



Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018 (U.S. GAAP)

January 30, 2018

OMRON Corporation (6645)

Exchanges Listed:	Tokyo (first section)
URL:	http://www.omron.com
Representative:	Yoshihito Yamada, President and CEO
Contact:	Takayoshi Oue, Executive Officer, Senior General Manager, Global Finance and Accounting HQ
Telephone:	+81-75-344-7070
Filing of Quarterly Securities Report (<i>Shihanki hokokusho</i>) (scheduled):	February 9, 2018
Start of Distribution of Dividends (scheduled):	-
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: Figures are rounded to the nearest million yen.

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 – December 31, 2017)

(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			
	Nine months ended December 31, 2017		Nine months ended December 31, 2016	
		Change (%)		Change (%)
Net sales	624,853	+9.9	568,687	-7.4
Operating income	64,365	+40.5	45,815	+3.7
Income before income taxes	62,510	+41.8	44,075	-1.4
Net income attributable to shareholders	46,673	+52.4	30,616	-9.6
Net income per share attributable to shareholders, basic (JPY)	218.94		143.19	
Net income per share attributable to shareholders, diluted (JPY)	—		143.19	

Note: Comprehensive income: Nine months ended December 31, 2017: JPY 68,279 million, +138.6% change;
Nine months ended December 31, 2016: JPY 28,622 million, +16.7% change

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of December 31, 2017	As of March 31, 2017
Total assets	742,676	697,701
Net assets	523,084	470,757
Shareholders' equity	521,036	469,029
Shareholders' equity ratio (%)	70.2	67.2

2. Dividends

		Year ended March 31, 2017	Year ending March 31, 2018	Year ending March 31, 2018 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	
	Interim dividend (JPY)	34.00	38.00	
	3rd quarter dividend (JPY)	—	—	
	Year-end dividend (JPY)	34.00		38.00
	Total dividends for the year (JPY)	68.00		76.00

Note: Revisions since the most recently announced dividend forecast: No

3. Projected Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

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

	Millions of yen	
	Full year ending March 31, 2018	Change (%)
Net sales	850,000	+7.0
Operating income	85,000	+25.8
Income before income taxes	79,500	+21.4
Net income attributable to shareholders	59,000	+28.3
Net income per share attributable to shareholders (JPY)	277.00	

Notes: Revisions since the most recently announced performance forecast: No

The OMRON Group has not made any revisions to the consolidated financial performance forecasts for the fiscal year ending March 2018 as published on October 31, 2017. However, the group has revised consolidated segment sales and operating income forecasts.

For more information, see P18. 3. Supplementary Information (8) Projected Consolidated Net Sales by Business Segment (vs. Prior Forecast) and (9) Projected Consolidated Operating Income (Loss) by Business Segment (vs. Prior 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.: Yes
 - (b) Changes in accounting policy other than (a) above: No
 Note: For more, see 2. Quarterly Consolidated Financial Statements and Notes (4) Notes Regarding Consolidated Financial Statements (Change in Accounting Policy) on P.12
- (4) Number of shares issued and outstanding (common stock)
 - (a) Number of shares at end of period (including treasury stock): December 31, 2017: 213,958,172 shares;
March 31, 2017: 213,958,172 shares
 - (b) Treasury stock at end of period: December 31, 2017: 1,582,828 shares; March 31, 2017: 152,836 shares
 - (c) Average number of shares during the period (cumulative quarterly period): Nine months ended December 31, 2017: 213,180,406 shares; Nine months ended December 31, 2016: 213,808,215 shares

Note: As of the end of the third quarter for the consolidated fiscal year ending March 2018, 770,100 shares in OMRON stock held for Board Incentive Plan and Employee Stock Ownership Plan purposes are included in period-end treasury stock. The average number of shares during the period includes treasury shares deducted in the calculation of net income per share attributable to shareholders.

This summary of consolidated results is exempt from the review procedures.

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. 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, January 30, 2018. 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 & Equipment Division, Micro Devices, Backlight (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

The OMRON Group recorded significantly higher consolidated sales and profits for the cumulative third quarter of fiscal 2017 (April through December 2017) compared to the same period in the previous fiscal year. Our mainstay Industrial Automation Business reported sharply higher sales, driving overall growth. The OMRON way of working in close coordination with production, sales, and development groups helped the company achieve a company-wide gross profit ratio of 41.7%, a 2.3-point increase year on year. We have achieved significant profit improvements even as we invest for sustainable growth over the medium and long term.

Consolidated results for the first nine months of fiscal 2017 were as follows.

Millions of yen, except exchange rate data and percentages			
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change
Net sales	568,687	624,853	+9.9%
Gross profit	223,969	260,758	+16.4%
[% of net sales]	[39.4%]	[41.7%]	[+2.3%pt]
Operating income	45,815	64,365	+40.5%
[% of net sales]	[8.1%]	[10.3%]	[+2.2%pt]
Income before income taxes	44,075	62,510	+41.8%
Net income attributable to shareholders	30,616	46,673	+52.4%
Average USD exchange rate (JPY)	106.9	111.7	+4.8
Average EUR exchange rate (JPY)	118.7	127.9	+9.2

Results by Business Segment

IAB (Industrial Automation Business)

(Millions of yen, %)

		Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change (%)
Sales to external customers	Japan	96,558	112,675	+16.7%
	Overseas	143,434	179,378	+25.1%
	Total	239,992	292,053	+21.7%
Segment profit		37,067	55,242	+49.0%

Sales in Japan

Sales for the consolidated third quarter rose significantly year on year as we captured higher investment demand for manufacturing equipment on the back of investment in the global semiconductor industry. Increased investment demand in the automotive industry was another positive factor driving favorable performance.

Overseas Sales

Demand was strong for investment in semiconductor-related markets in the Americas. Meanwhile a more settled political situation and gradual economic recovery in Europe, accompanied by strong machinery exports, led to greater demand in our focus industries. The digital industry in Greater China and Asia has increased the pace and scale of investments. We have added resources and proposed optimal solutions to our customers in response to the rapid growth in demand and investment in various regions. At the same time, our acquisitions have contributed to group revenues. These and other factors have combined to result in significant year-on-year growth in overseas net sales.

Segment Profit

Segment profit was substantially higher than the same period of the previous year. This was driven by higher sales, stemming from effective sales activities leveraging our broad product lineup and solutions.

EMC (Electronic and Mechanical Components Business)

(Millions of yen, %)

		Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change (%)
Sales to external customers	Japan	16,605	18,235	+9.8%
	Overseas	52,277	59,482	+13.8%
	Total	68,882	77,717	+12.8%
Segment profit		7,148	10,828	+51.5%

Sales in Japan

Sales were higher year on year, supported by an increase in inquiries from the automotive industry and strong sales of new vehicles. We also captured increased demand from the amusement industry.

Overseas Sales

Sales were strong for the consumer electronics industries in Greater China, supported by higher incomes and improving living standards in inland regions, which led to higher demand in the high-function appliances market. Sales rose in Asia, owing to higher demand for motorcycles and an increasing number of adoptions used in home appliances. As a result, overseas sales were significantly higher year on year.

Segment Profit

Segment profits were significantly higher year on year, mainly due to increased sales in Japan and around the world, as well as higher internal sales.

AEC (Automotive Electronic Components Business)

(Millions of yen, %)

		Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change (%)
Sales to external customers	Japan	13,770	12,575	-8.7%
	Overseas	83,141	84,978	+2.2%
	Total	96,911	97,553	+0.7%
Segment profit		4,882	4,275	-12.4%

Sales in Japan

Sales were lower year on year, mainly due to model changes resulting in the termination of models using OMRON products.

Overseas Sales

In the Americas, sales were lower year on year, mainly due to a decrease in the number of automobiles produced in North America and model changes resulting in the termination of models using OMRON products. In Asia, sales were higher in response to strong automotive production in India, rising sales of motorcycles in Indonesia, and other factors. Combined with the positive impact of foreign currency exchange, overseas sales as a whole were higher than the same period in the prior fiscal year.

Segment Profit

Segment profit decreased compared with the previous fiscal year, mainly due to flat year-on-year sales and higher research and development expenses.

SSB (Social Systems, Solutions and Service Business)

(Millions of yen, %)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change (%)
Sales to external customers	30,883	30,959	+0.2%
Segment profit (loss)	(3,507)	(3,347)	—

Note: OMRON revised business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

Sales in Japan

In our Public Transportation Business, demand for upgrades were flat year on year. Despite weak replacement demand for road traffic terminals, by broadening our product lineup, our sales for the Traffic and Road Management Systems Business were unchanged year on year. As a result, sales in Japan were flat year on year.

Segment Profit

Segment loss narrowed compared to the same period in the previous fiscal year stemming from an enhanced earnings capability achieved by moving design and production in-house.

HCB (Healthcare Business)

(Millions of yen, %)

		Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change (%)
Sales to external customers	Japan	22,669	19,745	-12.9%
	Overseas	53,322	62,288	+16.8%
	Total	75,991	82,033	+8.0%
Segment profit		7,581	10,180	+34.3%

Sales in Japan

Home-use healthcare and medical device sales were strong for the period, supported by greater promotion of blood pressure monitors and low-frequency therapy equipment in online sales channels. However, sales for professional-use products decreased due to the transfer of shares of Omron Colin Co., Ltd. in December 2016. As a result, Japan sales were lower year on year.

Overseas Sales

Sales of blood pressure monitors and nebulizers in the Americas were strong, mainly due to promotional activity in online sales channels in the U.S. and an expansion of our store network in South America. Our business in Europe saw firm sales of blood pressure monitors in Russia. Greater China reported strong sales of blood pressure monitors and nebulizers through online channels. Sales of blood pressure monitors in India, Indonesia, and elsewhere were strong, mainly due to an expansion in our store network. As a result, overseas sales were significantly higher year on year.

Segment Profit

The HCB segment reported higher profit year on year, due to higher sales and improved productivity.

Other (Businesses under the Direct Control of Headquarters)

(Millions of yen, %)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Change (%)
Sales to external customers	52,272	41,641	-20.3%
Segment profit (loss)	(1,310)	(1,124)	—

Notes: 1. The Other segment includes new exploratory or incubation businesses as well as businesses being nurtured under the direct control of Headquarters.

2. OMRON revised business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

Environmental Solutions Business Sales

Despite the positive impact of expanding our lineup of storage battery products, sluggish demand for PV inverters used in solar panels resulted in a decrease in sales year on year.

Electronic Systems & Equipment Business Sales

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

Micro Devices Business Sales

Sales increased year on year, owing to an increase in demand for smartphone microphones.

Backlight Business Sales

Sales in this business fell year on year by a wide margin, largely due to further business optimization initiatives.

Segment Profit

Despite lower sales, segment profit improved due to ongoing restructuring of operations.

(2) Description of Financial Condition

Under VG2.0, we intend to continue to conduct ROIC management focused on capital efficiency, while investing actively in sustainable corporate value improvements.

Total assets as of the end of the third quarter increased JPY44,975 million compared to the end of the prior fiscal year to JPY742,676 million. This increase was mainly due to higher inventories and increases in machinery and equipment for the period. Total liabilities decreased JPY7,352 million compared with the end of the previous fiscal year to JPY219,592 million, mainly due to decreases in accrued expenses. Net assets increased JPY52,327 million compared to the end of the previous fiscal year to JPY523,084 million, owing to increases in net income attributable to shareholders and other factors. Shareholders' equity ratio rose to 70.2%, compared to 67.2% as of the end of the previous fiscal year.

Net cash provided by operating activities for the cumulative third quarter was JPY46,307 million, an increase of JPY1,771 million in net cash provided over the same period in the previous fiscal year. This result was mainly due to the recording of net income and a decrease in notes and accounts receivable—trade. Net cash used in investing activities was JPY44,459 million, representing an increase in net cash used of JPY36,224 million compared to the same period in the previous fiscal year. This result was mainly due to equity investments and business acquisitions. Net cash used in financing activities was JPY22,717 million, which was an increase in net cash used of JPY7,543 million compared to the same period in the previous fiscal year. This result was mainly due to dividends paid and stock buybacks. As a result, the balance of cash and cash equivalents at the end of the third quarter was JPY106,660 million, a decrease of JPY19,366 million compared to the end of the previous fiscal year.

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

The OMRON Group has not made any revisions to the fiscal year performance forecasts as published on October 31, 2017. However, the group has revised segment sales and operating income forecasts. For more information, see P18. 3. Supplementary Information (8) Projected Consolidated Net Sales by Business Segment (vs. Prior Forecast) and (9) Projected Consolidated Operating Income by Business Segment (vs. Prior Forecast). The OMRON Group has assumed foreign exchange rates of USD 1 = JPY 110 and EUR 1 = JPY 128 for fourth quarter forecasts.

Performance forecasts and other forward-looking statements are based on information available at the time, as well as on certain assumptions deemed reasonable by OMRON Group management. Actual results may vary materially depending on a variety of factors.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of		As of	
	March 31, 2017		December 31, 2017	
ASSETS		%		%
Current assets:	435,904	62.5	433,950	58.4
Cash and cash equivalents	126,026		106,660	
Notes and accounts receivable — trade	169,210		163,229	
Allowance for doubtful receivables	(1,320)		(1,267)	
Inventories	109,404		143,501	
Deferred income taxes	19,123		—	
Other current assets	13,461		21,827	
Property, plant and equipment:	127,615	18.3	133,612	18.0
Land	25,550		25,747	
Buildings	141,527		146,245	
Machinery and equipment	189,286		206,199	
Construction in progress	6,104		8,345	
Accumulated depreciation	(234,852)		(252,924)	
Investments and other assets:	134,182	19.2	175,114	23.6
Goodwill	30,385		41,574	
Investments in and advances to affiliates	25,303		26,354	
Investment securities	27,006		33,226	
Leasehold deposits	6,907		7,353	
Deferred income taxes	21,101		36,158	
Other assets	23,480		30,449	
Total assets	697,701	100.0	742,676	100.0

(Millions of yen)

	As of March 31, 2017		As of December 31, 2017	
		%		%
LIABILITIES				
Current liabilities	172,081	24.7	164,924	22.2
Notes and accounts payable — trade	89,362		89,822	
Accrued expenses	39,354		36,244	
Income taxes payable	6,994		4,318	
Other current liabilities	36,371		34,540	
Deferred income taxes	763	0.1	681	0.1
Termination and retirement benefits	43,708	6.2	43,463	5.9
Other long-term liabilities	10,392	1.5	10,524	1.4
Total liabilities	226,944	32.5	219,592	29.6
NET ASSETS				
Shareholders' equity	469,029	67.2	521,036	70.2
Common stock	64,100	9.2	64,100	8.6
Capital surplus	99,138	14.2	99,415	13.4
Legal reserve	17,813	2.5	19,826	2.7
Retained earnings	346,000	49.6	382,581	51.5
Accumulated other comprehensive income (loss)	(57,363)	(8.2)	(36,292)	(4.9)
Foreign currency translation adjustments	(6,327)		9,202	
Pension liability adjustments	(56,571)		(54,816)	
Unrealized gains (losses) on available-for-sale securities	5,765		9,786	
Net gains (losses) on derivative instruments	(230)		(464)	
Treasury stock	(659)	(0.1)	(8,594)	(1.1)
Noncontrolling interests	1,728	0.3	2,048	0.2
Total net assets	470,757	67.5	523,084	70.4
Total liabilities and shareholders' equity	697,701	100.0	742,676	100.0

**(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated
Statements of Comprehensive Income (Loss)**
(Quarterly Consolidated Statements of Operations)
(Nine months ended December 31, 2017)

(Millions of yen)

	Nine months ended December 31, 2016		Nine months ended December 31, 2017	
		%		%
Net sales	568,687	100.0	624,853	100.0
Cost of sales	344,718	60.6	364,095	58.3
Gross profit	223,969	39.4	260,758	41.7
Selling, general and administrative expenses	141,162	24.8	154,340	24.7
Research and development expenses	36,992	6.5	42,053	6.7
Operating income	45,815	8.1	64,365	10.3
Other expenses, net	1,740	0.3	1,855	0.3
Income before income taxes and equity in loss (earnings) of affiliates	44,075	7.8	62,510	10.0
Income taxes	13,223	2.4	16,335	2.6
Equity in loss (earnings) of affiliates	(79)	(0.0)	(881)	(0.1)
Net income	30,931	5.4	47,056	7.5
Net income attributable to noncontrolling interests	315	0.0	383	0.0
Net income attributable to OMRON shareholders	30,616	5.4	46,673	7.5

(Quarterly Consolidated Statements of Comprehensive Income (Loss))
(Nine months ended December 31, 2017)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net income	30,931	47,056
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	(1,962)	15,681
Pension liability adjustments	2,512	1,755
Unrealized gains (losses) on available-for-sale securities	(2,203)	4,021
Net gains (losses) on derivative instruments	(656)	(234)
Other comprehensive income (loss)	(2,309)	21,223
Comprehensive income	28,622	68,279
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	223	535
Comprehensive income attributable to OMRON shareholders	28,399	67,744

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
I. Operating Activities:		
1. Net income	30,931	47,056
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	21,474	21,390
(2) Net loss on sales and disposals of property, plant and equipment	384	197
(3) Loss on impairment of long-lived assets and assets held for sale	12,205	139
(4) Net gain on sale of investment securities	(142)	(371)
(5) Loss (gain) on sale of business	(3,686)	14
(6) Loss on impairment of investment securities	312	59
(7) Gain on contribution of securities to retirement benefit trust	(6,161)	—
(8) Termination and retirement benefits	2,791	2,088
(9) Deferred income taxes	(1,161)	225
(10) Equity in loss (earnings) of affiliates	(79)	(881)
(11) Changes in assets and liabilities:		
(i) Decrease (increase) in notes and accounts receivable — trade	1,790	12,092
(ii) Decrease (increase) in inventories	(18,860)	(27,420)
(iii) Decrease (increase) in other assets	2,150	(5,545)
(iv) Increase (decrease) in notes and accounts payable — trade	5,776	(861)
(v) Increase (decrease) in income taxes payable	(3,340)	(2,870)
(vi) Increase (decrease) in accrued expenses and other current liabilities	443	14
(12) Other, net	(291)	981
Subtotal	13,605	(749)
Net cash provided by operating activities	44,536	46,307
II. Investing Activities:		
1. Proceeds from sale or maturities of investment securities	317	811
2. Purchase of investment securities	(391)	(616)
3. Capital expenditures	(16,238)	(23,839)
4. Decrease (increase) in leasehold deposits, net	(33)	(365)
5. Proceeds from sale of property, plant and equipment	819	373
6. Decrease (increase) in investment in and loans to affiliates	30	—
7. Proceeds from sale of business, net of cash paid	7,187	(427)
8. Payment for acquisition of business, net of cash acquired	—	(20,466)
9. Other, net	74	70
Net cash used in investing activities	(8,235)	(44,459)
III. Financing Activities:		
1. Net increase in short-term debt	187	777
2. Dividends paid by the Company	(14,539)	(15,378)
3. Dividends paid to noncontrolling interests	(297)	(215)
4. Acquisition of treasury stock	(8)	(7,935)
5. Payments for equity transactions with noncontrolling interests	(470)	—
6. Other, net	(47)	34
Net cash used in financing activities	(15,174)	(22,717)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Net Increase (Decrease) in Cash and Cash Equivalents	17,882	(19,366)
Cash and Cash Equivalents at Beginning of the Period	82,910	126,026
Cash and Cash Equivalents at End of the Period	100,792	106,660
Notes to cash flows from operating activities:		
1. Interest paid	93	104
2. Taxes paid	18,439	18,786
Notes to investing and financing activities not involving cash flow:		
1. Debt related to capital expenditures	569	908
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

(Changes in Accounting Policy)

Beginning with the current period, OMRON has applied Balance Sheet Classification of Deferred Taxes (U.S. Financial Accounting Standards Board Accounting Standards Update No. 2015-17). Under this standards update, deferred tax assets and deferred tax liabilities are required to be classified as non-current items. The company has not made any retroactive revisions with respect to this standards update. Further, deferred tax assets and deferred tax liabilities classified as current as of March 31, 2017 are JPY19,123 million and JPY32 million.

(Segment Information)**Business Segment Information**

Nine months ended December 31, 2016 (April 1, 2016 – December 31, 2016)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales									
(1) Sales to external customers	239,992	68,882	96,911	30,883	75,991	52,272	564,931	3,756	568,687
(2) Intersegment sales	3,894	35,468	368	2,976	204	7,439	50,349	(50,349)	—
Total	243,886	104,350	97,279	33,859	76,195	59,711	615,280	(46,593)	568,687
Operating expenses	206,819	97,202	92,397	37,366	68,614	61,021	563,419	(40,547)	522,872
Segment profit (loss)	37,067	7,148	4,882	(3,507)	7,581	(1,310)	51,861	(6,046)	45,815

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

Nine months ended December 31, 2017 (April 1, 2017 – December 31, 2017)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales									
(1) Sales to external customers	292,053	77,717	97,553	30,959	82,033	41,641	621,956	2,897	624,853
(2) Intersegment sales	4,863	42,479	1,382	3,015	202	7,512	59,453	(59,453)	—
Total	296,916	120,196	98,935	33,974	82,235	49,153	681,409	(56,556)	624,853
Operating expenses	241,674	109,368	94,660	37,321	72,055	50,277	605,355	(44,867)	560,488
Segment profit (loss)	55,242	10,828	4,275	(3,347)	10,180	(1,124)	76,054	(11,689)	64,365

Geographical Segment Information

Nine months ended December 31, 2016 (April 1, 2016 – December 31, 2016)

(Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales								
(1) Sales to external customers	236,521	81,842	74,888	109,248	66,188	568,687	—	568,687
(2) Intersegment sales	127,483	4,689	1,289	71,794	18,888	224,143	(224,143)	—
Total	364,004	86,531	76,177	181,042	85,076	792,830	(224,143)	568,687
Operating expenses	342,659	85,061	72,876	165,439	78,011	744,046	(221,174)	522,872
Segment profit (loss)	21,345	1,470	3,301	15,603	7,065	48,784	(2,969)	45,815

Nine months ended December 31, 2017 (April 1, 2017 – December 31, 2017)

(Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales								
(1) Sales to external customers	238,624	86,684	86,370	131,145	82,030	624,853	—	624,853
(2) Intersegment sales	154,809	6,497	1,652	65,882	22,277	251,117	(251,117)	—
Total	393,433	93,181	88,022	197,027	104,307	875,970	(251,117)	624,853
Operating expenses	354,032	92,070	83,471	177,714	96,830	804,117	(243,629)	560,488
Segment profit (loss)	39,401	1,111	4,551	19,313	7,477	71,853	(7,488)	64,365

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

Nine months ended December 31, 2016 (April 1, 2016 – December 31, 2016)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	83,695	78,802	109,671	66,604	338,772
II Consolidated net sales					568,687
III Overseas sales as a percentage of consolidated net sales (%)	14.7	13.9	19.3	11.7	59.6

Nine months ended December 31, 2017 (April 1, 2017 – December 31, 2017)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	88,232	90,398	132,946	82,808	394,384
II Consolidated net sales					624,853
III Overseas sales as a percentage of consolidated net sales (%)	14.1	14.5	21.3	13.2	63.1

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

3. Supplementary Information

(1) Summary of Consolidated Financial Results (U.S. GAAP)

(Millions of yen, %)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year-on- year change	Year ended March 31, 2017	Year ending March 31, 2018 (projected)	Year-on- year change
Net sales	568,687	624,853	+9.9%	794,201	850,000	+7.0%
Operating income	45,815	64,365	+40.5%	67,566	85,000	+25.8%
[% of net sales]	[8.1%]	[10.3%]	[+2.2%pt]	[8.5%]	[10.0%]	[+1.5%pt]
Income before income taxes	44,075	62,510	+41.8%	65,492	79,500	+21.4%
[% of net sales]	[7.8%]	[10.0%]	[+2.2%pt]	[8.2%]	[9.4%]	[+1.2%pt]
Net income attributable to shareholders	30,616	46,673	+52.4%	45,987	59,000	+28.3%
Net income per share attributable to shareholders (basic) (¥)	143.19	218.94	+75.75	215.09	277.00	+61.91
Net income per share attributable to shareholders (diluted) (¥)	143.19	—	—	215.09		
Total assets	687,540	742,676	+8.0%	697,701		
Shareholders' equity	465,877	521,036	+11.8%	469,029		
[Shareholders' equity ratio (%)]	[67.8%]	[70.2%]	[+2.4%pt]	[67.2%]		
Shareholders' equity per share (¥)	2,178.96	2,453.37	+274.41	2,193.72		
Net cash provided by operating activities	44,536	46,307	+1,771	77,875		
Net cash used in investing activities	(8,235)	(44,459)	-36,224	(15,041)		
Net cash used in financing activities	(15,174)	(22,717)	-7,543	(15,012)		
Cash and cash equivalents at end of period	100,792	106,660	+5,868	126,026		

Note: The number of consolidated subsidiaries is 168, and the number of companies accounted for by the equity method is 17.

(2) Consolidated Net Sales by Business Segment

(Billions of yen)

		Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year-on-year change (%)
IAB	Japan	96.6	112.7	+16.7%
	Overseas	143.4	179.4	+25.1%
	Total	240.0	292.1	+21.7%
EMC	Japan	16.6	18.2	+9.8%
	Overseas	52.3	59.5	+13.8%
	Total	68.9	77.7	+12.8%
AEC	Japan	13.8	12.6	-8.7%
	Overseas	83.1	85.0	+2.2%
	Total	96.9	97.6	+0.7%
SSB	Japan	30.6	30.6	-0.4%
	Overseas	0.3	0.4	+73.4%
	Total	30.9	31.0	+0.2%
HCB	Japan	22.7	19.7	-12.9%
	Overseas	53.3	62.3	+16.8%
	Total	76.0	82.0	+8.0%
Other	Japan	45.9	33.8	-26.3%
	Overseas	6.4	7.8	+22.5%
	Total	52.3	41.6	-20.3%
Eliminations & Corporate	Japan	3.8	2.9	-23.7%
	Overseas	0.0	0.0	—
	Total	3.8	2.9	-23.7%
Total	Japan	229.9	230.5	+0.2%
	Overseas	338.8	394.4	+16.4%
	[% of total]	[+59.6%]	[+63.1%]	[+3.5%pt]
	Total	568.7	624.9	+9.9%

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

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

(Billions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year-on-year change (%)
IAB	37.1	55.2	+49.0%
EMC	7.1	10.8	+51.5%
AEC	4.9	4.3	-12.4%
SSB	(3.5)	(3.3)	—
HCB	7.6	10.2	+34.3%
Other	(1.3)	(1.1)	—
Eliminations & Corporate	(6.0)	(11.7)	—
Total	45.8	64.4	+40.5%

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

(4) Average Currency Exchange Rate

(One unit of currency, in yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year-on-year change
USD	106.9	111.7	+4.8
EUR	118.7	127.9	+9.2

(5) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

	Year ended March 31, 2017	Year ending March 31, 2018 (est.)	Year-on-year change (%)
IAB	331.0	393.0	+18.7%
EMC	93.9	99.5	+5.9%
AEC	132.1	129.5	-1.9%
SSB	61.9	63.5	+2.6%
HCB	101.3	108.5	+7.1%
Other	68.5	52.0	-24.1%
Eliminations & Corporate	5.5	4.0	-28.0%
Total	794.2	850.0	+7.0%

Notes: 1. OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.
2. OMRON has revised consolidated segment sales and operating income forecasts. For more information, see P18. 3. Supplementary Information (8) Projected Consolidated Net Sales by Business Segment (vs. Prior Forecast).

(6) Projected Consolidated Operating Income (Loss) by Business Segment

(Billions of yen)

	Year ended March 31, 2017	Year ending March 31, 2018 (est.)	Year-on-year change (%)
IAB	52.0	73.0	+40.4%
EMC	9.4	12.0	+27.3%
AEC	7.1	6.0	-15.8%
SSB	3.7	4.0	+8.5%
HCB	8.5	10.5	+23.0%
Other	(1.8)	(2.5)	—
Eliminations & Corporate	(11.3)	(18.0)	—
Total	67.6	85.0	+25.8%

Notes: 1. OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.
2. OMRON has revised consolidated segment sales and operating income forecasts. For more information, see P18. 3. Supplementary Information (9) Projected Consolidated Operating Income (Loss) by Business Segment (vs. Prior Forecast).

(7) Projected Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2017	Year ending March 31, 2018 (est.)	Year-on-year change
USD	108.9	111.3	+2.4
EUR	119.4	127.9	+8.5

Note: The assumed exchange rates used in the performance forecasts for the fourth quarter are USD 1 = JPY 110 and EUR 1 = JPY 128, which remain as published on October 31, 2017.

(8) Projected Consolidated Net Sales by Business Segment (vs. Prior Forecast)

(Billions of yen)

	Prior forecast	Year ending March 31, 2018 (est.)	Change
IAB	388.0	393.0	5.0
EMC	99.5	99.5	—
AEC	129.5	129.5	—
SSB	63.5	63.5	—
HCB	108.5	108.5	—
Other	57.0	52.0	-5.0
Eliminations & Corporate	4.0	4.0	—
Total	850.0	850.0	—

Note: Prior forecast is the consolidated financial performance forecast for the fiscal year ending March 2018 as published on October 31, 2017.

(9) Projected Consolidated Operating Income (Loss) by Business Segment (vs. Prior Forecast)

(Billions of yen)

	Prior forecast	Year ending March 31, 2018 (est.)	Change
IAB	71.5	73.0	1.5
EMC	12.0	12.0	—
AEC	6.5	6.0	-0.5
SSB	4.0	4.0	—
HCB	10.5	10.5	—
Other	(1.5)	(2.5)	-1.0
Eliminations & Corporate	(18.0)	(18.0)	—
Total	85.0	85.0	—

Note: Prior forecast is the consolidated financial performance forecast for the fiscal year ending March 2018 as published on October 31, 2017.