

Outlook for Fiscal 2022

OMRON's policy for fiscal 2022, the first year of SF 1st Stage, is to "move value creation into high gear." While accelerating growth by leveraging the assets we have accumulated so far, we will steadily invest for future growth. Our aim is to achieve growth centering on the focus businesses by demonstrating our ability to respond effectively to change and capturing robust global demand even in the midst of continuing product supply constraints, rising inflation, and turmoil in the world. We will move our approach to value creation into high gear in order to make SF 1st Stage a success.

The business environment in fiscal 2022 is expected to present continuing uncertainties, including heightening geopolitical risks, supply chain disruptions, accelerating inflation, and the impact of lockdowns due to resurgence of COVID-19 cases. Meanwhile, we expect the business environment in the fields addressed by the OMRON Group to remain generally robust. Demand for capital investment in manufacturing industry, particularly in the digital sector, is expected to remain strong. For the Industrial Automation Business, in particular, brisk order-taking is expected to continue throughout the year. By demonstrating our long-cultivated ability to respond effectively to change, we will do our utmost to seize business opportunities brought about by changes in society and pursue strong growth. In addition, we will aggressively invest in growth, centering on the Industrial Automation Business and Healthcare Business, to create new value under SF2030.

For fiscal 2022, plans call for net sales of ¥850 billion (up 11.4% year on year), operating income of ¥93 billion (up 4.1%), and a record high gross profit margin of 45.6% (up 0.1 percentage point). We expect to report increases in both sales and profit for the second consecutive year, achieving a record high operating income. In light of the highly uncertain business environment, we have factored a risk of performance fluctuations (¥10 billion decrease in net sales and ¥4 billion decrease in operating income) into the full-year forecast.

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

	FY2021	FY2022	Change
Net sales	¥762.9	¥850.0	+11.4%
Gross profit (Gross profit margin)	¥346.8 (45.5%)	¥387.5 (45.6%)	+11.7% [+0.1%pt]
Operating income (Operating income margin)	¥89.3 (11.7%)	¥93.0 (10.9%)	+4.1% [-0.8%pt]
Net income attributable to OMRON shareholders	¥61.4	¥63.0	+2.6%
Average USD exchange rate (Yen)	¥112.1	¥121.0	+¥8.9
Average EUR exchange rate (Yen)	¥130.5	¥133.0	+¥2.5
Average RMB exchange rate (Yen)	¥17.4	¥19.0	+¥1.6

(Billions of yen, %)

	Net sales			Operating income		
	FY2021	FY2022	Change	FY2021	FY2022	Change
Industrial Automation Business (IAB)	¥418.1	¥483.0	+15.5%	¥76.3 (18.2%)	¥90.0 (18.6%)	+18.0% [+0.4%pt]
Healthcare Business (HCB)	¥132.9	¥154.0	+15.9%	¥18.5 (14.0%)	¥20.0 (13.0%)	+7.9% [-1.0%pt]
Social Systems, Solutions and Service Business (SSB)	¥87.7	¥92.0	+4.9%	¥6.5 (7.4%)	¥6.5 (7.1%)	+0.0% [-0.3%pt]
Device & Module Solutions Business (DMB)	¥121.0	¥128.0	+5.8%	¥10.1 (8.3%)	¥10.5 (8.2%)	+4.1% [-0.1%pt]
Eliminations and Corporate	¥3.3	¥3.0	-9.1%	¥(22.1)	¥(30.0)	-
Risk of performance fluctuations	-	¥(10.0)	-	-	¥(4.0)	-
Total	¥762.9	¥850.0	+11.4%	¥89.3 (11.7%)	¥93.0 (10.9%)	+4.1% [-0.8%pt]

*Some products in the Industrial Automation Business have been reclassified to the Device & Module Solutions Business.