

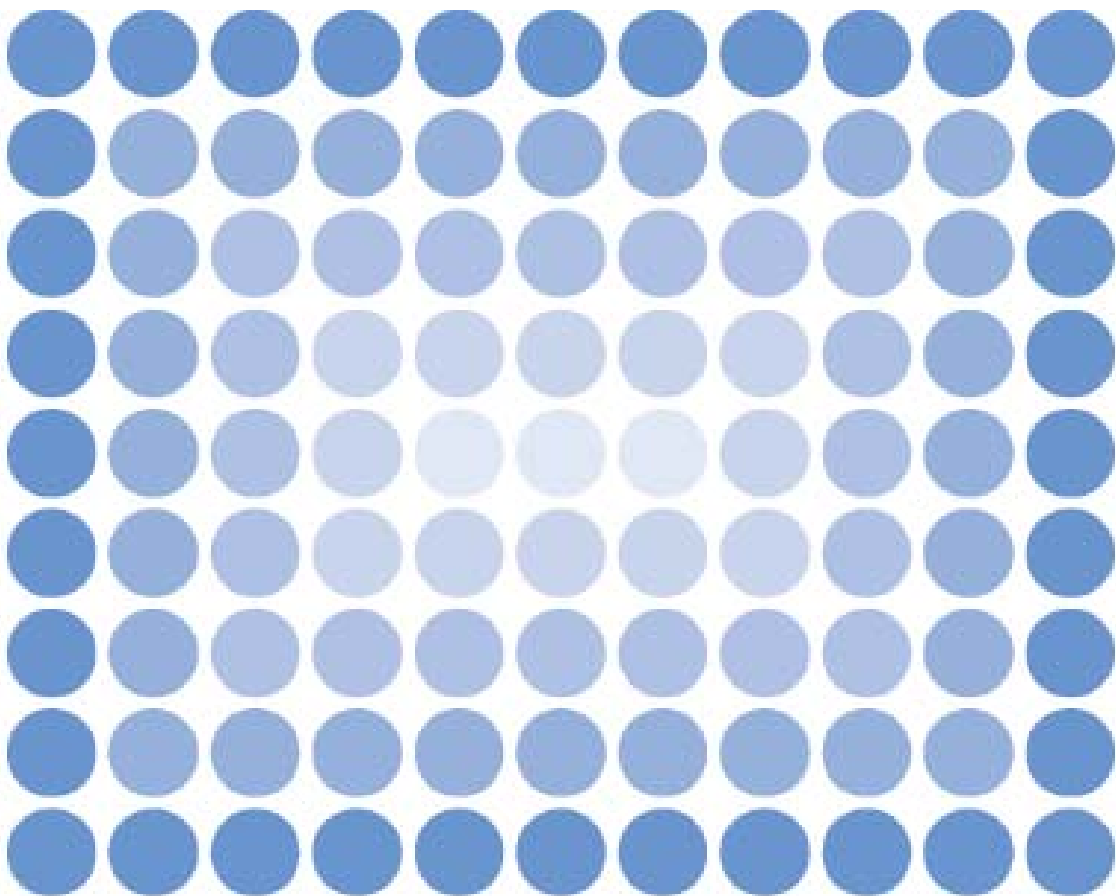
Omron Group

CSR Practice Guidelines

For Fulfilling Omron Group's Responsibilities to Society

OMRON

Sensing tomorrow™



Corporate Motto and the Omron Principles

Corporate Motto

At work for a better life,
a better world for all.

The Omron Principles



“The Omron Group CSR Practice Guidelines” set forth actions and behavior that each of us working in the Omron Group should take in order for the Group to implement “stakeholder-centered management” as discussed in the Management Commitments of the Omron Principles as well as management practices that emphasize the fulfillment of our corporate social responsibilities. These Guidelines are based on the Omron Corporate Ethics Guidelines, and cover areas related to ethical action and behavior in greater breadth and depth. Such areas include human rights and labor conditions, CSR procurement, environment, conservation, community involvement and social contributions, which have facilitated the rapid advancement of CSR concepts and practices since 2000.

We hope that these Guidelines will be a valuable reference for people when implementing responsible actions and behavior suitable for the Omron Group.

(note) “Stakeholder” includes a shareholder, customer, supplier, officer, employee and local community.

< Preface >

Establishing the Omron Group CSR Practice Guidelines

Today, the call for sustainable development has become a major global trend, and communications that transcend national boundaries have expanded rapidly. As a result of economic globalization, diverse cultures and values of local communities and their interaction with global society have a significant effect on corporate activities.

Issues related to poverty, human rights, labor conditions and health care have become a serious concern worldwide and particularly in developing countries. These issues in turn create growing expectations for companies to do their part in addressing and overcoming these challenges and achieving sustainable economic development. The opinions of local communities and citizens regarding companies' legal and ethical violations carry increasing weight and have a greater influence on corporate activities. Society also pays more attention to companies' response to the environment, conservation, consumer protection and similar issues.

Against the backdrop of such worldwide trends, the move toward establishing international standards and guidelines for corporate social responsibility (CSR) has accelerated, as has the growing interest in socially responsible investments (SRI) that emphasize the social aspects of corporate activities when making investment decisions.

It is essential that each company be conscious of the fact that it is a corporate citizen inhabiting the earth together with various stakeholders including customers, shareholders, employees and suppliers. It is also more important than ever to contribute to the development of society through our business activities while also maintaining fairness and integrity in business processes and other corporate activities. To do so, we must proactively commit ourselves to achieving sustainable development in society.

These ongoing changes in our business environment are also reflected in the new Omron Principles, recently established in May 2006. First, the Corporate Core Value of "working for the benefit of society" itself embodies the concept of CSR. Additionally, essential elements for practicing CSR are incorporated into the Management Commitments in the Omron Principles. These include our commitments to maintain integrity, fairness and transparency in our business and management practices, and to develop relations of mutual trust with our stakeholders through sincere dialogue. As such, living up to the Omron Principles is exactly what CSR is all about.

The Omron Group CSR Practice Guidelines have been created to guide each member of the Omron Group in the correct practice and implementation of CSR, which is a reflection of current worldwide trends and at the same time the central idea behind the Omron Principles. While preserving the content of the Corporate Ethics Guidelines, the new Guidelines clarify and affirm the Omron Group's basic policies for management and business practices. The Guidelines state what all Omron Group directors and employees should do within the context of CSR, with a focus on legal compliance and ethical conduct of enhanced depth and breadth.

When formulating the Omron Group CSR Practice Guidelines, we referred to the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, the Universal Declaration of Human Rights and other major international standards and guidelines. For individual provisions in the Guidelines, we referred to the ISO social responsibility standards, which are currently in the study phase and projected to become effective in 2009. The three pillars that comprise the Omron Group's basic policy for CSR are: (1) contribute to a better society through business operations; (2) always demonstrate fairness and integrity in the promotion of corporate activities; and (3) show a commitment to addressing societal issues as a concerned party. By again organizing and presenting criteria for judgment by which Omron Group directors and employees can base their actions and behavior as we keep in mind international trends, we will strive to build the groundwork for promoting these three pillars of CSR activities.

November 2006
Hisao Sakuta
President and Chief Executive Officer,
OMRON Corporation

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I. Using the Guidelines

1. Objectives of the Guidelines

“The Omron Group CSR Practice Guidelines” (the “Guidelines”) specify the Group’s basic policy for implementing business and management practices that fulfill its social responsibilities, as well as defining what the directors and employees of the Omron Group should or should not do in conformance with this policy.

CSR requires individual and voluntary action from companies that transcends mere compliance with laws and regulations. The Omron Group also proactively promotes various activities on its own initiative depending on its basic value perceptions and business environment. However, the scope of the Guidelines is limited to the fundamental requirements for Omron Group directors and employees; that is, compliance with applicable laws and regulations, as well as essential behavior and conduct we should learn and acquire as members of the global community, even if they are not legally binding.

There may be cases in which careless action or conduct that underestimates consequences can impair our reputation. Conforming to the Guidelines when acting will help maintain and improve each person’s reputation and enable them to carry on work smoothly. Moreover, such reliable behavior and action that each Omron Group director and employee takes will contribute to enhancing the social reputation of the Omron Group and enhancing its corporate value, while also facilitating smoother corporate management practices. These will, in turn, allow the Omron Group to do its part in offering benefits to society.

2. Structure of the Guidelines

The Guidelines comprise the following content:

(1) Fundamental Principles

This Chapter specifies the ground rules and the basic stance we should conform to in implementing CSR-oriented management practices and day-to-day activities.

(2) Basic Policy and Practice Guidelines for Each CSR Issue

For each CSR issue to be addressed, basic policy and practice guidelines are outlined as follows:

1) Basic Policy

The Omron Group’s basic management policy for addressing a given CSR issue.

2) Practice Guidelines

Specific behavior or action that each one of us should or should not do in conformance with the Basic Policy.

3. Target Audience and Scope of the Guidelines

The Guidelines apply to the entire Omron Group and all of its directors and employees. However, Omron Corporation affiliates are allowed to make modifications and additions to the Guidelines, as necessary, but not to the extent that these contradict the spirit of the Guidelines, or go against the laws, commercial customs, labor practices or established values in the respective countries or regions in which they are based, or those of the practices, type of business, products, services or form of transactions in which they are engaged. When making any modifications or additions, prior consent from Omron Corporation must be obtained.

- * “The Omron Group” refers to Omron Corporation and its affiliates throughout the world. The affiliate of Omron Corporation means a company, the majority of shares or ownership interest with voting rights are owned directly or indirectly by Omron Corporation.
- * “Directors and employees” refers to directors, auditors, executive advisors, officers and employees subject to the rules of employment of each Omron Group company as well as those in an employment relationship with Omron Group companies (including part-time and temporary workers).

Each company in the Omron Group should understand the Basic Policies and conduct corporate activities in conformance with these policies. Every Omron Group director and employee should fully understand the contents of the Practice Guidelines and put them into practice. They are also advised to proactively implement action that conforms to the Basic Policies, regardless of whether or not such action is specifically illustrated in the Guidelines. Any practices that take place outside Japan should comply with local laws and governmental requirements in addition to following the Guidelines.

II. CSR Practice Guidelines

1. Fundamental Principles

This Chapter stipulates the underlying principles behind CSR-oriented management practices, day-to-day operations and conduct.

1-1. Compliance with Laws and Ethical Conduct

The Omron Group is aware that a company must operate in harmony with a law-abiding and ethical society. Based on this awareness, the Omron Group puts the utmost priority on compliance with laws and regulations and respect for fair social rules, while also conducting business activities in a highly ethical manner. We also recognize that the simultaneous pursuit of ethical action and economic gain is possible and doing so will allow Omron to continue improving its reputation, leading to the long-term enhancement of corporate value.

The Omron Group respects laws, regulations and rules specific to each country or region, and promotes management practices in such a way as to harmonize with Omron's own values and common awareness of the global society. Moreover, we will quickly and appropriately respond to changes in established values and ethical standards that accompany changes in social situations and strive to comprehend and comply with new laws, regulations and rules.

Directors and employees of the Omron Group will comply with all applicable laws and conduct operations and act in a highly ethical manner, while also making it a habit to acquire all necessary knowledge to appropriately check their own behavior.

1-2. Global Perspectives in Management and Day-to-Day Operations

The Omron Group's business operations are expanding globally and this in turn requires corporate activities that take into account diversity in local communities. When conducting management practices or day-to-day operations, the Omron Group gives due consideration to differences among countries or regions to ensure we will not impose country-specific customs or ways of thinking on others.

Today both business entities and individuals are expected to serve as responsible members of the global community, and thus it is essential to maintain a global perspective. Without solely focusing on the situation of our own country or region or the issues that are prominent there, we will make sure to take into account internationally shared perceptions when carrying out management practices and day-to-day operations.

1-3. Building Trust and Confidence with Stakeholders

To contribute to society and implement CSR practices, it is important to take into account the interests and views of stakeholders for decision-making. The Omron Group will strive to promote sincere dialogue when interacting with our stakeholders, which include employees; customers; business associates and suppliers; shareholders and investors; and local communities.

Sincere dialogue requires offering clear and concise corporate information and ensuring accountability to stakeholders. To ensure appropriate and timely disclosure of corporate information, directors and employees of the Omron Group will endeavor to gather, report and provide accurate information.

We believe that the Omron Group's in-house efforts alone are not sufficient for completely fulfilling its social responsibilities. We will therefore seek the understanding and support of our supply chain partners in conforming to and practicing the Omron Group's CSR policy. We will also proactively promote collaborative activities with industry groups, governmental agencies and international organizations.

1-4. Setup of CSR Management Systems

In addition to implementing CSR activities, complete fulfillment of CSR and sound corporate management will require establishing a system to monitor the appropriateness and effectiveness of activities to promote further improvement and keep the system properly operational. To this end, the Omron Group will strive to build a PDCA system, which is designed to repeat the sequence of deciding the appropriate action to take (PLAN), implementing the action (DO), monitoring the process of implementation and consequences (CHECK), and counteracting and improving the situation if there is a problem (ACTION).

Directors and employees of the Omron Group will not only implement CSR practices themselves but will also report to appropriate personnel any problem in their own actions or those of others, and cooperate in improving the situation and preventing the recurrence of the problem. They will also strive to identify possible risks and take preventive measures, as required depending on their job category and authority, and implement appropriate measures against crisis according to the internal policies or strategies.

II. CSR Practice Guidelines

2. Basic Policy and Practice Guidelines for Key CSR Issues

This section sets forth the Omron Group's basic policies in addressing various CSR issues and the practice guidelines that each of us (Omron Group directors and employees) is required to follow.

2-1. Human Rights, Labor Conditions, and Occupational Health and Safety

2-1-1. Respect for Human Rights

■ BASIC POLICY

The Omron Group is conscious of the fact that all human beings should be free and equal, and that we must respect the basic human rights of individuals. The Omron Group will not discriminate on the basis of national origin, citizenship, color, race, belief, religion, ancestry, marital status, gender, disabilities, age, sexual orientation, place of birth, social status, or any other basis prohibited by local law.

The Omron Group will also actively strive to become involved in educating all Omron Group directors and employees and enhancing their awareness of human rights.

■ PRACTICE GUIDELINES

(1) No Discrimination or Other Unreasonable Treatment

We will value the human rights of each individual and must not discriminate, harass or treat others in an unreasonable manner.

(2) Fair and Sincere Attitudes towards Others

We will interact with others with respect and gratitude, and respond to them in a fair and honest manner.

(3) Respect for Privacy and Protection of Personal Information

Subsection 2-2-2-(2) "Respect for Privacy and Protection of Personal Information" shall apply to the respect for privacy and the protection of personal information.

(4) Learning about Human Rights

We will actively use available learning opportunities, such as seminars and training sessions, to learn about human rights.

2-1-2. Labor Standards Compliance and Respect for Individuality and Diversity

■ BASIC POLICY

The Omron Group believes that human resources are an essential source of energy that drives the company's growth, and that activating human resources is critical to create added value and improve productivity. Based on this belief, the Omron Group will motivate and support employees to reach their full potential by improving the working environment through appropriate human development, worker support initiatives, performance evaluation and remuneration, workplace facilities, corporate culture, etc. The Omron Group will also comply with applicable laws in respective countries or regions regarding remuneration and treatment for employees.

Also, the Omron Group has a high regard for the ILO Declaration on Fundamental Principles and Rights at Work. This means that we will, in accordance with applicable law, respect freedom of association and the right to collective bargaining, make the recruiting process discrimination-free, and otherwise eliminate unlawful or inappropriate discrimination in the workplace. We also will never be involved in forced, compulsory, or child labor.

■ PRACTICE GUIDELINES

(1) Demonstration of Talents and Individuality

We will maximize our potential and demonstrate our individuality through self-improvement and by achieving a proper balance between our work and private lives.

(2) Building a Vitality-Filled Workplace

We will value each others' individuality and capabilities, and actively cooperate in creating a workplace filled with vitality and individual employee participation.

(3) No Harassment

We must not engage in sexual harassment, status-based harassment (i.e., workplace discrimination or infliction of emotional distress based on a position of power) or any other form of harassment.

2-1-3. Occupational Health and Safety

■ BASIC POLICY

The Omron Group will abide by applicable laws and regulations regarding occupational health and safety in each respective country or region. The Omron Group also respects the rights of employees to work in a safe and comfortable work environment, as well as the right to refuse to work in unsafe work conditions.

The Omron Group is mindful that the mental and physical well-being of employees and the maintenance of health and safety at the workplace is essential to enable employees to exhibit their full capabilities. Accordingly, the Omron Group gives the utmost priority to the promotion of health and safety in all business processes, and strives to build a safe and comfortable work environment.

The Omron Group will also establish an effective risk management system for protection against potential disasters, accidents, terrorism, and other unexpected events.

■ PRACTICE GUIDELINES

(1) Safety and Comfort in the Workplace

We must comply with all applicable laws and internal company rules relating to safety and hygiene in the workplace. We will strive to create a workplace that is safe and comfortable to work in both physically and mentally.

(2) Prompt Response to Accidents and Prevention of Recurrence

If any disaster, accident, outbreak of infectious disease, environmental spill, or other misfortune occurs in the workplace, we will promptly take all appropriate measures in accordance with directions from responsible managers and others in charge. We also will actively cooperate in company efforts to limit and prevent such events in the future.

2-2. Fair and Honest Business Practices

2-2-1. Safety Assurance for Products and Services and Protection of Customers

■ BASIC POLICY

Aiming for maximum customer satisfaction, the Omron Group strives to enhance the quality of products and services that we offer. We are aware that safety of products and services as well as the protection of our customers hold prime importance, and thus we will strive to offer products and services that function safely and also encourage their safe use. In addition, if there proves to be a flaw or defect in one of our products, we will take all appropriate corrective action and fulfill our responsibilities to our customers.

■ PRACTICE GUIDELINES

<Assurance of Product/Service Safety>

(1) Supply of Safe Products and Services

We are conscious of the fact that in our business, safety must have utmost priority along with function, performance and cost. Safety in products and services we provide will be a key factor in all aspects of our business, including planning, development, manufacture, sale, maintenance and disposal.

(2) Safety Information Available

To ensure user safety, we will provide to our customers plain and clear instructions and warnings. We also will make available safety training and guidelines to encourage proper use of our products and services.

(3) Prompt and Proper Action in the Event of Accidents

If there are accidents caused by our products or services, we will take prompt action to limit damage. We will investigate and identify facts, make appropriate disclosure, identify the causes of the accidents, and take action to the extent practicable to correct any problems and prevent the recurrence of the problem.

(4) Understanding, Observance and Maintenance of Laws and Standards

We must comply with all applicable laws relating to the quality and safety of products and services in the countries or regions in which they are sold and used. We will understand and maintain necessary quality and safety standard certifications as we have acquired.

<Protection of Customers>

(5) Provision of Appropriate Information

To assist customers and consumers with decisions regarding the purchase, use and disposal of our products and services, we will examine all methods of providing information, such as specification sheets, instruction manuals, leaflets and website pages, and carefully consider and implement appropriate methods of notification.

(6) Protection of Customer Information

Subsection 2-2-2-(1) "Proper Management of Information" shall apply to the protection of customer information.

(7) Good Faith Response to Inquiries and Service Requests

We will respond in good faith to requests and inquiries from customers and consumers. We will also forward feedback and input from customers and consumers to relevant internal personnel, so as to incorporate useful customer input into subsequent business activities.

2-2-2. Management of Information and Intellectual Property

■ BASIC POLICY

The Omron Group is aware that trade secrets, intellectual property and personal information are property held by an organization or individual that is entitled to profit from the property. As such, the Group will appropriately manage and use information and intellectual property it holds while also implementing proper measures to maintain security of its information systems. The Group will not illegally access or use information or intellectual property held by other persons or organizations.

■ PRACTICE GUIDELINES

<Information Protection and Management>

(1) Proper Management of Information (Information Security)

To fulfill our responsibilities to all stakeholders, we will appropriately manage personal information, company information and information supplied from business associates. Appropriate management of information requires reasonable systems and procedures to prevent illegal or inappropriate leakage of confidential or private information, misuse of such information, use of mistaken information such as data input errors, and loss or corruption of such information.

(2) Respect for Privacy and Protection of Personal Information

We respect the privacy of all persons and will use all reasonable care to maintain the privacy and confidentiality of personal data, prohibiting unauthorized disclosure of or access to such data in accordance with the data protection laws and regulations.

<Protection and Management of Intellectual Property>

(3) Respect for Intellectual Property and Non-infringement of Rights

We respect intellectual property held by others and must not infringe the intellectual property rights of others. Unless we have reasonable grounds for its use, we will obtain the consent of the owners of intellectual property. We must not make unauthorized use of the intellectual property of others.

1) Due Investigation of Intellectual Property

Before the development, manufacture, sale or distribution of products or services, we will conduct appropriate investigations of existing patents, designs, trademarks and other intellectual property rights of others.

2) No Unauthorized Reproduction

We must not make unauthorized copies of software or other copyrighted materials.

3) Proper Use of Computer Networks

We will not infringe on the rights of others with regards to copyrighted materials (such as books, articles, pictures, music or other items) when communicating information in e-mails or website pages or when using information available on computer networks.

(4) No Misappropriation and No Unauthorized Use of Trade Secrets

We must not acquire or use trade secrets of others in an unauthorized or unreasonable manner.

(5) Proper Management of Omron's Intellectual Property

We must appropriately manage intellectual property held by the Omron Group, complying with internal company rules regarding confidentiality and information security. We must also safeguard the company from unauthorized disclosures, leakage and infringement of intellectual property rights by others.

(6) Prompt Reporting of Intellectual Property Created in Work

In accordance with internal Omron rules and employment agreements, we will promptly report to Omron information regarding inventions, designs, trademarks, copyrighted materials, trade secrets and other intellectual property devised, created or made in relation to job related activities.

2-2-3. Competition and Fair Dealing

■ BASIC POLICY

The Omron Group strives to act in conformance with principles of fair and free competition, recognizing this as a fundamental ground rule for proper and efficient business activities. The Omron Group also emphasizes protection of rights for customers and consumers, sound development of the economy, and the independence of individual organizations. Accordingly, the Omron Group promotes free competition and endeavors to maintain legal, fair and transparent relationships with its distributors, suppliers, customers and, as appropriate, competitors.

As for suppliers, we expect their support and cooperation in the Omron Group's CSR procurement activities.

■ PRACTICE GUIDELINES

(The rules contained in this chapter do not necessarily cover all aspects of competition compliance to which we have committed ourselves.)

<Fair and Healthy Competition with Competitors>

(1) No Restrictions on Free Business Practices

We must not engage in illegal agreements or arrangements that may lead to restrictions on free business practices as set forth by the applicable laws and regulations in this respect.

1) No Agreements with Competitors (No Cartels)

We must not engage in price fixing or other illegal agreements or arrangements with competitors regarding sales volume, territories, customers or other competitive factors.

2) No Unethical or Unfair Bidding Arrangements

We must not take part in any unethical or unfair bidding activity, such as fixing the successful bidder or contract price.

3) Prohibition on Certain Trade Association Activities

When participating in trade associations or other meetings with companies in our industries, we must not participate in any way in actions or plans with competitors contemplated to form a cartel, rig bidding or interfere with companies newly entering a market or exclude other companies from a market. If presented with proposals by other companies to engage in these activities, to avoid any doubt, we must register our clear objections.

(2) No Unfair Trade Practices

We must not misappropriate the trade secrets of others and not engage in unfair trade practices such as untrue or misleading statements to customers about products of others.

<Fair Dealings with Distributors>

(3) Equal and Fair Relations

We will deal with distributors, agents or other distribution entities ("Distributors") in a fair and

honest manner and must not make unreasonable demands or exhibit unfair behavior towards them.

1) No Restrictions on Resale Prices

We must not engage in any illegal agreement with respect to fixing resale prices with Distributors, nor must we instruct or pressure Distributors to maintain inappropriately the level of wholesale or retail prices.

2) No Unfair Rebates

Rebate policies and terms must be fair and clear with respect to calculation standards, timing, method of payment and other items. We must not reward Distributors with rebates for maintaining resale prices or for not dealing with competing products.

3) No Abuse of Bargaining Power

We must not take unfair advantage of our market position to dictate or change business terms, force purchase of our products, request unreasonable financial contributions or interfere with internal management of our Distributors.

4) No Restrictions on Distributors

In addition to the above, we must not engage in unfair trade practices with our Distributors, such as imposing unreasonable restrictions, including unfairly discriminating in treatment compared to other Distributors for the reason that the Distributor is dealing in competitor's products or prohibiting the Distributor from selling products to discount resellers.

<Fair Dealings with Suppliers>

(4) Fair Selection of Suppliers

We must deal with selections of suppliers of products or services based on an "open door" policy. We must select suppliers fairly, based on objective standards such as quality, price, delivery and service.

(5) Equal and Fair Relations

Purchasing must be equal, fair and based on mutual agreement. We must work fairly and honestly with our suppliers and not make any unreasonable demands or exhibit unfair behavior toward them.

1) No Compulsory Purchases or Tie-in Transactions

We must not force suppliers to purchase certain products or services or make supply transactions conditional on their purchase of our products or services.

2) No Abuse of Bargaining Power

We must not abuse our position as purchaser or consignee to dictate unfairly the terms of transactions or related changes or to impose unreasonable demands or obligations.

3) No Monetary Gifts and Entertainment

We must not accept money, gifts or entertainment from any supplier except for items distributed for advertising purposes, gifts for all section members and entertainment and gifts of de minimis value that is appropriate to promote mutual communication.

(6) Collaborative Promotion of CSR with Suppliers

We will seek understanding, support and cooperation from suppliers regarding the Omron

Group's CSR procurement activities, while also cooperating with suppliers in promotion of their own CSR practices.(Note)

1) Information Sharing and Advice Regarding CSR Procurement Policy

We will explain the Omron Group's CSR procurement policy to suppliers and endeavor to earn their understanding and support. We will sincerely respond to inquiries or requests for advice from suppliers regarding this policy.

2) Cooperation in Suppliers' Promotion of CSR

We will cooperate with suppliers in their promotion of CSR practices and strive to mutually strengthen our CSR practices.

<Fair Dealings with Customers>

(7) No Misleading Conduct

We must avoid conduct or misuse of facts that will mislead consumers and customers in their decisions regarding product purchases.

1) No Excessive Promotional Items

We must not provide to customers gifts, gift coupons or prizes that would exceed statutory limits under applicable law.

2) Fair Comparison Advertising

When we make advertisements, representations or explanations regarding our products or services in comparison with those of others (if permitted under applicable local laws and regulations), we must not make false, inaccurate or misleading statements.

3) Fair Representations, Advertising and Promotion

In our brochures and advertising for products or services, we must not make false or misleading representations with respect to such products or services. Furthermore, our advertising and promotions must comply with accepted ethical standards for advertising, and we must not defame or infringe the rights of other companies or individuals, or violate applicable laws.

(8) No Excessive Entertainment

We must not offer excessive gifts and entertainment beyond that appropriate as a courtesy or as permissible under current societal standards; provided that Subsection 2-2-4-(1) "Compliance with Restrictions on Entertainment and Gifts" shall apply to gifts and offerings to public officials or governmental employees (which are generally prohibited).

(Note) "CSR procurement activities" refers to actions presenting suppliers Omron's procurement policy in connection with CSR and requesting them to comply with it.

2-2-4. Prevention of Corrupt Practices

■ BASIC POLICY

To maintain a just and orderly society bound by laws, the Omron Group will not conduct or encourage corrupt practices. We will also work to maintain a sound and normal relationship with political and administrative bodies as we conduct business activities. We strictly prohibit any association whatsoever with antisocial groups or others that threaten the public order and security, standing firm against them.

■ PRACTICE GUIDELINES

<Appropriate Relations with Governmental Authorities>

(1) Compliance with Restrictions on Entertainment and Gifts

We must comply with restrictions on entertainment and gifts to public officials or governmental employees or employees in public body (“Governmental Employees”).

1) No Unlawful Exchange

We must not offer payments, entertainment or gifts, or provide other benefits to Governmental Employees in order to seek favorable treatment, such as in obtaining or maintaining commercial contracts or acquiring non-public information.

2) No Entertainment or Gifts

With or without the intent to win favorable treatment, any entertainment or gifts we offer to Governmental Employees must be in full compliance with applicable laws, must not be beyond that necessary as a courtesy and as permissible under current social standards.

(2) Applicable to Foreign Governmental Employees

The above guidelines will apply to all politicians and Governmental Employees in countries in which we do business.

<Standing Firm Against Antisocial Forces>

(3) No Offer of Economic Benefits

We must not provide economic benefits in any form in connection with shareholders’ exercise of their rights.

(4) No Affiliation with Antisocial Groups

We must not have any interaction whatsoever with antisocial groups or groups that threaten the public order and security, regardless of the manner, such as through magazine subscriptions, donations, membership fees or commercial transactions.

(5) “Standing Firm” Attitudes

We must “stand firm” in our refusal of demands for money or gifts from any antisocial group. Employees receiving any such demands must, upon consultation with their manager or supervisor, resolutely refuse any such demands with a policy of “No Money;” “No Use” and “No Fear.” We will report these incidents to the appropriate regulatory agency.

2-2-5. Proper Discharge of Tax Responsibilities, Accounting and Investment Activities

■ BASIC POLICY

The Omron Group will pay tax obligations in strict compliance with the applicable laws, and will not make any false or fictitious descriptions or attempts at concealment. The Omron Group will make investments in accordance with applicable laws and internal company rules, and make no improper, speculative investments.

■ PRACTICE GUIDELINES

<Proper Discharge of Tax Responsibilities and Accounting>

(1) Compliance with Tax Laws

We must endeavor to maintain our understanding of, and strictly compliance with, tax and foreign exchange laws. We must promptly pay our tax obligations.

(2) Proper Accounting Management

We must handle all expenses, accounting sales, profits and fund transfers properly and in accordance with applicable laws, accounting principles and internal company rules. We must not make any false descriptions in accounting documents and must not conceal accounting information.

(3) Maintenance of Records and Reporting

We must maintain records of the foregoing in accordance with applicable laws, accounting principles and internal company rules. Accurate information and records must be disclosed or reported to the administrative section of the company, if requested, for their review of the foregoing practices.

<No Speculative Investment>

(4) Appropriate Investment Activities

Investments in real estate, securities and other similar items must be made in accordance with internal company rules and applicable laws, and must be limited to the scope necessary for the management and business purposes of the company. These investments must be carried out only after receiving necessary approvals.

(5) No Speculative Investment

We must not make any investments, foreign currency exchange transactions or commodities purchases for purposes of speculation.

2-3. Environmental Protection

2-3-1. Environmentally Conscious Business Activities

■ BASIC POLICY

The Omron Group considers environmental issues to be a corporate responsibility and important management objective for the Group. As such, while working to lessen the negative impact on the environment arising from our business activities, we are also committed to developing and promoting products and technologies that help conserve the natural resources and the environment. By so doing, the Omron Group aims to implement environmental management practices that enhance both ecology and efficiency. To build a solid base for environmental management, the Omron Group will provide all employees with environmental education and awareness-raising opportunities in order to encourage an ecological mindset.

■ PRACTICE GUIDELINES

(1) Environmental Activities

Throughout our operations with respect to research and development, production, sales, administration and after-sales service, we will undertake environmental activities such as energy and natural resource conservation, reducing waste, discontinuing or reducing use of hazardous materials, reclaiming unused products and recycling.

(2) Compliance with Environmental Regulations

We must properly understand and comply with all applicable environmental laws, national and local regulations, and other governmental requirements and agreements for preserving the environment and protecting it against industrial pollutants.

(3) Compliance with International Standards

We will establish an environmental management system to achieve conformance with international standards. We will maintain relevant environmental standard certifications.

(4) Environmental Learning

We will actively acquire and seek to master knowledge regarding the preservation of the environment in order to apply that knowledge toward reducing the environmental impact of our business activities.

2-3-2. Environmental Conservation Activities

■ BASIC POLICY

The Omron Group recognizes that actions implemented by all concerned organizations and individuals are crucial for the promotion of conservation of natural resources and the environment. As such, the Omron Group, together with relevant organizations, will proactively engage itself in solving the environmental issues that society faces. We also recommend all Omron Group directors and employees to demonstrate concern for environmental protection, even in private activities away from work, and to act in an environmentally conscious manner.

■ PRACTICE GUIDELINES

(1) Voluntary Environmental Conservation

We will strive to lessen the environmental impact of our private activities and participate in community programs for environmental conservation.

(2) Active Participation in the Company's Environmental Activities

We will actively participate in environmental conservation activities organized and carried out by the company or its departments as part of our social contributions.

2-4. Harmonious Coexistence with Society

2-4-1. Respect for Local Communities

■ BASIC POLICY

The Omron Group is aware of the importance of serving as a valued corporate citizen, and thus it strives for harmonious coexistence with society. As a part of our local communities, we not only comply with all applicable laws and rules but also respect local culture and customs. We will always strive to give due consideration to the effect of our business activities on local communities.

■ PRACTICE GUIDELINES

(1) Compliance with International Rules and Local Laws

We must comply with applicable laws and governmental requirements of the respective countries or regions in which we conduct transactions.

(2) Respecting Culture and Customs in Each Country or Region

We will respect the local customs and cultures in countries or regions in which we conduct business.

(3) Maintenance of Safety in Business Practices

We will endeavor to maintain safety in our business practices through proper management of equipment, facilities and practices so as to prevent our business practices from threatening the communities in which we operate. If any problem occurs, we will promptly respond under the guidance of responsible company management. We also will cooperate in the company's implementation of necessary measures to limit the damage and prevent the recurrence of such problems.

2-4-2. Strict Trade Management for the Maintenance of International Peace and Security

■ BASIC POLICY

The Omron Group complies with applicable laws and regulations relating to international trade restrictions necessary for the maintenance of international peace and security.

■ PRACTICE GUIDELINES

(1) Restricted International Trade and Compliance with Export Control Laws

We must not be involved in any trade activities that negatively affect, in any significant way, the maintenance of international peace and security. Moreover, we must comply with all applicable laws and governmental requirements regarding export control in countries or regions in which we conduct business.

1) Obtaining Export Licenses and Permits

Before initiating certain activities that are restricted by laws and regulations or internal rules such as exporting weapons, controlled commodities (such as products, parts and production facilities) or controlled technologies (such as software, drawings, materials and training) that may fall within the export control restrictions under laws and regulations or internal rules and could be used for weapons, we must obtain appropriate licenses or approvals.

2) No Dealings with “Forbidden Persons”

We must not sell products or technology to customers listed on any applicable forbidden or restricted persons list in violation of laws and regulations or internal rules.

3) Compliance with Statutory Procedures for Hand Deliveries Out of Country

We must comply with export control requirements, including with respect to hand deliveries of controlled products or technologies on business trips abroad and electronic transmission of software or technical documents.

(2) Compliance with Internal Rules regarding Export Control

We must fully understand and comply with internal company rules regarding export control.

2-4-3. Community Involvement and Social Contributions (Corporate Citizenship)

■ BASIC POLICY

As a responsible corporate citizen, the Omron Group will actively promote community involvement and other social contribution activities. When engaging in community activities, the Omron Group selects themes of activities that suit the culture, social climate or issues of respective countries or regions and are aligned with the Omron Group's values, resources (financial and human resources, products, facilities, etc.), and expertise (technology, know-how, etc.). Based on this, the Group aims to take the best action available, such as collaboration with communities and related organizations (NGO, NPO and other concerned organizations). The Omron Group also works to encourage and support employees to individually take part in community involvement and other social contribution activities on their own initiative.

■ PRACTICE GUIDELINES

(1) Voluntary Social Contributions

We will have concern for issues faced by local communities and global society and take part in community development and social contribution programs.

(2) Active Participation in the Company's Social Contribution Activities

We will actively participate in community development and other social contribution activities organized and carried out by the company or its departments.

2-5. Rules Regarding Private Activities

2-5-1. Prohibition of Abuse of Corporate Position in Personal Life

■ BASIC POLICY

The Omron Group prohibits its directors and employees from wrongfully seeking personal gain by use of their corporate positions, even in personal activities away from work.

■ PRACTICE GUIDELINES

(1) No Insider Trading

Each of us must not, using non-public information about Omron Corporation or other listed companies obtained through performance of work duties, personally participate in the purchase or sale of stock of Omron or such other companies.

In addition, each of us must not use non-public information obtained at work for obtaining personal economic benefit such as investing in real estate.

Finally, each of us must not communicate any such non-public information to any person inside or outside the company, except when the disclosure is necessary for performance of work duties.

(2) No Disclosure of Confidential Information

Each of us must not disclose trade secrets or other confidential information about Omron to any third party if the disclosure is not necessary for performance of work duties. Such information must not be used for purposes other than the performance of work duties.

(3) No Use of Corporate Property and Assets for Non-Work Purpose

Each of us must not take company property off the company premises or use company property for personal benefit or the benefit of a third party, unless the same is necessary for performance of work duties. (In this subsection, company property includes computer systems and electronic data.)

(4) No Money and Monetary Gifts and Entertainment

Each of us must not accept gifts or offers of entertainment in connection with work activities except as permitted in Section 2-2-3(5)3).

(5) No Pursuit of Personal Gain

In addition to the above, each of us must not seek special personal gain in connection with performance of work duties.

2-5-2. Prohibition of Private Activities that Harm the Company's Reputation

■ BASIC POLICY

In principle, the Omron Group will not interfere in the private activities of its directors and employees. However, private activities that disturb public order or adversely affect Omron's operations are not permitted.

■ PRACTICE GUIDELINES

(1) No Personal Activities at Workplace

Except as otherwise permitted clearly by Omron, each of us must not, at work facilities, engage in political or religious activities, sales or solicitations regarding products or services, or other similar activities unrelated to our work duties.

(2) No Use of Company Reputation or Creditworthiness

Each of us must not make use of Omron's reputation or creditworthiness to secure personal gain.

(3) No Adverse Effect on Company's Reputation

The private activities of each of us must not adversely affect the company's reputation or creditworthiness.

(4) No Engagement in Other Work

Each of us must not be employed with other companies or engage in work that may compete with Omron's businesses or that may conflict with the company's interest without approval of the company.

(5) Compliance with Laws

As a member of society, each of us, in our private activities, must comply with applicable laws and regulations.

III. Practice and Implementation of the Guidelines

1. Establishment, Review and Revision

The CSR Practice Guidelines of Omron Corporation will become effective upon approval by the President & CEO of Omron Corporation.

As to Omron Group companies, the CSR Practice Guidelines and revisions will become effective upon completion of official approval procedures by set forth by each company.

The Guidelines will be reviewed regularly every year by CSR Management Division of Omron Corporation and by each company.

2. Enhancement of Awareness, Understanding and Practice

Each company will strive to enhance awareness of the Guidelines through various training and education programs, publicity, release of revision information, monitoring and other initiatives.

Omron directors and employees are expected to endeavor to fully understand the contents of the Guidelines and consistently refer to them when conducting day-to-day work. Especially when initiating new projects, they should make sure to check the Guidelines beforehand.

Active participation in related seminars and training sessions as well as voluntary organization of study groups at workplaces are also encouraged.

We should all join efforts to build a corporate culture that encourages and welcomes living up to the spirit of CSR.

3. Consultation, Inquiries and Reporting

If there are any unclear points regarding these Guidelines, you should feel free to consult with or ask questions to your managers, CSR promotion specialists or corporate ethics promotion specialists available at your company or affiliated company. Depending on the nature of the questions or situation, you may consult with and directly ask questions to the department in Section 5.

Regarding compliance with laws, regulations and rules (expressed as “must...”) or prohibition of certain conduct (expressed as “must not...”) as specified in the Guidelines, if you discover any violation of the terms by yourself or others, you should consult with or report to the above-mentioned department. This basic action will help Omron and the violator minimize damage and manage legal risks. If you discover any violation by other directors or employees, make sure to take proper actions such as encouraging the violator to correct the situation, consulting with the above-mentioned departments.

4. Measures against Violations

If a violation of Guidelines is identified, Omron will conduct appropriate root cause analysis, identify responsibility and take all appropriate countermeasures. Depending on the nature and extent of the violations, employees in question may be subject to punishment or penalty in accordance with company rules and legal requirements. Although some company rules of employment may have limited applicability to company directors, they may be punished or

penalized according to the corporate law or the internal regulations for the applicable Board of Directors. Needless to say, those engaged in violation of laws are liable according to criminal law or other applicable laws.

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OMRON Corporation
CSR Management Department