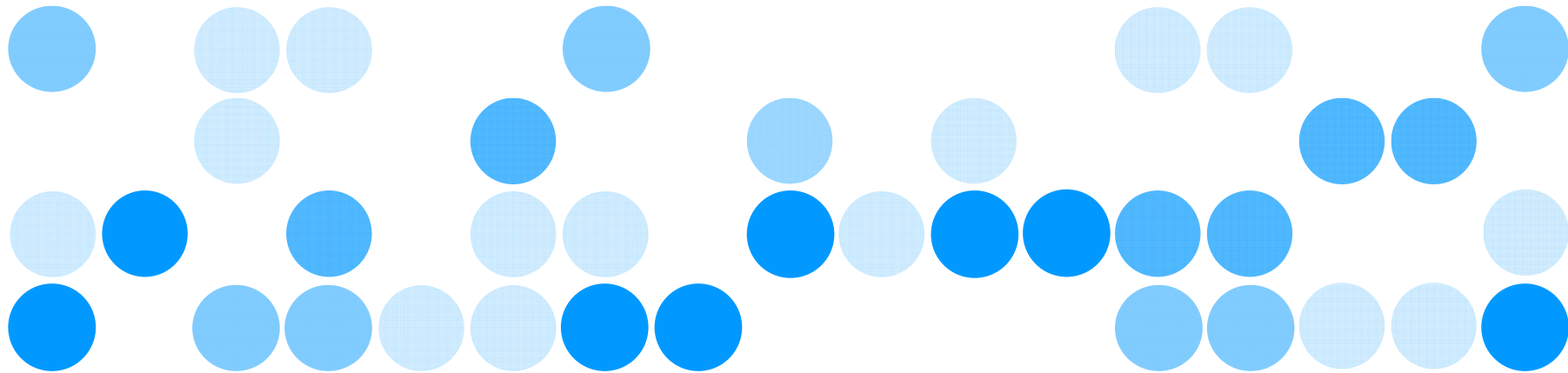




Sensing tomorrow™

Nomura Investment Forum 2009
Omron's Structural Reform
and
EMC Business Reform



November 30, 2009

OMRON Corporation

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Results for the Second Quarter Ended September 30, 2009 (FY09/Q2) and Full-year Forecast

2

Structural Reform

3

EMC Business Reform

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 present, 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 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.

1

**Results for the Second Quarter Ended September 30,
2009 (FY09/Q2) and Full-year Forecast**

- Sales and operating income bottomed out in Q1, leading to recovery trend in Q2.
- Sharp YoY drop in both sales and operating income, but results exceeded initial plan.
- Positive operating income achieved in Q2 alone due to effect of emergency measures and other factors.
- BEP in Q1-Q2 improved by approx. 25% YoY.

(Billions of yen)

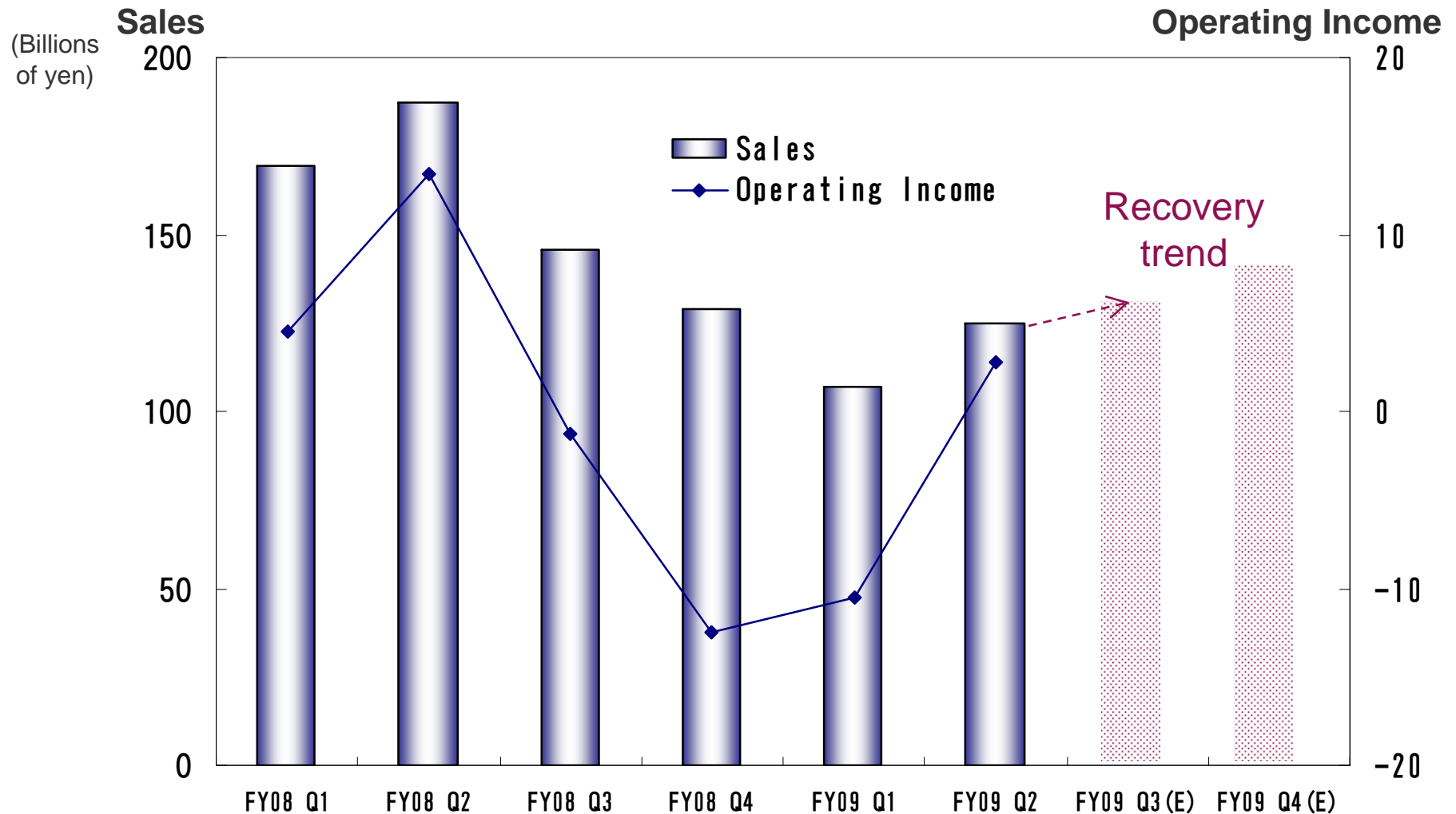
	FY09 Q1-Q2 Actual	YoY	Innitial plan	vs.plan (%)
Net sales	232.4	65.5%	230.0	101.0%
Operating income	-7.7	-	-13.0	-
NIBT	-9.6	-	-14.5	-
NIBT (attributable to shareholders)	-6.9	-	-8.5	-

- Sales and operating income expected to be in line with initial plan, assuming curtailment of CAPEX in Japan and raw material price hike.

	FY09 Forecast	FY08 Actual	(Billions of yen) YoY
Net sales	510.0	627.2	81.3%
Operating income	0	5.3	—
NIBT	-3.5	-39.1	—
NIBT (attributable to shareholders)	-2.0	-29.2	—

FY08-FY09 Quarterly Results (All Segments)

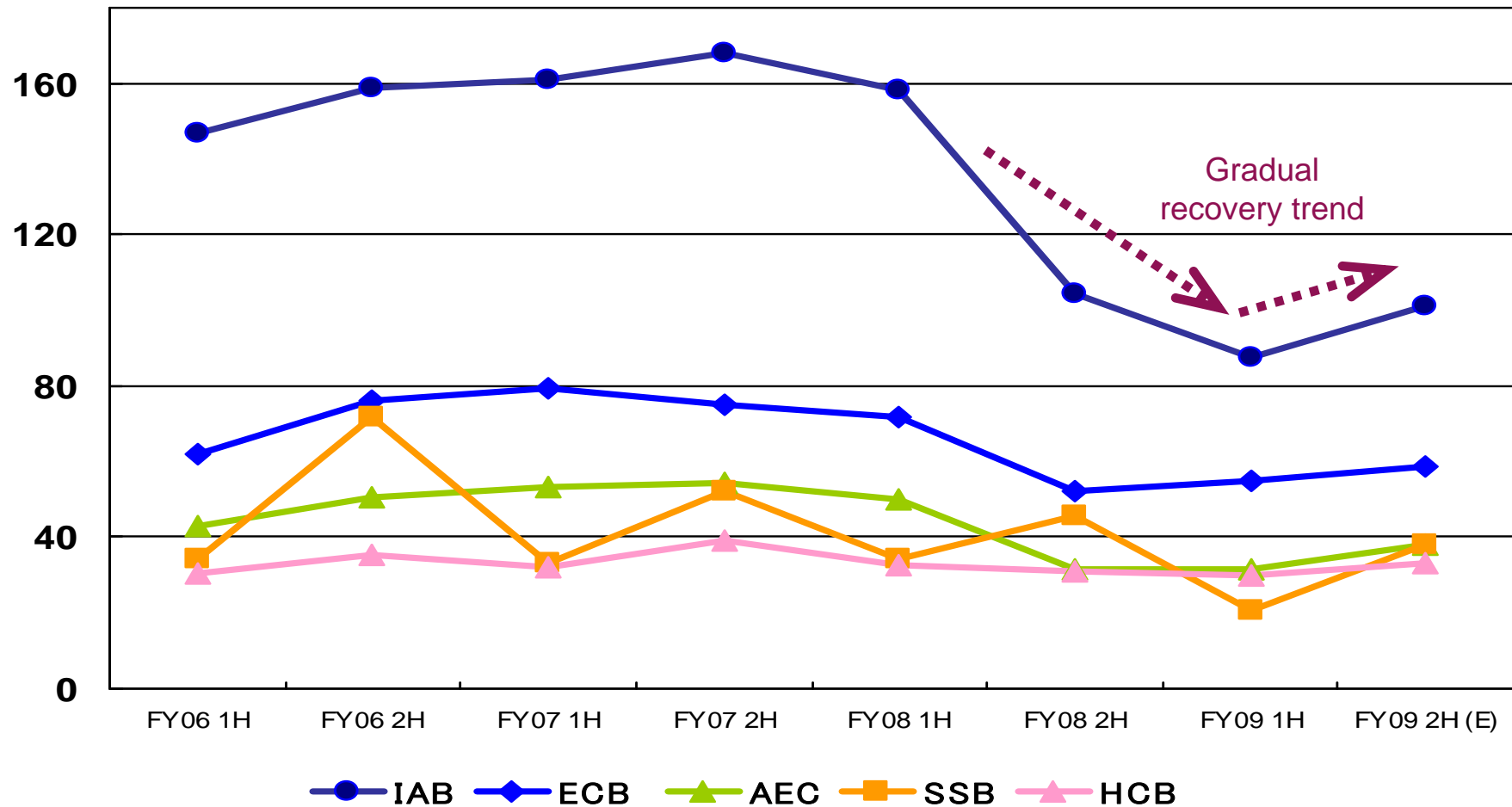
➤ Back in the black in FY2009 2nd quarter with gradual recovery trend.



Semi-annual Sales Results (by Segment)

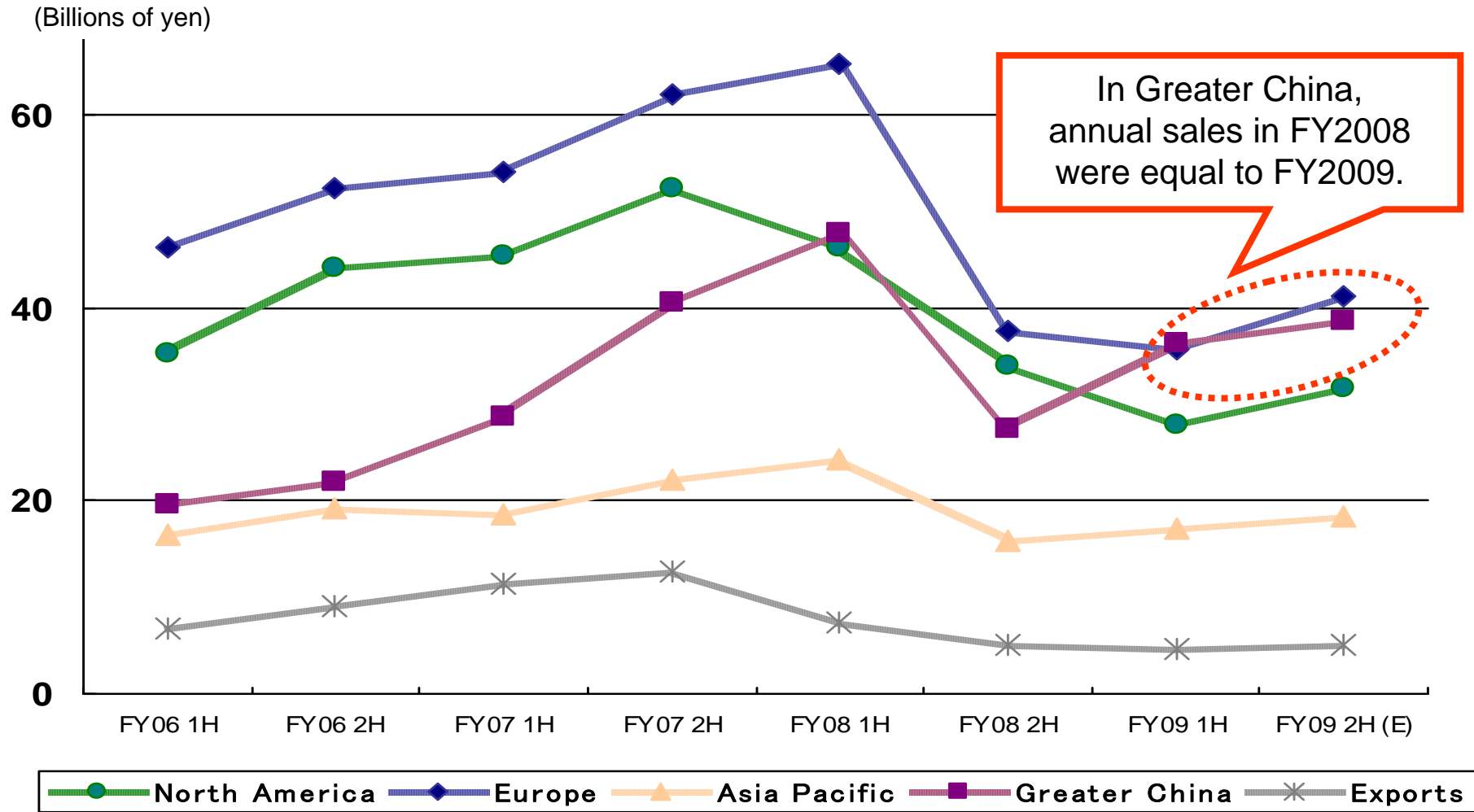
➤ Sales declined from FY2008 2nd half to FY2009 1st half in all segments, but gradual recovery expected beginning in FY2009 2nd half.

(Billions of yen)



Semi-annual Sales Results (by Region)

➤ Sales declined in FY2008 2nd half in all regions, but business recovery in Greater China in FY2009 stands out.





Structural Reform

Emergency Measures and Structural Reform

Emergency Measures

(Generate profit in FY09 through cost cuts)

Profit Generation

- (1) **Cost cutting**
Advertising, R&D, indirect costs, etc.
- (2) **Withdrawal from underperforming businesses**
Four businesses in Japan/abroad (ECB, AEC)
- (3) **Reduction of other fixed costs**
Return of part of directors', executive officers' and managers' compensation, ban on overtime work, etc.

Cash Flow Creation

- Freeze on large-scale investments
- Reduction in ordinary investments

Structural Reform

(Strengthen profit base over the medium term)

1. Business Domain Reform

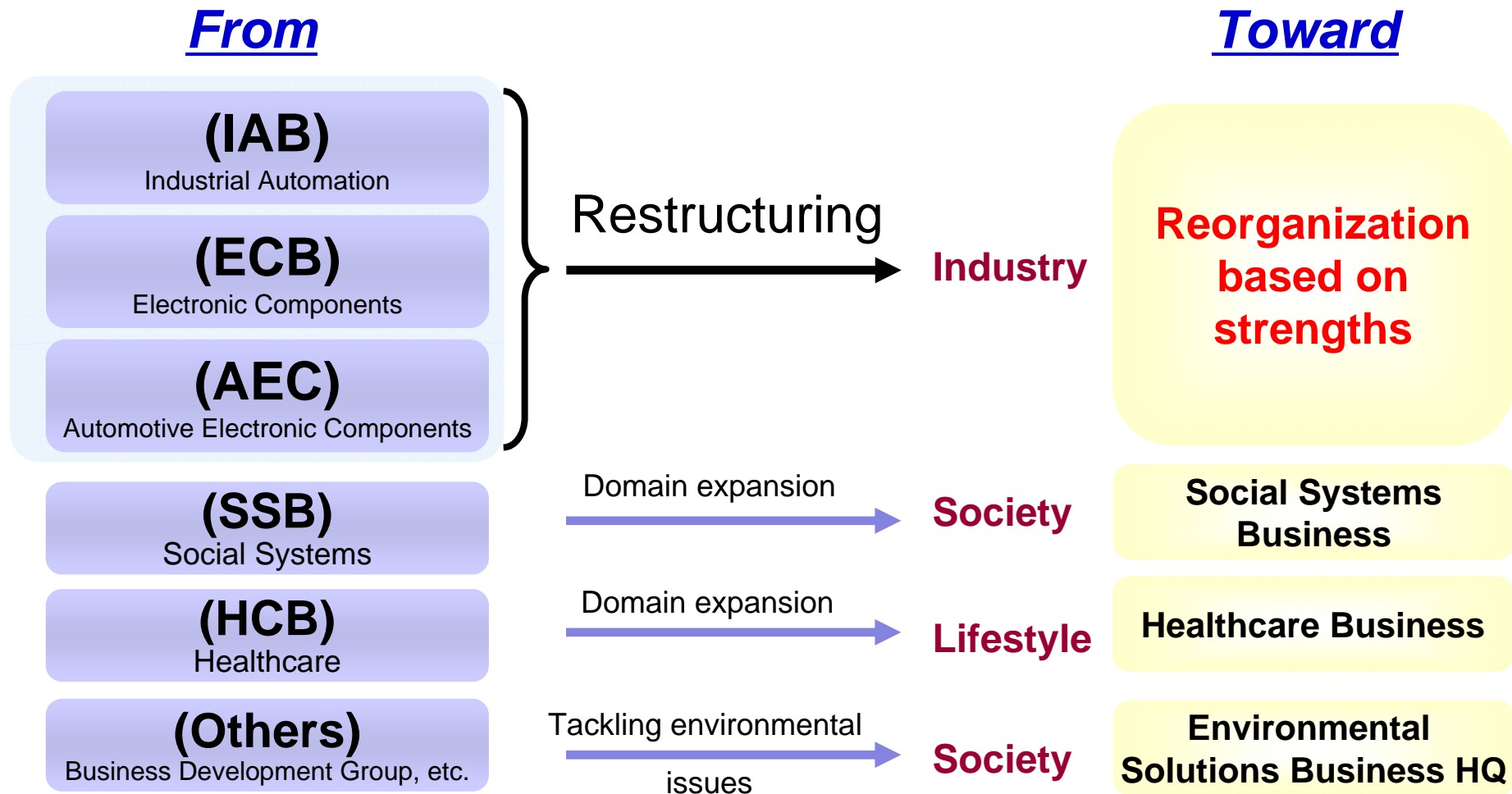
Restructure 3 control-based businesses:

- IAB: Strengthen front line and profit base
- ECB: 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

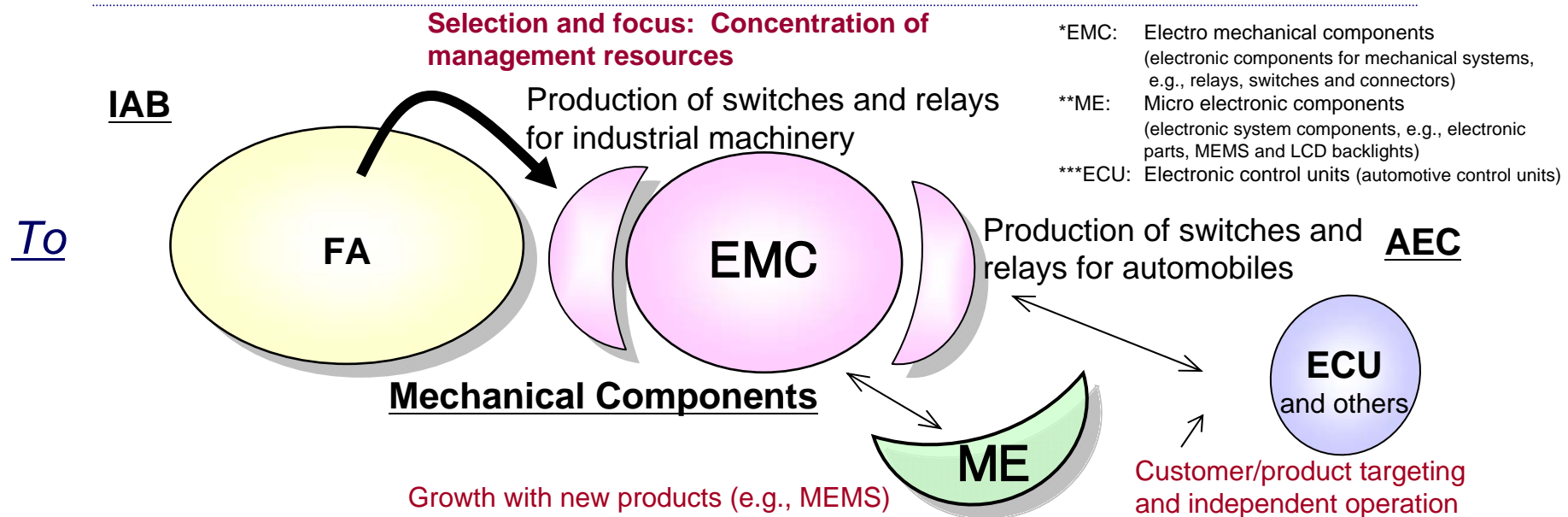
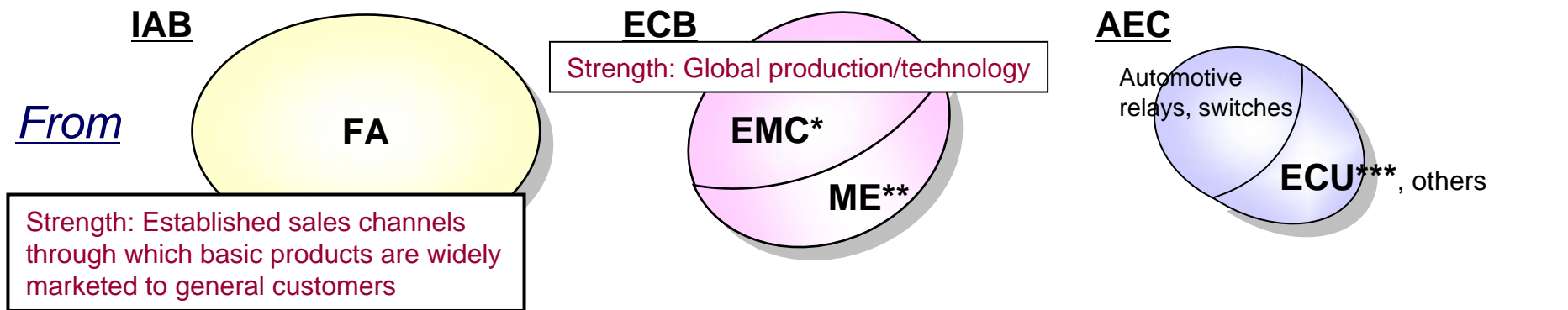
- Business domains to be reorganized as Industry, Society and Lifestyle.
- Focus on strengths and avoid dispersion of management resources when reorganizing three control-based businesses (Industry).



Structural Reform:

Concentrating Management Resources on 3 Control-based Businesses (IAB, ECB, and AEC)

➤ Concentrate on strengths: IAB's sales strength (sales channels for general purpose products) and ECB's global production/technological strengths (mechanical components).



- *EMC: Electro mechanical components (electronic components for mechanical systems, e.g., relays, switches and connectors)
- **ME: Micro electronic components (electronic system components, e.g., electronic parts, MEMS and LCD backlights)
- ***ECU: Electronic control units (automotive control units)

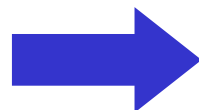
- 3 control-based businesses currently undertaking structural reforms aimed at increasing sales and improving profitability in the future.
- Each business focused on capitalizing on its strengths.

IAB



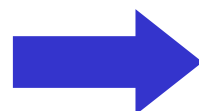
Shifting resources to the front line to strengthen sales force, improving customer support structure, etc.

EMC
(ECB)



Carrying out production structure reform aimed at lowering manufacturing fixed costs/ variable costs

AEC



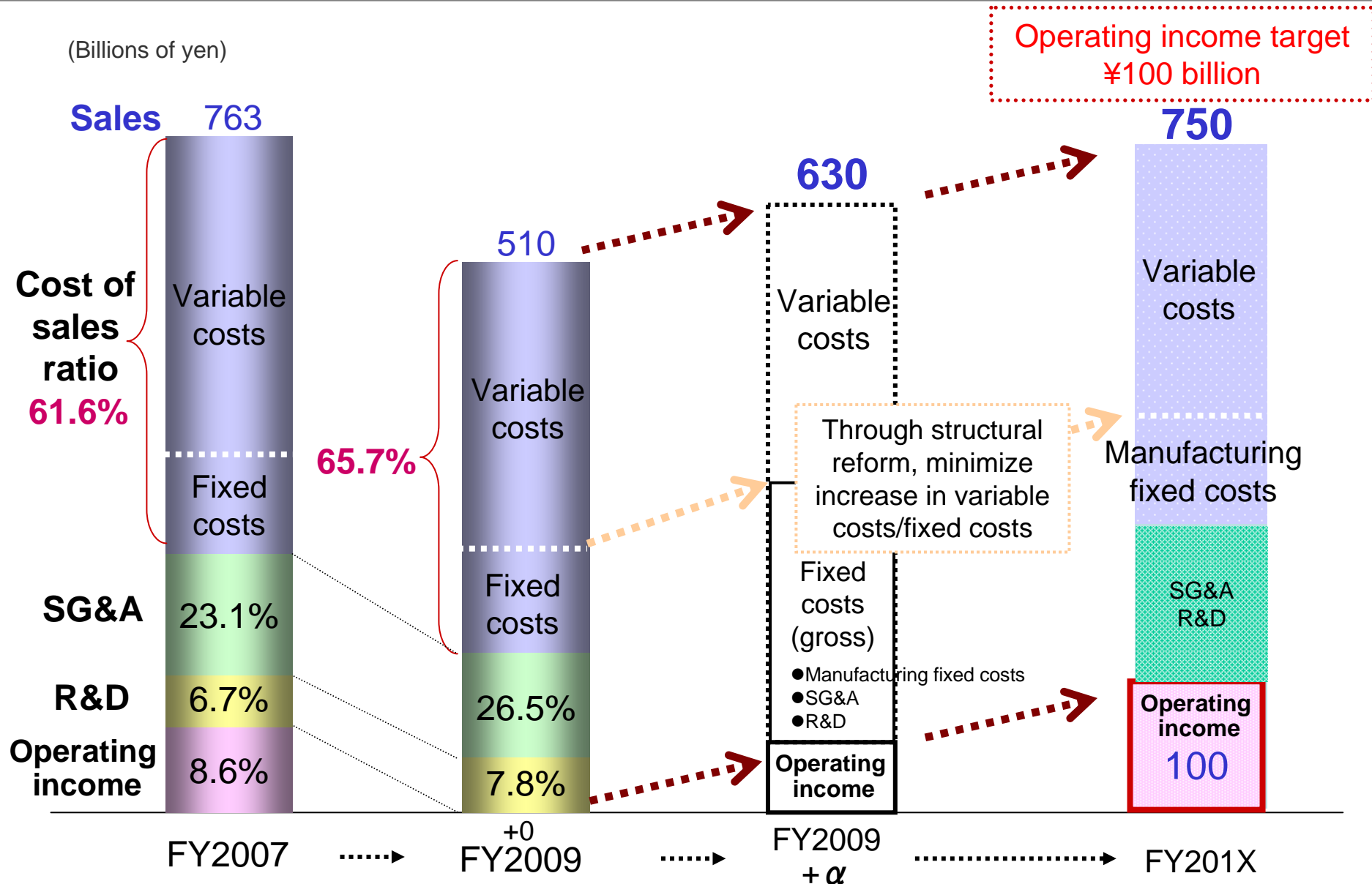
Decision to spin off AEC into new company in April 2010; focused on improving profitability toward autonomous management

- Reduce fixed and variable costs by concentrating manufacturing in EMC.

Measures for lowering manufacturing fixed costs/variable costs to be concentrated mainly on EMC

1. Optimization of materials and parts
 - CMO (Common, Module, Option)
2. MFCA (Material Flow Cost Accounting)
3. 1 sec. molding – HCP (High Cycle Production)
4. Use CMO to strengthen procurement, quality control, inspection, waste elimination, etc.
5. Site consolidation (3-tiered manufacturing system)

Target PL after Structural Reform



3

EMC Business Reform

➤ Manufacture of electromechanical components (relays, switches, connectors, etc.); strengths include global production system and technological expertise.

Relays

Market volume:
approx. ¥500 billion



Switches

Market volume:
approx. ¥400 billion



Connectors

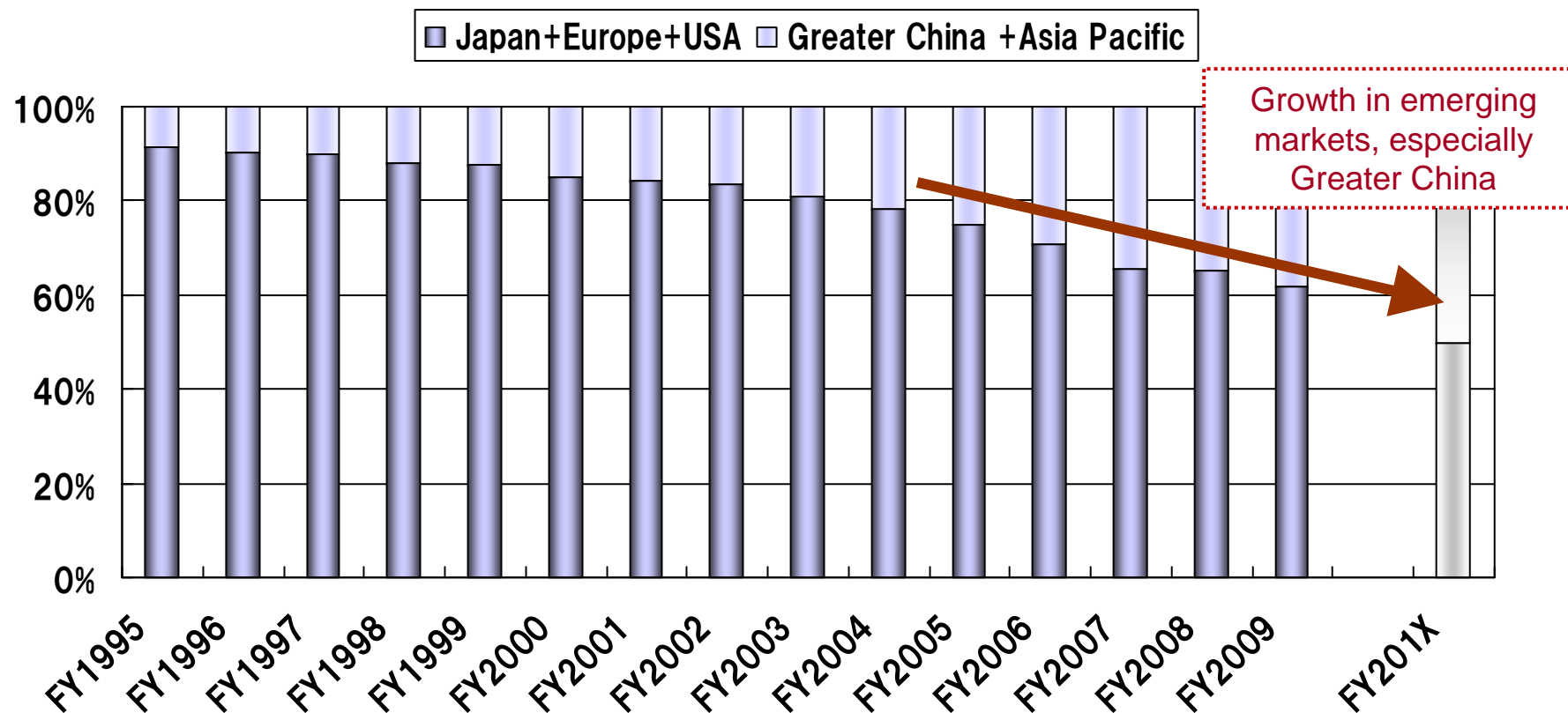
Market volume:
approx. ¥4 trillion



* In addition to the above, the EMC business also encompasses components for amusement equipment and mobile phones.

- Emerging markets are expanding, especially Greater China.
- Continued growth projected, especially in Greater China and Asia Pacific.

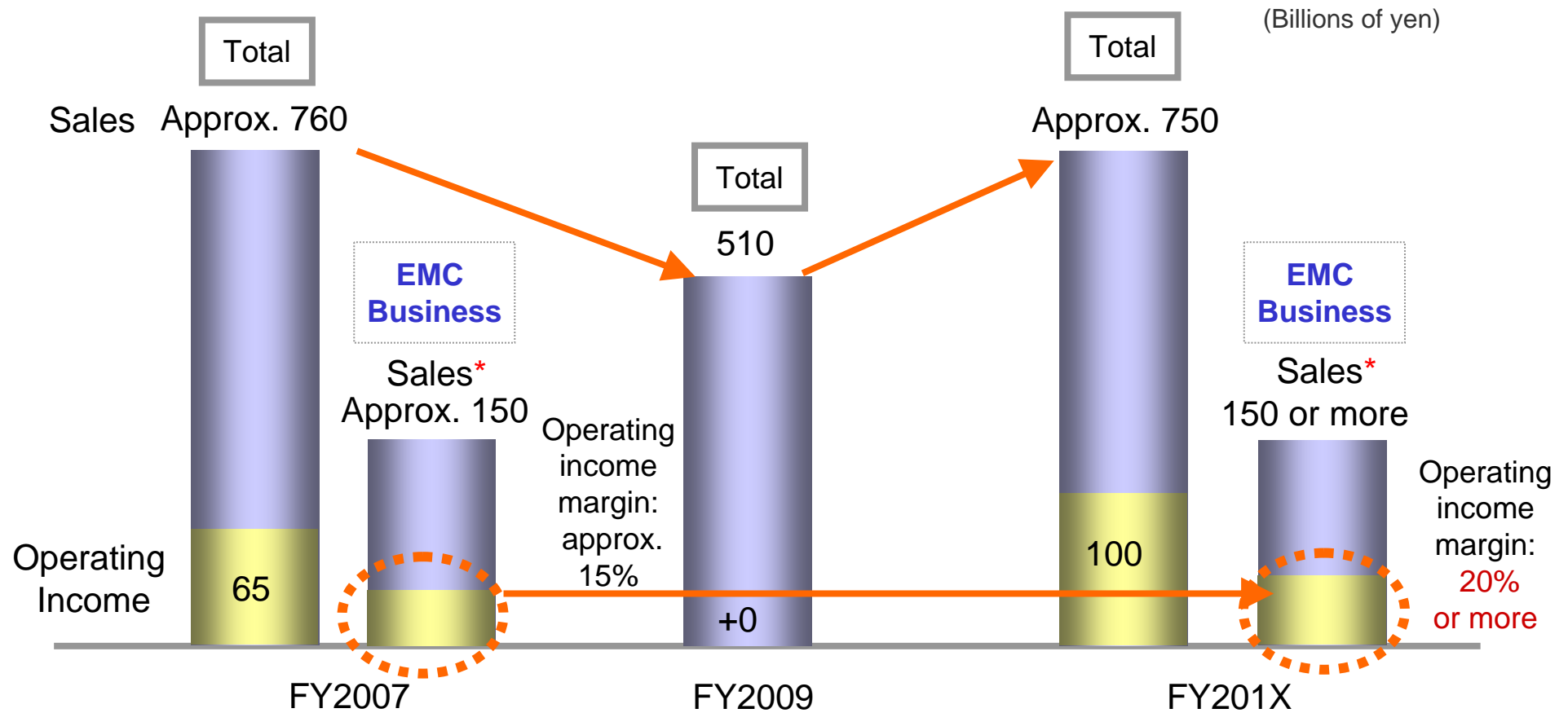
Sales results (by region)



Source: Internal data

Future Targets for EMC Business

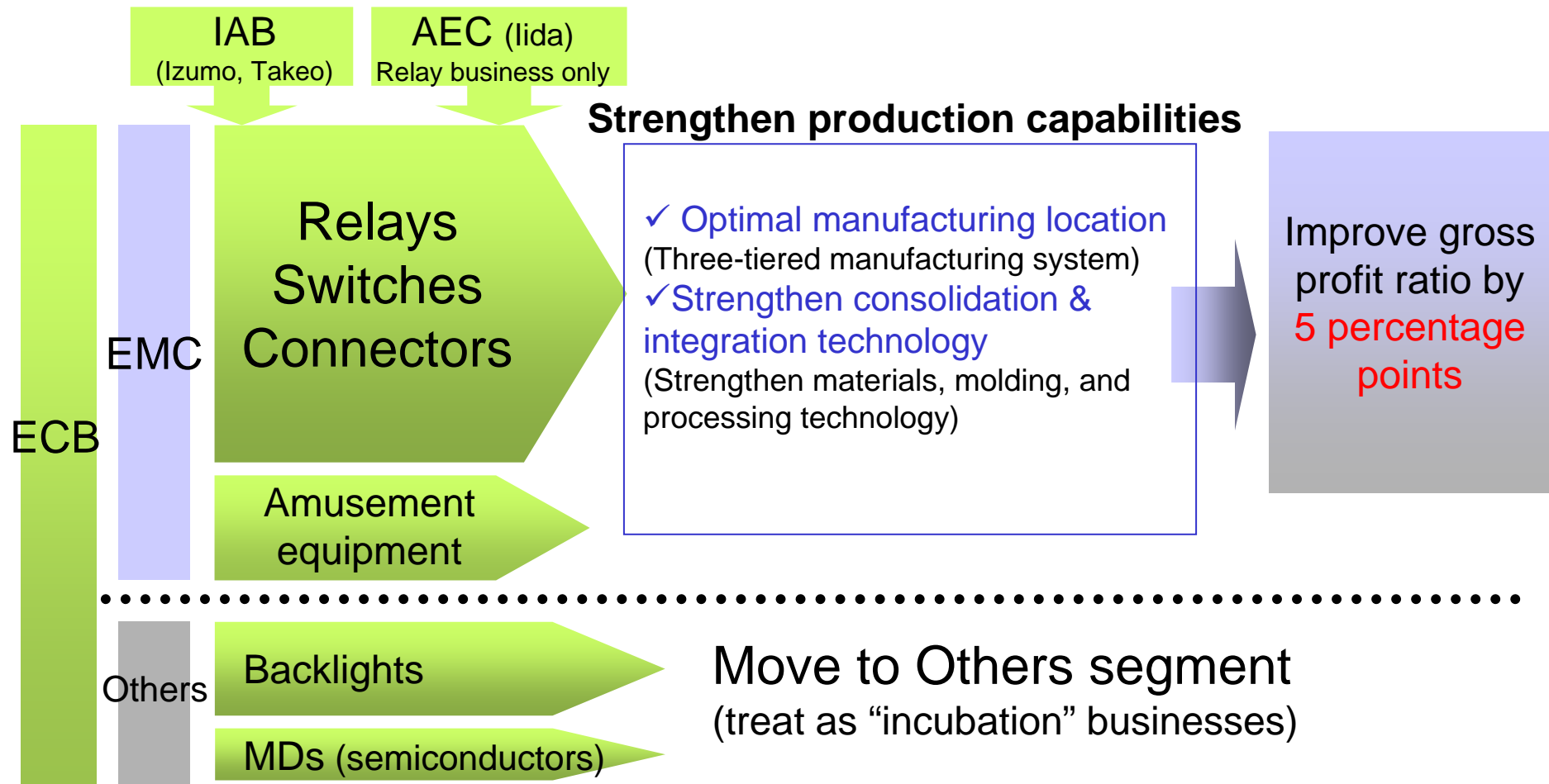
➤ Aim for an operating income margin of 20% or more for EMC once overall sales recover to FY2007 level (¥750 billion).



*Include sales via IAB and other business companies.

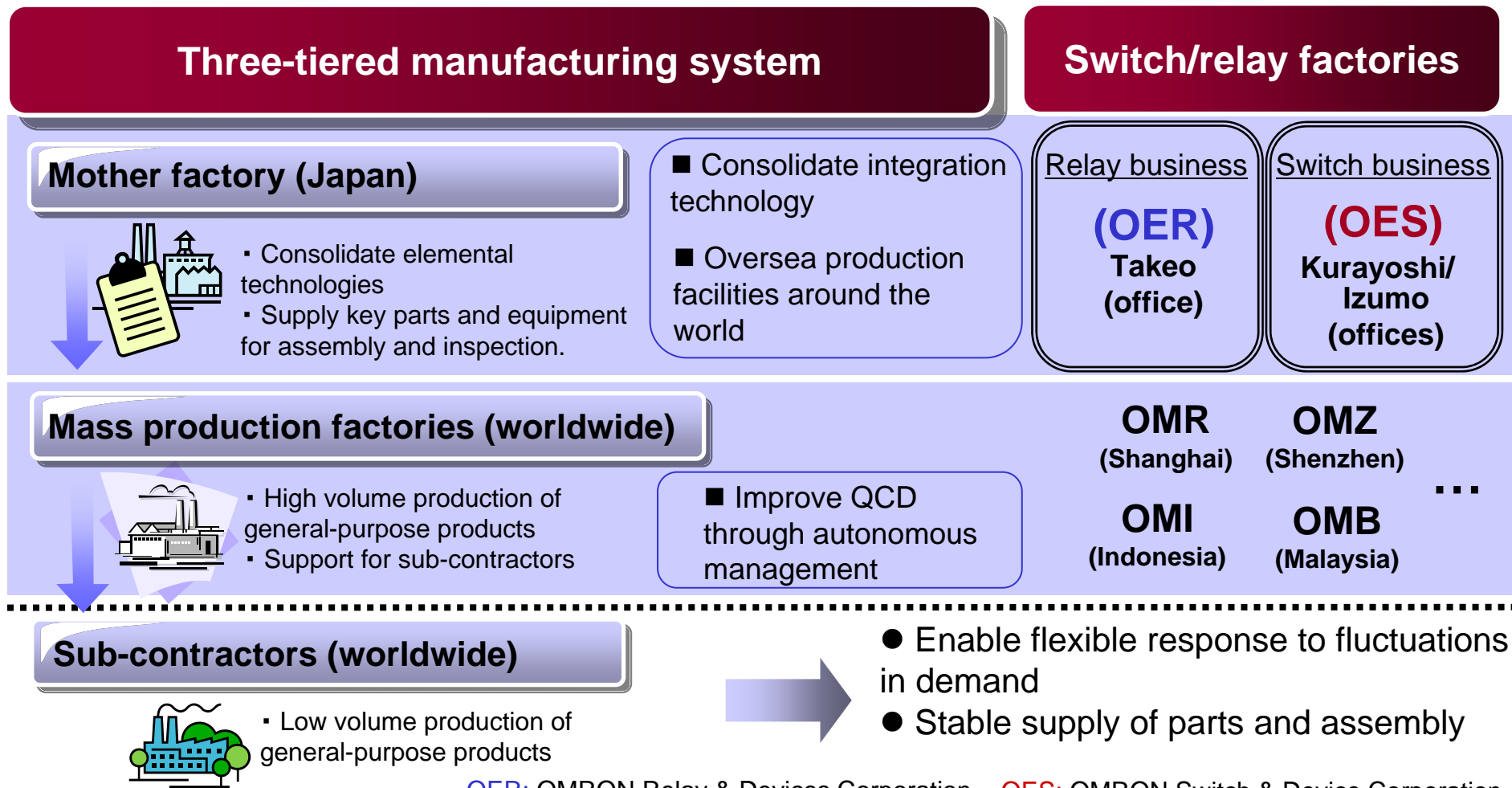
Reorganization of ECB as EMC

- ECB reorganized and renamed EMC as of Sep. 21, 2009.
- Strengthen production capabilities, aim to improve gross profit ratio by 5 percentage points.



Reducing Costs with a Three-tiered Manufacturing System

➤ Optimize global production structure to maintain high quality level and strengthen cost competitiveness vis-à-vis emerging countries.

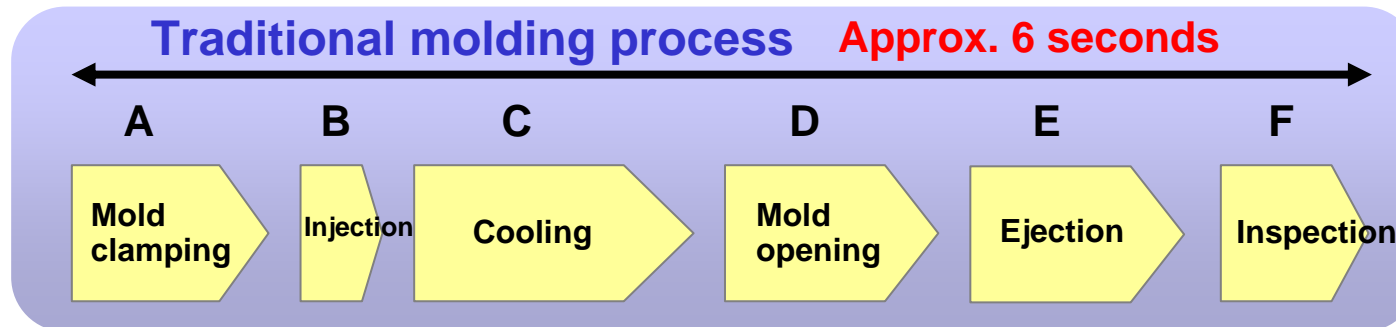


OER: OMRON Relay & Devices Corporation OES: OMRON Switch & Device Corporation

Using Technology to Reduce Variable Costs (Example)

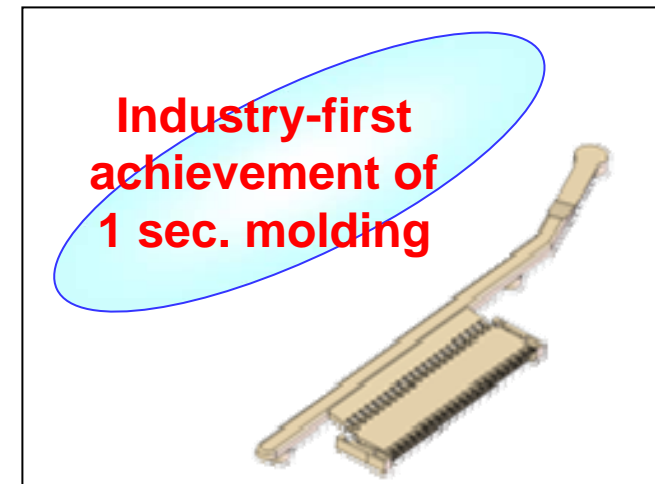
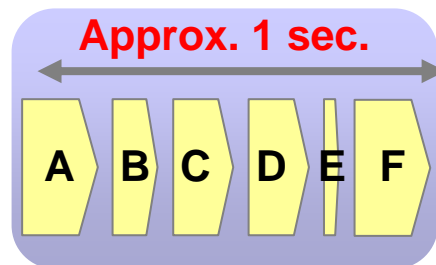
➤ Improving cost competitiveness by reducing time in production process and eliminating waste of raw materials.

◆ 1 sec. molding → Using **HCP (High Cycle Production)** to shorten process.



Significant time reduction

HCP molding process



- Reorganize/merge Group companies in Japan to achieve global no.1 position.
- Establish company specializing in switch business in April 2010.

Relay business



Established company specializing in relay business in 2003 (OER)

- Takeo will be merged with OER as business integration as of April 2010.

Switch business



Establish company specializing in switch business in April 2010.

- New company to be established in Okayama
(**OES**: OMRON Switch & Device Corporation)
- Merge Omron Corp. switch division, subsidiaries Omron Kurayoshi and Omron Izumo.

Connector business



Continue to strengthen

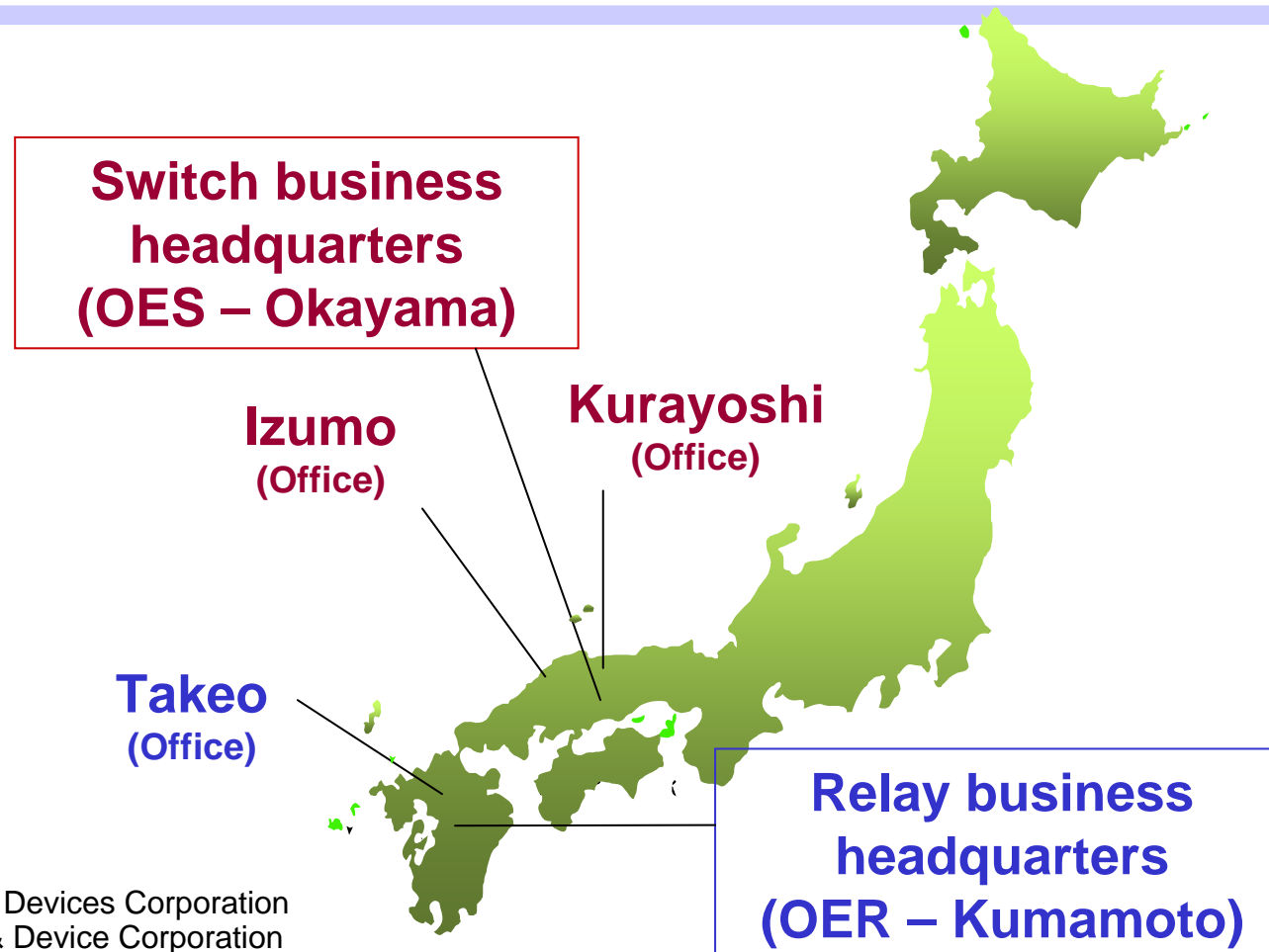
OER: OMRON Relay & Devices Corporation

Merits of establishing switch/relay companies

- Organic coordination of planning, development and design functions will help us achieve monozukuri on an even higher level.
- Promote autonomous, agile management for better customer/market response.

Consolidation of Production Sites in Japan (Relay/Switch Businesses)

- Switch business (OES) headquarters will be located in Okayama Office; Kurayoshi and Izumo will function as business offices.
- Relay business (OER) headquarters will be located in Kumamoto; Takeo will function as business office.

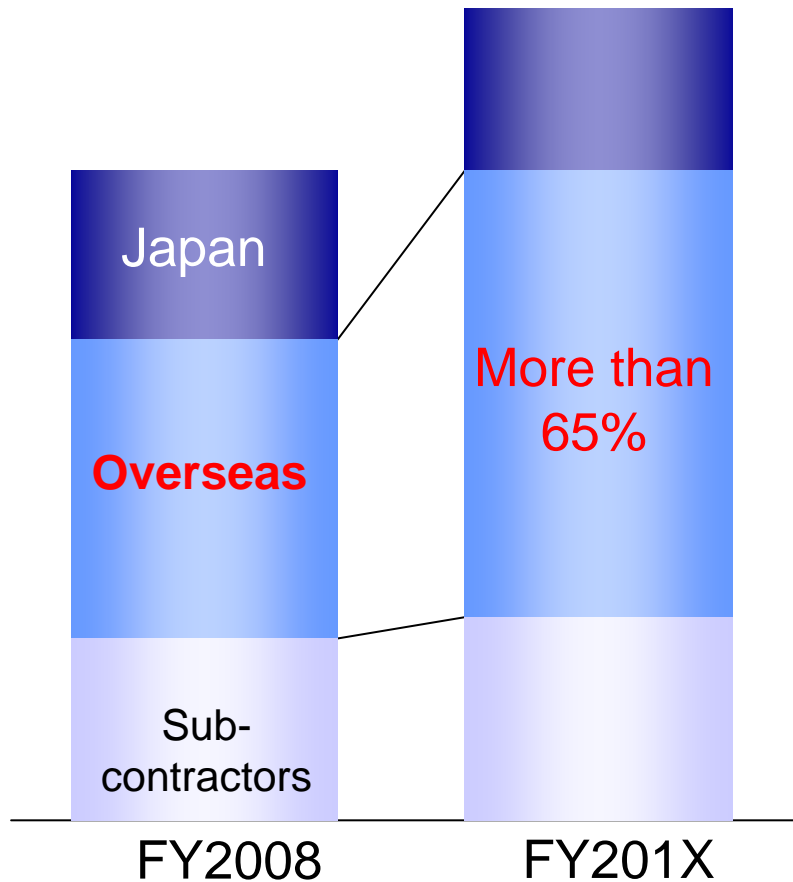


OER: OMRON Relay & Devices Corporation
OES: OMRON Switch & Device Corporation

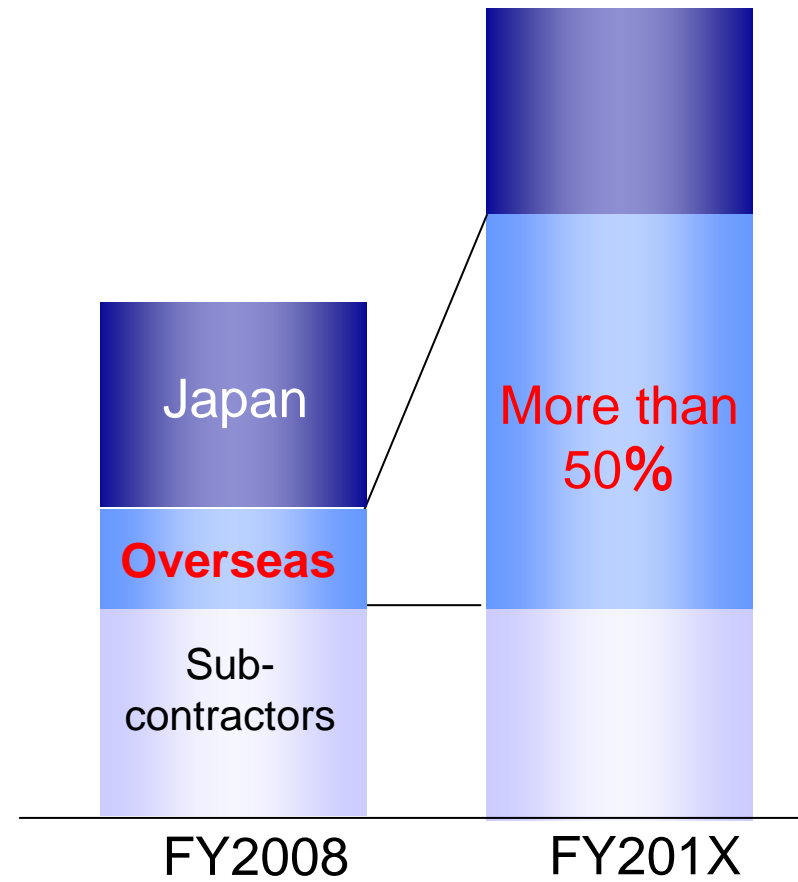
Expansion of Overseas Production Ratio

➤ Consolidate elemental technologies in mother factories, strengthen production capabilities of overseas factories to provide better service to customers around the world.

Relay business (production)



Switch business (production)



Accelerate new product creation

Strengthen production capabilities

Reduce costs with three-tiered manufacturing system

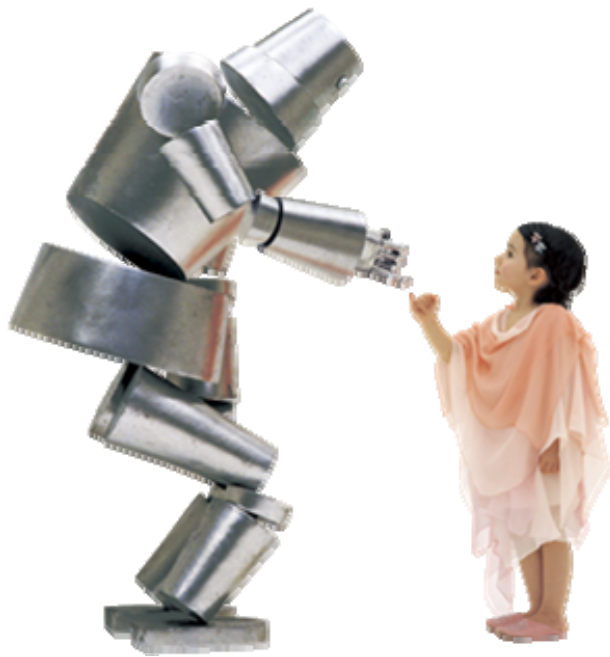


Aim for global no.1 position

Relay business: Net sales of ¥85 billion (FY2014 target)

Switch business: Net sales of ¥50 billion (FY2018 target)

“Shaping Our Sense of Security”
with Sensing and Control Technology



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