

Q&A Session Summary, Q1 2014 Earnings

OMRON Corporation

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*Supplemental. Original presentation given in Japanese.

Consolidated Performance, Management, VG2020 Strategies

Q: About strategic investment. Your plan was to increase ¥3bn a year. No change so far? How much spent Q1?

A: No change to full-year plan. For Q1, spent approx. 20%/ year.

Q: You made upward revision to H1 with no change to full-year, which seems to me H2 downward revision. Any change to H2 forecast vs. April 24 announcement?

A: It's not as simple as $[H2] = [Full-year] - [H1]$. The reason we made no change to full-year forecast is because we see full-year increase not high enough for upward revision, though increase is highly possible. So far, we do not see any negative H2 factors and do not intend to revise H2 downward.

Q: About corporate governance. If executive officers and BoD go split over opinions and decisions, which is given priority?

A: In management, CEO-led executives have authority. BoD decides on BoD discussion matters.

Q: About female empowerment. Are there increasing opportunities and higher positions for women at OMRON?

A: OMRON supports female workers by such systems as maternity leave, re-employment, and nursery centers. However, we have things to work on: percentage of management-class females for example. It will take time, but we are working to offer women more chances and choices.

Industrial Automation Business (IAB)

Q: Smart-phone equipment demand in China was brisk in Q1. Any downward concern starting Q2?

A: We expect the demand to cool down in/after Q2. But we at IAB see minor drop overall, with automotive-related going solid.

Automotive Electronic Components Business (AEC)

Q: You made upward revision to H1 sales but no OP change. why?

A: Because we are cautious about GP% outlook in South America, for which taking measures now.

Healthcare Business (HCB)

Q: Any signs of improvement in Russia in Q2?

A: We're afraid the severe status to go on, with East Europe still in turmoil.

"Other" Businesses

Q: Q1 sales breakdown?

A: Environmental Solutions: approx. 35%; Backlight Business (BL): approx. 50%; the rest is electronic systems and equipment, and micro devices.

Q: Any changes to Environment and BL sales forecast from H1 to H2?

A: Environment will be solid Q1-Q2, but will settle down H2. BL production capacity is on the increase, so that we expect higher sales in H2.
