



OMRON

Sensing tomorrow™

Omron's New Long-Term Strategy “Value Generation 2020”

July 13, 2011

Yoshihito YAMADA, President and CEO
Omron Corporation



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New President



Yoshihito YAMADA: Brief Bio



Yoshihito
YAMADA,
President and
CEO

- Apr. 1984 Joined Tateisi Electric Manufacturing Co.,
currently Omron Corporation
Worked in sales and marketing departments
- Oct. 2001 Vice-President of Omron Healthcare Inc. (USA)
- Apr. 2003 President of Omron Healthcare Europe B.V.
- June 2008 Executive Officer and President and Representative
Director of OMRON Healthcare Co., Ltd.
- Mar. 2010 Senior General Manager of Corporate Strategy
Planning HQ of OMRON Corporation
- June 2010 Managing Officer of the Company
- June 2011 President and Chief Executive Officer of the
Company (to present)



OMRON will Change

New
Management
Team

+

New
Strategies



Taking on the Challenge of Transformation

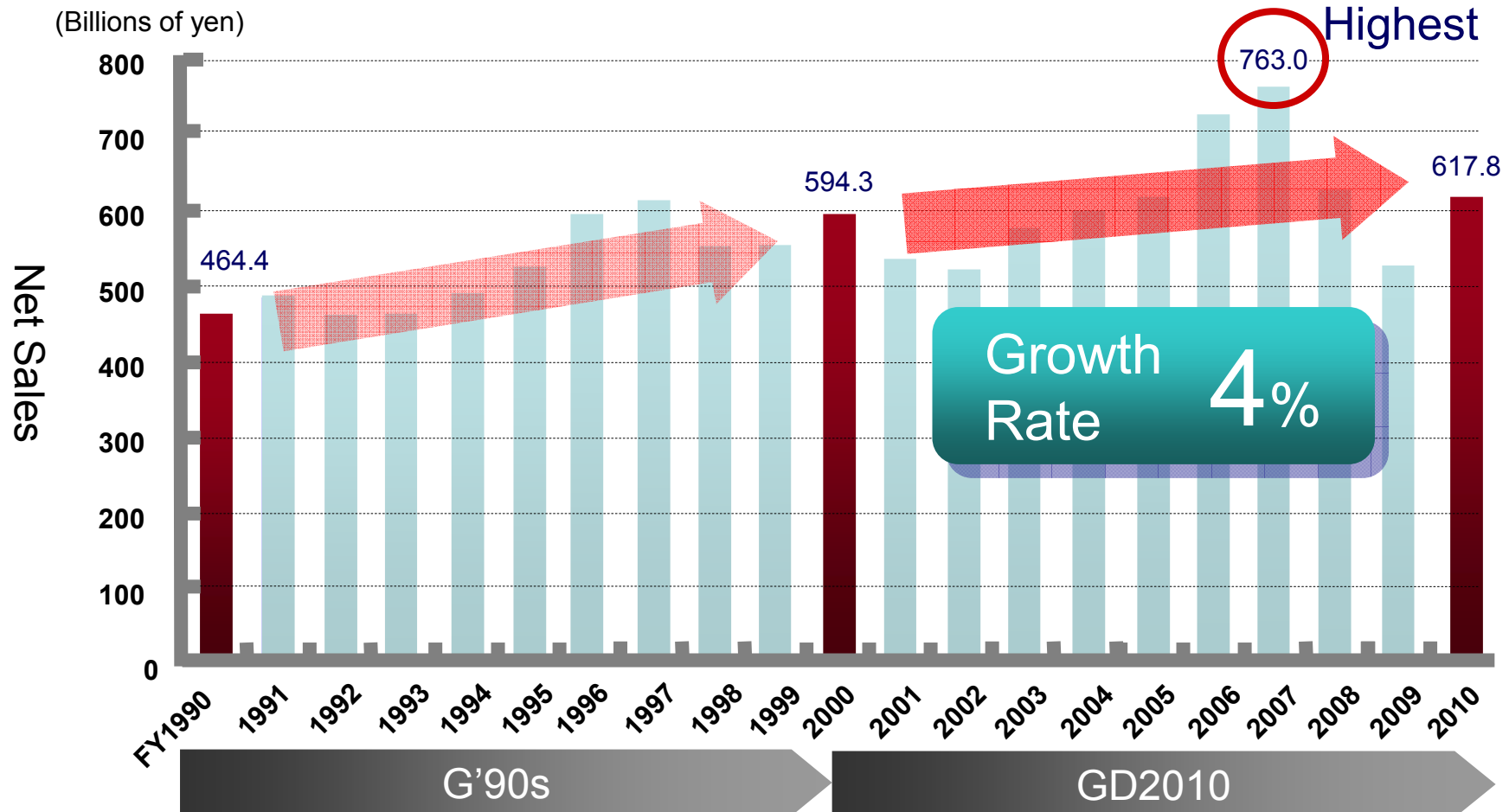


Long-Term Strategy VG2020



Net Sales: FY1990-2010

- Highest in FY2007.
- Growth rate after FY2000 ended lower than expected due to unfavorable external factors.

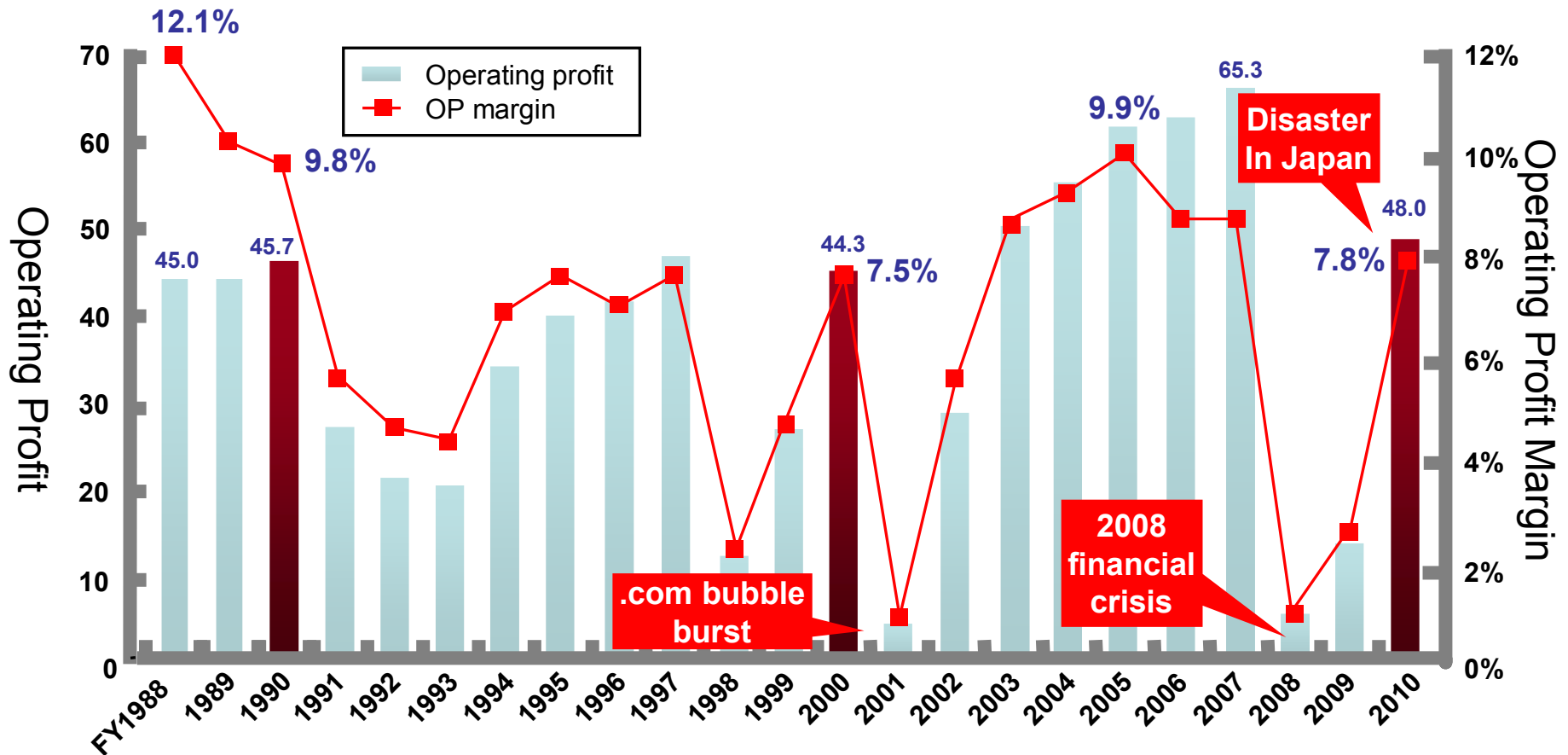




Operating Profit: FY1990-2010

Hit twice by external factors after FY2000 (Dot-com bubble burst and 2008 global financial crisis), but now on the road to recovery as a result of structural reform.

(Billions of yen)





Value Generation 2020



Vision

Sense, Think, and Control
For a brighter future for People & the Earth.

Goals

Qualitative

A global value-creating group that is qualitatively and quantitatively superior

Quantitative

Sales: Over 1 trillion yen
Operating profit margin: 15%



Two Perspectives in VG2020 Strategies

GLOBE & EARTH





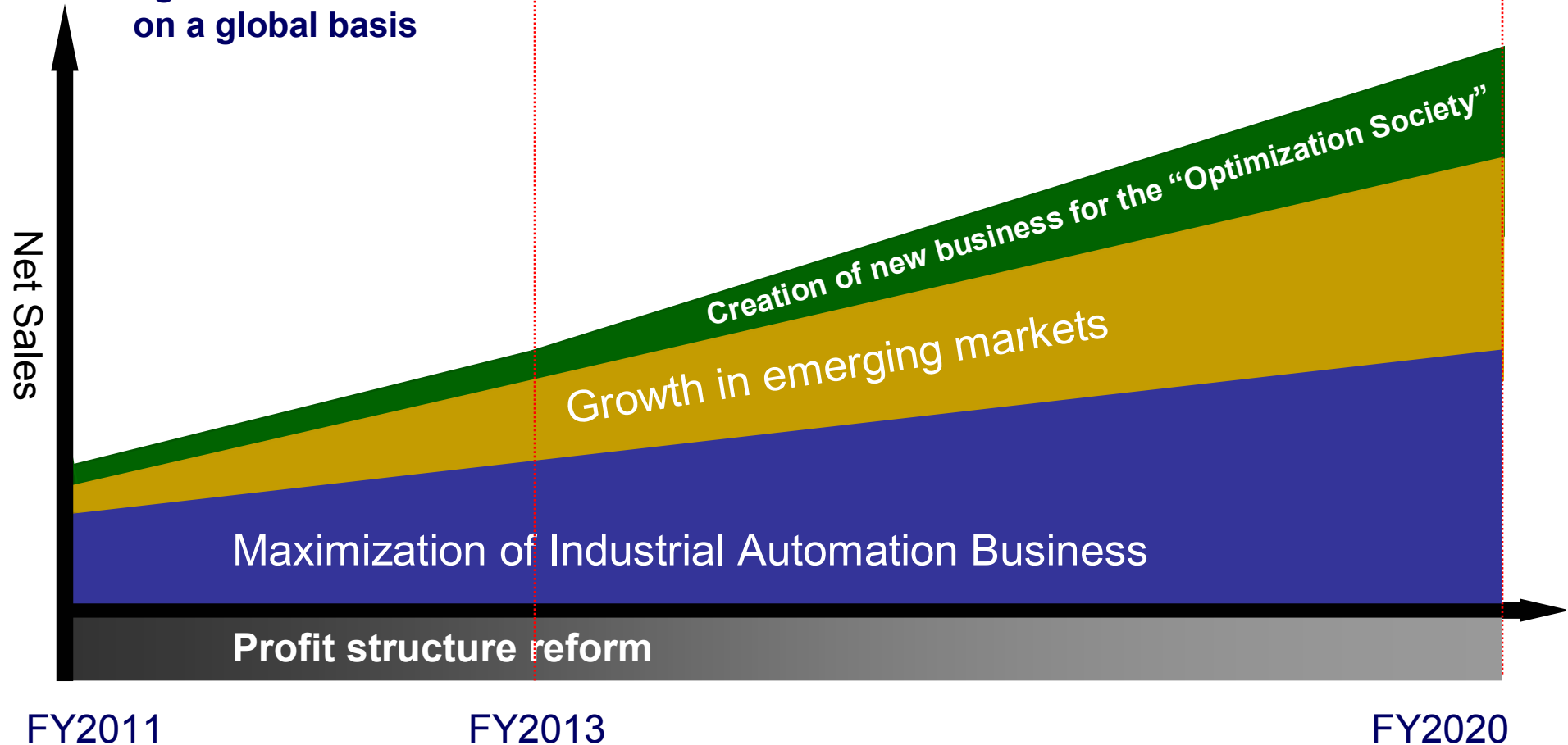
VG2020 Scenario

GLOBE STAGE

Establishment of a profit & growth structure on a global basis

EARTH STAGE

New value generation for growth



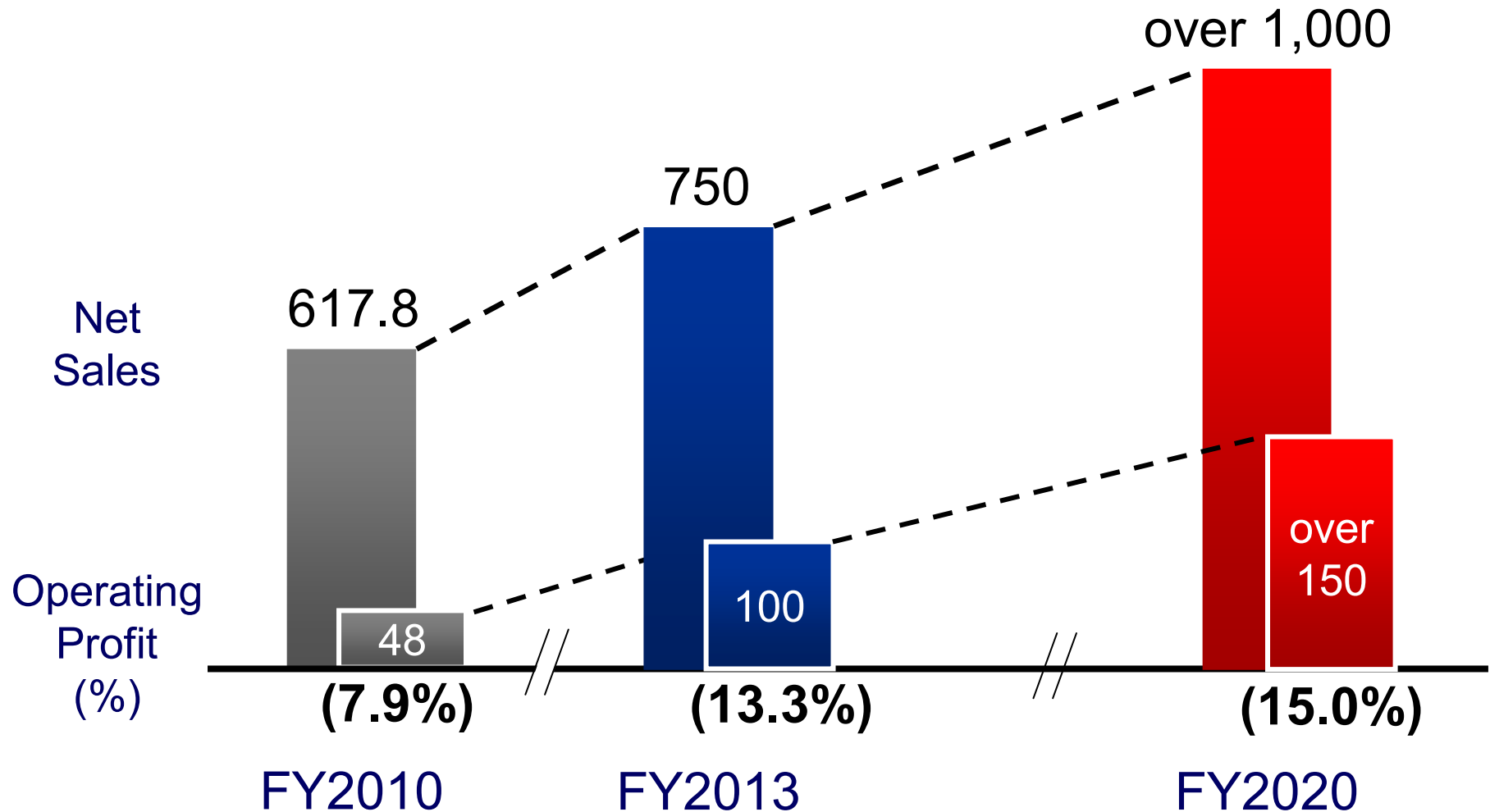


VG2020 Growth Targets

GLOBE STAGE

EARTH STAGE

(Billions of yen)





Midterm Milestones (Globe Stage)



Globe Stage: Goals & Direction

External Environment

Explosive expansion of emerging markets

Greater Earth-conscious social needs

Issues OMRON faces

Growth and profitability to support that growth



Goals

Growth

Reinforcing of IA business

Growth in emerging markets

Focus on business with a global perspective

Profit Base

Profit structure reform for long-term growth

Establishment of global management infrastructure



Globe Stage: Goals & Tasks

Policy

Establishment of global profit & growth structures

Goals

FY2013

Net sales: **¥750** bn; Operating profit: **¥100** bn

OP margin: **13.3%**; ROE: over **15%**

(Assumed exchange rates: 1USD = ¥82; 1EUR = ¥116)

Tasks

1. Reinforcement of Industrial Automation (IA) Business (IAB & EMC)
2. Sales expansion in emerging markets
3. Focus on environmental solutions business
4. Profit structure reform
5. Strengthening global human resources



Task 1: IA (IAB & EMC) Reinforcement

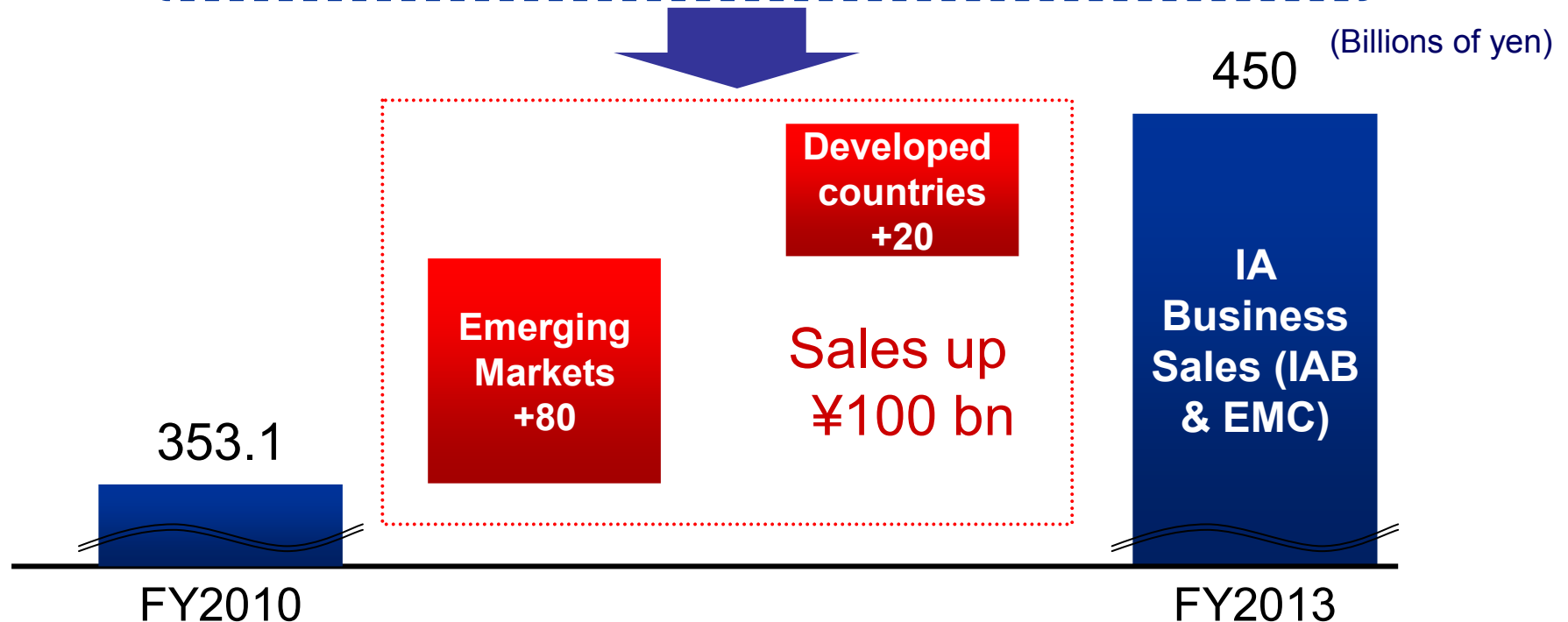
Omron will concentrate on core business of IA to increase sales.

Expansion of automation business

Expansion in emerging markets (especially in China)

Strengthen & expand production to meet surging global demand

Promotion of M&A&A





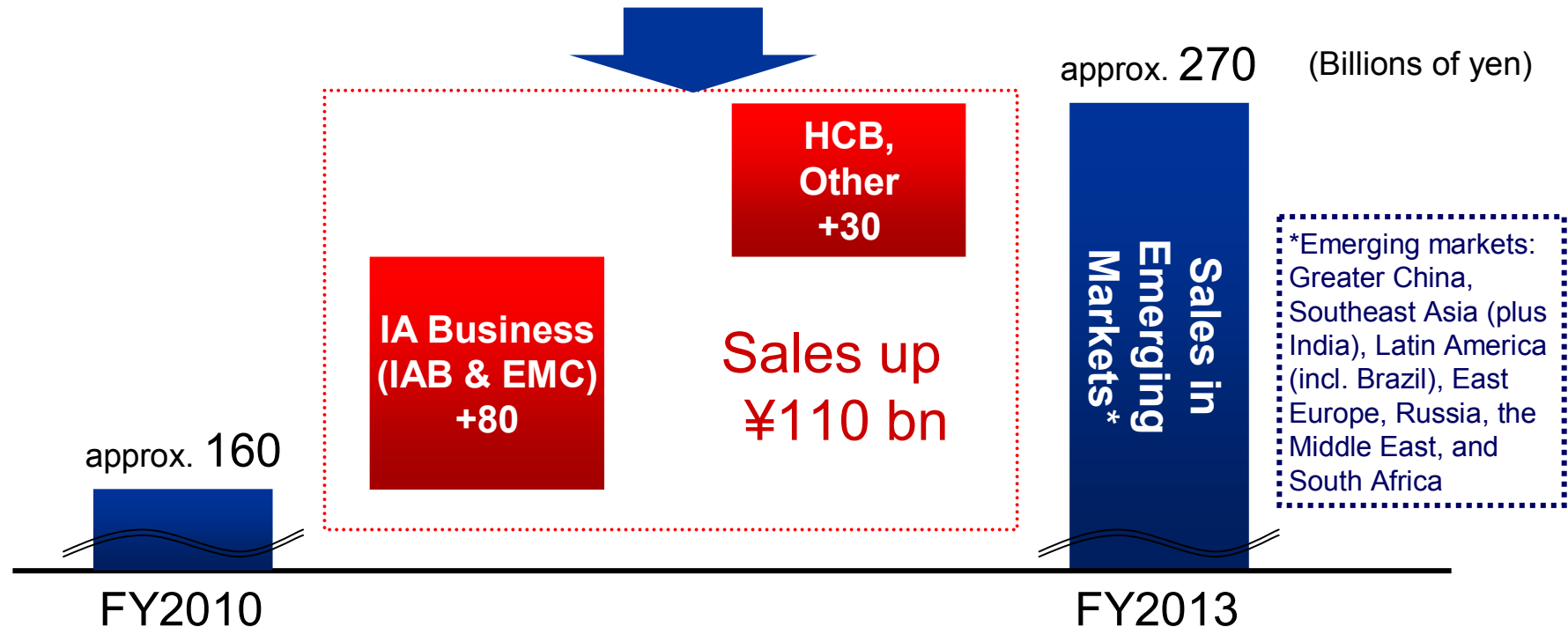
Task 2: Sales Increase in Emerging Markets

Omron will meet surging demand of emerging markets without fail.

Wider range of products aimed at emerging markets (IAB, EMC, HCB)

Stronger sales & marketing

Strengthening the "OMRON" brand in emerging markets





Task 3: Focus on Environmental Solution Business

Omron will meet environment-related social needs with its technologies and solutions.

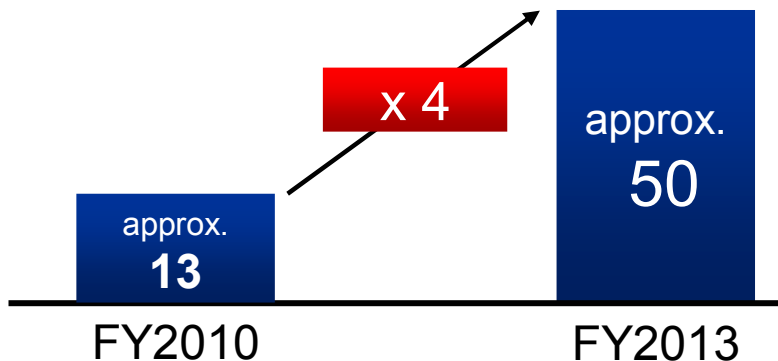
Global marketing of New Energy Creation Business with solar power conditioners as a core

Growth of Energy Saving Business (packaged sales to manufacturers)

Integrated Energy Solution Business to meet future demand for environmental solutions

Group-wide efforts toward environmental solution business

ESB Sales (Billions of yen)
(Omron sales total)



Integrated Energy Solution



Energy Saving

New Energy Creation

Group-wide efforts to meet eco-related demand (e.g. components, devices)

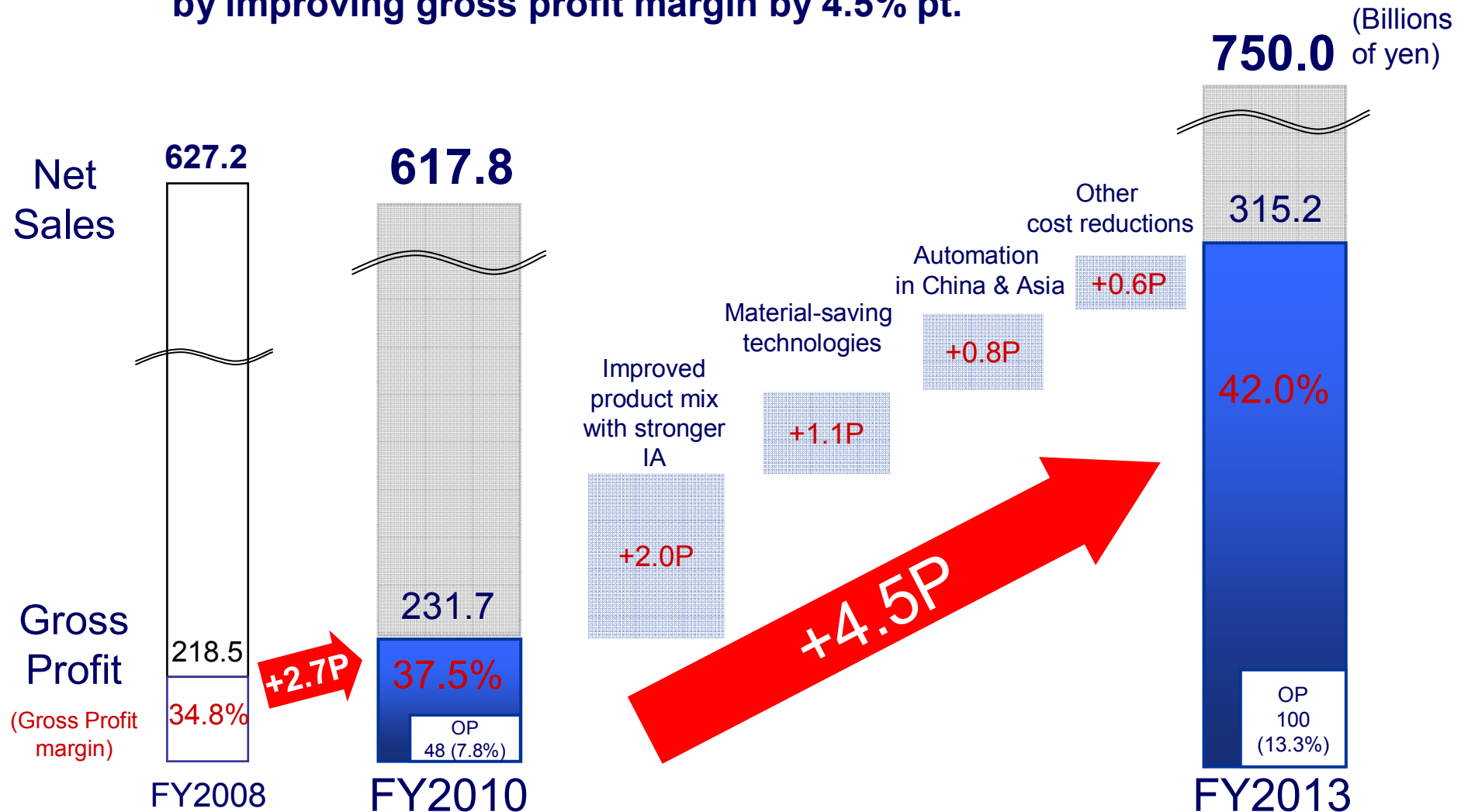


FA equipment, relays and more



Task 4: Profit Structure Reform

Omron will enhance profitability required for growth by improving gross profit margin by 4.5% pt.





Global HR Development & Assignment

to strengthen IA business & operations in emerging markets

Recruit, develop, and assign global business leaders

Establishment of

"Team OMRON" Corporate Culture

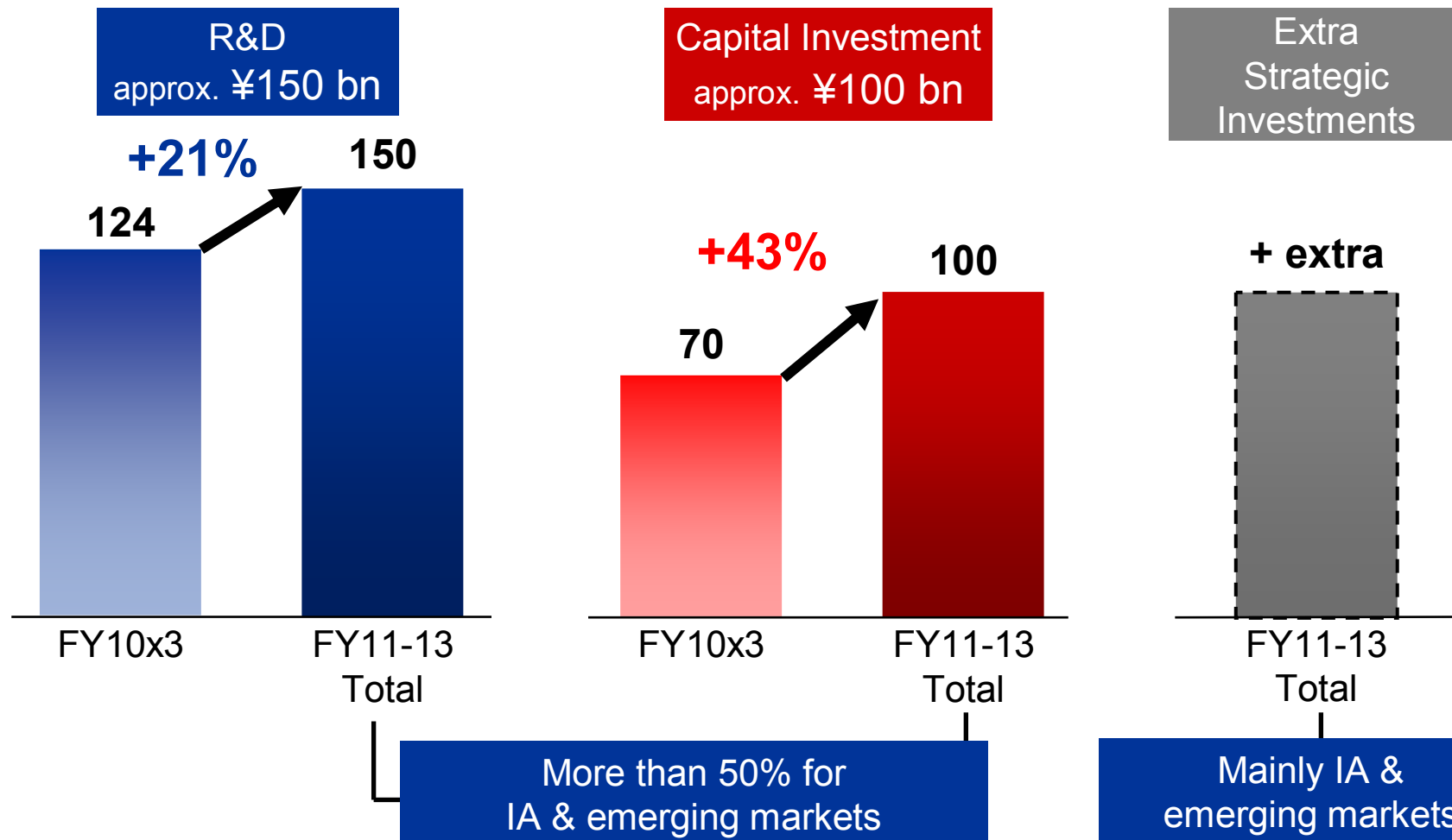
to work together globally and achieve growth

Vision & principles shared by
all OMRON staff around the world



Globe Stage: Investments

Omron will focus R&D expenses, capital investments, and strategic investments (e.g. M&A&A) on IA Business in China and other emerging markers.





Sales Growth by Business

Business Segments	Net Sales (billions of yen)			Focus
	FY2010	FY2013	YoY Growth	
IAB	271.9	355	+9%	Increase sales in emerging markets and improve profitability
EMC	81.2	95	+5%	
AEC	84.3	90	+2%	Maintain and improve profitability
SSB	63.8	75	+6%	<ul style="list-style-type: none"> Establish profit structure Build base for business with future growth potential
HCB	60.6	75	+7%	
Other	49.7	60	+2%	Promote Environmental Solutions Business



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 Company to develop new technologies and products, (iv) major changes in the fundraising environment, (v) tie-ups or cooperative relationships with other companies, (vi) movements in currency exchange rates and stock markets, and (vii) accidents and natural disasters.

Contact:

**Investor Relations Department
Investor Relations Headquarters
Omron Corporation**

Phone : +81-3-6718-3421

E-mail : omron_ir@omron.co.jp

Website (English) : www.omron.com