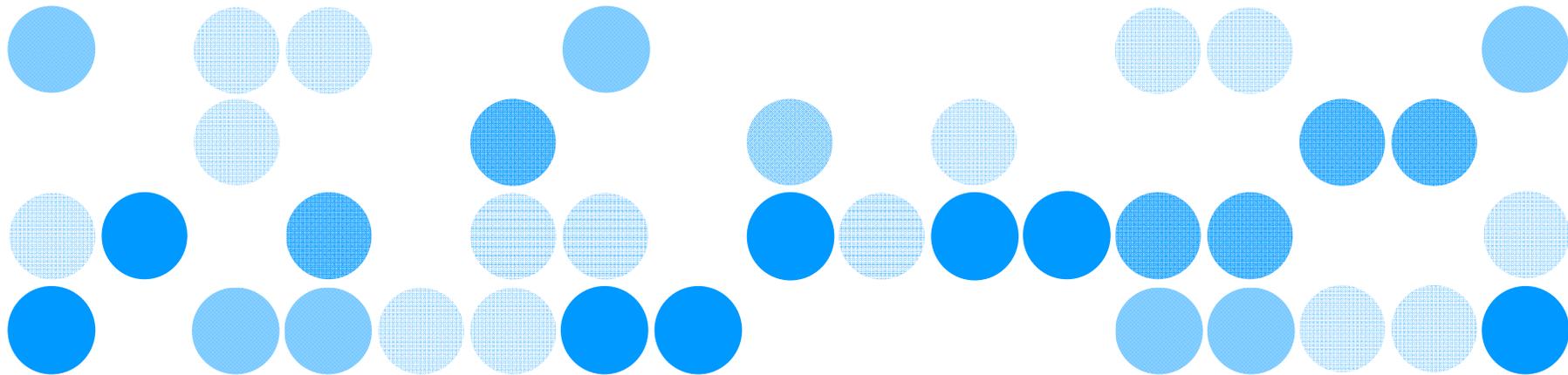

OMRON

Sensing tomorrow™

Nomura Investment Forum 2013

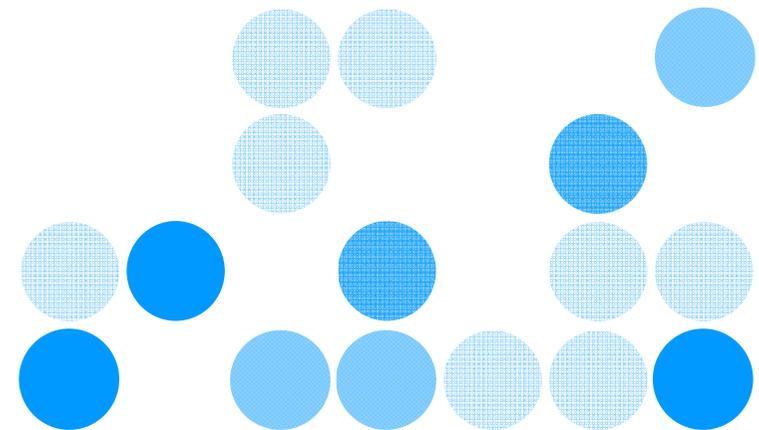
Toward Higher Corporate Value



December 5, 2013

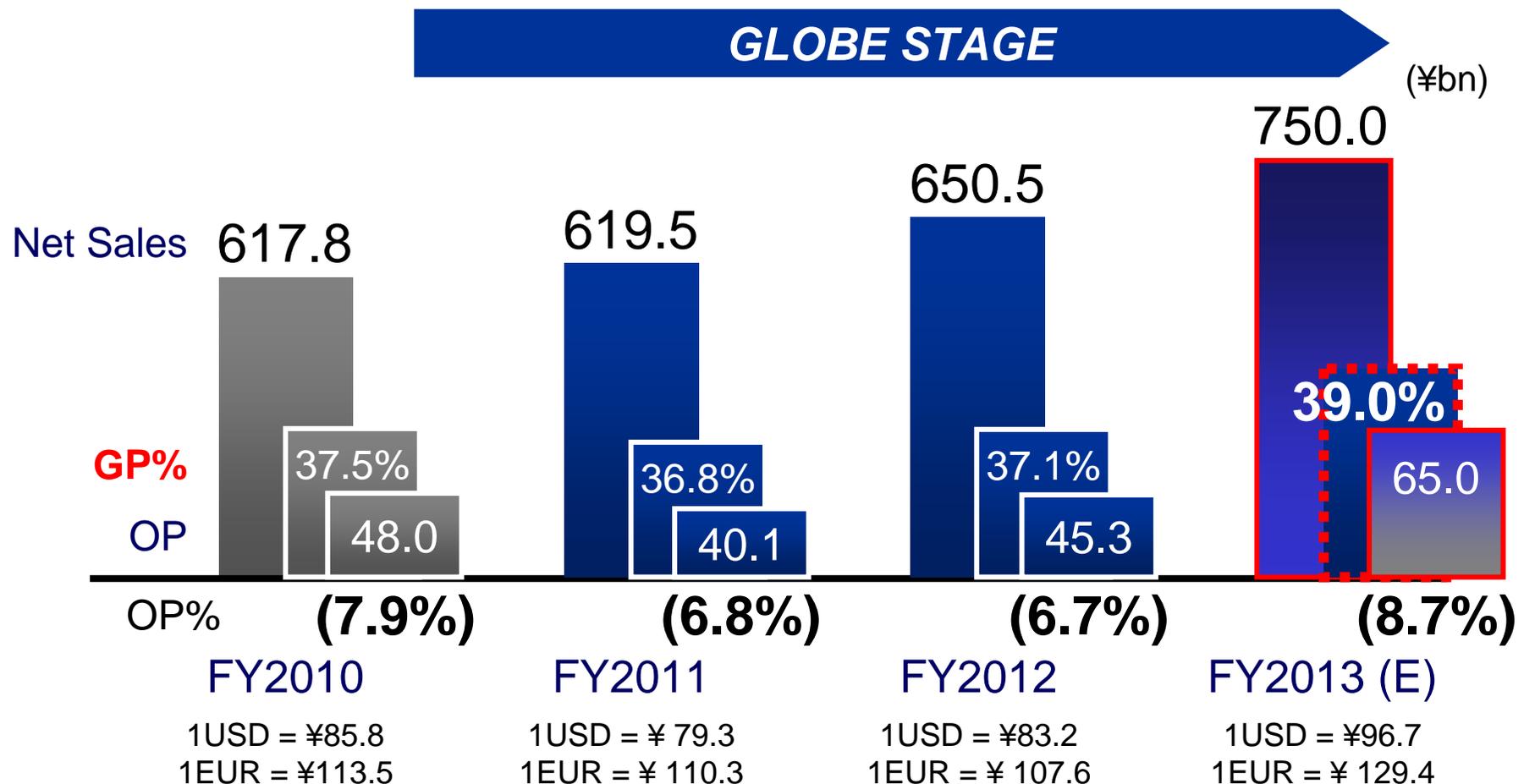
OMRON Corporation

- 1. Business Growth (growth & profit structure)**
- 2. Response to Changes**
- 3. Stronger Management**



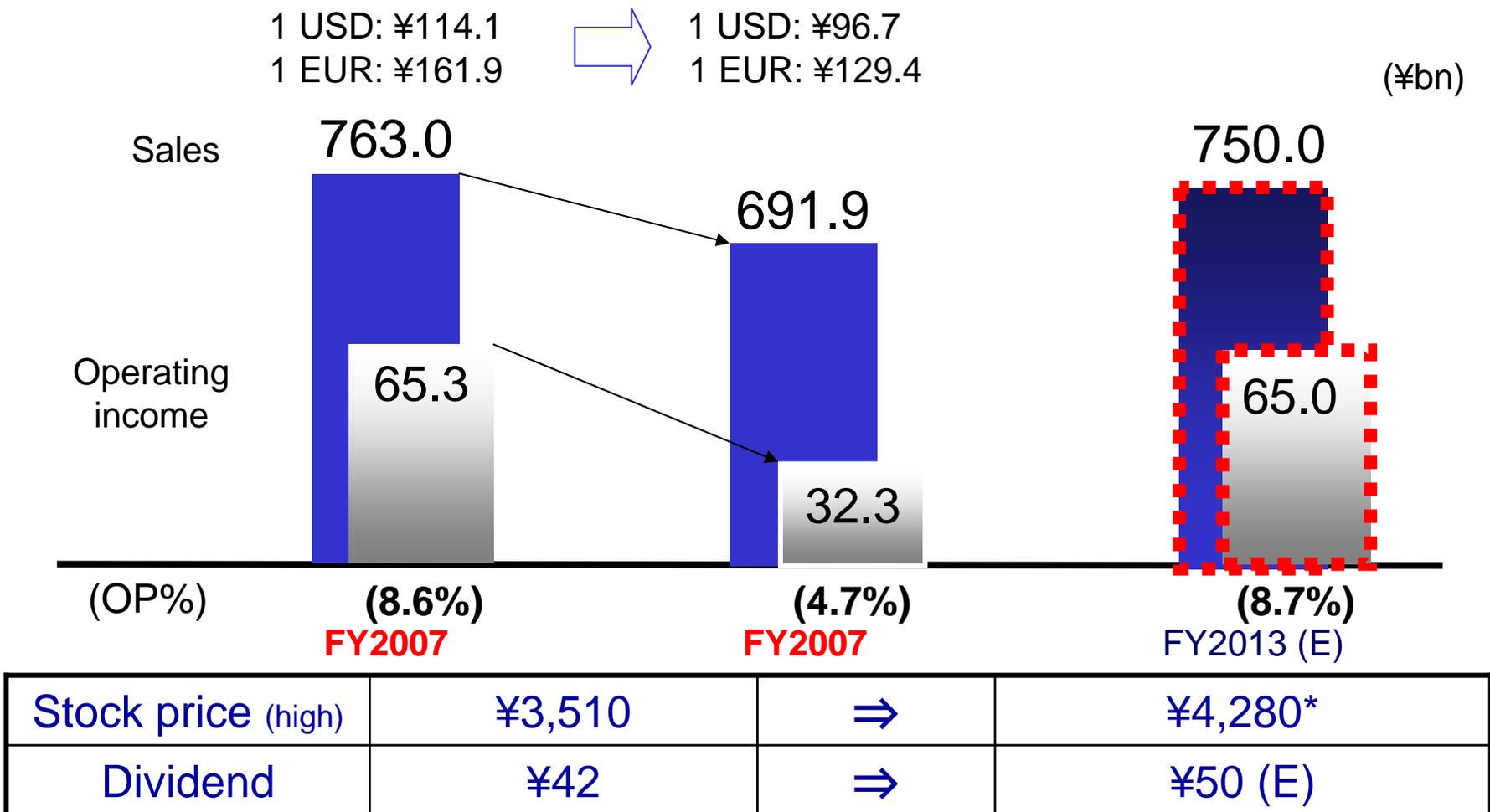
1. Business Growth: Sales & Profit

- Three years of challenging environment as CEO, such as the earthquake and the strong yen.
- Omron steadily strengthened growth & profit structures, posting increase both in sales and profits.



1. Business Growth: FY13 vs. FY07

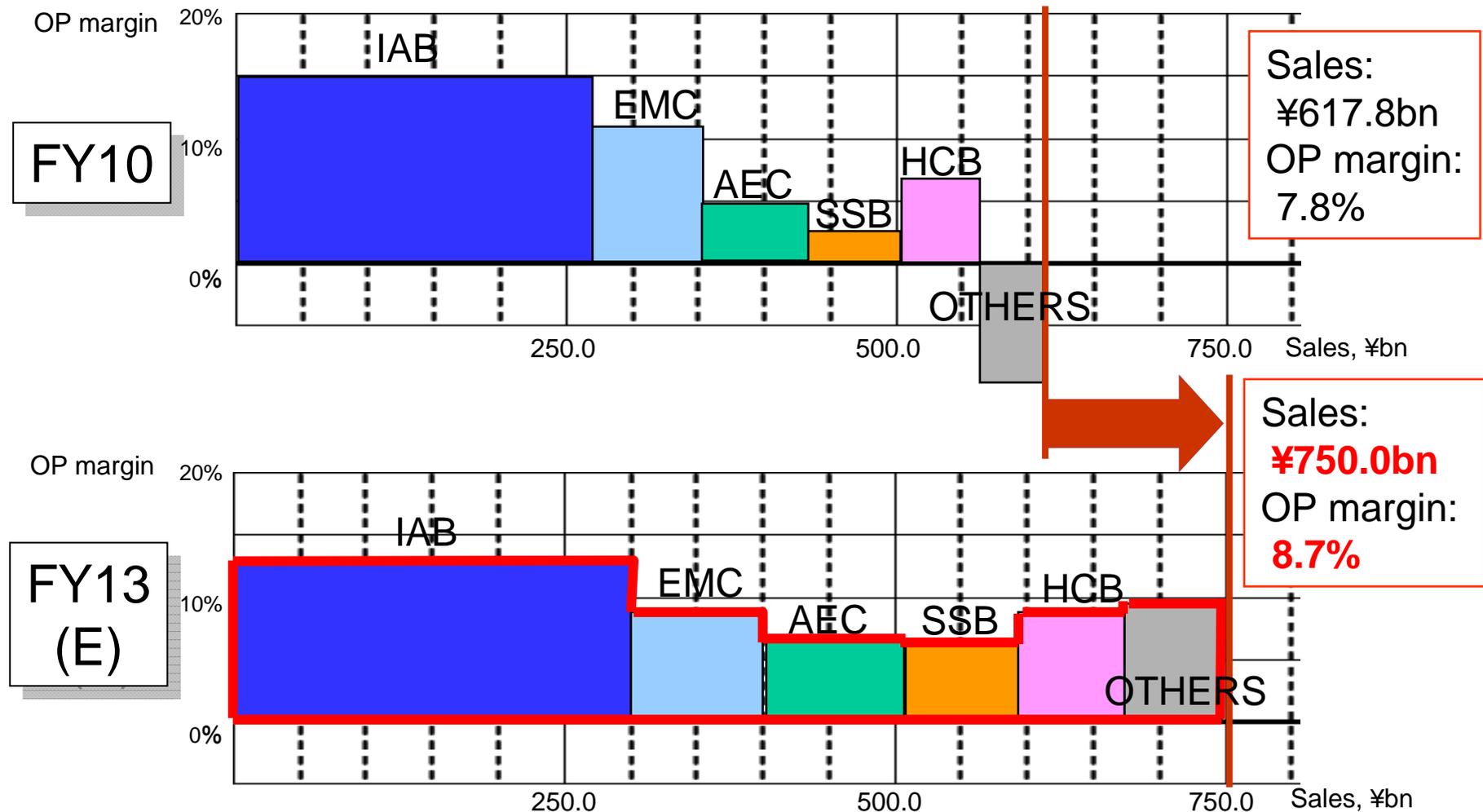
- Forecasting FY13 to outperform record-high FY07 if raw material costs and forex conditions are the same.



* 28 Nov.

1. Business Growth: Better Portfolio

- Profitability improved in Automotive (AEC), Social Systems (SSB), Healthcare (HCB) and “Other” (incl. environment) business segments.
- All segments got stronger to make Omron's business portfolio stable.



1. Business Growth: Transfer, M&A&A

- Omron carried out business transfers and M&A&A to strengthen its business.
- Working on another possible M&A&A for further growth.

GLOBE STAGE Achievements	
Business Transfers	Four businesses, including capacitor business
Closure/ Integration of Manufacturing Sites	Closure of an electronic components plant
M&A&A	- Industrial Automation, Electronic & Mechanical Components, and Healthcare Businesses: Sales & marketing channels M&A&A in emerging markets

1. Business Growth: Industrial Automation

- Aiming to grow in the IA market with ever-evolving, industry's fastest PLCs.

Sysmac NJ Series



- ◆ **High Speed Processing**
with cutting-edge MPU



- ◆ **One Machine Control**
with integrated motion & PLC

- ◆ **Fastest Application Programming**
with global standard software



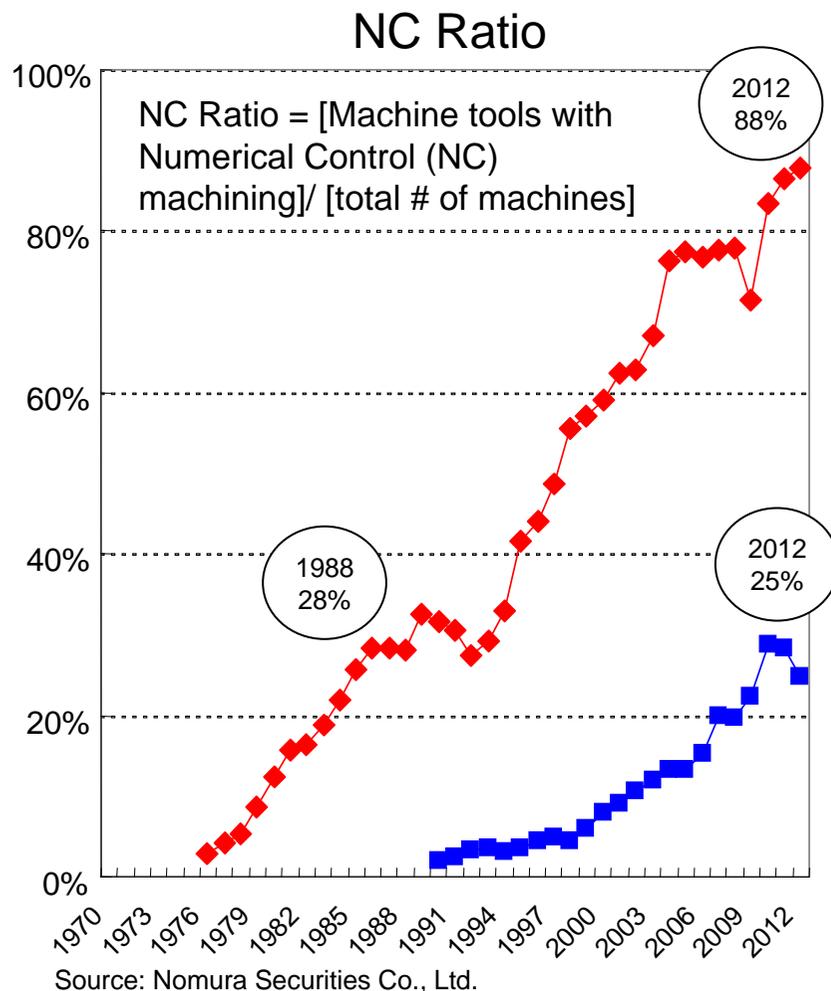
PLCopen
Motion
function block

IEC61131-3 Standard

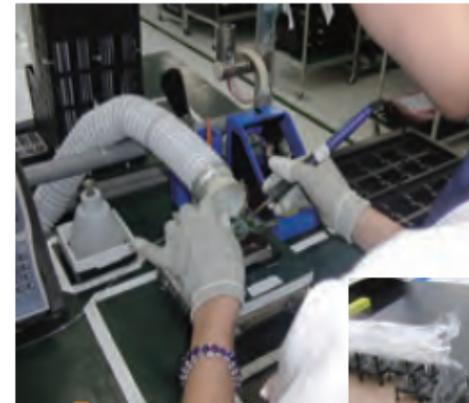
* Intel, Intel logo, and Intel Atom are trademarks of Intel Corporation in the U.S. and/or other countries.

1. Business Growth: Industrial Automation

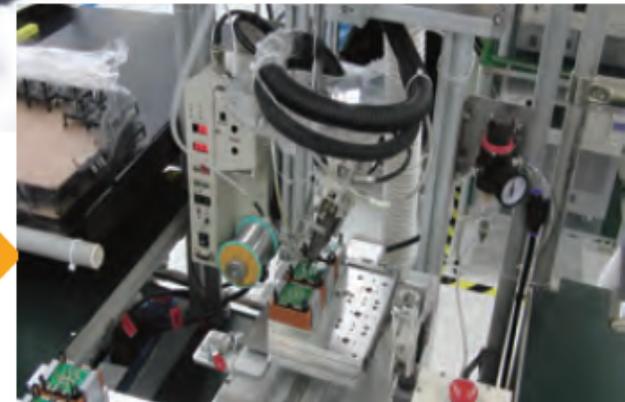
- Surging labor costs in emerging markets → Shift to automation
→ Tailwind for Omron to promote its low-cost intelligent automation (LCIA).



Soldering by hand

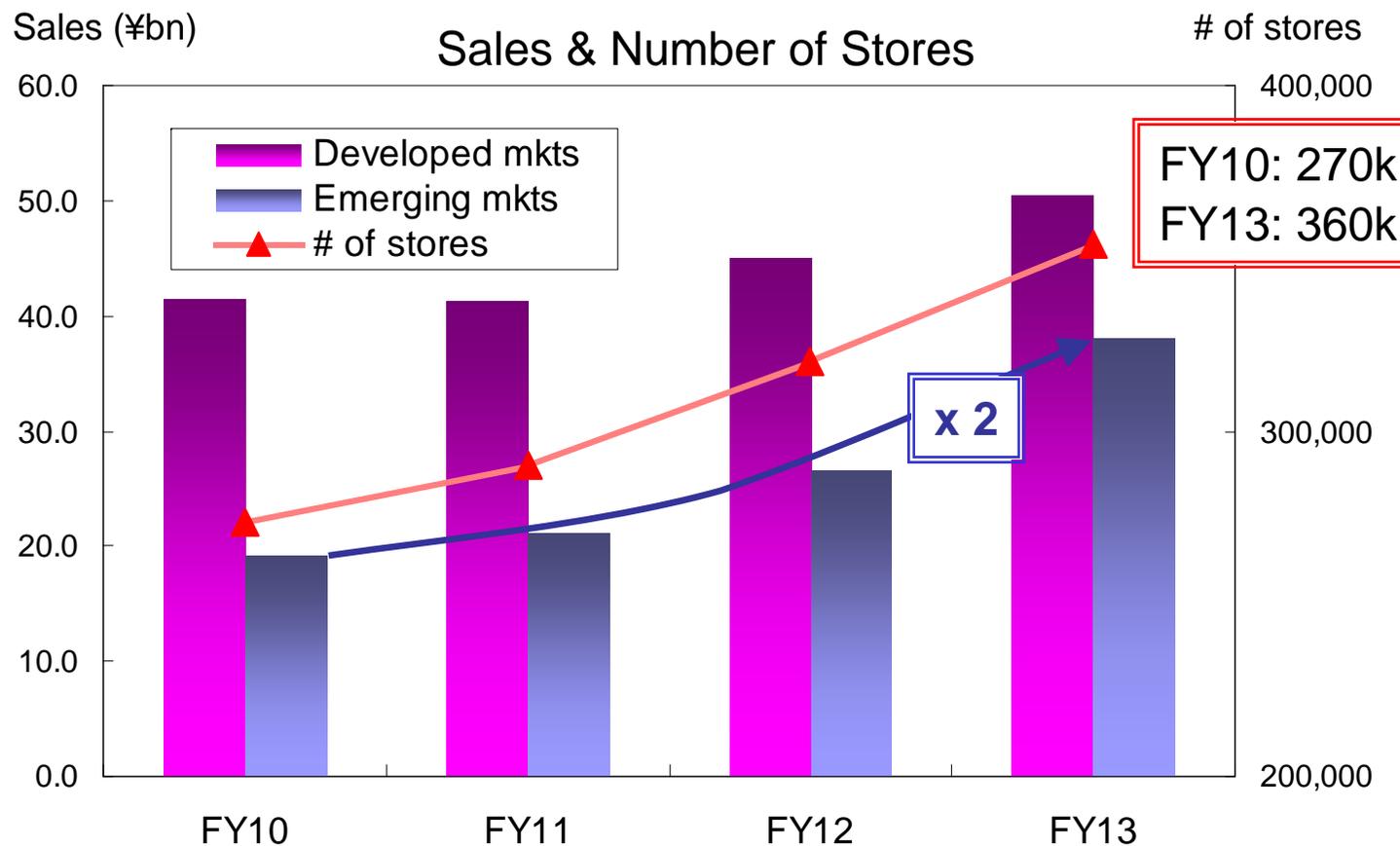


LCIA soldering robots



1. Business Growth: Healthcare

- Robust growth thanks to higher awareness to healthcare on a global basis.
- Multiple-effect expansion: Emerging markets, increasing number of distributors (channels), and a wider product range.



BPM



BGM



Thermometer



Nebulizer

1. Business Growth: Environment

- PV inverters: Omron will keep focusing on residential areas and “low-voltage middle” for complex housing.

**Residences/
Detached housing
(New/existing
3-5kW range)**

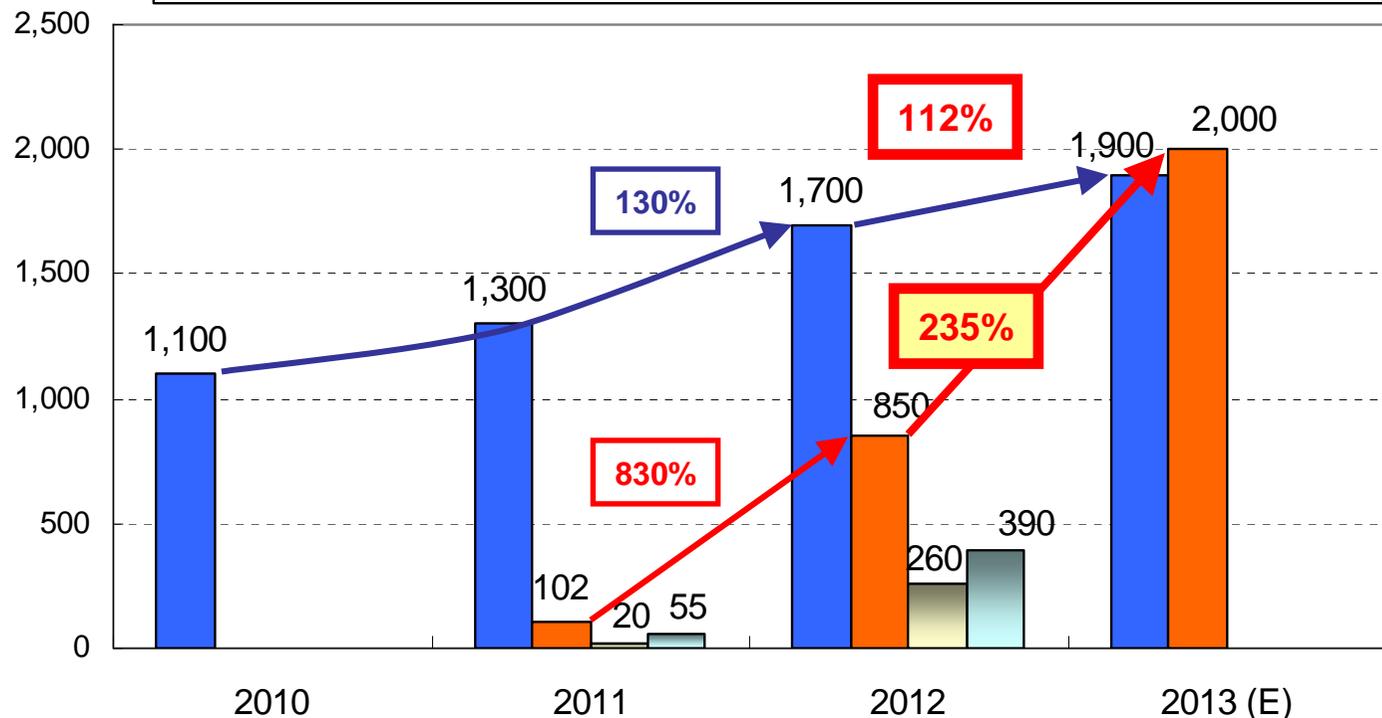


**Low-voltage middle
(less than 50kW)**



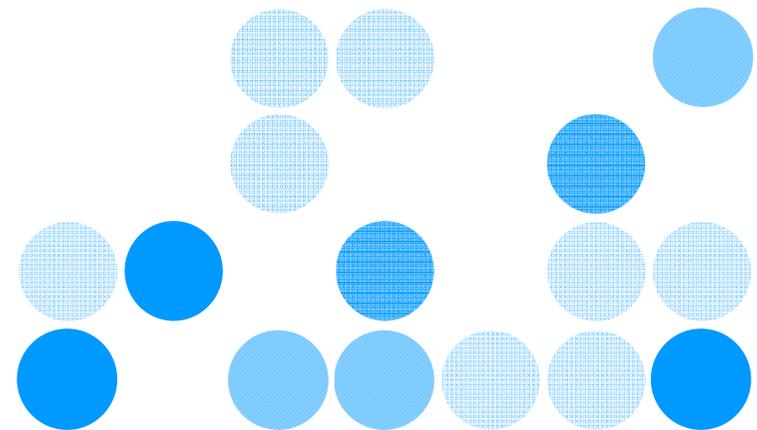

e.g. Complex housing,
stores, small offices,
idle land

PV Installation in Japan (MW)



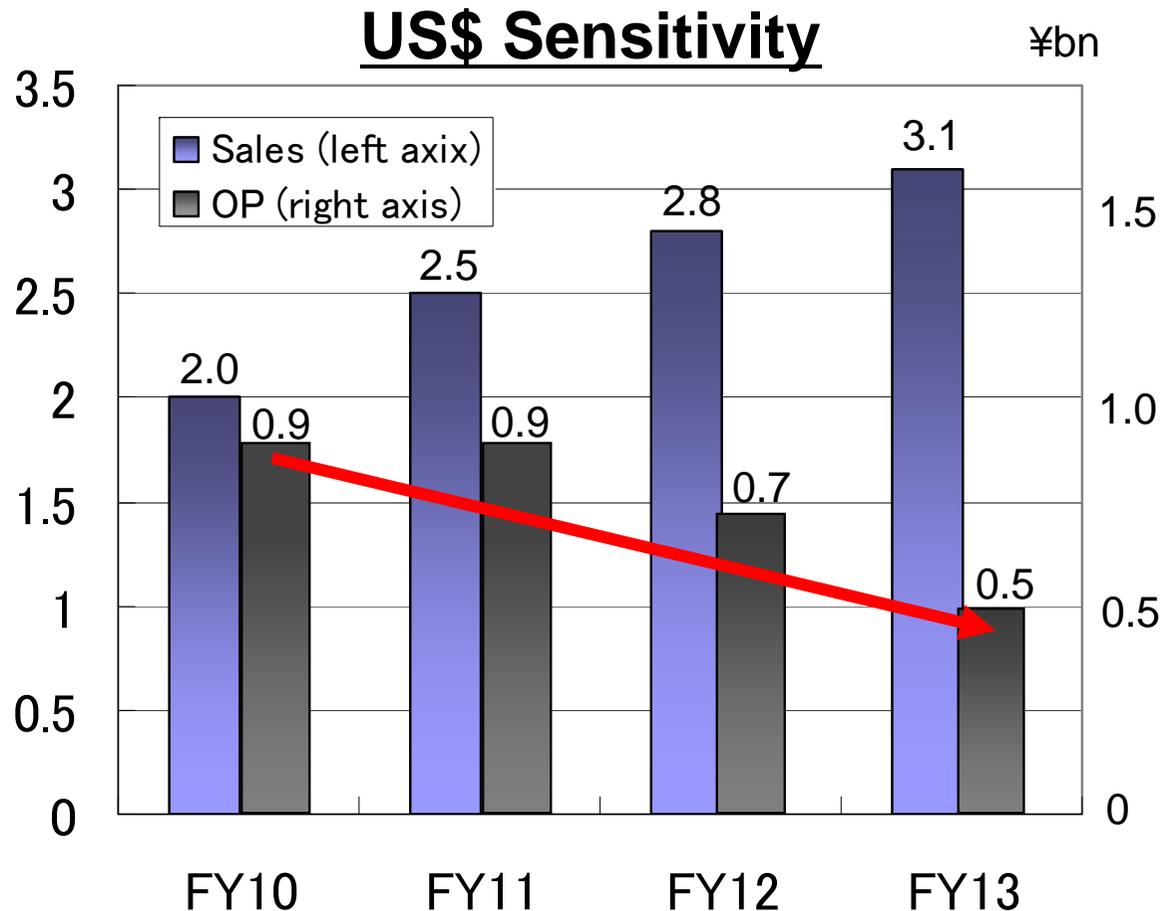
In-house study based on 2012 Fuji-Keizai Group market forecast

- 1. Business Growth (growth & profit structure)**
- 2. Response to Changes**
- 3. Stronger Management**



2. Response to Changes: Using Headwinds

- When things got tough - the earthquake, the flooding, the yen appreciation - Omron got tougher by making the most of the challenges: Strengthened risk management and forex-resistant management structure as a result.



Foreign currency/
Variable costs ratio:
42% → 50%

Overseas sales:
51% → 55%

Down ¥0.4bn
from FY10

2. Response to Changes: “When? Now”

- Omron’s focus is to quickly sense a social headwind and make the most of it as a growth opportunity.
- Seeking to solve social issues to create chances for growth.

◆ Low birth rate and longevity

◆ Surging labor costs in emerging markets

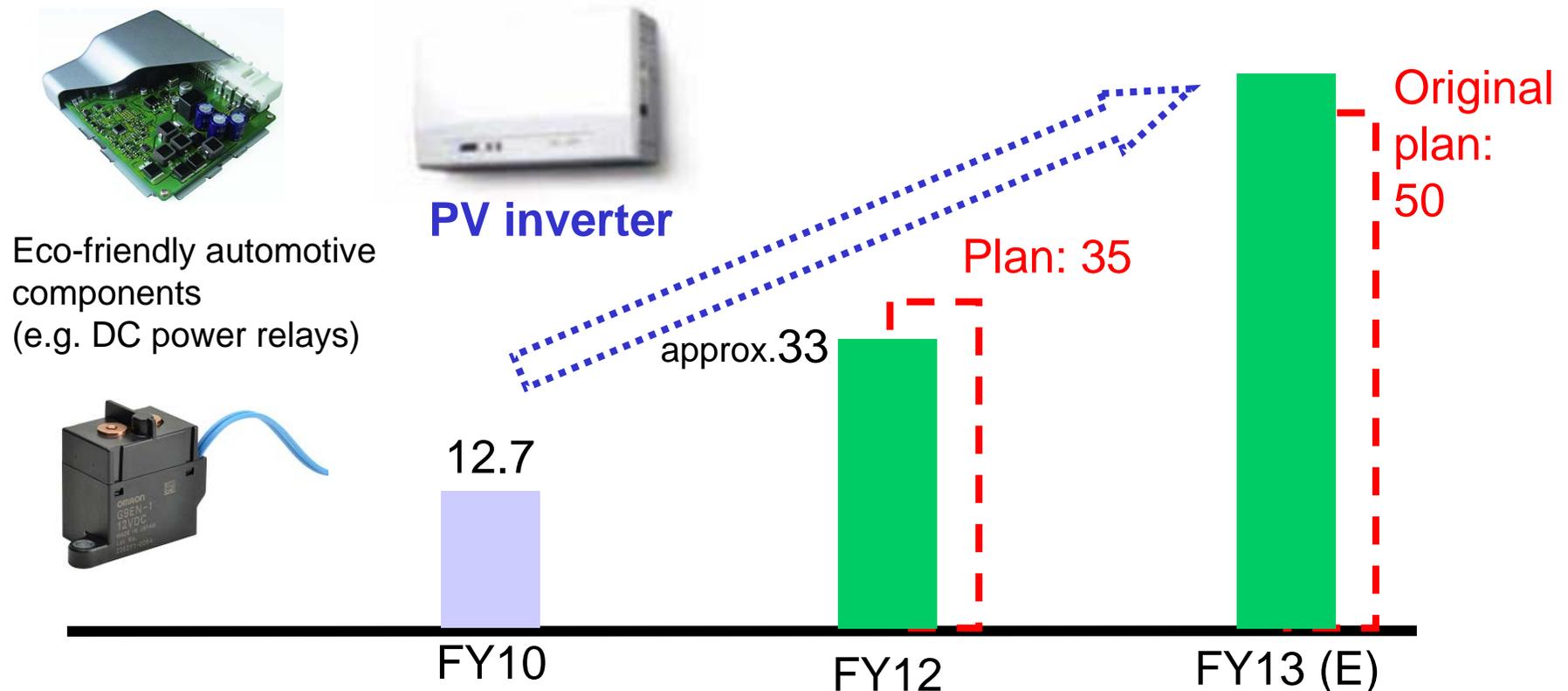
◆ Increasing environment issues

... and more

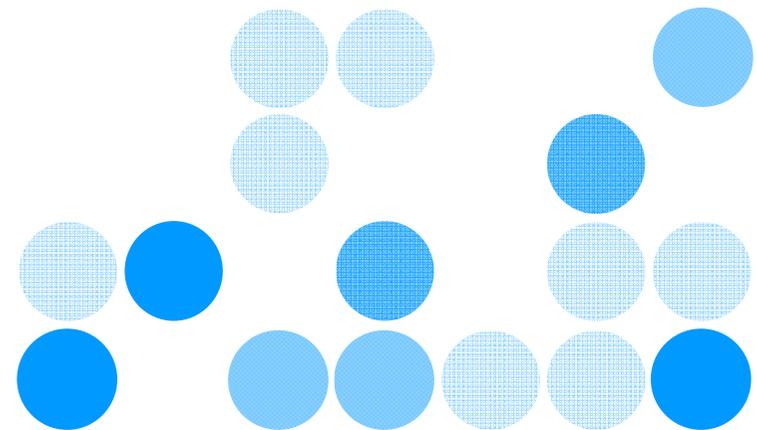
2. Response to Changes: New Biz.

- Expecting strong growth by riding a wave of favorable market.
- Especially PV inverter business, with its product strengths as well as sales & marketing, and installation services.

Sales Growth: New Business (¥bn)



- 1. Business Growth (growth & profit structure)**
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3. Stronger Management: Indicators

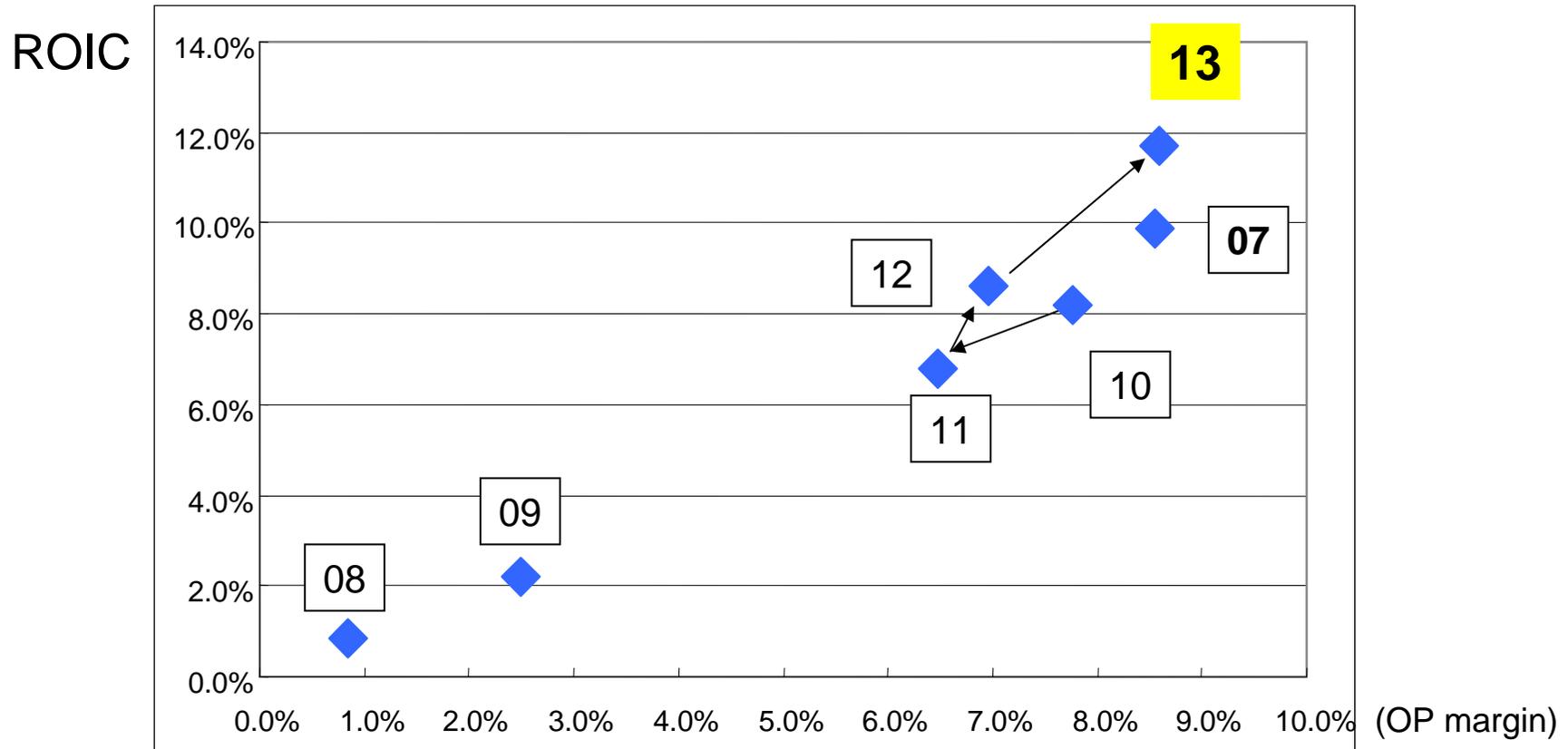
- Management with focus on ROIC and other financial indicators.

Major Management Indicators	FY13 forecast	FY13 initial target	FY12 actual
Gross Profit Margin	39%	39%	37.1%
Operating Income Margin	8.7%	8.2%	7.0%
ROE	approx. 11%	>10%	8.8%
ROIC	approx. 11%	>10%	8.6%

ROIC = Net income attributable to shareholders / invested capital

3. Stronger Management: ROIC

- Making steady ROIC improvement. Better showing in all business segments.



Better than FY2007 highest-ever sales & profit

3. Stronger Management: ROIC & KPI

- Omron watches ROIC as one of the most important figures to enhance management efficiency.
- ROIC breakdown → Figuring out key negative factors (Key performance indicators) → focused measures for improvement.

1. Down-Top ROIC Tree Analysis

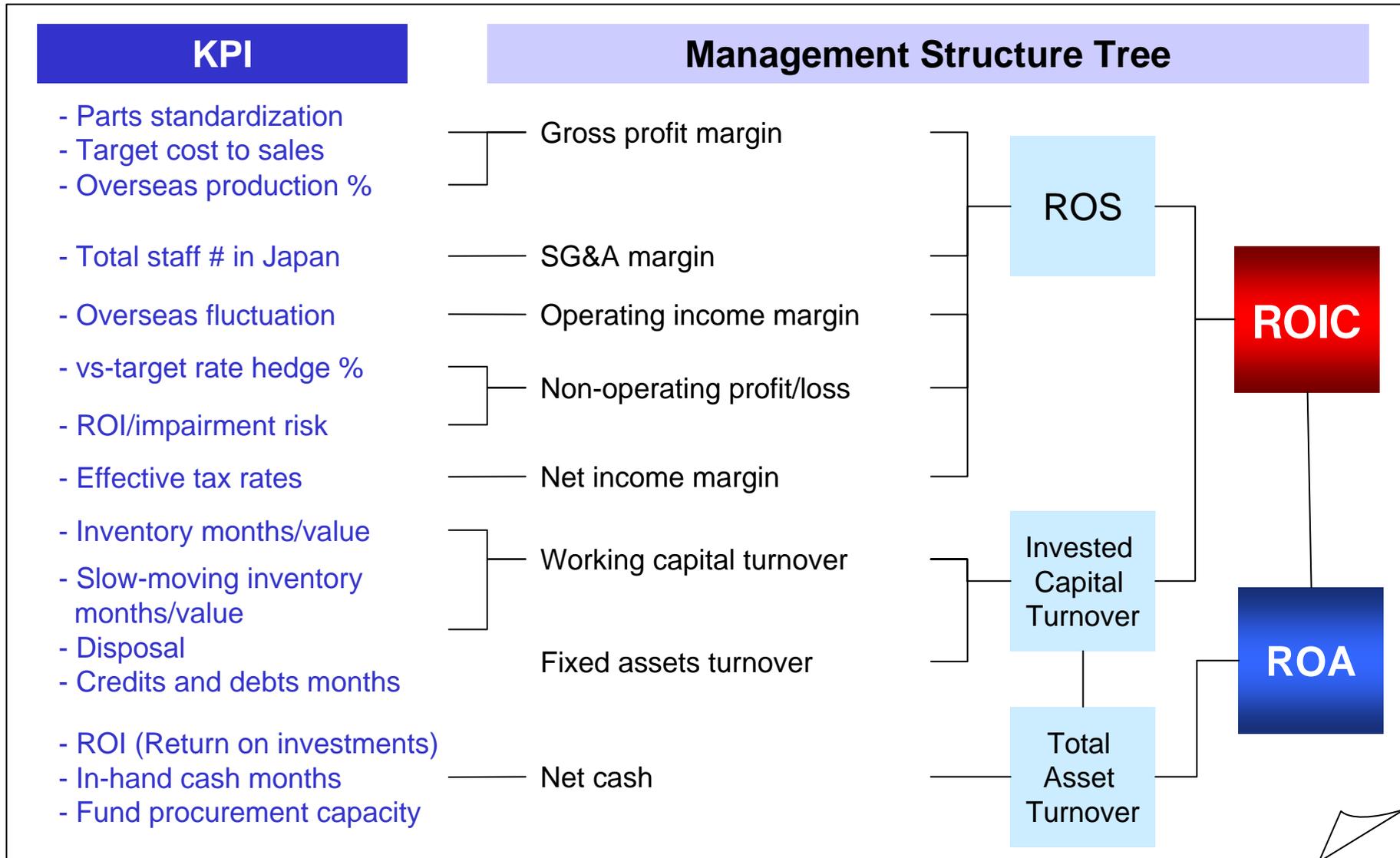
- Not ROIC first, but ROIC last
- Ideal corporate figure & activities come first, followed by KPI, then ROIC target.

2. Setting Drivers

- Set action plans and KPI, taking each business characteristics and macro environment into account.

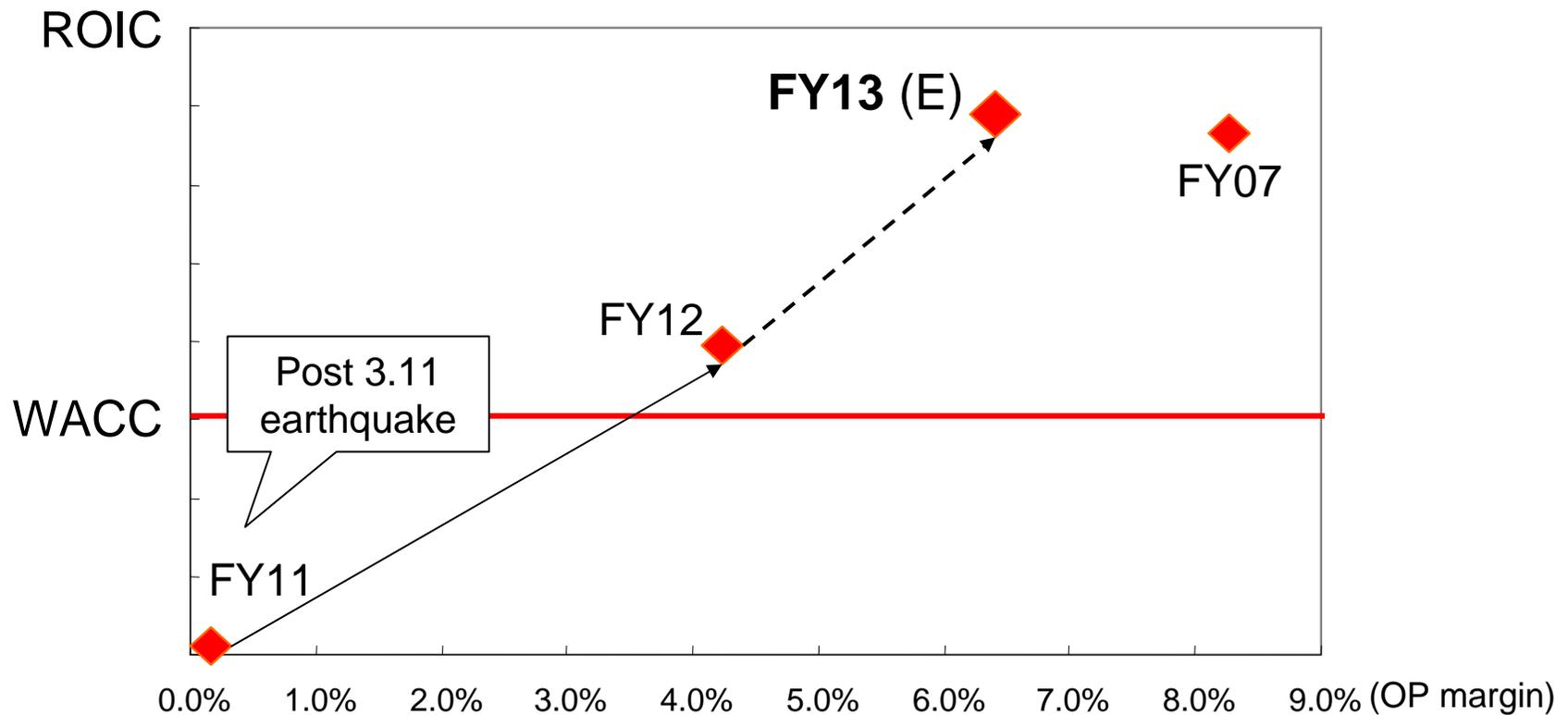
3. Stronger Management: Down-Top ROIC Tree

➤ Performance breakdown by business segment → KPI for improvement



3. Stronger Management: How ROIC Works

- Social Systems (SSB) : Profitability up, due to new-business expansion (environmental solutions).
- Also working on its own to cut parts inventory, level receivables, and promote in-house production.



Clarified drivers help promote better management efficiency

Recap: Toward Higher Corporate Value

- Omron is working on higher management efficiency by using ROIC and other management indicators.
- Targeting next-stage growth while flexibly responding to market changes.

1. Business Growth

(Sales and profit)

2. Response to Changes

(Taking external changes as tailwinds)

3. Stronger Management

(ROIC Management)



**Omron
with Higher
Corporate
Value**

Recap: Toward Higher Corporate Value

- Omron is to announce next mid-term VG2020 EARTH Stage plan in spring 2014.



To the next growth stage

Let Us Hear from You.

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*To subscribe to Omron IR email newsletter,
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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.