

To All Shareholders:

Stock Code: 6645
May 30, 2014

Yoshihito Yamada
Representative Director and President

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

**CONVOCAATION NOTICE FOR THE 77TH ORDINARY GENERAL
MEETING OF SHAREHOLDERS (SUMMARY)**

Notice is hereby given that the 77th 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 Monday, June 23, 2014.

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

1. Date: Tuesday, June 24, 2014, 10:00 a.m.
(The reception is scheduled to start at 9:00 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 77th Fiscal Year (April 1, 2013 to March 31, 2014)
 2. Financial Statements for the 77th Fiscal Year (April 1, 2013 to March 31, 2014)
 - B. Proposals
 - No. 1 Dividends from Retained Earnings
 - No. 2 Election of Seven (7) Directors
 - No. 3 Election of One (1) Alternate Audit & Supervisory Board Member
 - No. 4 Payment of Bonuses to Directors
 - No. 5 Determination of Provision of Medium-Term Performance-Linked 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 over 25% 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 28 per share.

As the Company has paid an interim cash dividend of JPY 25 per share, total cash dividends for the fiscal year will be JPY 53 per share, an increase of JPY 16 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 28 per share of common stock. Total amount JPY 6,162,501,212

(3) Effective date of the dividend:

June 25, 2014

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 Director Mr. Yoshinobu Morishita, the Company shall appoint one (1) new Director.

The Company therefore requests the election of seven (7) Directors, including one (1) new Director.

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: 8 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 June 2013 Appointed Chairman and Director (to present) <i>Area of responsibility in the Company:</i> Chairman of the Board of Directors Member of CEO Selection Advisory Committee	1,227,344

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: 3 years	<p>April 1984 Joined the Company</p> <p>June 2008 Appointed Executive Officer, and Representative Director and President 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 Representative Director and President (to present)</p> <p><i>Area of responsibility in the Company:</i> CEO</p>	23,077

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. Yoshinori Suzuki (April 27, 1952) Reelection Tenure as Director: 1 year	<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 Representative Director and President of OMRON Automotive Electronics Co. Ltd.</p> <p>April 2013 Appointed Senior Managing Executive Officer and Chief Financial Officer (CFO)</p> <p>June 2013 Appointed Senior Managing Director and CFO (to present)</p> <p><i>Area of responsibility in the Company:</i> CFO Member of Personnel Advisory Committee</p>	18,744

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
4	Mr. Akio Sakumiya (September 10, 1952) Reelection Tenure as Director: 3 years	<p>April 1975 Joined the Company</p> <p>June 2003 Appointed Executive Officer, and Representative Director and President 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 Vice Chairman of CEO Selection Advisory Committee Vice Chairman of Compensation Advisory Committee</p>	22,632

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. Koji Nitto (February 1, 1961) New candidate	<p>April 1983 Joined the Company</p> <p>March 2011 Appointed Senior General Manager of Global Resource Management H.Q.</p> <p>June 2011 Appointed Executive Officer</p> <p>March 2013 Concurrently appointed Senior General Manager of Global SCM and IT Innovation H.Q.</p> <p>April 2013 Appointed Managing Executive Officer</p> <p>March 2014 Appointed Senior General Manager of Global Strategy H.Q. (to present)</p> <p>April 2014 Appointed Senior Managing Executive Officer (to present)</p> <p><Reasons nominated as a candidate></p> <p>Mr. Koji Nitto has extensive business experience in divisions including management strategy and planning in the Company and its domestic and foreign affiliates. Appointed as Executive Officer in 2011, he has since steadily promoted the penetration of corporate philosophy, implementation of global human resources strategies, and establishment of global risk management structure as a senior manager in charge of personnel, general affairs and legal affairs departments. Based on these accomplishments and considerable amount of experience, the Company believes that he is a suitable person to oversee and supervise the corporate management in the second stage of the long-term strategy to begin in fiscal 2014 and therefore requests his election as a Director.</p>	6,907

Notes 1. There are no special interests between the Company and Mr. Koji Nitto.

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: 7 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 Member of Compensation Advisory Committee</p> <p><i>Significant concurrent positions:</i> President and CEO of Industrial Growth Platform, Inc. Outside Director of PIA Corporation Outside Audit & Supervisory Board Member of Central Nippon Expressway Company Limited</p> <p><Reasons nominated as a candidate> 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 a Director (Independent).</p>	5,100

- Notes 1. Mr. Kazuhiko Toyama currently serves as President and CEO of Industrial Growth Platform, Inc. (IGPI). While the Group has concluded a consulting contract with the IGPI Group, the term for the contract is from April to June 2014, and such transaction accounts for less than 1% of the consolidated net sales of the Group; there is nothing questionable regarding the independence of Mr. Toyama.
2. Mr. Kazuhiko Toyama is currently a Director (Independent) of the Company, and has provided notification as an Independent Officer to Tokyo Stock Exchange, Inc. 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 7.
3. The Company has established a provision in its articles of incorporation for limited liability agreements with Directors (Independent) and 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> Reelection Tenure as Director: 1 year	<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) June 2013 Appointed Director of the Company (to present)</p> <p><i>Areas of responsibility in the Company:</i> Chairman of Compensation Advisory Committee Vice Chairman of Corporate Governance Committee Member of Personnel Advisory Committee Member of CEO Selection Advisory Committee</p> <p><i>Significant concurrent positions:</i> Chairman of ITOCHU Corporation Chairman of ITOCHU Foundation Outside Director of Nippon Venture Capital Co., Ltd. Outside Audit & Supervisory Board Member of Asahi Mutual Life Insurance Company</p> <p><Reasons nominated as a candidate> 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. In addition, Mr. Kobayashi shares his experience and insight as a management expert, and actively comments as Chairman of Compensation Advisory Committee, to contribute to increasing transparency and fairness in the management of the Company. We therefore request his reelection as a Director (Independent).</p>	1,163

- Notes
1. 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 2013 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.
 2. Mr. Eizo Kobayashi is currently a Director (Independent) of the Company, and has provided notification as an Independent Officer to Tokyo Stock Exchange, Inc. If Mr. Kobayashi's election 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 7.
 3. The Company has established a provision in its articles of incorporation for limited liability agreements with Directors (Independent) and 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. Eizo 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. If Mr. Kobayashi's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.
 4. 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.

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.

(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 for Outside Officers.

No. 3: 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 as an Alternate Outside Audit & Supervisory Board Member.

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, attorney at law Outside Director of SHO-BI Corporation Outside Audit & Supervisory Board Member of AOYAMA TRADING Co., Ltd. <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 or 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. Toru Watanabe.

2. Mr. Toru Watanabe is an Alternate Audit & Supervisory Board Member candidate, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc. Details of “The Company’s policy regarding the independence of Outside Officers” are described on page 7.
3. The Company has established a provision in its articles of incorporation for limited liability agreements with Directors (Independent) and 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 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. 4: Payment of Bonuses to Directors

Based on the “Policy on Determining Amount of Compensation, etc., and Methods Used for Calculation” on page 23 of this Convocation Notice, the Company requests shareholders to approve payment of a total of JPY 193,810,000 in bonuses to five (5) Directors, excluding Directors (Independent).

The methods of distribution and payment, etc. to each Director shall be resolved at the Board of Directors, based on the deliberation by and reporting from the Compensation Advisory Committee. The amounts to be paid to each individual Director shall be left to the discretion of the Board of Directors in this regard.

No. 5: Determination of Provision of Medium-Term Performance-Linked Bonuses to Directors

We present this proposal to discuss the maximum limit of payment in introducing new medium-term performance-linked bonuses as compensation of Directors.

The Company has addressed its basic policy and methods to determine compensation of Directors as described in page 23 of this Convocation Notice and requests the introduction of “medium-term performance-linked bonuses” in an effort to give Directors incentive to achieve the medium-term management targets, based on the results of deliberation by the Compensation Advisory Committee and the Corporate Governance Committee.

Specifically, we request the payment of medium-term performance-linked bonuses, of which outlines are listed below, to Directors (excluding Directors (Independent)) who will serve the Company from the close of this Meeting through the end date of the medium-term management plan, March 31, 2017, separately from the maximum limit of monthly salary for Directors (up to JPY 35 million per month), which was approved on June 27, 2000 at the 63rd Ordinary General Meeting of Shareholders, and the amount of payment requested for approval in Proposal No. 4 in this Meeting. The maximum limit of the total payment of such bonuses shall be JPY 600 million based on the deliberation by the Compensation Advisory Committee. There will be five (5) Directors (excluding Directors (Independent)) at the close of this Meeting if Proposal No. 2 is approved and adopted. In addition, details such as the target set and the computing method upon the calculation of medium-term performance-linked bonuses shall be resolved at the Board of Directors based on the deliberation by and reporting from the Compensation Advisory Committee. The amounts to be paid to each individual Director shall be left to the discretion of the Board of Directors in this regard.

Outlines of medium-term performance-linked bonuses

- Medium-term performance-linked bonuses shall be paid to Directors (excluding Directors (Independent)) after the medium-term management plan is completed in the total amount of bonuses calculated each year based on the level of achievement of performance targets which are set toward the accomplishment of the Strategy.
- The Director whose term expires or who retires for legitimate reasons during the medium-term management plan, or who is appointed as Director after the close of this Meeting shall be paid in the amount in proportion to his or her tenure, after the Strategy period is completed.
- The target value to be used as a basis for calculation of the medium-term performance-linked bonuses for the three years of the medium-term management plan starting from fiscal 2014 shall be JPY 90 billion of consolidated operating income for fiscal 2016, the final year of the plan. The payout rate is 100% when the level of achievement of the target is 100%, and it shall change between 0 at the lowest and 150% at the highest limits, according to the achievement level.

Business Report (Consolidated)

(April 1, 2013 to March 31, 2014)

1. Current State of the OMRON Group

(1) Consolidated Results

General Overview

In fiscal 2013 (ended March 31, 2014), earnings and profits of the OMRON Group both increased substantially compared with the previous fiscal year, with similar growth in earnings and profits in every business segment.

The OMRON Group's perception of the economic environment in fiscal 2013 is as follows.

Economic and Market Conditions by Region

- Japan: Conditions were firm due to the government's economic policies, the Bank of Japan's monetary policy, last-minute demand before the increase in the consumption tax rate and other factors.
- United States: The sense of uncertainty about monetary policy abated and conditions remained firm due to growth in corporate activity, improvement in the employment and income environment, and other factors.
- Europe: Business and consumer confidence improved and there was a gradual recovery trend.
- China: A sense of economic uncertainty persisted, with factors including sluggishness in corporate activity, personal consumption and the housing market.
- Asia: Uncertainty persisted, with factors including political instability in some countries and a downturn in business confidence.

Conditions in the OMRON Group's Primary Related Markets

- Automotive-related: Capital investment demand in Japan was on a recovery track, and demand for components was strong in Japan, emerging markets and elsewhere.
- Semiconductor-related: Capital investment demand in Japan was on a recovery track due to demand for smartphones and other products.
- Machine tool-related: There were signs of a recovery in capital investment demand in Japan and overseas.
- Home appliance and electronic component-related: Capital investment demand was on a recovery track, and demand for components was strong outside Japan.
- Healthcare equipment-related: Demand was firm due to factors including rising health consciousness in emerging markets.

Net sales	JPY 772,966 million, 18.8 percent increase year on year
Operating income	JPY 68,055 million, 50.1 percent increase year on year
Income before income taxes	JPY 62,007 million, 50.4 percent increase year on year
Net income attributable to shareholders	JPY 46,185 million, 52.9 percent increase year on year

In addition, the OMRON Group set its policy for fiscal 2013 as "Complete the GLOBE Stage! Complete the transformation to a stronger OMRON with greater growth, profitability, and response to change." As its action plan, the Group prioritized efforts including maximization of the strength of the industrial automation business, growth in emerging markets, expansion of new businesses that meet the needs of the "Optimization Society," conclusion of profit structure reform and strengthening of global human resources. In addition, the Group carried out measures to increase net sales and profits over the medium to long term, and steadily generated results compared with the previous fiscal year, including an increase in net sales in emerging markets.

The average exchange rates for the year ended March 31, 2014 were USD 1 = JPY 100.1 (16.9 yen more than the previous fiscal year) and EUR 1 = JPY 134.0 (26.4 yen more 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 through automation devices and services using sensing and control technology.

Major products/services

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

In Japan, although customers' capital investment demand was generally weak in the first half, sales increased compared with the previous fiscal year with the contribution of a recovery trend in capital investment demand, mainly in the semiconductor and electronic components industries, and sales of new products in the second half.

Overseas, factory automation-related demand recovered in North America from the second half, and full year sales were flat compared with the previous year. Although oil-related business sales were weak in the first half, they recovered over the full year. In Europe, sales maintained the level of the previous fiscal year despite the moderate economic upturn. Some countries in Asia experienced political instability and currency devaluation, and capital investment demand was weak in automotive and electronic component-related industries, but demand was firm in flat panel display, semiconductor, automotive-related and other industries in South Korea. Sales in China slumped due to weakness in electronic component-related, export-related and other industries. Overall, overseas sales increased substantially compared with the previous fiscal year, due in part to the impact of the depreciation of the yen.

As a result, segment sales for the fiscal year totaled JPY 291,739 million, an increase of 10.9 percent compared with the previous fiscal year, and operating income totaled JPY 38,755 million, an increase of 23.6 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, face recognition software

In Japan, relay switches for the home appliance industry were sold strongly due to the impact of the economic recovery and the hot summer in the first half in addition to a surge in demand ahead of the increase in the consumption tax rate. As a result, sales in Japan increased compared with the previous fiscal year.

Overseas, sales increased in China and South Korea, due to growth in the share of the market for the home appliance industry in addition to firm demand from the mobile devices industry. In the Americas, sales to the professional/consumer-use markets through agents were strong. Sales in Europe were firm due to the improvement of the professional/consumer-use markets, which had been weak. Therefore, overall overseas sales increased substantially compared with the previous fiscal year, due in part to the impact of the depreciation of the yen.

As a result, segment sales for the fiscal year totaled JPY 97,699 million, an increase of 16.2 percent compared with the previous fiscal year, and operating income totaled JPY 8,655 million, an increase of 98.9 percent compared with the previous fiscal year.

AEC: Automotive Electronic Components Business

Outline of business

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

Major products/services

Automotive body electronics controllers, electric power steering controllers, passive entry and push engine start systems, keyless entry systems, power window switches and various automotive switches, power conversion units and voltage monitoring units for electric vehicles

In Japan, despite the effect of government economic measures, the continuation of tax breaks for eco cars and the surge in demand before the increase in the consumption tax rate, sales decreased compared with the previous fiscal year, with the impact of a shift in production to overseas by some customers.

Overseas, the accelerated recovery in the North American market and market expansion in China and Asia remained strong. Although the European market trended toward recovery, the automotive market was weak. Therefore, overall overseas sales increased substantially compared with the previous fiscal year, due in part to the impact of the depreciation of the yen.

As a result, segment sales for the fiscal year totaled JPY 126,620 million, an increase of 29.7 percent compared with the previous fiscal year, and operating income totaled JPY 9,084 million, an increase of 81.4 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, demand for renewal of public transportation equipment was firm against a backdrop of recovery in operating results of railway companies and a surge in demand ahead of the increase in the consumption tax rate. In addition, the security and safety solutions business, centered on remote monitoring systems, was firm, and sales increased substantially compared with the previous fiscal year.

In the traffic and road control systems business, sales were strong due in part to demand for measures to deal with aging management systems and equipment.

In the environmental solutions business, sales increased substantially compared with the previous fiscal year due to firm demand for solar power generation-related products.

In the related maintenance business, sales were strong due to growth in solar power generation-related construction.

As a result, segment sales for the fiscal year were JPY 82,695 million, an increase of 20.3 percent compared with the previous fiscal year, and operating income totaled JPY 5,552 million, an increase of 90.5 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 that connects households and medical institutions, with a view to preventing the onset and serious progression of lifestyle-related diseases.

Major products/services

Digital blood pressure monitors, digital thermometers, body composition monitors, pedometers and activity meters, walking posture meters, electric toothbrushes, sleep time monitors, sleep monitors, blood glucose monitors, biometric monitors, spot check monitors, inpatient blood pressure monitoring devices, nebulizers, ECGs, vascular screening devices, visceral fat monitors, WellnessLINK services, Medical Link services

In Japan, in healthcare equipment for household use, sales of digital blood pressure monitors and digital thermometers, which are core products for OMRON, were strong. New demand stimulated by the launch of new products (body composition monitors, upper-arm blood pressure monitors, walking posture meters, activity meters, sleep time monitors, massagers, low-frequency therapy equipment) also contributed. In

addition, sales of equipment for use in medical institutions were firm. As a result, sales in Japan increased compared with the previous fiscal year.

Overseas, despite the impact of a slowdown in the Russian economy and political instability in some Southeast Asian countries, demand for healthcare equipment and products continued to increase in other emerging markets, and sales were extremely strong. Sales were also strong in developed countries as OMRON was successful in increasing sales of digital blood pressure monitors. Therefore, overall overseas sales increased substantially compared with the previous fiscal year.

As a result, segment sales for the fiscal year were JPY 89,275 million, an increase of 24.8 percent compared with the previous fiscal year, and operating income totaled JPY 7,545 million, an increase of 71.2 percent.

Other Businesses

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

Outline of business

Develops and strengthens businesses as well as explores and develops new business fields under the direct control of headquarters.

Major products/services

***Environmental Business**

Solar power conditioners, electrical power measuring and energy saving and management devices, power protection devices

***Electronic Systems and Equipment Business**

Uninterruptible power supplies, embedded computers for manufacturing industries, OEM development and manufacturing of electronic equipment

***Micro Devices Business**

MEMS microphones, MEMS flow sensors, MEMS thermal sensors, MEMS pressure sensors, analog ICs, contract chip manufacturing services
(MEMS: Micro-Electro-Mechanical Systems)

***Backlight Business**

LED backlight units for small and medium-sized LCD modules

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, and sales increased substantially compared with the previous fiscal year.

In the electronic systems and equipment business, although uninterruptible power supplies performed strongly due to increased capital investment associated with a recovery in corporate results and a surge in last-minute demand ahead of the increase in the consumption tax rate, sales were weak due to a decrease in demand from major customers for development and contract manufacturing services for industrial embedded computers and electronic devices. Sales were unchanged from the previous fiscal year.

In the micro devices business, sales increased substantially compared with the previous fiscal year due to a rapid increase in demand for microphones.

In the backlight business, due to strong performance in the smartphone market and growth in demand in the tablet device field, which the OMRON Group entered during the fiscal year under review, sales increased compared with the previous fiscal year.

As a result, segment sales were JPY 78,949 million, an increase of 33.3 percent compared with the previous fiscal year, and operating income totaled JPY 8,676 million, an increase of 243.5 percent.

Sales by Division (Consolidated) (OMRON Group)

Division	Amount (JPY millions)	Share of total (%)	Year-on-year comparison (%)
Industrial Automation Business	291,739	38	111
Electronic and Mechanical Components Business	97,699	13	116
Automotive Electronic Components Business	126,620	16	130
Social Systems, Solutions and Service Business	82,695	11	120
Healthcare Business	89,275	11	125
Other Businesses	78,949	10	133
Eliminations & Corporate	5,989	1	96
Total	772,966	100	119

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

The OMRON Group continued to press ahead with proactive capital investment to increase productivity and beef up production at manufacturing bases in emerging market areas, with the aim of enhancing the Group's competitive power for the future. As a result, total capital investment for the period was JPY 33,653 million, a 19.0 percent increase from the previous fiscal year.

Capital investment amounts by division were as shown below.

Division	Amount (JPY millions)
Industrial Automation Business	3,324
Electronic and Mechanical Components Business	10,943
Automotive Electronic Components Business	6,695
Social Systems, Solutions and Service Business	1,469
Healthcare Business	3,945
Other Businesses	4,042
Eliminations & Corporate	3,235
Total	33,653

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, 2014, the Group's loans practically decreased to zero 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 a philosophy of “working for the benefit of society,” in 2011 the OMRON Group established “Value Generation 2020” (VG2020), its long-term vision to the year ending March 31, 2021 (fiscal 2020) with the aim of becoming a “global value-creating group that is qualitatively and quantitatively superior.” To realize this vision OMRON continues to boldly take on challenges for the resolution of global social issues through its businesses.

In VG2020, we have set the quantitative goals for fiscal 2020 of net sales of over JPY 1 trillion and an operating income margin of 15%, and we are carrying the plan out by dividing the ten-year period into two stages. The first three years of VG2020 are the GLOBE Stage, during which we aimed to build a global earnings structure and pursue growth in the global market. The seven-year period starting in fiscal 2014 is the EARTH Stage, during which we will aim to generate new value for growth.

In fiscal 2013, the final year of the GLOBE Stage, we set new record highs in net sales and income. During the three years of the GLOBE Stage, we have been working to strengthen “growth power,” “earning power” and “the response to change.” Our summary of that period and our recognition of issues as we head into the EARTH Stage are as follows.

For growth power, we achieved substantial growth by steadily taking advantage of the boost from growth in markets such as emerging markets, centered on China, and the environmental market. Moreover, the Automotive Electronic Components Business, the Social Systems, Solutions and Service Business, the Healthcare Business and the Backlight Business displayed growth exceeding their initial targets and reaffirmed the strength of the OMRON Group from possessing diverse businesses. In the EARTH Stage, the key will be achieving self-propelled growth that allows us to move forward through our own effort even when there is no boost from the operating environment, or, in other words, establishing a structure that enables us to grow in any business environment.

For earning power, we worked to establish a profit structure for growth. Through sustained Group-wide efforts for improvement, we raised the gross profit ratio by 1 percentage point from 37.5% to 38.5% over the three-year period. In the EARTH Stage, we recognize the necessity of continuing to strengthen earning power to succeed in emerging markets where we face both global and local competition, and to generate ongoing investments for growth.

For the response to change, it was necessary to address many unforeseen events such as the Great East Japan Earthquake and the floods in Thailand. Moreover, for an agile response to numerous other risks, we have established a system to carry out risk countermeasures and emergency measures globally in an integrated manner. In the EARTH Stage, in addition to further raising our ability to deal with risks, it will be important to strengthen our response to change for growth by treating social and market changes as opportunities.

Based on these results during the GLOBE Stage, we will accelerate growth in the EARTH Stage, which starts in fiscal 2014, while promoting the evolution of the three basic strategies of VG2020 – “existing business strategies,” “a super-global business strategy” and “expansion of optimal new businesses” – as well as “profit structure reform” and “strengthening of global human resources,” which support those strategies. Specifically, we have divided the period into two stages, with the three-year period to fiscal 2016 as the EARTH-1 Stage and the four-year period to fiscal 2020 as the EARTH-2 Stage, and have designated “establishment of a ‘self-propelled’ growth structure” as the target of the EARTH-1 Stage. We have set quantitative targets for fiscal 2016 of net sales of JPY 900 billion or more, a gross profit margin of 40% or higher, an operating income margin of 10% or higher, ROIC (*1) of about 13% and EPS (*2) of about JPY 290, and are devoting all our effort to achieving them. In addition, we will increase returns to shareholders.

In the EARTH-1 Stage, we will strengthen the three basic strategies listed above – “existing business strategies,” “a super-global business strategy” and “expansion of optimal new businesses” – to achieve “establishment of a ‘self-propelled’ growth structure.” For this purpose, we will focus on the following three priority issues.

1) Rapid Growth in Greater Asia (China and Asia)

In addition to the Chinese market, we will expand sales by strengthening our functions for creating and delivering products to turn the growing regions of Asia (ASEAN, India, South Korea) into pillars of area growth to stand alongside China to drive growth in all businesses in Asia.

2) Acceleration of New Businesses through Innovation

We will work to strengthen sensing and control technologies and create new businesses by utilizing the OMRON Group’s diverse business foundation and active cooperation with venture companies to achieve

sustained growth. We will accelerate “new automation” business creation in the fields of industry, society, lifestyles and the environment by giving rise to innovation that provides this new value.

3) Accelerated Growth through Use of External Parties

Through the proactive use of external parties in ways such as industrial-academic collaboration and business alliances with other companies, we will accelerate growth by working to improve our position in existing business in developed countries, speeding up business expansion in emerging markets and creating new businesses.

By dealing with the above priority issues, we will change into a “strong business enterprise” equipped with “growth power,” “earning power” and “the response to change.” In the year ending March 31, 2015 (fiscal 2014), the first year of the EARTH Stage, the entire OMRON Group will work together with the aim of net sales of JPY 800 billion, a gross profit margin of 39.6%, operating income of JPY 74 billion, net income of JPY 51 billion, and ROIC of about 12%.

- Notes:
- *1. ROIC (Return on Invested Capital): A financial indicator that measures how efficiently a company generates returns by deploying the capital invested into its business activities only.
 - *2. EPS (Earnings per Share): An indicator of a company’s profitability that represents the proportion of a company’s profit allocated to each outstanding common share.

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

(JPY millions)

	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)	77th term (April 1, 2013 to March 31, 2014)
Net Sales	617,825	619,461	650,461	772,966
Income before Income Taxes	41,693	33,547	41,237	62,007
Net Income Attributable to Shareholders	26,782	16,389	30,203	46,185
Basic Net Income Attributable to Shareholders per Share (JPY)	121.66	74.46	137.20	209.82
Total Assets	562,790	537,323	573,637	654,704
Shareholders' Equity	312,753	320,840	366,962	430,509
Shareholders' Equity per Share (JPY)	1,421.03	1,457.51	1,667.04	1,956.06
Return on Equity (%)	8.7	5.2	8.8	11.6

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)

	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)	77th term (April 1, 2013 to March 31, 2014)
Net Sales	236,305	203,587	199,988	240,167
Ordinary Income	14,129	16,073	18,882	24,306
Net Income	6,636	8,728	6,654	19,432
Net Income per Share (JPY)	30.14	39.65	30.23	88.28
Total Assets	397,073	363,992	358,833	381,438
Net Assets	221,914	224,245	227,055	240,133
Net Assets per Share (JPY)	1,006.74	1,017.88	1,031.46	1,091.07

(6) Principal Subsidiaries

(As of March 31, 2014)

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

The OMRON Group consists of 156 consolidated subsidiaries and 10 affiliates accounted for using the equity method including the above companies.

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

(7) Principal Places of Business, etc.

(As of March 31, 2014)

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, 2014)

Number of employees	Change from March 31, 2013
36,842	Increase of 1,431 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).

OMRON Group Employees (Consolidated) by Region

(As of March 31, 2014)

Japan	the Americas	Europe	Greater China	Southeast Asia, etc.	Total
11,374 employees	2,248 employees	2,026 employees	15,722 employees	5,472 employees	36,842 employees
30.9%	6.1%	5.5%	42.7%	14.8%	100.0%

(9) Major Lenders

There were no major lenders at the end of the fiscal year ended March 31, 2014.

2. Stock Information (As of March 31, 2014)

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

(2) Total Number of Shares Issued 227,121,372 shares (including 7,032,043 shares of treasury stock)

(3) Number of Shareholders 26,757

(4) Major Shareholders (Top Ten Shareholders)

Shareholder	Number (thousands of shares)	Percentage Held (%)
Japan Trustee Services Bank, Ltd. (trust account)	9,294	4.22
The Master Trust Bank of Japan, Ltd. (trust account)	8,484	3.85
JP Morgan Chase Bank 380072	8,170	3.71
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,713	3.50
The Bank of Kyoto, Ltd.	7,069	3.21
State Street Bank & Trust Company	4,642	2.10
Nippon Life Insurance Company	4,247	1.92
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	3,993	1.81
State Street Bank & Trust Company 505225	3,321	1.50
OMRON Employee Stockholding Association	3,217	1.46

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

2. The Company holds 7,032 thousand shares of treasury stock (3.09% of total shares outstanding) but is excluded from the principal shareholders listed above.

3. On January 10, 2014, FIL Investments (Japan) Limited filed a major shareholding status report that FMR LLC held 11,656 thousand shares (representing 5.13% of the total number of shares issued) as of December 31, 2013. However, the OMRON Group has not been able to confirm the number of shares currently possessed by FMR LLC, and therefore the company is not included on the above list of Major Shareholders.

(5) 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	106	39	315	549 (14)	21,496	22,505	—
Number of shares owned (units)	697,822	23,394	125,338	1,093,819 (91)	328,140	2,268,513	270,072 shares
Percent of total (%)	30.76	1.03	5.53	48.22 (0.00)	14.46	100.00	—

Notes: 1. Of the 7,032,043 shares of treasury stock in the shareholder register as of March 31, 2014, 7,032,000 shares are included in the “Individuals and Others” column, and 43 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	Fumio Tateishi	Chairman of the Board of Directors Vice Chairman of the CEO Selection Advisory Committee (retired in June 2013) Member of the CEO Selection Advisory Committee
President and CEO	Yoshihito Yamada	CEO Chairman of Nippon Electric Control Equipment Industries Association (retired in May 2013)
Executive Vice President and Representative Director	Yoshinobu Morishita	Vice Chairman of the Compensation Advisory Committee (retired in June 2013) President of Industrial Automation Business Company (retired in March 2014) Member of the Compensation Advisory Committee
Senior Managing Director	Akio Sakumiya	Vice Chairman of the Personnel Advisory Committee Vice Chairman of the CEO Selection Advisory Committee Vice Chairman of the Compensation Advisory Committee
Senior Managing Director	Yoshinori Suzuki	CFO Member of the 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 Member of the Compensation Advisory Committee President and CEO of Industrial Growth Platform, Inc. Outside Director of PIA Corporation Outside Audit & Supervisory Board Member of The Asahi Shimbun Company (retired in June 2013) Outside Audit & Supervisory Board Member of Central Nippon Expressway Company Limited
Director (Independent)	Eizo Kobayashi	Chairman of the Compensation Advisory Committee Vice Chairman of the Corporate Governance Committee Member of the Personnel Advisory Committee Member of the CEO Selection Advisory Committee Chairman of ITOCHU Corporation Chairman of ITOCHU Foundation Outside Director of Nippon Venture Capital Co., Ltd. Outside Audit & Supervisory Board Member of Asahi Mutual Life Insurance Company

Title	Name	Significant Concurrent Positions
Audit & Supervisory Board Member (Full-time)	Masayuki Tsuda	
Audit & Supervisory Board Member (Full-time)	Tokio Kawashima	
Audit & Supervisory Board Member (Independent)	Eisuke Nagatomo	President and CEO of EN Associates Co., Ltd. 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.
Audit & Supervisory Board Member (Independent)	Yoshifumi Matsumoto	Partner of Miyake & Partners, attorney at law

Notes: 1. Directors (Independent) Kazuhiko Toyama and Eizo Kobayashi, and Audit & Supervisory Board Members (Independent) Eisuke Nagatomo and Yoshifumi Matsumoto have provided notification as Independent Officers to Tokyo Stock Exchange, Inc. Details of “The Company’s policy regarding the independence of Outside Officers” are described on page 7.

2. Mr. Kazuhiko Toyama concurrently serves as an Audit & Supervisory Board Member (Independent) 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. Eizo Kobayashi concurrently serves as Chairman of ITOCHU Corporation, 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. In addition, Mr. Kobayashi concurrently serves as an Outside Director of Nippon Venture Capital Co., Ltd., of which the Company holds 1.25% of the total number of shares issued.
4. Mr. Eisuke Nagatomo concurrently serves as an Outside Audit & Supervisory Board Member of NIKKISO 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.
5. There are no special relationships between the Company and significant concurrent employers of other Outside Officers.
6. Audit & Supervisory Board Member (Full-time) Masayuki Tsuda has years of experience in the finance and accounting departments of the Company, and has considerable knowledge regarding finance and accounting.
7. Audit & Supervisory Board Member (Full-time) Tokio Kawashima has years of work experience in financial institutions, and has considerable knowledge regarding finance and accounting.
8. 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.
9. Changes in Directors’ and Audit & Supervisory Board Members’ positions in the fiscal year under review are as follows.
 - (Appointment) At the 76th Ordinary General Meeting of Shareholders held on June 20, 2013, Mr. Yoshinori Suzuki and Mr. Eizo Kobayashi were newly elected and appointed as Directors, and Mr. Masayuki Tsuda and Mr. Yoshifumi Matsumoto were newly elected and appointed as Audit & Supervisory Board Members.
 - (Retirement) At the close of the 76th Ordinary General Meeting of Shareholders held on June 20, 2013, Mr. Hisao Sakuta and Mr. Masamitsu Sakurai retired from the position of Director, and Mr. Soichi Yukawa and Mr. Hideo Chimori retired from the position of Audit & Supervisory Board Member, all due to the expiration of their terms of office.

(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 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 [Directors (Independent)]:	9 [3]	344 [23]	194 [—]	538 [23]
Audit & Supervisory Board Members [Audit & Supervisory Board Members (Independent)]:	6 [3]	82 [18]	— [—]	82 [18]
Total [Officers (Independent) included in total]:	15 [6]	426 [41]	194 [—]	620 [41]

Notes: 1. The above amounts include compensation paid to two (2) Directors (including one (1) Director (Independent)) and two (2) Audit & Supervisory Members (including one (1) Audit & Supervisory Board Member (Independent)), who retired at the close of the 76th Ordinary General Meeting of Shareholders held on June 20, 2013.

2. 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.

3. The above base compensation of Directors includes the amount paid as stock compensation to Directors, excluding Directors (Independent).

4. The above bonuses to Directors are the amounts that the Company plans to pay, provided that the proposal No. 4 “Payment of Bonuses to Directors,” at this Ordinary General Meeting of Shareholders, is approved and resolved as originally proposed.

5. Retirement bonuses for Directors and Audit & Supervisory Board Members were abolished at the close of the 67th Ordinary General Meeting of Shareholders held on June 24, 2004, based on the resolution at the Board of Directors meeting held on April 28, 2004. Following this decision, it was resolved at the 67th Ordinary General Meeting of Shareholders held on June 24, 2004 that retirement bonuses are paid to incumbent Directors and Audit & Supervisory Board Members at the time of their retirement, in proportion to their respective terms of office up to the close of the General Meeting, within certain limit according to the criteria set out by the Company.

Based on this resolution, the Company paid JPY 99 million in total as retirement bonus, which is not included in the above compensation amounts, to one (1) Director and one (1) Audit & Supervisory Board Member (Independent) who retired at the close of the 76th Ordinary General Meeting of Shareholders held on June 20, 2013.

(The Director received JPY 97 million and the Audit & Supervisory Board Member (Independent) received JPY 2 million.)

6. 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 (Independent)

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
Directors (Independent)	Kazuhiko Toyama	Attended all 13 of the 13 Board of Directors meetings held during the period, and made statements as necessary mainly from his perspective as a manager with abundant experience. He currently serves as Chairman of the Personnel Advisory Committee, CEO Selection Advisory Committee and Corporate Governance Committee.
	Eizo Kobayashi	Attended 9 of the 10 Board of Directors meetings held during the period (attendance rate: 90%), 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.
Audit & Supervisory Board Members (Independent)	Eisuke Nagatomo	Attended all 13 of the 13 Board of Directors meetings and 12 of the 13 Audit & Supervisory Board meetings (attendance rate: 92.3%) held during the period, and made statements as necessary mainly from his perspective as a manager with abundant experience.
	Yoshifumi Matsumoto	Attended all 10 of the 10 Board of Directors meetings and all 10 of the 10 Audit & Supervisory Board meetings held during the period, and made statements as necessary mainly from a specialist’s viewpoint as an attorney.

Note: Mr. Eizo Kobayashi and Mr. Yoshifumi Matsumoto were newly elected and appointed as Director and Audit & Supervisory Board Member, respectively, at the 76th Ordinary General Meeting of Shareholders held on June 20, 2013, and therefore their attendance figures are stated for Board of Directors meetings and Audit & Supervisory Board meetings held on or after June 20, 2013.

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, 2014

1)	Total amount of compensation to be paid to the Accounting Auditor by the Company and its subsidiaries	JPY 208 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 205 million
3)	Of the total amount in 2), amount of compensation as Accounting Auditor to be paid by the Company	JPY 150 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 staffs 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.

(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. OMRON applied a payout ratio of over 25% for dividends for the fiscal year ended March 31, 2014. For dividends from the next fiscal year, OMRON will conform to the original payout ratio of over 25% and DOE target of 2%. Further, OMRON will strive to achieve a payout ratio target of 30% by the fiscal year ending March 31, 2017, with a view to improving returns to shareholders on a medium-term.

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	77th term (As of March 31, 2014)	(Reference) 76th term (As of March 31, 2013)	Item	77th term (As of March 31, 2014)	(Reference) 76th term (As of March 31, 2013)
ASSETS			LIABILITIES		
Current Assets:	396,493	333,694	Current Liabilities:	162,707	145,701
Cash and cash equivalents	90,251	55,708	Short-term debt	488	5,570
Notes and accounts receivable — trade	174,216	158,911	Notes and accounts payable — trade	85,218	75,592
Allowance for doubtful receivables	(1,812)	(1,988)	Accrued expenses	39,897	32,818
Inventories	97,677	91,013	Income taxes payable	6,340	3,907
Deferred income taxes	22,688	17,611	Other current liabilities	30,764	27,814
Other current assets	13,473	12,439	Deferred Income Taxes	2,167	595
Property, Plant and Equipment:	135,566	126,835	Termination and Retirement Benefits	50,683	56,944
Land	26,344	26,591	Other Long-Term Liabilities	6,369	1,634
Buildings	140,495	137,821	Total Liabilities	221,926	204,874
Machinery and equipment	171,192	156,186	NET ASSETS		
Construction in progress	7,126	6,729	Shareholders' Equity:	430,509	366,962
Accumulated depreciation	(209,591)	(200,492)	Common stock	64,100	64,100
Investments and Other Assets:	122,645	113,108	Capital surplus	99,067	99,066
Investments in and advances to affiliates	21,349	17,939	Legal reserve	11,196	10,876
Investment securities	51,117	38,193	Retained earnings	287,853	253,654
Leasehold deposits	6,950	6,914	Accumulated other comprehensive income (loss):	(15,162)	(44,349)
Deferred income taxes	20,918	30,612	Foreign currency translation adjustments	4,536	(14,224)
Other assets	22,311	19,450	Pension liability adjustments	(38,029)	(39,730)
			Unrealized gains on available- for-sale securities	18,466	9,580
			Net gains (losses) on derivative instruments	(135)	25
			Treasury stock, at cost	(16,545)	(16,385)
			Noncontrolling Interests	2,269	1,801
			Total Net Assets	432,778	368,763
Total Assets	654,704	573,637	Total Liabilities and Net Assets	654,704	573,637

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

Consolidated Statements of Income

(JPY millions)

Item	77th term (April 1, 2013 to March 31, 2014)	(Reference) 76th term (April 1, 2012 to March 31, 2013)
Net sales	772,966	650,461
Cost of sales	475,758	408,954
Gross profit	297,208	241,507
Selling, general and administrative expenses	181,225	152,676
Research and development expenses	47,928	43,488
Other expenses, net	6,048	4,106
Income before income taxes	62,007	41,237
Income taxes	19,475	14,096
(Current)	(17,305)	(10,334)
(Deferred)	(2,170)	(3,762)
Equity in loss (earnings) of affiliates	(3,782)	(2,976)
Net income	46,314	30,117
Net income (loss) attributable to noncontrolling interests	129	(86)
Net income attributable to shareholders	46,185	30,203

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

(Reference)

Consolidated Statements of Comprehensive Income (Loss)

(JPY millions)

	77th term (April 1, 2013 to March 31, 2014)	76th term (April 1, 2012 to March 31, 2013)
Net income	46,314	30,117
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	18,945	22,480
Pension liability adjustments	1,701	(915)
Unrealized gains on available-for-sale securities	8,886	2,585
Net gains (losses) on derivative instruments	(160)	94
Other comprehensive income (loss)	29,372	24,244
Comprehensive income	75,686	54,361
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	314	74
Comprehensive income attributable to shareholders	75,372	54,287

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 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 and other		(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 (losses) 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
Net income				46,185			46,185	129	46,314
Cash dividends paid to OMRON Corporation shareholders				(11,666)			(11,666)		(11,666)
Equity transactions with noncontrolling interests and other								154	154
Transfer to legal reserve			320	(320)			—		—
Foreign currency translation adjustments					18,760		18,760	185	18,945
Pension liability adjustments					1,701		1,701		1,701
Unrealized gains on available-for-sale securities					8,886		8,886		8,886
Net gains (losses) on derivative instruments					(160)		(160)		(160)
Acquisition of treasury stock						(161)	(161)		(161)
Sale of treasury stock		1				1	2		2
Balance, end of the 77th term	64,100	99,067	11,196	287,853	(15,162)	(16,545)	430,509	2,269	432,778

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

(Reference)

Consolidated Statements of Cash Flows

(JPY millions)

Item	77th term (April 1, 2013 to March 31, 2014)	76th term (April 1, 2012 to March 31, 2013)
I Operating Activities:		
1. Net income	46,314	30,117
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	25,089	22,452
(2) Net loss on sales and disposals of property, plant and equipment	1,146	578
(3) Loss on impairment of property, plant and equipment	804	3,265
(4) Net gain on sales of investment securities	(1,714)	(677)
(5) Loss on impairment of investment securities and other assets	501	1,086
(6) Loss on impairment of goodwill	—	153
(7) Termination and retirement benefits	(4,417)	(4,433)
(8) Deferred income taxes	2,170	3,762
(9) Equity in loss (earnings) of affiliates	(3,782)	(2,976)
(10) Changes in assets and liabilities	12,014	1,548
(11) Other, net	919	(1,817)
Total adjustments	32,730	22,941
Net cash provided by operating activities	79,044	53,058
II Investing Activities:		
1. Capital expenditures	(32,218)	(30,383)
2. Proceeds from sales or maturities of investment securities	2,840	1,658
3. Other, net	(1,747)	254
Net cash used in investing activities	(31,125)	(28,471)
III Financing Activities:		
1. Net borrowings (repayments) of short-term debt	(5,135)	(13,273)
2. Dividends paid by the Company	(10,566)	(6,166)
3. Other, net	(597)	889
Net cash used in financing activities	(16,298)	(18,550)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,922	4,414
Net Increase in Cash and Cash Equivalents	34,543	10,451
Cash and Cash Equivalents at Beginning of the Year	55,708	45,257
Cash and Cash Equivalents at End of the Year	90,251	55,708

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 156 subsidiaries.

2. Application of Equity Method

Investments in the Company's 10 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 and other value-added taxes have been excluded from sales.

9. Goodwill

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

Notes Related to Consolidated Balance Sheets

Guarantees

Guaranteed parties

Fm-Kyoto Inc.

JPY 65 million

Employees

JPY 2 million

Total

JPY 67 million

Notes Related to Consolidated Statements of Income

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

Foreign exchange loss	JPY 2,647 million
Cost for environmental remediation	JPY 1,377 million
Net loss on sales and disposals of property, plant and equipment	JPY 1,146 million
Loss on impairment of property, plant and equipment	JPY 804 million
Loss on impairment of investment securities and other assets	JPY 501 million
Interest expense	JPY 298 million
Net gain on sales of investment securities	JPY (1,714) 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, 2014 (77th consolidated account settlement date), fair value and differences are as follows.

(JPY millions)

	Balance Sheet Amount (*)	Fair Value (*)	Difference
(1) Investment securities	46,298	46,298	—
(2) Derivatives (net)	(148)	(148)	—

(*) 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 4,819 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 209.82
2. Net income attributable to shareholders per share, diluted JPY 209.82
3. Shareholders' equity per share JPY 1,956.06

* There was no dilution effect of stock options in the 77th fiscal year.

Subsequent Events

No significant event took place since March 31, 2014.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(JPY millions)

Item	77th term (As of March 31, 2014)	(Reference) 76th term (As of March 31, 2013)	Item	77th term (As of March 31, 2014)	(Reference) 76th term (As of March 31, 2013)
ASSETS			LIABILITIES		
Current Assets:	119,774	97,599	Current Liabilities:	118,583	110,426
Cash and time deposits	26,155	6,552	Notes payable - trade	1,202	867
Notes receivable - trade	1,218	875	Accounts payable - trade	22,421	17,897
Accounts receivable - trade	40,386	36,776	Short-term borrowings from affiliated companies	69,865	64,668
Securities	25	25	Lease liabilities	770	809
Finished products	6,404	5,777	Other payables	8,120	6,626
Materials	2,505	2,403	Accrued expenses	9,934	7,943
Work in process	4,139	4,182	Income taxes payable	2,403	1,888
Supplies	524	498	Advances received	22	21
Short-term loans receivable	120	130	Deposits received	962	881
Short-term loans to affiliates	21,369	25,485	Accrued bonus to officers	194	144
Other accounts receivable	6,113	4,848	Other current liabilities	2,690	8,682
Other receivable	3,998	3,600	Long-term Liabilities:	22,722	21,352
Deferred income taxes	7,049	5,663	Long-term borrowings from affiliated companies	4,631	2,351
Other current assets	2,771	3,522	Lease liabilities	1,071	1,178
Allowance for doubtful receivables	(3,002)	(2,737)	Termination and retirement benefits	14,382	15,847
Fixed Assets:	261,664	261,234	Deferred tax liabilities related to revaluation	1,464	1,464
Property and equipment:	36,189	37,579	Other long-term liabilities	1,174	512
Buildings	17,821	19,121	Total Liabilities	141,305	131,778
Structures	1,058	1,188	NET ASSETS		
Machinery and equipment	665	724	Shareholders' Equity:	235,015	226,308
Vehicles and delivery equipment	2	2	Common stock	64,100	64,100
Tools, furniture and fixtures	1,398	1,269	Capital surplus	88,772	88,771
Land	13,391	13,391	Additional paid-in capital	88,771	88,771
Lease assets	1,492	1,475	Other capital surplus	1	—
Construction in progress	362	409	Retained earnings	98,725	89,859
Intangible fixed assets:	8,471	8,199	Legal reserve	6,774	6,774
Software and others	8,471	8,199	Other retained earnings:	91,951	83,085
Investments and other assets:	217,004	215,456	Reserve for dividends	3,400	3,400
Investment securities	34,903	29,302	Non-restrictive reserve	73,500	73,500
Investments in affiliated companies	139,309	139,309	Retained earnings unappropriated	15,051	6,185
Contribution to affiliated companies	20,918	20,918	Treasury stock, at cost	(16,582)	(16,422)
Long-term advances	50	50	Valuation and Translation		
Long-term advances to affiliates	5,472	5,218	Adjustments:	5,118	747
Leasehold deposits	4,495	4,503	Unrealized gains on available-for- sale securities	9,586	5,121
Deferred income taxes	10,427	15,703	Deferred hedge gain (loss)	(67)	27
Other	1,576	994	Land revaluation difference	(4,401)	(4,401)
Allowance for doubtful receivables	(146)	(541)	Total Net Assets	240,133	227,055
Total Assets	381,438	358,833	Total Liabilities and Net Assets	381,438	358,833

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

Non-consolidated Statements of Income

(JPY millions)

Item	77th term (April 1, 2013 to March 31, 2014)	(Reference) 76th term (April 1, 2012 to March 31, 2013)
Net sales	240,167	199,988
Cost of sales	131,779	107,419
Gross profit	108,388	92,569
Selling, general and administrative expenses	87,096	79,085
Operating income	21,292	13,484
Non-operating income:	7,308	6,610
Interest and dividends received	5,267	4,412
Other non-operating income	2,041	2,198
Non-operating expenses:	4,294	1,212
Interest paid	427	406
Cash discount on sales	672	674
Foreign exchange loss	2,518	—
Other non-operating expenses	677	132
Ordinary income	24,306	18,882
Extraordinary gains:	141	327
Gain on sales of property and equipment	2	15
Gain on sales of investment securities	139	133
Other extraordinary gains	0	179
Extraordinary losses:	2,214	8,852
Loss on sales and disposal of property and equipment	251	379
Loss on evaluation of investment securities	11	757
Provision of allowance for doubtful receivables	270	2,600
Transfer pricing taxation adjustment	1,414	1,900
Impairment loss	206	2,192
Other extraordinary losses	62	1,024
Income before income taxes:	22,233	10,357
Income taxes - current	1,369	1,322
Income taxes - deferred	1,432	2,381
Net income	19,432	6,654

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

Non-consolidated Statements of Changes in Shareholders' Equity

77th Term: April 1, 2013 — March 31, 2014

(JPY millions)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings			Total retained earnings
						Reserve for dividends	Non-restrictive reserve	Retained earnings unappropriated	
Balance at April 1, 2013	64,100	88,771	—	88,771	6,774	3,400	73,500	6,185	89,859
Changes during the year ended March 31, 2014									
Dividends paid				—				(10,566)	(10,566)
Net income				—				19,432	19,432
Acquisition and sale of treasury stock			1	1					—
Net change in items other than shareholders' equity during the year				—					—
Total changes during the fiscal year	—	—	1	1	—	—	—	8,866	8,866
Balance at March 31, 2014	64,100	88,771	1	88,772	6,774	3,400	73,500	15,051	98,725

	Shareholders' equity		Valuation and translation adjustment				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, 2013	(16,422)	226,308	5,121	27	(4,401)	747	227,055
Changes during the year ended March 31, 2014							
Dividends paid		(10,566)				—	(10,566)
Net income		19,432				—	19,432
Acquisition and sale of treasury stock	(160)	(159)				—	(159)
Net change in items other than shareholders' equity during the year		—	4,465	(94)		4,371	4,371
Total changes during the fiscal year	(160)	8,707	4,465	(94)	—	4,371	13,078
Balance at March 31, 2014	(16,582)	235,015	9,586	(67)	(4,401)	5,118	240,133

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

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

76th Term: April 1, 2012 — March 31, 2013

(JPY millions)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings				Total retained earnings
				Legal reserve	Other 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.

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 fiscal year.
Past 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 in a proportionally divided amount using the straight-line method over 15 years, starting from the fiscal year following the fiscal year in which gains or losses are occurred, based on the average remaining length of service of employees at the time the gains or losses are incurred in each fiscal year.
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 and other value-added taxes have been excluded from sales.
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.

Notes to Non-consolidated Balance Sheets

1. Accumulated depreciation for property and equipment (Note: Includes accumulated impairment loss.)	JPY 67,198 million
2. Guarantees	
Guaranteed parties	
OMRON MALAYSIA SDN. BHD.	JPY 833 million
Fm-Kyoto Inc.	JPY 65 million
Employees	<u>JPY 2 million</u>
Total	<u>JPY 900 million</u>
3. Notes receivable discount	JPY 0 million
4. Financial Claims and Obligations with Regard to Affiliates	
Short-term credits due from affiliated companies	JPY 53,065 million
Long-term credits due from affiliated companies	JPY 5,472 million
Short-term liabilities due to affiliated companies	JPY 90,006 million
Long-term liabilities due to affiliated companies	JPY 5,748 million

5. 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, 2014, 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 4,562 million.

Notes to Non-consolidated Statements of Income

1. Transactions with affiliated companies:

Sales to subsidiaries:	JPY 126,415 million
Purchases from subsidiaries:	JPY 96,676 million
Other transactions:	JPY 19,655 million
Non-operating transactions:	JPY 7,987 million

Non-operating transactions include JPY 1,414 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 206 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, 2014:

Common stock 227,121,372 shares

2. Number of shares of treasury stock as of March 31, 2014:

Common stock 7,032,043 shares

3. Dividends

(1) Dividends paid

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
October 29, 2013 Board of Directors Meeting	5,503	25.00	September 30, 2013	December 2, 2013

Note: The amount of dividend per share approved at the Ordinary General Meeting of Shareholders held on June 20, 2013 includes commemorative dividend of JPY 5 per share in celebration of the Company's 80th anniversary.

(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 24, 2014 General Meeting of Shareholders	6,163	28.00	March 31, 2014	June 25, 2014

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 1,123 million
Inventories	JPY 891 million
Investment securities	JPY 2,408 million
Investments in affiliated companies	JPY 7,641 million
Accrued bonuses	JPY 2,639 million
Termination and retirement benefits	JPY 5,178 million
Retirement benefit trust	JPY 2,775 million
Unspecified debt	JPY 963 million
Depreciable assets	JPY 2,571 million
Loss carried forward	JPY 2,234 million
Others	<u>JPY 845 million</u>
Deferred tax assets, Subtotal	JPY 29,268 million
Valuation Allowance	<u>JPY (6,234) million</u>
Deferred tax assets, Total	JPY 23,034 million
Deferred tax liabilities	
Unrealized gains on securities	JPY 5,410 million
Others	<u>JPY 148 million</u>
Deferred tax liabilities, Total	JPY 5,558 million
Net deferred tax assets	<u>JPY 17,476 million</u>

2. Revisions to the amount of deferred tax assets and liabilities due to a change in income tax rates

With the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 10 of 2014) officially announced on March 31, 2014, the imposition of the Special Corporation Tax for Reconstruction has been abolished from the fiscal year beginning on and after April 1, 2014. As a result, the statutory tax rate applied to the computation of deferred tax assets and deferred tax liabilities have been revised from the original 38% to 36% on those temporary differences expected to be recovered or settled in the fiscal year beginning on April 1, 2014.

The revision to the tax rate has reduced deferred tax assets (the amount after deduction of deferred tax liabilities) by JPY 387 million yen, while income taxes - deferred increased by the same amount.

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 SWITCH & DEVICES Corporation	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing ²	4,196	Affiliate short-term borrowings	5,228
				Payment of interest ⁴	19	Accrued expenses	—
Subsidiary	OMRON Amusement Co., Ltd.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing ²	4,514	Affiliate short-term borrowings	6,004
				Payment of interest ⁴	20	Accrued expenses	—
Subsidiary	OMRON Field Engineering Co., Ltd.	Indirect ownership, 100%	Borrowing Dispatch of Directors	Borrowing ²	5,725	Affiliate short-term borrowings	6,818
				Payment of interest ⁴	24	Accrued expenses	—
Subsidiary	OMRON ASO CO., Ltd	Direct ownership, 100%	Purchase of products Dispatch of Directors	Purchase of control devices ¹	23,788	Accounts payable - trade	2,332
Subsidiary	OMRON Finance Co., Ltd.	Direct ownership, 100%	Lending Dispatch of Directors	Lending ³	7,519	Affiliate short-term loans	6,188
				Receipt of interest ⁴	50	Accounts receivable	—
Subsidiary	OMRON Social Solutions Co., Ltd.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing ²	8,052	Affiliate short-term borrowings	6,967
				Payment of interest ⁴	35	Accrued expenses	—
Subsidiary	OMRON Automotive Electronics Co., Ltd.	Indirect ownership, 100%	Lending Dispatch of Directors	Lending	2,602	Affiliate short-term loans	8,645
				Recovery of funds Receipt of interest ⁴	300 86	Accounts receivable	80
Subsidiary	OMRON Europe B.V.	Direct ownership, 100%	Borrowing Dispatch of Directors	Borrowing	3,377	Affiliate short-term borrowings	12,674
				Repayment of funds Payment of interest ⁴	1,340 73	Accrued expenses	27
				Transfer taxation pricing adjustment ⁵	1,414	Other payables	1,433
Subsidiary	OMRON (China) Co., Ltd.	Direct ownership, 100%	Lending Borrowing Dispatch of Directors	Borrowing	2,001	Affiliate long-term loans	5,440
				Payment of interest ⁴	31	Affiliate long-term borrowings	4,631
				Receipt of interest ⁴	65	Accrued expenses	1
						Accounts receivable	15

Transaction Terms and Relevant Policies

Notes: 1. Sales and purchase prices of products are determined with reference to the prevailing market prices and other information.

2. 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).

3. 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).
4. Loan interest is determined on the basis of market interest rates.
5. This is an adjustment for the previous fiscal year based on the advance pricing arrangement for transfer pricing.

Per Share Information

1. Net assets per share	JPY 1,091.07
2. Net income per share	JPY 88.28

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 8, 2014

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, 2014 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, 2013 to March 31, 2014, 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 consolidated subsidiaries as of March 31, 2014, 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, 2014

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, 2014 of OMRON Corporation (the "Company"), and the related statements of income and changes in net assets for the 77th fiscal year from April 1, 2013 to March 31, 2014, 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, 2014, 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 77th business year (from April 1, 2013 to March 31, 2014), 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, 2014

OMRON Corporation
Audit & Supervisory Board
Masayuki Tsuda (Audit & Supervisory Board Member (Full-time))
Tokio Kawashima (Audit & Supervisory Board Member (Full-time))
Eisuke Nagatomo (Audit & Supervisory Board Member (Independent))
Yoshifumi Matsumoto (Audit & Supervisory Board Member (Independent))

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