



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

January 31, 2017

**OMRON Corporation (6645)**

Exchanges Listed:	Tokyo (first section)
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Filing of Quarterly Securities Report ( <i>Shihanki hokokusho</i> ) (scheduled):	February 10, 2017
Start of Distribution of Dividends (scheduled):	—
Preparation of Supplementary Materials for the Quarterly Financial Results:	Yes
Holding of Presentation of Quarterly Financial Results:	Yes (for investors)

*Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.*

Note: All amounts are rounded to the nearest million yen.

**1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2016 – December 31, 2016)**

**(1) Sales and Income (cumulative)**

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

	Millions of yen - except per share data and percentages			
	Nine months ended December 31, 2016		Nine months ended December 31, 2015	
		Change (%)		Change (%)
Net sales	568,687	(7.4)	614,013	(0.0)
Operating income	45,815	3.7	44,170	(29.9)
Income before income taxes	44,075	(1.4)	44,689	(31.8)
Net income attributable to shareholders	30,616	(9.6)	33,869	(31.3)
Net income attributable to shareholders per share, basic (JPY)	143.19		156.34	
Net income attributable to shareholders per share, diluted (JPY)	143.19		156.34	

Note: Comprehensive income (loss): Nine months ended December 31, 2016: JPY 28,622 million (16.7% change);  
Nine months ended December 31, 2015: JPY 24,533 million (-69.7% change)

**(2) Consolidated Financial Position**

	Millions of yen - except per share data and percentages	
	As of December 31, 2016	As of March 31, 2016
	Total assets.....	687,540
Net assets.....	467,635	447,034
Shareholders' equity.....	465,877	444,718
Shareholders' equity ratio (%).....	67.8	65.1

## 2. Dividends

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

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

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

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

	Millions of yen	
	Full year ending March 31, 2017	Change (%)
Net sales	780,000	-6.4
Operating income	64,000	2.8
Income before income taxes	62,500	-4.9
Net income attributable to shareholders	44,000	-7.0
Net income per share attributable to shareholders (JPY)	205.79	

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

See “OMRON Announces Revisions to Full-Year Consolidated Performance Forecast for Fiscal 2016,” released today (January 31, 2017), regarding the revisions to the consolidated performance forecast

## Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No  
New: – companies (–) Excluded: – companies (–)
- (2) Application of simplified accounting methods and/or special accounting methods: No
- (3) Changes in accounting policy
  - (a) Changes in accounting policy accompanying revision of accounting standards, etc.: No
  - (b) Changes in accounting policy other than (a) above: No
- (4) Number of shares issued and outstanding (common stock)
  - (a) Number of shares at end of period (including treasury stock): December 31, 2016: 213,958,172 shares; March 31, 2015: 213,958,172 shares
  - (b) Treasury stock at end of period: December 31, 2016: 151,120 shares; March 31, 2016: 149,398 shares
  - (c) Average number of shares during the period (cumulative quarterly period): Nine months ended December 31, 2016: 213,808,215 shares; Nine months ended December 31, 2015: 216,638,556 shares

**Items Regarding the Implementation of Quarterly Review Procedures**

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

**Notes Regarding Use of Projections of Results and Other Matters**

1. Projections of results and future developments are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks, uncertainties and other factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results, see “1. Qualitative Information on Quarterly Financial Results, (3) Description of Information on Outlook, Including Consolidated Performance Forecast” on page 6.
2. The Company applies the single step method for presentation of its Consolidated Financial Statements based on U.S. GAAP. However, to facilitate comparison with other companies, operating income on the Consolidated Income Statement is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.
3. The Company plans to hold a presentation for investors on Tuesday, January 31, 2017. The Company also plans to post an overview and the (voice) content of its explanations, together with financial materials used at the presentation, promptly on its website.

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

IAB: Industrial Automation Business

EMC: Electronic and Mechanical Components Business

AEC: Automotive Electronic Components Business

SSB: Social Systems, Solutions and Service Business

HCB: Healthcare Business

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

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# 1. Qualitative Information on Quarterly Financial Results

## (1) Description of Results of Operations

### General Overview

In the first nine months of the year ending March 31, 2017 (April-December 2016), net sales of the OMRON Group decreased compared with the same period of the previous fiscal year, mainly due to the impact of the strong yen. Operating income, however, experienced an increase year on year.

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

### Economic and Market Conditions by Region

Japan:	Consumer spending in Japan experienced a moderate recovery over recent months, while capital investment recovered in certain sectors.
Americas:	The economy of the United States continued to expand, driven by improvements in the labor market and steady growth in consumer spending.
Europe:	While the economy in Europe continued to experience a moderate recovery, uncertainty in the outlook remained.
Greater China:	Expanded government investment in Greater China has created a temporary pause in regional economic deceleration.
Asia:	While certain sectors in South Korea are experiencing a recovery, uncertainty continues in Thailand, Indonesia, and other countries.

### Conditions in the OMRON Group's Primary Related Markets

Automotive-related:	Demand in the domestic <i>Kei car</i> (light vehicle) market has recovered somewhat over the past several months, while automotive-related demand remains strong in the U.S. and Europe.
Semiconductor-related:	Demand for capital investment was robust both in Japan and overseas.
Machine tool-related:	Demand for capital investment remained weak both in Japan and overseas.
Home appliance and electronic component-related:	Demand for capital investment remained solid, while demand for components recovered slightly.
Healthcare equipment-related:	While consumer spending continues to recover in Japan, spending remained firm among the emerging economies overseas.

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

	(Millions of yen)		
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Net sales	614,013	568,687	-7.4%
Operating income	44,170	45,815	+3.7%
Income before income taxes	44,689	44,075	-1.4%
Net income attributable to shareholders	33,869	30,616	-9.6%
Average USD exchange rate (JPY)	121.5 JPY	106.9 JPY	-14.6 JPY
Average EUR exchange rate (JPY)	133.5 JPY	118.7 JPY	-14.8 JPY

## Results by Business Segment

### IAB (Industrial Automation Business)

(Millions of yen, %)

		Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Sales to external customers	Japan	95,378	96,558	+1.2%
	Overseas	156,208	143,434	-8.2%
	Total	251,586	239,992	-4.6%
Segment profit		36,759	37,067	+0.8%

#### Sales in Japan

Due to the strength of the yen, our customers took a cautious approach to capital investment. At the same time, we saw growth in digital industry sales and sales to other focus sectors, resulting in higher year-on-year sales in Japan.

#### Overseas Sales

While sales in the Americas decreased due to the sale of an oil-related business, demand was solid among the automotive-related industries. Sales increased in Europe year on year, due in large part to the contributions of U.S.-based subsidiaries acquired by the OMRON Group. The weak euro also led to strong demand for export company products. In Greater China, demand was strong in the digital, infrastructure, and environmental-related industries. Meanwhile, the region has reached a temporary pause in its economic deceleration. Increased digital industry investment in South Korea helped spur greater sales in Asia. At the same time, however, the future direction of the emerging economies remains unclear. The added negative impact of the appreciation of the yen drove overseas sales down year on year.

#### Segment Profit

Despite ongoing improvements in gross profits, segment profit was level compared with the same period of the previous fiscal year. This result was mainly due to the strong yen and OMRON Group investments in growth projects.

### EMC (Electronic and Mechanical Components Business)

(Millions of yen, %)

		Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Sales to external customers	Japan	17,780	16,605	-6.6%
	Overseas	60,938	52,277	-14.2%
	Total	78,718	68,882	-12.5%
Segment profit		6,565	7,148	+8.9%

#### Sales in Japan

Lower demand in Japan's amusement industry resulted in lower year-on-year sales for the segment.

#### Overseas Sales

Inventory adjustments among our customers in the consumer and commercial products and automotive-related industries in the Americas resulted in weak demand in the region. In Europe, demand in automotive-related industries was firm. In Greater China, demand in the consumer and commercial products industries decreased. The added negative impact of the yen appreciation drove overseas sales lower year on year by a significant margin.

#### Segment Profit

Despite a decrease in sales and the yen appreciation, segment profit increased year on year. This owed much to our efforts in productivity improvements carried out during the prior fiscal year.

**AEC (Automotive Electronic Components Business)**

(Millions of yen, %)

		Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Sales to external customers	Japan	15,565	13,770	-11.5%
	Overseas	88,433	83,141	-6.0%
	Total	103,998	96,911	-6.8%
Segment profit		5,241	4,882	-6.8%

**Sales in Japan**

Declining *Kei car* sales through the second quarter in Japan drove sales down significantly year on year.

**Overseas Sales**

The solid U.S. economy contributed to expanded demand in the Americas. In Greater China, demand expanded, supported by strong sales of automobiles backed by government tax reduction measures. Unfortunately, the added negative impact of the appreciation of the yen drove overseas sales down year on year.

**Segment Profit**

Segment profit decreased compared with the same period of the previous fiscal year, mainly due to lower sales and the strong yen.

**SSB (Social Systems, Solutions and Service Business)**

(Millions of yen, %)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Sales to external customers	44,865	34,554	-23.0%
Segment profit (loss)	(2,662)	(3,372)	—

**Public Transportation Systems Business Sales**

The demand cycle for upgrading station equipment reached a low point during the past nine months of fiscal 2016. As such, sales have decreased significantly year on year.

**Traffic and Road Management Systems Business Sales**

Despite solid demand for upgrades to traffic-related terminals, demand for investment in expressways was weak. As a result, sales for the period decreased compared with the same period of the previous fiscal year.

**Environmental Solutions Business Sales**

Weak demand in the solar power generation-related market resulted in a significant decrease in Environmental Solutions Business sales year on year.

**Segment Profit**

Segment loss widened compared to the same period in the previous fiscal year due to lower top-line sales.

**HCB (Healthcare Business)**

(Millions of yen, %)

		Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Sales to external customers	Japan	23,047	22,669	-1.6%
	Overseas	57,981	53,322	-8.0%
	Total	81,028	75,991	-6.2%
Segment profit		6,326	7,581	+19.8%

**Sales in Japan**

Despite steady growth in sales of online home-use healthcare equipment, demand for these products was weak at big box home appliance retailers in suburban areas. Demand for professional-use equipment at medical institutions fell year on year. This decrease was mainly due to the transfer of shares of a medical equipment subsidiary. As a result, sales in Japan for the period decreased compared with the same period of the previous fiscal year.

**Overseas Sales**

In the Americas, sales of blood pressure monitors remained strong in Brazil. Sales of new blood pressure monitor products remained strong in Russia, while the expansion of dealer networks throughout Europe contributed to ongoing solid performance throughout the region. In Greater China, the online market continued to expand while demand in pharmacies and other store channels was weak. Unfortunately, the added negative impact of the yen appreciation contributed to lower year-on-year sales of OMRON Group products overseas.

**Segment Profit**

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

**Other (Businesses under the Direct Control of Headquarters)**

(Millions of yen, %)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change (%)
Sales to external customers	50,109	48,601	-3.0%
Segment profit (loss)	(1,906)	(1,445)	—

Businesses in the Other segment are primarily responsible for exploring and nurturing new business fields, as well as nurturing/reinforcing businesses operated under the direct control of Headquarters.

**Environmental Solutions Business Sales**

While demand remained weak in the solar power generation-related market, sales for the period increased year on year. This improvement in performance was mainly due to our expanded lineup of power storage systems.

**Electronic Systems & Equipment Business Sales**

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

**Micro Devices Business Sales**

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

**Backlight Business Sales**

Sales for the period decreased significantly year on year, mainly due to falling prices in the smartphone market and weak demand for high-end smartphones in Greater China.

**Segment Profit**

Segment losses were narrower year on year, despite lower sales and the negative impact of the yen appreciation. This improvement was mainly due to the efficient management of fixed expenses.



## (2) Description of Financial Condition

Total assets as of December 31, 2016 increased JPY 4,215 million compared with the end of the previous fiscal year to JPY 687,540 million due to an increase in cash and cash equivalents and an increase in inventories. Total liabilities decreased JPY 16,386 million compared with the end of the previous fiscal year to JPY 219,905 million due to decreases in termination and retirement benefits and accrued expenses. Net assets increased JPY 20,601 million compared to the end of the previous fiscal year to JPY 467,635 million due to increases in net income attributable to shareholders and other factors. OMRON Group shareholders' equity ratio was 67.8 percent, compared with 65.1 percent at the end of the previous fiscal year.

Net cash provided by operating activities in the third quarter was JPY 44,536 million (a decrease in cash provided of JPY 3,099 million compared with the same period of the previous fiscal year). This result was mainly due to the recording of net income, amortization and depreciation, and other factors. Net cash used in investing activities was JPY 8,235 million (a decrease in cash used of JPY 49,822 million compared with the same period of the previous fiscal year). This result was mainly due to capital expenditures, the sale of a business, and other factors. Net cash used in financing activities was JPY 15,174 million (a decrease in cash used of JPY 16,409 million compared with the same period of the previous fiscal year), mainly due to dividends paid and other factors. As a result, the balance of cash and cash equivalents at December 31, 2016 was JPY 100,792 million, an increase of JPY 17,882 million compared to the end of the previous fiscal year.

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

The OMRON Group has revised its full-year performance forecast as shown below. These revisions reflect favorable business performance for the first nine months of the year, as well as recent trends in demand and the weakening of the yen. The OMRON Group has changed its assumed exchange rates for the fourth quarter to USD 1 = JPY 110 and EUR 1 = JPY 120.

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

(Millions of yen / % / JPY)

	Net sales	Operating income	Income before income taxes	Net income attributable to shareholders	Net income per share attributable to shareholders (JPY)
Previous forecast (A)	765,000	55,000	55,000	40,000	187.08
New forecast (B)	780,000	64,000	62,500	44,000	205.79
Change (B-A)	15,000	9,000	7,500	4,000	—
Change (%)	2.0%	16.4%	13.6%	10.0%	—
(Reference) Actual results for the previous fiscal year (ended March 31, 2016)	833,604	62,287	65,686	47,290	218.95

## 2. Items Related to Summary Information (Notes)

- (1) Changes in significant subsidiaries during the period  
None applicable
- (2) Application of simplified accounting methods and/or specific accounting methods  
None applicable
- (3) Changes in accounting policy  
None applicable

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

(Millions of yen)

	As of		As of	
	March 31, 2016		December 31, 2016	
<b>ASSETS</b>				
Current assets:	389,609	57.1%	418,542	60.8%
Cash and cash equivalents	82,910		100,792	
Notes and accounts receivable — trade	165,093		161,254	
Allowance for doubtful receivables	(1,654)		(1,469)	
Inventories	107,267		123,564	
Deferred income taxes	18,469		19,021	
Other current assets	17,524		15,380	
Property, plant and equipment:	146,565	21.4	126,969	18.5
Land	26,376		25,641	
Buildings	146,412		141,406	
Machinery and equipment	204,499		187,882	
Construction in progress	6,142		6,710	
Accumulated depreciation	(236,864)		(234,670)	
Investments and other assets:	147,151	21.5	142,029	20.7
Goodwill	30,253		31,634	
Investments in and advances to affiliates	25,048		24,814	
Investment securities	37,055		31,496	
Leasehold deposits	6,758		6,799	
Deferred income taxes	22,080		22,876	
Other assets	25,957		24,410	
<b>Total assets</b>	<b>683,325</b>	<b>100.0%</b>	<b>687,540</b>	<b>100.0%</b>

(Millions of yen)

	As of		As of	
	March 31, 2016		December 31, 2016	
<b>LIABILITIES</b>				
Current liabilities:	162,663	23.8%	155,668	22.6%
Notes and accounts payable — trade	82,606		87,498	
Accrued expenses	37,975		31,533	
Income taxes payable	6,890		3,046	
Other current liabilities	35,192		33,591	
Deferred income taxes	660	0.1	647	0.1
Termination and retirement benefits	62,289	9.1	53,038	7.7
Other long-term liabilities	10,679	1.6	10,552	1.6
Total liabilities	236,291	34.6	219,905	32.0
<b>NET ASSETS</b>				
Shareholders' equity	444,718	65.1	465,877	67.8
Common stock	64,100	9.4	64,100	9.3
Capital surplus	99,101	14.5	99,137	14.4
Legal reserve	15,194	2.2	17,596	2.6
Retained earnings	317,171	46.4	338,116	49.2
Accumulated other comprehensive income (loss)	(50,204)	(7.3)	(52,421)	(7.6)
Foreign currency translation adjustments	2,541		671	
Pension liability adjustments	(64,525)		(62,013)	
Unrealized gains on available-for-sale securities	11,884		9,681	
Net gains (losses) on derivative instruments	(104)		(760)	
Treasury stock	(644)	(0.1)	(651)	(0.1)
Noncontrolling interests	2,316	0.3	1,758	0.2
Total net assets	447,034	65.4	467,635	68.0
Total liabilities and shareholders' equity	683,325	100.0%	687,540	100.0%

**(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income (Loss)**  
**(Quarterly Consolidated Statements of Operations)**  
**(Nine months ended December 31, 2016)**

(Millions of yen)

	Nine months ended December 31, 2015		Nine months ended December 31, 2016	
Net sales	614,013	100.0%	568,687	100.0%
Cost of sales	376,654	61.3	344,718	60.6
Gross profit	237,359	38.7	223,969	39.4
Selling, general and administrative expenses	153,876	25.1	141,162	24.8
Research and development expenses	39,313	6.4	36,992	6.5
Operating income	44,170	7.2	45,815	8.1
Other expenses (income), net	(519)	(0.1)	1,740	0.3
Income before income taxes and equity in loss (earnings) of affiliates	44,689	7.3	44,075	7.8
Income taxes	12,513	2.0	13,223	2.4
Equity in loss (earnings) of affiliates	(2,084)	(0.3)	(79)	(0.0)
Net income	34,260	5.6	30,931	5.4
Net income attributable to noncontrolling interests	391	0.1	315	0.0
Net income attributable to shareholders	33,869	5.5	30,616	5.4

**(Quarterly Consolidated Statements of Comprehensive Income (Loss))**  
**(Nine months ended December 31, 2016)**

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net income	34,260	30,931
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	(9,292)	(1,962)
Pension liability adjustments	847	2,512
Unrealized losses on available-for-sale securities Net	(1,173)	(2,203)
gains (losses) on derivative instruments	(109)	(656)
Other comprehensive income (loss)	(9,727)	(2,309)
Comprehensive income (loss)	24,533	28,622
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	348	223
Comprehensive income attributable to shareholders	24,185	28,399

**(3) Consolidated Statements of Cash Flows**

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
<b>I. Operating Activities:</b>		
1. Net income	34,260	30,931
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	23,198	21,474
(2) Net loss (gain) on sales and disposals of property, plant and equipment	(71)	384
(3) Loss on impairment of long-lived assets and assets held for sale	—	12,205
(4) Net gain on sale of investment securities	(1,247)	(142)
(5) Gain on sale of business	—	(3,686)
(6) Loss on impairment of investment securities	5	312
(7) Gain on contribution of securities to retirement benefit trust	—	(6,161)
(8) Termination and retirement benefits	1,299	2,791
(9) Deferred income taxes	439	(1,161)
(10) Equity in loss (earnings) of affiliates	(2,084)	(79)
(11) Changes in assets and liabilities:		
(i) Decrease (increase) in notes and accounts receivable — trade	23,384	1,790
(ii) Decrease (increase) in inventories	(11,373)	(18,860)
(iii) Decrease (increase) in other assets	(405)	2,150
(iv) Increase (decrease) in notes and accounts payable — trade	(11,408)	5,776
(v) Increase (decrease) in income taxes payable	(1,168)	(3,340)
(vi) Increase (decrease) in accrued expenses and other current liabilities	(8,162)	443
(12) Other, net	968	(291)
Total adjustments	13,375	13,605
Net cash provided by operating activities	47,635	44,536
<b>II. Investing Activities:</b>		
1. Proceeds from sale or maturities of investment securities	1,892	317
2. Purchase of investment securities	(29)	(391)
3. Capital expenditures	(27,558)	(16,238)
4. Decrease in leasehold deposits, net	85	(33)
5. Proceeds from sale of property, plant and equipment	1,013	819
6. Decrease (increase) in investment in and loans to affiliates	(20)	30
7. Proceeds from sale of business, net of cash paid	—	7,187
8. Acquisition of business, net of cash acquired	(33,448)	—
9. Other, net	8	74
Net cash used in investing activities	(58,057)	(8,235)
<b>III. Financing Activities:</b>		
1. Net repayments of short-term debt	—	187
2. Dividends paid by the Company	(16,077)	(14,539)
3. Dividends paid to noncontrolling interests	(216)	(297)
4. Acquisition of treasury stock	(15,021)	(8)
5. Proceeds from equity transactions with noncontrolling interests	—	(470)
6. Other, net	(269)	(47)
Net cash used in financing activities	(31,583)	(15,174)
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	(2,026)	(3,245)
Net Increase (Decrease) in Cash and Cash Equivalents	(44,031)	17,882
Cash and Cash Equivalents at Beginning of the Period	102,622	82,910
Cash and Cash Equivalents at End of the Period	58,591	100,792
Notes to cash flows from operating activities:		
1. Interest paid	153	93
2. Taxes paid	13,245	18,439
Notes to investing and financing activities not involving cash flow:		
1. Debt related to capital expenditures	989	569
2. Fair value of contribution of securities to retirement benefit trust	—	8,487

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

None applicable

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

None applicable

**(Segment Information)**

**Business Segment Information**

Nine months ended December 31, 2015 (April 1, 2015 – December 31, 2015) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations, etc.	Consolidated
Net sales:									
(1) Sales to external customers	251,586	78,718	103,998	44,865	81,028	50,109	610,304	3,709	614,013
(2) Intersegment sales	4,068	36,190	455	3,217	174	12,415	56,519	(56,519)	—
Total	255,654	114,908	104,453	48,082	81,202	62,524	666,823	(52,810)	614,013
Operating expenses	218,895	108,343	99,212	50,744	74,876	64,430	616,500	(46,657)	569,843
Segment profit (loss)	36,759	6,565	5,241	(2,662)	6,326	(1,906)	50,323	(6,153)	44,170

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

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations, etc.	Consolidated
Net sales:									
(1) Sales to external customers	239,992	68,882	96,911	34,554	75,991	48,601	564,931	3,756	568,687
(2) Intersegment sales	3,894	35,468	368	3,057	204	10,686	53,677	(53,677)	—
Total	243,886	104,350	97,279	37,611	76,195	59,287	618,608	(49,921)	568,687
Operating expenses	206,819	97,202	92,397	40,983	68,614	60,732	566,747	(43,875)	522,872
Segment profit (loss)	37,067	7,148	4,882	(3,372)	7,581	(1,445)	51,861	(6,046)	45,815

**Geographical Segment Information**

Nine months ended December 31, 2015 (April 1, 2015 – December 31, 2015) (Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	241,170	99,726	79,674	126,850	66,593	614,013	—	614,013
(2) Intersegment sales	138,820	4,620	1,342	75,385	21,572	241,739	(241,739)	—
Total	379,990	104,346	81,016	202,235	88,165	855,752	(241,739)	614,013
Operating expenses	358,696	103,742	76,593	189,102	81,501	809,634	(239,791)	569,843
Segment profit (loss)	21,294	604	4,423	13,133	6,664	46,118	(1,948)	44,170

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

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

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

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

## Overseas Sales

Nine months ended December 31, 2015 (April 1, 2015 – December 31, 2015)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	101,731	83,321	127,795	69,417	382,264
II Consolidated net sales					614,013
III Overseas sales as a percentage of consolidated net sales (%)	16.6	13.6	20.8	11.3	62.3

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

(Millions of yen)

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

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

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



#### 4. Supplementary Information

##### (1) Summary of Consolidated Financial Results

(Millions of yen, %)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Year-on- year change	Year ended March 31, 2016	Year ending March 31, 2017 (projected)	Year-on- year change
Net sales	614,013	568,687	-7.4%	833,604	780,000	-6.4%
Operating income	44,170	45,815	3.7%	62,287	64,000	2.8%
[% of net sales]	[7.2%]	[8.1%]	[+0.9P]	[7.5%]	[8.2%]	[+0.7P]
Income before income taxes	44,689	44,075	-1.4%	65,686	62,500	-4.9%
[% of net sales]	[7.3%]	[7.8%]	[+0.5P]	[7.9%]	[8.0%]	[+0.1P]
Net income attributable to shareholders	33,869	30,616	-9.6%	47,290	44,000	-7.0%
Net income per share attributable to shareholders (basic) (¥)	156.34	143.19	-13.15	218.95	205.79	-13.16
Net income per share attributable to shareholders (diluted) (¥)	156.34	143.19	-13.15	218.95		
Total assets	683,612	687,540	0.6%	683,325		
Shareholders' equity	491,577	465,877	-5.2%	444,718		
[Shareholders' equity ratio (%)]	[71.9%]	[67.8%]	[-4.1P]	[65.1%]		
Shareholders' equity per share (¥)	2,299.14	2,178.96	-120.18	2,079.98		
Net cash provided by operating activities	47,635	44,536	(3,099)	84,207		
Net cash used in investing activities	(58,057)	(8,235)	+49,822	(67,116)		
Net cash used in financing activities	(31,583)	(15,174)	+16,409	(31,550)		
Cash and cash equivalents at end of period	58,591	100,792	+42,201	82,910		

Note: The number of consolidated subsidiaries is 166, and the number of companies accounted for by the equity method is 15.

**(2) Consolidated Net Sales by Business Segment**

(Billions of yen)

		Nine months ended December 31, 2015	Nine months ended December 31, 2016	Year-on-year change (%)
IAB	Domestic	95.4	96.6	+1.2
	Overseas	156.2	143.4	-8.2
	Total	251.6	240.0	-4.6
EMC	Domestic	17.8	16.6	-6.6
	Overseas	60.9	52.3	-14.2
	Total	78.7	68.9	-12.5
AEC	Domestic	15.6	13.8	-11.5
	Overseas	88.4	83.1	-6.0
	Total	104.0	96.9	-6.8
SSB	Domestic	43.1	34.3	-20.4
	Overseas	1.8	0.3	-85.9
	Total	44.9	34.6	-23.0
HCB	Domestic	23.0	22.7	-1.6
	Overseas	58.0	53.3	-8.0
	Total	81.0	76.0	-6.2
Other	Domestic	33.2	42.2	27.0
	Overseas	16.9	6.4	-62.2
	Total	50.1	48.6	-3.0
Eliminations, etc.	Domestic	3.6	3.7	3.5
	Overseas	0.1	0.0	—
	Total	3.7	3.7	1.3
Total	Domestic	231.7	229.9	-0.8
	Overseas	382.3	338.8	-11.4
	[% of total]	[62.3%]	[59.6%]	[-2.7P]
	Total	614.0	568.7	-7.4

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

(Billions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Year-on-year change (%)
IAB	36.8	37.1	0.8
EMC	6.6	7.1	8.9
AEC	5.2	4.9	-6.8
SSB	(2.7)	(3.4)	—
HCB	6.3	7.6	19.8
Other	(1.9)	(1.4)	—
Eliminations, etc.	(6.1)	(6.1)	—
Total	44.2	45.8	3.7

**(4) Average Currency Exchange Rate**

(One unit of currency, in yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Year-on-year change (%)
USD	121.5	106.9	-14.6
EUR	133.5	118.7	-14.8

**(5) Projected Consolidated Net Sales by Business Segment**

(Billions of yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on-year change (%)
IAB	336.0	323.0	-3.9
EMC	103.7	92.0	-11.3
AEC	140.0	129.0	-7.8
SSB	77.5	69.0	-11.0
HCB	108.1	100.0	-7.5
Other	63.0	62.0	-1.6
Eliminations, etc.	5.3	5.0	-5.9
Total	833.6	780.0	-6.4

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

(Billions of yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on-year change (%)
IAB	47.9	49.4	3.1
EMC	8.5	8.9	4.8
AEC	7.3	6.6	-10.1
SSB	3.2	4.0	25.1
HCB	7.3	8.5	16.7
Other	(4.1)	(2.8)	—
Eliminations, etc.	(7.8)	(10.6)	—
Total	62.3	64.0	2.8

**(7) Projected Average Currency Exchange Rate**

(One unit of currency, in yen)

	Year ended March 31, 2016	Year ending March 31, 2017 (est.)	Year-on- year change
USD	120.2	107.7	-12.5
EUR	132.2	119.1	-13.1

Note: The assumed exchange rates used in the performance forecasts for the fourth quarter onward are  
 USD 1 = JPY 110 and EUR 1 = JPY 120.