

**Q&A Session Summary, Q3 FY2020**  
**OMRON Corporation**  
**January 27, 2021**

**Company Earnings, Management Strategy**

Q. In the upward revision to full-year forecasts, please explain why the magnitude of the revisions for IAB and HCB are larger at the profit level, compared to sales.

A. Both businesses generate high GP margins, so an increase in sales has a significant impact on profits. At IAB, global sales are recovering, with China as the main driver. For HCB, the key drivers continue to be high-margin BPMs and thermometers.

Q. What is your image for earnings in the next fiscal year?

A. We will announce our guidance for FY2021 in April. The outlook for COVID-19 remains unclear but we expect a continuation of the firm operating environment.

**Industrial Automation Business (IAB)**

Q. What is your view of the impact of global restrictions on the movement of people?

A. In the short term, the negative impact is depressing sales, but at the same time, it is also creating new needs. We have made changes to our sales activities. We have improved our ability to better communicate the value we provide through initiatives such as remote tours of our Automation Centers. Going forward, we believe that improved efficiency in sales activity will allow us to enjoy better margins when sales recover.

Q. Do you think your competitors, such as robot manufacturers, can catch up to OMRON?

A. OMRON boasts a unique and robust product lineup covering ILOR+S, which was achieved through M&A. We also have a library of applications developed by our more than 1,000 sales engineers (SEs). It would not be easy to replicate what we have created.

Q. Do you believe your strategy to expand the number of Automation Centers has been successful?

A. We do believe it has been a success. Having SEs with high technical skills located in proximity to our customers has proven effective in allowing us to help customers to solve the challenges they face on the shop floor. Going forward, we will link the assets in place at the 37 ATCs around the world to better leverage our applications.

## **Healthcare (HCB)**

Q. How should we think about the magnitude of rising demand as a result of COVID-19?

A. Historically, BPM sales grew at around 5% but the sales growth rate is now between 5-10%.

The increased importance being placed on home BP readings appears to have taken the market to another higher level. The current growth rate of thermometer sales has risen from the typical level of around 3%, but we believe it will be difficult to maintain a high growth rate, once the COVID-19 outbreak subsides.

Q. There has been an increase in ventures targeting the remote medicine service area. Could such start-ups potentially become partners for you in the future?

A. We will accelerate our efforts to collaborate with partners. We believe it is important to have a local partner in each country in order to grow the remote medicine service on a global basis.