



**FY14 Earnings**

**2014 Full-Year Results  
Ended March 31, 2015**

April 27, 2015  
OMRON Corporation

# Summary

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## ■ FY2014

- Sales & profits up 3 years in a row, breaking last year's best performance ever.
- Main IAB posted big sales & OP growth to boost total Omron.

## ■ FY2015

- Achieve FY16 targets (EARTH-1 STAGE final year) one year earlier.
- Make additional growth investments. R&D and Capex.
- Raise payout ratio up to 30%, drastically increasing per-share dividend forecast.

## ■ ROIC Management Upgrading

- Omron will keep upgrading ROIC management to realize sustainable corporate value improvement.

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# FY2014 Results

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FY2014 Results



## FY2014 Results

**Sales & profits up 3 yrs in a row, breaking FY13's record-high performance with >10% OP.**

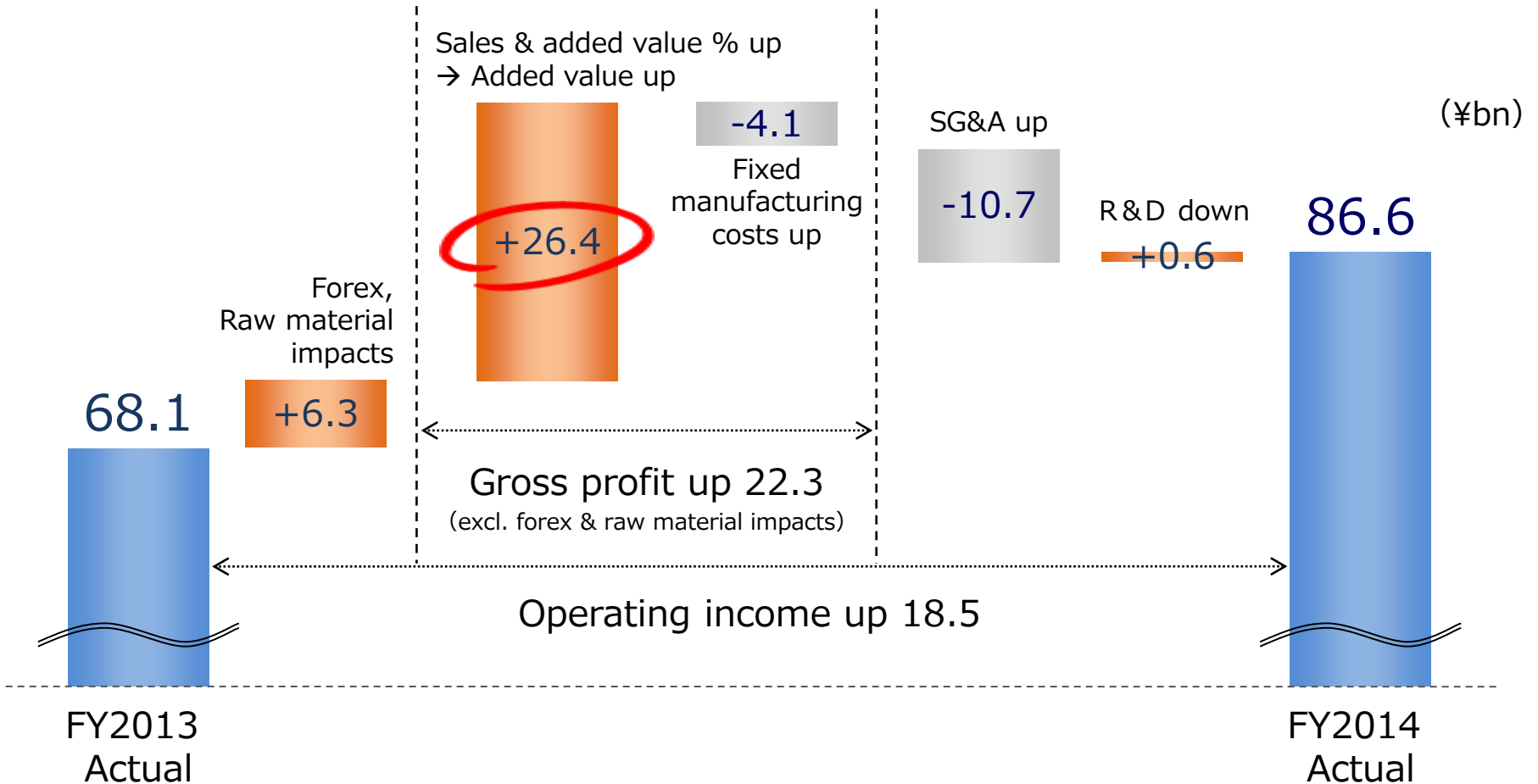
(¥bn)

|  | FY2014<br>Forecast* | FY2014<br>Actual | vs. Fcst           | FY2013<br>Actual | Y/Y                 |
|--|---------------------|------------------|--------------------|------------------|---------------------|
| Net Sales  | 835.0               | 847.3            | +1.5%              | 773.0            | +9.6%               |
| Gross Profit<br>(%)  | 331.0<br>(39.6%)    | 332.6<br>(39.3%) | +0.5%<br>(-0.3%pt) | 297.2<br>(38.5%) | +11.9%<br>(+0.8%pt) |
| Operating Income<br>(%)  | 84.0<br>(10.1%)     | 86.6<br>(10.2%)  | +3.1%<br>(+0.2%pt) | 68.1<br>(8.8%)   | +27.2%<br>(+1.4%pt) |
| NIBT   | 84.5                | 87.4             | +3.4%              | 62.0             | +40.9%              |
| Net Income<br>attributable to shareholders                             | 62.5                | 62.2             | -0.5%              | 46.2             | +34.6%              |
| (Ref: w/o deferred tax asset reversal.<br>FY14: ¥2.1bn, FY13: ¥0.8bn ) | 62.5                | 64.2             | +2.8%              | 47.0             | +36.9%              |
| 1USD (JPY)   | 101.9               | 110.0            | +8.1               | 100.1            | +9.9                |
| 1EUR (JPY)   | 137.1               | 138.7            | +1.6               | 134.0            | +4.7                |

\*Announced October 28, 2014

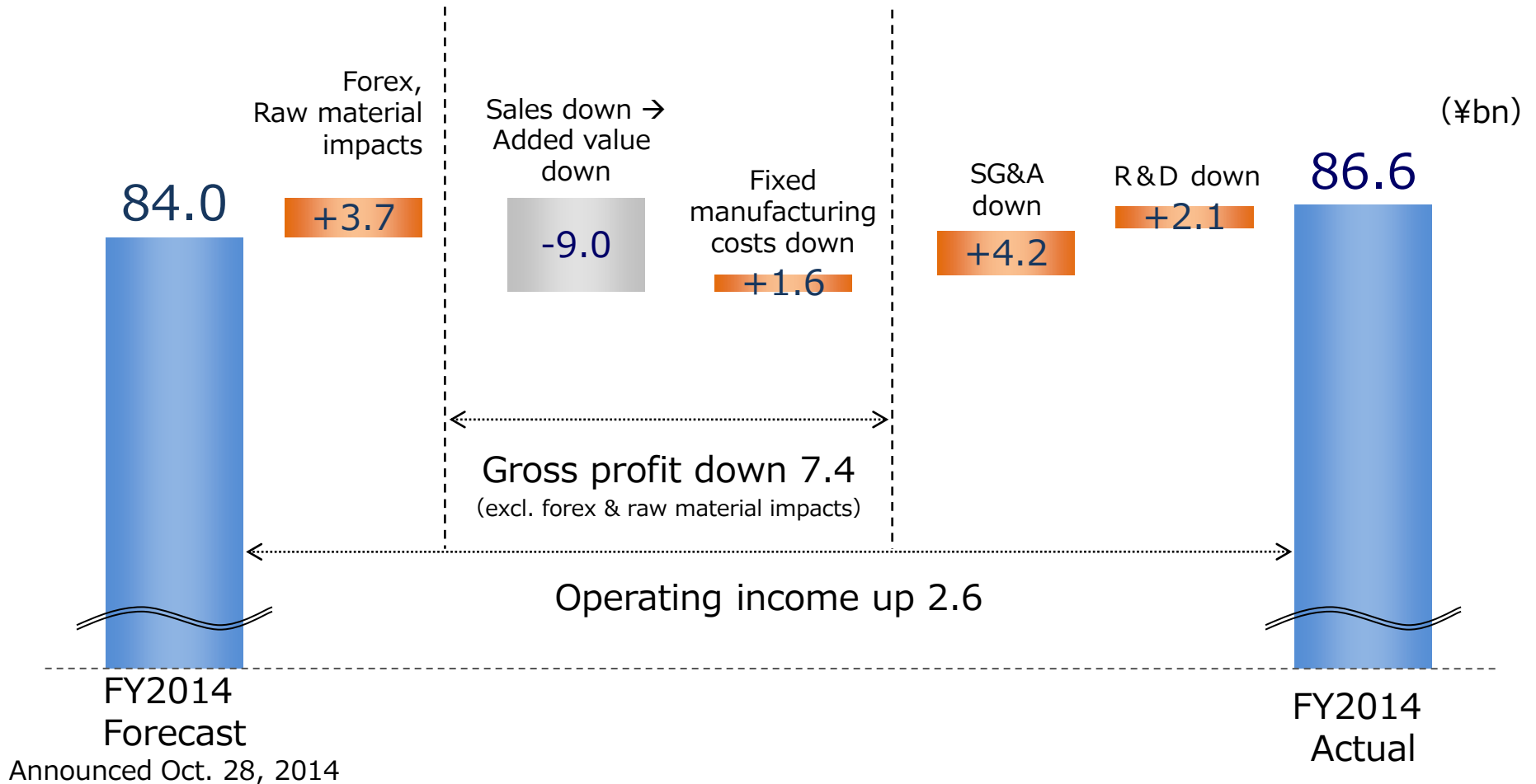
# Operating Income Analysis, Y/Y

**Added value up due to sales & added value % increase to boost operating income.**



# Operating Income Analysis, vs. Forecast

**Better than forecast in spite of business environment changes.**



## Sales by Segment

- **IAB: Large growth.**
- **HCB: Up mainly in EM. Wins #1 BPM sales in Brazil.**

(¥bn)

|   | FY2014<br>Forecast* | FY2014<br>Actual | vs. Fcst     | FY2013<br>Actual | Y/Y          |
|---|---------------------|------------------|--------------|------------------|--------------|
| <b>IAB</b><br>Industrial Automation               | 321.0               | 331.8            | +3.4%        | 291.7            | +13.7%       |
| <b>EMC</b><br>Electronic & Mechanical Components  | 101.5               | 103.9            | +2.4%        | 97.7             | +6.4%        |
| <b>AEC</b><br>Automotive Electronic Components    | 131.5               | 137.9            | +4.9%        | 126.6            | +8.9%        |
| <b>SSB</b><br>Social Systems, Solutions & Service | 84.5                | 80.4             | -4.8%        | 82.7             | -2.8%        |
| <b>HCB</b><br>Healthcare                          | 100.0               | 100.6            | +0.6%        | 89.3             | +12.7%       |
| <b>Other</b>                                      | 91.5                | 87.4             | -4.5%        | 78.9             | +10.7%       |
| Eliminations & Corporate                          | 5.0                 | 5.3              | +6.0%        | 6.1              | -13.1%       |
| <b>Total</b>                                      | <b>835.0</b>        | <b>847.3</b>     | <b>+1.5%</b> | <b>773.0</b>     | <b>+9.6%</b> |

\*Announced October 28, 2014



## Operating Income by Segment

**IAB posted large OP growth to contribute to increase in total.**

(¥bn)

|   | FY2014<br>Forecast* | FY2014<br>Actual | vs. Fcst          | FY2013<br>Actual | Y/Y                       |
|---|---------------------|------------------|-------------------|------------------|---------------------------|
| <b>IAB</b><br>Industrial Automation               | 50.0<br>(15.6%)     | 54.6<br>(16.5%)  | +4.6<br>(+0.9%pt) | 38.8<br>(13.3%)  | <b>+15.9</b><br>(+3.2%pt) |
| <b>EMC</b><br>Electronic & Mechanical Components  | 9.2<br>(9.1%)       | 10.2<br>(9.8%)   | +1.0<br>(+0.7%pt) | 8.7<br>(8.9%)    | +1.5<br>(+0.9%pt)         |
| <b>AEC</b><br>Automotive Electronic Components    | 8.9<br>(6.8%)       | 9.2<br>(6.7%)    | +0.3<br>(-0.1%pt) | 9.1<br>(7.2%)    | +0.1<br>(-0.5%pt)         |
| <b>SSB</b><br>Social Systems, Solutions & Service | 6.2<br>(7.3%)       | 5.0<br>(6.2%)    | -1.2<br>(-1.1%pt) | 5.6<br>(6.7%)    | -0.6<br>(-0.5%pt)         |
| <b>HCB</b><br>Healthcare                          | 7.2<br>(7.2%)       | 6.5<br>(6.5%)    | -0.7<br>(-0.7%pt) | 7.5<br>(8.5%)    | -1.0<br>(-2.0%pt)         |
| <b>Other</b><br>Eliminations & Corporate          | 10.5<br>(11.5%)     | 8.4<br>(9.6%)    | -2.1<br>(-1.9%pt) | 8.7<br>(11.0%)   | -0.3<br>(-1.4%pt)         |
| <b>Total</b>                                      | 84.0<br>(10.1%)     | 86.6<br>(10.2%)  | +2.6<br>(+0.2%pt) | 68.1<br>(8.8%)   | +18.5<br>(+1.4%pt)        |

\*Announced October 28, 2014

## Consolidated B/S

**No major changes in B/S structure.**

|   | (1) Mar. 31, 2014 | (2) Mar. 31, 2015 | (2) - (1)    |
|---|-------------------|-------------------|--------------|
|   |                   |                   | (¥bn)        |
| Current assets                                    | 396.5             | 434.1             | +37.6        |
| Property, plant & equipment                       | 135.6             | 151.5             | +15.9        |
| Investments and other assets                      | 122.6             | 125.5             | +2.8         |
| <b>Total Assets</b>                               | <b>654.7</b>      | <b>711.0</b>      | <b>+56.3</b> |
| Current liabilities                               | 162.7             | 176.8             | +14.1        |
| Long-term liabilities                             | 59.2              | 42.2              | -17.1        |
| <b>Total Liabilities</b>                          | <b>221.9</b>      | <b>218.9</b>      | <b>-3.0</b>  |
| Shareholders' equity                              | 430.5             | 489.8             | +59.3        |
| Noncontrolling interests                          | 2.3               | 2.3               | +0.1         |
| <b>Total Net Assets</b>                           | <b>432.8</b>      | <b>492.1</b>      | <b>+59.3</b> |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>654.7</b>      | <b>711.0</b>      | <b>+56.3</b> |
| Shareholders' equity to total assets              | 65.8%             | 68.9%             | +3.1%pt      |

## Consolidated Cash Flows

**FCF down due to NS acquisition and ¥13.2bn pension fund contribution. Financing activities include ¥15bn share buyback.**

|   | FY2013<br>Actual | FY2014<br>Actual | (¥bn)<br>Y/Y |
|---|------------------|------------------|--------------|
| Operating activities                              | 79.0             | 77.1             | -2.0         |
| Investing activities                              | -31.1            | -39.5            | -8.4         |
| Free cash flow (FCF)                              | 47.9             | 37.5             | -10.4        |
| Financing activities                              | -16.3            | -29.3            | -13.0        |
| Cash and cash equivalents<br>at end of the period | 90.3             | 102.6            | +12.4        |
| Capital expenditures                              | 33.7             | 38.1             | +4.4         |
| Depreciation and amortization                     | 25.1             | 28.3             | +3.3         |

## Three Key Targets

**Steady progress in 3 strategic measures. Brisk Y/Y growth.**

(¥bn)

|  | FY2014<br>Forecast* | FY2014<br>Actual | vs. Fcst | FY2013<br>Actual | Y/Y    |
|--|---------------------|------------------|----------|------------------|--------|
| <u>IA Business</u>                                 |                     |                  |          |                  |        |
| Reinforcement                                      | 422.5               | 435.8            | +3.1%    | 389.4            | +11.9% |
| IA Business Sales                                  |                     |                  |          |                  |        |
| <u>Super-Global</u>                                |                     |                  |          |                  |        |
| Emerging Market<br>Sales                           | 292.5               | 300.4            | +2.7%    | 247.6            | +21.3% |
| <u>New Businesses for<br/>Optimization Society</u> |                     |                  |          |                  |        |
| NB Sales   | 60.0                | 64.3             | +7.2%    | 52.2             | +23.2% |
| 1USD (JPY)   | 101.9               | 110.0            | +8.1     | 100.1            | +9.9   |
| 1EUR (JPY)   | 137.1               | 138.7            | +1.6     | 134.0            | +4.7   |

\*Announced October 28, 2014

## Management Targets

**Improvement in 6 management targets, especially ROIC.**

|                 | FY2013<br>Actual | FY2014<br>Actual | Y/Y     |
|-----------------|------------------|------------------|---------|
| Net Sales (¥bn) | 773.0            | 847.3            | +9.6%   |
| GP Margin       | 38.5%            | 39.3%            | +0.8%pt |
| OP Margin       | 8.8%             | 10.2%            | +1.4%pt |
| ROIC            | 11.3%            | 13.4%            | +2.1%pt |
| ROE             | 11.6%            | 13.5%            | +1.9%pt |
| EPS (¥)         | 209.8            | 283.9            | +74.1   |
| 1USD (JPY)      | 100.1            | 110.0            | +9.9    |
| 1EUR (JPY)      | 134.0            | 138.7            | +4.7    |

# FY2015 Plans

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FY2015 Plans



## FY15 Business Environment by Area

**Expects gradual recovery overall, with some emerging markets uncertain.**

### Japan

Electronic components & semiconductors solid, especially large businesses. Automotive soft due to mini-car tax hike.

### Overseas

- Americas: US solid overall with consumer spending and capital investment going up. Brazil slow amid the looming economy.
- Europe: Flat overall. Russia weak due to the economy.
- China: Slowdown signs in some industries/areas with property-related investment cooling down. Smartphones brisk.
- Asia: Thailand and Indonesia on recovery thanks to higher consumer spending.

## FY15 Policy

# **Accelerate EARTH-1**

**Work even harder on  
self-driven growth engine  
and numerical targets**

## **Omron will**

- 1. Achieve EARTH-1 STAGE goals one year earlier**
- 2. Sustain efforts toward higher profitability (GP%)**
- 3. Increase sales and profits in all business segments**



## FY15 Plans

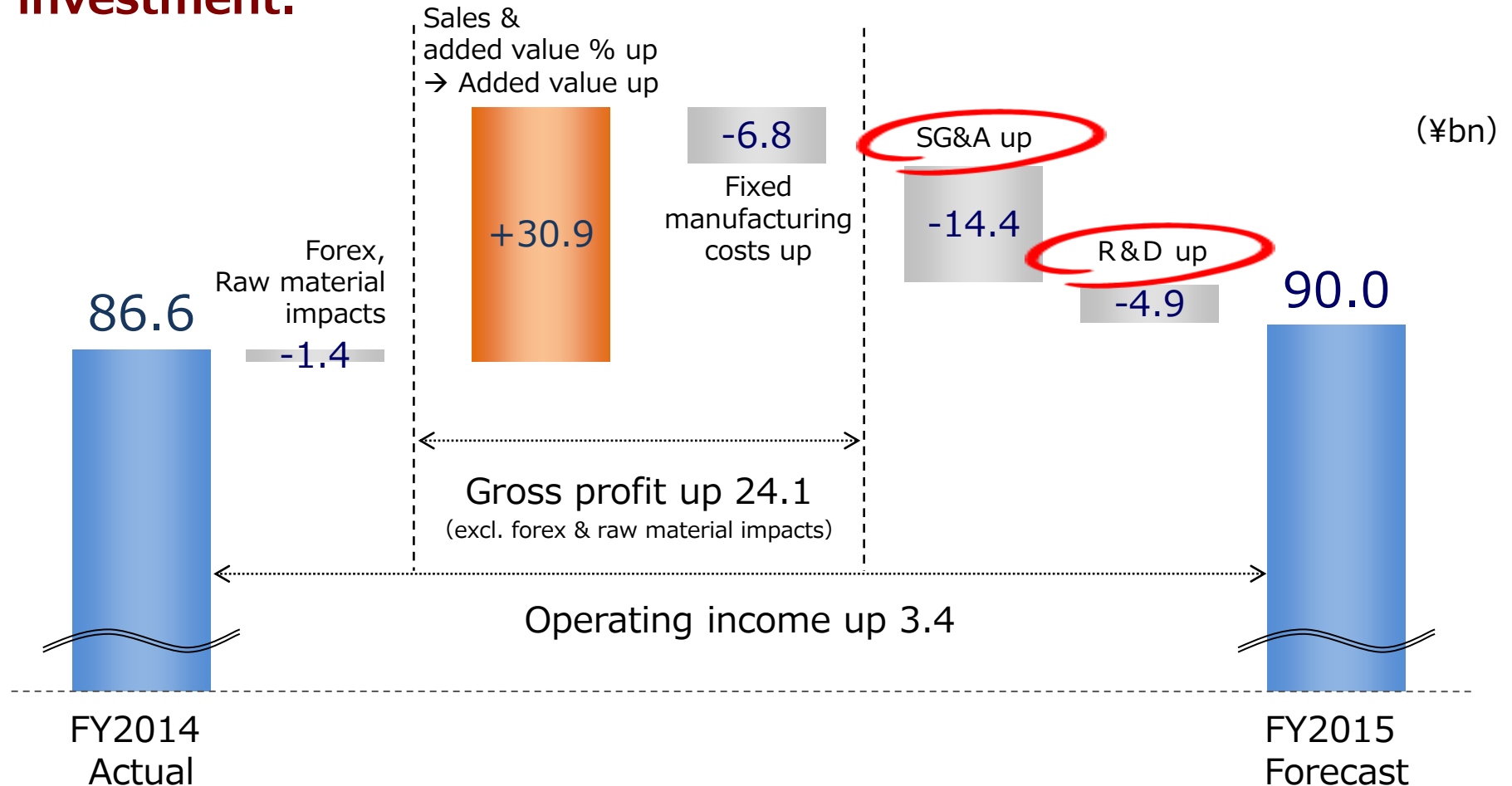
**Aiming for sales & profits growth 4 yrs in a row, despite changes in business environment.**

(¥bn)

|  | FY2014<br>Actual | FY2015<br>Forecast | Y/Y                |
|--|------------------|--------------------|--------------------|
| Net Sales                                  | 847.3            | 900.0              | +6.2%              |
| Gross Profit<br>(%)                        | 332.6<br>(39.3%) | 356.0<br>(39.6%)   | +7.0%<br>(+0.3%pt) |
| Operating Income<br>(%)                    | 86.6<br>(10.2%)  | 90.0<br>(10.0%)    | +3.9%<br>(-0.2%pt) |
| NIBT                                       | 87.4             | 89.0               | +1.8%              |
| Net Income<br>attributable to shareholders | 62.2             | 66.5               | +7.0%              |
| 1USD (JPY)                                 | 110.0            | 115.0              | +5.0               |
| 1EUR (JPY)                                 | 138.7            | 130.0              | -8.7               |

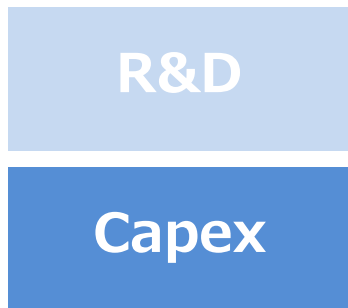
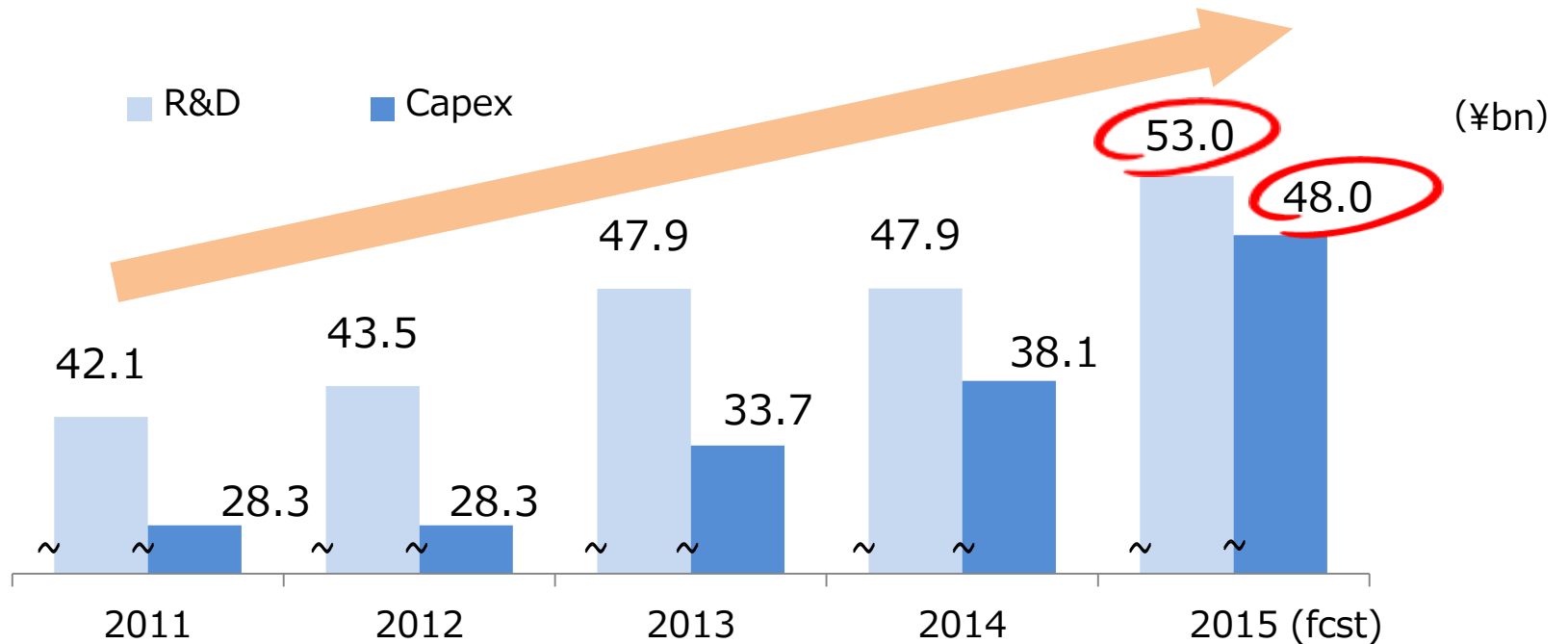
# FY15 Operating Income Analysis, Y/Y

**Aiming for higher OP while steadily carrying out growth investment.**



R&D, Capex

Higher R&D and Capex to realize sustainable growth.



**IAB, HCB, core technology reinforcement**

**IAB + EMC, Backlights**  
(e.g. processing/ inspecting equipment)

## FY15 Business Environment by Segment

|   |  |
|---|--|
| <b>IAB</b><br>Industrial Automation               | Global: Automotive & smartphones brisk overall.<br>Japan: Solid overall as electronic components & semiconductors grow.<br>Overseas: Slowdown in China. Oil & gas in Americas sluggish due to crude price drop.<br>Europe flat. Asia will go flat or recover moderately. |
| <b>EMC</b><br>Electronic & Mechanical Components  | Home electronics: Remain solid with white goods sales volume going up.<br>Automotive components: Rather slower as growth of car sales slows down.  |
| <b>AEC</b><br>Automotive Electronic Components    | Japan: Soft as mini-vehicles unit sales go down.<br>Overseas: N. America will be solid. China steady despite slowing growth. Asia flat.  |
| <b>SSB</b><br>Social Systems, Solutions & Service | Train system will go solid overall, enjoying increasing number of passengers.<br>Environmental Solutions: PV-related business will go solid. Monitoring & maintenance service will see demand increase.  |
| <b>HCB</b><br>Healthcare                          | Japan: Home-use solid. Professional-use will go stagnant.<br>Overseas: Russia weak. N. America, China & Asia healthy overall.  |
| <b>Other</b>                                      | Environmental Solutions: Residential flat. New demand (e.g. power storage) will go up.<br>Backlight will remain bright.  |

## FY15 Sales Forecast by Segment

**Aiming for higher sales in all segments.**

(¥bn)

|   | FY2014<br>Actual | FY2015<br>Forecast | Y/Y          |
|---|------------------|--------------------|--------------|
| <b>IAB</b><br>Industrial Automation               | 331.8            | 345.0              | +4.0%        |
| <b>EMC</b><br>Electronic & Mechanical Components  | 103.9            | 109.0              | +4.9%        |
| <b>AEC</b><br>Automotive Electronic Components    | 137.9            | 140.0              | +1.5%        |
| <b>SSB</b><br>Social Systems, Solutions & Service | 80.4             | 85.0               | +5.7%        |
| <b>HCB</b><br>Healthcare                          | 100.6            | 111.0              | +10.3%       |
| <b>Other</b>                                      | 87.4             | 105.0              | +20.2%       |
| Eliminations & Corporate                          | 5.3              | 5.0                | -5.7%        |
| <b>Total</b>                                      | <b>847.3</b>     | <b>900.0</b>       | <b>+6.2%</b> |

## FY15 Operating Income Forecast by Segment

**Aiming for higher OP in all segments while working harder on growth investment.**

(¥bn)

|   | FY2014<br>Actual | FY2015<br>Forecast | Y/Y               |
|---|------------------|--------------------|-------------------|
| <b>IAB</b><br>Industrial Automation               | 54.6<br>(16.5%)  | 57.0<br>(16.5%)    | +2.4<br>(+0.1%pt) |
| <b>EMC</b><br>Electronic & Mechanical Components  | 10.2<br>(9.8%)   | 11.2<br>(10.3%)    | +1.0<br>(+0.5%pt) |
| <b>AEC</b><br>Automotive Electronic Components    | 9.2<br>(6.7%)    | 9.3<br>(6.6%)      | +0.1<br>(-0.1%pt) |
| <b>SSB</b><br>Social Systems, Solutions & Service | 5.0<br>(6.2%)    | 5.5<br>(6.5%)      | +0.5<br>(+0.3%pt) |
| <b>HCB</b><br>Healthcare                          | 6.5<br>(6.5%)    | 7.8<br>(7.0%)      | +1.3<br>(+0.6%pt) |
| <b>Other</b>                                      | 8.4<br>(9.6%)    | 10.0<br>(9.5%)     | +1.6<br>(-0.1%pt) |
| Eliminations & Corporate                          | -7.3             | -10.8              | -3.5              |
| <b>Total</b>                                      | 86.6<br>(10.2%)  | 90.0<br>(10.0%)    | +3.4<br>(-0.2%pt) |

## Three Key Targets

- **Fuel IA Business reinforcement.**
- **Record-high sales both IAB and EMC.**

(¥bn)

|  | FY2014<br>Actual | FY2015<br>Forecast | Y/Y    |
|--|------------------|--------------------|--------|
| <u>IA Business</u>                                 |                  |                    |        |
| <u>Reinforcement</u>                               | 435.8            | 454.0              | +4.2%  |
| IA Business Sales                                  |                  |                    |        |
| <u>Super-Global</u>                                |                  |                    |        |
| Emerging Market<br>Sales                           | 300.4            | 332.0              | +10.5% |
| <u>New Businesses for<br/>Optimization Society</u> |                  |                    |        |
| NB Sales   | 64.3             | 71.0               | +10.4% |
| 1USD (JPY)   | 110.0            | 115.0              | +5.0   |
| 1EUR (JPY)   | 138.7            | 130.0              | -8.7   |

## VG2020 Long-Term Strategy

**EARTH-1 STAGE is important to achieve VG2020 targets.**

### EARTH-1 STAGE Midterm Targets

**Sales: >¥900bn**

**OP%: >10%**

(FY2016)

### VG2020 Long-Term Targets

**Sales: >¥1tn**

**OP%: 15%**

(FY2020)



## FY15 Management Targets

**Aiming to achieve EARTH-1 STAGE targets one year earlier.**

|                 | FY2014<br>Actual | FY2015<br>Forecast | EARTH-1 STAGE<br>Targets, FY2016* |
|-----------------|------------------|--------------------|-----------------------------------|
| Net Sales (¥bn) | 847.3            | 900.0              | >900.0                            |
| GP Margin       | 39.3%            | 39.6%              | >40%                              |
| OP Margin       | 10.2%            | 10.0%              | >10%                              |
| ROIC            | 13.4%            | >13%               | approx. 13%                       |
| ROE             | 13.5%            | >13%               | approx. 13%                       |
| EPS (¥)         | 283.9            | 306.1              | approx. 290                       |
| 1USD (JPY)      | 110.0            | 115.0              | 100.0                             |
| 1EUR (JPY)      | 138.7            | 130.0              | 135.0                             |

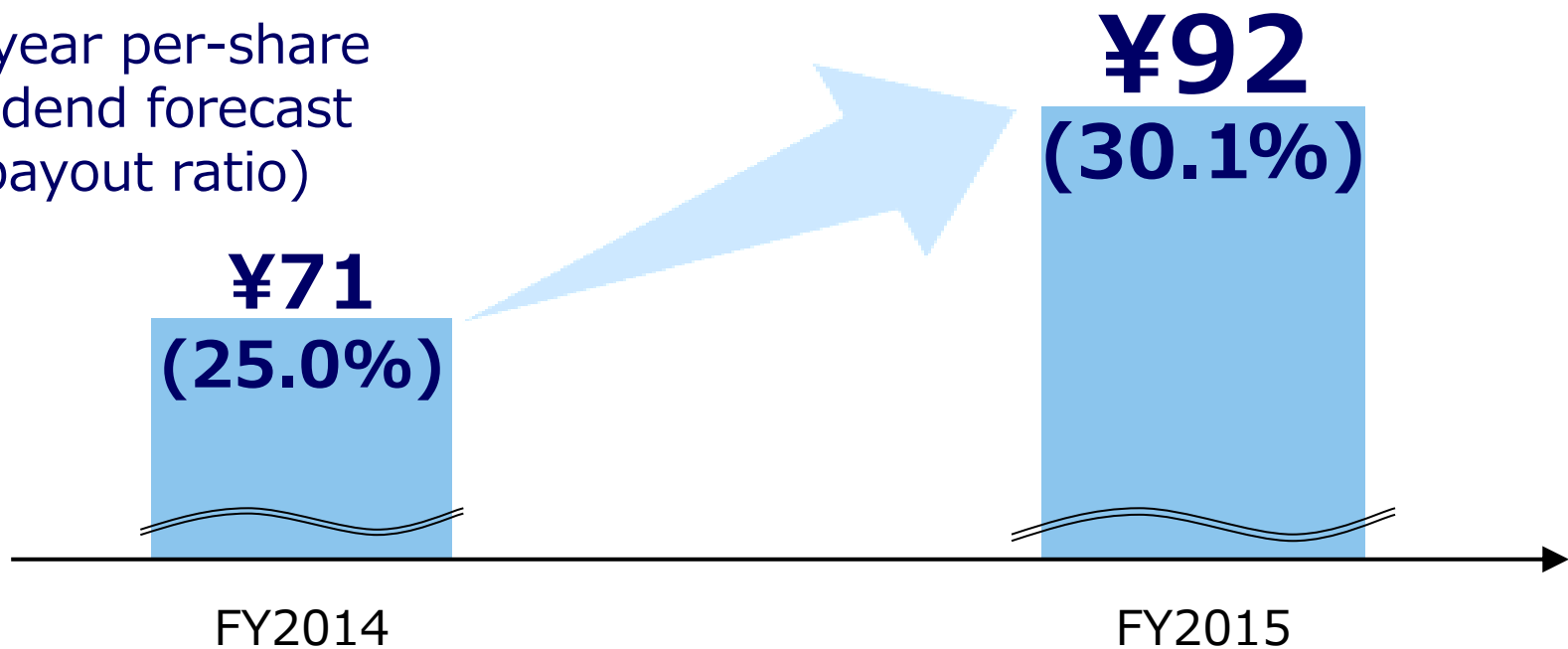
\*Announced April 24, 2014

## Dividends

**Raise payout ratio up to 30% one year earlier.**

**30% payout**

Full-year per-share  
dividend forecast  
(payout ratio)



# Upgraded ROIC Management, Ver. 2.0

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## Corporate Value Improvement Award

**Omron won the "TSE 2014 Corporate Value Improvement Award" Grand Prix.**



企業価値向上表彰 大賞

### Outstanding Points\*

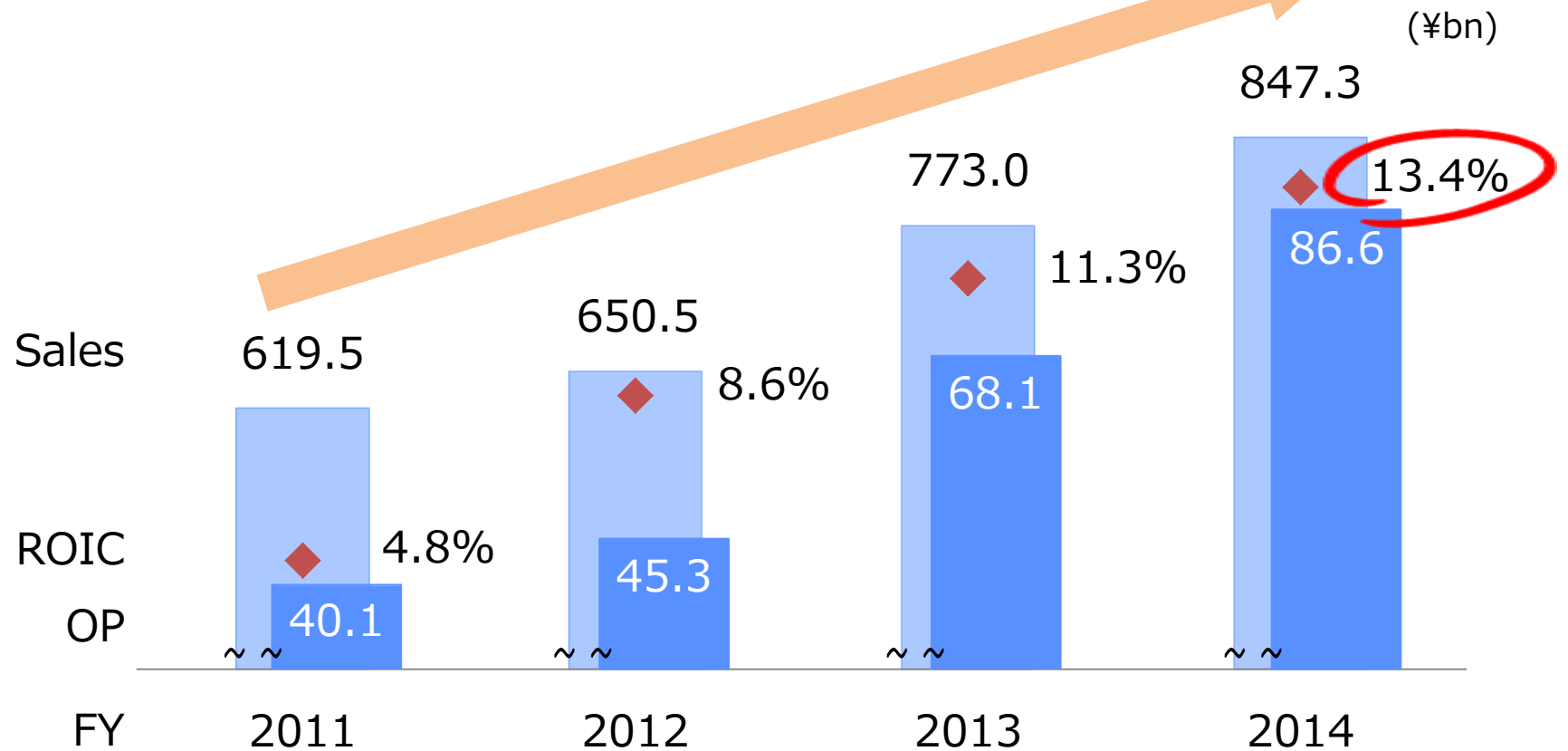
1. Investor-oriented management goals for better engagement with investors
2. In-depth management of business portfolio of 100+ business units to achieve management goals
3. Management system for corporate value improvement (down-top ROIC tree) shared all through the organization
4. ROIC management efforts practically showing numerical results

\*Translation of TSE press release

<http://www.jpx.co.jp/equities/listed-co/award/tvdivq0000005svh-att/tvdivq000000umdo.pdf>

# ROIC

**ROIC management efforts practically showing steady improvement in ROIC.**



## ROIC Management Upgrading

**Higher awareness & practice of ROIC management**

**→ Deeper on-site understanding → ROIC definition now evolving**

### ■ ROIC in general

$$\text{ROIC} = \frac{\text{Operating Profit} \times (1 - \text{effective tax rate})}{\text{Invested Capital}}$$

### ■ OMRON's ROIC used in Down-Top ROIC Tree (ROIC 1.0)

$$\text{ROIC} = \frac{\text{Net Profit}}{\text{Net Sales}} \times \frac{\text{Net Sales}}{\text{Invested Capital (working capital + fixed assets)}}$$

### ■ ROIC evolved through on-site use of the Tree (ROIC 2.0)

$$\text{ROIC} \doteq \frac{(V)}{(N) + (L)}$$

## ROIC Management Upgrading

### ROIC management evolution: Starting up ROIC management 2.0

Omron will keep upgrading ROIC management so everyone at Omron can better understand ROIC, take it as *my own* matter, and act autonomously.

#### <ROIC Formula>

$$\text{ROIC} \doteq \frac{\text{Value to customers (stakeholders) (V)} \uparrow\uparrow}{\text{Needed management (N) resources} \uparrow + \text{Loss-making management (L) resources} \downarrow}$$

↪ Goods, money, time

↪ Muri, Muda, Mura  
(waste, unevenness, overburden)

- (1) Increase investments in Needed management resources for growth (N) based on growth strategies
- (2) Raise (V) more than (N)
- (3) Reduce Loss-making management resources (L) to shift to/invest in (N)

# Stronger Management Team

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Stronger Management Team





## New Position: CTO

### Former Healthcare Head Miyata as CTO, new position set this April.



## Kiichiro MIYATA

### Bio

- Apr. 2015** CTO and Senior General Manager, Technology & Intellectual Property HQ, OMRON Corp.
- Mar. 2010** President and CEO, OMRON HEALTHCARE Co., Ltd.
- Apr. 2006** Executive Officer and Senior General Manager of Product Strategy HQ, OMRON HEALTHCARE Co., Ltd.
- Sept. 1998** R&D group leader, Omron Institute of Life Science, Co., Ltd.
- Apr. 1985** Joined Tateisi Institute of Life Science, Inc.

### CTO Mission

- (1) Reinforce core technologies of Omron Group as a whole
- (2) Promote open innovation through collaboration with external partners
- (3) Develop new technologies targeting 2020 and beyond

## Three-as-One Management Team

- **CEO, CFO, and CTO will work together to further improve Omron's corporate value.**
- **CFO and CTO experienced Business Segment leaders.**

**Yoshihito YAMADA**

**CEO**

**CFO**

**CTO**

**Yoshinori SUZUKI**

Former Automotive Electronics  
Components Head

**Kiichiro MIYATA**

Former Healthcare Head

**OMRON**

*Sensing tomorrow™*

# References

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K6L6L6UCE2



## Conditions: Exchange Rates & Raw Material Costs

**FY15 conditions based on FY14 results.**

### Exchange rates

- 1 USD = ¥115
- 1 EUR = ¥130

¥1 fluctuation impact (full-year, approx.)

|     | Sales  | OP     |
|-----|--------|--------|
| USD | ¥3.4bn | ¥0.3bn |
| EUR | ¥0.8bn | ¥0.4bn |

### Raw material costs

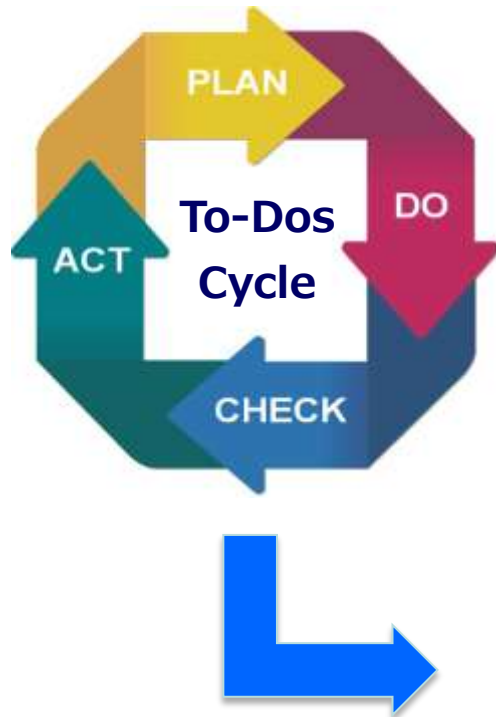
- Silver = ¥67,000/kg
- Copper = ¥840/kg

Price change impact (full-year, approx.)

|        | Price change | OP    |
|--------|--------------|-------|
| Silver | ¥1,000/kg    | ¥80mn |
| Copper | ¥10/kg       | ¥30mn |

# ROIC Management: Down-Top ROIC Tree

## On-site



## KPI

- Sales in focus industries/areas
- Sales of new/focus products
- Selling price control
- Variable costs reduction, value/%
- Defect costs %
- Per-head production #
- Automation % (headcount reduction)
- Labor costs-sales %
- Inventory turnover months
- Slow-moving inv. months
- Credits & debts months
- Facilities turnover (1/N automation ratio)

## Drivers

- GP Margin
- Added-value %
- Fixed manuf. costs %
- SG&A %
- R&D %
- Working capital turnover
- Fixed assets turnover

ROS

Invested Capital Turnover

ROIC

# ROIC Definition

<Consol. B/S>

| LIABILITIES   |  |
|---|--|
| Current liabilities:                                  |  |
| Short-term debt                                       |  |
| Notes and accounts payable — trade                    |  |
| Accrued expenses                                      |  |
| Income taxes payable                                  |  |
| Other current liabilities                             |  |
| Deferred income taxes                                 |  |
| Termination and retirement benefits                   |  |
| Other long-term liabilities                           |  |
| Total liabilities                                     |  |
| NET ASSETS  |  |
| Shareholders' equity                                  |  |
| Common stock  |  |
| Capital surplus                                       |  |
| Legal reserve   |  |
| Retained earnings                                     |  |
| Accumulated other comprehensive income (loss)         |  |
| Foreign currency translation adjustments              |  |
| Minimum pension liability adjustments                 |  |
| Net unrealized gains on available-for-sale securities |  |
| Net losses on derivative instruments                  |  |
| Treasury stock  |  |
| Noncontrolling interests                              |  |
| Total net assets                                      |  |
| Total liabilities and net assets                      |  |

$$\text{ROIC} = \frac{\text{Net income attributable to shareholders}}{\text{Invested capital}}$$

**Invested capital\***

= Net assets + Interest-bearing debt

\*FY14 year-end result & FY15 quarterly forecasts average.

**Capital cost forecast at 6%**  
**for EARTH-1 STAGE (FY14-16)**

## **Notes**

1. The consolidated statements of Omron Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. Major factors influencing Omron's actual results include, but are not limited to,
  - (i) economic conditions affecting the Company's businesses in Japan and overseas
  - (ii) demand trends for the Company's products and services
  - (iii) the ability of the Company to develop new technologies and products
  - (iv) major changes in the fundraising environment
  - (v) tie-ups or cooperative relationships with other companies
  - (vi) movements in currency exchange rates and stock markets, and
  - (vii) accidents and natural disasters.
3. The presentation slides are based on "Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (U.S. GAAP)". Figures rounded to the nearest JPY million and percentage to one decimal place.

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