



Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (U.S. GAAP)

April 27, 2016

OMRON Corporation (6645)

Exchanges Listed:	Tokyo (first section)
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Annual General Shareholders' Meeting (Scheduled):	June 23, 2016
Start of Distribution of Dividends (Scheduled):	June 24, 2016
Filing of Securities Report (<i>Yuka shoken hokokusho</i>) (Scheduled):	June 24, 2016
Preparation of Supplementary Materials for the Financial Results:	Yes
Holding of Presentation of 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 management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

1. Consolidated Financial Results for the Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(Figures rounded to the nearest million yen)

(1) Sales and Income

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

Millions of yen - except per share data and percentages				
	Year ended March 31, 2016		Year ended March 31, 2015	
		Change (%)		Change (%)
Net sales	833,604	-1.6	847,252	+9.6
Operating income	62,287	-28.1	86,591	+27.2
Income before income taxes	65,686	-24.8	87,388	+40.9
Net income attributable to shareholders	47,290	-23.9	62,170	+34.6
Net income per share attributable to shareholders, basic (JPY)	218.95		283.89	
Net income per share attributable to shareholders, diluted (JPY)	218.95		283.89	
Return on equity	10.1%		13.5%	
Income before income taxes / total assets ratio	9.4%		12.8%	
Operating income / net sales ratio	7.5%		10.2%	

Note: Comprehensive income (loss): Year ended March 31, 2016: JPY (15,155 million) (—% change);
Year ended March 31, 2015: JPY 90,152 million (+19.1% change)

(Reference) Equity in loss (earnings) of affiliates: Year ended March 31, 2016: JPY (2,039 million);
Year ended March 31, 2015: JPY (3,937 million)

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2016	As of March 31, 2015
Total assets	683,325	711,011
Net assets	447,034	492,094
Shareholders' equity	444,718	489,769
Shareholders' equity ratio (%)	65.1	68.9
Shareholders' equity per share (JPY)	2,079.98	2,254.37

(3) Consolidated Cash Flows

	Millions of yen	
	Year ended March 31, 2016	Year ended March 31, 2015
Net cash provided by operating activities	84,207	77,057
Net cash used in investing activities	(67,116)	(39,517)
Net cash used in financing activities	(31,550)	(29,303)
Cash and cash equivalents at end of period	82,910	102,622

2. Dividends

		Year ended March 31, 2015	Year ended March 31, 2016	Year ending March 31, 2017 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	—
	Interim dividend (JPY)	31.00	34.00	—
	3rd quarter dividend (JPY)	—	—	—
	Year-end dividend (JPY)	40.00	34.00	—
	Total dividends for the year (JPY)	71.00	68.00	68.00
Total cash dividends paid (JPY million)		15,513	14,656	
Payout ratio (%)		25.0	31.1	30.6
Dividends / Shareholders' equity ratio (%)		3.4	3.1	

Notes: 1. Interim and year-end dividends for the year ending March 31, 2017 are undetermined.

2. The Company has committed itself to a payout ratio of 30% for its total dividends for the year ending March 31, 2017. Accordingly, projected total dividends for the year have been calculated by applying a payout ratio of 30% to the projected consolidated net income attributable to shareholders. In the event that projected consolidated net income attributable to shareholders increases or decreases during the year, dividends will increase or decrease upon application of the 30% payout ratio. For details, see "Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2016 and the Year Ending March 31, 2017" on page 15.

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

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

	Millions of yen	
	Full year ending March 31, 2017	Change (%)
Net sales	820,000	-1.6
Operating income	63,000	+1.1
Income before income taxes	64,500	-1.8
Net income attributable to shareholders	47,500	+0.4
Net income per share attributable to shareholders (JPY)	222.16	

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): Yes
 New: 1 company (Adept Technology, Inc.) Excluded: — companies (—)
 * For details, see “2. The Omron Group” on page 15.
- (2) Changes in accounting policy
 (a) Changes in accounting policy accompanying revision of accounting standards: No
 (b) Changes in accounting policy other than (a) above: No
- (3) Number of shares issued and outstanding (common stock)
 (a) Number of shares at end of period (including treasury stock): March 31, 2016: 213,958,172 shares;
 March 31, 2015: 217,397,872 shares
 (b) Treasury stock at end of period: March 31, 2016: 149,398 shares; March 31, 2015: 144,467 shares
 (c) Average number of shares during the period: Year ended March 31, 2016: 215,985,589 shares;
 Year ended March 31, 2015: 218,995,929 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Non-consolidated Sales and Income

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

	Millions of yen - except per share data and percentages			
	Year ended March 31, 2016		Year ended March 31, 2015	
		Change (%)		Change (%)
Net sales	263,593	-4.2	275,060	+14.5
Operating income	20,479	-34.6	31,290	+47.0
Ordinary income	34,993	-22.5	45,157	+85.8
Net income	32,659	+3.0	31,697	+63.1
Net income per share (JPY)	151.21		144.74	
Net income per share, diluted (JPY)	151.21		144.74	

(2) Non-consolidated Financial Position

Millions of yen - except per share data and percentages

	As of March 31,	
	2016	2015
Total assets	427,278	406,711
Net assets.....	249,743	257,499
Net worth ratio (%)	58.4	63.3
Net assets per share (JPY).....	1,167.90	1,185.23

(Reference) Net worth: Year ended March 31, 2016: JPY 249,708 million; Year ended March 31, 2015: JPY 257,494 million

Items Regarding the Implementation of Review Procedures

This summary of consolidated results is exempt from the review procedures based on the Financial Instruments and Exchange Act. Review procedures for the consolidated financial statements based on the Financial Instruments and Exchange Act had not been completed by the time of disclosure of this summary of consolidated results.

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. Analysis of Results of Operations and Financial Condition, (1) Analysis of Results of Operations, 2) Outlook for the Year Ending March 31, 2017” on page 10.
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 interim and year-end dividends for the year ending March 31, 2017 will be set and disclosed at a point when there is a high level of certainty of achieving the Company’s performance forecast. The Company plans to announce its interim dividend by October 2016 at the latest and its year-end dividend in April 2017.
4. The Company plans to hold a presentation for investors on Wednesday, April 27, 2016. The Company also plans to post an overview and the (voice) content of its explanations, together with financial materials used at the presentation, promptly on its website.

Note: The following abbreviations of business segment names are used in the attached materials.

IAB: Industrial Automation Business

EMC: Electronic and Mechanical Components Business

AEC: Automotive Electronic Components Business

SSB: Social Systems, Solutions and Service Business

HCB: Healthcare Business

Other: Environmental Business, Electronic Systems & Equipments Division, Micro Devices Business, Backlight Business and others (Businesses under direct control of Headquarters)

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Qualitative Information and Financial Statements

1. Analysis of Results of Operations and Financial Condition

(1) Analysis of Results of Operations

1) Results of Operations in the Year Ended March 31, 2016

General Overview

In the year ended March 31, 2016 (fiscal 2015), net sales and operating income of the Omron Group both decreased compared with the previous fiscal year. Despite increased sales by IAB (Industrial Automation Business), AEC (Automotive Electronic Components Business) and HCB (Healthcare Business), net sales decreased compared with the previous fiscal year due to a substantial decline in sales of the Other segment (businesses under direct control of Headquarters) in particular. Operating income decreased compared with the previous fiscal year due to factors including the weak performance by the Other segment (businesses under direct control of Headquarters) and expansion of investment for growth.

The Omron Group's perception of the economic environment in fiscal 2015 is as follows.

Economic and Market Conditions by Region

Japan:	Capital investment and the employment and income environment continued to recover moderately.
Americas:	Personal consumption and corporate activity were firm in the United States due to improvement in the employment and income environment.
Europe:	Moderate recovery continued.
Greater China:	The Chinese economy slowed further due to a decline in the growth rates of fixed asset investment and retail sales, among other factors.
Asia:	Although business conditions in South Korea were on a recovery track, a sense of uncertainty continued in Thailand, Indonesia and elsewhere.

Conditions in the Omron Group's Primary Related Markets

Automotive-related:	Demand for components was weak in Japan due to a decrease in sales of <i>keijidosha</i> (a class of small automobiles defined by Japanese standards), but was firm in the United States.
Semiconductor-related:	Demand for smartphones and other products decreased and capital investment demand was weak.
Machine tool-related:	Capital investment demand decreased in Japan and overseas.
Home appliance and electronic component-related:	Capital investment demand was firm, while demand for components was slack in China.
Healthcare equipment-related:	Conditions were weak in Russia and Eastern Europe due to the downturn in business conditions there, and firm in other emerging markets.

Consolidated results for fiscal 2015 were as follows.

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

Millions of yen, except exchange rate data and percentages			
	Year ended March 31, 2015	Year ended March 31, 2016	Change
Net sales	847,252	833,604	-1.6%
Operating income	86,591	62,287	-28.1%
Income before income taxes	87,388	65,686	-24.8%
Net income attributable to shareholders	62,170	47,290	-23.9%
Average USD exchange rate (JPY)	110.0 JPY	120.2 JPY	+10.2 JPY
Average EUR exchange rate (JPY)	138.7 JPY	132.2 JPY	-6.5 JPY

Results by Business Segment

IAB (Industrial Automation Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ended March 31, 2016	Change
Sales to external customers	Japan	126,720	130,455	+2.9%
	Overseas	205,120	205,504	+0.2%
	Total	331,840	335,959	+1.2%
Segment profit		54,617	47,929	-12.2%

Sales in Japan

Capital investment demand was firm in automotive, electronic component-related and other industries, and sales in Japan for the year ended March 31, 2016 increased compared with the previous fiscal year.

Overseas Sales

In the Americas, demand declined, mainly from oil and gas-related businesses, and performance was weak. In Europe, demand was firm, based on a moderate recovery trend. In Greater China, overall demand was weak due to the impact of stagnant business conditions from the second half. In Asia, although demand was weak due to the impact of a slowdown in market conditions and weaker currencies in ASEAN and other emerging markets, demand was firm in electronic component-related industries in South Korea. With the addition of the impact of currency translation to these results, overseas sales for the year ended March 31, 2016 were flat compared with the previous fiscal year.

Segment Profit

Although sales increased, segment profit decreased substantially compared with the previous fiscal year due to expanded investment for growth and other factors.

EMC (Electronic and Mechanical Components Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ended March 31, 2016	Change
Sales to external customers	Japan	23,899	23,238	-2.8%
	Overseas	80,047	80,443	+0.5%
	Total	103,946	103,681	-0.3%
Segment profit		10,168	8,494	-16.5%

Sales in Japan

Demand in consumer and commercial products industries was firm. Demand in automotive-related industries was weak due to the impact of an increase in the tax rate for *keijidosha*. As a result, sales in Japan for the year ended March 31, 2016 decreased compared with the previous fiscal year.

Overseas Sales

In the Americas, demand in automotive-related industries was strong. In Europe, demand in consumer and commercial products industries was firm. In Greater China, demand was weak in consumer and commercial products industries and automotive-related industries due to a slowdown in business conditions. With the addition of the impact of currency translation to these results, overseas sales for the year ended March 31, 2016 were flat compared with the previous fiscal year.

Segment Profit

Segment profit decreased substantially compared with the previous fiscal year due to increased investment to raise productivity and other factors, despite flat sales.

AEC (Automotive Electronic Components Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ended March 31, 2016	Change
Sales to external customers	Japan	25,880	21,099	-18.5%
	Overseas	112,003	118,867	+6.1%
	Total	137,883	139,966	+1.5%
Segment profit		9,230	7,342	-20.5%

Sales in Japan

As a result of factors including a decrease in the number of automobiles sold due to the increase in the tax rate for *keijidosha*, sales in Japan for the year ended March 31, 2016 decreased substantially compared with the previous fiscal year.

Overseas Sales

In the Americas, demand expanded substantially against the backdrop of a strong economy in the United States. In Greater China, demand decreased due to inventory adjustments by customers. With the addition of the impact of currency translation to these results, overseas sales for the year ended March 31, 2016 increased compared with the previous fiscal year.

Segment Profit

Segment profit decreased substantially compared with the previous fiscal year due to factors including the decrease in sales in Japan and an increase in research and development expenses.

SSB (Social Systems, Solutions and Service Business)

Millions of yen, except percentages

	Year ended March 31, 2015	Year ended March 31, 2016	Change
Sales to external customers	80,410	77,538	-3.6%
Segment profit	4,993	3,198	-36.0%

Public Transportation Systems Business Sales

Capital investment demand for renewal of station equipment was firm, and sales for the year ended March 31, 2016 increased substantially compared with the previous fiscal year.

Traffic and Road Management Systems Business Sales

Security and safety-related demand from expressway businesses was firm, and sales for the year ended March 31, 2016 increased compared with the previous fiscal year.

Environmental Solutions Business Sales

Demand was weak in the solar power generation-related market, and sales for the year ended March 31, 2016 decreased substantially compared with the previous fiscal year.

Segment Profit

Segment profit decreased substantially compared with the previous fiscal year due to factors including the decrease in sales.

HCB (Healthcare Business)

Millions of yen, except percentages

		Year ended March 31, 2015	Year ended March 31, 2016	Change
Sales to external customers	Japan	31,443	31,125	-1.0%
	Overseas	69,172	76,996	+11.3%
	Total	100,615	108,121	+7.5%
Segment profit		6,511	7,285	+11.9%

Sales in Japan

Sales of healthcare equipment for household use was firm due to strengthening of storefront sales promotions for blood pressure monitors and other new products as well as for products such as massagers, in addition to capturing demand from tourists visiting Japan in cities. Demand for equipment for medical institutions was weak due to a decline in capital investment. As a result, sales in Japan for the year ended March 31, 2016 were flat compared with the previous fiscal year.

Overseas Sales

In the Americas, demand increased substantially centered on nebulizers in South America due to the effects of the integration of a company acquired in Brazil and other factors. In Europe, demand was weak as sluggish business conditions continued in Russia and surrounding countries. In China and other Asian countries, performance was strong as demand for healthcare equipment continued to increase. With the addition of the impact of currency translation to these results, overseas sales for the year ended March 31, 2016 increased substantially compared with the previous fiscal year.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year due to the increase in sales and other factors.

Other (Businesses under direct control of Headquarters)

Millions of yen, except percentages

	Year ended March 31, 2015	Year ended March 31, 2016	Change
Sales to external customers	87,382	63,028	-27.9%
Segment profit (loss)	8,366	(4,119)	—

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

Environmental Business Sales

Demand was weak in the solar power generation-related market, and sales for the year ended March 31, 2016 decreased substantially compared with the previous fiscal year.

Electronic Systems & Equipments Division Sales

Demand was strong for uninterruptible power supplies and contract services for development and production of electronic devices, and sales for the year ended March 31, 2016 increased compared with the previous fiscal year.

Micro Devices Business Sales

Sales for the year ended March 31, 2016 decreased compared with the previous fiscal year due to a decrease in demand for microphones for smartphones.

Backlight Business Sales

Sales for the year ended March 31, 2016 decreased substantially compared with the previous fiscal year due to a decrease in demand in the smartphone market in Greater China.

Segment Profit

Segment profit decreased substantially compared with the previous fiscal year due to factors including the decrease in sales.

2) Outlook for the Year Ending March 31, 2017

General Outlook

A moderate improvement in the economic environment globally is forecast for the year ending March 31, 2017.

In Japan, although there are concerns about an economic downturn from worsening corporate performance due to the effects of the appreciation of the yen, a recovery in capital investment demand is forecast among major corporations, centered on automobiles.

Overseas, the recovery in personal consumption and corporate capital investment in the United States are expected to be steady. In Europe, weak business conditions are forecast to persist, despite a sense of bottoming out in some areas, including Russia and Eastern Europe. In China, the growth rate is forecast to slacken due to factors including full-scale structural reform and the problem of excess capacity. Elsewhere in Asia, uncertain conditions are forecast to continue due to a delay in a rally in exports and other factors, despite support from public investment and government economic stimulus measures in Thailand and Indonesia.

In this environment, the Omron Group has set “‘Rebuilding of the profit structure’ and ‘Creation of an engine for self-driven growth’” as its policy for the year ending March 31, 2017 (fiscal 2016), which is the third year of the EARTH-1 STAGE of VG2020, its medium-term management plan that started in April 2014. In the year ending March 31, 2017, the Omron Group will thoroughly build a profit structure and aggressively allocate the profit generated to investments for growth to create an engine for self-driven growth.

The Omron Group forecasts a decrease in earnings and an increase in profits for the year ending March 31, 2017 due to these assumptions and the impact of the appreciation of the yen. The Omron Group forecasts net sales of JPY 820.0 billion, operating income of JPY 63.0 billion, income before income taxes of JPY 64.5 billion, and net income attributable to shareholders of JPY 47.5 billion. The assumed exchange rates are USD 1 = JPY 110 and EUR 1 = JPY 125.

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

Millions of yen, except exchange rate data and percentages			
	Year ended March 31, 2016	Year ending March 31, 2017	Change
Net sales	833,604	820,000	-1.6%
Operating income	62,287	63,000	+1.1%
Income before income taxes	65,686	64,500	-1.8%
Net income attributable to shareholders	47,290	47,500	+0.4%
Average JPY to USD exchange rate	120.2 JPY	110.0 JPY	-10.2 JPY
Average JPY to EUR exchange rate	132.2 JPY	125.0 JPY	-7.2 JPY

Outlook by Segment
IAB (Industrial Automation Business)

Millions of yen, except percentages

		Year ended March 31, 2016	Year ending March 31, 2017	Change
Sales to external customers	Japan	130,455	136,000	+4.3%
	Overseas	205,504	200,000	-2.7%
	Total	335,959	336,000	+0.0%
Segment profit		47,929	46,500	-3.0%

Outlook for Sales in Japan

Assuming that capital investment demand will remain firm in automotive-related industries, we forecast that sales in Japan for the year ending March 31, 2017 will increase compared with the year ended March 31, 2016.

Outlook for Overseas Sales

Despite growth in areas such as computerization demand, in addition to firm capital investment demand and automation and labor-saving in automotive-related, electronic component and other industries, we forecast that overseas sales for the year ending March 31, 2017 will decrease compared with the year ended March 31, 2016 due to a continuing decline in demand from oil and gas-related businesses and the impact of currency translation.

Outlook for Segment Profit

We forecast a decrease in segment profit compared with the year ended March 31, 2016 due to the impact of currency translation and other factors.

EMC (Electronic and Mechanical Components Business)

Millions of yen, except percentages

		Year ended March 31, 2016	Year ending March 31, 2017	Change
Sales to external customers	Japan	23,238	23,500	+1.1%
	Overseas	80,443	76,500	-4.9%
	Total	103,681	100,000	-3.6%
Segment profit		8,494	10,000	+17.7%

Outlook for Sales in Japan

Although we anticipate an increase in demand from automotive-related industries, we expect demand from consumer and commercial products industries to be flat. As a result, we forecast that sales in Japan for the year ending March 31, 2017 will be flat compared with the year ended March 31, 2016.

Outlook for Overseas Sales

In the automotive industry, we assume sales of new products will grow in China. In consumer and commercial products industries, although we expect expansion of environment-related businesses in Asia, we forecast flat sales, assuming the continued weakening of the growth rate in China. With the addition of the impact of currency translation to these results, we forecast a decrease in overseas sales for the year ending March 31, 2017 compared with the year ended March 31, 2016.

Outlook for Segment Profit

We forecast a substantial increase in segment profit compared with the year ended March 31, 2016 due to factors including cost reduction activities and improved productivity.

AEC (Automotive Electronic Components Business)

Millions of yen, except percentages

		Year ended March 31, 2016	Year ending March 31, 2017	Change
Sales to external customers	Japan	21,099	17,500	-17.1%
	Overseas	118,867	112,500	-5.4%
	Total	139,966	130,000	-7.1%
Segment profit		7,342	6,500	-11.5%

Outlook for Sales in Japan

Assuming that demand will fall below the level of the year ended March 31, 2016 due to a decrease in vehicle models equipped with Omron Group products and impact from the earthquake, we forecast a substantial decrease in sales in Japan for the year ending March 31, 2017 compared with the year ended March 31, 2016.

Outlook for Overseas Sales

Although we assume that demand in North America and emerging markets will be firm, we forecast a decrease in overseas sales for the year ending March 31, 2017 compared with the year ended March 31, 2016 due to the impact of currency translation and other factors.

Outlook for Segment Profit

We forecast a substantial decrease in segment profit compared with the year ended March 31, 2016 due to the decrease in sales and other factors.

SSB (Social Systems, Solutions and Service Business)

Millions of yen, except percentages

		Year ended March 31, 2016	Year ending March 31, 2017	Change
Sales to external customers		77,538	70,000	-9.7%
Segment profit		3,198	4,000	+25.1%

Outlook for Public Transportation Systems Business Sales

Due to the end of a cycle of demand for renewal of station equipment, we forecast a decrease in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016.

Outlook for Traffic and Road Management Systems Business Sales

We forecast flat sales for the year ending March 31, 2017 compared with the year ended March 31, 2016 due to ongoing needs for safety and security among expressway businesses.

Outlook for Environmental Solutions Business Sales

Assuming a decrease in demand from the year ended March 31, 2016 in solar power generation-related markets, despite ongoing needs in the market for the rationalization of energy use, we forecast a decrease in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016.

Outlook for Segment Profit

We forecast a substantial increase in segment profit compared with the year ended March 31, 2016 due to cost reduction activities and other factors.

HCB (Healthcare Business)

Millions of yen, except percentages

		Year ended March 31, 2016	Year ending March 31, 2017	Change
Sales to external customers	Japan	31,125	32,500	+4.4%
	Overseas	76,996	75,500	-1.9%
	Total	108,121	108,000	-0.1%
Segment profit		7,285	8,000	+9.8%

Outlook for Sales in Japan

Assuming solid demand due to an increase in patients with lifestyle diseases associated with the aging society and of rising health consciousness, we forecast an increase in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016.

Outlook for Overseas Sales

We assume a continuing increase in demand in emerging markets, mainly in Asia, due to changing lifestyles associated with economic growth and rising health consciousness. In Russia, we assume that demand will recover due to the bottoming out of the slump in consumption. With the addition of the impact of currency translation to these factors, we forecast flat sales for the year ending March 31, 2017 compared with the year ended March 31, 2016.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2016 due to improved productivity, an overhaul of the fixed costs structure and other factors.

Other (Businesses under direct control of Headquarters)

Millions of yen, except percentages

	Year ended March 31, 2016	Year ending March 31, 2017	Change
Sales to external customers	63,028	71,000	+12.6%
Segment profit (loss)	(4,119)	1,500	—

Businesses in the “Other” segment explore and nurture new business fields and nurture/reinforce businesses not handled by other internal companies under the direct control of the head office.

Outlook for Environmental Business Sales

Despite a slump in demand for conventional products, mainly power generating panels, in solar power generation-related markets, we forecast an increase in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016 from expansion of demand with new system proposals that incorporate storage batteries.

Outlook for Electronic Systems & Equipments Division Sales

We forecast an increase in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016 due to an enhanced product lineup of uninterruptible power supplies.

Outlook for Micro Devices Business Sales

We forecast a substantial increase in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016 due to growth in demand for microphones and absolute pressure sensors for smartphones, and other products.

Outlook for Backlight Business Sales

Despite slackening growth in the smartphone market, we forecast a substantial increase in sales for the year ending March 31, 2017 compared with the year ended March 31, 2016 from steadily capturing changing consumer needs.

Outlook for Segment Profit

We forecast a substantial increase in segment profit compared with the year ended March 31, 2016 due to an increase in sales, the effects of structural reforms and other factors.

(2) Analysis of Financial Condition

Analysis of Assets, Liabilities, Net Assets and Cash Flow

1) Financial Condition as of March 31, 2016

Total assets as of March 31, 2016 were JPY 683,325 million, a decrease of JPY 27,686 million compared with the end of the previous fiscal year, due to factors including a decrease in cash and cash equivalents and a decrease in investment securities. Liabilities were JPY 236,291 million, an increase of JPY 17,374 million compared with the end of the previous fiscal year, mainly due to an increase in termination and retirement benefits payable and other factors. Net assets were JPY 447,034 million, a decrease of JPY 45,060 million compared with the end of the previous fiscal year, due to the impact of a change in other comprehensive income. The shareholders' equity ratio decreased 3.8 percentage points compared with the end of the previous fiscal year, from 68.9% to 65.1%.

2) Summary of Cash Flows for the Year Ended March 31, 2016

Net cash provided by operating activities was JPY 84,207 million (an increase of JPY 7,150 million compared with the previous fiscal year) as a result of recording JPY 47,682 million in net income and JPY 31,460 million in depreciation and amortization, among other factors.

Net cash used in investing activities was JPY 67,116 million (an increase in cash outflow of JPY 27,599 million compared with the previous fiscal year) as the Omron Group conducted proactive investments including in production equipment and the acquisition of a motion controller development, production and sales company and a manufacturer of industrial robots in the United States.

Net cash used in financing activities totaled JPY 31,550 million (an increase in cash outflow of JPY 2,247 million compared with the previous fiscal year) because of dividends paid and acquisition of treasury stock.

As a result, the balance of cash and cash equivalents at March 31, 2016 was JPY 82,910 million.

3) Forecast of Financial Condition for the Year Ending March 31, 2017

In the fiscal year ending March 31, 2017, we will continue to make capital and other investments in accordance with “‘Rebuilding of the profit structure’ and ‘Creation of an engine for self-driven growth,’” our policy for fiscal 2016. In financing activities, we will efficiently allocate capital throughout the Group while considering overall financial situation, and conduct flexible procurement and management.

In light of the above, we believe that the balance of cash and cash equivalents of JPY 82,910 million as of March 31, 2016 is at a sufficient level for business operations in the present economic conditions.

Cash Flow Indicators and Trends

Consolidated cash flow indicators and trends for the five recent fiscal years are as follows.

	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2016
Shareholders' equity ratio (%)	59.7	64.0	65.8	68.9	65.1
Shareholders' equity ratio on market value basis (%)	72.9	89.0	143.2	165.6	104.8
Debt coverage ratio	0.6	0.1	0.0	0.0	0.0
Interest coverage ratio	118.8	192.0	265.7	310.5	219.6

Notes: Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio on market value basis: Total market value of stock/Total assets

Debt coverage ratio: Interest-bearing liabilities/Net cash provided by operations

Interest coverage ratio: Net cash provided by operations/Interest expense

1. All indicators are calculated on a consolidated basis.

2. Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing share price at the end of the period.

3. Net cash provided by operations is as reported in the consolidated statement of cash flows. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid. Interest expense is as stated in the notes to the consolidated statements of cash flows.

(3) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2016 and the Year Ending March 31, 2017

Omron consults with its general meeting of shareholders regarding decisions on dividends from retained earnings, with the exception of interim dividends, which are decided by resolution of the Board of Directors based on the provisions of the Articles of Incorporation.

Omron views its dividend policy as one of its most important management issues, and applies the following basic policy in regard to distribution of profits to shareholders.

- 1) In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and capital investments, which are vital to future business expansion.
- 2) After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.
- 3) For dividends in each fiscal year, Omron's policy is to enhance stable, uninterrupted profit distributions by taking into account consolidated results as well as indicators including dividends on equity (DOE), which is return on equity (ROE) multiplied by the payout ratio, although this is subject to the level of internal capital resources necessary. Specifically, although the payout ratio for fiscal 2014 was 25%, in fiscal 2015 Omron applied its medium-term management plan target for fiscal 2016 of a payout ratio of 30% a year early. The 30% payout ratio will be applied for fiscal 2016 as originally planned. In addition, Omron will aim for DOE of 2% as before.
- 4) Accumulated retained earnings over a long period of time will be distributed to shareholders by share repurchase and other measures in a timely manner.

For the year ended March 31, 2016 (fiscal 2015), Omron plans to pay an ordinary year-end dividend of JPY 34 per share in line with the above policy. For the full fiscal year, including the interim dividend of JPY 34 per share paid on December 2, 2015, Omron plans to pay total dividends of JPY 68 per share.

For the year ending March 31, 2017 (fiscal 2016), Omron plans to pay total dividends of JPY 68 per share for the full fiscal year in line with the above policy.

Please note that the amounts of the interim and year-end dividends for fiscal 2016 have not been determined.

2. The Omron Group

In the year ended March 31, 2016, there were no significant changes in the details of the businesses operated by the Omron Group (Omron Corporation and its affiliated companies).

Changes in main affiliated companies are as follows.

Industrial Automation Business

In the year ended March 31, 2016, Adept Technology, Inc. was newly included in the scope of consolidation as a result of a tender offer through a subsidiary of Omron Corporation in the United States, followed by a second-step merger with the same U.S. subsidiary.

3. Management Policies

(1) Omron's Basic Management Policies

The Omron Group aims to become a “global value-creating group that is qualitatively and quantitatively superior” by conducting management based on “Value Generation 2020” (VG2020), its ten-year long-term vision formulated in 2011.

(2) Targeted Management Indicators and Medium-to-Long-Term Corporate Management Strategy

As the second stage of VG2020, the EARTH-1 STAGE for the three years from fiscal 2014 to fiscal 2016 sets forth a policy of “Establishing a ‘self-driven’ growth structure” that can grow based on its own power in any operating environment.

In fiscal 2015, the second year of EARTH-1 STAGE, we set “Accelerate EARTH-1: Accelerate the creation of an engine for ‘self-driven’ growth and pursue results” as our target, and worked to strengthen “growth power,” “earning power” and “the power to deal with change.” However, sales and profits in fiscal 2015 decreased due to a slump in demand in the solar power generation and smartphone markets and the impact of drastic changes in the operating environment including a slowdown in the Chinese economy and currency depreciation in emerging markets. We are partway through “Establishing a ‘self-driven’ growth structure” that can create value under its own power in any operating environment, and we have become deeply aware of the need to further strengthen “growth power,” “earning power” and “the power to deal with change” for such growth. Our main initiatives in fiscal 2015 were as follows.

For “growth power,” we worked to strengthen our operating foundation for future growth, and even though sales decreased overall, sales of the industrial automation, healthcare and other businesses increased. In the industrial automation business, we acquired a motion controller company and a robot manufacturer in the United States to strengthen its operating foundation and accelerate new value creation in the field of factory automation. In the healthcare business, integration of a nebulizer company in Brazil we acquired in 2014 proceeded on schedule, enabling steady sales growth in Central and South America. In addition, by catching the wave of rapid diffusion of Internet sales, we were also able to increase sales through net channels in China and North America.

For “earning power,” since 2011 we have been focusing on the gross profit margin, and by steadfastly linking head office functional divisions (horizontal) and business divisions (vertical), we are continuing to promote Group-wide efforts to make horizontal expertise lead to vertical results. With the substantial impact from currency translation in fiscal 2015, the gross profit margin worsened by approximately 0.8 points compared with fiscal 2014 to 38.5%. On the other hand, improvement is proceeding steadily due to efforts to reduce costs and our growing power to unflinchingly provide products with the high value demanded by customers.

For “the power to deal with change,” we have been raising our receptivity to changes and our reaction speed to cultivate the ability to promptly respond to changes. In the environmental and backlight businesses, which have been impacted by rapid changes in their operating environments, we started business structure reforms in the second half and worked for rapid optimization by reallocating resources to new growth fields and other measures.

(3) Issues Facing the Company

We recognize that the operating environment in fiscal 2016 will remain severe, mainly in Japan, which will be significantly impacted by the slackening of the growth rate in China and the effects of the appreciation of the yen, despite a forecast for the external environment of moderate improvement in the global economy. Under these conditions, we have set “‘Rebuilding of the profit structure’ and ‘Creation of an engine for self-driven growth’” as our Group-wide policy, and will rebuild a “strong profit structure” Group-wide as a foundation for profitable growth that is not affected by the operating environment. At the same time, we will continue to make investments that drive the sustainable growth of the whole Group. In addition, we will aim for net sales of JPY 820.0 billion, a gross profit margin of 39.3%, operating income of JPY 63.0 billion, net income attributable to shareholders of JPY 47.5 billion, ROIC of 10% and ROE of 10%. Our main initiatives in fiscal 2016 will be as follows.

For “Rebuilding of the profit structure,” we will further strengthen measures to increase the gross profit margin to secure the capital for investments for growth in all businesses and divisions, and work to substantially improve productivity in indirect divisions cross-divisionally. Among these efforts, we will anticipate market changes in the environmental and backlight businesses, where the operating environments have changed dramatically, to realize profitable growth.

As for “Creation of an engine for self-driven growth,” in addition to the industrial automation and healthcare businesses, which are driving business growth Group-wide, we will carefully select businesses and innovations in the technical divisions that support them to accelerate growth and concentrate investments there. One such area is innovations due to factors such as the Internet of Things (IoT), artificial intelligence (AI) and robotics. IoT technology, which connects all things, will bring about major transformations everywhere from manufacturing sites to automobiles, home appliances, social infrastructure and health management. This social transformation represents a major business opportunity for Omron, with “Sensing & Control + Think” as its core technology.

Our core industrial automation business will capture these opportunities by advocating its new “innovative-Automation” concept. By seamlessly and smoothly combining a broad lineup, including robots, that is peerless in our industry with the world’s fastest controllers for high-speed, high-accuracy control, we will reform manufacturing with Omron’s unique innovation.

Assuming more extreme changes in the operating environment than ever before, our ongoing creation of new value as a pioneer in society, in addition to our flexibility in responding to short-term changes, will lead to growth.

4. Basic Stance on Selection of Accounting Standard

The Omron Group has adopted U.S. GAAP, an international accounting standard, to ensure the trust of its stakeholders worldwide.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of		As of		Increase (decrease)
	March 31, 2015		March 31, 2016		
ASSETS					
Current assets:	434,096	61.1%	389,609	57.1%	(44,487)
Cash and cash equivalents	102,622		82,910		(19,712)
Notes and accounts receivable — trade	178,775		165,093		(13,682)
Allowance for doubtful receivables	(1,624)		(1,654)		(30)
Inventories	116,020		107,267		(8,753)
Deferred income taxes	19,941		18,469		(1,472)
Other current assets	18,362		17,524		(838)
Property, plant and equipment:	151,452	21.3	146,565	21.4	(4,887)
Land	26,721		26,376		(345)
Buildings	147,120		146,412		(708)
Machinery and equipment	202,149		204,499		2,350
Construction in progress	6,619		6,142		(477)
Accumulated depreciation	(231,157)		(236,864)		(5,707)
Investments and other assets:	125,463	17.6	147,151	21.5	21,688
Goodwill	8,776		30,253		21,477
Investments in and advances to associates	24,318		25,048		730
Investment securities	57,106		37,055		(20,051)
Leasehold deposits	6,971		6,758		(213)
Deferred income taxes	6,366		22,080		15,714
Other	21,926		25,957		4,031
Total assets	711,011	100.0%	683,325	100.0%	(27,686)

(Millions of yen)

	As of		As of		Increase (decrease)
	March 31, 2015		March 31, 2016		
LIABILITIES					
Current liabilities:	176,762	24.9%	162,663	23.8%	(14,099)
Notes and accounts payable – trade	92,702		82,606		(10,096)
Accrued expenses	41,942		37,975		(3,967)
Income taxes payable	3,680		6,890		3,210
Other current liabilities	38,438		35,192		(3,246)
Deferred income taxes	697	0.1	660	0.1	(37)
Termination and retirement benefits	30,393	4.3	62,289	9.1	31,896
Other long-term liabilities	11,065	1.5	10,679	1.6	(386)
Total liabilities	218,917	30.8	236,291	34.6	17,374
NET ASSETS					
Shareholders' equity	489,769	68.9	444,718	65.1	(45,051)
Common stock	64,100	9.0	64,100	9.4	—
Capital surplus	99,070	13.9	99,101	14.5	31
Legal reserve	13,403	1.9	15,194	2.2	1,791
Retained earnings	301,174	42.4	317,171	46.4	15,997
Accumulated other comprehensive income (loss)	12,489	1.8	(50,204)	(7.3)	(62,693)
Foreign currency translation adjustments	26,313		2,541		(23,772)
Minimum pension liability adjustments	(36,486)		(64,525)		(28,039)
Net unrealized gains on available-for-sale securities	22,478		11,884		(10,594)
Net gains (losses) on derivative instruments	184		(104)		(288)
Treasury stock	(467)	(0.1)	(644)	(0.1)	(177)
Noncontrolling interests	2,325	0.3	2,316	0.3	(9)
Total net assets	492,094	69.2	447,034	65.4	(45,060)
Total liabilities and shareholders' equity	711,011	100.0%	683,325	100.0%	(27,686)

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2015		Year ended March 31, 2016		Increase (decrease)
Net sales	847,252	100.0%	833,604	100.0%	(13,648)
Cost of sales	514,645	60.7	512,792	61.5	(1,853)
Gross profit	332,607	39.3	320,812	38.5	(11,795)
Selling, general and administrative expenses	198,103	23.4	205,735	24.7	7,632
Research and development expenses	47,913	5.7	52,790	6.3	4,877
Operating income	86,591	10.2	62,287	7.5	(24,304)
Other expenses, net	(797)	(0.1)	(3,399)	(0.4)	(2,602)
Income before income taxes and equity in earnings of affiliates	87,388	10.3	65,686	7.9	(21,702)
Income taxes	28,893	3.4	20,043	2.4	(8,850)
Current	16,955		17,760		805
Deferred	11,938		2,283		(9,655)
Equity in loss (earnings) of affiliates	(3,937)	(0.5)	(2,039)	(0.2)	1,898
Net income	62,432	7.4	47,682	5.7	(14,750)
Net income attributable to noncontrolling interests	262	0.1	392	0.0	130
Net income attributable to shareholders	62,170	7.3	47,290	5.7	(14,880)

Note: Income taxes include reversal of deferred income taxes (JPY 2,057 million for the year ended March 31, 2015 and JPY 1,274 million for the year ended March 31, 2016) in connection with the promulgation of a law to reduce the corporate income tax rate.

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Increase (decrease)
Net income	62,432	47,682	(14,750)
Other comprehensive income, net of tax			
Foreign currency translation adjustments	21,846	(23,916)	(45,762)
Pension liability adjustments	1,543	(28,039)	(29,582)
Net unrealized gains (losses) on available- for-sale securities	4,012	(10,594)	(14,606)
Net gains (losses) on derivative instruments	319	(288)	(607)
Total other comprehensive income (loss)	27,720	(62,837)	(90,557)
Comprehensive income (loss)	90,152	(15,155)	(105,307)
(Breakdown)			
Comprehensive income attributable to noncontrolling interests	331	248	(83)
Comprehensive income (loss) attributable to shareholders	89,821	(15,403)	(105,224)

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Non-controlling interests	Total net assets
Balance, March 31, 2014	64,100	99,067	11,196	287,853	(15,162)	(16,545)	430,509	2,269	432,778
Net income				62,170			62,170	262	62,432
Cash dividends to shareholders				(15,513)			(15,513)		(15,513)
Cash dividends to noncontrolling interests							–	(277)	(277)
Equity transactions with noncontrolling interests and other							–	2	2
Transfer to legal reserve			2,207	(2,207)			–		–
Foreign currency translation adjustments					21,777		21,777	69	21,846
Minimum pension liability adjustments					1,543		1,543		1,543
Net unrealized gains on available-for-sale securities					4,012		4,012		4,012
Net gains on derivative instruments					319		319		319
Acquisition of treasury stock						(15,054)	(15,054)		(15,054)
Sale of treasury stock		0				1	1		1
Cancellation of treasury stock		(2)		(31,129)		31,131	–		–
Issuance of stock acquisition rights		5					5		5
Balance, March 31, 2015	64,100	99,070	13,403	301,174	12,489	(467)	489,769	2,325	492,094
Net income				47,290			47,290	392	47,682
Cash dividends to shareholders				(14,656)			(14,656)		(14,656)
Cash dividends to noncontrolling interests							–	(256)	(256)
Equity transactions with noncontrolling interests and other							–	(1)	(1)
Transfer to legal reserve			1,791	(1,791)			–		–
Foreign currency translation adjustments					(23,772)		(23,772)	(144)	(23,916)
Minimum pension liability adjustments					(28,039)		(28,039)		(28,039)
Net unrealized gains on available-for-sale securities					(10,594)		(10,594)		(10,594)
Net gains on derivative instruments					(288)		(288)		(288)
Acquisition of treasury stock						(15,023)	(15,023)		(15,023)
Sale of treasury stock		0				0	0		0
Cancellation of treasury stock				(14,846)		14,846	–		–
Issuance of stock acquisition rights		31					31		31
Balance, March 31, 2016	64,100	99,101	15,194	317,171	(50,204)	(644)	444,718	2,316	447,034

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Increase (decrease)
I Operating Activities:			
1. Net income	62,432	47,682	(14,750)
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	28,339	31,460	
(2) Net loss (gain) on sales and disposals of property, plant and equipment	3,432	(485)	
(3) Loss on impairment of long-lived assets	137	463	
(4) Net gain on sale of investment securities	(4,337)	(1,499)	
(5) Loss on impairment of investment securities	166	68	
(6) Gain on establishment of retirement benefit trust	—	(4,140)	
(7) Termination and retirement benefits	(17,427)	698	
(8) Deferred income taxes	11,938	2,283	
(9) Equity in loss (earnings) of affiliates	(3,937)	(2,039)	
(10) Changes in assets and liabilities:			
(i) Decrease in notes and accounts receivable — trade	3,384	9,436	
(ii) Decrease (increase) in inventories	(10,671)	6,061	
(iii) Decrease (increase) in other assets	(2,828)	1,003	
(iv) Increase (decrease) in notes and accounts payable — trade	1,658	(7,189)	
(v) Increase (decrease) in income taxes payable	(3,127)	3,433	
(vi) Increase (decrease) in accrued expenses and other current liabilities	6,318	(4,614)	
(11) Other, net	1,580	1,586	
Total adjustments	14,625	36,525	21,900
Net cash provided by operating activities	77,057	84,207	7,150
II Investing Activities:			
1. Proceeds from sale or maturities of investment securities	5,274	2,214	(3,060)
2. Purchase of investment securities	(603)	(330)	273
3. Capital expenditures	(37,123)	(37,903)	(780)
4. Decrease in leasehold deposits, net	118	115	(3)
5. Proceeds from sale of property, plant and equipment	768	2,239	1,471
6. Increase in investment in and loans to affiliates	(30)	(20)	10
7. Acquisition of business, net of cash acquired	(8,003)	(33,448)	(25,445)
8. Other, net	82	17	(65)
Net cash used in investing activities	(39,517)	(67,116)	(27,599)
III Financing Activities:			
1. Net borrowings (repayments) of short-term debt	(853)	2	855
2. Dividends paid by the Company	(12,985)	(16,077)	(3,092)
3. Dividends paid to noncontrolling interests	(277)	(256)	21
4. Acquisition of treasury stock	(15,054)	(15,023)	31
5. Other, net	(134)	(196)	(62)
Net cash used in financing activities	(29,303)	(31,550)	(2,247)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents			
	4,134	(5,253)	(9,387)
Net Increase (Decrease) in Cash and Cash Equivalents	12,371	(19,712)	(32,083)
Cash and Cash Equivalents at Beginning of the Period	90,251	102,622	12,371
Cash and Cash Equivalents at End of the Period	102,622	82,910	(19,712)
Notes to cash flows from operating activities:			
1. Interest paid	248	383	135
2. Taxes paid	19,614	14,550	(5,064)
Notes to investing and financing activities not involving cash flow:			
1. Debt related to capital expenditures	2,263	1,219	(1,044)
2. Decrease in capital surplus due to cancellation of treasury stock	31,129	14,846	(16,283)
3. Fair value of investment securities contributed to retirement benefit trust	—	9,677	9,677

**(5) Notes Regarding Consolidated Financial Statements
(Notes Regarding Assumptions of Continuing Operations)**

None applicable.

(Preparation of the Consolidated Financial Statements)

Omitted because no material changes have been made since publication of the most recent Securities Report (*Yuka shoken hokokusho*), submitted on June 24, 2015.

(Per Share Data)

The Company calculates net income per share in accordance with FASB Statement No. 260, "Earnings per Share." The number of shares used to compute basic and diluted net income per share available to shareholders is as follows:

(Number of shares)	Year ended March 31, 2015	Year ended March 31, 2016
Basic	218,995,929	215,985,589
Diluted	218,996,395	215,985,712

(Major Components of Other Expenses, Net)

The major components of "Other expenses, net" are as follows:

Year ended March 31, 2015

Loss on disposal and sale of fixed assets, net	JPY 3,432 million
Loss on impairment of investment securities	JPY 166 million
Loss on impairment of long-lived assets	JPY 137 million
Gain on sale of investment securities, net	JPY (4,337) million

Year ended March 31, 2016

Foreign exchange loss, net	JPY 1,389 million
Loss on impairment of long-lived assets	JPY 463 million
Gain on sale of investment securities, net	JPY (1,499) million
Gain on establishment of retirement benefit trust	JPY (4,140) million

(Subsequent Events)

None applicable.

Notes concerning asset retirement obligations such as lease transactions, related party transactions, tax effect accounting, financial products, securities, derivative transactions, retirement benefits, business combinations and asset retirement obligations have not been included in this summary of consolidated financial results, as the Company considers their disclosure here to be of marginal importance.

(Segment Information)

1. Business Segment Information

Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations and others	Consolidated
Net sales:									
(1) Sales to external customers	331,840	103,946	137,883	80,410	100,615	87,382	842,076	5,176	847,252
(2) Intersegment sales and transfers	5,721	50,441	1,148	5,027	164	24,466	86,967	(86,967)	—
Total	337,561	154,387	139,031	85,437	100,779	111,848	929,043	(81,791)	847,252
Operating expenses	282,944	144,219	129,801	80,444	94,268	103,482	835,158	(74,497)	760,661
Operating income (loss)	54,617	10,168	9,230	4,993	6,511	8,366	93,885	(7,294)	86,591

Year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations and others	Consolidated
Net sales:									
(1) Sales to external customers	335,959	103,681	139,966	77,538	108,121	63,028	828,293	5,311	833,604
(2) Intersegment sales and transfers	5,438	48,973	580	4,571	304	16,456	76,322	(76,322)	—
Total	341,397	152,654	140,546	82,109	108,425	79,484	904,615	(71,011)	833,604
Operating expenses	293,468	144,160	133,204	78,911	101,140	83,603	834,486	(63,169)	771,317
Operating income (loss)	47,929	8,494	7,342	3,198	7,285	(4,119)	70,129	(7,842)	62,287

2. Geographical Segment Information

Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Japan	Americas	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	351,321	123,496	108,427	180,954	83,054	847,252	—	847,252
(2) Intersegment sales and transfers	178,944	3,423	1,734	90,193	24,339	298,633	(298,633)	—
Total	530,265	126,919	110,161	271,147	107,393	1,145,885	(298,633)	847,252
Operating expenses	474,708	125,170	104,259	251,472	99,526	1,055,135	(294,474)	760,661
Operating income (loss)	55,557	1,749	5,902	19,675	7,867	90,750	(4,159)	86,591

Year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Japan	Americas	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	342,824	130,968	109,147	162,508	88,157	833,604	—	833,604
(2) Intersegment sales and transfers	182,172	6,053	1,802	98,000	27,877	315,904	(315,904)	—
Total	524,996	137,021	110,949	260,508	116,034	1,149,508	(315,904)	833,604
Operating expenses	491,118	138,106	104,400	244,367	107,898	1,085,889	(314,572)	771,317
Operating income (loss)	33,878	(1,085)	6,549	16,141	8,136	63,619	(1,332)	62,287

Note: Major countries or regions belonging to segments other than Japan are as follows:

- (1) Americas: United States, Canada, Brazil
- (2) Europe: The Netherlands, United Kingdom, Germany, France, Italy, Spain
- (3) Greater China: China, Hong Kong, Taiwan
- (4) Southeast Asia and Others: Singapore, Republic of Korea, India, Australia

3. Overseas Sales

Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	126,628	113,258	181,895	87,828	509,609
Consolidated net sales					847,252
Overseas sales as a percentage of consolidated net sales (%)	14.9	13.4	21.5	10.3	60.1

Year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	133,769	114,385	163,623	91,023	502,800
Consolidated net sales					833,604
Overseas sales as a percentage of consolidated net sales (%)	16.0	13.7	19.6	11.0	60.3

Note: Major countries or regions belonging to each segment are as follows:

- (1) Americas: United States, Canada, Brazil
- (2) Europe: The Netherlands, United Kingdom, Germany, France, Italy, Spain
- (3) Greater China: China, Hong Kong, Taiwan
- (4) Southeast Asia and Others: Singapore, Republic of Korea, India, Australia

6. Supplementary Information
(1) Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Year ended March 31, 2015	Year ended March 31, 2016	Year-on-year change
Net sales	847,252	833,604	-1.6%
Operating income [% of net sales]	86,591 [10.2%]	62,287 [7.5%]	-28.1% [-2.7P]
Income before income taxes [% of net sales]	87,388 [10.3%]	65,686 [7.9%]	-24.8% [-2.4P]
Net income attributable to shareholders	62,170	47,290	-23.9%
Net income per share attributable to shareholders (basic) (JPY)	283.89	218.95	-64.94
Net income per share attributable to shareholders (diluted) (JPY)	283.89	218.95	-64.94
Return on equity (%)	13.5%	10.1%	[-3.4P]
Total assets	711,011	683,325	-3.9%
Shareholders' equity [Shareholders' equity ratio (%)]	489,769 [68.9%]	444,718 [65.1%]	-9.2% [-3.8P]
Shareholders' equity per share (JPY)	2,254.37	2,079.98	-174.39
Net cash provided by operating activities	77,057	84,207	+7,150
Net cash used in investing activities	(39,517)	(67,116)	-27,599
Net cash used in financing activities	(29,303)	(31,550)	-2,247
Cash and cash equivalents at end of period	102,622	82,910	-19,712
Cash dividends per share (JPY)	71.00	68.00	-3.00

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

(2) Non-consolidated Results

(Millions of yen, %)

	Year ended March 31, 2015	Year ended March 31, 2016	Year-on-year change
Net sales	275,060	263,593	-4.2%
Operating income [% of net sales]	31,290 [11.4%]	20,479 [7.8%]	-34.6% [-3.6P]
Ordinary income [% of net sales]	45,157 [16.4%]	34,993 [13.3%]	-22.5% [-3.1P]
Income before income taxes [% of net sales]	42,604 [15.5%]	39,736 [15.1%]	-6.7% [-0.4P]
Net income	31,697	32,659	+3.0%
Net income per share (basic) (JPY)	144.74	151.21	+6.47
Net income per share (diluted) (JPY)	144.74	151.21	+6.47
Common stock	64,100	64,100	0.0%
Total assets	406,711	427,278	+5.1%
Net assets	257,499	249,743	-3.0%
Net worth ratio (%)	63.3%	58.4%	-4.9P
Net assets per share (JPY)	1,185.23	1,167.90	-17.33

(3) Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2015	Year ended March 31, 2016	Year-on-year change (%)
IAB	Domestic	126.7	130.5	+2.9
	Overseas	205.1	205.5	+0.2
	Total	331.8	336.0	+1.2
EMC	Domestic	23.9	23.2	-2.8
	Overseas	80.0	80.5	+0.5
	Total	103.9	103.7	-0.3
AEC	Domestic	25.9	21.1	-18.5
	Overseas	112.0	118.9	+6.1
	Total	137.9	140.0	+1.5
SSB	Domestic	79.1	75.7	-4.3
	Overseas	1.3	1.8	+37.0
	Total	80.4	77.5	-3.6
HCB	Domestic	31.4	31.1	-1.0
	Overseas	69.2	77.0	+11.3
	Total	100.6	108.1	+7.5
Other	Domestic	45.8	44.0	-3.8
	Overseas	41.6	19.0	-54.4
	Total	87.4	63.0	-27.9
Eliminations and others	Domestic	4.9	5.2	+6.1
	Overseas	0.4	0.1	-70.7
	Total	5.3	5.3	+2.6
Total	Domestic	337.7	330.8	-2.0
	Overseas	509.6	502.8	-1.3
	[% of total]	[60.1%]	[60.3%]	[+0.2P]
	Total	847.3	833.6	-1.6

(4) Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Year-on-year change (%)
IAB	54.6	47.9	-12.2
EMC	10.2	8.5	-16.5
AEC	9.2	7.3	-20.5
SSB	5.0	3.2	-36.0
HCB	6.5	7.3	+11.9
Other	8.4	(4.1)	—
Eliminations and others	(7.3)	(7.8)	—
Total	86.6	62.3	-28.1

(5) Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Year-on- year change
USD	110.0	120.2	+10.2
EUR	138.7	132.2	-6.5

(6) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on-year change (%)
IAB	Domestic	130.5	136.0	+4.3
	Overseas	205.5	200.0	-2.7
	Total	336.0	336.0	0.0
EMC	Domestic	23.2	23.5	+1.1
	Overseas	80.5	76.5	-4.9
	Total	103.7	100.0	-3.6
AEC	Domestic	21.1	17.5	-17.1
	Overseas	118.9	112.5	-5.4
	Total	140.0	130.0	-7.1
SSB	Domestic	75.7	69.0	-8.9
	Overseas	1.8	1.0	-45.1
	Total	77.5	70.0	-9.7
HCB	Domestic	31.1	32.5	+4.4
	Overseas	77.0	75.5	-1.9
	Total	108.1	108.0	-0.1
Other	Domestic	44.0	42.0	-4.7
	Overseas	19.0	29.0	+52.9
	Total	63.0	71.0	+12.6
Eliminations and others	Domestic	5.2	4.5	-11.9
	Overseas	0.1	0.5	+385.4
	Total	5.3	5.0	-5.7
Total	Domestic	330.8	325.0	-1.8
	Overseas	502.8	495.0	-1.6
	[% of total]	[60.3%]	[60.4%]	[+0.1P]
	Total	833.6	820.0	-1.6

(7) Projected Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on-year change (%)
IAB	47.9	46.5	-3.0
EMC	8.5	10.0	+17.7
AEC	7.3	6.5	-11.5
SSB	3.2	4.0	+25.1
HCB	7.3	8.0	+9.8
Other	(4.1)	1.5	—
Eliminations and others	(7.8)	(13.5)	—
Total	62.3	63.0	+1.1

(8) Projected Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on- year change
USD	120.2	110.0	-10.2
EUR	132.2	125.0	-7.2