

Q&A Session Summary, Q2/FY2015 Earnings

OMRON Corporation

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*Supplemental. Original presentation given in Japanese.

Consolidated Performance, Management, VG2020 Strategies

Q: You made downward revision to FY15 full-year forecast. Does that affect the way you look at FY16?

A: We are officially announcing FY16 plan at the beginning of the fiscal year. Good news is, IAB has been solid and expects to achieve its internal FY16 goal - set at midterm management planning - one year ahead this year. We expect IAB to lead the whole company again next year.

Q: How are you going to control businesses with high volatility?

A: By further improving IAB profitability, so it can offset fluctuation risks of highly-volatile businesses.

Q: Why are you buying back treasury stock?

A: To enhance capital efficiency and shareholder returns, taking share price level into account. Saying that we are working on shareholder returns, our top focus, growth investments, stays the same.

Industrial Automation Business (IAB)

Q: You are expecting sales and OP to go up again H2 following H1. Why?

A: It is because IAB's new business strategy is now working, leading to steady performance. Business sentiments by industry segment and by area are different, so it's not that IAB is doing just fine in the same way everywhere, though.

Q: Why carried out M&A?

A: To make a wide range of products even stronger. With robotics, we are aiming to create new business opportunities, such as human-machine harmony.

Q: Are M&A integration costs going to impact both H1 and H2?

A: Yes, and more in H2, as we closed Adept deal in October.

Healthcare Business (HCB)

Q: Sales and OP forecast up for H2 Y/Y, why?

A: It is because of higher awareness to healthcare in emerging markets.

Businesses under the Direct Control of HQ (Other)

Q: How are you going to turn around Environmental Solutions Business?

A: By going beyond PV inverters to grow comprehensively, as we see the demand for renewable energy to continue in the mid-/long-term, including power storage business.

Q: What do you think are required to improve Backlight Business profitability?

A: Technological superiority, now that competition trend is changing. Besides higher-precise, thinner products, we will intensify our efforts on new technological elements.
