



Summary of Consolidated Financial Results for the Year Ended March 31, 2014 (U.S. GAAP)

April 24, 2014

OMRON Corporation (6645)

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Annual General Shareholders' Meeting (Scheduled):	June 24, 2014
Start of Distribution of Dividends (Scheduled):	June 25, 2014
Filing of Securities Report (<i>Yuka shoken hokokusho</i>) (Scheduled):	June 25, 2014
Preparation of Supplementary Materials for the Financial Results:	Yes
Holding of Presentation of 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 management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

1. Consolidated Financial Results for the Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(1) Sales and Income

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

Millions of yen - except per share data and percentages

	Year ended March 31, 2014		Year ended March 31, 2013	
		Change (%)		Change (%)
Net sales	772,966	18.8	650,461	5.0
Operating income	68,055	50.1	45,343	13.0
Income before income taxes	62,007	50.4	41,237	22.9
Net income attributable to shareholders	46,185	52.9	30,203	84.3
Net income attributable to shareholders per share, basic (JPY)	209.82		137.20	
Net income attributable to shareholders per share, diluted (JPY)	—		137.20	
Return on equity	11.6%		8.8%	
Income before income taxes / total assets ratio	10.1%		7.4%	
Operating income / net sales ratio	8.8%		7.0%	

Note: Comprehensive income: Year ended March 31, 2014: JPY 75,686 million (39.2% change);

Year ended March 31, 2013: JPY 54,361 million (284.5% change)

(Reference) Equity in net losses (gains) of affiliates: Year ended March 31, 2014: JPY (3,782 million);

Year ended March 31, 2013: JPY (2,976 million)

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2014	As of March 31, 2013
Total assets	654,704	573,637
Net assets	432,778	368,763
Shareholders' equity	430,509	366,962
Shareholders' equity ratio (%)	65.8	64.0
Shareholders' equity per share (JPY)	1,956.06	1,667.04

(3) Consolidated Cash Flows

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2013
Net cash provided by operating activities	79,044	53,058
Net cash used in investing activities	(31,125)	(28,471)
Net cash used in financing activities	(16,298)	(18,550)
Cash and cash equivalents at end of period	90,251	55,708

2. Dividends

		Year ended March 31, 2013	Year ended March 31, 2014	Year ending March 31, 2015 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	—
	Interim dividend (JPY)	14.00	25.00	27.00
	3rd quarter dividend (JPY)	—	—	—
	Year-end dividend (JPY)	23.00	28.00	36.00
	Total dividends for the year (JPY)	37.00	53.00	63.00
Total cash dividends paid (JPY million)		8,145	11,666	
Payout ratio (%)		27.0	25.3	27.2
Dividends / Shareholders' equity ratio (%)		2.4	2.9	

Notes: 1. Breakdown of year-end dividend for the year ended March 31, 2013: Regular dividend JPY 18.00; commemorative dividend JPY 5.00
2. The year-end dividend for the year ended March 31, 2014 has been revised to JPY 28 from the previously announced JPY 25.
For details, see "Notice regarding Dividends from Retained Earnings," which was announced today (April 24, 2014).

3. Projected Results for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentages represent changes compared with the previous fiscal year or the previous interim period, as applicable.)

	Millions of yen			
	Interim period ending September 30, 2014	Change (%)	Full year ending March 31, 2015	Change (%)
Net sales	376,000	4.5	800,000	3.5
Operating income	31,000	0.7	74,000	8.7
Income before income taxes	30,500	1.6	71,000	14.5
Net income attributable to shareholders	22,000	3.9	51,000	10.4
Net income per share attributable to shareholders (JPY)	99.96		231.72	

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) Changes in accounting policy
 (a) Changes in accounting policy accompanying revision of accounting standards: No
 (b) Changes in accounting policy other than (a) above: No
- (3) Number of shares issued and outstanding (common stock)
 (a) Number of shares at end of period (including treasury stock): March 31, 2014: 227,121,372 shares;
 March 31, 2013: 227,121,372 shares
 (b) Treasury stock at end of period: March 31, 2014: 7,032,043 shares; March 31, 2013: 6,992,907 shares
 (c) Average number of shares during the period: Year ended March 31, 2014: 220,118,721 shares;
 Year ended March 31, 2013: 220,129,917 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(1) Non-consolidated Sales and Income

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

	Millions of yen - except per share data and percentages			
	Year ended March 31, 2014		Year ended March 31, 2013	
		Change (%)		Change (%)
Net sales	240,167	20.1	199,988	(1.8)
Operating income	21,292	57.9	13,484	46.7
Ordinary income	24,306	28.7	18,882	17.5
Net income	19,432	192.0	6,654	(23.8)
Net income per share (JPY)	88.28		30.23	
Net income per share, diluted (JPY)	—		30.23	

(2) Non-consolidated Financial Position

Millions of yen - except per share data and percentages

	As of March 31, 2014		As of March 31, 2013	
Total assets.....	381,438		358,833	
Net assets.....	240,133		227,055	
Net worth ratio (%).....	63.0		63.3	
Net assets per share (JPY).....	1,091.07		1,031.46	

(Reference) Net worth: Year ended March 31, 2014: JPY 240,133 million; Year ended March 31, 2013: JPY 227,055 million

Items Regarding the Implementation of Review Procedures

This summary of consolidated results is exempt from the review procedures based on the Financial Instruments and Exchange Act. Review procedures for the consolidated financial statements based on the Financial Instruments and Exchange Act had not been completed by the time of disclosure of this summary of consolidated results.

Notes Regarding 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 factors could cause actual results to differ materially from these projections. Major factors influencing Omron's actual results include, but are not limited to, (i) the economic conditions affecting the Omron Group's businesses in Japan and overseas, (ii) demand trends for the Omron Group's products and services, (iii) the ability of the Omron Group to develop new technologies and new products, (iv) major changes in the fund-raising environment, (v) tie-ups or cooperative relationships with other companies, (vi) movements in currency exchange rates and stock markets, and (vii) accidents, earthquakes, etc..

For the assumptions that form the basis of the projected results, see "1. Analysis of Results of Operations and Financial Condition, (1) Analysis of Results of Operations, 2) Outlook for the Year Ending March 31, 2015" on page 10.

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, April 24, 2014. 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 & Equipments Division, Micro Devices Business, OMRON PRECISION TECHNOLOGY Co., Ltd. and others

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1. Analysis of Results of Operations and Financial Condition

(1) Analysis of Results of Operations

1) Results of Operations in the Year Ended March 31, 2014

General Overview

In the year ended March 31, 2014 (fiscal 2013), earnings and profits of the Omron Group both increased substantially compared with the previous fiscal year, with similar growth in earnings and profits in every business segment.

The Omron Group's perception of the economic environment in fiscal 2013 is as follows.

Economic and Market Conditions by Region

Japan:	Conditions were firm due to the government's economic policies, the Bank of Japan's monetary policy, last-minute demand before the increase in the consumption tax rate and other factors.
U.S.:	The sense of uncertainty about monetary policy abated and conditions remained firm due to growth in corporate activity, improvement in the employment and income environment, and other factors.
Europe:	Business and consumer confidence improved and there was a gradual recovery trend.
China:	A sense of economic uncertainty persisted, with factors including sluggishness in corporate activity, personal consumption and the housing market.
Asia:	Uncertainty persisted, with factors including political instability in some countries and a downturn in business confidence.

Conditions in the Omron Group's Primary Related Markets

Automotive-related:	Capital investment demand in Japan was on a recovery track, and demand for components was strong in Japan, emerging markets and elsewhere.
Semiconductor-related:	Capital investment demand in Japan was on a recovery track due to demand for smartphones and other products.
Machine tool-related:	There were signs of a recovery in capital investment demand in Japan and overseas.
Home appliance and electronic component-related:	Capital investment demand was on a recovery track, and demand for components was strong outside Japan.
Healthcare equipment-related:	Demand was firm due to factors including rising health consciousness in emerging markets.

In addition, the Omron Group set its policy for fiscal 2013 as "Complete the GLOBE Stage! Complete the transformation to a stronger Omron with greater growth, profitability, and response to change." As its action plan, the Group prioritized efforts including maximization of the strength of the industrial automation business, growth in emerging markets, expansion of new businesses that meet the needs of the "Optimization Society," conclusion of profit structure reform and strengthening of global human resources. In addition, the Group carried out measures to increase net sales and profits over the medium to long term, and steadily generated results compared with the previous fiscal year, including an increase in net sales in emerging markets.

Consequently, consolidated results for fiscal 2013 were as follows.

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

	Millions of yen, except exchange rate data and percentages		
	Year ended March 31, 2013	Year ended March 31, 2014	Change
Net sales	650,461	772,966	+18.8%
Operating income	45,343	68,055	+50.1%
Income before income taxes	41,237	62,007	+50.4%
Net income attributable to shareholders	30,203	46,185	+52.9%
Average USD exchange rate (JPY)	83.2 JPY	100.1 JPY	+16.9 JPY
Average EUR exchange rate (JPY)	107.6 JPY	134.0 JPY	+26.4 JPY

Results by Business Segment

IAB (Industrial Automation Business)

Millions of yen, except percentages

		Year ended March 31, 2013	Year ended March 31, 2014	Change
Sales to external customers	Japan	116,283	119,407	+2.7%
	Overseas	146,700	172,332	+17.5%
	Total	262,983	291,739	+10.9%
Segment profit		31,349	38,755	+23.6%

Note: Due to a revision of management classifications, some businesses under EMC are included in the IAB business segment from the year ended March 31, 2014. Accordingly, segment profit for the year ended March 31, 2013 is restated under the new management classification.

Sales in Japan

Although customers' capital investment demand was generally weak in the first half, sales in Japan for the year ended March 31, 2014 increased compared with the previous fiscal year with the contribution of a recovery trend in capital investment demand, mainly in the semiconductor and electronic components industries, and sales of new products in the second half.

Overseas Sales

In the Americas, factory automation-related demand recovered in North America from the second half, and full-year sales were flat compared with the previous year. Although oil-related business sales were weak in the first half, they recovered over the full year. In Europe, sales maintained the level of the previous fiscal year despite the moderate economic upturn. Some countries in Asia experienced political instability and currency devaluation, and capital investment demand was weak in automotive and electronic component-related industries, but demand was firm in flat panel display, semiconductor, automotive-related and other industries in South Korea. Sales in China slumped due to weakness in electronic component-related, export-related and other industries. Overall, overseas sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year, due in part to the impact of the depreciation of the yen.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year due to the increase in sales and the impact of the depreciation of the yen.

EMC (Electronic and Mechanical Components Business)

Millions of yen, except percentages

		Year ended March 31, 2013	Year ended March 31, 2014	Change
Sales to external customers	Japan	26,664	28,103	+5.4%
	Overseas	57,443	69,596	+21.2%
	Total	84,107	97,699	+16.2%
Segment profit		4,351	8,655	+98.9%

Note: Due to a revision of management classifications, some businesses under EMC are included in the IAB business segment from the year ended March 31, 2014. Accordingly, segment profit for the year ended March 31, 2013 is restated under the new management classification.

Sales in Japan

Relay switches for the home appliance industry were sold strongly due to the impact of the economic recovery in Japan and the hot summer in the first half in addition to a surge in demand ahead of the increase in the consumption tax rate. and sales in Japan for the year ended March 31, 2014 increased compared with the previous fiscal year.

Overseas Sales

Sales increased in China and South Korea, except in certain industries, due to growth in the share of the market for the home appliance industry in addition to firm demand from the mobile devices industry. In the Americas, sales to the professional/consumer-use markets through agents were strong. Sales in Europe were firm due to the improvement of the professional/consumer-use markets, which had been weak. As a result, overseas sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year, due in part to the impact of the depreciation of the yen.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year due to the increase in sales, ongoing cost reduction initiatives and the impact of the depreciation of the yen.

AEC (Automotive Electronic Components Business)

Millions of yen, except percentages

		Year ended March 31, 2013	Year ended March 31, 2014	Change
Sales to external customers	Japan	30,269	28,400	-6.2%
	Overseas	67,374	98,220	+45.8%
	Total	97,643	126,620	+29.7%
Segment profit		5,009	9,084	+81.4%

Sales in Japan

Despite the effect of government economic measures, the continuation of tax breaks for eco cars and the surge in demand before the increase in the consumption tax rate, sales in Japan for the year ended March 31, 2014 decreased compared with the previous fiscal year, with the impact of a shift in production to overseas by some customers.

Overseas Sales

The accelerated recovery in the North American market and market expansion in China and Asia remained strong. Although the European market trended toward recovery, the automotive market was weak. As a result, overseas sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year, due in part to the impact of the depreciation of the yen.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year due to factors such as the increase in sales and the impact of the depreciation of the yen.

SSB (Social Systems, Solutions and Service Business)

Millions of yen, except percentages

	Year ended March 31, 2013	Year ended March 31, 2014	Change
Sales to external customers	68,754	82,695	+20.3%
Segment profit	2,915	5,552	+90.5%

Public Transportation Systems Business Sales

Demand for renewal of public transportation equipment was firm against a backdrop of recovery in operating results of railway companies and a surge in demand ahead of the increase in the consumption tax rate. In addition, the security and safety solutions business, centered on remote monitoring systems, was firm, and sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year.

Traffic and Road Management Systems Business and Other Sales

Sales were strong in the traffic and road management systems business, due in part to demand for measures to deal with aging management systems and equipment. In the environmental solutions business, sales increased substantially compared with the previous fiscal year due to firm demand for solar power generation-related products. Sales were strong in the related maintenance business due to growth in solar power generation-related construction.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year because of the increase in sales.

HCB (Healthcare Business)

Millions of yen, except percentages

		Year ended March 31, 2013	Year ended March 31, 2014	Change
Sales to external customers	Japan	29,491	30,816	+4.5%
	Overseas	42,029	58,459	+39.1%
	Total	71,520	89,275	+24.8%
Segment profit		4,407	7,545	+71.2%

Sales in Japan

In healthcare equipment for household use, sales of digital blood pressure monitors and digital thermometers, which are core products for Omron, were strong. New demand stimulated by the launch of new products (body composition monitors, upper-arm blood pressure monitors, walking posture meters, activity meters, sleep time monitors, massagers, low-frequency therapy equipment) also contributed. In addition, sales of equipment for use in medical institutions were firm. As a result, sales in Japan for the year ended March 31, 2014 increased compared with the previous fiscal year.

Overseas Sales

Despite the impact of a slowdown in the Russian economy and political instability in some Southeast Asian countries, demand for healthcare equipment and products continued to increase in other emerging markets, and sales were extremely strong. Sales were also strong in developed countries as Omron was successful in increasing sales of digital blood pressure monitors. As a result, overseas sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year due to factors including the increase in sales and ongoing cost reduction activities, as well as the impact of the depreciation of the yen.

Other

Millions of yen, except percentages

	Year ended March 31, 2013	Year ended March 31, 2014	Change
Sales to external customers	59,240	78,949	+33.3%
Segment profit (loss)	2,526	8,676	+243.5%

Businesses in the "Other" segment are primarily responsible for exploring and nurturing new business fields and nurturing/reinforcing businesses not handled by other internal companies.

Environmental Solutions Business Sales

Sales volume of solar power condensers and other products increased substantially, driven by growing interest in the use of renewable energy, and sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year.

Electronic Systems & Equipments Division Sales

Although uninterruptible power supplies performed strongly due to increased capital investment associated with a recovery in corporate results and a surge in last-minute demand ahead of the increase in the consumption tax rate, sales were weak due to a decrease in demand from major customers for development and contract manufacturing services for industrial embedded computers and electronic devices. Sales for the year ended March 31, 2014 were unchanged from the previous fiscal year.

Micro Devices Business Sales

Sales for the year ended March 31, 2014 increased substantially compared with the previous fiscal year due to a rapid increase in demand for microphones.

Backlight Business Sales

Due to strong performance in the smartphone market and growth in demand in the tablet device field, which the Omron Group entered during the fiscal year under review, sales for the year ended March 31, 2014 increased compared with the previous fiscal year.

Segment Profit

Segment profit increased substantially compared with the previous fiscal year because of increased sales in each business.

2) Outlook for the Year Ending March 31, 2015

General Outlook

As for the perception of the economic environment during the year ending March 31, 2015, moderate growth is forecasted, supported by an underlying trend of economic recovery in developed countries, mainly the United States, amid continuing uncertainty in Asia and China.

In Japan, although a temporary economic slowdown is expected following the increase in the consumption tax rate, a moderate upturn is forecasted due to factors such as the improvement in the export environment against a backdrop of government economic policies and economic recovery overseas.

Overseas, amid the persistent economic downturn in some Asian countries and continuing uncertainty about the outlook for the Chinese economy, moderate growth is forecast due to factors including recovery in personal consumption and growth in corporate capital investment in the United States and an ongoing economic recovery trend in Europe.

In this environment, the Omron Group will start the EARTH-1 Stage of VG2020 as its new medium-term management plan from April 2014, and has set “Start Up EARTH-1: Establishment of a ‘self-propelled’ growth structure” as its policy for the next fiscal year (fiscal 2014). As its action plan, the Omron Group will prioritize efforts including its existing business strategies, a super-global business strategy, expansion of optimal new businesses, profit structure reform and strengthening of global human resources.

The Omron Group forecasts increases in sales and profits for the year ending March 31, 2015. The Omron Group forecasts net sales of JPY 800.0 billion, operating income of JPY 74.0 billion, income before income taxes of JPY 71.0 billion, and net income attributable to shareholders of JPY 51.0 billion. The assumed exchange rates are USD1 = JPY 100 and EUR1 = JPY 135.

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

Millions of yen, except exchange rate data and percentages			
	Year ended March 31, 2014	Year ending March 31, 2015	Change
Net sales	772,966	800,000	+3.5%
Operating income	68,055	74,000	+8.7%
Income before income taxes	62,007	71,000	+14.5%
Net income attributable to shareholders	46,185	51,000	+10.4%
Average JPY to USD exchange rate	100.1 JPY	100.0 JPY	-0.1 JPY
Average JPY to EUR exchange rate	134.0 JPY	135.0 JPY	+1.0 JPY

Outlook by Segment
IAB (Industrial Automation Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ending March 31, 2015	Change
Sales to external customers	Japan	119,407	123,000	+3.0%
	Overseas	172,332	177,000	+2.7%
	Total	291,739	300,000	+2.8%
Segment profit		38,755	40,000	+3.2%

Outlook for Sales in Japan

Sales are expected to remain firm throughout the year, mainly in semiconductor and electronic component-related industries. As a result, we forecast that sales in Japan for the year ending March 31, 2015 will increase compared with the year ended March 31, 2014.

Outlook for Overseas Sales

The economic environment in emerging markets is forecast to remain uncertain, with factors including monetary tightening in China and slowing economic growth rates in emerging markets. However, we forecast that overseas sales for the year ending March 31, 2015 will increase compared with the year ended March 31, 2014, supported by firm capital investment demand, mainly in developed countries.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2014 due to the increase in sales, efficient management of fixed costs and other factors.

EMC (Electronic and Mechanical Components Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ending March 31, 2015	Change
Sales to external customers	Japan	28,103	26,000	-7.5%
	Overseas	69,596	75,000	+7.8%
	Total	97,699	101,000	+3.4%
Segment profit		8,655	9,200	+6.3%

Outlook for Sales in Japan

Although we expect growth in sales of new products to the professional/consumer-use markets industries, we forecast a decrease in sales in Japan for the year ending March 31, 2015 compared with the year ended March 31, 2014, with the impact of the increase in the consumption tax rate in the home appliance industry and a decrease in domestic demand in the automotive industry due to the transfer of production overseas by some customers.

Outlook for Overseas Sales

In the professional/consumer-use markets, we forecast expansion of sales of power latching relays for smart meter manufacturers in environment-related industries, in addition to sales expansion from strengthening our product lineup for small and medium-sized customers. In the automotive industry, we forecast sales growth in China and North America, where production is expected to increase. As a result of these factors, we forecast an increase in overseas sales for the year ending March 31, 2015 compared with the year ended March 31, 2014.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2014 due to ongoing cost reduction activities and improved productivity, in addition to expanded sales.

AEC (Automotive Electronic Components Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ending March 31, 2015	Change
Sales to external customers	Japan	28,400	25,000	-12.0%
	Overseas	98,220	103,500	+5.4%
	Total	126,620	128,500	+1.5%
Segment profit		9,084	9,200	+1.3%

Outlook for Sales in Japan

Demand is expected to fall below the level of the year ended March 31, 2014, with the impact of the increase in the consumption tax rate and the full-scale transfer of production to overseas by some customers. We forecast a decrease in sales in Japan for the year ending March 31, 2015 compared with the year ended March 31, 2014.

Outlook for Overseas Sales

In addition to a solid increase in demand in the North American market, we forecast strong demand in emerging markets. Under these circumstances, we forecast an increase in overseas sales for the year ending March 31, 2015 compared with the year ended March 31, 2014 due to factors including an increase in vehicles equipped with Omron Group products in North America, Southeast Asia and China.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2014 due to improved productivity and other factors.

SSB (Social Systems, Solutions and Service Business)

Millions of yen, except percentages

	Year ended March 31, 2014	Year ending March 31, 2015	Change
Sales to external customers	82,695	85,500	+3.4%
Segment profit	5,552	6,500	+17.1%

Outlook for Public Transportation Systems Business Sales

We forecast that sales will be flat compared with the year ended March 31, 2014 due to factors including the impact of the increase in the consumption tax rate, safety and security solutions and the creation of overseas business, mainly in emerging markets.

Outlook for Traffic and Road Management Systems Business and Other Sales

In the traffic and road management systems business, although we forecast an increase in sales due to the creation of security and safety needs among expressway businesses, we forecast that sales will be flat compared with the year ended March 31, 2014 due to a decrease in investment demand among customers in existing fields. In the environmental solutions and related maintenance businesses, we forecast an increase in sales compared with the year ended March 31, 2014 from strengthening our merchandise and sales channels, in addition to firm demand from solar power generation-related businesses.

Outlook for Segment Profit

We forecast a substantial increase in segment profit compared with the year ended March 31, 2014 due to the increase in sales and other factors.

HCB (Healthcare Business)

Millions of yen, except percentages

		Year ended March 31, 2014	Year ending March 31, 2015	Change
Sales to external customers	Japan	30,816	32,500	+5.5%
	Overseas	58,459	66,000	+12.9%
	Total	89,275	98,500	+10.3%
Segment profit		7,545	8,000	+6.0%

Outlook for Sales in Japan

Despite the impact of the increase in the consumption tax rate, we assume that both personal consumption and capital investment by medical institutions will continue to increase. In addition, we assume demand for Omron products will expand due to an increase in patients with lifestyle diseases with the aging of society and because of rising health consciousness. In light of these factors, we forecast an increase in sales in Japan for the year ending March 31, 2015 compared with the year ended March 31, 2014 due to the expansion of equipment and services that more closely integrate health management into daily life and investment by medical institutions in equipment that raises the efficiency of testing and diagnosis.

Outlook for Overseas Sales

In developed countries, recovery in personal consumption is forecasted due to an economic upturn in North America and Europe, and we assume that health consciousness will continue to rise. In emerging markets, we assume that an increase in patients with lifestyle diseases will become apparent due to changes in lifestyles brought about by economic growth, and that demand for Omron products will continue to increase due to rising health consciousness. As a result of these factors, we forecast a substantial increase in overseas sales for the year ending March 31, 2015 compared with the year ended March 31, 2014.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2014 due to the increase in sales, improved productivity and efficient management of fixed costs.

Other

Millions of yen, except percentages

	Year ended March 31, 2014	Year ending March 31, 2015	Change
Sales to external customers	78,949	83,000	+5.1%
Segment profit	8,676	9,500	+9.5%

Outlook for Environmental Solutions Business Sales

We forecast an increase in sales compared with the year ended March 31, 2014 due to factors including expansion of sales and market share in Japan for solar power condensers and expansion of the scale of business as a result of integration of management with other divisions in the energy-saving components and energy solutions business.

Outlook for Electronic Systems & Equipments Division Sales

We forecast an increase in sales compared with the year ended March 31, 2014 due to an enhanced product lineup of uninterruptible power supplies.

Outlook for Micro Devices Business Sales

We forecast an increase in sales compared with the year ended March 31, 2014, mainly of those for consumer products such as microphones.

Outlook for Backlight Business Sales

We forecast flat sales compared with the year ended March 31, 2014, with continued strong performance in the smartphone market and elsewhere.

Outlook for Segment Profit

We forecast an increase in segment profit compared with the year ended March 31, 2014 due to an increase in sales and other factors.

(2) Analysis of Financial Condition

Analysis of Assets, Liabilities, Net Assets and Cash Flow

1) Financial Condition as of March 31, 2014

Total assets as of March 31, 2014 were JPY 654,704 million, an increase of JPY 81,067 million compared with the end of the previous fiscal year, due to an increase in cash and cash equivalents and other factors. Liabilities were JPY 221,926 million, an increase of JPY 17,052 million compared with the end of the previous fiscal year, due to an increase in notes and accounts payable — trade and other factors. Net assets were JPY 432,778 million, an increase of JPY 64,015 million compared with the end of the previous fiscal year, due to a change in foreign currency translation adjustments and other factors, in addition to recording net income. The shareholders' equity ratio increased by 1.8 percentage points compared with the end of the previous fiscal year, from 64.0% to 65.8%.

2) Summary of Cash Flows for the Year Ended March 31, 2014

Net cash provided by operating activities was JPY 79,044 million (an increase of JPY 25,986 million compared with the previous fiscal year) due to JPY 46,314 million in net income.

Net cash used in investing activities was JPY 31,125 million (an increase in cash outflow of JPY 2,654 million compared with the previous fiscal year) because of investments for production facilities and other purposes.

Net cash used in financing activities totaled JPY 16,298 million (a decrease in cash outflow of JPY 2,252 million compared with the previous fiscal year) because of repayments of short-term debt and dividends paid.

As a result, the balance of cash and cash equivalents at March 31, 2014 was JPY 90,251 million.

3) Forecast of Financial Condition for the Year Ending March 31, 2015

In the fiscal year ending March 31, 2015, we will carry out ongoing capital expenditures, investments and loans in line with the policy for fiscal 2014 under VG2020 – “Start Up EARTH-1: Building an engine for self-propelled growth.”

In financing activities, we will efficiently allocate capital throughout the Group while considering our financial situation, and conduct flexible procurement and management.

In light of the above, Omron believes that the balance of cash and cash equivalents of JPY 90,251 million as of March 31, 2014 is at a sufficient level for business operations in the present economic conditions.

Cash Flow Indicators and Trends

Consolidated cash flow indicators and trends for the five most recent fiscal years are as follows.

	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014
Shareholders' equity ratio (%)	57.5	55.6	59.7	64.0	65.8
Shareholders' equity ratio on market value basis (%)	89.8	91.4	72.9	89.0	143.2
Debt coverage ratio	0.9	1.1	0.6	0.1	0.0
Interest coverage ratio	65.6	87.0	118.8	192.0	265.7

Notes: Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio on market value basis: Total market value of stock/Total assets

Debt coverage ratio: Interest-bearing liabilities/Net cash provided by operations

Interest coverage ratio: Net cash provided by operations/Interest expense

1. All indicators are calculated on a consolidated basis.
2. Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing share price at the end of the period.
3. Net cash provided by operations is as reported in the consolidated statement of cash flows. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid. Interest expense is as stated in the notes to the consolidated statements of cash flows.

(3) Basic Policy for Distribution of Profits and Dividends for the Year Ended March 31, 2014 and the Year Ending March 31, 2015

Omron consults with its general meeting of shareholders regarding decisions on dividends from retained earnings, with the exception of interim dividends, which are decided by resolution of the Board of Directors based on the provisions of the Articles of Incorporation.

Omron views its dividend policy as one of its most important management issues, and applies the following basic policy in regard to distribution of profits to shareholders.

- 1) In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and capital investments, which are vital to future business expansion.
- 2) After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.
- 3) For dividends in each fiscal year, Omron's policy is to enhance stable, uninterrupted profit distributions by taking into account consolidated results as well as indicators including dividends on equity (DOE), which is return on equity (ROE) multiplied by the payout ratio, although this is subject to the level of internal capital resources necessary. Specifically, while following its previous policy of maintaining the payout ratio at a minimum of 25% in fiscal 2014, Omron will aim for a payout ratio of 30% by fiscal 2016 to further enhance medium-term returns to shareholders. In addition, Omron will maintain its previous near-term DOE target of 2%.
- 4) Utilizing retained earnings that have been accumulated over a long period of time, Omron intends to systematically repurchase and retire the Company's stock to benefit shareholders.

For the year ended March 31, 2014, Omron plans to apply its fiscal 2013 policy of a minimum 25% payout ratio and pay an ordinary year-end dividend of JPY 28 per share. For the full fiscal year, including the interim dividend of JPY 25 per share paid on December 2, 2013, Omron plans to pay total dividends of JPY 53 per share.

Please note that for the year ending March 31, 2015, Omron plans to pay an interim dividend of JPY 27 per share and a year-end dividend of JPY 36 per share for total dividends of JPY 63 per share for the full fiscal year, an increase of JPY 10 per share from the previous fiscal year.

2. The Omron Group

Disclosure is omitted because there is no significant change from the "Business Organization Chart (Business Content)" and "Subsidiaries and Affiliates" in the most recent Securities Report (*Yuka shoken hokokusho*), issued on June 21, 2013.

3. Management Policies

(1) Omron's Basic Management Policies

Based on a philosophy of “working for the benefit of society,” in 2011 the Omron Group established “Value Generation 2020” (VG2020), its long-term vision to the year ending March 31, 2021 (fiscal 2020) with the aim of becoming a “global value-creating group that is qualitatively and quantitatively superior.” To realize this vision Omron continues to boldly take on challenges for the resolution of global social issues through its businesses.

(2) Targeted Management Indicators and Medium-to-Long-Term Corporate Management Strategy

In VG2020, we have set the quantitative goals for fiscal 2020 of net sales of over JPY 1 trillion and an operating income margin of 15%, and we are carrying the plan out by dividing the ten-year period into two stages. The first three years of VG2020 are the GLOBE Stage, during which we aimed to build a global earnings structure and pursue growth in the global market. The seven-year period starting in fiscal 2014 is the EARTH Stage, during which we will aim to generate new value for growth.

In fiscal 2013, the final year of the GLOBE Stage, we set new record highs in net sales and income. During the three years of the GLOBE Stage, we have been working to strengthen “growth power,” “earning power” and “the response to change.” Our summary of that period and our recognition of issues as we head into the EARTH Stage are as follows.

For growth power, we achieved substantial growth by steadily taking advantage of the boost from growth in markets such as emerging markets, centered on China, and the environmental market. Moreover, the Automotive Electronic Components Business, the Social Systems, Solutions and Service Business, the Healthcare Business and the Backlight Business displayed growth exceeding their initial targets and reaffirmed the strength of the Omron Group from possessing diverse businesses. In the EARTH Stage, the key will be achieving self-propelled growth that allows us to move forward through our own effort even when there is no boost from the operating environment, or, in other words, establishing a structure that enables us to grow in any business environment.

For earning power, we worked to establish a profit structure for growth. Through sustained Group-wide efforts for improvement, we raised the gross profit ratio by 1 percentage point from 37.5% to 38.5% over the three-year period. In the EARTH Stage, we recognize the necessity of continuing to strengthen earning power to succeed in emerging markets where we face both global and local competition, and to generate ongoing investments for growth.

For the response to change, it was necessary to address many unforeseen events such as the Great East Japan Earthquake and the floods in Thailand. Moreover, for an agile response to numerous other risks, we have established a system to carry out risk countermeasures and emergency measures globally in an integrated manner. In the EARTH Stage, in addition to further raising our ability to deal with risks, it will be important to strengthen our response to change for growth by treating social and market changes as opportunities.

Based on these results during the GLOBE Stage, we will accelerate growth in the EARTH Stage, which starts in fiscal 2014, while promoting the evolution of the three basic strategies of VG2020 – “existing business strategies,” “a super-global business strategy” and “expansion of optimal new businesses” – as well as “profit structure reform” and “strengthening of global human resources,” which support those strategies. Specifically, we have divided the period into two stages, with the three-year period to fiscal 2016 as the EARTH-1 Stage and the four-year period to fiscal 2020 as the EARTH-2 Stage, and have designated “establishment of a ‘self-propelled’ growth structure” as the target of the EARTH-1 Stage. We have set quantitative targets for fiscal 2016 of net sales of JPY 900 billion or more, a gross profit margin of 40% or higher, an operating income margin of 10% or higher, ROIC of about 13% and EPS of about JPY 290, and are devoting all our effort to achieving them. In addition, we will increase returns to shareholders.

(3) Issues Facing the Company

In the EARTH-1 Stage, we will strengthen the three basic strategies listed above – “existing business strategies,” “a super-global business strategy” and “expansion of optimal new businesses” – to achieve “establishment of a ‘self-propelled’ growth structure.” For this purpose, we will focus on the following three priority issues.

1) Rapid Growth in Greater Asia (China and Asia)

In addition to the Chinese market, we will expand sales by strengthening our functions for creating and delivering products to turn the growing regions of Asia (ASEAN, India, South Korea) into pillars of area growth to stand alongside China to drive growth in all businesses in Asia.

2) Acceleration of New Businesses through Innovation

We will work to strengthen sensing and control technologies and create new businesses by utilizing the Omron Group's diverse business foundation and active cooperation with venture companies to achieve sustained growth. We will accelerate "new automation" business creation in the fields of industry, society, lifestyles and the environment by giving rise to innovation that provides this new value.

3) Accelerated Growth through Use of External Parties

Through the proactive use of external parties in ways such as industrial-academic collaboration and business alliances with other companies, we will accelerate growth by working to improve our position in existing business in developed countries, speeding up business expansion in emerging markets and creating new businesses.

By dealing with the above priority issues, we will change into a "strong business enterprise" equipped with "growth power," "earning power" and "the response to change." In the year ending March 31, 2015 (fiscal 2014), the first year of the EARTH Stage, the entire Omron Group will work together with the aim of net sales of JPY 800 billion, a gross profit margin of 39.6%, operating income of JPY 74 billion, net income of JPY 51 billion, and ROIC of about 12%.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013		As of March 31, 2014		Increase (decrease)
ASSETS					
Current assets:	333,694	58.2%	396,493	60.6%	62,799
Cash and cash equivalents	55,708		90,251		34,543
Notes and accounts receivable — trade	158,911		174,216		15,305
Allowance for doubtful receivables	(1,988)		(1,812)		176
Inventories	91,013		97,677		6,664
Deferred income taxes	17,611		22,688		5,077
Other current assets	12,439		13,473		1,034
Property, plant and equipment:	126,835	22.1	135,566	20.7	8,731
Land	26,591		26,344		(247)
Buildings	137,821		140,495		2,674
Machinery and equipment	156,186		171,192		15,006
Construction in progress	6,729		7,126		397
Accumulated depreciation	(200,492)		(209,591)		(9,099)
Investments and other assets:	113,108	19.7	122,645	18.7	9,537
Investments in and advances to associates	17,939		21,349		3,410
Investment securities	38,193		51,117		12,924
Leasehold deposits	6,914		6,950		36
Deferred income taxes	30,612		20,918		(9,694)
Other	19,450		22,311		2,861
Total assets	573,637	100.0%	654,704	100.0%	81,067

(Millions of yen)

	As of		As of		Increase (decrease)
	March 31, 2013		March 31, 2014		
LIABILITIES					
Current liabilities:	145,701	25.4%	162,707	24.9%	17,006
Short-term debt	5,570		488		(5,082)
Notes and accounts payable — trade	75,592		85,218		9,626
Accrued expenses	32,818		39,897		7,079
Income taxes payable	3,907		6,340		2,433
Other current liabilities	27,814		30,764		2,950
Deferred income taxes	595	0.1	2,167	0.3	1,572
Termination and retirement benefits	56,944	9.9	50,683	7.7	(6,261)
Other long-term liabilities	1,634	0.3	6,369	1.0	4,735
Total liabilities	204,874	35.7	221,926	33.9	17,052
NET ASSETS					
Shareholders' equity	366,962	64.0	430,509	65.8	63,547
Common stock	64,100	11.2	64,100	9.8	—
Capital surplus	99,066	17.3	99,067	15.1	1
Legal reserve	10,876	1.9	11,196	1.7	320
Retained earnings	253,654	44.2	287,853	44.0	34,199
Accumulated other comprehensive income (loss)	(44,349)	(7.7)	(15,162)	(2.3)	29,187
Foreign currency translation adjustments	(14,224)		4,536		18,760
Minimum pension liability adjustments	(39,730)		(38,029)		1,701
Net unrealized gains on available-for-sale securities	9,580		18,466		8,886
Net gains (losses) on derivative instruments	25		(135)		(160)
Treasury stock	(16,385)	(2.9)	(16,545)	(2.5)	(160)
Noncontrolling interests	1,801	0.3	2,269	0.3	468
Total net assets	368,763	64.3	432,778	66.1	64,015
Total liabilities and shareholders' equity	573,637	100.0%	654,704	100.0%	81,067

**(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income
(Loss)**

Consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2013		Year ended March 31, 2014		Increase (decrease)
Net sales	650,461	100.0%	772,966	100.0%	122,505
Cost of sales	408,954	62.9	475,758	61.5	66,804
Gross profit	241,507	37.1	297,208	38.5	55,701
Selling, general and administrative expenses	152,676	23.4	181,225	23.5	28,549
Research and development expenses	43,488	6.7	47,928	6.2	4,440
Operating income	45,343	7.0	68,055	8.8	22,712
Other expenses, net	4,106	0.7	6,048	0.8	1,942
Income before income taxes	41,237	6.3	62,007	8.0	20,770
Income taxes	14,096	2.2	19,475	2.5	5,379
Current	10,334		17,305		6,971
Deferred	3,762		2,170		(1,592)
Equity in net losses (gains) of affiliates	(2,976)	(0.5)	(3,782)	(0.5)	(806)
Net income	30,117	4.6	46,314	6.0	16,197
Net income (loss) attributable to noncontrolling interests	(86)	(0.0)	129	0.0	215
Net income attributable to shareholders	30,203	4.6	46,185	6.0	15,982

Consolidated Statements of Comprehensive Income (Loss)

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Increase (decrease)
Net income	30,117	46,314	16,197
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	22,480	18,945	(3,535)
Pension liability adjustments	(915)	1,701	2,616
Net unrealized gains on available-for-sale securities	2,585	8,886	6,301
Net gains (losses) on derivative instruments	94	(160)	(254)
Total other comprehensive income (loss)	24,244	29,372	5,128
Comprehensive income (loss)	54,361	75,686	21,325
(Breakdown)			
Comprehensive income (loss) attributable to noncontrolling interests	74	314	240
Comprehensive income (loss) attributable to shareholders	54,287	75,372	21,085

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Non-controlling interests	Total net assets
Balance, March 31, 2012	64,100	99,078	10,034	260,557	(68,433)	(44,496)	320,840	840	321,680
Net income				30,203			30,203	(86)	30,117
Cash dividends				(8,145)			(8,145)		(8,145)
Dividends to noncontrolling interests								(2)	(2)
Equity transactions with noncontrolling interests and other		(12)					(12)	889	877
Transfer to legal reserve			842	(842)			-		-
Foreign currency translation adjustments					22,320		22,320	160	22,480
Minimum pension liability adjustments					(915)		(915)		(915)
Net unrealized gains on available-for-sale securities					2,585		2,585		2,585
Net gains on derivative instruments					94		94		94
Acquisition of treasury stock						(9)	(9)		(9)
Sale of treasury stock				(0)		1	1		1
Cancellation of treasury stock				(28,119)		28,119	-		-
Balance, March 31, 2013	64,100	99,066	10,876	253,654	(44,349)	(16,385)	366,962	1,801	368,763
Net income				46,185			46,185	129	46,314
Cash dividends				(11,666)			(11,666)		(11,666)
Equity transactions with noncontrolling interests and other								154	154
Transfer to legal reserve			320	(320)			-		-
Foreign currency translation adjustments					18,760		18,760	185	18,945
Minimum pension liability adjustments					1,701		1,701		1,701
Net unrealized gains on available-for-sale securities					8,886		8,886		8,886
Net gains on derivative instruments					(160)		(160)		(160)
Acquisition of treasury stock						(161)	(161)		(161)
Sale of treasury stock		1				1	2		2
Balance, March 31, 2014	64,100	99,067	11,196	287,853	(15,162)	(16,545)	430,509	2,269	432,778

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Increase (decrease)
I Operating Activities:			
1. Net income (loss)	30,117	46,314	16,197
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	22,452	25,089	
(2) Net loss on sales and disposals of property, plant and equipment	578	1,146	
(3) Loss on impairment of property, plant and equipment	3,265	804	
(4) Net gain on sales of investment securities	(677)	(1,714)	
(5) Loss on impairment of investment securities and other assets	1,086	501	
(6) Loss on impairment of goodwill	153	—	
(7) Termination and retirement benefits	(4,433)	(4,417)	
(8) Deferred income taxes	3,762	2,170	
(9) Equity in loss (gain) of affiliates	(2,976)	(3,782)	
(10) Changes in assets and liabilities:			
(i) Increase in notes and accounts receivable — trade, net	(5,827)	(6,613)	
(ii) Decrease (increase) in inventories	8,641	(325)	
(iii) Decrease (increase) in other assets	21	(32)	
(iv) Increase (decrease) in notes and accounts payable — trade	(5,927)	5,824	
(v) Increase in income taxes payable	3,121	2,277	
(vi) Increase in accrued expenses and other current liabilities	1,519	10,883	
(11) Other, net	(1,817)	919	
Total adjustments	22,941	32,730	9,789
Net cash provided by operating activities	53,058	79,044	25,986
II Investing Activities:			
1. Proceeds from sales or maturities of investment securities	1,658	2,840	1,182
2. Purchase of investment securities	0	(2,179)	(2,179)
3. Capital expenditures	(30,383)	(32,218)	(1,835)
4. Decrease (increase) in leasehold deposits, net	457	75	(382)
5. Proceeds from sales of property, plant and equipment	836	794	(42)
6. Decrease (increase) in investment in and loans to affiliates	(1,884)	209	2,093
7. Proceeds from sale of business entities, net	90	26	(64)
8. Payment for acquisition of business entities, net	141	(672)	(813)
9. Equity transaction with noncontrolling interests	(10)	—	10
10. Other, net	624	—	(624)
Net cash used in investing activities	(28,471)	(31,125)	(2,654)
III Financing Activities:			
1. Net proceeds (repayments) of short-term debt	(13,273)	(5,135)	8,138
2. Dividends paid by the Company	(6,164)	(10,566)	(4,402)
3. Dividends paid to noncontrolling interests	(2)	—	2
4. Proceeds from capital transactions with noncontrolling interests	819	22	(797)
5. Other, net	70	(619)	(689)
Net cash used in financing activities	(18,550)	(16,298)	2,252
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,414	2,922	(1,492)
Net Increase (Decrease) in Cash and Cash Equivalents	10,451	34,543	24,092
Cash and Cash Equivalents at Beginning of the Period	45,257	55,708	10,451
Cash and Cash Equivalents at End of the Period	55,708	90,251	34,543
Notes to cash flows from operating activities:			
1. Interest paid	276	298	22
2. Taxes paid	7,200	14,261	7,061
Notes to investing and financing activities not involving cash flow:			
1. Debt related to capital expenditures	583	1,243	660
2. Decrease in capital surplus due to cancellation of treasury stock	28,119	—	(28,119)

(5) Notes Regarding Assumptions of Continuing Operations

None applicable

(6) Preparation of the Consolidated Financial Statements

Omitted because no material changes have been made since publication of the most recent Securities Report (*Yuka shoken hokokusho*), submitted on June 21, 2013.

(7) Notes to Consolidated Financial Statements

1. Per Share Data

The Company calculates net income per share in accordance with FASB Statement No. 260, "Earnings per Share." The number of shares used to compute basic and diluted net income per share available to shareholders is as follows:

(Number of shares)	Year ended March 31, 2013	Year ended March 31, 2014
Basic	220,129,917	220,118,721
Diluted	220,129,917	—

Omron considers the dilution effect due to stock options. No such dilution effect occurred for the years ended March 31, 2013 and 2014.

2. Major Components of Other Expenses, Net

The major components of "Other expenses, net" are as follows:

Year ended March 31, 2013

Loss on impairment of long-lived assets	JPY 3,265 million
Loss on impairment of investment securities	JPY 1,086 million
Loss on disposal and sale of fixed assets, net	JPY 578 million
Interest paid	JPY 277 million
Gain on sale of investment securities	JPY (677) million

Year ended March 31, 2014

Foreign exchange loss, net	JPY 2,647 million
Environmental measures expenses	JPY 1,377 million
Loss on disposal and sale of fixed assets, net	JPY 1,146 million
Loss on impairment of long-lived assets	JPY 804 million
Loss on impairment of investment securities	JPY 501 million
Interest paid	JPY 298 million
Gain on sale of investment securities	JPY (1,714) million

3. Subsequent Events

None applicable.

Notes concerning asset retirement obligations such as lease transactions, related party transactions, tax effect accounting, financial products, securities, derivative transactions, retirement benefits, corporate consolidation and asset retirement obligations have not been included in this summary of consolidated financial results, as the Company considers their disclosure here to be of marginal importance.

(8) Segment Information

1. Business Segment Information

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to external customers	262,983	84,107	97,643	68,754	71,520	59,240	644,247	6,214	650,461
(2) Intersegment sales and transfers	5,566	44,502	228	3,849	106	18,995	73,246	(73,246)	—
Total	268,549	128,609	97,871	72,603	71,626	78,235	717,493	(67,032)	650,461
Operating expenses	237,200	124,258	92,862	69,688	67,219	75,709	666,936	(61,818)	605,118
Operating income (loss)	31,349	4,351	5,009	2,915	4,407	2,526	50,557	(5,214)	45,343

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to external customers	291,739	97,699	126,620	82,695	89,275	78,949	766,977	5,989	772,966
(2) Intersegment sales and transfers	7,540	48,972	195	4,598	127	27,089	88,521	(88,521)	—
Total	299,279	146,671	126,815	87,293	89,402	106,038	855,498	(82,532)	772,966
Operating expenses	260,524	138,016	117,731	81,741	81,857	97,362	777,231	(72,320)	704,911
Operating income (loss)	38,755	8,655	9,084	5,552	7,545	8,676	78,267	(10,212)	68,055

Note: Due to revision of management classifications, some businesses under EMC are included in the IAB business segment from the year ended March 31, 2014. Accordingly, figures for the year ended March 31, 2013 are restated under the new management classification.

2. Geographical Segment Information

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Millions of yen)

	Japan	Americas	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	328,470	80,427	80,453	106,283	54,828	650,461	—	650,461
(2) Intersegment sales and transfers	126,749	2,133	1,069	72,362	17,032	219,345	(219,345)	—
Total	455,219	82,560	81,522	178,645	71,860	869,806	(219,345)	650,461
Operating expenses	423,707	81,441	79,216	167,324	67,866	819,554	(214,436)	605,118
Operating income (loss)	31,512	1,119	2,306	11,321	3,994	50,252	(4,909)	45,343

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Japan	Americas	Europe	Greater China	South-east Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to external customers	356,342	100,992	100,929	142,444	72,259	772,966	—	772,966
(2) Intersegment sales and transfers	157,664	2,761	1,718	91,446	23,010	276,599	(276,599)	—
Total	514,006	103,753	102,647	233,890	95,269	1,049,565	(276,599)	772,966
Operating expenses	466,602	103,538	98,758	215,971	88,181	973,050	(268,139)	704,911
Operating income (loss)	47,404	215	3,889	17,919	7,088	76,515	(8,460)	68,055

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

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

3. Overseas Sales

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	81,978	85,885	107,312	57,367	332,542
Consolidated net sales					650,461
Overseas sales as a percentage of consolidated net sales (%)	12.6	13.2	16.5	8.8	51.1

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Americas	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	103,521	106,501	143,005	75,185	428,212
Consolidated net sales					772,966
Overseas sales as a percentage of consolidated net sales (%)	13.4	13.8	18.5	9.7	55.4

Note: Major countries or regions belonging to each segment are as follows:

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

5. Non-consolidated Financial Statements
(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
ASSETS		
Current assets		
Cash and time deposits	6,552	26,155
Accounts receivable	875	1,218
Accounts receivable — trade	36,776	40,386
Merchandise	5,777	6,404
Materials	2,403	2,505
Work-in-process	4,182	4,139
Supplies	498	524
Short-term loans receivable	130	120
Short-term loans to affiliates	25,485	21,369
Accounts receivable — purchasing	4,848	6,113
Other accounts receivable	3,600	3,998
Deferred income taxes	5,663	7,049
Other current assets	3,547	2,796
Allowance for doubtful receivables	(2,737)	(3,002)
Total current assets	97,599	119,774
Fixed assets		
Property and equipment		
Buildings (net)	19,121	17,821
Structures (net)	1,188	1,058
Machinery and equipment (net)	724	665
Vehicles and delivery equipment (net)	2	2
Tools, furniture and fixtures (net)	1,269	1,398
Land	13,391	13,391
Lease assets (net)	1,475	1,492
Construction in progress	409	362
Total property and equipment	37,579	36,189
Intangible fixed assets		
Software	4,915	4,847
Other	3,284	3,624
Total intangible fixed assets	8,199	8,471
Investments and other assets		
Investment securities	29,302	34,903
Investments in affiliated companies	139,309	139,309
Investments in capital	20,918	20,918
Long-term advances	50	50
Long-term advances to affiliates	5,218	5,472
Leasehold deposits	4,503	4,495
Deferred income taxes	15,703	10,427
Other	994	1,576
Allowance for doubtful receivables	(541)	(146)
Total investments and other assets	215,456	217,004
Total fixed assets	261,234	261,664
Total assets	358,833	381,438

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
LIABILITIES		
Current liabilities		
Accounts payable	867	1,202
Accounts payable — trade	17,897	22,421
Short-term borrowings from affiliated companies	64,668	69,865
Lease liabilities	809	770
Other payables	6,626	8,120
Accrued expenses	7,943	9,934
Income taxes payable	1,888	2,403
Advances received	21	22
Deposits received	881	962
Provision for officers' bonuses	144	194
Other	8,682	2,690
Total current liabilities	110,426	118,583
Long-term liabilities		
Long-term borrowings from affiliated companies	2,351	4,631
Lease liabilities	1,178	1,071
Termination and retirement benefits	15,847	14,382
Deferred tax liabilities related to revaluation	1,464	1,464
Other	512	1,174
Total long-term liabilities	21,352	22,722
Total liabilities	131,778	141,305
NET ASSETS		
Shareholders' equity		
Common stock	64,100	64,100
Capital surplus		
Additional paid-in capital	88,771	88,771
Other capital surplus	—	1
Total capital surplus	88,771	88,772
Retained earnings		
Legal reserve	6,774	6,774
Other retained earnings		
Reserve for dividends	3,400	3,400
Nonrestrictive reserve	73,500	73,500
Retained earnings carried forward	6,185	15,051
Total retained earnings	89,859	98,725
Treasury stock	(16,422)	(16,582)
Total shareholders' equity	226,308	235,015
Valuation and translation adjustments		
Net unrealized holding gains (losses) on securities	5,121	9,586
Deferred hedge loss	27	(67)
Revaluation of land	(4,401)	(4,401)
Total valuation and translation adjustments	747	5,118
Total net assets	227,055	240,133
Total liabilities and net assets	358,833	381,438

(2) Non-consolidated Statements of Operations

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Net sales	199,988	240,167
Cost of sales	107,419	131,779
Gross profit	92,569	108,388
Selling, general and administrative expenses	79,085	87,096
Operating income (loss)	13,484	21,292
Non-operating income:		
Interest received	377	294
Interest and dividend income	4,035	4,973
Other non-operating income	2,198	2,041
Total non-operating income	6,610	7,308
Non-operating expenses:		
Interest paid	406	427
Discount on sales	674	672
Foreign exchange loss	—	2,518
Other non-operating expenses	132	677
Total non-operating expenses	1,212	4,294
Ordinary income (loss)	18,882	24,306
Extraordinary gains:		
Gain on sales of property, plant and equipment	15	2
Gain on sales of investment securities	133	139
Other	179	0
Total extraordinary gains	327	141
Extraordinary losses		
Loss on sales and disposal of property, plant and equipment	379	251
Loss on evaluation of investment securities	757	11
Provision of allowance for doubtful receivables	2,600	270
Transfer pricing taxation adjustment	1,900	1,414
Impairment loss	2,192	206
Other	1,024	62
Total extraordinary losses	8,852	2,214
Income (loss) before income taxes	10,357	22,233
Income, residential and enterprise taxes	1,322	1,369
Adjustment for income taxes	2,381	1,432
Total income taxes	3,703	2,801
Net income (loss)	6,654	19,432

(3) Non-consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Legal reserve	Retained earnings			Total retained earnings
		Additional paid-in capital	Total capital surplus		Other retained earnings			
					Reserve for dividends	Non-restrictive reserve	Retained earnings carried forward	
Balance at beginning of period	64,100	88,771	88,771	6,774	3,400	73,500	34,658	118,332
Changes during the year								
Acquisition of treasury stock			–					–
Disposal of treasury stock			–				(0)	(0)
Cancellation of treasury stock			–				(28,176)	(28,176)
Dividends paid			–				(6,164)	(6,164)
Drawdown of reserve for reduction of land assets			–				(787)	(787)
Net income			–				6,654	6,654
Net change of items other than shareholders' equity			–					–
Total changes during the year	–	–	–	–	–	–	(28,473)	(28,473)
Balance at end of period	64,100	88,771	88,771	6,774	3,400	73,500	6,185	89,859

	Shareholders' equity		Valuation and translation adjustment				New stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Deferred hedge gain (loss)	Revaluation of land	Total valuation and translation adjustment		
Balance at beginning of period	(44,589)	226,614	2,642	1	(5,188)	(2,545)	176	224,245
Changes during the year								
Acquisition of treasury stock	(9)	(9)				–		(9)
Disposal of treasury stock	0	0				–		0
Cancellation of treasury stock	28,167	–				–		–
Dividends paid		(6,164)				–		(6,164)
Drawdown of reserve for reduction of land assets		(787)			787	787		–
Net income		6,654				–		6,654
Net change of items other than shareholders' equity		–	2,479	26		2,505	(176)	2,329
Total changes during the year	28,167	(306)	2,479	26	787	3,292	(176)	2,810
Balance at end of period	(16,422)	226,308	5,121	27	(4,401)	747	–	227,055

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings			Total retained earnings
					Reserve for dividends	Non-restrictive reserve	Retained earnings carried forward		
Balance at beginning of period	64,100	88,771	–	88,771	6,774	3,400	73,500	6,185	89,859
Changes during the year									
Acquisition of treasury stock				–					–
Disposal of treasury stock			1	1					–
Dividends paid				–				(10,566)	(10,566)
Net income				–				19,432	19,432
Net change of items other than shareholders' equity				–					–
Total changes during the year	–	–	1	1	–	–	–	8,866	8,866
Balance at end of period	64,100	88,771	1	88,772	6,774	3,400	73,500	15,051	98,725

	Shareholders' equity		Valuation and translation adjustment				Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Deferred hedge gain (loss)	Revaluation of land	Total valuation and translation adjustment	
Balance at beginning of period	(16,422)	226,308	5,121	27	(4,401)	747	227,055
Changes during the year							
Acquisition of treasury stock	(161)	(161)				–	(161)
Disposal of treasury stock	1	2				–	2
Dividends paid		(10,566)				–	(10,566)
Net income		19,432				–	19,432
Net change of items other than shareholders' equity		–	4,465	(94)		4,371	4,371
Total changes during the year	(160)	8,707	4,465	(94)	–	4,371	13,078
Balance at end of period	(16,582)	235,015	9,586	(67)	(4,401)	5,118	240,133

6. Supplementary Information

(1) Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Year ended March 31, 2013	Year ended March 31, 2014	Year-on-year change
Net sales	650,461	772,966	+18.8%
Operating income [% of net sales]	45,343 [7.0%]	68,055 [8.8%]	+50.1% [+1.8P]
Income before income taxes [% of net sales]	41,237 [6.3%]	62,007 [8.0%]	+50.4% [+1.7P]
Net income attributable to shareholders	30,203	46,185	+52.9%
Net income per share attributable to shareholders (basic) (JPY)	137.20	209.82	+72.62
Net income per share attributable to shareholders (diluted) (JPY)	137.20	—	—
Return on equity (%)	8.8%	11.6%	[+2.8P]
Total assets	573,637	654,704	+14.1%
Shareholders' equity [Shareholders' equity ratio (%)]	366,962 [64.0%]	430,509 [65.8%]	+17.3% [+1.8P]
Shareholders' equity per share (JPY)	1,667.04	1,956.06	+289.02
Net cash provided by operating activities	53,058	79,044	+25,986
Net cash used in investing activities	(28,471)	(31,125)	-2,654
Net cash provided by (used in) financing activities	(18,550)	(16,298)	+2,252
Cash and cash equivalents at end of period	55,708	90,251	+34,543
Cash dividends per share (JPY)	37.00	53.00	+16.00

Note: 1. The number of consolidated subsidiaries is 156, and the number of companies accounted for by the equity method is 10.

(2) Non-consolidated Results

(Millions of yen, %)

	Year ended March 31, 2013	Year ended March 31, 2014	Year-on-year change
Net sales	199,988	240,167	+20.1%
Operating income [% of net sales]	13,484 [6.7%]	21,292 [8.9%]	+57.9% [+2.2P]
Ordinary income [% of net sales]	18,882 [9.4%]	24,306 [10.1%]	+28.7% [+0.7P]
Income before income taxes [% of net sales]	10,357 [5.2%]	22,233 [9.3%]	+114.7% [+4.1P]
Net income	6,654	19,432	+192.0%
Net income per share (basic) (JPY)	30.23	88.28	+58.05
Net income per share (diluted) (JPY)	30.23	—	—
Common stock	64,100	64,100	0.0%
Total assets	358,833	381,438	+6.3%
Net assets	227,055	240,133	+5.8%
Net worth ratio (%)	63.3%	63.0%	-0.3P
Net assets per share (JPY)	1,031.46	1,091.07	+59.61

(3) Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2013	Year ended March 31, 2014	Year-on-year change (%)
IAB	Domestic	116.3	119.4	+2.7
	Overseas	146.7	172.3	+17.5
	Total	263.0	291.7	+10.9
EMC	Domestic	26.7	28.1	+5.4
	Overseas	57.4	69.6	+21.2
	Total	84.1	97.7	+16.2
AEC	Domestic	30.2	28.4	-6.2
	Overseas	67.4	98.2	+45.8
	Total	97.6	126.6	+29.7
SSB	Domestic	68.5	82.4	+20.4
	Overseas	0.3	0.3	+2.0
	Total	68.8	82.7	+20.3
HCB	Domestic	29.5	30.8	+4.5
	Overseas	42.0	58.5	+39.1
	Total	71.5	89.3	+24.8
Other	Domestic	41.4	51.0	+23.2
	Overseas	17.8	27.9	+56.6
	Total	59.2	78.9	+33.3
Eliminations, etc.	Domestic	5.4	4.7	-13.0
	Overseas	0.9	1.4	+55.6
	Total	6.3	6.1	-3.2
Total	Domestic	318.0	344.8	+8.4
	Overseas	332.5	428.2	+28.8
	[% of total]	[51.1%]	[55.4%]	[+4.3P]
	Total	650.5	773.0	+18.8

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

(Billions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Year-on-year change (%)
IAB	31.3	38.8	+23.6
EMC	4.4	8.7	+98.9
AEC	5.0	9.1	+81.4
SSB	2.9	5.6	+90.5
HCB	4.4	7.5	+71.2
Other	2.5	8.7	+243.5
Eliminations, etc.	(5.2)	(10.3)	—
Total	45.3	68.1	+50.1

Note: Due to revision of management classifications, some businesses under EMC are included in the IAB business segment from the year ended March 31, 2014. Accordingly, segment profit for the year ended March 31, 2013 is restated under the new management classification.

(5) Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Year-on-year change
USD	83.2	100.1	+16.9
EUR	107.6	134.0	+26.4

(6) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2014	Year ending March 31, 2015 (est.)	Year-on-year change (%)
IAB	Domestic	119.4	123.0	+3.0
	Overseas	172.3	177.0	+2.7
	Total	291.7	300.0	+2.8
EMC	Domestic	28.1	26.0	-7.5
	Overseas	69.6	75.0	+7.8
	Total	97.7	101.0	+3.4
AEC	Domestic	28.4	25.0	-12.0
	Overseas	98.2	103.5	+5.4
	Total	126.6	128.5	+1.5
SSB	Domestic	82.4	84.5	+2.6
	Overseas	0.3	1.0	+221.5
	Total	82.7	85.5	+3.4
HCB	Domestic	30.8	32.5	+5.5
	Overseas	58.5	66.0	+12.9
	Total	89.3	98.5	+10.3
Other	Domestic	51.0	50.0	-2.0
	Overseas	27.9	33.0	+18.2
	Total	78.9	83.0	+5.1
Eliminations, etc.	Domestic	4.7	3.5	-23.9
	Overseas	1.4	0.0	0.0
	Total	6.1	3.5	-42.6
Total	Domestic	344.8	344.5	-0.1
	Overseas	428.2	455.5	+6.4
	[% of total]	[55.4%]	[56.9%]	[+1.5P]
	Total	773.0	800.0	+3.5

(7) Projected Consolidated Operating Income by Business Segment

(Billions of yen)

	Year ended March 31, 2014	Year ending March 31, 2015 (est.)	Year-on-year change (%)
IAB	38.8	40.0	+3.2
EMC	8.7	9.2	+6.3
AEC	9.1	9.2	+1.3
SSB	5.6	6.5	+17.1
HCB	7.5	8.0	+6.0
Other	8.7	9.5	+9.5
Eliminations, etc.	(10.3)	(8.4)	—
Total	68.1	74.0	+8.7

(8) Projected Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2014	Year ending March 31, 2015 (est.)	Year-on-year change
USD	100.1	100.0	-0.1
EUR	134.0	135.0	+1.0