

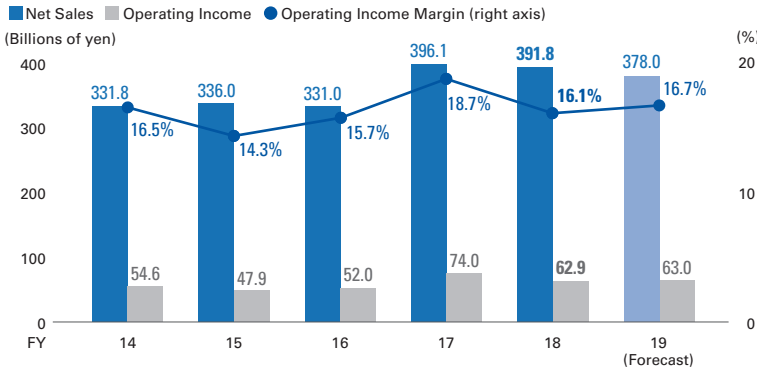
Financial Section (U.S. GAAP)

At a Glance

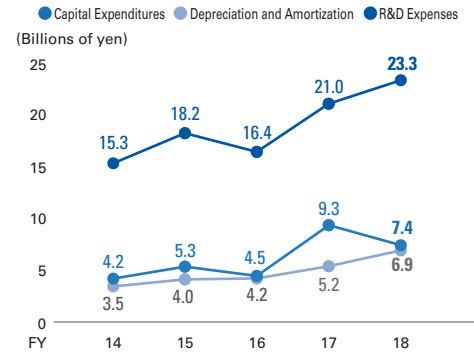


Industrial Automation Business (IAB)

Net Sales / Operating Income / Operating Income Margin

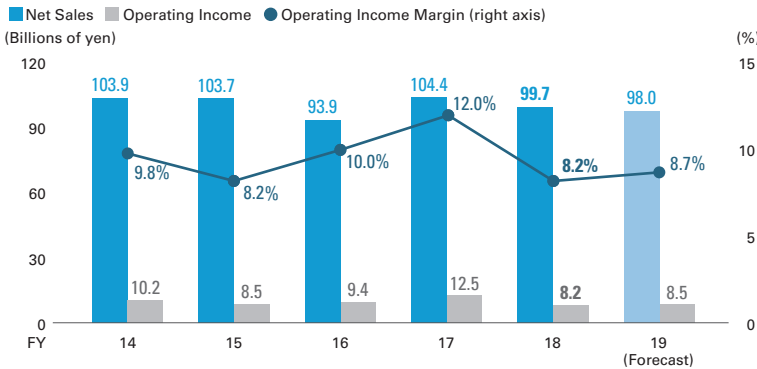


Capital Expenditures / Depreciation and Amortization / R&D Expenses

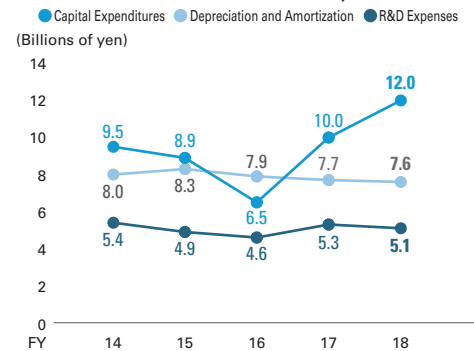


Electronic and Mechanical Components Business (EMC)

Net Sales / Operating Income / Operating Income Margin

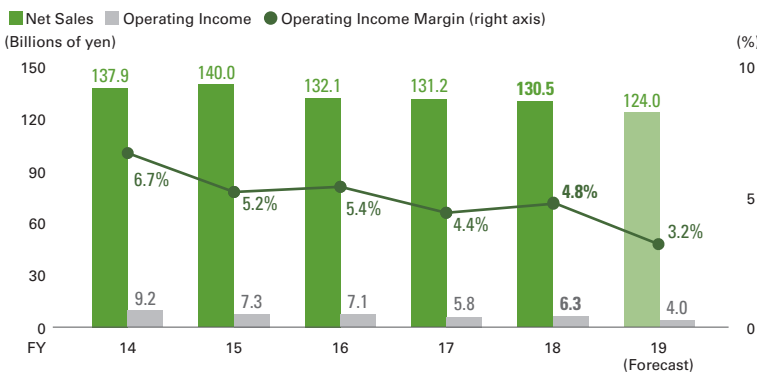


Capital Expenditures / Depreciation and Amortization / R&D Expenses

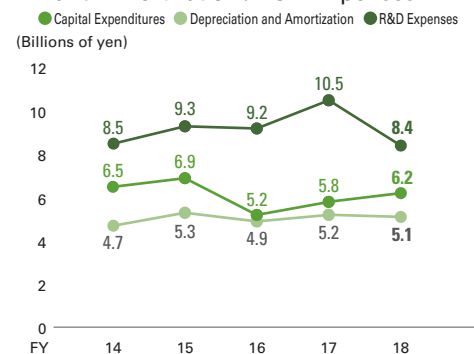


Automotive Electronic Components Business (AEC)

Net Sales / Operating Income / Operating Income Margin



Capital Expenditures / Depreciation and Amortization / R&D Expenses



Financial Section Contents

For more information, please refer to the Company's audited annual financial report:
<https://www.omron.com/about/annual/index.html>

95 | **Financial Results** Fiscal 2018 in Review
 100 | **Financial Results** Outlook for Fiscal 2019

*We revised business classifications, reclassifying certain operations under Other Businesses to the EMC and other segments beginning with the 2018 fiscal year. Accordingly, we reclassified results for fiscal 2017 under this new categorization for presentation herein.

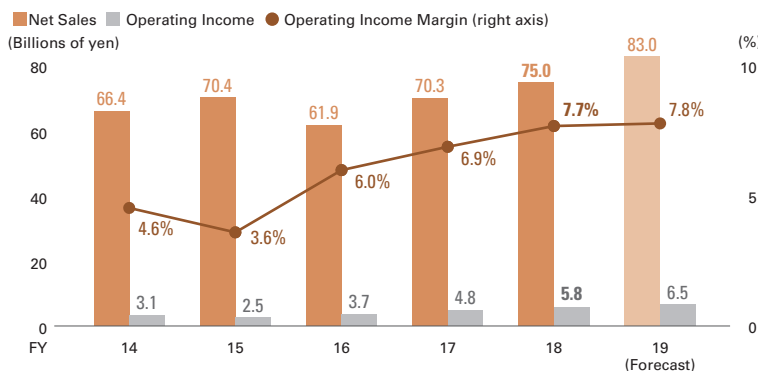
*We revised business classifications in October 2018, reclassifying certain operations under the Other Businesses segment to the SSB segment. Accordingly, we reclassified consolidated results for the fiscal year ended March 2017 and for the first six months of the fiscal year ended March 2018 under this new categorization for presentation herein.

*Fiscal 2019 forecasts are as published on April 24, 2019.

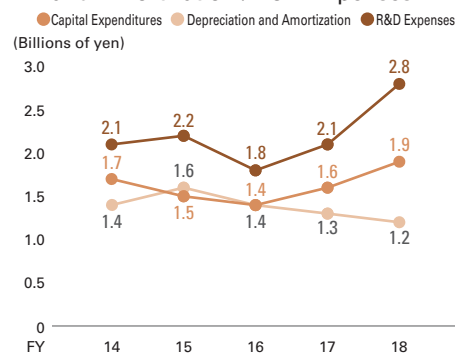


Social Systems, Solutions and Service Business (SSB)

Net Sales / Operating Income / Operating Income Margin

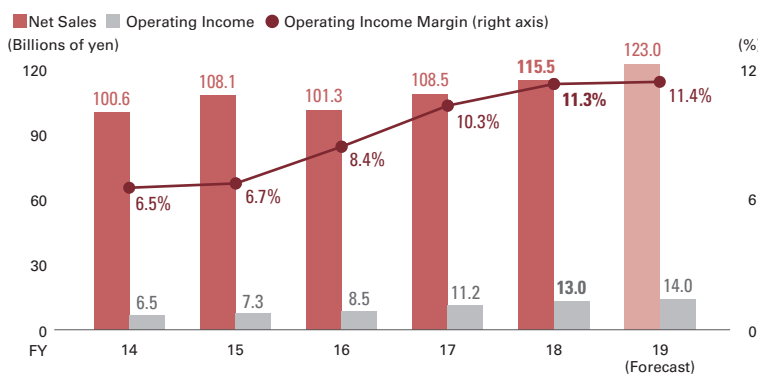


Capital Expenditures / Depreciation and Amortization / R&D Expenses

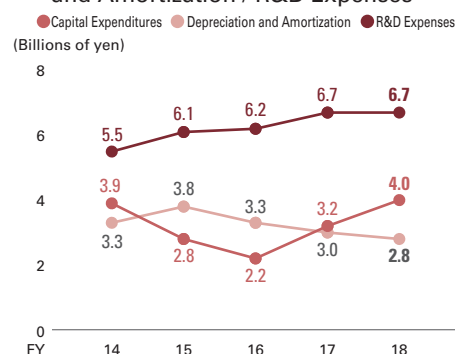


Healthcare Business (HCB)

Net Sales / Operating Income / Operating Income Margin

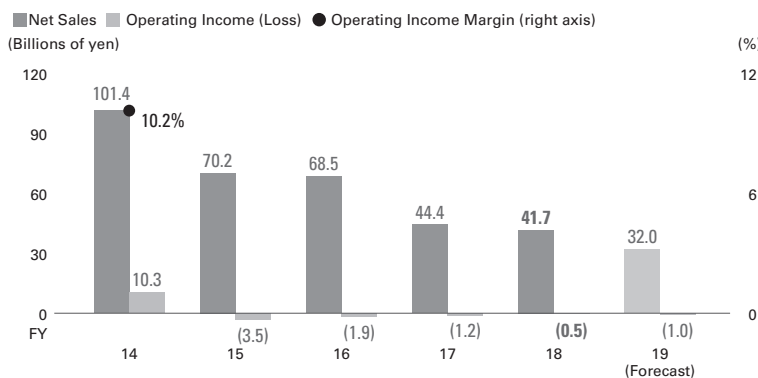


Capital Expenditures / Depreciation and Amortization / R&D Expenses

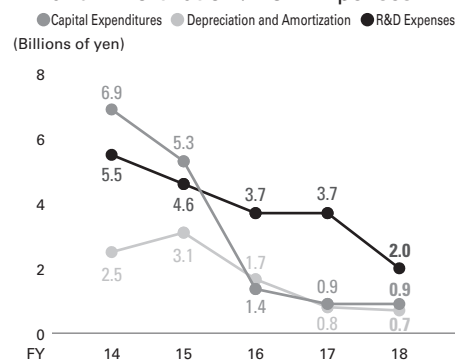


Other Businesses

Net Sales / Operating Income (Loss) / Operating Income Margin



Capital Expenditures / Depreciation and Amortization / R&D Expenses



Financial Results

Fiscal 2018 in Review

Consolidated Earnings

Fiscal 2018 was our second year operating under the OMRON VG2.0 medium-term management plan, defined by the basic policy of *Creating Change: Accelerate growth and transform profit structure through innovation*. During the year, we increased investment towards corporate growth driven by the focus domains of the Industrial Automation Business and the Healthcare Business. We also worked to create innovation driven by social needs. In the second half of the fiscal year, revenues in the Industrial Automation Business, Electronic and Mechanical Components Business, and Automotive Electronic Components Business declined as a result of trade friction between the United States and China. However, the Healthcare Business and Social Systems, Solutions and Service Business achieved steady growth.

Consolidated Statements of Income

Net Sales

OMRON Group net sales for fiscal 2018 amounted to ¥859.5 billion, down 0.1% from the prior year. Demand for smartphones and semiconductor-related products slowed, while the global downturn in the manufacturing industry over the second half of the fiscal year led to

weaker performance in the Industrial Automation Business and the Electronic and Mechanical Components Business. However, growth in the Healthcare Business and the Social Systems, Solutions and Service Business compensated for weakness in other areas.

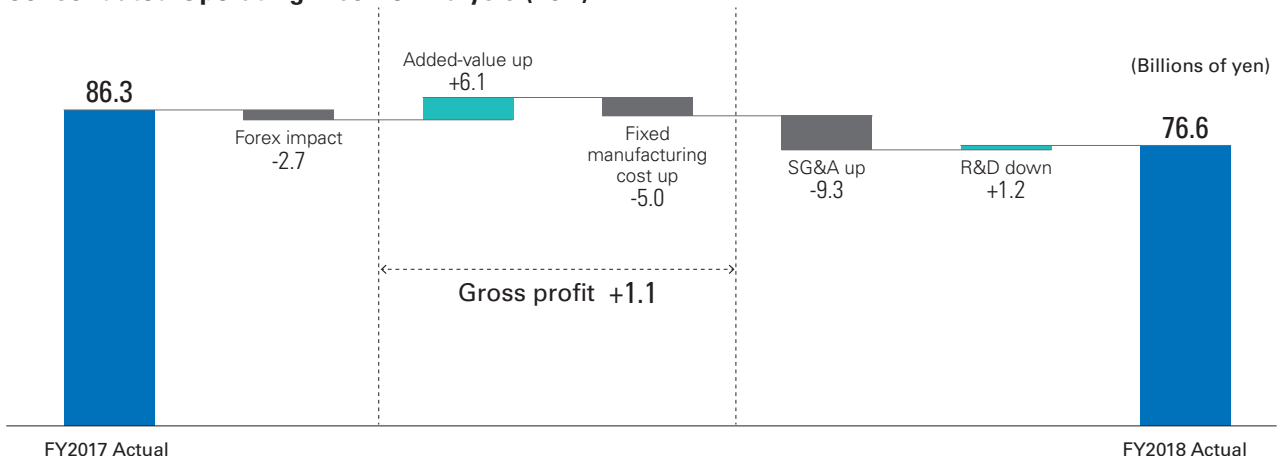
Gross Profit Margin, SG&A Expenses, and R&D Expenses

Gross profit margin for fiscal 2018 was 41.2%, down 0.4 points. Selling, general and administrative expenses were up ¥7.2 billion to ¥219.7 billion, mainly due to completion of the growth investment planned at the beginning of the fiscal year. Research and development expenses fell ¥1.3 billion year on year to ¥57.8 billion, mainly due to detailed selection in research and development projects.

Operating Income, Income before Income Taxes and Equity in Earnings of Affiliates, and Net Income Attributable to OMRON Shareholders

OMRON Group operating income for the year was ¥76.6 billion (11.2% decrease), while our operating income margin was 8.9% (1.1-point decrease). Income before income taxes (excluding other income) amounted to ¥75.4 billion (9.5% decrease), while net income attributable to OMRON shareholders came in at ¥54.3 billion for the year (14.0% decrease).

Consolidated Operating Income Analysis (YoY)



Review of Operations by Business Segment



Industrial Automation Business (IAB)

We engaged in sales activities to automobile and food industries that leveraged our extensive product line-up and ability to offer solutions. These activities responded to increased needs for capital investment and labor

savings in line with advanced technology and local production for local consumption. Our sales efforts yielded results driving increased sales to this market. In contrast, sales to the digital industry were lower due to

slower demand for capital investment related to smartphones and semiconductors, as well as the global downturn in the manufacturing industry over the second half of the fiscal year. These results offset each other, leading to segment net sales of ¥391.8 billion, down 1.1% year on year. We did, however, complete growth-related investments in line with our original plan, building a foundation of technologies, products, infrastructure, and other assets upon which we will accelerate into the future. Specifically, we expanded the number of Automation Centers that carry out

application development in cooperation with customer manufacturing locations. We now have 35 centers in operation worldwide, 27 more locations than in 2016. At the same time, we made a 20% increase (compared to fiscal 2016) in the number of sales engineers who provide support for application installations at customer manufacturing locations. In our production centers, we enhanced our production capacity necessary for future growth. Continued investments in growth focused on the medium to long term, resulting in a significant 15% decline in operating income, down to ¥62.9 billion.

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Net sales	331.8	336.0	331.0	396.1	391.8	378.0
Japan	126.7	130.5	133.5	152.0	154.7	150.5
Americas	47.6	40.4	30.3	35.3	35.0	32.0
Europe	67.8	69.3	65.6	77.7	79.9	75.0
Greater China	55.0	58.3	59.6	77.7	78.2	75.0
Asia Pacific	34.1	36.9	41.3	53.1	43.8	45.0
Direct exports	0.7	0.6	0.6	0.4	0.3	0.5
Operating income	54.6	47.9	52.0	74.0	62.9	63.0
Operating income margin	16.5%	14.3%	15.7%	18.7%	16.1%	16.7%
R&D expenses	15.3	18.2	16.4	21.0	23.3	—
Depreciation and amortization	3.5	4.0	4.2	5.2	6.9	—
Capital expenditures	4.2	5.3	4.5	9.3	7.4	—



Electronic and Mechanical Components Business (EMC)

Demand in the consumer and commercial products industry was strong, driven by a favorable business environment in the Americas and Europe, as we accurately identified customer needs. Buying sentiment slowed in automotive-related industries in China. At the same time, demand in the amusement industry continued to contract. As a result, segment net sales amounted to ¥99.7 billion, a 4.5% decrease year on year. Profits were affected negatively by lower net sales to external customers and OMRON Group businesses.

We continued with investment in improving productivity aimed at optimizing fixed manufacturing costs to accelerate automation in manufacturing processes, reduce costs, and deliver high-value products to our customers. These measures included investing in production locations and consolidating production lines. As a result of these measures, segment operating income decreased to ¥8.2 billion, 34.5% lower year on year.

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Net sales	103.9	103.7	93.9	104.4	99.7	98.0
Japan	23.9	23.2	22.5	24.3	21.6	21.5
Americas	18.1	19.9	16.3	17.5	17.9	17.0
Europe	15.9	16.1	14.8	16.9	17.7	17.5
Greater China	35.0	33.6	29.0	31.0	30.4	30.0
Asia Pacific	10.1	10.4	11.3	14.5	11.9	12.0
Direct exports	0.9	0.5	0.1	0.1	0.1	0.0
Operating income	10.2	8.5	9.4	12.5	8.2	8.5
Operating income margin	9.8%	8.2%	10.0%	12.0%	8.2%	8.7%
R&D expenses	5.4	4.9	4.6	5.3	5.1	—
Depreciation and amortization	8.0	8.3	7.9	7.7	7.6	—
Capital expenditures	9.5	8.9	6.5	10.0	12.0	—

*We revised business classifications, reclassifying certain operations under Other Businesses to the EMC and other segments beginning with the 2018 fiscal year. Accordingly, we reclassified results for fiscal 2017 under this new categorization for presentation herein.



Automotive Electronic Components Business (AEC)

Model changes in vehicles carrying OMRON products resulted in weak demand in the Americas, Europe, and China. On the other hand, demand in Asia was strong, supported by increasing automobile production and rising needs for motorcycle-related products. As a

result, net sales in the segment amounted to ¥130.5 billion (0.5% decrease) for the year. The segment recorded an increase in operating income to ¥6.3 billion (8.7% increase) due to improved productivity.

	(Billions of yen)					
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Net sales	137.9	140.0	132.1	131.2	130.5	124.0
Japan	25.9	21.1	19.0	17.3	18.2	18.5
Americas	39.3	47.6	43.9	41.9	38.5	38.5
Europe	3.6	4.6	3.9	2.8	2.1	1.5
Greater China	29.9	27.4	28.0	28.6	23.5	20.5
Asia Pacific	32.2	31.9	30.1	33.3	42.0	39.5
Direct exports	7.1	7.3	7.2	7.3	6.2	5.5
Operating income	9.2	7.3	7.1	5.8	6.3	4.0
Operating income margin	6.7%	5.2%	5.4%	4.4%	4.8%	3.2%
R&D expenses	8.5	9.3	9.2	10.5	8.4	—
Depreciation and amortization	4.7	5.3	4.9	5.2	5.1	—
Capital expenditures	6.5	6.9	5.2	5.8	6.2	—



Social Systems, Solutions and Service Business (SSB)

The SSB segment experienced strong demand for upgrades in our Public Transportation Business and our Traffic and Road Management Systems Business. In response, we proposed solutions tailored to the needs of our clients. As a result, the segment recorded ¥75.0

billion in net sales, an increase of 6.7% year on year. Operating income increased to ¥5.8 billion (19.5% increase), mainly due to higher net sales and improved productivity.

	(Billions of yen)					
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Net sales	66.4	70.4	61.9	70.3	75.0	83.0
Japan	65.1	68.6	61.3	69.4	73.8	81.5
Americas	0.0	0.0	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0	0.0	0.0
Greater China	0.3	0.6	0.3	0.3	0.4	0.5
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0
Direct exports	1.1	1.2	0.3	0.6	0.8	1.0
Operating income	3.1	2.5	3.7	4.8	5.8	6.5
Operating income margin	4.6%	3.6%	6.0%	6.9%	7.7%	7.8%
R&D expenses	2.1	2.2	1.8	2.1	2.8	—
Depreciation and amortization	1.4	1.6	1.4	1.3	1.2	—
Capital expenditures	1.7	1.5	1.4	1.6	1.9	—

*We revised business classifications in October 2018, reclassifying certain operations under the Other Businesses segment to the SSB segment. Accordingly, we reclassified consolidated results for the fiscal year ended March 2017 and for the first six months of the fiscal year ended March 2018 under this new categorization for presentation herein.



Healthcare Business (HCB)

Blood pressure monitors market has shown firm demand globally. The HCB segment stepped up promotions through online channels mainly in China, Japan, and the Americas. We also purchased 3A Health Care in Italy, which develops and manufactures nebulizers. As a result, the segment recorded steady

growth, reaching ¥115.5 billion in net sales (6.5% increase year on year). Although the segment incurred higher R&D expenses for future growth, segment profit grew to ¥13.0 billion (16.3% increase year on year), mainly due to higher sales and productivity improvements.

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Net sales	100.6	108.1	101.3	108.5	115.5	123.0
Japan	31.4	31.1	28.9	26.0	26.9	28.5
Americas	18.6	23.1	21.7	23.8	23.6	24.5
Europe	21.2	19.2	18.3	21.0	22.7	23.0
Greater China	22.4	25.4	23.1	26.8	31.0	34.5
Asia Pacific	6.6	8.9	9.0	10.3	10.7	12.0
Direct exports	0.5	0.5	0.3	0.6	0.6	0.5
Operating income	6.5	7.3	8.5	11.2	13.0	14.0
Operating income margin	6.5%	6.7%	8.4%	10.3%	11.3%	11.4%
R&D expenses	5.5	6.1	6.2	6.7	6.7	—
Depreciation and amortization	3.3	3.8	3.3	3.0	2.8	—
Capital expenditures	3.9	2.8	2.2	3.2	4.0	—



Other Businesses

The Environmental Solutions Business reported strong performance for the year, experiencing growing demand for storage battery systems. Our Backlights Business saw weak sales due to further business optimization initiatives. As a result, the businesses segment as a whole recorded ¥41.7 billion in net sales,

a decrease of 5.9% year on year. The segment reported operating loss of ¥0.5 billion, a 0.7 billion improvement compared to the previous fiscal year. This result was mainly due to higher Environmental Solutions Business sales together with optimization of fixed expenses in our Backlights Business.

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Net sales	101.4	70.2	68.5	44.4	41.7	32.0
Japan	59.8	51.2	60.2	35.5	35.5	30.5
Americas	0.0	0.0	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0	0.0	0.0
Greater China	38.2	17.1	7.3	8.5	6.1	1.5
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0
Direct exports	3.4	1.9	1.0	0.4	0.1	0.0
Operating income	10.3	(3.5)	(1.9)	(1.2)	(0.5)	(1.0)
Operating income margin	10.2%	—	—	—	—	—
R&D expenses	5.5	4.6	3.7	3.7	2.0	—
Depreciation and amortization	2.5	3.1	1.7	0.8	0.7	—
Capital expenditures	6.9	5.3	1.4	0.9	0.9	—

*We revised business classifications, reclassifying certain operations under Other Businesses to the EMC and other segments beginning with the 2018 fiscal year. Accordingly, we reclassified results for fiscal 2017 under this new categorization for presentation herein.

*We revised business classifications in October 2018, reclassifying certain operations under the Other Businesses segment to the SSB segment. Accordingly, we reclassified consolidated results for the fiscal year ended March 2017 and for the first six months of the fiscal year ended March 2018 under this new categorization for presentation herein.

Review of Financial Condition

Total assets at the end of fiscal 2018 amounted to ¥749.9 billion, an increase of ¥4.9 billion compared to the end of the prior fiscal year. This increase stems mainly from an increase over the previous fiscal year in property, plant, and equipment.

Total liabilities increased ¥6.0 billion to ¥243.6 billion. Current liabilities decreased ¥11.3 billion to ¥171.5 billion from the previous fiscal year, mainly due to decreases in notes and accounts payable—trade and accrued expenses. However, termination and retirement benefits increased ¥16.0 billion year on year to ¥58.3 billion.

Total net assets decreased ¥1.1 billion compared to the end of the prior fiscal year to ¥506.3 billion. This result was due to share buybacks and other factors in excess of net income attributable to OMRON shareholders for the fiscal year. Our shareholders' equity ratio was 67.2 percent, down 0.7 points compared to 67.9 percent at the end of the prior fiscal year. Despite this result, the company has maintained a firm financial foundation capable of handling aggressive investments and changes in market conditions.

Capital Expenditures

The OMRON Group made ¥41.9 billion in total capital investments during fiscal 2018, representing a 7.7% increase compared to the prior fiscal year. While ensuring careful deliberation on investments, the Group conducted active capital investment targeting future growth.

Cash Flows

Net cash provided by operating activities for the fiscal year amounted to ¥71.2 billion (a decrease in cash provided of ¥2.4 billion compared to the prior fiscal year). This result was mainly due to the recording of net income and amortization and depreciation, which more than offset decreases in notes and accounts payable—trade and accrued expenses. Net cash used in investing activities was ¥35.0 billion, representing a decrease in net cash used of ¥20.9 billion compared to the prior fiscal year. This result was mainly due to capital expenditures for investments in production capacity increases and future growth. Free cash flows (cash provided by operating activities less cash used in investing activities) amounted to ¥36.3 billion, an increase of ¥18.5 billion compared to the prior fiscal year. Net cash used in financing activities was ¥40.8 billion, which was an increase in net cash used of ¥7.7 billion compared to the prior fiscal year. This result was mainly due to dividends paid and stock buybacks. As a

result, the balance of cash and cash equivalents at March 31, 2019, amounted to ¥110.3 billion, a decrease of ¥2.8 billion compared to the end of the prior consolidated fiscal year.

Dividend Policy

Our policy for profit distribution is to aim for sustainable corporate value growth, and thus OMRON prioritizes investment necessary for future business expansion. These investments include research and development, capital investments, mergers and acquisitions, and other investments for future growth. Having secured internal reserves, the company makes decisions regarding ongoing profit distribution to shareholders in consideration of capital efficiency.

The company has established a guideline of approximately 30% in payout ratio and approximately 3% of DOE for profit distributions for fiscal years 2017 through 2020 covered by our medium-term management plan. Our full-year dividend for fiscal 2018 was ¥84 per share. As a result, our dividend payout ratio was 32.2%, a 6.6-point increase year on year. Our dividend on equity ratio was 3.5%, a 0.2-point increase compared to the prior fiscal year.

Outlook for Fiscal 2019

Consolidated Earnings

In fiscal 2019, the OMRON Group intends to secure a platform to *soundly establish a self-driven growth structure in times of adversity*. The subtitle for this policy is - *Strengthen earning capacity, growing capability, and responsiveness to change* -. The global economy in fiscal 2018 saw increased instability and uncertainties in the business environment. We expect continued challenges in the markets addressed by our Industrial Automation Business, Electronic and Mechanical Components Business, and Automotive Electronic Components Business. On the other hand, we see this headwind as an opportunity for the establishment of a self-driven growth structure in the OMRON Group.

First, we intend to increase our earning power. We plan to reach higher levels of profits for the OMRON Group through consistent improvements in gross profit margins and more efficient use of SG&A expenses. We will be selective in allocating the resources generated by these initiatives to create sustainable growth. We are also working to maximize the benefits gained from restructuring our production platform in the Electronic and Mechanical Components Business.

Second, we intend to take full advantage of the technologies, products, infrastructure, and other assets we developed through two years of VG2.0 activities to date (FY2017 to FY2018), moving forward in enhancing our growth power. The OMRON Industrial Automation Business focuses on utilization of the OMRON Group Automation Centers around the world and the training of sales engineers. This will allow us to be more effective in proposals by which we solve customer issues. Our Healthcare Business has spent the past two years in developing a global sales network for the growing online shopping markets in America, the major countries of Europe, China, Japan, and other regions. In fiscal 2019, we plan to strengthen the promotional sales policies within this sales network further to provide our products to as many consumers as possible around the world.

Last, The OMRON Group has a system to monitor market trends and changes in customers through our business units. By having headquarters collect and analyze changes in each business unit, we keep an eye on changes and focus the ability of the OMRON Group to respond to change.

Taking into account the risks of variability in the uncertain macro-economic climate, our fiscal 2019 plan calls for net sales of ¥830.0 billion (3.4% decrease versus fiscal 2018), operating income of ¥65.0 billion (15.2% decrease), and net income attributable to OMRON shareholders of ¥42.5 billion (21.8% decrease). We plan to raise gross profit margin, an indicator of our earnings ability, to 42.0% (0.8-point increase year on year), a significant improvement over

the previous fiscal year. We are also aiming for 8% or higher in the important ROIC and ROE indicators. This earnings plan includes fiscal year projections for the Automotive Electronics Components Business (AEC). We announced the signing of a stock transfer agreement for the AEC to the Nidec Corporation Group on April 16, 2019. To build long-term competitive advantage, the OMRON Group concentrates management resources in specific business domains. Our decision to divest the Automotive Electronic Components Business, which we have cultivated over nearly 40 years, reflects our future-oriented competitive and growth strategies. We plan to use the cash acquired from this sale for investments for further growth.



Industrial Automation Business (IAB)

We project continued firm demand for capital investment related to autonomous driving and eco-friendly cars in the automobile industry. We also expect ongoing investments related to labor savings and IoT in this sector, and will continue to propose optimal solutions to our customers in response to this demand. Meanwhile, we expect this environment will continue to be as uncertain as it is challenging. The digital industry in particular is likely to experience weakness in demand for capital investment. This uncertainty in the markets and the impact of foreign exchange lead us to forecast segment net sales of ¥378.0 billion for fiscal 2019, a 3.5% decrease compared to fiscal 2018. Improved gross profit margin, efficient use of fixed costs, and other efforts should result in OMRON Group operating income of ¥63.0 billion (0.2% increase).



Electronic and Mechanical Components Business (EMC)

Given the ongoing sluggish demand for consumer and commercial products due to uncertainties in the market environment, we expect to introduce new products and field new business inquiries in growth sectors. Sales to the automotive-related industries should be level compared to the prior fiscal year as the global market experiences gradual growth and China continues to experience weakness in the automotive and related industries. As a result of these factors and the impact of foreign exchange, we forecast net sales for fiscal 2019 to be ¥98.0 billion, a 1.7% decrease compared to fiscal 2018 results. As a result of ongoing investment for future growth and continuing measures to ensure productivity improvements, we forecast an increase in operating income to ¥8.5 billion (4.1% increase year on year) for fiscal 2019.



Automotive Electronic Components Business (AEC)

While we expect overall strength in automobile sales in Japan, the Americas, and Asia, we anticipate a slowdown in demand in the Chinese market as a result of trade friction with the United States. Further, we expect the impact of model changes in vehicles using OMRON products in Asia will likely result in decreased demand. Combined with the impact of foreign exchange, we forecast net sales for fiscal 2019 to be ¥124.0 billion (5.0% decrease from fiscal 2018 results). As a consequence of lower net sales, we anticipate a sharp decrease to ¥4.0 billion in operating income (down 36.7%).

Note: OMRON plans to transfer the Automotive Electronics Components Business (AEC) to the Nidec Corporation Group.



Social Systems, Solutions and Service Business (SSB)

We expect to see firm demand for upgrades and new safety features in our Public Transportation Business and our Traffic and Road Management Systems Business. At the same time, we project increased demand for payment settlement devices in response to rising needs for cashless payments. Accordingly, we forecast significantly higher net sales for fiscal 2019 at ¥83.0 billion (10.6% increase over fiscal 2018) and operating income of ¥6.5 billion (12.8% increase).



Healthcare Business (HCB)

We project strong ongoing demand for secondary prevention products related to lifestyle diseases stemming from increasingly aging societies and lifestyle changes globally. Additionally, by engaging in promotional activities in our sales network, particularly online shopping markets in America, the major countries of Europe, China, Japan, and other regions, we forecast net sales of ¥123.0 billion (up 6.5% from fiscal 2018) and operating income of ¥14.0 billion (7.4% increase), providing growth in both revenue and profit for fiscal 2019.



Other Businesses

We forecast higher demand in our Environmental Solutions Business, driven by growth in the market for home-use storage battery systems. At the same time, we will continue to optimize our Backlights Business. As a result, we forecast fiscal 2019 segment net sales to be ¥32.0 billion, a 23.3% decrease compared to fiscal 2018 results. As a result of lower sales in our Backlights Business, we project operating losses of ¥1.0 billion, compared to fiscal 2018 operating losses of ¥0.5 billion.

Consolidated Balance Sheets

OMRON Corporation and Subsidiaries
March 31, 2018 and 2019

(Millions of yen)			(Millions of yen)		
ASSETS	FY2017	FY2018	LIABILITIES AND SHAREHOLDERS' EQUITY	FY2017	FY2018
Current Assets:			Current Liabilities:		
Cash and cash equivalents	¥ 113,023	¥ 110,250	Notes and accounts payable - trade	¥ 93,792	¥ 89,235
Notes and accounts receivable - trade	174,065	171,196	Accrued expenses	44,291	41,549
Allowance for doubtful receivables	(1,117)	(945)	Income taxes payable	6,414	3,511
Inventories	129,581	130,083	Other current liabilities	38,281	37,177
Other current assets	21,833	18,081	Total Current Liabilities	182,778	171,472
Total Current Assets	437,385	428,665			
Property, Plant and Equipment:			Deferred Income Taxes	706	1,338
Land	24,886	24,675	Termination and Retirement Benefits	42,342	58,332
Buildings	145,389	136,439	Other Long-Term Liabilities	11,740	12,425
Machinery and equipment	205,233	207,991	Total Liabilities	237,566	243,567
Construction in progress	10,063	15,822			
Total	385,571	384,927	Shareholders' Equity:		
Accumulated depreciation	(250,468)	(242,215)	Capital	64,100	64,100
Net Property, Plant and Equipment	135,103	142,712	Common stock		
			Authorized: 487,000,000 shares in FY2018		
			487,000,000 shares in FY2017		
			Issued: 213,958,172 shares in FY2018		
			213,958,172 shares in FY2017		
Investments and Other Assets:			Capital surplus	99,588	100,233
Goodwill	38,705	40,532	Legal reserve	19,940	21,826
Investments in and advances to affiliates	27,195	26,023	Retained earnings	390,950	433,639
Investment securities	29,016	29,003	Accumulated other comprehensive income (loss)	(49,359)	(70,200)
Leasehold deposits	7,531	7,730	Treasury stock	(19,689)	(45,386)
Deferred income taxes	39,947	43,695	8,596,608 shares in FY2018		
Other assets	30,070	31,518	3,352,916 shares in FY2017		
Total Investments and Other Assets	172,464	178,501	Total Shareholders' Equity	505,530	504,212
			Noncontrolling Interests	1,856	2,099
			Total Net Assets	507,386	506,311
Total	¥ 744,952	¥ 749,878	Total	¥ 744,952	¥ 749,878

Consolidated Statements of Income

OMRON Corporation and Subsidiaries
Years ended March 31, 2017, 2018 and 2019

(Millions of yen)

	FY2016	FY2017	FY2018
Net Sales	¥ 794,201	¥ 859,982	¥ 859,482
Costs and Expenses:			
Cost of sales	482,040	502,170	505,389
Selling, general and administrative expenses	193,093	212,481	219,683
Research and development expenses	50,539	59,077	57,777
Other expenses, net	3,037	2,887	1,201
Total	728,709	776,615	784,050
Income before Income Taxes and Equity in Earnings of Affiliates	65,492	83,367	75,432
Income Taxes	19,882	21,615	18,863
Equity in Earnings of Affiliates	(712)	(1,754)	1,578
Net Income	46,322	63,506	54,991
Net Income Attributable to Noncontrolling Interests	335	347	668
Net Income Attributable to OMRON Shareholders	¥ 45,987	¥ 63,159	¥ 54,323

(Yen)

	FY2016	FY2017	FY2018
Per Share Data:			
Net income Attributable to OMRON Shareholders:			
Basic	¥ 215.09	¥ 296.85	¥ 260.78
Diluted	215.09	—	—

† Certain amounts in the consolidated statements of income for FY2016 and FY2017 have been reclassified.

Consolidated Statements of Comprehensive Income

OMRON Corporation and Subsidiaries
Years ended March 31, 2017, 2018 and 2019

(Millions of yen)

	FY2016	FY2017	FY2018
Net Income	¥ 46,322	¥ 63,506	¥ 54,991
Other Comprehensive Income (Loss), Net of Tax:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during the year	(9,003)	3,153	(4,419)
Reclassification adjustment for the portion realized in net income	(7)	—	(109)
Net unrealized gain (loss)	(9,010)	3,153	(4,528)
Pension liability adjustments:			
Pension liability adjustments arising during the year	4,908	451	(11,419)
Reclassification adjustment for the portion realized in net income	3,046	2,335	2,556
Net unrealized gain (loss)	7,954	2,786	(8,863)
Unrealized gains (losses) on available-for-sale securities:			
Unrealized holding gains (losses) arising during the year	1,164	3,695	—
Reclassification adjustment for the portion realized in net income	(7,283)	(2,034)	—
Net unrealized gain (loss)	(6,119)	1,661	—
Net gains (losses) on derivative instruments:			
Unrealized holding gains (losses) arising during the year	983	(514)	32
Reclassification adjustment for the portion realized in net income	(1,109)	920	(73)
Net unrealized gain (loss)	(126)	406	(41)
Other Comprehensive Income (Loss)	(7,301)	8,006	(13,432)
Comprehensive Income	39,021	71,512	41,559
Comprehensive Income Attributable to Noncontrolling Interests	193	349	651
Comprehensive Income Attributable to OMRON Shareholders	¥ 38,828	¥ 71,163	¥ 40,908

Consolidated Statements of Shareholders' Equity

OMRON Corporation and Subsidiaries
Years ended March 31, 2017, 2018 and 2019

(Millions of yen)

	Number of common shares issued	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Noncontrolling interests	Total net assets
Balance, March 31, 2016	213,958,172	¥ 64,100	¥ 99,101	¥ 15,194	¥ 317,171	¥ (50,204)	¥ (644)	¥ 444,718	¥ 2,316	¥ 447,034
Net income					45,987			45,987	335	46,322
Cash dividends paid to OMRON Corporation shareholders, ¥68 per share					(14,539)			(14,539)		(14,539)
Cash dividends paid to noncontrolling interests									(297)	(297)
Equity transactions with noncontrolling interests and other			14					14	(484)	(470)
Transfer to legal reserve				2,619	(2,619)					
Other comprehensive income (loss)						(7,159)		(7,159)	(142)	(7,301)
Acquisition of treasury stock							(16)	(16)		(16)
Sale of treasury stock					(0)		1	1		1
Issuance of stock acquisition rights			23					23		23
Balance, March 31, 2017	213,958,172	64,100	99,138	17,813	346,000	(57,363)	(659)	469,029	1,728	470,757
Net income					63,159			63,159	347	63,506
Cash dividends paid to OMRON Corporation shareholders, ¥76 per share					(16,083)			(16,083)		(16,083)
Cash dividends paid to noncontrolling interests									(215)	(215)
Equity transactions with noncontrolling interests and other			6		1			7	(6)	1
Stock-based payment			444					444		444
Transfer to legal reserve				2,127	(2,127)					
Other comprehensive income (loss)						8,004		8,004	2	8,006
Acquisition of treasury stock							(19,030)	(19,030)		(19,030)
Balance, March 31, 2018	213,958,172	64,100	¥99,588	19,940	390,950	(49,359)	(19,689)	505,530	1,856	507,386
Cumulative impact of the application of FASB Accounting Standards Update 2016-01 and 2018-03*					7,650	(7,426)		224		224
Balance, April 1, 2018 (reflecting application of FASB Accounting Standards Update 2016-01 and 2018-03)	213,958,172	64,100	99,588	19,940	398,600	(56,785)	(19,689)	505,754	1,856	507,610
Net income					54,323			54,323	668	54,991
Cash dividends paid to OMRON Corporation shareholders, ¥84 per share					(17,398)			(17,398)		(17,398)
Cash dividends paid to noncontrolling interests									(343)	(343)
Equity transactions with noncontrolling interests and other									(65)	(65)
Share-based compensation			645					645		645
Transfer to legal reserve				1,886	(1,886)					
Other comprehensive income (loss)						(13,415)		(13,415)	(17)	(13,432)
Acquisition of treasury stock							(25,697)	(25,697)		(25,697)
Balance, March 31, 2019	213,958,172	¥ 64,100	¥ 100,233	¥ 21,826	¥ 433,639	¥ (70,200)	¥ (45,386)	¥ 504,212	¥ 2,099	¥ 506,311

* Represents the impact of adopting the new accounting standard related to financial instruments.

Consolidated Statements of Cash Flows

OMRON Corporation and Subsidiaries
Years ended March 31, 2017, 2018 and 2019

(Millions of yen)

	FY2016	FY2017	FY2018
Operating Activities:			
Net income	¥46,322	¥63,506	¥54,991
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28,966	29,465	30,459
Net loss (gain) on sale and disposals of property, plant, and equipment	705	949	(1,098)
Impairment losses on long-lived assets	12,998	911	196
Net loss on sale of investment securities	—	—	563
Net gain on sale of investment securities	(3,764)	(3,003)	—
Impairment losses on investment securities	558	155	—
Gain on contribution of securities to retirement benefit trust	(7,004)	—	—
Termination and retirement benefits	2,863	2,706	3,818
Deferred income taxes	11	(2,607)	(383)
Equity in earnings of affiliates	(712)	(1,754)	1,578
Loss (gain) on sales of business	(3,686)	14	(407)
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable - trade	(8,923)	(3,210)	(534)
Decrease (increase) in inventories	(7,112)	(17,409)	(3,491)
Decrease (increase) in other assets	2,604	(6,113)	(294)
Increase (decrease) in notes and accounts payable - trade	8,384	4,116	(5,401)
Increase (decrease) in income taxes payable	852	(614)	(2,775)
Increase (decrease) in accrued expenses and other current liabilities	5,097	6,276	(6,851)
Other, net	(284)	285	874
Total adjustments	31,553	10,167	16,254
Net cash provided by operating activities	77,875	73,673	71,245
Investing Activities:			
Proceeds from sale or maturities of investment securities	4,606	3,776	465
Purchase of investment securities	(3,274)	(649)	(602)
Capital expenditures	(25,816)	(38,542)	(39,045)
Decrease in leasehold deposits, net	(145)	(634)	(193)
Proceeds from sale of property, plant, and equipment	2,278	990	3,475
Decrease (increase) in investment in and loans to affiliates	30	—	(498)
Proceeds from sale of business, net of cash paid	7,187	(427)	1,817
Acquisition of business, net of cash acquired	—	(20,445)	(830)
Other, net	93	89	454
Net cash used in investing activities	(15,041)	(55,842)	(34,957)
Financing Activities:			
Net borrowings (repayments) of short-term debt	155	951	2,109
Dividends paid by the Company	(14,539)	(15,378)	(16,776)
Dividends paid to noncontrolling interests	(297)	(215)	(343)
Payments for equity transactions with noncontrolling interests	(470)	—	—
Acquisition of treasury stock	(16)	(18,530)	(25,716)
Other, net	155	90	(57)
Net cash used in financing activities	(15,012)	(33,082)	(40,783)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,706)	2,248	1,722
Net Increase (Decrease) in Cash and Cash Equivalents	43,116	(13,003)	(2,773)
Cash and Cash Equivalents at Beginning of the Year	82,910	126,026	113,023
Cash and Cash Equivalents at End of the Year	¥126,026	¥113,023	¥ 110,250