OMRON

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (U.S. GAAP)

OMRON Corporation (6645)

Exchanges Listed:	Tokyo, Osaka, Nagoya (First Sections)
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U.S. GAAP:	Adopted, except for segment information
Annual General Shareholders' Meeting (scheduled):	June 23, 2009
Start of distribution of dividends (scheduled):	June 24, 2009
Filing of Securities Report (*Yuka shoken hokokusho*) (scheduled):	June 24, 2009

Note: This document has been translated from the Japanese original as a guide for 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, 2009 (April 1, 2008 – March 31, 2009)

(1) 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, 2008		Year ended March 31, 2009	
		Change (%)		Change (%)
Net sales	762,985	5.4	627,190	(17.8)
Operating income	65,253	5.2	5,339	(91.8)
Income (loss) before income taxes	64,166	(0.2)	(39,133)	—
Net income (loss)	42,383	10.7	(29,172)	—
Net income (loss) per share (yen)	185.89		(132.15)	
Net income per share, diluted (yen)	185.84		—	
Return on equity	11.3%		(8.7%)	
Income before income taxes / total assets ratio	10.3%		(6.8%)	
Operating income / net sales ratio	8.6%		0.9%	

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2008: JPY 348 million, Fiscal year ended March 31, 2009: JPY 811 million

Notes:

1. In accordance with U.S. GAAP, return on equity is calculated using total shareholders' equity.
2. Pursuant to U.S. Financial Accounting Standards Board (FASB) Statement No. 144, net income from continuing operations before income taxes is presented in "Income before income taxes" for the fiscal year ended March 31, 2008 and net income from continuing operations before income taxes / total assets ratio is presented in "Income before income taxes / total assets ratio" for the fiscal year ended March 31, 2008 due to the presentation of income from operations discontinued in the previous fiscal year as "Net income from discontinued operations."

(2) Consolidated Financial Position

	Millions of yen - except per share data and percentages	
	As of March 31, 2008	As of March 31, 2009
Total assets	617,367	538,280
Net assets	368,502	298,411
Net worth ratio (%)	59.7	55.4
Net assets per share (yen)	1,662.32	1,355.41

Note: Net assets are stated as total shareholders' equity based on U.S. GAAP. Net worth ratio and net assets per share are calculated using total shareholders' equity based on U.S. GAAP.

(3) Consolidated Cash Flows

	Millions of yen	
	Year ended March 31, 2008	Year ended March 31, 2009
Net cash provided by operating activities	68,996	31,408
Net cash used in investing activities	(36,681)	(40,628)
Net cash provided by (used in) financing activities	(34,481)	21,867
Cash and cash equivalents at end of period	40,624	46,631

2. Dividends

		Year ended March 31, 2008	Year ended March 31, 2009	Year ending March 31, 2010 (projected)
Dividends per share	1st quarter dividend (yen)	—	—	—
	Interim dividend (yen)	17.00	18.00	—
	3rd quarter dividend (yen)	—	—	—
	Year-end dividend (yen)	25.00	7.00	—
	Total dividends for the year (yen)	42.00	25.00	—
Total cash dividends paid (millions of yen)		9,415	5,505	
Payout ratio (%)		22.6	—	—
Net assets / dividends ratio (%)		2.5	1.7	

Notes: 1. Interim and year-end dividends for the year ending March 31, 2010 are not presented because forecasts have not been made.
2. Net assets / dividend ratio is stated using shareholders' equity based on U.S. GAAP.

3. Projected Results for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

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

	Millions of yen			
	Interim period ending September 30, 2009	Change (%)	Full year ending March 31, 2010	Change (%)
Net sales	230,000	(35.2)	510,000	(18.7)
Operating income (loss)	(13,000)	—	0	—
Loss before income taxes	(14,500)	—	(3,500)	—

Net loss attributable to shareholders*: Interim period: JPY 8,500 million Full fiscal year: JPY 2,000 million
Net loss per share attributable to shareholders*: Interim period: JPY 38.61 Full fiscal year: JPY 9.08

* Net loss attributable to shareholders is identical in content to net loss for the fiscal year ended March 31, 2009.

4. Other

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

(2) Changes in accounting rules, procedures, presentation method, etc. for the consolidated financial statements
(a) Changes in consolidated accounting methods: Yes
(b) Changes other than (a) above: No

Note: For details, see “Preparation of the Consolidated Financial Statements” on page 19.

(3) Number of shares issued and outstanding (common stock)
(a) Number of shares at end of period (including treasury stock): Year ended March 31, 2008: 239,121,372 shares, Year ended March 31, 2009: 239,121,372 shares
(b) Treasury stock at end of period: Year ended March 31, 2008: 17,441,564 shares, Year ended March 31, 2009: 18,958,944 shares

Note: See “Per Share Data” on page 20 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, 2009 (April 1, 2008 – March 31, 2009)

(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, 2008		Year ended March 31, 2009	
		Change (%)		Change (%)
Net sales	332,292	(4.3)	267,092	(19.6)
Operating income	12,075	(29.8)	(17,298)	—
Ordinary income	38,581	24.7	(7,395)	—
Net income	31,563	(3.5)	(19,526)	—
Net income per share (yen)	138.40		(88.43)	
Net income per share, diluted (yen)	138.37		—	

(2) Non-consolidated Financial Position

Millions of yen - except per share data and percentages

	As of March 31, 2008	As of March 31, 2009
Total assets	382,260	360,732
Net assets	236,016	197,413
Net worth ratio (%)	61.7	54.7
Net assets per share (yen)	1,063.68	895.24

(Reference) Net worth: Fiscal year ended March 31, 2008: JPY 235,847 million,
Fiscal year ended March 31, 2009: JPY 197,142 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, 2010 on pages 7-9.

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, 2010 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. The Company plans to announce the interim dividend in October 2009 and the year-end dividend in April 2010 at the latest.

Note: Business segment names are abbreviated as follows in the attached materials.

IAB: Industrial Automation Business
ECB: Electronic Components Business
AEC: Automotive Electronic Components Business
SSB: Social Systems Business (includes Social Systems, Solutions and Service Business Company and others)
HCB: Healthcare Business (includes Omron Healthcare Co., Ltd. and others)

1. Results of Operations

(1) Analysis of Results of Operations

1) Overview of Fiscal 2008 (Ended March 31, 2009)

General Conditions

Reviewing economic conditions during fiscal 2008, ended March 31, 2009, financial instability caused by the U.S. subprime mortgage problem beginning in the previous fiscal year continued to have a serious impact on the real economy in various countries. The collapse of major U.S. financial institutions as a result of this impact led to plunging stock prices, with the global economy rapidly deteriorating from the start of the third quarter and taking on the aspect of a worldwide recession.

In the Japanese economy, in addition to the effects of the rapid appreciation of the yen starting in September 2008, corporate earnings fell sharply, which led to a worsening economic environment, including a large decline in capital investment and a decline in consumer spending due to deteriorating employment conditions.

In markets related to the Omron Group, the operating environment was extremely challenging with production adjustments and suspended or restrained capital investment in the manufacturing sector, including the automotive and semiconductor industries, becoming even more pronounced from the beginning of the third quarter. Consequently, demand for factory automation control systems, the Omron Group's core product line, fell sharply due to the effect of reduced corporate capital investment. In the consumer and commerce components industry, a key market for the electronic components business, demand weakened due to production cutbacks and other factors. Demand also declined significantly in the automotive electronic components business as auto manufacturers slashed production.

As a result, the Omron Group's net sales for the fiscal year were JPY 627,190 million, a decrease of 17.8 percent from the previous fiscal year, with the impact of the stronger yen on currency translation. Regarding profits for the fiscal year, the Omron Group implemented thorough cost reductions throughout its operations and initiated business structure reforms aimed at freezing large-scale investments and strengthening its earnings foundation, but operating income decreased 91.8 percent from the previous fiscal year to JPY 5,339 million.

Loss before income taxes was JPY 39,133 million, and net loss was JPY 29,172 million, due to impairment losses on goodwill, property, plant and equipment, and investment securities.

The average exchange rates for the fiscal year ended March 31, 2009 were USD 1 = JPY 100.7 and EUR 1 = JPY 144.5 (13.4 yen and 17.4 yen less than the previous fiscal year, respectively).

Results by Business Segment

IAB

In Japan, manufacturers accelerated efforts to curtail capital investment, reflecting the global recession. The Omron Group worked to strengthen its sales capabilities in businesses including the application sensor, machine control and safety control businesses. However, the suspension or postponement of large-scale capital investments in the semiconductor, flat panel display, automobile and other industries that began in the third quarter resulted in a substantial decline in sales.

Overseas, sales in Europe, which were firm in the first half, were well below the level of the previous fiscal year as economic conditions rapidly deteriorated in the second half in Italy, Spain, Eastern Europe and elsewhere, reflecting the sharp drop in exports as well as financial instability. In North America, the oil and gas-related business, the safety business and sales to South America were strong, but sales were weak overall due to the impact of the economic slowdown. Sales in China and elsewhere in Asia, which had been strong, declined substantially due to the sharp downturn in the global economy.

As a result, segment sales for the fiscal year totaled JPY 262,922 million, a decrease of 20.0 percent compared with the previous fiscal year.

ECB

In Japan, first-half sales of miniature backlights designed to meet customer needs set a new record high, and sales of input switches for mobile devices were also strong. However, the slowdown in the semiconductor and automotive industries and the slump in the consumer and commerce components industry, a key market for the ECB segment, resulted in generally weak sales of PCB relays, switches, connectors and other core products. In the second half of the period, sales of products for the semiconductor and automotive industries slowed further, while orders for miniature backlights and input switches for mobile devices, which were strong in the first half, declined sharply, in addition to the slowdown due to inventory adjustments in the consumer and commerce components industry, resulting in a significant decline in sales.

Overseas, sales in Europe continued on a downward trend from the first half of the period, and the operating environment also worsened rapidly in the second half in other areas such as the United States and China, leading to a significant decline in overseas sales.

As a result, segment sales for the fiscal year totaled JPY 123,937 million, a decrease of 19.6 percent compared with the previous fiscal year.

AEC

In the first half of the period, sales were adversely impacted by weak global demand for automobiles due to high gasoline prices, the economic slowdown and other factors. In the second half, automobile demand slumped further as a result of factors including worries about employment and the credit crunch that spread worldwide due to the financial crisis, and sales decreased significantly. There was particular resistance to purchasing in North America, with the addition of concerns about the worsening financial condition of major auto manufacturers. Moreover, major Japanese auto manufacturers made large-scale production adjustments due to the impact of factors including the sharp increase in inventories for export to North America and Europe in addition to the drop in sales in the domestic market. In China and newly industrialized countries, while the drop in sales from the start of the second half was relatively modest, overall sales were weak due to a decrease in sales volume of mid- and large-sized vehicles.

As a result, segment sales for the fiscal year were JPY 82,109 million, a decrease of 23.6 percent compared with the previous fiscal year.

SSB

In the public transportation systems business, although demand for equipment in connection with the opening of new train lines expanded in the first half, sales were weak due to factors including restrained capital investment among railway companies due to the sharp economic downturn in the second half. In the traffic and road management systems business, sales decreased due to the effect of restrained public investment. In the ID management solutions business, sales declined significantly due to substantial reductions in investment by manufacturers. In the related maintenance business, despite public transportation-related construction demand, sales decreased due to prolonged curtailment of capital investment. In the software business, sales declined due to the effects of capital investment reduction as well as other factors including realignment and development cost cutbacks among mobile phone manufacturers. In the electronics manufacturing service (EMS) business, sales decreased substantially as a result of major customers withholding orders across the board, reflecting the impact of the sharp economic downturn in the second half.

As a result, segment sales for the fiscal year were JPY 79,886 million, a decrease of 6.3 percent compared with the previous fiscal year.

HCB

In Japan, sales of digital blood pressure monitors and body composition monitors for home use decreased substantially in a sluggish medical equipment market, partly because of inventory adjustments by major retailers. Sales to medical institutions also decreased as restrained investment continued.

Overseas, in the first half of the period, sales to major retailers in North America expanded and sales were solid overall in China, Russia, Eastern Europe and the Middle East, driven by expansion of the digital blood pressure monitor business. However, sales weakened in the second half due to the recession and the sharp rise in the value of the yen.

As a result, segment sales for the fiscal year were JPY 63,797 million, a decrease of 10.9 percent compared with the previous fiscal year.

Others

The “Others” segment consists mainly of new businesses being explored and developed by the Business Development Group and development and expansion of other businesses that are not covered by internal companies.

In existing businesses, sales of uninterruptible power supplies and broadband routers in Omron’s computer peripherals business were weak. In exploration and development of new businesses, sales of radio frequency identification (RFID) equipment decreased, but sales of electricity usage monitoring services expanded strongly amid heightened awareness of the need to reduce energy consumption.

As a result, segment sales were JPY 14,539 million, a decrease of 7.0 percent compared with the previous fiscal year.

2) Outlook for the Fiscal Year Ending March 31, 2010

General Outlook

In the fiscal year ending March 31, 2010, the global economic downturn that started in the previous fiscal year is expected to continue.

In Japan, severe conditions are expected to continue in the corporate operating environment due to factors including a decrease in exports reflecting the global economic downturn. Therefore, we assume that continuing employment instability, weak consumer spending and the decline in corporate capital investment will persist. Overseas, the severe economic environment will continue, centered on sectors such as the U.S. automotive industry. In Europe, Asia and China, we believe that a recovery in economic conditions will take considerable time.

In markets related to the Omron Group, it is assumed that curtailment of capital investment primarily in the semiconductor and automotive industries will continue to exert a major impact and that demand for factory automation control systems will remain extremely weak. We also assume that demand will remain sluggish in the electronic components business and automotive electronic components business due to stagnant consumption.

In this environment, we have set “Sweeping Profit Structure Reform Guided by ‘Working Together as One' and ‘Selection and Focus'” as the Omron Group’s policy for fiscal 2009, and we will work to build a strong corporate constitution in this changing environment. We will carry out sweeping structural reforms and reorganization of operations in the “Revival Stage” that started in February 2009, and the entire Group will work together to restore earnings even in a stagnant operating environment.

As for the performance outlook for the fiscal year ending March 31, 2010, we project net sales of JPY 510.0 billion, operating income of JPY 0.0 billion, loss before income taxes of JPY 3.5 billion and net loss of JPY 2.0 billion.

The assumed exchange rates are USD1 = JPY 95 and 1 Euro = JPY 125.

Note: Pursuant to FASB Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements – An Amendment of ARB No. 51," the definition of net income will change from the fiscal year ending March 31, 2010. However, to enable comparison with the previous year's figures, projected net loss for the fiscal year is presented under "Net loss per share attributable to shareholders."

Outlook by Business Segment

IAB

As economic and financial conditions remain uncertain, restraint in capital investment by manufacturers due to the global economic recession will continue, along with effects of the strong yen, and the operating and earnings environment is expected to become even more severe. However, the Omron Group will work to expand sales with new products and stronger sales capabilities.

In Japan, we will work to raise the level of sales of general-purpose products by enhancing customer service and support and strengthening collaborative relationships with sales channels. We will also improve our ability to resolve customer concerns related to quality, safety and the environment, with a focus on the solar battery and secondary battery industries, where investment is expected to remain relatively firm, and markets such as next-generation devices where investment in development will continue.

Overseas, Omron plans to strengthen production and development in China and to invest aggressively in products for the BRIC countries and other emerging markets.

Segment sales for the fiscal year are projected to be JPY 193.0 billion, a year-on-year decrease of 26.6 percent.

ECB

The environment of the consumer and commerce components industry is expected to remain challenging, with no sign of recovery as demand for household appliances, equipment and systems has plummeted due to the effects of the global recession. However, Omron will respond flexibly to customer needs to steadily generate sales, and will work to minimize the impact of market contraction by investing in new products and using core technologies to enhance product appeal. In particular, we will aim to expand business by launching new products for the key automotive and mobile device industries.

In Japan, Omron will transfer and integrate production of semiconductor products, which until now have been manufactured at the Minakuchi Factory in Shiga Prefecture, into the Yasu office in Shiga Prefecture for greater efficiency. In addition, we will also establish a production base at the Yasu office for FPC connectors (miniature connectors for mobile devices).

Overseas, Omron will focus on markets for environment-related businesses such as solar energy, where growth is expected, particularly in Europe and North America, and will aim to expand business by working more closely with customers.

Segment sales for the fiscal year are projected to be JPY 112.0 billion, a year-on-year decrease of 9.6 percent.

AEC

The automobile industry environment will remain challenging, reflecting the impact of the global recession, and recovery of the automobile market is expected to take even more time. In particular, the financial difficulties of major North American auto manufacturers and declining new car sales volume in Japan are expected to continue, but Omron will work to minimize the impact of the market slump by concentrating on areas where growth can be expected even in the current environment. Specifically, Omron will focus on components for security entry systems, which we expect to be installed in a growing proportion of automobiles, and green vehicles such as hybrid and electric cars, where growth can be expected in the future.

Segment sales for the fiscal year are expected to be JPY 60.0 billion, a year-on-year decrease of 26.9 percent.

SSB

In the public transportation systems business, sales are projected to decline substantially as investment in public transportation equipment is expected to decrease due to the stagnant economy. However, Omron will focus on generating new business with railway companies for security and safety. In the newly established social sensor solutions business, Omron 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. In the maintenance business, Omron will work to strengthen new business areas related to engineering and information technology. In the software business, Omron aims to expand business through electronic payment solutions and expansion of component products and services for mobile devices.

Segment sales for the fiscal year are projected to be JPY 66.0 billion, a year-on-year decrease of 17.4 percent.

HCB

In Japan and in major countries overseas, the market environment will become even more challenging, with continuing sluggish consumer spending and restrained capital investment by medical institutions as a result of the recession. Sales of both home- and professional-use healthcare equipment are expected to be weak. On the other hand, despite a slowdown due to the recession, demand for healthcare equipment is expected to continue growing in China, India, Eastern Europe, the Middle East and other newly industrializing countries as health consciousness continues to rise.

In this environment, Omron will work to expand sales by bolstering proposal-based sales to medical institutions and launching low-cost products in newly industrialized countries.

Segment sales for the fiscal year are projected to be JPY 61.5 billion, a year-on-year decrease of 3.6 percent.

Others

Omron has made the environment business and computer peripherals business, which had been included in the Business Development Group, independent businesses called the Environment Solutions Business Headquarters and the Electronic Systems & Equipments Division Headquarters, respectively.

The Environment Solutions Business Headquarters, in addition to the existing electricity usage monitoring business, will aim to create growth businesses by offering environmental solutions such as greenhouse gas countermeasures in the areas of industry and society.

The Electronic Systems & Equipments Division Headquarters will aim for growth by expanding the market for PC boards for assembly, along with the existing computer peripherals business. As a result, segment sales for the fiscal year are projected to be JPY 17.5 billion, a year-on-year increase of 20.4 percent.

(2) Analysis of Financial Condition

Analysis of Assets, Liabilities, Net Assets and Cash Flow

1) Financial Condition as of March 31, 2009

Total assets: JPY 538,280 million (a decrease of JPY 79,087 million from the end of the previous fiscal year)
Total shareholders' equity: JPY 298,411 million (a decrease of JPY 70,091 million from the end of the previous fiscal year)
Net worth ratio: 55.4% (a decrease of 4.3 percentage points from the end of the previous fiscal year)

Total assets decreased JPY 79,087 million compared with the end of the previous fiscal year. Among assets, in addition to the decrease from impairment write-downs on goodwill, property, plant and equipment and investment securities, notes and accounts receivable at the end of the fiscal year decreased JPY 53,327 million because of the decrease in net sales, and inventories decreased JPY 10,417 million. In liabilities, notes and accounts payable and accrued expenses decreased JPY 36,475 million, while short-term and long-term debt increased JPY 35,050 million due to an increase in bank loans.

Total shareholders' equity decreased JPY 70,091 million compared with the end of the previous fiscal year. In addition to the decrease due to the net loss of JPY 29,172 million, there were also decreases due to factors including the effect of the strong yen and net unrealized losses on securities.

2) Summary of Cash Flows for the Fiscal Year Ended March 31, 2009

Net cash provided by operating activities was JPY 31,408 million (a decrease of JPY 37,588 million compared with the previous fiscal year) due to factors including net loss of JPY 29,172 million, an increase due to impairment of goodwill and property, plant and equipment, which are non-cash items, as well as depreciation and amortization.

Net cash used in investing activities was JPY 40,628 million (an increase in cash used of JPY 3,947 million compared with the previous fiscal year) due to factors including capital expenditures.

Net cash provided by financing activities was JPY 21,867 million (an increase in cash provided of JPY 56,348 million compared with the previous fiscal year). While Omron paid cash dividends, debt increased due to borrowing of bank loans.

As a result, the balance of cash and cash equivalents at March 31, 2009 was JPY 46,631 million.

3) Outlook for the Fiscal Year Ending March 31, 2010

In the fiscal year ending March 31, 2010, Omron expects improvement in free cash flow, calculated as net cash provided by operating activities less net cash used in investing activities, because the Company will make sweeping structural reforms and remake its operations. 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 46,631 million as of March 31, 2009 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, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009
Net worth ratio (%)	52.2	61.6	60.7	59.7	55.4
Net worth ratio on market value basis (%)	95.1	134.5	115.9	73.4	47.3
Debt coverage ratio	0.4	0.1	0.5	0.3	1.7
Interest coverage ratio	55.6	57.6	35.9	44.9	25.0

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. In accordance with U.S. GAAP, net worth is calculated using shareholders' equity.
3. 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.
4. 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 2008 and Fiscal 2009

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 7 per share for fiscal 2008 (ended March 31, 2009). For the full fiscal year, including the interim dividend of JPY 18 per share paid on December 4, 2008, Omron plans to pay total dividends of JPY 25 per share.

Dividends for fiscal 2009 (ending March 31, 2010) have 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

Disclosure is omitted because there is no significant change from the "Business Organization Chart (Business Content)" and "Subsidiaries and Affiliates" in the most recent Securities Report (*Yuka shoken hokokusho*), issued on June 25, 2008.

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 completed the first 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, Omron will strengthen its operations through business domain strategy and operational strategy.

The business domain strategy will be based on business selection and focus. We will restructure the three control businesses—IAB, ECB and AEC—and concentrate management resources on our strategy geared to shift each business into the global no. 1 position in its respective market (i.e., achieving the highest business value in the market). 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 including consolidation of production bases, mainly in the three control businesses; head office function reform; and IT structural reform.

(4) Issues Facing the Company

In the second stage of GD2010, Omron promoted ongoing structural reforms, and as a result achieved growth in sales and income throughout the second stage. However, due to the drastic changes in the global economy in fiscal 2008, conditions were severe in markets related to the Omron Group, including suspension and postponement of capital investments among manufacturers in general, sluggish demand in the semiconductor industry, and production cutbacks in the automotive industry. These conditions are expected to persist in fiscal 2009.

Given this situation, the Omron Group will undertake sweeping structural reform 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, will lead swift and steady implementation of emergency measures and structural reforms.

In terms of emergency measures, Omron will aim to generate profits by making major cost reductions, including thorough cost-cutting in every area, a freeze on large-scale capital investment and consolidation of unprofitable businesses.

In terms of structural reform, Omron will promote business domain and operational structure reform to strengthen its earnings foundation for the long term.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009		Increase (decrease)
ASSETS					
Current assets:	330,054	53.5%	275,991	51.3%	(54,063)
Cash and cash equivalents	40,624		46,631		6,007
Notes and accounts receivable – trade	166,878		113,551		(53,327)
Allowance for doubtful receivables	(2,211)		(2,562)		(351)
Inventories	95,125		84,708		(10,417)
Deferred income taxes	19,690		16,522		(3,168)
Other current assets	9,948		17,141		7,193
Property, plant and equipment:	152,676	24.7	132,535	24.6	(20,141)
Land	27,126		26,753		(373)
Buildings	128,183		120,244		(7,939)
Machinery and equipment	167,036		143,801		(23,235)
Construction in progress	6,277		9,061		2,784
Accumulated depreciation	(175,946)		(167,324)		8,622
Investments and other assets:	134,637	21.8	129,754	24.1	(4,883)
Investments in and advances to associates	16,645		15,638		(1,007)
Investment securities	39,139		31,682		(7,457)
Leasehold deposits	8,087		7,784		(303)
Deferred income taxes	28,151		53,783		25,632
Other	42,615		20,867		(21,748)
Total assets	617,367	100.0%	538,280	100.0%	(79,087)

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009		Increase (decrease)
LIABILITIES					
Current liabilities:	177,069	28.7%	135,038	25.1%	(42,031)
Short-term debt	17,795		32,970		15,175
Notes and accounts payable – trade	94,654		58,179		(36,475)
Accrued expenses	30,622		24,791		(5,831)
Income taxes payable	8,959		711		(8,248)
Deferred income taxes	133		156		23
Other current liabilities	24,384		17,743		(6,641)
Current portion of long-term debt	522		488		(34)
Long-term debt	1,492	0.2	21,401	4.0	19,909
Deferred income taxes	3,887	0.6	941	0.2	(2,946)
Termination and retirement benefits	63,536	10.3	80,443	14.9	16,907
Other long-term liabilities	863	0.2	476	0.1	(387)
Total liabilities	246,847	40.0	238,299	44.3	(8,548)
Minority interests in subsidiaries	2,018	0.3	1,570	0.3	(448)
SHAREHOLDERS’ EQUITY					
Common stock	64,100	10.4	64,100	11.9	—
Capital surplus	98,961	16.0	99,059	18.4	98
Legal reserve	8,673	1.4	9,059	1.7	386
Retained earnings	266,451	43.2	231,388	43.0	(35,063)
Accumulated other comprehensive income (loss)	(28,217)	(4.6)	(60,744)	(11.3)	(32,527)
Foreign currency translation adjustments	(5,782)		(22,319)		(16,537)
Minimum pension liability adjustments	(29,245)		(40,570)		(11,325)
Net unrealized gains on securities	6,501		2,763		(3,738)
Net gains (losses) on derivative instruments	309		(618)		(927)
Treasury stock	(41,466)	(6.7)	(44,451)	(8.3)	(2,985)
Total shareholders’ equity	368,502	59.7	298,411	55.4	(70,091)
Total liabilities and shareholders’ equity	617,367	100.0%	538,280	100.0%	(79,087)

(2) Consolidated Statement of Operations

(Millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009		Increase (decrease)
Net sales	762,985	100.0%	627,190	100.0%	(135,795)
Cost of sales	469,643	61.6	408,668	65.2	(60,975)
Gross profit	293,342	38.4	218,522	34.8	(74,820)
Selling, general and administrative expenses	176,569	23.1	164,284	26.2	(12,285)
Research and development expenses	51,520	6.7	48,899	7.7	(2,621)
Operating income	65,253	8.6	5,339	0.9	(59,914)
Other expenses, net	1,087	0.2	44,472	7.1	43,385
Income (loss) before income taxes	64,166	8.4	(39,133)	(6.2)	(103,299)
Income taxes	24,272	3.2	(10,495)	(1.6)	(34,767)
Current	24,403		3,400		(21,003)
Deferred	(131)		(13,895)		(13,764)
Minority interests	217	0.0	(277)	(0.0)	(494)
Equity in net losses of affiliates	348	0.0	811	0.1	463
Net income (loss) from continuing operations	39,329	5.2	(29,172)	(4.7)	(68,501)
Net income from discontinued operations	3,054	0.4	—	—	(3,054)
Net income (loss)	42,383	5.6	(29,172)	(4.7)	(71,555)

(3) Consolidated Statement of Shareholders' Equity

(Millions of yen)

	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
Balance, March 31, 2007	64,100	98,828	8,256	258,057	(3,013)	(43,406)
Cumulative effect of FIN No. 48 at beginning of period				(266)		
Net income				42,383		
Cash dividends				(9,415)		
Transfer to legal reserve			417	(417)		
Foreign currency translation adjustments					(12,342)	
Minimum pension liability adjustments					(7,076)	
Unrealized losses on securities					(6,237)	
Net gains on derivative instruments					451	
Acquisition of treasury stock						(22,348)
Sale of treasury stock		1				7
Retirement of treasury stock				(23,858)		23,858
Exercise of stock options		(4)		(33)		423
Grant of stock options		136				
Balance, March 31, 2008	64,100	98,961	8,673	266,451	(28,217)	(41,466)
Net income				(29,172)		
Cash dividends				(5,505)		
Transfer to legal reserve			386	(386)		
Foreign currency translation adjustments					(16,537)	
Minimum pension liability adjustments					(11,325)	
Unrealized losses on securities					(3,738)	
Net losses on derivative instruments					(927)	
Acquisition of treasury stock						(2,995)
Sale of treasury stock		(3)				10
Grant of stock options		101				
Balance, March 31, 2009	64,100	99,059	9,059	231,388	(60,744)	(44,451)

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009	Increase (decrease)
I Operating Activities:			
1. Net income (loss)	42,383	(29,172)	(71,555)
2. Adjustments to reconcile net income to net cash provided by operating activities:			
(1) Depreciation and amortization	36,343	33,496	
(2) Net loss on sales and disposals of property, plant and equipment	963	1,983	
(3) Loss on impairment of property, plant and equipment	168	21,203	
(4) Net gain on sales of investment securities	(1,571)	(64)	
(5) Loss on impairment of investment securities and other assets	2,297	5,401	
(6) Loss on impairment of goodwill	—	16,813	
(7) Termination and retirement benefits	(1,722)	(1,390)	
(8) Deferred income taxes	(131)	(13,895)	
(9) Minority interests	217	(277)	
(10) Equity in loss of affiliates	348	811	
(11) Net gain on sales of business entities	(5,177)	—	
(12) Changes in assets and liabilities:			
(i) Decrease in notes and accounts receivable — trade, net	4,977	47,526	
(ii) Decrease (increase) in inventories	(3,002)	5,776	
(iii) Decrease (increase) in other assets	644	(7,689)	
(iv) Increase (decrease) in notes and accounts payable — trade	5,305	(34,046)	
(v) Decrease in income taxes payable	(2,663)	(8,044)	
(vi) Decrease in accrued expenses and other current liabilities	(10,846)	(8,290)	
(13) Other, net	463	1,266	
Total adjustments	26,613	60,580	33,967
Net cash provided by operating activities	68,996	31,408	(37,588)
II Investing Activities:			
1. Proceeds from sales or maturities of short-term investments and investment securities	3,955	1,742	(2,213)
2. Purchase of short-term investments and investment securities	(7,456)	(6,151)	1,305
3. Capital expenditures	(37,848)	(37,477)	371
4. Decrease in leasehold deposits, net	417	228	(189)
5. Proceeds from sales of property, plant and equipment	5,038	1,046	(3,992)
6. Increase in investment in and loans to affiliates	(850)	(16)	834
7. Proceeds from sale of business entities, net	8,089	—	(8,089)
8. Payment for acquisition of business entities, net	(8,026)	—	8,026
Net cash used in investing activities	(36,681)	(40,628)	(3,947)
III Financing Activities:			
1. Net proceeds (repayments) of short-term bank loans	(3,523)	15,291	18,814
2. Proceeds from issuance of long-term debt	28	20,000	19,972
3. Repayments of long-term debt	(772)	(916)	(144)
4. Dividends paid by the Company	(8,252)	(9,507)	(1,255)
5. Dividends paid to minority interests	(7)	(13)	(6)
6. Acquisition of treasury stock	(22,348)	(2,995)	19,353
7. Disposal of treasury stock	7	7	0
8. Exercise of stock options	386	—	(386)
Net cash provided by (used in) financing activities	(34,481)	21,867	56,348
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	(205)	(6,640)	(6,435)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,371)	6,007	8,378
Cash and Cash Equivalents at Beginning of the Period	42,995	40,624	(2,371)
Cash and Cash Equivalents at End of the Period	40,624	46,631	6,007
Notes to cash flows from operating activities:			
1. Interest paid	1,536	1,257	(279)
2. Taxes paid	27,216	18,776	(8,440)
Notes to investing and financing activities not involving cash flow:			
1. Debt related to capital expenditures	2,202	1,567	(635)
2. Decrease in retained earnings due to retirement of treasury stock	23,858	—	(23,858)

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

None applicable

(6) Preparation of the Consolidated Financial Statements

1. Income Taxes

Effective from the fiscal year ended March 31, 2008, the Company applies FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109.” As a result, retained earnings decreased JPY 266 million at the beginning of the period as a cumulative effect, but there was no effect on profit and loss.

2. Discontinued Operations

Pursuant to FASB Statement No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” net income from discontinued operations for the year ended March 31, 2008 is presented as “Net income from discontinued operations.”

3. Fair Value Measurements

Effective from the fiscal year ended March 31, 2009, the Company applies FASB Statement No. 157, “Fair Value Measurements.”

Other matters not listed here have not changed significantly since the most recent Securities Report (*Yuka shoken hokokusho*), submitted on June 25, 2008.

(7) Notes to Consolidated Financial Statements

1. Per Share Data

The Company calculates net income per share in accordance with FASB Statement No. 128, “Earnings per Share.” The number of shares used to compute basic and diluted net income per share is as follows:

(Number of shares)	Year ended March 31, 2008	Year ended March 31, 2009
Basic	228,005,106	220,747,962
Diluted	228,066,730	220,747,962

Dilution effect is due to stock options.

2. Comprehensive Income (Loss)

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

Year ended March 31, 2008: JPY 17,179 million
Year ended March 31, 2009: JPY (61,699) million

Other comprehensive income includes changes in foreign currency translation adjustments, 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, 2008	
Impairment loss on investment securities	2,297 million
Net gain on sales of investment securities	(1,571 million)
Year ended March 31, 2009	
Impairment loss on long-term assets	21,203 million
Impairment loss on goodwill	16,813 million
Impairment loss on investment securities	5,401 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

Fiscal year ended March 31, 2008 (April 1, 2007 – March 31, 2008) (Millions of yen)

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	328,811	154,233	107,521	85,223	71,562	15,635	762,985	—	762,985
(2) Intersegment sales and transfers	8,979	23,583	3,869	8,591	103	37,481	82,606	(82,606)	—
Total	337,790	177,816	111,390	93,814	71,665	53,116	845,591	(82,606)	762,985
Operating expenses	285,862	165,174	109,982	86,772	62,260	53,029	763,079	(65,347)	697,732
Operating income (loss)	51,928	12,642	1,408	7,042	9,405	87	82,512	(17,259)	65,253

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

	IAB	ECB	AEC	SSB	HCB	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	262,922	123,937	82,109	79,886	63,797	14,539	627,190	—	627,190
(2) Intersegment sales and transfers	7,013	20,915	3,921	6,946	5	33,083	71,883	(71,883)	—
Total	269,935	144,852	86,030	86,832	63,802	47,622	699,073	(71,883)	627,190
Operating expenses	249,481	146,835	92,410	81,479	58,962	47,578	676,745	(54,894)	621,851
Operating income (loss)	20,454	(1,983)	(6,380)	5,353	4,840	44	22,328	(16,989)	5,339

2. Geographical Segment Information

Fiscal year ended March 31, 2008 (April 1, 2007 – March 31, 2008) (Millions of yen)

	Japan	North America	Europe	Greater China	Southeast Asia	Total	Eliminations & Corporate	Consolidated
Net sales:								
(1) Sales to outside customers	388,586	101,884	134,389	91,467	46,659	762,985	—	762,985
(2) Intersegment sales and transfers	129,967	1,070	1,474	53,362	10,131	196,004	(196,004)	—
Total	518,553	102,954	135,863	144,829	56,790	958,989	(196,004)	762,985
Operating expenses	468,346	100,812	121,256	136,730	52,313	879,457	(181,725)	697,732
Operating income	50,207	2,142	14,607	8,099	4,477	79,532	(14,279)	65,253

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

	Japan	North America	Europe	Greater China	Southeast 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	8,396	(716)	6,471	3,125	1,472	18,748	(13,409)	5,339

3. Overseas Sales

Fiscal year ended March 31, 2008 (April 1, 2007 – March 31, 2008) (Millions of yen)

	North America	Europe	Greater China	Southeast Asia and Others	Total
Overseas sales	103,257	136,246	98,925	58,659	397,087
Consolidated net sales					762,985
Overseas sales as a percentage of consolidated net sales (%)	13.4	17.9	13.0	7.7	52.0

Fiscal 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

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009		Increase (decrease)
	Amount	%	Amount	%	
ASSETS					
Current assets					
Cash and time deposits	8,236		15,276		7,040
Accounts receivable	2,301		1,751		(550)
Accounts receivable - trade	62,387		38,591		(23,796)
Merchandise	11,041		8,995		(2,046)
Materials	4,380		3,701		(679)
Work-in-process	7,365		6,345		(1,020)
Supplies	139		399		260
Short-term loans receivable	13,285		13,779		494
Accounts receivable - purchasing	8,523		4,849		(3,674)
Other accounts receivable	5,447		4,074		(1,373)
Deferred income taxes	8,808		7,756		(1,052)
Other current assets	1,890		7,183		5,293
Allowance for doubtful receivables	(32)		(207)		(175)
Total current assets	133,770	35.0	112,492	31.2	(21,278)
Fixed assets					
Property and equipment					
Buildings	23,595		21,682		(1,913)
Structures	1,865		1,725		(140)
Machinery and equipment	1,966		1,529		(437)
Vehicles and delivery equipment	123		1		(122)
Tools, furniture and fixtures	2,309		1,849		(460)
Land	14,556		14,665		109
Lease assets	—		3,819		3,819
Construction in progress	1,725		6,110		4,385
Total property and equipment	46,139	12.1	51,380	14.3	5,241
Intangible fixed assets					
Software	8,905	2.3	9,850	2.7	945
Investments and other assets					
Investment securities	34,301		27,623		(6,678)
Investments in affiliated companies	122,835		111,433		(11,402)
Investments in capital	12,823		14,082		1,259
Long-term advances	50		50		—
Long-term advances to affiliates	4,082		5,654		1,572
Leasehold deposits	5,549		5,327		11,884
Deferred income taxes	14,674		26,558		(913)
Other	2,896		1,983		(1,936)
Allowance for doubtful receivables	(3,764)		(5,700)		
Total investments and other assets	193,446	50.6	187,010	51.8	(6,436)
Total fixed assets	248,490	65.0	248,240	68.8	(250)
Total assets	382,260	100.0	360,732	100.0	(21,528)

	As of March 31, 2008		As of March 31, 2009		Increase (decrease)
	Amount	%	Amount	%	
LIABILITIES					
Current liabilities					
Accounts payable	2,095		1,152		(943)
Accounts payable - trade	35,760		23,079		(12,681)
Short-term borrowings from affiliated companies	39,480		38,705		(775)
Commercial paper	16,000		31,000		15,000
Lease liabilities	—		2,460		2,460
Other payables	9,641		6,004		(3,637)
Accrued expenses	9,569		6,843		(2,726)
Income taxes payable	4,505		73		(4,432)
Advances received	1,298		597		(701)
Deposits received	819		903		84
Other	785		3,177		2,392
Total current liabilities	119,952	31.4	113,993	31.6	(5,959)
Long-term liabilities					
Long-term debt	—		20,000		20,000
Lease liabilities	—		3,941		3,941
Termination and retirement benefits	23,775		22,916		(859)
Deferred tax liabilities related to revaluation	1,800		1,800		—
Other	717		669		(48)
Total long-term liabilities	26,292	6.9	49,326	13.7	23,034
Total liabilities	146,244	38.3	163,319	45.3	17,075
NET ASSETS					
Shareholders’ equity					
Common stock	64,100	16.7	64,100	17.8	—
Capital surplus					
Additional paid-in capital	88,771		88,771		—
Total capital surplus	88,771	23.2	88,771	24.6	—
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	203		189		(14)
Nonrestrictive reserve	98,500		98,500		—
Retained earnings carried forward	13,669		(15,354)		(29,023)
Total retained earnings	124,057	32.5	95,020	26.3	(29,037)
Treasury stock	(41,449)	(10.8)	(44,434)	(12.3)	(2,985)
Total shareholders’ equity	235,479	61.6	203,457	56.4	(32,022)
Valuation and translation adjustment					
Net unrealized holding gains on securities	5,314		(458)		(5,772)
Deferred hedge gain (loss)	318		(593)		(911)
Revaluation of land	(5,264)		(5,264)		—
Total valuation and translation adjustments	368	0.1	(6,315)	(1.8)	(6,683)
New stock acquisition rights	169	0.0	271	0.1	102
Total net assets	236,016	61.7	197,413	54.7	(38,603)
Total liabilities and net assets	382,260	100.0%	360,732	100.0%	(21,528)

(2) Non-consolidated Statement of Operations

(Millions of yen)

	As of March 31, 2008		As of March 31, 2009		Increase (decrease)
Net sales	332,292	100.0%	267,092	100.0%	(65,200)
Cost of sales	208,207	62.7	176,587	66.1	(31,620)
Gross profit	124,085	37.3	90,505	33.9	(33,580)
Selling, general and administrative expenses	112,010	33.7	107,803	40.4	(4,207)
Operating income (loss)	12,075	3.6	(17,298)	(6.5)	(29,373)
Non-operating income:					
Interest and dividend income	28,687	8.6	9,404	3.5	(19,283)
Other non-operating income	2,478	0.8	6,333	2.4	3,855
Total non-operating income	31,165	9.4	15,737	5.9	(15,428)
Non-operating expenses:					
Interest paid	1,148	0.3	1,428	0.6	280
Discount on sales	979	0.3	850	0.3	(129)
Other non-operating expenses	2,532	0.8	3,556	1.3	1,024
Total non-operating expenses	4,659	1.4	5,834	2.2	1,175
Ordinary income (loss)	38,581	11.6	(7,395)	(2.8)	(45,976)
Extraordinary gains:					
Gain on sales of property, plant and equipment	458	0.1	2	0.0	(456)
Gain on sales of investment securities	1,843	0.6	70	0.0	(1,773)
Other extraordinary gains	229	0.1	128	0.1	(101)
Total extraordinary gains	2,530	0.8	200	0.1	(2,330)
Extraordinary losses					
Loss on evaluation of investment securities	2,744	0.8	1,276	0.5	(1,468)
Loss on evaluation of stocks of affiliated companies	816	0.2	8,795	3.3	7,979
Impairment loss	—	—	7,758	2.9	7,758
Other extraordinary losses	2,127	0.7	4,786	1.8	2,659
Total extraordinary losses	5,687	1.7	22,615	8.5	(16,928)
Income (loss) before income taxes	35,424	10.7	(29,810)	(11.2)	(65,234)
Income, residential and enterprise taxes	6,297	1.9	(4,097)	(1.6)	(10,394)
Adjustment for income taxes	(2,436)	(0.7)	(6,187)	(2.3)	(3,751)
Net income (loss)	31,563	9.5	(19,526)	(7.3)	(51,089)

(3) Non-consolidated Statement of Changes in Net Assets

Fiscal 2008 (April 1, 2007 to March 31, 2008) (Millions of yen)

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Common stock	Additional paid-in capital	Other capital surplus	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, 2007	64,100	88,771	23	88,794	6,774	3,400	1,511	219	80,500	32,503	124,907
Changes during the year ended March 31, 2008											
Dividends paid				—						(8,252)	(8,252)
Net income				—						31,563	31,563
Increase in nonrestrictive reserve				—					18,000	(18,000)	—
Drawdown of reserve for replacement of property				—				(16)		16	—
Acquisition and disposal of treasury stock			(23)	(23)						(14)	(14)
Retirement of treasury stock				—						(23,820)	(23,820)
Drawdown of land revaluation difference				—						(327)	(327)
Net change of items other than shareholders' equity during the year				—							—
Total changes during the year	—	—	(23)	(23)	—	—	—	(16)	18,000	(18,834)	(850)
Balance at March 31, 2008	64,100	88,771	—	88,771	6,774	3,400	1,511	203	98,500	13,669	124,057

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustment				Stock acquisition rights	Total net assets
	Treasury stock	Total share-holders' equity	Net unrealized holding gains on securities	Deferred hedge gain (loss)	Revalua-tion of land	Total valuation and translation adjustment		
Balance at March 31, 2007	(43,351)	234,450	12,946	(116)	(5,591)	7,239	44	241,733
Changes during the year ended March 31, 2008								
Dividends paid		(8,252)				—		(8,252)
Net income		31,563				—		31,563
Increase in nonrestrictive reserve		—				—		—
Drawdown of reserve for replacement of property		—				—		—
Acquisition and disposal of treasury stock	(21,918)	(21,955)				—		(21,955)
Retirement of treasury stock	23,820	—				—		—
Drawdown of land revaluation difference		(327)				—		(327)
Net change of items other than shareholders' equity during the year		—	(7,632)	434	327	(6,871)	125	(6,746)
Total changes during the year	1,902	1,029	(7,632)	434	327	(6,871)	125	(5,717)
Balance at March 31, 2008	(41,449)	235,479	5,314	318	(5,264)	368	169	236,016

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	Other capital surplus	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				Stock acquisition rights	Total net assets
	Treasury stock	Total share-holders' equity	Net unrealized holding gains 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

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

None applicable

(Attachment)

March 2009
Omron Corporation

Summary of Results for the Fiscal Year Ended March 31, 2009

1. Consolidated Results (U.S. GAAP)

(Millions of yen, %)

	Year ended March 31, 2008	Year ended March 31, 2009	Year-on-year change	Year ending March 31, 2010 (projected)	Year-on-year change
Net sales	762,985	627,190	(17.8%)	510,000	(18.7%)
Operating income [% of net sales]	65,253 [8.6%]	5,339 [0.9%]	(91.8%) [-7.7P]	0 [0.0%]	— [-0.9P]
Income (loss) before income taxes [% of net sales]	64,166 [8.4%]	(39,133) [(6.2%)]	— [-14.6P]	(3,500) [-0.7%]	— [+5.5P]
Net income (loss)	42,383	(29,172)	—	(2,000)	—
Net income (loss) per share (basic) (JPY)	185.89	(132.15)	-318.04	(9.08)	+123.07
Net income per share (diluted) (JPY)	185.84	—	—		
Return on equity (%)	11.3%	(8.7%)	[-20.0P]	(0.7%)	[+8.0P]
Total assets	617,367	538,280	(12.8%)		
Net assets [Net worth ratio (%)]	368,502 [59.7%]	298,411 [55.4%]	(19.0%) [-4.3P]		
Net assets per share (JPY)	1,662.32	1,355.41	-306.91		
Net cash provided by operating activities	68,996	31,408	(37,588)		
Net cash used in investing activities	(36,681)	(40,628)	(3,947)		
Net cash provided by (used in) financing activities	(34,481)	21,867	56,348		
Cash and cash equivalents at end of period	40,624	46,631	6,007		
Cash dividends per share (JPY)	42.00	25.00	(17.00)	Undetermined	—

Notes:
1. The number of consolidated subsidiaries is 162, and the number of companies accounted for by the equity method is 18.
2. In accordance with U.S. GAAP, return on equity, net assets, net worth ratio and net assets per share are calculated using total shareholders' equity.
3. In accordance with FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," along with the presentation of profit and loss from operations discontinued in the previous fiscal year as net income from discontinued operations, income from continuing operations before income taxes is stated in income before income taxes for the fiscal year ended March 31, 2008.

2. Non-consolidated Results

(Millions of yen, %)

	Year ended March 31, 2008	Year ended March 31, 2009	Year-on-year change
Net sales	332,292	267,092	(19.6%)
Operating income (loss) [% of net sales]	12,075 [3.6%]	(17,298) [(6.5%)]	— [-10.1P]
Ordinary income (loss) [% of net sales]	38,581 [11.6%]	(7,395) [(2.8%)]	— [-14.4P]
Income (loss) before income taxes [% of net sales]	35,424 [10.7%]	(29,810) [(11.2%)]	— [-21.9P]
Net income (loss)	31,563	(19,526)	—
Net income (loss) per share (basic) (JPY)	138.40	(88.43)	-226.83
Net income per share (diluted) (JPY)	138.37	—	—
Paid-in capital	64,100	64,100	0.0%
Total assets	382,260	360,732	(5.6%)
Net assets [Net worth ratio (%)]	236,016 [61.7%]	197,413 [54.7%]	(16.4%) [-7.0P]
Shareholders' equity per share (JPY)	1,063.68	895.24	-168.44

(Attachment)

3. Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2008	Year ended March 31, 2009	Year-on-year change (%)
IAB	Domestic	144.1	116.4	(19.2)
	Overseas	184.7	146.5	(20.7)
	Total	328.8	262.9	(20.0)
ECB	Domestic	62.4	56.0	(10.3)
	Overseas	91.8	68.0	(26.0)
	Total	154.2	124.0	(19.6)
AEC	Domestic	28.0	25.0	(10.7)
	Overseas	79.5	57.1	(28.2)
	Total	107.5	82.1	(23.6)
SSB	Domestic	81.0	75.5	(6.8)
	Overseas	4.2	4.4	5.0
	Total	85.2	79.9	(6.3)
HCB	Domestic	35.0	28.3	(19.0)
	Overseas	36.6	35.5	(3.1)
	Total	71.6	63.8	(10.9)
Other	Domestic	15.4	14.4	(6.2)
	Overseas	0.3	0.1	(51.8)
	Total	15.7	14.5	(7.0)
Total	Domestic	365.9	315.6	(13.7)
	Overseas	397.1	311.6	(21.5)
	[% of total]	[52.0%]	[49.7%]	[-2.3P]
	Total	763.0	627.2	(17.8)

Average Currency Exchange Rate

(One unit of currency, in yen)

	Year ended March 31, 2008	Year ended March 31, 2009	Year-on-year change (%)
USD	114.1	100.7	-13.4
EUR	161.9	144.5	-17.4

(Attachment)

4. Projected Consolidated Net Sales by Business Segment

(Billions of yen)

		Year ended March 31, 2009	Year ending March 31, 2010 (est.)	Year-on-year change (%)
IAB	Domestic	116.4	84.5	(27.4)
	Overseas	146.5	108.5	(25.9)
	Total	262.9	193.0	(26.6)
ECB	Domestic	56.0	48.5	(13.4)
	Overseas	68.0	63.5	(6.6)
	Total	124.0	112.0	(9.6)
AEC	Domestic	25.0	24.5	(2.0)
	Overseas	57.1	35.5	(37.8)
	Total	82.1	60.0	(26.9)
SSB	Domestic	75.5	65.5	(13.2)
	Overseas	4.4	0.5	(88.6)
	Total	79.9	66.0	(17.4)
HCB	Domestic	28.3	29.0	2.3
	Overseas	35.5	32.5	(8.4)
	Total	63.8	61.5	(3.6)
Other	Domestic	14.4	16.5	14.5
	Overseas	0.1	1.0	—
	Total	14.5	17.5	20.4
Total	Domestic	315.6	268.5	(14.9)
	Overseas	311.6	241.5	(22.5)
	[% of total]	[49.7%]	[47.4%]	[-2.3P]
	Total	627.2	510.0	(18.7)

Average Currency Exchange Rate

(One unit of currency, in yen)

		Year ended March 31, 2009	Year ending March 31, 2010 (est.)	Year-on-year change
USD		100.7	95.0	-5.7
EUR		144.5	125.0	-19.5