

**Financial Results
for the Second Quarter
Ended September 30, 2012
(FY12 Q2)**

**October 31, 2012
OMRON Corporation**



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FY12 1H Results



FY12 1H Results Overview

- Omron steadily carried out VG2020 long-term strategy and recorded sales nearly as planned.
- Gross profit margin exceeded initial target by 0.9% pt.
- Operating income achieved the forecast level, even with strategic investments.

(Billions of yen)

	FY12 1H Actual	FY12 1H Forecast	vs. Forecast	FY11 1H Actual	YY
Net sales	304.2	308.5	-1.4%	303.3	+0.3%
Gross profit margin	36.7%	35.8%	+0.9% pt	37.9%	-1.2% pt
Operating income	18.0	15.5	+16.1%	22.7	-20.8%
Net Income attributable to shareholders	12.3	9.5	+29.2%	13.0	-5.6%



Consolidated P/L

➤ Gross profit margin of 36.7% exceeded initial forecast of 35.8%.

(Billions of yen)

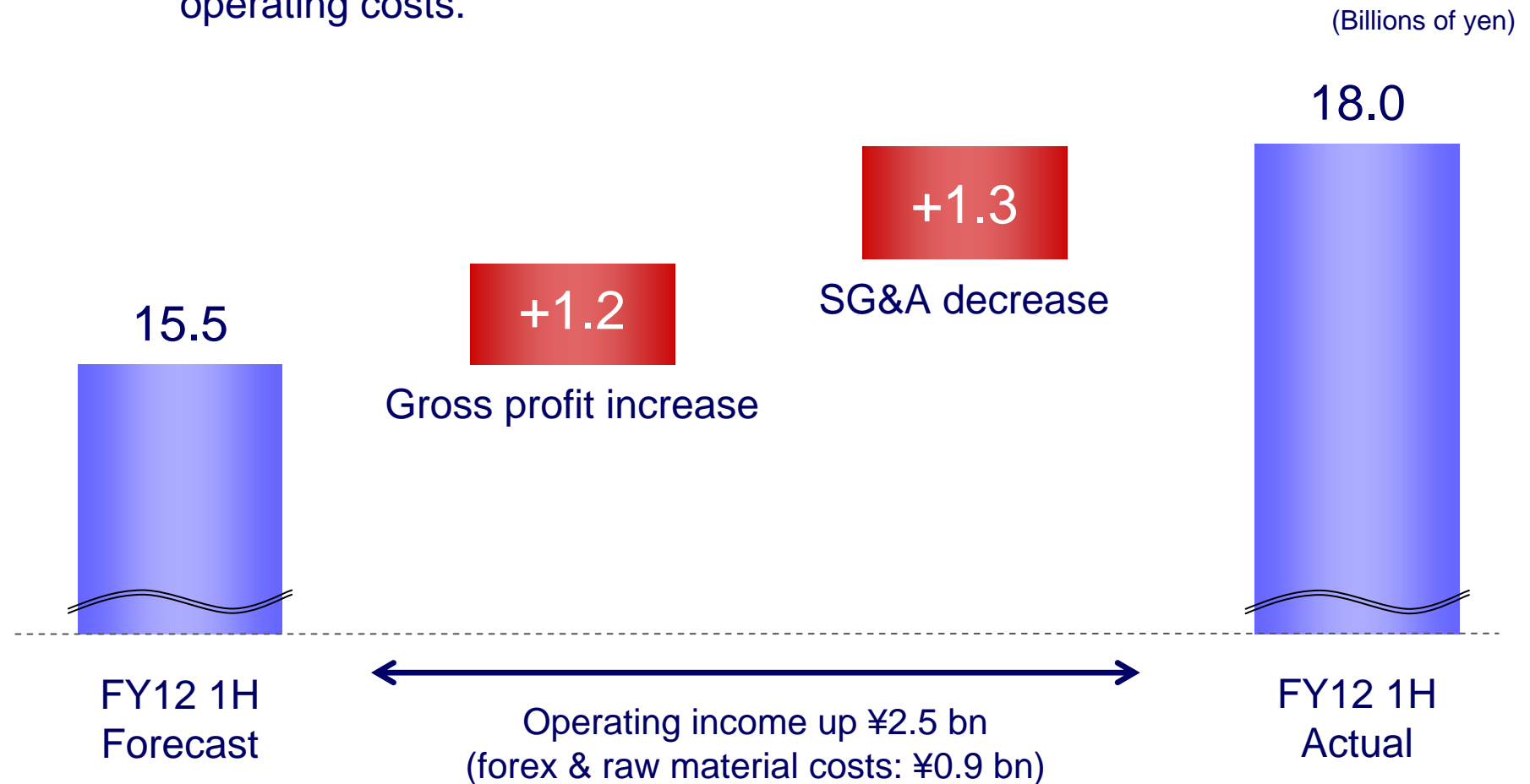
	FY12 1H Actual	FY12 1H Forecast	vs. Forecast	FY11 1H Actual	Y/Y
Net sales	304.2	308.5	-1.4%	303.3	+0.3%
Gross profit (%)	111.7 (36.7%)	110.5 (35.8%)	+1.1% (+0.9% pt)	115.0 (37.9%)	-2.8% (-1.2% pt)
SG&A	72.1	73.5	-1.9%	71.6	+0.7%
R&D	21.6	21.5	+0.6%	20.7	+4.4%
Operating income (%)	18.0 (5.9%)	15.5 (5.0%)	+16.1% (+0.9% pt)	22.7 (7.5%)	-20.8% (-1.6% pt)
Non-operating income (loss), net	0.8	1.0	-23.0%	1.6	-53.0%
NIBT	17.2	14.5	+18.8%	21.1	-18.3%
Net income attributable to shareholders	12.3	9.5	+29.2%	13.0	-5.6%

1USD (JPY)	79.4	78.0	+1.4	79.7	-0.3
1EUR (JPY)	101.1	104.0	-2.9	114.1	-13.0
Copper (JPY/kg)	686	700	-14	759	-73
Silver (JPY/kg)	77,833	87,000	-9,167	98,485	-20,652



Operating Income Analysis (vs. Apr. Forecast)

- OP outnumbered April forecast, as we steadily made strategic investments, reformed profit structure, and carefully managed operating costs.

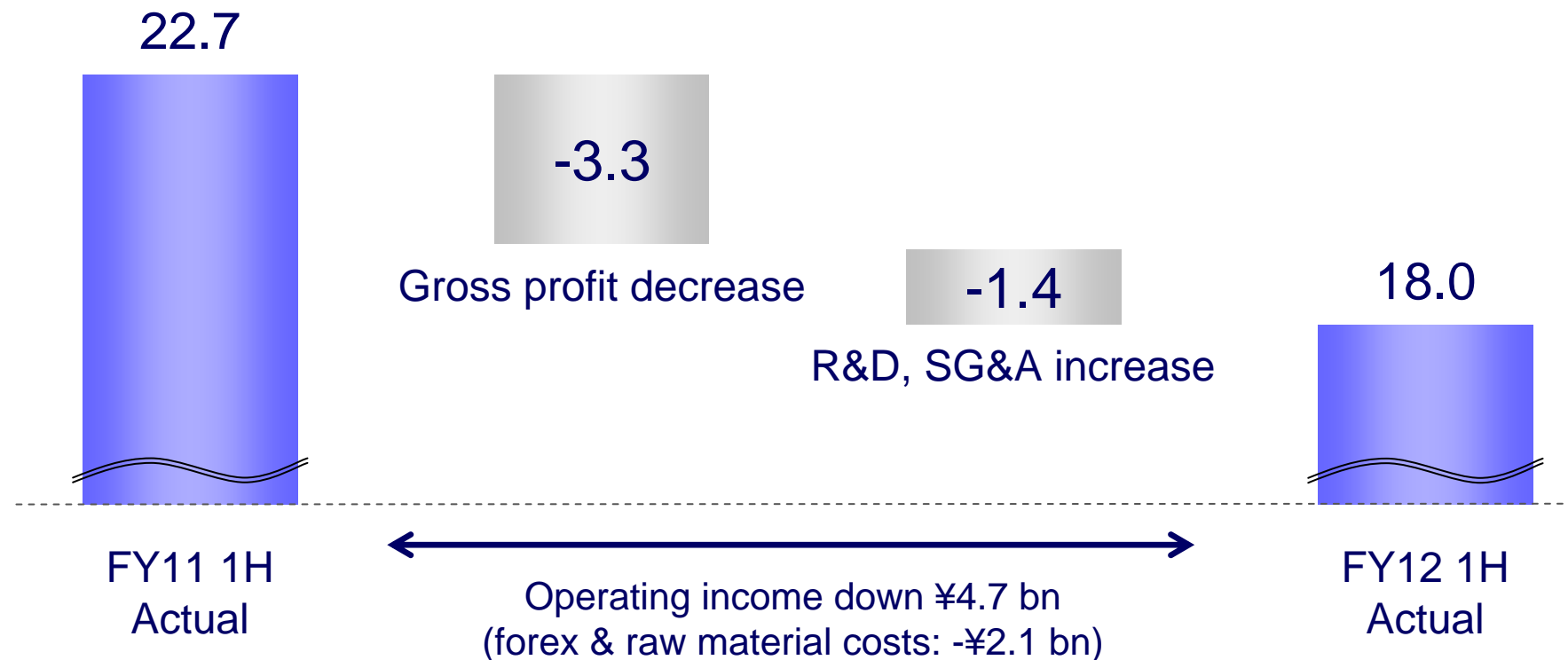




Operating Income Analysis (Y/Y)

- OP down Y/Y due to last year's temporary demand increase for industrial automation after the earthquake in Japan.

(Billions of yen)





Consolidated B/S

➤ Inventory well-managed at FY11 year-end level.

(Billions of yen)

	Sept. 30, 2012	Mar. 31, 2012	(Ref. Sept. 30, 2011)
Assets	514.7	537.3	519.2
Cash and cash equivalents	49.5	45.3	45.2
Notes and accounts receivable - trade	121.1	141.1	117.1
Inventories	92.4	92.3	99.2
Deferred income taxes, other current assets	28.4	29.5	30.0
Property, plant and equipment	118.9	120.7	115.6
Investments and other assets	104.4	108.5	112.1
Liabilities	195.3	215.6	211.2
Short-term debt	13.7	18.8	15.4
Long-term debt	0	0	0
Notes and accounts payable - trade	69.9	79.3	76.7
Termination and retirement benefits	58.6	60.4	62.3
Other liabilities	53.1	57.1	56.8
Net Assets	319.4	321.7	308.0
Common stock and retained earnings	443.0	433.8	433.5
Accumulated other comprehensive income (loss)	-80.4	-68.4	-81.8
Treasury stock	-44.5	-44.5	-44.6
Non controlling interests	1.3	0.8	0.9
Total Liabilities and Shareholders' Equity	514.7	537.3	519.2



Consolidated Cash Flows

- FCF up due to increase in operating activities, while we steadily carried out investments for growth.

(Billions of yen)

	FY2012 1H	FY2011 1H	(Ref. FY2011)
Operating activities	27.0	18.4	31.9
Investing activities	-13.9	-11.6	-26.5
Free cash flow	13.1	6.8	5.4
Financing activities	-7.4	-33.6	-33.5
Effect of exchange rate changes on cash and cash equivalents	-1.5	-2.7	-1.5
Net increase/decrease in cash and cash equivalents	4.2	-29.5	-29.5
Cash and cash equivalents at end of the period	49.5	45.2	45.3
Capital expenditures	14.1	12.8	27.5
Depreciation and amortization	10.7	10.7	22.6

*Capital investment is represented as capital expenditures on the consolidated cash flow statement.



Sales by Segment

- Top line almost as planned. Omron demonstrated its strength in its business-mix operation, making up for IAB's slow performance.

(Billions of yen)

	FY2012 1H Actual	FY12 1H Forecast	vs. Forecast	YY
IAB Industrial Automation	129.9	133.0	-2.3%	-9.3%
EMC Electronic & Mechanical Components	42.6	43.0	-0.9%	+4.5%
AEC Automotive Electronic Components	47.3	47.0	+0.5%	+18.0%
SSB Social Systems, Solutions & Service	23.5	21.0	+11.8%	+14.8%
HCB Healthcare	32.6	31.0	+5.0%	+10.9%
Other	25.5	31.0	-17.9%	-2.8%
Eliminations & Corporate	2.8	2.5	+19.0%	-15.2%
Total	304.2	308.5	-1.4%	+0.3%



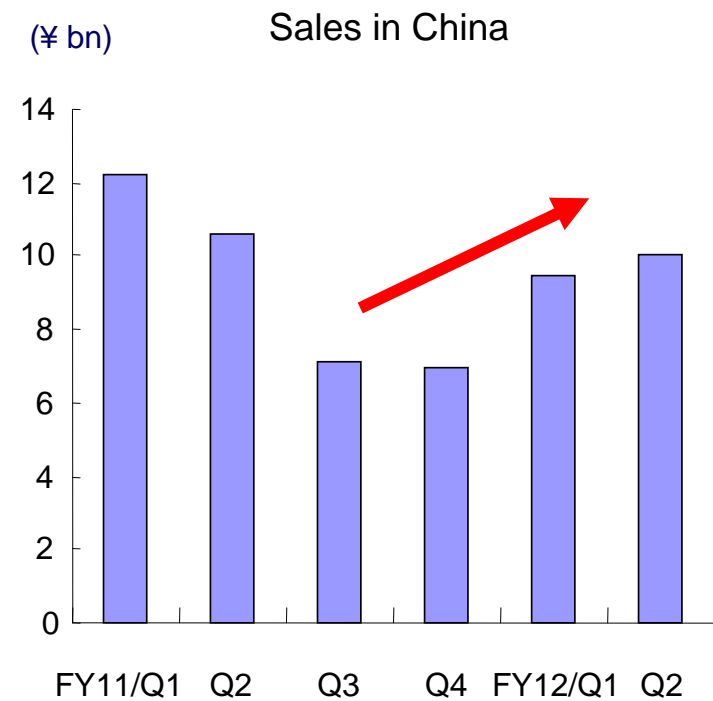
Industrial Automation Sales by Area

- Sales higher than expected in China, as we worked harder to approach local customers, and reinforced sales and marketing.

(Billions of yen)

	FY12 1H Actual	FY12 1H Forecast	vs. Forecast
Japan	58.9	61.2	-3.8%
Americas	16.3	16.3	-0.1%
Europe	23.1	25.5	-9.5%
Greater China	19.5	16.5	+18.1%
Asia Pacific*	12.1	13.5	-10.3%
Total	129.9	133.0	-2.3%

*Asia Pacific includes South Korea





Operating Income by Segment

- Each business segment kept working to improve profitability, lifting operating income margin.
- SSB intensified sales & marketing and outperformed the forecast.

(Billions of yen)

	FY12 1H Actual	FY12 1H Forecast	vs. Forecast	FY11 1H Actual	Y/Y
IAB	14.7 (11.3%)	15.5 (11.7%)	-5.1% (-0.3% pt)	21.4 (15.0%)	-31.3% (-3.6% pt)
EMC	3.2 (7.5%)	2.5 (5.8%)	+28.4% (+1.7% pt)	4.2 (10.2%)	-22.7 (-2.6% pt)
AEC	2.8 (5.9%)	2.5 (5.3%)	+11.2% (+0.6% pt)	1.4 (3.6%)	+94.4% (+2.3% pt)
SSB	-1.9 (-)	-4.5 (-)	- (-)	-3.5 (-)	- (-)
HCB	1.9 (5.9%)	1.5 (4.8%)	+27.7% (+1.1% pt)	2.1 (7.0%)	-7.3% (-1.2% pt)
Other	-0.6	-1.0	-	-2.0	-
Eliminations & Corporate	-2.1	-1.0	-	-0.9	-
Total	18.0 (5.9%)	15.5 (5.0%)	+16.1% (+0.9% pt)	22.7 (7.5%)	-20.8% (-1.6% pt)

(%): Operating income/External sales



Performance by Segment (Y/Y)

Segment	FY12 1H Net Sales & Operating Income, vs. FY11 1H	
IAB	Net Sales	<ul style="list-style-type: none"> • Japan: Automotive industry almost the same Y/Y. Semiconductors & electronic components slow. Slight worsening of business sentiment. • Overseas: Europe sluggish. US firm. China weaker compared to last year's disaster-related demand.
	Operating Income	Down due to FY11 disaster-related surge, and strategic investments.
EMC	Net Sales	<ul style="list-style-type: none"> • Japan: Demand of consumer products industry slow. Automotive strong. • Overseas: Consumer goods makers demand in China and Europe down
	Operating Income	Down due to the strong yen and internal sales decrease.
AEC	Net Sales	<ul style="list-style-type: none"> • Japan: Favorable thanks to the measures to support eco-friendly car purchases, and good sales of new mini cars. • Overseas: Healthy overall, but Europe slow.
	Operating Income	Surged. Sales up. The year-ago 1H had temporary production cutback.
SSB	Net Sales	Railway companies' orders recovering. Equipment delivery and related installation up. Road management systems slow.
	Operating Income	Smaller loss thanks to sales increase.
HCB	Net Sales	<ul style="list-style-type: none"> • Japan: New consumer healthcare products selling well. • Overseas: Steady, led by further growing demand for healthcare products in emerging markets.
	Operating Income	Down due to the weak Euro.
Other	Net Sales	Environmental Solutions healthy. Electronic Equipment same. Micro Devices and Backlights slow.
	Operating Income	Smaller loss thanks to Environmental Solutions sales growth.



Sales by Area

- Omron Group as a whole also posted sales exceeding forecast in Greater China.

(Billions of yen)

	FY2012 1H Actual	FY2011 1H Forecast	vs. Forecast	Y/Y
Japan	149.7	149.7	±0.0%	+6.6%
Americas	39.6	40.2	-1.6%	+10.4%
Europe	36.3	38.0	-4.4%	-16.9%
Greater China	53.0	52.6	+0.7%	-3.7%
Asia Pacific*	25.7	28.0	-8.3%	-9.2%
Total	304.2	308.5	-1.4%	+0.3%

*Asia Pacific includes South Korea



FY12 Full-Year Forecast



FY12 Full-Year Forecast Overview

- Omron expects to achieve the initially set sales target by capitalizing on business mix.
- Operating income and gross profit expected to be as initially planned.
- ROE also expected to be as initially planned.

(Billions of yen)

	FY12 Forecast, Oct. 30	FY12 Initial Apr. 26 Forecast	vs. Initial	FY11 Results	Y/Y
Net sales	650.0	650.0	+0.0%	619.5	+4.9%
Gross profit margin	37.5%	37.5%	±0.0% pt	36.8%	+0.7% pt
Operating income	46.0	46.0	+0.0%	40.1	+14.6%
Net Income attributable to shareholders	28.5	28.5	+0.0%	16.4	+73.9%
ROE	8.5%	8.5%	±0.0% pt	5.2%	+3.3% pt



External Environment

- The global economy will be more uncertain.
- Japan: Full-fledged recovery won't be until the next fiscal year at the earliest.
- Overseas: Europe will remain sluggish. China will see further slowdown. Emerging markets will enjoy steady growth and increases in consumer spending and capital investments.

Conditions: Exchange rates & raw material costs

Exchange rates

1 USD = ¥79; 1 EUR = ¥102

(Previous forecast: 1 USD = ¥78; 1 EUR = ¥97)

¥1 fluctuation impact
(full-year, approx)

	Sales	OP
USD	¥2.8 bn	¥0.7 bn
EUR	¥0.8 bn	¥0.4 bn

Raw material costs

Silver = ¥85,000/kg; Copper = ¥700/kg

(Previous forecast: Silver ¥78,000/kg; Copper ¥700/kg)

Silver & copper price change impact
(full-year, approx)

	Price change	OP
Silver	¥1,000/kg	¥100 mil
Copper	¥10/kg	¥100 mil



FY12 Full-Year Forecast

➤ No change in operating income and gross profit margin.

(Billions of yen)

	FY12 Forecast, Oct. 30	FY12 Initial Apr. 26 Forecast	vs. Initial	FY11 Results	Y/Y
Net sales	650.0	650.0	±0.0%	619.5	+4.9%
Gross profit (%)	243.5 (37.5%)	243.5 (37.5)	±0.0% (±0.0% pt)	227.9 (36.8%)	+6.9% (+0.7% pt)
SG&A	152.0	152.0	±0.0%	145.7	+4.4%
R&D	45.5	45.5	±0.0%	42.1	+8.1%
Operating income (%)	46.0 (7.1%)	46.0 (7.1%)	±0.0% (±0.0% pt)	40.1 (6.5%)	+14.6% (+0.6% pt)
Non-operating income (loss), net	3.0	3.0	±0.0%	6.6	-54.5%
NIBT	43.0	43.0	±0.0%	33.5	+28.2%
Net income attributable to shareholders	28.5	28.5	±0.0%	16.4	+73.9%
EPS (JPY)	129.47	129.47	±0.0%	74.46	+73.9%
ROE (%)	8.5%	8.5%	(±0.0% pt)	5.2%	(+3.3% pt)
1USD (JPY)	79.2	78.0	+1.2	79.3	-0.1
1EUR (JPY)	101.5	104.0	-2.5	110.3	-8.8
Copper (JPY/kg)	693	700	-7.0	738	-45
Silver (JPY/kg)	81,417	87,000	-5,583	92,379	-10,962



Full-Year Sales Forecast by Segment

- Omron expects to achieve the initial top line by capitalizing on business mix.

(Billions of yen)

	FY12 Forecast, Oct. 30	FY12 Initial Apr. 26 Forecast	vs. Initial	FY11 Results	Y/Y
IAB	267.0	274.0	-2.6%	270.8	-1.4%
EMC	87.5	89.0	-1.7%	83.0	+5.4%
AEC	95.0	95.0	±0.0%	85.0	+11.7%
SSB	66.0	60.0	+10.0%	57.2	+15.4%
HCB	69.5	67.5	+3.0%	62.4	+11.3%
Other	59.0	59.0	±0.0%	53.5	+10.2%
Eliminations & Corporate	6.0	5.5	+9.1%	7.6	-21.1%
Total	650.0	650.0	±0.0%	619.5	+4.9%



Full-Year Operating Income Forecast by Segment

➤ Each segment's OP improved Y/Y.

(Billions of yen)

	FY12 Forecast, Oct. 30	FY12 Initial Apr. 26 Forecast	vs. Initial	FY11 Results	OP margin, Y/Y
IAB	33.5 (12.5%)	35.0 (12.8%)	-4.3% (-0.3% pt)	33.3 (12.3%)	(+0.2% pt)
EMC	8.0 (9.1%)	8.0 (9.0%)	±0.0% (+0.1% pt)	7.2 (8.7%)	(+0.4% pt)
AEC	5.0 (5.3%)	5.0 (5.3%)	±0.0% (±0.0% pt)	2.7 (3.2%)	(+2.1% pt)
SSB	2.5 (3.8%)	1.0 (1.7%)	+150.0% (+2.1% pt)	0.1 (0.2%)	(+3.6% pt)
HCB	4.5 (6.5%)	4.0 (5.9%)	+12.5% (+0.6% pt)	2.9 (4.7%)	(+1.8% pt)
Other	-0.5	-2.0	-	-3.6	-
Eliminations & Corporate	-7.0	-5.0	-	-2.5	-
Total	46.0 (7.1%)	46.0 (7.1%)	±0.0% (±0.0% pt)	40.1 (6.5%)	(+0.6% pt)

(%): Operating income/External sales



Business Environment Forecast by Segment

Segment	Q3-Q4 Forecast, vs. 1H
IAB	<ul style="list-style-type: none"> • Japan: Automotive capital investments will trend down. Semiconductors will slightly go up. • Overseas: <ul style="list-style-type: none"> • Americas: Automotive investments in North America will remain strong. • Europe: Slow, but no further worsening likely. Some industries including food will come back. • Asia Pacific: S. Korea's semiconductors soft. Automotive in Thailand strong. • Greater China: Flat and slightly down. Packaging equipment will go soft vs. 1H.
EMC	<ul style="list-style-type: none"> • Japan: White electronic appliances will be strong. • Overseas: <ul style="list-style-type: none"> • Americas: Demand will not fully come back. • Greater China & Asia Pacific: Will be hit by drop in exports to Europe.
AEC	<ul style="list-style-type: none"> • Japan: Will see drop 2H after special demand backed by eco-friendly car subsidiaries end. • Overseas: Solid in North America. Risk of Chinese boycott of Japanese products is taken into account.
SSB	<p>Demand for train system will keep going up, thanks to railroad companies' active capital investments.</p> <p>Environmental solutions will see rising demand for equipment setup and maintenance, as more companies install solar power generators, following the introduction of a system in Japan to purchase all surplus power generated.</p>
HCB	<ul style="list-style-type: none"> • Japan: Demand for healthcare services will continue to grow. • Overseas: Emerging markets will keep growing. Europe slow, except for Russia.
Other	<p>Environmental Solutions: Power conditioners will keep growing, thanks to the introduction of a system in Japan to purchase all surplus power generated.</p> <p>BL will come back 2H, thanks to strong demand for smart phones.</p>



Industrial Automation 2H Sales Forecast by Area

- Sales decrease limited to 3% by VG2020 efforts.

(Billions of yen)

	FY12 Forecast, Oct. 30	FY12 Initial Apr. 26 Forecast	vs. Initial
Japan	62.1	63.8	-2.7%
Americas	16.2	16.2	+0.1%
Europe	25.9	27.0	-4.0%
Greater China	19.5	20.0	-2.5%
Asia Pacific	13.4	14.0	-4.3%
Total	137.1	141.0	-2.8%



FY12 Full-Year Forecast

(Billions of yen)

	FY12 Forecast, Oct. 30	FY12 Initial Apr. 26 Forecast	vs. Initial	FY11 Results	Y/Y
Net sales	650.0	650.0	±0.0%	619.5	+4.9%
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R&D	45.5	45.5	±0.0%	42.1	+8.1%
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Non-operating income (loss), net	3.0	3.0	±0.0%	6.6	-54.5%
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ROE (%)	8.5%	8.5%	(±0.0% pt)	5.2%	(+3.3% pt)
1USD (JPY)	79.2	78.0	+1.2	79.3	-0.1
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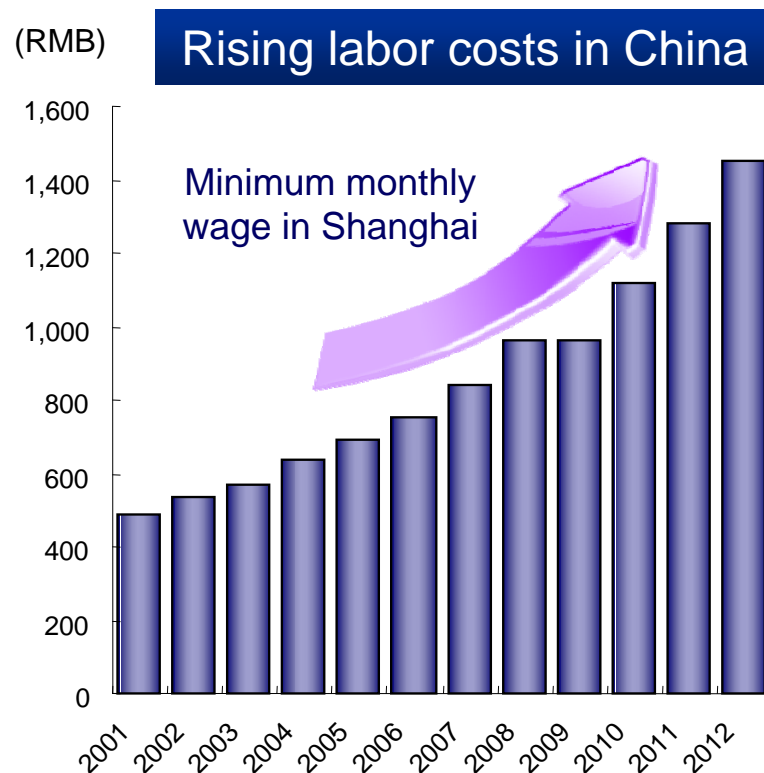


What's New: China - Risks and Opportunities -



Opportunities in China: FA Market

- Demand for factory automation in China will keep surging due to rising labor costs.



**Accelerating shift to
factory automation**

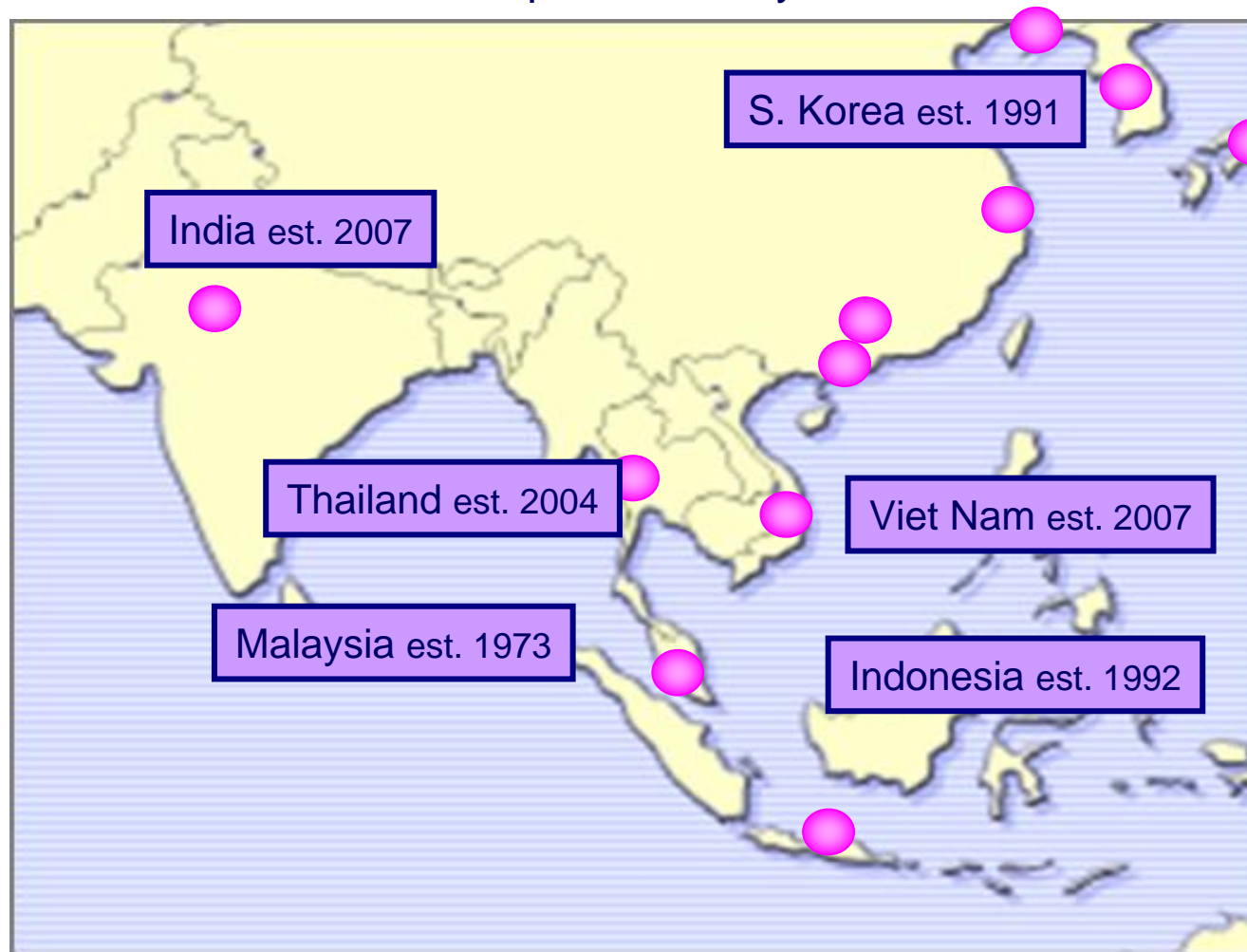
Application of the
successful business model
in China to other emerging
markets

Source: Shanghai Municipal Human Resources and Social Security Bureau



Measures against Risks: Production Strategy

- Omron hedges risk by dispersing production sites not only in China but throughout Asia, with BCP (business continuity plan) including establishment of alternate production systems.





What's New: Emerging Markets



VG2020 Emerging Markets Strategies

- Omron is implementing VG2020 measures to increase sales in emerging markets.

Wider range of products
targeting emerging markets

Stronger sales & marketing in
emerging markets

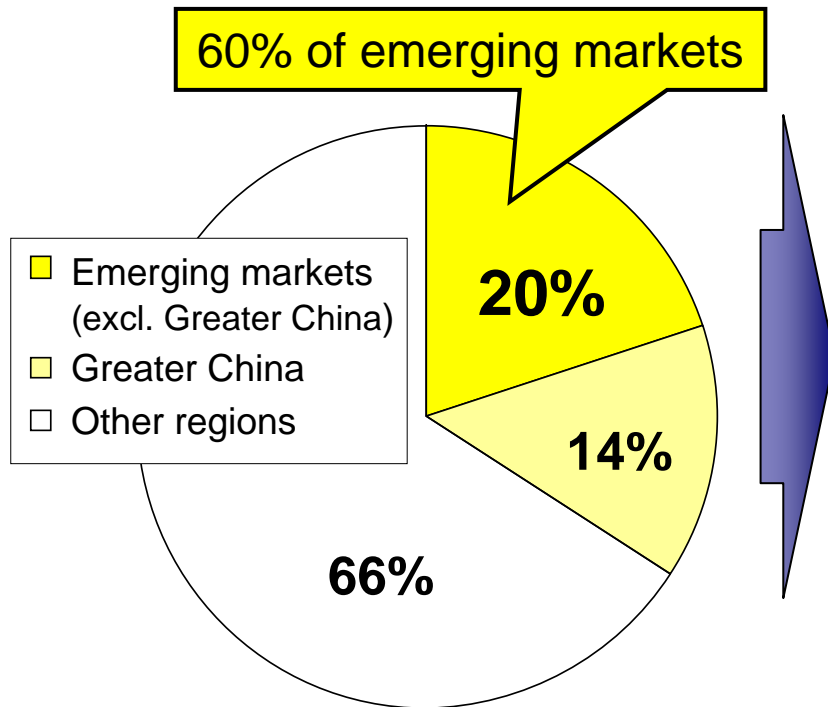
Stronger business infrastructure in emerging markets



Expansion in Emerging Markets

- Using Healthcare Business as a foothold to intensify our entry into Asian markets.

FY12 Healthcare Sales Ratio



Healthcare Sales Network



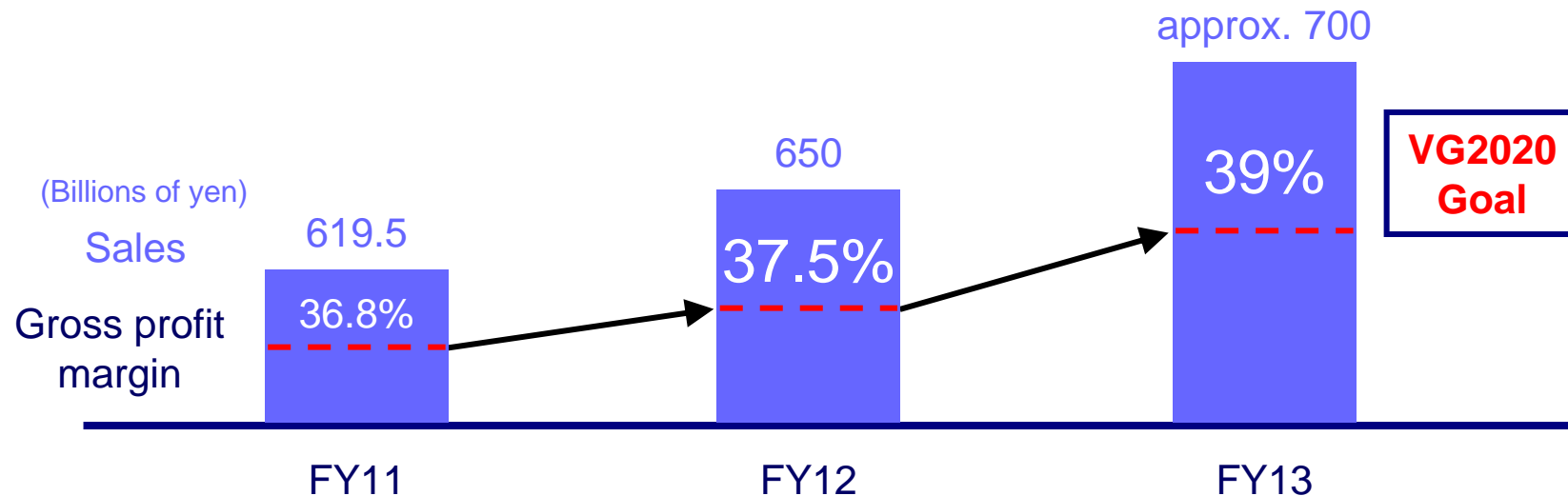


What's New: Profit Structure Reform



VG2020 Profit Structure Reform

- Targeting 39% gross profit margin in FY13.



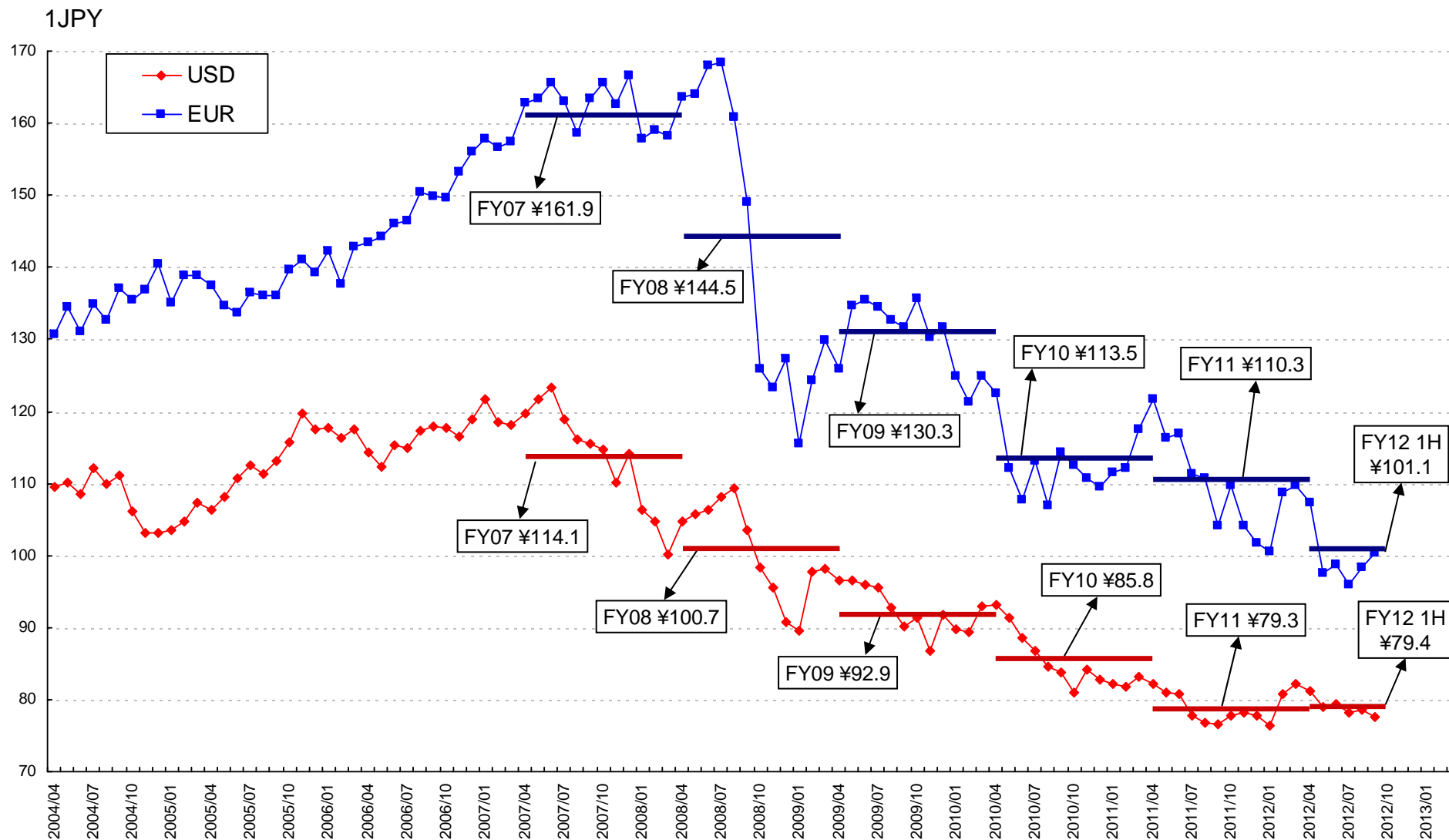
- ◆ Variable costs reduction:
Smaller number of components, standardized system platform
- ◆ Manufacturing fixed costs reduction:
Introduction of automation in China and other Asian countries (low-cost automation)



References

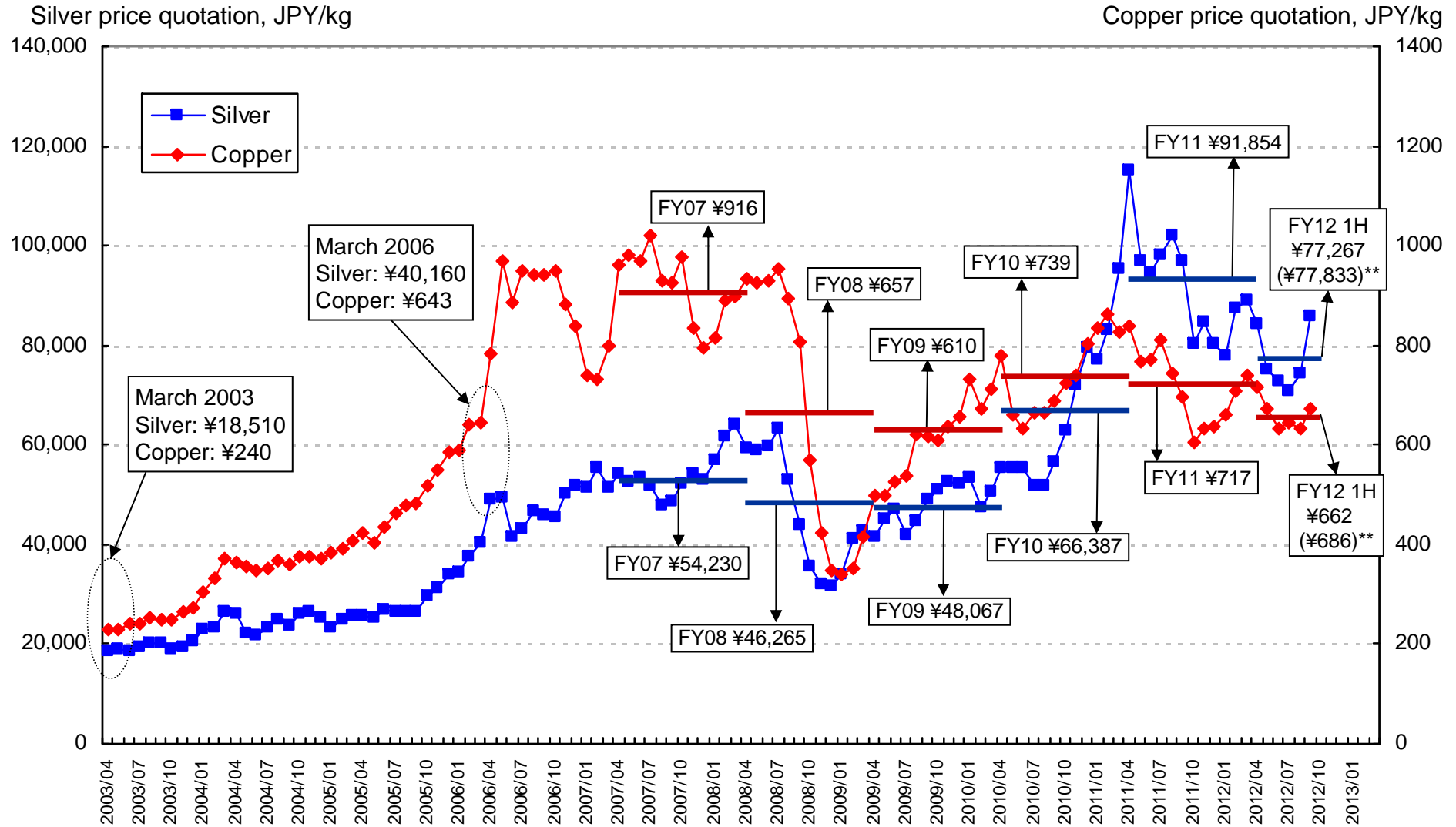


Exchange Rates (USD, EUR)





Raw Material Prices (Silver, Copper)



*Monthly simple moving average (SMA) of price quotations. **Average used for financial results.



Businesses and Major Products

LCD backlights, semiconductors/MEMS,
energy saving/environmental solutions business,
electronic systems and equipment

- *Electronic signal sensing*
- *Electrical current/voltage control*

- *Radio wave sensing*
- *Automotive body control*

Relays, switches, connectors,
amusement equipment parts,
mobile device parts

Keyless entry systems,
power window switches,
automotive relays, EPS
(electronic power steering)

- *Human sensing*
- *Traffic sensing*
- *IC card technology*

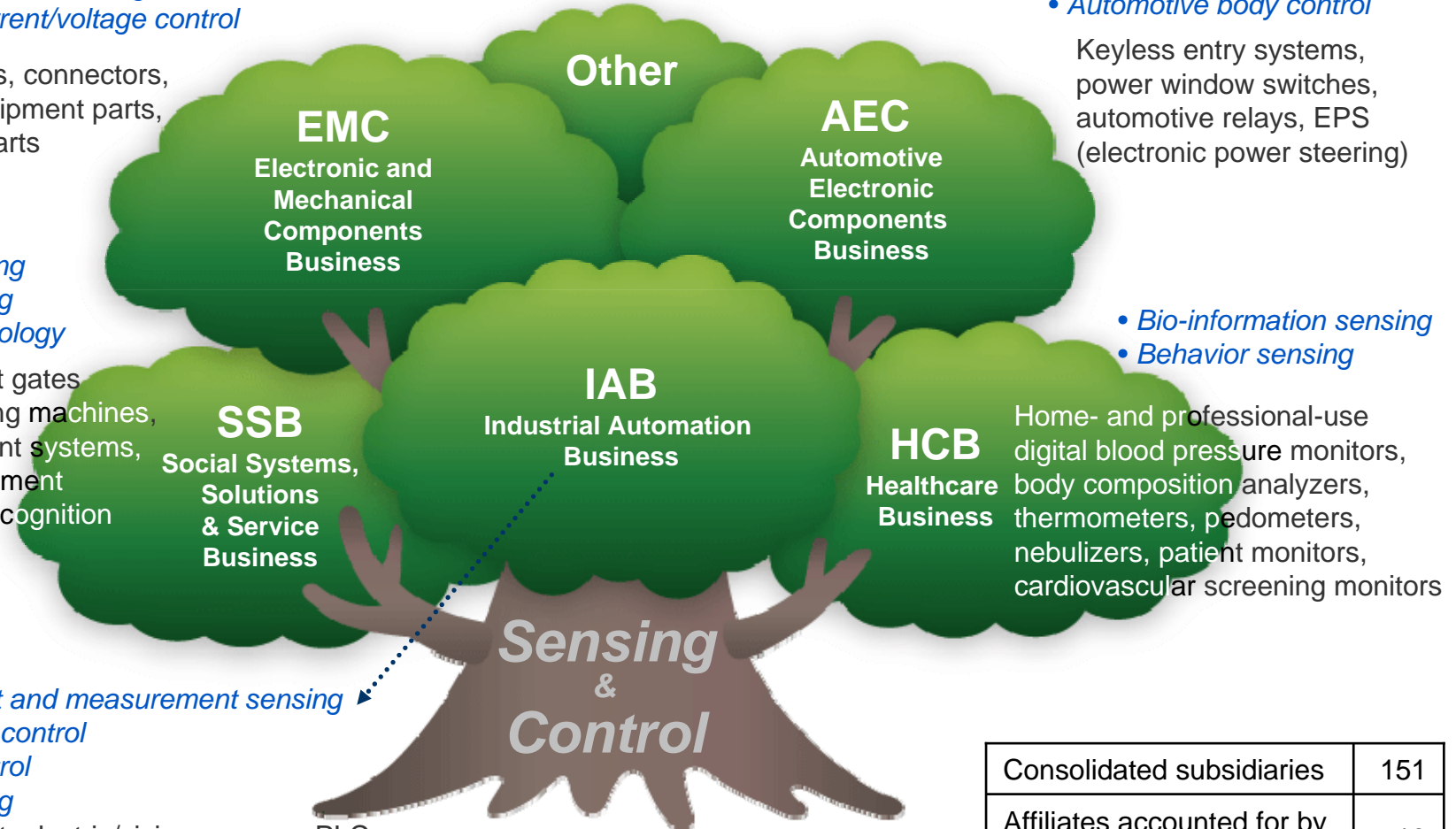
- *Bio-information sensing*
- *Behavior sensing*

Automated ticket gates
and ticket vending machines,
road management systems,
security management
systems, face recognition
systems

Home- and professional-use
digital blood pressure monitors,
body composition analyzers,
thermometers, pedometers,
nebulizers, patient monitors,
cardiovascular screening monitors

- *Displacement and measurement sensing*
- *Temperature control*
- *Machine control*
- *Vision sensing*

Proximity/photoelectric/vision sensors, PLCs,
temperature controllers, machine safeguarding
equipment, inspection systems



Consolidated subsidiaries	151
Affiliates accounted for by the equity method	13

(as of September 30, 2012)



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.

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