



Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2017 (U.S. GAAP)

October 27, 2016

OMRON Corporation (6645)

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Filing of Quarterly Securities Report (<i>Shihanki hokokusho</i>) (scheduled):	November 11, 2016
Start of Distribution of Dividends (scheduled):	December 2, 2016
Preparation of Supplementary Materials for the Quarterly Financial Results:	Yes
Holding of Presentation of Quarterly 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: All amounts are rounded to the nearest million yen.

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2016 – September 30, 2016)

(1) Sales and Income (cumulative)

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

	Millions of yen - except per share data and percentages			
	Six months ended September 30, 2016		Six months ended September 30, 2015	
		Change (%)		Change (%)
Net sales	371,592	(10.1)	413,460	2.2
Operating income	25,891	(21.5)	32,986	(23.3)
Income before income taxes	23,646	(27.8)	32,769	(27.2)
Net income attributable to shareholders	15,849	(35.2)	24,474	(27.3)
Net income attributable to shareholders per share, basic (JPY)	74.13		112.65	
Net income attributable to shareholders per share, diluted (JPY)	74.13		112.65	

Note: Comprehensive income (loss): Six months ended September 30, 2016: JPY (18,322) million (—% change);
Six months ended September 30, 2015: JPY 14,010 million (-66.5% change)

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of September 30, 2016	As of March 31, 2016
Total assets.....	632,893	683,325
Net assets.....	420,745	447,034
Shareholders' equity.....	419,220	444,718
Shareholders' equity ratio (%).....	66.2	65.1

2. Dividends

		Year ended March 31, 2016	Year ending March 31, 2017	Year ending March 31, 2017 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	
	Interim dividend (JPY)	34.00	34.00	
	3rd quarter dividend (JPY)	—		—
	Year-end dividend (JPY)	34.00		34.00
	Total dividends for the year (JPY)	68.00		68.00

Note. Revisions since the most recently announced dividend forecast: Yes

Omron resolved to pay an interim dividend of 34 yen per share for the fiscal year ending March 31, 2017. The dividend was previously undetermined.

3. Projected Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

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

	Millions of yen	
	Full year ending March 31, 2017	Change (%)
Net sales	765,000	-8.2
Operating income	55,000	-11.7
Income before income taxes	55,000	-16.3
Net income attributable to shareholders	40,000	-15.4
Net income per share attributable to shareholders (JPY)	187.08	

Note. Revisions since the most recently announced performance forecast: Yes

See “OMRON Announces Revisions to Full-Year Consolidated Performance Forecast for Fiscal 2016, and Recording of Impairment Losses” released today (October 27, 2016), regarding the revisions to the consolidated performance forecast.

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) Application of simplified accounting methods and/or special accounting methods: No
- (3) 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
- (4) Number of shares issued and outstanding (common stock)
 - (a) Number of shares at end of period (including treasury stock): September 30, 2016: 213,958,172 shares; March 31, 2015: 213,958,172 shares
 - (b) Treasury stock at end of period: September 30, 2016: 150,107 shares; March 31, 2016: 149,398 shares
 - (c) Average number of shares during the period (cumulative quarterly period): Six months ended September 30, 2016: 213,808,481 shares; Six months ended September 30, 2015: 217,252,012 shares

Items Regarding the Implementation of Quarterly Review Procedures

This summary of quarterly consolidated results is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act. Review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Act had not been completed at the time of disclosure of this summary of quarterly 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 risks, uncertainties and other factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results, see “1. Qualitative Information on Quarterly Financial Results, (3) Description of Information on Outlook, Including Consolidated Performance Forecast” on page 6.
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 Company plans to hold a presentation for investors on Tuesday, October 27, 2016. 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 Solutions Business, Electronic Systems & Equipments Division, Micro Devices, Backlight and others (Businesses under direct control of Headquarters)

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1. Qualitative Information on Quarterly Financial Results

(1) Description of Results of Operations

General Overview

In the first six months of the year ending March 31, 2017 (April-September 2016), sales and profits of the Omron Group both decreased compared with the same period of the previous fiscal year. Both net sales and operating income decreased due to factors including the negative impact of the appreciation of the yen.

The Omron Group's perception of the economic environment in the second quarter of the year ending March 31, 2017 is as follows.

Economic and Market Conditions by Region

Japan:	Personal consumption remained weak while capital investment recovered in some sectors.
Americas:	In the United States, the economy continued to expand through labor market improvement and steady growth in personal consumption.
Europe:	Moderate recovery continued, but uncertainty in the outlook remained due to concerns over the shape of the United Kingdom's exit from the European Union.
Greater China:	The mild slowdown of the Chinese economy continued in line with a declining growth rate in the capital investment.
Asia:	Although business conditions in South Korea were on a recovery track, uncertainty continued particularly in Thailand and Indonesia.

Conditions in the Omron Group's Primary Related Markets

Automotive-related:	Demand for components was weak in Japan mainly due to a decrease in domestic sales of <i>Kei car</i> (a class of small automobiles defined by Japanese standards), but firm in the United States and Europe.
Semiconductor-related:	Capital investment demand was robust in Japan and overseas.
Machine tool-related:	Capital investment demand remained weak in Japan and overseas.
Home appliance and electronic component-related:	Capital investment demand was firm; demand for components was weak mainly in China.
Healthcare equipment-related:	Personal consumption was on a recovery track in Japan. Conditions were weak in China due to economic slowdown, and firm in other emerging markets.

Consolidated results for the first six months of fiscal 2016 were as follows.

(Millions of yen)			
	Six months ended September 30, 2015	Six months ended September 30, 2016	Change (%)
Net sales	413,460	371,592	-10.1%
Operating income	32,986	25,891	-21.5%
Income before income taxes	32,769	23,646	-27.8%
Net income attributable to shareholders	24,474	15,849	-35.2%
Average USD exchange rate (JPY)	121.5 JPY	107.3 JPY	-14.2 JPY
Average EUR exchange rate (JPY)	134.2 JPY	120.1 JPY	-14.1 JPY

Results by Business Segment

IAB (Industrial Automation Business)

(Millions of yen, %)

		Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Sales to external customers	Japan	63,112	63,313	+0.3%
	Overseas	107,569	94,668	-12.0%
	Total	170,681	157,981	-7.4%
Segment profit		26,950	23,005	-14.6%

Sales in Japan

Although customers' cautious attitude toward capital investment prevailed due to the appreciation of the yen, sales in Japan for the period were flat compared with the same period of the previous fiscal year because of sales expansion in focus sectors centered on the digital industry.

Overseas Sales

In the Americas, although investment demand from automotive-related industries was firm, sales decreased due to the impact of the sale of an oil-related business. In Europe, sales increased with contributions by the group of subsidiaries acquired in the previous fiscal year. In Greater China, investment demand was firm in electronic component, infrastructure and environment-related industries amid a continuing slowdown in economic growth. In Asia, sales expanded by the increased investments in electronic component industries in South Korea, although local currency depreciation continues to affect sales. With the addition of the negative impact of the appreciation of the yen, overseas sales for the period decreased substantially compared with the same period of the previous fiscal year.

Segment Profit

Segment profit decreased substantially compared with the same period of the previous fiscal year as a result of factors including the negative impact of the appreciation of the yen and expansion of investment for growth.

EMC (Electronic and Mechanical Components Business)

(Millions of yen, %)

		Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Sales to external customers	Japan	12,824	11,895	-7.2%
	Overseas	41,503	35,356	-14.8%
	Total	54,327	47,251	-13.0%
Segment profit		4,898	4,957	+1.2%

Sales in Japan

Because of a decrease in demand in the amusement industry in the first quarter of the year ending March 31, 2017, sales in Japan for the period decreased compared with the same period of the previous fiscal year.

Overseas Sales

In the Americas, demand was weak affected by inventory adjustments of customers in consumer and commercial products and automotive-related industries. In Europe, demand in automotive-related industries was firm. In Greater China, as the economic growth continued to slowdown, demand in consumer and commercial products industries decreased. With the addition of the negative impact of the appreciation of the yen, overseas sales for the period decreased substantially compared with the same period of the previous fiscal year.

Segment Profit

Despite the decrease in sales and the negative impact of the appreciation of the yen, segment profit was flat compared with the same period of the previous fiscal year as a result of the effect of initiatives for productivity improvement implemented in the previous fiscal year.

AEC (Automotive Electronic Components Business)

(Millions of yen, %)

		Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Sales to external customers	Japan	10,153	8,598	-15.3%
	Overseas	58,377	54,756	-6.2%
	Total	68,530	63,354	-7.6%
Segment profit		3,133	2,494	-20.4%

Sales in Japan

Affected by a declining *Kei car* sales, sales in Japan for the period decreased substantially compared with the same period of the previous fiscal year.

Overseas Sales

In the Americas, demand expanded, backed by a firm U.S. economy. In Greater China, demand has been robust supported by strong sales of automobiles backed by tax reduction measures by governments. However, with the negative impact of the appreciation of the yen, overseas sales for the period decreased compared with the same period of the previous fiscal year.

Segment Profit

Segment profit decreased substantially compared with the same period of the previous fiscal year due to the negative impact resulting from the appreciation of the yen.

SSB (Social Systems, Solutions and Service Business)

(Millions of yen, %)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Sales to external customers	28,731	21,478	-25.2%
Segment profit (loss)	(1,951)	(3,052)	—

Public Transportation Systems Business Sales

As capital investment demand for renewal of station equipment reached the end of a cycle, sales for the period decreased substantially compared with the same period of the previous fiscal year.

Traffic and Road Management Systems Business Sales

While demand for renewal of traffic-related terminals was firm, investment demand for expressways was weak. As a result, sales for the period decreased compared with the same period of the previous fiscal year.

Environmental Solutions Business Sales

Demand was weak in the solar power generation-related market, and sales for the period decreased substantially compared with the same period of the previous fiscal year.

Segment Profit

Segment loss increased substantially compared with the same period of the previous fiscal year due to the decrease in sales.

HCB (Healthcare Business)

(Millions of yen, %)

		Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Sales to external customers	Japan	14,465	14,141	-2.2%
	Overseas	37,712	34,692	-8.0%
	Total	52,177	48,833	-6.4%
Segment profit		3,925	4,730	+20.5%

Sales in Japan

Demand for home-use healthcare grew steadily by expansion of on-line market while demand at large-scale mass retailers of electronic appliances was weak, especially in the suburbs. Demand for professional-use equipment for medical institutions was flat compared with the same period of the previous fiscal year. As a result, sales in Japan for the period decreased compared with the same period of the previous fiscal year.

Overseas Sales

In the Americas, sales of blood pressure monitors remained strong in North America and Brazil. In Europe, in addition to sales of new blood pressure monitor products in Russia, sales in other countries were favorable through the expansion of dealer networks. In Greater China, demand in pharmacies and other store channels was weak due to sluggish economic conditions while the on-line market continued to expand. In Asia, sales of Japanese-made blood pressure monitors and other healthcare equipment were strong. However, with the negative impact of the appreciation of the yen, overseas sales for the period decreased compared with the same period of the previous fiscal year.

Segment Profit

Despite the negative impact of the appreciation of the yen, segment profit increased substantially compared with the same period of the previous fiscal year reflecting increased productivity and efficient deployment of fixed expenses.

Other (Businesses under the Direct Control of Headquarters)

(Millions of yen, %)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Sales to external customers	36,801	30,210	-17.9%
Segment profit (loss)	(124)	(2,304)	—

Businesses in the “Other” segment are primarily responsible for exploring and nurturing new business fields and nurturing/reinforcing businesses not handled by other internal companies but under the direct control of Headquarters.

Environmental Solutions Business Sales

Although demand remained weak in the solar power generation-related market, sales for the period were flat compared with the same period of the previous fiscal year supported by expansion of the power storage systems.

Electronic Systems & Equipment Business Sales

Demand was strong for uninterruptible power supply units and contract services for development and production of electronic devices, and sales for the period increased compared with the same period of the previous fiscal year.

Micro Devices Business Sales

Owing to a decrease in demand for smartphones microphones, sales for the period decreased compared with the same period of the previous fiscal year.

Backlight Business Sales

As a result of a price drop in the smartphone market in Greater China, sales for the period decreased substantially compared with the same period of the previous fiscal year.

Segment Profit

Reflecting the sales decrease, segment profit decreased substantially compared with the same period of the previous fiscal year, and the segment recorded a loss.

(2) Description of Financial Condition

Total assets as of September 30, 2016 decreased JPY 50,432 million compared with the end of the previous fiscal year to JPY 632,893 million due to a decrease in notes and accounts receivable – trade, a decrease in machinery and equipment and other factors. Total liabilities decreased JPY 24,143 million compared with the end of the previous fiscal year to JPY 212,148 million due to decreases in termination and retirement benefits and notes and accounts payable – trade, among other factors. Net assets decreased JPY 26,289 million from the end of the previous fiscal year to JPY 420,745 million due to changes in foreign currency translation adjustments and other factors. The shareholders' equity ratio was 66.2 percent, compared with 65.1 percent at the end of the previous fiscal year.

Net cash provided by operating activities in the second quarter was JPY 27,349 million (a decrease in cash provided of JPY 8,097 million compared with the same period of the previous fiscal year) due to collection of receivables and other factors. Net cash used in investing activities was JPY 4,549 million (a decrease in cash used of JPY 22,541 million compared with the same period of the previous fiscal year) due to capital expenditures, sale of business and other factors. Net cash used in financing activities was JPY 8,075 million (a decrease in cash used of JPY 1,118 million compared with the same period of the previous fiscal year) due to dividends paid and other factors. As a result, the balance of cash and cash equivalents at September 30, 2016 was JPY 88,944 million, an increase of JPY 6,034 million from the end of the previous fiscal year.

(3) Description of Information on Outlook, Including Consolidated Performance Forecast

The Omron Group has changed its assumed exchange rates for the third quarter onward to USD 1 = JPY 100 and EUR 1 = JPY 110, and accordingly revised its consolidated performance forecast as shown below.

The performance forecast and other forward-looking statements are based on information available to the Company at the present time, and on certain assumptions judged by the Company to be reasonable. Due to a variety of factors, actual results may differ materially from the forecast.

Revision of Performance Forecast Figures for the Fiscal Year

(Millions of yen / % / JPY)

	Net sales	Operating income	Income before income taxes	Net income attributable to shareholders	Net income per share attributable to shareholders (JPY)
Previous forecast (A)	820,000	63,000	64,500	47,500	222.16
New forecast (B)	765,000	55,000	55,000	40,000	187.08
Change (B-A)	-55,000	-8,000	-9,500	-7,500	—
Change (%)	-6.7%	-12.7%	-14.7%	-15.8%	—
(Reference) Actual results for the previous fiscal year (ended March 31, 2016)	833,604	62,287	65,686	47,290	218.95

2. Items Related to Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

None applicable

(2) Application of simplified accounting methods and/or specific accounting methods

None applicable

(3) Changes in accounting policy

None applicable

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016		As of September 30, 2016	
ASSETS				
Current assets:	389,609	57.1%	378,428	59.8%
Cash and cash equivalents	82,910		88,944	
Notes and accounts receivable — trade	165,093		145,058	
Allowance for doubtful receivables	(1,654)		(1,445)	
Inventories	107,267		108,091	
Deferred income taxes	18,469		18,365	
Assets planned for sale	—		3,946	
Other current assets	17,524		15,469	
Property, plant and equipment:	146,565	21.4	121,686	19.2
Land	26,376		25,267	
Buildings	146,412		137,102	
Machinery and equipment	204,499		176,334	
Construction in progress	6,142		5,781	
Accumulated depreciation	(236,864)		(222,798)	
Investments and other assets:	147,151	21.5	132,779	21.0
Goodwill	30,253		27,175	
Investments in and advances to associates	25,048		24,198	
Investment securities	37,055		27,916	
Leasehold deposits	6,758		6,498	
Deferred income taxes	22,080		23,769	
Other	25,957		23,223	
Total assets	683,325	100.0%	632,893	100.0%

(Millions of yen)

	As of March 31, 2016		As of September 30, 2016	
LIABILITIES				
Current liabilities:	162,663	23.8%	148,687	23.5%
Notes and accounts payable — trade	82,606		74,783	
Accrued expenses	37,975		35,121	
Income taxes payable	6,890		2,434	
Liabilities planned for sale	—		1,823	
Other current liabilities	35,192		34,526	
Deferred income taxes	660	0.1	575	0.1
Termination and retirement benefits	62,289	9.1	52,895	8.4
Other long-term liabilities	10,679	1.6	9,991	1.5
Total liabilities	236,291	34.6	212,148	33.5
NET ASSETS				
Shareholders' equity	444,718	65.1	419,220	66.2
Common stock	64,100	9.4	64,100	10.1
Capital surplus	99,101	14.5	99,137	15.7
Legal reserve	15,194	2.2	17,269	2.7
Retained earnings	317,171	46.4	323,676	51.1
Accumulated other comprehensive income (loss)	(50,204)	(7.3)	(84,316)	(13.3)
Foreign currency translation adjustments	2,541		(28,668)	
Minimum pension liability adjustments	(64,525)		(63,087)	
Net unrealized gains on available-for-sale securities	11,884		7,229	
Net gains (losses) on derivative instruments	(104)		210	
Treasury stock	(644)	(0.1)	(646)	(0.1)
Noncontrolling interests	2,316	0.3	1,525	0.3
Total net assets	447,034	65.4	420,745	66.5
Total liabilities and shareholders' equity	683,325	100.0%	632,893	100.0%

(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income (Loss)
(Quarterly Consolidated Statements of Operations)
(Six months ended September 30, 2016)

(Millions of yen)

	Six months ended September 30, 2015		Six months ended September 30, 2016	
Net sales	413,460	100.0%	371,592	100.0%
Cost of sales	252,354	61.0	226,777	61.0
Gross profit	161,106	39.0	144,815	39.0
Selling, general and administrative expenses	102,444	24.8	93,835	25.2
Research and development expenses	25,676	6.2	25,089	6.8
Operating income	32,986	8.0	25,891	7.0
Other expenses (income), net	217	0.1	2,245	0.6
Income before income taxes	32,769	7.9	23,646	6.4
Income taxes	9,339	2.3	7,094	2.0
Equity in net losses (gains) of affiliates	(1,287)	(0.4)	496	0.1
Net income	24,717	6.0	16,056	4.3
Net income attributable to noncontrolling interests	243	0.1	207	0.0
Net income attributable to shareholders	24,474	5.9	15,849	4.3

(Quarterly Consolidated Statements of Comprehensive Income (Loss))
(Six months ended September 30, 2016)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net income	24,717	16,056
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	(6,870)	(31,475)
Pension liability adjustments	442	1,438
Net unrealized losses on available-for-sale securities	(4,268)	(4,655)
Net gains (losses) on derivative instruments	(11)	314
Other comprehensive income (loss)	(10,707)	(34,378)
Comprehensive income (loss)	14,010	(18,322)
(Breakdown)		
Comprehensive income (loss) attributable to noncontrolling interests	206	(59)
Comprehensive income (loss) attributable to shareholders	13,804	(18,263)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
I. Operating Activities:		
1. Net income	24,717	16,056
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	15,234	14,535
(2) Net loss (gain) on sales and disposals of property, plant and equipment	(1)	167
(3) Loss on impairment of long-lived assets and assets planned for sale	—	11,860
(4) Net gain on sale of investment securities	(441)	(88)
(5) Gain on sale of business	—	(3,530)
(6) Loss on investment securities	5	310
(7) Gain on contribution of securities to retirement benefit trust	—	(6,161)
(8) Termination and retirement benefits	632	1,814
(9) Deferred income taxes	1,156	(1,018)
(10) Equity in loss (earnings) of affiliates	(1,287)	496
(11) Changes in assets and liabilities:		
(i) Decrease in notes and accounts receivable — trade	18,074	7,926
(ii) Increase in inventories	(8,443)	(11,697)
(iii) Decrease (increase) in other assets	(13)	758
(iv) Increase (decrease) in notes and accounts payable — trade	(7,831)	(2,582)
(v) Decrease in income taxes payable	(1,288)	(3,487)
(vi) Increase (decrease) in accrued expenses and other current liabilities	(6,522)	1,409
(12) Other, net	1,454	581
Total adjustments	10,729	11,293
Net cash provided by operating activities	35,446	27,349
II. Investing Activities:		
1. Proceeds from sale or maturities of investment securities	654	191
2. Purchase of investment securities	(16)	(274)
3. Capital expenditures	(18,849)	(10,861)
4. Decrease in leasehold deposits, net	152	158
5. Proceeds from sale of property, plant and equipment	393	784
6. Increase in investment in and loans to affiliates	(20)	30
7. Proceeds from sale of business, net	—	5,381
8. Payment for acquisition of business, net	(9,390)	—
9. Other, net	(14)	42
Net cash used in investing activities	(27,090)	(4,549)
III. Financing Activities:		
1. Net repayments of short-term debt	—	112
2. Dividends paid by the Company	(8,690)	(7,269)
3. Dividends paid to noncontrolling interests	(216)	(262)
4. Acquisition of treasury stock	(14)	(3)
5. Payments for equity transactions with noncontrolling interests	—	(470)
6. Other, net	(273)	(183)
Net cash used in financing activities	(9,193)	(8,075)
IV. Effect of Exchange Rate Changes	(2,180)	(8,691)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,017)	6,034
Cash and Cash Equivalents at Beginning of the Period	102,622	82,910
Cash and Cash Equivalents at End of the Period	99,605	88,944
Notes to cash flows from operating activities:		
1. Interest paid	74	71
2. Taxes paid	9,423	12,568
Notes to investing and financing activities not involving cash flow:		
1. Debt related to capital expenditures	925	513
2. Fair value of contribution of securities to retirement benefit trust	—	8,487

(4) Notes Regarding Consolidated Financial Statements
(Notes Regarding Assumptions of Continuing Operations)

None applicable

(Notes in the Event of Significant Changes in Shareholders' Equity)

None applicable

(Segment Information)

Business Segment Information

Six months ended September 30, 2015 (April 1, 2015 – September 30, 2015) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations, etc.	Consolidated
Net sales:									
(1) Sales to external customers	170,681	54,327	68,530	28,731	52,177	36,801	411,247	2,213	413,460
(2) Intersegment sales	2,795	24,534	273	2,119	133	8,573	38,427	(38,427)	—
Total	173,476	78,861	68,803	30,850	52,310	45,374	449,674	(36,214)	413,460
Operating expenses	146,526	73,963	65,670	32,801	48,385	45,498	412,843	(32,369)	380,474
Segment profit (loss)	26,950	4,898	3,133	(1,951)	3,925	(124)	36,831	(3,845)	32,986

Six months ended September 30, 2016 (April 1, 2016 – September 30, 2016) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations, etc.	Consolidated
Net sales:									
(1) Sales to external customers	157,981	47,251	63,354	21,478	48,833	30,210	369,107	2,485	371,592
(2) Intersegment sales	2,546	22,801	233	2,009	164	6,603	34,356	(34,356)	—
Total	160,527	70,052	63,587	23,487	48,997	36,813	403,463	(31,871)	371,592
Operating expenses	137,522	65,095	61,093	26,539	44,267	39,117	373,633	(27,932)	345,701
Segment profit (loss)	23,005	4,957	2,494	(3,052)	4,730	(2,304)	29,830	(3,939)	25,891

Geographical Segment Information

Six months ended September 30, 2015 (April 1, 2015 – September 30, 2015) (Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	160,559	67,718	52,127	88,258	44,798	413,460	—	413,460
(2) Intersegment sales	92,997	3,056	871	51,069	14,195	162,188	(162,188)	—
Total	253,556	70,774	52,998	139,327	58,993	575,648	(162,188)	413,460
Operating expenses	237,451	69,658	49,965	130,076	54,384	541,534	(161,060)	380,474
Segment profit (loss)	16,105	1,116	3,033	9,251	4,609	34,114	(1,128)	32,986

Six months ended September 30, 2016 (April 1, 2016 – September 30, 2016) (Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	152,595	55,460	49,631	71,444	42,462	371,592	—	371,592
(2) Intersegment sales	82,060	2,891	842	46,529	12,714	145,036	(145,036)	—
Total	234,655	58,351	50,473	117,973	55,176	516,628	(145,036)	371,592
Operating expenses	224,868	57,373	48,470	107,996	51,017	489,724	(144,023)	345,701
Segment profit (loss)	9,787	978	2,003	9,977	4,159	26,904	(1,013)	25,891

Notes: 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

Overseas Sales

Six months ended September 30, 2015 (April 1, 2015 – September 30, 2015) (Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	68,980	54,523	88,794	46,981	259,278
II Consolidated net sales					413,460
III Overseas sales as a percentage of consolidated net sales (%)	16.7	13.2	21.5	11.3	62.7

Six months ended September 30, 2016 (April 1, 2016 – September 30, 2016) (Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	56,764	52,159	71,749	42,676	223,348
II Consolidated net sales					371,592
III Overseas sales as a percentage of consolidated net sales (%)	15.3	14.0	19.3	11.5	60.1

Note: 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 |

4. Supplementary Information
(1) Summary of Consolidated Financial Results

(Millions of yen, %)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Period-on- period change	Year ended March 31, 2016	Year ending March 31, 2017 (projected)	Year-on- year change
Net sales	413,460	371,592	-10.1%	833,604	765,000	-8.2%
Operating income [% of net sales]	32,986 [8.0%]	25,891 [7.0%]	-21.5% [-1.0P]	62,287 [7.5%]	55,000 [7.2%]	-11.7% [-0.3P]
Income before income taxes [% of net sales]	32,769 [7.9%]	23,646 [6.4%]	-27.8% [-1.5P]	65,686 [7.9%]	55,000 [7.2%]	-16.3% [-0.7P]
Net income attributable to shareholders	24,474	15,849	-35.2%	47,290	40,000	-15.4%
Net income per share attributable to shareholders (basic) (¥)	112.65	74.13	-38.52	218.95	187.08	-31.87
Net income per share attributable to shareholders (diluted) (¥)	112.65	74.13	-38.52	218.95		
Total assets	698,784	632,893	-9.4%	683,325		
Shareholders' equity [Shareholders' equity ratio (%)]	496,204 [71.0%]	419,220 [66.2%]	-15.5% [-4.8P]	444,718 [65.1%]		
Shareholders' equity per share (¥)	2,284.02	1,960.73	-323.29	2,079.98		
Net cash provided by operating activities	35,446	27,349	-8,097	84,207		
Net cash used in investing activities	(27,090)	(4,549)	+22,541	(67,116)		
Net cash used in financing activities	(9,193)	(8,075)	+1,118	(31,550)		
Cash and cash equivalents at end of period	99,605	88,944	-10,661	82,910		

Note: The number of consolidated subsidiaries is 167, and the number of companies accounted for by the equity method is 16.

(2) Consolidated Net Sales by Business Segment

(Billions of yen)

		Six months ended September 30, 2015	Six months ended September 30, 2016	Period-on-period change (%)
IAB	Domestic	63.1	63.3	+0.3
	Overseas	107.6	94.7	-12.0
	Total	170.7	158.0	-7.4
EMC	Domestic	12.8	11.9	-7.2
	Overseas	41.5	35.4	-14.8
	Total	54.3	47.3	-13.0
AEC	Domestic	10.1	8.6	-15.3
	Overseas	58.4	54.8	-6.2
	Total	68.5	63.4	-7.6
SSB	Domestic	27.7	21.4	-23.2
	Overseas	1.0	0.1	-81.9
	Total	28.7	21.5	-25.2
HCB	Domestic	14.5	14.1	-2.2
	Overseas	37.7	34.7	-8.0
	Total	52.2	48.8	-6.4
Other	Domestic	23.7	26.6	+12.6
	Overseas	13.1	3.6	-72.0
	Total	36.8	30.2	-17.9
Eliminations, etc.	Domestic	2.3	2.4	+4.9
	Overseas	0.0	0.0	—
	Total	2.3	2.4	+12.3
Total	Domestic	154.2	148.3	-3.9
	Overseas	259.3	223.3	-13.9
	[% of total]	[62.7%]	[60.1%]	[-2.6P]
	Total	413.5	371.6	-10.1

(3) Consolidated Operating Income (Loss) by Business Segment

(Billions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Period-on-period change (%)
IAB	27.0	23.0	-14.6
EMC	4.9	5.0	+1.2
AEC	3.1	2.5	-20.4
SSB	(2.0)	(3.1)	—
HCB	3.9	4.7	+20.5
Other	(0.1)	(2.3)	—
Eliminations, etc.	(3.8)	(3.9)	—
Total	33.0	25.9	-21.5

(4) Average Currency Exchange Rate

(One unit of currency, in yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Period-on-period change (%)
USD	121.5	107.3	-14.2
EUR	134.2	120.1	-14.1

(5) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on-year change (%)
IAB	336.0	312.0	-7.1
EMC	103.7	93.0	-10.3
AEC	140.0	123.0	-12.1
SSB	77.5	70.0	-9.7
HCB	108.1	100.0	-7.5
Other	63.0	62.0	-1.6
Eliminations, etc.	5.3	5.0	-5.9
Total	833.6	765.0	-8.2

(6) Projected Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on-year change (%)
IAB	47.9	43.0	-10.3
EMC	8.5	8.5	+0.1
AEC	7.3	5.5	-25.1
SSB	3.2	4.0	+25.1
HCB	7.3	8.0	+9.8
Other	(4.1)	(2.5)	—
Eliminations, etc.	(7.8)	(11.5)	—
Total	62.3	55.0	-11.7

(7) Projected Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on- year change
USD	120.2	103.7	-16.5
EUR	132.2	115.0	-17.2

Note: The assumed exchange rates for the third quarter onward in the performance forecasts are
 USD 1 = JPY 100 and EUR 1 = JPY 110.