

CONVOCAATION NOTICE FOR THE 72ND ORDINARY GENERAL MEETING OF SHAREHOLDERS
(SUMMARY)

Stock ticker number: 6645
June 1, 2009

Hisao Sakuta
President and Chief Executive Officer

OMRON CORPORATION
Shiokoji Horikawa, Shimogyo-ku,
Kyoto, Japan

Dear Shareholders:

Your attendance is cordially requested at the 72nd Ordinary General Meeting of Shareholders, to be held as detailed below.

In the event that you are unable to attend the meeting, you can exercise your right to vote in writing or electronically via the Internet. In this case, we kindly request that you examine the attached reference materials for the General Meeting of Shareholders, indicate your preferences on the enclosed ballot and send it to us by return mail, or vote our website. Whichever method you use, we ask that you please exercise your voting rights no later than 5:30 p.m. on Monday, June 22, 2009.

*Please note there is no ballot attached to this translation.

1. Date: Tuesday, June 23, 2009, 10:00 a.m.
2. Location: Banquet room “Genji,” 3rd floor of Hotel Granvia Kyoto (in Kyoto Station)
Karasuma-dori, Shiokoji-sagaru, Shimogyo-ku, Kyoto
3. Agenda:
 - A. Reports
 1. Contents of the business report, contents of the consolidated financial documents and reports of the independent auditors and corporate auditors on the results of audits of consolidated financial documents for the 72nd fiscal year (April 1, 2008 to March 31, 2009)
 2. Contents of the financial documents for the 72nd fiscal year (April 1, 2008 to March 31, 2009)
 - B. Proposals
 - No. 1 Distribution of retained earnings
 - No. 2 Amendment of the Articles of Incorporation
 - No. 3 Election of seven (7) directors
 - No. 4 Election of two (2) corporate auditors

Attendees are kindly requested to submit the enclosed ballot, completed, at the reception desk at the entrance to the meeting hall.

Incorporation referring to the issue of stock certificates is deemed to have been resolved as of January 5, 2009, the date the Company converted its shares to electronic form. Therefore, Article 7 (Issue of Stock Certificates) will be deleted, and statements concerning stock certificates will be deleted or revised.

- 2) As the Law concerning Depository and Book-Entry Transfer of Stock Certificates and Other Securities has been abolished, statements in the present Articles of Incorporation concerning beneficial shareholders and the register of beneficial shareholders will be deleted or revised.
- 3) As the register of lost stock certificates will continue to be compiled and stored for one year following the day after the enforcement date of the Stock Settlement Streamlining Law, necessary provisions will be established in the supplementary regulations.
- 4) Other necessary provisions and clauses will be added or deleted, and revisions and other changes will be made.

2. Content of Amendment

The content of the amendment of the Articles of Incorporation is as follows.

(Underlines indicate amendments.)

Present Articles of Incorporation	Proposed Amendment
<u>Article 7. (Issue of Stock Certificates)</u>	(to be deleted)
<u>The Company shall issue stock certificates related to its shares.</u>	
<u>Article 8. (Acquisition of the Company's Own Shares)</u> (text omitted)	Article <u>7</u> . (no change)
<u>Article 9. (Number of Unit Shares and Non-Issuance of Shares Less than One Unit)</u>	Article <u>8</u> . (Number of Unit Shares)
The number of unit shares shall be one hundred (100) shares.	The number of unit shares shall be one hundred (100) shares.
<u>The Company shall not issue any share certificates for less than one unit share, regardless of the provisions of Article 7 of these Articles of Incorporation. However, this limitation shall not apply to instances stated in the Rules for Handling Shares.</u>	(to be deleted)
<u>Article 10. (Rights for Shares of Less than One Unit)</u>	Article <u>9</u> . (Rights for Shares of Less than One Unit)
Shareholders of the Company (including beneficial shareholders; the same shall apply below) may not exercise any rights other than the following in regard to shares of less than one unit.	Shareholders of the Company may not exercise any rights other than the following in regard to shares of less than one unit.
1. ~ (text omitted) 4.	1. ~ (no change) 4.

Present Articles of Incorporation	Proposed Amendment
<p>Article 11. (Purchase of Odd-Lot Shares)</p> <p>(text omitted)</p> <p>Article 13. (Transfer Agent)</p> <p>The Company shall have a transfer agent.</p> <p>The transfer agent and its business office shall be selected by resolution of the Board of Directors and shall be reported by a public notice.</p> <p>Compilation and storage of the shareholder register of the Company (<u>including the register of beneficial shareholders; hereinafter the same</u>), the stock option register <u>and the register of lost share certificates</u>, and other business related to the shareholder register <u>and the register of lost share certificates</u>, shall be entrusted to the transfer agent, and shall not be handled by the Company.</p>	<p>Article 10. (Purchase of Odd-Lot Shares)</p> <p>(no change)</p> <p>Article 11. (Transfer Agent)</p> <p>The Company shall have a transfer agent.</p> <p>The transfer agent and its business office shall be selected by resolution of the Board of Directors and shall be reported by a public notice.</p> <p>Compilation and storage of the shareholder register of the Company, the stock option register and other business related to the shareholder register shall be entrusted to the transfer agent, and shall not be handled by the Company.</p>
<p>Article 14. (Convocation)</p> <p>(text omitted)</p>	<p>Article 13. (Convocation)</p> <p>(no change)</p>
	(Subsequent article numbers will be moved up)
(New)	<p>(Supplementary Regulations)</p> <p><u>Article 1. Compilation, storage and other business related to the Company's register of lost share certificates shall be entrusted to the transfer agent, and shall not be handled by the Company.</u></p>
(New)	<u>Article 2. The preceding article and this article shall be removed on January 6, 2010.</u>

No. 3: Election of seven (7) directors

The terms of all seven directors will expire at the close of this General Meeting of Shareholders. Therefore, the Company requests your election of seven directors.

The director candidates are as follows:

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and representation of other companies or organizations	Number of Company shares owned
1	Mr. Yoshio Tateisi (November 1, 1939)	<p>April 1963 Joined the Company</p> <p>May 1973 Appointed Director</p> <p>June 1976 Appointed Managing Director</p> <p>June 1983 Appointed Senior Managing Director</p> <p>June 1987 Appointed President and Representative Director</p> <p>June 2003 Appointed Chairman and Representative</p>	852,710

		Director (to present) <i>Representation of other companies and organizations:</i> Chairman of Kyoto Chamber of Commerce & Industry	
2	Mr. Fumio Tateisi (July 6, 1949)	Aug. 1975 Joined the Company June 1997 Appointed Director June 1999 Retired as Director, appointed Managing Officer June 2001 Appointed Senior General Manager, Corporate Strategic Planning HQ June 2003 Appointed Executive President and President of Industrial Automation Business Company June 2008 Appointed Director and Executive Vice Chairman (to present)	1,245,252
3	Mr. Hisao Sakuta (September 6, 1944)	April 1968 Joined the Company June 1995 Appointed Director June 1999 Retired as Director, appointed Managing Officer June 2001 Appointed Senior Managing Officer and President of Electronic Components Business Company June 2003 Appointed President and Representative Director (to present)	59,386
4	Mr. Keiichiro Akahoshi (February 6, 1948)	April 1971 Joined the Company June 1997 Appointed Director June 1999 Retired as Director, appointed Managing Officer June 2001 Appointed Senior Managing Officer and President of Healthcare Business Company July 2003 Appointed President of Omron Healthcare Co., Ltd. June 2008 Appointed Director and Executive Vice President (to present)	18,398
5	Mr. Yutaka Takigawa (November 21, 1947)	July 1973 Joined the Company June 1997 Appointed Director June 1999 Retired as Director, appointed Managing Officer April 2004 Appointed President of Social Systems Solutions Business Company June 2004 Appointed Senior Managing Officer June 2008 Appointed Director and Executive Vice President (to present)	13,903

6	Mr. Kazuhiko Toyama (April 15, 1960)	<p>April 1985 Joined Boston Consulting Group, Inc. April 1986 Established Corporate Direction Co., Ltd. March 1993 Appointed Director of Corporate Direction Co., Ltd. April 2000 Appointed Managing Director of Corporate Direction Co., Ltd. April 2001 Appointed President and Representative Director of Corporate Direction Co., Ltd. April 2003 Appointed COO and Executive Managing Director of Industrial Revitalization Corporation of Japan (IIRC) April 2007 Appointed CEO of Industrial Growth Platform, Inc. (to present) June 2007 Appointed Director of the Company (to present)</p>	2,000
7	Mr. Masamitsu Sakurai (January 8, 1942)	<p>April 1966 Joined Ricoh Co., Ltd. May 1984 Appointed Director and President of Ricoh UK Products Ltd. June 1992 Appointed Director of Ricoh Co., Ltd. April 1993 Appointed Director and President of Ricoh Europe B.V. June 1994 Appointed Managing Director of Ricoh Co., Ltd. April 1996 Appointed President and Representative Director of Ricoh Co., Ltd. June 2005 Appointed President and CEO and Representative Director of Ricoh Co., Ltd. (to present) April 2007 Appointed Chairman and Representative Director of Ricoh Co., Ltd. (to present) June 2008 Appointed Director of the Company (to present)</p> <p><i>Representation of other companies and organizations:</i> Chairman of Keizai Doyukai (Japan Association of Corporate Executives)</p>	0

Notes:

1. Among the director candidates, Kazuhiko Toyama and Masamitsu Sakurai are outside director candidates.
2. Kazuhiko Toyama has served in a number of corporate management positions for many years, and he will reflect his experience and insight as a management expert cultivated through this career in the Company's management. We therefore request his election as an outside director.
Mr. Toyama is currently an outside director of the Company, and his term of office as outside director will be two years at the close of this General Meeting. The Company has formed a limited liability agreement with Mr. Toyama that sets the amount of his liability at either 10 million yen or the minimum amount prescribed in Article 425-1 of the Corporation Law, whichever is higher. If Mr. Toyama's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.
3. Masamitsu Sakurai has abundant experience and broad insight as a manager, and will reflect that in the Company's management. We therefore request his election as an outside director.
Mr. Sakurai is currently an outside director of the Company, and his term of office as outside director will be one year at the close of this General Meeting. The Company has formed a limited liability agreement with Mr. Sakurai that sets the amount of his liability at either 10 million yen or the minimum amount prescribed in Article 425-1 of the Corporation Law, whichever is higher. If Mr. Toyama's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.
4. The number of Company shares owned given above include the real number of shares held in the name of the Omron Officers' Stock Ownership Plan.

Special Interests with the Company

1. Director candidate Masamitsu Sakurai serves as Chairman of Ricoh Co., Ltd., with which the Company has a business relationship that includes sales of products.
2. There are no special interests between the Company and any of the other director candidates.

No. 4: Election of two (2) corporate auditors

The terms of Corporate Auditors Tsutomu Ozako and Hidero Chimori expire at the end of this General Meeting of Shareholders. Therefore the Company requests the election of two (2) corporate auditors. The Company has obtained the consent of the Board of Corporate Auditors regarding this proposal.

The corporate auditor candidates are as follows:

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and representation of other companies or organizations	Number of Company shares owned
1	Mr. Soichi Yukawa (April 20, 1949)	April 1972 Joined the Company June 1999 Appointed Managing Officer June 2003 Appointed Senior Managing Officer and President of Electronic Components Business Company	17,596
2	Mr. Hidero Chimori (May 24, 1954)	April 1983 Registered attorney, Member of Osaka Bar Association May 2002 Attorney at Law, Miyake & Partners June 2002 Assumed position of Corporate Auditor of the Company (to present)	5,000

Notes:

1. There are no special interests between the Company and the corporate auditor candidates.
2. Hidero Chimori is a candidate for external corporate auditor.
Mr. Chimori is an attorney and will reflect his expertise in the Company's audits. The Company therefore requests his election as external corporate auditor. Mr. Chimori has had no direct involvement in the Company's management in the past, but for the above reasons, the Company has decided that he can appropriately execute his duties as an external auditor.
Mr. Chimori is currently an external auditor of the Company, and his term of office as external auditor will be seven years at the close of this General Meeting.
The Company has formed a limited liability agreement with Mr. Chimori that sets the amount of his liability at either 10 million yen or the minimum amount prescribed in Article 425-1 of the Corporation Law, whichever is higher. If Mr. Chimori's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.
3. The number of Company shares owned given above include the real number of shares held in the name of the Omron Officers' Stock Ownership Plan.

END

Business Report (Consolidated)

(April 1, 2008 to March 31, 2009)

1. Current State of the Omron Group

(1) Consolidated Results

General Overview

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).

We sincerely thank all of our shareholders for their support and cooperation.

Results by Business Segment

• IAB (Industrial Automation Business)

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 (Electronic Components Business)

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 (Automotive Electronic Components Business)

In Japan, domestic sales of the main automobile manufacturers declined, and rapid expansion in inventories of vehicles for export to the United States and Europe resulted in large-scale production adjustments. Sales in the first half were in line with projections, although the price of gasoline rose sharply and shipments of components for sport utility vehicles trended downward. However, in the second half the financial crisis caused a global credit crunch, and factors such as employment concerns caused demand for automobiles to decrease sharply. Sales decreased significantly as a result.

Overseas, primarily in North America, willingness to buy dropped, with concerns about worsening management at the Big Three auto manufacturers. Sales of medium- and large-sized vehicles decreased substantially, which caused a decrease in sales of main products for these vehicles including keyless entry systems, power window switches and power inverters.

As a result, segment sales decreased 23.6 percent compared with the previous fiscal year to ¥82,109 million.

• SSB (Social Systems Business)

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 (Healthcare Business)**

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 had mainly consisted of new businesses being explored and developed by the Business Development Group and development and expansion of other businesses that were not covered by internal companies. In March 2009, the Business Development Group was separated into the Environmental Solutions Business Headquarters and the Electronic Systems & Equipments Division Headquarters to concentrate resources on areas with good growth prospects.

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.

Sales by Division (Consolidated)

Division	Amount (JPY millions)	Share of total (%)	Year-on-year comparison (%)
Industrial Automation Business	262,922	42	80
Electronic Components Business	123,937	20	80
Automotive Electronic Components Business	82,109	13	76
Social Systems Business	79,886	13	94
Healthcare Business	63,797	10	89
Other Businesses	14,539	2	93
Total	627,190	100	82

Notes: 1. The Social Systems Solutions and Service Business Company and other operations are included in the Social Systems Business.
2. "Other Businesses" includes the Environmental Solutions Business Headquarters and the Electronic Systems & Equipments Division Headquarters and other divisions.

Sales by Division (Non-Consolidated)

Division	Amount (JPY millions)	Share of total (%)	Year-on-year comparison (%)
Industrial Automation Business	141,940	53	78
Electronic Components Business	43,507	16	76
Automotive Electronic Components Business	37,081	14	81
Social Systems Business	35,756	14	96
Other Businesses	8,808	3	84
Total	267,092	100	80

Note: "Other Businesses" includes the Environmental Solutions Business Headquarters and the Electronic Systems & Equipments Division Headquarters and other divisions.

(2) Capital Investment

In the year ended March 31, 2009, the Omron Group reviewed capital investments and suspended or postponed large-scale investments from the second half onward in response to the large drop in demand in markets related to the Group following the rapid deterioration of the global economy. On the other hand, in the first half, the Omron Group made research and development investments to strengthen its growth platform and capital investments to expand production facilities. As a result, total capital investment for the period was JPY 36,844 million, a 0.6 percent decrease from the previous fiscal year.

(3) Capital Procurement

In the year ended March 31, 2009, to meet increased capital demand for investments and other purposes, the Omron Group increased the amount of electronic commercial paper issued by JPY 15.0 billion for a total of JPY 31.0 billion issued. In addition, the Omron Group raised JPY 20.0 billion through a syndicated loan.

(4) Issues Facing the Company

In the second stage (fiscal 2004-fiscal 2007) of its long-term management vision "Grand Design 2010" (GD2010), the Omron Group 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 in markets related to the Group were severe, 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 thorough implementation of emergency measures and structural reforms.

In terms of emergency measures, the Omron Group 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, the Omron Group will promote business domain and operational structure reform to strengthen its earnings foundation for the medium term.

For internal controls for financial reporting, the Omron Group has set up a company-wide promotion office led by the President and CEO to carry out evaluations through a system of monitoring by the Internal Audit Office based on self-evaluation by each department. The Omron Group also undergoes audits by an outside independent auditor. The Omron Group will continue working to strengthen internal controls for financial reporting.

(5) Financial Assets and Profit and Loss Consolidated Financial Position and Operating Results

(JPY millions)

	69th term (April 1, 2005 to March 31, 2006)	70th term (April 1, 2006 to March 31, 2007)	71st term (April 1, 2007 to March 31, 2008)	72nd term (April 1, 2008 to March 31, 2009)
Net Sales	616,002	723,866	762,985	627,190
Income (Loss) before Income Taxes	63,013	64,279	64,166	(39,133)
Net Income (Loss)	35,763	38,280	42,383	(29,172)
Basic Net Income (Loss) per Share (JPY)	151.14	164.96	185.89	(132.15)
Total Assets	589,061	630,337	617,367	538,280
Net Assets	362,937	382,822	368,502	298,411
Net Assets per Share (JPY)	1,548.07	1,660.68	1,662.32	1,355.41
Return on Equity (%)	10.7	10.3	11.3	(8.7)

Notes: 1. The Omron Group prepares its financial statements according to generally accepted accounting practices in the United States (U.S. GAAP).

2. Pursuant to FASB Statement No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” figures for the 69th term and later have been reclassified in relation to operations discontinued during the 71st term (the entertainment business, previously included in the “Others” segment).

The Omron Group’s net sales decreased substantially compared with the previous fiscal year due to the impact of the stronger yen in addition to the sharp drop in demand. The Omron Group also recorded impairment losses on goodwill and property, plant and equipment. As a result, net loss was JPY 29,172 billion for the 72nd term, and return on equity (ROE) was negative 8.7%.

Non-Consolidated Financial Position and Operating Results

(JPY millions)

	69th term (April 1, 2005 to March 31, 2006)	70th term (April 1, 2006 to March 31, 2007)	71st term (April 1, 2007 to March 31, 2008)	72nd term (April 1, 2008 to March 31, 2009)
Net Sales	312,072	347,202	332,292	267,092
Ordinary Income (Loss)	31,830	30,933	38,581	(7,395)
Net Income (Loss)	28,632	32,705	31,563	(19,526)
Net Income (Loss) per Share (JPY)	120.39	140.91	138.40	(88.43)
Total Assets	372,770	389,247	382,260	360,732
Net Assets	236,499	241,733	236,016	197,413
Net Assets per Share (JPY)	1,007.97	1,048.43	1,063.68	895.24

(6) Principal Subsidiaries

Principal subsidiaries are outlined below.

(As of March 31, 2009)

Name	Capital (JPY millions)	Parent ownership (%)	Principal businesses
OMRON HEALTHCARE Co., Ltd.	5,021	100.0	Healthcare business
OMRON Takeo Co., Ltd.	200	100.0	Manufacture of control devices
OMRON RELAY & DEVICES Corporation	300	100.0	Electronic components business
OMRON Iida Co., Ltd.	150	100.0	Manufacture of automotive electronic components
OMRON Field Engineering Co., Ltd.	360	100.0	Design, construction, repair and technical guidance of electrical devices
OMRON Management Center of America, Inc.	(USD thousands) 7,308	100.0	Regional management in the United States and Canada
OMRON Asia Pacific Pte. Ltd.	(SGD thousands) 47,888	100.0	Regional management and supervision of control device business in Southeast Asia
OMRON Europe B.V.	(EUR thousands) 16,883	100.0	Regional management and supervision of control device business in Europe
OMRON (China) Co., Ltd.	(RMB thousands) 813,225	100.0	Regional management in China
OMRON (SHANGHAI) CO., LTD.	(RMB thousands) 550,289	100.0	Manufacture of control equipment in China

Corporate Results

The Omron Group consists of 162 consolidated subsidiaries and 18 affiliates accounted for using the equity method.

There are no unconsolidated subsidiaries or affiliates unaccounted for by the equity method.

(7) Content of Principal Businesses

An overview of the Omron Group's principal products and businesses follows below.

(As of March 31, 2009)

Division Name	Products and Services
Industrial Automation Business	<p>Targets major manufacturing industries worldwide in contributing sensing and control technologies that stay ahead of customer needs.</p> <p>Control relays, control devices, sequence control equipment, motion controllers, control switches, sensing devices, inspection systems, safety devices, precision laser processing equipment</p>
Electronic Components Business	<p>Provides control components for commercial and private use devices, components for mobile devices such as mobile phones, and modules.</p> <p>Relays, switches, connectors, amusement components and units, sensors for consumers, micro lens arrays, components for printers and photocopiers, components for mobile equipment, LCD backlights, optical communication devices, face recognition software</p>
Automotive Electronic Components Business	<p>Develops and produces components, sensors and electronic devices and provides various products for automobile and automotive electronic component manufacturers throughout the world.</p> <p>Various automotive relays, various switches, keyless entry systems, wireless devices, power window switches, electric power steering controllers, various controllers, etc.</p>
Social Systems Business	<p>Creates solutions using sensing & control technologies, software and total maintenance services for a safe, secure and comfortable society, and works with customers to contribute to building an optimized society.</p> <p>Railway station service systems, traffic and road management systems, social sensor terminals & systems, room access control systems, IC card payment terminals</p>
Healthcare Business	<p>Provides numerous types of health and medical equipment worldwide. Omron has also been focusing on building its business in home medical care, including circulatory systems measurement, biochemical systems measurement and obesity solutions.</p> <p>Digital blood pressure monitors, digital thermometers, body composition analyzers, digital pedometers, electric toothbrushes, blood glucose monitors, vital signs monitors, professional use blood pressure monitoring devices, nebulizers, ECG monitors, arterial stiffness measurement devices, etc.</p>
Others (Environmental Solutions Business HQ, Electronic Systems & Equipments Division HQ, etc.)	<p>Develops new businesses for achieving the Group growth strategy.</p> <p>Remote monitoring and reporting systems business (power consumption monitoring service, insulation monitoring devices, etc.)</p> <p>Electronic equipment business (uninterruptible power supplies, etc.)</p>

(8) Principal Places of Business, etc.

(As of March 31, 2009)

Omron	Headquarters (Head Office) Tokyo Head Office (Branch Office)	Shimogyo-ku, Kyoto Minato-ku, Tokyo
	Places of Business	Osaki Office (Shinagawa-ku, Tokyo), Mishima Office (Mishima, Shizuoka), Nagoya Office (Nakamura-ku, Nagoya), Komaki Office (Komaki, Aichi), Kusatsu Plant (Kusatsu, Shiga), Ayabe Factory (Ayabe, Kyoto), Osaka Office (Kita-ku, Osaka), Okayama Office (Okayama, Okayama), Fukuoka Office (Hakata-ku, Fukuoka)
	Research Site	Keihanna Technology Innovation Center (Kizugawa, Kyoto)
Subsidiaries	Japan	OMRON Field Engineering Co., Ltd. (Shibuya-ku, Tokyo) OMRON Iida Co., Ltd. (Iida, Nagano) OMRON Healthcare, Co., Ltd. (Ukyo-ku, Kyoto) OMRON Takeo Co., Ltd. (Takeo, Saga) OMRON Relay and Devices Corporation (Yamashika, Kumamoto)
	Overseas	OMRON MANAGEMENT CENTER OF AMERICA, INC. (Illinois, U.S.A.) OMRON ASIA PACIFIC PTE. LTD. (Singapore) OMRON EUROPE B.V. (Hoffdorf, The Netherlands) OMRON (CHINA) CO., LTD. (Beijing, China) OMRON (SHANGHAI) CO., LTD. (Shanghai, China)

(9) Employees**Omron Group Employees**

(As of March 31, 2009)

Number of employees	Change from March 31, 2008
32,583	Decrease of 2,843 employees

Notes: 1. Number of employees refers to full time employees (people assigned by the Omron Group to work outside the Omron Group are excluded; people assigned from outside the Omron Group to work within the Omron Group are included).

2. The number of employees decreased by 2,843 compared with March 31, 2008, primarily because of staff reductions due to reduced production loads at overseas manufacturing companies.

Parent Company Employees

(As of March 31, 2009)

Number of Employees	Change from March 31, 2008	Average Age	Average Years of Employment with Omron
5,016	Increase of 63 employees	40 years 1 month	14 years 0 months

(10) Major Lenders

Lender	Loan Amount
Syndicated loan	JPY 20.0 billion

Note: The lead manager of the syndicate loan is The Bank of Tokyo-Mitsubishi UFJ, Ltd.

2. Stock Information (As of March 31, 2009)

(1) Total Number of Issuable Shares	487,000,000 shares
(2) Total Number of Shares Issued	239,121,372 shares
(3) Number of Shareholders	36,811

(4) Principal Shareholders (Top Ten Shareholders)

Shareholder	Number (thousands of shares)	Percentage Held (%)
State Street Bank & 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 NA as Agent for Its Client Mellon Omnibus US Pension	5,329	2.42
State Street Bank & Trust Company	4,828	2.19
Northern Trust Company (AVFC) Sub Account American Client	4,520	2.05

- Notes:
- The percentage of shares is calculated excluding treasury stock.
 - The Company holds 18,910 thousand shares of treasury stock (7.90% of total shares outstanding) but is excluded from the principal shareholders listed above.
 - In October 2008, MFS Investment Management submitted a large shareholding report confirming that two companies of this group held 8,889 thousand shares of Omron stock as of October 2008. They have issued no further large shareholding reports.
 - In January 2009, Harris Associates LP, an investment advisory firm, submitted a large shareholding report confirming that the submitter held 19,406 thousand shares of Omron stock as of January 2009. They have issued no further large shareholding reports.
 - In February 2009, Morgan Stanley Japan Securities Co., Ltd. submitted a large shareholding report confirming that four companies of this group held 10,817 thousand shares of Omron stock as of January 2009. They have issued no further large shareholding reports.

(5) Breakdown of Shareholders by Type

Category	Status of Shares (1 unit = 100 shares)							Odd-Lot Shares
	Government and Municipal Corporations	Financial Institutions	Securities Companies	Other Domestic Companies	Foreign Investors (Individuals)	Individuals and Others	Total	
Number of shareholders	1	117	45	413	436 (21)	30,017	31,029	
Number of shares owned (units)	73	739,820	10,327	134,687	903,814 (74)	598,266	2,386,987	422,672 shares
Percent of total (%)	0.00	31.00	0.43	5.64	37.86 (0.00)	25.07	100.00	

- Notes:
- Of the 18,910,304 shares of treasury stock in the shareholder register as of March 31, 2009, 18,910,300 shares are included in the "Individuals and Others" column, and 4 shares are included in "Odd-Lot Shares."
 - 2 units of stock in the name of the Japan Securities Depository Center, Inc. are included in the "Other Domestic Companies" column.

3. Stock Acquisition Rights of the Company

(1) Stock Acquisition Rights Held by Directors of the Company as of March 31, 2009

Date granted	July 29, 2004	July 28, 2005	July 11, 2006	July 10, 2007
Number of holders Directors of the Company (excluding external directors)	4	4	4	5
Number of stock acquisition rights	690	750	750	800
Type of shares subject to the stock acquisition rights	Common shares	Common shares	Common shares	Common shares
Number of shares subject to the stock acquisition rights	69,000	75,000	75,000	80,000
Amount paid for stock acquisition rights (per share)	No charge	No charge	JPY 539	JPY 744
Value of assets to be paid upon exercise of the stock acquisition rights (per share)	JPY 2,580	JPY 2,550	JPY 3,031	JPY 3,432
Main terms and conditions for exercise of stock acquisition rights	(Note)	(Note)	(Note)	(Note)

Note: Persons who have received allocations of common stock acquisition rights must hold the position of director or managing officer of the Company, or an equivalent position, at the time of exercise. However, this condition shall not apply in the case of holders of stock acquisition rights who shall have retired following the completion of their term of office or other such appropriate reason. Other terms and conditions shall be stipulated in the Stock Acquisition Right Agreement concluded between the Company and the persons who received allocations of stock acquisition rights.

(2) Stock Acquisition Rights Granted to Executive Officers of the Company in the Year Ended March 31, 2009

No stock acquisition rights were granted during the fiscal year ended March 31, 2009.

4. Directors and Corporate Auditors

(1) Names and Other Information of Directors and Corporate Auditors

Title	Name	Assignment, Main Duties and Other Affiliations
Chairman*	Yoshio Tateisi	Chairman of the BOD
Director and Executive Vice Chairman	Fumio Tateisi	Vice Chairman of CEO Selection Advisory Committee
Chief Executive Officer*	Hisao Sakuta	President and CEO
Director and Executive Vice President	Keiichiro Akahoshi	Vice Chairman of Compensation Advisory Committee
Director and Executive Vice President	Yutaka Takigawa	Vice Chairman of Personnel Advisory Committee
Director	Kazuhiko Toyama	Chairman of Personnel Advisory Committee, CEO Selection Advisory Committee and Corporate Governance Committee Representative Director and CEO, Industrial Growth Platform, Inc.
Director	Masamitsu Sakurai	Chairman of Compensation Advisory Committee and Vice Chairman of Corporate Governance Committee Representative Director and Chairman of Ricoh Co., Ltd. Chairman of Japan Association of Corporate Executives
Corporate Auditor	Tsutomu Ozako	
Corporate Auditor	Satoshi Ando	
Corporate Auditor	Hidero Chimori	Attorney at Law, Miyake & Partners
Corporate Auditor	Eisuke Nagatomo	President and CEO, EN Associates Co., Ltd.

Notes: 1. Asterisks above indicate representative directors.

2. Directors Kazuhiko Toyama and Masamitsu Sakurai are external directors.

3. Corporate auditors Satoshi Ando, Hidero Chimori and Eisuke Nagatomo are external corporate auditors.

4. Corporate auditor Eisuke Nagatomo has held positions including Managing Director and Executive Officer (Chief Regulatory Officer) of the Tokyo Stock Exchange, and has substantial knowledge of finance and accounting.

5. Changes in directors and corporate auditors during the year ended March 31, 2009 were as follows:

Appointments:

Fumio Tateisi, Keiichiro Akahoshi, Yutaka Takigawa and Masamitsu Sakurai were elected as directors and Eisuke Nagatomo was elected as a corporate auditor at the 71st Ordinary General Meeting of Shareholders held on June 24, 2008.

Retirements:

Shingo Akechi, Tadao Tateisi, Tsukasa Yamashita and Noriyuki Inoue retired as directors and Yoshio Nakano retired as corporate auditor at the close of the 71st Ordinary General Meeting of Shareholders held on June 24, 2008.

6. Significant concurrent positions held by directors and corporate auditors, excluding external directors and auditors, are as follows:

Category	Name	Name of Other Company/Organization	Position
Director	Yoshio Tateisi	Kyoto Chamber of Commerce and Industry West Japan Railway Company Dainippon Screen Mfg. Co., Ltd.	Chairman External Director External Director

Note: Significant concurrent positions held by external directors and corporate auditors are included in “(3) Items Related to External Directors and Corporate Auditors” below.

(2) Compensation of Directors and Corporate Auditors

1) Amount of Compensation, etc. and Policy on Decisions Related to Method of Calculation of these Amounts

Based on a resolution of the Board of Directors, the Company has a Compensation Advisory Committee to increase objectivity and transparency with respect to the compensation of directors and corporate auditors. The Compensation Advisory Committee is composed of four members, excluding the chairman, executive vice chairman and president of the Company, and chaired by an external director on the Board of Directors, and sets the Company's fundamental principles for compensation of officers.

The Compensation Advisory Committee is consulted on the compensation of each director and corporate auditor. It then discusses the compensation of each individual and makes recommendations based on the Company's compensation principles.

The amount of compensation for each director is determined by resolution of the Board of Directors and the amount of compensation for each corporate auditor is determined by discussions among the corporate auditors (resolution of the Board of Corporate Auditors). These amounts are within the scope of the aggregate compensation amounts for all directors and all corporate auditors set by resolution of the General Meeting of Shareholders.

Fundamental Principles for Compensation of Officers

- The Company shall pay compensation that enables it to recruit (hire) outstanding people as managers.
- The compensation structure shall contribute to long-term maximization of corporate value by providing motivation for officers.
- The compensation structure shall maintain a high level of transparency, fairness and rationality to achieve accountability to shareholders and other stakeholders.
 - To ensure transparency, fairness and rationality in the compensation of individual officers, all officers' compensation shall go through consultation of the Compensation Advisory Committee.
- The purpose of compensation shall be made clear, and a compensation plan shall be created according to the role of each individual officer.

Policy for Compensation of Directors

- Compensation of directors shall consist of a base salary (monthly salary), bonuses and stock compensation (note).
 - The Company shall provide base salaries sufficient to recruit (hire) outstanding people.
 - The Company shall provide bonuses as performance incentives with emphasis on yearly results.
 - The Company shall grant stock compensation as compensation linked to increases in corporate value (stock value), with the intention of reflecting medium-to-long-term performance in compensation.
 - For external directors, the Company shall provide only base salaries, and shall not grant bonuses or stock compensation, which are performance-linked compensation.
- The aggregate amount of bonuses to directors shall not exceed 1% of net income.
- No retirement bonuses shall be paid.
- The level of compensation shall be determined taking into account the levels at other companies surveyed using a specialized outside institution.

Policy for Compensation of Corporate Auditors

- Compensation of corporate auditors shall consist of only a base salary (monthly salary) to ensure recruitment (hiring) of excellent people.
- No retirement bonuses shall be paid.
- The level of compensation shall be determined taking into account the levels at other companies surveyed using a specialized outside institution.

Note: Stock compensation is based on guidelines for payments to directors of a fixed amount of compensation each month, which they use to make monthly purchases of the Company's stock (through the officers' stockholding association), and hold this stock during their term of office.

2) Amount of Compensation of Directors and Corporate Auditors

Title	Number	Aggregate Compensation (JPY millions)
Directors	11	388
Corporate auditors	5	80
Total	16	468
External officers included in total:	(7)	(67)

Notes:

1. The above compensation amounts include compensation paid to the four directors and one corporate auditor (including two external officers) who retired at the close of the 71st Ordinary General Meeting of Shareholders held on June 24, 2008.
2. The maximum limit of the aggregate compensation of directors was set at JPY 35.0 million per month at the 63rd Ordinary General Meeting of Shareholders held on June 27, 2000. In addition, the maximum limit of the aggregate compensation of corporate auditors was set at JPY 7.0 million per month by resolution of the 60th Ordinary General Meeting of Shareholders held on June 27, 1997.
3. In the above compensation amounts, the maximum limits in Note 2 include the amount of expenses charged for stock acquisition rights granted as stock options to directors of the Company, excluding external directors.
4. By resolution of the Board of Directors on April 28, 2004, the Company abolished the system of retirement bonuses for directors as of the close of the 67th Ordinary General Meeting of Shareholders held on June 24, 2004. In connection with this, a resolution was passed at the 67th Ordinary General Meeting of Shareholders to pay directors then in office retirement bonuses corresponding to their term of office up until the close of that general meeting upon their retirement.
Based on this resolution, the Company paid a total of JPY 104 million as retirement bonuses, which are not included in the above compensation amounts, to two directors and one corporate auditor (including two external officers) who retired at the close of the 71st Ordinary General Meeting of Shareholders held on June 24, 2008. (JPY 98 million to the two directors and JPY 6 million to the one corporate auditor, including JPY 7 million to the two corporate officers)
5. In addition to the above, one external corporate auditor of the Company was paid JPY 178,800 as compensation from a subsidiary where he also serves as an auditor.
6. No directors of the Company received any employee wages other than their compensation as directors.

(3) Items Related to External Directors and Corporate Auditors

1) Concurrent Positions as Executive Director or External Officer of Other Companies

	Name	Name of Other Company	Concurrent Position
External Directors	Kazuhiko Toyama	Industrial Growth Platform, Inc.	Representative Director and CEO
		PIA Corporation	External Director
External Corporate Auditors	Masumitsu Sakurai	Ricoh Co., Ltd. (note 1)	Representative Director and Chairman
		Tokyo Marine Holdings, Inc. Coca-Cola West Co., Ltd.	External Director
External Corporate Auditors	Hidero Chimori	Duskin Co., Ltd.	External Auditor
	Eisuke Nagatomo	EN Associates Co., Ltd. Mitsubishi Corp. OMC Card, Inc. (note 2)	President and CEO External Director External Director

Notes:

1. Director Masamitsu Sakurai is also representative director and chairman of Ricoh Co., Ltd. with which the Company has a business relationship involving the sale of products and other transactions.
2. OMC Card, Inc. merged with Central Finance Co. and Quoc Inc. and changed its name to Cedyne Financial Corporation on April 1, 2009.

2) Main Activities in the Past Fiscal Year

	Name	Main Activities
External Directors	Kazuhiko Toyama	Attended 13 of the 16 Board of Directors meetings held during the period (including 13 of the 14 regular meetings), and made statements as necessary mainly from his perspective as a manager with abundant experience.
	Masamitsu Sakurai	Attended 8 of the 13 Board of Directors meetings held during the period (including 8 of the 11 regular meetings), and made statements as necessary mainly from his perspective as a manager with abundant experience.
External Auditors	Satoshi Ando	Attended 16 of the 16 Board of Directors meetings (including 14 of the 14 regular meetings) and 14 of the 14 Board of Corporate Auditors meetings held during the period, and made statements as necessary mainly from his perspective as a manager with abundant experience.
	Hidero Chimori	Attended 15 of the 16 Board of Directors meetings (including 14 of the 14 regular meetings) and 14 of the 14 Board of Corporate Auditors meetings held during the period, and made statements as necessary mainly from a specialized viewpoint as an attorney.
	Eisuke Nagatomo	Attended 11 of the 13 Board of Directors meetings (including 11 of the 11 regular meetings) and 10 of the 11 Board of Corporate Auditors meetings held during the period, and made statements as necessary mainly from his perspective as a manager with abundant experience.

Note: Masamitsu Sakurai and Eisuke Nagatomo were newly elected and appointed at the 71st Ordinary General Meeting of Shareholders on June 24, 2008, and therefore their attendance figures are stated for Board of Directors meetings and Board of Corporate Auditors meetings held on or after June 24, 2008.

3) Summary of Details of Limited Liability Agreements

The Company has established a provision in its articles of incorporation for limited liability agreements with external directors and external corporate auditors to ensure that they can adequately fulfill their expected roles. Based on this provision in the articles of incorporation, the Company has entered into limited liability agreements with all of the external directors and external corporate auditors based on the relevant provision of the articles of incorporation. These agreements limit their liability for damages with respect to the liabilities of Article 423-1 of the Corporation Law to JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Corporation Law, whichever is higher, when the external director or external corporate auditor has performed his duties in good faith and has not been grossly negligent.

5. Independent Auditors

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu

(2) Amount of Compensation of Independent Auditors for the Fiscal Year Ended March 31, 2009

1)	Total amount of compensation to be paid to the independent auditor by the Company and its subsidiaries	JPY 236 million
2)	Of the total amount in 1), total amount to be paid by the Company and its subsidiaries as compensation for audit certification services	JPY 231 million
3)	Of the total amount in 2), amount of compensation as independent auditor to be paid by the Company	JPY 170 million

Notes:

1. The amount of audit compensation under the Corporation Law and the amount of audit compensation for the audit of financial statements, fourth quarter review and audit of the internal control system under the Financial Instruments and Exchange Law are not separated in the audit contract between the Company and the independent auditor, and cannot be separated practically. Therefore, the amount in 3) is stated as the total of these.
2. Among the Company's principal consolidated subsidiaries, OMRON MANAGEMENT CENTER OF AMERICA, INC., OMRON ASIA PACIFIC PTE. LTD., OMRON EUROPE B.V. AND OMRON (CHINA) CO., LTD. receive audits by an auditor other than the independent auditor of the Company.

(3) Contents of Services other than Services of Article 2-1 of the Certified Public Accountant Law (Non-Audit Services)

The Company commissions and pays the independent auditor to perform services including voluntary audit work, a service other than the services in Article 2-1 of the Certified Public Accountant Law (a non-audit service).

(4) Policy for Dismissal or Non-Reappointment of Independent Auditor

The Company may dismiss or decline to reappoint the independent auditor for any of the following reasons:

- 1) If the Board of Directors judges that the independent auditor is unable to carry out its duties properly, the Board may submit to the shareholders' meeting a proposal for the dismissal or non-reappointment of the independent auditor after obtaining the consent of the Board of Corporate Auditors.
- 2) If the Board of Corporate Auditors judges that the independent auditor is unable to carry out its duties properly, it may request the Board of Directors to submit a proposal to the shareholders' meeting for the dismissal or non-reappointment of the independent auditor, and the Board of Directors may place this proposal on the agenda of the shareholders' meeting.
- 3) If the Board of Corporate Auditors judges that any of the numbered items in Article 340, Paragraph 1 of the Corporation Law apply, it may dismiss the independent auditor with the consent of all corporate auditors.

6. Systems and Policies of the Company

(1) Systems to Ensure that Execution of Directors' Duties Conforms with Laws and the Articles of Incorporation and Systems to Ensure Appropriateness of Other Operations (Basic Policy on Maintenance of Internal Control System)

The Company has set the following as the Omron Group's internal control system.

1. Corporate Philosophy of the Omron Group

The following is set and practiced as the Omron Group's corporate philosophy.

(1) Corporate Core Value

Working for the benefit of society

(2) Management Principles

- Challenging ourselves to always do better
- Innovation driven by social needs
- Respect for humanity

(3) Management Commitments

The Company has set "Respect for individuality and diversity," "Maximum customer satisfaction," "Relationship-building with shareholders" and "Awareness and practice of corporate citizenship" as

management commitments, and aims to conduct fair and highly transparent management while maintaining an honest dialogue and building relationships of trust with stakeholders.

(4) **Guiding Principles for Action**

“Quality first,” “Unceasing commitment to challenging ourselves,” “Integrity and high ethics” and “Self-reliance and mutual support” are the guiding principles for action of the individuals and organizations that make up the Omron Group. Conscious of “working for the benefit of society,” we strive for high-quality conduct and pursue personal growth and advancement of business.

2. Corporate Governance Philosophy

- (1) The purpose of corporate governance at Omron is to obtain the support of stakeholders and strengthen business competitiveness to ensure the perpetual growth of the Company, and to create and operate a mechanism that can show proof of this (an oversight system).
- (2) In addition, with the objective of linking the expectations of all stakeholders, the Company has “Long-term maximization of corporate value” as a management goal, and will work to build an optimal management structure and conduct appropriate corporate operations to realize management that is efficient and competitive, and will also enhance management oversight mechanisms to verify these efforts.
- (3) The Corporate Governance Committee chaired by an external director was established as an advisory committee to the Board of Directors, and will continually enhance corporate governance at the Company and increase management fairness and transparency.

3. System to Ensure that Execution of Directors’ and Employees’ Duties Conforms with Laws and the Articles of Incorporation

- (1) The Company has more than one external director (two of the seven directors), separates the positions of chairman and president (CEO) and takes other measures to strengthen management oversight by the Board of Directors.
- (2) The Company has established advisory committees in the Board of Directors on personnel, nomination of the president and compensation. These committees, which are chaired by external directors, provide advice on nomination, promotion and compensation of directors, corporate auditors and managing officers, and increase the objectivity and transparency of decisions.
- (3) The Omron Group CSR Guidelines show the Omron’s Group’s basic policies for practicing “socially responsible corporate management,” and specific action guidelines for officers and employees, and are disseminated to promote legal compliance.
- (4) The Group CSR Committee, which is headed by the president, has been established as an organization to promote socially responsible corporate management. The key theme of the activities of this committee is promoting corporate ethics and compliance in the Omron Group. As specific activities, the president himself issues instructions on corporate ethics and compliance, providing opportunities to disseminate awareness. In addition, the Company conducts regular training and education for employees on corporate ethics and compliance.
- (5) Omron has set up a whistleblower hotline called the Corporate Ethics Hotline both inside and outside the Company to receive reports of acts that are, or could potentially be, in violation of the Omron Group CSR Action Guidelines, work rules or laws. In accordance with laws and internal company rules, the content of these reports is protected as confidential, and employees may not be given unfavorable treatment for making such reports.
- (6) Omron has set up an internal control department directly under the president to conduct operational audits.
- (7) To ensure the propriety of the Omron Group’s financial reporting, a system has been established that enables reports to be submitted appropriately in accordance with laws and regulations through measures such as monitoring by internal audit divisions after each division conducts its own review of maintenance and operation of business processes.
- (8) The Omron Group’s policy on elimination of antisocial forces is defined in the Omron Group CSR Practice Guidelines.

4. System for Storage and Management of Information Related to Execution of Directors' Duties

- (1) Under the Board of Directors Rules, the minutes of Board of Directors meetings are saved and managed for 10 years.
- (2) Under the Management Rules, which state the basic policy and principles for Group management and decision making, decision reports are issued for decisions on significant issues. Decision reports, minutes of Executive Committee meetings, and other important documents showing the state of execution of duties are preserved and managed in accordance with laws and internal company rules.
- (3) With the aim of realizing highly transparent management, Omron positions information disclosure as an important task of the Group CSR Committee. Under the supervision of this committee, Omron proactively makes timely disclosure to the public about significant information concerning the Omron Group.

5. Regulations and Other Systems Concerning Management of the Risk of Loss

- (1) Through the Group CSR Committee, Omron regularly identifies risks down to the internal company level, sets priority risks and response policies, and implements response measures in each division.
- (2) For significant risks involving the entire company, company-wide response measures are taken across all internal companies, including setting up special committees.
- (3) When a crisis occurs, the Company makes reports and information transmissions and assembles the necessary response teams in accordance with the Crisis Management Rules.

6. Systems to Ensure Efficient Execution of Directors' Duties

- (1) The Company uses the executive officer system and keeps the number of directors small (currently seven directors) to ensure substantive discussion and swift decision making at Board of Directors meetings.
- (2) In addition to the Board of Directors, the Company has an Executive Committee, which discusses and decides on significant business execution issues within the scope of the president's authority.
- (3) Omron uses an internal company system, and promotes faster decision making and efficient business operations by delegating substantial authority to the president of each internal company.

7. Systems to Ensure Appropriateness of Business Operations in the Omron Group

- (1) Domestic and overseas subsidiaries and affiliates also share the Omron Group corporate philosophy.
- (2) The Omron Group CSR Action Guidelines are compiled in major languages not only in Japan but overseas as well, and disseminated to officers and employees globally.
- (3) Omron works to improve the internal control system of each company by establishing corporate ethics and compliance systems, including appointing ethics and compliance promoters at subsidiaries and affiliates.
- (4) Internal audit divisions conduct operational audits of domestic and overseas subsidiaries and affiliates.

8. Systems to Ensure Effectiveness of Corporate Auditors

- (1) An Auditors Office and full-time staff are established to assist corporate auditors in performing their duties. The Auditors Office staff perform their work under the supervision and instruction of the corporate auditors.
- (2) Personnel evaluations, appointments and transfers of the Auditors Office staff are done with the consent of the Board of Corporate Auditors.
- (3) As a system for the Board of Directors and employees to report to corporate auditors, systems are in place for corporate auditors to hold periodic interviews of directors and executive officers, periodically exchange views with the president, and receive operational reports from executive officers. In addition, the Auditors Office Manager is invited to meetings of the Board of Corporate Auditors and makes internal audit reports.
- (4) A majority (currently three out of four) of the corporate auditors are external auditors, including legal professionals such as attorneys and Certified Public Accountants, or individuals with extensive knowledge of finance and accounting, to enhance audit objectivity and effectiveness.
- (5) Corporate auditors attend and state their opinions at meetings of the Board of Directors as well as meetings of the Executive Committee, the Group CSR Committee and other important meetings.

(2) Policy on Setting Dividends

Pursuant to the articles of incorporation, the Company presents proposals for setting dividends to the General Meeting of Shareholders, except for interim dividends, which are set by resolution of the Board of Directors.

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.

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.

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.

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 in each fiscal year. 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%.

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.

Consolidated Financial Statements

Consolidated Balance Sheet

(JPY millions)

Item	72nd term (As of March 31, 2009)	(Reference) 71st term (As of March 31, 2008)	Item	72nd term (As of March 31, 2009)	(Reference) 71st term (As of March 31, 2008)
	Amount	Amount		Amount	Amount
ASSETS			LIABILITIES		
Current Assets:	275,991	330,054	Current Liabilities:	135,038	177,069
Cash and cash equivalents	46,631	40,624	Short-term debt	32,970	17,795
Notes and accounts receivable — trade	113,551	166,878	Notes and accounts payable — trade	58,179	94,654
Allowance for doubtful receivables	(2,562)	(2,211)	Accrued expenses	24,791	30,622
Inventories	84,708	95,125	Income taxes payable	711	8,959
Deferred income taxes	16,522	19,690	Deferred income taxes	156	133
Other current assets	17,141	9,948	Other current liabilities	17,743	24,384
Property, Plant and Equipment:	132,535	152,676	Current portion of long-term debt	488	522
Land	26,753	27,126	Long-Term Debt	21,401	1,492
Buildings	120,244	128,183	Deferred Income Taxes	941	3,887
Machinery and equipment	143,801	167,036	Termination and Retirement		
Construction in progress	9,061	6,277	Benefits	80,443	63,536
Accumulated depreciation	(167,324)	(175,946)	Other Long-Term Liabilities	476	863
Investments and Other Assets:	129,754	134,637	Total Liabilities	238,299	246,847
Investments in and advances to associates	15,638	16,645	Minority Interests in Subsidiaries	1,570	2,018
Investment securities	31,682	39,139	SHAREHOLDERS' EQUITY		
Leasehold deposits	7,784	8,087	Common stock	64,100	64,100
Deferred income taxes	53,783	28,151	Capital surplus	99,059	98,961
Other	20,867	42,615	Legal reserve	9,059	8,673
			Retained earnings	231,388	266,451
			Accumulated other comprehensive		
			income (loss)	(60,744)	(28,217)
			Foreign currency translation		
			adjustments	(22,319)	(5,782)
			Minimum pension liability		
			adjustments	(40,570)	(29,245)
			Net unrealized gains on		
			securities	2,763	6,501
			Net gains (losses) on derivative		
			instruments	(618)	309
			Treasury stock	(44,451)	(41,466)
			Total Shareholders' Equity	298,411	368,502
Total Assets	538,280	617,367	Total Liabilities and Shareholders' Equity	538,280	617,367

Note: The amounts above are rounded down to the nearest million JPY.

Consolidated Statement of Operations

(JPY millions)

Item	72nd term (April 1, 2008 to March 31, 2009)	(Reference) 71st term (April 1, 2007 to March 31, 2008)
	Amount	Amount
Net sales	627,190	762,985
Cost of sales	408,668	469,643
Gross profit	218,522	293,342
Selling, general and administrative expenses	164,284	176,569
Research and development expenses	48,899	51,520
Other expenses, net	44,472	1,087
Income (loss) before income taxes	(39,133)	64,166
Income taxes	(10,495)	24,272
Current	3,400	24,403
Deferred	(13,895)	(131)
Minority interests	(277)	217
Equity in net losses of affiliates	811	348
Net income (loss) from continuing operations	(29,172)	39,329
Net income from discontinued operations	—	3,054
Net income (loss)	(29,172)	42,383

Note: The amounts above are rounded down to the nearest million JPY.

Consolidated Statement of Shareholders' Equity

(JPY millions)

	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
(Reference)						
Balance, end of the 70th term	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, end of the 71st term	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, end of the 72nd term	64,100	99,059	9,059	231,388	(60,744)	(44,451)

Note: The amounts above are rounded down to the nearest million JPY.

(Reference)

Consolidated Statement of Cash Flows

(JPY millions)

Item	72nd term (April 1, 2008 to March 31, 2009)	71st term (April 1, 2007 to March 31, 2008)
	Amount	Amount
I Cash Flows from Operating Activities:		
1. Net income (loss)	(29,172)	42,383
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	33,496	36,343
(2) Loss on impairment of property, plant and equipment	21,203	168
(3) Net gain on sales of investment securities	(64)	(1,571)
(4) Loss on impairment of investment securities and other assets	5,401	2,297
(5) Loss on impairment of goodwill	16,813	—
(6) Termination and retirement benefits	(1,390)	(1,722)
(7) Net gain on sales of business entities	—	(5,177)
(8) Decrease in notes and accounts receivable — trade, net	47,526	4,977
(9) Decrease (increase) in inventories	5,776	(3,002)
(10) Increase (decrease) in notes and accounts payable — trade	(34,046)	5,305
(11) Other, net	(34,135)	(11,005)
Total adjustments	60,580	26,613
Net cash provided by operating activities	31,408	68,996
II Cash Flows from Investing Activities:		
1. Capital expenditures	(37,477)	(37,848)
2. Payment for acquisition of business entities, net	—	63
3. Other, net	(3,151)	1,104
Net cash used in investing activities	(40,628)	(36,681)
III Cash Flows from Financing Activities:		
1. Net proceeds (repayments) of short-term bank loans	34,375	(4,267)
2. Dividends paid by the Company	(9,520)	(8,259)
3. Acquisition of treasury stock	(2,995)	(22,348)
4. Disposal of treasury stock	7	7
5. Exercise of stock options	—	386
Net cash provided by (used in) financing activities	21,867	(34,481)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	(6,640)	(205)
Net Increase (Decrease) in Cash and Cash Equivalents	6,007	(2,371)
Cash and Cash Equivalents at Beginning of the Period	40,624	42,995
Cash and Cash Equivalents at End of the Period	46,631	40,624

Note: The amounts above are rounded down to the nearest million JPY.

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

Significant Accounting Policies

1. Preparation of Consolidated Financial Statements

The Company prepares its consolidated financial statements in conformance with the terminology, form and preparation methods based on accounting principles generally accepted in the United States of America, in accordance with Article 120, paragraph 1 of the Company Accounting Regulations. However, certain entries and notes required by accounting principles generally accepted in the United States of America have been omitted, in conformance with the same paragraph.

2. Valuation standards and methods for inventories

Japan: Principally at the lower of cost or market, with cost determined by the first-in first-out method

Overseas: Principally at the lower of cost or market, with cost determined by the moving-average method

3. Valuation standards and methods for securities

The Company applies U.S. Financial Accounting Standards Board (FASB) Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

Held-to-maturity securities: Reported at amortized cost

Available-for-sale securities: Reported at fair value on the balance sheet date. (Unrealized gains and losses are added directly to shareholders' equity, and amortized cost is calculated using the moving-average method.)

4. Fixed assets are depreciated by the following methods:

Property, plant and equipment: Principally the declining-balance method

Intangible fixed assets: Straight-line method (However, in accordance with FASB Statement No. 142, "Goodwill and Other Intangible Assets," assets with indefinite useful lives are not amortized but are tested for impairment at least annually.)

5. Accounting standards for reserves are as follows:

Allowance for doubtful receivables: To cover possible losses on notes and accounts receivable, an allowance for doubtful receivables is established in amounts considered to be appropriate based primarily upon the Companies' past credit loss experience for ordinary receivables and evaluation of potential losses in the receivables outstanding.

Allowance for retirement benefits: An allowance for employee retirement benefits is provided based on the fair value of pension plan assets and projected benefit obligation at the end of the term, in accordance with FASB Statement No. 87, "Employers' Accounting for Pensions" and FASB Statement No. 158, "Employers' Accounting for Defined-Benefit Pensions and Other Retirement Benefit Plans."

Unrecognized prior service cost is expensed using the straight-line method based on the average remaining length of service of employees.

Unrecognized actuarial net losses are expensed using the straight-line method based on the average remaining length of service of employees for the amount exceeding the "corridor" (10% of projected benefit obligation or fair value of plan assets, whichever is greater).

6. Accounting Treatment of Consumption Taxes

Consumption taxes and local consumption taxes are excluded from accounting.

7. Goodwill

The Company accounts for goodwill in accordance with FASB Statement No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill no longer be amortized, but instead tested for impairment at least annually.

8. Stock Compensation

To account for stock-based compensation, the Company applies the revised FASB Statement No. 123, "Accounting for Stock-Based Compensation."

9. Discontinued Operations

In accordance with FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," gain on the sale of the entertainment business, which was discontinued in the fiscal year ended March 31, 2008, is presented as "Net income from discontinued operations" on the Consolidated Statement of Operations.

10. New Accounting Standard

Effective from the fiscal year ended March 31, 2009, the Company applies FASB Statement No. 157, "Fair Value Measurements." The effect of such application on the Company's consolidated financial statements and financial position was immaterial.

Notes Related to Consolidated Balance Sheet

1. Accumulated other comprehensive income (loss) includes translation adjustments, unrealized gains on securities, unrealized net gains (losses) on derivatives, and minimum pension liability adjustments.

2. Guarantees

Guaranteed parties

Employees	JPY 8 million
Kyoto Environmental Preservation Public Corporation	JPY 364 million*
Fm-Kyoto Inc.	<u>JPY 340 million</u>
Total	<u>JPY 712 million</u>

* Full amount jointly and severally guaranteed by seven companies including the Company. Under the letter of intent among the seven companies, the amount of obligation is to be divided equally among the seven companies.

Notes Related to Consolidated Statement of Operations

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

Loss on impairment of property, plant and equipment:	JPY 21,203 million (Note 1)
Loss on impairment of goodwill:	JPY 16,813 million (Note 2)
Loss on impairment of investment securities and other assets:	JPY 5,401 million

Notes:

1. Impairment loss was recorded on certain long-lived assets related to automobiles, semiconductors and control equipment.
2. Impairment loss was recorded on goodwill incurred upon the acquisition of stock of consolidated subsidiaries related to medical equipment and control equipment, etc.

Notes Related to Per Share Data

1. Basic net income (loss) per share: JPY (132.15)
 2. Net assets per share: JPY 1,355.41
- Diluted net income per share is not presented due to the net loss per share.

Significant Subsequent Events

None applicable.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(JPY millions)

Item	72nd term (As of March 31, 2009)	(Reference) 71st term (As of March 31, 2008)	Item	72nd term (As of March 31, 2009)	(Reference) 71st term (As of March 31, 2008)
	Amount	Amount		Amount	Amount
ASSETS	360,732	382,260	LIABILITIES	163,319	146,244
Current Assets:	112,492	133,770	Current Liabilities:	113,993	119,952
Cash and time deposits	15,276	8,236	Accounts payable	1,152	2,095
Accounts receivable	1,751	2,301	Accounts payable - trade	23,079	35,760
Accounts receivable - trade	38,591	62,387	Short-term borrowings from affiliated companies	38,705	39,480
Merchandise	8,995	11,041	Commercial paper	31,000	16,000
Materials	3,701	4,380	Lease liabilities	2,460	—
Work in process	6,345	7,365	Other payables	6,004	9,641
Supplies	399	139	Accrued expenses	6,843	9,569
Short-term loans receivable	13,779	13,285	Income taxes payable	73	4,505
Accounts receivable - purchasing	4,849	8,523	Advances received	597	1,298
Other accounts receivable	4,074	5,447	Deposits received	903	819
Accrued income tax refund	5,565	—	Reserve for directors' and auditors' bonuses	—	105
Deferred income taxes	7,756	8,808	Other current liabilities	3,177	680
Other current assets	1,618	1,890	Long-term Liabilities:	49,326	26,292
Allowance for doubtful receivables	(207)	(32)	Long-term debt	20,000	—
Fixed Assets:	248,240	248,490	Lease liabilities	3,941	—
Property and equipment:	51,380	46,139	Termination and retirement benefits	22,916	23,775
Buildings	21,682	23,595	Deferred tax liabilities related to revaluation	1,800	1,800
Structures	1,725	1,865	Other	669	717
Machinery and equipment	1,529	1,966	NET ASSETS	197,413	236,016
Vehicles and delivery equipment	1	123	Shareholders' Equity	203,457	235,479
Tools, furniture and fixtures	1,849	2,309	Common stock	64,100	64,100
Land	14,665	14,556	Capital surplus	88,771	88,771
Lease assets	3,819	—	Additional paid-in capital	88,771	88,771
Construction in progress	6,110	1,725	Retained earnings	95,020	124,057
Intangible fixed assets:	9,850	8,905	Legal reserve	6,774	6,774
Software	9,850	8,905	Other retained earnings:	88,246	117,283
Investments and other assets:	187,010	193,446	Reserve for dividends	3,400	3,400
Investment securities	27,623	34,301	Reserve for reduction of land assets	1,511	1,511
Investments in affiliated companies	111,433	122,835	Reserve for replacement of property	189	203
Investments in capital	14,082	12,823	Nonrestrictive reserve	98,500	98,500
Long-term advances	50	50	Retained earnings carried forward	(15,354)	13,669
Long-term advances to affiliates	5,654	4,082	Treasury stock	(44,434)	(41,449)
Leasehold deposits	5,327	5,549	Valuation and Translation Adjustment	(6,315)	368
Deferred income taxes	26,558	14,674	Net unrealized holding gains on securities	(458)	5,314
Other	1,983	2,896	Deferred hedge gain (loss)	(593)	318
Allowance for doubtful receivables	(5,700)	(3,764)	Revaluation of land	(5,264)	(5,264)
			New Stock Acquisition Rights	271	169
Total Assets	360,732	382,260	Total Liabilities and Net Assets	360,732	382,260

Note: The amounts above are rounded down to the nearest million JPY.

Non-consolidated Statement of Operations

(JPY millions)

Item	72nd term (April 1, 2008 to March 31, 2009)	(Reference) 71st term (April 1, 2007 to March 31, 2008)
	Amount	Amount
Net sales	267,092	332,292
Cost of sales	176,587	208,207
Gross profit	90,505	124,085
Selling, general and administrative expenses	107,803	112,010
Operating income (loss)	(17,298)	12,075
Non-operating income:	15,737	31,165
Interest and dividends received	9,404	28,687
Other non-operating income	6,333	2,478
Non-operating expenses:	5,834	4,659
Interest paid	1,428	1,148
Discount on sales	850	979
Other non-operating expenses	3,556	2,532
Ordinary income (loss)	(7,395)	38,581
Extraordinary gains:	200	2,530
Gain on sales of property, plant and equipment	2	458
Gain on sales of investment securities	70	1,843
Other extraordinary gains	128	229
Extraordinary losses:	22,615	5,687
Loss on evaluation of investment securities	1,276	2,744
Loss on evaluation of stocks of affiliated companies	8,795	816
Impairment loss	7,758	—
Other extraordinary losses	4,786	2,127
Income (loss) before income taxes:	(29,810)	35,424
Income, residential and enterprise taxes	(4,097)	6,297
Adjustment for income taxes	(6,187)	(2,436)
Net income (loss)	(19,526)	31,563

Note: The amounts above are rounded down to the nearest million JPY.

Non-consolidated Statement of Changes in Shareholders' Equity

72nd Term: April 1, 2008 — March 31, 2009

(JPY millions)

	Shareholders' equity											
	Common stock	Capital surplus			Retained earnings							Total retained earnings
		Additional paid-in capital	Other capital surpluses	Total capital surplus	Legal reserve	Other retained earnings						
						Reserve for dividends	Reserve for reduction of land assets	Reserve for replacement of property	Non-restrictive reserve	Retained earnings carried forward		
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 in items other than shareholders' equity during the year				—							—	
Total changes during the fiscal 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	

	Shareholders' equity		Valuation and translation adjustment				New stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred hedge gain (loss)	Revaluation 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 in items other than shareholders' equity during the year		—	(5,772)	(911)	—	(6,683)	102	(6,581)
Total changes during the fiscal 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

Note: The amounts above are rounded down to the nearest million JPY.

(Reference) 71st Term: April 1, 2007 — March 31, 2008

(JPY millions)

	Shareholders' equity											
	Common stock	Capital surplus			Retained earnings							Total retained earnings
		Additional paid-in capital	Other capital surpluses	Total capital surplus	Legal reserve	Other retained earnings						
						Reserve for dividends	Reserve for reduction of land assets	Reserve for replacement of property	Non-restrictive reserve	Retained earnings carried forward		
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 non-restrictive reserve				—					18,000	(18,000)	—	
Drawdown of reserve for replacement of property				—				(16)		16	—	
Acquisition and disposal of treasury stock				(23)						(14)	(14)	
Retirement of treasury stock				—						(23,820)	(23,820)	
Drawdown of land revaluation difference				—						(327)	(327)	
Net change in items other than shareholders' equity during the year				—							—	
Total changes during the fiscal 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	

	Shareholders' equity		Valuation and translation adjustment				New stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred hedge gain (loss)	Revaluation 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 non-restrictive 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 in items other than shareholders' equity during the year		—	(7,632)	434	327	(6,871)	125	(6,746)
Total changes during the fiscal 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

Note: The amounts above are rounded down to the nearest million JPY.

Notes to Non-consolidated Financial Statements

Significant Accounting Policies

1. Valuation standards and method for securities

Common stock of subsidiaries and affiliates: Stated at cost using the moving-average method

Other marketable securities:

Securities to which market value applies: Stated at market value based on market prices, etc.
(Valuation gains and losses are fully capitalized, and selling prices are determined by the moving-average method.)

Securities to which market value does not apply: Stated at cost using the moving-average method

2. Derivatives are stated at fair value.

3. Inventories are stated at cost, determined by the first-in, first-out method. Inventories are stated on the balance sheets at book value after adjustment to reflect reduced profitability.

New Accounting Standards

Effective the year ended March 31, 2009, the Company has adopted the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9 issued on July 5, 2006). This change had the effect of increasing operating loss, ordinary loss and loss before income taxes by ¥491 million each.

4. Fixed assets are depreciated by the following methods:

Property, plant and equipment (excluding leased assets): Declining balance method (Useful lives of buildings are generally 15-50 years)

Intangible fixed assets (excluding leased assets): Straight-line method (Estimated useful life of software is 3-5 years)

Leased Assets:

Leased assets under finance leases with ownership transfer:

Same depreciation as that applied to property, plant and equipment owned by the Company

Leased assets under finance leases without ownership transfer:

Straight-line method with the lease period as the useful life and zero residual value.

New Accounting Standards

The Company formerly accounted for finance lease transactions without ownership transfer according to the method applied to lease transactions. Effective the year ended March 31, 2009, the Company has adopted ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," issued on March 30, 2007, which revised the former accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions, issued on March 30, 2007, which revised the former guidance issued on January 18, 1994. Under the revised standard, all finance lease transactions are accounted for as ordinary sales transactions. This change had the effect of reducing operating loss by ¥402 million, reducing ordinary loss by ¥217 million, and increasing loss before income taxes by ¥134 million.

Supplementary Information

The range of useful lives of machinery and equipment was formerly 7 to 11 years, but was changed to 5 to 8 years effective the year ending March 31, 2009. This change was due to the review of useful lives along with the tax code revision of fiscal 2008, and had the effect of increasing operating loss, ordinary loss and loss before income taxes by ¥132 million each.

5. Deferred charges are charged to income in their full amount when they are paid or incurred.

6. The allowance for doubtful receivables is established based on the Company's past credit loss experience for ordinary receivables, and evaluation of financial condition for receivables at risk of default and receivables from customers in bankruptcy.

7. The reserve for directors' and auditors' bonuses is provided based on the projected amount required to be paid at the end of the term to cover payment of bonuses to directors and auditors.
8. The allowance for retirement benefits is provided based on the projected amount of pension plan assets and retirement benefit obligations at the end of the term.
Prior service cost is expensed using the straight-line method over fifteen years, based on the average remaining length of service of employees at the time the cost is incurred. Actuarial gains or losses are expensed using the straight-line method over fifteen years, starting from the year after the occurrence of each proportionally divided amount, based on the average remaining length of service of employees at the time the gain or loss is incurred.
9. Foreign-currency denominated credits and debts are translated to JPY according to spot exchange rates on the balance sheet date. Translation gains or losses are credited or charged to income.
10. The Company uses deferred hedge accounting as its hedge accounting method.
11. Consumption taxes are not included in the Company's financial statements.
12. The Company applies the consolidated taxation system.

Notes to Non-consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment	JPY 66,646 million
2. Guarantees	
Guaranteed parties	
Employees	JPY 8 million
Kyoto Environmental Preservation Public Corporation	JPY 364 million*
Fm-Kyoto Inc.	JPY 340 million
Total	<u>JPY 712 million</u>

* Full amount jointly and severally guaranteed by seven companies including the Company. Under the letter of intent among the seven companies, the amount of obligation is to be divided equally among the seven companies.

3. Financial Claims and Obligations with Regard to Affiliates	
Short-term credits due from affiliated companies	JPY 33,280 million
Long-term credits due from affiliated companies	JPY 6,281 million
Short-term liabilities due to affiliated companies	JPY 59,151 million
Long-term liabilities due to affiliated companies	JPY 3,993 million

4. Revaluation of Land

The Company revalued land used for business operations on the basis prescribed by the Law Concerning Revaluation of Land (Cabinet Order No. 34, March 31, 1998) and the Revised Law Concerning Revaluation of Land (Cabinet Order No. 94, June 29, 2001). The resulting revaluation difference is stated in net assets as "Adjustment due to revaluation of land," net of deferred tax assets and liabilities related to the revaluation.

Revaluation method:

The revaluation was based on calculations made with appropriate adjustments to prices registered in the land tax register, pursuant to Article 2, item 3 of Cabinet Order No. 119 (March 31, 1998) of the Law Concerning Revaluation of Land, and on appraisal values given by property appraisers, as provided in Article 2, item 5 of the same cabinet order.

Date of revaluation: March 31, 2002

The difference between the total market value at March 31, 2004, of land used for business operations that was revalued pursuant to Article 10 of the above law, and the total book value of such land after revaluation (the amount of market value less than book value) is JPY 3,665 million.

Notes to Non-consolidated Statement of Operations

1. Transactions with affiliated companies:			
Sales to subsidiaries:	JPY 104,916 million	Purchases from subsidiaries:	JPY 109,053 million
Other transactions:	JPY 21,239 million	Non-operating transactions:	JPY 12,312 million
2. Impairment loss			
With the rapid deterioration of economic conditions in the semiconductor and automotive industries, Omron wrote down the book value of manufacturing equipment for certain automotive and semiconductor-related products to the recoverable value. The amount of this reduction is accounted for in extraordinary losses as an impairment loss of ¥7,758 million.			

Notes to Non-consolidated Statement of Changes in Shareholders' Equity

1. Number of shares issued and outstanding as of March 31, 2009:	
Common stock	239,121,372 shares
2. Number of shares of treasury stock as of March 31, 2009:	
Common stock	18,910,304 shares

3. Dividends

(1) Dividends paid

Resolution	Total amount paid (JPY millions)	Dividend per share (JPY)	Record date	Effective date
June 24, 2008 General Meeting of Shareholders	5,543	25.00	March 31, 2008	June 25, 2008
October 30, 2008 Board of Directors Meeting	3,963	18.00	September 30, 2008	December 4, 2008

(2) Dividends applicable to this fiscal year with an effective date in the following fiscal year

Scheduled resolution	Total amount paid (JPY millions)	Dividend per share (JPY)	Record date	Effective date
June 23, 2009 General Meeting of Shareholders	1,541	7.00	March 31, 2009	June 24, 2009

4. Number of shares issued for stock acquisition rights as of March 31, 2009 (excluding those for which the exercise period has not yet begun):

Common stock 601,000 shares

Notes on Tax-Effect Accounting

Principal components of deferred tax assets and deferred tax liabilities are shown below.

Deferred tax assets

Allowance for doubtful receivables	JPY 2,244 million
Inventories	JPY 2,220 million
Investment securities	JPY 2,143 million
Stock of subsidiaries and affiliates	JPY 10,026 million
Accrued bonuses	JPY 1,908 million
Termination and retirement benefits	JPY 9,396 million
Retirement benefit trust	JPY 2,942 million
Unspecified debt	JPY 1,060 million
Depreciable assets	JPY 4,065 million
Loss carried forward	JPY 7,747 million
Others	<u>JPY 4,858 million</u>
Deferred tax assets, Subtotal	JPY 48,609 million
Valuation Reserve	<u>JPY (10,945 million)</u>
Deferred tax assets, Total	JPY 37,664 million

Deferred tax liabilities

Reserve for reduction of fixed asset value	JPY 1,183 million
Others	<u>JPY 2,168 million</u>
Deferred tax liabilities, Total	JPY 3,351 million

Net tax assets carried over JPY 34,313 million

Transactions with Related Parties

1. Subsidiaries, affiliates and other related parties

Type	Name	Voting Rights Held by Company (%)	Relationship	Transactions	Value of Transactions (JPY millions)	Accounts	Year-end Balance (JPY millions)
Subsidiary	OMRON Finance Co., Ltd.	Direct ownership, 100%	Loans Equipment rental Dispatch of directors	Loans ^{1,2} Interest payments ¹ Lease contracts ⁴	13,956 373 1,887	Affiliate short-term loan Accrued expenses Lease obligations Accounts payable Long-term lease obligations Long-term accounts payable	16,085 17 2,460 26 3,941 52
Subsidiary	OMRON EUROPE B.V.	Direct ownership, 100%	Product sales Loans Dispatch of directors	Sales of control equipment ³ Loans ¹ Interest payments ¹	16,561 16,926 794	Accounts receivable Affiliate short-term loan Accrued expenses	1,674 16,926 6
Subsidiary	OMRON (CHINA) CO., LTD.	Direct ownership, 100%	Product sales Dispatch of directors	Lending ¹ Receipt of interest ¹	7,957 322	Short-term loan Accrued expenses	7,957 139

Transaction Terms and Relevant Policies

Note: 1. Loan interest is determined on the basis of market interest rates.

2. Value of transactions is the average month-end amount.

3. Product selling and purchase prices are determined by referring to market prices and other factors.

4. The Company decides on lease contracts by negotiation after comparing the submitted quote with quotes obtained from other companies.

Per Share Information

1. Net assets per share JPY 895.24

2. Net loss per share JPY (88.43)