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Omron Announces Revisions to Full-Year Consolidated Performance Forecast for Fiscal 2016 and Recognition of Impairment Loss

KYOTO, Japan – OMRON Corporation (TOKYO: 6645; ADR: OMRNY) today announced the revisions to the full-year consolidated performance forecast for fiscal 2016 (April 1, 2016 – March 31, 2017) and recognition of impairment loss.

1 Revision of Full-Year Performance Forecast

1.1 Revised Full-Year Consolidated Performance Forecast for Fiscal 2016 (April 1, 2016 – March 31, 2017)

(Millions of yen, except per share data)

	Net sales	Operating income	Income before income taxes	Net income attributable to shareholders	Net income per share attributable to Shareholders
Previous Forecast (A)	820,000	63,000	64,500	47,500	222.16 yen
New Forecast (B)	765,000	55,000	55,000	40,000	187.08 yen
Change (B-A)	-55,000	-8,000	-9,500	-7,500	—
Change (%)	-6.7%	-12.7%	-14.7%	-15.8%	—
(Reference) Actual consolidated results for the previous fiscal year (April 1, 2015 – March 31, 2016)	833,604	62,287	65,686	47,290	218.95 yen

1.2 Reasons for Revisions

The Omron Group has changed its assumed exchange rates for the third quarter onward to USD 1 = JPY 100 and EUR 1 = JPY 110, and accordingly revised its consolidated performance forecast as shown above.

The performance forecast and other forward-looking statements are based on information available to the Company at the present time, and on certain assumptions judged by the Company to be reasonable. Due to a variety of factors, actual results may differ materially from the forecast.

2 Recognition of Impairment Loss

Due to a change in environment of backlight business, OMRON revised its business plan for backlight business and determined that future cash flows would not be sufficient to recover the book value of the long-lived assets. As a result, OMRON recognized the fixed asset impairment loss of 10.7 billion yen in "Other expenses (income), net" for its Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2017 (July 1, 2016 – September 30, 2016).

OMRON plans to optimize the business size so as to deliver more stable profits by means of business restructuring and enhancement.

In its non-consolidated financial statements, OMRON booked an extraordinary loss (loss on investments in affiliated companies) of 7.7 billion yen for the same financial period, as a result of the aforementioned impairment loss. This loss will be eliminated at the consolidated financial statements and there is no impact on consolidated statements separately.