

# **FY2025 H1 Financial Results**

**November 7, 2025  
OMRON Corporation**

Hello, everyone. I am Takeda, CFO and Senior General Manager of Global Strategy HQ. Thank you very much for taking time out of your busy schedules today to participate in our financial results briefing for Q2 of the fiscal year ending March 31, 2026.

Today, as in previous briefings, we will begin with an explanation of the financial results, followed by a Q&A session. We would like to receive as many questions as possible. Thank you very much for your cooperation in advance.

I will now explain according to the presentation materials. See next page.

## Summary

### ● FY2025 H1 Results

- Consolidated revenue increased YoY, while profits declined due to lower gross profit margins and growth investments
- IAB achieved higher revenue and profit, driven by steady recovery in the customer base and strong demand from the semiconductor and secondary batteries industries
- HCB recorded lower revenue and profit for H1, but turned to revenue and profit growth in Q2 after a weak Q1

### ● FY2025 Full-year Forecasts

- Full-year forecasts revised after reviewing tariff impacts and business outlook for H2; expecting higher revenue and profit
- Overall, business environment remains in line with the initial outlook, and SSB, DMB and DSB are expected to perform steadily
- IAB saw sales growth supported by the effects of structural reforms implemented since last fiscal year, and initiatives for this fiscal year are in line with the plan
- Interim dividend fixed at ¥52. Initial full-year dividend guidance of ¥104 maintained

### ● Review of Structural Reform Program “NEXT2025”

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Today's presentation will cover three points.

The first point is H1 results.

Companywide results showed an increase in sales, but a decline in gross profit margin and the execution of investments for growth, both of which led to a decrease in profits.

In IAB, revenue and profit increased due to a steady recovery in the customer base and a firm grasp of investment demand in the semiconductor and secondary batteries industries.

In HCB, revenue and profits declined in H1. However, in Q2, revenue and profit turned to an increase in three months.

The second point is the full-year outlook.

We have updated our full-year guidance, which had been presented as a range, after carefully examining the impact of tariffs and other factors in H2. We forecast an increase in both revenue and profit.

In general, the business environment is not expected to change significantly from the assumptions made at the beginning of the fiscal year, and SSB, DMB, and DSB are expected to perform well.

In IAB, structural reform efforts since last fiscal year and the results of these efforts have contributed to sales expansion, and efforts for the current fiscal year are progressing steadily in line with plans.

The interim dividend is JPY52, and the annual dividend forecast is JPY104, in line with the plan at the beginning of the fiscal year.

Finally, I would like to share with you a review of the structural reform program, NEXT2025.

We will begin to explain the main part of the presentation. See page five.

|                                                        |                |
|--------------------------------------------------------|----------------|
| 1 . H1 FY2025 results                                  | .... P.4 ~ 7   |
| 2 . FY2025 Full-year Forecasts                         | .... P.8 ~ 18  |
| 3 . Review of Structural Reform Program<br>"NEXT 2025" | .... P.19 ~ 20 |

# 1 . H1 FY2025 Results

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| H1 Consolidated Results                                                                                                       |                     |                     |           |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|-----------|
| Achieved Y/Y growth in revenue, while profits down due to a lower gross profit margin and the execution of growth investments |                     |                     |           |
|                                                                                                                               |                     | (¥bn)               |           |
|                                                                                                                               | FY2024<br>H1 Actual | FY2025<br>H1 Actual | Y/Y       |
| Net Sales                                                                                                                     | 374.6               | 393.4               | +5.0%     |
| Gross Profit                                                                                                                  | 170.0               | 172.5               | +1.5%     |
| (%)                                                                                                                           | (45.4%)             | (43.9%)             | (-1.5%pt) |
| Operating Income                                                                                                              | 19.2                | 17.7                | -7.8%     |
| (%)                                                                                                                           | (5.1%)              | (4.5%)              | (-0.6%pt) |
| Net Income attributable to OMRON shareholders                                                                                 | -3.3                | 9.0                 | -         |
| Average USD rate (JPY)                                                                                                        | 153.7               | 146.4               | -7.3      |
| Average EUR rate (JPY)                                                                                                        | 166.3               | 166.8               | +0.5      |
| Average CNY rate (JPY)                                                                                                        | 21.2                | 20.3                | -0.9      |

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First, here are H1 results for the entire company. See center of table, shaded area.

Net sales increased 5% to JPY393.4 billion, led by IAB as a whole. Operating profit was JPY17.7 billion, down 7.8%, due to a lower gross profit margin and the execution of growth investments as planned.

Despite the increase in sales and decrease in profit, operating profit is progressing as expected against the internal plan. The growth rate of sales was higher than expected.

Finally, net income. The elimination of one-time expenses related to restructuring in the previous year resulted in a significant increase in profit.

Moving onto the results by business segment.

## H1 Results by Segment

Sales and profits up Y/Y at IAB, SSB, DMB and DSB, down Y/Y at HCB

|                                                   | Sales               |                     |        | OP (¥bn)            |                     |                      |
|---------------------------------------------------|---------------------|---------------------|--------|---------------------|---------------------|----------------------|
|                                                   | FY2024<br>H1 Actual | FY2025<br>H1 Actual | Y/Y    | FY2024<br>H1 Actual | FY2025<br>H1 Actual | Y/Y                  |
| <b>IAB</b><br>Industrial Automation               | 174.5               | 188.8               | +8.2%  | 17.4<br>(10.0%)     | 18.8<br>(10.0%)     | +8.5%<br>(+0.0%pt)   |
| <b>HCB</b><br>Healthcare                          | 72.5                | 66.7                | -8.0%  | 8.6<br>(11.9%)      | 5.7<br>(8.5%)       | -33.8%<br>(-3.3%pt)  |
| <b>SSB</b><br>Social Systems, Solutions & Service | 56.9                | 57.7                | +1.4%  | 2.0<br>(3.4%)       | 2.8<br>(4.8%)       | +41.9%<br>(+1.4%pt)  |
| <b>DMB</b><br>Device & Module Solutions           | 51.1                | 56.6                | +10.8% | 0.1<br>(0.2%)       | 1.3<br>(2.3%)       | -<br>(+2.1%pt)       |
| <b>DSB</b><br>Data Solutions                      | 19.1                | 22.9                | +20.0% | 0.3<br>(1.8%)       | 0.8<br>(3.3%)       | +125.1%<br>(+1.5%pt) |
| Include JMDC                                      | 19.2                | 23.1                | +20.2% | 3.3<br>(17.1%)      | 4.0<br>(17.4%)      | +22.1%<br>(+0.3%pt)  |
| Eliminations & Corporate                          | 0.6                 | 0.7                 | +15.2% | -9.1                | -11.6               | -                    |
| Total                                             | 374.6               | 393.4               | +5.0%  | 19.2<br>(5.1%)      | 17.7<br>(4.5%)      | -7.8%<br>(-0.6%pt)   |

\*1. Figures shown in brackets under OP are OPMs.

\*2. DSB includes the financial results of JMDC, consolidation adjustments (the amortization of intangible assets other than goodwill associated with the consolidation, etc.) and other financial figures related to data business.

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First, IAB. In addition to the normalization of distributors' inventories, which we have been working on since last fiscal year, and the effect of new product launches, we also gained AI-related investment in semiconductors and investment in secondary batteries in China, resulting in sales of JPY188.8 billion, up 8.2% from the previous year. Operating profit was JPY18.8 billion, an increase of 8.5%.

Next, HCB. Sales decreased 8% to JPY66.7 billion, mainly due to the slowdown of the blood pressure monitor market in China and an increasingly competitive environment. In addition to the decrease in sales, the impact of the US tariff policy and other factors resulted in an operating profit of JPY5.7 billion, a decrease of 33.8%.

While both sales and profits declined significantly in the Q1 period, sales and profits turned around to increase in the Q2 period.

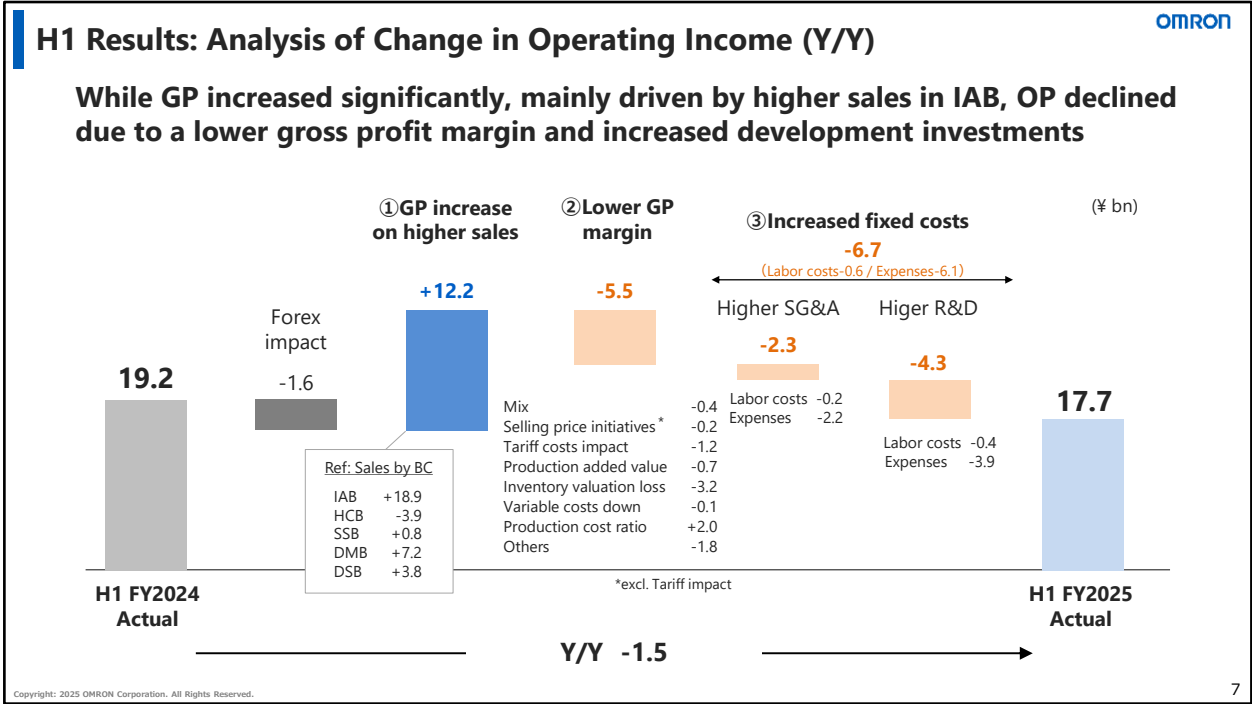
Next, SSB. Sales increased 1.4% to JPY57.7 billion due to strong demand for storage batteries for residential use. Operating profit increased 41.9% to JPY2.8 billion due to progress in cost reduction.

Next, DMB. The market remained strong globally, with net sales up 10.8% to JPY56.6 billion and operating profit at JPY1.3 billion.

Finally, DSB. JMDC's health big data business performed well.

Overall, DSB posted sales of JPY22.9 billion and operating profit of JPY800 million due to investments and amortization of intangible assets associated with consolidation.

Next, I will explain operating profit for H1 of the fiscal year.



Here is a step chart comparing operating profit with that of the previous year. I will explain form left to right.

First is the increase in gross profit due to higher sales. The increase in sales, mainly in IAB, led to a JPY12.2 billion increase in profits for the company as a whole.

Next is the decline in gross profit margin. Although the manufacturing fixed cost ratio improved as a result of sales expansion, inventory valuation loss were affected by a reversal of the large improvement in the previous fiscal year, resulting in an overall profit decline of JPY5.5 billion.

Finally, there is an increase in fixed costs. As planned at the beginning of the period, the company is executing investments for growth, mainly in IAB, resulting in a JPY6.7 billion decrease in profit for the entire company.

This is the end of our report on the H1 results.

Next, we will explain our perception of the business environment in H2. See page nine.

# 2 . FY2025 Full-year Forecasts

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| H2 Operating Environment                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overall, business environment has remained in line with the initial expectations |                                                                                                                                                                                                                                                                                                                                                                                                                              |
| IAB<br>Industrial Automation                                                     | <b>Flat compared to the previous year.</b><br><b>The semiconductors industry is performing well, while EV industry is expected to perform below the initial outlook</b> *Details on later                                                                                                                                                                                                                                    |
| HCB<br>Healthcare                                                                | <b>BPM market continues to grow globally, while demand in China is expected to remain flat Y/Y</b><br>Cardiovascular: Although moderate growth is expected globally, uncertainty persists in North America due to the impact of tariffs. China will remain sluggish due to stagnant consumer spending<br>Respiratory: Nebulizers continue to show weak performance in China due to prolonged stagnation in consumer spending |
| SSB<br>Social Systems, Solutions & Service                                       | <b>The overall business environment remains stable</b><br>Energy: Renewable energy demand in the residential sector remains solid<br>Railway industry: Capital investment demand from railway companies remains solid, driven by stable domestic demand and strong inbound tourism                                                                                                                                           |
| DMB<br>Device & Module Solutions                                                 | <b>The overall business environment remains stable</b><br>DC Equipment/Microwave Devices: Demand remains stable, supported by semiconductor market growth<br>Commodity Devices: The global market remains stable                                                                                                                                                                                                             |
| DSB<br>Data Solutions                                                            | <b>The overall business environment is expected to remain stable, led by the health big data business</b><br>JMDC: Use of healthcare data continues to grow steadily, particularly in the pharmaceutical and insurance sectors.<br>Demand for services targeting insurers and consumers is increasing, driven by rising public awareness of health and prevention                                                            |
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The business environment in the H2 of the fiscal year is generally expected to be in line with our initial forecast, although there are some differences in each industry.

First, IAB. The market is generally expected to remain flat from the previous year. While the semiconductor industry is expected to remain strong, the EV industry is expected to be slower than assumed at the beginning of the period. We will explain the details later.

Next, HCB. The blood pressure monitor market is expected to see strong demand globally, while China is expected to remain sluggish. In the other segment, we expect the business environment to remain firm, as we assumed at the beginning of the period. We will then explain the impact of the tariff policy on our own costs.

Update on the impact of U.S. Tariff Policy (Impact on Internal Costs)

The full-year tariff burden reduced to ¥6.0 billion. In the second half, the impact is expected to be largely absorbed through price adjustments etc.

|                         | as of Q1 FY25 | current outlook                           |
|-------------------------|---------------|-------------------------------------------|
| Amount of tariff burden | ¥-11.5bn      | ¥-6.0bn                                   |
| ✓ IAB                   | ¥-3.5bn       | ¥-2.0bn                                   |
| ✓ HCB                   | ¥-3.0bn       | ¥-2.0bn                                   |
| ✓ DMB                   | ¥-5.0bn       | ¥-2.0bn                                   |
| Profit impact risk      | ¥0~¥-4.0bn    | ¥-1.3bn                                   |
|                         |               | Ref: Amount of Tariff Impact (H1) ¥-1.2bn |

【FY25 Q1 Assumptions on Tariff Impact (as of 23, July)】

- China: +10% until 8/12, then +125%
- Japan: +10% until 8/1, then +15%
- Vietnam: +10% until 7/2, then +20%
- Indonesia: +10% until 8/1, then +19%
- Malaysia: +10% until 8/1, then +25%

【Assumptions on Tariff Impact (as of 30, October)】

- China: +10%
- Japan: +10% until 8/1, then +15%
- Vietnam: +10% until 7/2, then +20%
- Indonesia: +10% until 8/1, then +19%
- Malaysia: +10% until 8/1, then +25%

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In the previous financial results, we had expected a tariff burden of up to JPY11.5 billion for the full year. Based on the policy announced by October 30, we have scrutinized it again this time, and as a result, we expect the burden to be reduced by JPY6 billion, and the profit impact for the full year to be around JPY1.3 billion. Of this amount, JPY1.2 billion has already been incurred in H1 of the fiscal year, and we expect to be able to absorb most of it in H2 of the fiscal year, mainly through price pass-through. Next, I would like to report on the full-year outlook for the entire company.

## Forecasts: Consolidated Earnings

### Full-year forecasts revised, with revenue and profit expected to increase Y/Y

(¥ bn)

|                                                  | FY2025 Initial Plan |            | FY2025<br>Forecast | FY2024<br>Actual | Y/Y       |
|--------------------------------------------------|---------------------|------------|--------------------|------------------|-----------|
|                                                  | High End *          | Low End *  |                    |                  |           |
| Net Sales                                        | 835.0               | 820.0      | <b>845.0</b>       | 801.8            | +5.4%     |
| Gross Profit                                     | 373.5               | 362.5      | <b>373.5</b>       | 357.1            | +4.6%     |
| (%)                                              | (44.7%)             | (44.2%)    | <b>(44.2%)</b>     | (44.5%)          | (-0.3%pt) |
| Operating Income                                 | 65.0                | 56.0       | <b>60.0</b>        | 54.0             | +11.0%    |
| (%)                                              | (7.8%)              | (6.8%)     | <b>(7.1%)</b>      | (6.7%)           | (+0.4%pt) |
| Net Income attributable to<br>OMRON shareholders | 35.5                | 29.0       | <b>29.0</b>        | 16.3             | +78.2%    |
| ROE                                              | Approx. 4%          | Approx. 3% | <b>Approx. 3%</b>  | 2.1%             | -         |
| ROIC                                             | Approx. 4%          | Approx. 3% | <b>Approx. 3%</b>  | 1.8%             | -         |
| EPS (JPY)                                        | 180.30              | 147.29     | <b>147.40</b>      | 82.63            | +64.77    |
| Average USD rate (JPY)                           | 140.0               | 140.0      | <b>145.7</b>       | 152.6            | -7.0      |
| Average EUR rate (JPY)                           | 160.0               | 160.0      | <b>165.9</b>       | 163.7            | +2.2      |
| Average CNY rate (JPY)                           | 20.0                | 20.0       | <b>20.2</b>        | 21.1             | -1.0      |

\*High end: Assumes no demand fluctuations

Low end: Reflects risks of demand fluctuations and limited absorption of internal cost increases

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At the beginning of the fiscal year, we disclosed our earnings plan in the form of an upper and lower range, due to the uncertainty of tariff policy and its impact on the market. In these financial results, we will revert to the traditional disclosure format and report full-year guidance. See the center shaded area.

Net sales is forecast JPY845 billion, gross profit JPY373.5 billion, gross profit margin 44.2%, operating profit JPY60 billion, and net income JPY29 billion.

Net sales are projected to increase by 5.4% YoY due to expected growth mainly in IAB. Operating profit is expected to increase due to the impact of higher sales.

Then, next is the outlook by segment.

## Forecasts: by Segments

### Revenue and profit expected to increase Y/Y, excluding HCB

|                                                   | Sales                                  |                    |                  |        | OP                                                  |                    |                  |                     | (¥ bn) |
|---------------------------------------------------|----------------------------------------|--------------------|------------------|--------|-----------------------------------------------------|--------------------|------------------|---------------------|--------|
|                                                   | FY2025<br>Initial Plan                 | FY2025<br>Forecast | FY2024<br>Actual | Y/Y    | FY2025<br>Initial Plan                              | FY2025<br>Forecast | FY2024<br>Actual | Y/Y                 |        |
| <b>IAB</b><br>Industrial Automation               | 371.0                                  | 386.0              | 360.8            | +7.0%  | 40.0<br>(10.8%) *1                                  | 40.0<br>(10.4%)    | 36.3<br>(10.1%)  | +10.3%<br>(+0.3%pt) |        |
| <b>HCB</b><br>Healthcare                          | 150.0                                  | 140.0              | 145.9            | -4.0%  | 18.5<br>(12.3%)                                     | 14.5<br>(10.4%)    | 17.5<br>(12.0%)  | -17.1%<br>(-1.6%pt) |        |
| <b>SSB</b><br>Social Systems, Solutions & Service | 150.0 *3                               | 150.0              | 143.4            | +4.6%  | 18.5<br>(12.3%)                                     | 20.0<br>(13.3%)    | 15.3<br>(10.7%)  | +30.3%<br>(+2.6%pt) |        |
| <b>DMB</b><br>Device & Module Solutions           | 110.0                                  | 115.0              | 105.4            | +9.1%  | 4.0<br>(3.6%)                                       | 4.0<br>(3.5%)      | 0.3<br>(0.3%)    | -<br>(+3.2%pt)      |        |
| <b>DSB</b> *2<br>Data Solutions                   | 50.5                                   | 51.0               | 42.7             | +19.3% | 5.0<br>(9.9%)                                       | 5.0<br>(9.8%)      | 2.8<br>(6.6%)    | +76.7%<br>(+3.2%pt) |        |
| Include JMDC                                      | 50.5                                   | 50.5               | 42.9             | +17.7% | 11.5<br>(22.8%)                                     | 11.5<br>(22.8%)    | 8.4<br>(19.6%)   | +36.8%<br>(+3.2%pt) |        |
| Eliminations & Corporate                          | 3.5                                    | 3.0                | 3.5              | -14.5% | -21.0                                               | -23.5              | -18.2            | -                   |        |
| Overall Earnings Risk                             | High end to Low end<br>0.0 to -15.0    | -                  | -                | -      | High end to Low end<br>0.0 to -9.0                  | -                  | -                | -                   |        |
| Total                                             | High end to Low end<br>835.0 to -820.0 | 845.0              | 801.8            | +5.4%  | High end to Low end<br>65.0 to -56.0<br>(7.8%~6.8%) | 60.0<br>(7.1%)     | 54.0<br>(6.7%)   | +11.0%<br>(+0.4%pt) |        |

\*1. Figures shown in brackets under OP are OPMs.

\*2. DSB includes the financial results of JMDC, consolidation adjustments (the amortization of intangible assets other than goodwill associated with the consolidation, etc.) and other financial figures related to data business.

\*3. From Q3 FY2025, OMRON DIGITAL Co., Ltd.'s results are recorded under "Eliminations & Corporate". The forecast is based on the initial plan and the previous year's results, both recalculated for this segment.

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In IAB, both sales and operating profit are expected to exceed those of the previous year. We will explain in more detail later.

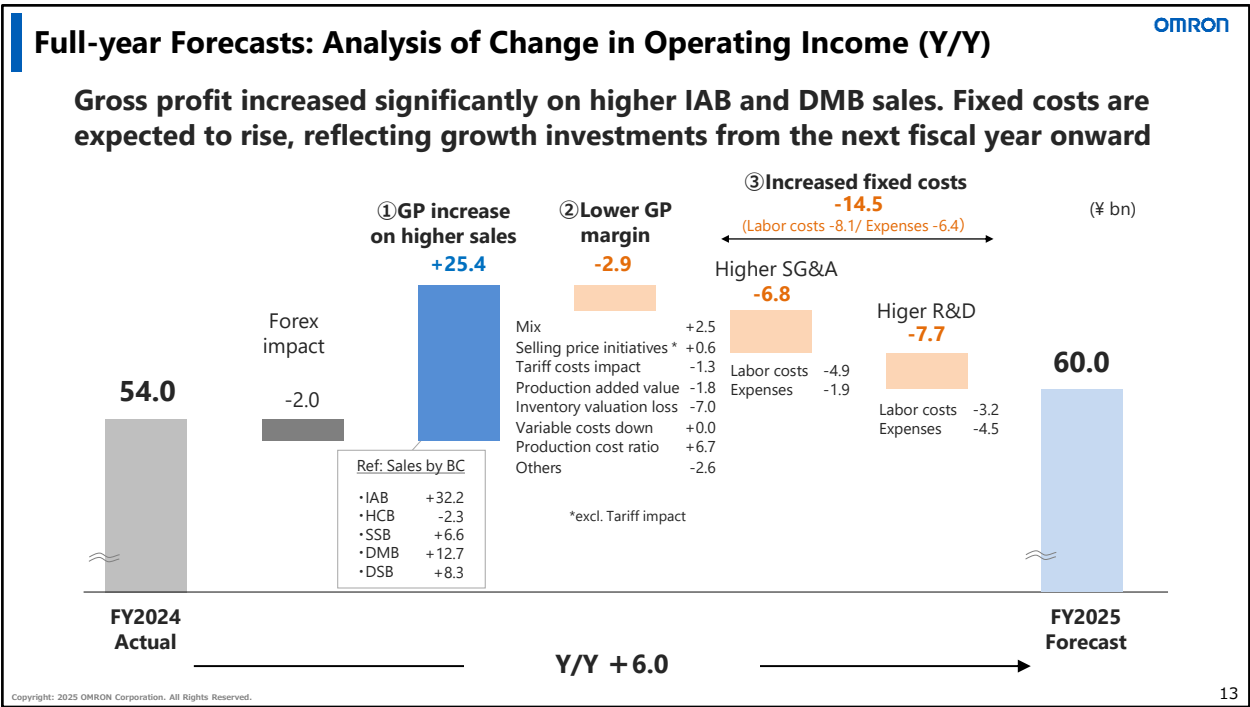
Next, HCB. We expect both sales and operating profit to continue to recover moderately due to the effect of new products such as blood pressure monitors and blood glucose meters in China. However, due to the significant impact of the Q1 period, both sales and profits are expected to decline for the full year.

Next, SSB. We expect an increase in revenue driven by growth in the energy solutions business, and a significant increase in operating profit, factoring in the effects of cost reductions and price optimization in each of our businesses.

Next, DMB. Both sales and profit are expected to increase against the backdrop of a solid business environment, including growing demand for relays for semiconductor manufacturing equipment and other applications. In particular, operating profit is expected to benefit from the liquidation of unprofitable models and an improved cost structure through supply chain management reforms.

Finally, DSB. At JMDC, the health big data business for pharmaceutical companies and medical institutions remains strong, and we expect continued high sales and profit growth. We will also continue to invest in data service creation.

See next page.



Here is a step chart for operating profit compared to FY2024. First is the increase in gross profit due to higher sales. We have factored in sales growth in all businesses except HCB, and expect a JPY25.4 billion increase in profits for the entire company. Next is the decline in gross profit margin. Although we expect an improvement in the manufacturing fixed cost ratio due to sales growth and the effects of the business mix, overall profit is expected to decrease by JPY2.9 billion due to inventory valuation loss and other factors. Finally, there are fixed costs. Fixed costs are expected to increase by JPY14.5 billion, reflecting investments for growth in the next fiscal year and beyond. The next page will provide more details on the outlook for IAB.

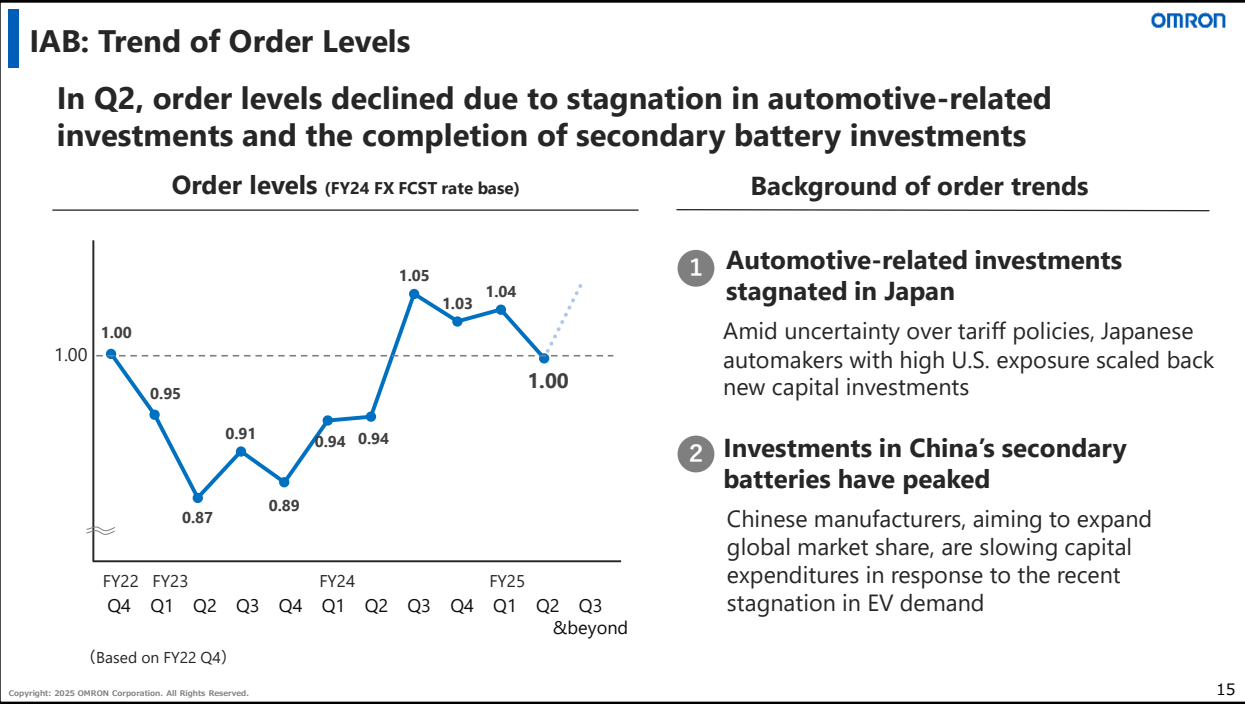
| IAB : H2 Operating Environment Outlook                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Although there are variations depending on area and industry, overall in line with the initial forecast globally. Semiconductors continue to perform steadily, while demand for EVs is decelerating |                                                                                                                                                                                                                                                                                                                                            |
| Domains                                                                                                                                                                                             | Outlook for H2                                                                                                                                                                                                                                                                                                                             |
|  Digital                                                                                                           | <ul style="list-style-type: none"><li>In Semiconductors, investment is continuing to expand in response to growing demand for generative AI, and the market remains strong</li><li>In China, investments aimed at domestic production are expanding to advanced fields, resulting in a market environment stronger than expected</li></ul> |
|  NEV                                                                                                               | <ul style="list-style-type: none"><li>EV investments in Japan are expected to decline versus the initial forecast due to the impact of tariffs</li><li>In secondary batteries, Chinese manufacturers' investments have peaked and are slowing, with demand slightly below the initial forecast</li></ul>                                   |
|  Food/<br>Household goods                                                                                          | <ul style="list-style-type: none"><li>In line with the initial forecasts, There is no significant change in capital investment demand, and it is generally expected to remain flat Y/Y</li></ul>                                                                                                                                           |
|  Medicine/<br>Logistics                                                                                            | <ul style="list-style-type: none"><li>In line with the initial forecasts, There is no significant change in capital investment demand, and it is generally expected to remain flat Y/Y</li></ul>                                                                                                                                           |
|  Others*                                                                                                           | <ul style="list-style-type: none"><li>Although there will be some variation depending on the area, the economic outlook is expected to be at the same level as last year</li></ul>                                                                                                                                                         |
| * All domains excluding Focus domains                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                            |
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| 14                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                            |

First, I would like to discuss our perception of the business environment. We will explain by industry.

See Digital Industry. Semiconductors are expected to remain strong, as investment in generated AI demand expands globally. In China, we expect investment in domestic production of advanced semiconductors to expand and remain stronger than expected.

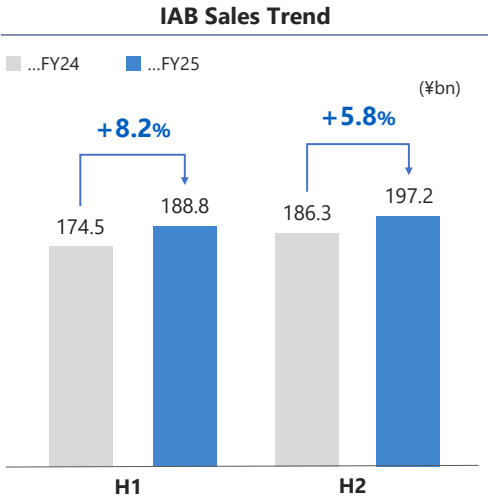
Next is NEV. We expect demand to slow down compared to our initial assumptions as capital investment in EVs will shrink globally due to tariff policies, and investment in secondary batteries in China will run its course.

For other industries, excluding the focus industries, we expect the business environment to remain at the same level as in the previous year. See next page.



# IAB : Advancement in Growth Initiatives

Ongoing internal initiatives are showing results, supporting expectations for sustained sales growth



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## Progress in Growth Initiatives / H1 Results

- 1 Customer Base Recovery**
  - Steady progress in strengthening distributor relationships
  - Component sales to a broad range of customers are progressing, with "Other" Industries sales continuing to recover across all regions
- 2 New Product Release**
  - 11 new products released in H1
  - Sales of new products released last year have exceeded internal targets
- 3 Solution Expansion**
  - Ongoing investment gains driven by generative AI demand
  - Automated X-ray Inspection system (AXI) adoption expanding in advanced segments with competitive advantages

|                                                        |
|--------------------------------------------------------|
| Sales in "Other" Industries*<br>Y/Y<br>+10%            |
| Sales of New products<br>Vs. internal target<br>+9%    |
| Semiconductor Industry / AXI Sales<br>Y/Y<br>+17%/+42% |

\* All industries excluding Focus industries 16

First, please see the left side of the slide. Even though demand for FA has yet to fully recover, we expect continued sales growth in H2 due to the effects of each company's measures.

There are three main reasons for this. See the right side of the slide. One is the recovery of the customer base. Efforts to strengthen relationships with distributors are progressing well. Sales from other industries, which account for approximately 60% of IAB sales, increased 10% YoY in H1, and this trend is expected to continue in all areas in H2.

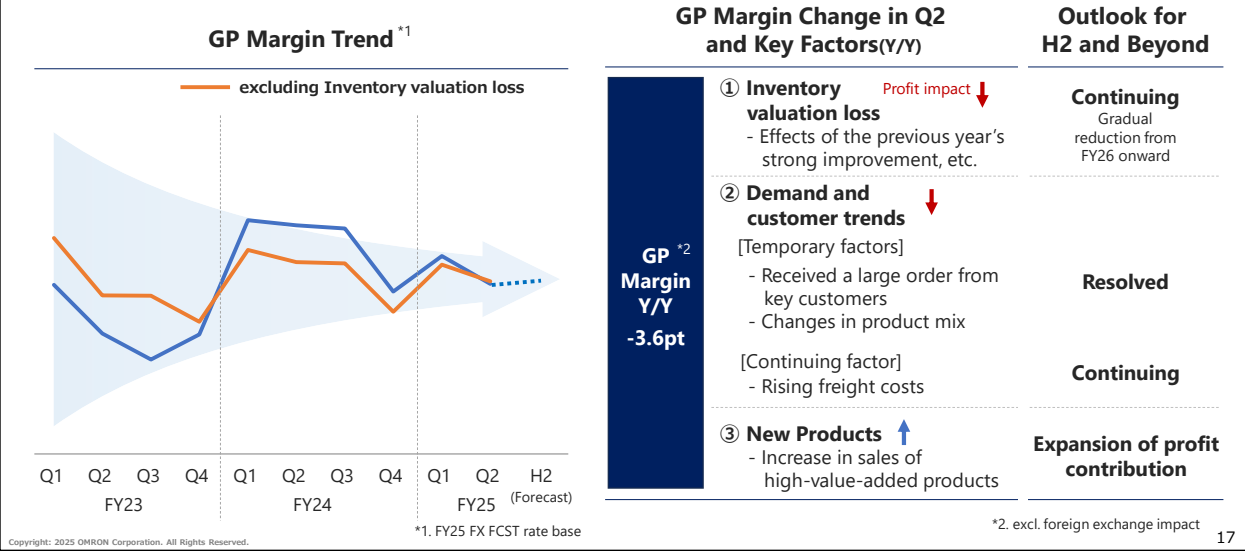
The second is the release of new products. Development of new products, which will serve as medium-term sales drivers, is progressing as planned, with a total of 11 models released in H1. Sales of new products released in FY2024 and beyond are progressing at plus 9% of the internal plan, contributing to overall business sales growth.

Third is the deployment of solutions. We are continuing to acquire investments associated with the expanding demand for generated AI. In particular, adoption of Automated X-ray Inspection system, in which we have a competitive advantage, has been strong. In H1, sales of this Automated X-ray Inspection system increased significantly by 42% YoY. We expect this trend to continue in H2 and beyond. See next page.



IAB : GP Margin Trend and key factors behind the change in Q2

The fluctuation in GP margin has narrowed, indicating a bottoming out. Q2 operating margin was affected by inventory valuation loss and temporary factors.



In the current fiscal year, while sales expanded steadily, the growth in operating income has not kept pace with this growth. The main reason for this is the change in GP rates.

See the graph on the left side of the slide. The GP ratio is shown in blue, and the GP ratio excluding the impact of inventory write-downs is shown in orange.

Since FY2023, the GP ratio has fluctuated significantly due to changes in inventory valuation losses on semiconductors and other components purchased during COVID-19 pandemic. However, the impact of this increase/decrease in valuation losses has run its course, and we believe that the GP ratio level has bottomed out in the current fiscal year.

See the right side of the slide.

The GP ratio for the Q2 period declined approximately 3.6 percentage points from the previous year. In addition to the impact of inventory valuation loss, this was due to a combination of temporary impacts, such as handling large projects and product mix. These are expected to shrink in stages from H2 through the next fiscal year.

At the same time, the Company continues to launch new products that are highly profitable. As we will continue to launch new products in H2, we expect the GP ratio to improve in stages. This was a report on IAB.

Shareholder Returns

Interim dividend fixed at ¥52.

Initial full-year dividend guidance of ¥104 maintained

Interim Dividend (Fixed)

Full-year (Forecast)

¥52

¥104

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This chapter of the presentation concludes with a discussion of shareholder returns.

The interim dividend for the current fiscal year has been decided to be JPY52 per share. The annual dividend forecast is JPY104 per share, in line with the plan at the beginning of the fiscal year. Our shareholder return policy remains unchanged, and we will strive to provide a stable and continuous return to shareholders, with a target dividend payout ratio of approximately 3% of shareholders' equity.

The above was an explanation of the full-year forecast for FY2025.

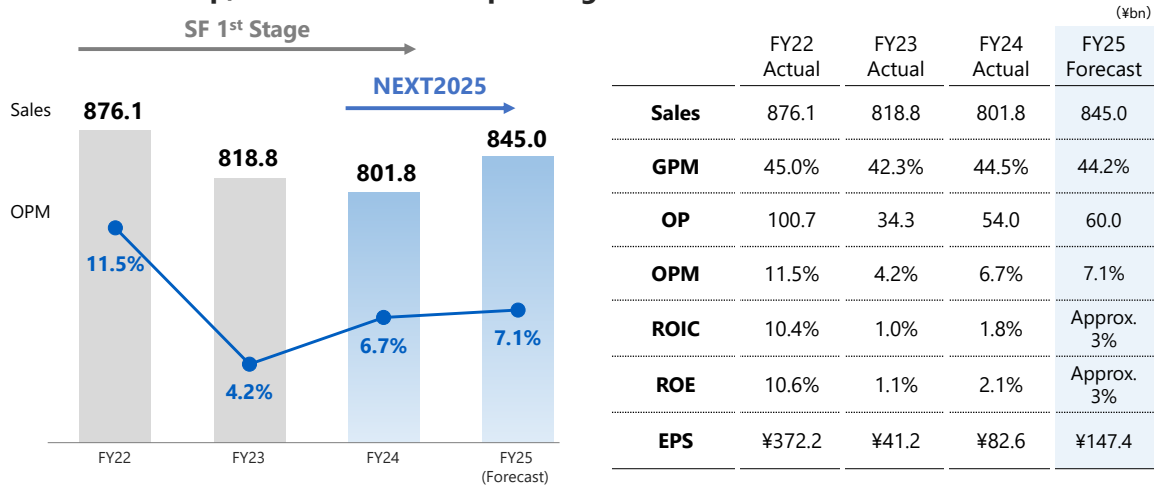
### **3 . Review of Structural Reform Program “NEXT 2025”**

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Finally, I would like to briefly summarize our review of the NEXT2025 structural reforms.

Review of Structural Reform Program “NEXT 2025”

While progress has been made in rebuilding the earnings and growth foundation, full recovery remains a work in progress. Initiatives will be carried over into the next roadmap, with a focus on expanding results.



The structural reform that started in FY2024 reached its closure at the end of this September. We have reduced fixed costs by approximately JPY35 billion compared to the FY2023 level, and we have also set a course for re-growth centered on IAB. As you can see, we recognize that our effort has become apparent in the recovery of sales and operating profit.

On the other hand, operating profit still has not reached a record high. ROIC and ROE are also below the cost of capital.

We are by no means satisfied with the status quo. What we are now looking ahead to is how to establish this improvement trend as an early and strong trajectory. Our current achievements are the result of our early response to such challenges in the past, and we still have some way to go to truly rebuild our earnings and growth structure.

To this end, the management team has thoroughly discussed the essential issues that must be addressed in the next five years in order to achieve sustainable growth with profitability. These details are firmly incorporated into the next roadmap, which will be launched in the next fiscal year.

Later today, CEO Tsujinaga will explain this in detail, but first, we will steadily complete the actions we have planned, which will serve as the foundation for the current fiscal year.

Your continued support will be greatly appreciated.

That is all from me. Thank you very much for your kind attention

**OMRON**

# Reference

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Consolidated Balance Sheet

|                                  | (¥ bn)        |               |                 |
|----------------------------------|---------------|---------------|-----------------|
|                                  | End-Mar. 2025 | End-Sep. 2025 | Change<br>(Y/Y) |
| Current assets                   | 539.3         | 560.1         | +20.8           |
| (Cash and cash equivalents)      | (149.0)       | (160.6)       | (+11.6)         |
| (Inventory)                      | (173.0)       | (192.9)       | (+19.9)         |
| Property, plant and equipment    | 135.1         | 137.2         | +2.1            |
| Investments and other assets     | 687.4         | 702.3         | +14.9           |
| Total assets                     | 1,361.8       | 1,399.7       | +37.9           |
| Current liabilities              | 233.3         | 261.5         | +28.2           |
| Long-term liabilities            | 194.1         | 197.9         | +3.8            |
| Total Liabilities                | 427.4         | 459.4         | +32.0           |
| Shareholders' equity             | 771.9         | 777.8         | +5.9            |
| Noncontrolling interests         | 162.5         | 162.5         | -0.1            |
| Total net assets                 | 934.4         | 940.3         | +5.9            |
| Total Liabilities and net assets | 1,361.8       | 1,399.7       | +37.9           |
| Equity ratio                     | 56.7%         | 55.6%         | -1.1%pt         |

# Consolidated Cash Flow Statement

|                                               |                     |                     | (¥ bn)          |
|-----------------------------------------------|---------------------|---------------------|-----------------|
|                                               | FY2024<br>H1 Actual | FY2025<br>H1 Actual | Change<br>(Y/Y) |
| Operating cash flow                           | 23.8                | 28.0                | +4.1            |
| Investment cash flow                          | -29.8               | -27.5               | +2.3            |
| Free cash flow (FCF)                          | -5.9                | 0.5                 | +6.4            |
| Financing cash flow                           | 22.9                | 12.1                | -10.8           |
| Cash and cash equivalents as of end of period | 161.3               | 160.6               | -0.7            |
| Capital expenditure *                         | 22.2                | 23.0                | +0.8            |
| Depreciation                                  | 16.8                | 16.5                | -0.3            |

\* From the first quarter of fiscal year 2025, capital expenditures have been revised to reflect figures based on capital spending.  
In line with this change, historical data prior to fiscal year 2024 has also been retroactively adjusted.



FY2025 Forex Sensitivities and Assumptions

Impact of 1 yen move (full year)  
CNY impact of 0.1 yen move

|     | Sensitivities   |                 | Assumptions              |
|-----|-----------------|-----------------|--------------------------|
|     | Sales           | OP              | FY2025<br>H2 Assumptions |
| USD | Approx. ¥1.2 bn | Approx. ¥0.1 bn | ¥145.0                   |
| EUR | Approx. ¥0.7 bn | Approx. ¥0.3 bn | ¥165.0                   |
| CNY | Approx. ¥0.7 bn | Approx. ¥0.1 bn | ¥20.0                    |

\* If emerging market currency trends diverge from trends in major currencies contrary to our expectations, it will impact sensitivities

$$\text{ROIC} = \frac{\text{Net income attributable to OMRON shareholders}}{\text{Invested capital}^*}$$

\*Invested capital = Borrowings + Shareholders' equity

Invested capital: The average of previous fiscal year-end result and quarterly results (or forecasts) of current fiscal year

**Notes**

- 1.The consolidated statements of OMRON Corporation (the Company) are prepared in accordance with U.S. GAAP.
- 2.Projected results 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 and uncertain factors could cause actual results to differ materially from these projections.

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