



Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (U.S. GAAP)

February 10, 2025

OMRON Corporation (6645)

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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 Third Quarter of the Fiscal Year Ending March 31, 2025

(April 1, 2024 – December 31, 2024)

(1) Sales and Income (cumulative)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2024	579,698	(4.7)	35,904	35.1	15,985	(49.2)	7,183	(8.5)
December 31, 2023	607,985	(4.7)	26,572	(63.5)	31,469	(55.5)	7,849	(84.5)

Notes: 1. Comprehensive income: Nine months ended December 31, 2024: JPY23,343 million (-33.5% change);

Nine months ended December 31, 2023: JPY35,083 million (-50.2% change)

2. Loss before income taxes for the nine months ended December 31, 2024, include one-time expenses (JPY21.2 billion) to optimize the number and capacity of our workforce related to Structural Reform Program NEXT2025 ("headcount and capacity optimization," below).

	Net income per share attributable to OMRON shareholders, basic	Net income per share attributable to OMRON shareholders, diluted
Nine months ended	Yen	Yen
December 31, 2024	36.47	—
December 31, 2023	39.87	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity	Shareholders' equity ratio
	Million yen	Million yen	Million yen	%
December 31, 2024	1,373,190	964,185	798,481	58.1
March 31, 2024	1,354,729	950,993	786,686	58.1

2. Dividends

	Dividends per share				
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	52.00	—	52.00	104.00
Fiscal year ending March 31, 2025	—	52.00	—		
Fiscal year ending March 31, 2025 (projected)				52.00	104.00

Note: Revisions since the most recently announced dividend forecast: No

3. Projected Results for the Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders		Net income per share attributable to shareholders, basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	805,000	(1.7)	54,000	57.2	27,000	(22.8)	12,500	54.2	63.48

Notes: 1. Revisions since the most recently announced performance forecast: Yes

For more, see 1. *Qualitative Information on Quarterly Financial Results (4) Description of Information on Outlook, Including Consolidated Performance Forecast* on P.6-8 of the attached materials.

2. The consolidated performance forecast for the fiscal year ending March 31, 2025, includes one-time headcount and capacity optimization expenses of (approximately JPY22.0 billion).

*Notes

(1) Significant changes in the scope of consolidation during the period: No

New: - company (company name) Excluded: - company (company name)

(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.: No

(b) Changes in accounting policy other than (a) above: No

(4) Number of shares issued and outstanding

[1] Number of shares outstanding at period-end (including treasury stock)

December 31, 2024	206,244,872	March 31, 2024	206,244,872
December 31, 2024	9,349,202	March 31, 2024	9,329,283
Nine months ended December 31, 2024	196,902,562	Nine months ended December 31, 2023	196,875,698

[2] Treasury stock at period-end

[3] Average number of shares during the period (quarterly cumulative)

Note: As of the end of the consolidated first nine months of the fiscal year ending March 31, 2025, 518,391 shares of OMRON stock held for Board Incentive Plan and Employee Stock Ownership Plan are included in period-end treasury stock. The average number of shares during the period includes treasury stock deducted in the calculation of net income per share attributable to OMRON shareholders.

*Review by certified public accountants or an audit firm of the attached quarterly consolidated financial statements: No

*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.

For the assumptions that form the basis of the projected results and appropriate use, see *1. Qualitative Information on Quarterly Financial Results (4) Description of Information on Outlook, Including Consolidated Performance Forecast* on P.6.

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 Statements of Operations is presented by subtracting *selling, general and administrative expenses* and *research and development expenses* from *gross profit*. We do not deduct *restructuring expenses, other income, net, income taxes, and share of loss (profit) of entities accounted for using equity method*.

3. The Company scheduled an investor meeting for Monday, February 10, 2025.

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

IAB: Industrial Automation Business

HCB: Healthcare Business

SSB: Social Systems, Solutions and Service Business

DMB: Devices & Module Solutions Business

DSB: Data Solution Business

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1. Qualitative Information on Quarterly Financial Results

(1) Overview of Results of Operations

General Overview

OMRON Group financial performance for the cumulative consolidated third quarter (April to December 2024) saw a decrease in net sales year on year and an increase in operating income.

Net sales decreased overall year on year, despite an increase in net sales in the Social Systems, Solutions and Service Business. This result was due largely to general weakness in demand for capital investment in the Industrial Automation Business and Devices & Module Solutions Business and lower demand in the Chinese market of our Healthcare Business. In addition, net sales in the first half of the previous fiscal year for the Industrial Automation Business were supported by an order backlog, which was lacking this year.

Operating income increased year on year due to the impact of improved gross profit margin and steady profitability improvements stemming from the impact of Structural Reform Program NEXT2025 announced February 26, 2024. Operating income was higher year on year by 35.1% through the cumulative consolidated third quarter, despite a 6.9% decrease as of the cumulative consolidated second quarter (April to September 2024) of the current fiscal year.

In addition, during the cumulative consolidated third quarter, the Company optimized the number and capacity of our workforce, one of the management measures described under Structural Reform Program NEXT2025. During the cumulative consolidated third quarter, the Company recorded JPY21.2 billion in restructuring expenses as one-time expenses under NEXT2025. (For more, see (2) *Recognition of One-Time Expenses Related to Structural Reform Program NEXT2025*.)

Financial results for the cumulative consolidated third quarter of fiscal 2024 were as follows.

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

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Net sales	608.0	579.7	-4.7%
Gross profit [% of net sales]	258.2 [42.5%]	261.7 [45.1%]	+1.4% [+2.7pt]
Operating income [% of net sales]	26.6 [4.4%]	35.9 [6.2%]	+35.1% [+1.8pt]
Income before income taxes	31.5	16.0	-49.2%
Net income attributable to OMRON shareholders	7.8	7.2	-8.5%
Average USD exchange rate (Yen)	142.9	152.1	+9.3
Average EUR exchange rate (Yen)	155.0	164.8	+9.8
Average CNY exchange rate (Yen)	20.0	21.1	+1.2

Results by Business Segment

IAB (Industrial Automation Business)

(Billions of yen, %)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Sales to external customers	301.9	266.0	-11.9%
Operating income	18.3	28.6	+56.1%

Sales

Capital investment demand in the manufacturing sector for the Japanese semiconductor market remained strong, supported by upfront investment demand anticipating the domestic production of semiconductors in China and U.S. tariff policy. At the same time, in China, demand for solar power generation investment and rechargeable battery investment remained stagnant, while in Europe and Southeast Asia, investment demand slowed for electric vehicles. Consequently, demand overall remains sluggish. As a result, sales were significantly lower year on year, impacted in part by the support of order backlogs in the first half of the previous fiscal year.

Operating Income

Operating income improved significantly year on year, despite the decrease in sales, reflecting improved gross profit margin and efforts to reduce fixed costs through structural reform.

HCB (Healthcare Business)

(Billions of yen, %)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Sales to external customers	116.7	111.2	-4.7%
Operating income	16.5	14.1	-14.9%

Sales

Market demand remained strong for our mainstay blood pressure monitors in certain regions, such as Japan and Europe. However, demand was stagnant in China due to a decline in consumer sentiment, leading to overall weakness. In addition, decreasing demand for nebulizers and oxygen concentrators stemming from a negative rebound from special demand related to respiratory diseases in the previous fiscal year resulted in lower net sales year on year.

Operating Income

We engaged in measures to reduce fixed costs in conjunction with lower net sales. However, operating income decreased significantly year on year due to the major impact of lower net sales.

SSB (Social Systems, Solutions and Service Business)

(Billions of yen, %)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Sales to external customers	90.3	92.8	+2.8%
Operating income	5.5	5.8	+5.1%

Sales

The Energy Solutions Business posted firm results as demand recovered with government subsidies for purchases of home-use storage batteries and sales promotion measures. In addition, demand for commercial equipment maintenance services in the Management Service Solutions Business was strong. As a result, sales increased year on year.

Operating Income

Although costs increased due to the foreign exchange impact of foreign currency-denominated purchases, we saw an increase in operating income year on year, driven by sales growth and productivity improvements.

DMB (Devices & Module Solutions Business)

(Billions of yen, %)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Sales to external customers	88.5	78.2	-11.7%
Operating income	3.1	0.2	-94.6%

Sales

Demand in the consumer industry remained sluggish, even as certain semiconductor-related sectors showed signs of recovery. Slow inventory turnover and production plan revisions among customers, mainly in Europe and Japan, impacted demand negatively. Despite rising demand in China, overall demand in the automobile industry was sluggish due to factors including a decrease in demand in Europe stemming from the curtailment of preferential measures for electric vehicles.

As a result, sales were significantly lower year on year.

Operating Income

Operating income declined significantly year on year due to the impact of the decrease in sales and soaring raw materials costs.

DSB (Data Solution Business)

(Billions of yen, %)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Sales to external customers	7.4	30.4	—
Operating Income	0.6	1.7	—

Note: The Data Solution Business is a new segment established in the third quarter of the fiscal year ending March 31, 2024, and disclosures related to this segment began in the same period. This segment includes financial figures related to the OMRON Data Solution Business and financial results of JMDC, Inc. ("JMDC"), which became a consolidated subsidiary on October 16, 2023. The segment also includes amortization of intangible assets other than goodwill identified when making JMDC a consolidated subsidiary. We have not presented percentage changes herein, as such changes do not provide valid ratios for comparative purposes.

Sales

Sales continued to be firm with ongoing growth in the number of health insurance association contracts at JMDC, increasing transaction volume with pharmaceutical companies and insurance companies for whom we provide data, and growing numbers of medical institutions utilizing remote image interpretation services.

Operating Income

Operating income remained firm with the increase in JMDC sales, despite posting amortization of intangible assets (other than goodwill), identified when making JMDC a consolidated subsidiary, and steady investments related to the creation of the Data Solution Business.

(2) Recognition of One-time Expenses Related to Structural Reform Program NEXT2025

The OMRON Group posted one-time expenses of 22.3 billion yen during the cumulative consolidated third quarter (April-December 2024) in conjunction with measures implemented for Structural Reform Program NEXT2025. Having engaged in a management policy of headcount and capacity optimization as one of these main measures, we ended solicitations for voluntary retirement in Japan on May 31, 2024, confirming a total 1,206 employees who opted for retirement. Overseas, a total of 1,213 employees had agreed to the retirement offer as of December 31, 2024. In conjunction with these retirements, we posted one-time expenses of JPY21.2 billion for the cumulative consolidated third quarter.

(3) Analysis of Financial Condition

Total assets as of the end of the consolidated third quarter amounted to JPY1,373.2 billion, an increase of JPY18.5 billion compared to the end of the previous consolidated fiscal year. This result was mainly due to an increase in inventories. Total liabilities amounted to JPY409.0 billion, an increase of JPY5.3 billion compared to the end of the previous fiscal year. This result was mainly due to an increase in borrowings. Total net assets amounted to JPY964.2 billion, an increase of JPY13.2 billion compared to the end of the previous consolidated fiscal year. This result was mainly due to an increase in foreign currency translation adjustments. Shareholders' equity ratio was 58.1%, demonstrating an ongoing strong financial foundation.

In terms of liquidity, cash on hand amounted to JPY136.9 billion. Further, we have signed commitment line agreements with financial institutions in the amount of JPY30.0 billion. We intend to maintain high credit ratings from ratings agencies as a long-term issuer, and we secure liquidity and funding capacity while maintaining our ability to raise funds and good relationships with financial institutions on a global basis.

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

We expect the degree of recovery in demand for each business to be merely moderate in the fourth quarter compared with the assumptions made at the time of our full-year performance forecast ("previous forecast") on November 6, 2024.

While we forecast firm demand for semiconductors in the context of our Industrial Automation Business, demand will continue to be weak for electric vehicles, resulting in a moderate demand in recovery overall. As described in the previous forecast, we expect sluggish demand in China in our Healthcare Business due weak personal consumption. However, we project firm demand in other areas. As a result of these circumstances, we expect net sales to be level overall with the previous forecast.

At the same time, we expect operating income to exceed the previous forecast. This expectation reflects improved profitability under Structural Reform Program NEXT2025.

In light of these circumstances, we revised the OMRON Group full-year consolidated performance forecast upward for operating income, leaving net sales unchanged from the previous forecast. We have set exchange rate assumptions for the fourth quarter to USD1 = JPY155.0, EUR1 = JPY160.0, and CNY1 = JPY21.0.

Our full-year performance forecast for income before income taxes and net income attributable to OMRON shareholders includes one-time restructuring expenses and other expenses of JPY27.0 billion. We expect one-time restructuring expenses to include approximately JPY22.0 billion for the full year related to optimizing headcount and capacity. These costs are reflected in our full-year forecast.

The following describes our main expectations for the business environment in connection with each business segment for the fourth quarter.

Industrial Automation Business	We expect the semiconductor industry to remain firm, while demand for electric vehicles remains sluggish. Recovery in demand will be moderate in general.
Healthcare Business	We project the Chinese market to weaken further due to sluggish consumer spending, while demand will be firm in other areas.
Social Systems, Solutions and Service Business	As described in our previous forecast, we expect the overall business environment to remain firm.
Devices & Module Solutions Business	We expect sluggishness, as the recovery in the North American market will likely not be to the extent of our previous forecast.
Data Solution Business	We expect the business environment to remain firm, in line with initial projections.

Projected Consolidated Performance

(Billions of yen, except percentages)

	Initial forecast	Revised forecast	Change vs. initial forecast [% change]	(Reference) Actual results for the prior fiscal year ended March 31, 2024	(Reference) Percentage change from the prior fiscal year [] indicates change from the prior fiscal year
Net sales	805.0	805.0	— [—]	818.8	-1.7%
Gross profit %	45.1%	45.1%	—	42.3%	[+2.8P]
Operating income	52.0	54.0	+2.0 [+3.8%]	34.3	+57.2%
Income before income taxes	26.0	27.0	+1.0 [+3.8%]	35.0	-22.8%
Net income attributable to OMRON shareholders	11.0	12.5	+1.5 [+13.6%]	8.1	+54.2%
Net income per share attributable to OMRON shareholders (Yen)	55.87	63.48	+7.62	41.17	[+22.31]
Average USD exchange rate (Yen)	149.4	152.9	+3.5	143.9	[+9.0]
Average EUR exchange rate (Yen)	160.6	163.6	+2.9	156.3	[+7.3]
Average CNY exchange rate (Yen)	20.6	21.1	+0.5	20.1	[+1.0]

Note: Projected average rate for the full year based on historical rates for the cumulative consolidated third quarter and assumed exchange rates for the fourth quarter.

Forecasts by Business Segment

(Billions of yen, except percentages)

		Initial forecast	Revised forecast	Change in forecast [%]	(Reference) Actual results for the prior fiscal year ended March 31, 2024	(Reference) Percentage change from the prior fiscal year
IAB	Sales to external customers	358.0	362.0	+4.0 [+1.1%]	393.6	-8.0%
	Operating income	36.0	39.0	+3.0 [+8.3%]	21.5	+81.7%
HCB	Sales to external customers	152.0	149.0	(3.0) [-2.0%]	149.7	-0.5%
	Operating income	18.5	17.5	(1.0) [-5.4%]	18.5	-5.2%
SSB	Sales to external customers	146.0	144.5	(1.5) [-1.0%]	141.6	+2.0%
	Operating income	16.5	16.5	— [—]	14.0	+17.7%
DMB	Sales to external customers	105.0	105.0	— [—]	114.4	-8.2%
	Operating income	1.5	0.5	(1.0) [-66.7%]	3.1	-84.1%
DSB	Sales to external customers	43.0	43.0	— [—]	17.4	—
	Operating income	3.5	3.5	— [—]	2.2	—
Eliminations & Corporate	Sales to external customers	1.0	1.5	+0.5 [—]	2.1	—
	Operating income	(24.0)	(23.0)	+1.0 [—]	(24.9)	—
Consolidated	Sales to external customers	805.0	805.0	— [—]	818.8	-1.7%
	Operating income	52.0	54.0	+2.0 [+3.8%]	34.3	+57.2%

Note: Actual results for the prior fiscal year ended March 31, 2024, include the financial results of JMDC beginning October 16, 2023, the day on which JMDC became a consolidated Company subsidiary. Initial forecast and revised forecasts include full-year JMDC results.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024		As of December 31, 2024	
		%		%
ASSETS				
Current assets:	547,603	40.4	542,222	39.5
Cash and cash equivalents	143,086		136,909	
Notes and accounts receivable-trade	172,268		152,039	
Allowance for doubtful receivables	(1,058)		(1,037)	
Inventories	174,034		194,452	
Other current assets	59,273		59,859	
Property, plant and equipment, net:	136,775	10.1	136,177	9.9
Investments and other assets:	670,351	49.5	694,791	50.6
Right-of-use assets under operating leases	54,383		49,190	
Goodwill	361,783		375,697	
Other intangible assets	108,881		113,260	
Investments in and advances to affiliates	13,931		15,000	
Investment securities	33,897		35,274	
Leasehold deposits	7,883		7,771	
Prepaid pension costs	65,267		73,352	
Deferred income taxes	19,382		18,909	
Other assets	4,944		6,338	
Total assets	1,354,729	100.0	1,373,190	100.0

(Millions of yen)

	As of March 31, 2024		As of December 31, 2024	
		%		%
LIABILITIES				
Current liabilities	231,160	17.1	234,118	17.1
Notes and accounts payable-trade	82,548		89,736	
Short-term borrowings	22,548		33,467	
Current portion of long-term borrowings	6,451		5,695	
Accrued expenses	47,345		40,904	
Income taxes payable	6,457		4,852	
Short-term operating lease liabilities	13,385		13,335	
Other current liabilities	52,426		46,129	
Deferred income taxes	16,419	1.2	14,320	1.0
Termination and retirement benefits	8,310	0.6	6,688	0.5
Long-term borrowings	92,075	6.8	102,242	7.5
Long-term operating lease liabilities	38,299	2.8	33,415	2.4
Other long-term liabilities	17,473	1.3	18,222	1.3
Total liabilities	403,736	29.8	409,005	29.8
NET ASSETS				
Shareholders' equity	786,686	58.1	798,481	58.1
Common stock	64,100	4.7	64,100	4.7
Capital surplus	98,997	7.3	99,847	7.3
Legal reserve	27,457	2.0	29,371	2.0
Retained earnings	556,705	41.1	551,735	40.2
Accumulated other comprehensive income	109,396	8.1	123,392	9.0
Foreign currency translation adjustments	95,767		105,544	
Pension liability adjustments	13,608		17,834	
Net gains (losses) on derivative instruments	21		14	
Treasury stock	(69,969)	(5.1)	(69,964)	(5.1)
Non controlling interests	164,307	12.1	165,704	12.1
Total net assets	950,993	70.2	964,185	70.2
Total liabilities and net assets	1,354,729	100.0	1,373,190	100.0

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Nine months ended December 31, 2024)

(Millions of yen)

	Nine months ended December 31, 2023		Nine months ended December 31, 2024	
		%		%
Net sales	607,985	100.0	579,698	100.0
Cost of sales	349,811	57.5	317,974	54.9
Gross profit	258,174	42.5	261,724	45.1
Selling, general and administrative expenses	193,708	31.9	193,296	33.3
Research and development expenses	37,894	6.2	32,524	5.6
Operating income	26,572	4.4	35,904	6.2
Restructuring expenses	—	—	22,330	3.8
Other income, net	(4,897)	(0.8)	(2,411)	(0.4)
Income before income taxes	31,469	5.2	15,985	2.8
Income taxes	9,212	1.5	6,892	1.2
Share of loss (profit) of entities accounted for using equity method	13,374	2.2	(153)	(0.0)
Net income	8,883	1.5	9,246	1.6
Net income attributable to noncontrolling interests	1,034	0.2	2,063	0.4
Net income attributable to OMRON shareholders	7,849	1.3	7,183	1.2

Note: Restructuring expenses reflect the sum of one-time expenses of JPY21,183 million associated with headcount and capacity optimization, as well as other restructuring expenses of JPY1,147 million.

(Quarterly Consolidated Statements of Comprehensive Income)
(Nine months ended December 31, 2024)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income	8,883	9,246
Other comprehensive income, net of tax		
Foreign currency translation adjustments	24,699	9,878
Pension liability adjustments	1,371	4,226
Net gains (losses) on derivative instruments	130	(7)
Other comprehensive income	26,200	14,097
Comprehensive income	35,083	23,343
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	1,247	2,164
Comprehensive income attributable to OMRON shareholders	33,836	21,179

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023		Nine months ended December 31, 2024	
I Operating Activities:				
1. Net income		8,883		9,246
2. Adjustments to reconcile net income to net cash provided by operating activities:				
(1) Depreciation and amortization	22,289		24,961	
(2) Share of loss (profit) of entities accounted for using equity method	13,374		(153)	
(3) Decrease in notes and accounts receivable — trade	37,893		22,378	
(4) Increase in inventories	(6,236)		(17,205)	
(5) Increase (decrease) in notes and accounts payable — trade	(11,874)		5,858	
(6) Other, net	(32,478)	22,968	(12,197)	23,642
Net cash provided by operating activities		31,851		32,888
II Investing Activities:				
1. Proceeds from sale of investment securities		23,812		821
2. Purchases of investment securities		(3,029)		(1,761)
3. Capital expenditures		(30,778)		(34,202)
4. Business and company acquisitions (net of cash acquired)		(67,265)		(6,221)
5. Proceeds from sale of property, plant and equipment		330		961
6. Increase in investments in and loans to affiliates, net		(1,121)		(2,592)
7. Other, net		(1,037)		(229)
Net cash used in investing activities		(79,088)		(43,223)
(Reference) Free cash flow		(47,237)		(10,335)
III Financing Activities:				
1. Net increase (decrease) of short-term debt		(1,591)		12,200
2. Proceeds from short-term borrowings		86,580		1,500
3. Repayments of short-term borrowings		—		(2,883)
4. Proceeds from long-term borrowings		2,500		12,708
5. Repayments of long-term borrowings		(205)		(3,958)
6. Dividends paid by OMRON Corporation		(19,885)		(20,051)
7. Dividends paid to noncontrolling interests		(581)		(1,466)
8. Other, net		(60)		(251)
Net cash provided by (used in) financing activities		66,758		(2,201)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents		4,511		6,359
Net increase (decrease) in cash and cash equivalents		24,032		(6,177)
Cash and cash equivalents at beginning of the period		105,279		143,086
Cash and cash equivalents at end of the period		129,311		136,909

Note: *Free cash flow* is cash flow from operating activities plus cash flow from investing activities.

(4) Notes Regarding Consolidated Financial Statements

(Notes Regarding Assumptions of Going Concern)

None applicable

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

None applicable

(Notes Concerning Segment Information)

Operating Segment Information

ASC 280, "Segment Reporting," establishes the disclosure of information about operating segments in financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses operating segment information in five operating segments: "IAB," "HCB," "SSB," "DMB," and "DSB". These segments are mainly separated based on the Companies' consideration of their nature of the products and the business standing in the group.

The primary products included in each segment are as follows:

(1) IAB: Industrial Automation Business

.....Programmable controllers, motion controllers, sensing devices, industrial camera/code reader devices, inspection systems, safety devices and industrial robots

(2) HCB: Healthcare Business

.....Digital blood pressure monitors, nebulizers, low-frequency therapy equipment, ECGs, oxygen concentrators, digital thermometers, body composition monitors, pedometers and activity meters, electric toothbrushes, massagers, blood glucose monitors, vascular screening devices, visceral fat monitors, remote patient monitoring systems and telemedicine service

(3) SSB: Social Systems, Solutions and Service Business

.....Energy business (solar power generation, storage battery systems), railway station service systems, traffic and road management systems, card payment services, IoT (power protection, data protection) solutions, software development and comprehensive maintenance service business

(4) DMB: Devices & Module Solutions Business

.....Relays, switches, connectors, IoT communication modules, general sensors, amusement components and units, face recognition software, image sensing component and MEMS^(Note) sensors

Note: MEMS: Micro Electro Mechanical Systems

(5) DSB: Data Solution Business

.....Data healthcare business, corporate health business, smart M&S (management service solutions) business, carbon neutral solutions business, data-based solutions business, and self-reliance support business

The segment information is presented in accordance with accounting principles generally accepted in the United States of America.

Revenues and expenses directly associated with specific segments are disclosed in the figures of each segment's operating results. Based on the Company's allocation method used by management to evaluate results of each segment, revenues and expenses not directly associated with specific segments are allocated to each segment or included in "Eliminations and Others."

Segment income is presented as gross profit less selling, general and administrative expenses and research and development expenses. Restructuring expenses, other income, net, income taxes, share of loss (profit) of entities accounted for using equity method are not deducted.

Business Segment Information

Nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(Millions of yen)

	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales								
1. Sales to external customers	301,858	116,670	90,292	88,530	7,368	604,718	3,267	607,985
2. Intersegment sales	3,924	156	9,620	28,625	17	42,342	(42,342)	—
Total	305,782	116,826	99,912	117,155	7,385	647,060	(39,075)	607,985
Operating expenses	287,463	100,283	94,385	114,013	6,790	602,934	(21,521)	581,413
Segment income	18,319	16,543	5,527	3,142	595	44,126	(17,554)	26,572

Notes: 1. The value of intersegment transactions is in accordance with the value of transactions with external customers.

2. The DSB is a new segment established in the third quarter of the fiscal year ending March 31, 2024, and disclosures related to this segment began in the same period.

3. “Eliminations and Others” include not allocated expenses and eliminations of intersegment transactions and the head office divisions and others.

Nine months ended December 31, 2024 (April 1, 2024 - December 31, 2024)

(Millions of yen)

	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales								
1. Sales to external customers	266,012	111,210	92,780	78,153	30,436	578,591	1,107	579,698
2. Intersegment sales	3,469	247	8,587	27,556	271	40,130	(40,130)	—
Total	269,481	111,457	101,367	105,709	30,707	618,721	(39,023)	579,698
Operating expenses	240,879	97,376	95,556	105,540	29,029	568,380	(24,586)	543,794
Segment income	28,602	14,081	5,811	169	1,678	50,341	(14,437)	35,904

Notes: 1. The value of intersegment transactions is in accordance with the value of transactions with external customers.

2. The DSB includes financial figures related to the OMRON Data Solution Business and JMDC financial figures, as well as the amortization of intangible assets other than goodwill identified as a result of the consolidation of JMDC as a subsidiary.

3. “Eliminations and Others” include not allocated expenses and eliminations of intersegment transactions and the head office divisions and others.

Sales by Geographical Region

Nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023) (Millions of yen)

Segments	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales to external customers								
Japan	97,692	18,634	89,435	30,231	7,133	243,125	3,267	246,392
Americas	31,038	21,050	—	12,290	—	64,378	—	64,378
Europe	63,346	22,482	—	12,460	—	98,288	—	98,288
Greater China	73,497	41,616	181	21,744	1	137,039	—	137,039
Southeast Asia and Others	36,282	12,463	—	11,665	—	60,410	—	60,410
Direct Exports	3	425	676	140	234	1,478	—	1,478
Total	301,858	116,670	90,292	88,530	7,368	604,718	3,267	607,985

Nine months ended December 31, 2024 (April 1, 2024 - December 31, 2024) (Millions of yen)

Segments	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales to external customers								
Japan	84,003	19,132	92,389	21,389	29,903	246,816	1,107	247,923
Americas	29,693	20,660	—	12,109	—	62,462	—	62,462
Europe	53,121	26,052	—	8,844	—	88,017	—	88,017
Greater China	65,915	31,822	27	24,534	3	122,301	—	122,301
Southeast Asia and Others	33,280	13,185	—	11,258	—	57,723	—	57,723
Direct Exports	0	359	364	19	530	1,272	—	1,272
Total	266,012	111,210	92,780	78,153	30,436	578,591	1,107	579,698

Notes 1. “Eliminations and Others” include the head office divisions and others.

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

- (1) Americas: The United States of America, Canada and Brazil
- (2) Europe: The Netherlands, Great Britain, Germany, France, Italy and Spain
- (3) Greater China: China, Hong Kong, Taiwan
- (4) Southeast Asia and Others: Singapore, South Korea, India and Australia
- (5) Direct Exports: Direct delivery exports

The reconciliations of total segment income to income before income taxes for the nine months ended December 31, 2023 and 2024 are as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Segment income	44,126	50,341
Restructuring expenses	—	22,330
Other income, net	(4,897)	(2,411)
Eliminations and Others	(17,554)	(14,437)
Income before income taxes	31,469	15,985

Note: Restructuring expenses reflect the sum of one-time expenses of JPY21,183 million associated with headcount and capacity optimization, as well as other restructuring expenses of JPY1,147 million.