

TO OUR STAKEHOLDERS

MESSAGE FROM THE CHAIRMAN

The Omron Group responded flexibly to changing market conditions in fiscal 2006 and, in addition to reporting that we were able to steadily increase our corporate value, I want to thank all of our stakeholders who supported that growth. I would like to explain how the Omron Group will achieve sustainable growth in the future, the vision we must aim for, our mission to respond to the changing times, and the grounding force required for global management.



A Corporation Contributing to the 21st Century Earth that Incorporates the Dynamism of Asian Growth

In June 2007, we opened our first R&D center overseas, the Omron R&D Collaborative Innovation Center, in Shanghai, China. The center will be the second R&D base for our global operations together with the Keihanna Technology Innovation Center in Japan, and its purpose is to enhance the development of our core sensing and control technologies.

The Omron Group has positioned China as its most important area of focus in our 10 year long-term corporate vision, “Grand Design 2010” (GD2010), launched in fiscal 2001. In particular, in the 2nd Stage of GD2010, which began in fiscal 2004, we concentrated capital investment in China, which culminated in fiscal 2007 with the opening of the R&D center in Shanghai. The center establishes a functional coherence for our operations from R&D through manufacturing, sales and after-sales service in the Chinese market, which is currently a driver for the world economy.

Over the next two decades, we plan to incorporate the dynamism of the Asian market into our current U.S. and European operations. Ultimately, we aim to be recognized as a truly 21st century company that contributes to the healthy development of society on a global basis.

Safety, Security, Environment and Health are Global Social Needs

Safety, Security, environment and health are fundamental elements in the creation of sustainable society. This has been true in the already advanced countries, and remains equally essential in China, India, and the other rapidly emerging nations of Asia.

In many respects, this growth resembles Japan's passage through industrial development (see "SINIC Theory", on P83) on its way to becoming an economic power. Therefore, we believe the Japanese companies that are benefiting from the development of the Asian markets have an obligation as members of Asian society to use their accumulated technology and know-how to help solve the modern issues that arise as these countries seek sustainability. The Omron Group follows the management principle of "working for the benefit of society" and is creatively helping resolve problems faced by Asian society through our corporate DNA of "innovation driven by social needs*" and "challenging ourselves to always do better." This may be our most important corporate mission, and I believe this is also where we will find many business opportunities for Omron's future growth.

* Discover latent social needs, and be the first to provide products and services to build a better society

Further Growth through Governance with Corporate Principles as a Grounding Force

The values that society requires of a company change with the times, and now they are not only emphasizing economic values such as profitability and growth, but also social value. At the same time, social values vary between countries and regions. However, I believe that our corporate principles, which are characterized by our core value of working for the benefit of society set at the founding of the Omron Group and our corporate motto since 1959 of "At work for a better life, a better world for all," will be recognized as common values by stakeholders in all countries and regions.

In the future the Omron Group will continue enforcing its corporate principles and aim for diligent corporate governance powered by the grounding force of these principles. As we take up the challenge to creatively approach and resolve the new social needs in building sustainable society for the 21st century, we will implement corporate social responsibility (CSR) through our business as though our existence itself represents the fulfillment of CSR and aim to be a company chosen for its future promise.

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Yoshio Tateisi, Chairman of the BOD