

11-Year Financial and Non-Financial Highlights

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

	FY2007	FY2008	FY2009	FY2010
Operating Results:				
Net sales	¥762,985	¥627,190	¥524,694	¥617,825
Gross profit	293,342	218,522	184,342	231,702
Selling, general and administrative expenses (excl. R&D expenses)	176,569	164,284	133,426	142,365
R&D expenses	51,520	48,899	37,842	41,300
Operating income	65,253	5,339	13,074	48,037
EBITDA (Note 1)	101,596	38,835	40,088	71,021
Net income (loss) attributable to OMRON shareholders	42,383	(29,172)	3,518	26,782
Cash Flows:				
Net cash provided by operating activities	68,996	31,408	42,759	41,956
Net cash used in investing activities	(36,681)	(40,628)	(18,584)	(20,210)
Free cash flow (Note 2)	32,315	(9,220)	24,175	21,746
Net cash provided by (used in) financing activities	(34,481)	21,867	(20,358)	3,333
Financial Position:				
Total assets	617,367	538,280	532,254	562,790
Cash and cash equivalents	40,624	46,631	51,726	74,735
Total interest-bearing liabilities	18,179	52,970	36,612	45,519
Total shareholders' equity	368,502	298,411	306,327	312,753
Per Share Data:				
Net income (loss) attributable to OMRON shareholders (EPS)	185.9	(132.2)	16.0	121.7
Shareholders' equity	1,662.3	1,355.4	1,391.4	1,421.0
Cash dividends (Note 3)	42	25	17	30
Dividend payout ratio	22.6%	—	106.4%	24.7%
Financial Indicators:				
Gross profit margin	38.4%	34.8%	35.1%	37.5%
Operating income margin	8.6%	0.9%	2.5%	7.8%
EBITDA margin	13.3%	6.2%	7.6%	11.5%
Return on invested capital (ROIC)	10.4%	(7.6%)	1.0%	7.8%
Return on equity (ROE)	11.3%	(8.7%)	1.2%	8.7%
Ratio of shareholders' equity to total assets	59.7%	55.4%	57.6%	55.6%
Total return ratio (Note 4)	74.7%	—	106.7%	25.2%
Capital expenditures	37,072	36,844	19,524	23,192
Depreciation and amortization	36,343	33,496	27,014	22,984
Ratio of overseas sales	52.1%	49.7%	50.7%	51.4%
Non-Financial Data				
Number of employees	35,426	32,583	36,299	35,684
Ratio of overseas employees to total employees	65.7%	63.4%	68.1%	67.8%
Number of patents held (Note 5)	5,717	5,205	5,218	5,452
Environmental contribution (thousand ton-CO ₂) (Note 6)				193
CO ₂ emissions of production sites (thousand ton-CO ₂) (Note 6)				187

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.

6. Please refer to P33

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)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	¥619,461	¥650,461	¥772,966	¥847,252	¥833,604	¥794,201	¥859,982
	227,887	241,507	297,208	332,607	320,812	311,802	357,685
	145,662	152,676	181,225	198,103	205,735	193,539	212,641
	42,089	43,488	47,928	47,913	52,790	50,697	59,134
	40,136	45,343	68,055	86,591	62,287	67,566	85,910
	62,753	67,795	93,144	114,930	93,747	96,532	115,375
	16,389	30,203	46,185	62,170	47,290	45,987	63,159
	31,946	53,058	79,044	77,057	84,207	77,875	73,673
	(26,486)	(28,471)	(31,125)	(39,517)	(67,116)	(15,041)	(55,842)
	5,460	24,587	47,919	37,540	17,091	62,834	17,831
	(33,492)	(18,550)	(16,298)	(29,303)	(31,550)	(15,012)	(33,082)
	537,323	573,637	654,704	711,011	683,325	697,701	744,952
	45,257	55,708	90,251	102,622	82,910	126,026	113,023
	18,774	5,570	488	0	0	156	298
	320,840	366,962	430,509	489,769	444,718	469,029	505,530
	74.5	137.2	209.8	283.9	219.0	215.1	296.9
	1,457.5	1,667.0	1,956.1	2,254.4	2,080.0	2,193.7	2,400.4
	28	37	53	71	68	68	76
	37.6%	27.0%	25.3%	25.0%	31.1%	31.6%	25.6%
	36.8%	37.1%	38.5%	39.3%	38.5%	39.3%	41.6%
	6.5%	7.0%	8.8%	10.2%	7.5%	8.5%	10.0%
	10.1%	10.4%	12.1%	13.6%	11.2%	12.2%	13.4%
	4.8%	8.6%	11.3%	13.4%	9.7%	10.3%	12.7%
	5.2%	8.8%	11.6%	13.5%	10.1%	10.1%	13.0%
	59.7%	64.0%	65.8%	68.9%	65.1%	67.2%	67.9%
	37.7%	27.0%	25.3%	49.1%	62.7%	31.6%	48.2%
	28,341	28,285	33,653	38,143	36,859	25,692	38,852
	22,617	22,452	25,089	28,339	31,460	28,966	29,465
	52.2%	51.1%	55.4%	60.1%	60.3%	58.4%	61.8%
	35,992	35,411	36,842	37,572	37,709	36,008	36,193
	67.7%	67.4%	69.1%	69.7%	69.3%	68.3%	68.1%
	5,959	6,448	6,635	7,194	7,686	8,224	8,774
	189	313	661	851	508	593	659
	193	203	215	221	202	202	204

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.

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 Result
Net sales	over ¥900 billion	¥794.2 billion
Gross profit margin	over 40%	39.3%
Operating margin	over 10%	8.5%
ROIC	approx. 13%	10.3%
ROE	approx. 13%	10.1%
EPS	approx. ¥290	¥215.1

*2 Announced April 2014

FY2017 – FY2020**VG2.0**

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

- 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