



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2018 (U.S. GAAP)

July 27, 2017

OMRON Corporation (6645)

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Filing of Quarterly Securities Report (<i>Shihanki hokokusho</i>) (scheduled):	August 10, 2017
Start of Distribution of Dividends (scheduled):	—
Preparation of Supplementary Materials for the Quarterly Financial Results:	Yes
Holding of Presentation of Quarterly Financial Results:	Yes (for investors)

Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Note: Figures are rounded to the nearest million yen.

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 – June 30, 2017)

(1) Sales and Income (cumulative)

(Percentages represent changes compared with the same period of the previous fiscal year.)

	Millions of yen - except per share data and percentages			
	Three months ended June 30, 2017		Three months ended June 30, 2016	
		Change (%)		Change (%)
Net sales	203,409	+10.2	184,549	(10.1)
Operating income	22,604	+130.8	9,794	(40.1)
Income before income taxes	21,768	+79.6	12,118	(28.3)
Net income attributable to shareholders	15,519	+95.8	7,928	(37.4)
Net income per share attributable to shareholders, basic (JPY)	72.58		37.08	
Net income per share attributable to shareholders, diluted (JPY)	—		37.08	

Note: Comprehensive income (loss): Three months ended June 30, 2017: JPY 21,557 million (—% change);
Three months ended June 30, 2016: JPY (20,157) million (—% change)

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of June 30, 2017	As of March 31, 2017
Total assets.....	695,528	697,701
Net assets	492,173	470,757
Shareholders' equity	490,480	469,029
Shareholders' equity ratio (%)	70.5	67.2

2. Dividends

		Year ended March 31, 2017	Year ending March 31, 2018	Year ending March 31, 2018 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	—
	Interim dividend (JPY)	34.00	—	—
	3rd quarter dividend (JPY)	—	—	—
	Year-end dividend (JPY)	34.00	—	—
	Total dividends for the year (JPY)	68.00	—	68.00

Notes: 1. Revisions since the most recently announced dividend forecast: No

2. OMRON has not revised consolidated earnings forecasts for the fiscal year as of the publication of first quarter results. Accordingly, the company has not changed the annual dividend forecast as announced on April 27, 2017.

3. Projected Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent changes compared with the previous fiscal year.)

	Millions of yen	
	Full year ending March 31, 2018	Change (%)
Net sales	810,000	+2.0
Operating income	68,000	+0.6
Income before income taxes	65,500	+0.0
Net income attributable to shareholders	48,500	+5.5
Net income per share attributable to shareholders (JPY)	226.84	

Notes: 1. Revisions since the most recently announced performance forecast: No

2. OMRON has not revised consolidated earnings forecasts for the fiscal year as of the publication of first quarter results. Accordingly, the company's forecasts remain as published on April 27, 2017.

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No
New: – companies (–) Excluded: – companies (–)
- (2) Application of simplified accounting methods and/or special accounting methods: No
- (3) Changes in accounting policy
 - (a) Changes in accounting policy accompanying revision of accounting standards, etc.: Yes
 - (b) Changes in accounting policy other than (a) above: No
 Note: For more, see 2. Quarterly Consolidated Financial Statements and Notes (4) Notes Regarding Consolidated Financial Statements (Change in Accounting Policy) on P.12
- (4) Number of shares issued and outstanding (common stock)
 - (a) Number of shares at end of period (including treasury stock): June 30, 2017: 213,958,172 shares; March 31, 2017: 213,958,172 shares
 - (b) Treasury stock at end of period: June 30, 2017: 153,557 shares; March 31, 2017: 152,836 shares
 - (c) Average number of shares during the period (cumulative quarterly period): Three months ended June 30, 2017: 213,804,933 shares; Three months ended June 30, 2016: 213,808,670 shares

This summary of consolidated results is exempt from the review procedures.

Commentary Regarding Appropriate Use of Projections of Results and Other Matters

1. Projections of results and future developments 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, uncertainties and other factors could cause actual results to differ materially from these projections.
2. The Company applies the single step method for presentation of its Consolidated Financial Statements based on U.S. GAAP. However, to facilitate comparison with other companies, operating income on the Consolidated Income Statement is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.
3. The Company plans to hold a presentation for investors on Thursday, July 27, 2017.
The Company also plans to post an overview and the (voice) content of its explanations, together with financial materials used at the presentation, promptly on its website.

Note: The following abbreviations of business segment names are used in the attached materials.

IAB: Industrial Automation Business

EMC: Electronic and Mechanical Components Business

AEC: Automotive Electronic Components Business

SSB: Social Systems, Solutions and Service Business

HCB: Healthcare Business

Other: Environmental Solutions Business, Electronic Systems & Equipment Division, Micro Devices,
Backlight (Businesses under direct control of Headquarters)

Table of Contents

1. Qualitative Information on Quarterly Financial Results	2
(1) Description of Results of Operations	2
(2) Description of Financial Condition	6
(3) Description of Information on Outlook, Including Consolidated Performance Forecast	6
2. Quarterly Consolidated Financial Statements and Notes	7
(1) Quarterly Consolidated Balance Sheets	7
(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income (Loss)	9
(3) Consolidated Statements of Cash Flows	11
(4) Notes Regarding Consolidated Financial Statements	12
(Notes Regarding Assumptions of Continuing Operations)	12
(Notes in the Event of Significant Changes in Shareholders' Equity)	12
(Changes in Accounting Policy)	12
(Segment Information)	13
(Significant Subsequent Event)	14
3. Supplementary Information	15
(1) Summary of Consolidated Financial Results	15
(2) Consolidated Net Sales by Business Segment	16
(3) Consolidated Operating Income (Loss) by Business Segment	16
(4) Average Currency Exchange Rate	16

1. Qualitative Information on Quarterly Financial Results

(1) Description of Results of Operations

General Overview

The OMRON Group recorded significantly higher consolidated sales and profits for the first quarter of fiscal 2017 (April through June 2017) compared to the same period in the previous fiscal year. Our mainstay Industrial Automation Business reported sharply higher sales, driving overall growth. OMRON's way of working in close coordination with production, sales, and development groups helped the company achieve an overall gross profit ratio of 41.3%, 2.9-point increase year on year. Higher sales and improved gross profit ratio resulted in record first quarter results for gross profit margin, operating income, income before income taxes, and net income attributable to shareholders. These results mark a strong start to the new VG2.0 medium-term management plan published in April of this year.

Consolidated results for the first quarter were as follows.

Millions of yen, except exchange rate data and percentages			
	Three months ended June 30, 2016	Three months ended June 30, 2017	Change
Net sales	184,549	203,409	+10.2%
Gross profit	70,845	84,082	+18.7%
[% of net sales]	[38.4%]	[41.3%]	[+2.9P]
Operating income	9,794	22,604	+130.8%
[% of net sales]	[5.3%]	[11.1%]	[+5.8P]
Income before income taxes	12,118	21,768	+79.6%
Net income attributable to shareholders	7,928	15,519	+95.8%
Average USD exchange rate (JPY)	111.1 JPY	111.5 JPY	+0.4 JPY
Average EUR exchange rate (JPY)	125.2 JPY	121.5 JPY	-3.7 JPY

Results by Business Segment

IAB (Industrial Automation Business)

(Millions of yen, %)

		Three months ended June 30, 2016	Three months ended June 30, 2017	Change (%)
Sales to external customers	Japan	29,918	35,096	+17.3%
	Overseas	48,669	60,714	+24.7%
	Total	78,587	95,810	+21.9%
Segment profit		10,248	19,244	+87.8%

Sales in Japan

IAB segment sales for the consolidated first quarter rose significantly year on year, capturing higher investment demand for manufacturing equipment in response to investment in the global semiconductor and liquid crystal markets.

Overseas Sales

While demand for investment in the Americas was strong in the semiconductor-related markets, sales were down slightly in the region year on year. This result was due to the sale of an oil-related business in May 2016. Meanwhile, sales in Europe grew significantly year on year. This increase was driven by a gradual economic recovery accompanied with a more settled political situation, as well as strong machinery exports leading to greater demand in our core markets. Sales were sharply higher in Greater China and Asia. Here, we worked to add resources and propose optimal solutions to our customers in response to the rapid growth in investment in the digital market. As a result, overseas sales were significantly higher year on year.

Segment Profit

IAB segment profit was substantially higher than the same period of previous year. This result was driven by higher sales, stemming from effective sales activities leveraging our wide product lineup and solutions.

EMC (Electronic and Mechanical Components Business)

(Millions of yen, %)

		Three months ended June 30, 2016	Three months ended June 30, 2017	Change (%)
Sales to external customers	Japan	4,875	6,422	+31.7%
	Overseas	18,145	19,568	+7.8%
	Total	23,020	25,990	+12.9%
Segment profit		1,802	3,629	+101.4%

Sales in Japan

Sales were significantly higher year on year, as we generated more business discussions for products in the automobile industry and captured an increase in demand in the amusement industry.

Overseas Sales

Sales for the consumer and commercial product market in Greater China were strong in response to higher demand for air conditioners and other electric appliances. In Asia, the segment saw strong performance as a result of successful sales promotions to the electric power industry and an increase in demand for motorcycles. As a result, overseas sales were higher than the same period in the previous fiscal year.

Segment Profit

The EMC segment reported significantly higher profit for the period because of higher sales and ongoing cost improvement activities.

AEC (Automotive Electronic Components Business)

(Millions of yen, %)

		Three months ended June 30, 2016	Three months ended June 30, 2017	Change (%)
Sales to external customers	Japan	4,240	4,348	+2.5%
	Overseas	28,571	27,865	-2.5%
	Total	32,811	32,213	-1.8%
Segment profit		1,207	1,395	+15.6%

Sales in Japan

Consolidated first quarter sales in Japan were stronger compared to the same period in the previous fiscal year. This result was driven by higher demand for OMRON products supporting the needs of security, safety, and environment in response to strong sales of automobiles.

Overseas Sales

Sales in the Americas were level with the previous year owing to peaking automobile sales. Sales were lower in Greater China due to the impact of lower tax reduction measures related to the purchase of small cars. As a result, overseas sales decreased year on year.

Segment Profit

The AEC segment reported higher profit year on year. Despite lower sales, improved product mix among the emerging economies and higher gross profits buoyed results.

SSB (Social Systems, Solutions and Service Business)

(Millions of yen, %)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Change (%)
Sales to external customers	7,770	8,286	+6.6%
Segment profit (loss)	(2,453)	(1,982)	—

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

Public Transportation Systems Business Sales

The business reported solid sales of station equipment, driven by demand for equipment upgrades. In response to increasing demand for safety support measures, the company expanded the businesses in growth markets, including detection systems, which use sensing technologies to prevent accidents within stations. As a result of these factors and activities, sales increased year on year.

Traffic and Road Management Systems Business Sales

Demand for upgraded terminals was weak, despite our efforts to boost product mix for terminal products in the traffic-related market. Weak investment demand in expressways was another factor driving sales lower year on year.

Segment Profit

Segment loss narrowed compared to the same period in the previous fiscal year, driven by increased public transportation business sales and stronger earnings ability by moving design and production in-house.

HCB (Healthcare Business)

(Millions of yen, %)

		Three months ended June 30, 2016	Three months ended June 30, 2017	Change (%)
Sales to external customers	Japan	6,728	5,984	-11.1%
	Overseas	18,251	19,731	+8.1%
	Total	24,979	25,715	+2.9%
Segment profit		2,494	3,313	+32.8%

Sales in Japan

Sales of home-use healthcare and medical devices through online channels were strong, particularly for blood pressure monitors compatible with our health management *OMRON connect* mobile app and other products. However, sales for professional-use products decreased due to the transfer of shares of a medical equipment subsidiary in December 2016. As a result, Japan sales were lower year on year.

Overseas Sales

In the Americas, sales of blood pressure monitors via online channels were strong in the U.S., and sales of blood pressure monitors and nebulizers in Brazil were also strong. In Greater China, premium-priced blood pressure monitors sold through pharmacies and online channels. In Asia, sales were strong, driven by an expansion of our store network. As a result, overseas sales were higher than the same period in the previous fiscal year.

Segment Profit

The HCB segment reported higher profit year on year, due to higher sales and productivity improvement.

Other (Businesses under the Direct Control of Headquarters)

(Millions of yen, %)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Change (%)
Sales to external customers	15,982	14,067	-12.0%
Segment profit (loss)	(1,418)	(216)	—

Notes: 1. Businesses in the Other segment are primarily responsible for exploring and nurturing new business fields, as well as nurturing/reinforcing businesses operated under the direct control of Headquarters.

2. OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

Environmental Business Sales

While demand was sluggish in the housing and low-voltage markets, sales increased year on year. This result stems from a larger share of the solar power-related market for panel manufacturers and an expanded product lineup for the storage battery market.

Electronic Systems & Equipment Business Sales

Demand was strong for uninterruptible power supply units and contract services for development and production of electronic devices. Accordingly, sales increased compared with the same period of the previous fiscal year.

Micro Devices Business Sales

Owing to an increase in demand for smartphone microphones and IC for use in sensors, sales increased significantly year on year.

Backlight Business Sales

Sales in this business fell year on year, driven lower by business optimization initiatives.

Segment Profit

Despite lower sales, segment profit improved owing to restructured operations.

(2) Description of Financial Condition

Under VG2.0, we intend to continue to conduct ROIC management focused on capital efficiency, while actively investing in sustainable corporate value improvements.

Total assets as of the end of the consolidated first quarter decreased JPY2,173 million compared with the end of the previous fiscal year to JPY695,528 million, mainly due to collections of notes and accounts receivable – trade from the prior consolidated fiscal year. Total liabilities decreased JPY23,589 million compared with the end of the previous fiscal year, down to JPY203,355 million, mainly due to decreases in notes and accounts payable – trade and accrued expenses. Net assets increased JPY21,416 million compared to the end of the previous fiscal year to JPY492,173 million due to increases in net income attributable to shareholders and other factors. As a result, OMRON Group shareholders' equity ratio was 70.5%, compared with 67.2% percent at the end of the previous fiscal year, maintaining a strong financial footing capable of active investment and responding to changes in our operating environment.

Net cash provided by operating activities for the consolidated first quarter was JPY15,428 million, an increase of JPY1,472 million in net cash provided over the same period in the previous fiscal year. This result was mainly due to the recording of net income, depreciation and amortization and a decrease in notes and accounts receivable– trade, combined with decreases in notes and accounts payable – trade. Net cash used in investing activities was JPY5,389 million, representing an increase in net cash used of JPY6,301 million compared to the same period in the previous fiscal year. Net cash used in financing activities was JPY7,493 million, which was a decrease in net cash used of JPY21 million compared to the same period in the previous fiscal year. This result was mainly due to dividends paid. As a result, the balance of cash and cash equivalents at the end of the consolidated first quarter was JPY130,542 million, an increase of JPY4,516 million compared to the end of the previous fiscal year.

(3) Description of Information on Outlook, Including Consolidated Performance Forecast

As of the publication of the first quarter financial results, OMRON Group has not revised consolidated performance forecasts for fiscal 2017. Accordingly, the company's forecasts remain as published on April 27, 2017.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of		As of	
	March 31, 2017		June 30, 2017	
ASSETS				
Current assets:	435,904	62.5%	416,041	59.8%
Cash and cash equivalents	126,026		130,542	
Notes and accounts receivable — trade	169,210		153,001	
Allowance for doubtful receivables	(1,320)		(1,314)	
Inventories	109,404		114,644	
Deferred income taxes	19,123		—	
Held-for-sale assets	—		1,954	
Other current assets	13,461		17,214	
Property, plant and equipment:	127,615	18.3	127,250	18.3
Land	25,550		25,581	
Buildings	141,527		146,000	
Machinery and equipment	189,286		196,213	
Construction in progress	6,104		5,790	
Accumulated depreciation	(234,852)		(246,334)	
Investments and other assets:	134,182	19.2	152,237	21.9
Goodwill	30,385		30,065	
Investments in and advances to affiliates	25,303		25,352	
Investment securities	27,006		27,208	
Leasehold deposits	6,907		6,988	
Deferred income taxes	21,101		39,397	
Other assets	23,480		23,227	
Total assets	697,701	100.0%	695,528	100.0%

(Millions of yen)

	As of		As of	
	March 31, 2017		June 30, 2017	
LIABILITIES				
Current liabilities:	172,081	24.7%	148,140	21.3%
Notes and accounts payable — trade	89,362		80,827	
Accrued expenses	39,354		30,132	
Income taxes payable	6,994		3,747	
Held-for-sale liabilities	—		1,651	
Other current liabilities	36,371		31,783	
Deferred income taxes	763	0.1	926	0.1
Termination and retirement benefits	43,708	6.2	43,622	6.3
Other long-term liabilities	10,392	1.5	10,667	1.5
Total liabilities	226,944	32.5	203,355	29.2
NET ASSETS				
Shareholders' equity	469,029	67.2	490,480	70.5
Common stock	64,100	9.2	64,100	9.2
Capital surplus	99,138	14.2	99,138	14.3
Legal reserve	17,813	2.5	18,806	2.7
Retained earnings	346,000	49.6	360,526	51.8
Accumulated other comprehensive income (loss)	(57,363)	(8.2)	(51,428)	(7.4)
Foreign currency translation adjustments	(6,327)		(1,153)	
Pension liability adjustments	(56,571)		(55,995)	
Unrealized gains (losses) on available-for-sale securities	5,765		5,977	
Net gains (losses) on derivative instruments	(230)		(257)	
Treasury stock	(659)	(0.1)	(662)	(0.1)
Noncontrolling interests	1,728	0.3	1,693	0.3
Total net assets	470,757	67.5	492,173	70.8
Total liabilities and shareholders' equity	697,701	100.0%	695,528	100.0%

(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive Income (Loss)
(Quarterly Consolidated Statements of Operations)
(Three months ended June 30, 2017)

(Millions of yen)

	Three months ended		Three months ended	
	June 30, 2016		June 30, 2017	
Net sales	184,549	100.0%	203,409	100.0%
Cost of sales	113,704	61.6	119,327	58.7
Gross profit	70,845	38.4	84,082	41.3
Selling, general and administrative expenses	47,948	26.0	48,375	23.8
Research and development expenses	13,103	7.1	13,103	6.4
Operating income	9,794	5.3	22,604	11.1
Other expenses, net	(2,324)	(1.3)	836	0.4
Income before income taxes and equity in loss (earnings) of affiliates	12,118	6.6	21,768	10.7
Income taxes	3,030	1.6	6,092	3.0
Equity in loss (earnings) of affiliates	1,056	0.6	51	0.0
Net income	8,032	4.4	15,625	7.7
Net income attributable to noncontrolling interests	104	0.1	106	0.1
Net income attributable to OMRON shareholders	7,928	4.3	15,519	7.6

(Quarterly Consolidated Statements of Comprehensive Income (Loss))
(Three months ended June 30, 2017)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	8,032	15,625
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	(27,540)	5,171
Pension liability adjustments	737	576
Unrealized gains (losses) on available-for-sale securities	(2,239)	212
Net gains (losses) on derivative instruments	853	(27)
Other comprehensive income (loss)	(28,189)	5,932
Comprehensive income (loss)	(20,157)	21,557
(Breakdown)		
Comprehensive income (loss) attributable to noncontrolling interests	(189)	103
Comprehensive income (loss) attributable to OMRON shareholders	(19,968)	21,454

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
I. Operating Activities:		
1. Net income	8,032	15,625
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	7,374	6,748
(2) Net loss (gain) on sales and disposals of property, plant and equipment	(108)	57
(3) Loss on impairment of long-lived assets and assets held for sale	1,123	8
(4) Net gain on sale of investment securities	—	(229)
(5) Gain on sale of business	(3,530)	—
(6) Loss on impairment of investment securities	286	14
(7) Termination and retirement benefits	974	658
(8) Deferred income taxes	(148)	556
(9) Equity in loss (earnings) of affiliates	1,056	51
(10) Changes in assets and liabilities:		
(i) Decrease in notes and accounts receivable — trade	13,248	16,000
(ii) Increase in inventories	(6,529)	(4,251)
(iii) Decrease (increase) in other assets	756	(3,795)
(iv) Decrease in notes and accounts payable — trade	(2,109)	(6,755)
(v) Decrease in income taxes payable	(5,469)	(3,276)
(vi) Decrease in accrued expenses and other current liabilities	(1,505)	(6,430)
(11) Other, net	505	447
Total adjustments	5,924	(197)
Net cash provided by operating activities	13,956	15,428
II. Investing Activities:		
1. Proceeds from sale of investment securities	—	466
2. Purchase of investment securities	(11)	(52)
3. Capital expenditures	(5,389)	(5,783)
4. Decrease in leasehold deposits, net	162	(95)
5. Proceeds from sale of property, plant and equipment	717	52
6. Decrease in investment in and loans to affiliates	30	—
7. Proceeds from sale of business, net of cash paid	5,381	—
8. Other, net	22	23
Net cash used in investing activities	912	(5,389)
III. Financing Activities:		
1. Net decrease (increase) in short-term debt	99	(152)
2. Dividends paid by the Company	(7,269)	(7,269)
3. Dividends paid to noncontrolling interests	(45)	(138)
4. Acquisition of treasury stock	(1)	(3)
5. Payments for equity transactions with noncontrolling interests	(189)	—
6. Other, net	(109)	69
Net cash used in financing activities	(7,514)	(7,493)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(7,489)	1,970
Net Increase (Decrease) in Cash and Cash Equivalents	(135)	4,516
Cash and Cash Equivalents at Beginning of the Period	82,910	126,026
Cash and Cash Equivalents at End of the Period	82,775	130,542
Notes to cash flows from operating activities:		
1. Interest paid	34	29
2. Taxes paid	9,584	9,148
Notes to investing and financing activities not involving cash flow:		
1. Debt related to capital expenditures	735	549

**(4) Notes Regarding Consolidated Financial Statements
(Notes Regarding Assumptions of Continuing Operations)**

None applicable

(Notes in the Event of Significant Changes in Shareholders' Equity)

None applicable

(Changes in Accounting Policy)

Beginning with the current period, OMRON has applied Balance Sheet Classification of Deferred Taxes (U.S. Financial Accounting Standards Board Accounting Standards Update No. 2015-17). Under this standards update, deferred tax assets and deferred tax liabilities are required to be classified as non-current items. The company has not made any retroactive revisions with respect to this standards update. Further, deferred tax assets and deferred tax liabilities classified as current as of March 31, 2017 are JPY19,123 million and JPY32 million.

(Segment Information)**Business Segment Information**

Three months ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to external customers	78,587	23,020	32,811	7,770	24,979	15,982	183,149	1,400	184,549
(2) Intersegment sales	1,118	11,171	109	913	90	2,070	15,471	(15,471)	—
Total	79,705	34,191	32,920	8,683	25,069	18,052	198,620	(14,071)	184,549
Operating expenses	69,457	32,389	31,713	11,136	22,575	19,470	186,740	(11,985)	174,755
Segment profit (loss)	10,248	1,802	1,207	(2,453)	2,494	(1,418)	11,880	(2,086)	9,794

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to external customers	95,810	25,990	32,213	8,286	25,715	14,067	202,081	1,328	203,409
(2) Intersegment sales	1,491	13,472	435	833	96	2,344	18,671	(18,671)	—
Total	97,301	39,462	32,648	9,119	25,811	16,411	220,752	(17,343)	203,409
Operating expenses	78,057	35,833	31,253	11,101	22,498	16,627	195,369	(14,564)	180,805
Segment profit (loss)	19,244	3,629	1,395	(1,982)	3,313	(216)	25,383	(2,779)	22,604

Geographical Segment Information

Three months ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	70,973	29,216	26,655	36,986	20,719	184,549	—	184,549
(2) Intersegment sales	42,070	1,449	424	24,712	6,975	75,630	(75,630)	—
Total	113,043	30,665	27,079	61,698	27,694	260,179	(75,630)	184,549
Operating expenses	111,568	30,233	25,897	56,436	25,524	249,658	(74,903)	174,755
Segment profit (loss)	1,475	432	1,182	5,262	2,170	10,521	(727)	9,794

Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(Millions of yen)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	75,927	29,636	27,742	42,985	27,119	203,409	—	203,409
(2) Intersegment sales	49,888	2,014	438	21,419	6,758	80,517	(80,517)	—
Total	125,815	31,650	28,180	64,404	33,877	283,926	(80,517)	203,409
Operating expenses	113,466	31,103	26,533	57,465	31,247	259,814	(79,009)	180,805
Segment profit (loss)	12,349	547	1,647	6,939	2,630	24,112	(1,508)	22,604

Notes: Major countries or regions belonging to segments other than Japan are as follows:

- | | |
|-------------------------------|---|
| (1) Americas | United States of America, Canada, Brazil |
| (2) Europe | Netherlands, Great Britain, Germany, France, Italy, Spain |
| (3) Greater China | China, Hong Kong, Taiwan |
| (4) Southeast Asia and Others | Singapore, Republic of Korea, India, Australia |

Overseas Sales

Three months ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	29,826	27,875	37,154	20,781	115,636
II Consolidated net sales					184,549
III Overseas sales as a percentage of consolidated net sales (%)	16.2	15.1	20.1	11.3	62.7

Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
I Overseas sales	30,193	29,151	43,143	27,320	129,807
II Consolidated net sales					203,409
III Overseas sales as a percentage of consolidated net sales (%)	14.8	14.3	21.2	13.5	63.8

Notes: Major countries or regions belonging to segments other than Japan are as follows:

- | | |
|-------------------------------|---|
| (1) Americas | United States of America, Canada, Brazil |
| (2) Europe | Netherlands, Great Britain, Germany, France, Italy, Spain |
| (3) Greater China | China, Hong Kong, Taiwan |
| (4) Southeast Asia and Others | Singapore, Republic of Korea, India, Australia |

(Significant Subsequent Event)

At a meeting held on July 27, 2017, the Board of Directors of OMRON Corporation resolved to set the maximum allowance for acquisition of treasury stock pursuant to Article 156 of the Company Law of Japan applied mutatis mutandis to the provisions of Article 165-3 of said law.

Shares Acquisition

- | | |
|--|---|
| 1. Type of shares to be acquired | Common stock of OMRON Corporation |
| 2. Number of shares to be acquired | Up to 5,000,000 shares
(2.34% of total shares issued and outstanding (excluding treasury stock)) |
| 3. Total cost of shares to be acquired | Up to JPY 20,000,000,000 |
| 4. Acquiring period | From July 28, 2017 to July 27, 2018 |

The timing of the acquisition of treasury stock excludes the time period related to acquiring shares for “Performance-linked and share-based Incentive Plan for Directors, etc. (BIP Trust I, II, ESOP Trust),” which extends from August 2 to August 31, 2017 as announced on April 27, 2017.

3. Supplementary Information

(1) Summary of Consolidated Financial Results (U.S. GAAP)

(Millions of yen, %)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Year-on- year change	Year ended March 31, 2017	Year ending March 31, 2018 (projected)	Year-on- year change
Net sales	184,549	203,409	+10.2%	794,201	810,000	+2.0%
Operating income [% of net sales]	9,794 [5.3%]	22,604 [11.1%]	+130.8% [+5.8P]	67,566 [8.5%]	68,000 [8.4%]	+0.6% [-0.1P]
Income before income taxes [% of net sales]	12,118 [6.6%]	21,768 [10.7%]	+79.6% [+4.1P]	65,492 [8.2%]	65,500 [8.1%]	+0.0% [-0.1P]
Net income attributable to shareholders	7,928	15,519	+95.8%	45,987	48,500	+5.5%
Net income per share attributable to shareholders (basic) (¥)	37.08	72.58	+35.50	215.09	226.84	+11.75
Net income per share attributable to shareholders (diluted) (¥)	37.08	—	—	215.09		
Total assets	636,885	695,528	+9.2%	697,701		
Shareholders' equity [Shareholders' equity ratio (%)]	424,762 [66.7%]	490,480 [70.5%]	+15.5% [+3.8P]	469,029 [67.2%]		
Shareholders' equity per share (¥)	1,986.65	2,294.06	+307.41	2,193.72		
Net cash provided by operating activities	13,956	15,428	+1,472	77,875		
Net cash used in investing activities	912	(5,389)	(6,301)	(15,041)		
Net cash used in financing activities	(7,514)	(7,493)	+21	(15,012)		
Cash and cash equivalents at end of period	82,775	130,542	+47,767	126,026		

Notes: 1. The number of consolidated subsidiaries is 163, and the number of companies accounted for by the equity method is 17.

2. OMRON has not revised consolidated earnings forecasts for the fiscal year as of the publication of first quarter results.

Accordingly, the company's forecasts remain as published on April 27, 2017.

(2) Consolidated Net Sales by Business Segment

(Billions of yen)

		Three months ended June 30, 2016	Three months ended June 30, 2017	Year-on-year change (%)
IAB	Japan	29.9	35.1	+17.3
	Overseas	48.7	60.7	+24.7
	Total	78.6	95.8	+21.9
EMC	Japan	4.9	6.4	+31.7
	Overseas	18.1	19.6	+7.8
	Total	23.0	26.0	+12.9
AEC	Japan	4.2	4.3	+2.5
	Overseas	28.6	27.9	-2.5
	Total	32.8	32.2	-1.8
SSB	Japan	7.6	8.3	+8.3
	Overseas	0.1	0.0	-83.8
	Total	7.8	8.3	+6.6
HCB	Japan	6.7	6.0	-11.1
	Overseas	18.3	19.7	+8.1
	Total	25.0	25.7	+2.9
Other	Japan	14.3	12.1	-15.4
	Overseas	1.6	1.9	+17.8
	Total	16.0	14.1	-12.0
Eliminations & Corporate	Japan	1.2	1.3	+9.7
	Overseas	0.2	0.0	-86.9
	Total	1.4	1.3	-5.1
Total	Japan	68.9	73.6	+6.8
	Overseas	115.6	129.8	+12.3
	[% of total]	[62.7%]	[63.8%]	[+1.1P]
	Total	184.5	203.4	+10.2

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

(3) Consolidated Operating Income (Loss) by Business Segment

(Billions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Year-on-year change (%)
IAB	10.2	19.2	+87.8
EMC	1.8	3.6	+101.4
AEC	1.2	1.4	+15.6
SSB	(2.5)	(2.0)	—
HCB	2.5	3.3	+32.8
Other	(1.4)	(0.2)	—
Eliminations & Corporate	(2.1)	(2.8)	—
Total	9.8	22.6	+130.8

Note: OMRON revised the business classifications, reclassifying certain operations under SSB to the Other Businesses beginning with the fiscal year ending March 31, 2018. The company has reclassified results for the fiscal year ended March 31, 2017 under this new categorization for presentation herein.

(4) Average Currency Exchange Rate

(One unit of currency, in yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Year-on-year change (%)
USD	111.1	111.5	+0.4
EUR	125.2	121.5	-3.7