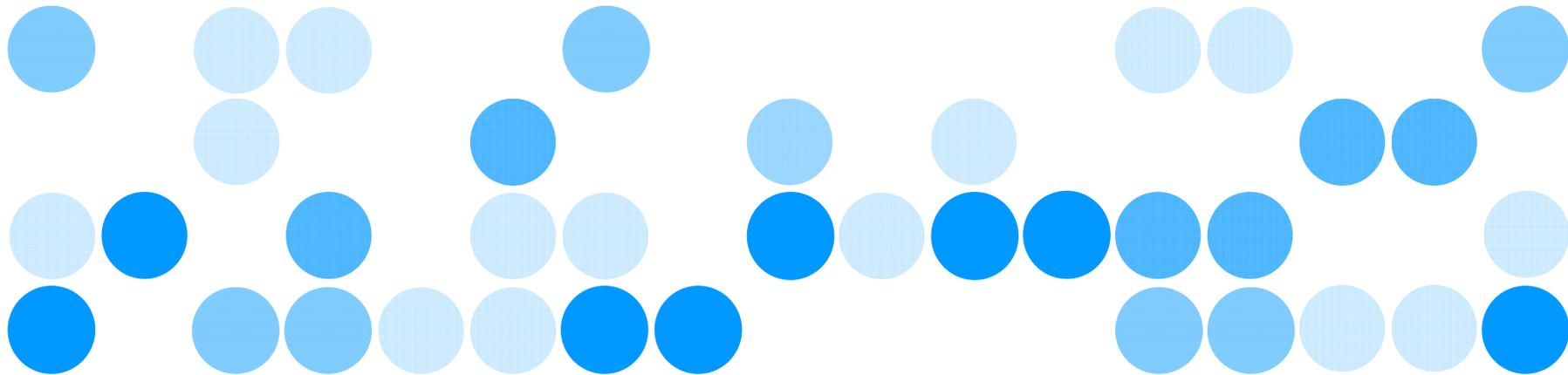




Sensing tomorrow™

Financial Results for the Fiscal Year Ended March 31, 2010 (FY09)



April 28, 2010

OMRON Corporation

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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, and (vi) movements in currency exchange rates and stock markets.
3. Omron has adopted FASB Statement No.280, "Disclosures about Segments of an Enterprise and Related Information," from fiscal 2009. Prior year amounts in the consolidated financial statements (sales of SSB and operating income of each segment) have been reclassified or adjusted accordingly.
4. From the nine months ended December 31, 2009, business segments have been changed to IAB, EMC, AEC, SSB, HCB and Other to reflect a change in organization. Figures in segment information for the previous period have been restated to reflect the new classifications.

FY09 Results

- **Conditions bottomed out in Q1, recovery trend from Q2 onward.**
- **Sales fell below previous year results, but implementation of emergency measures led to positive OP.**

<u>(Consolidated)</u>	FY09 Actual	FY08 Actual	YoY	Jan.28 forecast	vs. Jan 28 forecast
Net sales	¥524.7 bn	¥627.2 bn	-16.3%	¥520 bn	+0.9%
Operating income	¥13.1 bn	¥5.3 bn	+144.9%	¥10 bn	+30.7%
NIBT	¥10.2 bn	-¥39.1 bn	—	¥5.5 bn	+85.4%
Net income (attributable to shareholders)	¥3.5 bn	-¥29.2 bn	—	¥3.0 bn	+17.3%

FY10 Forecast

- **Sales to recover 10% driven by economic recovery.**
- **Substantial growth in OP expected.**

<u>(Consolidated)</u>	FY10 plan	FY09 Actual	YoY
Net sales	¥580.0 bn	¥524.7 bn	+10.5%
Operating income	¥33.0 bn	¥13.1 bn	+152.4%
NIBT	¥33.0 bn	¥10.2 bn	+223.7%
Net income (attributable to shareholders)	¥20.0 bn	¥3.5 bn	+468.5%

* Assumed exchange rates for FY10: 1 USD = ¥90; 1 EUR = ¥125

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Consolidated P/L

- Recovery trend continued since Q2. Sales exceeded previous forecast.
- Operating income exceeded FY08 result thanks to sales recovery and emergency measures.

(Billions of yen)

P/L	FY09 Actual(1)	FY08 Actual(2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs.Jan.28 fcst
Net sales	524.7	627.2	520.0	-16.3%	+0.9%
Gross profit	184.3	218.5	181.5	-15.6%	+1.6%
SG&A	133.4	164.3	132.5	-18.8%	+0,7%
R&D	37.8	48.9	39.0	-22.6%	-3.0%
Operating income (loss)	13.1	5.3	10.0	+144.9%	+30.7%
Non-operating income (loss), net	2.9	44.5	4.5	-93.5%	-36.0%
NIBT	10.2	-39.1	5.5	-	+85.4%
Net income (loss) attributable to shareholders	3.5	-29.2	3.0	-	17.3%
				Difference (YoY)	Difference vs. Jan.28
USD (yen)	92.9	100.7	92.7	-7.8	+0.2
EUR (yen)	130.3	144.5	131.7	-14.2	-1.4

Appendix: Income Taxes, Equity in Loss of Affiliates

(Billions of yen)

	FY09 Actual
Net sales	524.7
Operating income	13.1
NIBT	10.2
Net income (loss) attributable to shareholders	3.5

-6.7

(Billions of yen)

	Breakdown
Income taxes	-3.8
Equity in loss of affiliates	-2.8 *
Net income (loss) attributable to noncontrolling interest	-0.1

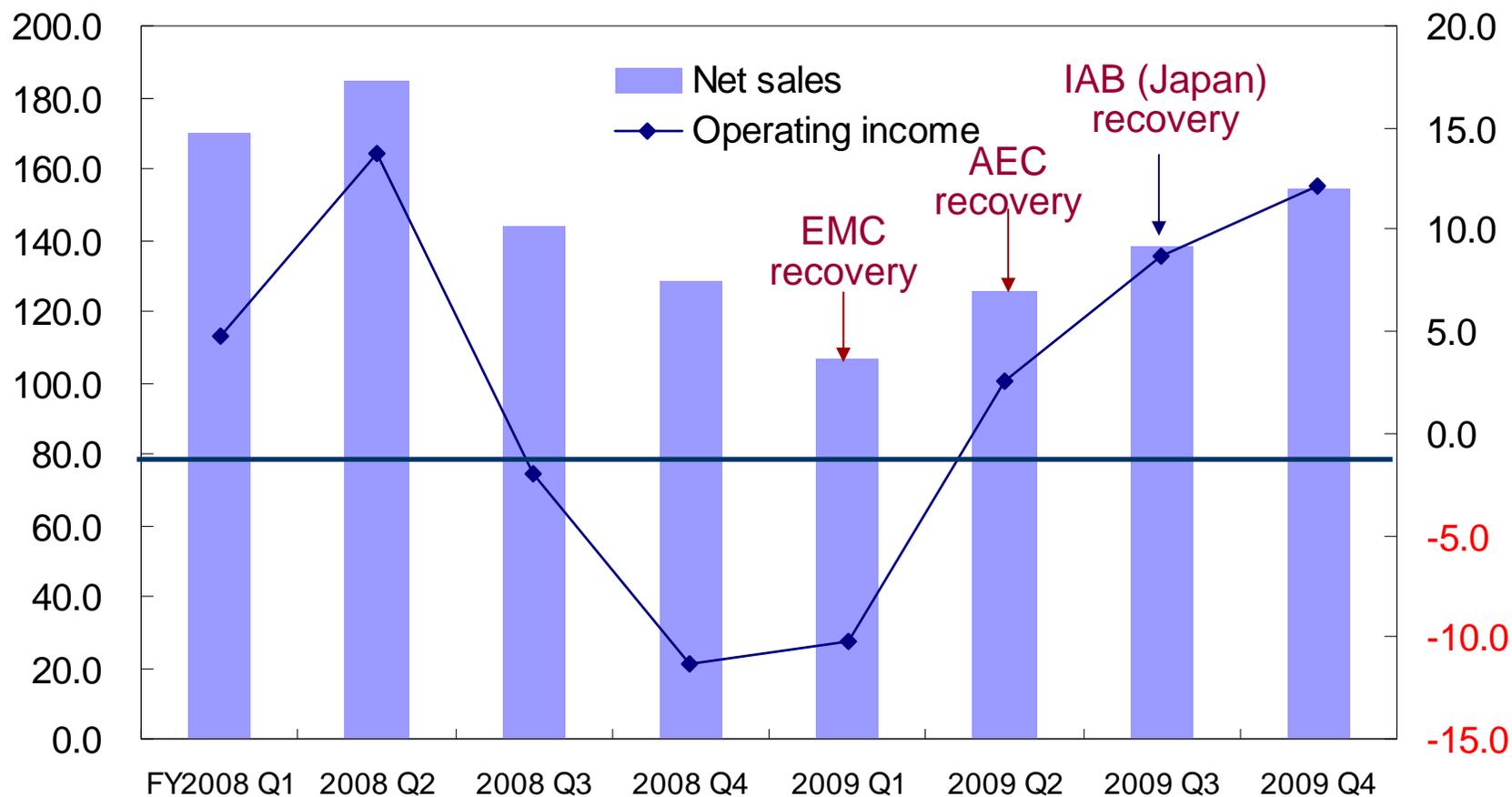
*Net loss by HOTS is a primary contributor.

- HOTS: Hitachi Omron Terminal Solutions; Established on Oct. 1st, 2004 for sales and manufacturing of ATMs and other information technology devices

Quarterly Business Results (All Segment)

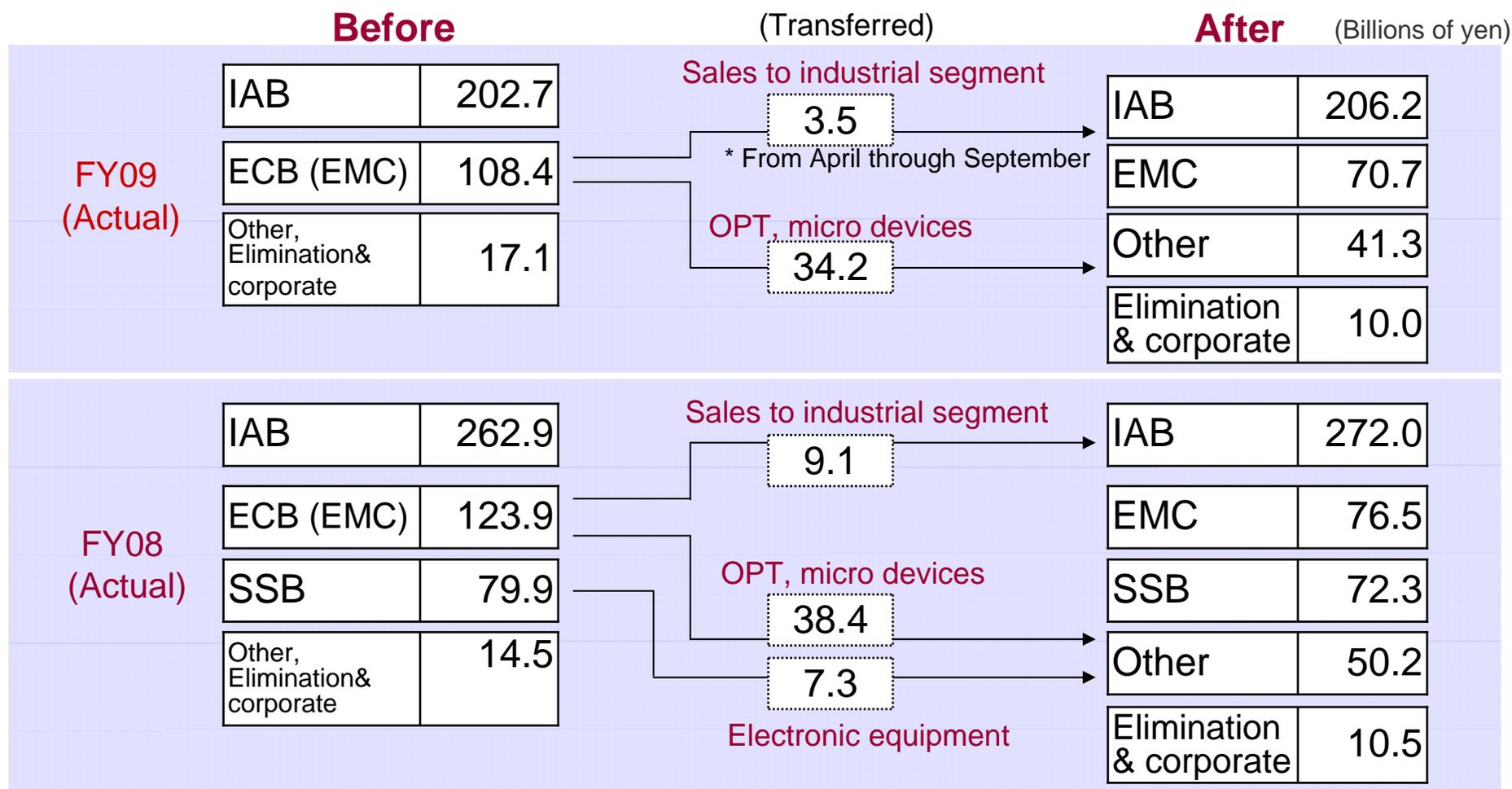
Net sales
(Billions of yen)

Operating income
(Billions of yen)



Restatement of Sales to Reflect New Segments

➤ Sales restated to reflect organizational changes that took effect in October 2009.



Consolidated Sales by Segment (New Segment)

➤ Recovery trend continued since Q2, exceeding previous forecasts for IAB, AEC and SSB despite year-on-year sales declines in all segments.

(Billions of yen)

Business	FY09 Actual(1)	FY08 Actual(2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs. Jan.28 fcst
Industrial Automation (IAB)	206.2	272.0	204.0	-24.2%	+1.1%
Electronic and Mechanical Components (EMC)	70.7	76.5	71.1	-7.6%	-0.5%
Automotive (AEC)	75.2	82.1	73.5	-8.5%	+2.3%
Social Systems (SSB)	58.0	72.3	56.7	-19.8%	+2.3%
Healthcare (HCB)	63.4	63.6	64.0	-0.4%	-1.0%
Other	41.3	50.2	42.5	-17.8%	-2.8%
Elimination & Corporate	9.9	10.5	8.2	-4.8%	+21.5%
Total	524.7	627.2	520.0	-16.3%	+0.9%

Consolidated Operating Income by Segment (New Segment)

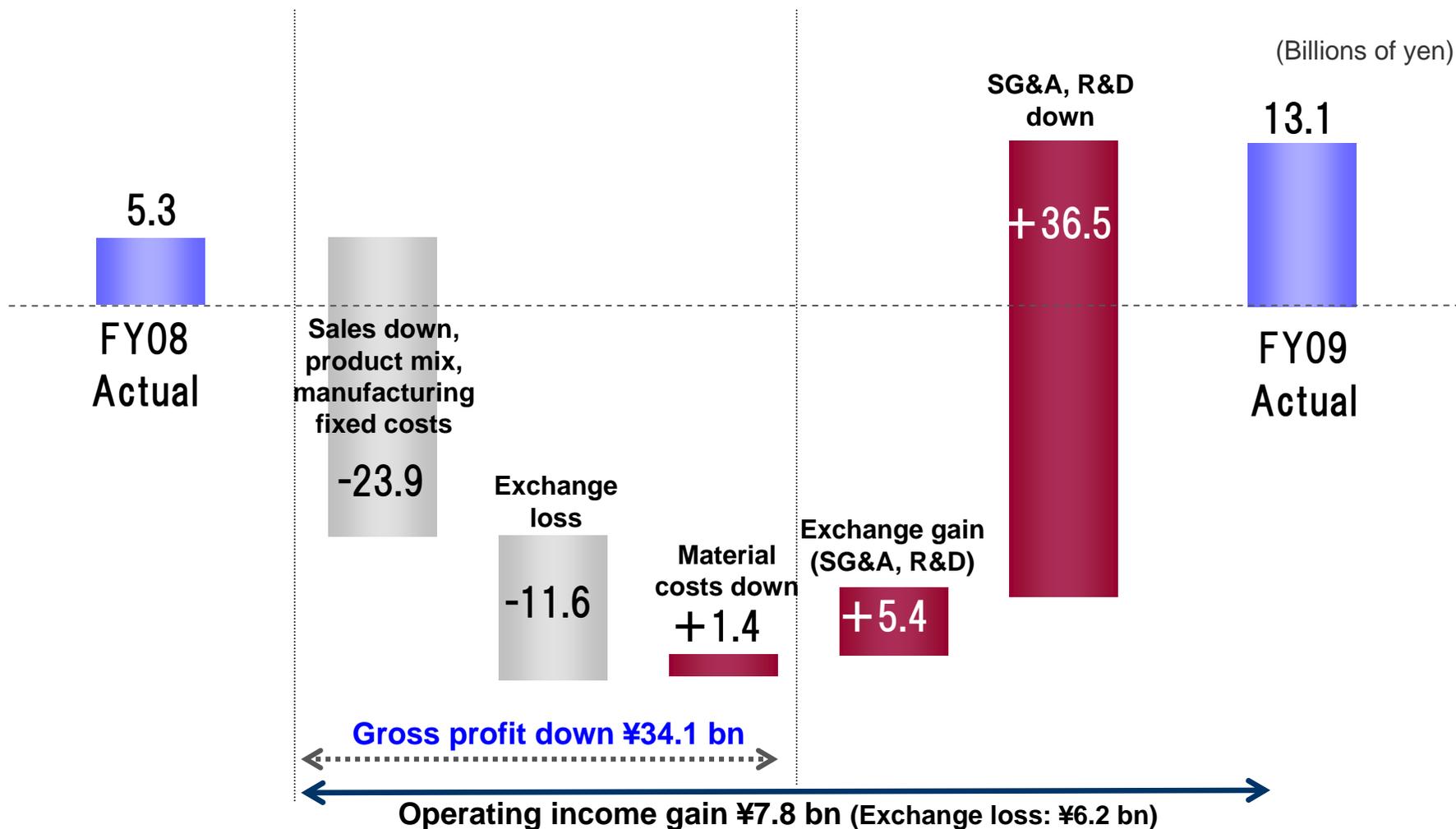
➤ **EMC, AEC and HCB results greatly improved YoY.**

(Billions of yen)

Business	FY09 Actual(1)	FY08 Actual(2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs. Jan.28 fcst
Industrial Automation (IAB)	13.9	18.2	12.0	-23.5%	+15.8%
Electronic and Mechanical Components (EMC)	6.7	4.2	7.0	+59.6%	-3.7%
Automotive (AEC)	1.7	-7.1	1.4	-	+23.6%
Social Systems (SSB)	2.7	5.2	2.5	-48.9%	+6.2%
Healthcare (HCB)	7.1	4.8	7.1	+48.0%	-0.6%
Other	-7.0	-7.3	-6.8	-	-
Elimination & Corporate	-12.0	-12.6	-13.2	-	-
Total	13.1	5.3	10.0	+144.9%	+30.7%

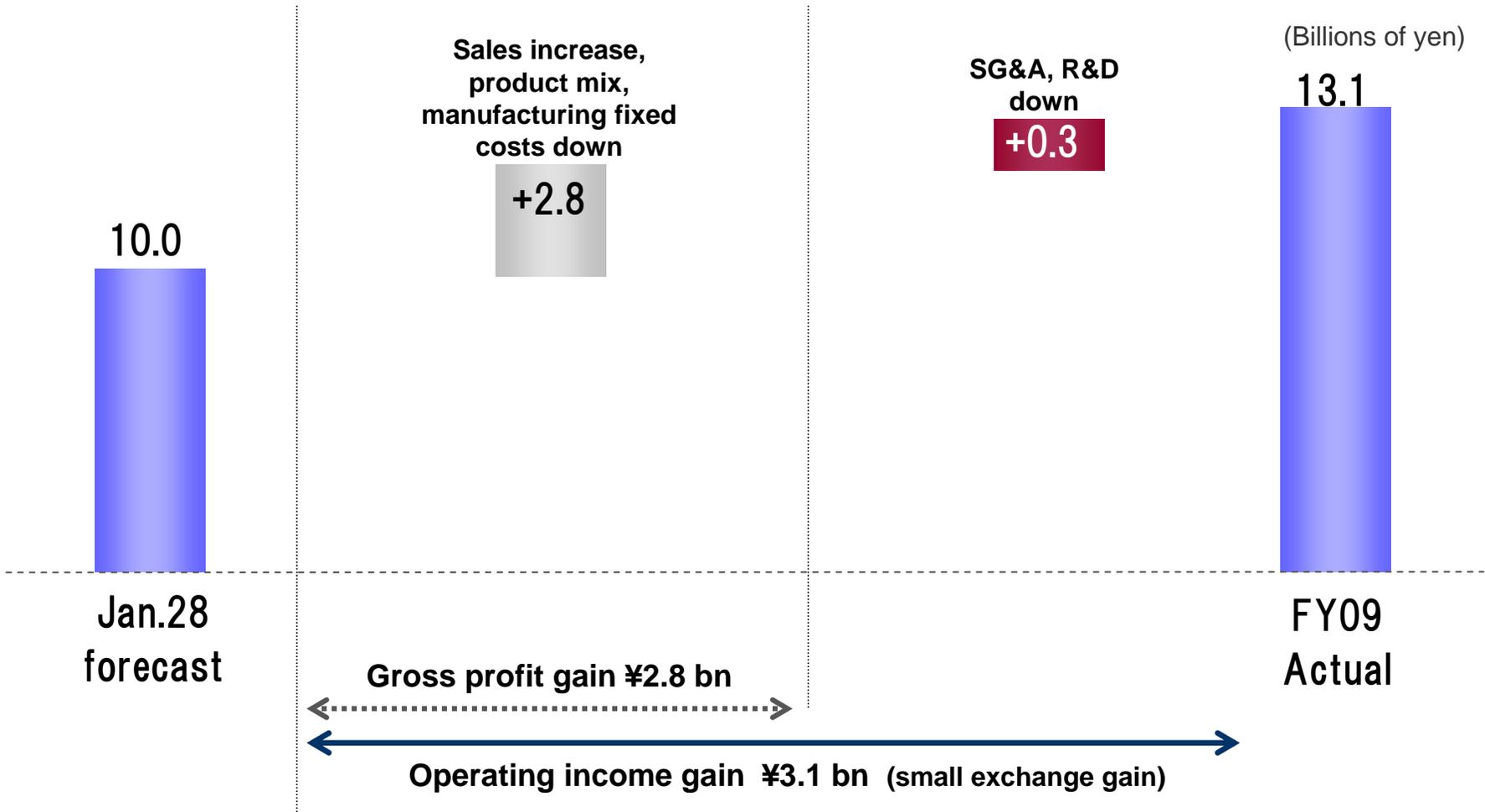
Consolidated Operating Income Analysis (YoY)

➤ Emergency measures offset profit decline from sales decrease and exchange loss.



Consolidated Operating Income Analysis (vs. Jan 28 fcst)

➤ Result exceeded previous forecast due to sales growth and emergency measures (reduction of fixed and variable costs).



Emergency Measures: Result

Cut Costs, Restrain Investment and Reduce Inventories

- Emergency measures progressing ahead of initial plan.
- Expect approx. ¥60 bn P/L improvement and generation of approx. ¥25 bn cash flow.

Improving FY09 P/L through profit generation (emergency and other measures)

Items for improvement (vs. FY08)		FY09 Target value (approx. annual)	FY09 Actual (approx.)	Achievement (approx., %)
Variable costs reduction (amount)		JPY 5 bn	JPY 5 bn	Natural
Fixed costs	Manufacturing fixed costs	JPY 55 bn	JPY 58 bn	Outperform
	SG&A			
	R&D			
Total		JPY 60 bn	JPY 63 bn	---

Cash flow creation (items for cash flow improvement in FY09)

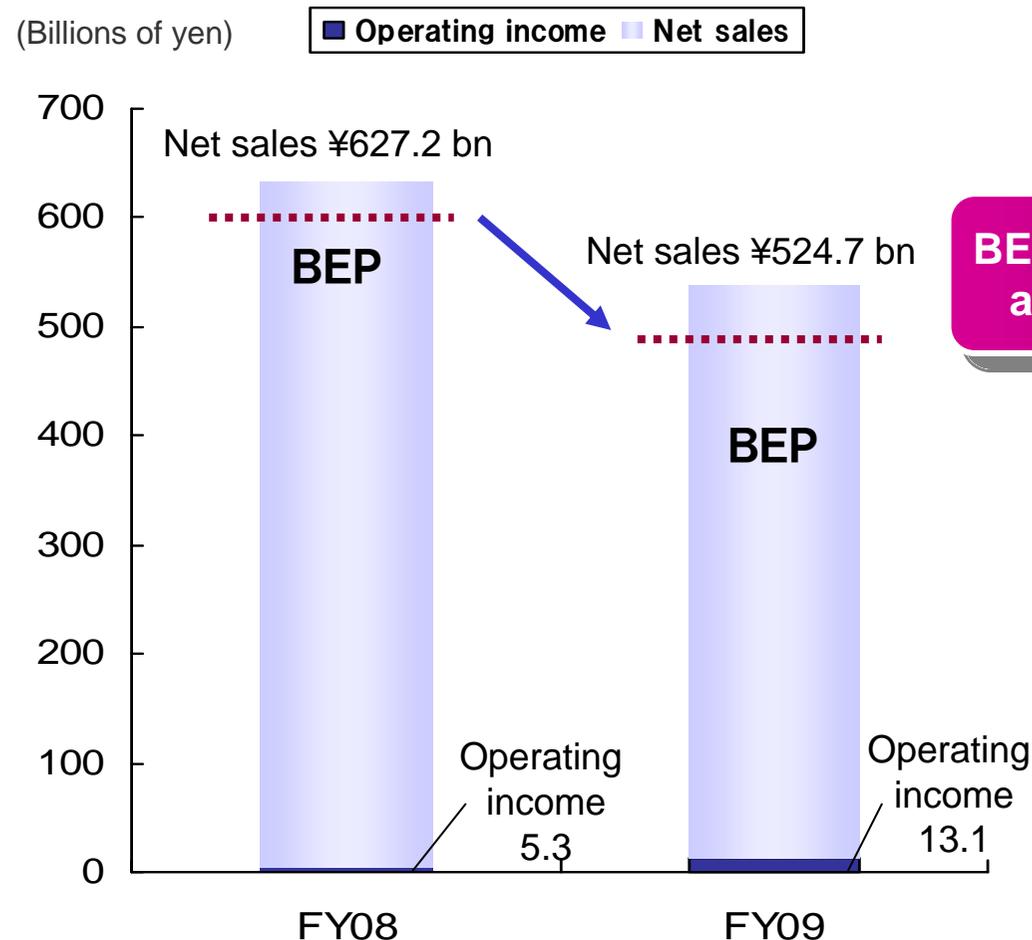
Items for improvement		Target value (approx. annual)	FY09 Actual
Reduce inventories	Inventories	JPY 15 bn	JPY 7.1 bn reduction (vs.. end of March 2009) Significant reduction JPY 16.7 bn
Restrain investment	New capital investment	JPY 10 bn	
		JPY 25 bn	JPY 23.8 bn

Emergency Measures: Result

Impact on P/L Structure

➤ Significant improvement in BEP through reduction of fixed costs (overhead) and other measures.

Compared to FY08/FY09



BEP improvement of approx. 20% YoY

IAB (Industrial Automation Business)

➤ **Japan: Recovering production in automotive, electronic components and semiconductor industries drove improvements in sensors and other products.**
Overseas: Recovery continued, particularly in China, with their expanding internal demand to boost capacity utilization and capital investments.

IAB	FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	(Billions of yen)
					vs. Jan.28 fcst
Japan	93.5	125.5	91.5	-25.5%	+2.1%
Overseas	112.7	146.5	112.5	-23.0%	+0.2%
North America	18.9	31.6	19.0	-40.3%	-0.7%
Europe	51.2	70.7	52.0	-27.6%	-1.5%
Asia Pacific	16.8	17.4	15.5	-3.7%	+8.2%
Greater China	25.5	25.7	25.5	-0.9%	+0.1%
Export	0.3	1.0	0.5	-65.0%	-31.4%
Total	206.2	272.0	204.0	-24.2%	+1.1%
					Difference vs. Jan.28
Operating income	13.9	18.2	12.0	-23.5%	+15.8%
OP margin	6.7%	6.7%	5.9%	0.0P	+0.8P



Safety components



Programmable
controllers

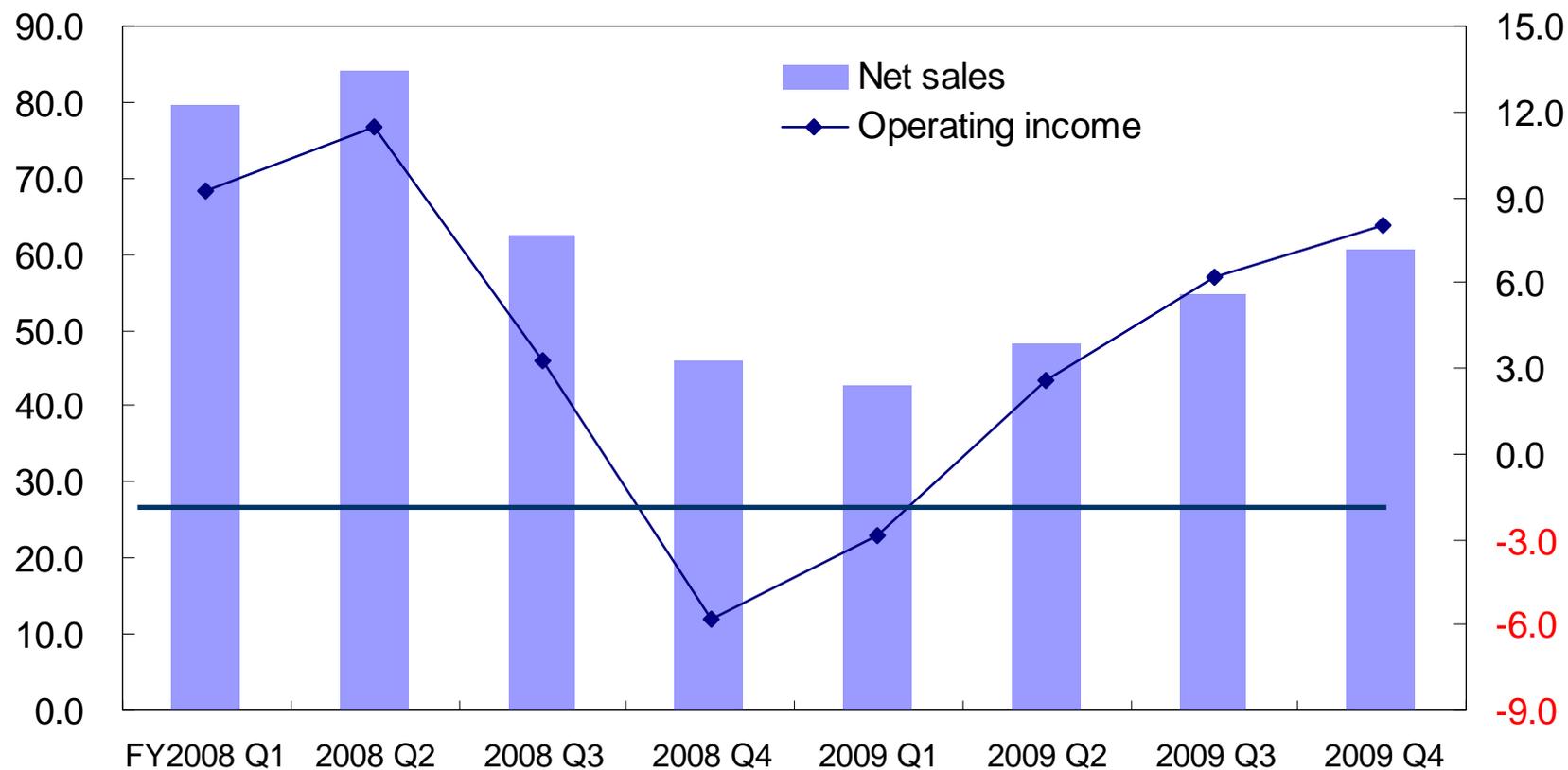


Vision sensors

Quarterly Business Results (IAB)

Net sales
(Billions of yen)

Operating income
(Billions of yen)



EMC (Electronic and Mechanical Components Business)

- **Japan: Demand for industrial equipment is steadily recovering.**
- **Overseas: Upturn in demand for home electronics relays and mobile phone input devices in China/Asia**

EMC	FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	(Billions of yen) vs. Jan.28 fcst
Japan	22.3	25.6	22.8	-12.7%	-2.0%
Overseas	48.4	50.9	48.3	-5.0%	+0.1%
North America	7.3	8.6	7.3	-15.2%	-0.5%
Europe	* 11.7	9.2	11.8	+27.4%	-0.4%
Asia Pacific	7.6	8.4	7.4	-9.4%	+3.1%
Greater China	19.8	20.9	19.7	-5.1%	+0.5%
Export	1.9	3.8	2.1	-49.5%	-8.1%
Total	70.7	76.5	71.1	-7.6%	-0.5%
Difference vs. Jan.28					
Operating income	6.7	4.2	7.0	+59.6%	-3.7%
OP margin	9.5%	5.5%	9.8%	+4.0P	-0.3P

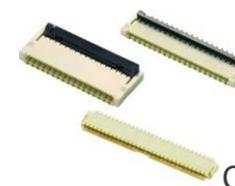
* Part of AEC's European relay business was transferred to EMC



Relays



Micro switches

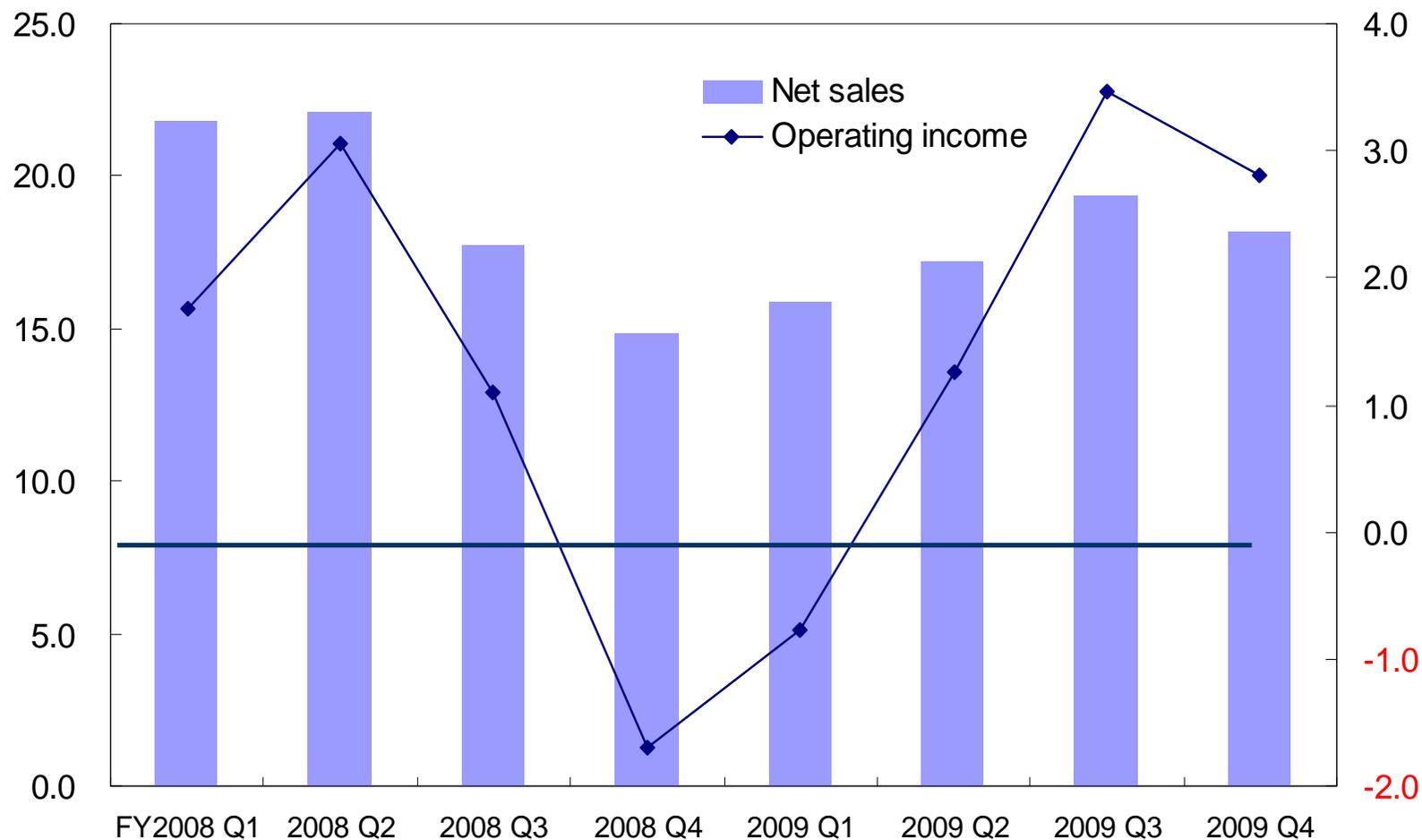


FPC
Connectors

Quarterly Business Results (EMC)

Net sales
(Billions of yen)

Operating income
(Billions of yen)



AEC (Automotive Electronic Components Business)

- Demand recovered with governmental stimulus programs in Japan and overseas.
- Positive OP maintained since Q2 by fixed cost reduction and consolidation of production sites.

AEC	FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	(Billions of yen) vs. Jan.28 fcst
Japan	23.9	25.0	24.4	-4.4%	-2.0%
Overseas	51.3	57.1	49.1	-10.2%	+4.4%
North America	24.0	27.9	23.2	-13.9%	+3.5%
Europe	* 2.0	9.0	1.9	-77.7%	+5.7%
Asia Pacific	13.1	12.5	12.6	+4.7%	+3.8%
Greater China	6.3	4.7	6.0	+32.0%	+4.5%
Export	5.9	3.0	5.4	+96.3%	+9.3%
Total	75.2	82.1	73.5	-8.5%	+2.3%
Difference vs. Jan.28					
Operating income	1.7	-7.1	1.4	-	+23.6%
OP margin	2.3%	-	1.9%	-	+0.4P

* Part of AEC's European relay business was transferred to EMC



Passive entry systems

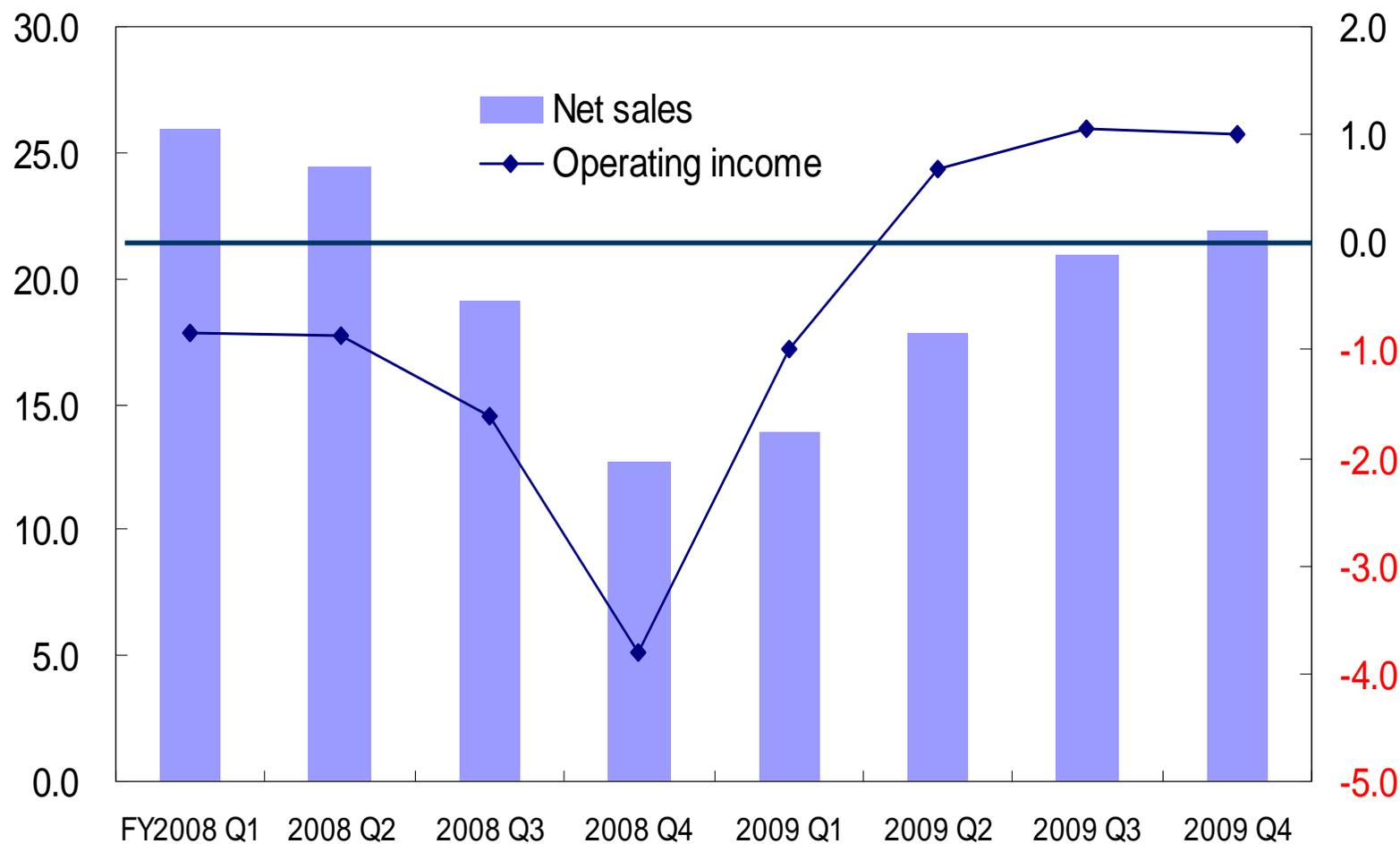


Electric power steering (EPS) controllers

Quarterly Business Results (AEC)

Net sales
(Billions of yen)

Operating income
(Billions of yen)



- Demand decreased in public transportation systems business due to capex cutbacks among railway companies.
- Maintained positive OP by reducing fixed costs.

(Billions of yen)

SSB	FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs. Jan.28 fcst
Japan	57.5	70.7	56.1	-18.7%	+2.5%
Overseas	0.5	1.6	0.6	-70.7%	-21.7%
North America	0.0	0.0	0.0	-	-
Europe	0.0	0.0	0.0	-	-
Asia Pacific	0.0	0.0	0.0	-	-
Greater China	0.0	0.0	0.0	-	-
Export	0.5	1.6	0.6	-70.1%	-21.7%
Total	58.0	72.3	56.7	-19.8%	+2.3%
				Difference vs. Jan.28	
Operating income	2.7	5.2	2.5	-48.9%	+6.2%
OP margin	4.6%	7.2%	4.4%	-2.6P%	-0.2P

AFC (automatic fare collection) systems



Transportation management systems



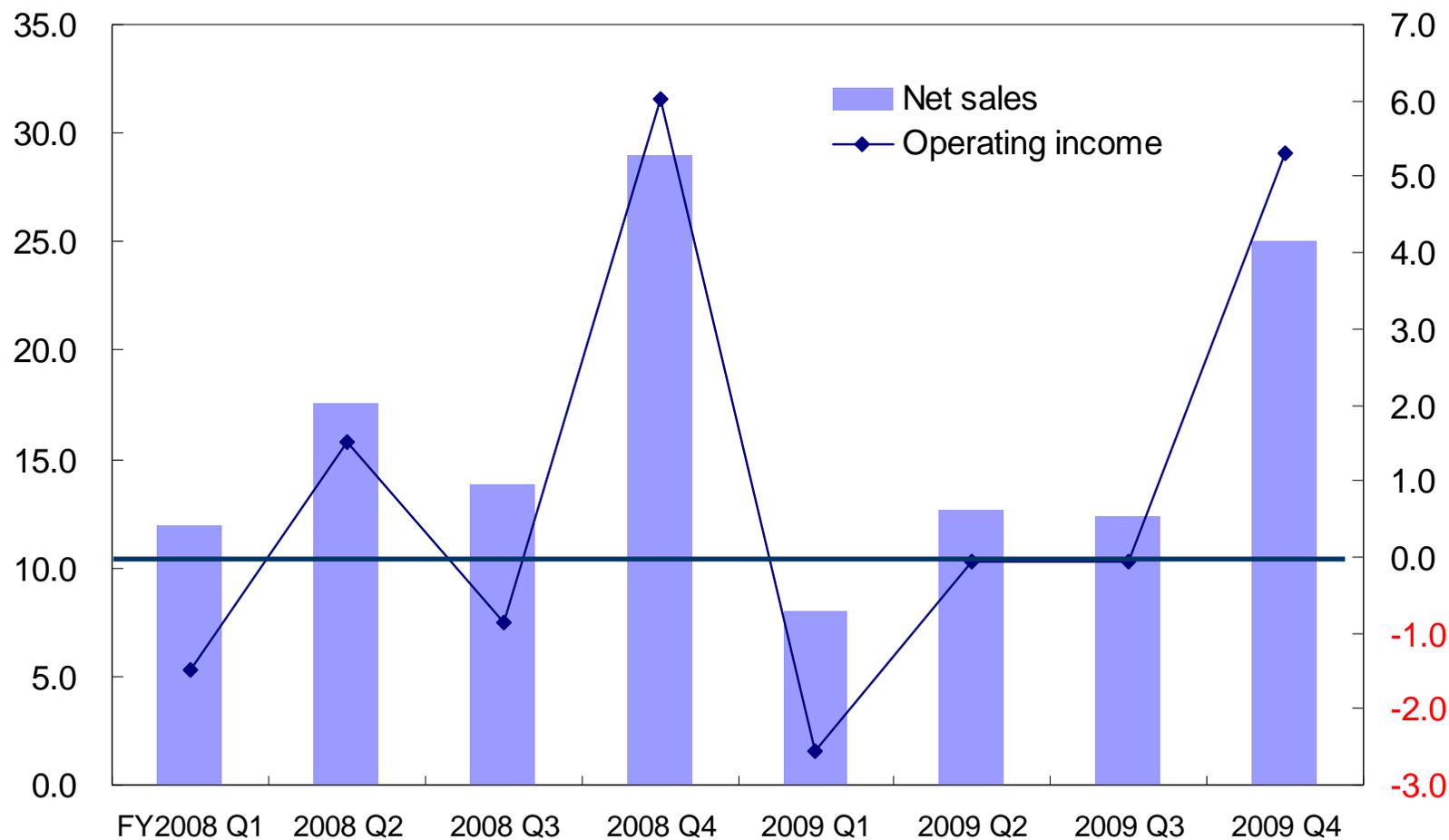
Security systems



Quarterly Business Results (SSB)

Net sales
(Billions of yen)

Operating income
(Billions of yen)

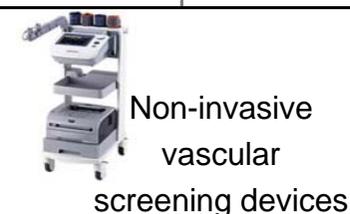


HCB (Healthcare Business)

- **Japan: Demand expanded substantially for BPM and thermometers.**
- **Overseas: Healthcare awareness continued to develop, particularly in China and Asia.**

(Billions of yen)

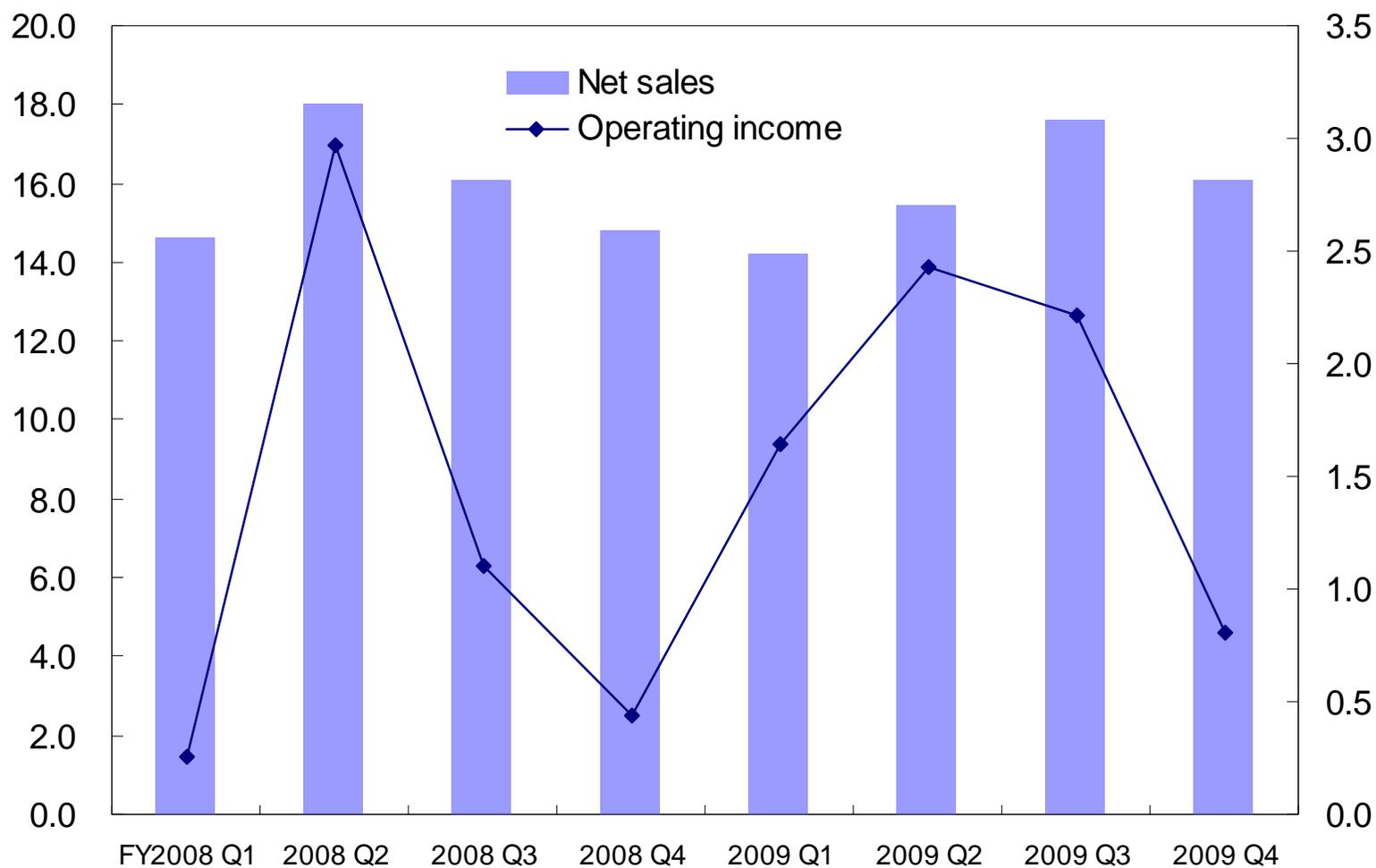
HCB	FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs. Jan.28 fcst
Japan	29.6	28.1	30.3	+5.2%	-2.4%
Overseas	33.8	35.5	33.7	-4.8%	+0.2%
North America	10.8	12.0	10.4	-10.3%	+3.4%
Europe	12.7	14.3	12.7	-11.1%	-0.2%
Asia Pacific	2.3	2.1	2.3	+9.3%	-0.7%
Greater China	7.4	6.7	7.6	+9.7%	-2.8%
Export	0.7	0.4	0.7	+69.3%	-3.3%
Total	63.4	63.6	64.0	-0.4%	-1.0%
Difference vs. Jan.28					
Operating income	7.1	4.8	7.1	+48.0%	-0.6%
OP margin	11.1%	7.5%	11.1%	+3.6P	+0.1P



Quarterly Business Results (HCB)

Net sales
(Billions of yen)

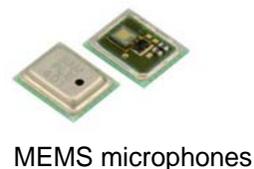
Operating income
(Billions of yen)



➤ New businesses for further incubation/exploring are included in Other segment.

(Billions of yen)

Other	FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs. Jan.28 fcst
Japan	22.4	30.5	23.2	-26.5%	-3.3%
Overseas	18.9	19.7	19.3	-4.3%	-2.2%
North America	0.0	0.0	0.0	-	-
Europe	0.0	0.0	0.0	-	-
Asia Pacific	0.0	0.0	0.0	-	-
Greater China	17.5	17.0	18.0	+3.0%	-2.6%
Export	1.3	2.7	1.3	-50.2%	+3.5%
Total	41.3	50.2	42.5	-17.8%	-2.8%
Difference vs. Jan.28					
Operating income	-7	-7.3	-6.8	-	-
OP margin	-	-	-	-	-



Other Sales Breakdown (New Segment)

- **Backlight business: Sales were weak due to declined demand for music players.**
- **Micro devices business: In recovery trend due to increasing LCD-related foundry projects.**

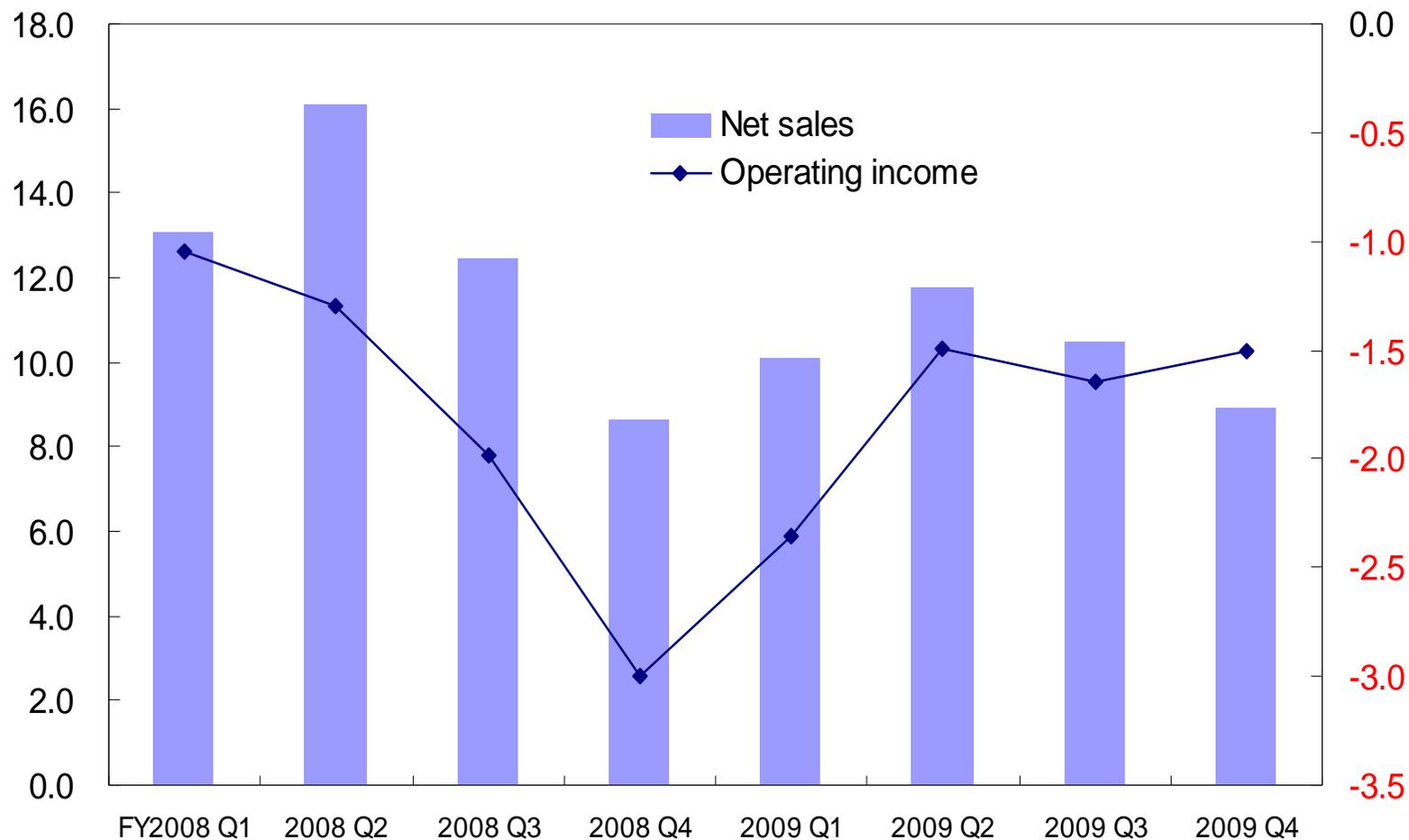
(Billions of yen)

Other (new segment)		FY09 Actual (1)	FY08 Actual (2)	Jan.28 fcst	FY09/FY08 (1)/(2)	vs. Jan.28 fcst
Transferred from ECB	LCD backlights (OPT)	31.8	35.5	32.8	-10.4%	-3.0%
	Micro devices (MD)	2.4	2.9	2.2	-18.8%	+7.5%
	Sub total	34.2	38.4	35.0	-11.0%	-2.4%
Transferred from elimination & corporate	Environmental solutions, Electronic systems and equipment	7.1	11.8	7.5	-39.7%	-4.8%
Total		41.3	50.2	42.5	-17.8%	-2.80%

Quarterly Business Results (Other)

Net sales
(Billions of yen)

Operating income
(Billions of yen)



- Total debt decreased by short-term debt repayments and shifting long-term debts to short-term debts.
- Net worth ratio increased to 57.5% from 55.4%.

(Billions of yen)

Consolidated B/S	March 2010	March 2009
Assets	532.3	538.3
Cash and cash equivalents	51.7	46.6
Notes and accounts receivable - trade	123.7	111.0
Inventories	77.7	84.7
Deferred income taxes, other current assets	32.7	33.7
Property, plant and equipment	123.0	132.5
Investments and other assets	123.5	129.8
Liabilities	225.1	238.3
Short-term debt	36.9	33.5
Long-term debt	1.3	21.4
Notes and accounts payable - trade	68.9	58.2
Termination and retirement benefits	67.0	80.4
Other liabilities	51.0	44.8
Net Assets	307.1	300.0
Common stock and retained earnings	403.4	403.6
Accumulated other comprehensive income	-52.6	-60.7
Treasury stock	-44.5	-44.5
Non controlling interests	0.8	1.6
Total Liabilities and Shareholders' Equity	532.3	538.3

➤ **FCF substantially increased due to reduction in inventories and capital investment.**

Consolidated C/F	(Billions of yen)	
	March 2010	March 2009
Operating activities	42.8	31.4
Investing activities	-18.6	-40.6
Free cash flow	24.2	-9.2
Financing activities	-20.4	21.9
Effect of exchange rate changes on cash and cash equivalents	1.3	-6.6
Net increase/decrease in cash and cash equivalents	5.1	6.0
Cash and cash equivalents at end of the period	51.7	46.6
Capital expenditures	19.5	36.8
Depreciation and amortization	27.0	33.5

*Capital investment for March 2010 represents an adjusted number of capital expenditures and related debts on the consolidated cash flow statement.

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Primary Focus

- Acceleration of operational structural reform
- "Building a robust earning structure' & 'Changing gears to high growth'

External Environment

- Economic conditions are expected solid in China and other emerging countries.
- Increasing exports are expected to prop up the Japanese economy, supported by gradual recovery in overseas economies.
- Gradual recovery in capital investment is expected to continue mostly from semiconductor, electronic components and automotive industries.

Basis for Forecast

- **Forex: USD 1 = ¥90; EUR 1 = ¥125**
- **Raw material costs:**
Silver: ¥56,000/kg; copper: ¥750/kg

■ Effect of ¥1 fluctuation in exchange rate*

Forex	Net sales (approx.)	Operating income (approx.)
USD	¥1.7 bn	¥0.7 bn
Euro	¥0.6 bn	¥0.3 bn

■ Effect of price change - copper (¥100/kg)*

Material	Operating income (approx.)
Copper	¥0.75 bn

■ Effect of price change of silver (¥1000/kg)*

Material	Operating income (approx.)
Silver	¥0.05 bn

*Full year effect (estimate)

FY10 Forecast by Segment

Industrial Automation (IAB)

- Gradual recovery expected for capital investments in semiconductor, electronic components and automotive industries

Electronic and Mechanical Components (EMC)

- Improved environment in emerging countries for consumer/commercial devices and automotive components industries

Automotive (AEC)

- Demand growth expected for small cars in emerging countries driven by their economic stimulus measures

Social Systems (SSB)

- Sluggish investment in railway business projected

Healthcare (HCB)

- Personal spending will remain sluggish in Japan and other major countries.
- Demand for healthcare equipment is expected to grow in emerging countries, underpinned by their economic growths.

Other

- Environment-related needs (especially CO2 reduction) will continue to increase.

Projected Results for FY10

➤ **10% sales growth and over double OP expected**

(Billions of yen)

PL	FY10 Plan	FY09 Actual	YoY
Net sales	580.0	524.7	+10.5%
Gross profit	217.5	184.3	+18.0%
SG&A	141.5	133.4	+6.1%
R&D	43.0	37.8	+13.6%
Operating income	33.0	13.1	+152.4%
Non-operating income (loss),net	0.0	2.9	—
NIBT	33.0	10.2	+223.7%
Net income (loss) attributable to shareholders	20.0	3.5	+468.5%
			Difference(YoY)
Yen/USD	90.0	92.9	-2.9
Yen/EUR	125.0	130.3	-5.3

Projected Consolidated Sales by Segment

➤ Sales recovery in all segments

(Billions of yen)

Business	FY10 plan		FY09 Actual
	Net sales	YoY	Net sales
Industrial Automation (IAB)	246.0	+19.3%	206.2
Electronic and Mechanical Components (EMC)	76.0	+7.5%	70.7
Automotive (AEC)	78.0	+3.8%	75.2
Social Systems (SSB)	64.0	+10.4%	58.0
Healthcare (HCB)	64.5	+1.8%	63.4
Other	46.0	+11.3%	41.3
Elimination & Corporate	5.5	-44.8%	9.9
Total	580.0	+10.5%	524.6

Projected Consolidated Operating Profit by Segment

- **Total operating income will increase 150% YoY.**
- **Segment OPs are subject to change with the group management policy change* scheduled for FY2010.**

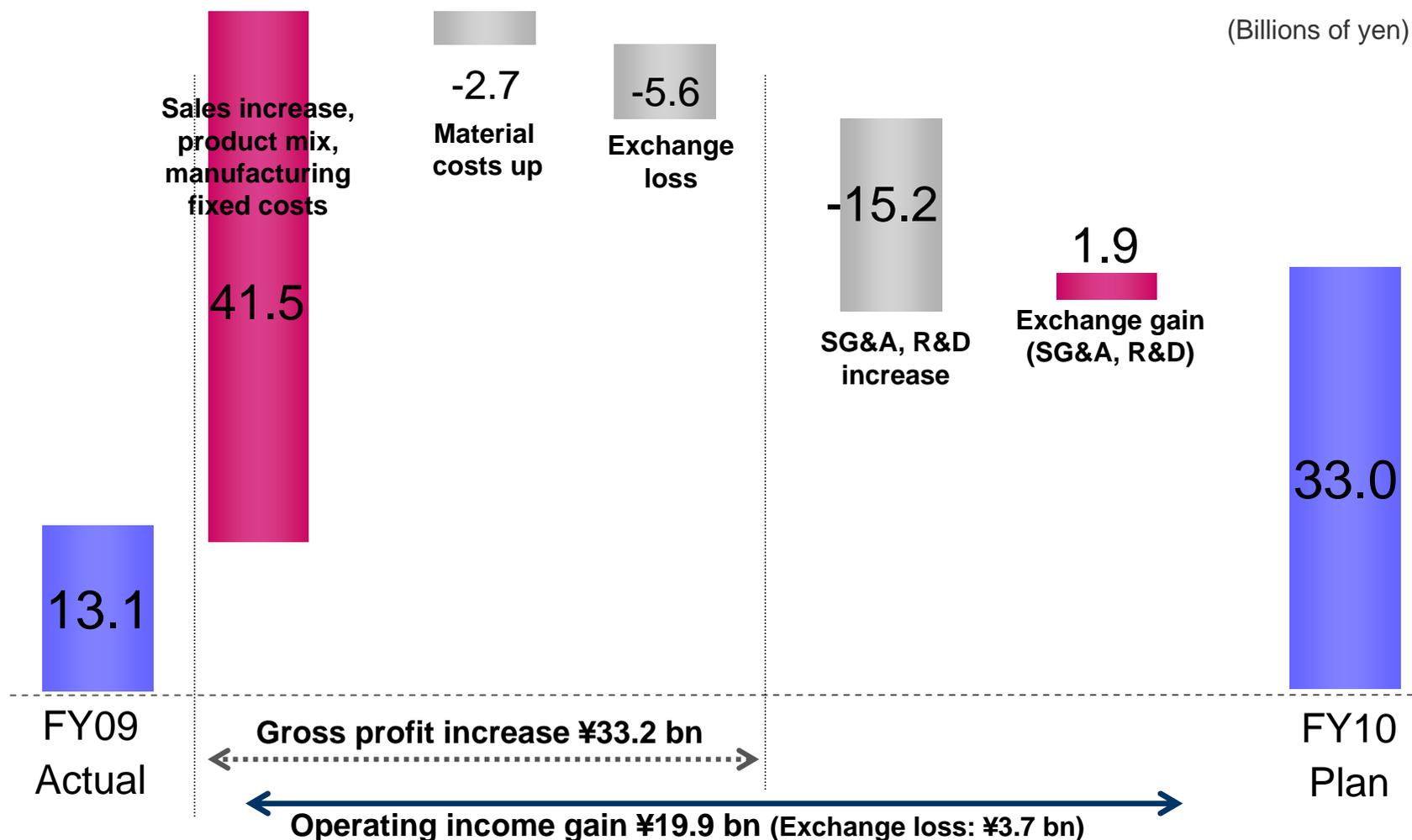
*Group management policy change: Management guidance fee received from affiliates and internal companies is revised to have more control over corporate cash for a strategic resource allocation driven by bolstered 'selection & focusing' strategy.

(Billions of yen)

Business	FY10 Plan		FY09 Actual	Before management guidance fee change	
	Operating income	YoY		Operating income	YoY
Industrial Automation (IAB)	29.0	+108.6%	13.9	32.2	+131.7%
Electronic and Mechanical Components (EMC)	7.0	+3.9%	6.7	8.2	+21.7%
Automotive (AEC)	2.0	+15.5%	1.7	2.7	+56.0%
Social Systems (SSB)	2.0	-24.6%	2.7	3.7	+39.4%
Healthcare (HCB)	6.0	-15.0%	7.1	7.0	-0.8%
Other	-6.0	-	-7.0	-5.3	-
Elimination & Corporate	-7.0	-	-12.0	-15.5	-
Total	33.0	+152.4%	13.1	33.0	+152.4%

Consolidated Operating Income Analysis (YoY)

➤ Results significantly exceeded initial plan driven by sales growth and product mix despite increased material cost and FOREX.



Capex, Depreciation and R&D Expenses

- **Capex: Land and building acquisitions**
- **Depreciation: Flat**
- **R&D expense: Strengthening general purpose products in IAB**

(Billions of yen)

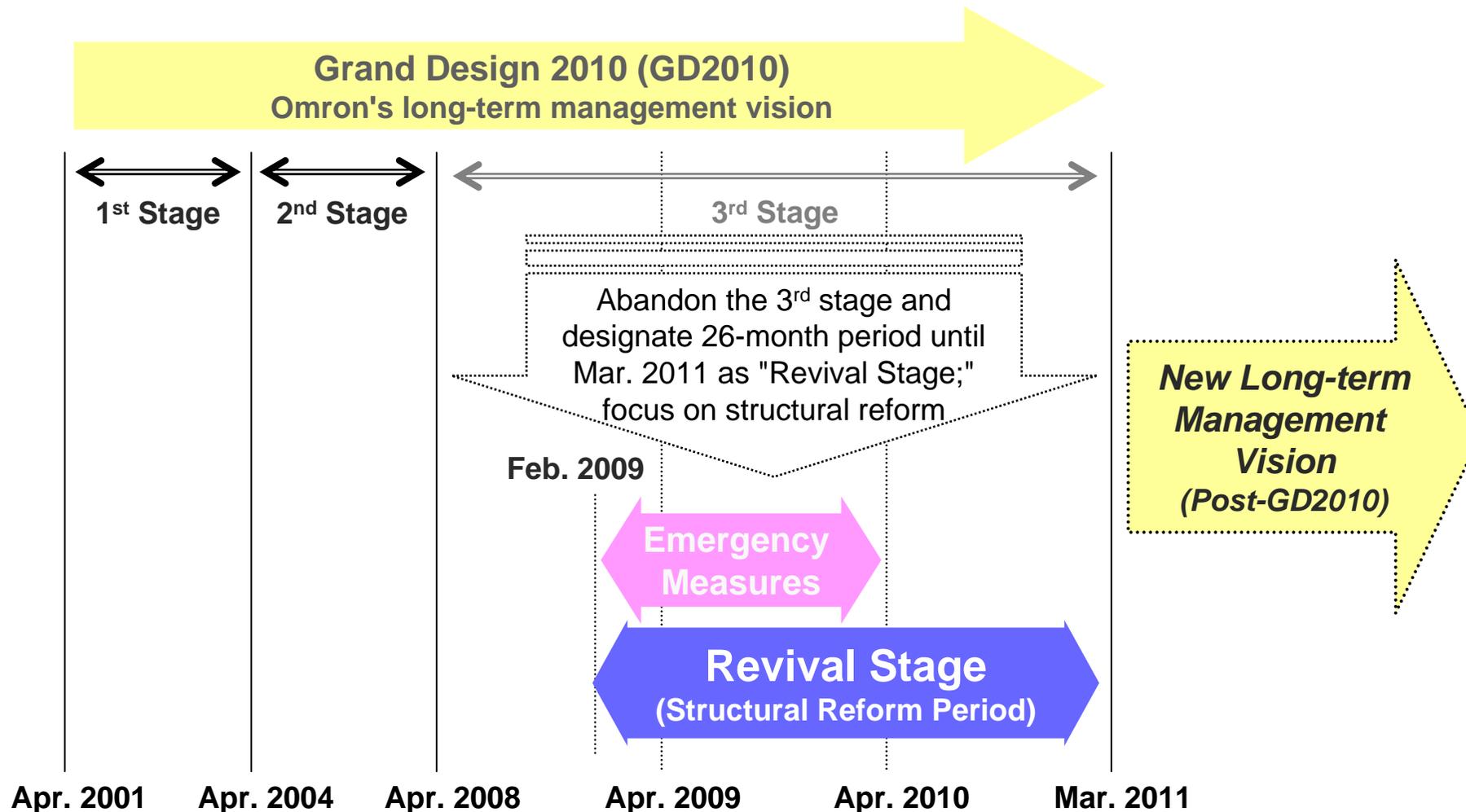
	FY10 Plan	FY09 Actual	YoY
Capital expenditures	36.0	19.5	+84.4%
Depreciation & Amortization	27.0	27.0	-0.1%
R&D	43.0	37.8	+13.6%

*Capital investment for March 2010 represents an adjusted number of capital expenditures and related debts on the consolidated cash flow statement.

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Reference	P.45

Structural Reform: Schedule

➤ Period from Feb. 2009 to Mar. 2011 designated “Revival Stage;” currently implementing structural reform.



Structural Reform: Actions in Scope

➤ **Build a robust earning structure, and change gears to high growth**

Structural Reform
(Building a robust earning structure)

1. Business Domain Reform

Restructure 3 control-based businesses:

IAB: Strengthen front line and profit base

ECB(EMC): Re-strengthen Mechanical
Components 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

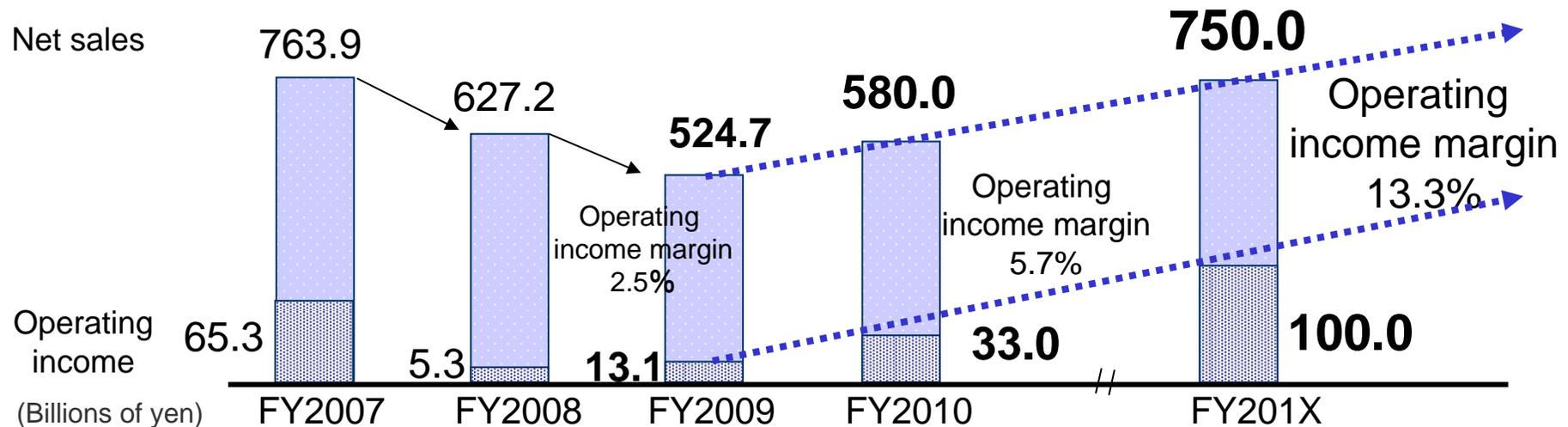
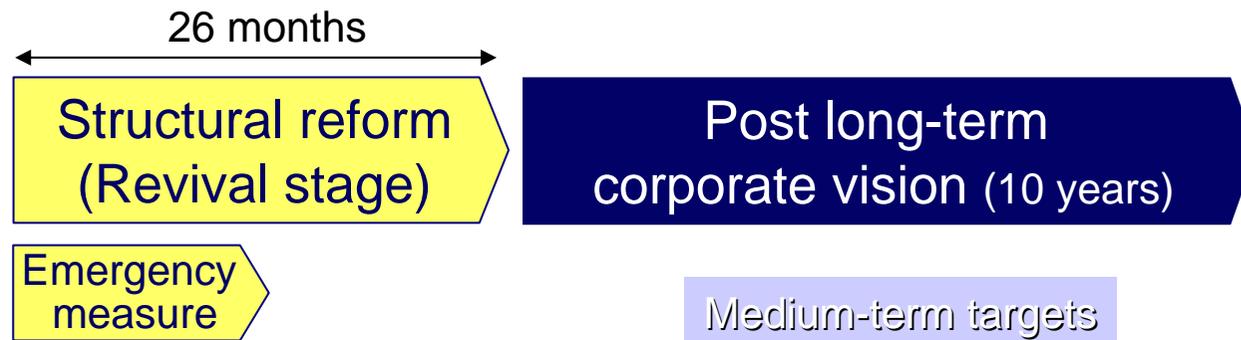


Action newly in scope

**Changing gears
to high growth**

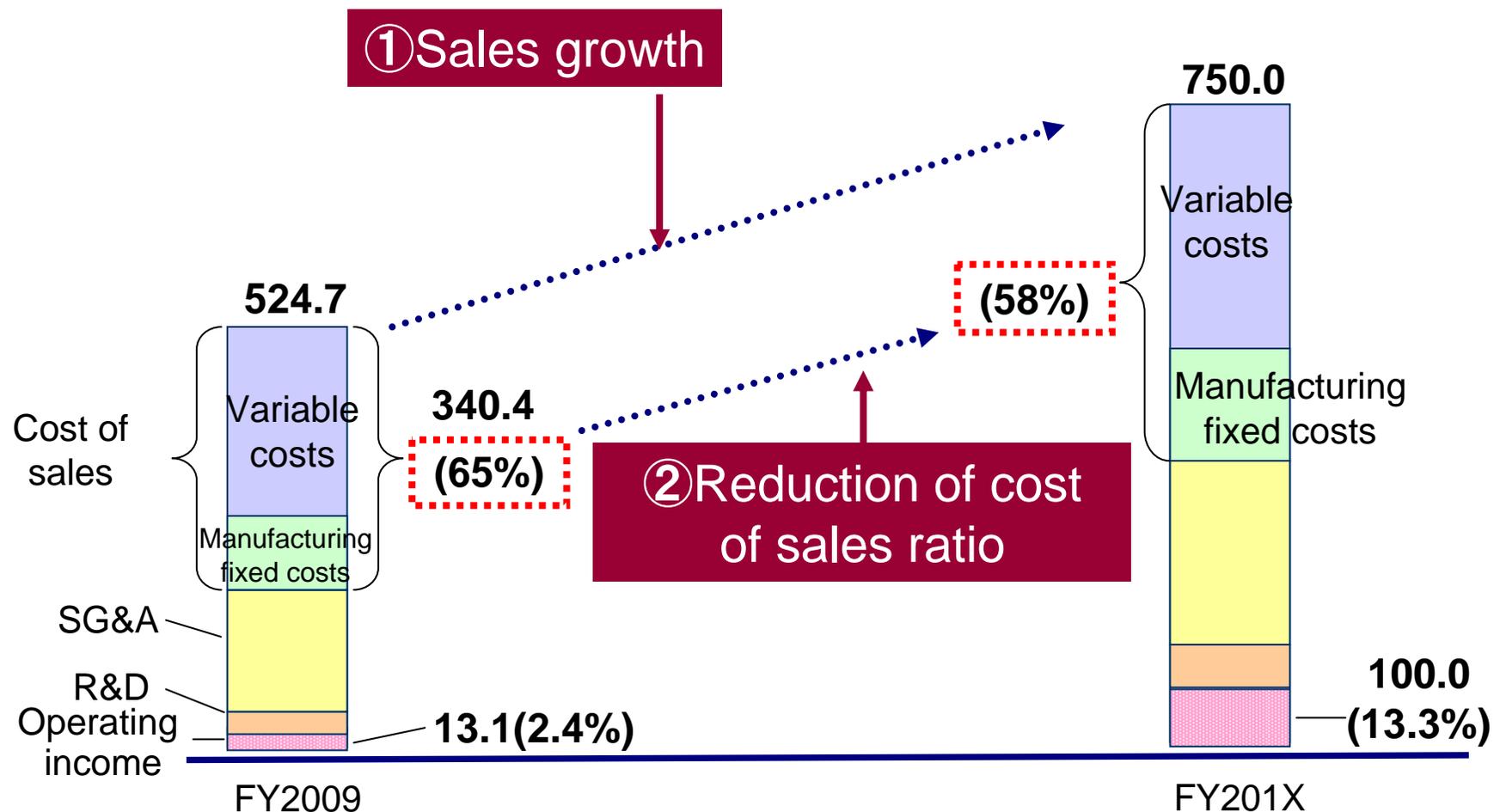
Medium & Long-term Targets

➤ **Accerelate structural reform in FY10 for a business structure to achieve our mid-term targets; JPY 750 bn in sales and JPY 100 bn in OP.**



Medium & Long-term Targets: P/L Structure

➤ "Sales growth" and "reduction of cost of sales ratio" to achieve medium and long-term targets



For Net Sales of JPY 750 bn

Bolster existing businesses in developed countries

Investment : approx. JPY2 bn

- (1) Bolster sales force in Japan and other developed countries.
 - Stronger sales channels in Japan to increase market share
- (2) Bolster anchor products.
 - Sensors, PLCs, relays

Focus on emerging markets

Investment : approx. JPY3 bn

- (1) Bolster sales force in emerging countries (IAB/HCB)
 - Stronger sales in China and India
- (2) Development of new products for emerging markets
 - Augment general purpose products (Sensors, power supplies, PLCs)
 - Augment healthcare products

Changing gears to high growth with Selection & Focusing of business and areas

Focus on environmental businesses

Investment : approx. JPY1 bn

- (1) Bolster core products for environmental businesses
 - ex; Power conditioners
- (2) Development of environmental products for next generation
 - ex. Power conditioners, power electronic devices
- (3) Participation to experimental studies related to environmental businesses.

Building a Robust Earning Structure

For Cost-of-Sales ratio of 58%

- Cost structure innovation for general purpose products
by improvements in LLC*1 parts, processes & production bases-

*1.LCC.... Low cost countries

Material and part optimization
by CMO method*2

*2.CMO...Common/Module/Option

- (1) Use of LCC*1 (mainly China) parts and materials, and local procurement
- (2) Standardized materials and marketed commodity parts
- (3) More in-housed core parts

Manufacturing technology /
process improvement

- (1) Manufacturing methods for LCC*1 (mainly China) materials and parts
- (2) Material Flow Cost Accounting
- (3) CMO*2 method for equipment (Standardization and diversion)

Visualized
management with IT

Robust earning
structure based on
CMO*2 method

Investment : approx. JPY1 bn

Administration and production
structures to improve QCD

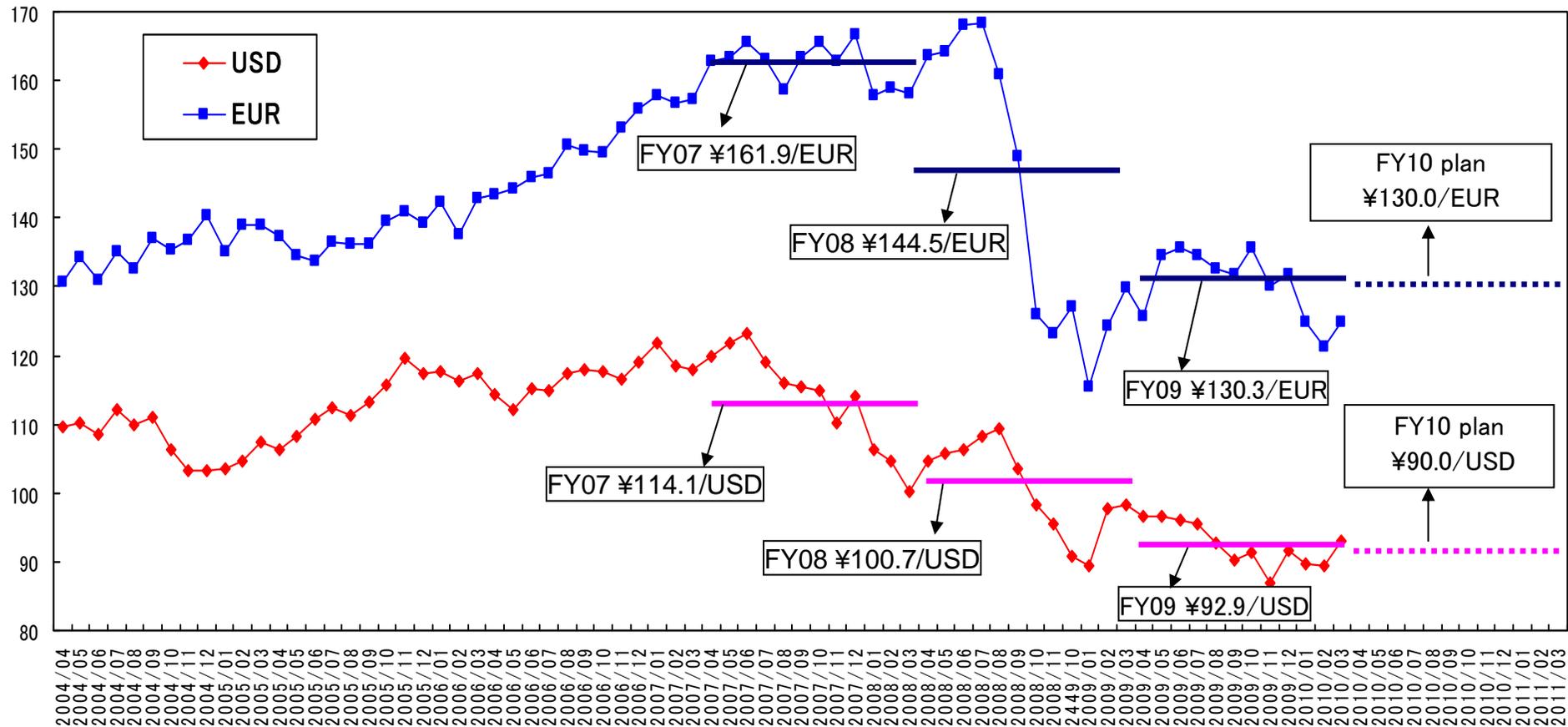
- (1) LCC*1 (mainly in China) production
- (2) Three-tiered manufacturing system
 - Mother factories / mass production factories/ sub-contractors
- (3) Global SCM

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Exchange Rates (USD, EUR)

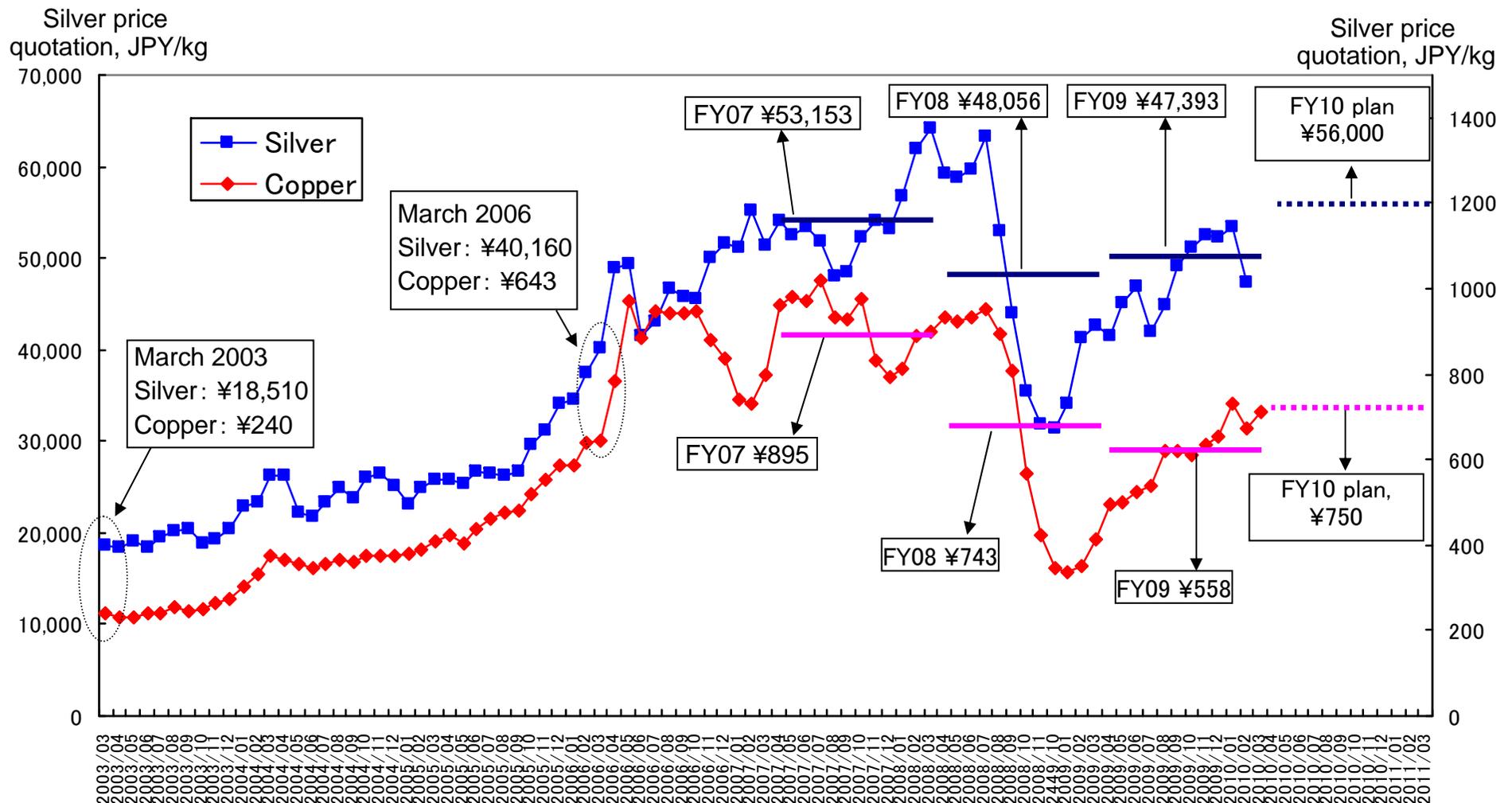
➤ Both USD and EURO plunged in FY09.

1JPY



Raw Material Prices

➤ FY09 copper price dropped, but silver price seen upward trend YoY.



Businesses and Major Products

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

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

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

- *Auto body electronics*
- *Radio wave sensing*

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

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

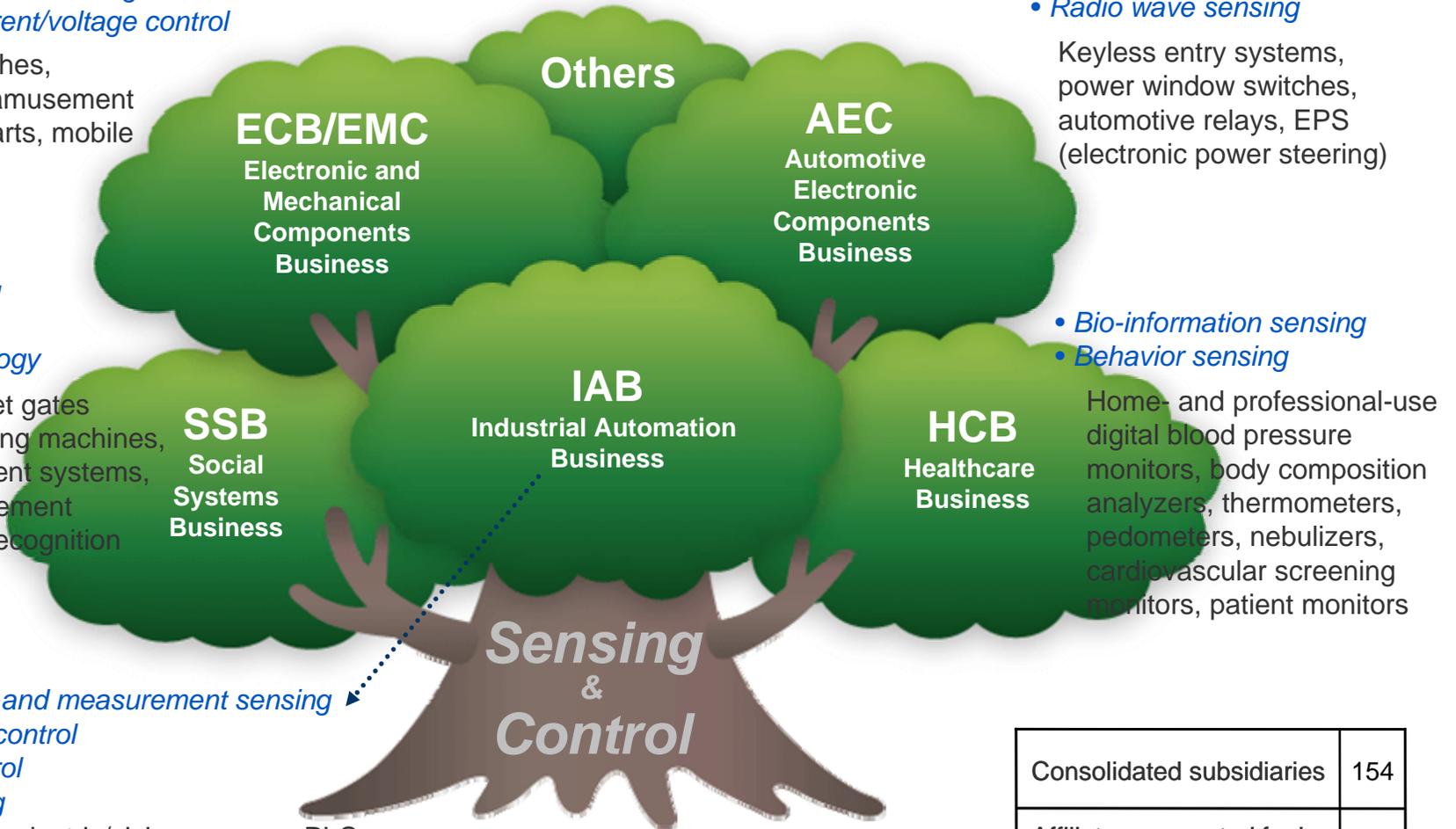
Automated ticket gates and ticket vending machines, road management systems, security management systems, face recognition systems

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

Home- and professional-use digital blood pressure monitors, body composition analyzers, thermometers, pedometers, nebulizers, cardiovascular screening monitors, patient 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	154
Affiliates accounted for by the equity method	18

(as of March 31, 2010)

“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
