

Consolidated Financial Statements

Consolidated Balance Sheets

OMRON Corporation and Subsidiaries March 31, 2022 and 2023

(Millions of yen)

ASSETS	FY2021	FY2022	ASSETS	FY2021	FY2022
Current Assets:			Investments and Other Assets:		
Cash and cash equivalents	155,484	105,279	Right-of-use assets under operating leases	39,746	47,501
Notes and accounts receivable - trade	151,820	180,074	Goodwill	39,718	43,125
Allowance for doubtful receivables	(798)	(869)	Investments in and advances to affiliates	124,691	134,557
Inventories	141,935	173,926	Investment securities	43,757	46,123
Assets held for sale	363	2	Leasehold deposits	7,815	8,094
Other current assets	34,101	28,480	Prepaid benefit cost	14,391	29,103
Total Current Assets	482,905	486,892	Deferred income taxes	18,116	23,513
			Other assets	37,392	49,667
			Total Investments and Other Assets	325,626	381,683
Property, Plant and Equipment:					
Land	20,926	20,238			
Buildings	130,863	136,492			
Machinery and equipment	174,184	183,578			
Construction in progress	4,748	6,363			
Total	330,721	346,671			
Accumulated depreciation	(208,623)	(217,086)			
Net Property, Plant and Equipment	122,098	129,585			
Total	930,629	998,160			

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2021	FY2022	LIABILITIES AND SHAREHOLDERS' EQUITY	FY2021	FY2022
Current Liabilities:			Shareholders' Equity:		
Notes and accounts payable - trade	86,827	92,855	Capital	64,100	64,100
Short-term debt	20,000	213	Common stock		
Accrued expenses	48,365	50,246	Authorized: 487,000,000 shares in FY2021		
Income taxes payable	5,657	10,560	487,000,000 shares in FY2022		
Short-term operating lease liabilities	11,549	11,871	Issued: 206,244,872 shares in FY2021		
Other current liabilities	39,274	44,275	206,244,872 shares in FY2022		
Total Current Liabilities	211,672	210,020	Capital surplus	100,652	98,506
			Legal reserve	24,503	24,729
Deferred Income Taxes	2,177	2,052	Retained earnings	517,566	571,807
Termination and Retirement Benefits	8,194	9,348	Accumulated other comprehensive income (loss)	13,013	39,947
Long-term Operating Lease Liabilities	28,567	33,284	Treasury stock	(54,607)	(70,616)
Other Long-term Liabilities	12,048	12,229	7,053,647 shares in FY2021		
Total Liabilities	262,658	266,933	9,417,692 shares in FY2022		
			Total Shareholders' Equity	665,227	728,473
			Noncontrolling Interests	2,744	2,754
			Total Net Assets	667,971	731,227
Total	930,629	998,160			

Consolidated Statements of Income

OMRON Corporation and Subsidiaries Years ended March 31, 2021, 2022 and 2023

	(Millions of yen)		
	FY2020	FY2021	FY2022
Net Sales	655,529	762,927	876,082
Costs and Expenses:			
Cost of sales	357,178	416,100	482,199
Selling, general and administrative expenses	192,687	213,234	243,015
Research and development expenses	43,184	44,277	50,182
Other expenses, net	(2,609)	2,602	2,277
Total	590,440	676,213	777,673
Income before Income Taxes and Equity in Earnings of Affiliates	65,089	86,714	98,409
Income Taxes	15,093	23,046	24,943
Share of loss (profit) of entities accounted for using equity method	6,098	1,624	(1,079)
Net Income from Continuing Operations	43,898	62,044	74,545
Net Income from Discontinued Operations	—	—	—
Net Income	43,898	62,044	74,545
Net Income Attributable to Noncontrolling Interests	591	644	684
Net Income Attributable to OMRON Shareholders	43,307	61,400	73,861

	(Yen)		
	FY2020	FY2021	FY2022
Per Share Data:			
Net Income Attributable to OMRON Shareholders:			
Net Income Attributable to OMRON Shareholders from Continuing Operations	214.72	305.65	372.19
Net Income Attributable to OMRON Shareholders from Discontinued Operations	—	—	—
Basic	214.72	305.65	372.19
Diluted	—	—	—

Consolidated Statements of Comprehensive Income

OMRON Corporation and Subsidiaries Years ended March 31, 2021, 2022 and 2023

	(Millions of yen)		
	FY2020	FY2021	FY2022
Net Income	43,898	62,044	74,545
Other Comprehensive Income (Loss), Net of Tax:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during the year	23,138	40,078	17,840
Reclassification adjustment for the portion realized in net income	310	2,029	(337)
Net unrealized gain (loss)	23,448	42,107	17,503
Pension liability adjustments:			
Pension liability adjustments arising during the year	24,630	1,625	6,094
Reclassification adjustment for the portion realized in net income	3,053	3,012	2,610
Net unrealized gain (loss)	27,683	4,637	8,704
Net gains (losses) on derivative instruments:			
Unrealized holding gains (losses) arising during the year	(629)	(1,066)	(523)
Reclassification adjustment for the portion realized in net income	295	383	1,317
Net unrealized gain (loss)	(334)	(683)	794
Other Comprehensive Income (Loss)	50,797	46,061	27,001
Comprehensive Income	94,695	108,105	101,546
Comprehensive Income Attributable to Noncontrolling Interests	727	747	751
Comprehensive Income Attributable to OMRON Shareholders	93,968	107,358	100,795

Consolidated Statements of Shareholders' Equity

OMRON Corporation and Subsidiaries Years ended March 31, 2021, 2022 and 2023

(Millions of yen)

	Number of common shares issued	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Noncontrolling interests	Total net assets
Balance, March 31, 2020	206,244,872	64,100	100,521	20,981	451,768	(83,606)	(23,349)	530,415	2,174	532,589
Net Income					43,307			43,307	591	43,898
Cash dividends paid to OMRON Corporation shareholders, ¥84 per share					(16,940)			(16,940)		(16,940)
Cash dividends paid to noncontrolling interests								—	(401)	(401)
Equity transactions with noncontrolling interests and other			0					0		0
Stock-based payment*1			882					882		882
Transfer to legal reserve				1,950	(1,950)			—		—
Other comprehensive income (loss)						50,661		50,661	136	50,797
Acquisition of treasury stock and others							(1,467)	(1,467)		(1,467)
Balance, March 31, 2021	206,244,872	64,100	101,403	22,931	476,185	(32,945)	(24,816)	606,858	2,500	609,358
Net Income					61,400			61,400	644	62,044
Cash dividends paid to OMRON Corporation shareholders, ¥92 per share					(18,447)			(18,447)		(18,447)
Cash dividends paid to noncontrolling interests								—	(503)	(503)
Stock-based payment*2			(751)				1,639	888		888
Transfer to legal reserve				1,572	(1,572)			—		—
Other comprehensive income (loss)						45,958		45,958	103	46,061
Acquisition of treasury stock and others							(31,430)	(31,430)		(31,430)
Balance, March 31, 2022	206,244,872	64,100	100,652	24,503	517,566	13,013	(54,607)	665,227	2,744	667,971
Net Income					73,861			73,861	684	74,545
Cash dividends paid to OMRON Corporation shareholders, ¥98 per share					(19,394)			(19,394)		(19,394)
Cash dividends paid to noncontrolling interests								—	(741)	(741)
Stock-based payment			(2,140)				4,003	1,863		1,863
Transfer to legal reserve				226	(226)			—		—
Other comprehensive income (loss)						26,934		26,934	67	27,001
Acquisition of treasury stock and others			(6)				(20,012)	(20,018)		(20,018)
Balance, March 31, 2023	206,244,872	64,100	98,506	24,729	571,807	39,947	(70,616)	728,473	2,754	731,227

*1 Includes ¥309 million, the amount of increase in capital surplus due to changes in the estimates of stock-based payment. *2 Includes ¥19 million, the amount of increase in capital surplus due to changes in the estimates of stock-based payment.

Consolidated Statements of Cash Flows

OMRON Corporation and Subsidiaries Years ended March 31, 2021, 2022 and 2023

	(Millions of yen)		
	FY2020	FY2021	FY2022
Operating Activities:			
Net Income	43,898	62,044	74,545
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	22,756	23,367	26,587
Share-based compensation expense	—	864	1,863
Net gain (loss) on sale and disposals of property, plant, and equipment	(325)	901	45
Impairment losses on long-lived assets	1,976	410	1,768
Loss on impairment of goodwill	—	3,384	—
Loss related to sale of business	—	1,116	(922)
Net loss on valuation of investment securities	(7,615)	(5,447)	2,099
Net loss on sale of investment securities	—	—	—
Termination and retirement benefits	(617)	(662)	(574)
Deferred income taxes	1,164	4,632	(9,421)
Equity in earnings of affiliates	6,098	1,624	(1,079)
Gain on sales of business	—	—	—
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable - trade	3,893	(9,074)	(23,581)
Decrease (increase) in inventories	5,425	(30,427)	(29,004)
Increase in other assets	955	(3,178)	(2,331)
Decrease in notes and accounts payable - trade	6,237	13,293	4,667
Increase (decrease) in income taxes payable	833	1,749	4,758
Increase (decrease) in accrued expenses and other current liabilities	5,301	2,316	5,179
Other, net	3,852	516	(1,143)
Total adjustments	49,933	5,384	(21,089)
Net Cash Provided by Operating Activities	93,831	67,428	53,456

	(Millions of yen)		
	FY2020	FY2021	FY2022
Investing Activities:			
Proceeds from sale or maturities of investment securities	751	921	84
Purchase of investment securities	(1,057)	(5,386)	(2,860)
Capital expenditures	(26,662)	(33,357)	(45,018)
Decrease (increase) in leasehold deposits, net	(189)	(140)	(299)
Proceeds from sale of property, plant, and equipment	2,069	748	1,614
Increase in investments in affiliates	7,850	(112,444)	(9,976)
Proceeds from sale of business, net of cash paid	2,453	(505)	922
Acquisition of business, net of cash acquired	—	—	—
Other, net	0	0	0
Net Cash Provided by (Used in) Investing Activities	(14,785)	(150,163)	(55,533)
Financing Activities:			
Net borrowings (repayments) of short-term debt	(1,587)	20,000	(19,787)
Dividends paid by the Company	(16,952)	(17,754)	(18,912)
Dividends paid to noncontrolling interests	(352)	(504)	(741)
Acquisition of treasury stock	(1,471)	(31,430)	(20,013)
Sales of Treasury Stock	—	0	772
Other, net	10	85	(76)
Net Cash Used in Financing Activities	(20,352)	(29,603)	(58,757)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	6,528	17,067	10,629
Net Increase (Decrease) in Cash and Cash Equivalents	65,222	(95,271)	(50,205)
Cash and Cash Equivalents at Beginning of the period	185,533	250,755	155,484
Cash and Cash Equivalents at End of the period	250,755	155,484	105,279
Cash and Cash Equivalents from Continuing Operations at End of the Year	250,755	155,484	105,279

11-Year Financial Highlights

OMRON Corporation and Subsidiaries

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Financial Indicators:											
(Millions of yen)											
Operating Results:											
Net sales	650,461	772,966	847,252	833,604	794,201	732,306	732,581	677,980	655,529	762,927	876,082
Gross profit	241,507	297,208	332,607	320,812	312,161	327,585	325,484	303,702	298,351	346,827	393,883
Selling, general and administrative expenses (excl. R&D expenses)	152,676	181,225	198,103	205,735	193,093	201,777	208,895	202,954	192,687	213,234	243,015
R&D expenses	43,488	47,928	47,913	52,790	50,539	48,622	49,335	45,988	43,184	44,277	50,182
Operating income	45,343	68,055	86,591	62,287	68,529	77,186	67,254	54,760	62,480	89,316	100,686
EBITDA ^(Note 1)	67,795	93,144	114,930	93,747	97,495	101,501	92,609	80,466	85,236	112,683	127,273
Net income (loss) attributable to OMRON shareholders	30,203	46,185	62,170	47,290	45,987	63,159	54,323	74,895	43,307	61,400	73,861
Cash Flows:											
Net cash provided by operating activities	53,058	79,044	77,057	84,207	77,875	73,673	71,245	89,787	93,831	67,428	53,456
Net cash provided by (used in) investing activities	(28,471)	(31,125)	(39,517)	(67,116)	(15,041)	(55,842)	(34,957)	28,639	(14,785)	(150,163)	(55,533)
Free cash flow ^(Note 2)	24,587	47,919	37,540	17,091	62,834	17,831	36,288	118,426	79,046	(82,735)	(2,077)
Net cash provided by (used in) financing activities	(18,550)	(16,298)	(29,303)	(31,550)	(15,012)	(33,082)	(40,783)	(29,430)	(20,352)	(29,603)	(58,757)
Financial Position:											
Total assets	573,637	654,704	711,011	683,325	697,701	744,952	749,878	758,124	820,379	930,629	998,160
Cash and cash equivalents	55,708	90,251	102,622	82,910	126,026	106,223	103,850	185,533	250,755	155,484	105,279
Total interest-bearing liabilities	5,570	488	0	0	156	298	2,086	1,593	0	20,000	213
Total shareholders' equity	366,962	430,509	489,769	444,718	469,029	505,530	504,212	530,415	606,858	665,227	728,473
Per Share Data:											
Net income (loss) attributable to OMRON shareholders (EPS) (Yen)	137.2	209.8	283.9	219.0	215.1	296.9	260.8	365.3	214.7	305.7	372.2
Shareholders' equity	1,667.0	1,956.1	2,254.4	2,080.0	2,193.7	2,400.4	2,455.2	2,626.6	3,009.2	3,339.6	3,701.1
Cash dividends ^(Note 3) (Yen)	37	53	71	68	68	76	84	84	84	92	98
Dividend payout ratio	27.0%	25.3%	25.0%	31.1%	31.6%	25.6%	32.2%	23.0%	39.1%	30.1%	26.3%
Dividend on equity ratio	2.4%	2.9%	3.4%	3.1%	3.2%	3.3%	3.5%	3.3%	3.0%	2.9%	2.8%
Other Financial Data:											
Gross profit margin	37.1%	38.5%	39.3%	38.5%	39.3%	44.7%	44.4%	44.8%	45.5%	45.5%	45.0%
Operating income margin	7.0%	8.8%	10.2%	7.5%	8.6%	10.5%	9.2%	8.1%	9.5%	11.7%	11.5%
EBITDA margin	10.4%	12.1%	13.6%	11.2%	12.2%	14.6%	12.6%	11.9%	13.0%	14.8%	14.5%
Return on invested capital (ROIC)	8.6%	11.3%	13.4%	9.7%	10.3%	12.7%	10.6%	14.1%	7.8%	9.6%	10.4%
Return on equity (ROE)	8.8%	11.6%	13.5%	10.1%	10.1%	13.0%	10.8%	14.5%	7.6%	9.7%	10.6%
Ratio of shareholders' equity to total assets	64.0%	65.8%	68.9%	65.1%	67.2%	67.9%	67.2%	70.0%	74.0%	71.5%	73.0%
Total return ratio ^(Note 4)	27.0%	25.3%	49.1%	62.7%	31.6%	48.2%	79.5%	47.7%	42.6%	79.0%	53.4%
Capital expenditures	28,285	33,653	38,143	36,859	25,692	33,027	35,661	33,110	23,959	34,210	45,074
Depreciation and amortization	22,452	25,089	28,339	31,460	28,966	24,315	25,355	25,706	22,756	23,367	26,587
Ratio of overseas sales	51.1%	55.4%	60.1%	60.3%	58.4%	57.3%	56.5%	54.1%	57.8%	62.0%	62.7%

11-Year Non-Financial Highlights

OMRON Corporation and Subsidiaries

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Non-Financial Indicators:											
Number of employees	35,411	36,842	37,572	37,709	36,008	36,193	35,090	28,006	28,254	29,020	28,034
Ratio of overseas employees to total employees	67.4%	69.1%	69.7%	69.3%	68.3%	68.1%	67.6%	62.2%	62.9%	65.0 %	64.4 %
Ratio of non-Japanese in key managerial positions overseas ^(Note 5)	36%	42%	42%	46%	49%	49%	62%	70%	75%	80 %	80 %*
Ratio of women in managerial roles (OMRON Group worldwide) ^(Note 6)	—	—	—	—	—	—	12.7%	16.0%	16.4%	16.9 %	16.6 %
Ratio of women in managerial roles (OMRON Group in Japan) ^(Note 7)	1.5%	1.8%	1.9%	2.3%	3.3%	3.6%	5.2%	5.9%	6.7%	8.0 %	8.7 %*
Ratio of employees with disabilities (OMRON Group worldwide) ^(Note 8)	—	—	—	—	—	—	—	—	2.0%	2.2 %	2.3 %
Ratio of employees with disabilities (OMRON Group in Japan) ^(Note 9)	2.2%	2.4%	2.4%	2.4%	2.5%	2.6%	2.5%	2.8%	3.0%	3.1 %	3.1 %*
Number of overseas sites employing employees with disabilities	—	—	—	—	—	—	—	—	25	27	27
Number of patents held ^(Note 10)	6,448	6,635	7,194	7,686	8,224	8,774	9,782	10,087	11,037	12,061	12,908
Environmental contribution (thousand ton-CO ₂)	313	661	851	508	593	659	1,055	971	826	881	938 [☆]
CO ₂ emissions of production sites (thousand ton-CO ₂)	203	215	221	202	202	204	193	135	106	109	87
Number of carbon zero sites in Japan	—	—	—	—	—	—	—	—	—	5	10
Net sales to CO ₂ emissions (million yen / ton-CO ₂)	3.21	3.60	3.83	4.12	3.94	4.22	4.47	5.02	6.16	7.02	10.02 [*]
Greenhouse gas emissions (thousand ton-CO ₂) ^(Scope 1 + 2)	—	—	—	—	250	271	235	166	124	123	92 [*]
Reduction in paper use ^(Note 11)	—	—	—	—	—	—	—	—	—	36 %	44 %

Note: 1. EBITDA = Operating income + Depreciation and amortization

2. Free cash flow = Net cash provided by operating activities + Net cash provided by (used in) investing activities

3. Cash dividends per share represent the amounts applicable to the respective year, including dividends to be paid after the end of the fiscal year.

4. Total return ratio = (Total dividends paid + Amount of shares repurchased) / Net income (loss) attributable to OMRON shareholders (does not include repurchases of less than one trading unit)

5. The ratio of local employees to the number of important positions determined by OMRON depending on the size of the overseas OMRON Group companies, concurrent positions for governance and development positions are excluded.

6. Figures for overseas sites represent results as of March 31 of each fiscal year. The ratio of women in managerial roles in the OMRON Group worldwide has been calculated since fiscal 2018.

7. The ratio of women in managerial roles (section managers or higher) at OMRON Group companies in Japan.

8. For the ratio of employees with disabilities (OMRON Group worldwide), applicable sites in countries with legally mandated employment rates are within the scope. The ratio is calculated based on the calculation method stipulated by laws and regulations of each country.

9. Figures represent results as of June 20 of each fiscal year. For companies subject to the Act on Employment Promotion etc. of Persons with Disabilities. Employment rate calculation is based on the Act on Employment Promotion etc. of Persons with Disabilities.

10. Patent information is as of March 31 of each fiscal year.

11. Ratio calculated in comparison to fiscal 2019.

★ Indicates assurance performed by Bureau Veritas Japan Co., Ltd.

☆ Indicates independent verification or review performed by Bureau Veritas Japan Co., Ltd.

★ Indicates assurance performed by KPMG AZSA Sustainability Co., Ltd.

Operating Income

OMRON applies the single step presentation of income under U.S. GAAP (that is, the various levels of income are not presented) in its consolidated statements of income. For comparison with other companies, operating income is presented as gross profit less selling, general and administrative expenses and research and development expenses.

Changes in Accounting Policies

With the company's adoption of US GAAP in fiscal 2018, we have reclassified consolidated statements of income for fiscal years 2016 and later for presentation herein.

Financial Data Reclassification

The Automotive Electronics Components Business (AEC) was transferred, and the AEC business was classified as a "discontinued business." Accordingly, some financial data for fiscal 2017 and 2018 have been reclassified.