

## **Q&A Session Summary, FY2024 Q3 Results Briefing OMRON Corporation**

### **Consolidated**

- Q. I would like to know if there are any changes to your outlook for business performance in fiscal 2025 and your target for operating profit of 70 billion yen.
- A. First of all, we are making steady progress toward our goal of reducing fixed costs by 30 billion yen as part of our structural reforms. The company expects to reduce fixed costs by approximately 25 billion yen this fiscal year and by over 6 billion yen next fiscal year. In addition, top-line growth is necessary to achieve operating profit of 70 billion yen. With the recovery in demand remaining slower than expected and uncertainty increasing, the key is to increase the top line on our own, without being affected by changes in demand. We are currently focusing on efforts to increase market share in all business companies and are closely examining our outlook for the next fiscal year.
- Q. Regarding the establishment of a joint venture with transcosmos, could you please tell us why you chose to go ahead with the joint venture rather than outsourcing to the company?
- A. We determined that we could maximize value by leveraging the strengths of both companies. In order to achieve our goal of streamlining indirect operations, we need to closely link transcosmos's BPR (business process restructuring) and DX capabilities with OMRON's ability to resolve on-site issues and execute operations, and we determined that a joint venture would be the best way to achieve this.

### **IAB**

- Q. What areas do you think you can expect to see top-line growth even in these tough market conditions?
- A. One is outside our focus industry. By strengthening development of core products and strengthening relationships with distributors, we hope to expand our market share again and thereby increase sales regardless of demand trends. Another area in terms of demand is the semiconductor industry. We will firmly capture capital investment demand in Greater China, including Taiwan, and throughout Asia. By providing solutions, which are OMRON's strength, the company will aim to grow sales in the next fiscal year as well.
- Q. Please give us an update on your recovery status in the U.S. and your outlook for the future.
- A. We are working to rebuild the business, with the top priority being to reinforce profitability. Specifically, the company conducts down-to-earth sales activities by identifying customers who align with OMRON's value proposition, and delivering products such as sensors, PLCs, and safety products. As a result, we expect a significant improvement in profitability in the U.S. in the current and next fiscal years. We are beginning to see that there is still a lot of potential in providing not just solutions but also solid foundational products to customers, and this will likely be a priority in our growth strategy (in the US).

### **HCB**

- Q. The decline in sales from Q3 to Q4 is smaller than in the past. Do you think that this Q4 will be the bottom? Also, please tell us about your thoughts on sales for the next fiscal year.
- A. First of all, looking at the overall picture, China is sluggish, while other areas are generally performing well. It remains to be seen whether this Q4 marks the bottom, but we believe that the Chinese blood pressure monitor market in particular is quite close to bottom. We will continue to closely examine the recovery from next fiscal year onwards, taking into account factors such as U.S.-China relations and China's macro environment.