Q&A Session Summary, Q2 FY2021
OMRON Corporation
October 28, 2021

Company Earnings, Management Strategy

Q. When did the supply chain disruption begin? How long do you think it will continue?

A. There was already some impact from the start of the calendar year but my impression is that it became more of an issue once the current fiscal year began. We have responded to demand by making design changes and expanding procurements but the order backlog is rising. We expect the impact of semiconductor shortages to persist for some time. Our business plan takes into account the risk that similar conditions will continue in FY2022.

Industrial Automation Business (IAB)

Q. What will change going forward with the investment in Techman Robot?

A. To date, our relationship had been limited to OMRON selling products procured under an OEM agreement. With the strengthened alliance, OMRON and Techman will begin joint development of next-generation cobots by pooling our respective technologies. The combination with OMRON's robotics integrated controller will allow us to provide new solutions that have not been possible to date.

Q. Will the number of companies that have adopted high performance PLCs continue to grow going forward?

A. We are increasingly confident in the results we are seeing from solutions-based sales centered on high performance PLCs. This fiscal year, on the back of a surge in demand we chose to prioritize supply to customers that have adopted innovative applications. Partly as a result of this, optically the number of companies adopting high performance PLCs does not appear to have grown on a Y/Y basis. However, we believe that there is still plenty of room for growth going forward.

Q. Can we expect OMRON to maintain the sales and the operating profit margin levels of Q1 and Q2 going forward?

A. At this point in time, we are not in a position to talk about the plan for next fiscal year but we believe demand will remain firm.

Healthcare (HCB)

Q. Are you making steady progress on initiatives to achieve your target of 1 million users for the remote medical service by 2025?

A. The pace of progress varies by country. While we are behind plan, we continue to challenge ourselves to achieve our target. We are making progress with adoptions by medical institutions in the US, but the pace of user growth has moderated. We will be strengthening the support framework for physicians. In contrast to this, user numbers are growing steadily in India.

Q. Have you seen a pull-back from last year's COVID-19-driven demand?

A. BPM demand has actually picked up as a result of COVID-19 so there hasn't been a pull-back. In the thermometer business, we had already factored in a pull-back, forecasting sales of around 70% of last year's level.