

11-Year Financial and Non-Financial Highlights

OMRON Corporation and Subsidiaries (As of and for the years ended March 31)

	FY2006	FY2007	FY2008
Operating Results:			
Net sales	¥723,866	¥762,985	¥627,190
Gross profit	278,241	293,342	218,522
Selling, general and administrative expenses (excl. R&D expenses)	164,167	176,569	164,284
R&D expenses	52,028	51,520	48,899
Operating income	62,046	65,253	5,339
EBITDA (Note 1)	95,968	101,596	38,835
Net income (loss) attributable to OMRON shareholders	38,280	42,383	(29,172)
Cash Flows:			
Net cash provided by operating activities	40,539	68,996	31,408
Net cash used in investing activities	(47,075)	(36,681)	(40,628)
Free cash flow (Note 2)	(6,536)	32,315	(9,220)
Net cash provided by (used in) financing activities	(4,697)	(34,481)	21,867
Financial Position:			
Total assets	630,337	617,367	538,280
Cash and cash equivalents	42,995	40,624	46,631
Total interest-bearing liabilities	19,988	18,179	52,970
Total shareholders' equity	382,822	368,502	298,411
Per Share Data:			
Net income (loss) attributable to OMRON shareholders (EPS)	165.0	185.9	(132.2)
Shareholders' equity	1,660.7	1,662.3	1,355.4
Cash dividends (Note 3)	34	42	25
Dividend payout ratio	20.6%	22.6%	—
Financial Indicators:			
Gross profit margin	38.4%	38.4%	34.8%
Operating income margin	8.6%	8.6%	0.9%
EBITDA margin	13.3%	13.3%	6.2%
Return on invested capital (ROIC)	9.9%	10.4%	(7.6%)
Return on equity (ROE)	10.3%	11.3%	(8.7%)
Ratio of shareholders' equity to total assets	60.7%	59.7%	55.4%
Total return ratio (Note 4)	49.7%	74.7%	—
Capital expenditures	44,447	37,072	36,844
Depreciation and amortization	33,922	36,343	33,496
Ratio of overseas sales	47.3%	52.1%	49.7%
Non-Financial Data			
Number of employees	32,456	35,426	32,583
Ratio of overseas employees to total employees	64.9%	65.7%	63.4%
Number of patents held (Note 5)	5,206	5,717	5,205
Environmental contribution (thousand ton-CO ₂) (Note 6)			
CO ₂ emissions of production sites (thousand ton-CO ₂) (Note 7)			

Notes: 1. EBITDA = Operating income + Depreciation and amortization

2. Free cash flow = Net cash provided by operating activities + Net cash used in investing activities

3. Cash dividends per share represent the amounts applicable to the respective year, including dividends to be paid after the end of the fiscal year.

4. Total return ratio = (Total dividends paid + Amount of shares repurchased) / Net income (loss) attributable to OMRON shareholders (does not include repurchases of less than one trading unit)

5. Patent information is as of March 15 each year.

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Long-Term Management Strategy

Grand Design 2010 (GD2010)

FY2001 – FY2003

1st Stage Establish a Profit Structure

Concentrate on cost structure reform and restructure the Company as a profit-generating business

Achievements

- ROE of 10%
- Withdrew from unprofitable business, spun off Healthcare Business
- Raised the level of corporate governance to the global standard

FY2004 – FY2007

2nd Stage Balance Growth and Earnings

Reinforce business foundations through aggressive investment in growth areas, including M&A, and cost reduction

Achievements

- Increased earnings per share from ¥110.7 (FY2003) to ¥185.9 (FY2007)

FY2008 – FY2010

3rd Stage Achieve a Growth Structure

Fortify growth businesses (high profitability)

Revival Stage (February 2009 to March 2011)

Revised 3rd-stage targets due to an abrupt change in the business environment, implemented cost reductions, and spun off Automotive Electronic Components Business and Social Systems, Solutions and Service Business

(Millions of yen)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
	¥524,694	¥617,825	¥619,461	¥650,461	¥772,966	¥847,252	¥833,604	¥794,201
	184,342	231,702	227,887	241,507	297,208	332,607	320,812	311,802
	133,426	142,365	145,662	152,676	181,225	198,103	205,735	193,539
	37,842	41,300	42,089	43,488	47,928	47,913	52,790	50,697
	13,074	48,037	40,136	45,343	68,055	86,591	62,287	67,566
	40,088	71,021	62,753	67,795	93,144	114,930	93,747	96,532
	3,518	26,782	16,389	30,203	46,185	62,170	47,290	45,987
	42,759	41,956	31,946	53,058	79,044	77,057	84,207	77,875
	(18,584)	(20,210)	(26,486)	(28,471)	(31,125)	(39,517)	(67,116)	(15,041)
	24,175	21,746	5,460	24,587	47,919	37,540	17,091	62,834
	(20,358)	3,333	(33,492)	(18,550)	(16,298)	(29,303)	(31,550)	(15,012)
	532,254	562,790	537,323	573,637	654,704	711,011	683,325	697,701
	51,726	74,735	45,257	55,708	90,251	102,622	82,910	126,026
	36,612	45,519	18,774	5,570	488	0	0	156
	306,327	312,753	320,840	366,962	430,509	489,769	444,718	469,029
	16.0	121.7	74.5	137.2	209.8	283.9	219.0	215.1
	1,391.4	1,421.0	1,457.5	1,667.0	1,956.1	2,254.4	2,080.0	2,193.7
	17	30	28	37	53	71	68	68
	106.4%	24.7%	37.6%	27.0%	25.3%	25.0%	31.1%	31.6%
	35.1%	37.5%	36.8%	37.1%	38.5%	39.3%	38.5%	39.3%
	2.5%	7.8%	6.5%	7.0%	8.8%	10.2%	7.5%	8.5%
	7.6%	11.5%	10.1%	10.4%	12.1%	13.6%	11.2%	12.2%
	1.0%	7.8%	4.8%	8.6%	11.3%	13.4%	9.7%	10.3%
	1.2%	8.7%	5.2%	8.8%	11.6%	13.5%	10.1%	10.1%
	57.6%	55.6%	59.7%	64.0%	65.8%	68.9%	65.1%	67.2%
	106.7%	25.2%	37.7%	27.0%	25.3%	49.1%	62.7%	31.6%
	19,524	23,192	28,341	28,285	33,653	38,143	36,859	25,692
	27,014	22,984	22,617	22,452	25,089	28,339	31,460	28,966
	50.7%	51.4%	52.2%	51.1%	55.4%	60.1%	60.3%	58.4%
	36,299	35,684	35,992	35,411	36,842	37,572	37,709	36,008
	68.1%	67.8%	67.7%	67.4%	69.1%	69.7%	69.3%	68.3%
	5,218	5,452	5,959	6,448	6,635	7,194	7,686	8,224
		193	189	313	661	851	508	593
		187	193	203	215	221	202	200

(Yen)

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Operating Income

OMRON applies the single step presentation of income under U.S. GAAP (that is, the various levels of income are not presented) in its consolidated statements of income. For comparison with other companies, operating income is presented as gross profit less selling, general and administrative expenses and research and development expenses.

Discontinued Operations

Figures for FY2006 have been restated to account for businesses discontinued in FY2007.

Value Generation 2020 (VG2020)

FY2011 – FY2013

GLOBE STAGE

Establishment of profit and growth structures on a global basis

	Initial Target ^{*1}	FY2013 Result
Net sales	¥750.0 billion	¥773.0 billion
Operating income	¥100.0 billion	¥68.1 billion
Gross profit margin	42.0%	38.5%
Operating income margin	13.3%	8.8%
ROE	over 15%	11.6%

*1 Announced July 2011

FY2014 – FY2016

EARTH-1 STAGE

Establish self-driven growth structure

	Initial Target ^{*2}	FY2016 Plan
Net sales	over ¥900 billion	¥820 billion
Gross profit margin	over 40%	39.3%
Operating margin	over 10%	7.7%
ROIC	approx. 13%	10%
ROE	approx. 13%	10%
EPS	approx. ¥290	¥222.2

*2 Announced April 2014

FY2017 – FY2020

VG2.0

Achieve self-driven growth by creating innovation originated by technological evolution

	Target ^{*3}
Net sales	¥1 trillion
Gross profit margin	over 41%
Operating income	¥100 billion
ROIC	over 10%
ROE	over 10%
EPS	over ¥300

*3 Announced April 2017