Nomura Investment Forum 2011

Omron’s Strengths
—Medium and Long Term Strategy of Main Businesses—

November 29, 2011

OMRON Corporation
Today’s Agenda

Current strengths
– to be strengthened further

(1) Industrial Automation Business
(2) Electronic & Mechanical Components Business
(3) Healthcare Business
Resolution as CEO

Strengthen Our Strengths

Omron will Change
- Encourage corporate culture in which we keep challenging ourselves toward higher goals
- Strengthen management dynamism

Omron is
- Innovative
- Intrepid, energetic and robust
- a flourishing and thriving global group
Omron will strengthen its mainstay businesses, aiming for growth in expanding emerging markets.

- (1) Maximization of Industrial Automation Business
- (2) Growth in emerging markets (IA & Healthcare)
- (3) Creation of new business for the “Optimization Society”
- (4) Profit structure reform (42% gross profit margin)
- (5) Strengthening global human resources
Determined to achieve 42% gross profit
To achieve the target, profit structure reform is being accelerated.

### Further Profit Structure Reform

<table>
<thead>
<tr>
<th></th>
<th>FY2010</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>37.5%</td>
<td>42.0%</td>
</tr>
<tr>
<td>Increase</td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td>Resilience to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change</td>
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Securing Underlying Assets for Growth

Increase Resilience to Change
Current strengths
– to be strengthened further

(1) Industrial Automation Business
Wide product range and global sales & marketing network

(2) Electronic & Mechanical Components Business
Monozukuri (manufacturing) technologies improvement and relay business expansion

(3) Healthcare Business
Global business expansion based on blood pressure monitor business
IAB’s Strengths

- Boasting a broad FA product lineup and global sales & marketing network.
IAB’s Current Strengths (1) Wide Product Range

- IAB has an overwhelmingly wide product range in the FA field globally.
IAB: Current Strengths (2) Sales and Marketing Network

- Wide spread of sales and marketing network in the world
- Uniform quality and service support is available globally.

<table>
<thead>
<tr>
<th>Omron offices</th>
<th>160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealers</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Network that can not only deal with new orders from customers, but also maintenance and replacement (Maintenance & Repair & Order (MRO))
China’s manufacturing output volume is growing and level of automation (sophistication) are increasing.
Changes in the Chinese market is triggering higher demand for factory automation.

China’s demand for automation

- Expanded production, better productivity
- High added value & quality
- Optimum price & quality
- Safety
- Energy
- Environment

↑ Labor costs up

Vitalization of rural economy, growing domestic demand

External demand up

FY2010  →  FY2020
Omron will work even harder on IAB’s current strengths, improving product lineup and service.

- Wide Product Range
  - Products that meet: Advanced specs
  - Emerging markets’ demand

- Global Sales & Marketing
  - Better service

Emerging Markets

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EMC’s Strength

- Strength: Advanced Monozukuri (manufacturing) technologies
- Global production network

Global production network × Advanced Monozukuri technologies

Relays
Global share No.1
Strengthen Advanced Monozukuri Technologies

High quality, cost competitiveness, less environmental impact

Before

- High-cycle molding: Time cut to 1/5
- High-cycle pressing: Time cut to 1/3
- Partial coating: Gold use 50% less
- Recycling of molding material: Waste 25% less
- Mold, process improvement: Waste 20% less

After
High market growth is expected in industrial machinery and DC power relay business.
Commercial & consumer markets, and the auto relay market will grow.
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HCB’s Strength

➢ Next highest priority business after IA (Industrial Automation) Business

◆ Blood pressure monitors: Global share No.1

◆ Global sales and marketing network

◆ Brand awareness in medical fields

◆ Cost structure competitive in emerging countries
The total number of Omron blood pressure monitors sold reached 100 million units in September, 2009.
Global share No.1 (approx. 50%)
The number of people with hypertension will keep rising. BPM market will expand especially in emerging markets due to economic growth.

Global Market Size for Blood Pressure Monitors (Units)

Potential market
existing, HCB

existing, competitors

across Market size (hypertensive people)

↑ up: BPM penetration rate

Source: Omron research
HCB: Global Sales and Marketing Network

- High share in all areas
- Approx 260,000 stores selling Omron’s products worldwide

Share of market: units

Omron
USA
Central and South America
Europe
Russia
Greater China
Japan
Asia Pacific
HCB: Success Model in Emerging Markets

- Expanding sales of other products using the channels cultivated with blood pressure monitors

Success in China

Apply lessons learned in India, Asia, Central & South America, and other emerging countries

Sales Results in China

<table>
<thead>
<tr>
<th>Years</th>
<th>Millions of units</th>
</tr>
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<tbody>
<tr>
<td>FY04</td>
<td>0.0</td>
</tr>
<tr>
<td>FY05</td>
<td>0.2</td>
</tr>
<tr>
<td>FY06</td>
<td>0.4</td>
</tr>
<tr>
<td>FY07</td>
<td>0.6</td>
</tr>
<tr>
<td>FY08</td>
<td>0.8</td>
</tr>
<tr>
<td>FY09</td>
<td>1.0</td>
</tr>
<tr>
<td>FY10</td>
<td>1.2</td>
</tr>
<tr>
<td>FY13</td>
<td>1.4</td>
</tr>
<tr>
<td>FY20</td>
<td>1.6</td>
</tr>
</tbody>
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- BPMs
- Thermometers
- Blood glucose monitors
HCB: Target Products & Areas

- Selectively marketing competitive products, mainly 4 core category items.

- Price Competitiveness
- Blood pressure monitors
  - Different models for different areas

- Brand Awareness
- Blood glucose monitors
- Nebulizers
- Thermometers and more

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Omron will continue and boost strategic investment for growth in IA (IAB and EMC) and Healthcare businesses.

Enhance brand awareness to expand other businesses using Healthcare as a drive.

**Industrial Automation Business**
- R&D of products to meet global needs
- Strengthen sales & marketing channels
- Improve customer support

**Electronic and Mechanical Components Business**
- Promote automation in manufacturing
- Strengthen manufacturing expertise

**Healthcare Business**
- Fortify sales & marketing in emerging markets
- Enhance brand awareness
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.