

# Message to Shareholders

Winter 2010

Omron Corporation



**I am pleased to present Omron's Message to Shareholders for the first half of fiscal 2010 (April 1 to September 30), ending March 2011.**

Despite such growing uncertainty in the economic environment as exchange rate and stock price fluctuations, the Japanese economy remained on a recovery track following the effects of economic stimulus policies and rising demand in newly industrialized countries.

The Omron Group's earnings rebounded strongly compared with the same period of the previous fiscal year thanks to a continued upturn in capital investment among manufacturers and the implementation of our key policies for fiscal 2010 of "Changing Gears to 'Creating a Robust Earnings Structure' and 'High Growth'" for the future.

Although an uncertain situation is expected to continue, we will speed up our structural reforms to ensure continued future profitability with the goal of medium- to long-term sales and profit growth.

I hope you will continue to favor Omron with your support and encouragement.

December 2010  
Hisao Sakuta,  
President and CEO

*Hisao Sakuta*

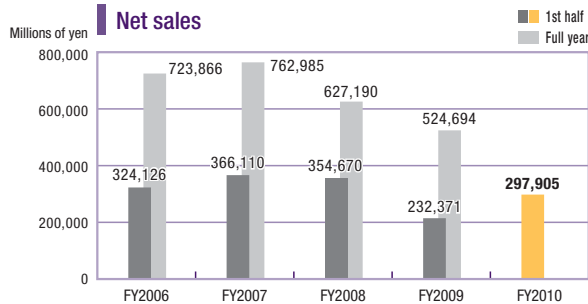


**Review of Fiscal 2010 First Half**  
**(April 1 to September 30, 2010)**

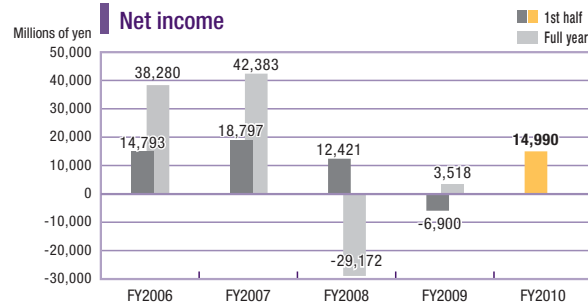
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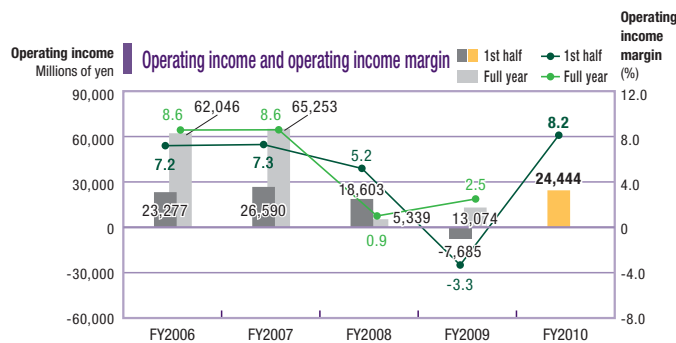
## Net sales



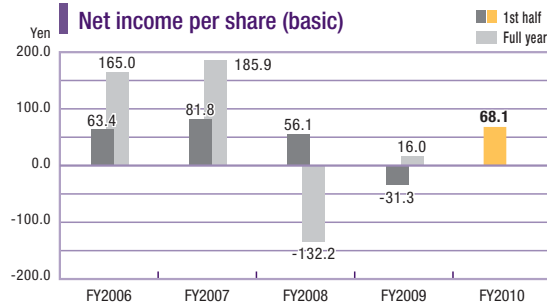
## Net income



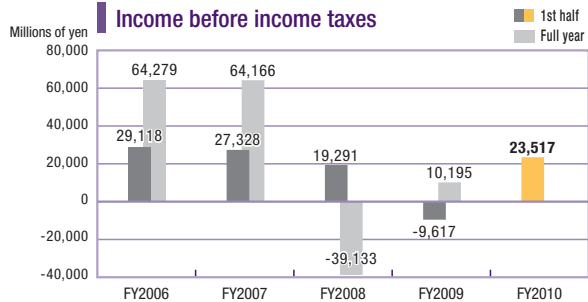
## Operating income and operating income margin



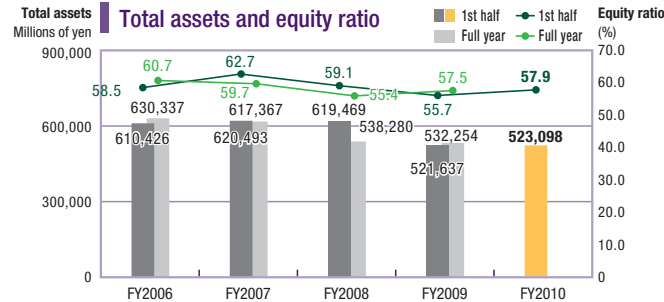
## Net income per share (basic)



## Income before income taxes



## Total assets and equity ratio



Note: Pursuant to U.S. Financial Accounting Standards Board (FASB) Statement No.144, "Accounting for the Impairment or Disposal of Long-Lived Assets," figures in the consolidated statements of FY2006 have been restated to account for operations that were discontinued in FY2007.

**Caution with respect to forward-looking statements:** This report contains forward-looking statements about the performance of Omron and its subsidiaries, which are based on management's judgment taking into account information available at the time of writing. The Company's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors.



President Hisao Sakuta presents a general overview of consolidated operating results for the first half of fiscal 2010 and explains the Company's current initiatives.

### General overview of first-half results for fiscal 2010 (April to September)

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.

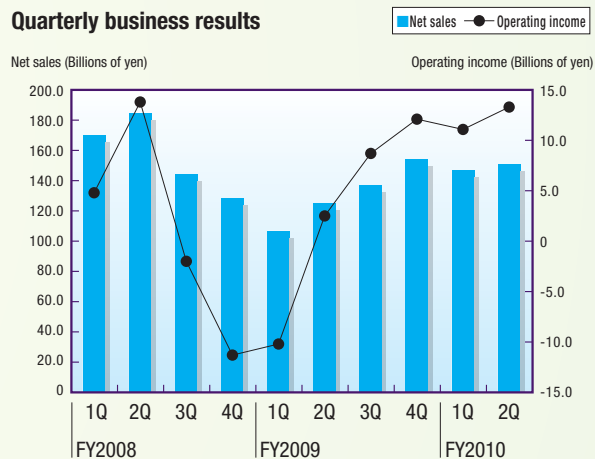
The Omron Group's net sales for the six months ended September 30, 2010 increased 28.2% compared with the same period of the previous fiscal year to ¥297,905 million, reflecting the continued upturn in capital investment among manufacturers, despite the significant impact of the strong yen. Operating income was ¥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 ¥23,517 million, and net income attributable to shareholders was ¥14,990 million.



## Fiscal 2010 first half business results

	Billions of yen	
	FY10 Q1-Q2 Actual	FY09 Q1-Q2 Actual
<b>Consolidated P/L</b>		
Net sales	297.9	232.4
Gross profit	112.9	75.6
SG&A	69.3	65.7
R&D	19.2	17.6
Operating income (loss)	24.4	(7.7)
Other expenses, net	0.9	1.9
NIBT	23.5	(9.6)
Net income (loss) attributable to shareholders	15.0	(6.9)

## Quarterly business results





## Actions taken and outlook for fiscal 2010 (ending March 31, 2011)

### Fiscal 2010 full-year term forecasts

Consolidated P/L	Billions of yen	
	FY10 Forecast	FY09 Actual
Net sales	615.0	524.7
Gross profit	232.0	184.3
SG&A	143.0	133.4
R&D	43.0	37.8
Operating income	46.0	13.1
Other expenses, net	1.5	2.9
NIBT	44.5	10.2
Net income attributable to shareholders	29.5	3.5

### Forecast for sales and operating income/loss (consolidated) (By segment)

		Billions of yen	
		FY10 Forecast	FY09 Actual
IAB	Net sales	274.1	206.2
	Operating income	41.0	13.9
EMC	Net sales	79.0	70.7
	Operating income	11.0	6.7
AEC	Net sales	81.1	75.2
	Operating income	3.0	1.7
SSB	Net sales	66.1	58.0
	Operating income	2.0	2.7
HCB	Net sales	62.5	63.4
	Operating income	5.0	7.1
Other	Net sales	46.1	41.3
	Operating income	(7.0)	(7.0)
Elimination & corporate	Net sales	6.1	9.9
	Operating income	(9.0)	(12.0)
Total	Net sales	615.0	524.7
	Operating income	46.0	13.1

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.

### ... FY10 Q3-Q4 forecast by segment ...

#### Industrial Automation Business IAB

Although the economic outlook remains uncertain, the same level of sales are expected, excluding Forex impact.

#### Electronic and Mechanical Components Business EMC

Same sales level as 1st half is expected excluding Forex impact, despite inventory adjustment in some parts.

#### Automotive Electronic Components Business AEC

Sales expected to be weak due to the impact of termination of tax treatment for eco-friendly cars in Japan.

#### Social Systems Business SSB

Capital investment by railway companies has been restrained, but an increase in demand for new equipment and other products is expected.

#### Healthcare Business HCB

Personal spending will remain sluggish in Japan.

#### Other

Sales of backlight business expected to be strong due to the expansion of the smart phone market.

# Omron's new technologies contribute to a low-carbon society

## Intelligent next-generation compact sensor

### Smart Sensing Module



Omron has developed the Smart Sensing Module (SSM), an intelligent next-generation compact sensor. The sensor detects and measures the status as well as changes in various substances and spaces and transmits wirelessly. The sensor network using SSM is expected to have a substantial effect in wide range of fields including energy conservation and the reduction of CO<sub>2</sub> emissions.

sensors to continuously monitor data, massive amounts of data pass between sensors and servers, which also necessitate the reduction in network load.

Given these circumstances, Omron built "intelligence" that is capable of analyzing and evaluating data content into the SSM and developed proprietary technology that only transmits information of value to servers. As a result, communication traffic is less than one-fifth and battery life is five-times longer than before.

Furthermore, through further miniaturization and the establishment of such autonomous functions as self powering and wireless communications that

### The key device that supports society's future information infrastructure

Omron's sensor network merges sensing technology that detects and measures physical quantities, temperatures, sound, light, pressure and other factors together with network technology. By so doing, the sensor network delivers pertinent information to the user in a visual format. The SSM, a key device in this network, is a revolutionary compact sensor several centimeters in size that combines sensors, power supply, IC and wireless communication.

Although there are already systems utilizing sensor networks that have been commercialized in a number of fields, the saving of electric power to extend battery life in sensors is a major challenge. Moreover, for countless



Omron exhibited SSM for the first time at the Cutting-edge IT & Electronics Comprehensive Exhibition "CEATEC JAPAN 2010" held from October 5 through 9 at Makuhari Messe in Chiba Prefecture.

can be independently installed, Omron has made it possible to build sensor networks that support society's future information infrastructure.

## Achieving energy conservation and CO<sub>2</sub> emissions reduction through optimal management

One of the reasons that sensor networks using SSM have attracted attention is because of their wide range of application. For example, in the management of energy consumption, sensor networks enable the optimal control of energy consumption and spatial environments in every area of industry, society and life including factories, office buildings, train stations, commercial facilities, schools, hospitals and roads. They also enable greater energy savings and CO<sub>2</sub> emission reductions than ever.

In addition, by detecting and monitoring the physical conditions and changes in people such as body temperature and heart rate, these sensor networks are expected to play an important role as information infrastructure that supports the safety and security of human lives in such fields as health management, medical and nursing care, and life support for elderly people living alone.



"CEATEC JAPAN 2010" exhibition



Product & Technology Development,  
Micro Devices Division

Yoshitake Ito

## Toward commercialization in 2011

Sensor networks using SSM are expected to have a wide range of applications; particularly our focus is on the optimal management of energy consumption in factories. At factories, including semiconductor and LCD factories that consume vast amounts of electrical power, "individual optimization," which promotes efficient energy consumption in individual manufacturing equipment and in each facility, had been the primary focus. In contrast, total optimization is possible with SSM: by installing SSM, it is possible to monitor the operational status of each piece of equipment, as well as power consumption, worker activities, lighting systems and air conditioners. This will result in restricting energy consumption to what is best for the entire factory, and thus enable substantial energy savings and CO<sub>2</sub> emission reduction.

Omron is currently conducting demonstration tests at the Yasu Factory in Shiga Prefecture to achieve what is "best overall" with an eye toward the commercialization of SSM in fiscal 2011.

## Example of SSM adoption in a factory

### Acoustic sensors ①②③④

- Monitoring the status of buildings
- Detecting defects in equipment
- Warning of intrusion by suspicious individuals
- Volume control and optimal operation of broadcasting systems

### Chemical sensors ⑤

- Detecting bad odors and hazardous substances

### Light sensors ⑥

- Light dimming control

### Infrared thermosensors ⑦⑧⑨

- Automatic ON and OFF switching of lighting equipment

- Warning of intrusion by suspicious individuals
- Worker behavior analysis

### Flow sensors ⑩⑪⑫

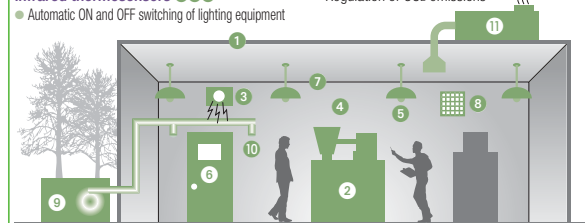
- Alerting of time for air-conditioning and air-cleaning equipment maintenance
- Control of air-conditioning equipment
- Warning of intrusion by suspicious individuals

### Temperature and humidity sensors ⑬

- Control of air-conditioning equipment

### CO<sub>2</sub> sensors ⑭

- Regulation of CO<sub>2</sub> emissions





## Omron's automated ticket gates recognized as Mechanical Engineering Heritage

The Japan Society of Mechanical Engineers established a program in 2007 to pass on the heritage of historic machine technology as cultural assets. As part of this program, Omron's automated ticket gates were selected as Mechanical Engineering Heritage. Certified were the PG-D120, the oldest mechanical ticket gate module in existence, and the 3S2PG (commonly known as "F-PG"), the oldest fully functional automated ticket gate in existence.

The reason that these technologies were certified was because they comprised the world's first automated ticket gate system, which skillfully combined electric and electronic technologies with a mechanical mechanism, and were the best of Japan's machine technology. These technologies continue to contribute tremendously to citizen's lives and the culture of the nation by speeding up ticket gate operation, reducing labor in train stations and dramatically improving passenger convenience.



## Omron named to Dow Jones Sustainability Index Asia Pacific

The Dow Jones Sustainability Index (DJSI) is an internationally recognized Social Responsibility Investing (SRI) stock index that evaluates the sustainability of companies worldwide based on corporate economic, environmental and social performance. DJSI was developed jointly by Dow Jones & Company, Inc. of the United States and Sustainable Asset Management (SAM) Group Holding AG of Switzerland. Selected to the DJSI Asia Pacific in fiscal 2010 were 141 companies (71 of which were Japanese corporations), including Omron, forming the top 20% in terms of sustainability of the 600 biggest companies in the developed Asia Pacific markets.

The Omron Group has contributed to society through its business under its corporate philosophy and has conducted appropriate information disclosure. Its inclusion in the DJSI Asia Pacific is in recognition of those achievements.



## OMRON Kyoto Taiyo receives the Minister of Health, Labour and Welfare Award for workplace improvement for the employment of the physically disabled

OMRON Kyoto Taiyo Co., Ltd. received the Minister of Health, Labour and Welfare Award, the highest award possible at the fiscal 2010 Case Studies of Workplace Improvement for the Employment of the Physically Disabled sponsored by the Japan Organization for Employment of the Elderly and Persons with Disabilities (JEED) and supported by the Ministry of Health, Labour and Welfare.

Since its founding, Omron Kyoto Taiyo has taken steps to create a work environment that is rewarding for people with disabilities and has introduced improvements in the work environment as well as tools and auxiliary equipment. Up to the present day, it has produced more than 500 types of tools and auxiliary equipment that best match the physical disabilities of disabled employees.

The award recognized Omron for lightening the workload in each of its production processes and to dramatically improving work efficiency through improvement activities, especially in response to the special needs of employees with disabilities including those of the upper limbs.



## Board of Directors' Meeting held in Bangalore, India

Omron's Board of Directors' meeting was held in southern India's information technology city of Bangalore on September 30, with directors, outside directors and corporate auditors in attendance. This marks the second time in five years, since the September 2005 meeting held in Shanghai, China, that the Board of Directors' meeting has been held outside of Japan.

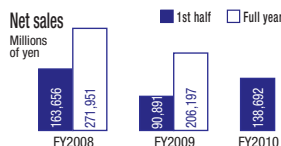
Asia including China represents a major business opportunity for Omron, as growth is expected in consumer markets on the back of exploding population, as well as in capital investments by manufacturers and infrastructure investments. By holding its Board of Directors' meeting in India, a promising growth market after China, Omron has demonstrated to those both inside and outside of the Company its Asian-focused approach for the future. In addition, the directors confirmed the current market reality of rapid growth in India through a range of activities including visits to local Indian companies and Japanese companies based there.



## • IAB: Industrial Automation Business



Manufacture and sales of control systems for factory automation



In Japan, sales were strong as capital investment demand continued to increase in the electronic components, automotive and semiconductor industries. Overseas, demand for production facilities for electronic components and semiconductors expanded thanks to continued growing demand in China, Southeast Asia and South Korea. In Europe, sales were strong thanks to increased demand for machinery exports due to the weak euro, while sales were also strong in North America, as demand for equipment continued to recover in the automotive industry and demand for control equipment increased in the petroleum industry. As a result, sales came to ¥138,692 million, up 52.6% from the same period of the previous fiscal year.

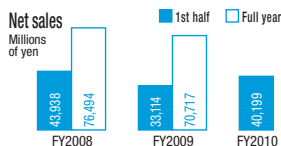
### Outlook

In response to the rapid growth of the BRICs markets and the related acceleration of the shift to overseas production by our customers, we will strive to enhance cross-border services to customers by bolstering our sales capabilities in newly industrialized countries and strengthening our global marketing network. In addition, we will expand production and development in China and accelerate introduction of new products geared to needs in newly industrialized countries, where growth is expected.

## • EMC: Electronic and Mechanical Components Business



Manufacture and sales of electronic components for consumer electronics, mobile phones, telecommunications and industrial equipment, and amusement devices



Sales were brisk due to a number of factors including special demand from exceptionally hot summer weather in the Northern Hemisphere, expanding demand for digital home appliances in newly industrialized countries, rising interest in the environment and energy saving in developed countries, and higher unit sales of automobiles in the North America and Japan due to government economic stimulus policies. Sales were strong due to a substantial growth of relays and switches for home electronic appliances in China, Southeast Asia, Japan, Europe and the United States, while demand for relays, switches and other products for automotive electronics also recovered. As a result, sales came to ¥40,199 million, up 21.4% from the same period of the previous fiscal year.

### Outlook

Despite recovering demand in newly industrialized countries, with the economic stimulus policies of various countries having run their course, the environment of the consumer, commerce and automotive components industries is unpredictable. With the goal of expanding business, Omron will continue to track demand growth in newly industrialized countries and focus on markets for such environment-related businesses as solar power generation, which shows potential in developed countries.

## • AEC: Automotive Electronic Components Business



Manufacture and sales of electronic components for automobiles



In Japan, the automobile market as a whole was on a recovery track due to preferential tax treatment for eco-friendly cars and subsidies to support new car purchases and sales remained strong. Overseas, sales in China and elsewhere in Asia grew strongly, reflecting increased demand for new cars in newly industrialized countries. Although the U.S. economy has not yet achieved a full recovery, brisk demand in the automobile market in North America, where there had been concerns of a slow recovery, resulted in strong sales. As a result, sales came to ¥42,617 million, up 34.3% from the same period of the previous fiscal year.

### Outlook

Omron will work to minimize the impact of market downturns by concentrating on fields where growth can be expected, such as environment-friendly vehicles. Specifically, we will focus on components for security entry systems, which we expect to be installed in a growing proportion of automobiles including small cars, and green vehicles such as hybrid and electric cars, where further growth can be expected in the future.

Notes: 1. The Company has adopted FASB ASC No. 280, "Segment Reporting" (previously FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information"), from the year ended March 31, 2010. Segment information for the year ended March 31, 2009 has been restated to reflect the change.

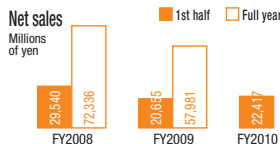
2. From the third quarter ended December 31, 2009, business segments have been changed to IAB, EMC, AEC, SSB, HCB and Other to reflect a change in organization. Figures in segment information for the year ended March 31, 2009 have been restated to reflect the new classifications.

\*Composition of net sales by business segment was calculated based on first-half performance, including eliminations and corporate, for the fiscal year ending March 31, 2011.

## SSB: Social Systems Business



Manufacture and sales of modules and hardware systems for railway infrastructure and road traffic control, as well as solutions and services for use in public environment



Amid restrained capital investment by railway companies, sales in the public transportation systems business were strong thanks to the launch of new equipment onto the market. In the social sensor solutions business, security and safety solutions are taking tangible shape in public facilities and there is growing demand for environmental solutions for a low-carbon society. The related maintenance business saw the expansion of demand for solar power related products backed by government purchasing subsidies and in increase in related installation. As a result, sales came to ¥22,417 million, up 8.5% from the same period of the previous fiscal year.

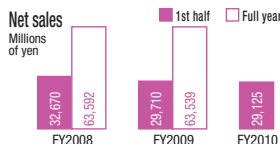
### Outlook

We will work to expand sales in the sensing business to areas such as the transportation business, manufacturing industries and commercial facilities, with a core focus on "social sensors." In the related maintenance business, we will aim to grow businesses related to engineering and information technology. In the software business, we aim to expand sales in new businesses by leveraging our strengths in signal and imaging technologies.

## HCB: Healthcare Business



Manufacture and sales of health and medical devices and services for home and medical institutions

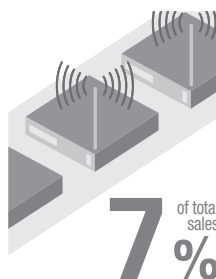


In Japan, demand for professional medical equipment for use in hospitals, especially vital sign monitors, was solid. However, in the wake of weak consumption trends combined with a decrease in store traffic due to hot summer weather, sales of healthcare equipment declined from the level of the same period in the previous fiscal year. Overseas, sales were strong in all areas as demand for healthcare equipment continued to increase, reflecting the recovery of consumption in Russia and rising awareness of health management in provincial cities in China. As a result, sales came to ¥29,125 million, down 2.0% from the same period of the previous fiscal year.

### Outlook

In newly industrialized countries, demand for healthcare equipment is likely to continue expanding as individual health consciousness rises. A rebound from the surging demand for digital thermometers in fiscal 2009 is expected, but Omron will work to expand business by introducing products for newly industrialized countries and bolstering lifestyle disease prevention using information technology and proposal-based sales to medical institutions.

## Other: Environmental Solutions, Electronic Systems & Equipments, Backlight and Micro Devices Businesses



Fostering and developing new business opportunities as part of the Omron Group's growth strategy



In the Environmental Solutions, demand was strong for energy-saving services such as those employing energy consumption visualization systems as well as for such products as the high-precision power sensors used at production sites. In the Electronic Systems & Equipments, customer demand continued to rebound. Micro Devices also fared well thanks to growth in demand for custom integrated circuits and for contract semiconductor manufacturing. In the backlight business, demand was weak due to decreasing demand for both mobile phones and small- and medium-sized LCD panels. As a result, sales came to ¥21,908 million, up 0.1% from the same period of the previous fiscal year.

### Outlook

We aim to establish the foundations of business by providing sustainable CO<sub>2</sub> reduction solutions. Also, Omron will expand sales for industrial-use personal computer in the Electronic Systems & Equipments business and increase orders for foundry projects in the Micro Devices business. In the Backlight business, we will promote expansion of sales to overseas customers and entry into low-cost markets.

Notes: 1. The Company has adopted FASB ASC No. 280, "Segment Reporting" (previously FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information"), from the year ended March 31, 2010. Segment information for the year ended March 31, 2009 has been restated to reflect the change.

2. From the third quarter 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 year ended March 31, 2009 have been restated to reflect the new classifications.

## ● Interim Consolidated Balance Sheets (Summary)

	Millions of yen		
	<b>FY2009 1H</b> (as of September 30, 2009)	<b>FY2010 1H</b> (as of September 30, 2010)	<b>FY2009</b> (as of March 31, 2010)
<b>Assets</b>			
Current assets	252,204	288,911	285,758
Cash and cash equivalents	49,745	54,621	51,726
Notes and accounts receivable — trade	106,396	121,633	126,250
Allowance for doubtful receivables	(2,362)	(2,351)	(2,531)
Inventories	75,584	88,387	77,655
Other current assets	22,841	26,621	32,658
Property, plant and equipment	128,675	117,792	122,994
Buildings	126,751	125,253	127,344
Machinery and equipment	144,462	134,228	140,200
Accumulated depreciation	(175,013)	(173,700)	(173,659)
Other	32,475	32,011	29,109
Investments and other assets	140,758	116,395	123,502
Investments in and advances to associates	15,962	13,277	13,637
Investment securities	35,865	32,705	38,556
Other	88,931	70,413	71,309
<b>Total assets</b>	<b>521,637</b>	<b>523,098</b>	<b>532,254</b>

	Millions of yen		
	<b>FY2009 1H</b> (as of September 30, 2009)	<b>FY2010 1H</b> (as of September 30, 2010)	<b>FY2009</b> (as of March 31, 2010)
<b>Liabilities</b>			
Current liabilities	129,937	153,518	155,562
Long-term debt	21,156	895	1,290
Deferred income taxes	1,173	855	886
Termination and retirement benefits	76,664	63,653	66,964
Other long-term liabilities	463	378	417
<b>Total liabilities</b>	<b>229,393</b>	<b>219,299</b>	<b>225,119</b>
<b>Net Assets</b>			
Shareholders' equity	290,745	302,839	306,327
Common stock	64,100	64,100	64,100
Capital surplus	99,082	99,081	99,081
Legal reserve	9,317	9,495	9,363
Retained earnings	222,688	242,634	230,859
Accumulated other comprehensive income (loss)	(59,985)	(68,001)	(52,614)
Treasury stock	(44,457)	(44,470)	(44,462)
Noncontrolling interests	1,499	960	808
<b>Total net assets</b>	<b>292,244</b>	<b>303,799</b>	<b>307,135</b>
<b>Total liabilities and net assets</b>	<b>521,637</b>	<b>523,098</b>	<b>532,254</b>

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).



## 1st Half Consolidated Statements of Operations

Millions of yen

	<b>FY2009 1H</b> (April 1 ~ September 30, 2009)	<b>FY2010 1H</b> (April 1 ~ September 30, 2010)
Net sales	232,371	297,905
Cost of sales	156,760	184,995
<b>Gross profit</b>	<b>75,611</b>	<b>112,910</b>
Selling, general and administrative expenses	65,730	69,293
Research and development expenses	17,566	19,173
<b>Operating income (loss)</b>	<b>(7,685)</b>	<b>24,444</b>
Other expenses (income), net	1,932	927
<b>Income (loss) before income taxes</b>	<b>(9,617)</b>	<b>23,517</b>
Income taxes	(3,298)	7,925
Equity in net losses (gains) of affiliates	604	305
Net income (loss)	(6,923)	15,287
Net loss (income) attributable to noncontrolling interests	(23)	297
<b>Net income (loss) attributable to shareholders</b>	<b>(6,900)</b>	<b>14,990</b>

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).
3. Comprehensive income (loss), which comprises net income (loss) attributable to shareholders and other comprehensive income, is as follows.  
Six months ended September 30, 2010: (¥397 million)  
Six months ended September 30, 2009: (¥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.

## 1st Half Consolidated Statements of Cash Flows (Summary)

Millions of yen

	<b>FY2009 1H</b> (April 1 ~ September 30, 2009)	<b>FY2010 1H</b> (April 1 ~ September 30, 2010)	<b>FY2009</b> (April 1 ~ March 31, 2010)
Net cash provided by operating activities	21,252	23,493	42,759
Net cash used in investing activities	(13,162)	(8,008)	(18,584)
Net cash used in financing activities	(5,454)	(10,392)	(20,358)
Effect of exchange rate changes on cash and cash equivalents	478	(2,198)	1,278
Net increase in cash and cash equivalents	3,114	2,895	5,095
Cash and cash equivalents at beginning of the year	46,631	51,726	46,631
Cash and cash equivalents at end of the period (year)	49,745	54,621	51,726

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

## ● IR Information

For detailed IR information, please refer to our website's Investor Relations section. Various IR materials, such as required filings and stock-related information, are available.

<http://www.omron.com/ir/>

## ● Annual Report and Sustainability Report

To learn more about Omron's activities, please read our Annual Report and Sustainability Report. Please visit our website and download the reports. These reports are now only available in electronic format.



Annual Report

Sustainability Report

<http://www.omron.com/ir/irlib/annual.html>

[http://www.omron.com/corporate/csr/pdf\\_inquiry/](http://www.omron.com/corporate/csr/pdf_inquiry/)

## ● Investor Relations Mobile Site (Japanese)

Omron's IR information can now be accessed via mobile phone. Register your e-mail address to receive IR announcements, including closing stock prices. (Japanese models only)



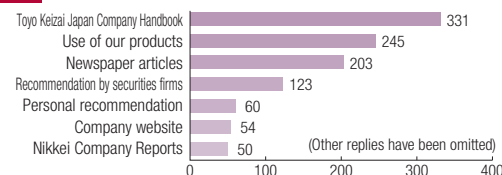
QR code

<http://m-ir.jp/c/6645/>

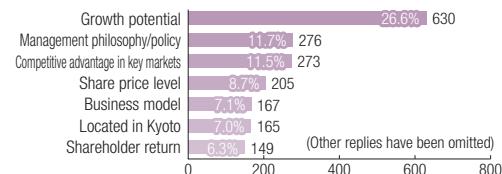
## ●● Survey Results ●●

We sincerely appreciate your response to our questionnaire this past summer. Here are the results of that survey. We will make further efforts to reflect your views in our management and IR activities.

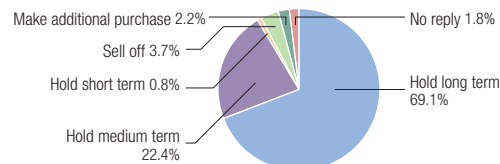
### Q1 What motivated you to purchase Omron's shares?



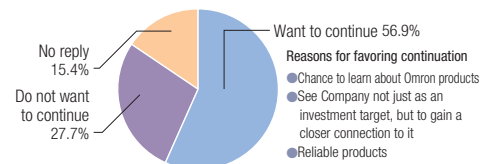
### Q2 Please indicate the main criteria for selecting Omron's shares as an investment target (Please give no more than three)



### Q3 What are your plans for the Omron shares you hold?



### Q4 How do you feel about special product discounts for shareholders?



## Stock and Ownership Breakdown

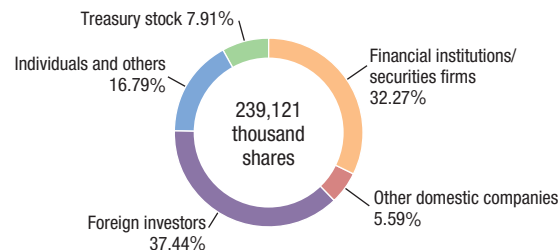
Number of shares authorized	487,000,000 shares
Total number of shares issued	239,121,372 shares
Number of shareholders	34,592

## Principal Shareholders

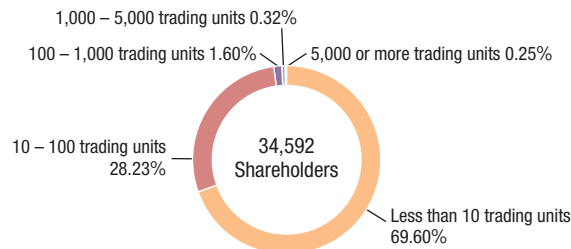
Name	Investment in Omron	
	Number of shares held (thousands)	Equity stake (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	11,605	5.27
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,969	4.52
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,713	3.50
The Bank of Kyoto, Ltd.	7,069	3.21
State Street Bank and Trust Company 505223	6,731	3.05
Nippon Life Insurance Company	6,066	2.75
RBC Dexia Investor Services Trust London Lending Account	3,894	1.76
Omron Employee Stock Ownership Plan	3,838	1.74
The Chase Manhattan Bank 385036	3,561	1.61
Mellon Bank N.A. as agent for its client Mellon Omnibus US Pension	3,221	1.46

- Notes: 1. Equity stake is calculated after subtracting treasury stock.  
 2. The Company holds 18,922 thousand own shares in treasury (7.91% of the total number of shares issued). However, it is excluded from the above list of principal shareholders.

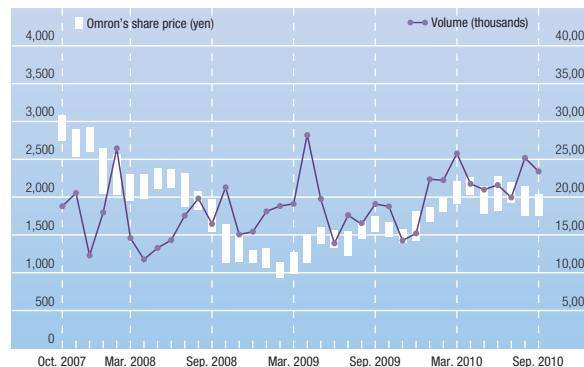
## Composition of Shareholders



## Shareholder Distribution by Number of Shares Held (Trading unit: 100 shares)



## Stock Price and Trading Volume



- Notes: 1. Shares traded on the 1st Section of the Osaka Securities Exchange.  
 2. The stock price represents the "common trades," and the volume is the sum of all trades.

## Corporate Overview

<b>Company Name</b>	Omron Corporation
<b>Date of Establishment</b>	May 10, 1933
<b>Date of Incorporation</b>	May 19, 1948
<b>Paid-in Capital</b>	¥64,100 million
<b>Number of Employees</b>	4,824 (Consolidated: 36,747)
<b>Number of Subsidiaries</b>	149 (Domestic: 39, Overseas: 110)
<b>Number of Affiliates</b>	14 (Domestic: 11, Overseas: 3)
<b>Corporate Core Value</b>	"Working for the benefit of society"
<b>Corporate Motto</b>	"At work for a better life, a better world for all"

## Headquarters

### Japan

Head Office

Phone: 81-75-344-7000 Fax: 81-75-344-7001

Tokyo Head Office (Branch)

Phone: 81-3-3436-7011 Fax: 81-3-3436-7035

### Europe

OMRON Europe B.V. (The Netherlands)

Phone: 31-23-568-1300 Fax: 31-23-568-1391

### Americas

OMRON Management Center of America, Inc. (Illinois)

Phone: 1-224-520-7650 Fax: 1-224-520-7680

### Asia Pacific

OMRON Asia Pacific Pte. Ltd. (Singapore)

Phone: 65-6835-3011 Fax: 65-6835-2711

### Greater China

OMRON (China) Co., Ltd. (Shanghai)

Phone: 86-21-5888-1666 Fax: 86-21-5888-7933

## Directors, Corporate Auditors, Executive Advisor, and Executive Officers

Chairman of the BOD	Yoshio Tateisi	Executive Officer	Tatsunosuke Goto
Director and Executive Vice Chairman	Fumio Tateisi	Executive Officer	Yoshisaburo Mogi
President and CEO	Hisao Sakuta	Executive Officer	Koichi Tada
Director and Executive Vice President	Keiichiro Akahoshi	Executive Officer	Kiichiro Kondo
Director and Executive Vice President	Yutaka Takigawa	Executive Officer	Masahiro Ijiri
Director (outside)	Kazuhiko Toyama	Executive Officer	Masayuki Tsuda
Director (outside)	Masamitsu Sakurai	Executive Officer	Hideji Ejima
Corporate Auditor	Soichi Yukawa	Executive Officer	Masaki Teshigahara
Corporate Auditor (external)	Satoshi Ando	Executive Officer	Taiji Sogo
Corporate Auditor (external)	Hidero Chimori	Executive Officer	Masaki Haruta
Corporate Auditor (external)	Eisuke Nagatomo	Executive Officer	Koji Doi
Executive Advisor	Nobuo Tateisi	Executive Officer	Hisato Takano
Senior Managing Officer	Yoshinobu Morishita	Executive Officer	Takashi Ikezoe
Managing Officer	Koichi Imanaka	Executive Officer	Kiichiro Miyata
Managing Officer	Takuji Yamamoto	Executive Officer	Kiyoshi Yoshikawa
Managing Officer	Yoshinori Suzuki	Executive Officer	Shizuto Yukumoto
Managing Officer	Kazunobu Amemiya	Executive Officer	Shinya Yamasaki
Managing Officer	Yutaka Fujiwara	Executive Officer	Yutaka Miyanaga
Managing Officer	Akio Sakumiya		
Managing Officer	Shigeki Fujimoto		
Managing Officer	Masaki Arai		
Managing Officer	Yoshihito Yamada		

<b>Fiscal Year-end:</b>	March 31
<b>General Meeting of Shareholders:</b>	June
<b>Record Dates for Dividends:</b>	March 31 (year-end), September 30 (interim)
<b>Share Transfer Agent and Account Management Institution for Shareholders' Register and Special Accounts:</b>	Mitsubishi UFJ Trust and Banking Corporation
<b>Contact Address:</b>	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081 Japan <b>Phone: 0120-232-711</b> (within Japan)
<b>Securities Code:</b>	6645
<b>Method for Public Notice:</b>	Electronic notice posted on <a href="http://www.omron.co.jp/ir/koukoku/">http://www.omron.co.jp/ir/koukoku/</a> (Japanese)

### Shares recorded in the special account

With regard to various procedures for shares recorded in the special account, please direct inquiries to Mitsubishi UFJ Trust and Banking Corporation, the account management institution. Inquiries can also be directed to the nationwide branches of Mitsubishi UFJ Trust and Banking Corporation.

Forms for special account shares can be obtained by the following methods.

- Pre-recorded message telephone service (in Japanese)

**0120-244-479** (within Japan)

- Online download (Japanese)

<http://www.tr.mufig.jp/daikou/>

## Information

- (1) The interim dividend for the 74th period will be ¥14 per share. You may receive your dividend at the nearest Japan Post Bank between December 2, 2010 (Thursday) and January 7, 2011 (Friday). On December 2, direct deposits to specified accounts were made to shareholders who had specified payment by direct account deposit.
- (2) As a general rule, shareholders may record a change of address and undertake other procedures at the account management institution (securities firms, etc.) where they opened their account. Please note that the share transfer agent (Mitsubishi UFJ Trust and Banking Corporation) is unable to handle shareholder address changes or other procedures. Requests to purchase and increase the number of odd-lot shares recorded in the special account may made at Mitsubishi UFJ Trust and Banking Corporation, the share transfer agent.
- (3) From November 1, 2010, Omron will charge no fee\* for requests to obtain or increase the number of odd-lot shares (under 100 shares).  
\* This means that Omron will not charge a fee. However, securities firms may charge a fee, so please contact your securities firm for details.
- (4) Shareholders who have not received dividends can receive payment at the Mitsubishi UFJ Trust and Banking Corporation's main office and branch offices.

## Other queries

- Investor Relations Department, IR and M&A Planning Headquarters, Omron Corporation

**Phone: 81-3-3436-7170**

**Website: <http://www.omron.com/>**





Omron Corporation

Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530 Japan

Website: <http://www.omron.co.jp> (Japanese)

<http://www.omron.com> (English)