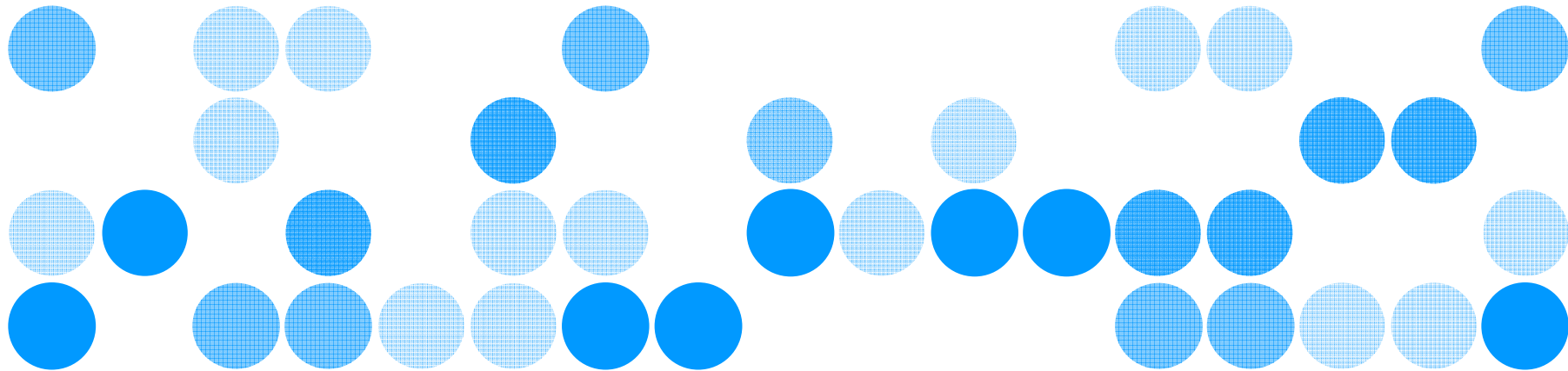




Sensing tomorrow™

Financial Results for the Fiscal Year Ended March 31, 2009 (FY08)



April 28, 2009

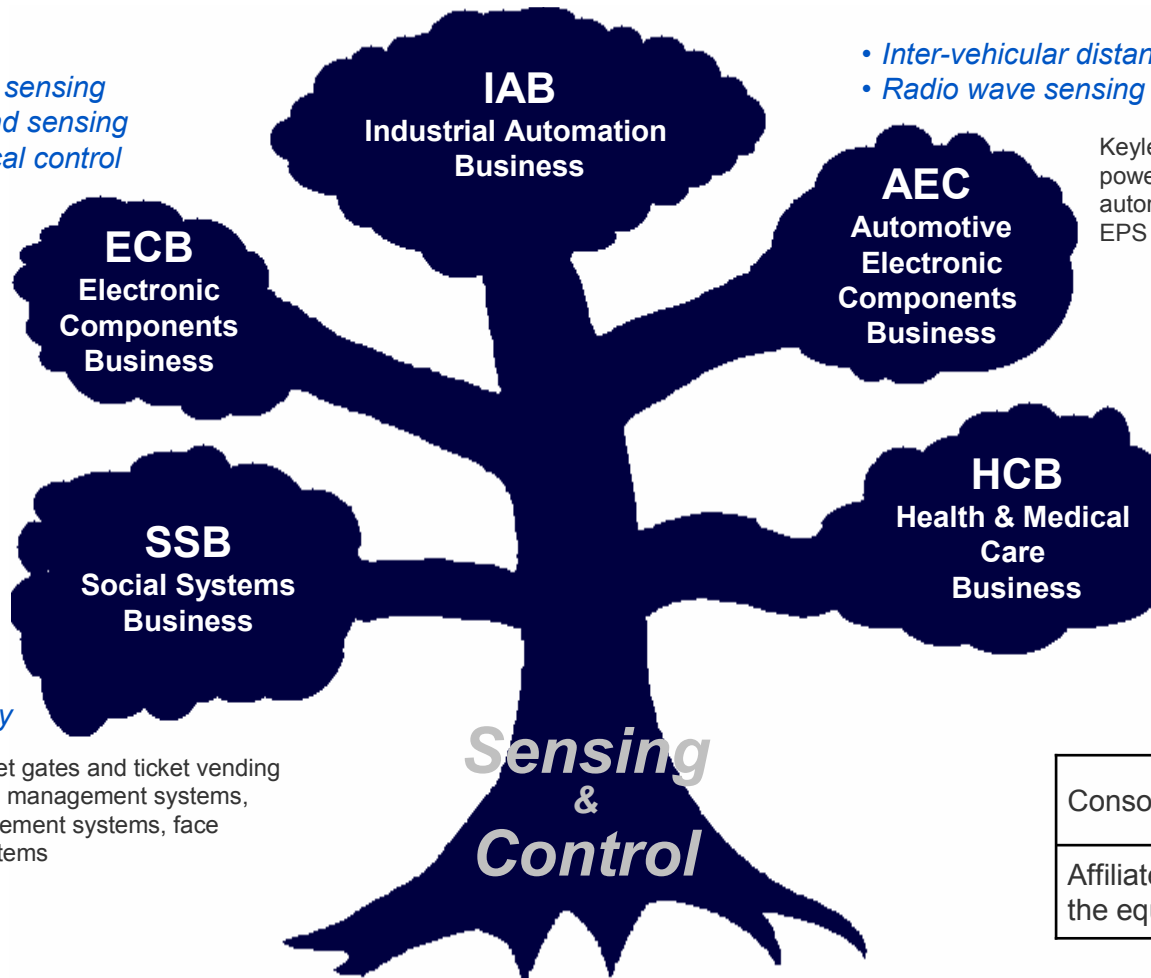
OMRON Corporation

Businesses and Major Products

- Displacement and measurement sensing
 - Temperature control
 - Machine control
 - Vision sensing
- Proximity/ photoelectric/ vision sensors, PLCs, temperature controllers, machine safeguarding equipment, inspection systems

- Flow sensing
- Sound sensing
- Optical control

Relays, switches, connectors, LCD backlights, amusement equipment parts, mobile equipment parts, optical communication devices



- Inter-vehicular distance sensing
- Radio wave sensing

Keyless entry systems, power window switches, automotive relays, laser radar, TPMS, EPS (electronic power steering) devices

- Bio-information sensing
- Behavior sensing

Home and professional-use digital blood pressure monitors, body composition analyzers, thermometers, pedometers, nebulizers, cardiovascular screening monitors, vital sign monitors

- Human sensing
- Traffic sensing
- IC card technology

Automated ticket gates and ticket vending machines, road management systems, security management systems, face recognition systems

**Sensing
&
Control**

Consolidated subsidiaries	162
Affiliates accounted for by the equity method	18

(as of Mar. 31, 2009)

Executive Summary	P. 4
Results for the Fiscal Year Ended March 31, 2009 (FY08)	P. 5
FY09 Forecast	P. 21
Emergency Measures and Structural Reform	P. 29
Businesses and Technology Driving Future Growth	P. 43
Reference	P. 47

Notes

1. The consolidated statements of Omron Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results and future developments are based on information available to the Company at the current time, 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) economic conditions affecting the Company's businesses in Japan and overseas, (ii) demand trends for the Company's products and services, (iii) the ability of the Company to develop new technologies and products, (iv) major changes in the fund-raising environment, (v) tie-ups or cooperative relationships with other companies, and (vi) movements in currency exchange rates and stock markets.

FY08 Results

- Sharp YoY drop in sales and operating income due to global economic downturn.
- In particular, IAB, ECB and AEC saw dramatic sales plunge beginning in Q3 as production cuts and suspension/ delay of capital investment by manufacturers (incl. automotive, semiconductor and electronic component industries) became more apparent.
- Emergency measures and structural reform introduced in Feb. 2009 following worsening of business environment.
- As a part of the structural reform plan aimed at strengthening profit base, Omron accounted for the impairment of goodwill and fixed assets.

<u>Consolidated</u>	<u>Actual</u>	<u>YoY</u>	<u>vs. Jan 29 fcst</u>	<u>Margin (%)</u>
Net sales	¥627.2 bn	82.2%	98.8%	--
Operating income	¥5.3 bn	8.2%	76.3%	0.9%
NIBT	-¥39.1 bn	--	--	--
Net income	-¥29.2 bn	--	--	--

FY09 Forecast

Omron expects drop in sales and profit, following further worsening of economy. Aims to generate profit by carrying out emergency (crisis response) measures to secure operating profit and restructure 3 control businesses as part of medium-term structural reform plan to strengthen profit base.

<u>Consolidated</u>	<u>FY 09 Forecast</u>	<u>YoY</u>	<u>Margin (%)</u>
Net sales	¥510.0 bn	81.3%	
Operating income	¥0.0 bn	0.0%	0.0%
NIBT	-¥3.5 bn	--	--
Net income	-¥2.0 bn	--	--

*Assumed exchange rates for FY09: 1USD = ¥95; 1EUR = ¥125

Executive Summary	P. 4
Results for the Fiscal Year Ended March 31, 2009 (FY08)	P. 5
FY09 Forecast	P. 21
Emergency Measures and Structural Reform	P. 29
Businesses and Technology Driving Future Growth	P. 43
Reference	P. 47

Consolidated P/L

- Sales: ¥627.2 bn; operating income: ¥5.3 bn (margin: 0.9%), far below FY07.
- In addition, loss in NIBT and net income due to increase in non-operating loss.

(Billions of yen)

P/L	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
Net sales	627.2	763.0	82.2%	98.8%
Gross profit	218.5	293.3	74.5%	99.3%
SG&A	164.3	176.6	93.0%	100.2%
R&D	48.9	51.5	94.9%	99.8%
Operating income	5.3	65.3	8.2%	76.3%
Non-operating loss, net	-44.4	-1.1	—	—
NIBT	-39.1	64.2	—	—
NIAT	-29.2	42.4	—	—
<Exchange Rates>				(1JPY)
USD	100.7	114.1	-13.4	+1.2
EUR	144.5	161.9	-17.4	+1.9

Non-operating Loss Breakdown

Omron accounted for the impairment of goodwill and fixed assets in order to accelerate business structure reform while at the same time working to ensure sound management and fair valuation of assets.

Breakdown	Non-operating loss, net (billions of yen)
Impairment of goodwill	16.8
Impairment of fixed assets	21.2
Additional impairment of investment securities	5.4
Others	1.0
Total	44.4

Consolidated Sales by Area/Segment

- Large YoY drop both in Japan and overseas due to global economic recession.
- IAB, ECB and AEC were hit hardest.

(Billions of yen)

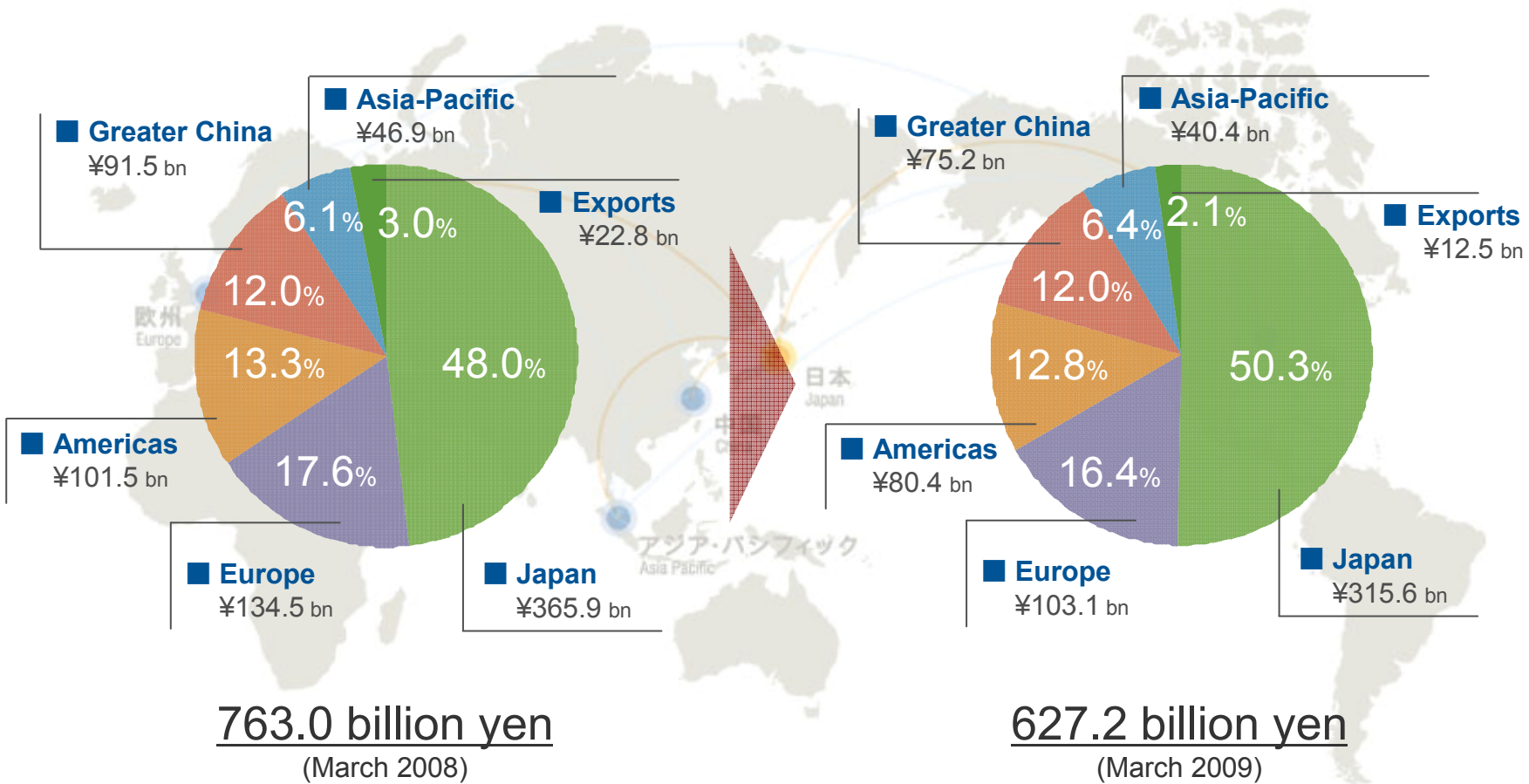
Area	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
Japan	315.6	365.9	86.3%	98.6%
Overseas*	311.6	397.1	78.5%	98.9%
Total	627.2	763.0	82.2%	98.8%

* Includes direct exports

Business	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
IAB	262.9	328.8	80.0%	98.1%
ECB	124.0	154.2	80.4%	99.5%
AEC	82.1	107.5	76.4%	97.2%
SSB	79.9	85.2	93.7%	99.5%
HCB	63.8	71.6	89.1%	101.3%
Others	14.5	15.7	93.0%	98.9%
Total	627.2	763.0	82.2%	98.8%

Sales Breakdown by Area

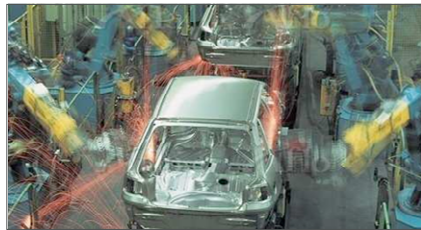
- Europe & US: Down approx. 1% pt due to sluggish sales.
- Greater China: Maintaining 12.0% in spite of decrease in sales.



Sales Breakdown by Business Segment

IAB share decreased from 43.1% to 41.9%.

■ IAB



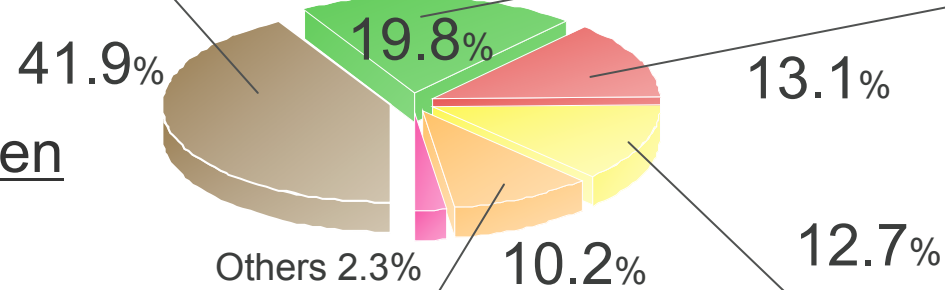
■ ECB



■ AEC



627.2 billion yen
(March 2009)



■ HCB



■ SSB



Consolidated Operating Income by Segment

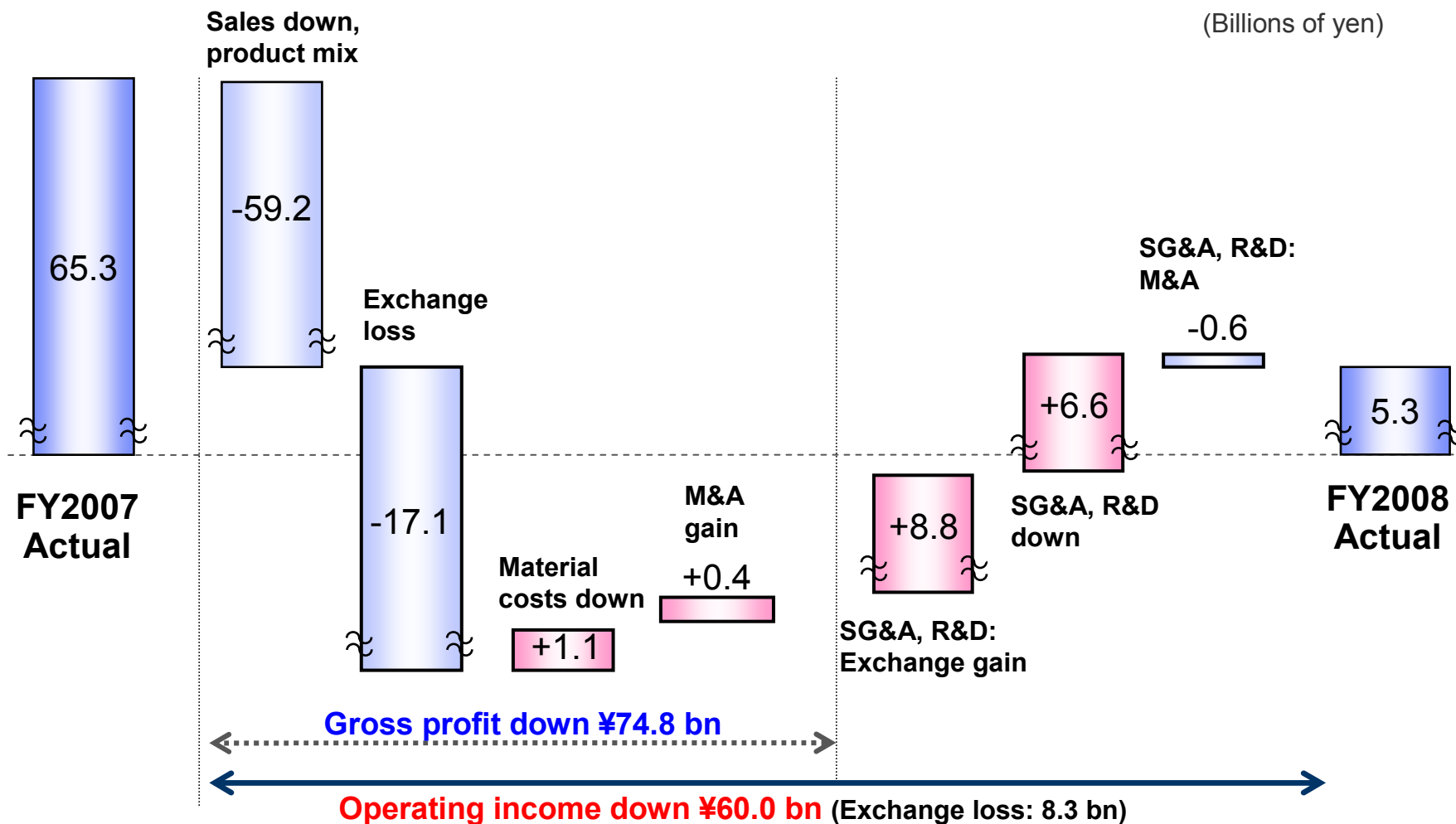
- All segments saw sharp YoY decline due to sluggish sales and exchange loss.
- ECB and AEC posted operating loss.

(Billions of yen)

Business	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
IAB	20.5	51.9	39.4%	99.3%
ECB	-2.0	12.6	—	—
AEC	-6.4	1.4	—	—
SSB	5.4	7.0	76.0%	111.5%
HCB	4.8	9.4	51.5%	110.0%
Others	0	0.1	50.6%	—
HQ Cost/ Elimination	-17.0	-17.1	—	—
Total	5.3	65.3	8.2%	76.3%

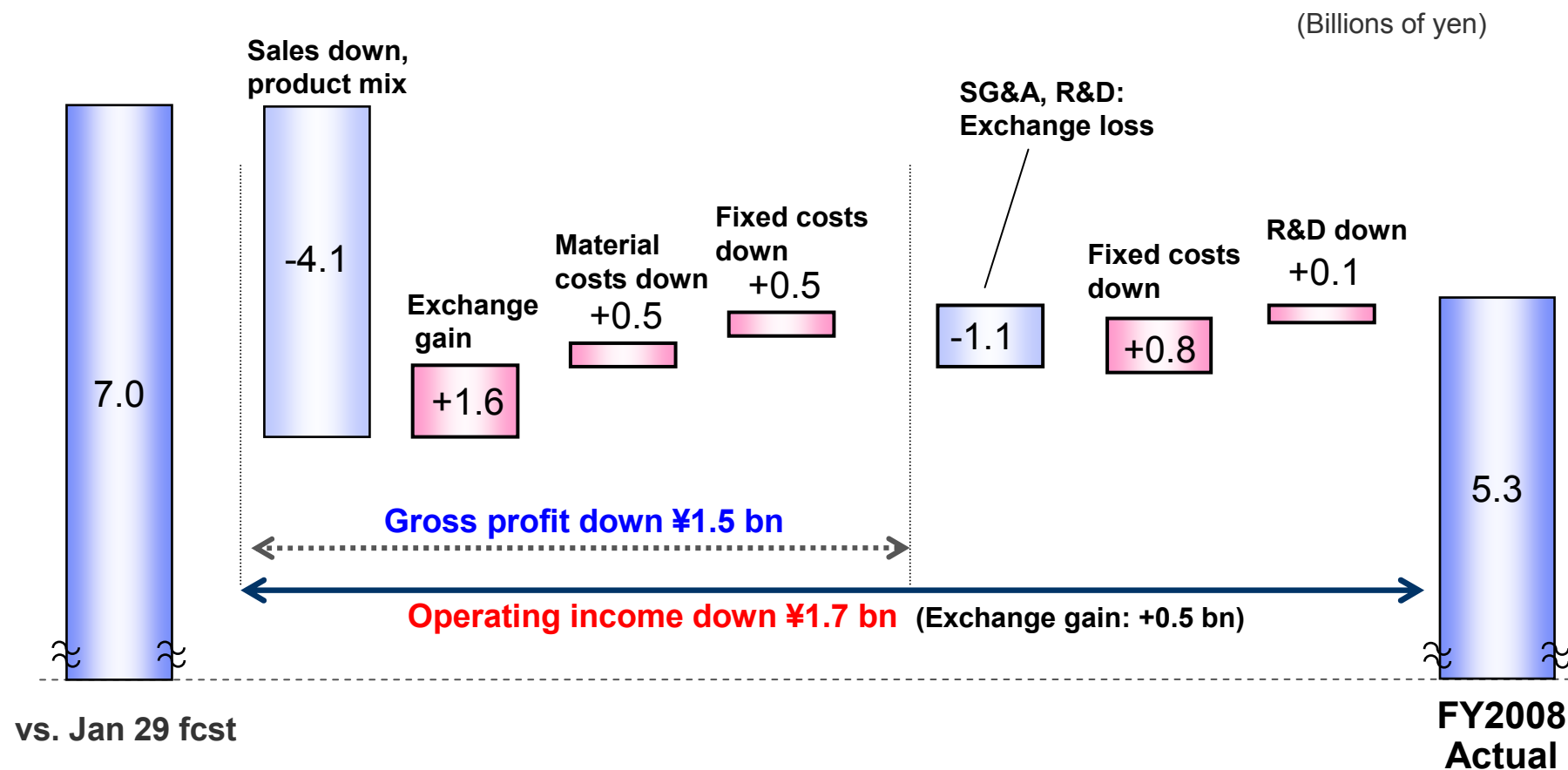
Consolidated Operating Income Analysis (Year-on-Year)

Down sharply YoY due to net sales drop and exchange loss.



Consolidated Operating Income Analysis (vs. Jan 29 fcst)

Although exchange rates turned in favor of the yen, operating income fell short of the previous forecast overall.



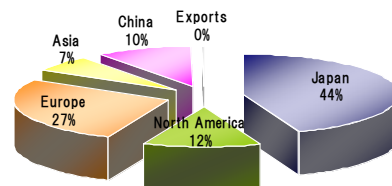
IAB (Industrial Automation Business)

- Hit by further slash in capital investment among manufacturers following global recession.
- Even Asia Pacific and Greater China, once steady, saw sudden plunge starting in Q3.

(Billions of yen)

IAB	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
Japan	116.4	144.1	80.8%	98.3%
Overseas	146.5	184.7	79.3%	98.0%
North America	31.7	35.6	89.3%	—
Europe	70.7	92.3	76.5%	—
Asia Pacific	17.4	16.2	106.9%	—
Greater China	25.7	34.6	74.5%	—
Exports	1.0	6.0	16.3%	—
Total	262.9	328.8	80.0%	98.1%
Operating income	20.5	51.9	39.4%	99.3%
OP margin	7.8%	15.8%	-8.0%	+0.1%

Sales by Area



Safety components

Programmable controllers



Vision sensors

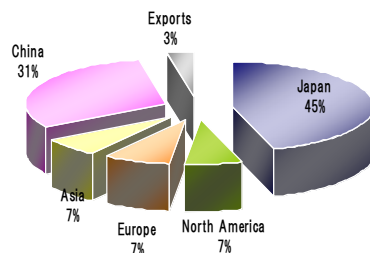
ECB (Electronic Components Business)

- 1st half: Small-size LCD backlights and switches for mobile devices recorded strong sales.
- 2nd half: Sluggish overall. In addition to continued shrinking sales in semiconductor and auto markets, ECB got hit by downturn in consumer and commercial equipment markets.

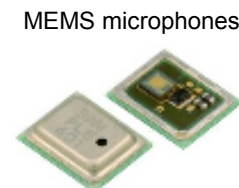
(Billions of yen)

ECB	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
Japan	56.0	62.4	89.7%	99.1%
Overseas	68.0	91.8	74.0%	99.9%
North America	8.6	10.4	82.2%	—
Europe	9.2	12.4	74.5%	—
Asia Pacific	8.4	10.3	81.7%	—
Greater China	37.8	48.3	78.3%	—
Exports	3.9	10.4	37.7%	—
Total	124.0	154.2	80.4%	99.5%
Operating income	-2.0	12.6	—	—
OP margin	—	8.2%	—	—

Sales by Area



Compact LCD backlights



MEMS microphones

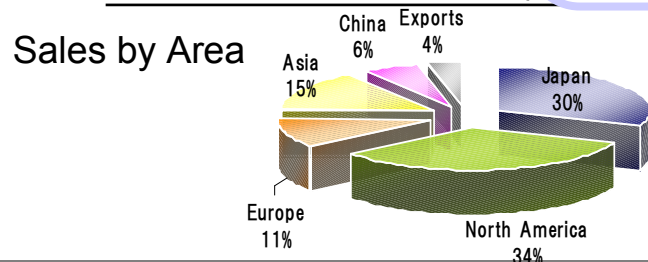


FPC connectors

AEC (Automotive Electronic Components Business)

- 1st half: Hit hard by soaring gasoline prices and slowing economy.
- 2nd half: Hit further. Effects of financial crisis became apparent, elevating credit crunch and job uncertainty on a global level. As a result, auto market deteriorated further, with consumers holding back on spending.

AEC	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	(Billions of yen) vs. Jan 29 fcst
Japan	25.0	28.0	89.3%	96.2%
Overseas	57.1	79.5	71.8%	97.6%
North America	27.9	42.4	65.8%	—
Europe	9.0	13.9	64.7%	—
Asia Pacific	12.5	18.3	68.4%	—
Greater China	4.7	3.1	153.6%	—
Exports	3.0	1.9	160.8%	—
Total	82.1	107.5	76.4%	97.2%
Operating income	-6.4	1.4	—	—
OP margin	—	1.3%	—	—



Electric power steering (EPS) controllers



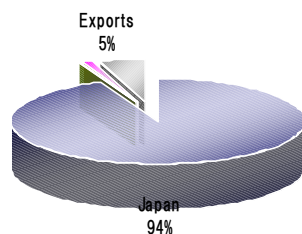
SSB (Social Systems Business)

- 1st half: Enjoyed increased demand for train station equipment with opening of new lines.
- 2nd half: Struggled as sudden economic downturn led railroad operators to cut investment.

(Billions of yen)

SSB	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
Japan	75.5	81.0	93.2%	98.7%
Overseas	4.4	4.2	105.0%	115.7%
North America	0.2	0.6	38.3%	—
Europe	0	0	—	—
Asia Pacific	0	0	—	—
Greater China	0.1	0	—	—
Exports	4.1	3.6	114.9%	—
Total	79.9	85.2	93.7%	99.5%
Operating income	5.4	7.0	76.0%	111.5%
OP margin	6.7%	8.3%	-1.6%	+0.6%

Sales by Area



AFC (automatic fare collection) systems

Transport management systems



Security systems

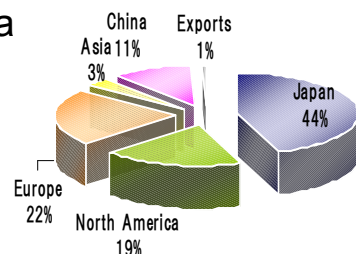
HCB (Health and Medical Care Business)

- **Japan:** Sales sluggish both in healthcare and medical equipment-related markets.
- **Overseas:** First half saw rise in sales to major N. American retailers and growth in blood pressure monitor business in emerging markets. Second half turned challenging with economic recession and effects of strong yen.

(Billions of yen)

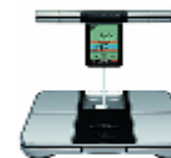
HCB	FY08 Actual (1)	FY07 Actual (2)	FY08/FY07 (1)/(2)	vs. Jan 29 fcst
Japan	28.3	35.0	81.0%	101.2%
Overseas	35.5	36.6	96.9%	101.3%
North America	12.0	12.5	96.3%	—
Europe	14.3	15.9	89.8%	—
Asia Pacific	2.1	2.1	100.4%	—
Greater China	6.7	5.5	122.5%	—
Exports	0.4	0.7	59.4%	—
Total	63.8	71.6	89.1%	101.3%
Operating income	4.8	9.4	51.5%	110.0%
OP margin	7.6%	13.1%	-5.5%	+0.6%

Sales by Area



Digital blood pressure monitors

Body composition monitors



Non-invasive vascular screening devices

Consolidated B/S

- Accounts receivable and inventories were down due to sales drop and exchange loss.
- Equity ratio down to 55.4% due partly to valuation loss on foreign assets converted to yen and losses in fixed assets and equity.

Consolidated B/S	(Billions of yen)	
	Mar. 2009	Mar. 2008
Total Assets	538.3	617.4
Cash and cash equivalents	46.6	40.6
Notes and accounts receivable, trade	111.0	164.7
Inventories	84.7	95.1
Other current assets	33.7	29.6
Property, plant and equipment	132.5	152.7
Investments and other assets	129.8	134.7
Total Liabilities	238.3	246.9
Short-term debt	33.5	18.3
Long-term debt	21.4	1.5
Other liabilities	183.4	227.1
Minority Interest	1.6	2.0
Shareholders' Equity	298.4	368.5
Common stock and retained earnings	403.6	438.2
Accumulated other comprehensive loss	-60.7	-28.2
Treasury stock	-44.5	-41.5
Liabilities, Minority Interest & Shareholders' Equity Total	538.3	617.4

Consolidated Cash Flows

Decrease in free cash flow was covered partly by debts. Year-end cash and cash equivalents ended up at FY07 level.

(Billions of yen)

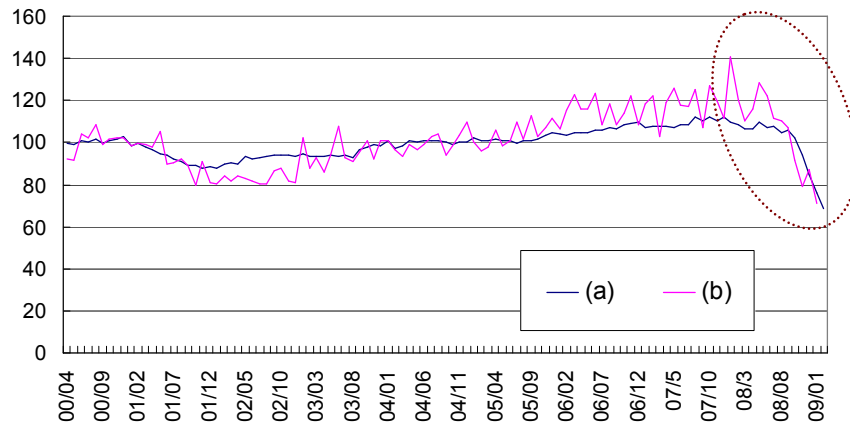
Consolidated C/F	Mar. 2009	Mar. 2008
Operating activities	31.4	69.0
Investing activities	-40.6	-36.7
Free cash flow	-9.2	32.3
Financing activities	21.9	-34.5
Effect of exchange rate changes	-6.6	-0.2
Net increase/decrease	6.0	-2.4
Cash and cash equivalents at end of period	46.6	40.6
Depreciation and amortization	33.5	36.3
Capital expenditures*	36.8	37.1

* The figures for capital expenditures given here differ from the figures given on the Statement of Cash Flows.

Executive Summary	P. 4
Results for the Fiscal Year Ended March 31, 2009 (FY08)	P. 5
FY09 Forecast	P. 21
Emergency Measures and Structural Reform	P. 29
Businesses and Technology Driving Future Growth	P. 43
Reference	P. 47

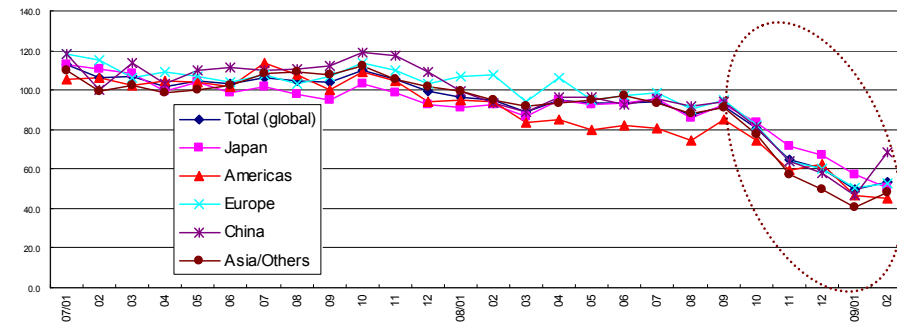
- Industrial Production Index and Machinery Orders kept decreasing.
- Shipment of electronic components also went down on a global basis (upward trend for the past few months except in the Americas).

**Industrial Production (a)
and Machinery Orders (b)**



*Source:
 (a) Ministry of Economy, Trade and Industry
 (b) Economic and Social Research Institute Cabinet Office

**Shipment of Electronic Components
(Year on Year)**



Source: Japan Electronics and Information Technology Industries Association

External Environment

- Further worsening of business environment is likely in FY09, but gradual recovery is projected in the second half.
 - Increasingly severe operating environment expected as a result of the global recession.
 - Semiconductor, electronic component and automotive industries will likely be most challenging.
-
- JPY ⇔ USD/EUR exchange rate unstable (see p. 48)
 - Continued stabilization of raw material costs (silver and copper) (see p. 49)

Basis for Forecast

- Forex: 1USD = ¥95; 1EUR = ¥125
- Raw material costs: Silver: ¥40,000/kg; Copper: ¥480/kg
- Emergency Measures & Structural Reform
 - Emergency measures aimed at P/L improvement (by Mar. 2010)
 - Reduce fixed/ variable costs (approx. ¥60 bn)
 - Create cash flow (approx. ¥27 bn)
 - Structural reform comprising "business domain reform" and "operational structure reform" (by Mar. 2011)
 - Reorganization of 3 control businesses
 - (1) Elimination and consolidation of production bases, (2) variable cost structure reform (3) IT structure reform (4) head office function reform

FY09 Forecast by Segment

IAB

Industry

- Continued sluggish demand and curtailment of capital investment in related industries incl. automotive, electronic components and machine tool industries.

Area

- Continued severe conditions in Japan, North America, Europe, Asia and China.
- Strengthening operations in Russia, Brazil, South Africa, etc.

ECB

Industry

- Production of machine tools, semiconductors and industrial machinery expected to decrease further.

Area

- Severe conditions in Japan due to continued weak consumer spending.
- Promising environmental business to be expanded in US and Europe.

AEC

Industry

- Continued sluggish demand in worldwide automotive industry.
- Focusing on “green” vehicles such as hybrids and electric cars.

Area

- Continued sluggish demand in North America.
- Continued weak sales of new cars in Japan.

SSB

Industry

- Curtailed investment due to stagnant economy, particularly in railway and financial industries.
- Strengthening appeal of “social sensors,” aiming for long-term growth.

HCB

Industry

- Continued weak consumer spending and curtailed investment at hospitals, but health consciousness (of lifestyle-related disease prevention, etc.) will remain high.

Area

- Continued severe conditions in developed countries (Japan, European countries, etc.).
- Strengthening sales in emerging countries.

Projected Results for FY09

- Economic downturn continues, earnings environment still severe.
- Secure OP through implementation of emergency measures.

(Billions of yen)

	FY09 Plan	FY08 Actual	YoY
Net sales	510.0	627.2	81.3%
Gross profit	175.0	218.5	80.1%
SG&A	135.0	164.3	82.1%
R&D	40.0	48.9	81.8%
Operating income	0	5.3	—
Non-operating loss, net	-3.5	-44.4	—
NIBT	-3.5	-39.1	—
NIAT	-2.0	-29.2	—
EPS (yen)	-9.08	-132.15	

Projected Sales (Consolidated) by Area/Segment

- Severe conditions continue in each area/segment due to global decline in capex and continuing employment instability.
- Gradual recovery expected starting in the second half.

(Billions of yen)

Area	FY09 Plan	FY08 Actual	YoY
Japan	268.5	315.6	85.1%
Overseas*	241.5	311.6	77.5%
Total	510.0	627.2	81.3%

* Includes direct exports

Business	FY09 Plan	FY08 Actual	Yr/Yr
IAB	193.0	262.9	73.4%
ECB	112.0	124.0	90.4%
AEC	60.0	82.1	73.1%
SSB	66.0	79.9	82.6%
HCB	61.5	63.8	96.4%
Others	17.5	14.5	120.4%
Total	510.0	627.2	81.3%

Projected Operating Profit by Segment

- Projecting lower OP in each segment due to lower sales.
- Remain in the black through implementation of emergency measures.

(Billions of yen)

Business	FY09 Plan	FY08 Actual	YoY
IAB	5.0	20.5	24.4%
ECB	3.0	-2.0	—
AEC	0	-6.4	—
SSB	4.0	5.4	74.7%
HCB	4.0	4.8	82.6%
Others	-1.0	0	—
HQ Cost/ Elimination	-15.0	-17.0	—
Total	0	5.3	—

Capex, Depreciation and R&D Expenses

- Capex: Drastic reduction through implementation of emergency measures/ structural reform.
- Depreciation: Dramatic cut by investment restriction and fixed assets impairment.
- R&D expense: Drastic reduction through implementation of emergency measures. Focus on strengthening existing businesses.
- R&D at IAB:
 - Low-cost PLCs for small-sized systems.
 - Solar power conditioners in environment-related business. (Developing anti-islanding control technology for solar power generation system.)
- R&D at ECB:
 - EMC (Electronic Mechanical Components) product development.
 - Development of micro-replication processing, nano-material technology and MEMS (Micro Electro Mechanical Systems) technology.

(Billions of yen)

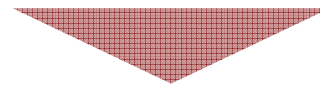
	FY09 Plan	FY08 Actual	YoY
Capital expenditures	25.0	36.8	67.9%
Depreciation & Amortization	27.0	33.5	80.6%
R&D	40.0	48.9	81.8%

* The figures for capital expenditures given here differ from the figures given on the Statement of Cash Flows.

Executive Summary	P. 4
Results for the Fiscal Year Ended March 31, 2009 (FY08)	P. 5
FY09 Forecast	P. 21
Emergency Measures and Structural Reform	P. 29
Businesses and Technology Driving Future Growth	P. 43
Reference	P. 47

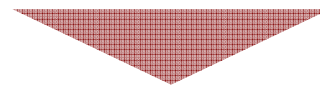
FY08

Drop in sales and operating profit due to drastic worsening of the business environment.



FY09 (Short-term Measures)

Implementation of emergency measures to secure operating profit.



Medium-term Measures

Implementation of structural reform to strengthen profit base.

Emergency Measures & Structural Reform

Emergency Measures

(Generate profit in FY09 through cost cuts)

Profit Generation

- (1) **Cost cutting**
Advertising, R&D, indirect costs, etc.
- (2) **Withdrawal from underperforming businesses**
Four businesses in Japan/abroad (ECB, AEC)
- (3) **Reduction of other fixed costs**
Return of part of directors', executive officers' and managers' compensation, ban on overtime work, etc.

Cash Flow Creation

- Freeze on large-scale investments
- Reduction in ordinary investments

Structural Reform

(Strengthening of profit base over the medium term)

1. Business Domain Reform

Restructure 3 control businesses:
IAB, ECB and AEC

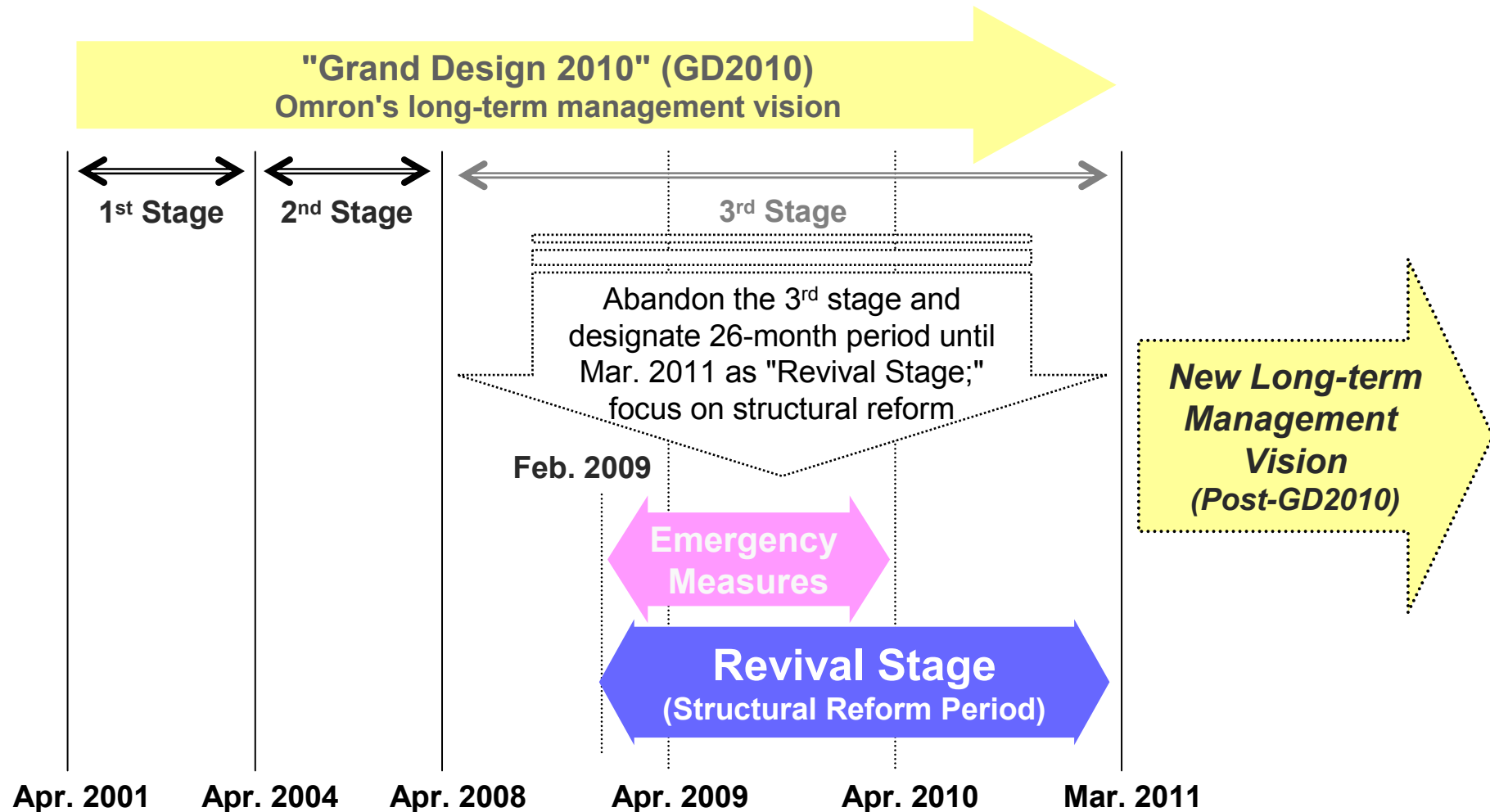
- IAB: Strengthen front line and profit base
- ECB: Re-strengthen EMC business
- AEC: Implement thorough efforts to improve profitability

2. Operational Structure Reform

- (1) Elimination and consolidation of production bases
- (2) Variable cost structure reform
- (3) IT structure reform
- (4) Head office function reform

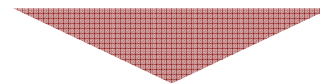
Emergency Measures & Structural Reform: Schedule

Designate the period from Feb. 2009 – Mar. 2011 as “Revival Stage,” carry out emergency measures and structural reform



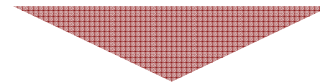
Jan. 30, 2009

Map out plan to generate profit of approx. ¥40 bn based on projection that FY08/Q4 conditions would continue into FY09.



Today (Apr. 28, 2009)

Implement further cost-cutting measures, as the business environment, which deteriorated more severely than expected in FY08/Q4, is likely to remain unchanged for the time being.



FY09

- Aim to **improve PL by approx. ¥ 60 bn** by cutting fixed and variable costs, **post operating profit**.
- **Create approx. ¥27 bn cash flow** by reducing inventories and restraining investments.

Emergency Measures

(1) Cut Costs, Restrain Investment, Reduce Inventories

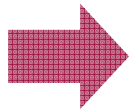
- Aim to **improve P/L by approx. ¥ 60 bn** by cutting not only fixed costs (overhead and labor costs, investments, depreciation by impairment) but also variable costs (better variable costs ratio).
- **Create approx. ¥27 bn cash flow** by reducing inventories and restraining investments.

Improving FY09 P/L through profit creation (part of “emergency measures”) and other measures		Target value (approx.)
Reduce fixed costs	<ul style="list-style-type: none"> • Labor costs, overhead costs • Depreciation (restraint on investments) • Depreciation (impairment of fixed assets) 	¥55 bn
Reduce variable costs	<ul style="list-style-type: none"> • Raw material costs and others 	¥5 bn
		¥60 bn
Cash flow creation (items for cash flow improvement in FY09)		
Reduce inventories	<ul style="list-style-type: none"> • Inventories 	¥15 bn
Restrain investments	<ul style="list-style-type: none"> • New capital investment 	¥12 bn
		¥27 bn

Omron will promptly withdraw unprofitable or low-profitable businesses to generate profit

Closure of four ECB/ AEC businesses in Japan and abroad

Dissolution of Large-size Backlight Business (ECB)



Omron will dissolve subsidiary TAMA FINE OPT. and its two subsidiaries by the end of September 2009, with liquidation to be completed by the end of fiscal 2009. (Announced on March 10, 2009)

* Emergency measures for other businesses are to be decided and announced at a later date.

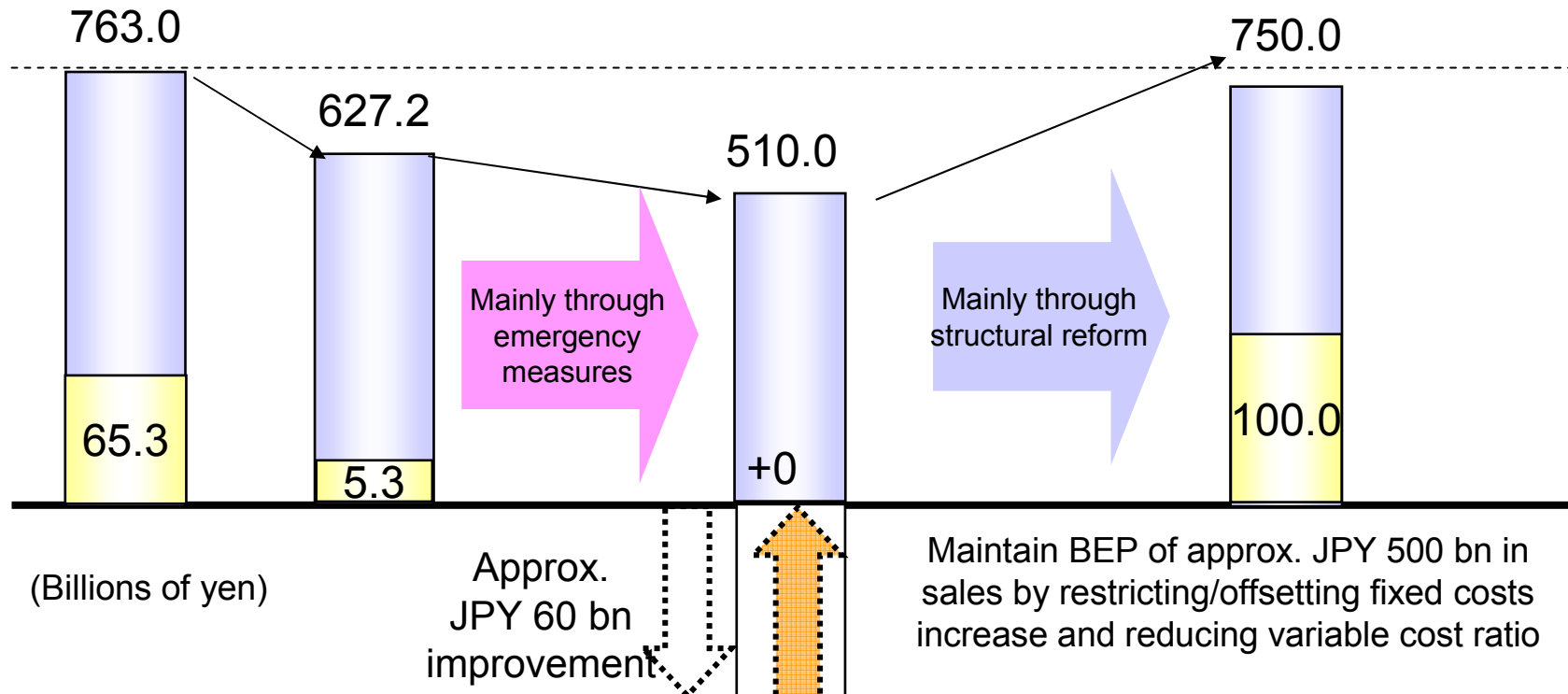
Structural Reform Goals

Strengthen Profit Base in the Medium Term

Aim to establish a business structure that generates more than JPY 100 bn in OP at the FY07 sales level (JPY 750 bn) through “sweeping profit structure reform.”

FY2007 (Actual)	FY2008 (Actual)	FY2009 (Planned)	FY201X (Target)
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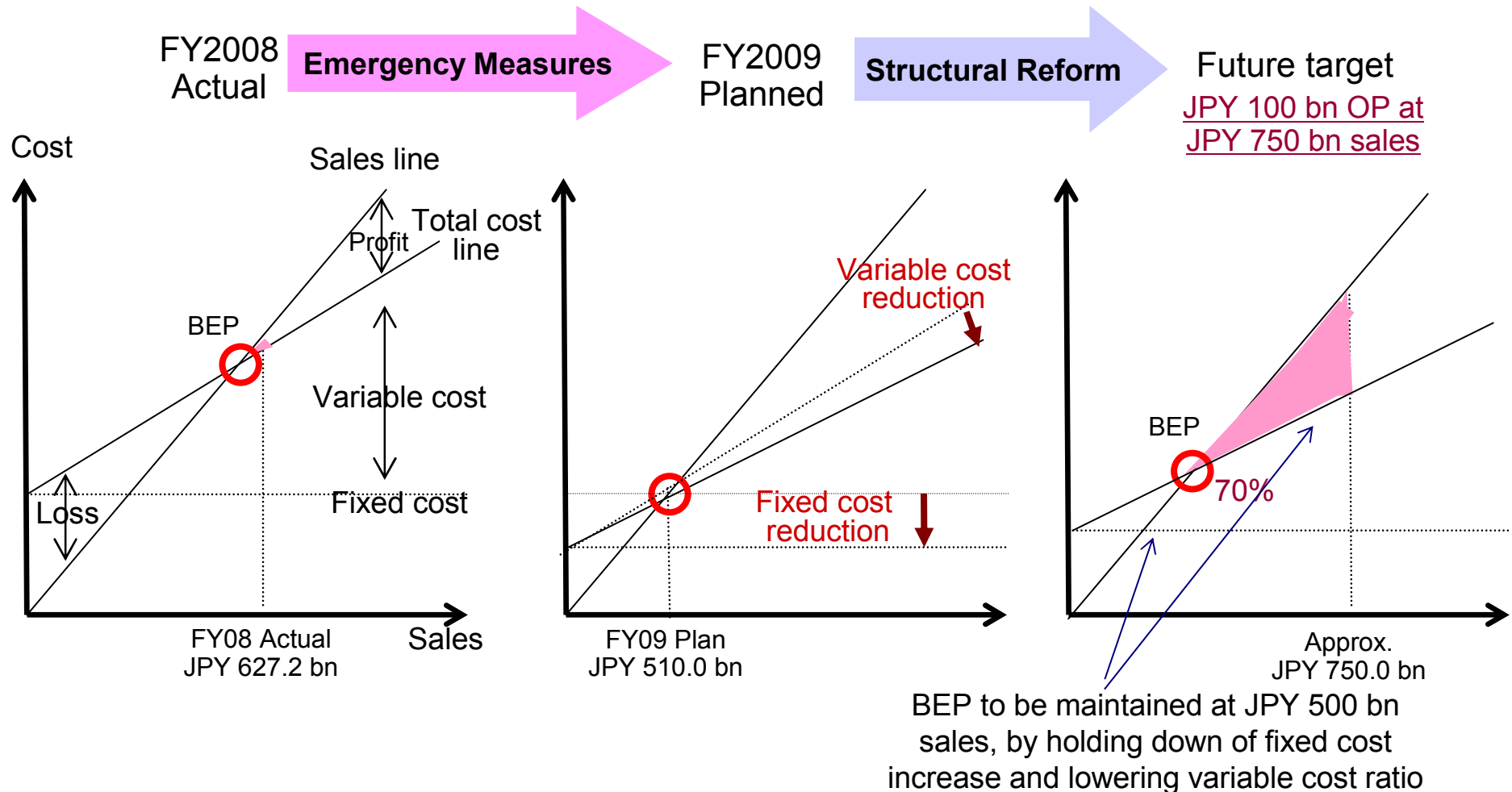
Strengthen profit base over the medium term



Structural Reform Goals

Improve BEP

Increasing operating profit when sales recovers, by lowering BEP to approx. 70% with reduction of fixed costs and variable cost ratio.

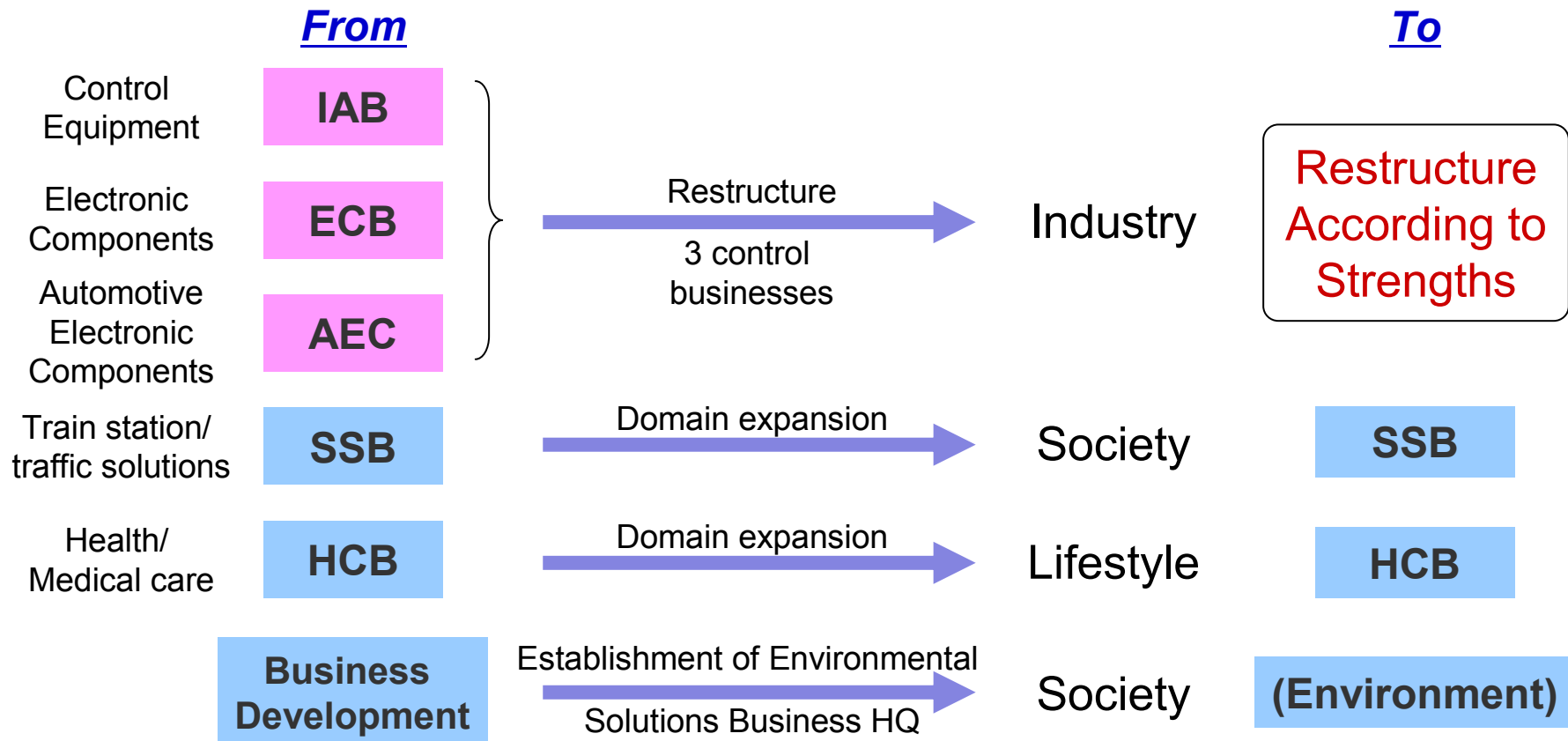


BEP to be maintained at JPY 500 bn sales, by holding down of fixed cost increase and lowering variable cost ratio

Structural Reform

(1) Business Domain Reform - Restructuring of 3 Control Businesses

- Omron will restructure its business domains into three categories: **Industry, Society and Lifestyle.**
- Looking to the future, Omron will implement business domain reform to standardize the operations of its 3 control-based businesses and avoid dispersal of resources.



Structural Reform

(1) Business Domain Reform - Restructuring of 3 Control Businesses

(Not Available Online)

Each business domain carries out its own tasks to realize mid- long-term restructuring.

IAB

FA

FA (Factory Automation) Business

- Focus on general-use components in Japan
 - Strengthen domestic frontline staff (approx. 300 additional sales & customer service staff)
 - Strengthen collaborative relationships with domestic channels (2,000 sales staffers) to increase market coverage
- Enhance production in China to become more price competitive on a global level

ECB

**EMC/
ME**

EMC (Electro mechanical) Business

- Strengthen productivity to raise profit (shared application of raw materials, dies, and processing technology)
- Accelerate closure and consolidation of production sites

ME (Micro electronics) Business

Seek new applications (with MEMS) aiming at business growth

AEC

**Auto
Elec.
Comp.**

Automotive Electronic Components Business

Focus on target customers and products and encourage autonomous operation

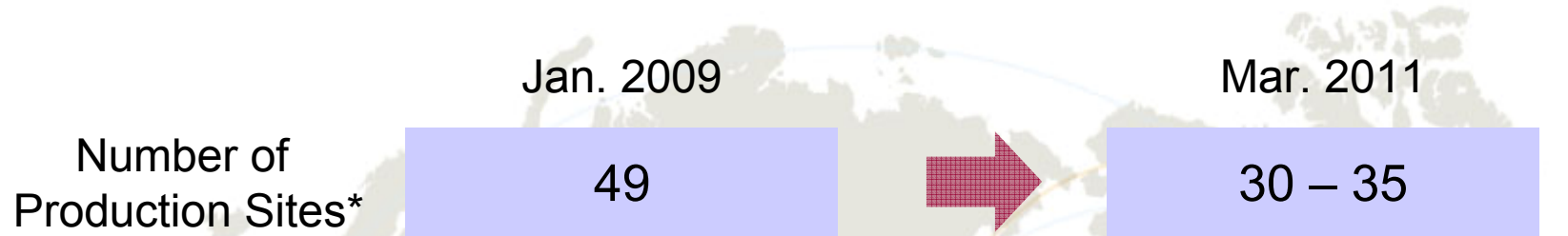
- Give focus on target customers and concentrate on ECU*-related business
- Transfer businesses to EMC, relay business among others
- Operate autonomously as a segment specialized in the auto industry

*Electronic Control Unit

Structural Reform

(2) Closure/Consolidation of Sites

Close/consolidate approx. 30% of production sites from FY08 to FY10.



* Production sites: Sites with production function and/or production management function

- Sites to be closed/consolidated (decided in FY08):
- Large-sized backlight business: TFO (3 sites)
 - Automotive electronic components business:
 - OUK (Omron Automotive Electronics UK Ltd.)
 - Semiconductor business: Minakuchi factory, Japan
 - FA business: OMA (Omron Manufacturing of America, Inc., US)

Variable Cost Structure Reform

- Aim to improve variable costs ratio by 2.5 pt.
- Establish inter-segment system of supplying common-use processed components.
- Global raw-material standardization and integration.

IT Structure Reform

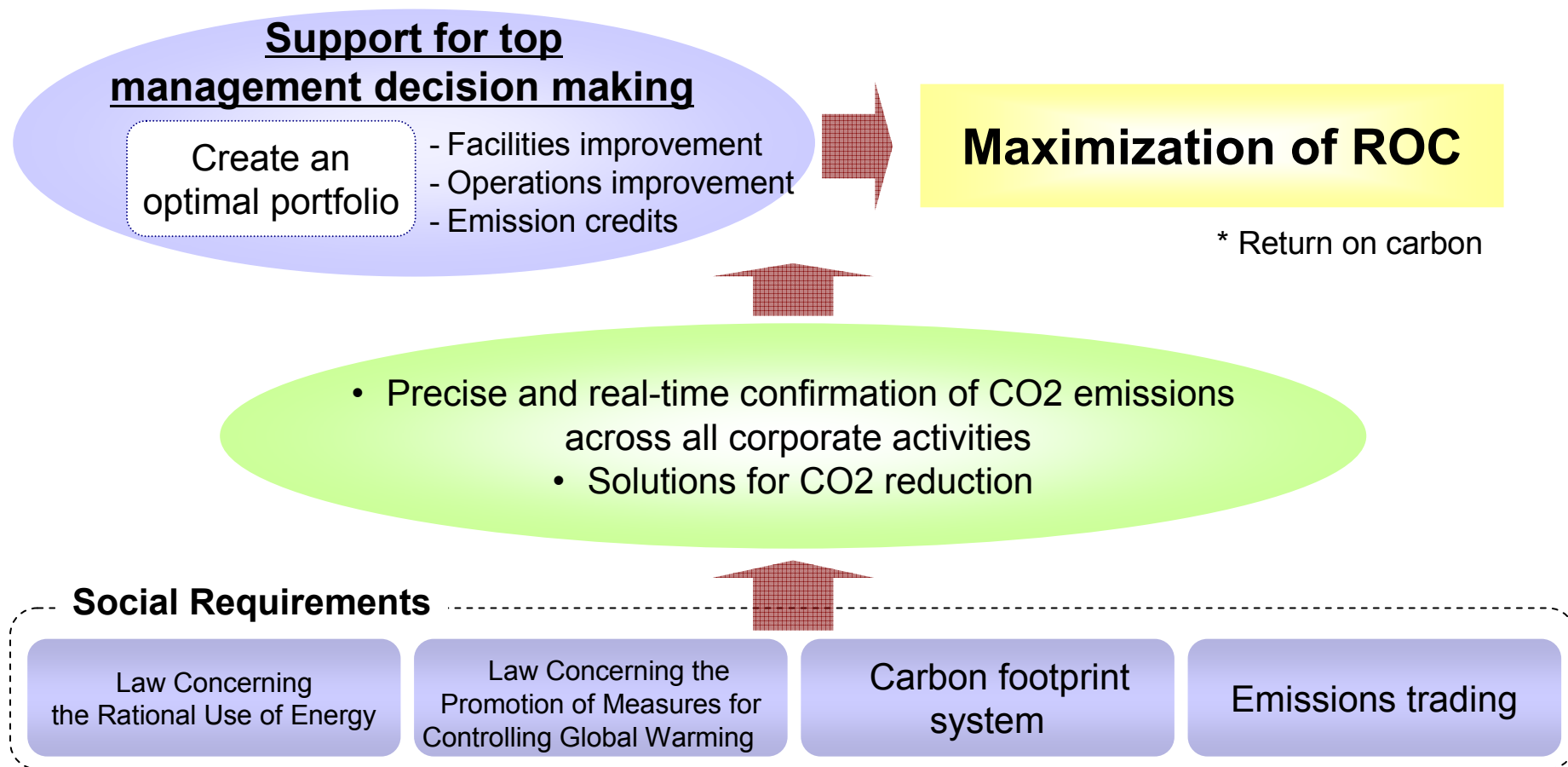
- Process innovation in production, sales and R&D.
- Promote head office restructuring and establish global corporate governance in accounting.

Head Office Function Reform

Visualize and streamline office staff functions that the head office and each business segment has to optimally allocate the workforce

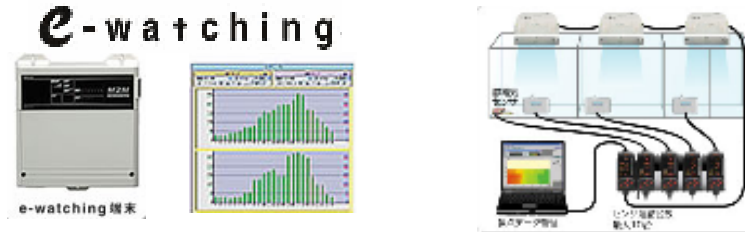
Executive Summary	P. 4
Results for the Fiscal Year Ended March 31, 2009 (FY08)	P. 5
FY09 Forecast	P. 21
Emergency Measures and Structural Reform	P. 29
Businesses and Technology Driving Future Growth	P. 43
Reference	P. 46

- ◆ Aiming to maximize ROC* through precise visualization and effective reduction of CO2 emissions



Environmental
Solutions Business
(Environmental Solutions
Business HQ)

Remote power monitoring systems:
Visualization and reduction of CO2 emissions



Environmental
Components
Business
(IAB)

Solar power conditioners, environmental sensors

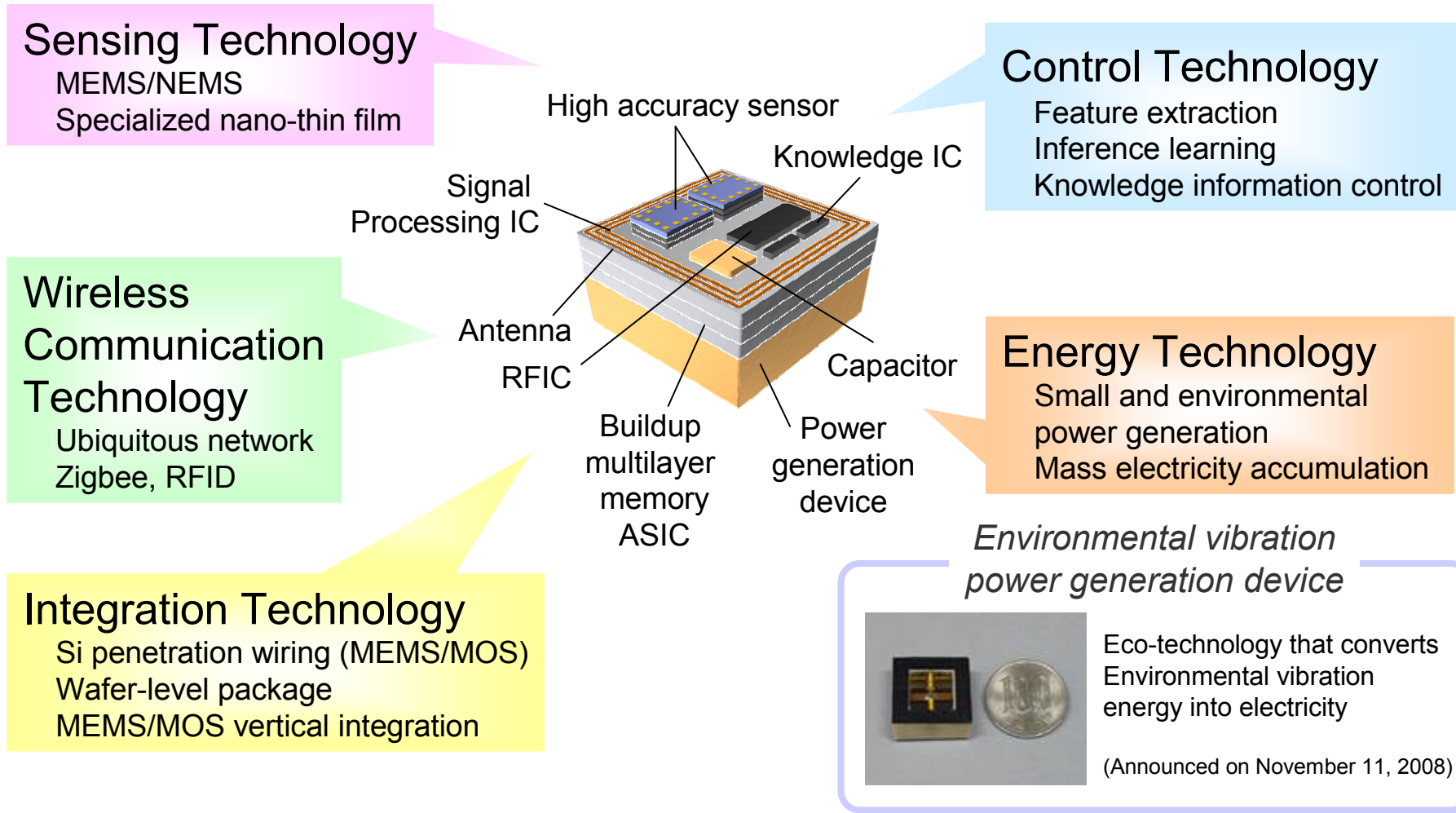


Environmental
Device Business
(ECB)

DC power relays, capacitors



◆ Strengthening core technologies of smart sensing module as a basis of future sensor development

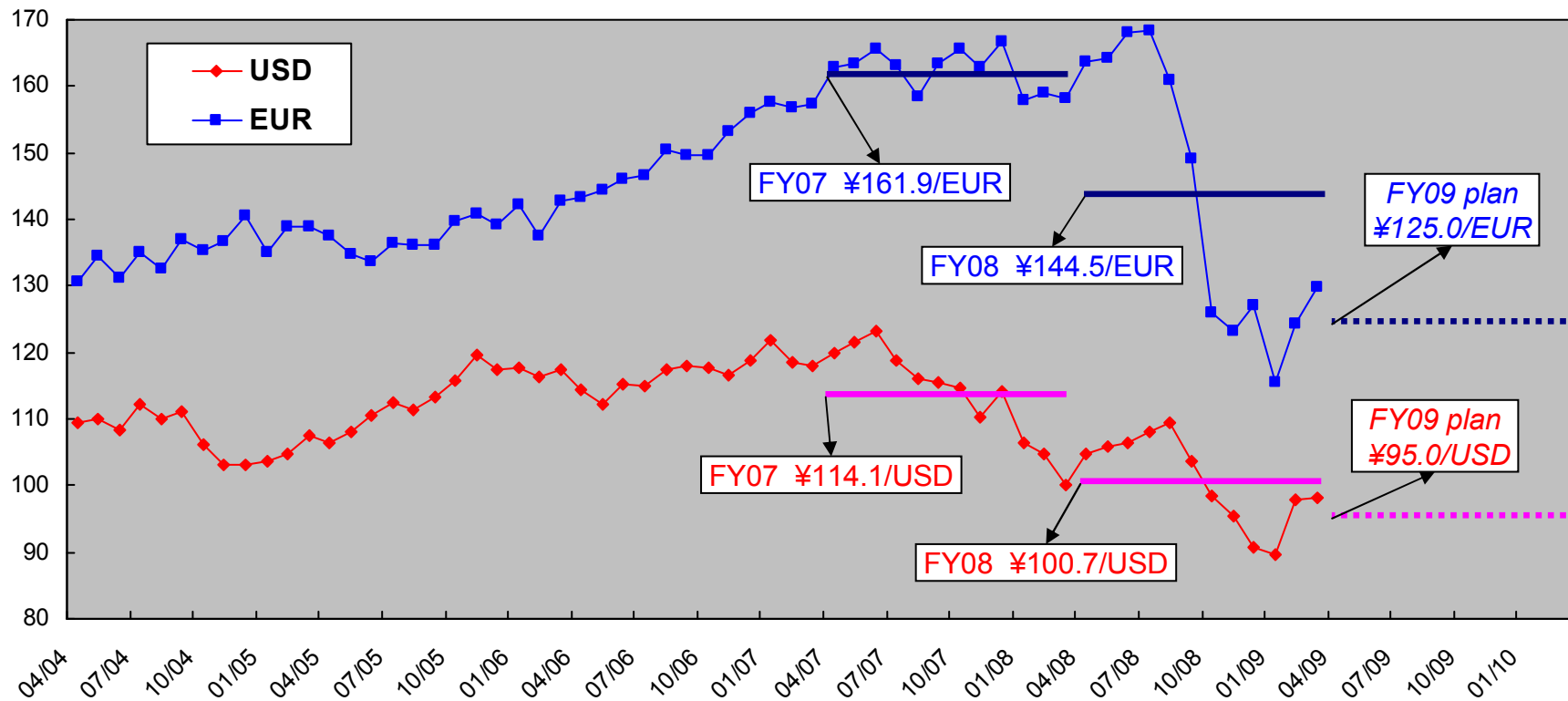


Executive Summary	P. 4
Results for the Fiscal Year Ended March 31, 2009 (FY08)	P. 5
FY09 Forecast	P. 21
Emergency Measures and Structural Reform	P. 29
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Reference	P. 47

Exchange Rates (USD, EUR)

Both USD and EUR plunged YoY.

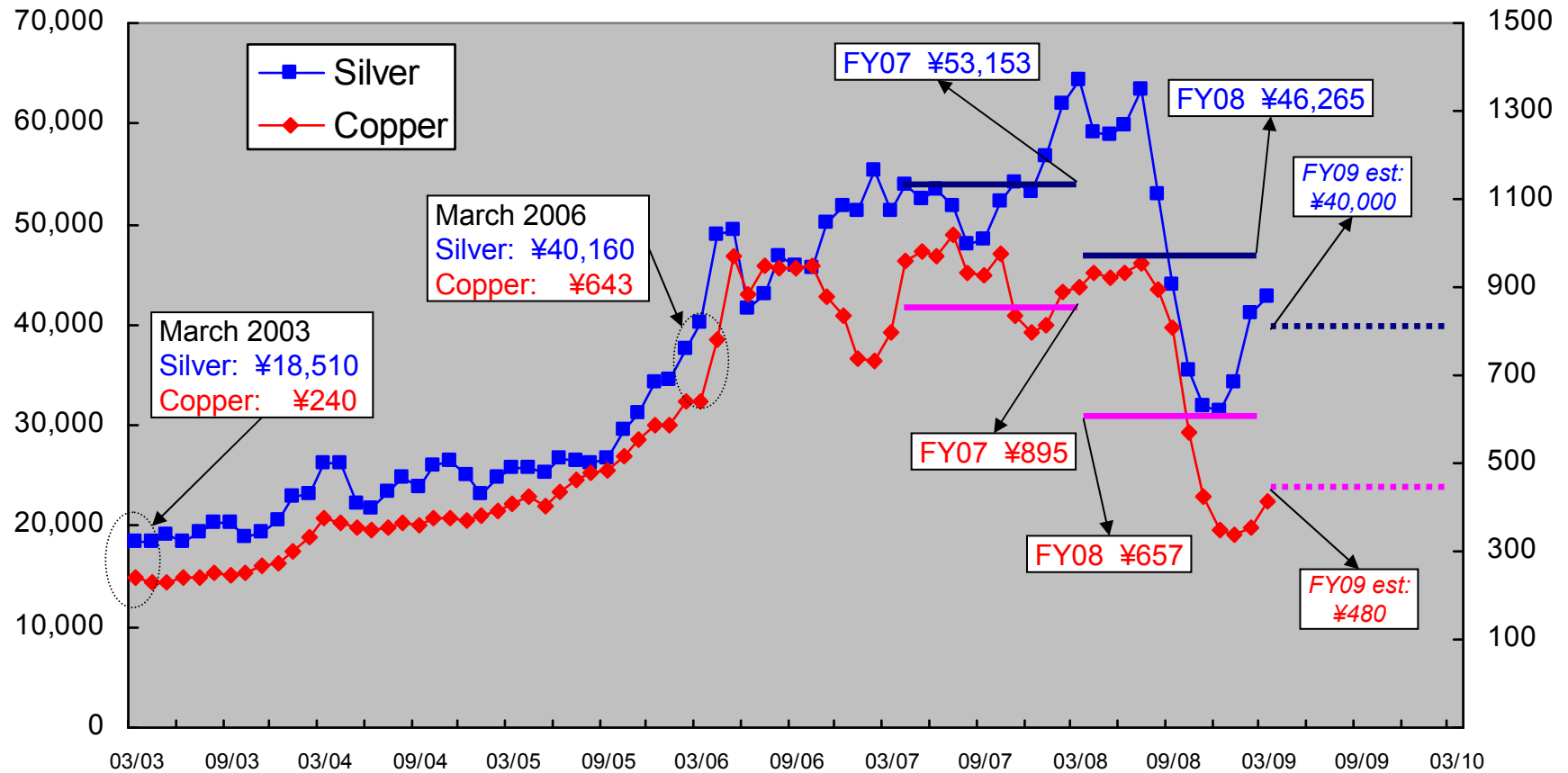
1JPY



FY08 silver and copper prices dropped YoY.

Silver price quotation, JPY/kg

Copper price quotation, JPY/kg



“Shaping Our Sense of Security”
with Sensing and Control Technology



Contact

Omron Corporation

IR and M&A Planning HQ, IR Department

Phone:

+81-3-3436-7170

E-mail:

omron_ir@omron.co.jp

Website (English):

www.omron.com

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