



Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (U.S. GAAP)

April 26, 2023

OMRON Corporation (6645)

Exchanges Listed:	Tokyo
URL:	https://www.omron.com/global/en/
Representative:	Yoshihito Yamada, Representative Director
Contact:	Toyoharu Tamoi, Executive Officer, Senior General Manager, Global Finance and Accounting HQ
Telephone:	+81-75-344-7070
Annual General Shareholders' Meeting (Scheduled):	June 22, 2023
Start of Distribution of Dividends (scheduled):	June 23, 2023
Filing of Securities Report (Yuka shoken hokokusho) (Scheduled):	June 23, 2023
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 managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Note: Figures are rounded to the nearest million yen.

1. Consolidated Financial Results for the Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Sales and Income (cumulative)

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

Year ended	Net sales		Operating income		Income before income taxes		Net income attributable to OMRON shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	876,082	14.8	100,686	12.7	98,409	13.5	73,861	20.3
March 31, 2022	762,927	16.4	89,316	43.0	86,714	33.2	61,400	41.8

Note: Comprehensive income: Year ended March 31, 2023: JPY101,546 million (-6.1% change);
Year ended March 31, 2022: JPY108,105 million (14.2% change)

Year ended	Net income per share attributable to OMRON shareholders, basic	Net income per share attributable to OMRON shareholders, diluted	Return on equity	Income before income taxes / total assets ratio	Operating income / net sales ratio
	Yen	Yen	%	%	%
March 31, 2023	372.19	—	10.6	10.2	11.5
March 31, 2022	305.65	—	9.7	9.9	11.7

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	Million yen	%	Yen
March 31, 2023	998,160	731,227	728,473	73.0	3,701.08
March 31, 2022	930,629	667,971	665,227	71.5	3,339.64

(3) Consolidated Cash Flows

Year ended	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
March 31, 2023	53,456	(55,533)	(58,757)	105,279
March 31, 2022	67,428	(150,163)	(29,603)	155,484

2. Dividends

	Dividends per share					Total cash dividends paid	Payout ratio (consolidated)	Dividends / Shareholders' equity ratio (consolidated)
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	—	46.00	—	46.00	92.00	18,502	30.1	2.9
March 31, 2023	—	49.00	—	49.00	98.00	19,452	26.3	2.8
Year ending March 31, 2024 (projected)	—	—	—	—	104.00		27.7	

Notes: 1 Interim and year-end dividends for the fiscal year ending March 31, 2024 have not been determined yet.

3. Projected Results for the Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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
Full-year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	890,000	1.6	102,000	1.3	99,500	1.1	74,500	0.9	378.50

*Notes

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

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

(2) Changes in accounting policy

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

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

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

[1] Number of shares outstanding at period-end (including treasury stock)	Year ended March 31, 2023	206,244,872	Year ended March 31, 2022	206,244,872
[2] Treasury stock at period-end	Year ended March 31, 2023	9,417,692	Year ended March 31, 2022	7,053,647
[3] Average number of shares during the period	Year ended March 31, 2023	198,447,778	Year ended March 31, 2022	200,882,669

Note: As of the end of the fiscal year ended March 31, 2023, 600,208 shares of OMRON stock held for the Board Incentive Plan and Employee Stock Ownership Plan are included in period-end treasury stock. The average number of shares during the period includes treasury stock deducted in the calculation of net income per share attributable to OMRON shareholders, basic.

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated Sales and Income

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

Year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	369,498	18.8	28,684	39.2	103,108	145.0	91,106	291.9
March 31, 2022	310,989	20.3	20,612	228.9	42,084	78.6	23,250	25.7

Year ended	Net income per share		Net income per share, diluted	
	Yen		Yen	
March 31, 2023	459.09		—	
March 31, 2022	115.74		—	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Net worth ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
March 31, 2023	596,309		333,265		55.9		1,693.19	
March 31, 2022	606,482		277,159		45.7		1,391.42	

(Reference) Net worth: Year ended March 31, 2023: JPY333,265 million; Year ended March 31, 2022: JPY277,159 million

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

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

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

See *1. Analysis of Results of Operations and Financial Condition (5) Outlook for the Year Ending March 31, 2024* on P.7 for more regarding assumptions used in earnings forecasts.

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

3. As we become able to provide earnings forecasts with greater reliability, we will determine and announce interim and year-end dividends for the fiscal year ending March 2024. We plan to disclose interim dividends for the next fiscal year in October 2023, at the latest, and year-end dividends in April 2024.

4. Beginning FY2022, the figure for shareholders' equity used to calculate dividends on equity (consolidated) is the average of shareholders' equity at the beginning of the period and of each of the four quarters during the period in question.

5. The Company scheduled an investor meeting for Wednesday, April 26, 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 has changed to DMB: Device & Module Solutions Business beginning with the fiscal year ended March 31, 2023. The new segments are used in these financial statements for consistency.

Table of Contents

1. Analysis of Results of Operations and Financial Condition.....	P.2
(1) Analysis of Results of Operations.....	P.2
(2) Analysis of Financial Condition.....	P.5
(3) Summary of Cash Flows for the Year Ended March 31, 2023.....	P.5
(4) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2023 and the Year Ending March 31, 2024.....	P.6
(5) Outlook for the Year Ending March 31, 2024.....	P.7
2. Management Policies.....	P.10
(1) OMRON’s Basic Management Policies.....	P.10
(2) Medium- to Long-Term Corporate Management Strategy.....	P.10
(3) Management Plan for the Next Fiscal Year.....	P.11
3. Basic Stance on the Selection of Accounting Standards.....	P.13
4. Consolidated Financial Statements and Notes	P.14
(1) Consolidated Balance Sheets	P.14
(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income	P.16
(3) Consolidated Statements of Changes in Shareholders’ Equity	P.18
(4) Consolidated Statements of Cash Flows	P.19
(5) Notes Regarding Consolidated Financial Statements.....	P.20
(Notes Regarding Assumptions of Going Concern).....	P.20
(Changes in Accounting Policies).....	P.20
(Per-Share Information).....	P.20
(Main components of other expenses, net).....	P.21
(Notes Regarding Significant Subsequent Events)	P.21
(Segment Information)	P.22
5. Supplementary Information	P.24
(1) Projected Consolidated Performance by Business Segment	P.24
(2) Projected Consolidated Net Sales by Business Segment	P.25

1. Analysis of Results of Operations and Financial Condition

(1) Analysis of Results of Operations

1) General Overview

The current fiscal year (ended March 31, 2023) is the first year of our medium-term management plan, SF 1st Stage. The business environment changed significantly over the course of the year, including the Shanghai lockdowns, globally expanding inflation, the tight supply of parts and materials, etc.

Under these conditions, 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. While performance was affected by factors including soaring materials prices, as well as a decline in capacity utilization at the main plant of our Industrial Automation Business in the first quarter, gross profit margin was 45.0% (-0.5 points year on year). This result was the outcome of ongoing company-wide efforts to improve value-added ratios through price optimization and other measures. We continued with active investing to achieve the goals of SF 1st Stage. As a result of the preceding, operating income, income before income taxes, and net income attributable to OMRON shareholders rose significantly compared with the previous fiscal year. In addition, return on invested capital (ROIC) and return on equity (ROE) both exceeded 10%.

Further, net sales, operating income, and income before income taxes rose for a second consecutive year, marking new record highs.

Consolidated results for fiscal 2022 were as follows.

	(Billions of yen, except exchange rate data and percentages)		
	Year ended March 31, 2022	Year ended March 31, 2023	Change
Net sales	762.9	876.1	+14.8%
Gross profit [% of net sales]	346.8 [45.5%]	393.9 [45.0%]	+13.6% [-0.5%pt]
Operating income [% of net sales]	89.3 [11.7%]	100.7 [11.5%]	+12.7% [-0.2%pt]
Income before income taxes	86.7	98.4	+13.5%
Net income attributable to OMRON shareholders	61.4	73.9	+20.3%
ROIC	9.6%	10.4%	+0.8%pt
ROE	9.7%	10.6%	+0.9%pt
Average USD exchange rate (Yen)	112.1	135.2	+23.1
Average EUR exchange rate (Yen)	130.5	140.9	+10.4
Average CNY exchange rate (Yen)	17.4	19.7	+2.3

2) Results by Business Segment

IAB (Industrial Automation Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ended March 31, 2023	Change
Sales to external customers	418.1	485.7	+16.2%
Operating income	76.3	85.8	+12.6%

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 ended March 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

Sales

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

Under these circumstances, first quarter performance was impacted significantly by a decline in capacity utilization at our main plant due to the Shanghai lockdowns. However, we began efforts in the second quarter to strengthen supply capacity to alleviate the heavy order backlog. At the same time, our solutions business experienced accelerated growth, particularly in our focus industries. As a result, sales increased significantly year on year, marking a new record high.

Operating Income

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

HCB (Healthcare Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ended March 31, 2023	Change
Sales to external customers	132.9	142.1	+7.0%
Operating income	18.5	16.0	-13.6%

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 steadily captured needs associated with growing health consciousness globally, improved logistics, etc. rapidly, and enjoyed the positive impact of foreign exchange rates. 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, %)

	Year ended March 31, 2022	Year ended March 31, 2023	Change
Sales to external customers	87.7	107.3	+22.3%
Operating income	6.5	7.5	+15.1%

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 and beyond. As a result, sales increased significantly year on year.

Operating Income

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

DMB (Devices & Module Solutions Business)

(Billions of yen, %)

	Year ended March 31, 2022	Year ended March 31, 2023	Change
Sales to external customers	121.0	138.9	+14.8%
Operating income	10.1	15.5	+53.7%

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 ended March 2023. Accordingly, the Company reclassified results for the fiscal year ended March 2022 under this new categorization for presentation herein.

Sales

Although there was a global slowdown in demand for parts for the consumer industry due to global inflation, demand remained strong for products in which the business focuses, including solar batteries, storage batteries, and other energy-related products. Demand remained strong for semiconductor inspection equipment-related products as well.

As a result of focus on flexible and timely production, distribution, and sales to meet these demands, net sales increased significantly year on year, marking a new record high.

Operating Income

Despite the impact of soaring raw material prices and other factors, operating income increased significantly year on year, marking a new record high. This result was mainly due to a significant increase in sales and price optimizations, as well as restructuring efforts we began in the past.

(2) Analysis of Financial Condition

Total assets as of the end of the fiscal year amounted to JPY998.2 billion, a JPY67.5 billion increase compared to the end of the previous fiscal year. This increase was mainly due to an increase in notes and accounts receivable-trade stemming from an increase in sales and inventories, as we secured components in response to the tight supply of parts and the impact of rapid changes in demand. Total liabilities amounted to JPY266.9 billion, up JPY4.3 billion compared to the end of the previous fiscal year. This result was mainly due to an increase in accounts payable, offset in part by a decrease in short-term debt. Net assets increased JPY63.3 billion compared to the end of the previous fiscal year to JPY731.2 billion, mainly due to the recording of net income attributable to OMRON shareholders and an increase in foreign currency translation adjustments. These results were offset in part by the acquisition of treasury stock. OMRON Group shareholders' equity ratio was 73.0%, indicating a strong financial footing.

In terms of liquidity, cash on hand as of the end of the fiscal year amounted to JPY105.3 billion. Further, OMRON has signed commitment line agreements with financial institutions in the amount of JPY30.0 billion, ensuring a high level of funds available. To secure funds for future growth and investment, we intend to maintain high ratings from ratings agencies as a long-term issuer, while encouraging good relationships with financial institutions on a global basis. In this way, we believe we will ensure our ability to raise funds.

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

	Year ended March 31, 2022	Year ended March 31, 2023	Change
Total assets	930.6	998.2	+67.5
Total liabilities	262.7	266.9	+4.3
Shareholders' equity	665.2	728.5	+63.2
Noncontrolling interests	2.7	2.8	+0.0
Total net assets	668.0	731.2	+63.3
Total liabilities and net assets	930.6	998.2	+67.5

(3) Summary of Cash Flows for the Year Ended March 31, 2023

Despite an increase in net income, net cash provided by operating activities fell JPY14.0 billion year on year to JPY53.5 billion. This result was mainly due to increases in notes and accounts receivable-trade, inventories, and other working capital.

Net cash used in investing activities amounted to JPY55.5 billion, JPY94.6 billion lower compared to the previous fiscal year. This result was partly due to ongoing and active investments in future growth. The main difference compared with the previous fiscal year was the JPY112.2 billion investment in JMDC.

Free cash flow, which is the sum of net cash provided by operating activities and net cash used in investing activities, resulted in a net cash outflow of JPY2.1 billion, compared with a net cash outflow of JPY82.7 billion in the previous fiscal year.

Net cash used in financing activities amounted to JPY58.8 billion, an increase of JPY29.2 billion compared to the previous fiscal year, mainly due to dividend payments and the purchase of treasury stock.

As a result, cash and cash equivalents at the end of the fiscal year amounted to JPY105.3 billion, down JPY50.2 billion yen compared with the end of the previous fiscal year.

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

	Year ended March 31, 2022	Year ended March 31, 2023	Change
Cash flows from operating activities	67.4	53.5	(14.0)
Cash flows from investing activities	(150.2)	(55.5)	+94.6
Free cash flows	(82.7)	(2.1)	+80.7
Cash flows from financing activities	(29.6)	(58.8)	(29.2)
Depreciation and amortization	23.4	26.6	+3.2
Capital expenditures (capital investment)	(33.4)	(45.0)	(11.7)

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

(4) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2023 and the Year Ending March 31, 2024

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

Cash Allocation Policy

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

Shareholder Return Policy

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

For the current fiscal year (ended March 31, 2023), we plan to pay a year-end dividend of JPY49 per share for the purpose of stable, ongoing dividends in light of company earnings, DOE standards, and past dividend levels. Combined with an interim dividend of JPY49 per share implemented on December 2, 2022, our full-year dividend will amount to JPY98 per share. For the next fiscal year (ending March 31, 2024), we plan to pay an annual dividend of JPY104 per share in line with the policy above. The interim dividend (end of the second quarter) and year-end dividend for the next fiscal year have not been determined yet.

(5) Outlook for the Year Ending March 31, 2024

1) General Outlook

We expect the business environment for the OMRON Group over the next fiscal year (ending March 31, 2024) to remain uncertain, mainly in the first half, due to factors that include expanding inflation and rising geopolitical risks. We do believe, however, that conditions related to the domains in which our group operates will begin to recover in the second half of the year. At the same time, we expect many business opportunities to emerge for the OMRON Group as social and industrial structures continue to change, as identified in our Long-Term Vision, SF2030. These changes include social issues (achieving carbon neutrality, digitalization of society, extension of health life expectancies) and emerging movements in the restructuring of global supply chains affected by geopolitical risks.

Given this business environment of mixed opportunities and risks, the OMRON Group intends to implement the strategies we described in our SF 1st Stage medium-term management plan. In this way, we will aim to strengthen our earnings structure further and achieve steady growth. In addition, we will engage actively in growth investments, particularly in our Industrial Automation Business and Healthcare Business, seeking to create new value in line with our Long-Term Vision.

By pursuing the initiatives described above, we expect to increase sales and profits for a third consecutive fiscal year.

Our outlook for the next fiscal year is as follows.

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

	Year ended March 31, 2023	Year ending March 31, 2024	Year-on-year change
Net sales	876.1	890.0	+1.6%
Gross profit ratio	45.0%	46.6%	[+1.6%pt]
Operating income	100.7	102.0	+1.3%
Income before income taxes	98.4	99.5	+1.1%
Net income attributable to OMRON shareholders	73.9	74.5	+0.9%
Net income per share attributable to OMRON shareholders (Yen)	372.19	378.50	[+6.31]
Average USD exchange rate (Yen)	135.2	130.0	-5.2
Average EUR exchange rate (Yen)	140.9	140.0	-0.9
Average CNY exchange rate (Yen)	19.7	19.0	-0.7

2) Outlook by Segment

IAB (Industrial Automation Business)

(Billions of yen, %)

	Year ended March 31, 2023	Year ending March 31, 2024	Change
Sales to external customers	485.7	490.0	+0.9%
Operating income	85.8	88.0	+2.5%

Sales

Although demand for capital investment in the manufacturing industry as a whole remains uncertain due to inflation and other factors, we expect capital investment demand in our focus industries of semiconductor production equipment, electric vehicles (EVs), and rechargeable batteries to remain firm.

Under these circumstances, we intend to normalize order backlogs and continue to accelerate the expansion of our solutions business, particularly in our focus industries.

Through these initiatives will lead to higher year-on-year net sales for the next fiscal year.

Operating Income

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

HCB (Healthcare Business)

(Billions of yen, %)

	Year ended March 31, 2023	Year ending March 31, 2024	Change
Sales to external customers	142.1	146.0	+2.7%
Operating income	16.0	17.0	+6.1%

Sales

As the global growth in patients suffering from chronic diseases is likely to continue over the medium to long term, we expect demand for blood pressure monitors and other products to increase worldwide. This increase will be fueled in part by a recovery in personal consumption in China. By boosting sales through growing online channels in every region and capturing expanding demand in emerging countries accurately, we expect to increase year-on-year sales over the next fiscal year.

Operating Income

Despite the continued impact of soaring materials costs, we expect increased sales and ongoing price optimization will lead to operating income growth in the next fiscal year.

SSB (Social Systems, Solutions and Service Business)

(Billions of yen, %)

	Year ended March 31, 2023	Year ending March 31, 2024	Change
Sales to external customers	107.3	114.0	+6.3%
Operating income	7.5	9.0	+20.2%

Sales

We expect demand for renewable energy-related products in the residential and industrial domains in our Energy Solutions Business to remain firm given soaring energy prices and ongoing subsidies. Our Public Transportation System Business should see capital investment among customers remain strong as the number of rail passengers recovers.

By responding quickly to these demands and providing solutions that combine products and services, we expect year-on-year sales growth over the next fiscal year.

Operating Income

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

DMB (Devices & Module Solutions Business)

(Billions of yen, %)

	Year ended March 31, 2023	Year ending March 31, 2024	Change
Sales to external customers	138.9	139.0	+0.1%
Operating income	15.5	15.5	+0.0%

Sales

We expect consumer-industry demand to be sluggish, particularly over the first half of the fiscal year. At the same time, sales for the next fiscal year are likely to remain flat, as we accelerate solutions proposals and other efforts to capture demand in solar power generation, storage batteries, and other energy-related industries, which are focuses of our business. We also expect flat sales in the semiconductor inspection equipment-related industries.

Operating Income

Despite the continuing impact of soaring raw materials prices and other factors, we expect operating income for the next fiscal year to remain flat, owing to continued efforts to optimize prices and improve productivity.

2. Management Policies

(1) OMRON's Basic Management Policies

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

* We recognize the universal nature of our management foundation, upon which we practice the OMRON Principles and endeavor toward societal development and improved corporate value. To clarify this point, we included the practice of the OMRON Principles in our Articles of Incorporation in FY2022. (Resolved at the 85th Ordinary General Meeting of Shareholders held June 23, 2022.)

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

Overview of Long-Term Vision Shaping the Future 2030

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

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

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

The corporate policy we pursue under SF 1st Stage is "taking on the challenge of value creation by accelerating transformation." To achieve this policy, we established three group strategies. The first is the transformation of our business. Specifically, we will pursue the evolution of four core businesses (Industrial Automation Business, Healthcare Business, Social Systems, Solutions and Service Business, and Devices & Module Solutions Business), expand customer asset-type service businesses, and create new businesses sparked by social issues. In evolving our four core businesses, we define the growth areas within each, establishing focus domains to create new value and drive sales growth. Second, we will transform corporate management and organizational capabilities. To continue creating value while adapting to change in the business environment, we will accelerate Diversity & Inclusion, engage in data-driven enterprise operations through DX, and improve the resilience of our supply chain. And third, we will strengthen our sustainability initiatives. Here, we will strive to reduce GHG emissions toward decarbonization and a smaller environmental burden, as well as address human rights issues comprehensively throughout our value chain. Under SF 1st Stage, we aim to maximize corporate value by maximizing social value and economic value in SF2030. SF 1st Stage includes both financial and non-financial management targets by which we will create value through business growth and sustainability initiatives integrated at higher levels than ever before. For financial targets, we aim to achieve sales of JPY930 billion, operating income of JPY120 billion, operating cash flow (three-year cumulative total) of JPY250 billion, ROIC of at least 10%, ROE of at least 10%, and EPS of JPY400 or more by fiscal 2024. In terms of non-financial targets, we have set 10+1 goals that indicate the social value to be created by the OMRON Group and secure our ability to compete in the future. Specifically, we set targets that include raising the ratio of women in management roles to at least 18% on a global basis. We also set a target to achieve carbon

zero at all 76 locations in Japan. These targets reflect the transformation of corporate operations and organizational capabilities, as well as stronger engagement with environmental and human rights initiatives. In addition, we will establish three of our non-financial targets by global employee vote. As all employees strive to achieve these targets, their efforts will become an engine for the strong acceleration of group value creation. Last, we have set a “+1” target for top management of each region to declare their commitment to contribute to local communities in alignment with the OMRON Sustainability Policy.

*Further details can be found in the Long-Term Vision and Medium-Term Management Plan presentation materials.
https://www.omron.com/global/en/ir/irlib/sf_info/

(3) Management Plan for the Next Fiscal Year

We expect the business environment for the OMRON Group during fiscal 2023 to remain uncertain, mainly in the first half, due to factors that include expanding inflation and rising geopolitical risks. We do believe, however, that the business sectors in which our group operates will begin to recover in the second half of the year. At the same time, we expect many business opportunities to emerge for the OMRON Group as social and industrial structures continue to change, as identified in SF2030. These changes include social issues (achieving carbon neutrality, digitalization of society, extension of health life expectancies) and emerging movements in the restructuring of global supply chains in connection with geopolitical risks.

Given this business environment, we defined our management policy for fiscal year 2023 as a phase of hyper-acceleration toward transformation. OMRON pursues transformation of our businesses, corporate management, and organizational capabilities to adapt to drastically changing social and business environments, as well as to achieve sustainable growth. Fiscal 2023 is the second year of our SF 1st Stage medium-term management plan. During the year, OMRON will continue efforts to strengthen self-driven growth. Even in this uncertain business environment, we will seize on opportunities arising from changes in industrial structures, leveraging these opportunities into sales. Among the three group strategies in SF 1st Stage, we intend to accelerate the transformation of our businesses, corporate management, and organizational capabilities in particular, pursuing five key initiatives to this end.

Five Key Initiatives

- 1) **Emphasize social value and economic value to customers and accelerate solutions**
The emergence of many social issues and the movement toward global supply chain reorganization create more opportunities to propose OMRON-style co-creation solutions. We will strengthen sales and marketing capabilities in each of our businesses, accelerating investments and taking action as required. In this way, we will increase the quality and quantity of our customer contact points dramatically, leading to sales growth.
- 2) **Improve human resources management to magnify employee skills**
Employees are key in creating value and delivering strategies. And to provide solutions for increasingly sophisticated social issues, we must enhance our own competitiveness by increasing the degree to which every employee can demonstrate his or her abilities. We will provide employees with growth opportunities in each business and function. At the same time, employees will be able to take advantage of job-based systems and career support to reach higher levels of human creativity.
- 3) **Strengthen our ability to generate cash on a sustainable basis**
In a business environment fraught with economic risks, including normalized inflation, unstable supply chains, and financial instability, we must establish an ability to generate cash for investment in future growth. We enhance our ability to generate profits through sales growth, price optimization, and other measures. At the same time, we improve asset turnover through detailed inventory management. In this way, we enhance our ability to generate cash in a sustainable manner.
- 4) **Optimize the global business value chain**
The supply chain disruption triggered by U.S.-China antagonism remains a risk, and we intend to accelerate actions to optimize supply chains in each business to achieve stable production and supply. Our basic stance is local production for local consumption. In this context, we pursue the transfer and decentralization of production, as well as the localization and multi-track procurement, of parts and materials for critical products.

5) Build a DX platform

To accelerate data-driven corporate management, we plan to install and effectively use a core management systems. In fiscal 2022, we completed a build of the initial concept in Europe. In fiscal 2023, we will complete design, development, and trial implementation to verify the system. In collaboration with Europe, which is leading in this area, we are making steady advancements to adopt the initial concept in Japan as well.

Progress toward the financial and non-financial targets of the medium-term management plan is shown on the next page.

SF 1st Stage Medium-Term Management Plan Financial Targets and Progress

(Billions of yen, %)

Financial Targets	FY2022 (Results)	FY2023 (Plan)
Net sales	876.1	890.0
Operating income	100.7	102.0
Operating C/F (cumulative beginning FY2022)	53.5	—
ROIC	10.4%	Approx.10%
ROE	10.6%	Approx.10%
EPS (yen)	372	379

SF 1st Stage Medium-Term Management Plan Non-Financial Targets and Progress

Non-Financial Targets (Medium-Term Management Plan Targets)	FY2022 (Results)	FY2023 (Plan)
1) Increase sustainability sales (*) 45% vs. FY2021 (reflects contribution to solving 3 social issues)	+28% (vs. FY2021)	+43% (vs. FY2021)
2) Raise the ratio of women in management roles above 18% on a global basis	16.8% ^(*3)	17.4%
3) Hire disabled individuals at 28 overseas bases; maintain 3% level achieved in Japan	Overseas: 27 locations Japan: 3.1% ^(*3)	Overseas: 28 locations Japan: 3%
4) Reduce Scope 1 and 2 GHG emissions by 53% versus FY2016	58% reduction ^(*2,*3) (vs. FY2016)	52% reduction (vs. FY2016)
5) Achieve Carbon Zero at all 76 domestic locations	10 locations	38 locations
6) Implement human rights due diligence in alignment with UNGP and develop mechanisms for remedying abuses in the value chain	<ul style="list-style-type: none"> • Identify human rights issues • Establish and test primary remedy mechanism System development and tests 	<ul style="list-style-type: none"> • Draft solutions to identified human rights issues • Operate and monitor relief mechanisms
7) Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World	Selected to DJSI World	Selected to DJSI World
8) 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	46%	60%
9) In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others	Training program trials in Europe	Begin training programs outside Europe
10) Make full use of digital tools to reduce use of paper	44% reduction (vs. FY2019)	46% reduction (vs. FY2019)
+1 Top management of each region to declare their commitment to contribute to local communities in alignment with the OMRON Sustainability Policy	Declaration/execution ongoing in all areas	Declaration/execution ongoing in all areas

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

(*2) Figures for FY2022 GHG emissions include the temporary impact of the Shanghai lockdowns, etc.

(*3) Estimates as of April 25, 2023.

(*4) Non-financial targets (8) through (10) were determined by employee vote.

3. Basic Stance on the Selection of Accounting Standards

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

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023		Increase (decrease)
		%		%	
ASSETS					
Current assets:	482,905	51.9	486,892	48.8	3,987
Cash and cash equivalents	155,484		105,279		(50,205)
Notes and accounts receivable-trade	151,820		180,074		28,254
Allowance for doubtful receivables	(798)		(869)		(71)
Inventories	141,935		173,926		31,991
Assets held for sale	363		2		(361)
Other current assets	34,101		28,480		(5,621)
Property, plant and equipment, net:	122,098	13.1	129,585	13.0	7,487
Investments and other assets:	325,626	35.0	381,683	38.2	56,057
Right-of-use assets under operating leases	39,746		47,501		7,755
Goodwill	39,718		43,125		3,407
Investments in and advances to affiliates	124,691		134,557		9,866
Investment securities	43,757		46,123		2,366
Leasehold deposits	7,815		8,094		279
Prepaid benefit cost	14,391		29,103		14,712
Deferred income taxes	18,116		23,513		5,397
Other assets	37,392		49,667		12,275
Total assets	930,629	100.0	998,160	100.0	67,531

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023		Increase (decrease)
		%		%	
LIABILITIES					
Current liabilities	211,672	22.7	210,020	21.0	(1,652)
Notes and accounts payable-trade	86,827		92,855		6,028
Short-term debt	20,000		213		(19,787)
Accrued expenses	48,365		50,246		1,881
Income taxes payable	5,657		10,560		4,903
Short-term operating lease liabilities	11,549		11,871		322
Other current liabilities	39,274		44,275		5,001
Deferred income taxes	2,177	0.2	2,052	0.2	(125)
Termination and retirement benefits	8,194	0.9	9,348	0.9	1,154
Long-term operating lease liabilities	28,567	3.1	33,284	3.3	4,717
Other long-term liabilities	12,048	1.3	12,229	1.3	181
Total liabilities	262,658	28.2	266,933	26.7	4,275
NET ASSETS					
Shareholders' equity	665,227	71.5	728,473	73.0	63,246
Common stock	64,100	6.9	64,100	6.4	—
Capital surplus	100,652	10.8	98,506	9.9	(2,146)
Legal reserve	24,503	2.6	24,729	2.5	226
Retained earnings	517,566	55.6	571,807	57.3	54,241
Accumulated other comprehensive income (loss)	13,013	1.4	39,947	4.0	26,934
Foreign currency translation adjustments	33,908		51,344		17,436
Pension liability adjustments	(19,930)		(11,226)		8,704
Net gains (losses) on derivative instruments	(965)		(171)		794
Treasury stock	(54,607)	(5.8)	(70,616)	(7.1)	(16,009)
Noncontrolling interests	2,744	0.3	2,754	0.3	10
Total net assets	667,971	71.8	731,227	73.3	63,256
Total liabilities and net assets	930,629	100.0	998,160	100.0	67,531

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

(Millions of yen)

	Year ended March 31, 2022		Year ended March 31, 2023		Increase (decrease)
		%		%	
Net sales	762,927	100.0	876,082	100.0	113,155
Cost of sales	416,100	54.5	482,199	55.0	66,099
Gross profit	346,827	45.5	393,883	45.0	47,056
Selling, general and administrative expenses	213,234	28.0	243,015	27.8	29,781
Research and development expenses	44,277	5.8	50,182	5.7	5,905
Operating income	89,316	11.7	100,686	11.5	11,370
Other expenses, net	2,602	0.3	2,277	0.3	(325)
Income before income taxes	86,714	11.4	98,409	11.2	11,695
Income taxes	23,046	3.1	24,943	2.8	1,897
Current	18,594		34,401		15,807
Deferred	4,452		(9,458)		(13,910)
Share of loss (profit) of entities accounted for using equity method	1,624	0.2	(1,079)	(0.1)	(2,703)
Net income	62,044	8.1	74,545	8.5	12,501
Net income attributable to noncontrolling interests	644	0.1	684	0.1	40
Net income attributable to OMRON shareholders	61,400	8.0	73,861	8.4	12,461

Note: Other expenses, net for the previous consolidated fiscal year 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

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023	Increase (decrease)
Net income	62,044	74,545	12,501
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	42,107	17,503	(24,604)
Pension liability adjustments	4,637	8,704	4,067
Net gains (losses) on derivative instruments	(683)	794	1,477
Other comprehensive income (loss)	46,061	27,001	(19,060)
Comprehensive income	108,105	101,546	(6,559)
(Breakdown)			
Comprehensive income attributable to noncontrolling interests	747	751	4
Comprehensive income attributable to OMRON shareholders	107,358	100,795	(6,563)

(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	Shareholders' equity	Noncontrolling interests	Total net assets
Balance, March 31, 2021	64,100	101,403	22,931	476,185	(32,945)	(24,816)	606,858	2,500	609,358
Net income				61,400			61,400	644	62,044
Cash dividends paid to OMRON Corporation shareholders				(18,447)			(18,447)		(18,447)
Cash dividends paid to noncontrolling interests							—	(503)	(503)
Stock-based payment		(751)				1,639	888		888
Transfer to legal reserve			1,572	(1,572)			—		—
Foreign currency translation adjustments					42,004		42,004	103	42,107
Pension liability adjustments					4,637		4,637		4,637
Net gains (losses) on derivative instruments					(683)		(683)		(683)
Acquisition of treasury stock and other						(31,430)	(31,430)		(31,430)
Balance, March 31, 2022	64,100	100,652	24,503	517,566	13,013	(54,607)	665,227	2,744	667,971
Net income				73,861			73,861	684	74,545
Cash dividends paid to OMRON Corporation shareholders				(19,394)			(19,394)		(19,394)
Cash dividends paid to noncontrolling interests							—	(741)	(741)
Stock-based payment		(2,140)				4,003	1,863		1,863
Transfer to legal reserve			226	(226)			—		—
Foreign currency translation adjustments					17,436		17,436	67	17,503
Pension liability adjustments					8,704		8,704		8,704
Net gains (losses) on derivative instruments					794		794		794
Acquisition of treasury stock and other		(6)				(20,012)	(20,018)		(20,018)
Balance, March 31, 2023	64,100	98,506	24,729	571,807	39,947	(70,616)	728,473	2,754	731,227

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2022		Year ended March 31, 2023	
I Operating Activities:				
1. Net income		62,044		74,545
2. Adjustments to reconcile net income to net cash provided by operating activities:				
(1) Depreciation and amortization	23,367		26,587	
(2) Increase in notes and accounts receivable - trade	(9,074)		(23,581)	
(3) Increase in inventories	(30,427)		(29,004)	
(4) Increase in notes and accounts payable-trade	13,293		4,667	
(5) Others, net	8,225	5,384	242	(21,089)
Net cash provided by operating activities		67,428		53,456
II Investing Activities:				
1. Purchases of investment securities		(5,386)		(2,860)
2. Capital expenditures		(33,357)		(45,018)
3. Proceeds from sale of property, plant and equipment		748		1,614
4. Increase in investments in and loans to affiliates, net		(112,444)		(9,976)
5. Others, net		276		707
Net cash used in investing activities		(150,163)		(55,533)
(Reference) Free cash flows		(82,735)		(2,077)
III Financing Activities:				
1. Net borrowings (repayments) of short-term debt		20,000		(19,787)
2. Dividends paid by the Company		(17,754)		(18,912)
3. Acquisition of treasury stock		(31,430)		(20,013)
4. Others, net		(419)		(45)
Net cash used in financing activities		(29,603)		(58,757)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		17,067		10,629
Net increase (decrease) in cash and cash equivalents		(95,271)		(50,205)
Cash and cash equivalents at beginning of the period		250,755		155,484
Cash and cash equivalents at end of the period		155,484		105,279

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

(5) Notes Regarding Consolidated Financial Statements

(Notes Regarding Assumptions of Going Concern)

None applicable

(Changes in Accounting Policies)

None applicable

(Per-Share Information)

In calculating earnings per share, the Company applies FASB ASC 260, Earnings per Share.

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

Number of Shares (in shares)	Year ended March 31, 2022	Year ended March 31, 2023
Basic	200,882,669	198,447,778
Diluted	—	—

Note: The number of diluted shares for the fiscal years ended March 31, 2022 and 2023 are not presented as there are no dilutive shares.

(Main components of other expenses, net)

The following table presents the main components of other expenses, net.

Year ended March 31, 2022

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

Year ended March 31, 2023

Foreign exchange loss	720	Million yen
Net loss on sale and disposals of property, plant and equipment	45	
Net periodic benefit costs	2,669	
Loss on valuation of investment securities (net)	2,099	
Impairment losses on long-lived assets	1,768	
Gain on transfer of business	(922)	
Compensation income	(676)	

(Notes Regarding Significant Subsequent Events)

None applicable

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

(Segment Information)

Business Segment Information

(Millions of yen)

		Year ended March 31, 2022	Year ended March 31, 2023	Year-on-year change
IAB	Sales to external customers	418,107	485,738	116.2%
	Intersegment sales	6,483	6,822	105.2%
	Total net sales	424,590	492,560	116.0%
	Operating expenses	348,333	406,725	116.8%
	Operating income (loss)	76,257	85,835	112.6%
HCB	Sales to external customers	132,857	142,132	107.0%
	Intersegment sales	160	294	183.8%
	Total net sales	133,017	142,426	107.1%
	Operating expenses	114,473	126,408	110.4%
	Operating income (loss)	18,544	16,018	86.4%
SSB	Sales to external customers	87,692	107,273	122.3%
	Intersegment sales	10,779	13,804	128.1%
	Total net sales	98,471	121,077	123.0%
	Operating expenses	91,966	113,587	123.5%
	Operating income (loss)	6,505	7,490	115.1%
DMB	Sales to external customers	120,972	138,854	114.8%
	Intersegment sales	42,824	48,451	113.1%
	Total net sales	163,796	187,305	114.4%
	Operating expenses	153,710	171,804	111.8%
	Operating income (loss)	10,086	15,501	153.7%
Eliminations & Corporate	Sales to external customers	3,299	2,085	63.2%
	Intersegment sales	(60,246)	(69,371)	—
	Total net sales	(56,947)	(67,286)	—
	Operating expenses	(34,871)	(43,128)	—
	Operating income (loss)	(22,076)	(24,158)	—
Consolidated	Sales to external customers	762,927	876,082	114.8%
	Intersegment sales	—	—	—
	Total net sales	762,927	876,082	114.8%
	Operating expenses	673,611	775,396	115.1%
	Operating income (loss)	89,316	100,686	112.7%

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 ended 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)

		Year ended March 31, 2022	Year ended March 31, 2023	Year-on-year change
IAB	Japan	135,105	148,129	109.6%
	Americas	38,224	51,596	135.0%
	Europe	81,157	97,841	120.6%
	Greater China	117,104	129,740	110.8%
	Southeast Asia and Others	46,487	58,387	125.6%
	Direct Exports	30	45	150.0%
	Total	418,107	485,738	116.2%
HCB	Japan	27,841	26,670	95.8%
	Americas	22,651	28,521	125.9%
	Europe	23,012	23,824	103.5%
	Greater China	43,346	44,727	103.2%
	Southeast Asia and Others	15,542	17,814	114.6%
	Direct Exports	465	576	123.9%
	Total	132,857	142,132	107.0%
SSB	Japan	87,226	107,198	122.9%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	96	13	13.5%
	Southeast Asia and Others	—	—	—
	Direct Exports	370	62	16.8%
	Total	87,692	107,273	122.3%
DMB	Japan	36,425	42,457	116.6%
	Americas	17,421	24,182	138.8%
	Europe	16,254	18,472	113.6%
	Greater China	35,805	37,048	103.5%
	Southeast Asia and Others	14,895	16,673	111.9%
	Direct Exports	172	22	12.8%
	Total	120,972	138,854	114.8%
Eliminations & Corporate	Japan	3,299	2,085	63.2%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	—	—	—
	Southeast Asia and Others	—	—	—
	Direct Exports	0	0	—
	Total	3,299	2,085	63.2%
Consolidated	Japan	289,896	326,539	112.6%
	Americas	78,296	104,299	133.2%
	Europe	120,423	140,137	116.4%
	Greater China	196,351	211,528	107.7%
	Southeast Asia and Others	76,924	92,874	120.7%
	Direct Exports	1,037	705	68.0%
	Total	762,927	876,082	114.8%

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 ended 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

5. Supplementary Information

(1) Projected Consolidated Performance by Business Segment

(Billions of yen)

		Year ended March 31, 2023	Year ending March 2024	Year-on-year change
IAB	Sales to external customers	485.7	490.0	100.9%
	Operating income (loss)	85.8	88.0	102.5%
HCB	Sales to external customers	142.1	146.0	102.7%
	Operating income (loss)	16.0	17.0	106.1%
SSB	Sales to external customers	107.3	114.0	106.3%
	Operating income (loss)	7.5	9.0	120.2%
DMB	Sales to external customers	138.9	139.0	100.1%
	Operating income (loss)	15.5	15.5	100.0%
Eliminations & Corporate	Sales to external customers	2.1	1.0	48.0%
	Operating income (loss)	(24.2)	(27.5)	-
Consolidated	Sales to external customers	876.1	890.0	101.6%
	Operating income (loss)	100.7	102.0	101.3%

(2) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2023	Year ending March 2024	Year-on-year change
IAB	Japan	148.1	153.5	103.6%
	Americas	51.6	50.5	97.9%
	Europe	97.8	98.5	100.7%
	Greater China	129.7	128.5	99.0%
	Southeast Asia and Others	58.4	59.0	101.0%
	Direct Exports	0.0	—	—
	Total	485.7	490.0	100.9%
HCB	Japan	26.7	28.0	105.0%
	Americas	28.5	28.5	99.9%
	Europe	23.8	24.0	100.7%
	Greater China	44.7	45.5	101.7%
	Southeast Asia and Others	17.8	19.5	109.5%
	Direct Exports	0.6	0.5	86.8%
	Total	142.1	146.0	102.7%
SSB	Japan	107.2	113.0	105.4%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	0.0	—	—
	Southeast Asia and Others	—	—	—
	Direct Exports	0.1	1.0	1,612.9%
	Total	107.3	114.0	106.3%
DMB	Japan	42.5	44.0	103.6%
	Americas	24.2	22.0	91.0%
	Europe	18.5	18.0	97.4%
	Greater China	37.0	38.0	102.6%
	Southeast Asia and Others	16.7	17.0	102.0%
	Direct Exports	0.0	—	—
	Total	138.9	139.0	100.1%
Eliminations & Corporate	Japan	2.1	1.0	48.0%
	Americas	—	—	—
	Europe	—	—	—
	Greater China	—	—	—
	Southeast Asia and Others	—	—	—
	Direct Exports	0.0	—	—
	Total	2.1	1.0	48.0%
Consolidated	Japan	326.5	339.5	104.0%
	Americas	104.3	101.0	96.8%
	Europe	140.1	140.5	100.3%
	Greater China	211.5	212.0	100.2%
	Southeast Asia and Others	92.9	95.5	102.8%
	Direct Exports	0.7	1.5	212.8%
	Total	876.1	890.0	101.6%