Summary of Consolidated Financial Results for the Year Ended March 31, 2017 (U.S. GAAP)

April 27, 2017

OMRON Corporation (6645)

Exchanges Listed:	Tokyo (first section)
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Annual General Shareholders' Meeting (Scheduled):	June 22, 2017
Start of Distribution of Dividends (Scheduled):	June 23, 2017
Filing of Securities Report (*Yuka shoken hokokusho*) (Scheduled):	June 23, 2017
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, 2017 (April 1, 2016 – March 31, 2017)

(Figures rounded to the nearest million yen)

(1) Sales and Income (cumulative)

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

Millions of yen - except per share data and percentages

	Year ended March 31, 2017		Year ended March 31, 2016	
		Change (%)		Change (%)
Net sales	794,201	-4.7	833,604	-1.6
Operating income	67,566	+8.5	62,287	-28.1
Income before income taxes	65,492	-0.3	65,686	-24.8
Net income attributable to shareholders	45,987	-2.8	47,290	-23.9
Net income per share attributable to shareholders, basic (JPY)	215.09		218.95	
Net income per share attributable to shareholders, diluted (JPY)	215.09		218.95	
Return on equity	10.1%		10.1%	
Income before income taxes / total assets ratio	9.5%		9.4%	
Operating income / net sales ratio	8.5%		7.5%	

Note: Comprehensive income (loss): Year ended March 31, 2017: JPY 39,021 million (—% change);
Year ended March 31, 2016: JPY (15,155 million) (—% change)

(Reference) Equity in loss (earnings) of affiliates: Year ended March 31, 2017: JPY (712 million);
Year ended March 31, 2016: JPY (2,039 million)

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2017	As of March 31, 2016
Total assets	697,701	683,325
Net assets	470,757	447,034
Shareholders' equity	469,029	444,718
Shareholders' equity ratio (%)	67.2	65.1
Shareholders' equity per share (JPY)	2,193.72	2,079.98

(3) Consolidated Cash Flows

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Net cash provided by operating activities	77,875	84,207
Net cash used in investing activities	(15,041)	(67,116)
Net cash used in financing activities	(15,012)	(31,550)
Cash and cash equivalents at end of period	126,026	82,910

2. Dividends

		Year ended March 31, 2016	Year ended March 31, 2017	Year ending March 31, 2018 (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	68.00
Total cash dividends paid (JPY million)		14,656	14,539	
Payout ratio (%)		31.1	31.6	30.0
Dividends / Shareholders' equity ratio (%)		3.1	3.2	

Notes: Interim and year-end dividends for the year ending March 31, 2018 are undetermined.

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

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

	Millions of yen	
	Full year ending March 31, 2018	Change (%)
Net sales	810,000	+2.0
Operating income	68,000	+0.6
Income before income taxes	65,500	+0.0
Net income attributable to shareholders	48,500	+5.5
Net income per share attributable to shareholders (JPY)	226.84	

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) 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, 2017: 213,958,172 shares; March 31, 2016: 213,958,172 shares

(b) Treasury stock at end of period: March 31, 2017: 152,836 shares; March 31, 2016: 149,398 shares

(c) Average number of shares during the period: Year ended March 31, 2017: 213,807,653 shares; Year ended March 31, 2016: 215,985,589 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(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, 2017		Year ended March 31, 2016	
		Change (%)		Change (%)
Net sales	269,083	+2.1	263,593	-4.2
Operating income	22,230	+8.6	20,479	-34.6
Ordinary income	41,963	+19.9	34,993	-22.5
Net income	29,652	-9.2	32,659	+3.0
Net income per share (JPY)	138.69		151.21	
Net income per share, diluted (JPY)	138.69		151.21	

(2) Non-consolidated Financial Position

Millions of yen - except per share data and percentages

	As of March 31, 2017	As of March 31, 2016
Total assets	448,158	427,278
Net assets	260,124	249,743
Net worth ratio (%)	58.0	58.4
Net assets per share (JPY)	1,216.64	1,167.90

(Reference) Net worth: Year ended March 31, 2017: JPY 260,124 million; Year ended March 31, 2016: JPY 249,708 million

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

Commentary Regarding Appropriate Use of Projections of Results and Other Matters

1. Projections of results and future developments are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks, uncertainties and other factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results, see "1. Analysis of Results of Operations and Financial Condition, (5) Outlook for the Year Ending March 31, 2018" on page 11.

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, 2018 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 2017 at the latest and its year-end dividend in April 2018.

4. The Company plans to hold a presentation for investors on Thursday, April 27, 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. Analysis of Results of Operations and Financial Condition
(1) Analysis of Results of Operations

General Overview

For the year ended March 31, 2017, net sales of the OMRON Group decreased compared with the previous fiscal year, mainly due to the impact of the strong yen. At the same time, growth in our Industrial Automation Business and a stronger Group-wide earnings structure led to improved earnings ability, driving higher year-on-year operating income.

The OMRON Group's perception of the economic environment for the year is as follows.

Economic and Market Conditions by Region

Japan:	Consumer spending in Japan experienced a moderate recovery, and capital investment recovered as well.
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 remains in Thailand.

Conditions in the OMRON Group's Primary Related Markets

Automotive-related:	Demand in the domestic Kei car (light vehicle) market has recovered somewhat, while automotive-related demand has gradually decelerated in the U.S. and Europe.
Semiconductor-related:	Demand for capital investment was robust both in Japan and overseas.
Machine tool-related:	Recently, demand for capital investment has started to recover 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 fiscal 2016 were as follows.

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Net sales	833,604	794,201	-4.7%
Operating income	62,287	67,566	+8.5%
Income before income taxes	65,686	65,492	-0.3%
Net income attributable to shareholders	47,290	45,987	-2.8%
Average USD exchange rate (JPY)	120.2 JPY	108.9 JPY	-11.3 JPY
Average EUR exchange rate (JPY)	132.2 JPY	119.4 JPY	-12.8 JPY

Results by Business Segment

IAB (Industrial Automation Business)

(Millions of yen, %)

		Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Sales to external customers	Japan	130,455	133,498	+2.3%
	Overseas	205,504	197,461	-3.9%
	Total	335,959	330,959	-1.5%
Segment profit		47,929	52,005	+8.5%

Sales in Japan

The IAB segment 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 to the contributions of U.S.-based subsidiary 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. Increased digital industry investment in South Korea helped spur greater sales in Asia. Unfortunately, the added negative impact of the yen appreciation drove overseas sales down year on year.

Segment Profit

Despite the negative impact of the strong yen, promotions of our competitive products resulted in improved gross profit margin, leading to higher year-on-year segment profits.

EMC (Electronic and Mechanical Components Business)

(Millions of yen, %)

		Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Sales to external customers	Japan	23,238	22,450	-3.4%
	Overseas	80,443	71,488	-11.1%
	Total	103,681	93,938	-9.4%
Segment profit		8,494	9,428	+11.0%

Sales in Japan

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

Overseas Sales

Inventory adjustments among our customers in the automotive-related industries in the Americas resulted in lower demand in the region. In Europe, demand in automotive-related industries was strong. In Greater China, demand in the consumer and commercial products industries decreased while demand was solid in the automotive-related industries. In Asia, demand was strong in both the consumer and commercial product industries and the automobile-related industries. The negative impact of the yen appreciation, however, drove overseas sales lower for the year by a significant margin.

Segment Profit

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

AEC (Automotive Electronic Components Business)

(Millions of yen, %)

		Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Sales to external customers	Japan	21,099	18,988	-10.0%
	Overseas	118,867	113,072	-4.9%
	Total	139,966	132,060	-5.6%
Segment profit		7,342	7,127	-2.9%

Sales in Japan

Affected by declining Kei car sales, sales in Japan for the period decreased compared with the same period of the previous fiscal 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 negative impact of the yen appreciation drove overseas sales down year on year.

Segment Profit

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

SSB (Social Systems, Solutions and Service Business)

(Millions of yen, %)

	Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Sales to external customers	77,538	67,129	-13.4%
Segment profit	3,198	4,008	+25.3%

Public Transportation Systems Business Sales

The demand cycle for upgrading station equipment reached a low point during fiscal 2016. As such, sales decreased significantly for the year.

Traffic and Road Management Systems Business Sales

Demand for both upgrades to traffic-related terminals and investment in expressways was weak. As a result, sales for the year decreased compared with 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 for the year.

Segment Profit

Despite lower sales for the year, segment profit was significantly higher, mainly due to productivity improvement initiatives.

HCB (Healthcare Business)

(Millions of yen, %)

		Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Sales to external customers	Japan	31,125	28,921	-7.1%
	Overseas	76,996	72,374	-6.0%
	Total	108,121	101,295	-6.3%
Segment profit		7,285	8,535	+17.2%

Sales in Japan

Despite steady growth in sales of online home-use healthcare equipment, demand for these products was weak at big home appliance retailers in suburban areas. The sales for professional-use decreased mainly due to the transfer of shares of a medical equipment subsidiary. As a result, domestic sales for the year decreased compared with the previous fiscal year.

Overseas Sales

In the Americas, sales of blood pressure monitors remained strong in Brazil. Sales of new blood pressure monitor remained strong in Russia, and 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. Demand was strong in Asia. Unfortunately, the negative impact of the yen appreciation contributed to lower sales for the year.

Segment Profit

Despite the negative impact of the appreciation of the yen, segment profit increased substantially compared with the previous fiscal year, reflecting productivity improvement initiatives.

Other (Businesses under the Direct Control of Headquarters)

(Millions of yen, %)

	Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Sales to external customers	63,028	63,264	+0.4%
Segment profit (loss)	(4,119)	(2,175)	—

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 were higher for the 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 increased compared to the previous fiscal year.

Micro Devices Business Sales

Due to weak demand for smartphone microphones, sales decreased compared to the previous fiscal year.

Backlight Business Sales

Sales decreased significantly for the 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 smaller for the year, despite the negative impact of the yen appreciation. This improvement was mainly due to the efficient management of fixed expenses.

(2) Analysis of Financial Condition

Total assets as of March 31, 2017 amounted to JPY 697,701 million, an increase of 14,376 million compared to the end of the previous fiscal year. This increase was mainly due to increases in cash and cash equivalents for the year. Total liabilities decreased JPY 9,347 million compared with the end of the previous fiscal year, amounting to JPY 226,944 million. This decrease was mainly due to a decrease in termination and retirement benefits. Net assets increased JPY 23,723 million compared to the end of the previous fiscal year, up to JPY 470,757 million. This result was mainly due to an increase in net income attributable to shareholders. OMRON Group shareholders' equity ratio was 67.2 percent up by 2.1 % point, compared with 65.1 percent at the end of the previous fiscal year.

(3) Summary of Cash Flows for the Year Ended March 31, 2017

Net cash provided by operating activities for the fiscal year ended March 31, 2017 amounted to JPY 77,875million (a decrease in cash provided of JPY 6,332 million compared to previous fiscal year). This result was mainly due to the recording of JPY 46,322 million in net income and amortization and depreciation of JPY 28,966 million.
Net cash used in investing activities was JPY 15,041 million (a decrease in cash used of JPY 52,075 million compared to the previous fiscal year). This result was mainly due to capital expenditures and the sale of a business.
Net cash used in financing activities was JPY 15,012 million (a decrease in cash used of JPY 16,538 million compared to the previous fiscal year), mainly due to dividends paid.
As a result, the balance of cash and cash equivalents at March31, 2017 amounted to JPY 126,026 million.

Cash Flow Indicators and Trends

Consolidated cash flow indicators and trends for the five most-recent fiscal years are as follows:

	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
Shareholders' equity ratio (%)	64.0	65.8	68.9	65.1	67.2
Shareholders' equity ratio on market value basis (%)	89.0	143.2	165.6	104.8	149.7
Debt coverage ratio	0.1	0.0	0.0	0.0	0.0
Interest coverage ratio	192.0	265.7	310.5	219.6	487.0

Notes: Shareholders' equity ratio: Shareholders' equity/Total assets
Shareholders' equity ratio on market value basis: Total market value of shares/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 shares 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.

(4) Basic Policy for Distribution of Profits, and Dividends for the Year Ended March 31, 2017 and the Year Ending March 31, 2018

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 dividend policy as one of its most important management issues, and applies the following basic policy with regard to distribution of profits to shareholders:

1) Aiming for sustainable corporate value growth, OMRON prioritizes investment necessary for future business expansion. These investments include research and development, capital investments, mergers and acquisitions, and other investments for the future growth. Having secured internal reserves, the company makes decisions regarding ongoing profit distribution to shareholders in consideration of capital efficiency.
2) Annual dividends are based on consolidated earnings, payout ratio, and dividends on equity (return on equity multiplied by payout ratio). These considerations reflect company's policy to provide stable and sustainable profit distribution to shareholders.
Specifically, the company has established a guideline of approximately 30% in payout ratio and approximately 3% of DOE for profit distributions for fiscal years 2017 through 2020 covered by our medium-term management plan, VG2.0.
3) The company will distribute retained earnings accumulated over the long term to shareholders through strategic share repurchases and other measures.

Based on the preceding policy, OMRON plans to pay a full-year dividend of JPY68 per share keeping the target of a 30% payout ratio for fiscal 2016. The full-year dividend consists of a JPY34 per share interim dividend (paid December 2, 2016) and a year-end dividend of JPY34 per share. For the year ending March 31, 2018 (fiscal

2017), OMRON plans to pay total dividends of JPY 68 per share for the full fiscal year in line with the above policy. Note that the amounts of the interim and year-end dividends for fiscal 2017 have yet to be determined.

(5) Outlook for the Year Ending March 31, 2018

General Outlook

While the global economic environment for fiscal 2017 remains in a moderate recovery trend, uncertainty will continue depending on the impact of the direction of economic policies of the U.S. and Europe.
In the OMRON Group's major markets in Japan, we expect firm demand for capital investment, mainly in the automobile and digital industries.
Overseas, activity in the U.S. automobile-related market is expected to decelerate. However, we foresee continued strong consumer spending and capital investment. Consumer spending is expected to drive activity in the European economy, while we also project a gradual recovery in corporate capital investment. In China, recovery of consumer spending is likely to enter a lull. On the other hand, the effects of expanded government investment and other policies are likely to continue, resulting in a gradual economic recovery. In Asia, Korea shows signs of a decline in capital investment growth. At the same time, however, we expect the economies of Thailand and India to recover.
Facing this environment, the OMRON Group will launch our new medium-term management plan, VG2.0, in fiscal 2017. Our qualitative goal toward the fiscal 2020 is to become “A value-generator for people and the Earth that is qualitatively and quantitatively superior”. Our qualitative goals are to reach JPY 1 trillion in net sales and JPY 100 billion in operating income. The next basic policy will be known as “~Start up VG2.0~ A Firm First Step Toward Innovation.” During the first year of our medium-term management plan, we plan to invest actively in our future to create a foundation for growth.
The following earnings forecast reflects our plan for revenue and profit growth for fiscal 2017.

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Change (%)
Net sales	794,201	810,000	+2.0%
Operating income	67,566	68,000	+0.6%
Income before income taxes	65,492	65,500	+0.0%
Net income attributable to shareholders	45,987	48,500	+5.5%
Average USD exchange rate (JPY)	108.9 JPY	110.0 JPY	+1.1 JPY
Average EUR exchange rate (JPY)	119.4 JPY	118.0 JPY	-1.4 JPY

Outlook by Segment

IAB (Industrial Automation Business)

(Millions of yen, %)

		Year ended March 31, 2017	Year ending March 31, 2018	Change (%)
Sales to external customers	Japan	133,498	140,000	+4.9%
	Overseas	197,461	210,000	+6.4%
	Total	330,959	350,000	+5.8%
Segment profit		52,500	56,000	+7.7%

Outlook for Sales in Japan

We anticipate firm demand for capital investment, particularly in the automobile and digital industries, to drive year-on-year growth in sales.

Outlook for Overseas Sales

We expect the digital industry to lead in continued firm demand for capital investment, combined with increasing demand for investment in automation, labor-saving, and information technology to drive sales higher year on year.

Outlook for Segment Profit

While we will continue to make investments in growth, we expect sales and gross profit margin increases to result in higher segment profit for the year.

EMC (Electronic and Mechanical Components Business)

(Millions of yen, %)

		Year ended March 31, 2017	Year ending March 31, 2018	Change (%)
Sales to external customers	Japan	22,450	21,500	-4.2%
	Overseas	71,488	72,500	+1.4%
	Total	93,938	94,000	+0.1%
Segment profit		9,428	9,000	-4.5%

Outlook for Sales in Japan

We expect demand for automobile-related industries and consumer and commercial product industries to be level with the previous year. Demand for amusement industry spending will likely remain weak. As a result, we forecast segment sales for fiscal 2017 to be lower than the previous year.

Outlook for Overseas Sales

We expect demand for consumer and commercial product industries in the U.S. and Europe will remain firm, while the electricity-related business should grow in Asia. While demand in the automobile-related industries in Asia and China should be strong, we foresee signs of waning demand in other regions. As a result, we forecast segment sales for fiscal 2017 to be level with the previous year.

Outlook for Segment Profit

We anticipate a temporary increase in expenses related to productivity improvements to result in lower segment profit for the year.

AEC (Automotive Electronic Components Business)

(Millions of yen, %)

		Year ended March 31, 2017	Year ending March 31, 2018	Change (%)
Sales to external customers	Japan	18,988	15,500	-18.4%
	Overseas	113,072	115,500	+2.1%
	Total	132,060	131,000	-0.8%
Segment profit		7,127	6,500	-8.8%

Outlook for Sales in Japan

We expect a decline in vehicle models equipped with Omron Group products to result in significant decreases in next-period sales.

Outlook for Overseas Sales

Decreases in vehicle models equipped with Omron Group products and slower demand in North America, combined with firm demand in Korea and China, should result in higher sales.

Outlook for Segment Profit

We anticipate that our investment in growth will result in lower segment profit for the year.

SSB (Social Systems, Solutions and Service Business)

(Millions of yen, %)

	Year ended March 31, 2017	Year ending March 31, 2018	Change (%)
Sales to external customers	61,883	63,500	+2.6%
Segment profit	3,685	4,000	+8.5%

*We have revised our business classifications, reclassifying certain operations under SSB to the Other Businesses segment beginning with the fiscal year ending March 31, 2018. We have restated segment results for the fiscal year ended March 31, 2017 to reflect this change in classifications. Accordingly, SSB segment sales to external customers and profits shown here differ from those shown on P.8.

Outlook for Public Transportation Systems Business Sales

We expect stagnant demand for upgraded station equipment to result in lower sales next year.

Outlook for Traffic and Road Management Systems Business Sales

Anticipated growth in demand for traffic-related terminal upgrades and demand for investment in expressways will likely generate higher sales for the year.

Outlook for Segment Profit

We forecast higher sales to result in higher segment profit.

HCB (Healthcare Business)

(Millions of yen, %)

		Year ended March 31, 2017	Year ending March 31, 2018	Change (%)
Sales to external customers	Japan	28,921	27,000	-6.6%
	Overseas	72,374	78,000	+7.8%
	Total	101,295	105,000	+3.7%
Segment profit		8,535	9,500	+11.3%

Outlook for Sales in Japan

The increase in individuals suffering from lifestyle diseases associated with the aging society and greater interest in health lead us to anticipate growth in medical equipment sales. However, since we have transferred shares of our medical equipment subsidiary to another company, we expect sales in this segment to be lower than fiscal 2016.

Outlook for Overseas Sales

With economic growth spurring lifestyle changes and an increase in interest in health, the emerging economies of the world, particularly in Asia, should see higher demand for related products. As a result, we forecast segment sales to be higher for fiscal 2017 than fiscal 2016.

Outlook for Segment Profit

We expect significant segment profit growth driven mainly by higher sales and productivity improvements.

Other (Businesses under the Direct Control of Headquarters)

(Millions of yen, %)

	Year ended March 31, 2017	Year ending March 31, 2018	Change (%)
Sales to external customers	68,510	60,000	-12.4%
Segment profit (loss)	(1,852)	(1,000)	-

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.

*We have revised our business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. We have restated segment results for the fiscal year ended March 31, 2017 to reflect this change in classifications. Accordingly, Other segment sales to external customers and profits shown here differ from those shown on Other: Environmental Solutions Business, Electronic Systems & Equipment Division, Micro Devices, Backlight and others (Businesses under direct control of Headquarters) on P.9.

Outlook for Environmental Solutions Business Sales

Despite sluggish demand for the industrial sector of the solar power-related market, we expect that strong demand for storage batteries and related products will generate year-on-year sales growth.

Outlook for Electric Systems and Equipment Business Sales

By expanding our lineup of uninterruptible power supplies, we forecast higher fiscal 2017 sales compared to fiscal 2016.

Outlook for Micro Devices Business Sales

We forecast a significant decline in fiscal 2017 sales in this business, driven down by lower sales in products for smartphone microphones.

Outlook for Backlights Business Sales

In this business, we forecast a major decline in next-period sales, mainly due to business optimization measures.

Outlook for Segment Profit

Due to the effects of business optimization, we expect to see a narrowing of segment losses for fiscal 2017.

Forecast of Financial Condition for the Year Ending March 31, 2018

During fiscal 2017, we plan to follow our policy, "~Start up VG2.0~ A Firm First Step Toward Innovation", continuing to make capital expenditure and investments and financing. We will flexibly finance and invest, making an efficient allocation of capital across the OMRON Group that reflects our financial state.
Given the preceding, we believe that our current balance of cash and cash equivalents in the amount of JPY 126,026 million is an appropriate level for our business activities under our current financial conditions.

2. The OMRON Group

The OMRON Group made no significant changes in the details of its businesses or in affiliated companies during the fiscal year ended March 31, 2017. Accordingly, we have omitted disclosures here.

3. Management Policies

(1) OMRON's Basic Management Policies

The OMRON Group aims to become "A value-generator for people and the Earth 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.

Fiscal 2016 Results and EARTH-1 STAGE Review

Fiscal 2016 was the last year of EARTH-1 STAGE. During the year, our goals were to rebuild our earnings structure and to create an engine for self-driven growth. During the year, we worked to rebuild our earnings structure, as well as to generate businesses and innovations that drive growth. The strong yen and other factors combined to drive net sales down for fiscal 2016. Meanwhile, significant growth in our mainstay Industrial Automation Business and steady growth in our earnings ability driven by improved gross profit margin led to year-on-year growth in operating income.
During the three years of EARTH-1 STAGE, we concentrated on strategy for our existing businesses, super-global growth strategy, and new business strategy for the optimization society. The following is a review of our progress.
In terms of executing strategy for our existing businesses, we focused on maximizing the strength of our Industrial Automation Business. We improved our ability to provide technologies to solve customer issues by 1) expanding our mainstay businesses in four focus industries and 2) launching automation centers. We also acquired US-based companies in motion controller and robot manufacturing, and we took on other initiatives to accelerate the creation of new value and build a foundation for future business growth. As a result, we accomplished our EARTH-1 STAGE sales target for our Industrial Automation Business.
In pursuit of our super-global growth strategy, we achieved high growth rates in our Industrial Automation Business and our Healthcare Business, particularly in China and Asia. The entire OMRON organization came together to support the OMRON Total Fair we held in Thailand and Indonesia, which led to a large number of new business discussions. In our Healthcare Business, we acquired a Brazilian nebulizer company and engaged in other measures to grow sales steadily throughout Central and South America. Further, we strengthened our business foundation by bolstering our production centers in Mexico and Indonesia and by hiring and training core human resource leaders for our businesses in Asia.
To optimize strategy for new businesses, we pursued industry-academic partnerships, alliances with other companies and collaboration with external resources to take on the challenge to generate new businesses. However, we have not successfully created new businesses with the scale and growth of our Environmental Solutions Business yet. We recognize that we have issues requiring further work.
The initiatives above were our main means to improve our earnings ability in the EARTH-1 STAGE through higher gross profit margins. At the same time, we accelerated our transition to a business foundation for sustained revenue growth. We were also able to put our Industrial Automation Business on a new growth path. At the same time, due to the impact of changes in the business environment and other factors, we did not achieve either of our initial quantitative goals of JPY900 billion in sales and operating income margin of at least 10%. We believe that we are on our way to establishing a self-driven growth structure. Our next medium-term management plan will continue this theme.

(3) Issues Facing the Company

VG2.0 and the Fiscal 2017 Plan

With the conclusion of EARTH-1 STAGE, fiscal 2017 marks the start of our next medium-term management plan (through fiscal 2020). Our intent is not to merely make EARTH-2 STAGE as an extension of EARTH-1 STAGE.

Instead, we have created a new medium-term management plan, VG2.0. The business environment surrounding the OMRON Group today has changed significantly compared to 2010, when we created our VG2020 plan. In particular, new technologies such as Artificial Intelligence (AI), Internet of Things (IoT) and robotics have evolved far beyond what anyone could have imagined back in 2010. These technologies are changing our society in major ways. The evolution of these technologies is an exact reflection of the Sensing & Control + THINK that we pursue through our core technologies. This is an opportunity for us to create new value that solves social issues. VG2.0 is an opportunity for us to look ahead as far as the year 2030, challenging ourselves to create new value for the world. Our qualitative goal under this plan remain the same as VG2020: A global value-creating group that is qualitatively and quantitatively superior. Our quantitative goals are to reach JPY 1 trillion in sales and JPY 100 billion in operating income. To achieve these goals, we are engaged in technological innovation. We must evolve our core technologies and actively engage in growth investment (mainly research and development) as we pursue our corporate-wide policy of achievement of self-driven growth by creating innovation originated by technological evolution. VG2.0 includes three basic strategies:

(1) Define Focus Domains
Under VG2.0, we have defined four focus domains which we believe leverage our strengths: Factory Automation, Healthcare, Mobility, and Energy Management. Individual divisions will not be assigned responsibilities for each of these four domains. Rather, we will work together across organizations to enhance or rebuild our businesses.

(2) Evolve Our Business Model
Under this strategy, we do not intend to deliver products or services individually. Instead, we plan to create new value by combining IoT, AI, and other new technologies into products and services to build total solutions of "Products + Information + Services." By doing this, we believe we will provide more comprehensive solutions to social issues with greater speed.

(3) Strengthen Our Core Technologies
Since our founding, the OMRON Group has created unique products and businesses from customer-centric point of view. Under VG2.0, we intend to identify core technologies and businesses (AI, robotics, etc.) and continue refining them through group-wide efforts. We intend to listen to our customers, repeating cycles of trial and error to provide technology to solve the larger problems addressing social issues.

To accelerate the achievement of these pivotal strategies, we plan to work with external partners on a global scale, bringing together our partners including customers, universities and research institutes, and companies from other industries.
Fiscal 2017 represents the first year of operating under our VG2.0 medium-term management plan. Our basic management policy for the year is defined as ~Start up VG2.0~ A Firm First Step Toward Innovation. Our quantitative goals for the year will be sales of JPY 810 billion, gross profit margin of 40.6%, operating income of JPY 68 billion, net income attributable to shareholders of JPY 48.5 billion, and ROIC of 10% or greater. We will come together as a united OMRON Group, working diligently to achieve three basic scenarios: Group growth driven by focus domains; Profit creation through improved group-wide earnings power; and Stronger investment in growth fields and technologies.

4. Basic Stance on the Selection of Accounting Standards

The OMRON Group has adopted U.S. GAAP, an international accounting standard, to secure the trust of stakeholders worldwide.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016		As of March 31, 2017		Increase (decrease)
ASSETS					
Current assets:	389,609	57.1%	435,904	62.5%	46,295
Cash and cash equivalents	82,910		126,026		43,116
Notes and accounts receivable — trade	165,093		169,210		4,117
Allowance for doubtful receivables	(1,654)		(1,320)		334
Inventories	107,267		109,404		2,137
Deferred income taxes	18,469		19,123		654
Other current assets	17,524		13,461		(4,063)
Property, plant and equipment:	146,565	21.4	127,615	18.3	(18,950)
Land	26,376		25,550		(826)
Buildings	146,412		141,527		(4,885)
Machinery and equipment	204,499		189,286		(15,213)
Construction in progress	6,142		6,104		(38)
Accumulated depreciation	(236,864)		(234,852)		2,012
Investments and other assets:	147,151	21.5	134,182	19.2	(12,969)
Goodwill	30,253		30,385		132
Investments in and advances to affiliates	25,048		25,303		255
Investment securities	37,055		27,006		(10,049)
Leasehold deposits	6,758		6,907		149
Deferred income taxes	22,080		21,101		(979)
Other assets	25,957		23,480		(2,477)
Total assets	683,325	100.0%	697,701	100.0%	14,376

(Millions of yen)

	As of March 31, 2016		As of March 31, 2017		Increase (decrease)
LIABILITIES					
Current liabilities:	162,663	23.8%	172,081	24.7%	9,418
Notes and accounts payable − trade	82,606		89,362		6,756
Accrued expenses	37,975		39,354		1,379
Income taxes payable	6,890		6,994		104
Other current liabilities	35,192		36,371		1,179
Deferred income taxes	660	0.1	763	0.1	103
Termination and retirement benefits	62,289	9.1	43,708	6.2	(18,581)
Other long-term liabilities	10,679	1.6	10,392	1.5	(287)
Total liabilities	236,291	34.6	226,944	32.5	(9,347)
NET ASSETS					
Shareholders' equity	444,718	65.1	469,029	67.2	24,311
Common stock	64,100	9.4	64,100	9.2	−
Capital surplus	99,101	14.5	99,138	14.2	37
Legal reserve	15,194	2.2	17,813	2.5	2,619
Retained earnings	317,171	46.4	346,000	49.6	28,829
Accumulated other comprehensive income (loss)	(50,204)	(7.3)	(57,363)	(8.2)	(7,159)
Foreign currency translation adjustments	2,541		(6,327)		(8,868)
Pension liability adjustments	(64,525)		(56,571)		7,954
Unrealized gains (losses) on available-for-sale securities	11,884		5,765		(6,119)
Net gains (losses) on derivative instruments	(104)		(230)		(126)
Treasury stock	(644)	(0.1)	(659)	(0.1)	(15)
Noncontrolling interests	2,316	0.3	1,728	0.3	(588)
Total net assets	447,034	65.4	470,757	67.5	23,723
Total liabilities and shareholders' equity	683,325	100.0%	697,701	100.0%	14,376

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

(Millions of yen)

	Year ended March 31, 2016		Year ended March 31, 2017		Increase (decrease)
Net sales	833,604	100.0%	794,201	100.0%	(39,403)
Cost of sales	512,792	61.5	482,399	60.7	(30,393)
Gross profit	320,812	38.5	311,802	39.3	(9,010)
Selling, general and administrative expenses	205,735	24.7	193,539	24.4	(12,196)
Research and development expenses	52,790	6.3	50,697	6.4	(2,093)
Operating income	62,287	7.5	67,566	8.5	5,279
Other expenses (income), net	(3,399)	(0.4)	2,074	0.3	5,473
Income before income taxes and equity in loss (earnings) of affiliates	65,686	7.9	65,492	8.2	(194)
Income taxes	20,043	2.4	19,882	2.5	(161)
Current	17,760		19,871		2,111
Deferred	2,283		11		(2,272)
Equity in loss (earnings) of affiliates	(2,039)	(0.2)	(712)	(0.1)	1,327
Net income	47,682	5.7	46,322	5.8	(1,360)
Net income attributable to noncontrolling interests	392	0.0	335	0.0	(57)
Net income attributable to shareholders	47,290	5.7	45,987	5.8	(1,303)

Note: Income taxes for the previous fiscal year include JPY 1,274 million in reversals of deferred income taxes 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, 2016	Year ended March 31, 2017	Increase (decrease)
Net income	47,682	46,322	(1,360)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(23,916)	(9,010)	14,906
Pension liability adjustments	(28,039)	7,954	35,993
Unrealized gains (losses) on available-for-sale securities	(10,594)	(6,119)	4,475
Net gains (losses) on derivative instruments	(288)	(126)	162
Other comprehensive income (loss)	(62,837)	(7,301)	55,536
Comprehensive income (loss)	(15,155)	39,021	54,176
(Breakdown)			
Comprehensive income attributable to noncontrolling interests	248	193	(55)
Comprehensive income (loss) attributable to shareholders	(15,403)	38,828	54,231

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other compre-hensive income (loss)	Treasury stock	Total share-holders' equity	Non-controlling interests	Total net assets
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 paid to OMRON Corporation 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)
Pension liability adjustments					(28,039)		(28,039)		(28,039)
Unrealized gains (losses) on available-for-sale securities					(10,594)		(10,594)		(10,594)
Net gains (losses) on derivative instruments					(288)		(288)		(288)
Acquisition of treasury stock						(15,023)	(15,023)		(15,023)
Sale of treasury stock		0				0	0		0
Retirement 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
Net income				45,987			45,987	335	46,322
Cash dividends paid to OMRON Corporation shareholders				(14,539)			(14,539)		(14,539)
Cash dividends to noncontrolling interests							–	(297)	(297)
Equity transactions with noncontrolling interests and other		14					14	(484)	(470)
Transfer to legal reserve			2,619	(2,619)			–		–
Foreign currency translation adjustments					(8,868)		(8,868)	(142)	(9,010)
Pension liability adjustments					7,954		7,954		7,954
Unrealized gains (losses) on available-for-sale securities					(6,119)		(6,119)		(6,119)
Net gains (losses) on derivative instruments					(126)		(126)		(126)
Acquisition of treasury stock						(16)	(16)		(16)
Sale of treasury stock				(0)		1	1		1
Issuance of stock acquisition rights		23					23		23
Balance, March 31, 2017	64,100	99,138	17,813	346,000	(57,363)	(659)	469,029	1,728	470,757

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Increase (decrease)
I. Operating Activities:			
1. Net income	47,682	46,322	(1,360)
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	31,460	28,966	
(2) Net loss (gain) on sales and disposals of property, plant and equipment	(485)	705	
(3) Loss on impairment of long-lived assets	463	12,998	
(4) Net gain on sale of investment securities	(1,499)	(3,764)	
(5) Loss on impairment of investment securities	68	558	
(6) Gain on contribution of securities to retirement benefit trust	(4,140)	(7,004)	
(7) Termination and retirement benefits	698	2,863	
(8) Deferred income taxes	2,283	11	
(9) Equity in loss (earnings) of affiliates	(2,039)	(712)	
(10) Gain on sale of business	–	(3,686)	
(11) Changes in assets and liabilities:			
(i) Decrease (increase) in notes and accounts receivable — trade	9,436	(8,923)	
(ii) Decrease (increase) in inventories	6,061	(7,112)	
(iii) Decrease in other assets	1,003	2,604	
(iv) Increase (decrease) in notes and accounts payable — trade	(7,189)	8,384	
(v) Increase in income taxes payable	3,433	852	
(vi) Increase (decrease) in accrued expenses and other current liabilities	(4,614)	5,097	
(12) Other, net	1,586	(284)	
Total adjustments	36,525	31,553	(4,972)
Net cash provided by operating activities	84,207	77,875	(6,332)
II. Investing Activities:			
1. Proceeds from sale or maturities of investment securities	2,214	4,606	2,392
2. Purchase of investment securities	(330)	(3,274)	(2,944)
3. Capital expenditures	(37,903)	(25,816)	12,087
4. Decrease in leasehold deposits, net	115	(145)	(260)
5. Proceeds from sale of property, plant and equipment	2,239	2,278	39
6. Decrease (increase) in investment in and loans to affiliates	(20)	30	50
7. Proceeds from sale of business, net of cash paid	–	7,187	7,187
8. Acquisition of business, net of cash acquired	(33,448)	–	33,448
9. Other, net	17	93	76
Net cash used in investing activities	(67,116)	(15,041)	52,075
III. Financing Activities:			
1. Net repayments of short-term debt	2	155	153
2. Dividends paid by the Company	(16,077)	(14,539)	1,538
3. Dividends paid to noncontrolling interests	(256)	(297)	(41)
4. Proceeds from equity transactions with noncontrolling interests	–	(470)	(470)
5. Acquisition of treasury stock	(15,023)	(16)	15,007
6. Other, net	(196)	155	351
Net cash used in financing activities	(31,550)	(15,012)	16,538
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5,253)	(4,706)	547
Net Increase (Decrease) in Cash and Cash Equivalents	(19,712)	43,116	62,828
Cash and Cash Equivalents at Beginning of the Period	102,622	82,910	(19,712)
Cash and Cash Equivalents at End of the Period	82,910	126,026	43,116
Notes to cash flows from operating activities:			
1. Interest paid	383	160	(223)
2. Taxes paid	14,550	20,261	5,711
Notes to investing and financing activities not involving cash flow:			
1. Debt related to capital expenditures	1,219	1,095	(124)
2. Decrease in capital surplus due to cancellation of treasury stock	14,846	–	(14,846)
3. Fair value of contribution of securities to retirement benefit trust	9,677	9,962	285

(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, 2016.

(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, 2016	Year ended March 31, 2017
Basic	215,985,589	213,807,653
Diluted	215,985,712	213,807,653

(Major Components of Other Expenses, Net)
The major components of "Other expenses, net" are as follows:

Year ended March 31, 2016	
Foreign exchange loss, net	JPY 1,389 million
Loss on impairment of long-lived assets	JPY 463 million
Net gain on sale of investment securities	JPY (1,499) million
Gain on contribution of securities to retirement benefit trust	JPY (4,140) million
Year ended March 31, 2017	
Loss on impairment of long-lived assets	JPY 12,998 million
Net loss on sales and disposals of property, plant, and equipment	JPY 705 million
Loss on impairment of investment securities	JPY 558 million
Gain on sale of business	JPY (3,686) million
Net gain on sale of investment securities	JPY (3,764) million
Gain on contribution of securities to retirement benefit trust	JPY (7,004) 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, 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	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

Year ended March 31, 2017 (April 1, 2016 – March 31, 2017) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations and others	Consolidated
Net sales:									
(1) Sales to external customers	330,959	93,938	132,060	67,129	101,295	63,264	788,645	5,556	794,201
(2) Intersegment sales	5,268	48,348	502	4,286	239	14,721	73,364	(73,364)	—
Total	336,227	142,286	132,562	71,415	101,534	77,985	862,009	(67,808)	794,201
Operating expenses	284,222	132,858	125,435	67,407	92,999	80,160	783,081	(56,446)	726,635
Operating income (loss)	52,005	9,428	7,127	4,008	8,535	(2,175)	78,928	(11,362)	67,566

2. Geographical Segment Information

Year ended March 31, 2016 (April 1, 2015 – March 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	342,824	130,968	109,147	162,508	88,157	833,604	—	833,604
(2) Intersegment sales	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

Year ended March 31, 2017 (April 1, 2016 – March 31, 2017) (Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	339,841	112,191	102,633	147,751	91,785	794,201	—	794,201
(2) Intersegment sales	175,041	6,869	1,904	94,332	25,452	303,598	(303,598)	—
Total	514,882	119,060	104,537	242,083	117,237	1,097,799	(303,598)	794,201
Operating expenses	475,129	120,055	99,320	221,719	109,035	1,025,258	(298,623)	726,635
Operating income (loss)	39,753	(995)	5,217	20,364	8,202	72,541	(4,975)	67,566

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

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

3. Overseas Sales

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

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

Year ended March 31, 2017 (April 1, 2016 – March 31, 2017) (Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	114,699	108,054	148,332	92,726	463,811
II Consolidated net sales					794,201
III Overseas sales as a percentage of consolidated net sales (%)	14.4	13.6	18.7	11.7	58.4

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

(1) Americas: United States, Canada, Brazil
(2) Europe: 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, 2016	Year ended March 31, 2017	Year-on-year change
Net sales	833,604	794,201	-4.7%
Operating income [% of net sales]	62,287 [7.5%]	67,566 [8.5%]	+8.5% [+1.0P]
Income before income taxes [% of net sales]	65,686 [7.9%]	65,492 [8.2%]	-0.3% [+0.3P]
Net income attributable to shareholders	47,290	45,987	-2.8%
Net income per share attributable to shareholders (basic) (¥)	218.95	215.09	-3.86
Net income per share attributable to shareholders (diluted) (¥)	218.95	215.09	-3.86
Return on equity (%)	10.1%	10.1%	—
Total assets	683,325	697,701	+2.1%
Shareholders' equity [Shareholders' equity ratio (%)]	444,718 [65.1%]	469,029 [67.2%]	+5.5% [+2.1P]
Shareholders' equity per share (¥)	2,079.98	2,193.72	+113.74
Net cash provided by operating activities	84,207	77,875	-6,332
Net cash used in investing activities	(67,116)	(15,041)	+52,075
Net cash used in financing activities	(31,550)	(15,012)	+16,538
Cash and cash equivalents at end of period	82,910	126,026	+43,116
Cash dividends per share (¥)	68.00	68.00	—

Note: The number of consolidated subsidiaries is 164, and the number of companies accounted for by the equity method is 16.

(2) Non-consolidated Results

(Millions of yen, %)

	Year ended March 31, 2016	Year ended March 31, 2017	Year-on-year change
Net sales	263,593	269,083	+2.1%
Operating income [% of net sales]	20,479 [7.8%]	22,230 [8.3%]	+8.6% [+0.5P]
Ordinary income [% of net sales]	34,993 [13.3%]	41,963 [15.6%]	+19.9% [+2.3P]
Income before income taxes [% of net sales]	39,736 [15.1%]	38,790 [14.4%]	-2.4% [-0.7P]
Net income	32,659	29,652	-9.2%
Net income per share (basic) (¥)	151.21	138.69	-12.52
Net income per share (diluted) (¥)	151.21	138.69	-12.52
Common stock	64,100	64,100	0.0%
Total assets	427,278	448,158	+4.9%
Net assets	249,743	260,124	+4.2%
Net worth ratio (%)	58.4%	58.0%	-0.4P
Net assets per share (¥)	1,167.90	1,216.64	+48.74

(3) Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2016	Year ended March 31, 2017	Year-on-year change (%)
IAB	Domestic	130.5	133.5	+2.3
	Overseas	205.5	197.5	-3.9
	Total	336.0	331.0	-1.5
EMC	Domestic	23.2	22.5	-3.4
	Overseas	80.5	71.4	-11.1
	Total	103.7	93.9	-9.4
AEC	Domestic	21.1	19.0	-10.0
	Overseas	118.9	113.1	-4.9
	Total	140.0	132.1	-5.6
SSB	Domestic	75.7	66.5	-12.1
	Overseas	1.8	0.6	-68.6
	Total	77.5	67.1	-13.4
HCB	Domestic	31.1	28.9	-7.1
	Overseas	77.0	72.4	-6.0
	Total	108.1	101.3	-6.3
Other	Domestic	44.0	55.0	+24.7
	Overseas	19.0	8.3	-56.2
	Total	63.0	63.3	+0.4
Eliminations and others	Domestic	5.2	5.0	-3.8
	Overseas	0.1	0.5	+400.0
	Total	5.3	5.5	+4.6
Total	Domestic	330.8	330.4	-0.1
	Overseas	502.8	463.8	-7.8
	[% of total]	[60.3%]	[58.4%]	[-1.9P]
	Total	833.6	794.2	-4.7

(4) Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Year-on-year change (%)
IAB	47.9	52.0	+8.5
EMC	8.5	9.4	+11.0
AEC	7.3	7.1	-2.9
SSB	3.2	4.0	+25.3
HCB	7.3	8.5	+17.2
Other	(4.1)	(2.1)	—
Eliminations and others	(7.8)	(11.3)	—
Total	62.3	67.6	+8.5

(5) Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Year-on-year change (%)
USD	120.2	108.9	-11.3
EUR	132.2	119.4	-12.8

(6) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2017	Year ending March 31, 2018 (est.)	Year-on-year change (%)
IAB	Domestic	133.5	140.0	+4.9
	Overseas	197.5	210.0	+6.4
	Total	331.0	350.0	+5.8
EMC	Domestic	22.5	21.5	-4.2
	Overseas	71.4	72.5	+1.4
	Total	93.9	94.0	+0.1
AEC	Domestic	19.0	15.5	-18.4
	Overseas	113.1	115.5	+2.1
	Total	132.1	131.0	-0.8
SSB	Domestic	61.3	62.0	+1.1
	Overseas	0.6	1.5	+162.2
	Total	61.9	63.5	+2.6
HCB	Domestic	28.9	27.0	-6.6
	Overseas	72.4	78.0	+7.8
	Total	101.3	105.0	+3.7
Other	Domestic	60.2	53.5	-11.1
	Overseas	8.3	6.5	-21.8
	Total	68.5	60.0	-12.4
Eliminations and others	Domestic	5.0	6.5	+29.4
	Overseas	0.5	—	—
	Total	5.5	6.5	+18.2
Total	Domestic	330.4	326.0	-1.3
	Overseas	463.8	484.0	+4.4
	[% of total]	[58.4%]	[59.8%]	[+1.4P]
	Total	794.2	810.0	+2.0

* We have revised our business classifications, reclassifying certain operations under SSB to the Other Businesses segment beginning the fiscal year ending March 31, 2018. Segment results for the fiscal year ended March 31, 2017 have been restated to reflect this change in classifications. Accordingly, results shown here differ from (3) Consolidated Net Sales by Business Segment shown on P.27.

(7) Projected Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2017	Year ending March 31, 2018 (est.)	Year-on-year change (%)
IAB	52.0	56.0	+7.7
EMC	9.4	9.0	-4.5
AEC	7.1	6.5	-8.8
SSB	3.7	4.0	+8.5
HCB	8.5	9.5	+11.3
Other	(1.8)	(1.0)	—
Eliminations and others	(11.3)	(16.0)	—
Total	67.6	68.0	+0.6

* We have revised our business classifications, reclassifying certain operations under SSB to the Other Businesses segment beginning the fiscal year ending March 31, 2018. Segment results for the fiscal year ended March 31, 2017 have been restated to reflect this change in classifications. Accordingly, results shown here differ from (4) Consolidated Operating Income by Business Segment shown on P.27.

(8) Projected Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2017	Year ending March 31, 2018 (est.)	Year-on-year change
USD	108.9	110.0	+1.1
EUR	119.4	118.0	-1.4