

Q&A Session Summary, H1 FY2022 Results Briefing
OMRON Corporation
October 26, 2022

Company Earnings, Management Strategy

Q. OMRON has taken a stake in Kirin Techno-System; please discuss how you think about M&A and alliances.

A. We aim to grow our business through proactive investments, focusing mainly on IAB and HCB.

Q. Please talk about the progress OMRON has made in its collaboration with JMDC.

A. We are making solid progress. There are 3 specific things I will highlight.

- ① We have begun developing solutions targeted at achieving Zero Events
- ② We are considering cross-selling through our respective sales channels
- ③ We are considering the development of a preventative medicine system that leverages data, including exploring potential partners

Industrial Automation (IAB)

Q. Will the FY2022 order backlog revert to normal levels by the end of this fiscal year?

A. Our expectation is that the fiscal year-end order backlog is likely to be slightly elevated. We do expect significant progress compared to the H1 level.

Q. With regard to the slowing of order intake from the second half of Q2, when do you expect to see the trend change?

A. We are not seeing clear signs at this time, but we will continue to monitor trends closely.

Q. What sort of measures led to an improvement in supply capability?

A. First was the use of EMS. We were able to use EMS for not only production but component procurement capabilities. Next were design changes. This was implemented to facilitate procurements and production expansion. Beyond this, I believe our success in enhancing supply capability was the aggregate result of initiatives that encompass a broad range of activities.

Healthcare (HCB)

Q. There are one-off factors such as higher logistics costs impacting FY2022 profits but do you expect profit margins to improve?

A. Supply chain costs remain at high levels; we have reflected this assumption in our plan. Sales are strong in regions and countries that are showing economic growth, so OMRON will continue to focus on improving productivity to boost the GP margin in H2 and beyond.