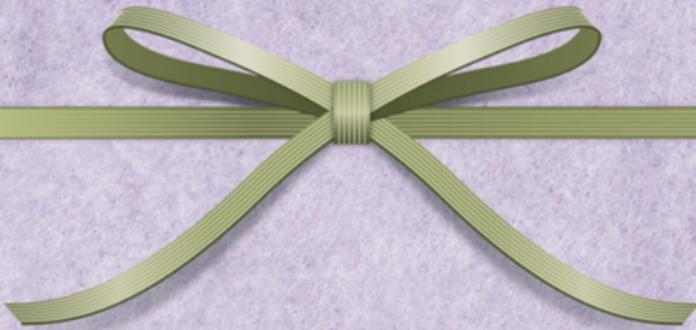


Message to Shareholders

Summer 2009

Omron Corporation



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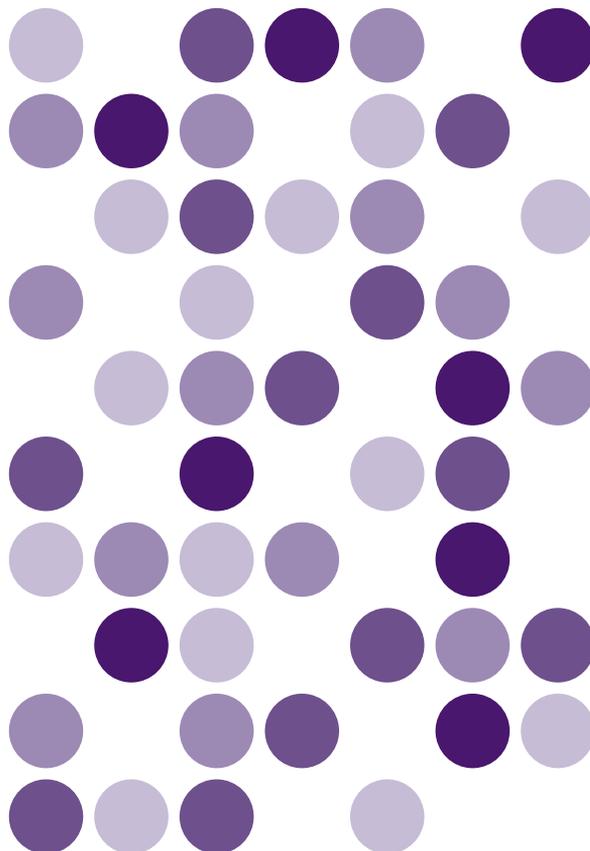
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Review of Fiscal 2008

(April 1, 2008 to March 31, 2009)



OMRON

Sensing tomorrow™

I am pleased to present Omron's Message to Shareholders for fiscal 2008 (April 2008 to March 2009).

As a result of the worldwide economic downturn, the Company's operating environment is now the most difficult we have ever faced. Nevertheless, we see this not as a crisis, but rather as a challenge and an opportunity. Precisely because of the severity of our current business situation, we plan to seek our shareholders' understanding for the implementation of a radical reform of the Company's earnings structure, with an emphasis on returning to the basics and providing the sort of value that society truly requires through close, company-wide collaboration and a focus on our strengths. By these means, we aim to emerge from this difficult period as a stronger company with good growth potential.

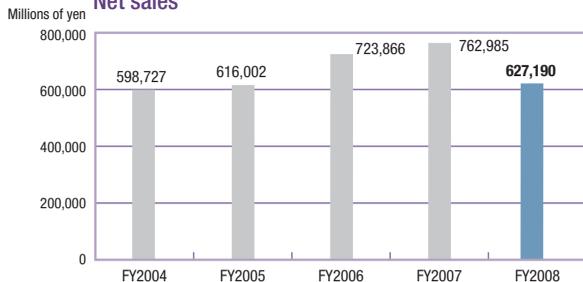
I look forward to your continued support.

June 2009

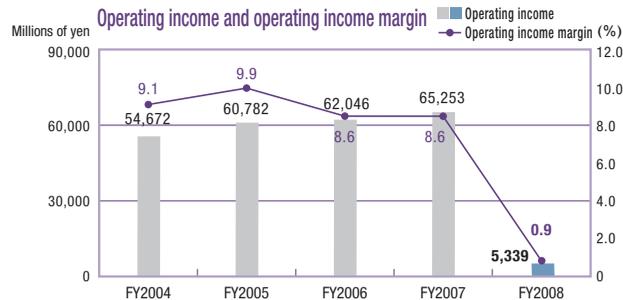
Hisao Sakuta,
President and CEO



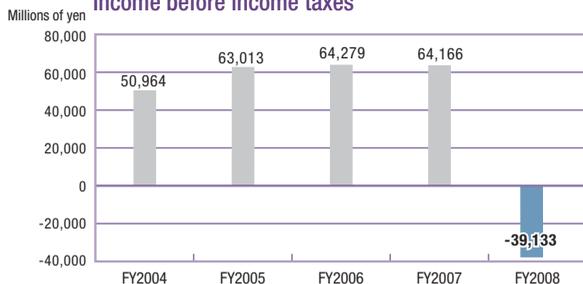
Net sales



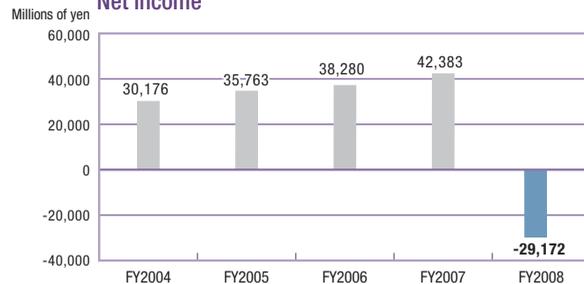
Operating income and operating income margin



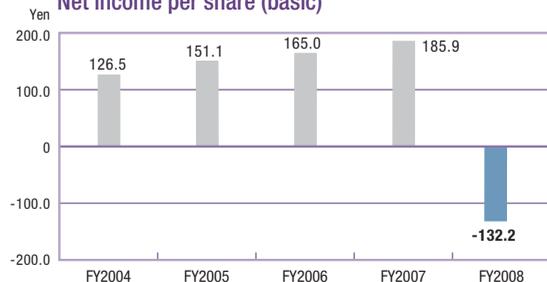
Income before income taxes



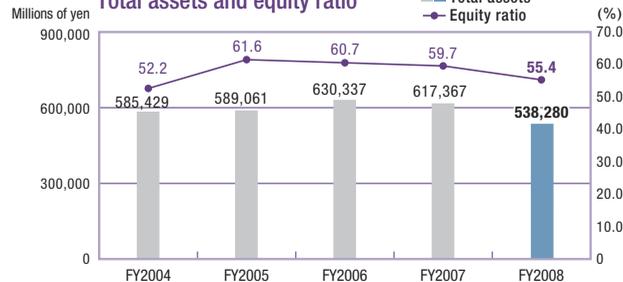
Net income



Net income per share (basic)



Total assets and equity ratio



Note: Pursuant to U.S. Financial Accounting Standards Board (FASB) Statement No.144, "Accounting for the Impairment of Disposal of Long-Lived Assets," figures in the consolidated statements of previous years have been restated to account for operations that were discontinued in FY2007.

Caution with respect to forward-looking statements: This report contains forward-looking statements about the performance of Omron and its subsidiaries, which are based on management's judgment taking into account information available at the time of writing. The Company's actual results could differ materially from those described in these forward-looking statements as a result of numerous factors.

President Hisao Sakuta responds to most common questions.

Question

Could you provide an overview of Omron's business performance in fiscal 2008?

Triggered by the subprime loan problem in the United States, a global financial crisis unfolded from the summer of 2008, culminating in the bankruptcy of Lehman Brothers and the receipt of massive federal bailouts by Citigroup and AIG. This series of events brought about the collapse of the world economy growth pattern that had been driven by U.S. consumption. Moreover, although oil prices have declined from the record high set in June 2008, they remain at a relatively high level in historical terms, and their future path is unclear.

In Japan, too, things have been difficult since the autumn of 2008. The exchange rates of the yen against the U.S. dollar, the euro, and other major currencies rose sharply from September, and corporate earnings have undergone a sharp deterioration. Combined with falling exports and a worsening employment situation, these factors indicate that the Japanese economy is in a very serious state.

In these circumstances, in the third quarter of fiscal 2008 (October – December) the Omron Group faced a very difficult operating environment, characterized by further production cutbacks and reduced capital investments on the part of customers in the manufacturing industry including motor vehicle, semiconductor device, and electronic component manufacturers. For this reason, a sharp fall in demand was seen in Omron's mainline business segment, the Industrial Automation Business (IAB). The Electronic Components Business (ECB) also recorded lower demand due to production cutbacks by makers of business and consumer equipment. The Automotive Electronic Components Business (AEC) experienced a major drop

to shareholders'



in demand for onboard electronics components as a result of major cuts in production levels by automotive industry. The Social Systems Business (SSB) enjoyed increased demand for railway equipment accompanying the opening of new railway lines in the first half of the term. The second half, however, saw railway operators cutting back sharply on capital investment amid the worsening economy, and total sales for the term were virtually unchanged. In the Healthcare Business (HCB), the market for healthcare and medical equipment in Japan remained sluggish, and the business was also negatively impacted by inventory adjustments by the country's major retailers. Consequently, sales of home-use blood pressure monitors and body composition monitors plunged from the previous year.

Against this backdrop, Omron suspended investments under its Grand Design 2010 (GD2010) long-term management vision, of which fiscal 2008 was the first year of the third stage. These planned investments were aimed at realizing our mechanism for sustainable growth, but we have now recalibrated our numerical goals and have commenced what we call the Revival Stage, which covers the next two years, ending March 2011. Under this, we intend to radically restructure the company. In February 2009 the entire Omron Group began taking emergency measures and participating in the implementation of a structural reform plan.

Question

Could you give some details about your Emergency Measures & Structural Reform, as well as your view of the Omron Group's prospects for fiscal 2009?

In fiscal 2009 (April 2009 to March 2010) we expect the Group's operating environment to be even more severe than in fiscal 2008, in terms of both sales and profits. GDP figures are falling below the previous year's levels in

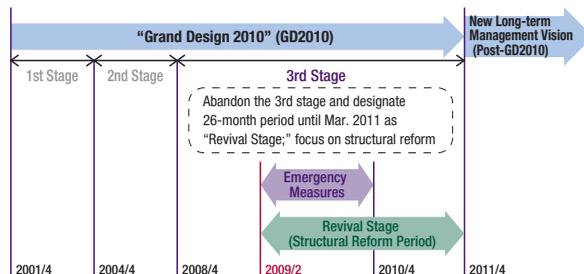
Japan, the United States, and Europe, and indices of industrial production continue to record year-on-year declines. As a result we expect our sales for fiscal 2009 to decline by 19%, to ¥510 billion on a consolidated basis. For this reason, we have commenced our Emergency Measures & Structural Reform plan to ensure that we do not register an operating loss despite the harshness of the operating environment.

Emergency Measures & Structural Reform

Emergency Measures (Generate profit in FY09 through cost cuts)	Structural Reform (Strengthen profit base over the medium term)
Profit Generation	1. Business Domain Reform Restructure 3 control businesses: IAB, ECB and AEC <ul style="list-style-type: none"> ● IAB: Strengthen front line and profit base ● ECB: Re-strengthen EMC business ● AEC: Implement thorough efforts to improve profitability
(1) Cost cutting Advertising, R&D, indirect costs, etc.	
(2) Withdrawal from underperforming businesses Four businesses in Japan/abroad (ECB, AEC)	
(3) Reduction of other fixed costs Return of part of directors', executive officers' and managers' compensation, ban on overtime work, etc.	2. Operational Structure Reform (1) Elimination and consolidation of production bases (2) Variable cost structure reform (3) IT structure reform (4) Head office function reform
Cash Flow Creation	
<ul style="list-style-type: none"> ● Freeze on large-scale investments ● Reduction in ordinary investments 	

The Emergency Measures are aimed at creating new earnings drivers to help the Group keep its operating account in the income column. Begun in February 2009 and extending to March 2010, these measures consist principally of cuts in expenses such as advertising expenses, materials procurement costs, and personnel expenses. The latter will be realized through reductions in compensation for directors and salaries for managers and other high-ranking officers, as well as the elimination of excessive overtime. In addition, we plan to withdraw from, or downsize, loss-making or unprofitable businesses in our Electronic Components Business (ECB) and Automotive Electronic Components Business (AEC) segments. As a first step, we have decided to withdraw from the large-size backlight business. The worsening of the economy has led to sluggish consumer spending, and sales of large-size LCD TV have slumped, while a simultaneous price collapse has led to cut-throat competition. Omron's large-size backlight business has consequently suffered a steep deterioration in profitability, and there seems to be little prospect of a significant improvement in earnings. We have therefore decided to withdraw from this field, and examinations of commercial feasibility in other fields are ongoing.

Schedule for Emergency Measures & Structural Reform



The objective of our Structural Reform is to strengthen our earnings structure. At such time as the Group once again recovers its previous record-high level of sales, which was approximately ¥750 billion in fiscal 2007, we aim to have a structure in place that will guarantee operating income of at least ¥100 billion. To this end, since February of this year we have been pursuing a two-year plan (to March 2011), which will involve a reshuffle of the business spheres of our various segments, as well as a reform of our operational structure. We intend to reorganize our business segments into three new, larger categories, under the names of Industry, Society, and Lifestyle. Rather than distributing management resources evenly among our three current control equipment segments — the Industrial Automation Business (IAB), the Electronic Components Business (ECB), and the Automotive Electronic Components Business (AEC) — we will aim to raise profitability by focusing on our strengths. In particular, we will work to strengthen our Industrial Automation Business, in which we have a competitive advantage thanks to the establishment of effective marketing channels for general-purpose products. We will also take steps to strengthen the Electro-Mechanical Components (EMC) business (relays, switches, connectors and so on), which is part of the Electronic Components Business (ECB), which boasts an efficient global production system.

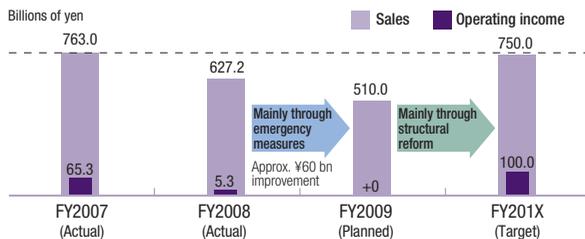
Under the Company's Structural Reform Plan, we are creating a system for the common procurement of materials and for production collaboration between divisions. We are also developing a new system for the more efficient utilization of our human resources, and are integrating production facilities to raise efficiency and cut costs. At the end of March 2009 the Omron Group operated a total of 49 production plants worldwide. This number will be reduced to between 30 and 35 by January 2011. On March 10,

2009 we announced plans to close the plant operated by Omron Automotive Electronics UK Ltd. in the United Kingdom, as well as the Minakuchi Factory in Japan. We decided to close the UK plant because of a severe deterioration in the business environment, accompanying a sharp shrinkage of the British automotive market, as well as the lack of any prospects for a recovery. We plan to reorganize our production system for the whole of Europe, and the UK plant is scheduled to cease operations by the end of March 2011.

As for our Minakuchi Factory, there is not enough room to expand this plant to accommodate our plans for increased production of integrated circuits and micro electro mechanical systems (MEMS). We have therefore transferred the production operations for MEMS and other products carried out up to now at the Minakuchi plant to our Yasu Factory in Shiga Prefecture, and the plant will be closed in June 2009.

In these ways, Omron's management is taking a number of steps to lower both fixed expenses and the variable cost ratio. Thanks to this, when sales recover to the ¥750 billion level, our earnings structure should ensure that we post operating income of around ¥100 billion.

Strengthen profit base



Question

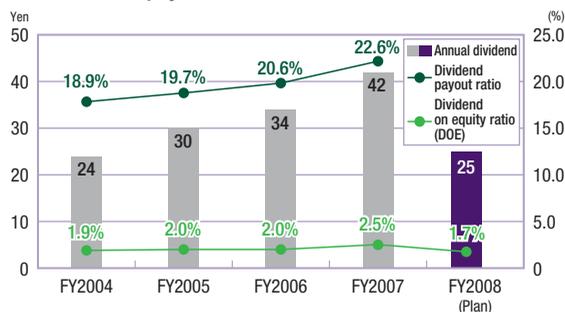
Could you explain Omron's policy and future plans regarding profit distribution, including the reasons why the dividend for the fiscal 2008 business term will be lower than the previous year?

The total annual dividend payment for the fiscal 2008 term is scheduled to be ¥25 per share, which is a reduction of ¥17 from the previous term's dividend. Despite an extremely difficult business environment, we have set the term-end dividend at ¥7 per share with the aim of living up to our policy of implementing a continuous and stable level of profit distribution.

Our basic stance on shareholder return is to give first priority to ensuring a sufficient level of retained earnings to finance the investments needed to enhance the Company's enterprise value. As much as possible of the remaining portion of earnings will be returned to shareholders, after due consideration of the needs of cash liquidity management. Specifically, we plan to maintain a minimum payout ratio of 20%, to realize a total shareholder return of 45–50% when combined with the purchase of own shares for inclusion in treasury. We have also set a target for DOE (dividend on equity) of 2%.

I hope that our shareholders will continue to give us their support as we work to improve the business performance of the Omron Group.

Dividends and payout ratio



Note: The dividend paid for FY2007 included a special commemorative dividend of ¥5 per share.

***The Dividend on Equity Ratio (DOE)** indicates shareholder return levels together with the dividend payout ratio. It is derived by dividing total annual dividends by shareholders' equity. Here, shareholders' equity is defined as the total sum of common stock, capital surplus, legal reserve, retained earnings, and accumulated other comprehensive income (loss) after deduction of treasury stock.

The new Spot Arm HEM-1020
home-use blood pressure monitor

Helping you get the arm- positioning right

Since launching its first home-use blood pressure monitor in 1973, Omron has become the world leader in this field. Measurement data from blood pressure monitoring is used not only in personal health management, but also in diagnostics and treatment at medical facilities. On February 9, 2009, our latest product in the Spot Arm series, Spot Arm HEM-1020, was released. Product manager Kenji Aritome explains the product and its development.



A focus on accuracy, an Omron strength,
and ease of use

Q: What advantages does this product have over the previous series?

Aritome: We have focused on further increasing measurement accuracy and enhancing usability. Looking first at accuracy, we have added a support function for more precise measurement, which works by helping you adopt the right position when you put your arm into the cuff. For example, it is not possible to get accurate measurements if you are leaning forward because blood pressure increases due to abdominal muscle pressure. So we have added a function that lets you know whether the angle at which you have inserted your arm into the cuff is right. Other previous products have also let you know whether or not your arm-positioning is right, but with this system, if your positioning is not correct, it will show you on the screen how to correct it, with immediate confirmation.

With regard to usability, it's now just as easy to take both left- and right-arm measurements. Because most users are right-handed, we used to put the operating buttons on the right-hand side of the cuff, but this made it difficult to take a reading for the right arm. Now that problem is solved, because the operating buttons are on the top. Additionally, by including the Rakuraku arm support placement aid, you can insert your arm fully without bending the elbow, enabling more comfortable measurement without physical exertion.



Miniaturization and design improvement

Q: Just how hard was it to bring this product to market?

Aritome: First, there was the miniaturization problem. Because it's fully automatic, it is bigger than conventional monitors where you put the cuff around your arm yourself. But many customers said that the size of earlier versions of this product made them difficult to use at home, so we decided to miniaturize.

It was very difficult to get all the necessary instrumentation in place and keep design standards high at a reduced size. I collaborated with the chief developers and designers repeatedly during the development process. We also took great care over the little things — for example, ensuring the position of the display panel was adjusted so the characters could be read easily by anybody, regardless of age.



As market growth is set to continue, Omron is well-placed to benefit

Q: What can you tell us about the current size of the market for home-use blood pressure monitors, future demand for them, and Omron's strengths?

Aritome: In Japan, around 40% of households now have blood pressure monitors. The number of purchases has increased because of growing awareness of the importance of monitoring blood pressure at home, and the recent boom in healthcare, inducing people to make purchases for their own family and health management. I expect this trend to continue.

These devices are spreading in Europe and America just as they are in Japan. We also have seen high volume growth in emerging countries with rapidly growing wealthy classes such as China and Russia. Globally, the market has grown by more than 50% over the last five years. I expect further

growth ahead.

With regard to pricing, we do have concerns about the current state of the economy, but unlike commodities, healthcare products are not things that can be sold cheaply. Because it concerns your own health, you don't mind spending a little bit of money for reliability, and customers want products with good accuracy. For that reason, I do not expect us to get caught up in price competition.

Before releasing a new product, we conduct surveys among users. The thing that people most expect of blood pressure monitors is that they give accurate readings. The next most important thing is that they are easy to use. Surveys have shown that when these two conditions are met, users are very satisfied. I think that this product meets these requirements. Another important matter is the brand. Omron has the world's top share in home-use blood pressure monitors, at over 50% (according to our own research), and over the last 30 years we have built up a brand that is trusted. Our strengths are understanding customer needs and brand power.

Getting the right blood pressure readings at home is key to accurate diagnosis and treatment

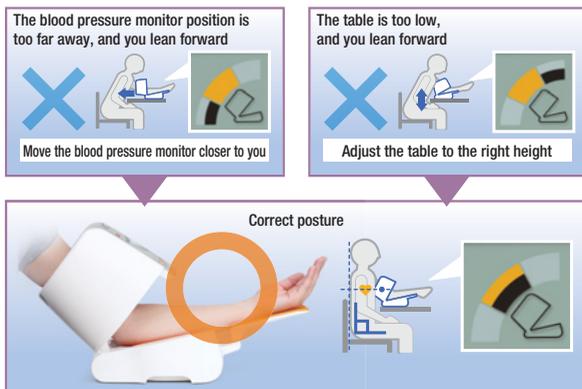
Q: Why is measuring blood pressure every day at home important? And if blood pressure is high, is there anything that you should be on the lookout for?

Aritome: We have discovered that people's blood pressure behaves differently when they are at home. For example, if you have your blood pressure read in front of doctors and nurses, you are tense and the pressure rises (a phenomenon known as white-coat hypertension). To know your real blood pressure, it is important to be able to measure it daily at home in a relaxed state. On the other hand, in some cases, blood pressure can be higher early in the morning, during the first one or two hours after getting out of bed, but by the time you reach the hospital, it will have returned to normal levels. This effect, called morning hypertension, can increase the risk of heart and brain disease compared with ordinary high blood pressure problems, so it is very dangerous. Morning readings can only be taken at home, and clearly show

the importance of home-based monitoring.

In January 2009, in the revised high blood pressure treatment guidelines published by the Japanese Society of Hypertension, the importance of the patient being at home and in a relaxed state for judging the effects of treatment of high blood pressure was again emphasized. Relaxed here means when you have just gotten out of bed, have finished using the toilet, and are at ease. If possible, you should measure your blood pressure three times a day, morning, noon and evening, and have an idea of how it varies over the course of the day.

High blood pressure is a lifestyle-related disease, and so it is important to improve your lifestyle, including avoiding food that is high in calories and salt, and taking a suitable level of exercise. The Ministry of Health, Labour and Welfare exercise guidelines include targets for health improvement through 23 “exercise sessions” a week. In addition to blood pressure monitors, Omron also makes pedometers for people trying to meet these targets.



Linking home and hospital systems

Q: What plans do you have for the future?

Aritome: I believe it is important and beneficial to take daily blood pressure readings at home, and to measure body temperature, body weight and body fat ratio, for prevention of lifestyle diseases and better health. This drives our development and improvement of products. In the future, we aim to develop systems enabling medical readings taken daily in the home to be used more effectively in hospitals. This would enable creation of home medical care systems that combine healthcare in the home and hospital, through linked medical equipment.



*Exercise sessions

Intensity of physical activity, measured in METs units x duration.

In terms of exertion, sitting quietly accounts for one MET, normal walking, volleyball, and light weight training for 3 METs, fast walking, playing golf, and riding a bicycle for 4 METs, and jogging and aerobics for 6 METs.

Three METs is defined as the minimum level of physical activity needed for prevention of lifestyle diseases. For example, to achieve 23 exercise sessions week, you could do one hour of walking five days a week (15 sessions: 3 METs x one hour x five days). On Saturday and Sunday, 40 minutes of light jogging yields eight sessions (6 METs x 40/60 hours x two days), giving you 23 sessions.

Omron's new pocket pedometer comes in three colors

Healthcare Business (HCB)

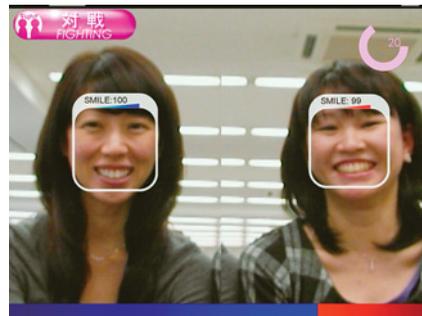
Our new "Walking Style HJ-305" pedometer, launched on March 2, 2009, can identify walking speed. The new pedometer is available in three colors: passion pink, active green and pure white. The fashionable design of this product has made it particularly popular with women of all ages and young men. This product: 1) has a built-in three-axis acceleration sensor, which can measure steps when carried in the walker's pocket or bag; 2) indicates the strength of movement, for example, in terms of the calories burned at the indicated walking speed; 3) shows the recommended number of steps required for effective health maintenance; and 4) features a built-in "one-trip" function which shows the number of steps taken during a specified time period. We will continue working to enhance the precision of our pedometers make them easier to use, to contribute to the health of as many people as possible.



Our new "Smile Scan" sensor rates smiles in real-time

Social Systems Business (SSB)

The "Smile Scan" sensor, launched on February 20, 2009, assesses smiles in real-time, and rates each smile by assigning a numerical value. The new product, developed using our proprietary face-sensing technology "OKAO Vision," gives a neutral, quantitative assessment of the degree to which a person is smiling. For example, store managers can find out whether the smiles of shop assistants are wide enough to be effective in interacting with customers. By confirming that customers are being received with a smile on a daily basis, a store can improve its image among shoppers and heighten their perception of the store as having a pleasant environment. In addition to retail outlets, other ideal locations for utilization of this product include train stations, hotels, and hospitals — any place where customers or visitors are welcomed with a smile. We anticipate use of this new product by individuals who would like to check the effectiveness of their smiles, and by companies in their employee training programs.



Omron, Renesas Technology Corp. agree to collaborate on development of touch-sensor solutions

Electronic Components Business (ECB)

Omron and Renesas Technology have formally agreed to undertake joint development of electrostatic capacity touch-sensor solutions*, with an eye toward future applications in consumer electronics and mobile devices. Omron will provide its touch sensor technology as a touch detection circuit, while Renesas Technology will contribute its microcomputers, making possible the development of a more compact, higher-performance, energy-saving system, as well as significant cost reductions. The move will enable Omron to expand its provision of world-class touch-sensor solutions to the global market. Renesas Technology aims to establish a dominant position in micro computers for the touch sensor market.

*Electrostatic capacity touch-sensor solutions: A type of sensor that can detect a device's on or off status according to the amount of energy stored.



Launch of digital fiber sensor, incorporating high-efficiency connection technology, to achieve the world's longest detection distance

Industrial Automation Business (IAB)

In recent years, the growing trend toward ever-larger flat panel displays for monitors and more compact electronic parts has prompted manufacturers to demand higher precision and improved stability in the sensors used in their manufacturing equipment. In response, on November 1, 2008 we launched the digital fiber sensor "E3X-DA21-S" series, incorporating our own high-efficiency connectors, which enable enhanced detection stability. The new products feature: 1) four times the light intensity; 2) a 50% reduction in power consumption compared with previous models; 3) twice the sensing distance; 4) a reduction in the size to 50% of the smallest detection target; 5) a 50% reduction in the variations in the incident level through a uniform light distribution. In terms of all five features, which constitute benchmarks, our digital fiber sensor series is superior to those of all our competitors worldwide. In addition, these products have a built-in power tuning function to enhance the performance of digital technology. Of course, they are eco-friendly products, providing higher reliability in environments with dust and dirt.



Omron's "Eco-Volun" project raises donations in four areas worldwide

To mark its 75th anniversary in 2008, Omron conducted a five-month "Eco-Volun" program, carried out between May 10 and September 30 in a total of 38 countries worldwide. Under the program, Omron employees undertook recycling, made efforts to reduce energy usage, and engaged in various environmental initiatives and volunteer work. For each activity, individual employees were awarded "Eco-Volun" points. Based on the number of points awarded, the Company donated money to various charities in the four parts of the world where the Company conducts business activities.

In China, the Company donated ¥10 million to the Shanghai Jiuduansha Wetland National Nature Reserve. In the Asia Pacific region, a total of ¥9 million was donated to the Red Cross in Singapore. In Japan and Korea, the Company donated ¥10 million to the Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA), an international non-governmental organization based in Japan. In Europe, representatives of Omron Europe B.V. presented a bank check for ¥8 million to the Dutch Red Cross during a ceremony held at the Omron Europe headquarters in Hoofddorp.



Kyoto team wins wheelchair marathon for second time in 14 years

The 20th Wheelchair Marathon was held in Kyoto on February 22, 2009, with 30 teams from around the country participating. The Kyoto A Team, including Omron Kyoto Taiyo employees Yasuhiro Ikeda and Takeshi Yoda, placed first. It was the team's second victory in 14 years. Yoda also achieved the best time among racers in the third stage of the race. The Oita A Team, including Hiroki Sasahara of Omron Taiyo, placed second, finishing a mere 2 seconds behind the winners. Other participating employees were Naoya Wada (Omron Kyoto Taiyo) on the Kyoto B team, and Takashi Jo (Omron Taiyo) on the Oita B Team. A total of 34 Omron Group employees and their family members living in the Kansai region participated in the event as volunteers, preparing and managing event facilities and ensuring competitors' and spectators' safety during the race.



Omron wins Outstanding Performance Award at Integrity Awards 2009

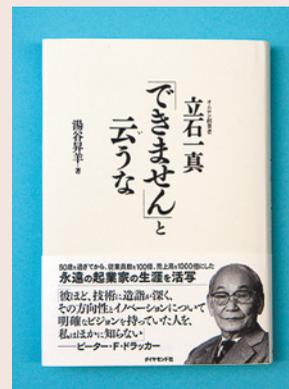
Omron has received the Outstanding Performance Award as part of the Integrity Awards 2009, in recognition of its outstanding compliance and corporate governance systems. The Integrity Award is given to Japanese companies that have exhibited outstanding integrity with regard to compliance and corporate governance systems and the implementation of sound management practices. Omron received this award for the following three reasons: 1) The Omron Group drafted and made public its Group voluntary action plan for product safety; 2) Omron created a CSR structure and carried out CSR functions as part of the management strategies implemented during the second stage of its "Grand Design 2010" long-term management vision; 3) Omron has set priority policies for its eco-friendly business activities and the promotion of environmental preservation activities, and makes information about these activities widely available, including on its website.

Omron will continue to conduct its corporate activities with integrity so as to maintain the trust of its stakeholders.



Book on Omron founder Kazuma Tateisi available

Diamond Inc. published the story of Kazuma Tateisi, written by Shoyo Yutani, on November 7, 2008. The story is published as a hard-cover volume, entitled "Omron Founder Kazuma Tateisi: Don't Say 'I Can't,' but rather, 'How Can I?'" It previously appeared in the Japanese-language version of Harvard Business Review as a monthly series, running for one year starting with the July 2007 issue. His strong entrepreneurial spirit helped him to increase the number of employees at Omron one hundred-fold and to raise sales one thousand-fold after turning 50 years old. The book contains countless stories from the Omron founder's life. His favorite phrase, which became the book's title, is: "Don't just say 'I can't.' Try and find a way to do it." This drive to tackle challenges oneself without relying on others remains part of the Omron Group's corporate culture today.

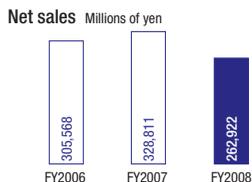


Note: Percentages of total sales are for fiscal 2008, ended March 31, 2009, on a consolidated basis.

IAB: Industrial Automation Business



Manufacture and sale of control systems and equipment for industrial machinery and factory automation



In Japan, sales were depressed by a raft of cancellations and postponements of major capital investment projects in light of the global economic downturn. Sales to Europe were down sharply year-on-year due to a plunge in exports to the region and the financial turmoil. There were bright spots in performance in some areas of North America, but overall sales were sluggish. Sales fell steeply in China and other Asian countries. Segment sales totaled ¥262,922 million, down 20.0% year-on-year.

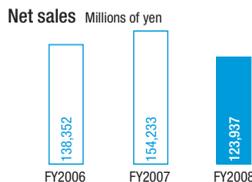
Outlook

In the fiscal year ending March 31, 2010, we aim to raise sales baselines by strengthening customer services and support measures and cooperative marketing channels. We also plan to improve our ability to develop solutions for better product quality, safety and environment-friendliness, primarily in development fields where customers are continuing to invest. We also plan to aggressively launch products for emerging markets.

ECB: Electronic Components Business



Manufacture and sale of electronic components for consumer electronics, mobile phones and other telecommunications equipment, amusement devices, and office automation equipment



Despite record high sales for small-sized backlights in the first half in the Japanese market, and a strong performance by input switches for mobile devices, orders plunged in the second half, resulting in steep cuts in inventory in the consumer and commercial components sector, causing a sharp fall in sales. Overseas, clear deterioration became apparent, with sales continuing to decline in Europe, rapid drops in demand in other regions and weakening demand from export-oriented customers in China. Overall, sales fell 19.6% year-on-year to ¥123,937 million.

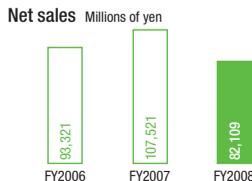
Outlook

With little prospect of rapid recovery in demand for home electronics and housing equipment and facilities in Japan, we are launching new products for the mainstream automotive components and mobile device sectors, and steadily expanding business in our growth-driving micro electro mechanical systems (MEMS) products. In overseas operations, we will focus on markets for environment-related business, where growths are expected.

AEC: Automotive Electronic Components Business



Manufacture and sale of electronic components for automobiles



This segment had a poor year in Japan and abroad, due to soaring gas prices and the worldwide demand slump in the automotive industry. In overseas operations, major Japanese automakers struggling with a slump in the home market and soaring inventory for export vehicles, were forced into large-scale production adjustments. Performance was no more than fairly steady in China and other emerging markets. Overall, segment sales fell 23.6% to ¥82,109 million.

Outlook

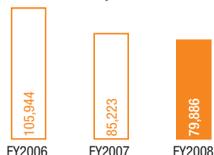
Although recovery in the automotive market is not expected for some time, we will focus components for security entry systems, which are expected to be adopted more widely in the automotive industry in the future. Another focus of development is green vehicles, which have great potential.

SSB: Social System Business



Manufacture and sale of modules and hardware systems for railway infrastructure and road traffic control, as well as solutions and services for use in public environments

Net sales Millions of yen



Sales in railway infrastructure business was flat as railway operators cut back on capital investment, despite some increased demand for railway equipment as new lines opened. Performance was also weak in traffic control and road management systems, and sales fell steeply in the identity management solutions business due to major investment cutbacks at customers. In the railway maintenance business, sales declined due to protracted cutbacks in capital investment, and sales were weak in the software business as mobile phone manufacturers reorganized and put off development projects. Overall, segment sales fell 6.3% year-on-year to ¥79,886 million.

Outlook

In view of the poor state of Japan's economy, we expect a major decline in sales, but are developing new railway businesses with a focus on security and safety. We plan to grow sales in our new social sensor solutions business (social sensors are sensor systems designed to meet safety, security, and environmental needs).

HCB: Healthcare Business



Manufacture and sale of healthcare and medical devices for home and professional use

Net sales Millions of yen

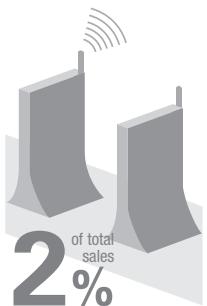


The Japanese healthcare and medical equipment markets performed poorly during the period under review, and sales fell sharply for both home-use blood pressure monitors and body composition monitors. However, the picture was brighter overseas with sales to major retailers increasing in North America, and sales of blood pressure monitors growing in China, Russia, Eastern Europe and the Middle East. But overall sales growth for the year was weak, due to the economic crisis. Segment sales declined 10.9% year-on-year to ¥63,797 million.

Outlook

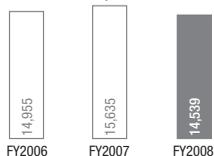
With continuing to cutbacks in personal consumption and private-sector capital investment in Japan and other advanced countries, the market environment is likely to grow more difficult, adversely affecting the performance of the overall segment. However, healthcare consciousness is growing in the emerging economies, generating expectations of further growth in demand for healthcare equipment.

Business Development Group and Other Businesses



Fostering and developing new business opportunities as part of the Omron Group's growth strategy

Net sales Millions of yen



In the computer peripherals business, uninterruptable power supplies and broadband routers performed poorly. Sales declined for radio frequency identification (RFID) devices, a new business, but electricity usage monitoring services performed well. Segment sales fell 7.0% year-on-year to ¥14,539 million.

Outlook

While steadily expanding our business in electricity usage monitoring services, we will foster businesses that contribute to better environmental management at our customers, supplying them with effective devices and systems for "visualization" of hidden issues related to global warming, helping create solutions.

Consolidated Balance Sheet (Summary)

	Millions of yen	
	FY2007 (as of March 31, 2008)	FY2008 (as of March 31, 2009)
Assets		
Total current assets	330,054	275,991
Cash and cash equivalents	40,624	46,631
Notes and accounts receivable — trade	166,878	113,551
Allowance for doubtful receivables	(2,211)	(2,562)
Inventories	95,125	84,708
Other current assets	29,638	33,663
Net property, plant and equipment	152,676	132,535
Buildings	128,183	120,244
Machinery and equipment	167,036	143,801
Accumulated depreciation	(175,946)	(167,324)
Other	33,403	35,814
Total investments and other assets	134,637	129,754
Investments in and advances to affiliates	16,645	15,638
Investment securities	39,139	31,682
Other	78,853	82,434
Total assets	617,367	538,280

	Millions of yen	
	FY2007 (as of March 31, 2008)	FY2008 (as of March 31, 2009)
Liabilities		
Total current liabilities	177,069	135,038
Long-term debt	1,492	21,401
Deferred income taxes	3,887	941
Termination and retirement benefits	63,536	80,443
Other long-term liabilities	863	476
Total liabilities	246,847	238,299
Minority interests	2,018	1,570
Shareholders' equity		
Common stock issued	64,100	64,100
Capital surplus	98,961	99,059
Legal reserve	8,673	9,059
Retained earnings	266,451	231,388
Accumulated other comprehensive loss	(28,217)	(60,744)
Treasury stock	(41,466)	(44,451)
Total shareholders' equity	368,502	298,411
Total liabilities and shareholders' equity	617,367	538,280

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Consolidated Statement of Operations

Millions of yen

	FY2007 (April 1, 2007 – March 31, 2008)	FY2008 (April 1, 2008 – March 31, 2009)
Net sales	762,985	627,190
Costs of sales	469,643	408,668
Gross profit	293,342	218,522
Selling, general and administrative	176,569	164,284
Research and development	51,520	48,899
Operating income	65,253	5,339
Other expenses, net	1,087	44,472
Income (loss) from continuing operations before income taxes	64,166	(39,133)
Income taxes	24,272	(10,495)
Current	(24,403)	(3,400)
Deferred	(131)	(13,895)
Minority interests	217	(277)
Equity in losses of affiliates	348	811
Net income (loss) from continuing operations	39,329	(29,172)
Net income from discontinued operations	3,054	—
Net income (loss)	42,383	(29,172)

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Consolidated Statement of Cash Flows (Summary)

Millions of yen

	FY2007 (April 1, 2007 – March 31, 2008)	FY2008 (April 1, 2008 – 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
Effect of exchange rate changes on cash and cash equivalents	(205)	(6,640)
Net increase (decrease) in cash and cash equivalents	(2,371)	6,007
Cash and cash equivalents at beginning of the year	42,995	40,624
Cash and cash equivalents at end of the year	40,624	46,631

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Consolidated Statement of Shareholders' Equity

Millions of yen

	Common stock	Additional paid-in capital	Legal reserve
Balance, March 31, 2007	64,100	98,828	8,256
Cumulative effect of FIN No. 48 at beginning of period			
Net income			
Cash dividends			
Transfer to legal reserve			417
Foreign currency translation adjustments			
Minimum pension liability adjustments			
Unrealized losses on securities			
Net gains on derivative instruments			
Acquisition of treasury stock			
Sale of treasury stock		1	
Retirement of treasury stock			
Exercise of stock options		(4)	
Grant of stock options		136	
Balance, March 31, 2008	64,100	98,961	8,673
Net loss			
Cash dividends			
Transfer to legal reserve			386
Foreign currency translation adjustments			
Minimum pension liability adjustments			
Unrealized losses on securities			
Net losses on derivative instruments			
Acquisition of treasury stock			
Sale of treasury stock		(3)	
Grant of stock options		101	
Balance, March 31, 2009	64,100	99,059	9,059

Millions of yen

	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
Balance, March 31, 2007	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)		
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			7
Retirement of treasury stock	(23,858)		23,858
Exercise of stock options	(33)		423
Grant of stock options			
Balance, March 31, 2008	266,451	(28,217)	(41,466)
Net loss	(29,172)		
Cash dividends	(5,505)		
Transfer to legal reserve	(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			10
Grant of stock options			
Balance, March 31, 2009	231,388	(60,744)	(44,451)

Notes: 1. Amounts less than one million yen have been rounded.

2. Omron's consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

IR Information

For detailed IR information, please refer to our website's Investor Relations section. Various IR materials, such as required filings and stock-related information, are available.

<http://www.omron.com/ir/>

Investor Relations Mobile Site (Japanese)

Omron IR information can now be accessed via mobile phone. Register your e-mail address to receive IR announcements, including closing stock prices. (Japanese models only.)



QR code

URL: <http://m-ir.jp/c/6645/>

Announcement Regarding Annual Report

Until now, the custom has been to enclose a post-card with the business report sent to shareholders for use in requesting a copy of the Omron annual report. From fiscal 2009, we have discontinued this practice, and now request that shareholders visit our website to download a digital version of our annual report.

http://www.omron.com/ir/ir_annual.html

Contact

Investor Relations Department, Corporate Strategic Planning HQ, Omron Corporation
Phone: 81-3-3436-7170 Website: <http://www.omron.com/>

Omron Wins Nikkei Annual Report Award

The Omron Annual Report 2008 was commended for excellence in the 11th Nikkei Annual Report Awards, sponsored by the Nihon Keizai Shimbun. The contest, which has been held annually since 1998, is Japan's most prestigious contest for annual reports. This year, more than 100 companies participated in the contest, with the judging undertaken by more than 100 securities analysts and capital investment fund managers. The Omron Annual Report 2008 was praised for its frank discussion of the current issues facing management, the Company's future strategies, and negative as well as positive factors. In the future, we will work to ensure the timely disclosure of information, and proactively undertake IR activities to enhance communication with our shareholders.



11th Nikkei Annual Report Award Recipients

Grand Award	SOFTBANK CORP.
Runners-up for the Grand Award	Omron Corporation Toyota Motor Corporation
Excellence Awards	Mitsui O.S.K. Lines, Ltd. FUJIFILM Holdings Corporation Hitachi Metals, Ltd. Benesse Corporation Eight other firms
Honorable Mention	Komatsu Ltd. Panasonic Corporation Sumitomo Corporation East Japan Railway Company Eleven other firms

Stock and Ownership Breakdown

Number of shares authorized	487,000,000 shares
Total number of shares issued	239,121,372 shares
Number of shareholders	36,811

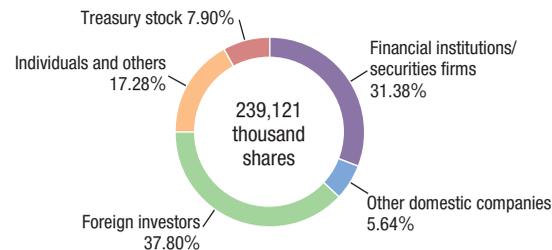
Principal Shareholders

Name	Investment in Omron	
	Number of shares held (thousands)	Equity stake (%)
State Street Bank and Trust Company 505223	14,094	6.40
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	10,836	4.92
Japan Trustee Services Bank, Ltd. (Trust Account)	9,203	4.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,150	3.70
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,713	3.50
The Bank of Kyoto, Ltd.	7,069	3.21
Nippon Life Insurance Company	6,066	2.75
Mellon Bank N.A. as agent for its client Mellon Omnibus US Pension	5,329	2.42
State Street Bank and Trust Company	4,828	2.19
Northern Trust Company (AVFC) Sub-account American Client	4,520	2.05

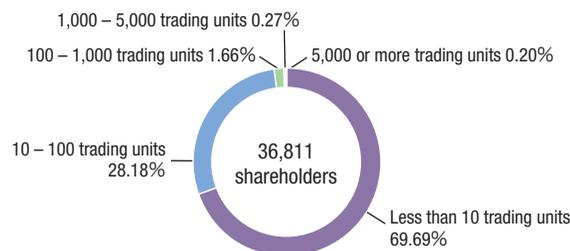
Notes: 1. Equity stake is calculated after subtracting treasury stock.

2. The Company holds 18,910 thousand own shares in treasury (7.90% of the total number of shares issued). However, it is excluded from the above list of principal shareholders.

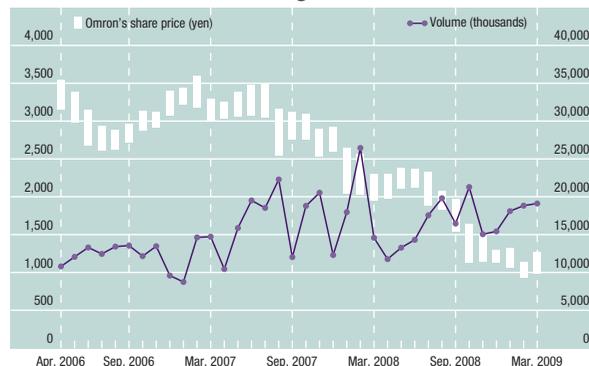
Composition of Shareholders



Distribution by Number of Shares



Stock Price and Trading Volume



Notes: 1. Shares are traded on the 1st Section of Osaka Securities Exchange.

2. The stock price represents the "common trades," and the volume is the sum of all trades.

Fiscal Year-end: March 31
General Meeting of Shareholders: June
Record Dates for Dividends: March 31 (year-end), September 30 (interim)
Number of Shares per Trading Unit: 100 shares
Share Transfer Agent and Account Management Institution for Shareholders' Register and Special Accounts: Mitsubishi UFJ Trust and Banking Corporation
Contact Address: Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation
 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081 Japan
 Phone: 0120-232-711 (within Japan)
Securities Code: 6645
Method for Public Notice: Electronic
 Notice posted on <http://www.omron.co.jp/koukoku/index.html> (Japanese)

Notification regarding the replacement of paper stock certificates with electronic records (dematerialization)

1. Accompanying the dematerialization of stock certificates, shareholders are normally required to make a formal request for the desired procedure (i.e. a change of address, the sell-off of a number of shares fewer than one trading unit to the Company, and other various procedures) to the Account Management Institution (a securities company or other financial institution at which an account has been opened by the shareholder in question). Requests should be made directly to the securities company or financial institution at which the shareholder has an account. Such requests will not be handled by the Company's transfer agent (Mitsubishi UFJ Trust and Banking Corporation).
2. Regarding the various procedures relating to shareholdings registered in the Special Account, Mitsubishi UFJ Trust and Banking Corporation serves as an Account Management Institution. Please make inquiries directly to the Account Management Institution (Mitsubishi UFJ Trust and Banking Corporation). Such procedures may be executed at any branch of the Mitsubishi UFJ Trust and Banking Corporation.
3. To request the automatic deposit of dividends, it is necessary to submit a dividend payment request form directly to the Account Management Institution. Previously, we enclosed our in-house form for requesting the automatic deposit of dividends. This practice has now been discontinued. Inquiries regarding the automatic deposit of dividends should be made to the Account Management Institution.
4. Please make inquiries regarding unclaimed dividend payments to the main office or any branch of Mitsubishi UFJ Trust and Banking Corporation.

Dividend calculation forms

As in the case of individuals who receive dividend payments deposited in a designated account and also receive a dividend payment calculation form, the shareholder who must sign to receive dividend payments will also receive a dividend payment calculation form from the reporting fiscal year. Following the payment of dividends, please use this document to confirm the amount of dividend received, and at the time of filing income taxes to report income.

Changes in Procedures Regarding Ownership of the Company's Shares

Inquiries and Procedures	Contact
<ul style="list-style-type: none"> ● Request for transfer from a Special Account to the General Account ● Request for selling/purchase of a number of shares fewer than one trading unit ● Request to change address or shareholder's name ● Inquiry regarding the balance of the Special Account ● Inquiry regarding the method for receiving dividend payments (Note) 	<p>Account Management Institution of the Special Account (Contact details appear on the left page)</p>
<ul style="list-style-type: none"> ● Request for details concerning the mailing or return of printed materials, etc., by postal mail ● Inquiry regarding the details concerning the method for claiming unpaid dividend after the payment period ends ● Inquiries about general administrative duties relating to shareholdings 	<p>Share Transfer Agent (Contact details appear on the left page)</p>

Methods for requesting forms for the abovementioned procedures:

- Pre-recorded message telephone service (in Japanese)
0120-244-479 (within Japan)
- Online download (Japanese)
<http://www.tr.mufg.jp/daikou/>

Note: Please note that Omron will not apply the proportional allocation method for dividend payment for shares recorded in the Special Account.

■ Corporate Overview

Company Name	Omron Corporation
Date of Establishment	May 10, 1933
Date of Incorporation	May 19, 1948
Paid-in Capital	¥64,100 million
Number of Employees (Consolidated)	32,583
Number of Subsidiaries	162 (Domestic: 46, Overseas: 116)
Number of Affiliates	18 (Domestic: 14, Overseas: 4)
Corporate Core Value	"Working for the benefit of society"
Corporate Motto	"At work for a better life, a better world for all"

■ Headquarters

Japan

Kyoto Head Office

Phone: 81-75-344-7000 Fax: 81-75-344-7001

Tokyo Head Office

Phone: 81-3-3436-7011 Fax: 81-3-3436-7035

Europe

OMRON Europe B.V. (The Netherlands)

Phone: 31-23-568-1300 Fax: 31-23-568-1391

Americas

OMRON Management Center of America, Inc. (Illinois)

Phone: 1-224-520-7650 Fax: 1-224-520-7680

Asia Pacific

OMRON Asia Pacific Pte. Ltd. (Singapore)

Phone: 65-6835-3011 Fax: 65-6835-2711

Greater China

OMRON (China) Co., Ltd. (Shanghai)

Phone: 86-21-5888-1666 Fax: 86-21-5888-7633 / 7933

■ Directors, Corporate Auditors, Executive Advisor, and Executive Officers

Chairman of the BOD	Yoshio Tateisi	Executive Officer	Akio Sakumiya
Director and Executive Vice Chairman	Fumio Tateisi	Executive Officer	Tatsunosuke Goto
President and CEO	Hisao Sakuta	Executive Officer	Mike van Gendt
Director and Executive Vice President	Keiichiro Akahoshi	Executive Officer	Toshio Yamashita
Director and Executive Vice President	Yutaka Takigawa	Executive Officer	Roberto Maietti
Director (external)	Kazuhiko Toyama	Executive Officer	Yoshisaburo Mogi
Director (external)	Masamitsu Sakurai	Executive Officer	Hiroshi Miyagawa
Corporate Auditor	Tsutomu Ozako	Executive Officer	Koichi Tada
Corporate Auditor (external)	Satoshi Ando	Executive Officer	Kiichiro Kondo
Corporate Auditor (external)	Hidero Chimori	Executive Officer	Shigeki Fujimoto
Corporate Auditor (external)	Eisuke Nagatomo	Executive Officer	Masahiro Ijiri
Executive Advisor	Nobuo Tateisi	Executive Officer	Masaki Arai
Senior Managing Officer	Soichi Yukawa	Executive Officer	Masayuki Tsuda
Senior Managing Officer	Yoshinobu Morishita	Executive Officer	Hideji Ejima
Managing Officer	Koichi Imanaka	Executive Officer	Masaki Teshigahara
Managing Officer	Takuji Yamamoto	Executive Officer	Taiji Sogo
Managing Officer	Yoshinori Suzuki	Executive Officer	Yoshihito Yamada
Managing Officer	Yukio Kobayashi		
Managing Officer	Hideo Higuchi		
Managing Officer	Hiroshi Fujiwara		
Managing Officer	Kazunobu Amemiya		
Managing Officer	Yutaka Fujiwara		
Managing Officer	Kojiro Tobita		

Note: Some changes to Omron's executive team were made in June 2009. Please refer to the Company's website for the latest information.

OMRON

Omron Corporation

Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530 Japan

Phone: 81-75-344-7000 Fax: 81-75-344-7001

Website: <http://www.omron.co.jp> (Japanese)

<http://www.omron.com> (English)



All printed materials sent to shareholders in Japan use
ecologically friendly FSC-certified paper.