

**Q&A Session Summary, FY2023 Results Briefing**  
**OMRON Corporation**  
**May 8, 2024**

**IAB**

- Q. Please explain the background and reasons for the improvement in gross profit margin in the FY24 plan.
- A. With procurement controls already underway from Q2 of FY23, inventory reserves for new parts purchases will be reduced and parts and products with reserves will be shipped in stages. Furthermore, with the number of customers adopting innovative-Automation steadily increasing, the company will improve its gross profit margin by expanding its high added-value solutions business.
- Q. As the stock market assumes that demand for FA will return in the future, there is interest in whether OMRON will be able to grow beyond the market growth rate. What challenges and countermeasures do you have in increasing the competitiveness and presence of IAB?
- A. Our most important task is to optimize our industry and area portfolio. In this context, it is also important to strengthen product lineups that will make us more competitive. From an industry portfolio perspective, semiconductors are expected to recover slowly this year, while EVs are expected to remain stable.
- We will work to ensure that OMRON can gain market share when market conditions recover. In order to reduce dependence on China, we believe that the key point is to strengthen our customer base in Europe and the United States and expand our solutions business.

**HCB**

- Q. Please explain the background and reasons for the decline in revenue and profit in the fourth quarter of FY24 compared to the previous year, and the accuracy of the FY24 plan.
- A. In the fourth quarter of FY23, the impact of inflation was evident, and sales of thermometers were lower than expected due to the warm winter.
- Looking ahead to FY24, we expect the blood pressure monitor market to grow steadily globally. In addition, taking into account the effects of the launch of new products in China and the sales and profits of the remote medical consultation company that we acquired in Europe at the end of last year, we believe that although the FY24 plan is challenging, it is achievable.

**DSB**

- Q. Regarding the operating profit plan for FY24, while JMDC alone is forecasting 9.3 billion yen, DSB as a whole is forecasting 3 billion yen. Please explain the background and factors behind this.
- A. This is because it includes the amortization of intangible assets associated with the acquisition of JMDC and investments to create a data solutions business on the OMRON side.
- A certain amount of amortization expenses for intangible assets will be incurred for the next several years.

Additionally, while OMRON will make necessary investments to grow its data solutions business, it will carefully examine each business opportunity one by one and control investments to avoid excessive investment all at once.