OMRON

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (U.S. GAAP)

April 27, 2010

OMRON Corporation (6645)

Exchanges Listed:	Tokyo, Osaka (first sections)
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U.S. GAAP:	Adopted
Annual General Shareholders' Meeting (Scheduled):	June 22, 2010
Start of Distribution of Dividends (Scheduled):	June 23, 2010
Filing of Securities Report (*Yuka shoken hokokusho*) (Scheduled):	June 23, 2010

Note: This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Note: All amounts are rounded to the nearest million yen.

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(1) Sales and Income

(Percentages represent changes compared with the previous fiscal year.)

Millions of yen - except per share data and percentages

	Year ended March 31, 2009		Year ended March 31, 2010	
		Change (%)		Change (%)
Net sales	627,190	(17.8)	524,694	(16.3)
Operating income	5,339	(91.8)	13,074	144.9
Income (loss) before income taxes	(39,133)	—	10,195	—
Net income (loss) attributable to shareholders	(29,172)	—	3,518	—
Net income (loss) attributable to shareholders per share, basic (JPY)	(132.15)		15.98	
Net income (loss) attributable to shareholders per share, diluted (JPY)	—		15.98	
Return on equity	(8.7%)		1.2%	
Income before income taxes / total assets ratio	(6.8%)		1.9%	
Operating income / net sales ratio	0.9%		2.5%	

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2009: JPY (811 million); Year ended March 31, 2010: JPY (2,792 million)

Notes: Net income attributable to shareholders is identical in content to net income for the year ended March 31, 2009.

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2009	As of March 31, 2010
Total assets	538,280	532,254
Net assets	299,981	307,135
Shareholders' equity	298,411	306,327
Net worth ratio (%)	55.4	57.5
Net assets per share (JPY)	1,355.41	1,391.41

(3) Consolidated Cash Flows

	Millions of yen	
	Year ended March 31, 2009	Year ended March 31, 2010
Net cash provided by operating activities	31,408	42,759
Net cash used in investing activities	(40,628)	(18,584)
Net cash (used in) provided by financing activities	21,867	(20,358)
Cash and cash equivalents at end of period	46,631	51,726

2. Dividends

		Year ended March 31, 2009	Year ended March 31, 2010	Year ending March 31, 2011 (projected)
Dividends per share	1st quarter dividend (JPY)	—	—	—
	Interim dividend (JPY)	18.00	7.00	10.00
	3rd quarter dividend (JPY)	—	—	—
	Year-end dividend (JPY)	7.00	10.00	—
	Total dividends for the year (JPY)	25.00	17.00	—
Total cash dividends paid (JPY million)		5,505	3,743	
Payout ratio (%)		—	106.4	—
Net assets / dividends ratio (%)		1.7	1.2	

Note: The year-end dividend for the year ending March 31, 2011 is undetermined.

3. Projected Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent changes compared with the previous fiscal year or the previous interim period, as applicable.)

	Millions of yen			
	Interim period ending September 30, 2010	Change (%)	Full year ending March 31, 2011	Change (%)
Net sales	268,000	15.3	580,000	10.5
Operating income	11,000	—	33,000	152.4
Income before income taxes	11,500	—	33,000	223.7
Net income attributable to shareholders	7,000	—	20,000	468.5
Net income per share attributable to shareholders (JPY)	31.80		90.85	

4. Other

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No

(2) Changes in accounting principles, procedures and methods of presentation pertaining to preparation of the Consolidated Financial Statements
(a) Changes in consolidated accounting methods: Yes
(b) Changes other than (a) above: No

Note: For more details, see "Preparation of the Consolidated Financial Statements" on page 18.

(3) Number of shares issued and outstanding (common stock)
(a) Number of shares at end of period (including treasury stock): March 31, 2009: 239,121,372 shares; March 31, 2010: 239,121,372 shares
(b) Treasury stock at end of period: March 31, 2009: 18,958,944 shares; March 31, 2010: 18,966,294 shares
(c) Average number of shares during the period: Year ended March 31, 2009: 220,747,962 shares; Year ended March 31, 2010: 220,158,389 shares

Note: See "Per Share Data" on page 18 for the number of shares used as the basis for calculation of net income per share (consolidated).

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(1) Non-consolidated Sales and Income

(Percentages for net sales, operating income, income before income taxes, and net income represent changes compared with the previous fiscal year.)

	Millions of yen - except per share data and percentages			
	Year ended March 31, 2009		Year ended March 31, 2010	
		Change (%)		Change (%)
Net sales	267,092	(19.6)	221,367	(17.1)
Operating income (loss)	(17,298)	—	(17,440)	—
Ordinary income (loss)	(7,395)	—	16,073	—
Net income (loss)	(19,526)	—	22,788	—
Net income (loss) per share (JPY)	(88.43)		103.49	
Net income per share, diluted (JPY)	—		103.49	

(2) Non-consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2009	As of March 31, 2010
Total assets	360,732	371,743
Net assets	197,413	221,363
Net worth ratio (%)	54.7	59.5
Net assets per share (JPY)	895.24	1,003.93

(Reference) Net worth: Year ended March 31, 2009: JPY 197,142 million;
Year ended March 31, 2010: JPY 221,070 million

Notes Regarding Use of Projections of Results and Other Matters

1. Projections of results and future developments are based on information available to the Company at the time of writing, 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) the economic conditions affecting the Omron Group’s businesses in Japan and overseas, (ii) demand trends for the Omron Group’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.

   For the assumptions that form the basis of the projected results, see “Qualitative Information and Financial Statements, etc., 1. Results of Operations, (1) Analysis of Results of Operations, 2) Outlook for the Fiscal Year Ending March 31, 2011” on pages 7 and 8.

2. The Company applies the single step method for presentation of its Consolidated Financial Statements based on U.S. GAAP. However, to facilitate comparison with other companies, operating income on the Consolidated Income Statement is presented by subtracting selling, general and administrative expenses and research and development expenses from gross profit.

3. The interim and year-end dividends for the year ending March 31, 2011 will be set and disclosed in accordance with the Company’s Basic Policy for Distribution of Profits at a point when there is a high level of certainty of achieving the Company’s performance forecast. At the latest, the Company plans to make an announcement by April 2011.

Note: The following abbreviations of business segment names are used in the attached materials.
IAB: Industrial Automation Business
EMC: Electronic and Mechanical Components Business
AEC: Automotive Electronic Components Business
SSB: Social Systems, Solutions and Service Business
HCB: Healthcare Business (includes Omron Healthcare Co., Ltd. and others)
Other: Environmental Solutions Business HQ, Electronic Systems & Equipments Division HQ, Micro Devices

1. Results of Operations
(1) Analysis of Results of Operations

1) Results of Operations in Fiscal 2009 (Ended March 31, 2010)

General Conditions
Reviewing economic conditions during fiscal 2009, ended March 31, 2010, the impact of the global economic downturn that began in the second half of fiscal 2008, said to be a once-in-a-century event, continued in the first half of the period. However, the effects of economic stimulus measures in various countries gradually began to materialize around the start of autumn, and a moderate recovery took shape, led by China and other newly industrialized countries.

In the Japanese economy, bright spots finally began to appear in the second half of the period, supported by exports due to the recovery of overseas economies. Overseas, the United States and Europe at last began to show a trend toward recovery in the second half as the effects of economic stimulus measures in various countries emerged. China continued to perform strongly, due in part to the government measures to stimulate consumption, and other economies in Asia were also solid.

In markets related to the Omron Group, demand for Omron's factory automation equipment, a core product line, was weak through the first quarter due to sluggish capital investment stemming from excess production capacity in the manufacturing sector. From the second quarter onward, demand centered on commercial and environment-related products increased, supported by government measures in various countries aimed at encouraging consumption and preserving the environment. Following on from this growth, investment demand among manufacturers, Omron's core customer group, also continued to recover gradually, primarily in the automotive and electronic components industries.

The Omron Group's net sales for the year ended March 31, 2010 were JPY 524,694 million, a decrease of 16.3 percent compared with the previous fiscal year, reflecting the significant global economic slowdown and flat capital investment among manufacturers through the second quarter. In addition, operating income was JPY 13,074 million, an increase of 144.9 percent compared with the previous fiscal year, as a result of implementing profitability initiatives under the fiscal 2009 policies of "Working Together as One" and "Sweeping Profit Structure Reform Guided by 'Selection and Focus.'" Income before income taxes was JPY 10,195 million, and net income attributable to shareholders was JPY 3,518 million.

The average exchange rates for the year ended March 31, 2010 were USD 1 = JPY 92.9 and EUR 1 = JPY 130.3 (7.8 yen and 14.2 yen less than the previous fiscal year, respectively).

Segment Information
In the third quarter, the Omron Group reorganized the Electronic Components Business (ECB) into the Electronic and Mechanical Components Business (EMC) to strengthen mechanical components, transferring ECB's backlight and micro device businesses into a new organization under the direct supervision of Omron's president and CEO.

Accordingly, business segments heretofore classified as IAB, ECB, AEC, SSB and HCB have been reclassified as IAB, EMC, AEC, SSB, HCB and Other from the third quarter. Figures from previous fiscal years have been restated to reflect the new classifications.

IAB
In Japan, demand for Omron's products was weak through the first quarter due to the substantial impact from reduced production and investment among manufacturers from the second half of fiscal 2008. Demand for sensors and other products finally began to turn upward at the start of the second quarter, reflecting a rebound in production centered on customers in the automotive and electronic component industries. The recovery trend in demand for Omron's products continued in the third quarter, with a rise in production among customers in the semiconductor industry and improved sales of energy-related products.

Overseas, demand for Omron's products in China continued to recover and in the fourth quarter returned to the pre-downturn level, as the effect of measures to expand internal demand since the start of the previous year became apparent and production capacity utilization and capital investment increased. In Europe, demand for Omron's products has been gradually recovering since the fourth quarter. In North America, there has been gradual improvement since the third quarter despite the impact of a slump in petroleum-related industries and the automotive industry.

As a result, segment sales to outside customers for the fiscal year totaled JPY 206,197 million, a decrease of 24.2 percent compared with the previous fiscal year.

EMC

In Japan, demand for many products recovered as inventory adjustments in the commercial and consumer products and automotive components industries that began in the second half of the previous fiscal year reached the end of a cycle in the first quarter. However, compared to the levels prior to fiscal 2008, a full-scale recovery has not yet been reached.

Overseas, although sales were weak in an unprecedentedly severe operating environment in Europe and North America, particularly in the first half, signs of recovery gradually surfaced in the second half. In China and Southeast Asia, economic conditions began recovering in the second quarter and demand turned upward, particularly for relays for home electronics, flexible printed circuit connectors for optical disks, and mobile phone input devices.

As a result, segment sales to outside customers for the fiscal year totaled JPY 70,717 million, a decrease of 7.6 percent compared with the previous fiscal year.

AEC

In Japan, despite a sharp drop in automobile sales due to the strong impact of the global economic downturn, demand for Omron products picked up from the third quarter because of preferential tax treatment for eco-friendly cars.

Overseas, demand for Omron products in North America, the main market of this segment, fell sharply due to the major impact from the failure of a large auto manufacturer and production shutdowns. However, the effects of prompt restructuring support from the government and stimulus programs to promote new automobile purchases in various countries became apparent, and demand started to recover gradually from the third quarter.

As a result, segment sales to outside customers for the fiscal year totaled JPY 75,163 million, a decrease of 8.5 percent compared with the previous fiscal year.

SSB

In the public transportation systems business, demand for Omron’s products decreased sharply as railway companies came to the end of a phase of new railway line openings and investment in IC card equipment, and cut back capital investment due to the effects of the continuing weak economy and reduced expressway tolls on weekends and holidays. The social sensor solutions business saw expansion of new solutions in the traffic and road management systems business, but demand decreased significantly with the effect of cutbacks in investment by the manufacturing, distribution and credit industries. In the related maintenance business, demand decreased due to the effect of cutbacks in capital investment by manufacturers and a decrease in public transportation-related construction. In the software business, demand decreased substantially due to a decline in the number of mobile phones sold in the Japanese market and cutbacks in capital investment by distributors.

As a result, segment sales to outside customers for the fiscal year totaled JPY 57,981 million, a decrease of 19.8 percent compared with the previous fiscal year.

HCB

In Japan, demand expanded substantially for digital thermometers due in part to the effect of a new type of influenza. However, demand for devices for medical institutions dropped below that of the previous fiscal year due to the ongoing curtailment or postponement of investment by hospitals and physicians.

Overseas, demand in Asia remained strong, reflecting rising awareness of health management in provincial cities in China. On the other hand, demand in North America and Europe was weak due to the continuing sluggish economy.

As a result, segment sales to outside customers for the fiscal year totaled JPY 63,359 million, a decrease of 0.4 percent compared with the previous fiscal year.

Other

The Other segment is primarily responsible for exploring and nurturing new businesses and nurturing/reinforcing businesses not handled by other internal companies. In the third quarter of fiscal 2009, two businesses that had operated under the Electronic Components Business (ECB) — the Micro Devices HQ and the backlight business of OMRON PRECISION TECHNOLOGY Co., Ltd. — were transferred to a new organization under the direct supervision of Omron's president and CEO.

In the Environmental Solutions Business HQ, demand was strong for energy services using visualization systems for energy consumption amid expansion of initiatives to maintain and improve the environment.

In the Electronic Systems & Equipments Division HQ, contract production and development of electronic devices benefited from improving market conditions, and a moderate recovery trend emerged in the third quarter.

In the Micro Devices HQ, sales have been in a recovery trend since the second quarter as demand for custom integrated circuits and consumer and industrial demand rebounded, while contract chip manufacturing for LCD-related projects also increased.

In the backlight business, sales were weak due to a decrease in demand for music players.

As a result, segment sales to outside customers for fiscal year totaled JPY 41,312 million, a decrease of 17.8 percent compared with the previous fiscal year.

2) Outlook for the Fiscal Year Ending March 31, 2011

General Outlook

In fiscal 2010, ending March 31, 2011, economic conditions are projected to be solid in China and other newly industrialized countries, but the outlook in major developed countries is expected to remain uncertain, with causes for concern including the diminishing effects of economic stimulus measures and weak employment conditions.

In Japan, rising exports are seen as a factor supporting the economy against the backdrop of the gradual recovery of overseas economies, but a clear pickup in corporate capital investment and employment is expected to take time. Overseas, growth is expected to continue in China and other newly industrialized countries with fast-growing economies in Asia, with exports continuing to increase. In the United States and Europe, however, the recovery is forecast to be limited due to ongoing adjustments in employment and capital investment as the effects of economic stimulus measures decrease.

In markets related to the Omron Group, we project that demand for factory automation control systems will recover due to the gradual rebound in capital investment, centered on the semiconductor, electronic component and automotive industries. We also forecast a gradual recovery in demand for electronic component and automotive electronic equipment.

In this environment, the Omron Group's policies for fiscal 2010 — the year in which we will complete the "Revival Stage" that we started in February 2009 — will be "Changing Gears to 'Creating a Robust Earnings Structure' and 'High Growth' without a Rebound" and "Promoting Thorough 'Selection and Focus' and 'Standardization, Sharing and Creation of Platform-Based Organizations.'" Under these policies, we will work to create a corporate structure that is resilient to changes in the environment.

As for the performance outlook for the fiscal year ending March 31, 2011, we project net sales of JPY 580.0 billion, operating income of JPY 33.0 billion, income before income taxes of JPY 33.0 billion and net income attributable to shareholders of JPY 20.0 billion.

The assumed exchange rates are USD1 = JPY 90 and 1 Euro = JPY 125.

Outlook by Business Segment

IAB

While we are assuming that the generally moderate recovery will continue in the next fiscal year, a major rebound in capital investment by manufacturers will take time because of unstable economic and financial conditions. In response to changes in the environment, Omron will carry out structural reforms and work to expand sales by making investments in new products and enhancing sales capabilities.

In response to the rapid growth of the BRICs markets and the related acceleration of the shift to overseas production by our customers, we will strive to enhance cross-border services to customers by bolstering our sales capabilities in newly industrialized countries and strengthening cooperation in our global marketing network. In addition, we will expand production and development in China and accelerate introduction of new products geared to needs in newly industrialized countries, where growth is expected. We will also work to resolve increasing customer needs related to quality, safety and the environment by further improving the selection and compatibility of our high-speed, high-precision machine control products.

As a result, segment sales to outside customers for the fiscal year are projected to be JPY 246.0 billion, a year-on-year increase of 19.3 percent.

EMC

In the environment of the consumer and commerce and automotive components industries, despite improvement primarily in newly industrialized countries, conditions in each country will depend on government policies as economic stimulus measures run their course, and are thus difficult to predict.

In this operating environment, we aim to expand business overseas by accurately meeting growing demand in newly industrialized countries and focusing on markets for environment-related businesses with good growth potential, such as solar power generation, primarily in developed countries. In Japan, we will accelerate the integration of product planning, development and design, and production with the merger of OMRON RELAY & DEVICES Corporation and OMRON Takeo Co., Ltd. and the establishment of OMRON SWITCH & DEVICES Corporation. Moreover, we aim to expand business by building a framework that enables us to create new products that anticipate market changes and respond more quickly to customer needs.

As a result, segment sales to outside customers for the fiscal year are projected to be JPY 76.0 billion, a year-on-year increase of 7.5 percent.

AEC

Programs in various countries to support purchases of new automobiles are ending, and without the demand-boosting effect of those programs on Omron’s products, we expect that demand for the next fiscal year will reflect the real economy. Overseas, we see a continuing gradual recovery in demand in the markets of developed countries. In newly industrialized countries, with the continued contribution from measures to stimulate internal demand, we expect an increase in demand for Omron’s products, centered on small cars. In Japan, meanwhile, the percentage of environment-friendly vehicles is rising substantially, aided by reduced taxes on eco-friendly cars and measures to promote automobile purchases. In this changing environment, Omron will work to minimize the impact of market downturns by concentrating on fields where growth can be expected. Specifically, we will focus on components for security entry systems, which we expect to be installed in a growing proportion of automobiles, including small cars, and green vehicles such as hybrid and electric cars, where further growth can be expected in the future.

As a result, segment sales to outside customers for the fiscal year are projected to be JPY 78.0 billion, a year-on-year increase of 3.8 percent.

SSB

In the public transportation systems business, Omron will work to expand sales by introducing new models of ticket vending machines and automated ticket gate systems and focusing on generating new business with railway companies for security and safety. In addition, we will work to expand sales in the sensing business to areas such as the transportation business, manufacturing industries and commercial facilities, with a core focus on “social sensors” using image processing technology, a strength of Omron. In the related maintenance business, we will aim to grow businesses related to engineering and information technology amid the gradual recovery of the Japanese economy. In the software business, we aim to expand sales in new businesses by leveraging our strengths in signal and imaging technologies.

As a result, segment sales to outside customers for the fiscal year are projected to be JPY 64.0 billion, a year-on-year increase of 10.4 percent.

HCB
In Japan and other major countries, stagnant personal consumption, price consciousness among consumers and restrained capital investment by medical institutions are expected to continue. However, we believe that awareness of prevention — personal responsibility for protecting one's own health — will increase, and expect a gradual increase in demand for Omron's products. In newly industrialized countries, demand for healthcare equipment is likely to continue expanding as individual health consciousness rises with the increase in lifestyle diseases due to economic growth and changing lifestyles.

A decline from the sharp increase in demand for digital thermometers in fiscal 2009 is expected, but Omron will work to expand business by introducing products for newly industrialized countries and bolstering lifestyle disease prevention using information technology and proposal-based sales to medical institutions.

As a result, segment sales to outside customers for the fiscal year are projected to be JPY 64.5 billion, a year-on-year increase of 1.8 percent.

Other
In the Environmental Solutions Business HQ, we aim to establish the foundations of a new growth business by providing sustainable CO_2 reduction solutions, mainly in the industrial sector.

In the Electronic Systems & Equipments Division HQ, Omron will work to increase sales of CPU boards and other devices as well as uninterruptible power supply units, and expand the industrial-use personal computer business.

In the Micro Devices HQ, we will steadily expand sales of custom integrated circuits for consumers and industrial users, an area where demand is recovering, and foundry projects for LCD-related integrated circuits.

In the backlight business, we will promote expansion of sales of medium and small-sized LEDs to overseas customers and entry into low-cost markets in response to growing market demand in newly industrialized countries, particularly China.

As a result, segment sales to outside customers for the fiscal year are projected to be JPY 46.0 billion, a year-on-year increase of 11.3 percent.

(2) Analysis of Financial Condition
Analysis of Assets, Liabilities, Net Assets and Cash Flow

1) Financial Condition as of March 31, 2010

Total assets: JPY 532,254 million (a decrease of JPY 6,026 million from the end of the previous fiscal year)
Total shareholders' equity: JPY 306,327 million (an increase of JPY 7,916 million from the end of the previous fiscal year)
Net worth ratio: 57.5% (an increase of 2.1 percentage points from the end of the previous fiscal year)

While the value of investment securities increased following a recovery in stock prices from the end of the previous fiscal year and notes and accounts receivable increased due to the upturn in sales, reduction of new investment in equipment and efforts to reduce inventories resulted in total assets of JPY 532,254 million. In liabilities, notes and accounts payable increased, but termination and retirement benefits decreased, reflecting the increased value of pension assets, and long-term debt decreased due to reduction of assets. As a result, total liabilities decreased JPY 13,180 million to JPY 225,119 million. Total net assets increased JPY 7,154 million compared with the end of the previous fiscal year to JPY 307,135 million, and the net worth ratio increased 2.1 percentage points to 57.5 percent from 55.4 percent.

2) Summary of Cash Flows for the Fiscal Year Ended March 31, 2010

Net cash provided by operating activities was JPY 42,759 million (an increase of JPY 11,351 million compared with the previous fiscal year) due in part to net income and the reduction of working capital, including a decrease in inventories.

Net cash used in investing activities was JPY 18,584 million (a decrease of JPY 22,044 million compared with the previous fiscal year) as a result of conducting highly selective capital investment.

Net cash used in financing activities was JPY 20,358 million (an increase of JPY 42,225 million compared with the previous fiscal year) because the Company paid dividends and reduced short-term bank loans.

As a result, the balance of cash and cash equivalents at March 31, 2010 was JPY 51,726 million.

3) Qualitative Information on Consolidated Performance Forecast

In the fiscal year ending March 31, 2011, Omron expects a decrease in free cash flow, calculated as the total of net cash provided by operating activities and net cash used in investing activities, due to an increase in capital expenditures, investments and loans for new growth. In financing activities, Omron will flexibly manage sources and uses of capital, taking financial conditions into consideration while efficiently deploying capital and maintaining appropriate capital levels throughout the Group.

Considering the above cash flow projections, Omron believes that the balance of cash and cash equivalents of JPY 51,726 million as of March 31, 2010 is more than sufficient for business operations in the present economic conditions.

Cash Flow Indicators and Trends

Consolidated cash flow indicators and trends for the five most recent fiscal years are as follows.

	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010
Net worth ratio (%)	61.6	60.7	59.7	55.4	57.5
Net worth ratio on market value basis (%)	134.5	115.9	73.4	47.3	89.8
Debt coverage ratio	0.1	0.5	0.3	1.7	0.9
Interest coverage ratio	57.6	35.9	44.9	25.0	65.6

Notes: Net worth ratio: Net worth/Total assets
Net worth ratio on market value basis: Total market value of stock/Total assets
Debt coverage ratio: Interest-bearing liabilities/Net cash provided by operations
Interest coverage ratio: Net cash provided by operations/Interest expense

1. All indicators are calculated on a consolidated basis.
2. Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing share price at the end of the period.
3. Net cash provided by operations is as reported in the consolidated statement of cash flows. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid. Interest expense is as stated in the notes to the consolidated statements of cash flows.

(3) Basic Policy for Distribution of Profits and Dividends for Fiscal 2009 and Fiscal 2010

Omron views its dividend policy as one of its most important management issues, and applies the following basic policy in regard to distribution of profits to shareholders.

1) In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and capital investments, which are vital to future business expansion.
2) After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.
3) For dividends in each fiscal year, Omron’s policy is to enhance stable, uninterrupted profit distributions by taking into account consolidated results as well as indicators including dividends on equity (DOE), which is return on equity (ROE) multiplied by the payout ratio, although this is subject to the level of internal capital resources necessary. Specifically, 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%.
4) 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.

In accordance with the policy stated above, Omron plans to pay an ordinary year-end dividend of JPY 10 per share for fiscal 2009 (ended March 31, 2010). For the full fiscal year, including the interim dividend of JPY 7 per share paid on December 3, 2009, Omron plans to pay total dividends of JPY 17 per share.

For fiscal 2010 (ending March 31, 2011), Omron plans to pay an interim dividend of JPY 10 per share, but the year-end dividend has not been determined.

Projections of results and future developments are based on information available to the Company at the time of writing, 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) the economic conditions affecting the Omron Group’s businesses in Japan and overseas, (ii) demand trends for the Omron Group’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.

2. The Omron Group

As described in “1. Results of Operations, (1) Analysis of Results of Operations, 1) Results of Operations in Fiscal 2009 (Ended March 31, 2010),” in the third quarter, the Omron Group reorganized the Electronic Components Business (ECB) into the Electronic and Mechanical Components Business (EMC) to strengthen mechanical components, and transferred ECB’s backlight and micro device businesses into a new organization under the direct supervision of Omron’s president and CEO.

Accordingly, business segments heretofore classified as IAB, ECB, AEC, SSB, and HCB have been reclassified as IAB, EMC, AEC, SSB, HCB and Other from the third quarter.

3. Management Policies

(1) Omron's Basic Management Policies
In fiscal 2001 (ended March 31, 2002), Omron introduced "Grand Design 2010" (GD2010), a vision that sets the basic policies for management of the Omron Group for the 10 years through fiscal 2010 based on Omron's philosophy of "working for the benefit of society." In accordance with this vision, Omron aims to become a 21st century company with the management objective of "maximizing corporate value over the long term." Omron's aim as a company is to be "small but global."

(2) Targets for Management Indicators
Since launching GD2010 in April 2001, Omron has gone through the first stage (fiscal 2001-2003) and second stage (fiscal 2004-2007), and fiscal 2009 was the middle year of the third stage (fiscal 2008-2010).

The first and second stages advanced essentially in line with the plan, with rising sales and income. Omron achieved return on equity (ROE) of 10%, the target for the end of fiscal 2004, a year ahead of schedule at the end of fiscal 2003 (the final year of the first stage), and also achieved its second-stage goal of "doubling total business value*."

Omron had set "raising business value by an annual average of at least 10%" as its goal in the management plan for the third stage, starting from fiscal 2008. However, Omron dropped this goal due to the drastic changes in its operating environment, and decided to make sweeping structural reforms and to reorganize operations as part of a "revival stage" from February 2009 through March 2011.

* Business value is the total current value of future free cash flow generated by each business.

(3) Mid- to Long-Term Management Strategies
In the revival stage from February 2009 to March 2011, Omron is strengthening its operations through business domain strategy and operational strategy.

The business domain strategy is based on business selection and focus. We will concentrate management resources on strengthening the general-purpose components business in IAB and EMC, capturing business in growth markets in newly industrialized countries, and strengthening core businesses. In addition, in cultivating new businesses, we will focus on the environmental solutions business in the areas of industry and society with a long-term perspective, and work to anticipate social needs.

The operational strategy is aimed at selection and focus of functions and organizations/operating bases. From the standpoint of standardization, sharing and creation of platform-based organizations, we will move to strengthen our operations by implementing group-wide structural reform consisting of variable cost reforms, manufacturing fixed cost reform, and IT structural reform.

(4) Issues Facing the Company
Due to the drastic changes that swept the global economy in fiscal 2008, Omron assumed that its operating environment in fiscal 2009 would be severe. Therefore, the Omron Group undertook sweeping structural reforms and reorganization of operations as the top priorities in the "Revival Stage," which began in February 2009. Specifically, the head office, centered on the Emergency Measures and Structural Reform HQ headed by President and CEO Hisao Sakuta, has led implementation of these emergency measures and structural reforms.

In terms of emergency measures, Omron achieved major cost reductions as a result of thorough cost-cutting in every area, a freeze on large-scale capital investment and consolidation of unprofitable businesses. This contributed to improved earnings in fiscal 2009. Structural reforms included the restructuring of the three core business segments — IAB, ECB and AEC.

In fiscal 2010, the Emergency Measures and Structural Reform HQ, formed in February 2009, will wind down its activities after having achieved its specified results, and will be reorganized as the Structural Reform

Acceleration HQ headed by President and CEO Hisao Sakuta. Omron will continue to undertake qualitative reforms of business operations, including expenses, investments and inventories.

With these operational and business domain strategies, Omron will build a robust earnings structure that is resilient to changes in the environment and strengthen its operations.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010		Increase (decrease)
ASSETS					
Current assets:	275,991	51.3%	285,758	53.7%	9,767
Cash and cash equivalents	46,631		51,726		5,095
Notes and accounts receivable — trade	113,551		126,250		12,699
Allowance for doubtful receivables	(2,562)		(2,531)		31
Inventories	84,708		77,655		(7,053)
Deferred income taxes	16,522		19,988		3,466
Other current assets	17,141		12,670		(4,471)
Property, plant and equipment:	132,535	24.6	122,994	23.1	(9,541)
Land	26,753		26,376		(377)
Buildings	120,244		127,344		7,100
Machinery and equipment	143,801		140,200		(3,601)
Construction in progress	9,061		2,733		(6,328)
Accumulated depreciation	(167,324)		(173,659)		(6,335)
Investments and other assets:	129,754	24.1	123,502	23.2	(6,252)
Investments in and advances to associates	15,638		13,637		(2,001)
Investment securities	31,682		38,556		6,874
Leasehold deposits	7,784		7,452		(332)
Deferred income taxes	53,783		45,737		(8,046)
Other	20,867		18,120		(2,747)
Total assets	538,280	100.0%	532,254	100.0%	(6,026)

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010		Increase (decrease)
LIABILITIES					
Current liabilities:	135,038	25.1%	155,562	29.2%	20,524
Short-term debt	32,970		16,612		(16,358)
Notes and accounts payable －trade	58,179		68,874		10,695
Accrued expenses	24,791		25,891		1,100
Income taxes payable	711		2,710		1,999
Deferred income taxes	156		11		(145)
Other current liabilities	17,743		21,149		3,406
Current portion of long-term debt	488		20,315		19,827
Long-term debt	21,401	4.0	1,290	0.2	(20,111)
Deferred income taxes	941	0.2	886	0.2	(55)
Termination and retirement benefits	80,443	14.9	66,964	12.6	(13,479)
Other long-term liabilities	476	0.1	417	0.1	(59)
Total liabilities	238,299	44.3	225,119	42.3	(13,180)
NET ASSETS					
Shareholders' equity	298,411	55.4	306,327	57.5	7,916
Common stock	64,100	11.9	64,100	12.0	—
Capital surplus	99,059	18.4	99,081	18.6	22
Legal reserve	9,059	1.7	9,363	1.8	304
Retained earnings	231,388	43.0	230,859	43.4	(529)
Accumulated other comprehensive income (loss)	(60,744)	(11.3)	(52,614)	(9.9)	8,130
Foreign currency translation adjustments	(22,319)		(23,678)		(1,359)
Minimum pension liability adjustments	(40,570)		(36,553)		4,017
Net unrealized gains on available-for-sale securities	2,763		7,684		4,921
Net gains (losses) on derivative instruments	(618)		(67)		551
Treasury stock	(44,451)	(8.3)	(44,462)	(8.4)	(11)
Noncontrolling interests	1,570	0.3	808	0.2	(762)
Total net assets	299,981	55.7	307,135	57.7	7,154
Total liabilities and shareholders' equity	538,280	100.0%	532,254	100.0%	(6,026)

(2) Consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2009		Year ended March 31, 2010		Increase (decrease)
Net sales	627,190	100.0%	524,694	100.0%	(102,496)
Cost of sales	408,668	65.2	340,352	64.9	(68,316)
Gross profit	218,522	34.8	184,342	35.1	(34,180)
Selling, general and administrative expenses	164,284	26.2	133,426	25.4	(30,858)
Research and development expenses	48,899	7.7	37,842	7.2	(11,057)
Operating income	5,339	0.9	13,074	2.5	7,735
Other expenses, net	44,472	7.1	2,879	0.6	(41,593)
Income (loss) before income taxes	(39,133)	(6.2)	10,195	1.9	49,328
Income taxes	(10,495)	(1.6)	3,782	0.7	14,277
Current	3,400		4,812		1,412
Deferred	(13,895)		(1,030)		12,865
Equity in net losses (gains) of affiliates	811	0.1	2,792	0.5	1,981
Net income (loss)	(29,449)	(4.7)	3,621	0.7	33,070
Net loss (income) attributable to noncontrolling interests	(277)	(0.0)	103	0.0	380
Net income (loss) attributable to shareholders	(29,172)	(4.7)	3,518	0.7	32,690

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total share-holders' equity	Non-controlling interests	Total net assets
Balance, March 31, 2008	64,100	98,961	8,673	266,451	(28,217)	(41,466)	368,502	2,018	370,520
Net income				(29,172)			(29,172)	(277)	(29,449)
Cash dividends				(5,505)			(5,505)		(5,505)
Transfer to legal reserve			386	(386)			-		-
Foreign currency translation adjustments					(16,537)		(16,537)	(171)	(16,708)
Minimum pension liability adjustments					(11,325)		(11,325)		(11,325)
Unrealized losses on available-for-sale securities					(3,738)		(3,738)		(3,738)
Net losses on derivative instruments					(927)		(927)		(927)
Acquisition of treasury stock						(2,995)	(2,995)		(2,995)
Sale of treasury stock		(3)				10	7		7
Grant of stock options		101					101		101
Balance, March 31, 2009	64,100	99,059	9,059	231,388	(60,744)	(44,451)	298,411	1,570	299,981
Net income				3,518			3,518	103	3,621
Cash dividends				(3,743)			(3,743)		(3,743)
Dividends to noncontrolling interests								(762)	(762)
Capital and other transactions with noncontrolling interests								(62)	(62)
Transfer to legal reserve			304	(304)			-		-
Foreign currency translation adjustments					(1,359)		(1,359)	(41)	(1,400)
Minimum pension liability adjustments					4,017		4,017		4,017
Unrealized gains on available-for-sale securities					4,921		4,921		4,921
Net gains on derivative instruments					551		551		551
Acquisition of treasury stock						(13)	(13)		(13)
Sale of treasury stock		(0)				2	2		2
Grant of stock options		22					22		22
Balance, March 31, 2010	64,100	99,081	9,363	230,859	(52,614)	(44,462)	306,327	808	307,135

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Increase (decrease)
I Operating Activities:			
1. Net income (loss)	(29,449)	3,621	33,070
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	33,496	27,014	
(2) Net loss on sales and disposals of property, plant and equipment	1,983	558	
(3) Loss on impairment of property, plant and equipment	21,203	217	
(4) Net gain on sales of investment securities	(64)	(636)	
(5) Loss on impairment of investment securities and other assets	5,401	632	
(6) Loss on impairment of goodwill	16,813	—	
(7) Termination and retirement benefits	(1,390)	(5,110)	
(8) Deferred income taxes	(13,895)	(1,031)	
(9) Equity in loss of affiliates	811	2,792	
(10) Changes in assets and liabilities:			
(i) Decrease (increase) in notes and accounts receivable — trade, net	47,526	(14,440)	
(ii) Decrease in inventories	5,776	4,977	
(iii) Decrease (increase) in other assets	(7,689)	4,457	
(iv) Increase (decrease) in notes and accounts payable — trade	(34,046)	13,298	
(v) Decrease (increase) in income taxes payable	(8,044)	1,995	
(vi) Increase (decrease) in accrued expenses and other current liabilities	(8,290)	4,554	
(11) Other, net	1,266	(139)	
Total adjustments	60,857	39,138	(21,719)
Net cash provided by operating activities	31,408	42,759	11,351
II Investing Activities:			
1. Proceeds from sales or maturities of investment securities	1,742	1,004	(738)
2. Purchase of investment securities	(6,151)	(15)	6,136
3. Capital expenditures	(37,477)	(20,792)	16,685
4. Decrease in leasehold deposits, net	228	335	107
5. Proceeds from sales of property, plant and equipment	1,046	1,490	444
6. Purchase of noncontrolling interests	—	(106)	(106)
7. Increase in investment in and loans to affiliates	(16)	(931)	(915)
8. Payment for acquisition of business entities, net	—	431	431
Net cash used in investing activities	(40,628)	(18,584)	22,044
III Financing Activities:			
1. Net proceeds (repayments) of short-term debt	15,291	(16,282)	(31,573)
2. Proceeds from issuance of long-term debt	20,000	305	(19,695)
3. Repayments of long-term debt	(916)	(524)	392
4. Dividends paid by the Company	(9,507)	(3,083)	6,424
5. Dividends paid to noncontrolling interests	(13)	(762)	(749)
6. Acquisition of treasury stock	(2,995)	(13)	2,982
7. Sale of treasury stock	7	1	(6)
Net cash provided by (used in) financing activities	21,867	(20,358)	(42,225)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	(6,640)	1,278	7,918
Net Increase (Decrease) in Cash and Cash Equivalents	6,007	5,095	(912)
Cash and Cash Equivalents at Beginning of the Period	40,624	46,631	6,007
Cash and Cash Equivalents at End of the Period	46,631	51,726	5,095
Notes to cash flows from operating activities:			
1. Interest paid	1,257	652	(605)
2. Taxes paid	18,776	2,813	(15,963)
Notes to investing and financing activities not involving cash flow:			
Debt related to capital expenditures	1,567	299	(1,268)

(5) Events or Conditions Raising Significant Questions Regarding Assumption of Going Concern

None applicable

(6) Preparation of the Consolidated Financial Statements

1. Accounting Principles

Omron has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 105, "Generally Accepted Accounting Principles" (previously FASB Statement No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles"), as of the fiscal year ending March 31, 2010. This statement establishes the FASB ASC as the sole source of authoritative US Generally Accepted Accounting Principles (U.S. GAAP) recognized by the FASB. Provisions will be changed from the previous FASB standard to conform to the FASB ASC.

2. Noncontrolling Interests

Omron has adopted FASB ASC No. 810, "Consolidation" (previously FASB Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51"), as of the fiscal year ending March 31, 2010. This standard requires the parent company's interest and noncontrolling interests to be clearly identified, labeled and disclosed. Minority interests, which were formerly classified between liabilities and shareholders' equity in the consolidated balance sheets, are now accounted for in net assets as noncontrolling interests. This statement also changes the presentation and line items of the consolidated statements of income.

Prior year amounts in the consolidated financial statements have been reclassified or adjusted following adoption of the standard.

3. Segment Information

Omron has adopted FASB ASC No. 280, "Segment Reporting" (previously FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information"), as of the fiscal year ending March 31, 2010. This standard regulates reporting information about a company's operating segments. Operating segments are regularly used by a company's top decision-makers in distributing management resources and assessing performance, and defined as structural units of financial information available concerning a company.

Prior year amounts in segment information have been reclassified or adjusted following adoption of the standard.

Other matters not listed here have not changed significantly since the most recent Securities Report (*Yuka shoken hokokusho*), submitted on June 24, 2009.

(7) Notes to Consolidated Financial Statements

1. Per Share Data

The Company calculates net income per share in accordance with FASB Statement No. 260, "Earnings per Share." The number of shares used to compute basic and diluted net income per share available to shareholders is as follows:

(Number of shares)	Year ended March 31, 2009	Year ended March 31, 2010
Basic	220,747,962	220,158,389
Diluted	220,747,962	220,158,389

Omron considers the dilution effect due to stock options. No such dilution effect occurred for the fiscal years ended March 31, 2009 and 2010.

2. Comprehensive Income (Loss)

Comprehensive income (loss) in addition to other comprehensive income included in net income attributable to shareholders is as follows:

Year ended March 31, 2009: JPY (61,699) million
Year ended March 31, 2010: JPY 11,648 million

Other comprehensive income includes changes in foreign currency translation adjustments, minimum pension liability adjustments, unrealized gains or losses on available-for-sale securities and net gains or losses on derivative instruments.

3. Major Components of Other Expenses, Net

The major components of “Other expenses, net” are as follows:

Year ended March 31, 2009

Loss on impairment of property, plant and equipment	JPY 21,203 million
Loss on impairment of goodwill	JPY 16,813 million
Loss on impairment of investment securities and other assets	JPY 5,401 million

Year ended March 31, 2010

Foreign exchange loss (net)	JPY 723 million
Interest paid	JPY 650 million
Loss on impairment of investment securities and other assets	JPY 632 million

4. Subsequent Events

None applicable.

Notes concerning asset retirement obligations such as lease transactions, related party transactions, tax effect accounting, financial products, securities, derivative transactions, retirement benefits, stock options and corporate consolidation have not been included in this summary of consolidated financial results, as the Company considers their disclosure here to be of marginal importance.

(8) Segment Information

1. Business Segment Information

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	271,951	76,494	82,109	72,336	63,592	50,242	616,724	10,466	627,190
(2) Intersegment sales and transfers	10,483	47,562	3,515	5,753	240	5,263	72,816	(72,816)	—
Total	282,434	124,056	85,624	78,089	63,832	55,505	689,540	(62,350)	627,190
Operating expenses	264,259	119,833	92,739	72,895	59,065	62,823	671,614	(49,763)	621,851
Operating income (loss)	18,175	4,223	(7,115)	5,194	4,767	(7,318)	17,926	(12,587)	5,339

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010) (Millions of yen)

	IAB	EMC	AEC	SSB	HCB	Other	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	206,197	70,717	75,163	57,981	63,359	41,312	514,729	9,965	524,694
(2) Intersegment sales and transfers	5,324	43,961	691	3,898	86	8,318	62,278	(62,278)	—
Total	211,521	114,678	75,854	61,879	63,445	49,630	577,007	(52,313)	524,694
Operating expenses	197,621	107,939	74,123	59,225	56,390	56,658	551,956	(40,336)	511,620
Operating income (loss)	13,900	6,739	1,731	2,654	7,055	(7,028)	25,051	(11,977)	13,074

Notes: 1. The Company has adopted FASB ASC No. 280, “Segment Reporting” (previously FASB Statement No. 131, “Disclosures about Segments of an Enterprise and Related Information”), from the year ended March 31, 2010. Segment information for the year ended March 31, 2009 has been restated to reflect the change.

2. From the nine months ended December 31, 2009, business segments have been changed to IAB, EMC, AEC, SSB, HCB and Other to reflect a change in organization. Figures in segment information for the year ended March 31, 2009 have been restated to reflect the new classifications.

2. Geographical Segment Information

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009) (Millions of yen)

	Japan	North America	Europe	Greater China	South-east Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	328,063	80,397	103,128	75,242	40,360	627,190	—	627,190
(2) Intersegment sales and transfers	109,410	832	1,095	51,791	8,323	171,451	(171,451)	—
Total	437,473	81,229	104,223	127,033	48,683	798,641	(171,451)	627,190
Operating expenses	429,077	81,945	97,752	123,908	47,211	779,893	(158,042)	621,851
Operating income (loss)	8,396	(716)	6,471	3,125	1,472	18,748	(13,409)	5,339

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010) (Millions of yen)

	Japan	North America	Europe	Greater China	South-east Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	269,143	61,154	77,607	77,136	39,654	524,694	—	524,694
(2) Intersegment sales and transfers	101,311	1,014	759	51,953	7,519	162,556	(162,556)	—
Total	370,454	62,168	78,366	129,089	47,173	687,250	(162,556)	524,694
Operating expenses	358,928	62,664	76,428	120,098	43,636	661,754	(150,134)	511,620
Operating income (loss)	11,526	(496)	1,938	8,991	3,537	25,496	(12,422)	13,074

3. Overseas Sales

Year ended March 31, 2009 (April 1, 2008 – March 31, 2009) (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	80,954	105,717	78,544	46,379	311,594
Consolidated net sales					627,190
Overseas sales as a percentage of consolidated net sales (%)	12.9	16.9	12.5	7.4	49.7

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010) (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	61,592	83,524	78,297	42,868	266,281
Consolidated net sales					524,694
Overseas sales as a percentage of consolidated net sales (%)	11.7	15.9	14.9	8.2	50.7

(Attachment)

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010		Increase (decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets					
Cash and time deposits	15,276		7,409		(7,867)
Accounts receivable	1,751		1,121		(630)
Accounts receivable - trade	38,591		53,688		15,097
Merchandise	8,995		7,215		(1,780)
Materials	3,701		3,671		(30)
Work-in-process	6,345		5,339		(1,006)
Supplies	399		362		(37)
Short-term loans receivable	13,779		8,372		(5,407)
Accounts receivable - purchasing	4,849		10,791		5,942
Other accounts receivable	4,074		5,351		1,277
Deferred income taxes	7,756		5,205		(2,551)
Other current assets	7,183		4,903		(2,280)
Allowance for doubtful receivables	(207)		(198)		9
Total current assets	112,492	31.2	113,229	30.5	737
Fixed assets					
Property and equipment					
Buildings	21,682		26,148		4,466
Structures	1,725		1,841		116
Machinery and equipment	1,529		1,513		(16)
Vehicles and delivery equipment	1		1		0
Tools, furniture and fixtures	1,849		1,948		99
Land	14,665		14,665		—
Lease assets	3,819		2,903		(916)
Construction in progress	6,110		473		(5,637)
Total property and equipment	51,380	14.3	49,492	13.3	(1,888)
Intangible fixed assets					
Software	9,850	2.7	8,858	2.4	(992)
Investments and other assets					
Investment securities	27,623		33,204		5,581
Investments in affiliated companies	111,433		112,297		864
Investments in capital	14,082		20,932		6,850
Long-term advances	50		50		—
Long-term advances to affiliates	5,654		5,765		111
Leasehold deposits	5,327		5,124		(203)
Deferred income taxes	26,558		27,251		693
Other	1,983		1,217		(766)
Allowance for doubtful receivables	(5,700)		(5,676)		24
Total investments and other assets	187,010	51.8	200,164	53.8	13,154
Total fixed assets	248,240	68.8	258,514	69.5	10,274
Total assets	360,732	100.0	371,743	100.0	11,011

	As of March 31, 2009		As of March 31, 2010		Increase (decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities					
Accounts payable	1,152		1,551		399
Accounts payable - trade	23,079		32,942		9,863
Short-term borrowings from affiliated companies	38,705		34,266		(4,439)
Commercial paper	31,000		16,000		(15,000)
Current portion of long-term debt	—		20,000		20,000
Lease liabilities	2,460		1,868		(592)
Other payables	6,004		5,792		(212)
Accrued expenses	6,843		7,367		524
Income taxes payable	73		327		254
Advances received	597		429		(168)
Deposits received	903		2,076		1,173
Bonuses for officers	-		61		61
Other	3,177		788		(2,389)
Total current liabilities	113,993	31.6	123,467	33.2	9,474
Long-term liabilities					
Long-term debt	20,000		—		(20,000)
Lease liabilities	3,941		2,574		(1,367)
Termination and retirement benefits	22,916		21,926		(990)
Deferred tax liabilities related to revaluation	1,800		1,800		—
Other	669		613		(56)
Total long-term liabilities	49,326	13.7	26,913	7.3	(22,413)
Total liabilities	163,319	45.3	150,380	40.5	(12,939)
NET ASSETS					
Shareholders' equity					
Common stock	64,100	17.8	64,100	17.2	—
Capital surplus					
Additional paid-in capital	88,771		88,771		—
Total capital surplus	88,771	24.6	88,771	23.9	—
Retained earnings					
Legal reserve	6,774		6,774		—
Reserve for dividends	3,400		3,400		—
Reserve for reduction of land assets	1,511		—		(1,511)
Reserve for replacement of property	189		—		(189)
Nonrestrictive reserve	98,500		73,500		(25,000)
Retained earnings carried forward	(15,354)		31,051		46,405
Total retained earnings	95,020	26.3	114,725	30.9	19,705
Treasury stock	(44,434)	(12.3)	(44,445)	(12.0)	(11)
Total shareholders' equity	203,457	56.4	223,151	60.0	19,694
Valuation and translation adjustments					
Net unrealized holding gains (losses) on securities	(458)		3,191		3,649
Deferred hedge loss	(593)		(8)		585
Revaluation of land	(5,264)		(5,264)		—
Total valuation and translation adjustments	(6,315)	(1.8)	(2,081)	(0.6)	4,234
New stock acquisition rights	271	0.1	293	0.1	22
Total net assets	197,413	54.7	221,363	59.5	23,950
Total liabilities and net assets	360,732	100.0	371,743	100.0	11,011

(2) Non-consolidated Statements of Operations

(Millions of yen)

	As of March 31, 2009		As of March 31, 2010		Increase (decrease)
Net sales	267,092	100.0%	221,367	100.0%	(45,725)
Cost of sales	176,587	66.1	152,848	69.0	(23,739)
Gross profit	90,505	33.9	68,519	31.0	(21,986)
Selling, general and administrative expenses	107,803	40.4	85,959	38.8	(21,844)
Operating income (loss)	(17,298)	(6.5)	(17,440)	(7.8)	(142)
Non-operating income:					
Interest and dividend income	9,404	3.5	34,776	15.7	25,372
Other non-operating income	6,333	2.4	1,549	0.7	(4,784)
Total non-operating income	15,737	5.9	36,325	16.4	20,588
Non-operating expenses:					
Interest paid	1,428	0.6	810	0.4	(618)
Discount on sales	850	0.3	538	0.2	(312)
Other non-operating expenses	3,556	1.3	1,464	0.7	(2,092)
Total non-operating expenses	5,834	2.2	2,812	1.3	(3,022)
Ordinary income (loss)	(7,395)	(2.8)	16,073	7.3	23,468
Extraordinary gains:					
Gain on sales of property, plant and equipment	2	0.0	4	0.0	2
Gain on sales of investment securities	70	0.0	627	0.3	557
Transfer pricing taxation adjustment	—	—	3,838	1.7	3,838
Other extraordinary gains	128	0.1	196	0.1	68
Total extraordinary gains	200	0.1	4,665	2.1	4,465
Extraordinary losses					
Loss on sales and disposal of property, plant and equipment	1,217	0.5	445	0.2	(772)
Loss on evaluation of investment securities	1,276	0.5	131	0.1	(1,145)
Loss on evaluation of stocks of affiliated companies	8,795	3.3	—	—	(8,795)
Loss on evaluation of investment in affiliated companies	1,385	0.5	875	0.4	(510)
Impairment loss	7,758	2.9	—	—	(7,758)
Other extraordinary losses	2,184	0.8	280	0.1	(1,904)
Total extraordinary losses	22,615	8.5	1,731	0.8	(20,884)
Income (loss) before income taxes	(29,810)	(11.2)	19,007	8.6	48,817
Income, residential and enterprise taxes	(4,097)	(1.6)	(2,697)	(1.2)	1,400
Adjustment for income taxes	(6,187)	(2.3)	(1,084)	(0.5)	5,103
Net income (loss)	(19,526)	(7.3)	22,788	10.3	42,314

(3) Non-consolidated Statements of Changes in Shareholders’ Equity

Fiscal 2009 (April 1, 2008 to March 31, 2009) (Millions of yen)

	Shareholders’ equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Common stock	Additional paid-in capital	Total capital surplus	Legal reserve	Reserve for dividends	Reserve for reduction of land assets	Reserve for replacement of property	Nonrestrictive reserve	Retained earnings carried forward	Total retained earnings
Balance at March 31, 2008	64,100	88,771	88,771	6,774	3,400	1,511	203	98,500	13,669	124,057
Changes during the year ended March 31, 2009										
Dividends paid			—						(9,507)	(9,507)
Net loss			—						(19,526)	(19,526)
Drawdown of reserve for replacement of property			—				(14)		14	—
Acquisition and disposal of treasury stock			—						(4)	(4)
Net change of items other than shareholders’ equity during the year			—							—
Total changes during the year	—	—	—	—	—	—	(14)	—	(29,023)	(29,037)
Balance at March 31, 2009	64,100	88,771	88,771	6,774	3,400	1,511	189	98,500	(15,354)	95,020

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustment				New stock acquisition rights	Total net assets
	Treasury stock	Total share-holders' equity	Net unrealized holding gains (losses) on securities	Deferred hedge gain (loss)	Revalua-tion of land	Total valuation and translation adjustment		
Balance at March 31, 2008	(41,449)	235,479	5,314	318	(5,264)	368	169	236,016
Changes during the year ended March 31, 2009								
Dividends paid		(9,507)				—		(9,507)
Net loss		(19,526)				—		(19,526)
Drawdown of reserve for replacement of property		—				—		—
Acquisition and disposal of treasury stock	(2,985)	(2,989)				—		(2,989)
Net change of items other than shareholders' equity during the year		—	(5,772)	(911)		(6,683)	102	(6,581)
Total changes during the year	(2,985)	(32,022)	(5,772)	(911)	—	(6,683)	102	(38,603)
Balance at March 31, 2009	(44,434)	203,457	(458)	(593)	(5,264)	(6,315)	271	197,413

Fiscal 2010 (April 1, 2009 to March 31, 2010) (Millions of yen)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Common stock	Additional paid-in capital	Total capital surplus	Legal reserve	Reserve for dividends	Reserve for reduction of land assets	Reserve for replacement of property	Nonrestrictive reserve	Retained earnings carried forward	Total retained earnings
Balance at March 31, 2009	64,100	88,771	88,771	6,774	3,400	1,511	189	98,500	(15,354)	95,020
Changes during the year ended March 31, 2010										
Dividends paid			—						(3,083)	(3,083)
Net income			—						22,788	22,788
Drawdown of reserve for reduction of land assets			—			(1,511)			1,511	—
Drawdown of reserve for replacement of property			—				(189)		189	—
Drawdown of nonrestrictive reserve			—					(25,000)	25,000	—
Acquisition and disposal of treasury stock			—						(0)	(0)
Net change of items other than shareholders' equity during the year			—							—
Total changes during the year	—	—	—	—	—	(1,511)	(189)	(25,000)	46,405	19,705
Balance at March 31, 2010	64,100	88,771	88,771	6,774	3,400	—	—	73,500	31,051	114,725

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustment				New stock acquisition rights	Totl net assets
	Treasury stock	Total share-holders' equity	Net unrealized holding gains (losses) on securities	Deferred hedge gain (loss)	Revalua-tion of land	Total valuation and translation adjustment		
Balance at March 31, 2009	(44,434)	203,457	(458)	(593)	(5,264)	(6,315)	271	197,413
Changes during the year ended March 31, 2010								
Dividends paid		(3,083)				—		(3,083)
Net income		22,788				—		22,788
Drawdown of reserve for reduction of land assets		—				—		—
Drawdown of reserve for replacement of property		—				—		—
Drawdown of nonrestrictive reserve		—				—		—
Acquisition and disposal of treasury stock	(11)	(11)				—		(11)
Net change of items other than shareholders' equity during the year		—	3,649	585		4,234	22	4,256
Total changes during the year	(11)	19,694	3,649	585	—	4,234	22	23,950
Balance at March 31, 2010	(44,445)	223,151	3,191	(8)	(5,264)	(2,081)	293	221,363

(4) Events or Conditions Raising Significant Questions Regarding Assumption of Going Concern

None applica

(Attachment)

March 2010
Omron Corporation

Summary of Results for the Fiscal Year Ended March 31, 2010

1. Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Year ended March 31, 2009	Year ended March 31, 2010	Year-on-year change	Year ending March 31, 2011 (projected)	Year-on-year change
Net sales	627,190	524,694	(16.3%)	580,000	10.5%
Operating income [% of net sales]	5,339 [0.9%]	13,074 [2.5%]	144.9% [+1.6P]	33,000 [5.7%]	152.4 [+3.2P]
Income (loss) before income taxes [% of net sales]	(39,133) [(6.2%)]	10,195 [1.9%]	— [+8.1P]	33,000 [5.7%]	223.7 [+3.8P]
Net income (loss) attributable to shareholders	(29,172)	3,518	—	20,000	468.5%
Net income (loss) per share attributable to shareholders (basic) (JPY)	(132.15)	15.98	+148.13	90.85	+74.87
Net income per share attributable to shareholders (diluted) (JPY)	—	15.98	—		
Return on equity (%)	(8.7%)	1.2%	[+9.9P]	6.4%	[+5.2P]
Total assets	538,280	532,254	(1.1%)		
Shareholders' equity [Shareholders' equity ratio (%)]	298,411 [55.4%]	306,327 [57.5%]	2.7% [+2.1P]		
Shareholders' equity per share (JPY)	1,355.41	1,391.41	+36.00		
Net cash provided by operating activities	31,408	42,759	+11,351		
Net cash used in investing activities	(40,628)	(18,584)	+22,044		
Net cash provided by (used in) financing activities	21,867	(20,358)	-42,225		
Cash and cash equivalents at end of period	46,631	51,726	+5,095		
Cash dividends per share (JPY)	25.00	17.00	-8.00	Undetermined	—

Notes: 1. The number of consolidated subsidiaries is 154, and the number of companies accounted for by the equity method is 16.
2. Net income has been changed to net income attributable to shareholders

2. Non-consolidated Results

(Millions of yen, %)

	Year ended March 31, 2009	Year ended March 31, 2010	Year-on-year change
Net sales	267,092	221,367	(17.1%)
Operating income (loss) [% of net sales]	(17,298) [(6.5%)]	(17,440) [(7.8%)]	— [-1.3P]
Ordinary income (loss) [% of net sales]	(7,395) [(2.8%)]	16,073 [7.3%]	— [+10.1P]
Income (loss) before income taxes [% of net sales]	(29,810) [(11.2%)]	19,007 [8.6%]	— [+19.8P]
Net income (loss)	(19,526)	22,788	—
Net income (loss) per share (basic) (JPY)	(88.43)	103.49	+191.92
Net income per share (diluted) (JPY)	—	103.49	—
Common stock	64,100	64,100	0.0%
Total assets	360,732	371,743	3.1%
Net assets	197,413	221,363	12.1%
Net worth ratio (%)	54.7%	59.5%	+4.8P
Net assets per share (JPY)	895.24	1,003.93	+108.69

(Attachment)

3. Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2009	Year ended March 31, 2010	Period-on-period change (%)
IAB	Domestic	125.5	93.5	(25.5)
	Overseas	146.5	112.7	(23.0)
	Total	272.0	206.2	(24.2)
EMC	Domestic	25.6	22.3	(12.7)
	Overseas	50.9	48.4	(5.0)
	Total	76.5	70.7	(7.6)
AEC	Domestic	25.0	23.9	(4.4)
	Overseas	57.1	51.3	(10.2)
	Total	82.1	75.2	(8.5)
SSB	Domestic	70.7	57.5	(18.7)
	Overseas	1.6	0.5	(70.7)
	Total	72.3	58.0	(19.8)
HCB	Domestic	28.1	29.6	5.2
	Overseas	35.5	33.8	(4.8)
	Total	63.6	63.4	(0.4)
Other	Domestic	30.5	22.4	(26.5)
	Overseas	19.7	18.9	(4.3)
	Total	50.2	41.3	(17.8)
Eliminations, etc.	Domestic	10.2	9.3	(8.8)
	Overseas	0.3	0.6	116.3
	Total	10.5	9.9	(4.8)
Total	Domestic	315.6	258.5	(18.1)
	Overseas	311.6	266.2	(14.6)
	[% of total]	[49.7%]	[50.7%]	[+1.0P]
	Total	627.2	524.7	(16.3)

Notes: 1. The Company has adopted FASB ASC No. 280, "Segment Reporting" (previously FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information"), from the year ended March 31, 2010. Segment information for the year ended March 31, 2009 has been restated to reflect the change.

2. From the nine months ended December 31, 2009, business segments have been changed to IAB, EMC, AEC, SSB, HCB and Other to reflect a change in organization. Figures in segment information for the year ended March 31, 2009 have been restated to reflect the new classifications.

Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year-on-year change (%)
USD	100.7	92.9	-7.8
EUR	144.5	130.3	-14.2

(Attachment)

4. Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2010	Year ended March 31, 2011	Period-on-period change (%)
IAB	Domestic	93.5	115.5	23.6
	Overseas	112.7	130.5	15.7
	Total	206.2	246.0	19.3
EMC	Domestic	22.3	24.0	7.4
	Overseas	48.4	52.0	7.5
	Total	70.7	76.0	7.5
AEC	Domestic	23.9	26.0	8.8
	Overseas	51.3	52.0	1.4
	Total	75.2	78.0	3.8
SSB	Domestic	57.5	63.0	9.5
	Overseas	0.5	1.0	112.8
	Total	58.0	64.0	10.4
HCB	Domestic	29.6	29.5	(0.3)
	Overseas	33.8	35.0	3.6
	Total	63.4	64.5	1.8
Other	Domestic	22.4	23.0	2.5
	Overseas	18.9	23.0	21.8
	Total	41.3	46.0	11.3
Eliminations, etc.	Domestic	9.3	5.5	(40.4)
	Overseas	0.6	0.0	0.0
	Total	9.9	5.5	(44.8)
Total	Domestic	258.5	286.5	10.8
	Overseas	266.2	293.5	10.2
	[% of total]	[50.7%]	[50.6%]	[-0.1P]
	Total	524.7	580.0	10.5

Notes: 1. The Company has adopted FASB ASC No. 280, “Segment Reporting” (previously FASB Statement No. 131, “Disclosures about Segments of an Enterprise and Related Information”), from the year ended March 31, 2010. Segment information for the year ended March 31, 2009 has been restated to reflect the change.

2. From the nine months ended December 31, 2009, business segments have been changed to IAB, EMC, AEC, SSB, HCB and Other to reflect a change in organization. Figures in segment information for the year ended March 31, 2009 have been restated to reflect the new classifications.

Average Currency Exchange Rate

(One unit of currency, in yen)

		Year ended March 31, 2010	Year ending March 31, 2011 (est.)	Year-on-year change
USD		92.9	90.0	-2.9
EUR		130.3	125.0	-5.3