

To All Shareholders:

Stock Code: 6645  
May 30, 2013

**Yoshihito Yamada**  
President and CEO

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

**CONVOCATION NOTICE FOR THE 76TH ORDINARY GENERAL  
MEETING OF SHAREHOLDERS (SUMMARY)**

Notice is hereby given that the 76th Ordinary General Meeting of Shareholders will be held as detailed below, and your attendance is cordially requested.

In the event that you are unable to attend the Meeting, you may exercise your voting rights in writing or by electronic methods. You are kindly requested to examine the attached Reference Materials for the General Meeting of Shareholders and to exercise your voting rights no later than 5:30 p.m. on Wednesday, June 19, 2013.

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

1. Date: Thursday, June 20, 2013, 10:00 a.m.
2. Place: Banquet room "Genji," 3rd Floor of Hotel Granvia Kyoto (inside Kyoto Station building)  
Karasuma-dori, Shiokoji-sagaru, Shimogyo-ku, Kyoto
3. Agenda:

**A. Reports**

1. The Business Report, Consolidated Financial Statements, and the Reports of the Accounting Auditors and Audit & Supervisory Board on the Results of Audits of Consolidated Financial Statements for the 76th Fiscal Year (April 1, 2012 to March 31, 2013)
2. Financial Statements for the 76th Fiscal Year (April 1, 2012 to March 31, 2013)

**B. Proposals**

- No. 1 Dividends from Retained Earnings
- No. 2 Election of Seven (7) Directors
- No. 3 Election of Two (2) Audit & Supervisory Board Members
- No. 4 Election of One (1) Alternate Audit & Supervisory Board Member
- No. 5 Payment of Bonuses to Directors

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and Reference Items

#### No. 1: Dividends from Retained Earnings

OMRON has set the objective of maximizing the Company's corporate value over the long term. Appropriate returns to shareholders and growth to expand earnings over the long-term are positioned as management priorities. Specifically, the Company's fundamental policy for distributing profits is to maintain long-term stable dividends, while maintaining a payout ratio of at least 20% of consolidated net income, after securing internal capital resources for essential R&D expenditures, capital investment and other investments in growth to increase its corporate value. In addition, the Company has set a target of 2% for dividends on equity (DOE), defined as return on equity (ROE) multiplied by the payout ratio.

Based on this policy, the Company is committed to steadily and consistently enhancing returns to shareholders, and plans to pay a year-end dividend of JPY 23 per share, which includes regular dividend of JPY 18 per share, and a commemorative dividend of JPY 5 per share as token of gratitude to shareholders in celebration of the Company's 80th anniversary on May 10 this year.

As the Company has paid an interim cash dividend of JPY 14 per share, total cash dividends for the fiscal year will be JPY 37 per share, an increase of JPY 9 from the previous fiscal year.

(1) Type of dividend assets:

Cash

(2) Item concerning allotment of dividend assets to shareholders and total amount of dividends:

JPY 23 per share of common stock. Total amount JPY 5,062,954,695

(3) Effective date of the dividend:

June 21, 2013

#### No. 2: Election of Seven (7) Directors

The terms of all seven (7) Directors will expire at the close of this General Meeting of Shareholders.

Following the retirement of two (2) Directors, the Company shall appoint two (2) new Directors.

The Company therefore requests the election of seven (7) Directors, including two (2) new Directors.

The Director candidates are as follows:

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
1	Mr. Fumio Tateishi (July 6, 1949) Reelection Tenure as Director: 7 years	Aug. 1975 Joined the Company June 1997 Appointed Director June 1999 Retired as Director, appointed Managing Executive Officer June 2001 Appointed Senior General Manager of Corporate Strategic Planning HQ June 2003 Appointed Executive Officer and Executive Vice President, and President of Industrial Automation Business Company June 2008 Appointed Executive Vice Chairman and Director (to present) <i>Area of responsibility in the Company:</i> Vice Chairman of CEO Selection Advisory Committee	1,232,607

Notes 1. There are no special interests between the Company and Mr. Fumio Tateishi.

2. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
2	Mr. Yoshihito Yamada (November 30, 1961) Reelection Tenure as Director: 2 years	<p>April 1984 Joined the Company</p> <p>June 2008 Appointed Executive Officer and President and Representative Director of OMRON Healthcare Co., Ltd.</p> <p>March 2010 Appointed Senior General Manager of Corporate Strategic Planning HQ</p> <p>June 2010 Appointed Managing Executive Officer</p> <p>June 2011 Appointed President and CEO (to present)</p> <p><i>Area of responsibility in the Company:</i> Chief Executive Officer (CEO)</p>	19,542

Notes 1. There are no special interests between the Company and Mr. Yoshihito Yamada.

2. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
3	Mr. Yoshinobu Morishita (September 22, 1949) Reelection Tenure as Director: 2 years	<p>April 1972 Joined the Company</p> <p>June 2003 Appointed Executive Officer and General Manager of Sensing Device Department, Industrial Automation Business Company</p> <p>June 2006 Appointed Managing Executive Officer</p> <p>March 2008 Appointed President of Industrial Automation Business Company</p> <p>June 2008 Appointed Senior Managing Executive Officer</p> <p>June 2011 Appointed Executive Vice President and Director</p> <p>June 2012 Appointed Executive Vice President and Representative Director (to present)</p> <p>July 2012 Appointed President of Industrial Automation Business Company (to present)</p> <p><i>Significant concurrent positions:</i> Vice Chairman of Compensation Advisory Committee President of Industrial Automation Business Company</p>	28,341

Notes 1. There are no special interests between the Company and Mr. Yoshinobu Morishita.

2. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
4	Mr. Akio Sakumiya (September 10, 1952) Reelection Tenure as Director: 2 years	<p>April 1975 Joined the Company</p> <p>June 2003 Appointed Executive Officer and President and CEO of OMRON Ichinomiya Co., Ltd. (now OMRON Amusement Co., Ltd.)</p> <p>March 2009 Appointed President of Electronic Components Business Company</p> <p>June 2010 Appointed Managing Executive Officer</p> <p>June 2011 Appointed Senior Managing Director (to present)</p> <p><i>Area of responsibility in the Company:</i> Vice Chairman of Personnel Advisory Committee</p>	20,448

Notes 1. There are no special interests between the Company and Mr. Akio Sakumiya.

2. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
5	Mr. Yoshinori Suzuki (April 27, 1952) New candidate	<p>April 1975 Joined the Company</p> <p>June 2003 Appointed Executive Officer and Senior General Manager of Corporate Planning Headquarters</p> <p>June 2006 Appointed Managing Executive Officer</p> <p>March 2007 Appointed President of Automotive Electronic Components Company</p> <p>May 2010 Appointed President and CEO of OMRON Automotive Electronics Co. Ltd.</p> <p>April 2013 Appointed Senior Managing Executive Officer and Chief Financial Officer (CFO) (to present)</p> <p>&lt;Reasons nominated as a candidate&gt; The Company has created a new post of Chief Financial Officer (CFO) to assist the Chief Executive Officer (CEO) and guide the Company to promptly adapt to changes in the economy and business environment. Mr. Yoshinori Suzuki was appointed in April this year. In addition, in order to strengthen the oversight and supervision of business execution from a financial perspective as well as improve corporate governance, the Company requests the election of Mr. Suzuki as a Director.</p>	15,888

Notes 1. There are no special interests between the Company and Mr. Yoshinori Suzuki.

2. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
6	Mr. Kazuhiko Toyama (April 15, 1960) <Director (Independent) candidate> Reelection Tenure as Director: 6 years	<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 CEO of Corporate Direction Co., Ltd.  April 2003 Appointed Senior President and COO of Industrial Revitalization Corporation of Japan (IRCJ)  April 2007 Appointed President and CEO of Industrial Growth Platform, Inc. (to present)  June 2007 Appointed Director of the Company (to present)</p> <p><i>Areas of responsibility in the Company:</i>  Chairman of Personnel Advisory Committee  Chairman of CEO Selection Advisory Committee  Chairman of Corporate Governance Committee</p> <p><i>Significant concurrent positions:</i>  President and CEO of Industrial Growth Platform, Inc.  Outside Director of PIA Corporation  Outside Audit &amp; Supervisory Board Member of Central Nippon Expressway Company Limited</p> <p>&lt;Reasons nominated as a candidate&gt;  Mr. Kazuhiko Toyama has served in a number of corporate management positions for many years and has superior insight into management. In addition, Mr. Toyama is particularly familiar with corporate governance issues, and actively comments as Chairman of Personnel Advisory Committee, CEO Selection Advisory Committee and Corporate Governance Committee, to contribute to increasing transparency and fairness in the management of the Company. We therefore request his reelection as an Outside Director (Independent).</p>	5,100

Notes 1. There are no special interests between the Company and Mr. Kazuhiko Toyama.

2. Mr. Kazuhiko Toyama is currently an Outside Director (Independent) of the Company, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. If Mr. Toyama's reelection is approved, the Company plans to continue his registration as an Independent Officer. Details of "The Company's policy regarding the independence of Outside Officers" are described on page 8.
3. The Company has established a provision in its articles of incorporation for limited liability agreements with Outside Directors (Independent) and Outside Audit & Supervisory Board Members (Independent) with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. Accordingly, the Company has formed a limited liability agreement with Mr. Kazuhiko Toyama that sets the amount of his liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher. If Mr. Toyama's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
7	Mr. Eizo Kobayashi (January 7, 1949) <Director (Independent) candidate> New candidate	<p>April 1972 Joined ITOCHU Corporation  June 2000 Appointed Executive Officer  April 2002 Appointed Managing Executive Officer  June 2003 Appointed Representative Director and Managing Director  April 2004 Appointed Representative Director and Senior Managing Director  June 2004 Appointed President and CEO  April 2010 Appointed Chairman and Representative Director  June 2011 Appointed Chairman (to present)</p> <p><i>Significant concurrent positions:</i>  Chairman of ITOCHU Corporation  Chairman of ITOCHU Foundation  Outside Director of Nippon Venture Capital Co., Ltd.</p> <p>&lt;Reasons nominated as a candidate&gt;  As chairman of a global company, Mr. Eizo Kobayashi has experience in proactive business development in a wide range of fields along with superior insight into management. The Company intends to invite Mr. Kobayashi to participate in management of the Company to share his experience and insight as a management expert and to address challenges – particularly development of corporate governance and enhancement of risk management to keep pace with the increasing global business development of the Company. We therefore request his election as an Outside Director (Independent)</p>	0

Notes 1. Mr. Eizo Kobayashi is currently a candidate for Outside Director (Independent) of the Company, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. If Mr. Kobayashi's election is approved, the Company plans to register Mr. Kobayashi as an Independent Officer. Details of "The Company's policy regarding the independence of Outside Officers" are described on page 8.

2. Mr. Eizo Kobayashi currently serves as Chairman of ITOCHU Corporation. While the Group has a business relationship with the ITOCHU Group including sales of products, such transactions in fiscal 2012 accounted for less than 1% of the consolidated net sales of the Group; there is nothing questionable regarding the independence of Mr. Kobayashi, and there are no special interests between Mr. Kobayashi and the Company.
3. The Company has established a provision in its articles of incorporation for limited liability agreements with Outside Directors (Independent) and Outside Audit & Supervisory Board Members (Independent) with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. If Mr. Kobayashi is appointed as an Outside Director (Independent), the Company plans to form a limited liability agreement with Mr. Kobayashi that sets the amount of his liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher.

**No. 3: Election of Two (2) Audit & Supervisory Board Members**

The terms of Audit & Supervisory Board Members Soichi Yukawa and Hidero Chimori will expire at the close of this General Meeting of Shareholders. The Company therefore requests the election of two (2) new Audit & Supervisory Board Members.

The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The Audit & Supervisory Board Member candidates are as follows:

Candidate number	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions	Number of shares of the Company owned
1	Mr. Masayuki Tsuda (March 28, 1954) New candidate	April 1977      Joined the Company June 2008      Appointed Executive Officer (to present) September 2008 Appointed Chairman and President of OMRON ELECTRONIC COMPONENTS (SHENZHEN) LTD. March 2013      Appointed Senior General Manager of Global Internal Auditing Headquarters (to present)	10,172

Notes: 1. There are no special interests between the Company and Mr. Masayuki Tsuda.

2. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan.

Candidate number	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions	Number of shares of the Company owned
2	Mr. Yoshifumi Matsumoto (December 5, 1955) <Audit & Supervisory Board Member (Independent) candidate> New candidate	April 1989      Registered as attorney with the Osaka Bar Association; Joined Miyake Law Office (now Miyake & Partners) January 1996      Appointed partner of Miyake & Partners (to present) June 1997      Registered as patent attorney with the Japan Patent Attorneys Association  <i>Significant concurrent positions:</i> Partner of Miyake & Partners  <Reasons nominated as a candidate> Mr. Yoshifumi Matsumoto is an attorney and a patent attorney specializing primarily in intellectual property-related laws and corporate legal affairs. The Company expects Mr. Matsumoto to reflect his legal expertise in the auditing of the Company and requests his election as an Outside Audit & Supervisory Board Member (Independent). Although he has not been involved directly in corporate management in the past other than acting as an Outside Audit & Supervisory Board Member, but for the reasons stated above, the Company believes that he can adequately fulfill the duties of an Outside Audit & Supervisory Board Member (Independent).	0

Notes: 1. There are no special interests between the Company and Mr. Yoshifumi Matsumoto.

2. Mr. Yoshifumi Matsumoto is currently a candidate for Outside Audit & Supervisory Board Member (Independent) of the Company, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. If Mr. Matsumoto's election is approved, the Company plans to register Mr. Matsumoto as an Independent Officer. Details of "The Company's policy regarding the independence of Outside Officers" are described on page 8.

3. The Company has established a provision in its articles of incorporation for limited liability agreements with Outside Directors (Independent) and Outside Audit & Supervisory Board Members (Independent) with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. If Mr. Matsumoto is appointed as an Outside Audit & Supervisory Board Member (Independent), the Company plans to form a limited liability agreement with Mr. Matsumoto that sets the amount of his liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher.

#### The Company's policy regarding the independence of Outside Officers

- The Company makes it a rule to elect and appoint Outside Officer nominees following resolutions by the Board of Directors, based on the consultation to, deliberation by and reporting from the Personnel Advisory Committee chaired by a Director (Independent), in accordance with the qualification requirements stated in the Company's own "Qualification Requirements for Outside Officers (see Note)" in addition to the requirements under the Companies Act.
- With regard to making all Outside Officers Independent Officers, the matter was resolved at a meeting of the Board of Directors. This decision followed consultation with the Corporate Governance Committee, composed of Outside Officers, with a view to ensuring that the Company's own "Qualification Requirements for Outside Officers" are appropriate criteria for judging the independence of Outside Officers.
- Following the revision of the Securities Listing Regulations of the Tokyo Stock Exchange Group, Inc. in May 2012, which requests additional information on Independent Officers, the Company's "Qualification Requirements for Outside Officers" has been partially revised.

(Note) "Qualification Requirements for Outside Officers" (revised on November 26, 2012)

\* In selecting new Outside Officer nominees, the Company has set the following qualification requirements to define relations between the OMRON Group and the nominees as well as companies or organizations to which they belong.

1. In the five years prior to being selected as a nominee for the posts of Directors or Audit & Supervisory Board Members, the candidate must not have been either a representative partner or a staff member at the Accounting Auditors serving the OMRON Group.
2. Nominees for Outside Officers shall not be large shareholders of the OMRON Group (those with a shareholding ratio exceeding 10% of total voting rights) and shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees of a company in which the OMRON Group is a large shareholder.
3. They shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees at significant transaction partners (\*) of the OMRON Group.  
(\* ) Significant transaction partners refer to a company whose payments or received transaction amount in business with the OMRON Group represent more than 2% of consolidated net sales of the Group or any of its transaction partner groups.
4. They shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees of a company receiving donations of JPY 10 million or more annually from the OMRON Group.
5. The nominee must not receive remuneration of JPY 10 million or more annually from the OMRON Group, other than compensation of Directors and Audit & Supervisory Board Members.
6. The nominee shall not be a relative or family member (within the third degree of relationship) of Directors, Audit & Supervisory Board Members or Executive Officers of the OMRON Group.
7. Companies or organizations to which the nominee belongs must not have appointed designated Directors, Audit & Supervisory Board Members or Executive Officers to the OMRON Group or vice versa.
8. In addition, the nominee will not be able to serve as an Outside Officer if he or she has interests in the OMRON Group, which raise concerns over independence in their role as Directors (Independent) or Audit & Supervisory Board Members (Independent).

(Note 1) The above term 'OMRON Group' means OMRON Corporation and its subsidiaries.

(Note 2) If an Outside Officer has made a change in his or her principal position (including retirement), the requirements will be reviewed, based on the qualification requirements



**No. 4: Election of One (1) Alternate Audit & Supervisory Board Member**

The term of office of the currently appointed Alternate Audit & Supervisory Board Member will expire at the opening of this General Meeting of Shareholders. To ensure that the Company will not lack the number of Audit & Supervisory Board Members stipulated by law, the Company requests the election of one (1) Alternate Audit & Supervisory Board Member (Independent).

This Alternate Audit & Supervisory Board Member shall be appointed only if the Company lacks the number of Outside Audit & Supervisory Board Members stipulated by law, and shall serve the remaining term of his predecessor.

The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The Alternate Audit & Supervisory Board Member candidate is as follows:

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company owned
Mr. Toru Watanabe (February 2, 1966) <Alternate Audit & Supervisory Board Member candidate>	April 1993 Registered as attorney with the Osaka Bar Association; joined Kitahama Partners (now Kitahama Partners - Foreign Law Joint Enterprise) Jan. 1998 Appointed partner of Kitahama Partners (to present) <i>Significant concurrent positions:</i> Partner of Kitahama Partners - Foreign Law Joint Enterprise Outside Director of SHO-BI Corporation  <Reasons nominated as a candidate> Mr. Toru Watanabe is an attorney specializing in primarily in the Companies Act and corporate legal affairs. The Company expects Mr. Watanabe to reflect his legal expertise in the auditing of the Company and requests his election as an Outside Alternate Audit & Supervisory Board Member (Independent). He has not been involved directly in corporate management other than acting as an Outside Director, but for the reasons stated above, the Company believes that he can adequately fulfill the duties of an Outside Audit & Supervisory Board Member (Independent).	0

Notes: 1. There are no special interests between the Company and Mr. Toru Watanabe.

2. Mr. Toru Watanabe is the Alternate Audit & Supervisory Board Member candidate, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. Details of “The Company’s policy regarding the independence of Outside Officers” are described on page 8.

3. The Company has established a provision in its articles of incorporation for limited liability agreements with Outside Directors (Independent) and Outside Audit & Supervisory Board Members (Independent) with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. If Mr. Watanabe is appointed as an Outside Audit & Supervisory Board Member (Independent), the Company plans to form a limited liability agreement with Mr. Watanabe that sets the amount of his liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher.

**No. 5: Payment of Bonuses to Directors**

Based on the “Policy on Determining Amount of Compensation, etc., and Methods Used for Calculation” on page 24 of this Convocation Notice, the Company requests shareholders to approve payment of a total of JPY 143,860,000 in bonuses to five Directors, excluding Directors (Independent).

The amounts to be paid to each individual Director shall be left to the discretion of the Board of Directors.

# Business Report (Consolidated)

(April 1, 2012 to March 31, 2013)

## 1. Current State of the OMRON Group

### (1) Consolidated Results

#### General Overview

Reviewing the global economy during fiscal 2012 (ended March 31, 2013), conditions remained uncertain overall, with factors such as continuing financial instability in Europe. However, signs of a recovery were seen in some regions, mainly in emerging markets. In Japan, events impacting the economy, including the effects of disasters that have occurred from 2011 onward, are being resolved, but overall business conditions were unchanged due to a slump in the semiconductor industry and other factors. A general overview of economies and markets in overseas regions related to the OMRON Group and conditions in primary related markets are as follows.

#### General Overview of Economies and Markets in Overseas Regions

United States: Signs of improvement were seen in the employment environment and the housing market, with a moderate recovery trend.

Europe: Despite a sense that the economic downturn had bottomed out, growth remained weak due to debt problems in some countries and other factors.

China: Despite solid demand, the growth rate slowed due to worsening economic conditions, and other factors.

Asia: Conditions were firm in emerging markets such as ASEAN countries, including reconstruction demand in Thailand, but the semiconductor industry was stagnant.

#### Conditions in the OMRON Group's Primary Related Markets

Automotive-related: Capital investment and component demand were firm everywhere except in Europe, but demand decreased in Japan in the second half.

Semiconductor-related: Capital investment and component demand were weak except for smartphone-related projects.

Machine tool-related: Demand was weak due to a drop in capital investment demand in some regions.

Home appliance and electronic component-related: Capital investment and component demand were firm as a result of the higher functionality of large home appliances.

Healthcare equipment-related: Demand was firm due to an expanding range of purchasers in connection with economic growth in emerging markets.

Net sales	JPY 650,461 million, 5.0 percent increase year on year
Operating income	JPY 45,343 million, 13.0 percent increase year on year
Income before income taxes	JPY 41,237 million, 22.9 percent increase year on year
Net income attributable to shareholders	JPY 30,203 million, 84.3 percent increase year on year

In this environment, the OMRON Group set its policy for the year ended March 31, 2013 as “Accelerate VG2020! — achieving a high-growth, high-profit structure by ‘strengthening competitiveness’ —.” The OMRON Group implemented this policy to steadily increase sales and profits over the medium-to-long term by promoting its action plan of reinforcing the industrial automation business; expanding sales in emerging markets, primarily China and other countries in Asia; and expanding sales in environmental businesses by building a strong business model. As a result, net sales and profit for the year ended March 31, 2013 increased compared with the previous fiscal year.

The OMRON Group's net sales for the year ended March 31, 2013 increased 5.0 percent compared with the previous fiscal year to JPY 650,461 million due to strong Automotive Electronic Components Business, Social Systems, Solutions and Service Business, and Healthcare Business. Operating income increased 13.0 percent compared with the previous fiscal year to JPY 45,343 million due to increased net sales, efficient management of fixed costs, and reduction of variable costs by each business segment. Income before income taxes was JPY 41,237 million, an increase of 22.9 percent compared with the previous fiscal year, as a result of increase in operating income and a decrease in foreign exchange loss. Net income attributable to shareholders rose by 84.3 percent compared with the previous fiscal year to JPY 30,203 million, boosted by an increase in income before income taxes and the reversal of deferred tax assets during the previous fiscal year, following the enactment of the laws concerning reduction of income tax rates.

The average exchange rates for the year ended March 31, 2013 were USD 1 = JPY 83.2 (3.9 yen more than the previous fiscal year) and EUR 1 = JPY 107.6 (2.7 yen less than the previous fiscal year).

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

## **Results by Business Segment**

### **IAB: Industrial Automation Business**

#### Outline of business

Targets a wide range of customers in major manufacturing industries worldwide to provide manufacturing support using sensing and control technology that stays ahead of customer needs.

#### Major products/services

Programmable controllers, motion controllers, sensing devices, inspection systems, safety devices, precision laser processing equipment, control devices

In Japan, although capital investment demand in automotive-related industries was flat compared with the previous fiscal year, it was weak in electronic component-related industries and particularly in semiconductor-related industries. Further, sales decreased compared with the previous fiscal year due in part to the absence of the temporary rise in sales seen in the previous fiscal year following the Great East Japan Earthquake and floods in Thailand.

Overseas, performance in the Americas was firm, supported by robust automotive-related industries. In Europe, demand was weak with the continuing impact of the economic downturn. In Asia, despite solid demand in ASEAN countries and emerging markets, sales were weak due to factors including restrained capital investment in semiconductor-related industries in South Korea. In China, sales were firm, supported by solid demand, even with the absence of the temporary rise in sales in the previous fiscal year. Therefore, overseas sales overall were essentially unchanged from the previous fiscal year.

As a result, segment sales for the fiscal year totaled JPY 262,983 million, a decrease of 2.9 percent compared with the previous fiscal year, and operating income totaled JPY 29,460 million, a decrease of 11.6 percent compared with the previous fiscal year.

### **EMC: Electronic and Mechanical Components Business**

#### Outline of business

Provides built-in control components for commercial and consumer devices, automotive devices, environmental and energy devices, industrial equipment, built-in components for mobile devices such as mobile phones, etc.

#### Major products/services

Relays, switches, connectors, amusement components and units, sensors for consumers, components for mobile equipment, face recognition software

In Japan, during the first half of the fiscal year, there was a recovery in demand in the automotive and other industries, which had dropped due to the impact of the Great East Japan Earthquake in the previous fiscal year. In the second half of the fiscal year, demand was firm in infrastructure-related industries and grew in the office equipment, mobile and other industries. As a result, sales in Japan increased compared with the previous fiscal year.

Overseas, in the Americas, demand was firm in the automotive industry but decreased in consumer industries. In China, exports were slack due to the weak economy in Europe, but new environment-related and other businesses were firm. In Europe, financial instability prolonged the economic downturn. Therefore, overseas sales overall were essentially unchanged from the previous fiscal year.

As a result, segment sales for the fiscal year totaled JPY 84,107 million, an increase of 1.3 percent compared with the previous fiscal year, and operating income totaled JPY 6,240 million, a decrease of 13.8 percent compared with the previous fiscal year.

### **AEC: Automotive Electronic Components Business**

#### Outline of business

Conducts development, design, production, and sales of automotive electronics to vehicle and component manufacturers throughout the world.

#### Major products/services

Electric power steering controllers, passive entry and push engine start systems, keyless entry systems and other wireless devices, multi-function controllers, power window switches, various automotive switches, etc.

In Japan, automotive demand was robust due to government support measures for the purchase of eco cars (extension of eco car tax reductions and reintroduction of subsidies), strong sales of light motor vehicles and other factors. As a result, sales in Japan increased compared with the previous fiscal year.

Overseas, demand for certain components was weak due to the impact of austerity policies, the deteriorating labor environment in European economies as a result of financial instability and a sharp drop in sales for Japanese automobile manufacturers in China. Overall, however, demand was strong among overseas automobile manufacturers and in emerging markets. Therefore, overseas sales overall increased substantially compared with the previous fiscal year, due in part to the rebound from the temporary decrease in sales caused by the impact of floods in Thailand that occurred during the previous fiscal year.

As a result, segment sales for the fiscal year totaled JPY 97,643 million, an increase of 14.8 percent compared with the previous fiscal year, and operating income totaled JPY 5,009 million, an increase of 86.1 percent compared with the previous fiscal year.

## **SSB: Social Systems, Solutions and Service Business**

### Outline of business

Creates solutions using sensing & control technologies, software, and total maintenance services for safer, more secure, and more comfortable communities, and works with customers to contribute to building an optimized society.

### Major products/services

Railway station service systems, traffic and road management systems, card payment services, security and safety solutions, environmental solutions, related maintenance business

In the public transportation systems business, passenger revenues of railway companies recovered due to factors including a rebound from the impact of the Great East Japan Earthquake, and firm demand for public transportation equipment renewal. In addition, the security and safety solutions business, centered on remote monitoring systems, was firm. As a result, sales increased substantially compared with the previous fiscal year.

In the traffic and road control systems business, sales were strong due to factors such as growth in the security and safety fields and other factors, despite a strong trend toward restraint in investment by customers due to the economic downturn in Japan.

In the environmental solutions business, sales were strong in the growth fields of services related to solar power generation systems, storage battery systems, and visualization and control.

In the related maintenance business, sales were strong due to expansion of related installation following a significant increase in demand for solar power generation products.

As a result, segment sales for the fiscal year were JPY 68,754 million, an increase of 20.2 percent compared with the previous fiscal year, and operating income totaled JPY 2,915 million, an increase of 2,874.5 percent compared with the previous fiscal year.

## **HCB: Healthcare Business**

### Outline of business

Provides numerous types of health and medical equipment worldwide. OMRON has also been focusing on building its home medical care business, including obesity solutions and prevention of the onset and worsening of cardiovascular disease.

### Major products/services

Digital blood pressure monitors, digital thermometers, body composition monitors, pedometers, electric toothbrushes, blood glucose monitors, biometric monitors, inpatient blood pressure monitoring devices, nebulizers, ECGs, vascular screening devices, visceral fat monitors, etc.

In Japan, in healthcare equipment for household use, sales of digital blood pressure monitors and digital thermometers, which are core products, were strong as the impact of the Great East Japan Earthquake and other factors decreased. In addition, with new demand stimulated by the launch of new products (wrist blood

pressure monitors, body composition monitors with communication functions, portable electric toothbrushes, massagers, sleep time monitors, and sleep monitors), overall sales were strong. Sales of equipment for use in medical institutions were firm, as a slight recovery trend became apparent in the investment stance of flagship hospitals. As a result, sales in Japan increased compared with the previous fiscal year.

Overseas, although demand in the markets of Southern and Eastern Europe remained weak, overseas sales were strong overall as demand for healthcare equipment continued to rise in emerging markets such as Russia, China and Southeast Asia. In addition, with a business alliance for sales of electric toothbrushes in Europe and the depreciation of the yen in the second half, overseas sales increased substantially compared with the previous fiscal year.

As a result, segment sales for the fiscal year were JPY 71,520 million, an increase of 14.5 percent compared with the previous fiscal year, and operating income totaled JPY 4,407 million, an increase of 51.0 percent.

## **Other Businesses**

(Environmental Business, Electronic Systems and Equipment Business, Micro Devices Business, Backlight Business)

### Outline of business

#### \*Environmental Business

Solar power conditioners, energy management devices, energy-saving services.

#### \*Electronic Systems and Equipment Business

Embedded computers for manufacturing industries, uninterruptible power supplies, OEM development and manufacturing of electronic equipment.

#### \*Micro Devices Business

MEMS flow sensors, MEMS thermal sensors, MEMS pressure sensors, RF MEMS switches, analog ICs, contract chip manufacturing services.

(RF: Radio Frequency, MEMS: Micro-Electro-Mechanical Systems)

#### \*Backlight Business

LED backlight units for small and medium-sized LCD modules, optical components

The “Other” segments are in charge of exploring and developing new business fields and developing and strengthening business not handled by other internal companies under the direct control of headquarters

In the environmental business, sales volume of solar power conditioners and other products increased substantially, driven by growing interest in the use of renewable energy with the start of a feed-in tariff system.

In the electronic systems and equipment business, although demand for uninterruptible power supplies was firm due to power supply concerns, sales were weak due to a decrease in demand from major customers for industrial-use computers and contract manufacturing and development of electronic devices.

In the micro devices business, sales were strong due to an increase in demand for microphones and custom integrated circuits for industrial use.

In the backlight business, sales were firm due to an increase in demand in the smartphone market.

As a result, segment sales were JPY 59,240 million, an increase of 10.7 percent compared with the previous fiscal year, and operating income totaled JPY 2,526 million.

## Sales by Division (Consolidated) (OMRON Group)

Division	Amount (JPY millions)	Share of total (%)	Year-on-year comparison (%)
Industrial Automation Business	262,983	40	97
Electronic and Mechanical Components Business	84,107	13	101
Automotive Electronic Components Business	97,643	15	115
Social Systems, Solutions and Service Business	68,754	11	120
Healthcare Business	71,520	11	115
Other Businesses	59,240	9	111
Eliminations & Corporate	6,214	1	84
<b>Total</b>	<b>650,461</b>	<b>100</b>	<b>105</b>

Notes: 1. "Other Businesses" includes the environmental business, electronic systems and equipment business, micro devices business and backlight business.

2. "Eliminations & Corporate" includes the figures of subsidiaries and affiliates outside the scope of the above divisions.

### (2) Capital Investment

As with the previous fiscal year, the OMRON Group, continued to press ahead with proactive capital investment in emerging market areas, along with investments to increase productivity and beef up production at manufacturing bases, with the aim of enhancing the Group's competitive power for the future. As a result, total capital investment for the period was JPY 28,285 million, a 0.2 percent decrease from the previous fiscal year.

Capital investment amounts by division were as shown below.

Division	Amount (JPY millions)
Industrial Automation Business	2,761
Electronic and Mechanical Components Business	8,915
Automotive Electronic Components Business	5,521
Social Systems, Solutions and Service Business	1,491
Healthcare Business	3,100
Other Businesses	2,532
Eliminations & Corporate	3,965
<b>Total</b>	<b>28,285</b>

Notes: 1. "Other Businesses" includes the environmental business, electronic systems and equipment business, micro devices business and backlight business.

2. "Eliminations & Corporate" includes the figures of head office divisions and subsidiaries and affiliates outside the scope of the above divisions.

### (3) Capital Procurement

As of March 31, 2013, the amount of electronic commercial paper issued by the OMRON Group decreased JPY 13,000 million from a year earlier to JPY 5,000 million due to an increase in capital caused by increased profit, increased efficiency of the Group's internal capital, and increased repayment of loans.

#### **(4) Issues Facing the Company**

Based on the philosophy of “working for the benefit of society,” the OMRON Group drafted its long-term strategy, “Value Generation 2020” (hereinafter, VG2020), which covers the period from fiscal 2011 to fiscal 2020, with the goal of becoming a truly global enterprise underpinned by robust growth. We define “Value Generation” as striving to create value for the optimization of society and delivering new value to all of our stakeholders over the next decade. A “venture spirit,” “innovation driven by social needs,” and “challenging ourselves to always do better” are all part of OMRON’s DNA. To reinforce these qualities, we will generate even greater value by focusing on the OMRON Group’s sensing and control technologies as our core competence.

The first three years of VG2020 are the “GLOBE STAGE,” during which we aim for “establishment of profit and growth structures on a global basis.” The following seven years are the “EARTH STAGE,” during which we will aim for “new value generation for growth.” Our quantitative goals for fiscal 2020 are net sales of over JPY 1,000,000 million and an operating income margin of 15%.

The fiscal year ended March 31, 2013, the second year of the GLOBE STAGE, was a year of speeding up our VG strategy and strengthening competitiveness based on our “Accelerate VG2020!” policy. We achieved growth in emerging markets and new businesses and carried out profit structure reform. In addition, with the speedy response to change in all segments, we increased sales and profit.

The core strategies we are implementing in the GLOBE STAGE and our progress are as follows.

##### 1) Maximization of the industrial automation business

We worked to expand the product lineup with competitive strategic products and to strengthen sales capabilities by enhancing the skills of sales and SE employees, among other measures. We expanded net sales by strengthening marketing to target industries, especially in China and elsewhere in Asia.

##### 2) Growth in Emerging Markets

The industrial automation and healthcare businesses substantially increased sales subsidiaries and distributors, mainly in Asia, and sales increased 8% compared with the previous fiscal year in emerging markets.

##### 3) Focus on New Businesses for the “Optimization Society”

New business, particularly environment-related business, grew substantially, increasing 35% compared with the previous fiscal year due to speedy market launches of new products, mainly power conditioners.

##### 4) Profit Structure Reform

We lowered variable expenses by reducing the number of parts and using low-cost components, and worked to control fixed manufacturing expenses through automation amid rising personnel expenses in emerging markets.

##### 5) Strengthening of Global Human Resources

We accelerated implementation of our human resources strategy by creating and launching a new human resources training program globally, among other efforts.

As detailed above, we steadily executed the core GLOBE STAGE strategies, which began to show results.

In the next fiscal year, we will bring the strategies we have been carrying out over the past two years to a successful conclusion, completing the GLOBE STAGE. The issues facing the OMRON Group relating to achieving the targets of the GLOBE STAGE are 1) ensuring continuous sales growth, 2) creating a strong profit structure and 3) strengthening our ability to deal with changes.

##### 1) Ensuring Continuous Sales Growth

We will continue to implement the core GLOBE STAGE strategies of “reinforcement of the industrial automation business,” “sales expansion in emerging markets” and “sales expansion centered on new business, particularly environment-related business” to achieve continuous robust growth over the medium-to-long term.



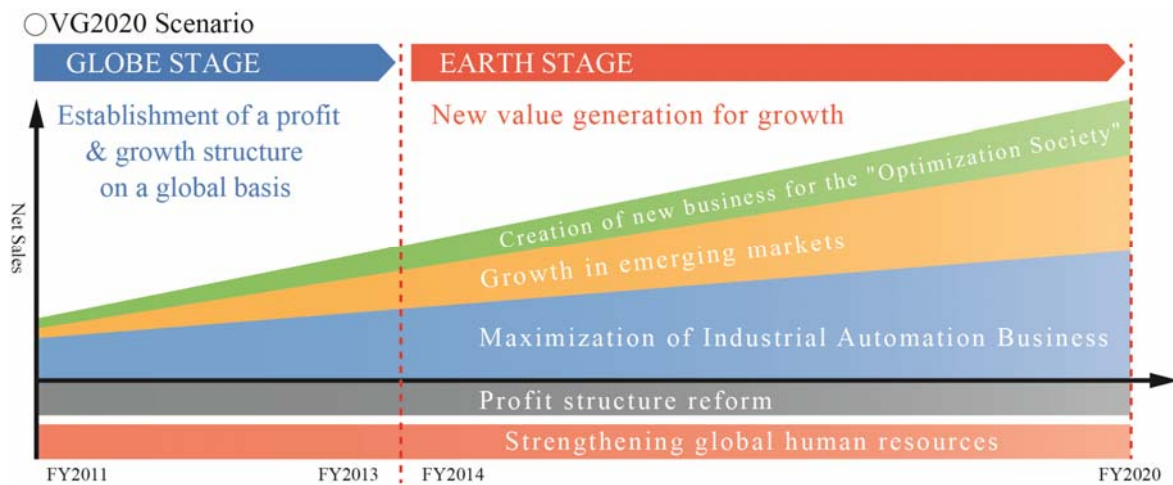
### 2) Creating a Strong Profit Structure

We will be even more thorough in our efforts to improve profitability, including improving productivity through visualization of the profit structure, global standardization of components and automation in China and Asia, as we aim to build a strong corporate structure.

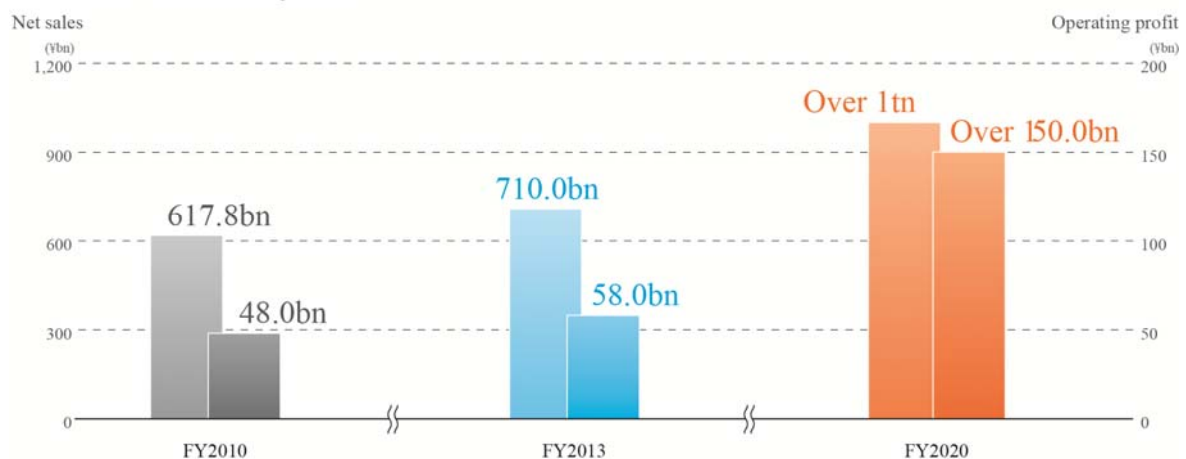
### 3) Strengthening Our Ability to Deal with Changes

Amid the considerable changes in our operating environment in the future, we plan to further strengthen risk management globally, mainly in emerging markets. In particular, we will address increasing country risk, improve the balance of our exposure to foreign exchange by expanding overseas production and increasing local procurement, and further upgrade our business continuity plan (BCP) to minimize the negative impact on society, our customers and the OMRON Group when disasters occur.

By accelerating the above measures, we will transform into a “strong business enterprise” equipped with “growth power,” “earning power” and “adaptive power.” In the year ending March 31, 2014 (fiscal 2013), the final year of the GLOBE STAGE, we will aim for net sales of JPY 710,000 million, operating income of JPY 58,000 million, net income of JPY 40,000 million, and ROE and ROIC of more than 10% each.



### ○VG2020 Growth Projection



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

(JPY millions)

	73rd term (April 1, 2009 to March 31, 2010)	74th term (April 1, 2010 to March 31, 2011)	75th term (April 1, 2011 to March 31, 2012)	76th term (April 1, 2012 to March 31, 2013)
Net Sales	524,694	617,825	619,461	650,461
Income before Income Taxes	10,195	41,693	33,547	41,237
Net Income Attributable to Shareholders	3,518	26,782	16,389	30,203
Basic Net Income Attributable to Shareholders per Share (JPY)	15.98	121.66	74.46	137.20
Total Assets	532,254	562,790	537,323	573,637
Shareholders' Equity	306,327	312,753	320,840	366,962
Shareholders' Equity per Share (JPY)	1,391.41	1,421.03	1,457.51	1,667.04
Return on Equity (%)	1.2	8.7	5.2	8.8

Note: The Company prepares its Consolidated Financial Statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP).

**Non-Consolidated Financial Position and Operating Results**

(JPY millions)

	73rd term (April 1, 2009 to March 31, 2010)	74th term (April 1, 2010 to March 31, 2011)	75th term (April 1, 2011 to March 31, 2012)	76th term (April 1, 2012 to March 31, 2013)
Net Sales	221,367	236,305	203,587	199,988
Ordinary Income	16,073	14,129	16,073	18,882
Net Income	22,788	6,636	8,728	6,654
Net Income per Share (JPY)	103.49	30.14	39.65	30.23
Total Assets	371,743	397,073	363,992	358,833
Net Assets	221,363	221,914	224,245	227,055
Net Assets per Share (JPY)	1,003.93	1,006.74	1,017.88	1,031.46

## (6) Principal Subsidiaries

Principal subsidiaries are outlined below.

(As of March 31, 2013)

Name	Capital (JPY millions)	Parent ownership (%)	Principal business
OMRON KANSAI-SEIGYO Corporation	310	100.0	Sale of industrial automation control equipment
OMRON Relay & Devices Corporation	300	100.0	Electronic components for household appliances and communications devices
OMRON Automotive Electronics Co., Ltd.	5,000	100.0	Automotive electronic components
OMRON Social Solutions Co., Ltd.	5,000	100.0	Social systems
OMRON Healthcare Co., Ltd.	5,021	100.0	Healthcare and medical devices
OMRON Management Center of America, Inc.	(Thousands of U.S. dollars) 6,890	100.0	Regional management of business in the Americas
OMRON Europe B.V.	(Thousands of Euro) 16,883	100.0	Regional management of business, and supervision of industrial automation business in Europe
OMRON (China) Co., Ltd.	(Thousands of RMB) 1,468,771	100.0	Regional management of business in China
OMRON Asia Pacific Pte. Ltd.	(Thousands of Singapore dollars) 47,888	100.0	Regional management of business and supervision of industrial automation business in Southeast Asia

### Other Business Combinations

The OMRON Group consists of 153 consolidated subsidiaries and 12 affiliates accounted for using the equity method.

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

**(7) Principal Places of Business, etc.**

(As of March 31, 2013)

OMRON	Headquarters (Head Office)	Shimogyo-ku, Kyoto
	Tokyo Office (Branch Office)	Minato-ku, Tokyo
	Places of Business	Mishima Office (Mishima City, Shizuoka Pref.), Nagoya Office (Nishi-ku, Nagoya City), Yasu Office (Yasu City, Shiga Pref.), Kusatsu Office (Kusatsu City, Shiga Pref.), Ayabe Office (Ayabe City, Kyoto Pref.), Osaka Office (Kita-ku, Osaka City), Okayama Office (Naka-ku, Okayama City)
	Research Site	Keihanna Technology Innovation Center (Kizugawa City, Kyoto Pref.)
Subsidiaries	Japan	OMRON KANSAI-SEIGYO Corporation (Kita-ku, Osaka City) OMRON Relay & Devices Corporation (Yamaga City, Kumamoto Pref.) OMRON Automotive Electronics Co., Ltd. (Komaki City, Aichi Pref.) OMRON Social Solutions Co., Ltd. (Minato-ku, Tokyo) OMRON Healthcare, Co., Ltd. (Muko City, Kyoto Pref.)
	Overseas	OMRON Management Center of America, Inc. (Illinois, U.S.A.) OMRON Europe B.V. (Hoofddorp, the Netherlands) OMRON (China) Co., Ltd. (Beijing, China) OMRON Asia Pacific Pte. Ltd. (Singapore)

**(8) Employees****OMRON Group Employees (Consolidated)**

(As of March 31, 2013)

Number of employees	Change from March 31, 2012
35,411	Decrease of 581 employees

Note: 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).

**(9) Major Lenders**

During the fiscal year ended March 31, 2013, the OMRON Group raised funds primarily by issuing commercial paper. Consequently, there were no major lenders at the end of the period.

## 2. Stock Information (As of March 31, 2013)

(1) Total Number of Issuable Shares 487,000,000 shares

(2) Total Number of Shares Issued 227,121,372 shares (including 6,992,907 shares of treasury stock)

(3) Number of Shareholders 30,794

### (4) Major Shareholders (Top Ten Shareholders)

Shareholder	Number (thousands of shares)	Percentage Held (%)
State Street Bank & Trust Company 505223	20,554	9.33
Japan Trustee Services Bank, Ltd. (trust account)	8,857	4.02
The Master Trust Bank of Japan, Ltd. (trust account)	7,957	3.61
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,713	3.50
The Bank of Kyoto, Ltd.	7,069	3.21
JPMorgan Chase Bank, N.A. 380055	6,372	2.89
Nippon Life Insurance Company	4,853	2.20
OMRON Employee Stockholding Association	4,668	2.12
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	4,605	2.09
RBC IST LONDON-LENDING ACCOUNT	4,177	1.89

Notes: 1. The percentage of shares is calculated excluding treasury stock.

2. The Company holds 6,993 thousand shares of treasury stock (3.07% of total shares outstanding) but is excluded from the principal shareholders listed above.

3. On November 12, 2012, Harris Associates L.P. filed a change to their major shareholding status. Before the change Harris Associates L.P. held 27,229 thousand shares (representing 11.39% of the total number of shares issued) as of November 6, 2012. However, the OMRON Group has not been able to confirm the number of shares currently possessed by Harris Associates L.P., and therefore the company is not included on the above list of Major Shareholders.

### (5) Other Significant Information Related to Stock

In accordance with the provisions of Article 178 of the Companies Act, treasury stock was cancelled as follows by the resolution at the Board of Directors held on January 30, 2013.

Class of shares cancelled:	Common stock of the Company
Number of shares cancelled:	12,000 thousand shares
Value of shares cancelled:	JPY 28,176 million

### (Reference) Breakdown of Shareholders by Type

Category	Status of Shares (1 unit = 100 shares)						Odd-Lot Shares
	Financial Institutions	Securities Companies	Other Domestic Companies	Foreign Investors (Individuals)	Individuals and Others	Total	
Number of shareholders	88	37	328	403 (12)	25,241	26,097	—
Number of shares owned (units)	687,907	16,032	127,231	1,000,430 (62)	436,419	2,268,019	319,472 shares
Percent of total (%)	30.33	0.71	5.61	44.11 (0.00)	19.24	100.00	—

Notes: 1. Of the 6,992,907 shares of treasury stock in the shareholder register as of March 31, 2013, 6,992,900 shares are included in the "Individuals and Others" column, and 7 shares are included in "Odd-Lot Shares."

2. The "Other Domestic Companies" column above includes 2 units of stock in the name of the Japan Securities Depository Center, Inc.

### **3. Stock Acquisition Rights of the Company**

None applicable.

## 4. Directors and Audit & Supervisory Board Members

### (1) Names and Other Information of Directors and Audit & Supervisory Board Members

Title	Name	Areas of Responsibility and Significant Concurrent Positions
Chairman and Director	Hisao Sakuta	Chairman of the Board of Directors Chairman of Micromachine Center A member of the Board of Governors, NHK (Japan Broadcasting Corporation) (appointed Acting Chairman of the Board of Governors in September 2012) Outside Director of KOKUYO Co., Ltd.
Executive Vice Chairman and Director	Fumio Tateishi	Vice Chairman of the CEO Selection Advisory Committee
President and CEO	Yoshihito Yamada	Chief Executive Officer Chairman of Nippon Electric Control Equipment Industries Association
Executive Vice President and Representative Director	Yoshinobu Morishita	Vice Chairman of the Compensation Advisory Committee President of Industrial Automation Business Company (appointed in July 2012)
Senior Managing Director	Akio Sakumiya	Vice Chairman of Personnel Advisory Committee
Director (Independent)	Kazuhiko Toyama	Chairman of the Personnel Advisory Committee Chairman of the CEO Selection Advisory Committee Chairman of the Corporate Governance Committee President and CEO of Industrial Growth Platform, Inc. Outside Director of PIA Corporation Outside Audit & Supervisory Board Member of The Asahi Shimbun Company Outside Audit & Supervisory Board Member of Central Nippon Expressway Company Limited
Director (Independent)	Masamitsu Sakurai	Chairman of the Compensation Advisory Committee Vice Chairman of the Corporate Governance Committee Chairman, Executive Officer and Director of Ricoh Co., Ltd. (retired in March 2013) Chairman of The New Technology Development Foundation Director of Coca-Cola West Co. Ltd. (retired in March 2013) Outside Director of Yamaha Motor Co. Ltd.

Title	Name	Significant Concurrent Positions
Audit & Supervisory Board Member (Full-time)	Soichi Yukawa	
Audit & Supervisory Board Member (Full-time)	Tokio Kawashima	
Audit & Supervisory Board Member (Independent)	Hidero Chimori	Partner of Miyake & Partners, Attorney at Law Outside Audit & Supervisory Board Member of Duskin Co., Ltd.
Audit & Supervisory Board Member (Independent)	Eisuke Nagatomo	President and CEO of EN Associates Co., Ltd. Outside Audit & Supervisory Board Member of Mitsubishi Corporation (retired in June 2012) Outside Director of kabu.com Securities Co., Ltd. Outside Director of Miroku Joho Service Co., Ltd. Outside Audit & Supervisory Board Member of NIKKISO CO., LTD. (appointed in June 2012)

- Notes: 1. Directors (Independent) Kazuhiko Toyama and Masamitsu Sakurai, and Audit & Supervisory Board Members (Independent) Hidero Chimori and Eisuke Nagatomo have each provided notification as Independent Officers to Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd. Details of “The Company’s policy regarding the independence of Outside Officers” are described on page 8.
2. Mr. Kazuhiko Toyama concurrently serves as an Outside Audit & Supervisory Board Member of Central Nippon Expressway Company Limited, with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group.
3. Mr. Masamitsu Sakurai concurrently serves as Chairman, Executive Officer and Director of Ricoh Co., Ltd. and Outside Director of Yamaha Motor Co. Ltd., with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group.
4. There are no special relationships between the Company and significant concurrent employers of other Outside Officers.
5. Audit & Supervisory Board Member (Full-time) Tokio Kawashima has years of work experience in financial institutions, and has considerable knowledge regarding finance and accounting.
6. Mr. Eisuke Nagatomo holds prominent positions including Member of the Board, Managing Director, and Chief Self-regulatory Officer of Tokyo Stock Exchange Group, Inc.; member of the Business Accounting Council of the Financial Services Agency; and Director of the Financial Accounting Standards Foundation; and has considerable knowledge regarding finance and accounting.
7. Changes in Directors’ and Audit & Supervisory Board Members’ positions in the fiscal year under review are as follows.
- (Appointment) In June 2012, Representative Director Yoshinobu Morishita was appointed as Representative Director.
- (Retirement) In June 2012, Director Hisao Sakuta retired from the position of Representative Director.



## **(2) Compensation of Directors and Audit & Supervisory Board Members**

### **1) Policy on Determining Amount of Compensation, etc., and Methods Used for Calculation**

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 Audit & Supervisory Board Members. The Compensation Advisory Committee is composed of four members, excluding the Chairman, Executive Vice Chairman, and President of the Company, and is chaired by a Director (Independent) on the Board of Directors, and sets the Company's fundamental principles for compensation of officers.

For the compensation of Directors and Audit & Supervisory Board Members, the Compensation Advisory Committee is consulted and discusses the compensation of each individual, then 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 Audit & Supervisory Board Member is determined by discussions among the Audit & Supervisory Board Members. These amounts are within the scope of the aggregate compensation amounts for all Directors and all Audit & Supervisory Board Members as each has been 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 personnel 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, each officer's compensation shall be set following consultation with 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 (\*).
  - The Company shall provide base salaries sufficient to recruit (hire) outstanding personnel.
  - The Company shall provide bonuses as performance incentives with emphasis on yearly results.
  - Bonuses shall be paid only to internal Directors. The amount of bonuses shall be based on a standard amount for each position, and set according to the degree of achievement and growth rate of evaluation indicators (income before income taxes, return on invested capital, net income attributable to shareholders and cash dividends per share).
  - 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 Directors (Independent), from the perspective of their position and independence, the Company shall provide only base salaries, and shall not grant bonuses or stock compensation, which are performance-linked compensation.
- 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 Audit & Supervisory Board Members**

- Compensation of Audit & Supervisory Board Members shall consist of a base salary (monthly salary only) sufficient to ensure recruitment (hiring) of excellent personnel.
- 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 Audit & Supervisory Board Members

Title	Number (Persons)	Base Compensation (JPY millions)	Bonuses (JPY millions)	Aggregate Compensation (JPY millions)
Directors [Outside Directors (Independent)]:	7 [2]	360 [21]	144 [—]	504 [21]
Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members (Independent)]:	4 [2]	82 [17]	— [—]	82 [17]
Total [Outside Officers (Independent) included in total]:	11 [4]	442 [38]	144 [—]	586 [38]

Notes: 1. The maximum limit of the aggregate compensation of Directors was set at JPY 35 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 Audit & Supervisory Board Members was set at JPY 7 million per month by resolution of the 60th Ordinary General Meeting of Shareholders held on June 27, 1997.

2. The above base compensation of Directors includes the amount paid as stock compensation to Directors, excluding Directors (Independent).
3. The above bonuses to Directors are the amounts that the Company plans to pay, provided that the proposal No. 5 “Payment of Bonuses to Directors,” at this Ordinary General Meeting of Shareholders, is approved and resolved as originally proposed.
4. No Directors of the Company received any employee wages other than their compensation as Directors.

### (3) Items Related to Directors (Independent) and Audit & Supervisory Board Members

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

As listed in “(1) Names and Other Information of Directors and Audit & Supervisory Board Members.”

#### 2) Main Activities in the Past Fiscal Year

	Name	Main Activities
Outside Directors (Independent)	Kazuhiko Toyama	Attended 11 of the 13 Board of Directors meetings held during the period (attendance rate: 84.6%), and made statements as necessary mainly from his perspective as a manager with abundant experience. He currently serves as Chairperson of the Personnel Advisory Committee, CEO Selection Advisory Committee and Corporate Governance Committee.
	Masamitsu Sakurai	Attended 11 of the 13 Board of Directors meetings held during the period (attendance rate: 84.6%), and made statements as necessary mainly from his perspective as a manager with abundant experience. He currently serves as Chairman of the Compensation Advisory Committee.
Outside Audit & Supervisory Board Members (Independent)	Hidero Chimori	Attended all 13 of the 13 Board of Directors meetings and 12 of the 13 Audit & Supervisory Board meetings held during the period (attendance rate: 92.3%), and made statements as necessary mainly from a specialist's viewpoint as an attorney.
	Eisuke Nagatomo	Attended all 13 of the 13 Board of Directors meetings and 12 of the 13 Audit & Supervisory Board meetings held during the period (attendance rate: 92.3%), and made statements as necessary mainly from his perspective as a manager with abundant experience.

#### 3) Summary of Details of Limited Liability Agreements

The Company has established a provision in its articles of incorporation for limited liability agreements with Directors (Independent) and Audit & Supervisory Board Members (Independent) 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 Directors (Independent) and Audit & Supervisory Board Members (Independent) 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 Companies Act to JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher, when the Director (Independent) or Audit & Supervisory Board Member (Independent) has performed his duties in good faith and has not been grossly negligent.

## 5. Accounting Auditors

### (1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

### (2) Amount of Compensation of Accounting Auditors for the Fiscal Year Ended March 31, 2013

1)	Total amount of compensation to be paid to the Accounting Auditor by the Company and its subsidiaries	JPY 200 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 197 million
3)	Of the total amount in 2), amount of compensation as Accounting Auditor to be paid by the Company	JPY 138 million

Notes: 1. The amount of audit compensation under the Companies Act 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 Accounting 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 Europe B.V. and OMRON Asia Pacific Pte. Ltd. receive audits by an auditor other than the Accounting Auditor of the Company.

### (3) Contents of Services other than Services of Article 2-1 of the Certified Public Accountants Act (Non-Audit Services)

The Company commissions and pays the Accounting Auditor to perform voluntary audit and other services other than the services in Article 2-1 of the Certified Public Accountants Act (a non-audit service).

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

The Company may dismiss or decline to reappoint the Accounting Auditor for any of the following reasons:

- 1) If the Board of Directors judges that the Accounting 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 Accounting Auditor after obtaining the consent of the Audit & Supervisory Board.
- 2) If the Audit & Supervisory Board judges that the Accounting Auditor is unable to carry out its duties properly, it may request Directors to submit a proposal to the shareholders' meeting for the dismissal or non-reappointment of the Accounting Auditor, and the Board of Directors may place this proposal on the agenda of the shareholders' meeting.
- 3) If the Audit & Supervisory Board judges that any of the numbered items in Article 340, Paragraph 1 of the Companies Act apply, it may dismiss the Accounting Auditor with the consent of all Audit & Supervisory Board Members.

## **6. Systems and Policies of the Company**

### **(1) Systems to Ensure that Execution of Directors' Duties Conforms to 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-integrity 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 a Director (Independent) 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 Director (Independent), separates the positions of Chairman of the Board of Directors, 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, compensation and nomination of the president. These Committees, which are chaired by Directors (Independent), are responsible for providing advice on appointment and compensation of Directors and Executive Officers, as well as selection of candidates for President for the next term, and increasing the objectivity and transparency of decisions.
- (3) The OMRON Group CSR Guidelines show the 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 key theme of "socially responsible corporate management" is promoting corporate ethics and compliance in the OMRON Group. The Corporate Ethics & Risk Management Committee has been established as an organization to promote this key theme. 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) With the aim of realizing highly transparent management, OMRON positions information disclosure as an important task, and has established an Information Disclosure Executive Committee directly under the president to promote the disclosure. The Committee engages in activities to ensure the accuracy, timeliness and completeness of information disclosure across the Group, and proactively makes disclosure to the public according to the standard set out by the Group.
- (7) OMRON has set up an internal control department directly under the president to conduct operational audits.
- (8) 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.
- (9) The OMRON Group's policy on exclusion 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 recorded and kept 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.

#### **5. Regulations and Other Systems Concerning Loss Risk Management**

- (1) OMRON will engage in risk management integrating all activities that entail risks on a global scale, to ensure the Company's survival and to secure the achievement of corporate objectives while fulfilling its corporate social responsibility.
- (2) OMRON will strive to avoid, mitigate and transfer risk of loss through collecting information on and conducting analysis of risks while taking countermeasures against them, in accordance with the Basic Rules for Integrated Global Risk Management.
- (3) Significant risks for the OMRON Group shall be designated, and Group-wide response measures are across all internal companies shall be determined at Executive Committee meetings.
- (4) When a crisis occurs, the Company makes reports, transmits information, and assembles the necessary response teams in accordance with the procedures specified in the Basic Rules for Global Crisis Management.

#### **6. Systems to Ensure Efficient Execution of Directors' Duties**

- (1) The Company uses the Executive Officer system and keeps the number of Directors small 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.

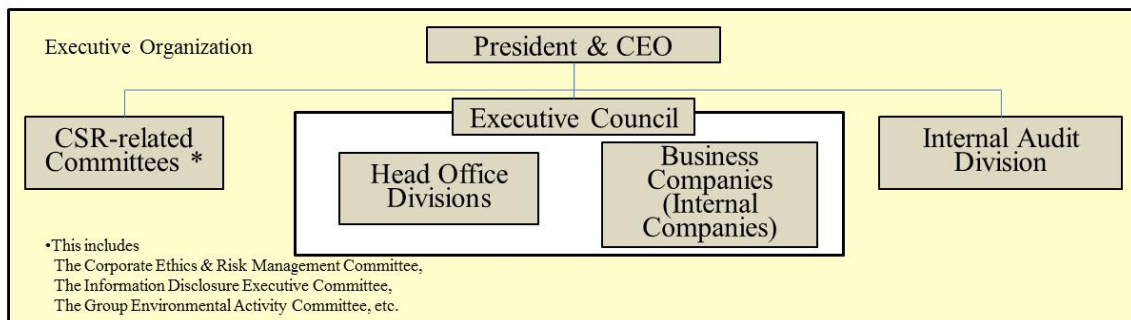
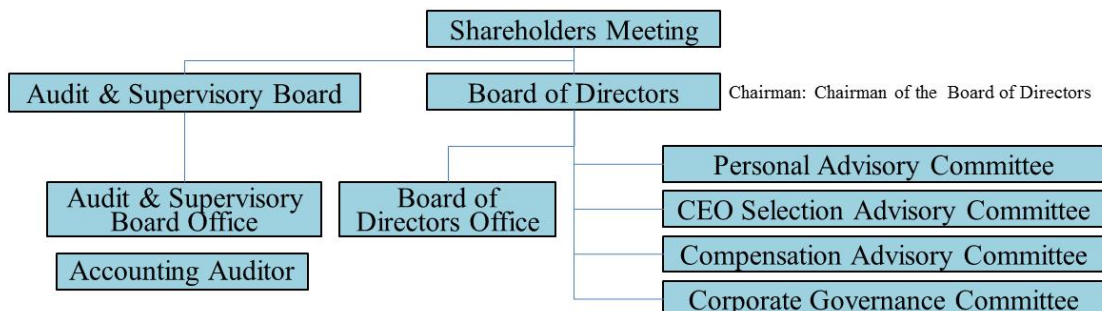
#### **7. Systems to Ensure Appropriateness of Business Operations in the OMRON Group**

- (1) Domestic and overseas subsidiaries 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.
- (4) Internal audit divisions conduct operational audits of domestic and overseas subsidiaries.

## 8. Systems to Ensure Effectiveness of Audit & Supervisory Board Members

- (1) An Audit & Supervisory Board Office with dedicated full-time support staff has been established to assist Audit & Supervisory Board Members in performing their duties. The staff of the Audit & Supervisory Board Office perform their work under the supervision and instruction of the Audit & Supervisory Board Members.
- (2) Personnel evaluations, appointments and transfers of the staff of Audit & Supervisory Board Office are carried out with the consent of the Audit & Supervisory Board.
- (3) A system is in place for the Board of Directors and employees to immediately report to Audit & Supervisory Board Members incidents of material violations of laws and/or articles of incorporation, misconduct within the OMRON Group, or information relating to potential risk of significant loss to the company, in accordance with predetermined regulations and procedures. Notwithstanding these, the Audit & Supervisory Board Members may request reports from Directors and employees at any time as needed.
- (4) As a mechanism for securing an effective audit by Audit & Supervisory Board Members, systems are in place for the Audit & Supervisory Board to hold periodic interviews of Directors and Executive Officers, periodically exchange views with the president, periodically exchange information with Accounting Auditors, and receive operational reports from Executive Officers. In addition, the Internal Audit Manager is invited to Audit & Supervisory Board meetings and makes internal audit reports.
- (5) Half or more of the Audit & Supervisory Board Members are Audit & Supervisory Board Members (Independent), 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.
- (6) Audit & Supervisory Board Members attend and state their opinions at Board of Directors meetings as well as Executive Committee meetings and other important meetings.

### <Omron's Corporate Governance Structure>



Four Advisory Committees have been established within the Board of Directors, all of which are chaired by Directors (Independent).

**Personnel Advisory Committee**  
 This Committee sets election standards and policies for Directors and Executive Officers, selects candidates, and evaluates current executives.

**CEO Selection Advisory Committee**  
 Dedicated to nomination of the President, this Committee deliberates on the selection of the new President for the next term and succession candidates in preparation for contingencies.

**Compensation Advisory Committee**  
 This Committee develops compensation policy for Directors and Executive Officers, along with review of the general level of compensation, performance evaluation and specific amounts of compensation.

**Corporate Governance Committee**  
 This Committee discusses strategies and measures for continued enhancement of corporate governance, as well as for raising the fairness and transparency of management practices.

**(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 aimed at a payout ratio of a minimum of 20% and a DOE target of 2% for dividends for the year ended March 31, 2013. For dividends from the next fiscal year onward, OMRON will aim to maintain the payout ratio at over 25% 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 strategically repurchase and retire the Company’s stock in a manner that benefits shareholders.





# Consolidated Financial Statements

## Consolidated Balance Sheets

(JPY millions)

Item	76th term (As of March 31, 2013)	(Reference) 75th term (As of March 31, 2012)	Item	76th term (As of March 31, 2013)	(Reference) 75th term (As of March 31, 2012)
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>Current Assets:</b>	<b>333,694</b>	<b>308,097</b>	<b>Current Liabilities:</b>	<b>145,701</b>	<b>152,896</b>
Cash and cash equivalents	55,708	45,257	Short-term debt	5,570	18,774
Notes and accounts receivable — trade	158,911	143,304	Notes and accounts payable — trade	75,592	79,331
Allowance for doubtful receivables	(1,988)	(2,205)	Accrued expenses	32,818	29,179
Inventories	91,013	92,253	Income taxes payable	3,907	623
Deferred income taxes	17,611	17,975	Other current liabilities	27,814	24,989
Other current assets	12,439	11,513	<b>Deferred Income Taxes</b>	<b>595</b>	<b>738</b>
<b>Property, Plant and Equipment:</b>	<b>126,835</b>	<b>120,706</b>	<b>Termination and Retirement Benefits</b>	<b>56,944</b>	<b>60,432</b>
Land	26,591	26,950	<b>Other Long-Term Liabilities</b>	<b>1,634</b>	<b>1,577</b>
Buildings	137,821	128,870	<b>Total Liabilities</b>	<b>204,874</b>	<b>215,643</b>
Machinery and equipment	156,186	142,148	<b>NET ASSETS</b>		
Construction in progress	6,729	7,417	<b>Shareholders' Equity:</b>	<b>366,962</b>	<b>320,840</b>
Accumulated depreciation	(200,492)	(184,679)	Common stock	64,100	64,100
<b>Investments and Other Assets:</b>	<b>113,108</b>	<b>108,520</b>	Capital surplus	99,066	99,078
Investments in and advances to affiliates	17,939	14,443	Legal reserve	10,876	10,034
Investment securities	38,193	36,161	Retained earnings	253,654	260,557
Leasehold deposits	6,914	7,219	Accumulated other comprehensive income (loss):	(44,349)	(68,433)
Deferred income taxes	30,612	34,516	Foreign currency translation adjustments	(14,224)	(36,544)
Other assets	19,450	16,181	Pension liability adjustments	(39,730)	(38,815)
			Unrealized gains on available- for-sale securities	9,580	6,995
			Net gains (losses) on derivative instruments	25	(69)
			Treasury stock, at cost	(16,385)	(44,496)
			<b>Noncontrolling Interests</b>	<b>1,801</b>	<b>840</b>
			<b>Total Net Assets</b>	<b>368,763</b>	<b>321,680</b>
<b>Total Assets</b>	<b>573,637</b>	<b>537,323</b>	<b>Total Liabilities and Net Assets</b>	<b>573,637</b>	<b>537,323</b>

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

## Consolidated Statements of Income

(JPY millions)

Item	76th term (April 1, 2012 to March 31, 2013)	(Reference) 75th term (April 1, 2011 to March 31, 2012)
Net sales	650,461	619,461
Cost of sales	408,954	391,574
Gross profit	241,507	227,887
Selling, general and administrative expenses	152,676	145,662
Research and development expenses	43,488	42,089
Other expenses, net	4,106	6,589
Income before income taxes	41,237	33,547
Income taxes	14,096	17,826
(Current)	(10,334)	(7,845)
(Deferred)	(3,762)	(9,981)
Equity in earnings of affiliates	(2,976)	(631)
Net income	30,117	16,352
Net income (loss) attributable to noncontrolling interests	(86)	(37)
Net income attributable to shareholders	30,203	16,389

Notes: 1. The amounts above are rounded to the nearest million JPY.

2. Income taxes for the 75th term includes the reversal of deferred tax assets (JPY 5,346 million), following the enactment of the laws concerning reduction of income tax rates.

(Reference)

**Consolidated Statements of Comprehensive Income (Loss)**

(JPY millions)

	76th term (April 1, 2012 to March 31, 2013)	75th term (April 1, 2011 to March 31, 2012)
Net income	30,117	16,352
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	22,480	(2,505)
Pension liability adjustments	(915)	(79)
Unrealized gains on available-for-sale securities	2,585	425
Net gains (losses) on derivative instruments	94	(54)
Other comprehensive income (loss)	24,244	(2,213)
Comprehensive income	54,361	14,139
(Breakdown)		
Comprehensive income (loss) attributable to noncontrolling interests	74	(44)
Comprehensive income attributable to shareholders	54,287	14,183

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

## Consolidated Statements of Shareholders' Equity

(JPY millions)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Non-controlling interests	Total net assets
(Reference)									
Balance, end of the 74th term	64,100	99,081	9,574	250,824	(66,227)	(44,599)	312,753	899	313,652
Net income				16,389			16,389	(37)	16,352
Cash dividends paid to OMRON Corporation shareholders				(6,164)			(6,164)		(6,164)
Cash dividends paid to noncontrolling interests								(15)	(15)
Transfer to legal reserve			460	(460)			—		—
Foreign currency translation adjustments					(2,498)		(2,498)	(7)	(2,505)
Pension liability adjustments					(79)		(79)		(79)
Unrealized gains on available-for-sale securities					425		425		425
Net losses on derivative instruments					(54)		(54)		(54)
Acquisition of treasury stock						(10)	(10)		(10)
Sale of treasury stock		(3)		(32)		113	78		78
Balance, end of the 75th term	64,100	99,078	10,034	260,557	(68,433)	(44,496)	320,840	840	321,680
Net income				30,203			30,203	(86)	30,117
Cash dividends paid to OMRON Corporation shareholders				(8,145)			(8,145)		(8,145)
Cash dividends paid to noncontrolling interests								(2)	(2)
Equity transactions with noncontrolling interests		(12)					(12)	889	877
Transfer to legal reserve			842	(842)			—		—
Foreign currency translation adjustments					22,320		22,320	160	22,480
Pension liability adjustments					(915)		(915)		(915)
Unrealized gains on available-for-sale securities					2,585		2,585		2,585
Net gains on derivative instruments					94		94		94
Acquisition of treasury stock						(9)	(9)		(9)
Sale of treasury stock				(0)		1	1		1
Retirement of treasury stock				(28,119)		28,119	—		—
Balance, end of the 76th term	64,100	99,066	10,876	253,654	(44,349)	(16,385)	366,962	1,801	368,763

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

(Reference)

## Consolidated Statements of Cash Flows

(JPY millions)

Item	76th term (April 1, 2012 to March 31, 2013)	75th term (April 1, 2011 to March 31, 2012)
<b>I Operating Activities:</b>		
1. Net income	30,117	16,352
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	22,452	22,617
(2) Net loss on sales and disposals of property, plant and equipment	578	861
(3) Loss on impairment of property, plant and equipment	3,265	671
(4) Net gain on sales of investment securities	(677)	(307)
(5) Loss on impairment of investment securities and other assets	1,086	391
(6) Loss on impairment of goodwill	153	2,009
(7) Termination and retirement benefits	(4,433)	(5,669)
(8) Deferred income taxes	3,762	9,981
(9) Equity in earnings of affiliates	(2,976)	(631)
(10) Changes in assets and liabilities	1,548	(14,351)
(11) Other, net	(1,817)	22
Total adjustments	22,941	15,594
<b>Net cash provided by operating activities</b>	<b>53,058</b>	<b>31,946</b>
<b>II Investing Activities:</b>		
1. Capital expenditures	(30,383)	(27,502)
2. Proceeds from sales or maturities of investment securities	1,658	693
3. Other, net	254	323
<b>Net cash used in investing activities</b>	<b>(28,471)</b>	<b>(26,486)</b>
<b>III Financing Activities:</b>		
1. Net repayments of interest-bearing debt	(13,273)	(26,744)
2. Dividends paid	(6,166)	(6,619)
3. Other, net	889	(129)
<b>Net cash provided by (used in) financing activities</b>	<b>(18,550)</b>	<b>(33,492)</b>
<b>IV Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>4,414</b>	<b>(1,446)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>10,451</b>	<b>(29,478)</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>45,257</b>	<b>74,735</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>55,708</b>	<b>45,257</b>

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

## Notes to Consolidated Financial Statements

### Basis of Presenting Consolidated Financial Statements

#### Significant Accounting Policies

##### 1. Principles of Consolidation

The Consolidated Financial Statements include all the Company's 153 subsidiaries.

##### 2. Application of Equity Method

Investments in the Company's 12 affiliated companies are accounted for using the equity method.

##### 3. Basis 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(2) 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.

##### 4. Valuation standards and methods for inventories

Domestic inventories are mainly stated at the lower of cost, determined by the first-in, first-out method, or market value. Also, overseas inventories are mainly stated at the lower of cost, determined by the moving-average method, or market value.

##### 5. Valuation standards and methods for securities

The Company applies U.S. Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (hereinafter, "FASB ASC") 320, "Investments – 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. (The cost of securities sold is determined on the average cost basis.)

##### 6. Fixed assets are depreciated by the following methods:

Property, plant and equipment:	Principally on a declining-balance method
Intangible fixed assets:	Straight-line method (However, in accordance with FASB ASC 350, "Intangibles—Goodwill and Other," assets with indefinite useful lives are not amortized but are tested for impairment at least annually.)

##### 7. Accounting standards for reserves are as follows:

Allowance for doubtful receivables: An allowance for doubtful receivables is established in amounts considered to be appropriate based primarily upon the Companies' past credit loss experience and an evaluation of potential losses within the outstanding receivables.

Termination and Retirement Benefits: Termination and retirement benefits are accounted for and are disclosed in accordance with FASB ASC 715, "Compensation-Retirement Benefits" based on the fiscal year-end fair value of plan assets and the projected benefit obligations of employees.

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).

##### 8. Accounting Treatment of Consumption Taxes

Consumption taxes are not included in the Company's Financial Statements

##### 9. Goodwill

The Companies account for their goodwill and other intangible assets in accordance with FASB ASC 350, “Intangibles – Goodwill and Other.”

#### 10. Stock-based Compensation

The Companies apply FASB ASC 718, “Compensation-Stock Compensation”, and recognize stock-based compensation cost measured by the fair value method.

### Notes Related to Consolidated Balance Sheets

#### Guarantees

##### Guaranteed parties

Fm-Kyoto Inc.

JPY 116 million

Employees

JPY 5 million

Total

JPY 121 million

### Notes Related to Consolidated Statements of Operations

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

Loss on impairment of property, plant and equipment	JPY 3,265 million
Loss on impairment of investment securities and other assets	JPY 1,086 million
Net loss on sales and disposals of property, plant and equipment	JPY 578 million
Interest paid	JPY 277 million
Net gain on sales of investment securities	JPY (677) million

### Notes Related to Financial Instruments

#### 1. Matters Related to Financial Instruments

The Company limits its fund management to short-term deposits and similar instruments, and raises capital through borrowings from banks and other financial institutions. Investment securities are mainly publicly traded stocks. In derivative transactions, the Company enters into foreign exchange forward contracts, currency swaps, and commodity swaps. The Company does not use derivatives for trading purposes.

#### 2. Matters Related to Fair Value, etc. of Financial Instruments

The amounts recorded on the Consolidated Balance Sheet on March 31, 2013 (76th consolidated account settlement date), fair value and differences are as follows.

	(JPY millions)		
	Balance Sheet Amount (*)	Fair Value (*)	Difference
(1) Investment securities	33,766	33,766	—
(2) Derivatives (net)	(58)	(58)	—

(\*) Amounts accounted for in liabilities are shown in parentheses.

#### Notes: 1. Method of calculation of fair value of financial instruments

- (1) The fair values of cash and cash equivalents, notes and accounts receivable-trade, leasehold deposits, short-term debt, and notes and accounts payable-trade are estimated to be essentially equivalent to the balance sheet amounts.
- (2) Investment Securities  
Stocks are valued at the quoted market price.
- (3) Derivatives  
Estimated using dealer transaction prices or valuation models.
2. The fair value of unlisted securities (JPY 4,427 million in the Consolidated Balance Sheets) is difficult to ascertain because they have no market value and their future cash flow cannot be estimated. Therefore, they are not included in (1) Investment securities.

### Notes Related to Per-share Data

1. Net income attributable to shareholders per share, basic JPY 137.20
2. Net income attributable to shareholders per share, diluted JPY 137.20
3. Shareholders’ equity per share JPY 1,667.04

\*The dilution effect of stock options is considered, but there was no dilution effect in the 76th fiscal year.

### Subsequent Events

None applicable.

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheets

(JPY millions)

Item	76th term (As of March 31, 2013)	(Reference) 75th term (As of March 31, 2012)	Item	76th term (As of March 31, 2013)	(Reference) 75th term (As of March 31, 2012)
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>Current Assets:</b>	<b>97,599</b>	<b>96,307</b>	<b>Current Liabilities:</b>	<b>110,426</b>	<b>119,444</b>
Cash and time deposits	6,552	4,612	Notes payable - trade	867	1,094
Notes receivable - trade	875	1,117	Accounts payable - trade	17,897	18,989
Accounts receivable - trade	36,776	35,129	Short-term borrowings from affiliated companies	64,668	61,693
Securities	25	25	Commercial paper	5,000	18,000
Finished products	5,777	7,188	Lease liabilities	809	1,107
Materials	2,403	3,087	Other payables	6,626	7,717
Work in process	4,182	4,238	Accrued expenses	7,943	7,479
Supplies	498	423	Income taxes payable	1,888	278
Short-term loans receivable	25,615	24,828	Advances received	21	78
Other accounts receivable	4,848	4,307	Deposits received	881	863
Other receivable	3,600	3,208	Accrued bonus to officers	144	69
Deferred income taxes	5,663	6,033	Other current liabilities	3,682	2,077
Other current assets	3,522	2,283	<b>Long-term Liabilities:</b>	<b>21,352</b>	<b>20,303</b>
Allowance for doubtful receivables	(2,737)	(171)	Long-term borrowings from affiliated companies	2,351	—
<b>Fixed Assets:</b>	<b>261,234</b>	<b>267,685</b>	Lease liabilities	1,178	1,456
<b>Property and equipment:</b>	<b>37,579</b>	<b>41,549</b>	Termination and retirement benefits	15,847	16,771
Buildings	19,121	22,417	Deferred tax liabilities related to revaluation	1,464	1,500
Structures	1,188	1,392	Other long-term liabilities	512	576
Machinery and equipment	724	797	<b>Total Liabilities</b>	<b>131,778</b>	<b>139,747</b>
Vehicles and delivery equipment	2	2	<b>NET ASSETS</b>		
Tools, furniture and fixtures	1,269	1,300	<b>Shareholders' Equity:</b>	<b>226,308</b>	<b>226,614</b>
Land	13,391	13,682	<b>Common stock</b>	<b>64,100</b>	<b>64,100</b>
Lease assets	1,475	1,699	<b>Capital surplus</b>	<b>88,771</b>	<b>88,771</b>
Construction in progress	409	260	Additional paid-in capital	88,771	88,771
<b>Intangible fixed assets:</b>	<b>8,199</b>	<b>7,879</b>	<b>Retained earnings</b>	<b>89,859</b>	<b>118,332</b>
Software and others	8,199	7,879	Legal reserve	6,774	6,774
<b>Investments and other assets:</b>	<b>215,456</b>	<b>218,257</b>	Other retained earnings:	83,085	111,558
Investment securities	29,302	27,890	Reserve for dividends	3,400	3,400
Investments in affiliated companies	139,309	139,495	Non-restrictive reserve	73,500	73,500
Contribution to affiliated companies	20,918	20,918	Retained earnings unappropriated	6,185	34,658
Long-term advances	50	50	<b>Treasury stock, at cost</b>	<b>(16,422)</b>	<b>(44,589)</b>
Long-term advances to affiliates	5,218	6,894	<b>Valuation and Translation</b>		
Leasehold deposits	4,503	4,760	<b>Adjustments:</b>	<b>747</b>	<b>(2,545)</b>
Deferred income taxes	15,703	19,160	Unrealized gains on available-for- sale securities	5,121	2,642
Other	994	1,090	Deferred hedge gain	27	1
Allowance for doubtful receivables	(541)	(2,000)	Land revaluation difference	(4,401)	(5,188)
			<b>Stock Acquisition Rights</b>	<b>—</b>	<b>176</b>
			<b>Total Net Assets</b>	<b>227,055</b>	<b>224,245</b>
<b>Total Assets</b>	<b>358,833</b>	<b>363,992</b>	<b>Total Liabilities and Net Assets</b>	<b>358,833</b>	<b>363,992</b>

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



## Non-consolidated Statements of Income

(JPY millions)

Item	76th term (April 1, 2012 to March 31, 2013)	(Reference) 75th term (April 1, 2011 to March 31, 2012)
<b>Net sales</b>	<b>199,988</b>	<b>203,587</b>
Cost of sales	107,419	116,741
<b>Gross profit</b>	<b>92,569</b>	<b>86,846</b>
Selling, general and administrative expenses	79,085	77,653
<b>Operating income</b>	<b>13,484</b>	<b>9,193</b>
<b>Non-operating income:</b>	<b>6,610</b>	<b>8,433</b>
Interest and dividends received	4,412	5,536
Other non-operating income	2,198	2,897
<b>Non-operating expenses:</b>	<b>1,212</b>	<b>1,553</b>
Interest paid	406	442
Cash discount on sales	674	731
Other non-operating expenses	132	380
<b>Ordinary income</b>	<b>18,882</b>	<b>16,073</b>
<b>Extraordinary gains:</b>	<b>327</b>	<b>514</b>
Gain on sales of property and equipment	15	90
Gain on sales of investment securities	133	307
Gain on reversal of stock acquisition rights	176	117
Other extraordinary gains	3	0
<b>Extraordinary losses:</b>	<b>8,852</b>	<b>2,847</b>
Loss on sales and disposal of property and equipment	379	321
Loss on evaluation of investment securities	757	522
Provision of allowance for doubtful receivables	2,600	—
Transfer pricing taxation adjustment	1,900	—
Impairment loss	2,192	1,044
Other extraordinary losses	1,024	960
<b>Income before income taxes:</b>	<b>10,357</b>	<b>13,740</b>
Income taxes - current	1,322	777
Income taxes - deferred	2,381	4,235
<b>Net income</b>	<b>6,654</b>	<b>8,728</b>

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

**Non-consolidated Statements of Changes in Shareholders' Equity**  
76th Term: April 1, 2012 — March 31, 2013

(JPY millions)

	Shareholders' equity							Total retained earnings
	Common stock	Capital surplus		Legal reserve	Retained earnings			
		Additional paid-in capital	Total capital surplus		Reserve for dividends	Non-restrictive reserve	Retained earnings unappropriated	
Balance at April 1, 2012	64,100	88,771	88,771	6,774	3,400	73,500	34,658	118,332
Changes during the year ended March 31, 2013								
Dividends paid			—				(6,164)	(6,164)
Net income			—				6,654	6,654
Acquisition and sale of treasury stock			—				(0)	(0)
Retirement of treasury stock			—				(28,176)	(28,176)
Reversal of land revaluation difference			—				(787)	(787)
Net change in items other than shareholders' equity during the year			—					—
Total changes during the fiscal year	—	—	—	—	—	—	(28,473)	(28,473)
Balance at March 31, 2013	64,100	88,771	88,771	6,774	3,400	73,500	6,185	89,859

	Shareholders' equity		Valuation and translation adjustment				Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred hedge gain (loss)	Land revaluation difference	Total valuation and translation adjustment		
Balance at April 1, 2012	(44,589)	226,614	2,642	1	(5,188)	(2,545)	176	224,245
Changes during the year ended March 31, 2013								
Dividends paid		(6,164)				—		(6,164)
Net income		6,654				—		6,654
Acquisition and sale of treasury stock	(9)	(9)				—		(9)
Retirement of treasury stock	28,176	—				—		—
Reversal of land revaluation difference		(787)			787	787		—
Net change in items other than shareholders' equity during the year		—	2,479	26		2,505	(176)	2,329
Total changes during the fiscal year	28,167	(306)	2,479	26	787	3,292	(176)	2,810
Balance at March 31, 2013	(16,422)	226,308	5,121	27	(4,401)	747	—	227,055

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

## Non-consolidated Statements of Changes in Shareholders' Equity (Reference)

75th Term: April 1, 2011 — March 31, 2012

(JPY millions)

	Shareholders' equity							
	Common stock	Capital surplus		Legal reserve	Retained earnings			Total retained earnings
		Additional paid-in capital	Total capital surplus		Reserve for dividends	Non-restrictive reserve	Retained earnings unappropriated	
Balance at April 1, 2011	64,100	88,771	88,771	6,774	3,400	73,500	32,402	116,076
Changes during the year ended March 31, 2012								
Dividends paid			—				(6,604)	(6,604)
Net income			—				8,728	8,728
Acquisition and sale of treasury stock			—				(0)	(0)
Reversal of land revaluation difference			—				132	132
Net change in items other than shareholders' equity during the year			—					—
Total changes during the fiscal year	—	—	—	—	—	—	2,256	2,256
Balance at March 31, 2012	64,100	88,771	88,771	6,774	3,400	73,500	34,658	118,332

	Shareholders' equity		Valuation and translation adjustment				Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred hedge gain (loss)	Land revaluation difference	Total valuation and translation adjustment		
Balance at April 1, 2011	(44,581)	224,366	2,631	(112)	(5,264)	(2,745)	293	221,914
Changes during the year ended March 31, 2012								
Dividends paid		(6,604)				—		(6,604)
Net income		8,728				—		8,728
Acquisition and sale of treasury stock	(8)	(8)				—		(8)
Reversal of land revaluation difference		132			(132)	(132)		—
Net change in items other than shareholders' equity during the year		—	11	113	208	332	(117)	215
Total changes during the fiscal year	(8)	2,248	11	113	76	200	(117)	2,331
Balance at March 31, 2012	(44,589)	226,614	2,642	1	(5,188)	(2,545)	176	224,245

Note: The amounts above are rounded 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 Non-consolidated Balance Sheets at book value after adjustment to reflect reduced profitability.
4. Fixed assets are depreciated by the following methods:  
Property 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 related to finance lease transactions without ownership transfer: Straight-line method with the lease period as the useful life and zero residual value.
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 provision for officers' 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 termination and 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 15 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 15 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 Non-consolidated Financial Statements.  
Non-deductible consumption tax relating to assets, etc. is treated as period cost in the fiscal year of accrual.
12. The Company applies the consolidated taxation system.

### 13. Changes in accounting policy

(Changes in depreciation methods)

Following the revision of the Corporate Tax Act, the Company changed from fiscal 2012 its depreciation methods for property and equipment (except for buildings), which were acquired on or after April 1, 2012, to those based on the revised Corporate Tax Act. As a result, operating income, ordinary income and income before income taxes increased JPY 45 million, respectively. Meanwhile, buildings which were hitherto subject to 250% declining balance method, started from the fiscal year under review, to be subject to 200% declining balance method if they were acquired on or after April 1, 2012. This change has minimal impact on the Company's profit or loss.

## Notes to Non-consolidated Balance Sheets

1. Accumulated depreciation for property and equipment (Note: Includes accumulated impairment loss.)	JPY 66,666 million
2. Notes maturing at term end Under the Company's accounting practice, notes maturing at term end are settled on the check-clearing dates. As the last day of the fiscal year under review fell on a bank holiday, the following notes that matured on that day were included in the year-end balance.	
Accounts receivable	JPY 52 million
Accounts payable	JPY 71 million
3. Guarantees Guaranteed parties	
Employees	JPY 5 million
Fm-Kyoto Inc.	JPY 116 million
OMRON MALAYSIA SDN. BHD.	JPY 916 million
OMRON LASERFRONT INC.	JPY 14 million
Total	<u>JPY 1,051 million</u>
4. Notes receivable discount	JPY 0 million
5. Financial Claims and Obligations with Regard to Affiliates	
Short-term credits due from affiliated companies	JPY 53,143 million
Long-term credits due from affiliated companies	JPY 5,218 million
Short-term liabilities due to affiliated companies	JPY 81,358 million
Long-term liabilities due to affiliated companies	JPY 3,578 million

### 6. Land Revaluation Difference

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 "Revaluation of land," net of deferred tax 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, 2013, 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 3,638 million.

## Notes to Non-consolidated Statements of Operations

### 1. Transactions with affiliated companies:

Sales to subsidiaries:	JPY 96,894 million
Purchases from subsidiaries:	JPY 74,201 million
Other transactions:	JPY 16,306 million
Non-operating transactions:	JPY 8,298 million

Non-operating transactions include JPY 1,900 million transfer pricing adjustment with overseas subsidiaries, based on advance pricing arrangements for transfer pricing.

### 2. Impairment losses

The Company wrote down the value of certain manufacturing equipment for semiconductor-related products to the recoverable value, and accounted for the amount of the reduction as an impairment loss of JPY 191 million in extraordinary losses.

In addition, the Company wrote down the value of welfare facilities following the review of utilization policy thereof to the recoverable value, and accounted for the amount of the reduction as an impairment loss of JPY 2,001 million in extraordinary losses.

## Notes to Non-consolidated Statements of Changes in Shareholders' Equity

### 1. Number of shares issued and outstanding as of March 31, 2013:

Common stock 227,121,372 shares

### 2. Number of shares of treasury stock as of March 31, 2013:

Common stock 6,992,907 shares

### 3. Dividends

#### (1) Dividends paid

Resolution	Total amount (JPY millions)	Dividend per share (JPY)	Record date	Effective date
June 21, 2012 General Meeting of Shareholders	3,082	14.00	March 31, 2012	June 22, 2012
October 30, 2012 Board of Directors Meeting	3,082	14.00	September 30, 2012	December 3, 2012

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

Scheduled resolution	Total amount (JPY millions)	Dividend per share (JPY)	Record date	Effective date
June 20, 2013 General Meeting of Shareholders	5,063	23.00	March 31, 2013	June 21, 2013

Note: Dividend per share includes commemorative dividend of JPY 5 per share in celebration of the Company's 80th anniversary.

## Notes on Tax-Effect Accounting

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

Deferred tax assets	
Allowance for doubtful receivables	JPY 1,111 million
Inventories	JPY 1,210 million
Investment securities	JPY 2,416 million
Investments in affiliated companies	JPY 10,557 million
Accrued bonuses	JPY 2,122 million
Termination and retirement benefits	JPY 5,894 million
Retirement benefit trust	JPY 2,734 million
Unspecified debt	JPY 1,014 million
Depreciable assets	JPY 2,711 million
Loss carried forward	JPY 3,207 million
Others	<u>JPY 1,404 million</u>
Deferred tax assets, Subtotal	JPY 34,380 million
Valuation Allowance	<u>JPY (9,985 million)</u>
Deferred tax assets, Total	JPY 24,395 million
Deferred tax liabilities	
Net unrealized gains on securities	JPY 2,881 million
Others	<u>JPY 148 million</u>
Deferred tax liabilities, Total	JPY 3,029 million
Net deferred tax assets	<u>JPY 21,366 million</u>

## Transactions with Related Parties

### 1. Subsidiaries, affiliates and other related parties

Type	Name	Voting Rights Held by Company (%)	Relationship	Transactions	Amount of Transactions (JPY millions)	Accounts	Year-end Balance (JPY millions)
Subsidiary	OMRON Relay and Device Co., Ltd.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing <sup>1</sup>	3,825	Affiliate short-term borrowings	2,375
				Payment of interest <sup>3</sup>	18	Accrued expenses	—
Subsidiary	OMRON Amusement Co., Ltd.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing <sup>1</sup>	4,800	Affiliate short-term borrowings	4,928
				Payment of interest <sup>3</sup>	24	Accrued expenses	—
Subsidiary	OMRON Field Engineering Co., Ltd.	Indirect ownership, 100%	Borrowing Dispatch of Directors	Borrowing <sup>1</sup>	6,145	Affiliate short-term borrowings	5,774
				Payment of interest <sup>3</sup>	28	Accrued expenses	—
Subsidiary	OMRON Finance Co., Ltd.	Direct ownership, 100%	Lending Dispatch of Directors	Lending <sup>2</sup>	7,935	Affiliate short-term loans	7,279
				Receipt of interest <sup>3</sup>	54	Accounts receivable	—
Subsidiary	OMRON Social Solutions Co., Ltd.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing <sup>1</sup>	6,918	Affiliate short-term borrowings	6,675
				Payment of interest <sup>3</sup>	32	Accrued expenses	—
Subsidiary	OMRON LASERFRONT INC.	Direct ownership, 95%	Lending	Lending	800	Affiliate short-term loans <sup>5</sup>	3,000
				Recovery of funds	100		
				Receipt of interest <sup>3</sup>	18	Accounts receivable	0
Subsidiary	OMRON MANAGEMENT CENTER OF AMERICA, INC.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing	1,273	Affiliate short-term borrowings	3,779
				Repayment of funds	3,163		
Subsidiary	OMRON Europe B.V.	Direct ownership, 100%	Borrowing Dispatch of Directors	Payment of interest <sup>3</sup>	27	Accrued expenses	—
				Borrowing	4,313	Affiliate short-term borrowings	8,966
Subsidiary	OMRON (China) Co., Ltd.	Direct ownership, 100%	Lending Dispatch of Directors	Repayment of funds	1,076		
				Payment of interest <sup>3</sup>	54	Accrued expenses	30
Subsidiary	OMRON (China) Co., Ltd.	Direct ownership, 100%	Lending Dispatch of Directors	Lending	200	Affiliate long-term loans	5,122
				Receipt of interest <sup>3</sup>	64	Accounts receivable	17
Subsidiary	OMRON Automotive Electronics Co., Ltd.	Indirect ownership, 100%	Lending Dispatch of Directors	Lending	1,748	Affiliate short-term loans	5,737
				Recovery of funds	333		
				Receipt of interest <sup>3</sup>	75	Accounts receivable	65
				Transfer taxation pricing adjustment <sup>4</sup>	1,900	—	—



## Transaction Terms and Relevant Policies

- Notes:
1. For borrowing of funds, the parties enter into a contract using the pooling service of The Bank of Tokyo-Mitsubishi UFJ, Ltd., and funds are borrowed if the daily account balance of the concerned parties is JPY 1 or more. Borrowing and lending amounts are the average of the ending monthly balance for the relevant period (negative balance in the case of lending).
  2. For lending of funds, the parties enter into a contract using the pooling service of The Bank of Tokyo-Mitsubishi UFJ, Ltd., and funds are lent if the daily account balance of the concerned parties is less than JPY 0. Borrowing and lending amounts are the average of the ending monthly balance for the relevant period (negative balance in the case of borrowing).
  3. Loan interest is determined on the basis of market interest rates.
  4. This is an adjustment for the previous fiscal year based on the advance pricing arrangement for transfer pricing.
  5. JPY 2,600 million of allowance for doubtful receivables is provided in the fiscal year under review in respect of short-term advances to affiliates.

## Per Share Information

- |                         |              |
|-------------------------|--------------|
| 1. Net assets per share | JPY 1,031.46 |
| 2. Net income per share | JPY 30.23    |

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 8, 2013

To the Board of Directors of  
OMRON Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Kazuyasu Yamada

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Kenichi Takai

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Hiroaki Sakai

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2013 of OMRON Corporation (the "Company") and its consolidated subsidiaries, and the consolidated statement of income, consolidated statement of shareholders' equity for the fiscal year from April 1, 2012 to March 31, 2013, and the related notes.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Audit Opinion**

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2013, and the results of their operations for the year then ended.

### **Interest**

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 8, 2013

To the Board of Directors of  
OMRON Corporation:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Kazuyasu Yamada

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Kenichi Takai

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Hiroaki Sakai

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2013 of OMRON Corporation (the "Company"), and the related statements of income and changes in net assets for the 76th fiscal year from April 1, 2012 to March 31, 2013, and the related notes and the accompanying supplemental schedules.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Audit Opinion**

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2013, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

### **Interest**

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

## **Audit Report**

With respect to the Directors' performance of their duties during the 76th business year (from April 1, 2012 to March 31, 2013), the Audit & Supervisory Board has prepared this audit report as a result of discussion based on the audit reports prepared by each Audit & Supervisory Board Member, and its report is as follows:

### **1 . Method and Contents of audit conducted by each Audit & Supervisory Board Member and the Audit & Supervisory Board**

The Audit & Supervisory Board has established the audit policies, assignment of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc. each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the Internal Audit Division and other employees, etc., endeavored to collect information, maintain and improve the audit environment, attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations.

Also, each Audit & Supervisory Board Member regularly received reports from Directors, employees and others, and requested explanations when deemed necessary, and expressed their opinions. about the design and operations of the internal control system, which was established based on the Board of Directors resolutions regarding the establishment of an internal control system, pursuant to Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan enforcement regulations as essential for ensuring that the execution of duties by Directors described in the business report conforms with laws and the Company's Articles of Incorporation and for otherwise ensuring proper business conduct by companies.

With respect to the internal control over financial reporting, each Audit & Supervisory Board Member received reports from the Directors on their self-assessment and from Deloitte Touche Tohmatsu LLC on their audit result, and requested explanations regarding such reports when necessary.

With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and annexed specifications for this business year.

In addition, each Audit & Supervisory Board Member monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary.

Each Audit & Supervisory Board Member was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the accounting documents (Balance sheet, Profit and Loss statement, Shareholders' Equity Variation statement, and Schedule of Individual notes) and the annexed specifications thereto, as well as the consolidated accounting documents (Consolidated Balance sheet, Consolidated Profit and Loss statement, Consolidated Statement of Shareholders' Equity, and Schedule of Consolidated notes), for this business year.

## 2. Results of Audit

### (1) Results of Audit of Business Report, etc.

- (i) We affirm that the business report and the annexed specifications thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the articles of incorporation of the company.
- (ii) We affirm that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the company was found with respect to the directors' performance of their duties.
- (iii) We affirm that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned regarding the contents of the business report concerning the internal control systems nor with respect to the directors' performance of their duties.

### (2) Results of Audit of Accounting Documents and their Annexed Specifications

We affirm that the methods and results of audit performed by the accounting auditor, Deloitte Touche Tohmatsu LLC, the Independent Auditor, are appropriate.

### (3) Results of Audit of Consolidated Accounting Documents

We affirm that the methods and results of audit performed by the accounting auditor, Deloitte Touche Tohmatsu LLC, the Independent Auditor, are appropriate.

May 13, 2013

OMRON Corporation  
Audit & Supervisory Board  
Soichi Yukawa (Audit & Supervisory Board Member (Full-time))  
Tokio Kawashima (Audit & Supervisory Board Member (Full-time))  
Hidero Chimori (Audit & Supervisory Board Member (Independent))  
Eisuke Nagatomo (Audit & Supervisory Board Member (Independent))

The above represents a translation, for convenience only, of the original report issued in the Japanese language.