



## Summary of Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending March 31, 2025 (U.S. GAAP)

November 6, 2024

### OMRON Corporation (6645)

Exchanges Listed:	Tokyo
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Preparation of Supplementary Materials for the Interim Financial Results:	Yes
Holding of Presentation of Interim 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: Figures are rounded to the nearest million yen.

#### 1. Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending March 31, 2025

(April 1, 2024 – September 30, 2024)

##### (1) Sales and Income (cumulative)

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

	Net sales		Operating income		Income (loss) before income taxes		Net income (loss) attributable to shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2024	374,638	(6.5)	19,226	(6.9)	(336)	—	(3,318)	—
September 30, 2023	400,674	(0.9)	20,651	(50.4)	24,994	(35.8)	6,080	(78.2)

Notes: 1. Comprehensive income: Six months ended September 30, 2024: JPY(12,542) million (—% change);

Six months ended September 30, 2023: JPY42,937 million (-36.8% change)

2. Loss before income taxes for the six months ended September 30, 2024, include one-time expenses (JPY21.0 billion) to optimize the number and capacity of our workforce related to Structural Reform Program NEXT2025 ("headcount and capacity optimization," below).

	Net income (loss) per share attributable to OMRON shareholders, basic	Net income per share attributable to OMRON shareholders, diluted
Six months ended	Yen	Yen
September 30, 2024	(16.86)	—
September 30, 2023	30.89	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity	Shareholders' equity ratio
	Million yen	Million yen	Million yen	%
September 30, 2024	1,349,165	927,872	763,481	56.6
March 31, 2024	1,354,729	950,993	786,686	58.1

## 2. Dividends

	Dividends per share				
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	52.00	—	52.00	104.00
Fiscal year ending March 31, 2025	—	52.00			
Fiscal year ending March 31, 2025 (projected)			—	52.00	104.00

Note: Revisions since the most recently announced dividend forecast: Yes

The Company has decided to pay an interim dividend of 52.00 yen per share for the fiscal year ending March 31, 2025. In addition, the Company has not changed the annual dividend forecast, including the year-end dividend. For more, see *1.*

*Qualitative Information on Interim Financial Results (5) Determination of Dividends (Interim Dividend) and Revision of Year-End Dividend Forecast* on P.10 in the attached materials.

## 3. Projected Results for the Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders		Net income per share attributable to shareholders, basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	805,000	(1.7)	52,000	51.4	26,000	(25.6)	11,000	35.7	55.87

Notes: 1. Revisions since the most recently announced performance forecast: Yes

For more, see *1. Qualitative Information on Interim Financial Results (4) Description of Information on Outlook, Including Consolidated Performance Forecast* on P.6-9 of the attached materials.

2. The consolidated performance forecast for the fiscal year ending March 31, 2025, includes one-time headcount and capacity optimization expenses of (approximately JPY22.0 billion).

\*Notes

(1) Significant changes in the scope of consolidation during the period: No

New: - company (company name) Excluded: - company (company name)

(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

[1] Number of shares outstanding at period-end (including treasury stock)

[2] Treasury stock at period-end

[3] Average number of shares during the period (quarterly cumulative)

September 30, 2024	206,244,872	March 31, 2024	206,244,872
September 30, 2024	9,349,675	March 31, 2024	9,329,283
Six months ended September 30, 2024	196,905,908	Six months ended September 30, 2023	196,857,119

Note: As of the end of the consolidated first six months of the fiscal year ending March 31, 2025, 520,413 shares of OMRON stock held for Board Incentive Plan and Employee Stock Ownership Plan are included in period-end treasury stock. The average number of shares during the period includes treasury stock deducted in the calculation of net income per share attributable to OMRON shareholders.

\*The summary of consolidated financial results for the second quarter (First Half) are not subject to review by certified public accountants or audit corporations.

\*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 and appropriate use, see *1. Analysis of Results of Operations and Financial Condition (4) Description of Information on Outlook, Including Consolidated Performance Forecast* on P.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 Statements of Operations is presented by subtracting *selling, general and administrative expenses* and *research and development expenses* from *gross profit*. We do not deduct *restructuring expenses, other income, net, income taxes, and share of loss (profit) of entities accounted for using equity method*.

3. The Company scheduled an investor meeting for Wednesday, November 6, 2024.

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

IAB: Industrial Automation Business

HCB: Healthcare Business

SSB: Social Systems, Solutions and Service Business

DMB: Devices & Module Solutions Business

DSB: Data Solution Business

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# 1. Qualitative Information on Interim Financial Results

## (1) Description of Results of Operations

### General Overview

OMRON Group financial performance for the interim period of the current consolidated fiscal year (April to September, 2024) was in line generally with initial expectations, although net sales and operating income were lower year on year.

Net sales decreased overall year on year, despite an increase in net sales in the Social Systems, Solutions and Service Business with an increase in investment demand, etc., in the Public Transportation System Business. This result was due largely to general weakness in demand for capital investment in the Industrial Automation Business and Devices & Module Solutions Business and lower demand in the Chinese market of our Healthcare Business. In addition, net sales in the previous fiscal year for the Industrial Automation Business was supported by an order backlog, which was lacking this year.

Operating income decreased year on year due to the impact of the decrease in net sales, despite improvement in gross profit margin and steady profitability improvements stemming from the impact of Structural Reform Program NEXT2025.

The year-on-year decline in operating loss narrowed from -56.2% in the first quarter to -6.9% in the current consolidated interim period.

In addition, during the current consolidated interim period, the Company optimized the number and capacity of our workforce, one of the management measures described under Structural Reform Program NEXT2025. During the six months ended September 30, 2024, the Company recorded JPY21.0 billion in restructuring expenses as one-time expenses under NEXT2025. (For more, see (2) *Recognition of One-Time Expenses Related to Structural Reform Program NEXT2025*.)

Consolidated results for the current consolidated interim period were as follows.

(Billions of yen, except exchange rate data and percentages)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Net sales	400.7	374.6	-6.5%
Gross profit [% of net sales]	172.0 [42.9%]	170.0 [45.4%]	-1.2% [+2.4%pt]
Operating income [% of net sales]	20.7 [5.2%]	19.2 [5.1%]	-6.9% [-0.0%pt]
Income (loss) before income taxes	25.0	(0.3)	—
Net income (loss) attributable to OMRON shareholders	6.1	(3.3)	—
Average USD exchange rate (Yen)	139.9	153.7	+13.8
Average EUR exchange rate (Yen)	152.8	166.3	+13.5
Average CNY exchange rate (Yen)	19.7	21.2	+1.5

## Results by Business Segment

### IAB (Industrial Automation Business)

(Billions of yen, %)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Sales to external customers	210.4	174.5	-17.1%
Operating income	17.4	17.4	-0.4%

#### Sales

Demand for capital investment in the manufacturing sector remained weak overall, although the semiconductor market in Japan performed well in conjunction with investments to expand domestic production of semiconductors in China. Distributors continued to make inventory adjustments, although balances have been trending downward. As a result, sales were lower year on year, impacted in part by the support of order backlogs in the same period of the previous fiscal year.

#### Operating Income

Operating income was level with the same period in the previous fiscal year, despite the decrease in sales, reflecting improved gross profit margin and efforts to reduce fixed costs via structural reform.

### HCB (Healthcare Business)

(Billions of yen, %)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Sales to external customers	74.0	72.5	-2.0%
Operating income	9.7	8.6	-11.6%

#### Sales

Although demand for mainstay blood pressure monitors remained strong in some regions, including Europe, sales were weak compared to the same period of the previous year due in part to a decline in consumer sentiment in response to macroeconomic slowdown in China. In addition, demand decreased for nebulizers and oxygen concentrators in a negative rebound from special demand related to respiratory diseases in the previous year.

#### Operating Income

Operating income decreased year on year, despite our ongoing efforts to improve gross profit margin, mainly due to the major impact of lower sales.

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

(Billions of yen, %)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Sales to external customers	53.1	56.9	+7.0%
Operating income	1.3	2.0	+47.9%

### Sales

The Energy Solutions Business posted results higher year on year. The housing domain experienced the impact of the government's decision to resume easing measures for drastically changing electricity prices, and demand has been firm on an increasing trend. In addition, investment demand in the Public Transportation System Business and demand for maintenance services in the Management Service Solutions Business were also strong.

### Operating Income

Despite an increase in costs due to the foreign exchange impact of foreign currency-denominated purchases, the Company saw a significant increase in operating income year on year, driven by sales growth and productivity improvements.

## DMB (Devices & Module Solutions Business)

(Billions of yen, %)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Sales to external customers	61.2	51.1	-16.5%
Operating income	2.7	0.1	-96.4%

### Sales

With respect to demand in the consumer industry, demand began to recover in China and certain other areas and semiconductor-related, while in Europe and Japan, in particular, inventory turnover and production plan revisions, etc., among customers led to a weak trend.

Despite rising demand in the U.S. and China, overall demand for automobile industry components was sluggish, due to factors including a decrease in demand in Europe stemming from the curtailment of preferential measures for electric vehicles (EVs). As a result, sales were significantly lower year on year.

### Operating Income

Operating income declined significantly year on year as a result of the decrease in sales and other factors.

## DSB (Data Solution Business)

(Billions of yen, %)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Sales to external customers	—	19.1	—
Operating Income	—	0.3	—

Note: The Data Solution Business is a new segment established in the third quarter of the fiscal year ending March 31, 2024, and disclosures related to this segment began in the same period. This segment includes financial figures related to the OMRON Data Solution Business and financial results of JMDC, Inc. ("JMDC"), which became a consolidated subsidiary on October 16, 2023. The segment also includes amortization of intangible assets other than goodwill identified when making JMDC a consolidated subsidiary.

### Sales

Sales continued to be firm with ongoing growth in the number of health insurance association contracts at JMDC, increasing transaction volume with pharmaceutical companies and insurance companies for whom we provide data, and growing numbers of medical institutions utilizing remote image interpretation services.

### Operating Income

The segment swung from operating loss to operating income with the increase in JMDC sales, despite recording amortization of intangible assets other than goodwill, identified when making JMDC a consolidated subsidiary, and steady investments related to the creation of the Data Solution Business.



## **(2) Recognition of One-time Expenses Related to Structural Reform Program NEXT2025**

We optimized the number and capacity of our workforce during the interim period (April-September 2024), one of the measures described under Structural Reform Program NEXT2025. As a result, we ended solicitations for voluntary retirement in Japan on May 31, 2024, confirming a total 1,206 employees who opted for retirement. Overseas, a total of 1,163 employees had agreed to the retirement offer as of September 30, 2024. In conjunction with these retirements, we posted one-time expenses of JPY21.0 billion.

## **(3) Analysis of Financial Condition**

Total assets as of the September 30, 2024, amounted to JPY1,349.2 billion, a decrease of JPY5.6 billion compared to the end of the previous fiscal year. This result was mainly due to an increase in cash on hand and in banks from borrowings and a decrease in notes and accounts receivable-trade. Total liabilities amounted to JPY421.3 billion, an increase of JPY17.6 billion compared to the end of the previous fiscal year. This result was mainly due to an increase in borrowings.

Total net assets amounted to JPY927.9 billion, a decrease of JPY23.1 billion compared to the end of the previous consolidated fiscal year. This result was mainly due to a decrease in foreign currency translation adjustments. Shareholders' equity ratio was 56.6%, demonstrating an ongoing strong financial foundation.

In terms of liquidity, cash on hand amounted to JPY161.3 billion. Further, we have signed commitment line agreements with financial institutions in the amount of JPY30.0 billion. We intend to maintain high credit ratings from ratings agencies as a long-term issuer, and we secure liquidity and funding capacity while maintaining our ability to raise funds and good relationships with financial institutions on a global basis.

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

Our full-year performance forecast announced on May 8, 2024 ("initial forecast"), reflected our expectations of a gradual recovery in demand in general in the second half of the year in the regions where we operate, despite an uncertain economic environment due to rising global prices and geopolitical risks. With respect to the business environment assumptions underlying the current performance forecast, there have been no significant changes in our outlook of a gradual recovering in demand beginning in the second half of the fiscal year. However, we identified the following partial changes in the business environment for each business as described below.

We expect investment demand to be more sluggish than initially projected for rechargeable batteries and solar power generation in the Industrial Automation Business. However, we forecast more solid overall semiconductor-related demand that initially projected with the increase in demand for generative AI. In the Healthcare Business, we expect demand to decrease in China due to sluggish personal consumption. We expect to see moderate growth in the Social Systems, Solutions and Service Business, as we forecast demand for renewable energy in the housing domain to grow moderately due to a delay in the timing of recovery. We also expect the Devices & Module Solutions Business to see a decrease in demand due to delays in market condition recovery in Europe and elsewhere. Based on this recognition of the business environment, we expect OMRON Group net sales for the current fiscal year to be lower than initial forecast.

At the same time, we expect operating income to exceed initial forecast, despite the decrease in net sales. This expectation reflects our assumption of improved profitability under Structural Reform Program NEXT2025 continuing in the third quarter and beyond.

In light of these circumstances, we revised the OMRON Group full-year consolidated performance forecast downward for net sales and upward for operating income. We have set exchange rate assumptions for the third quarter and beyond to USD1 = JPY145.0, EUR1 = JPY155.0, and CNY1 = JPY20.0.

We expect to record one-time expenses for headcount and capacity optimization in the third quarter or later in certain overseas regions. At this time, we expect to incur one-time restructuring costs of approximately JPY22.0 billion for the full year related to headcount and capacity optimization. These costs are reflected in our full-year forecast.

As a result, similar to our expectations for operating income, we expect net income before income taxes and net income attributable to OMRON shareholders for the full year to exceed our previous forecast.

The following describes our main expectations for the business environment in connection with each business segment for the third quarter and beyond.

Industrial Automation Business	Shades of gray in demand by industry and area Semiconductor industry performed well, in line with initial forecast; however, markets in China and Europe were generally sluggish.
Healthcare Business	Chinese market more sluggish than initial forecast
Social Systems, Solutions and Service Business	Firm in general; however, the housing domain of the energy market is growing more slowly than expected
Devices & Module Solutions Business	Weaker than initial forecast due to sluggish market conditions in Europe
Data Solution Business	Strong business environment continues, particularly in health big data business

## Projected Consolidated Performance

(Billions of yen, except percentages)

	Initial forecast	Revised forecast	Change vs. initial forecast [% change]	(Reference) Actual results for the prior fiscal year ended March 31, 2024	(Reference) Percentage change from the prior fiscal year [ ] indicates change from the prior fiscal year
Net sales	825.0	805.0	(20.0) [-2.4%]	818.8	-1.7%
Gross profit %	44.7%	45.1%	+0.4P	42.3%	[+2.8P]
Operating income	49.0	52.0	+3.0 [+6.1%]	34.3	+51.4%
Income before income taxes	21.0	26.0	+5.0 [+23.8%]	35.0	-25.6%
Net income attributable to OMRON shareholders	8.5	11.0	+2.5 [+29.4%]	8.1	+35.7%
Net income per share attributable to OMRON shareholders (Yen)	43.17	55.87	+12.70	41.17	[+14.70]
Average USD exchange rate (Yen)	145.0	149.4	+4.4	143.9	[+5.5]
Average EUR exchange rate (Yen)	155.0	160.6	+5.6	156.3	[+4.3]
Average CNY exchange rate (Yen)	20.0	20.6	+0.6	20.1	[+0.5]

Note: Projected average rate for the full year based on historical rates for the first half and assumed exchange rates for the third quarter and later.

## Forecasts by Business Segment

(Billions of yen, except percentages)

		Initial forecast	Revised forecast	Change in forecast [%]	(Reference) Actual results for the prior fiscal year ended March 31, 2024	(Reference) Percentage change from the prior fiscal year
IAB	Sales to external customers	355.0	358.0	+3.0 [+0.8%]	393.6	-9.0%
	Operating income	27.5	36.0	+8.5 [+30.9%]	21.5	+67.8%
HCB	Sales to external customers	161.0	152.0	(9.0) [-5.6%]	149.7	+1.5%
	Operating income	22.0	18.5	(3.5) [-15.9%]	18.5	+0.2%
SSB	Sales to external customers	154.5	146.0	(8.5) [-5.5%]	141.6	+3.1%
	Operating income	17.0	16.5	(0.5) [-2.9%]	14.0	+17.7%
DMB	Sales to external customers	110.0	105.0	(5.0) [-4.5%]	114.4	-8.2%
	Operating income	4.0	1.5	(2.5) [-62.5%]	3.1	-52.3%
DSB	Sales to external customers	43.0	43.0	0.0 [0.0%]	17.4	—
	Operating income	3.0	3.5	+0.5 [+16.7%]	2.2	—
Eliminations & Corporate	Sales to external customers	1.5	1.0	(0.5) [-]	2.1	—
	Operating income	(24.5)	(24.0)	+0.5 [-]	(24.9)	—
Consolidated	Sales to external customers	825.0	805.0	(20.0) [-2.4%]	818.8	-1.7%
	Operating income	49.0	52.0	+3.0 [+6.1%]	34.3	+51.4%

Note: Actual results for the prior fiscal year ended March 31, 2024, include the financial results of JMDC beginning October 16, 2023, the day on which JMDC became a consolidated Company subsidiary. Initial forecast and revised forecasts include full-year JMDC results.

## Non-financial Targets

With regard to certain non-financial targets for fiscal 2024 as disclosed in "Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (U.S. GAAP)", announced on May 8, 2024, we had planned to set targets after completing measures for headcount and capacity optimization. As we have now reached a general conclusion regarding this policy in Japan, we wish to announce the following non-financial targets related to human capital in Japan (numbers 3) and 8), below).

Non-financial Targets <sup>(Note1)</sup>	FY2023 (Results)	FY2024 (Plan)
1) Increase sustainability sales 45% vs FY2021 (reflects contribution to solving 3 social issues) <sup>(Note 2)</sup>	+33%* (vs. FY2021)	+35%* (vs. FY2021)
2) Raise the ratio of women in management roles above 18% on a global basis	19.1%*(Note 5)	__ (Note 6)
3) Hire disabled individuals at 28 bases outside Japan; maintain 3% level achieved in Japan	Outside Japan: 28 locations Japan: 3.5%	__ (Note 6) Japan: 3% or more
4) Reduce Scope 1 and 2 GHG <sup>(Note 3)</sup> emissions by 53% versus FY2016	68% reduction (vs. FY2016)	68% reduction (vs. FY2016)
5) Achieve Carbon Zero at all 76 locations in Japan	39 locations (Cumulative)	76 locations (Cumulative)
6) Conduct human rights due diligence in line with the UNGP and develop a human rights redress mechanism in the value chain	<ul style="list-style-type: none"> <li>• Draft solutions to identified human rights issues</li> <li>• Operate and monitor redress mechanisms</li> </ul>	Implement human rights due diligence, establish and operate redress mechanisms
7) Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World	Selected to DJSI World	Selected to DJSI World
8) 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	70%	More than 80% of managers with subordinates in Japan <sup>(Note 6, 9)</sup>
9) In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others	Training initiated in all areas except Japan	Training continuing in all areas except Japan
10) Make full use of digital tools to reduce use of paper	54% reduction (vs. FY2019)	54% reduction or more (vs. FY2019)
+1 Top management of each region <sup>(Note 4)</sup> to declare and execute their commitment to contribute to local communities in alignment with OMRON's Sustainability Policy	Declaration/execution ongoing in all areas	Declaration/execution ongoing in all areas

### Notes:

1. Figures presented in the non-financial targets are the initial SF 1st Stage targets set in fiscal 2022.
2. Net sales of focus domains related to "achievement of carbon neutrality," "realization of a digital society" and "extension of healthy life expectancies."
3. GHG: Greenhouse gas
4. Regions: Americas, Europe, Asia, Greater China, South Korea, and Japan.
5. Aggregated figure for the Company and its consolidated subsidiaries as of April 20, 2024
6. This target was not defined as of our announcement on May 8, 2024. This is a new target for Japan. In addition, we will not establish targets globally or overseas for fiscal 2024, as personnel structural reforms are ongoing in certain areas overseas.
7. Non-financial targets (8) through (10) were determined by employee vote.
8. Figures with \* include JMDC
9. Revised training details and targets based on NEXT2025 (as compared to initial plan)

## (5) Determination of Dividends (Interim Dividend) and Revision of Year-End Dividend

### Forecast

At a meeting held today (November 6, 2024) the OMRON Corporation board of directors resolved to approve a dividend from surplus (interim dividend) with a record date of September 30, 2024. The board also resolved to revise the year-end dividend forecast for the fiscal year ending March 31, 2025.

### Determination of Dividends (Interim Dividend)

	Amount	Previous forecast (announced May 8, 2024)	Actual results for the prior fiscal year ended March 31, 2024
Dividend record date	September 30, 2024	September 30, 2024	September 30, 2023
Dividends per share	52.00 yen	—	52.00 yen
Total dividends	10,266 million yen	—	10,267 million yen
Effective date	December 3, 2024	—	December 4, 2023
Source of dividends	Retained earnings	—	Retained earnings

### Revision of Year-End Dividend Forecast

	Dividends per share		
	Interim	Year-end	Full-year
Dividend record date			
Previous forecast (announced May 8, 2024)	—	—	104.00 yen
Revised forecast	—	52.00 yen	104.00 yen
Fiscal 2024 actual (ending March 31, 2025)	52.00 yen	—	—
Fiscal 2023 actual (ended March 31, 2024)	52.00 yen	52.00 yen	104.00 yen

### Reasons for Revision

In line with our cash allocation policy and shareholder return policy, the annual dividend forecast will remain unchanged from the initial forecast of 104.00 yen. Our forecasts of interim dividends and year-end dividends are 52.00 yen per share, respectively, each representing half of our full-year dividend forecast. These amounts are same year on year.

### Cash Allocation Policy

- (1) Aiming to maximize corporate value through the realization of the long-term vision, OMRON prioritizes the necessary investment to create new value from a medium- and long-term perspective. During our restructuring period (April 1, 2024 through September 30, 2025), we intend to concentrate group resources on Structural Reform Program NEXT2025, giving top priority to the investments necessary to restore business performance and restructure our foundation for earnings and growth. On this basis, OMRON will return profits to shareholders in a stable and sustainable manner.
- (2) In principle, we will source the funds for these value-creating investments and shareholder returns through retained earnings and the sustained creation of operating cash flows. We will raise funds as needed, maintaining a degree of financial soundness to facilitate fund-raising regardless of financial market conditions.

### Shareholder Return Policy

- (1) We will prioritize investments necessary for value creation from a medium- to long-term perspective, establishing a dividend on equity (DOE) target of approximately 3% as a standard for annual dividends. Taking past dividend payments also into account, we intend to ensure stable and continuing shareholder returns.
- (2) Having engaged in the investments and allocation of profits described above, we will distribute retained earnings accumulated over the long term to shareholders through opportunistic share buybacks and other measures.

## 2. Interim Consolidated Financial Statements and Notes

### (1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024		As of September 30, 2024	
		%		%
<b>ASSETS</b>				
Current assets:	547,603	40.4	533,537	39.5
Cash and cash equivalents	143,086		161,338	
Notes and accounts receivable-trade	172,268		135,925	
Allowance for doubtful receivables	(1,058)		(976)	
Inventories	174,034		181,243	
Other current assets	59,273		56,007	
Property, plant and equipment, net:	136,775	10.1	133,120	9.9
Investments and other assets:	670,351	49.5	682,508	50.6
Right-of-use assets under operating leases	54,383		50,079	
Goodwill	361,783		363,935	
Other intangible assets	108,881		116,623	
Investments in and advances to affiliates	13,931		16,325	
Investment securities	33,897		34,884	
Leasehold deposits	7,883		7,737	
Prepaid pension costs	65,267		73,132	
Deferred income taxes	19,382		14,083	
Other assets	4,944		5,710	
<b>Total assets</b>	<b>1,354,729</b>	<b>100.0</b>	<b>1,349,165</b>	<b>100.0</b>

(Millions of yen)

	As of March 31, 2024		As of September 30, 2024	
		%		%
<b>LIABILITIES</b>				
Current liabilities	231,160	17.1	242,127	17.9
Notes and accounts payable-trade	82,548		74,544	
Short-term borrowings	22,548		47,550	
Current portion of long-term borrowings	6,451		5,612	
Accrued expenses	47,345		44,803	
Income taxes payable	6,457		4,345	
Short-term operating lease liabilities	13,385		13,139	
Other current liabilities	52,426		52,134	
Deferred income taxes	16,419	1.2	16,465	1.2
Termination and retirement benefits	8,310	0.6	6,859	0.5
Long-term borrowings	92,075	6.8	103,367	7.7
Long-term operating lease liabilities	38,299	2.8	34,647	2.6
Other long-term liabilities	17,473	1.3	17,828	1.3
Total liabilities	403,736	29.8	421,293	31.2
<b>NET ASSETS</b>				
Shareholders' equity	786,686	58.1	763,481	56.6
Common stock	64,100	4.7	64,100	4.7
Capital surplus	98,997	7.3	99,478	7.4
Legal reserve	27,457	2.0	29,264	2.2
Retained earnings	556,705	41.1	541,341	40.1
Accumulated other comprehensive income	109,396	8.1	99,272	7.4
Foreign currency translation adjustments	95,767		81,514	
Pension liability adjustments	13,608		17,743	
Net gains (losses) on derivative instruments	21		15	
Treasury stock	(69,969)	(5.1)	(69,974)	(5.2)
Non controlling interests	164,307	12.1	164,391	12.2
Total net assets	950,993	70.2	927,872	68.8
Total liabilities and net assets	1,354,729	100.0	1,349,165	100.0

**(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income**  
**(Interim Consolidated Statements of Income)**  
**(Six months ended September 30, 2024)**

(Millions of yen)

	Six months ended September 30, 2023		Six months ended September 30, 2024	
		%		%
Net sales	400,674	100.0	374,638	100.0
Cost of sales	228,637	57.1	204,625	54.6
Gross profit	172,037	42.9	170,013	45.4
Selling, general and administrative expenses	125,995	31.4	129,188	34.5
Research and development expenses	25,391	6.3	21,599	5.8
Operating income	20,651	5.2	19,226	5.1
Restructuring expenses	—	—	21,366	5.7
Other income, net	(4,343)	(1.0)	(1,804)	(0.5)
Income (loss) before income taxes	24,994	6.2	(336)	(0.1)
Income taxes	7,251	1.8	2,329	0.6
Share of loss (profit) of entities accounted for using equity method	11,271	2.8	(328)	(0.1)
Net income (loss)	6,472	1.6	(2,337)	(0.6)
Net income attributable to noncontrolling interests	392	0.1	981	0.3
Net income (loss) attributable to OMRON shareholders	6,080	1.5	(3,318)	(0.9)

Note: Restructuring expenses reflect the sum of one-time expenses of JPY20,966 million associated with headcount and capacity optimization, as well as other restructuring expenses of JPY400 million.



**(Interim Consolidated Statements of Comprehensive Income)**  
**(Six months ended September 30, 2024)**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net income (loss)	6,472	(2,337)
Other comprehensive income, net of tax		
Foreign currency translation adjustments	35,576	(14,334)
Pension liability adjustments	887	4,135
Net gains (losses) on derivative instruments	2	(6)
Other comprehensive income (loss)	36,465	(10,205)
Comprehensive income (loss)	42,937	(12,542)
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	587	900
Comprehensive income (loss) attributable to OMRON shareholders	42,350	(13,442)

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

(Millions of yen)

	Six months ended September 30, 2023		Six months ended September 30, 2024	
<b>I Operating Activities:</b>				
1. Net income (loss)		6,472		(2,337)
2. Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
(1) Depreciation and amortization	13,835		16,826	
(2) Share of loss (profit) of entities accounted for using equity method	11,271		(328)	
(3) Decrease in notes and accounts receivable — trade	36,540		33,881	
(4) Increase in inventories	(5,872)		(10,732)	
(5) Decrease in notes and accounts payable — trade	(13,265)		(6,179)	
(6) Other, net	(23,249)	19,260	(7,286)	26,182
Net cash provided by operating activities		25,732		23,845
<b>II Investing Activities:</b>				
1. Proceeds from sale of investment securities		1,767		820
2. Purchases of investment securities		(342)		(1,552)
3. Capital expenditures		(18,820)		(22,180)
4. Business and company acquisitions (net of cash acquired)		(366)		(4,540)
5. Proceeds from sale of property, plant and equipment		363		390
6. Increase in investments in and loans to affiliates, net		(642)		(2,592)
7. Other, net		(938)		(97)
Net cash used in investing activities		(18,978)		(29,751)
(Reference) Free cash flow		6,754		(5,906)
<b>III Financing Activities:</b>				
1. Net increase (decrease) of short-term debt		(2,214)		26,313
2. Proceeds from short-term borrowings		1,080		1,500
3. Repayments of short-term borrowings		—		(2,883)
4. Proceeds from long-term borrowings		—		12,708
5. Repayments of long-term borrowings		—		(2,917)
6. Dividends paid by OMRON Corporation		(9,645)		(10,236)
7. Dividends paid to noncontrolling interests		(581)		(1,466)
8. Other, net		(72)		(118)
Net cash provided by (used in) financing activities		(11,432)		22,901
<b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		7,114		1,257
Net increase (decrease) in cash and cash equivalents		2,436		18,252
Cash and cash equivalents at beginning of the period		105,279		143,086
Cash and cash equivalents at end of the period		107,715		161,338

Note: *Free cash flow* is cash flow from operating activities plus cash flow from investing activities.

**(4) Notes Regarding Consolidated Financial Statements**

**(Notes Regarding Assumptions of Going Concern)**

None applicable

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

None applicable

## **(Segment Information)**

### **Operating Segment Information**

ASC 280, "Segment Reporting," establishes the disclosure of information about operating segments in financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses operating segment information in five operating segments: "IAB," "HCB," "SSB," "DMB," and "DSB". These segments are mainly separated based on the Companies' consideration of their nature of the products and the business standing in the group.

The primary products included in each segment are as follows:

(1) IAB: Industrial Automation Business

.....Programmable controllers, motion controllers, sensing devices, industrial camera/code reader devices, inspection systems, safety devices and industrial robots

(2) HCB: Healthcare Business

.....Digital blood pressure monitors, nebulizers, low-frequency therapy equipment, ECGs, oxygen concentrators, digital thermometers, body composition monitors, pedometers and activity meters, electric toothbrushes, massagers, blood glucose monitors, vascular screening devices, visceral fat monitors, remote patient monitoring systems and telemedicine service

(3) SSB: Social Systems, Solutions and Service Business

.....Energy business (solar power generation, storage battery systems), railway station service systems, traffic and road management systems, card payment services, IoT (power protection, data protection) solutions, software development and comprehensive maintenance service business

(4) DMB: Devices & Module Solutions Business

.....Relays, switches, connectors, IoT communication modules, general sensors, amusement components and units, face recognition software, image sensing component and MEMS<sup>(Note)</sup> sensors

Note: MEMS: Micro Electro Mechanical Systems

(5) DSB: Data Solution Business

.....Data healthcare business, corporate health business, smart M&S (management service solutions) business, carbon neutral solutions business, data-based solutions business, and self-reliance support business

The segment information is presented in accordance with accounting principles generally accepted in the United States of America.

Revenues and expenses directly associated with specific segments are disclosed in the figures of each segment's operating results. Based on the Company's allocation method used by management to evaluate results of each segment, revenues and expenses not directly associated with specific segments are allocated to each segment or included in "Eliminations and Others."

Segment income is presented as gross profit less selling, general and administrative expenses and research and development expenses. Restructuring expenses, other income, net, income taxes, share of loss (profit) of entities accounted for using equity method are not deducted.

## Business Segment Information

Six months ended September 30, 2023 (April 1, 2023 - September 30, 2023)

(Millions of yen)

	IAB	HCB	SSB	DMB	Total	Eliminations and Others	Consolidated
Sales							
1. Sales to external customers	210,382	73,967	53,139	61,175	398,663	2,011	400,674
2. Intersegment sales	2,585	118	6,405	19,769	28,877	(28,877)	—
Total	212,967	74,085	59,544	80,944	427,540	(26,866)	400,674
Operating expenses	195,522	64,352	58,222	78,273	396,369	(16,346)	380,023
Segment income	17,445	9,733	1,322	2,671	31,171	(10,520)	20,651

Notes: 1. The value of intersegment transactions is in accordance with the value of transactions with external customers.

2. "Eliminations and Others" include not allocated expenses and eliminations of intersegment transactions and the head office divisions and others.

Six months ended September 30, 2024 (April 1, 2024 - September 30, 2024)

(Millions of yen)

	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales								
1. Sales to external customers	174,465	72,503	56,885	51,098	19,088	374,039	599	374,638
2. Intersegment sales	2,278	201	5,426	17,560	158	25,623	(25,623)	—
Total	176,743	72,704	62,311	68,658	19,246	399,662	(25,024)	374,638
Operating expenses	159,366	64,099	60,356	68,562	18,909	371,292	(15,880)	355,412
Segment income	17,377	8,605	1,955	96	337	28,370	(9,144)	19,226

Notes: 1. The value of intersegment transactions is in accordance with the value of transactions with external customers.

2. DSB includes financial figures related to the OMRON Data Solution Business and JMDC financial figures, as well as the amortization of intangible assets other than goodwill identified as a result of the consolidation of JMDC as a subsidiary.

3. "Eliminations and Others" include not allocated expenses and eliminations of intersegment transactions and the head office divisions and others.

## Sales by Geographical Region

Six months ended September 30, 2023 (April 1, 2023 - September 30, 2023) (Millions of yen)

Segments	IAB	HCB	SSB	DMB	Total	Eliminations and Others	Consolidated
Sales to external customers							
Japan	67,691	11,691	52,341	21,657	153,380	2,011	155,391
Americas	22,278	13,672	—	8,203	44,153	—	44,153
Europe	44,798	14,545	—	8,946	68,289	—	68,289
Greater China	52,086	26,101	123	14,404	92,714	—	92,714
Southeast Asia and Others	23,527	7,665	—	7,866	39,058	—	39,058
Direct Exports	2	293	675	99	1,069	—	1,069
Total	210,382	73,967	53,139	61,175	398,663	2,011	400,674

Six months ended September 30, 2024 (April 1, 2024 - September 30, 2024) (Millions of yen)

Segments	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales to external customers								
Japan	53,790	11,767	56,498	13,821	18,823	154,699	599	155,298
Americas	19,971	13,578	—	8,244	—	41,793	—	41,793
Europe	34,968	16,389	—	5,603	—	56,960	—	56,960
Greater China	44,065	22,542	27	16,073	2	82,709	—	82,709
Southeast Asia and Others	21,671	8,004	—	7,343	—	37,018	—	37,018
Direct Exports	0	223	360	14	263	860	—	860
Total	174,465	72,503	56,885	51,098	19,088	374,039	599	374,638

Notes 1. "Eliminations and Others" include the head office divisions and others.

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

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

The reconciliations of total segment income to income (loss) before income taxes for the six months ended September 30, 2023 and 2024 are as follows.

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Segment income	31,171	28,370
Restructuring expenses	—	21,366
Other income, net	(4,343)	(1,804)
Eliminations and Others	(10,520)	(9,144)
Income (loss) before income taxes	24,994	(336)

Note: Restructuring expenses reflect the sum of one-time expenses of JPY20,966 million associated with headcount and capacity optimization, as well as other restructuring expenses of JPY400 million.