



OMRON

Sensing tomorrow™

Financial Results for the Fiscal Year Ended March 31, 2012 (FY11)

April 27, 2012

OMRON Corporation



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FY11 Results



Consolidated P/L

- Sales almost in line with Jan. forecast. OP up.
- YoY, sales slightly up, OP down. (Both up without exchange loss and raw material cost increase: ¥637.7 bn sales, ¥48.6 bn OP with 37.6% gross profit margin)

(Billions of yen)

	FY2011	FY2011 Jan. 27 fcst	vs. Jan fcst	FY2010	YoY
Net Sales	619.5	615.0	+0.7%	617.8	+0.3%
Gross Profit	227.9	226.5	+0.6%	231.7	-1.6%
(%)	(36.8%)	(36.8%)	(-0.0% pt)	(37.5%)	(-0.7% pt)
SG&A	145.7	146.5	-0.6%	142.4	+2.3%
R&D	42.1	43.0	-2.1%	41.3	+1.9%
Operating Income	40.1	37.0	+8.5%	48.0	-16.4%
(%)	(6.5%)	(6.0%)	(+0.5% pt)	(7.8%)	(-1.3% pt)
Non-operating Income (loss), net	6.6	7.0	-5.9%	6.3	+3.9%
NIBT	33.5	30.0	+11.8%	41.7	-19.5%
Net Income attributable to shareholders	16.4	14.0	+17.1%	26.8	-38.8%

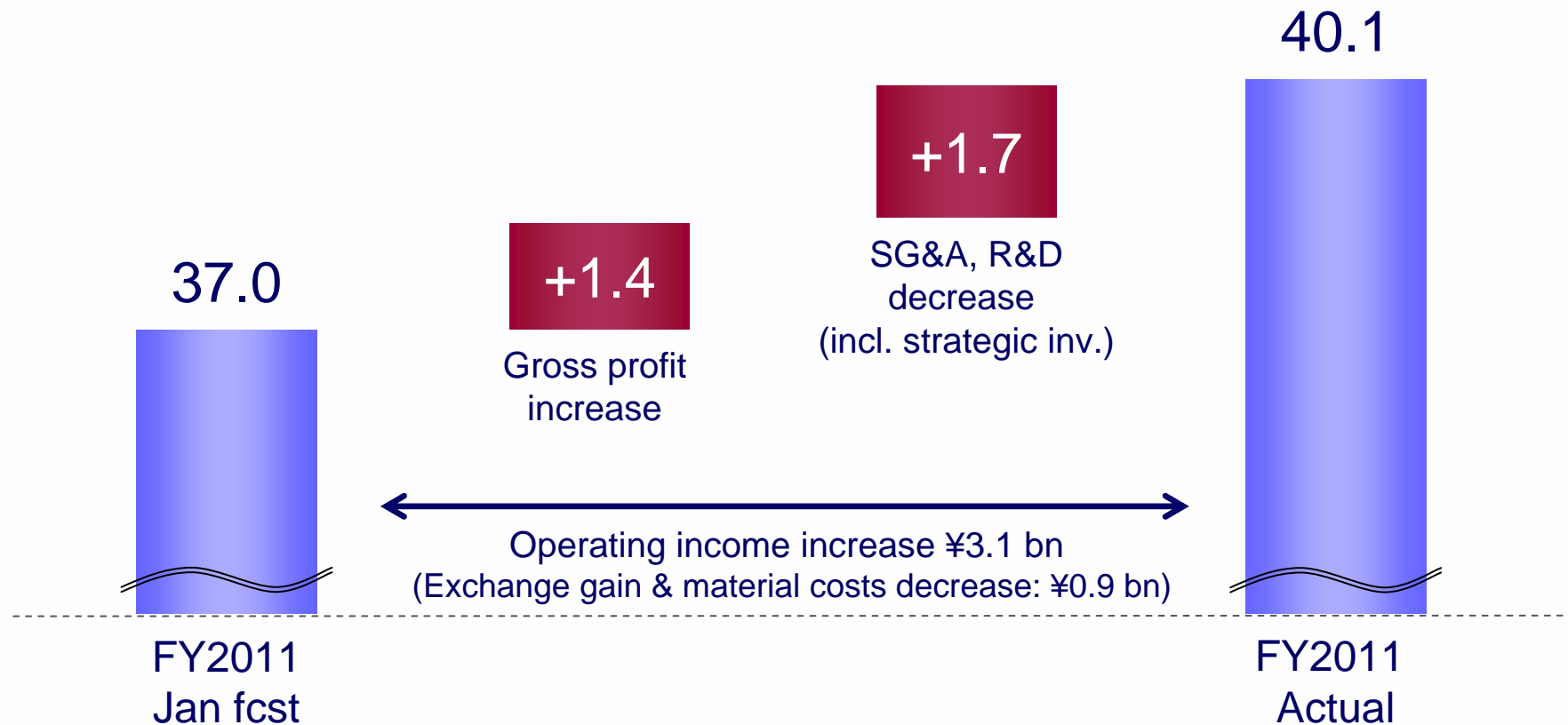
1USD (JPY)	79.3	78.4	+0.9	85.8	-6.5
1EUR (JPY)	110.3	108.3	+2.0	113.5	-3.2
Copper (JPY/kg)	738	733	+5	714	+24
Silver (JPY/kg)	92,379	91,783	+596	62,664	+29,715



Operating Income Analysis (vs. Jan. forecast)

- Up ¥3.1 bn from Jan. forecast due to sales increase and SG&A and R&D reduction.

(Billions of yen)

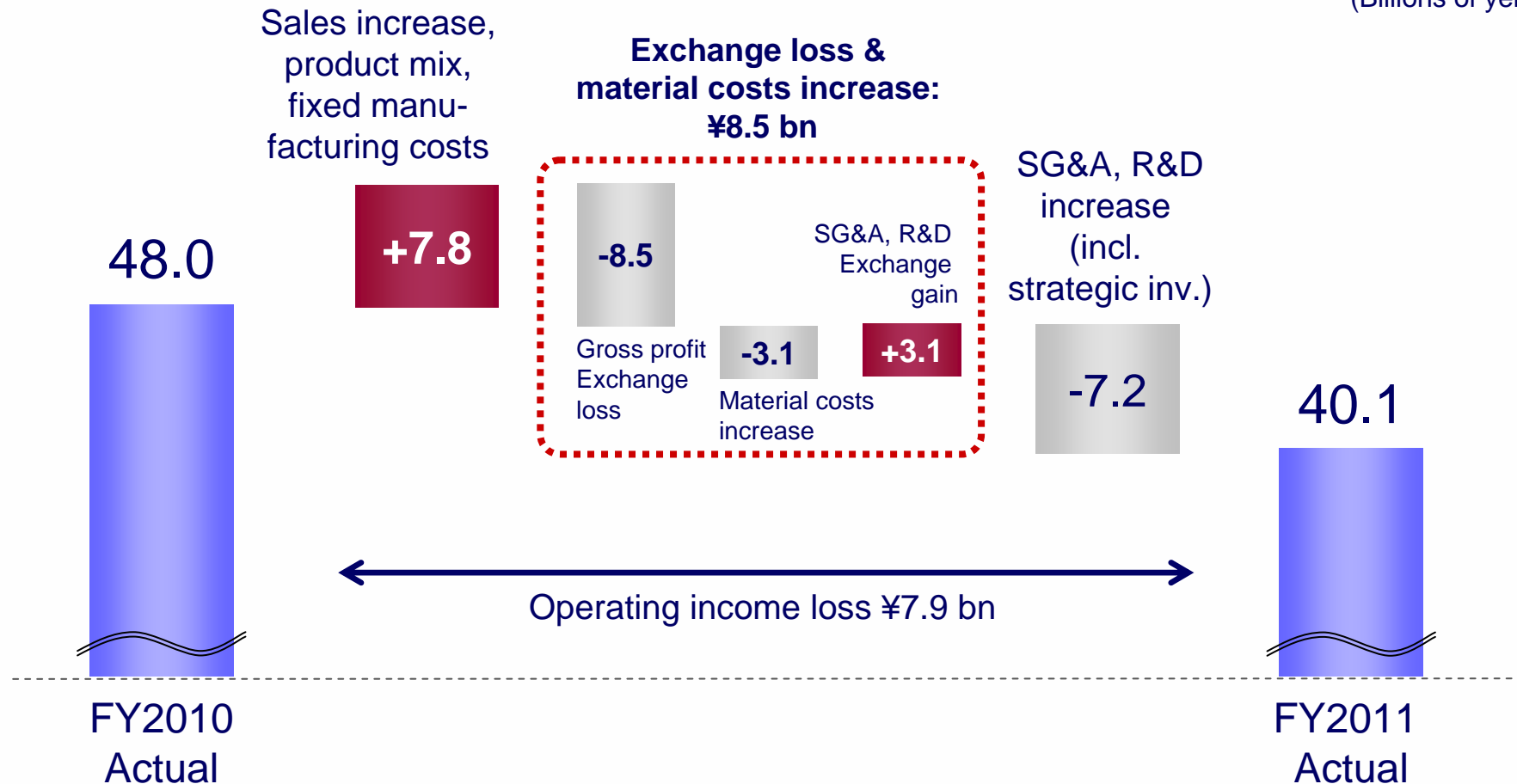




Operating Income Analysis (YoY)

- OP down by ¥7.9 bn.
- ¥8.5 bn loss attributed to forex and material costs.
- Carried out strategic and other investments for growth.

(Billions of yen)





Performance by Segment

➤ All segments almost in line with Jan. sales forecast.

(Billions of yen)

	Net Sales					Operating Income				
	FY2011	FY2011 Jan 27 fcst	vs. Jan fcst	FY2010	YoY	FY2011	FY2011 Jan fcst	vs. Jan fcst	FY2010	YoY
IAB Industrial Automation	270.8	268.0	+2.8	271.9	-1.1	33.3	32.0	+1.3	38.2	-4.9
EMC Electronic & Mechanical Components	83.0	83.0	+0.0	81.2	+1.8	7.2	8.0	-0.8	11.9	-4.7
AEC Automotive Electronic Components	85.0	84.0	+1.0	84.3	+0.7	2.7	2.5	+0.2	4.2	-1.5
SSB Social Systems, Solutions & Service	57.2	58.0	-0.8	63.8	-6.6	0.1	0.0	+0.1	1.7	-1.6
HCB Healthcare	62.4	62.0	+0.4	60.6	+1.8	2.9	3.2	-0.3	4.1	-1.2
Other	53.5	53.0	+0.5	49.7	+3.8	-3.6	-4.2	+0.6	-4.7	+1.1
Eliminations & Corporate	7.6	7.0	+0.6	6.3	+1.3	-2.5	-4.5	+2.0	-7.4	+4.9
Total	619.5	615.0	+4.5	617.8	+1.7	40.1	37.0	+3.1	48.0	-7.9



Performance by Segment (YoY)

Segment	FY11 Net Sales & Operating Income, vs. FY10 Results	
IAB	Net Sales	<ul style="list-style-type: none"> • Japan: Unchanged overall. Semiconductors & electronic components down. Automotive and machine tools up. • Overseas: Unchanged. China and Europe down. US up thanks to oil & gas.
	Operating Income	Down due to the strong yen and increased strategic investments.
EMC	Net Sales	<ul style="list-style-type: none"> • Japan: Unchanged. Home appliances down, automotive and amusement equipment up. • Overseas: Up thanks to automotive and mobile related components.
	Operating Income	Down due to slow FA sales, the strong yen and raw material price hike.
AEC	Net Sales	<ul style="list-style-type: none"> • Japan: Unchanged. Down 1H due to the 3.11 disasters. Recovery in 2H. • Overseas: Unchanged with alternate production efforts in Japan for a flood-affected plant in Thailand.
	Operating Income	Down due to the strong yen, 3.11 and Thailand flooding.
SSB	Net Sales	Down due to customers' restrained capital investment after 3.11.
	Operating Income	Down due to sales decrease.
HCB	Net Sales	<ul style="list-style-type: none"> • Japan: Unchanged. New products contributed to raise market share and cross off disaster impacts. • Overseas: Up, led by emerging markets.
	Operating Income	Down due to the strong yen and increased strategic investments.
Other	Net Sales	Up thanks to strong environment solutions and backlight businesses.
	Operating Income	Improved due to sales increase, MD cost reduction.



Consolidated B/S

- Q4 inventory reduction through production adjustments completed as planned. (Down by ¥15 bn in Q4 assumed exchange rates of 1USD = ¥76; 1EUR=¥98)
- Total assets down due to cash decrease due to CP redemption, and deferred tax assets reversal.

(Billions of yen)

	Mar. 31, 2012	Mar. 31, 2011	(Ref. Dec. 31, 2011)
Assets	537.3	562.8	523.3
Cash and cash equivalents	45.3	74.7	44.7
Notes and accounts receivable - trade	141.1	135.3	122.7
Inventories	92.3	86.2	102.3
Deferred income taxes, other current assets	29.5	31.7	30.9
Property, plant and equipment	120.7	120.0	117.9
Investments and other assets	108.4	114.9	104.8
Liabilities	215.6	249.1	215.1
Short-term debt	18.8	45.5	29.7
Long-term debt	0.0	0.8	0.0
Notes and accounts payable - trade	79.3	77.8	77.1
Termination and retirement benefits	60.4	65.5	60.8
Other liabilities	57.1	59.5	47.5
Net Assets	321.7	313.7	308.2
Common stock and retained earnings	433.8	423.6	432.2
Accumulated other comprehensive income (loss)	-68.4	-66.2	-80.3
Treasury stock	-44.5	-44.6	-44.6
Non controlling interests	0.8	0.9	0.9
Total Liabilities and Shareholders' Equity	537.3	562.8	523.3



Consolidated Cash Flows

- Capital expenditures up ¥5 bn to ¥28.3 bn to pave the way for growth.
- FCF down YoY due to profit decrease and capital investment increase.

(Billions of yen)

	FY2011	FY2010
Operating activities	31.9	42.0
Investing activities	-26.5	-20.2
Free cash flow	5.4	21.8
Financing activities	-33.5	3.3
Effect of exchange rate changes on cash and cash equivalents	-1.5	-2.1
Net increase/decrease in cash and cash equivalents	-29.5	23.0
Cash and cash equivalents at end of the period	45.3	74.7
Capital expenditures	28.3	23.2
Depreciation and amortization	22.6	23.0



Consolidated Sales and Operating Income by Area

- Sales up from FY10 in Greater China, Asia Pacific and other emerging markets.

(Billions of yen)

	FY2011		FY2010		YoY	
	Sales	OP	Sales	OP	Sales	OP
Japan	307.6	21.7 (7.1%)	311.9	29.8 (9.5%)	-1.4%	-27.1% (-2.5% pt)
Americas	74.8	3.0 (4.0%)	74.4	2.8 (3.8%)	+0.6%	+5.4% (+0.2% pt)
Europe	83.6	3.0 (3.6%)	84.5	3.4 (4.0%)	-1.1%	-11.0% (-0.4% pt)
Greater China	101.1	8.4 (8.3%)	97.0	11.4 (11.8%)	+4.2%	-26.2% (-3.4% pt)
Asia Pacific	52.4	4.7 (9.0%)	50.0	6.0 (11.9%)	+4.7%	-20.6% (-2.9% pt)
Elimination & Corporate	-	-0.7	-	-5.4	-	-
Total	619.5	40.1 (6.5%)	617.8	48.0 (7.8%)	+0.3%	-16.4% (-1.3% pt)

(%): Operating profit margin



Sales by Area in FY11 Forex

- When compared at the same foreign exchange rates, sales up YoY in all overseas areas.
- Americas, Greater China and Asia Pacific posted two-digit gains.

(Billions of yen)

	FY2011	FY2010*	YoY
Americas	74.8	67.6	+10.7%
Europe	83.6	81.6	+2.5%
Greater China	101.1	91.6	+10.4%
Asia Pacific	52.4	46.9	+11.7%

*FY2010 figures in FY11 exchange rates.



FY12 Forecast



Policy

Accelerate VG2020!

Achieve a high-growth, high-profit structure
by strengthening competitiveness

Action Plans

1. Reinforcement of IA business
2. Sales expansion in Asia, Greater China and other emerging markets
3. Sales growth in environmental solutions by building up a strong business model



FY12 Consolidated P/L

- Targeting ¥650 bn sales and ¥46 bn OP, where all the five main businesses post sales and OP gains, with sales expansion in emerging markets as a tailwind.

(Billions of yen)

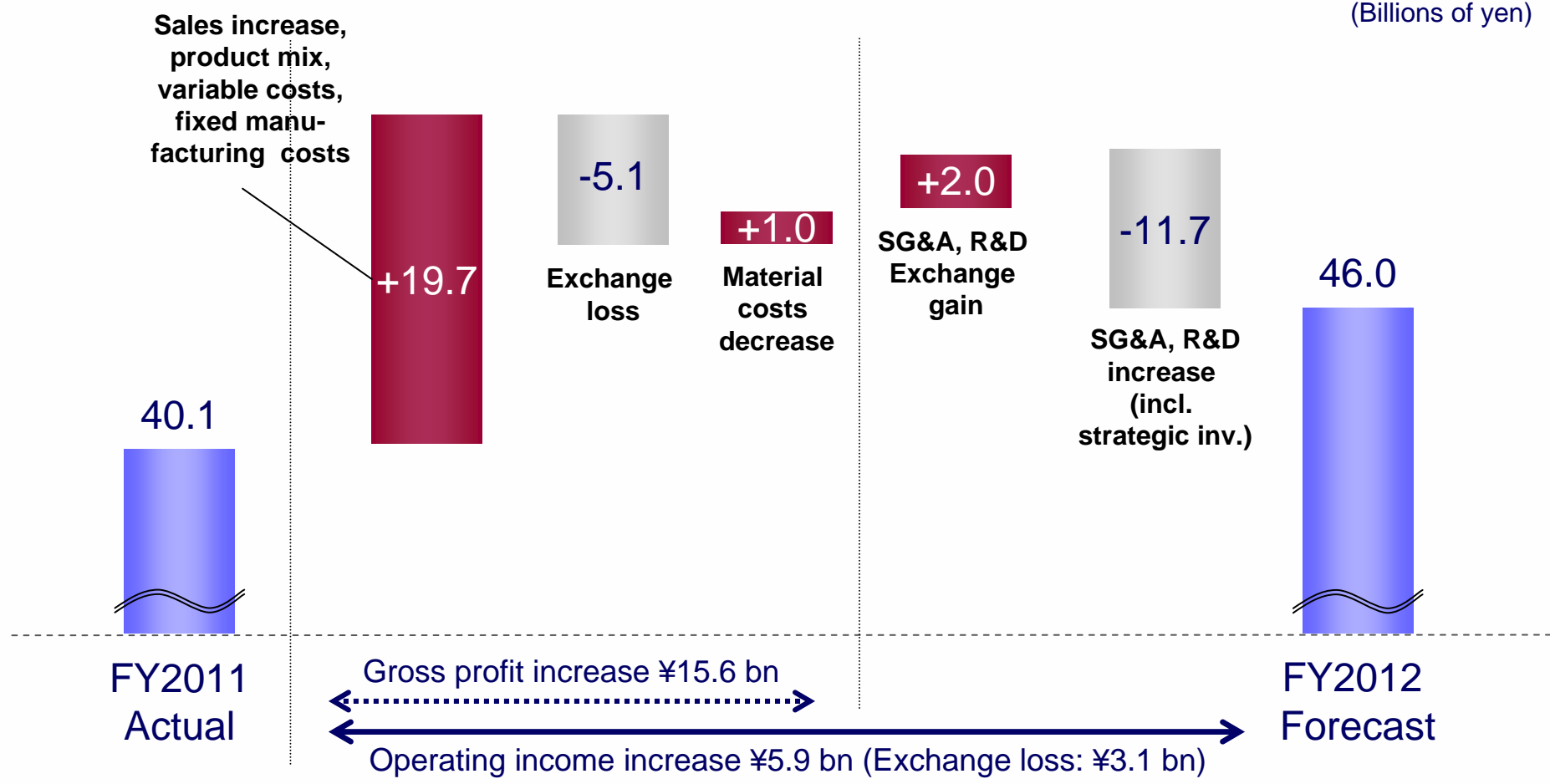
	FY2012	FY2011	YoY
Net Sales	650.0	619.5	+4.9%
Gross Profit (%)	243.5 (37.5%)	227.9 (36.8%)	+6.9% (+0.7% pt)
SG&A	152.0	145.7	+4.4%
R&D	45.5	42.1	+8.1%
Operating Income (%)	46.0 (7.1%)	40.1 (6.5%)	+14.6% (+0.6% pt)
Non-operating Income (loss), net	3.0	6.6	-54.5%
NIBT	43.0	33.5	+28.2%
Net Income attributable to shareholders	28.5	16.4	+73.9%
1USD (JPY)	78.0	79.3	-1.3
1EUR (JPY)	104.0	110.3	-6.3
Copper (JPY/kg)	700	738	-38
Silver (JPY/kg)	87,000	92,379	-5,379



Operating Income Analysis (vs. FY11)

- Challenging ourselves to log ¥6 bn OP increase by overcoming the strong yen and injecting VG2020 strategic investments.

(Billions of yen)





FY12 Performance by Segment

- Aiming at sales and OP gains in each of the five main businesses.

(Billions of yen)

	Net Sales			Operating Income		
	FY2012	FY2011	YoY	FY2012	FY2011	YoY
IAB Industrial Automation	274.0	270.8	+1.2%	35.0	33.3	+5.0%
EMC Electronic & Mechanical Components	89.0	83.0	+7.2%	8.0	7.2	+10.5%
AEC Automotive Electronic Components	95.0	85.0	+11.7%	5.0	2.7	+85.8%
SSB Social Systems, Solutions & Service	60.0	57.2	+4.9%	1.0	0.1	+920.4%
HCB Healthcare	67.5	62.4	+8.1%	4.0	2.9	+37.1%
Other	59.0	53.5	+10.2%	-2.0	-3.6	-
Eliminations & Corporate	5.5	7.6	-25.8%	-5.0	-2.5	-
Total	650.0	619.5	+4.9%	46.0	40.1	+14.6%



FY12 Half Year Performance by Segment

➤ Expecting full-fledged recovery starting 2H.

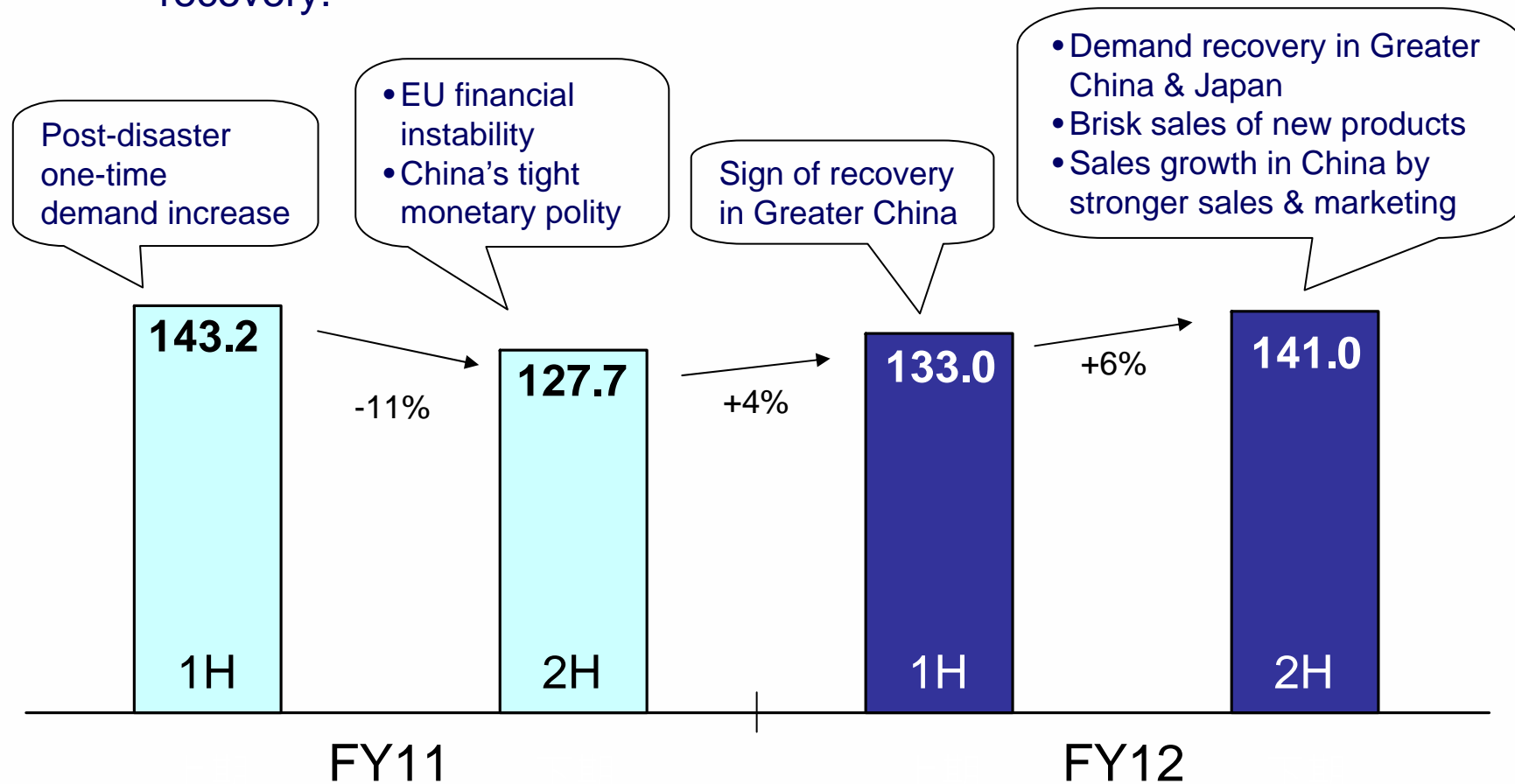
(Billions of yen)

	FY2012						FY2011						YoY					
	Net Sales			Operating Income			Net Sales			Operating Income			Net Sales			Operating Income		
	1H	2H	FY	1H	2H	FY	1H	2H	FY	1H	2H	FY	1H	2H	FY	1H	2H	FY
IAB	133.0	141.0	274.0	15.5	19.5	35.0	143.2	127.7	270.8	21.4	11.9	33.3	-7.1%	+10.4%	+1.2%	-27.6%	+63.7%	+5.0%
EMC	43.0	46.0	89.0	2.5	5.5	8.0	40.8	42.2	83.0	4.2	3.1	7.2	+5.5%	+8.9%	+7.2%	-39.8%	+78.1%	+10.5%
AEC	47.0	48.0	95.0	2.5	2.5	5.0	40.1	45.0	85.0	1.4	1.3	2.7	+17.3%	+6.8%	+11.7%	+74.8%	+98.3%	+85.8%
SSB	21.0	39.0	60.0	-4.5	5.5	1.0	20.5	36.7	57.2	-3.5	3.6	0.1	+2.7%	+6.1%	+4.9%	-	+53.2%	+920.4%
HCB	31.0	36.5	67.5	1.5	2.5	4.0	29.4	33.1	62.4	2.1	0.8	2.9	+5.6%	+10.3%	+8.1%	-27.5%	+194.5%	+37.1%
Other	31.0	28.0	59.0	-1.0	-1.0	-2.0	26.2	27.3	53.5	-2.0	-1.5	-3.6	+18.4%	+2.4%	+10.2%	-	-	-
Eliminations & Corporate	2.5	3.0	5.5	-1.0	-4.0	-5.0	3.3	4.2	7.6	-0.8	-1.8	-2.5	-23.3%	-27.8%	-25.8%	-	-	-
Total	308.5	341.5	650.0	15.5	30.5	46.0	303.3	316.2	619.5	22.7	17.4	40.1	+1.7%	+8.0%	+4.9%	-31.8%	+75.1%	+14.6%



FY12 Half Year IAB Sales

- Sales coming back after bottoming out in 2H/FY11.
- Eyeing sales increase in 2H this year by making the most out of VG achievements, while riding the wave of further global demand recovery. (Billions of yen)





Business Environment Forecast by Segment

Segment	Business Environment Forecast
IAB	<ul style="list-style-type: none">• Japan: Automotive and machine tools' capital investments and related demand likely to go on.• Overseas:<ul style="list-style-type: none">- Americas: NA car-related investments up.- Europe: Financial uncertainty to linger on.- Asia Pacific: Emerging markets' capital investments up.- Greater China: Capital investments up following easing of monetary policy.
EMC	<ul style="list-style-type: none">• Japan: Demand for amusement equipment up.• Overseas:<ul style="list-style-type: none">- Americas: Automotive-related demand to go on.- Europe: Financial uncertainty to linger on.- Asia Pacific: Emerging markets' demand for home appliances up.- Greater China: Demand for smart meters and other eco solutions up.
AEC	<ul style="list-style-type: none">• Japan: Automakers' demand to turn around.• Overseas: NA to come back; Greater China, AP and other emerging markets up.
SSB	<ul style="list-style-type: none">• Demand for environmental solutions up.
HCB	<ul style="list-style-type: none">• Japan: Demand for healthcare services up with higher health-consciousness.• Overseas: Emerging markets' demand up with higher health-consciousness.
Other	<ul style="list-style-type: none">• Demand for environmental solutions and backlights up.



FY12 R&D, Capex, and Depreciation

- Omron will keep making proactive investments toward growth.

(Billions of yen)

	FY2012	FY2011	YoY
R&D	45.5	42.1	+8.1%
Capex	31.5	28.3	+11.3%
Depreciation	24.0	22.6	+6.2%



VG2020 GLOBE STAGE



GLOBE STAGE: Goals & Tasks

Policy

Establishment of a global profit & growth structure

Goals

FY2013

Gross profit margin: **39%**; OP margin: **9%**; ROE: **11%**

Net Sales: approx. **¥700 bn**; OP: approx. **¥63 bn**

(Assumed exchange rates: 1USD = ¥78; 1EUR = ¥104)

Tasks (unchanged)

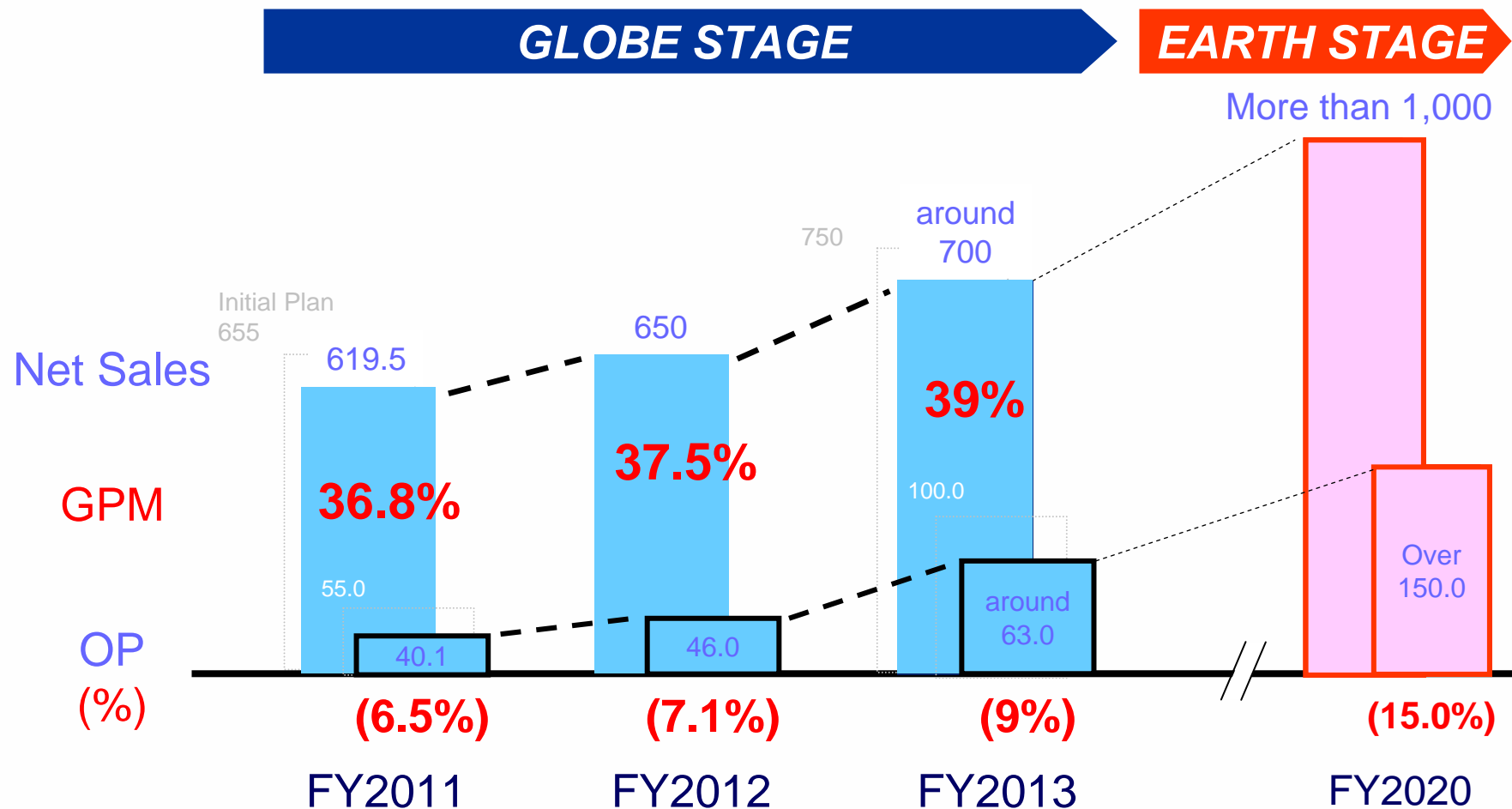
1. Reinforcement of Industrial Automation (IA) Business (IAB & EMC)
2. Sales expansion in emerging markets
3. Focus on environmental solutions business
4. Profit structure reform
5. Strengthening global human resources



GLOBE STAGE Roadmap

- FY13 targets: Gross profit margin: 39%;
- OP margin: 9%, while making necessary strategic investments.

(Billions of yen)





Updates on GLOBE STAGE Tasks

- Omron revises FY13 goals following business environment changes in the previous year.
- Aiming to improve gross profit margin by steadily introducing high-profit new products into the market, and slashing variable costs.

(Billions of yen)

	FY2011	FY2012 (Plan)	FY2013 (Target)
IA Sales (IAB & EMC) (Growth rate)	353.8 -	363.0 (+2.6%)	392.0 (+8.0%)
Emerging Market Sales (Growth rate)	170.0 -	190.0 (+11.8%)	220.0 (+15.8%)
Environment Solutions Sales (Growth rate)	21.9 -	29.0 (+32.4%)	40.0 (+37.9%)
Gross Profit Margin (Growth rate)	36.8% -	37.5% (+0.7% pt)	39% (+1.5% pt)



VG2020 GLOBE STAGE: 1st Year Review

Actions Taken (as of April 26, 2012)

IA (IAB & EMC) Reinforcement

Launch of next-generation
NJ series controllers

Relocation & expansion of
Shanghai relay plant

Establishment of 3 automation centers worldwide

M&A, Alliance Promotion: Acquisition of a Chinese power latching manufacturer;
Establishment of a joint venture with a Chinese system integrator

Sales Expansion in Emerging Markets

Wider range of IAB
global strategic products

Strengthening of sales
& marketing in India and Brazil

Reinforcement of
sales & SE staff of IAB China

Establishment of regional
head office in India

Strengthening of
IAB sales network in China

Brand recognition enhancement
in India & Brazil

New Business

Environmental Solutions Business:
Establishment of NTT Smile Energy
K.K., a joint venture with NTT West

Healthcare service:
Alliance with NTT DOCOMO

Energy Saving Solution
Business reinforcement

Online WellnessLink
service expansion



M&A and Alliance Progress

- Proactively seeking M&A and alliances to enhance IA competitive advantage in China.

◆ **Establishment of a joint venture with a Chinese system integrator**
to better meet expanding demand for industrial automation

OMRON Tongling Automation System (Hangzhou) Co., Ltd. (OTA)

- Registration: March 2012
- Capital: 60 mil. RMB
- Business: Development, manufacture and marketing of control components and systems, provision of consulting and after-sales services
- Investment ratio: OMRON (CHINA) Co., Ltd.: 51%
Hangzhou Tongling Automation Co., Ltd.: 49%

◆ **Acquisition of a Chinese power latching relay manufacturer**
to further strengthen its relay business in China, a new high-growth market for power latching relays

Shanghai Best Electrical Appliance Manufacturing Co., Ltd. (BST)

- Agreement: September 2011
- BST Capital: 2 mil. RMB
- Business: Development, manufacture and marketing of power latching relays



References



Exchange Rates & Raw Material Costs Full-Year Fluctuation Impact

- Exchange rates, ¥1 fluctuation impact (full-year, approx)

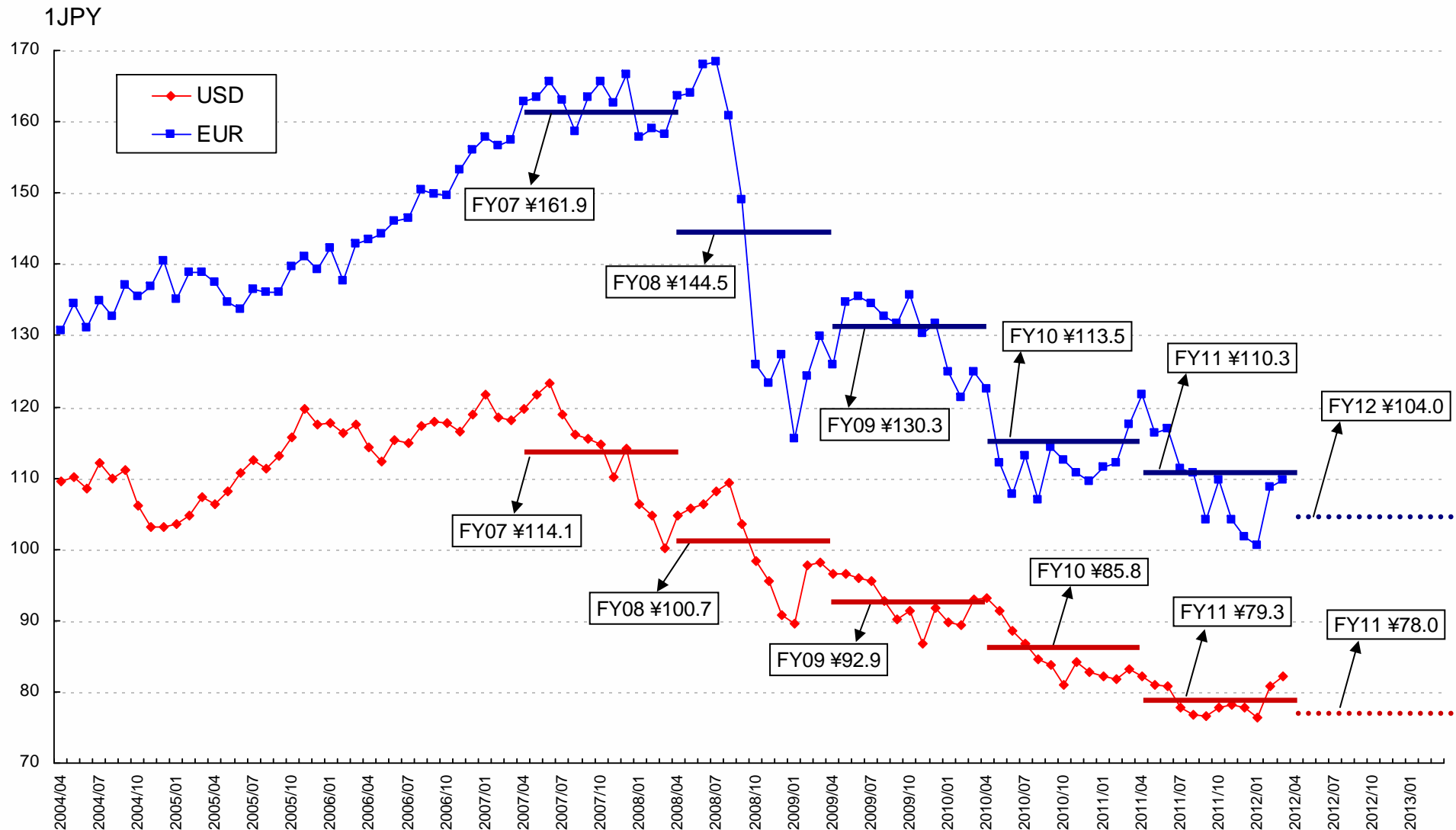
	Sales	OP
USD	¥2.8 bn	¥0.7 bn
EUR	¥0.8 bn	¥0.4 bn

- Silver & copper price change impact (full-year, approx)

	Price change	OP
Silver	¥1,000/kg	¥100 mil
Copper	¥10/kg	¥100 mil

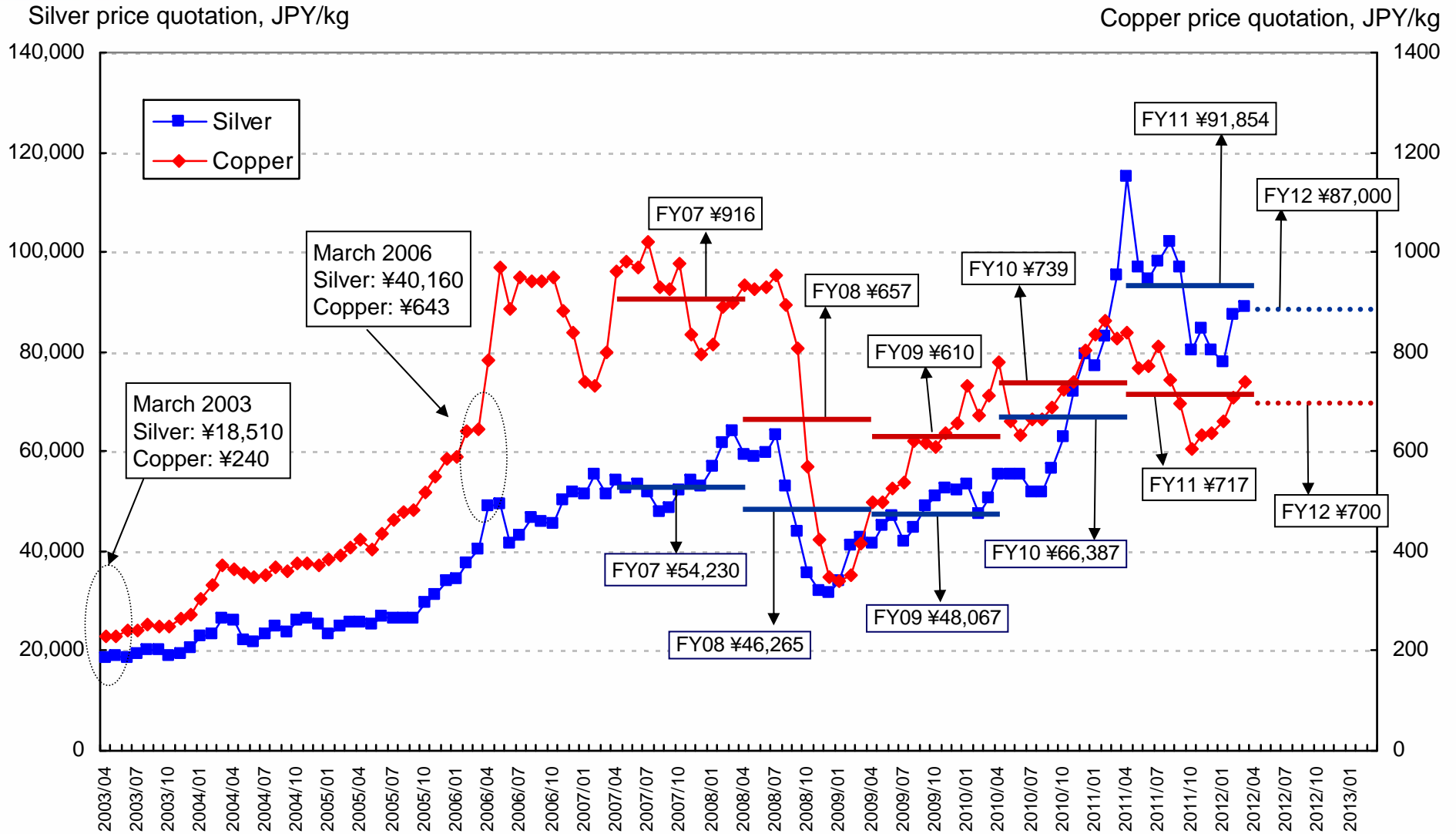


Exchange Rates (USD, EUR)





Raw Material Prices (Silver, Copper)



*Monthly simple moving average (SMA) of price quotations.



Businesses and Major Products

LCD backlights, semiconductors/MEMS,
energy saving/environmental solutions business,
electronic systems and equipment

- *Electronic signal sensing*
- *Electrical current/voltage control*

- *Radio wave sensing*
- *Automotive body control*

Relays, switches, connectors,
amusement equipment parts,
mobile device parts

Keyless entry systems,
power window switches,
automotive relays, EPS
(electronic power steering)

- *Human sensing*
- *Traffic sensing*
- *IC card technology*

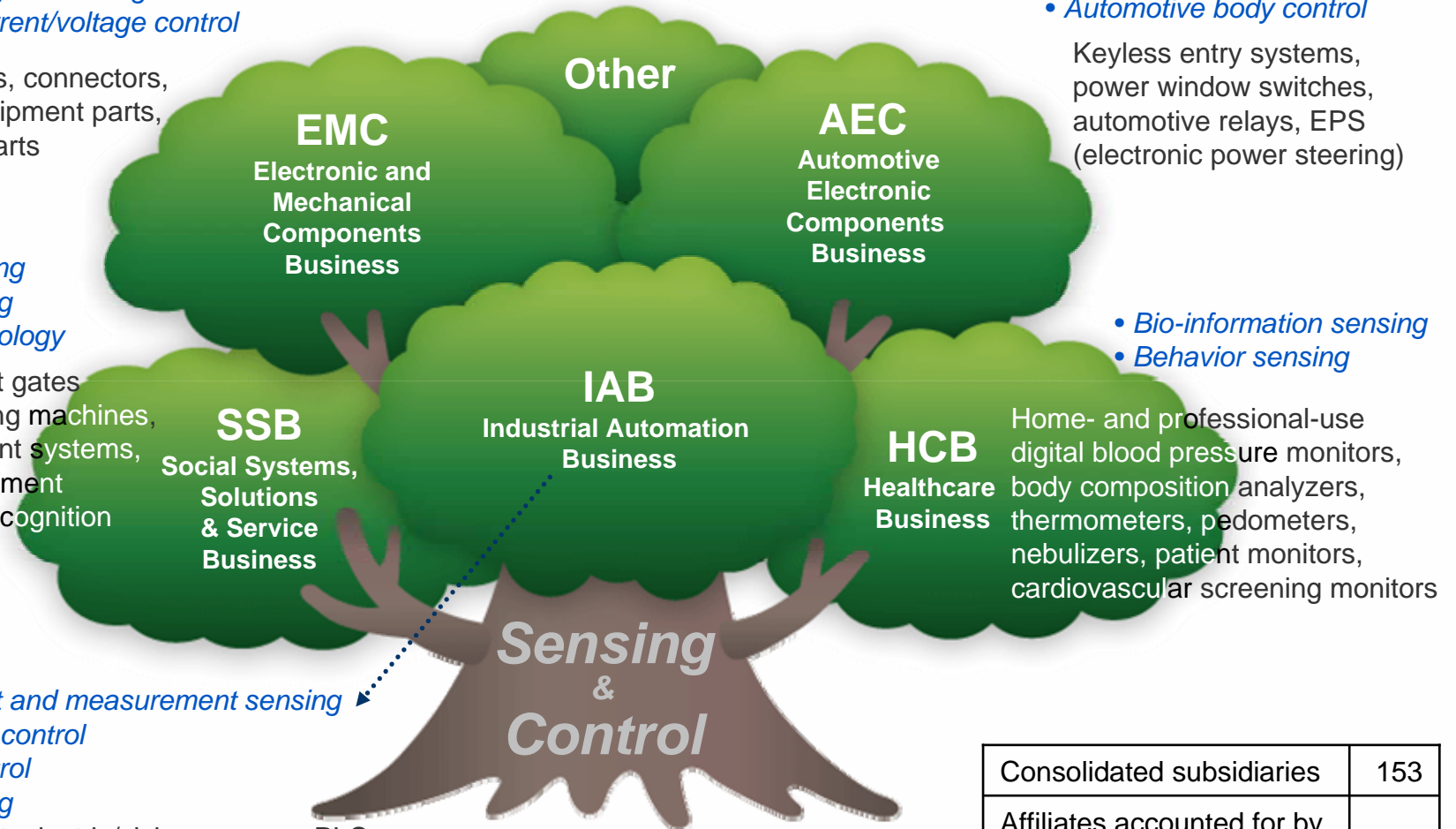
- *Bio-information sensing*
- *Behavior sensing*

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

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

- *Displacement and measurement sensing*
- *Temperature control*
- *Machine control*
- *Vision sensing*

Proximity/photoelectric/vision sensors, PLCs,
temperature controllers, machine safeguarding
equipment, inspection systems



Consolidated subsidiaries	153
Affiliates accounted for by the equity method	12

(as of March 31, 2012)



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 fundraising environment, (v) tie-ups or cooperative relationships with other companies, (vi) movements in currency exchange rates and stock markets, and (vii) accidents and natural disasters.

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