounting Standard	17
5. Consolidated Financial Statements	18
(1) Consolidated Balance Sheets	18
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	20
(3) Consolidated Statements of Changes in Shareholders' Equity	22
(4) Consolidated Statements of Cash Flows	23
(5) Notes Regarding Consolidated Financial Statements	24
(Notes Regarding Assumptions of Continuing Operations)	24
(Preparation of the Consolidated Financial Statements)	24
(Per Share Data)	24
(Major Components of Other Expenses (income), Net)	24
(Subsequent Events)	24
(Segment Information)	25
6. Non-consolidated Financial Statements	27
(1) Non-consolidated Balance Sheets	27
(2) Non-consolidated Statements of Operations	29
(3) Non-consolidated Statements of Changes in Shareholders' Equity	30
7. Supplementary Information	32
(1) Consolidated Results (U.S. GAAP)	32
(2) Non-consolidated Results	32
(3) Consolidated Net Sales by Business Segment	33
(4) Consolidated Operating Income by Business Segment	33
(5) Average Currency Exchange Rate	33
(6) Projected Consolidated Net Sales by Business Segment	34
(7) Projected Consolidated Operating Income by Business Segment	34
(8) Projected Average Currency Exchange Rate	34

Qualitative Information and Financial Statements

1. Analysis of Results of Operations and Financial Condition

(1) Analysis of Results of Operations

1) Results of Operations in the Year Ended March 31, 2015

General Overview

In the year ended March 31, 2015 (fiscal 2014), the Omron Group achieved increases in earnings and profits for the third consecutive year, and results set record highs for the second consecutive year. In particular, IAB (Industrial Automation Business) achieved substantial increases in sales and profits, contributing significantly to the growth of the Omron Group's net sales and operating income.

The Omron Group's perception of the economic environment in fiscal 2014 is as follows.

Economic and Market Conditions by Region

Japan:	Although the impact of the consumption tax rate increase were evident in some sectors, conditions were firm overall.
U.S.:	Conditions were firm with recovery in personal consumption due to improvement in the employment and income environment, and expansion of corporate activity, among other factors.
Europe:	There was a downturn in business conditions in Russia and elsewhere, but demand was basically unchanged.
Greater China:	Demand was firm, backed by increased investment centered on the electronic components and other industries.
Asia:	Conditions were firm overall due to a moderate rally in the economies of Thailand and Indonesia and a recovery in South Korea.

Conditions in the Omron Group's Primary Related Markets

Automotive-related:	Capital investment demand was firm in Japan and overseas, and demand for components was firm overseas.
Semiconductor-related:	Capital investment demand recovered due to expansion of markets for smartphones and other products.
Machine tool-related:	Capital investment demand recovered in Japan and overseas.
Home appliance and electronic component-related:	Capital investment demand recovered moderately, and demand for components was firm in emerging markets and elsewhere.
Healthcare equipment-related:	Conditions were weak in Russia due to a downturn in business conditions but strong in other emerging markets.

In addition, the Omron Group started EARTH-1 STAGE of VG2020, its new medium-term management plan from April 2014, and set "Start Up EARTH-1: Creation of an engine for 'self-driven' growth" as its policy for fiscal 2014. Specifically, the Omron Group executed its existing business strategies, a super-global business strategy, expansion of new businesses for the "Optimization Society," profit structure reform and strengthening of global human resources, among other measures, on a priority basis. As a result, return on invested capital (ROIC) increased by 2.1 points compared with the previous fiscal year to 13.4% and return on equity (ROE) increased by 1.9 points compared with the previous fiscal year to 13.5%.

Consequently, consolidated results for fiscal 2014 were as follows.

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

Millions of yen, except exchange rate data and percentages			
	Year ended March 31, 2014	Year ended March 31, 2015	Change
Net sales	772,966	847,252	+9.6%
Operating income	68,055	86,591	+27.2%
Income before income taxes	62,007	87,388	+40.9%
Net income attributable to shareholders	46,185	62,170	+34.6%
Average USD exchange rate (JPY)	100.1 JPY	110.0 JPY	+9.9 JPY
Average EUR exchange rate (JPY)	134.0 JPY	138.7 JPY	+4.7 JPY

Results by Business Segment

IAB (Industrial Automation Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ended March 31, 2015	Change
Sales to external customers	Japan	119,407	126,720	+6.1%
	Overseas	172,332	205,120	+19.0%
	Total	291,739	331,840	+13.7%
Segment profit		38,755	54,617	+40.9%

Sales in Japan

Capital investment demand was strong in the automotive, electronic component-related and other industries due to a moderate recovery in business conditions, and sales in Japan for the year ended March 31, 2015 increased compared with the previous fiscal year.

Overseas Sales

In the Americas, demand from oil and gas-related businesses increased substantially in addition to firm demand from automotive-related industries due to the strong economy in the United States. Sales in Europe were firm, based on a moderate recovery trend. In Greater China, demand increased substantially from electronic component-related industries. In Asia, demand from electronic component-related industries was firm despite the impact of currency depreciation. As a result, overseas sales for the year ended March 31, 2015 increased substantially compared with the previous fiscal year, with the additional impact of depreciation of the yen.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year due to factors including the increase in sales, productivity improvement and the impact of the depreciation of the yen.

EMC (Electronic and Mechanical Components Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ended March 31, 2015	Change
Sales to external customers	Japan	28,103	23,899	-15.0%
	Overseas	69,596	80,047	+15.0%
	Total	97,699	103,946	+6.4%
Segment profit		8,655	10,168	+17.5%

Sales in Japan

Demand was flat from consumer and commercial products industries other than home appliances, but demand from home appliance and automotive-related industries was weak due to the impact of the increase in the consumption tax rate. Sales in Japan for the year ended March 31, 2015 decreased compared with the previous fiscal year.

Overseas Sales

In the Americas and Europe, demand from consumer and commercial products industries was firm. In Greater China, performance was strong due to increase of market share in the home appliance industry in particular, in addition to new orders for business negotiations in the consumer and commercial products industries. In Asia, demand from automotive-related industries increased. As a result, overseas sales for the year ended March 31, 2015 increased substantially compared with the previous fiscal year, with the additional impact of the depreciation of the yen.

Segment Profit

Segment profit increased compared with the previous fiscal year due to factors including the increase in sales and the impact of depreciation of the yen.

AEC (Automotive Electronic Components Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ended March 31, 2015	Change
Sales to external customers	Japan	28,400	25,880	-8.9%
	Overseas	98,220	112,003	+14.0%
	Total	126,620	137,883	+8.9%
Segment profit		9,084	9,230	+1.6%

Sales in Japan

Sales in Japan for the year ended March 31, 2015 decreased compared with the previous fiscal year due to factors including the impact of the increase in the consumption tax rate and weak sales at some customers.

Overseas Sales

In the Americas, demand expanded against the backdrop of a strong economy in the United States. In Greater China and elsewhere in Asia, demand was strong, with continued market expansion. As a result, overseas sales for the year ended March 31, 2015 increased substantially compared with the previous fiscal year, with the additional impact of depreciation of the yen.

Segment Profit

Segment profit increased compared with the previous fiscal year due to the increase in sales, among other factors.

SSB (Social Systems, Solutions and Service Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ended March 31, 2015	Change
Sales to external customers		82,695	80,410	-2.8%
Segment profit		5,552	4,993	-10.1%

Public Transportation Systems Business Sales

Despite a pullback from the demand ahead of the consumption tax rate increase, capital investment demand from railway companies for renewal of station equipment was firm and sales for the year ended March 31, 2015 were basically unchanged compared with the previous fiscal year.

Traffic and Road Management Systems Business and Other Sales

Due to a decrease in investment demand for traffic and road management systems and other products, sales for the year ended March 31, 2015 decreased compared with the same period of the previous fiscal year.

Environmental Solutions Business Sales

Demand for solar power generation-related products was generally firm, although a decrease in demand from some customers was evident in the second half of the fiscal year, and sales for the year ended March 31, 2015 increased compared with the previous fiscal year.

Segment Profit

Segment profit decreased compared with the previous fiscal year because of the decrease in sales.

HCB (Healthcare Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ended March 31, 2015	Change
Sales to external customers	Japan	30,816	31,443	+2.0%
	Overseas	58,459	69,172	+18.3%
	Total	89,275	100,615	+12.7%
Segment profit		7,545	6,511	-13.7%

Sales in Japan

Sales of healthcare equipment for household use were firm due to the launch of massagers and other new products and strengthening of in-store sales promotion for core products. On the other hand, demand for equipment for use in medical institutions was weak due to the impact of the consumption tax rate increase and reductions in medical treatment fee. As a result, sales in Japan for the year ended March 31, 2015 increased compared with the previous fiscal year.

Overseas Sales

Sales were firm in the Americas due to the launch of low-frequency electrotherapy equipment and other new products. In Europe, demand was weak due to a slump in the Russian economy and political instability in Ukraine. Sales were strong in China, India and other emerging markets in Asia as demand for healthcare equipment continued to increase. As a result, overseas sales for the year ended March 31, 2015 increased substantially compared with the previous fiscal year, with the additional impact of depreciation of the yen.

Segment Profit

Although sales increased due to new product launches and business expansion in emerging markets, segment profit decreased compared with the previous fiscal year due to factors including upfront investment overseas and the impact of exchange rate volatility in the second half of the fiscal year.

Other

Millions of yen, except percentages

	Year ended March 31, 2014	Year ended March 31, 2015	Change
Sales to external customers	78,949	87,382	+10.7%
Segment profit (loss)	8,676	8,366	-3.6%

Businesses in the "Other" segment explore and nurture new business fields and nurture/reinforce businesses not handled by other internal companies but under the direct control of the head office.

Environmental Business Sales

With firm demand for solar power condensers in the domestic market driven by growing interest in renewable energy, sales for the year ended March 31, 2015 increased compared with the previous fiscal year, although a decrease in demand from some customers was evident in the second half of the fiscal year.

Electronic Systems & Equipments Division Sales

Demand was strong for uninterruptible power supply units, industrial-use built-in computers and contract development and manufacturing services for electronic devices, and sales for the year ended March 31, 2015 increased compared with the previous fiscal year.

Micro Devices Business Sales

Sales for the year ended March 31, 2015 increased substantially compared with the previous fiscal year due to increased demand for microphones for smartphones.

Backlight Business Sales

Demand for high-performance thin backlights increased, backed by the expansion of the smartphone market, mainly in Greater China, and sales for the year ended March 31, 2015 increased compared with the previous fiscal year.

Segment Profit

Despite increased sales in each business, segment profit decreased compared with the previous fiscal year because of factors including upfront investment.

2) Outlook for the Year Ending March 31, 2016

General Outlook

Moderate improvement in the economic environment globally is forecast during the year ending March 31, 2016, despite a sense of uncertainty in some emerging markets.

In Japan, capital investment demand is forecasted to be firm, mainly in the electronic component and semiconductor industries.

Overseas, continuing weakness is forecasted in Europe due to factors including the economic downturn in Russia and debt problems in some countries. Firm conditions are forecasted in the United States due to recovery in personal consumption and expansion of corporate capital investment. In China, although a sense of a downturn in business conditions is expected in some sectors due to cooling real estate-related investment, solid growth is forecasted due to a continued high level of smartphone-related investment. Overall solid growth is forecasted in Asia, with economic recovery expected in Thailand and Indonesia.

The Omron Group started EARTH-1 STAGE of VG2020, its new medium-term management plan from April 2014, and has set “Accelerate EARTH-1: Accelerate the creation of an engine for ‘self-driven’ growth and pursue results” as its policy for the second year of the medium-term management plan (fiscal 2015). Specifically, the Omron Group aims to (1) achieve the EARTH-1 STAGE targets a year ahead of schedule; (2) continuously take on the challenge of further improving its “profit-generating power (gross profit margin)”; and (3) increase sales and profits in all business segments.

The Omron Group forecasts increases in sales and profits for the year ending March 31, 2016. The Omron Group forecasts net sales of JPY 900.0 billion, operating income of JPY 90.0 billion, income before income taxes of JPY 89.0 billion, and net income attributable to shareholders of JPY 66.5 billion. The assumed exchange rates are USD 1 = JPY 115 and EUR 1 = JPY 130.

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

Millions of yen, except exchange rate data and percentages			
	Year ended March 31, 2015	Year ending March 31, 2016	Change
Net sales	847,252	900,000	+6.2%
Operating income	86,591	90,000	+3.9%
Income before income taxes	87,388	89,000	+1.8%
Net income attributable to shareholders	62,170	66,500	+7.0%
Average JPY to USD exchange rate	110.0 JPY	115.0 JPY	+5.0 JPY
Average JPY to EUR exchange rate	138.7 JPY	130.0 JPY	-8.7 JPY

Outlook by Segment
IAB (Industrial Automation Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ending March 31, 2016	Change
Sales to external customers	Japan	126,720	137,000	+8.1%
	Overseas	205,120	208,000	+1.4%
	Total	331,840	345,000	+4.0%
Segment profit		54,617	57,000	+4.4%

Outlook for Sales in Japan

Investment demand is expected to remain firm in automotive and electronic component-related industries, and we forecast that sales in Japan for the year ending March 31, 2016 will increase compared with the year ended March 31, 2015.

Outlook for Overseas Sales

Although demand from oil and gas-related businesses is expected to decrease, we forecast that overseas sales for the year ending March 31, 2016 will increase compared with the year ended March 31, 2015 due to factors including firm capital investment demand from automotive and electronic component-related industries and growth in automation and labor-saving demand, mainly in emerging markets.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2015 due to the increase in sales and other factors.

EMC (Electronic and Mechanical Components Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ending March 31, 2016	Change
Sales to external customers	Japan	23,899	24,000	+0.4%
	Overseas	80,047	85,000	+6.2%
	Total	103,946	109,000	+4.9%
Segment profit		10,168	11,200	+10.1%

Outlook for Sales in Japan

Although we anticipate sales growth from new products in consumer and commercial products industries and automotive-related industries, we expect a decrease in demand from some industries, and we forecast flat sales in Japan for the year ending March 31, 2016 compared with the year ended March 31, 2015.

Outlook for Overseas Sales

In consumer and commercial products industries, we forecast sales expansion from strengthening our product lineup for small and medium-sized customers, in addition to growth in sales of environment-related relays. In automotive-related industries, we forecast sales growth in China and the Americas, where production is expected to increase. As a result of these factors, we forecast an increase in overseas sales for the year ending March 31, 2016 compared with the year ended March 31, 2015.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2015 due to factors including the increase in sales, cost reduction activities and improved productivity.

AEC (Automotive Electronic Components Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ending March 31, 2016	Change
Sales to external customers	Japan	25,880	20,000	-22.7%
	Overseas	112,003	120,000	+7.1%
	Total	137,883	140,000	+1.5%
Segment profit		9,230	9,300	+0.8%

Outlook for Sales in Japan

Demand is expected to fall below the level of the year ended March 31, 2015 due to a decrease in automobile sales volume, and we forecast a decrease in sales in Japan for the year ending March 31, 2016 compared with the year ended March 31, 2015.

Outlook for Overseas Sales

We forecast an increase in overseas sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to factors including an increase in vehicle models equipped with Omron Group products, in addition to strong demand in North America and emerging markets.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2015 due to the increase in sales and other factors.

SSB (Social Systems, Solutions and Service Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ending March 31, 2016	Change
Sales to external customers		80,410	85,000	+5.7%
Segment profit		4,993	5,500	+10.2%

Outlook for Public Transportation Systems Business Sales

We forecast an increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to rising needs for station safety and security in addition to continuing demand for renewal of station equipment.

Outlook for Traffic and Road Management Systems Business and Other Sales

We forecast an increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to rising needs for safety and security among expressway businesses.

Outlook for Environmental Solutions Business Sales

We forecast an increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to growth in demand for solar power generation-related products.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2015 due to the increase in sales and other factors.

HCB (Healthcare Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ending March 31, 2016	Change
Sales to external customers	Japan	31,443	33,500	+6.5%
	Overseas	69,172	77,500	+12.0%
	Total	100,615	111,000	+10.3%
Segment profit		6,511	7,800	+19.8%

Outlook for Sales in Japan

We expect continued growth in demand due to an increase in patients with lifestyle diseases associated with the aging society and because of rising health consciousness, and we forecast an increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015.

Outlook for Overseas Sales

Although an economic downturn is expected in Russia, we anticipate sales growth from new product launches, mainly in North America. Among emerging markets, we forecast an increase in demand in China and elsewhere in Asia and business expansion in South America. As a result of these factors, we forecast a substantial increase in overseas sales for the year ending March 31, 2016 compared with the year ended March 31, 2015.

Outlook for Segment Profit

We forecast a substantial increase in segment profit compared with the year ended March 31, 2015 due to the increase in sales, improved productivity and other factors.

Other

Millions of yen, except percentages

	Year ended March 31, 2015	Year ending March 31, 2016	Change
Sales to external customers	87,382	105,000	+20.2%
Segment profit	8,366	10,000	+19.5%

Businesses in the "Other" segment explore and nurture new business fields and nurture/reinforce businesses not handled by other internal companies but under the direct control of the head office.

Outlook for Environmental Business Sales

We forecast an increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to increases in demand and market share for hybrid storage systems for solar power, energy-saving components and other products.

Outlook for Electronic Systems & Equipments Division Sales

We forecast an increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to an enhanced product lineup of uninterruptible power supplies.

Outlook for Micro Devices Business Sales

We forecast a substantial increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015 due to growth in demand for microphones for smartphones, pressure sensors and other products.

Outlook for Backlight Business Sales

We anticipate continuing growth in demand for high-performance thin backlights in the smartphone market, and forecast a substantial increase in sales for the year ending March 31, 2016 compared with the year ended March 31, 2015.

Outlook for Segment Profit

We forecast a substantial increase in segment profit compared with the year ended March 31, 2015 due to an increase in sales and other factors.

(2) Analysis of Financial Condition

Analysis of Assets, Liabilities, Net Assets and Cash Flow

1) Financial Condition as of March 31, 2015

Total assets as of March 31, 2015 were JPY 711,011 million, an increase of JPY 56,307 million compared with the end of the previous fiscal year, due to factors including increases in inventories and cash and cash equivalents. Liabilities were JPY 218,917 million, a decrease of JPY 3,009 million compared with the end of the previous fiscal year, due to decreases in termination and retirement benefits and income taxes payable and other factors. Net assets were JPY 492,094 million, an increase of JPY 59,316 million compared with the end of the previous fiscal year, due to a change in foreign currency translation adjustments, in addition to recording net income. The shareholders' equity ratio increased by 3.1 percentage points compared with the end of the previous fiscal year, from 65.8% to 68.9%.

2) Summary of Cash Flows for the Year Ended March 31, 2015

Net cash provided by operating activities was JPY 77,057 million (a decrease of JPY 1,987 million compared with the previous fiscal year) as a result of recording JPY 62,432 million in net income, among other factors.

Net cash used in investing activities was JPY 39,517 million (an increase in cash outflow of JPY 8,392 million compared with the previous fiscal year) as the Omron Group conducted proactive investments including in production equipment and the acquisition of a nebulizer production and sales company in Brazil.

Net cash used in financing activities totaled JPY 29,303 million (an increase in cash outflow of JPY 13,005 million compared with the previous fiscal year) because of dividends paid and acquisition of treasury stock.

As a result, the balance of cash and cash equivalents at March 31, 2015 was JPY 102,622 million.

3) Forecast of Financial Condition for the Year Ending March 31, 2016

In the fiscal year ending March 31, 2016, we plan to make proactive capital expenditures to execute "Accelerate EARTH-1: Accelerate the creation of an engine for 'self-driven' growth and pursue results," our policy for fiscal 2015 under VG2020. We expect to cover the funding necessary for capital expenditures from operating cash flow obtained from increases in sales and profits during fiscal 2015.

In financing activities, we will efficiently allocate capital throughout the Group while considering the financial situation, and conduct flexible procurement and management.

In light of the above, we believe that the balance of cash and cash equivalents of JPY 102,622 million as of March 31, 2015 is at a sufficient level for business operations in the present economic conditions.

Cash Flow Indicators and Trends

Consolidated cash flow indicators and trends for the five most recent fiscal years are as follows.

	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Shareholders' equity ratio (%)	55.6	59.7	64.0	65.8	68.9
Shareholders' equity ratio on market value basis (%)	91.4	72.9	89.0	143.2	165.6
Debt coverage ratio	1.1	0.6	0.1	0.0	0.0
Interest coverage ratio	87.0	118.8	192.0	265.7	310.5

Notes: Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio on market value basis: Total market value of stock/Total assets

Debt coverage ratio: Interest-bearing liabilities/Net cash provided by operations

Interest coverage ratio: Net cash provided by operations/Interest expense

1. All indicators are calculated on a consolidated basis.

2. Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing share price at the end of the period.

3. Net cash provided by operations is as reported in the consolidated statement of cash flows. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid. Interest expense is as stated in the notes to the consolidated statements of cash flows.

(3) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2015 and the Year Ending March 31, 2016

Omron consults with its 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.

Omron views its dividend policy as one of its most important management issues, and applies the following basic policy in regard to distribution of profits to shareholders.

- 1) In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and capital investments, which are vital to future business expansion.
- 2) After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.
- 3) For dividends in each fiscal year, Omron's policy is to enhance stable, uninterrupted profit distributions by taking into account consolidated results as well as indicators including dividends on equity (DOE), which is return on equity (ROE) multiplied by the payout ratio, although this is subject to the level of internal capital resources necessary. Specifically, while following its previous policy of maintaining the payout ratio at a minimum of 25% in fiscal 2014, Omron will aim for a payout ratio of 30% by fiscal 2016 to further enhance medium-term returns to shareholders. In addition, Omron will maintain its near-term DOE target of 2% as previously announced.
- 4) Utilizing retained earnings that have been accumulated over a long period of time, Omron intends to expeditiously repurchase and retire the Company's stock to benefit shareholders.

For the year ended March 31, 2015 (fiscal 2014), Omron plans to pay an ordinary year-end dividend of JPY 40 per share in line with the above policy. For the full fiscal year, including the interim dividend of JPY 31 per share paid on December 2, 2014, Omron plans to pay total dividends of JPY 71 per share.

For the year ending March 31, 2016 (fiscal 2015), Omron plans to pay total dividends of JPY 92 per share for the full fiscal year, an increase of JPY 21 per share from fiscal 2014. Accordingly, this will raise the payout ratio to 30%, achieving the target of a payout ratio of 30% by fiscal 2016 a year ahead of schedule.

Please note that the amounts of the interim and year-end dividends for fiscal 2015 have not been determined.

2. The Omron Group

Disclosure is omitted because there is no significant change from the "Business Organization Chart (Business Content)" and "Subsidiaries and Affiliates" in the most recent Securities Report (*Yuka shoken hokokusho*), issued on June 25, 2014.

3. Management Policies

(1) Omron's Basic Management Policies

The Omron Group conducts its management based on a medium-to-long-term strategy, and established "Value Generation 2020" (VG2020), a ten-year long-term vision, in 2011. Under VG2020, the Omron Group is conducting business activities targeting over JPY 1 trillion in sales and 15% return on sales (ROS) as goals for fiscal 2020 with the aim of becoming a "global value-creating group that is qualitatively and quantitatively superior."

(2) Targeted Management Indicators and Medium-to-Long-Term Corporate Management Strategy

VG2020 is composed of two stages, GLOBE STAGE and EARTH STAGE. After going through GLOBE STAGE in the first three years, the remainder is divided into EARTH-1 STAGE from fiscal 2014 to fiscal 2016 and EARTH-2 STAGE from fiscal 2017 to fiscal 2020. In EARTH-1 STAGE, we have set a policy of "Establishing a 'self-driven' growth structure" that can grow based on its own power in any operating environment, and the entire Omron Group is working to strengthen "growth power," "earning power" and "the power to deal with change" and to promote the diversity of its human resources.

From the perspective of "growth power," we are dealing with the three priority issues of (1) rapid growth throughout Asia (Greater China, ASEAN, India and South Korea), (2) acceleration of new businesses through innovation and (3) accelerated growth through cooperation with external parties, including acquisitions and alliances.

From the perspective of "earning power," we are executing management with a strong awareness of ROIC and ROE, globally conducting matrix management that securely links business divisions (vertical) and head office functional divisions (horizontal), and working to continuously raise the gross profit margin (profit-generating power).

From the perspective of "the power to deal with change," we are shifting management resources to growth businesses by conducting flexible resource management to strengthen business portfolio management. In addition, in strengthening comprehensive global risk management, we identify serious risks for the Omron Group as a whole to deal flexibly with environmental change inside and outside the Group.

For fiscal 2014, the first fiscal year of EARTH-1 STAGE, we set a policy of "Start Up EARTH-1: Creation of an engine for 'self-driven' growth" and steadily executed strategies for self-driven growth in each business. Particular measures for growth power were as follows.

1) Rapid Growth throughout Asia

While proactively deepening and expanding markets in each business, we worked to establish a business foundation for further rapid growth, including expanding sales bases, strengthening technical support functions and setting up new product warehouses. At the same time, we built a growth platform by displaying the comprehensive capabilities of the Omron Group through exhibitions and media in Asia, expanding our network with leading companies in major countries, and other measures.

2) Acceleration of New Businesses through Innovation

We set up corporate venture capital to strengthen cooperation with venture companies and promoted open innovation using the advanced technologies of external parties in fields such as agriculture and robotics.

3) Accelerated Growth through Cooperation with External Parties, Including Acquisitions and Alliances

In the healthcare business, we acquired Brazil's largest manufacturer and distributor of nebulizers, which are therapeutic devices for respiratory patients, and became the world's leading company of the product. We also accelerated cooperation with external parties, with the option of acquisitions or alliances, in other businesses.

As a result of these initiatives, we surpassed our initial targets for fiscal 2014 by a large margin and achieved new record highs for sales and income for the second consecutive year. In addition, to strengthen returns to our shareholders, we plan to pay record-high annual dividends and have conducted share buybacks and cancelled treasury stock to raise capital efficiency.

(3) Issues Facing the Company

In light of the above performance and results for fiscal 2014, we have set a policy of "Accelerate EARTH-1: Accelerate the creation of an engine for 'self-driven' growth and pursue results" for fiscal 2015 as the second year of EARTH-1 STAGE. By accelerating the creation of an engine for growth and fully utilizing our results to date, we will continue to strengthen "growth power," "earning power" and "the power to deal with change."

In particular, to achieve continuous growth over the medium-to-long-term, we will establish a new Chief Technology Officer (CTO) and work to further strengthen our technologies. By doing so, we will develop strong core technologies and further accelerate open innovation through cooperation with external parties.

In addition, we conduct ROIC management and are steadily generating results. During fiscal 2014, Omron was selected as a Grand Prix recipient of the 2014 Corporate Value Improvement Award, which is hosted by the Tokyo Stock Exchange. In fiscal 2015, we will promote evolution of ROIC management under “ROIC 2.0” to achieve an even higher level of management in order to create corporate value. In addition to clearly determining focal items for each business and actions to improve ROIC, we are working for its dissemination and entrenchment by linking actions to targets for individual employees. At the same time, we will invest proactively in growth businesses and high-profit businesses. Through this ROIC management, we will make every effort to maximize the value we provide to our stakeholders.

Our targets for fiscal 2015 are net sales of JPY 900 billion, a gross profit margin of 39.6%, operating income of JPY 90 billion, net income attributable to shareholders of JPY 66.5 billion, and ROIC above 13%. We will make every effort to achieve the EARTH-1 STAGE targets for net sales and operating income a year ahead of schedule.

4. Basic Stance on Selection of Accounting Standard

The Omron Group has adopted U.S. GAAP, an international accounting standard, to ensure the trust of its stakeholders worldwide.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of		As of		Increase (decrease)
	March 31, 2014		March 31, 2015		
ASSETS					
Current assets:	396,493	60.6%	434,096	61.1%	37,603
Cash and cash equivalents	90,251		102,622		12,371
Notes and accounts receivable — trade	174,216		178,775		4,559
Allowance for doubtful receivables	(1,812)		(1,624)		188
Inventories	97,677		116,020		18,343
Deferred income taxes	22,688		19,941		(2,747)
Other current assets	13,473		18,362		4,889
Property, plant and equipment:	135,566	20.7	151,452	21.3	15,886
Land	26,344		26,721		377
Buildings	140,495		147,120		6,625
Machinery and equipment	171,192		202,149		30,957
Construction in progress	7,126		6,619		(507)
Accumulated depreciation	(209,591)		(231,157)		(21,566)
Investments and other assets:	122,645	18.7	125,463	17.6	2,818
Investments in and advances to associates	21,349		24,318		2,969
Investment securities	51,117		57,106		5,989
Leasehold deposits	6,950		6,971		21
Deferred income taxes	20,918		6,366		(14,552)
Other	22,311		30,702		8,391
Total assets	654,704	100.0%	711,011	100.0%	56,307

(Millions of yen)

	As of March 31, 2014		As of March 31, 2015		Increase (decrease)
LIABILITIES					
Current liabilities:	162,707	24.9%	176,762	24.9%	14,055
Short-term debt	488		—		(488)
Notes and accounts payable — trade	85,218		92,702		7,484
Accrued expenses	39,897		41,942		2,045
Income taxes payable	6,340		3,680		(2,660)
Other current liabilities	30,764		38,438		7,674
Deferred income taxes	2,167	0.3	697	0.1	(1,470)
Termination and retirement benefits	50,683	7.7	30,393	4.3	(20,290)
Other long-term liabilities	6,369	1.0	11,065	1.5	4,696
Total liabilities	221,926	33.9	218,917	30.8	(3,009)
NET ASSETS					
Shareholders' equity	430,509	65.8	489,769	68.9	59,260
Common stock	64,100	9.8	64,100	9.0	—
Capital surplus	99,067	15.1	99,070	13.9	3
Legal reserve	11,196	1.7	13,403	1.9	2,207
Retained earnings	287,853	44.0	301,174	42.4	13,321
Accumulated other comprehensive income (loss)	(15,162)	(2.3)	12,489	1.8	27,651
Foreign currency translation adjustments	4,536		26,313		21,777
Minimum pension liability adjustments	(38,029)		(36,486)		1,543
Net unrealized gains on available-for-sale securities	18,466		22,478		4,012
Net gains (losses) on derivative instruments	(135)		184		319
Treasury stock	(16,545)	(2.5)	(467)	(0.1)	16,078
Noncontrolling interests	2,269	0.3	2,325	0.3	56
Total net assets	432,778	66.1	492,094	69.2	59,316
Total liabilities and shareholders' equity	654,704	100.0%	711,011	100.0%	56,307

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

(Millions of yen)

	Year ended March 31, 2014		Year ended March 31, 2015		Increase (decrease)
Net sales	772,966	100.0%	847,252	100.0%	74,286
Cost of sales	475,758	61.5	514,645	60.7	38,887
Gross profit	297,208	38.5	332,607	39.3	35,399
Selling, general and administrative expenses	181,225	23.5	198,103	23.4	16,878
Research and development expenses	47,928	6.2	47,913	5.7	(15)
Operating income	68,055	8.8	86,591	10.2	18,536
Other expenses(income), net	6,048	0.8	(797)	(0.1)	(6,845)
Income before income taxes and equity in earnings of affiliates	62,007	8.0	87,388	10.3	25,381
Income taxes	19,475	2.5	28,893	3.4	9,418
Current	17,305		16,955		(350)
Deferred	2,170		11,938		9,768
Equity in loss (earnings) of affiliates	(3,782)	(0.5)	(3,937)	(0.5)	(155)
Net income	46,314	6.0	62,432	7.4	16,118
Net income attributable to noncontrolling interests	129	0.0	262	0.1	133
Net income attributable to shareholders	46,185	6.0	62,170	7.3	15,985

Note: Income taxes for the year ended March 31, 2015 include reversal of deferred income taxes (JPY 2,057 million) in connection with the promulgation of a law to reduce the corporate income tax rate.

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (decrease)
Net income	46,314	62,432	16,118
Other comprehensive income, net of tax			
Foreign currency translation adjustments	18,945	21,846	2,901
Pension liability adjustments	1,701	1,543	(158)
Net unrealized gains on available-for-sale securities	8,886	4,012	(4,874)
Net gains (losses) on derivative instruments	(160)	319	479
Total other comprehensive income	29,372	27,720	(1,652)
Comprehensive income	75,686	90,152	14,466
(Breakdown)			
Comprehensive income attributable to noncontrolling interests	314	331	17
Comprehensive income attributable to shareholders	75,372	89,821	14,449

(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, 2013	64,100	99,066	10,876	253,654	(44,349)	(16,385)	366,962	1,801	368,763
Net income				46,185			46,185	129	46,314
Cash dividends to shareholders				(11,666)			(11,666)		(11,666)
Equity transactions with noncontrolling interests and other							–	154	154
Transfer to legal reserve			320	(320)			–		–
Foreign currency translation adjustments					18,760		18,760	185	18,945
Minimum pension liability adjustments					1,701		1,701		1,701
Net unrealized gains on available-for-sale securities					8,886		8,886		8,886
Net gains on derivative instruments					(160)		(160)		(160)
Acquisition of treasury stock						(161)	(161)		(161)
Sale of treasury stock		1				1	2		2
Balance, March 31, 2014	64,100	99,067	11,196	287,853	(15,162)	(16,545)	430,509	2,269	432,778
Net income				62,170			62,170	262	62,432
Cash dividends to shareholders				(15,513)			(15,513)		(15,513)
Cash dividends to noncontrolling interests							–	(277)	(277)
Equity transactions with noncontrolling interests and other							–	2	2
Transfer to legal reserve			2,207	(2,207)			–		–
Foreign currency translation adjustments					21,777		21,777	69	21,846
Minimum pension liability adjustments					1,543		1,543		1,543
Net unrealized gains on available-for-sale securities					4,012		4,012		4,012
Net gains on derivative instruments					319		319		319
Acquisition of treasury stock						(15,054)	(15,054)		(15,054)
Sale of treasury stock		0				1	1		1
Cancellation of treasury stock		(2)		(31,129)		31,131	–		–
Issuance of stock acquisition rights		5					5		5
Balance, March 31, 2015	64,100	99,070	13,403	301,174	12,489	(467)	489,769	2,325	492,094

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (decrease)
I Operating Activities:			
1. Net income	46,314	62,432	16,118
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	25,089	28,339	
(2) Net loss on sales and disposals of property, plant and equipment	1,146	3,432	
(3) Loss on impairment of long-lived assets	804	137	
(4) Net gain on sale of investment securities	(1,714)	(4,337)	
(5) Loss on impairment of investment securities	501	166	
(6) Termination and retirement benefits	(4,417)	(17,427)	
(7) Deferred income taxes	2,170	11,938	
(8) Equity in loss (earnings) of affiliates	(3,782)	(3,937)	
(9) Changes in assets and liabilities:			
(i) Decrease (increase) in notes and accounts receivable — trade	(6,613)	3,384	
(ii) Increase in inventories	(325)	(10,671)	
(iii) Increase in other assets	(32)	(2,828)	
(iv) Increase in notes and accounts payable — trade	5,824	1,658	
(v) Increase (decrease) in income taxes payable	2,277	(3,127)	
(vi) Increase in accrued expenses and other current liabilities	10,883	6,318	
(10) Other, net	919	1,580	
Total adjustments	32,730	14,625	(18,105)
Net cash provided by operating activities	79,044	77,057	(1,987)
II Investing Activities:			
1. Proceeds from sale or maturities of investment securities	2,840	5,274	2,434
2. Purchase of investment securities	(2,179)	(603)	1,576
3. Capital expenditures	(32,218)	(37,123)	(4,905)
4. Decrease in leasehold deposits, net	75	118	43
5. Proceeds from sale of property, plant and equipment	794	768	(26)
6. Decrease (increase) in investment in and loans to affiliates	209	(30)	(239)
7. Sale of business, net of cash acquired	26	—	(26)
8. Acquisition of business, net of cash acquired	(672)	(8,003)	(7,331)
9. Other, net	—	82	82
Net cash used in investing activities	(31,125)	(39,517)	(8,392)
III Financing Activities:			
1. Net repayments of short-term debt	(5,135)	(853)	4,282
2. Dividends paid by the Company	(10,566)	(12,985)	(2,419)
3. Dividends paid to noncontrolling interests	—	(277)	(277)
4. Proceeds from equity transactions with noncontrolling interests	22	—	(22)
5. Acquisition of treasury stock	(161)	(15,054)	(14,893)
6. Other, net	(458)	(134)	324
Net cash used in financing activities	(16,298)	(29,303)	(13,005)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,922	4,134	1,212
Net Increase (Decrease) in Cash and Cash Equivalents	34,543	12,371	(22,172)
Cash and Cash Equivalents at Beginning of the Period	55,708	90,251	34,543
Cash and Cash Equivalents at End of the Period	90,251	102,622	12,371
Notes to cash flows from operating activities:			
1. Interest paid	298	248	(50)
2. Taxes paid	14,261	19,614	5,353
Notes to investing and financing activities not involving cash flow:			
1. Debt related to capital expenditures	1,243	2,263	1,020
2. Decrease in capital surplus due to cancellation of treasury stock	—	31,129	31,129

**(5) Notes Regarding Consolidated Financial Statements
(Notes Regarding Assumptions of Continuing Operations)**

None applicable.

(Preparation of the Consolidated Financial Statements)

Omitted because no material changes have been made since publication of the most recent Securities Report (*Yuka shoken hokokusho*), submitted on June 25, 2014.

(Per Share Data)

The Company calculates net income per share in accordance with FASB Statement No. 260, "Earnings per Share." The number of shares used to compute basic and diluted net income per share available to shareholders is as follows:

(Number of shares)	Year ended March 31, 2014	Year ended March 31, 2015
Basic	220,118,721	218,995,929
Diluted	—	218,996,395

(Major Components of Other Expenses (income), Net)

The major components of "Other expenses (income), net" are as follows:

Year ended March 31, 2014

Foreign exchange loss, net	JPY 2,647 million
Environmental measures expenses	JPY 1,377 million
Loss on disposal and sale of fixed assets, net	JPY 1,146 million
Loss on impairment of long-lived assets	JPY 804 million
Loss on impairment of investment securities	JPY 501 million
Interest paid	JPY 298 million
Gain on sale of investment securities, net	JPY (1,714) million

Year ended March 31, 2015

Loss on disposal and sale of fixed assets, net	JPY 3,432 million
Loss on impairment of investment securities	JPY 166 million
Loss on impairment of long-lived assets	JPY 137 million
Gain on sale of investment securities	JPY (4,337) million

(Subsequent Events)

None applicable.

Notes concerning asset retirement obligations such as lease transactions, related party transactions, tax effect accounting, financial products, securities, derivative transactions, retirement benefits, business combinations and asset retirement obligations have not been included in this summary of consolidated financial results, as the Company considers their disclosure here to be of marginal importance.

(Segment Information)

1. Business Segment Information

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to external customers	291,739	97,699	126,620	82,695	89,275	78,949	766,977	5,989	772,966
(2) Intersegment sales and transfers	7,540	48,972	195	4,598	127	27,089	88,521	(88,521)	—
Total	299,279	146,671	126,815	87,293	89,402	106,038	855,498	(82,532)	772,966
Operating expenses	260,524	138,016	117,731	81,741	81,857	97,362	777,231	(72,320)	704,911
Operating income (loss)	38,755	8,655	9,084	5,552	7,545	8,676	78,267	(10,212)	68,055

Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to external customers	331,840	103,946	137,883	80,410	100,615	87,382	842,076	5,176	847,252
(2) Intersegment sales and transfers	5,721	50,441	1,148	5,027	164	24,466	86,967	(86,967)	—
Total	337,561	154,387	139,031	85,437	100,779	111,848	929,043	(81,791)	847,252
Operating expenses	282,944	144,219	129,801	80,444	94,268	103,482	835,158	(74,497)	760,661
Operating income (loss)	54,617	10,168	9,230	4,993	6,511	8,366	93,885	(7,294)	86,591

2. Geographical Segment Information

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Japan	Americas	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	356,342	100,992	100,929	142,444	72,259	772,966	—	772,966
(2) Intersegment sales and transfers	157,664	2,761	1,718	91,446	23,010	276,599	(276,599)	—
Total	514,006	103,753	102,647	233,890	95,269	1,049,565	(276,599)	772,966
Operating expenses	466,602	103,538	98,758	215,971	88,181	973,050	(268,139)	704,911
Operating income (loss)	47,404	215	3,889	17,919	7,088	76,515	(8,460)	68,055

Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Japan	Americas	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	351,321	123,496	108,427	180,954	83,054	847,252	—	847,252
(2) Intersegment sales and transfers	178,944	3,423	1,734	90,193	24,339	298,633	(298,633)	—
Total	530,265	126,919	110,161	271,147	107,393	1,145,885	(298,633)	847,252
Operating expenses	474,708	125,170	104,259	251,472	99,526	1,055,135	(294,474)	760,661
Operating income (loss)	55,557	1,749	5,902	19,675	7,867	90,750	(4,159)	86,591

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

- (1) Americas: United States, Canada, Brazil
- (2) Europe: The Netherlands, United Kingdom, Germany, France, Italy, Spain
- (3) Greater China: China, Hong Kong, Taiwan
- (4) Southeast Asia and Others: Singapore, Republic of Korea, India, Australia

3. Overseas Sales

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	103,521	106,501	143,005	75,185	428,212
Consolidated net sales					772,966
Overseas sales as a percentage of consolidated net sales (%)	13.4	13.8	18.5	9.7	55.4

Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	126,628	113,258	181,895	87,828	509,609
Consolidated net sales					847,252
Overseas sales as a percentage of consolidated net sales (%)	14.9	13.4	21.5	10.3	60.1

Note: Major countries or regions belonging to each segment are as follows:

- (1) Americas: United States, Canada, Brazil
- (2) Europe: The Netherlands, United Kingdom, Germany, France, Italy, Spain
- (3) Greater China: China, Hong Kong, Taiwan
- (4) Southeast Asia and Others: Singapore, Republic of Korea, India, Australia

6. Non-consolidated Financial Statements
(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
ASSETS		
Current assets		
Cash and time deposits	26,155	36,222
Accounts receivable	1,218	1,021
Accounts receivable — trade	40,386	50,543
Merchandise and finished products	6,404	8,850
Materials	2,505	2,678
Work-in-process	4,139	3,835
Supplies	524	547
Short-term loans receivable	120	110
Short-term loans to affiliates	21,369	16,489
Accounts receivable — purchasing	6,113	2,942
Other accounts receivable	3,998	3,635
Deferred income taxes	7,049	4,935
Other current assets	2,796	4,307
Allowance for doubtful receivables	(3,002)	(2,993)
Total current assets	119,774	133,121
Fixed assets		
Property and equipment		
Buildings (net)	17,821	16,801
Structures (net)	1,058	1,052
Machinery and equipment (net)	665	1,402
Vehicles and delivery equipment (net)	2	2
Tools, furniture and fixtures (net)	1,398	1,579
Land	13,391	13,391
Lease assets (net)	1,492	1,445
Construction in progress	362	472
Total property and equipment	36,189	36,144
Intangible fixed assets		
Software	4,847	4,810
Other	3,624	1,492
Total intangible fixed assets	8,471	6,302
Investments and other assets		
Investment securities	34,903	50,339
Stock of affiliated companies	139,309	151,253
Investments in affiliated companies	20,918	20,918
Long-term advances to affiliated companies	5,472	37
Leasehold deposits and guarantees	4,495	4,484
Prepaid pension cost	—	1,955
Deferred income taxes	10,427	—
Other	1,626	2,220
Allowance for doubtful receivables	(146)	(62)
Total investments and other assets	217,004	231,144
Total fixed assets	261,664	273,590
Total assets	381,438	406,711

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
LIABILITIES		
Current liabilities		
Accounts payable	1,202	1,267
Accounts payable — trade	22,421	24,215
Short-term borrowings from affiliated companies	69,865	89,165
Lease liabilities	770	682
Other payables	8,120	7,910
Accrued expenses	9,934	10,219
Income taxes payable	2,403	498
Advances received	22	24
Deposits received	962	1,019
Provision for officers' bonuses	194	236
Other	2,690	4,280
Total current liabilities	118,583	139,515
Long-term liabilities		
Long-term borrowings from affiliated companies	4,631	4,840
Lease liabilities	1,071	983
Termination and retirement benefits	14,382	—
Allowance for bonuses to directors and auditors	—	101
Deferred income taxes	—	265
Deferred tax liabilities related to revaluation	1,464	1,302
Other	1,174	2,206
Total long-term liabilities	22,722	9,697
Total liabilities	141,305	149,212
NET ASSETS		
Shareholders' equity		
Common stock	64,100	64,100
Capital surplus		
Additional paid-in capital	88,771	88,771
Other capital surplus	1	0
Total capital surplus	88,772	88,771
Retained earnings		
Legal reserve	6,774	6,774
Other retained earnings		
Reserve for dividends	3,400	3,400
Nonrestrictive reserve	73,500	73,500
Retained earnings carried forward	15,051	4,032
Total retained earnings	98,725	87,706
Treasury stock	(16,582)	(471)
Total shareholders' equity	235,015	240,106
Valuation and translation adjustments		
Net unrealized holding gains (losses) on securities	9,586	21,613
Deferred hedge loss	(67)	14
Revaluation of land	(4,401)	(4,239)
Total valuation and translation adjustments	5,118	17,388
Stock acquisition rights	—	5
Total net assets	240,133	257,499
Total liabilities and net assets	381,438	406,711

(2) Non-consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	240,167	275,060
Cost of sales	131,779	153,583
Gross profit	108,388	121,477
Selling, general and administrative expenses	87,096	90,187
Operating income	21,292	31,290
Non-operating income:		
Interest received	294	199
Interest and dividend income	4,973	13,288
Other non-operating income	2,041	2,527
Total non-operating income	7,308	16,014
Non-operating expenses:		
Interest paid	427	516
Discount on sales	672	700
Other non-operating expenses	3,195	931
Total non-operating expenses	4,294	2,147
Ordinary income (loss)	24,306	45,157
Extraordinary gains:		
Gain on sales of property, plant and equipment	2	8
Gain on sales of investment securities	139	278
Other	0	0
Total extraordinary gains	141	286
Extraordinary losses		
Loss on sales and disposal of property, plant and equipment	251	2,815
Other	1,963	24
Total extraordinary losses	2,214	2,839
Income before income taxes	22,233	42,604
Income, residential and enterprise taxes	1,369	2,498
Adjustment for income taxes	1,432	8,409
Total income taxes	2,801	10,907
Net income	19,432	31,697

(3) Non-consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings		Retained earnings carried forward	
					Reserve for dividends	Non-restrictive reserve			
Balance at beginning of period	64,100	88,771	–	88,771	6,774	3,400	73,500	6,185	89,859
Changes during the year									
Acquisition of treasury stock				–					–
Disposal of treasury stock			1	1					–
Dividends paid				–				(10,566)	(10,566)
Net income				–				19,432	19,432
Net change of items other than shareholders' equity				–					–
Total changes during the year	–	–	1	1	–	–	–	8,866	8,866
Balance at end of period	64,100	88,771	1	88,772	6,774	3,400	73,500	15,051	98,725

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Deferred hedge gain (loss)	Revaluation of land	Total valuation and translation adjustments	
Balance at beginning of period	(16,422)	226,308	5,121	27	(4,401)	747	227,055
Changes during the year							
Acquisition of treasury stock	(161)	(161)				–	(161)
Disposal of treasury stock	1	2				–	2
Dividends paid		(10,566)				–	(10,566)
Net income		19,432				–	19,432
Net change of items other than shareholders' equity		–	4,465	(94)		4,371	4,371
Total changes during the year	(160)	8,707	4,465	(94)	–	4,371	13,078
Balance at end of period	(16,582)	235,015	9,586	(67)	(4,401)	5,118	240,133

	Shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings		Retained earnings carried forward	
					Reserve for dividends	Non-restrictive reserve			
Balance at beginning of period	64,100	88,771	1	88,772	6,774	3,400	73,500	15,051	98,725
Cumulative effect of changes in accounting principles				–				1,432	1,432
Balance at beginning of period reflecting changes in accounting principles	64,100	88,771	1	88,772	6,774	3,400	73,500	16,483	100,157
Changes during the year									
Acquisition of treasury stock				–					–
Disposal of treasury stock			0	0					–
Cancellation of treasury stock			(1)	(1)				(31,163)	(31,163)
Dividends paid				–				(12,985)	(12,985)
Net income				–				31,697	31,697
Net change of items other than shareholders' equity				–					–
Total changes during the year	–	–	(1)	(1)	–	–	–	(12,451)	(12,451)
Balance at end of period	64,100	88,771	0	88,771	6,774	3,400	73,500	4,032	87,706

	Shareholders' equity		Valuation and translation adjustments				Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Deferred hedge gain (loss)	Revaluation of land	Total valuation and translation adjustments		
Balance at beginning of period	(16,582)	235,015	9,586	(67)	(4,401)	5,118	–	240,133
Cumulative effect of changes in accounting principles		1,432				–		1,432
Balance at beginning of period reflecting changes in accounting principles	(16,582)	236,447	9,586	(67)	(4,401)	5,118	–	241,565
Changes during the year								
Acquisition of treasury stock	(15,054)	(15,054)				–		(15,054)
Disposal of treasury stock	1	1				–		1
Cancellation of treasury stock	31,164	–				–		–
Dividends paid		(12,985)				–		(12,985)
Net income		31,697				–		31,697
Net change of items other than shareholders' equity		–	12,027	81	162	12,270	5	12,275
Total changes during the year	16,111	3,659	12,027	81	162	12,270	5	15,934
Balance at end of period	(471)	240,106	21,613	14	(4,239)	17,388	5	257,499

7. Supplementary Information

(1) Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Year ended March 31, 2014	Year ended March 31, 2015	Year-on-year change
Net sales	772,966	847,252	+9.6%
Operating income [% of net sales]	68,055 [8.8%]	86,591 [10.2%]	+27.2% [+1.4P]
Income before income taxes [% of net sales]	62,007 [8.0%]	87,388 [10.3%]	+40.9% [+2.3P]
Net income attributable to shareholders	46,185	62,170	+34.6%
Net income per share attributable to shareholders (basic) (JPY)	209.82	283.89	+74.07
Net income per share attributable to shareholders (diluted) (JPY)	—	283.89	—
Return on equity (%)	11.6%	13.5%	[+1.9P]
Total assets	654,704	711,011	+8.6%
Shareholders' equity [Shareholders' equity ratio (%)]	430,509 [65.8%]	489,769 [68.9%]	+13.8% [+3.1P]
Shareholders' equity per share (JPY)	1,956.06	2,254.37	+298.31
Net cash provided by operating activities	79,044	77,057	-1,987
Net cash used in investing activities	(31,125)	(39,517)	-8,392
Net cash provided by (used in) financing activities	(16,298)	(29,303)	-13,005
Cash and cash equivalents at end of period	90,251	102,622	+12,371
Cash dividends per share (JPY)	53.00	71.00	+18.00

Note: The number of consolidated subsidiaries is 158, and the number of companies accounted for by the equity method is 11.

(2) Non-consolidated Results

(Millions of yen, %)

	Year ended March 31, 2014	Year ended March 31, 2015	Year-on-year change
Net sales	240,167	275,060	+14.5%
Operating income [% of net sales]	21,292 [8.9%]	31,290 [11.4%]	+47.0% [+2.5P]
Ordinary income [% of net sales]	24,306 [10.1%]	45,157 [16.4%]	+85.8% [+6.3P]
Income before income taxes [% of net sales]	22,233 [9.3%]	42,604 [15.5%]	+91.6% [+6.2P]
Net income	19,432	31,697	+63.1%
Net income per share (basic) (JPY)	88.28	144.74	+56.46
Net income per share (diluted) (JPY)	—	144.74	—
Common stock	64,100	64,100	0.0%
Total assets	381,438	406,711	+6.6%
Net assets	240,133	257,499	+7.2%
Net worth ratio (%)	63.0%	63.3%	+0.3P
Net assets per share (JPY)	1,091.07	1,185.23	+94.16

(3) Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2014	Year ended March 31, 2015	Year-on-year change (%)
IAB	Domestic	119.4	126.7	+6.1
	Overseas	172.3	205.1	+19.0
	Total	291.7	331.8	+13.7
EMC	Domestic	28.1	23.9	-15.0
	Overseas	69.6	80.0	+15.0
	Total	97.7	103.9	+6.4
AEC	Domestic	28.4	25.9	-8.9
	Overseas	98.2	112.0	+14.0
	Total	126.6	137.9	+8.9
SSB	Domestic	82.4	79.1	-4.0
	Overseas	0.3	1.3	+327.3
	Total	82.7	80.4	-2.8
HCB	Domestic	30.8	31.4	+2.0
	Overseas	58.5	69.2	+18.3
	Total	89.3	100.6	+12.7
Other	Domestic	51.0	45.8	-10.3
	Overseas	27.9	41.6	+49.0
	Total	78.9	87.4	+10.7
Eliminations, etc.	Domestic	4.7	4.9	+4.3
	Overseas	1.4	0.4	-74.6
	Total	6.1	5.3	-13.1
Total	Domestic	344.8	337.7	-2.1
	Overseas	428.2	509.6	+19.0
	[% of total]	[55.4%]	[60.1%]	[+4.7P]
	Total	773.0	847.3	+9.6

(4) Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Year-on-year change (%)
IAB	38.8	54.6	+40.9
EMC	8.7	10.2	+17.5
AEC	9.1	9.2	+1.6
SSB	5.6	5.0	-10.1
HCB	7.5	6.5	-13.7
Other	8.7	8.4	-3.6
Eliminations, etc.	(10.3)	(7.3)	—
Total	68.1	86.6	+27.2

(5) Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Year-on-year change
USD	100.1	110.0	+9.9
EUR	134.0	138.7	+4.7

(6) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2015	Year ending March 31, 2016 (est.)	Year-on-year change (%)
IAB	Domestic	126.7	137.0	+8.1
	Overseas	205.1	208.0	+1.4
	Total	331.8	345.0	+4.0
EMC	Domestic	23.9	24.0	+0.4
	Overseas	80.0	85.0	+6.2
	Total	103.9	109.0	+4.9
AEC	Domestic	25.9	20.0	-22.7
	Overseas	112.0	120.0	+7.1
	Total	137.9	140.0	+1.5
SSB	Domestic	79.1	83.5	+5.6
	Overseas	1.3	1.5	+12.9
	Total	80.4	85.0	+5.7
HCB	Domestic	31.4	33.5	+6.5
	Overseas	69.2	77.5	+12.0
	Total	100.6	110.0	+10.3
Other	Domestic	45.8	55.0	+20.1
	Overseas	41.6	50.0	+20.2
	Total	87.4	105.0	+20.2
Eliminations, etc.	Domestic	4.9	4.5	-6.7
	Overseas	0.4	0.5	+42.0
	Total	5.3	5.0	-5.7
Total	Domestic	337.7	357.5	+5.9
	Overseas	509.6	542.5	+6.5
	[% of total]	[60.1%]	[60.3%]	[+0.2P]
	Total	847.3	900.0	+6.2

(7) Projected Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2015	Year ending March 31, 2016 (est.)	Year-on-year change (%)
IAB	54.6	57.0	+4.4
EMC	10.2	11.2	+10.1
AEC	9.2	9.3	+0.8
SSB	5.0	5.5	+10.2
HCB	6.5	7.8	+19.8
Other	8.4	10.0	+19.5
Eliminations, etc.	(7.3)	(10.8)	—
Total	86.6	90.0	+3.9

(8) Projected Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2015	Year ending March 31, 2016 (est.)	Year-on-year change
USD	110.0	115.0	+5.0
EUR	138.7	130.0	-8.7