OMRON

Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2011 (U.S. GAAP)

October 27, 2010

OMRON Corporation (6645)

Exchanges Listed:	Tokyo, Osaka (first sections)
Homepage:	http://www.omron.com
Representative:	Hisao Sakuta, President and CEO
Contact:	Masaki Haruta, Executive Officer, Corporate Resources Innovation Headquarters, Accounting and Finance Center
Telephone:	+81-75-344-7070
U.S. GAAP:	Adopted
Filing of Quarterly Securities Report (*Shihanki hokokusho*) (scheduled):	November 11, 2010
Start of Distribution of Dividends (scheduled):	December 2, 2010
Preparation of Supplementary Materials for the Quarterly Financial Results:	Yes
Holding of Presentation of Quarterly Financial Results:	Yes (for investors)

Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Note: All amounts are rounded to the nearest million yen.

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2011 (April 1, 2010 – September 30, 2010)

(1) Sales and Income (cumulative)

(Percentages represent changes compared with the same period of the previous fiscal year.)

Millions of yen - except per share data and percentages

	Six months ended September 30, 2010		Six months ended September 30, 2009	
		Change (%)		Change (%)
Net sales	297,905	28.2	232,371	(34.5)
Operating income (loss)	24,444	—	(7,685)	—
Income (loss) before income taxes	23,517	—	(9,617)	—
Net income (loss) attributable to shareholders	14,990	—	(6,900)	—
Net income (loss) attributable to shareholders per share, basic (JPY)	68.09		(31.34)	
Net income attributable to shareholders per share, diluted (JPY)	68.09		—	

(2) Consolidated Financial Position

Millions of yen - except per share data and percentages

	As of September 30, 2010	As of March 31, 2010
Total assets	523,098	532,254
Net assets	303,799	307,135
Shareholders' equity	302,839	306,327
Net worth ratio (%)	57.9	57.5
Net assets per share (JPY)	1,375.59	1,391.41

2. Dividends

		Year ended March 31, 2010	Year ending March 31, 2011	Year ending March 31, 2011 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	
	2nd quarter dividend (JPY)	7.00	14.00	
	3rd quarter dividend (JPY)	—		—
	Year-end dividend (JPY)	10.00		—
	Total dividends for the year (JPY)	17.00		—

Notes: 1. Revisions to projected dividends during the six months ended September 30, 2010: Yes
2. The year-end dividend for the year ending March 31, 2011 is undetermined. For details, see "Notes Regarding Use of Projections of Results and Other Matters."

3. Projected Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent changes compared with the previous fiscal year.)

	Millions of yen	
	Year ending March 31, 2011	Change (%)
Net sales	615,000	17.2
Operating income	46,000	251.8
Income before income taxes	44,500	336.5
Net income attributable to shareholders	29,500	738.5
Net income per share attributable to shareholders (JPY)	134.00	

Note: Revisions to projected results during the six months ended September 30, 2010: No

4. Other (For details, see "2. Other" on page 7 of the attached materials)

(1) Changes in significant subsidiaries during the period: No
New: – companies (–) Excluded: – companies (–)
Note: Changes in specified subsidiaries during the period accompanied by change in scope of consolidation

(2) Application of simplified accounting methods and/or special accounting methods: No
Note: Application of simplified accounting methods and/or accounting methods specific to preparation of the quarterly consolidated financial statements

(3) Changes in accounting principles, procedures and methods of presentation
(a) Changes in consolidated accounting methods: No
(b) Changes other than (a) above: No

(4) Number of shares issued and outstanding (common stock)
(a) Number of shares at end of period (including treasury stock): September 30, 2010: 239,121,372 shares, March 31, 2010: 239,121,372 shares
(b) Treasury stock at end of period: September 30, 2010: 18,970,227 shares, March 31, 2010: 18,966,294 shares
(c) Average number of shares during the period (cumulative quarterly period): Six months ended September 30, 2010: 220,152,966 shares, Six months ended September 30, 2009: 220,159,944 shares

Items Regarding the Implementation of Quarterly Review Procedures

This summary of quarterly consolidated results is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act. Review procedures for the quarterly consolidated financial statements based on the Financial Instruments and Exchange Act had not been completed at the time of disclosure of this summary of quarterly consolidated results.

Notes Regarding Use of Projections of Results and Other Matters

1. Projections of results and future developments are based on information available to the Company at the time of writing, 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) the economic conditions affecting the Omron Group's businesses in Japan and overseas, (ii) demand trends for the Omron Group's products and services, (iii) the ability of the Omron Group to develop new technologies and new 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.

   For the assumptions that form the basis of the projected results, see "1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Qualitative Information on Consolidated Performance Forecast" on page 7.

2. The Company's quarterly financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) under Article 4 of the supplementary provision of "Terminology, Style and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64, issued August 10, 2007).

3. The Company applies the single step method for presentation of its Consolidated Financial Statements based on U.S. GAAP. However, to facilitate comparison with other companies, operating income on the Consolidated Income Statement is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.

4. The year-end dividend for the year ending March 31, 2011 will be set and disclosed in accordance with the Company's Basic Policy for Distribution of Profits at a point when there is a high level of certainty of achieving the Company's performance forecast. At the latest, the Company plans to make an announcement by April 2011.

Note: The following abbreviations of business segment names are used in the attached materials.

IAB:	Industrial Automation Business
EMC:	Electronic and Mechanical Components Business
AEC:	Automotive Electronic Components Business
SSB:	Social Systems, Solutions and Service Business
HCB:	Healthcare Business (includes Omron Healthcare Co., Ltd. and others)
Other:	Environmental Solutions Business HQ, Electronic Systems & Equipments Division HQ, Micro Devices HQ, OMRON PRECISION TECHNOLOGY Co., Ltd. and others

Attachment

Table of Contents

Note: The Company plans to hold a presentation for investors as detailed below. The Company plans to post the materials distributed at the presentation, the video of the entire presentation (which also includes the question and answer session), and other related information on its website promptly after the presentation.

October 28, 2010 (Thursday) ……..Presentation for investors

1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Qualitative Information on Consolidated Results of Operations

General Overview

Reviewing economic conditions during the first six months of fiscal 2010 (April – September 2010), the economy moved toward recovery during the period, although market uncertainty increased with movements in exchange rates and stock prices from the first half into the second half.

The Japanese economy showed a pickup with the effect of economic stimulus measures and other factors, despite signs of weakening in the export-led recovery due to the surging yen. Looking at overseas economies, a sense of slowdown is building in the United States, but the U.S. economy has continued to recover moderately, aided by the effects of government measures. In Europe, the economic recovery trend continued, supported by growth in exports due to higher demand in newly industrialized countries and the weaker euro. In China and Southeast Asia, economic growth remained firm, led by expansion mainly of internal demand due in part to the effect of economic stimulus measures.

In markets related to the Omron Group, special demand due to exceptionally hot summer weather in the Northern Hemisphere and policy measures to stimulate consumption in various countries fueled strong demand for electronic components, primarily for household electrical appliances and automotive electronics. In China and other newly industrialized countries, in addition to demand for components used in digital devices, capital investment demand was solid, primarily in the semiconductor, electronic components and automotive industries, reflecting rising interest in the environment and energy savings in developed countries.

The Omron Group’s net sales for the six months ended September 30, 2010 increased 28.2 percent compared with the same period of the previous fiscal year to JPY 297,905 million, reflecting the continued upturn in capital investment among manufacturers, despite the significant impact of the strong yen. Operating income was JPY 24,444 million as a result of the success of the structural reforms and cost reductions the Omron Group has implemented. Income before income taxes was JPY 23,517 million, and net income attributable to shareholders was JPY 14,990 million.

The average exchange rates for the six months ended September 30, 2010 were USD 1 = JPY 88.7 and EUR 1 = JPY 114.6 (6.4 yen and 17.5 yen less than the same period of the previous fiscal year, respectively).

Results by Business Segment

IAB

In Japan, sales were strong as capital investment demand continued to increase in the electronic components, automotive and semiconductor industries. Overseas, in China, where domestic demand is expanding with the effects of economic stimulus measures, sales were strong as investment in production facilities continued to increase. Sales of the Omron Group’s products also remained strong in Southeast Asia and Korea due to increased demand for production facilities for electronic components and semiconductors. In Europe, strong sales were supported by demand for machinery exports due to the weak euro. Sales were also strong in North America despite a sense of economic slowdown, as demand for equipment continued to recover in the automotive industry and demand for control equipment increased in the petroleum industry.

As a result, segment sales to outside customers for the six months ended September 30, 2010 totaled JPY 138,692 million, an increase of 52.6 percent compared with the same period of the previous fiscal year.

EMC

Conditions were solid in the environment of the consumer, commerce, and automotive components industries, reflecting rising interest in the environment and energy savings in developed countries, in addition to special demand due to exceptionally hot summer weather in the Northern Hemisphere and expansion of demand primarily for digital home appliances in China and other newly industrialized countries.

In this operating environment, sales were solid, centering on relays and switches for home electronics in China and Southeast Asia. In Japan, Europe and North America, sales were strong as demand for relays and switches for home electronics rose substantially, and demand for relays, switches and other products for automotive electronics also recovered.

As a result, segment sales to outside customers for the six months ended September 30, 2010 totaled JPY 40,199 million, an increase of 21.4 percent compared with the same period of the previous fiscal year.

AEC
In Japan, the automobile market generally trended toward recovery as preferential tax treatment for eco-friendly cars and other programs to support new car purchases stimulated consumers' inclination to purchase, resulting in strong sales.

Overseas, sales at the Omron Group's bases in China and elsewhere in Asia grew strongly, reflecting increased demand for new cars due to the motorization of markets in newly industrialized countries. Although the U.S. economy has not yet achieved a full recovery, a solid automobile market in North America, where there had been concerns of a slow recovery, resulted in strong sales.

As a result, segment sales to outside customers for the six months ended September 30, 2010 totaled JPY 42,617 million, an increase of 34.3 percent compared with the same period of the previous fiscal year.

SSB
In the public transportation systems business, capital investment by railway companies was restrained overall. However, sales were strong as new equipment (automated ticket machines and automated ticket gates) was steadily introduced into the market.

In the social sensor solutions business, security and safety solutions for applications such as defect detection for expressways and public facilities are taking shape, and demand is growing for environmental solutions for a low-carbon society.

The related maintenance business reported strong sales due to expansion of demand for solar power related products backed by government subsidies and an increase in related installation.

As a result, segment sales to outside customers for the six months ended September 30, 2010 totaled JPY 22,417 million, an increase of 8.5 percent compared with the same period of the previous fiscal year.

HCB
In Japan, demand for professional medical equipment for use in hospitals was solid, centering on vital sign monitors. However, demand for healthcare equipment was impacted by weak consumption trends combined with a decrease in store traffic due to hot summer weather, and sales declined from the level of the same period in the previous fiscal year, when demand for digital thermometers rose sharply due to the H1N1 influenza virus. Overseas, sales were strong in all areas as demand for Omron's healthcare equipment remained high, reflecting the recovery of consumption in Russia and rising awareness of health management in provincial cities in China.

As a result, segment sales to outside customers for the six months ended September 30, 2010 totaled JPY 29,125 million, a decrease of 2.0 percent compared with the same period of the previous fiscal year.

Other
The "Other" segment is primarily responsible for exploring and nurturing new businesses and nurturing/reinforcing businesses not handled by other internal companies.

In the Environmental Solutions Business HQ, due to the proposal of solutions to maintain and improve the environment, demand was strong for energy-saving services such as those employing energy consumption visualization systems, and also for products such as the high-precision power sensors used at production sites.

In the Electronic Systems & Equipments Division HQ, the recovery in customer demand continued. As a result, sales grew strongly in each of the division's main business areas – the industrial-use personal computer business, contract production and development of electronic devices, and the uninterruptible power supply business.

In the Micro Devices HQ, in addition to growth in demand for custom integrated circuits with the recovery of market conditions particularly in newly industrialized countries, demand for contract semiconductor manufacturing also contributed to strong sales.

In the backlight business, the accelerating shift to LED backlights and expansion of the smart phone market drove growth in demand. However, demand for mobile phones decreased, as did demand from domestic manufacturers of small to medium-sized LCD panels.

As a result, segment sales to outside customers for the six months ended September 30, 2010 totaled JPY 21,908 million, an increase of 0.1 percent compared with the same period of the previous fiscal year.

(2) Qualitative Information on Consolidated Financial Condition

Total assets as of September 30, 2010 decreased JPY 9,156 million compared with the end of the previous fiscal year to JPY 523,098 million due to a decrease in notes and accounts receivable – trade, a decrease in the value of investment securities because of weak stock prices, and careful selection of new investment in equipment.

Total liabilities decreased JPY 5,820 million compared with the end of the previous fiscal year to JPY 219,299 million due to a decrease in short-term debt, which offset an increase in notes and accounts payable – trade. While retained earnings increased, net assets decreased JPY 3,336 million from the end of the previous fiscal year to JPY 303,799 million due to a change in foreign currency translation adjustments because of the sharp rise in the yen and a decrease in net unrealized gains on available-for-sale securities because of weak stock prices. The net worth ratio rose to 57.9 percent from 57.5 percent at the end of the previous fiscal year.

Net cash provided by operating activities for the six months ended September 30, 2010 was JPY 23,493 million (an increase of JPY 2,241 million compared with the same period of the previous fiscal year) despite an increase in inventories, as a result of net income.

Net cash used in investing activities was JPY 8,008 million (a decrease in cash used of JPY 5,154 million compared with the same period of the previous fiscal year) as Omron continued to conduct highly selective capital investment.

Net cash used in financing activities was JPY 10,392 million (an increase in cash used of JPY 4,938 million compared with the same period of the previous fiscal year) as Omron repaid short-term debt.

As a result, the balance of cash and cash equivalents at September 30, 2010 was JPY 54,621 million, an increase of JPY 2,895 million from the end of the previous fiscal year.

(3) Qualitative Information on Consolidated Performance Forecast

The Omron Group continues to decisively implement its policies for the fiscal year: "Changing Gears to 'Creating a Robust Earnings Structure' and 'High Growth' without a Rebound;" and "Promoting Thorough 'Selection and Focus' and 'Standardization, Sharing and Creation of Platform-Based Organizations'" in order to build a corporate structure that is resilient to changes in the external environment.

Results for the six months ended September 30, 2010 were within the range of the assumptions announced on July 28, 2010, and the performance forecast for the full fiscal year is also unchanged from the July 28, 2010 announcement.

The assumed exchange rates for the third quarter onward in the performance forecasts for the fiscal year are US$1 = JPY 82 and 1 Euro = JPY 113.

The performance forecast and other forward-looking statements are based on information available to the Company at the present time, and on certain assumptions judged by the Company to be reasonable. Due to a variety of factors, actual results may differ materially from the forecast.

2. Other

(1) Summary of Changes in Significant Subsidiaries

None applicable

(2) Summary of Simplified Accounting Methods and/or Specific Accounting Methods

None applicable

(3) Summary of Changes in Accounting Principles, Procedures and Methods of Presentation

None applicable

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010		As of March 31, 2010	
ASSETS				
Current assets:	288,911	55.2%	285,758	53.7%
Cash and cash equivalents	54,621		51,726	
Notes and accounts receivable — trade	121,633		126,250	
Allowance for doubtful receivables	(2,351)		(2,531)	
Inventories	88,387		77,655	
Deferred income taxes	18,417		19,988	
Other current assets	8,204		12,670	
Property, plant and equipment:	117,792	22.5	122,994	23.1
Land	27,806		26,376	
Buildings	125,253		127,344	
Machinery and equipment	134,228		140,200	
Construction in progress	4,205		2,733	
Accumulated depreciation	(173,700)		(173,659)	
Investments and other assets:	116,395	22.3	123,502	23.2
Investments in and advances to associates	13,277		13,637	
Investment securities	32,705		38,556	
Leasehold deposits	7,452		7,452	
Deferred income taxes	46,209		45,737	
Other	16,752		18,120	
Total assets	523,098	100.0%	532,254	100.0%

(Millions of yen)

	As of September 30, 2010		As of March 31, 2010	
LIABILITIES				
Current liabilities:	153,518	29.3%	155,562	29.2%
Short-term debt	8,469		16,612	
Notes and accounts payable — trade	74,602		68,874	
Accrued expenses	24,764		25,891	
Income taxes payable	1,782		2,710	
Deferred income taxes	21		11	
Other current liabilities	23,625		21,149	
Current portion of long-term debt	20,255		20,315	
Long-term debt	895	0.2	1,290	0.2
Deferred income taxes	855	0.1	886	0.2
Termination and retirement benefits	63,653	12.2	66,964	12.6
Other long-term liabilities	378	0.1	417	0.1
Total liabilities	219,299	41.9	225,119	42.3
NET ASSETS				
Shareholders’ equity	302,839	57.9	306,327	57.5
Common stock	64,100	12.3	64,100	12.0
Capital surplus	99,081	18.9	99,081	18.6
Legal reserve	9,495	1.8	9,363	1.8
Retained earnings	242,634	46.4	230,859	43.4
Accumulated other comprehensive income (loss)	(68,001)	(13.0)	(52,614)	(9.9)
Foreign currency translation adjustments	(36,076)		(23,678)	
Minimum pension liability adjustments	(36,160)		(36,553)	
Net unrealized gains on available-for-sale securities	4,335		7,684	
Net gains (losses) on derivative instruments	(100)		(67)	
Treasury stock	(44,470)	(8.5)	(44,462)	(8.4)
Noncontrolling interests	960	0.2	808	0.2
Total net assets	303,799	58.1	307,135	57.7
Total liabilities and shareholders’ equity	523,098	100.0%	532,254	100.0%

(2) Quarterly Consolidated Statements of Operations

（Six months ended September 30, 2010）

(Millions of yen)

	Six months ended September 30, 2009		Six months ended September 30, 2010	
Net sales	232,371	100.0%	297,905	100.0%
Cost of sales	156,760	67.5	184,995	62.1
Gross profit	75,611	32.5	112,910	37.9
Selling, general and administrative expenses	65,730	28.2	69,293	23.3
Research and development expenses	17,566	7.6	19,173	6.4
Operating income (loss)	(7,685)	(3.3)	24,444	8.2
Other expenses (income), net	1,932	0.8	927	0.3
Income (loss) before income taxes	(9,617)	(4.1)	23,517	7.9
Income taxes	(3,298)	(1.4)	7,925	2.7
Equity in net losses (gains) of affiliates	604	0.3	305	0.1
Net income (loss)	(6,923)	(3.0)	15,287	5.1
Net loss (income) attributable to noncontrolling interests	(23)	(0.0)	297	0.1
Net income (loss) attributable to shareholders	(6,900)	(3.0)	14,990	5.0

Note: Comprehensive income (loss) plus other comprehensive income in net income (loss) attributable to shareholders is as follows:

Six months ended September 30, 2010: JPY (397) million

Six months ended September 30, 2009: JPY (6,141) million

Other comprehensive income includes foreign currency translation adjustments, minimum pension liability adjustments, unrealized gains (losses) on available-for-sale securities and net gains (losses) on derivative instruments.

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
I. Operating Activities:		
Net income (loss)	(6,923)	15,287
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
1. Depreciation and amortization	13,465	11,826
2. Net loss on sales and disposals of property, plant and equipment	89	146
3. Gain on sales of investment securities	(3)	(11)
4. Loss on investment securities	487	96
5. Termination and retirement benefits	(2,633)	(2,394)
6. Deferred income taxes	(9,061)	2,392
7. Equity in loss of affiliates	604	305
8. Changes in assets and liabilities:		
i. Decrease (increase) in notes and accounts receivable — trade, net	5,160	(1,135)
ii. Decrease (increase) in inventories	7,285	(15,579)
iii. Decrease in other assets	9,612	4,201
iv. Increase in notes and accounts payable — trade	678	6,999
v. Increase (decrease) in income taxes payable	990	(840)
vi. Increase in accrued expenses and other current liabilities	1,826	2,017
9. Other, net	(324)	183
Total adjustments	28,175	8,206
Net cash provided by operating activities	21,252	23,493
II. Investing Activities:		
1. Proceeds from sales or maturities of investment securities	5	100
2. Capital expenditures	(12,982)	(8,631)
3. Net decrease (increase) in leasehold deposits	384	(64)
4. Proceeds from sales of property, plant and equipment	478	601
5. Purchase of noncontrolling interests	(106)	—
6. Decrease (increase) in investment in and loans to affiliates	(941)	20
7. Proceeds from sale of business entities, net	—	(34)
Net cash used in investing activities	(13,162)	(8,008)
III. Financing Activities:		
1. Net repayments of short-term debt	(3,639)	(7,992)
2. Increase in long-term debt	18	0
3. Repayments of long-term debt	(279)	(190)
4. Dividends paid by the Company	(1,541)	(2,202)
5. Dividends paid to noncontrolling shareholders	(6)	(0)
6. Acquisition of treasury stock	(7)	(8)
7. Sale of treasury stock	0	0
Net cash used in financing activities	(5,454)	(10,392)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	478	(2,198)
Net Increase in Cash and Cash Equivalents	3,114	2,895
Cash and Cash Equivalents at Beginning of the Period	46,631	51,726
Cash and Cash Equivalents at End of the Period	49,745	54,621
Notes to cash flows from operating activities:		
1. Interest paid	397	273
2. Taxes paid	4,816	6,462
Notes to investing and financing activities not involving cash flow:		
Debt related to capital expenditures	109	1,328

(4) Notes Regarding Assumptions of Continuing Operations

None applicable

(5) Segment Information

Business Segment Information

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	90,891	33,114	31,726	20,655	29,710	21,881	227,977	4,394	232,371
(2) Intersegment sales and transfers	2,490	18,837	481	1,907	84	3,182	26,981	(26,981)	—
Total	93,381	51,951	32,207	22,562	29,794	25,063	254,958	(22,587)	232,371
Operating expenses	93,670	51,468	32,513	25,182	25,722	28,911	257,466	(17,410)	240,056
Operating income (loss)	(289)	483	(306)	(2,620)	4,072	(3,848)	(2,508)	(5,177)	(7,685)

Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	138,692	40,199	42,617	22,417	29,125	21,908	294,958	2,947	297,905
(2) Intersegment sales and transfers	4,039	28,516	264	1,936	1	4,414	39,170	(39,170)	—
Total	142,731	68,715	42,881	24,353	29,126	26,322	334,128	(36,223)	297,905
Operating expenses	120,796	62,130	40,321	26,638	26,825	30,141	306,851	(33,390)	273,461
Operating income (loss)	21,935	6,585	2,560	(2,285)	2,301	(3,819)	27,277	(2,833)	24,444

Notes: 1. Omron has revised its management guidance fees received from subsidiaries and internal companies to concentrate cash at the head office for strategic allocation of resources, driven by the Omron Group's enhanced "selection and focus" policy. As a result of this change, the operating expenses of business segments increased compared with the same period of the previous fiscal year (IAB JPY 1,669 million, EMC JPY 610 million, AEC JPY 386 million, SSB JPY 650 million, HCB JPY 469 million, Other JPY 337 million, Total JPY 4,121 million), and operating expenses in Eliminations & Corporate decreased by the same amount.

2. 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 six months ended September 30, 2009 have been restated to reflect the new classifications.

Geographical Segment Information

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009) (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	115,248	27,861	35,764	36,251	17,247	232,371	—	232,371
(2) Intersegment sales and transfers	43,407	311	248	24,049	3,256	71,271	(71,271)	—
Total	158,655	28,172	36,012	60,300	20,503	303,642	(71,271)	232,371
Operating expenses	165,905	28,886	35,628	57,467	18,943	306,829	(66,773)	240,056
Operating income (loss)	(7,250)	(714)	384	2,833	1,560	(3,187)	(4,498)	(7,685)

Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010) (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia and Others	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	146,487	37,101	40,703	48,633	24,981	297,905	—	297,905
(2) Intersegment sales and transfers	66,258	984	798	30,934	4,945	103,919	(103,919)	—
Total	212,745	38,085	41,501	79,567	29,926	401,824	(103,919)	297,905
Operating expenses	198,733	36,779	39,839	73,008	26,654	375,013	(101,552)	273,461
Operating income	14,012	1,306	1,662	6,559	3,272	26,811	(2,367)	24,444

Note: Omron has revised its management guidance fees received from subsidiaries and internal companies to concentrate cash at the head office for strategic allocation of resources, driven by the Omron Group's enhanced "selection and focus" policy. As a result of this change, operating expenses in Japan increased by JPY 4,121 million compared with the previous fiscal year, and operating expenses in Eliminations & Corporate decreased by the same amount.

Overseas Sales

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009) (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	27,985	38,186	36,754	18,862	121,787
Consolidated net sales					232,371
Overseas sales as a percentage of consolidated net sales (%)	12.0	16.4	15.8	8.2	52.4

Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010) (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	37,711	43,954	49,296	26,271	157,232
Consolidated net sales					297,905
Overseas sales as a percentage of consolidated net sales (%)	12.7	14.8	16.5	8.8	52.8

(6) Notes in the Event of Significant Changes in Shareholders' Equity

None applicable

4. Supplementary Information
(1) Summary of Consolidated Financial Results

(Millions of yen, %)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Year-on-year change	Year ended March 31, 2010	Year ending March 31, 2011 (projected)	Year-on-year change
Net sales	232,371	297,905	28.2%	524,694	615,000	17.2%
Operating income (loss) [% of net sales]	(7,685) [-3.3%]	24,444 [8.2%]	— [+11.5P]	13,074 [2.5%]	46,000 [7.5%]	251.8 [+5.0P]
Income (loss) before income taxes [% of net sales]	(9,617) [-4.1%]	23,517 [7.9%]	— [+12.0P]	10,195 [1.9%]	44,500 [7.2%]	336.5 [+5.3P]
Net income (loss) attributable to shareholders	(6,900)	14,990	—	3,518	29,500	738.5
Net income (loss) per share attributable to shareholders (basic) (¥)	(31.34)	68.09	+99.43	15.98	134.00	+118.02
Net income per share attributable to shareholders (diluted) (¥)	—	68.09	—	15.98	134.00	+118.02
Return on equity				1.2%	9.5%	[+8.3P]
Total assets	521,637	523,098	0.3%	532,254		
Net assets [Net worth ratio (%)]	290,745 [55.7%]	302,839 [57.9%]	4.2% [+2.2P]	306,327 [57.5%]		
Net assets per share (¥)	1,320.62	1,375.59	+54.97	1,391.41		
Net cash provided by operating activities	21,252	23,493	+2,241	42,759		
Net cash provided by (used in) investing activities	(13,162)	(8,008)	+5,154	(18,584)		
Net cash provided by (used in) financing activities	(5,454)	(10,392)	-4,938	(20,358)		
Cash and cash equivalents at end of period	49,745	54,621	+4,876	51,726		

Note: The number of consolidated subsidiaries is 149, and the number of companies accounted for by the equity method is 14.

(2) Consolidated Net Sales by Business Segment

(Billions of yen)

		Six months ended September 30, 2009	Six months ended September 30, 2010	Period-on-period change (%)
IAB	Domestic	39.3	64.8	64.6
	Overseas	51.6	73.9	43.4
	Total	90.9	138.7	52.6
EMC	Domestic	10.4	11.9	15.0
	Overseas	22.7	28.3	24.3
	Total	33.1	40.2	21.4
AEC	Domestic	9.6	14.7	52.5
	Overseas	22.1	27.9	26.4
	Total	31.7	42.6	34.3
SSB	Domestic	20.5	22.3	8.9
	Overseas	0.2	0.2	(25.2)
	Total	20.7	22.5	8.5
HCB	Domestic	14.5	12.7	(12.2)
	Overseas	15.2	16.4	7.8
	Total	29.7	29.1	(2.0)
Other	Domestic	12.1	11.6	(3.9)
	Overseas	9.8	10.3	5.0
	Total	21.9	21.9	0.1
Eliminations, etc.	Domestic	4.2	2.7	(36.2)
	Overseas	0.2	0.2	41.2
	Total	4.4	2.9	(33.0)
Total	Domestic	110.6	140.7	27.2
	Overseas	121.8	157.2	29.1
	[% of total]	[52.4%]	[52.8%]	[+0.4P]
	Total	232.4	297.9	28.2

Note: 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 six months ended September 30, 2009 have been restated to reflect the new classifications.

Average Currency Exchange Rate

(One unit of currency, in yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Period-on-period change (%)
USD	95.1	88.7	-6.4
EUR	132.1	114.6	-17.5

(3) Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2010	Year ending March 31, 2011 (est.)	Year-on-year change (%)
IAB	Domestic	93.5	127.7	36.6
	Overseas	112.7	146.4	29.9
	Total	206.2	274.1	32.9
EMC	Domestic	22.3	24.7	10.5
	Overseas	48.4	54.3	12.3
	Total	70.7	79.0	11.7
AEC	Domestic	23.9	28.0	17.1
	Overseas	51.3	53.1	3.6
	Total	75.2	81.1	7.9
SSB	Domestic	57.5	65.2	13.4
	Overseas	0.5	0.9	91.5
	Total	58.0	66.1	14.0
HCB	Domestic	29.6	27.8	(6.0)
	Overseas	33.8	34.7	2.7
	Total	63.4	62.5	(1.4)
Other	Domestic	22.4	23.1	3.0
	Overseas	18.9	23.0	21.8
	Total	41.3	46.1	11.6
Eliminations, etc.	Domestic	9.3	5.8	(37.2)
	Overseas	0.6	0.3	(58.9)
	Total	9.9	6.1	(38.8)
Total	Domestic	258.5	302.3	17.0
	Overseas	266.2	312.7	17.5
	[% of total]	[50.7%]	[50.8%]	[+0.1P]
	Total	524.7	615.0	17.2

Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2010	Year ending March 31, 2011 (est.)	Year-on-year change (%)
USD	92.9	85.6	-7.3
EUR	130.3	113.8	-16.5