



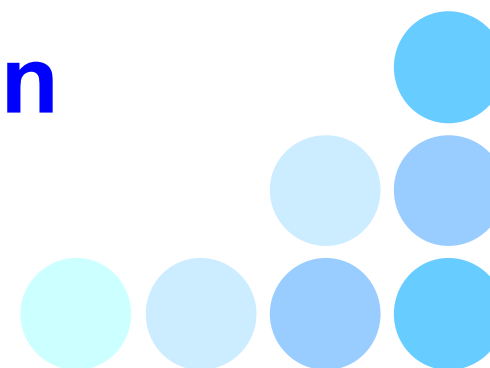
**OMRON**

*Sensing tomorrow™*

**Financial Results for the Fiscal Year  
Ended March 31, 2008  
and  
Business Plans for the Fiscal Year  
Ending March 31, 2009**

April 28, 2008

**OMRON Corporation**



# Contents

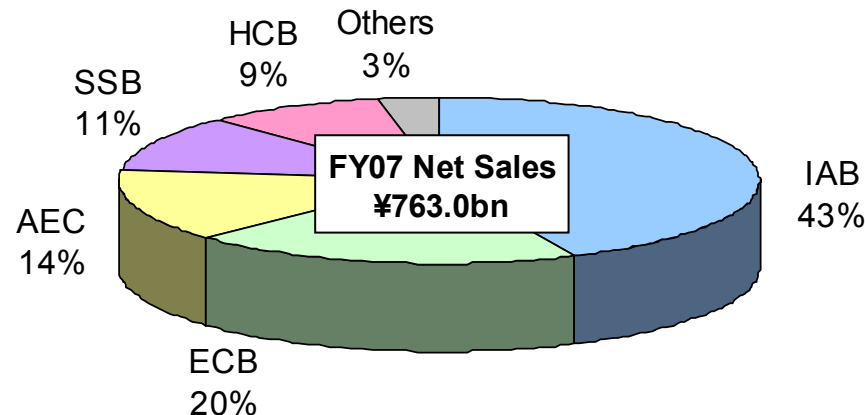
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## **Notes**

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 the current time, 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.

# Businesses & Major Products

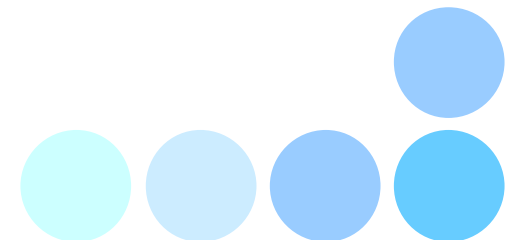
Industrial Automation Business	
<b>IAB</b>	Sensing devices, control devices, safety devices, inspection systems
Electronic Components Business	
<b>ECB</b>	Relays, switches, connectors, LCD backlights, amusement equipment parts, mobile equipment parts, optical communication devices
Automotive Electronic Components Business	
<b>AEC</b>	Keyless entry systems, power window switches, automotive relays components, laser radars, TPMS, EPS (electronic power steering devices)
Social Systems, Solutions and Service Business	
<b>SSB</b>	Automated ticket gates and ticket vending machines, road management systems, security management systems, face recognition systems
Healthcare Business	
<b>HCB</b>	Professional & home-use digital blood pressure monitors, body composition analyzers, thermometers, pedometers, nebulizers, healthcare services
Others	
	PC peripherals, RFID systems, energy management systems



Consolidated subsidiaries	162
Affiliated companies accounted for by the equity method	22

(as of March 31, 2008)

# 1. Executive Summary



# Executive Summary

\* Pursuant to Statement of Financial Accounting Standards (SFAS). Figures for the previous period/ fiscal year have been reclassified in relation to operations discontinued during FY2007.

## FY07 Results

- Sales & OP: Both up 6 years in a row; hit record high but fall short of initial targets\*

<u>Consolidated</u>	<u>Actual</u>	<u>YoY</u>	<u>vs. Target</u>	<u>Margin (%)</u>
Net sales	¥763.0bn	105.4%	95.4%	--
Operating income	¥65.3bn	105.2%	87.1%	8.6%
NIBT	¥64.2bn	99.8%	89.2%	8.4%
Net income	¥42.4bn	110.7%	92.2%	5.6%

\*announced Apr. 26, 2007

- Consolidated net sales: Up nearly 5% year on year due primarily to overseas sales growth and M&A. 5% below target due primarily to drop in domestic IAB sales and weak ECB sales.
- Operating income: Up 5% YoY due primarily to sales growth and improved manufacturing structure (see p. 11). 13% below target due primarily to weak sales (see p.12).
- NIBT: 8% off target due primarily to not reaching operating income goal.

## FY08 Looking Forward

- Sales up for 7<sup>th</sup> consecutive year
- Income down due to investment for growth and severe external environment

<u>Consolidated</u>	<u>Full Year</u>	<u>YoY</u>	<u>Margin (%)</u>
Net Sales	¥780.0bn	102.2%	--
Operating Income	¥60.0bn	91.9%	7.7%
NIBT	¥59.0bn	91.9%	7.6%
Net Income	¥36.5bn	86.1%	4.7%

# Consolidated P/L at a Glance

## Profit decrease forecasted for FY08

(Units: JPY billions)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08 Projection
Net sales	522.5	575.2	598.7	616.0	723.9	763.0	780.0
Gross profit	201.8	235.5	245.3	232.7	278.2	293.3	300.5
Operating income	28.2	49.4	54.7	60.8	62.0	65.3	60.0
OP margin	5.4%	8.6%	9.1%	9.9%	8.6%	8.6%	7.7%
NIAT	0.5	26.8	30.2	35.8	38.3	42.4	36.5
EPS (JPY)	2.07	110.66	126.52	151.14	164.96	185.89	164.65

<Exchange Rates>

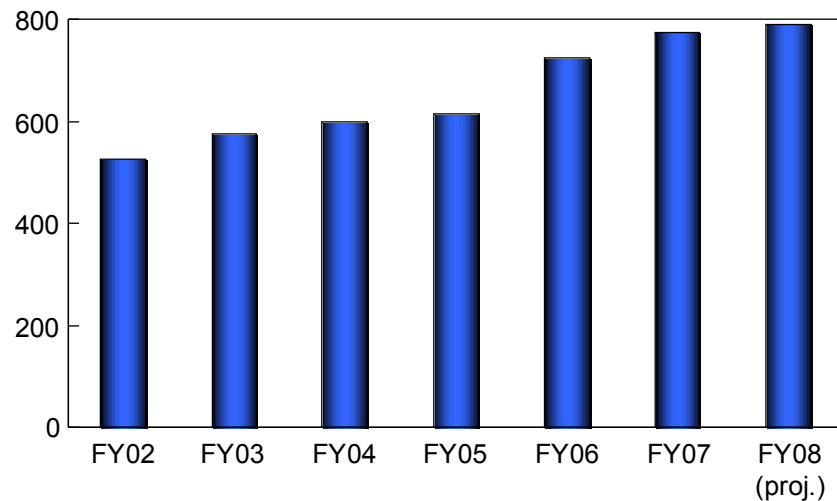
(JPY 1)

USD	122.1	113.4	107.3	113.4	117.0	114.1	100.0
EUR	121.1	132.4	135.0	138.2	150.3	161.9	155.0

\*FY02-06 figures reclassified in relation to discontinued operations

Units: USD billions

### Net Sales

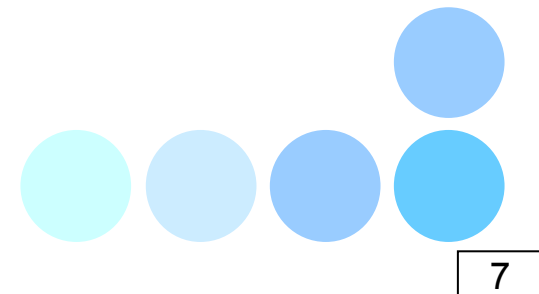


Units: USD billions

### OP (value, %)



## **2. Results for the Fiscal Year Ended March 31, 2008 (FY07)**



**Sales: ¥763.0bn; OP margin: 8.6%**  
**Both up year on year, but fell short of initial targets**

(Units: JPY billions)

P/L	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Net sales	723.9	<b>763.0</b>	105.4%	800.0	95.4%
Gross profit	278.2	<b>293.3</b>	105.4%	309.5	94.8%
SG&A	164.2	<b>176.6</b>	107.6%	178.0	99.2%
R&D	52.0	<b>51.5</b>	99.0%	56.5	91.2%
Operating income	62.0	<b>65.3</b>	105.2%	75.0	87.1%
NIBT	64.3	<b>64.2</b>	99.8%	72.0	89.2%
NI from continuing ops	37.1	<b>39.3</b>	106.0%	43.0	91.4%
NI from discontinued ops	1.2	<b>3.1</b>	257.5%	3.0	103.3%
NIAT	38.3	<b>42.4</b>	110.7%	46.0	92.2%
<Exchange Rates> (1JPY)					
USD	117.0	<b>114.1</b>	<b>-2.9</b>	115.0	<b>-0.9</b>
EUR	150.3	<b>161.9</b>	11.6	150.0	11.9

\* FY06 figures reclassified in relation to discontinued operations



- Overseas sales up nearly 14% year on year
- Initial targets unmet both at home and abroad
- IAB, ECB, AEC and HCB up year on year, but only AEC met target

(Units: JPY billions)

Japan & Overseas	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Japan	375.2	<b>365.9</b>	97.5%	396.5	92.3%
Overseas*	348.7	<b>397.1</b>	113.9%	403.5	98.4%
Total	723.9	<b>763.0</b>	105.4%	800.0	95.4%

\*Includes direct exports

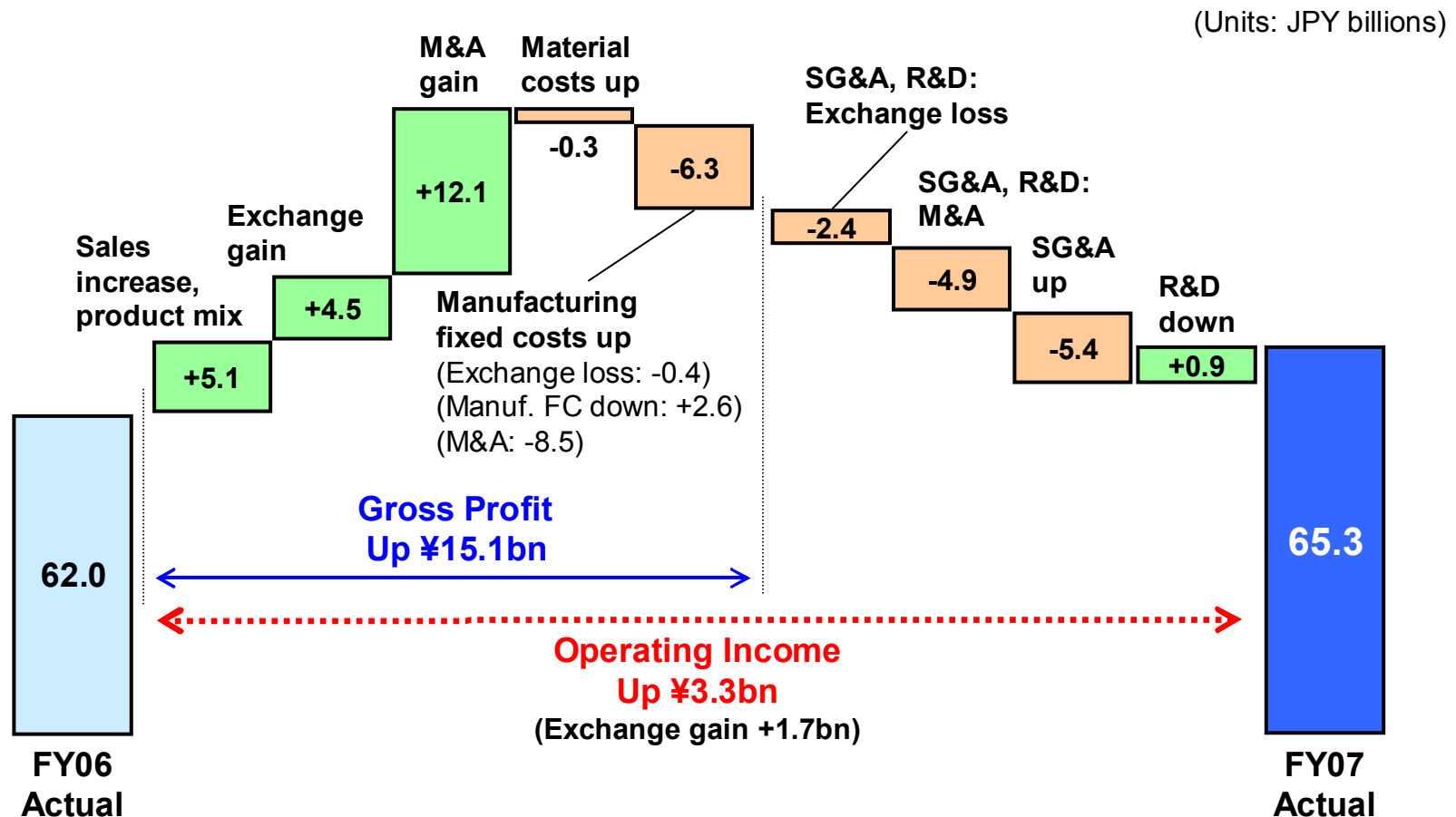
Business	Actual	Actual	%	Initial Target	%
IAB	305.6	<b>328.8</b>	107.6%	339.5	96.8%
ECB	138.4	<b>154.2</b>	111.5%	180.5	85.4%
AEC	93.3	<b>107.5</b>	115.2%	100.0	107.5%
SSB	105.9	<b>85.2</b>	80.4%	90.0	94.7%
HCB	65.7	<b>71.6</b>	108.9%	73.5	97.4%
Others	15.0	<b>15.7</b>	104.5%	16.5	95.2%
Total	723.9	<b>763.0</b>	105.4%	800.0	95.4%

- IAB, HCB delivered year-on-year increases but did not meet initial targets
- AEC as originally planned

(Units: JPY billions)

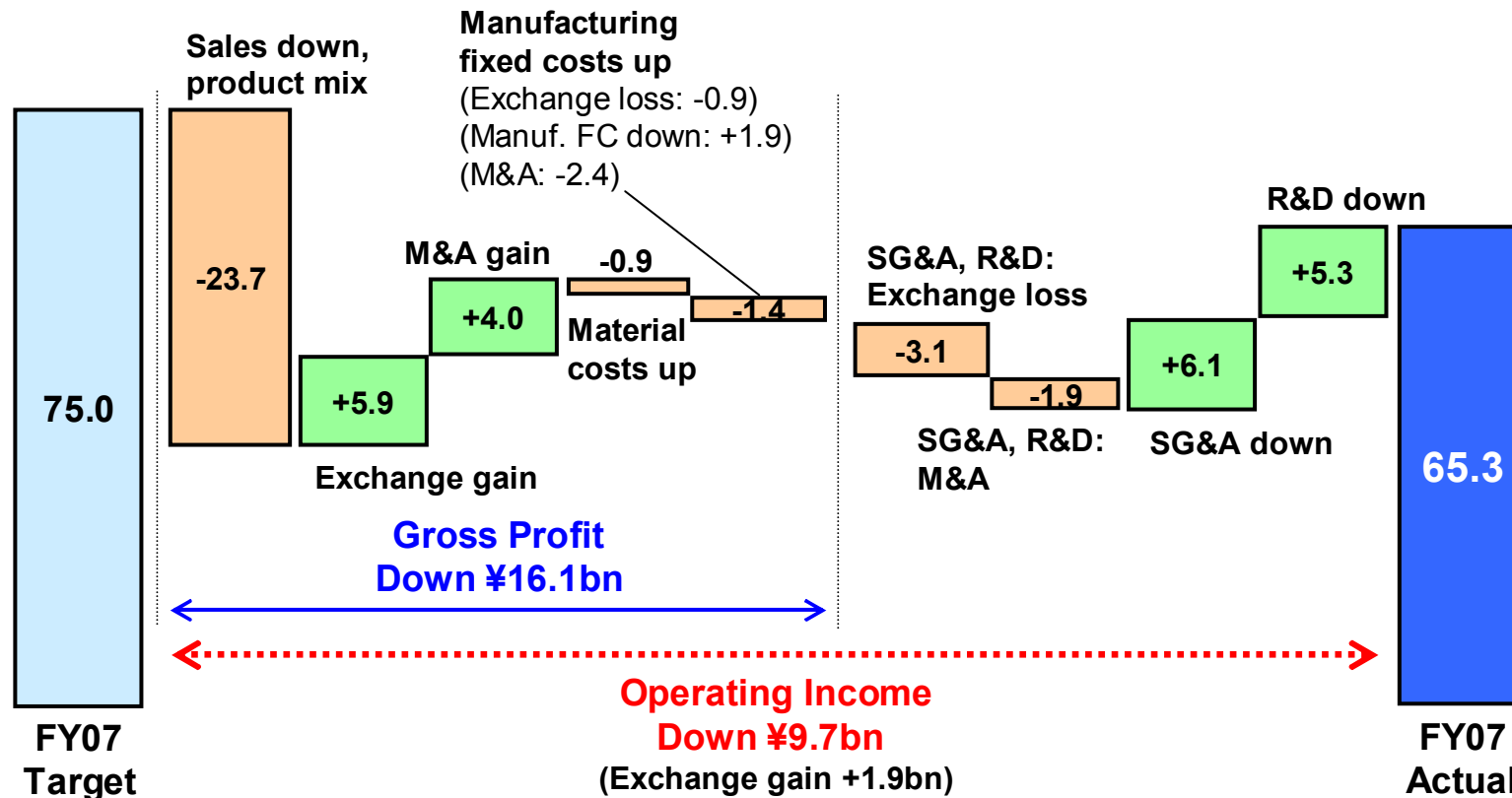
Business	FY06	FY07	FY07/FY06	FY07	Actual vs.
	Actual (1)	Actual (2)	(2)/(1)	Initial target (3)	Target (2)/(3)
IAB	48.5	<b>51.9</b>	107.1%	64.6	80.3%
ECB	13.1	<b>12.6</b>	96.6%	15.3	82.4%
AEC	-1.2	<b>1.4</b>	-	1.4	100.0%
SSB	8.1	<b>7.0</b>	87.3%	7.3	95.9%
HCB	8.7	<b>9.4</b>	108.2%	9.5	98.9%
Others	0.4	<b>0.1</b>	20.2%	-0.6	-
HQ Cost/ Elimination	-15.6	<b>-17.1</b>	-	-22.4	-
Total	62.0	<b>65.3</b>	105.2%	75.0	87.1%

**Positive impact of sales growth and manufacturing structure reforms were offset by increase in SG&A expenses, but up year on year due to exchange gains**



**Operating income below target; efforts to cut fixed costs not enough to offset decline in gross profit due to weak sales**

(Units: JPY billions)

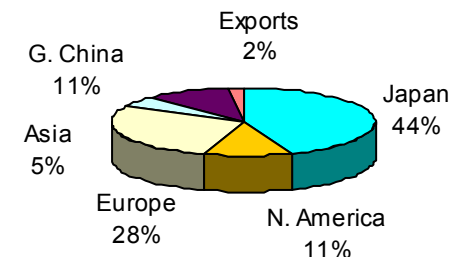


**Sales up nearly 8% year on year to ¥328.8bn with 15.8% OP margin**  
**Domestic sales 7% below target, though applications business**  
**showing signs of improvement. Overseas saw steady growth.**

(Units: JPY billions)

IAB	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Japan	140.8	<b>144.1</b>	102.3%	154.5	93.3%
Overseas	164.8	<b>184.7</b>	112.1%	185.0	99.8%
North America	34.8	<b>35.6</b>	102.0%	38.3	93.0%
Europe	81.3	<b>92.3</b>	113.5%	85.8	107.6%
Asia	14.0	<b>16.2</b>	116.2%	16.2	100.0%
Greater China	28.8	<b>34.6</b>	120.1%	38.0	91.1%
Exports	5.8	<b>6.0</b>	103.6%	6.6	90.9%
Total	305.6	<b>328.8</b>	107.6%	339.5	96.8%
Operating income	48.5	<b>51.9</b>	107.1%	64.6	80.3%
OP margin	15.9%	<b>15.8%</b>	-0.1pt	19.0%	-3.2pt

Sales by Area

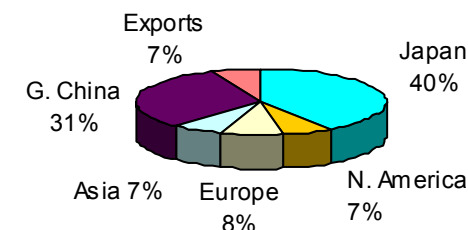


Sales up over 11% year on year to ¥154.2bn, with 8.2% OP margin, but 15% below initial target due to weak sales of small-size backlight business and amusement business

(Units: JPY billions)

ECB	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Japan	58.8	<b>62.4</b>	106.2%	75.5	82.6%
Overseas	79.6	<b>91.8</b>	115.4%	105.0	87.4%
North America	11.0	<b>10.4</b>	95.0%	12.2	85.2%
Europe	12.0	<b>12.4</b>	102.7%	12.6	98.4%
Asia	8.6	<b>10.3</b>	120.4%	9.3	110.8%
Greater China	35.7	<b>48.3</b>	135.4%	61.2	78.9%
Exports	12.4	<b>10.4</b>	84.3%	9.7	107.2%
Total	138.4	<b>154.2</b>	111.5%	180.5	85.4%
Operating income	13.1	<b>12.6</b>	96.6%	15.3	82.4%
OP margin	9.5%	<b>8.2%</b>	-1.3pt	8.5%	-0.3pt

Sales by Area

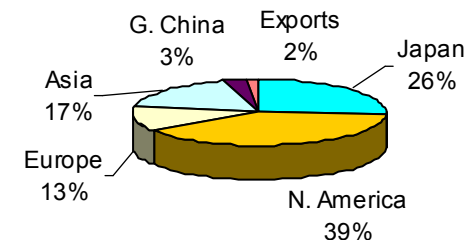


**Sales up over 15% year on year to ¥107.5bn, with 1.3% OP margin  
 Securing positive operating income thanks to solid domestic sales,  
 overseas sales growth and manufacturing structure improvement**

(Units: JPY billions)

AEC	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Japan	26.1	<b>28.0</b>	107.4%	25.5	109.8%
Overseas	67.2	<b>79.5</b>	118.3%	74.5	106.7%
North America	37.9	<b>42.4</b>	112.0%	41.9	101.2%
Europe	9.8	<b>13.9</b>	141.2%	12.8	108.6%
Asia	16.2	<b>18.3</b>	113.0%	17.3	105.8%
Greater China	1.4	<b>3.1</b>	226.8%	2.4	129.2%
Exports	2.0	<b>1.9</b>	93.2%	0.0	-
Total	93.3	<b>107.5</b>	115.2%	100.0	107.5%
Operating income	-1.2	<b>1.4</b>	-	1.4	100.0%
OP margin	-	<b>1.3%</b>	-	1.4%	-0.1pt

Sales by Area

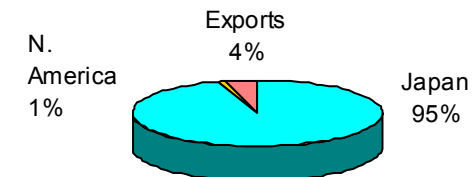


**Sales below target at ¥85.2bn, with 8.3% OP margin**  
**Operating income slightly below target as well but improvement in ratio**

(Units: JPY billions)

SSB	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Japan	101.8	<b>81.0</b>	79.6%	87.5	92.6%
Overseas	4.1	<b>4.2</b>	101.7%	2.5	168.0%
North America	0.5	<b>0.6</b>	120.0%	1.0	60.0%
Europe	0.0	<b>0.0</b>	-	0.0	-
Asia	0.0	<b>0.0</b>	-	0.0	-
Greater China	0.0	<b>0.0</b>	-	0.0	-
Exports	3.6	<b>3.6</b>	99.1%	1.5	240.0%
Total	105.9	<b>85.2</b>	80.4%	90.0	94.7%
Operating income	8.1	<b>7.0</b>	87.3%	7.3	95.9%
OP margin	7.6%	<b>8.3%</b>	+0.7pt	8.1%	+0.2pt

Sales by Area



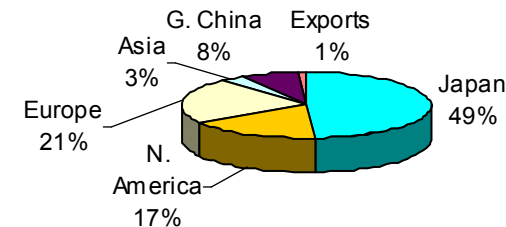


**Sales up nearly 9% year on year to ¥71.6bn with 13.1% OP margin**  
**Growth solid both at home and abroad but not high enough to reach initial targets**

(Units: JPY billions)

HCB	FY06 Actual (1)	FY07 Actual (2)	FY07/FY06 (2)/(1)	FY07 Initial target (3)	Actual vs. Target (2)/(3)
Japan	32.8	<b>35.0</b>	106.6%	37.5	93.3%
Overseas	32.9	<b>36.6</b>	111.2%	36.0	101.7%
North America	13.8	<b>12.5</b>	90.1%	14.3	87.4%
Europe	13.1	<b>15.9</b>	120.8%	14.4	110.4%
Asia	2.1	<b>2.1</b>	100.5%	2.0	105.0%
Greater China	3.6	<b>5.5</b>	152.6%	4.6	119.6%
Exports	0.3	<b>0.7</b>	268.1%	0.7	100.0%
Total	65.7	<b>71.6</b>	108.9%	73.5	97.4%
Operating income	8.7	<b>9.4</b>	108.2%	9.5	98.9%
OP margin	13.2%	<b>13.1%</b>	-0.1pt	12.9%	+0.2pt

Sales by Area



**Net worth ratio: 59.7%**  
**Down 1.0pt due primarily to treasury stock acquisition**

(Units: JPY billions)

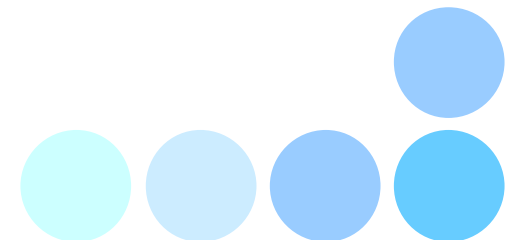
Consolidated B/S	Mar. 2006	Mar. 2007	Mar. 2008
Total Assets	624.1	630.3	<b>617.4</b>
Cash and cash equivalents	51.0	43.0	<b>40.6</b>
Notes and accounts receivable, trade	147.5	173.4	<b>164.7</b>
Inventories	108.5	94.1	<b>95.1</b>
Other current assets	31.4	31.5	<b>29.7</b>
Property, plant and equipment	157.6	159.3	<b>152.7</b>
Investments and other assets	128.1	129.0	<b>134.6</b>
Total Liabilities	250.3	247.5	<b>248.9</b>
Short-term debt	46.6	20.1	<b>18.3</b>
Long-term debt	0.5	1.7	<b>1.5</b>
Other liabilities	203.2	225.7	<b>229.1</b>
Shareholders' Equity	373.8	382.8	<b>368.5</b>

**¥34.5 billion cash-out in financial activities  
including ¥22.3 billion treasury stock acquisition**

(Units: JPY billions)

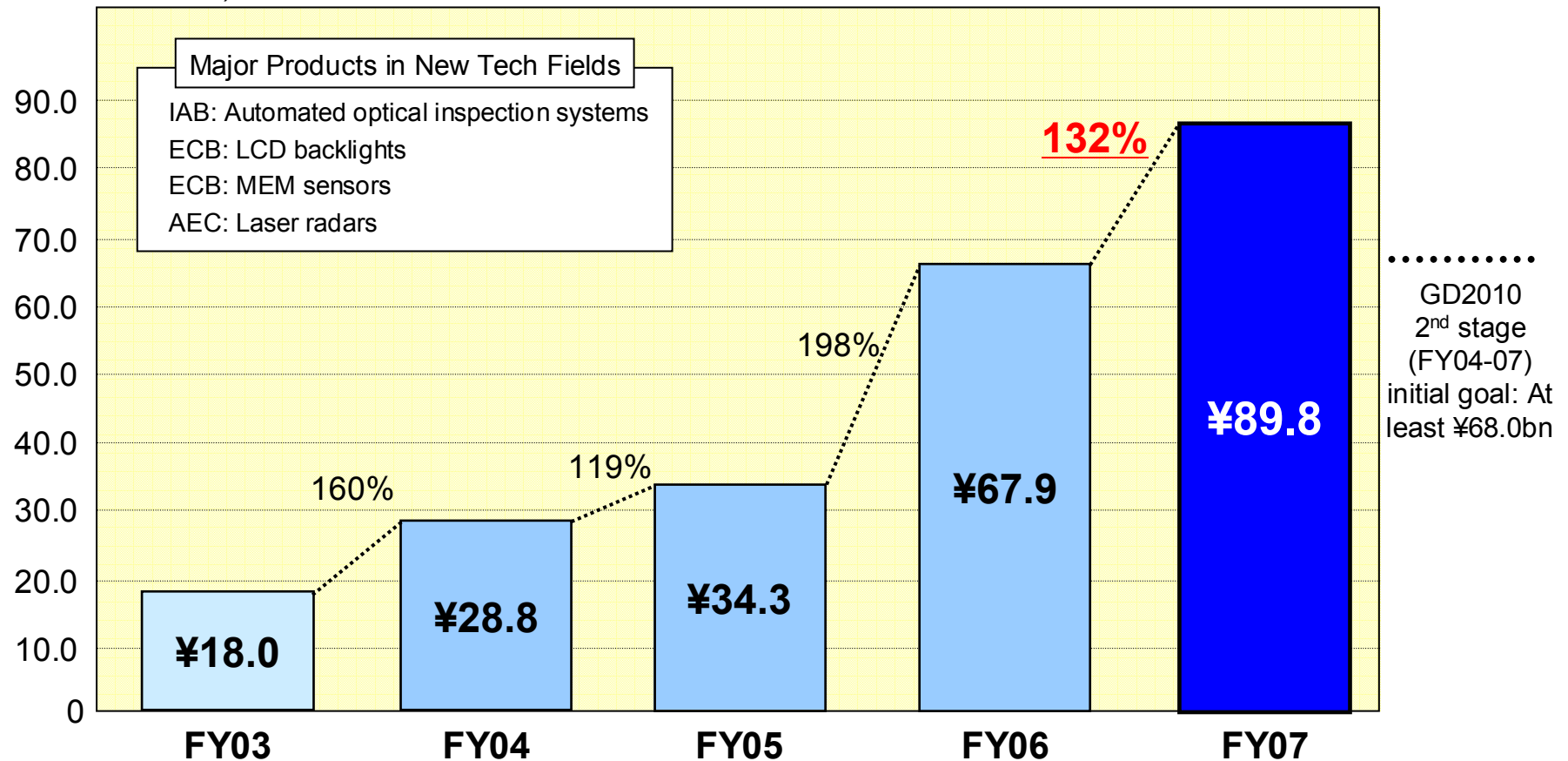
Consolidated C/F	Mar. 2006	Mar. 2007	Mar. 2008
Operating activities	10.2	40.5	<b>69.0</b>
Investing activities	-34.1	-47.1	<b>-36.7</b>
Free cash flow	-23.9	-6.6	<b>32.3</b>
Financial activities	21.9	-4.7	<b>-34.5</b>
Effect of exchange rate changes	0.7	1.9	<b>-0.2</b>
Net increase/decrease	-1.3	-9.3	<b>-2.4</b>
Cash and cash equivalents at end of the period	51.0	43.0	<b>40.6</b>

# Reference Progressing Key Strategies



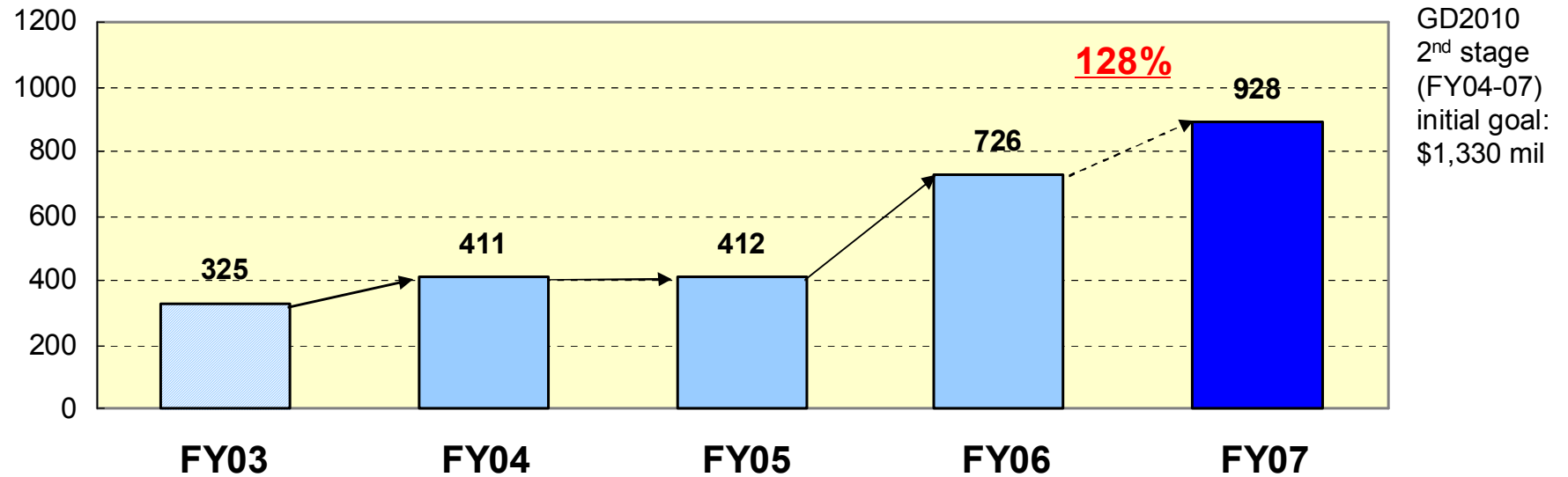
**Sales surged year-on-year due primarily to M&A (OPT/OLFT), achieving initial 2<sup>nd</sup>-stage mid-term goal of at least ¥68.0 billion**

(Actual, JPY billions)



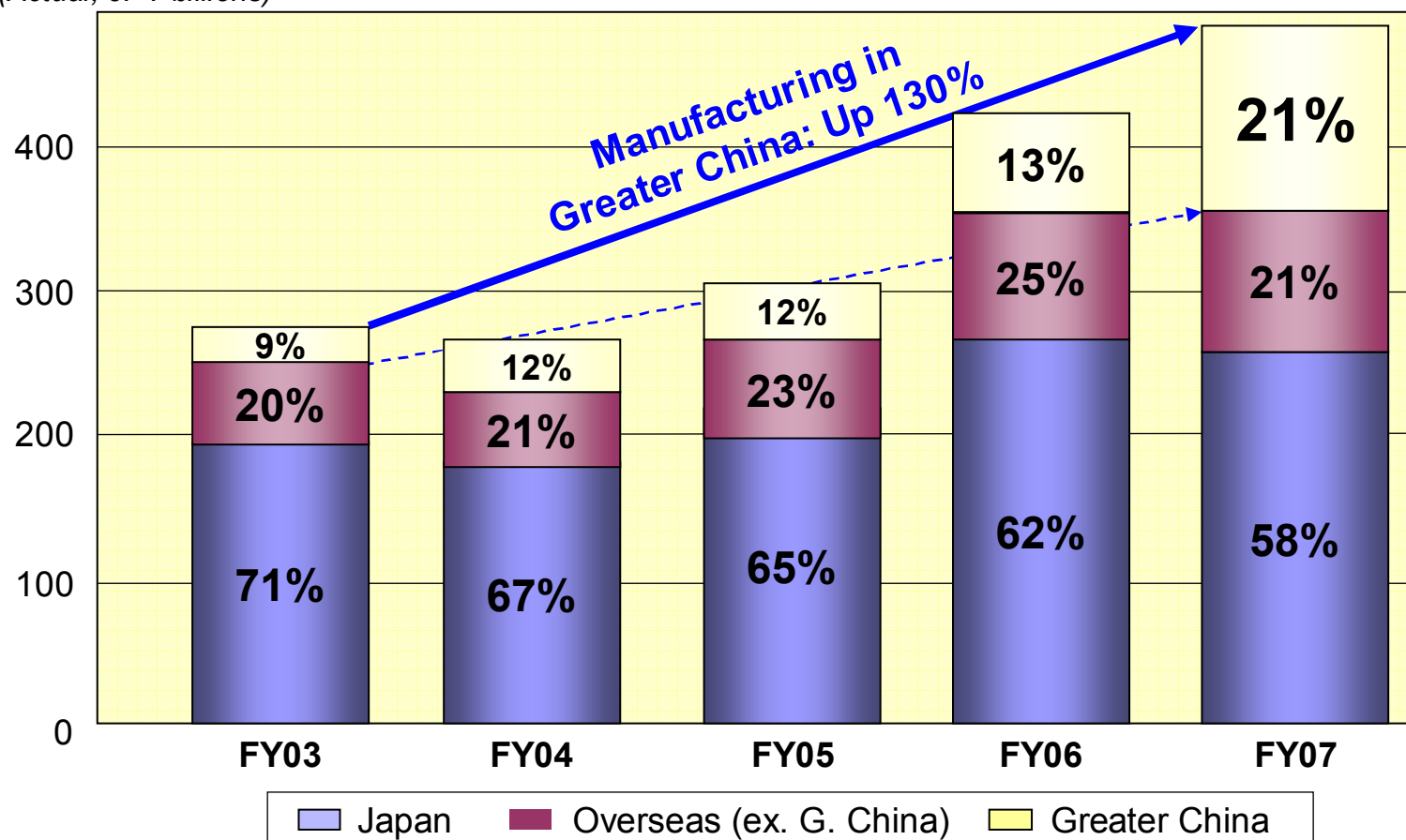
Sales jumped year on year by 28%,  
but not enough to mark initial 2<sup>nd</sup>-stage mid-term goal

(Actual, USD millions)

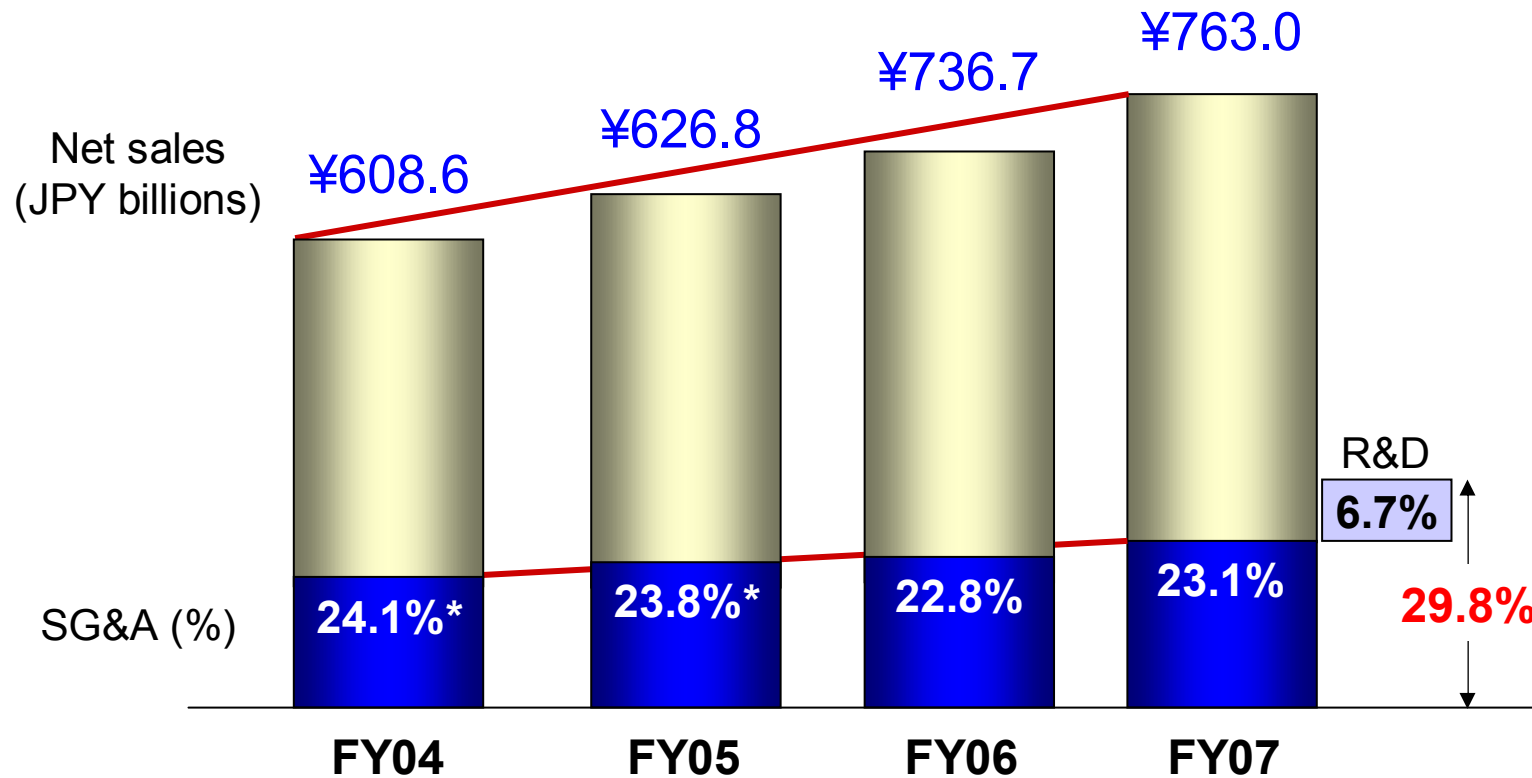


## Steady production shift to Greater China

(Actual, JPY billions)



**FY07 SG&A and R&D expenses down to less than 30% of sales**



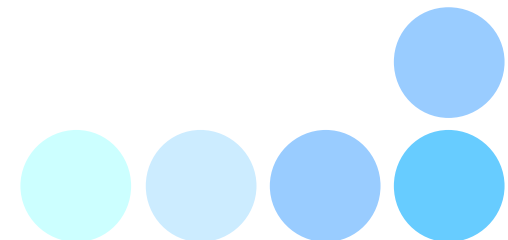
\* FY04 excludes expenses for restricted hazardous chemicals and ATM business.

\* FY05 excludes expenses for restricted hazardous chemicals.

\* FY02-06 figures include sales of discontinued operation.



## **3. Business Plans for the Fiscal Year Ending March 31, 2009 (FY08)**



## Management Policy






Securing a foothold for sustainable growth

## Basic Stance

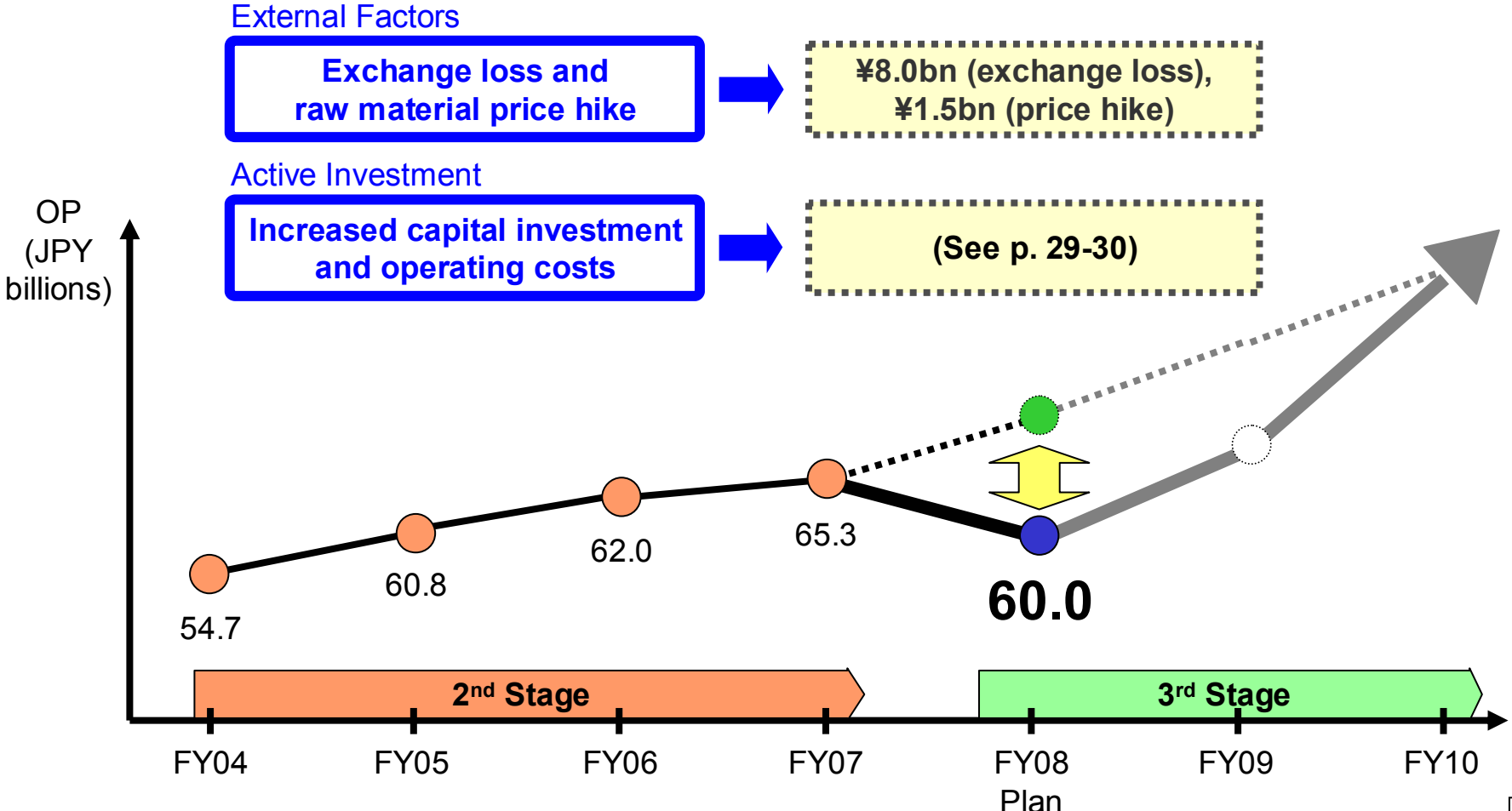
Make necessary investments to build a mechanism for sustainable growth – a milestone on our way to achieving the profit and growth structures we aim to build in the 3<sup>rd</sup> stage of GD2010\* – and promote management structure reform

\* GD (Grand Design) 2010:  
Omron's long-term management plan, covering the ten years from April 2001 through March 2011.

**Expected worsening of consumption and capital investment, due to increased economic uncertainty triggered by oil & raw materials price hike, US economy slowdown, strong yen and weak US dollar**

Business	Major Sector(s)	Forecast	Forecast Highlights
<b>IAB</b>	Auto, semi-conductors, Elec. components (Facility investment)		<ul style="list-style-type: none"> <li>• Japan: Increasing uncertainty over semiconductor and IT-related industries</li> <li>• Increased anxiety over effects of slowing US economy and monetary restraint policy in China</li> </ul>
<b>ECB</b>	Communications, home electronics, housing equipment		<ul style="list-style-type: none"> <li>• Challenging, due to strong yen and high raw material costs</li> <li>• Demand for home electronics and housing equipment likely to drop due to decline in new home construction</li> </ul>
<b>AEC</b>	Automotive		<ul style="list-style-type: none"> <li>• Total car production volume up on a global basis, with manufacturing sites shifting from leading economies to China, South America and other Asian nations</li> <li>• Hit hard by raw material price hike and stronger Canadian dollar</li> </ul>
<b>SSB</b>	Road management, transportation, security		<ul style="list-style-type: none"> <li>• Market stable after peak in demand for IC cards</li> <li>• Emergence of a new market sector to meet demand for security</li> </ul>
<b>HCB</b>	Healthcare		<ul style="list-style-type: none"> <li>• Health consciousness still high in leading economies in spite of concern over economic downturn and weaker consumption</li> <li>• Health consciousness on the rise in emerging/developing countries with stronger buying power</li> </ul>

**External environment (market/ business trends) challenging in FY08, but Omron will continue to make investments to reinforce its businesses in order to ensure mid-term growth**



**Plan to invest approx. ¥18bn in new facilities to reinforce operations and ensure future growth**

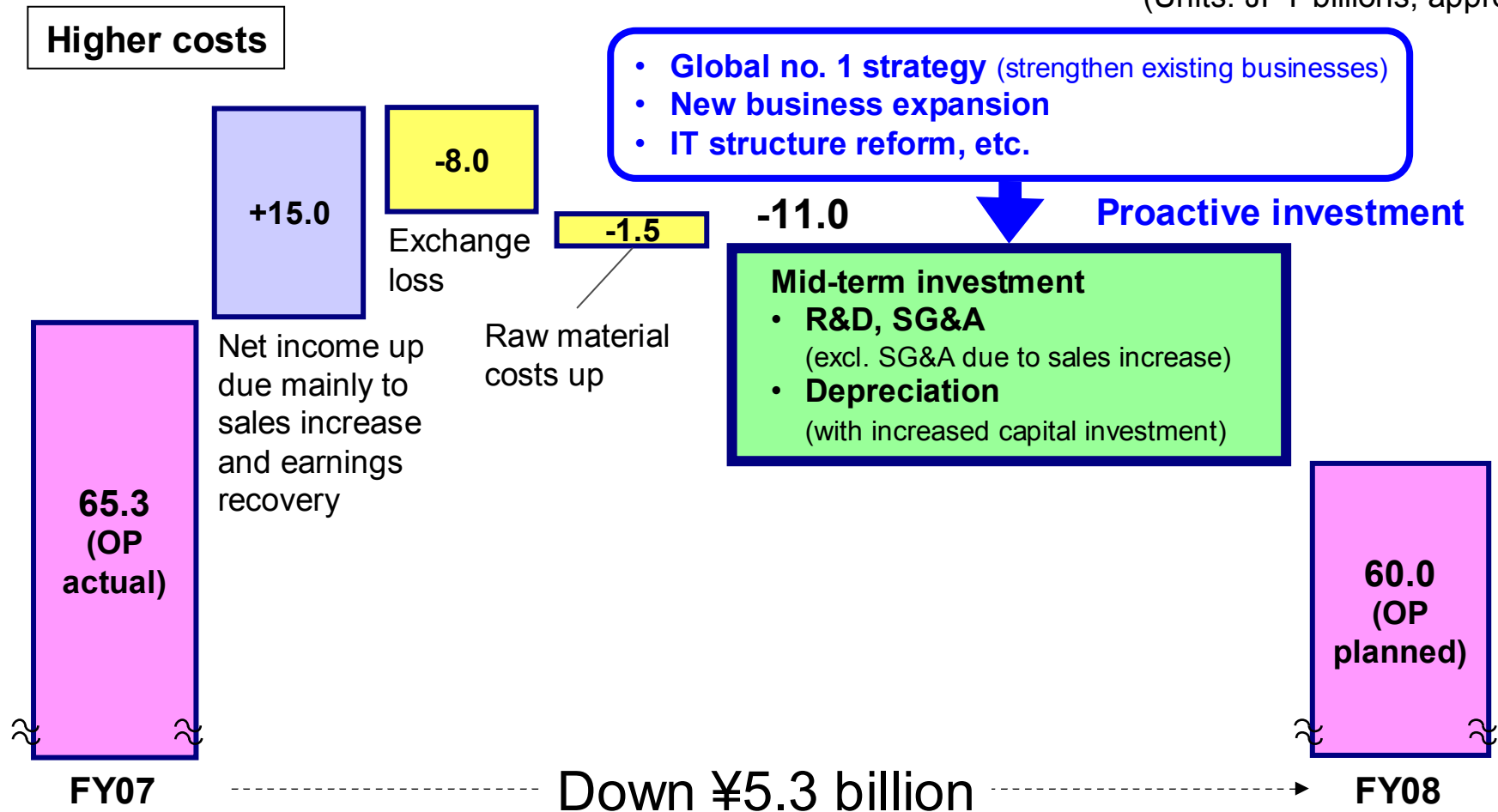
**Increased capital investment**

(Units: JPY billions, approx.)



**Plan to invest approx. ¥11bn to strengthen existing businesses and expand new businesses**

(Units: JPY billions, approx.)



Eyeing slight increase in sales in challenging environment  
 Operating income to drop due to exchange loss, raw material cost hike  
 and continuing investment aimed at ensuring future growth

(Units: JPY billions)

	FY07 Actual	FY08 Plan	Yr/Yr %
Net sales	763.0	<b>780.0</b>	102.2%
Gross profit	293.3	<b>300.5</b>	102.4%
SG&A	176.6	<b>183.5</b>	103.9%
R&D	51.5	<b>57.0</b>	110.6%
Operating income	65.3	<b>60.0</b>	91.9%
NIBT	64.2	<b>59.0</b>	91.9%
NIAT	42.4	<b>36.5</b>	86.1%
EPS	185.89	<b>164.65</b>	88.6%
<Exchange Rates>			(1 JPY)
USD	114.1	<b>100.0</b>	<b>-14.1</b>
EUR	161.9	<b>155.0</b>	<b>-6.9</b>

Sales growth expected at 2% (Japan: +5%, overseas: -1%)  
Eyeing business growth in IAB, SSB and HCB

(Units: JPY billions)

Japan & Overseas	FY07 Actual	FY08 Plan	Yr/Yr %
Japan	365.9	<b>385.0</b>	105.2%
Overseas*	397.1	<b>395.0</b>	99.5%
Total	763.0	<b>780.0</b>	102.2%

\*Includes direct exports

Business	FY07 Actual	FY08 Plan	%
IAB	328.8	<b>337.5</b>	102.6%
ECB	154.2	<b>154.5</b>	100.2%
AEC	107.5	<b>108.5</b>	100.9%
SSB	85.2	<b>90.0</b>	105.6%
HCB	71.6	<b>74.0</b>	103.4%
Others	15.7	<b>15.5</b>	99.1%
Total	763.0	<b>780.0</b>	102.2%



**SSB up, HCB unchanged and other businesses down**

(Units: JPY billions)

Business	FY07 Actual	FY08 Plan	Yr/Yr %
IAB	51.9	<b>50.0</b>	96.3%
ECB	12.6	<b>11.5</b>	91.0%
AEC	1.4	<b>0.5</b>	35.5%
SSB	7.0	<b>8.0</b>	113.6%
HCB	9.4	<b>9.5</b>	101.0%
Others	0.1	<b>0.0</b>	-
HQ Cost/ Elimination	<b>-17.1</b>	<b>-19.5</b>	113.0%
Total	65.3	<b>60.0</b>	91.9%

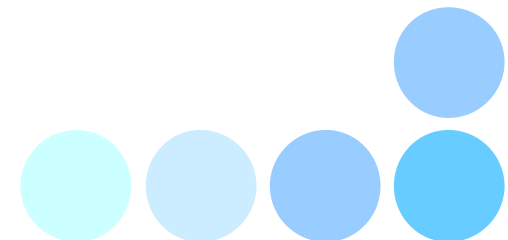
Up by 10% overall, with all businesses increasing investment aimed at growth

(Units: JPY billions)

Business	FY07 Actual	FY08 Plan	Yr/Yr %
IAB	19.5	<b>21.0</b>	107.9%
ECB	8.2	<b>9.0</b>	109.9%
AEC	8.3	<b>8.5</b>	102.4%
SSB	2.6	<b>4.0</b>	151.6%
HCB	4.3	<b>5.5</b>	127.4%
HQ and Others	8.6	<b>9.0</b>	104.6%
Total	51.5	<b>57.0</b>	110.6%

## Reference

- **Depreciation Costs & Capital Investment Plans**
- **GD2010 3<sup>rd</sup> Stage Key Strategies**
- **Exchange Rates and Raw Material Prices**
- **Dividends, Stock Repurchases and Cancellation**



**Up approx. 10% year on year overall, with all businesses increasing capital investment**

(Units: JPY billions)






Business	FY07 Actual	FY08 Plan	Yr/Yr %
IAB	11.7	<b>12.5</b>	106.8%
ECB	10.5	<b>12.0</b>	114.7%
AEC	8.0	<b>8.5</b>	105.8%
SSB	3.3	<b>3.5</b>	106.5%
HCB	1.1	<b>1.5</b>	133.1%
HQ	1.7	<b>2.0</b>	115.6%
Total	36.3	<b>40.0</b>	110.1%

Up approx. 50% year on year overall, with all businesses increasing investment aimed at growth

(Units: JPY billions)

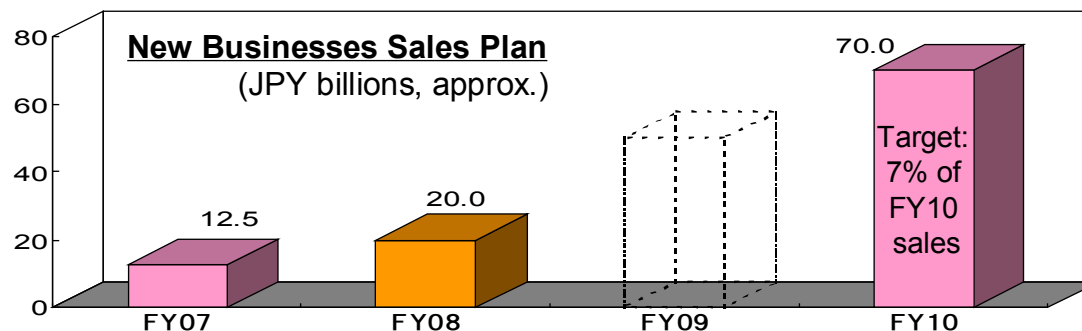
Business	FY07 Actual	FY08 Plan	Yr/Yr %
IAB	6.6	<b>10.0</b>	151.0%
ECB	13.7	<b>22.0</b>	160.5%
AEC	8.7	<b>9.5</b>	108.7%
SSB	1.3	<b>2.0</b>	153.2%
HCB	2.5	<b>2.5</b>	101.9%
HQ and Others	5.0	<b>10.0</b>	199.0%
Total	37.8	<b>56.0</b>	148.0%

**Continued investment to reinforce existing businesses**

Category	Key Tasks	Category	Key Tasks
<p><u>Relays</u></p> 	<ul style="list-style-type: none"> <li>• Shift to mother factory &amp; optimal-site production</li> <li>• Development of inter-business technologies</li> <li>• Consider integrated global purchasing</li> </ul>	<p><u>QLM (automated optical inspection systems)</u></p> 	<ul style="list-style-type: none"> <li>• Setting up a framework to promote global business</li> </ul>
<p><u>Safety equipment</u></p> 	<ul style="list-style-type: none"> <li>• M&amp;A synergy acceleration (OSTI)</li> <li>• Accelerated global business expansion</li> <li>• Further improvements in sensor technology</li> </ul>	<p><u>Micro PLCs</u></p> 	<ul style="list-style-type: none"> <li>• Strengthening R&amp;D/manufacturing at OMS</li> <li>• Setting up a framework to promote global business</li> </ul>
<p><u>LCD backlights</u></p> 	<ul style="list-style-type: none"> <li>• M&amp;A synergy acceleration (OPT)</li> <li>• Manufacturing process innovation</li> <li>• Accelerated shift to mid-sized backlights</li> </ul>	<p><u>EPS</u></p> 	<ul style="list-style-type: none"> <li>• Launch of platform-type products</li> <li>• Optimal site production improvement</li> </ul>
<p><u>Blood pressure monitors</u></p> 	<ul style="list-style-type: none"> <li>• Optimal site production</li> <li>• Increase in the number of newly launched items</li> </ul>	<p><u>Body composition monitors</u></p> 	<ul style="list-style-type: none"> <li>• Proactive efforts to create global manufacturing framework</li> <li>• Revitalization of domestic market</li> </ul>

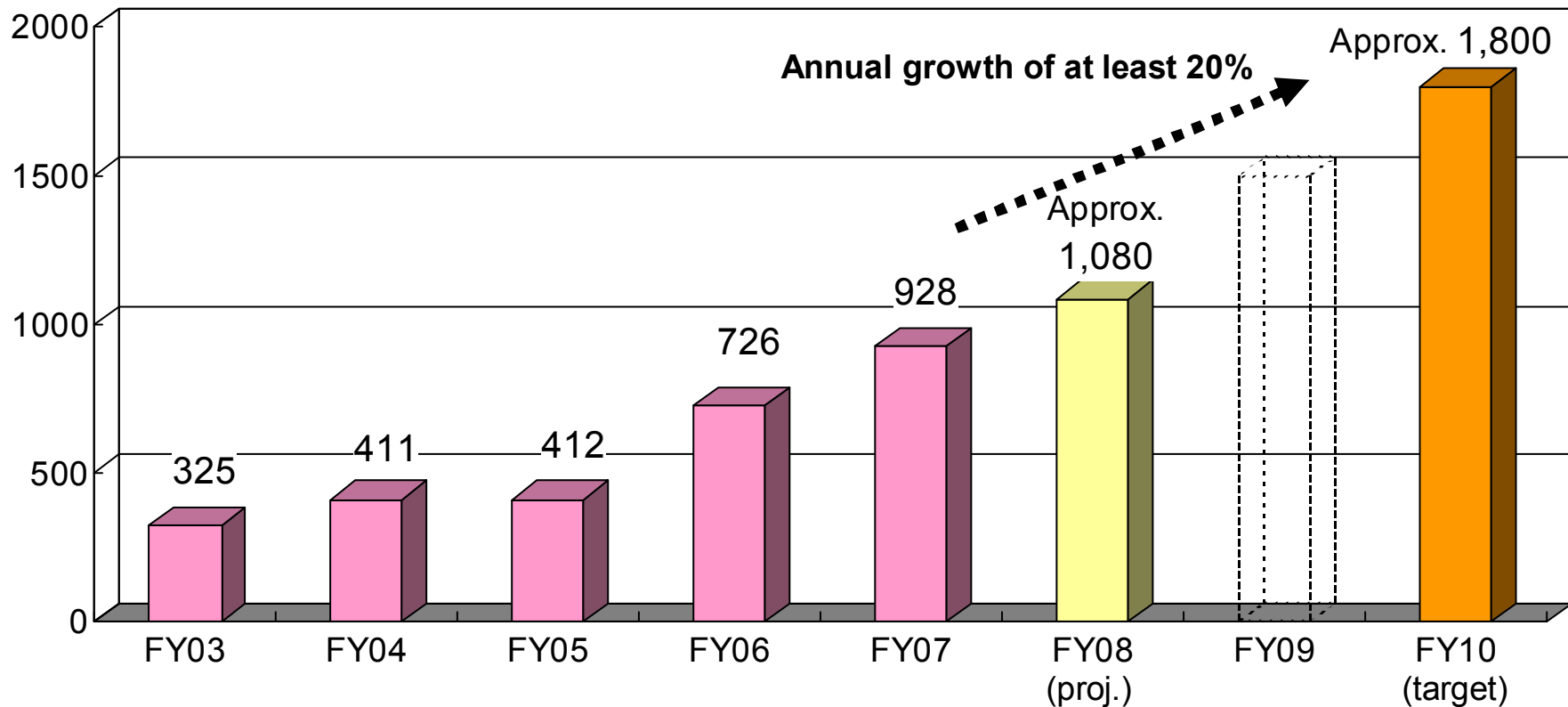
**By looking ahead at business expansion in 10 years and beyond, start up new projects that will make 7% of FY2010 total sales**

Domain			Key Tasks
Security/ safety	Industry	Laser microfabrication	Capitalize on OLFT merger.
		MEMS (Micro Electro Mechanical Systems)	MEMS microphones. Reinforced development, manufacturing at OSC.
	Society	Face recognition systems	Enhance face recognition/search systems.
		Social sensors	Search for new demand, strengthen technology and product development.
Healthcare	Online healthcare management	Develop net-enabled products.	
Environment/energy	Energy consumption measurement	Develop highly accurate measurement technology.	
	Solar power conditioners	Develop core technology.	



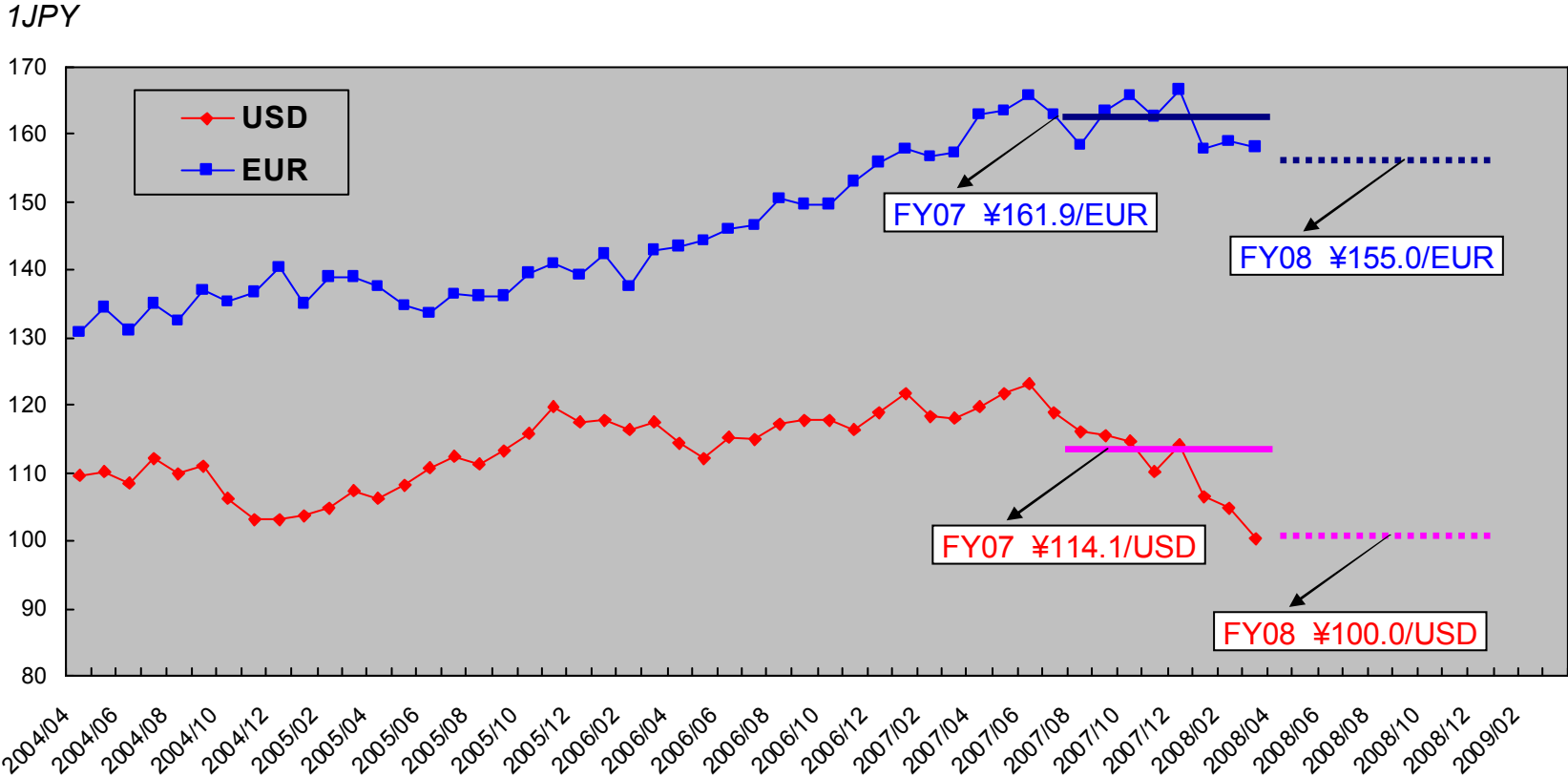
**Maintain high growth of at least 20% annually to achieve USD 1,800mil in 2010**

Units: USD millions

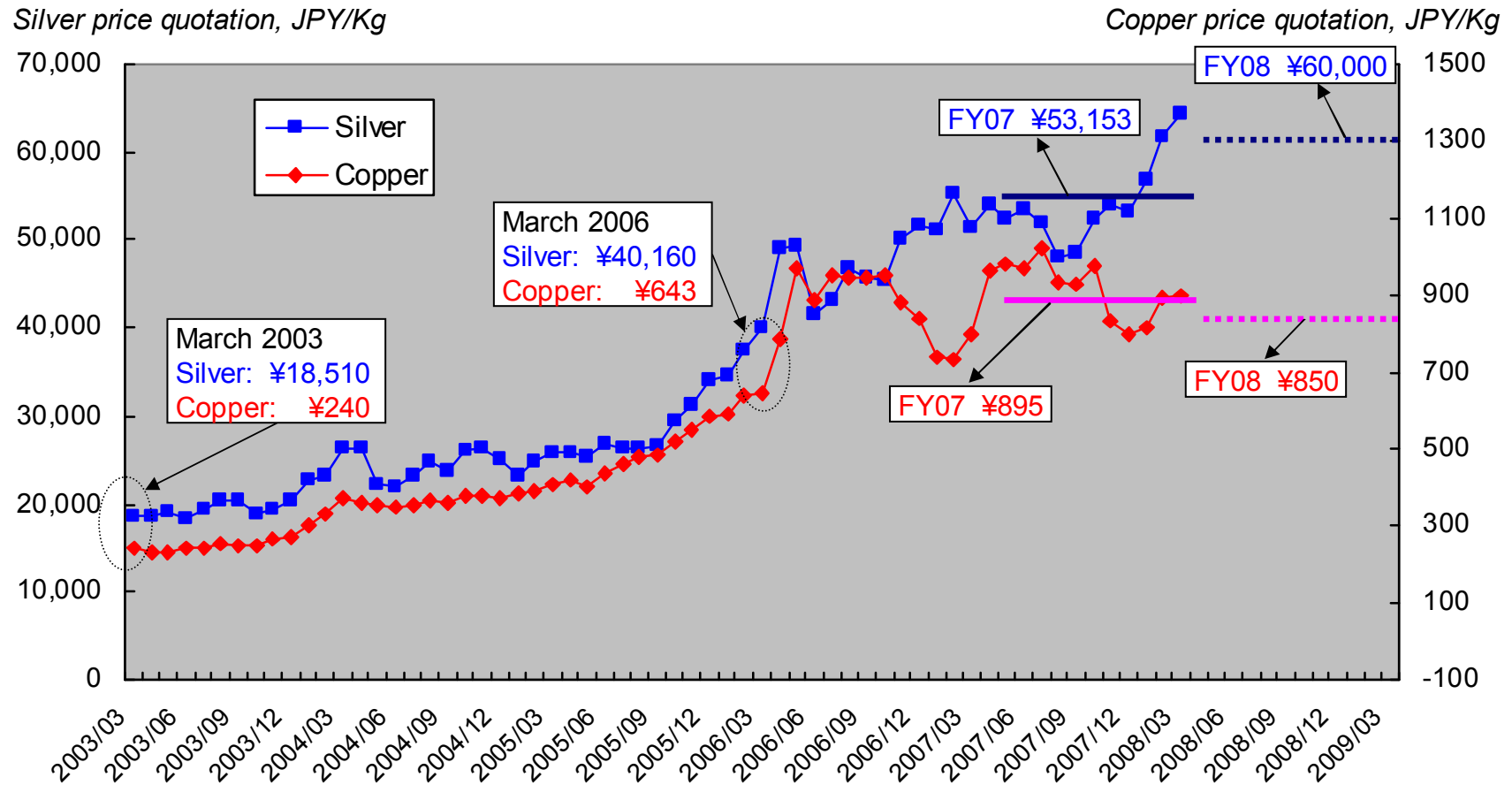




**USD: Down since second half of 2007**  
**EUR: Continuously strong since second half of 2006**



**Silver: Soaring since second half of 2007**  
**Copper: Remaining high since FY06**



**FY07 dividend plan: Total of ¥42 with ¥5 commemorative to mark Omron's 75<sup>th</sup> anniversary.**

**Omron will aim to maintain the payout ratio at a minimum of 20% and DOE of 2%.**

#### Basic Policy on the Distribution of Profits

- (1) In order to maximize corporate value over the long term, **internal capital resources will be secured** for measures that will increase corporate value.
- (2) After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to shareholders to the maximum extent possible.
- (3) For dividends in fiscal 2007 and every year thereafter, **OMRON's policy will be to enhance stable, uninterrupted profit distributions by taking into account consolidated results as well as indicators including dividends on equity (DOE).**
- (4) OMRON will aim to maintain **the payout ratio at a minimum of 20% and make profit distributions with a near-term DOE target of 2%.**
- (5) Utilizing retained earnings that have been accumulated over a long period of time, OMRON intends to systematically repurchase and retire the Company's stock to benefit shareholders.

Term	Dividend Per Share				Annual
	Interim	Year-end Total	Ordinary Dividend	Commemorative Dividend	
Dividend	¥17	¥25	¥20	¥5	¥42

	Value	Payout Ratio	DOE
Ordinary	¥37	Approx. 20%	Approx. 2.2%
Ordinary + Commemorative	¥42	Approx. 23%	Approx. 2.5%

Ref: OMRON Announces 75<sup>th</sup> Anniversary Commemorative Dividend (From Jan. 30 disclosure)

Omron plans to pay an ordinary year-end dividend of 20 yen per share in fiscal 2007. The Company also plans to pay a commemorative dividend of 5 yen per share in addition to the ordinary year-end dividend, for a year-end dividend of 25 yen per share.

**Additional treasury stock repurchased from Feb. 1 to Mar. 6, 2008 (6mil shares, approx. ¥13.5bn), followed by cancellation of 10mil shares on Mar. 21**

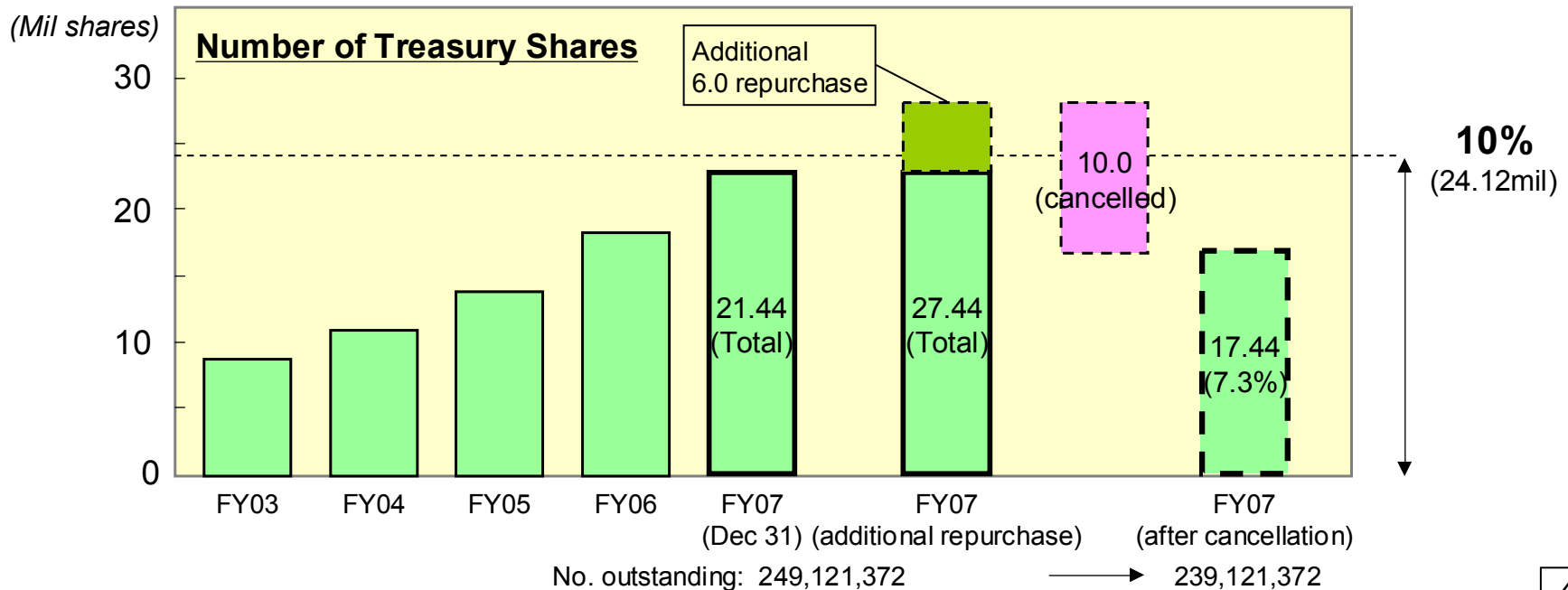
### Additional Treasury Stock Repurchased

- (1) Number of shares: 6 million
- (2) Total cost of shares: Approx. ¥13.5bn
- (3) Period: February 1, 2008 to March 6, 2008



### Treasury Stock Canceled

- (1) Number of shares: 10 million
- (2) Date of cancellation: March 21, 2008
- (3) % of treasury stock after cancellation: 7.3%





# "Best Matching of Machines to People"

## **OMRON Corporation**



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