

As of June 26, 2009
OMRON Corporation
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Corporate governance at OMRON Corporation is as follows:

I. Basic Policies on Corporate Governance and Basic Information on Capital Structure, Corporate Data, etc.

1. Basic Policies (Updated)

The Omron Group has set forth the following principles and policies and strives to put them into practice.

1. Omron Group Principles

(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 Omron Group is committed to “respect for individuality and diversity,” “maximum customer satisfaction,” “relationship-building with shareholders,” and “awareness and practice of corporate citizenship.” In addition to practicing fair, highly transparent management, we seek to develop relations of mutual trust with our stakeholders through sincere dialogue.

(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 of the individuals and organizations that comprise the Omron Group. To live up to our core value of “working

for the benefit of society,” each and every employee across every Omron Group company will strive to enhance the quality of their day-to-day activities while pursuing self-development and business expansion.

2. Purpose and Philosophy of the Omron Group’s Corporate Governance

- (1) The purpose of corporate governance in the Omron Group is to earn the support of stakeholders and realize the sustainable growth of the company by strengthening our business competitiveness, and to build and operate a mechanism (a supervisory system) that can verify this.

- (2) To keep up with stakeholder expectations, we have specified one key management objective: to maximize the Omron Group’s value in the capital market on a long-term basis. To realize efficient, competitive management, we will build an optimal management structure and conduct fair business operations, and enhance the management and oversight frameworks to verify these efforts.

- (3) The Corporate Governance Committee chaired by an external director was established as an advisory committee to the Board of Directors, and will continually enhance corporate governance at the Company and increase management fairness and transparency.

3. Corporate Value-Oriented Management

(1) Separation of Management Oversight and Business Execution

In addition to strengthening management oversight functions, we separate management oversight and business execution with the aim of agile corporate governance that can respond quickly to changes in the environment. We adopted the executive officer system and, to optimize our business operations, we also introduced an internal company system in which substantial authority is delegated to internal company presidents, which speeds up decision-making and promotes more efficient business operation.

(2) Autonomous Business

Autonomous individual business units that can specialize in creating value for customers take the initiative in conducting business. In addition, through commitment-based management we clarify roles and responsibilities and practice corporate value management based on shareholder value.

(3) Maintenance and Enhancement of the Internal Control System

We maintain an internal control system to consistently identify internal and external risks that threaten to interfere with continuous improvement of corporate value, and implement appropriate responses.

4. Three Perspectives in Business Operations

To ensure the proper operation of corporate value-oriented management, we will be conscious at all times of the three perspectives of fulfilling management accountability, achieving management transparency and pursuing high business ethics in order to continuously strengthen corporate governance.

2. Capital Structure

Percentage of shares held by overseas investors	Over 30%
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Principal Shareholders: (Updated)

Name	Number of Shares Held	Percentage (%)
State Street Bank & Trust Company 505223	14,094	6.40
Japan Trustee Services Bank, Ltd.(trust account 4G)	10,836	4.92
Japan Trustee Services Bank, Ltd.(trust account)	9,203	4.17
The Master Trust Bank of Japan, Ltd.(trust account)	8,150	3.70
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,713	3.50
The Bank of Kyoto, Ltd.	7,069	3.21
Nippon Life Insurance Company	6,066	2.75
Mellon Bank NA as Agent for Its Client Mellon Omnibus US Pension	5,329	2.42
State Street Bank & Trust Company	4,828	2.19
Northern Trust Company (AVFC) Sub Account American Client	4,520	2.05

3. Corporate Data

Stock exchange listings	Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange (first sections)
Fiscal year end	March
Industry	Electrical equipment
(Consolidated) Number of Employees	Over 1,000
(Consolidated) Net Sales	Between ¥100 billion and ¥1 trillion
Parent company	None
Number of consolidated subsidiaries	Between 100 and 300

4. Other Special Items Exerting a Significant Impact on Corporate Governance

None.

II. Management Decision Making, Status of Management Organization for Execution and Audit and Other Corporate Governance Systems

1. Organizational Structure and Organization Management

Organizational form	Company with corporate auditors
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Board of Directors Information:

Chairman of the Board of Directors	Chairman (unless the Chairman is also the President)
Number of directors	7
Status of appointment of outside directors	The Company appoints outside directors
Number of outside directors	2

Relationship with the Company (1) (Updated)

Name	Attribute	Relationship with the Company*								
		a	b	c	d	e	f	g	h	i
Kazuhiko Toyama	From another company				○	○			○	
Masamitsu Sakurai	From another company				○	○			○	

* Categories for relationship with the Company:

- a. From parent company
- b. From other affiliated company
- c. Major shareholder of the Company
- d. Serves concurrently as outside director or outside auditor of another company
- e. Executive director or executive officer, etc., of another company
- f. Spouse or relative within the third degree, or a person with a corresponding relationship, of an executive director or executive officer of the Company or a specified affiliate of the Company.
- g. Receives remuneration or other benefits as an officer of the Company's parent company or a subsidiary of the parent company.
- h. Limited liability contract signed between this person and the Company
- i. Other

Relationship with the Company (2)

Name	Supplemental information on corresponding items	Reason for selecting this outside director
Kazuhiko Toyama	_____	Has many years of engagement with management of many companies, and possesses experience and insight accumulated through this experience, which Omron wishes to reflect in its management practices.
Masamitsu Sakurai	_____	Possesses broad insight and extensive experience in corporate management, which Omron wishes to reflect in its management practices.

Information on Other Main Activities of Outside Directors (Updated)

- Outside directors attend monthly board meetings and directors' liaison meetings (set up as forums to freely discuss and share information on management strategy after Board meetings) to offer advice and recommendations as they see fit.
- Kazuhiko Toyama attended 13 out of 16 board meetings in fiscal 2008, where he offered remarks from the perspective of an experienced corporate manager. He also contributed to management soundness as chairman of the Personnel Advisory, CEO Selection Advisory, and Corporate Governance committees, and as a member of the Compensation Advisory Committee.
- Masamitsu Sakurai attended 8 out of 13 board meetings in fiscal 2008, where he offered remarks from the perspective of an experienced corporate manager. He also contributes to management soundness as Compensation Advisory Committee chairman, Corporate Governance Committee vice chairman, and as a member of the Personnel Advisory and CEO Selection Advisory committees.

Corporate Auditors:

Board of Auditors established?	Yes
Number of auditors	4

Status of Cooperation between Corporate Auditors and Independent Auditors

The Corporate Auditors are briefed on the audit plan of the independent auditors, and periodically receive explanations on the independent auditors' audit system and methods, and on the internal control systems of domestic and overseas subsidiaries and affiliates.

Status of Cooperation between Corporate Auditors and Internal Audit Office (Updated)

The Corporate Auditors request that the Senior General Manager of the Corporate Internal Auditing Headquarters attend the monthly meetings of the Board of Auditors, and receive sequential reports of audit results.

Status of appointment of outside auditors	The Company appoints outside auditors
Number of outside auditors	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*								
		a	b	c	d	e	f	g	h	i
Satoshi Ando	From another company									○
Hidero Chimori	Attorney				○					○
Eisuke Nagatomo	From another company				○	○				○

* Categories for relationship with the Company:

- a. From parent company
- b. From other affiliated company
- c. Major shareholder of the Company
- d. Serves concurrently as outside director or outside auditor of another company
- e. Executive director or executive officer of another company
- f. Spouse or relative within the third degree, or a person with a corresponding relationship, of an executive director or executive officer of the Company or a specified affiliate of the Company.
- g. Receives remuneration or other benefits as an officer of the Company's parent company or a subsidiary of the parent company.
- h. Limited liability contract signed between this person and the Company
- i. Other

Relationship with the Company (2)

Name	Supplemental information on corresponding items	Reason for selecting this outside auditor
Satoshi Ando	—	Is knowledgeable in international affairs and other areas, and possesses broad insight and extensive experience, which Omron wishes to reflect in its auditing practices.
Hidero Chimori	—	Is an attorney and Omron wishes to incorporate his expertise into its auditing practices.
Eisuke Nagatomo	—	Is well versed in corporate governance and internal control systems, and Omron wishes to incorporate his expertise into its auditing practices.

Information on Other Main Activities of Outside Auditors

The corporate auditors attend the monthly Board of Auditors meetings and Board of Directors meetings, as well as other important meetings, and offer advice and recommendations as they see fit.

As part of audit activities, the corporate auditors conduct periodic interviews on the activities of directors, including the president and executive officers.

Incentive Relationships:

Implementation of measures for granting incentives to directors	The Company has adopted a performance-linked compensation system
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Supplemental Remarks on This Item (Updated)

Fundamental Principles for Compensation of Officers

- The Company shall pay compensation that enables it to recruit (hire) outstanding people as managers.
- The compensation structure shall contribute to long-term maximization of corporate value by providing motivation for officers.
- The compensation structure shall maintain a high level of transparency, fairness and

rationality to achieve accountability to shareholders and other stakeholders.

- To ensure transparency, fairness and rationality in the compensation of individual officers, all officers' compensation shall go through consultation of the Compensation Advisory Committee.
- The purpose of compensation shall be made clear, and a compensation plan shall be created according to the role of each individual officer.

Policy for Compensation of Directors

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

Policy for Compensation of Corporate Auditors

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

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

Compensation of Directors:

Medium of disclosure	Securities Report (<i>Yuka Shoken Hokokusho</i>), Business Report
Disclosure status	The total amount of compensation for all directors is disclosed.

Supplemental Remarks on This Item (Updated)

Amount of Compensation for Directors and Corporate Auditors for the 72nd Fiscal Year
(April 1, 2008-March 31, 2009)

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

Notes:

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

* Compensation for directors and corporate auditors is also presented in the Business Report and Securities Report (*Yuka Shoken Hokokusho*), and the Business Report is posted on the Company's web site (<http://www.omron.com>).

Support System for Outside Directors and Outside Auditors:

The Company distributes the agenda of Board of Directors meetings to outside directors in advance, and, whenever possible, gives prior explanations in person or by telephone. The directors' liaison meetings and technology liaison meetings are also used for sharing of information. In addition, the Company provides outside directors with as much information as possible by distributing internal newsletters, press releases, articles in the mass media, and transcripts of lectures given outside the company by inside directors. Specialized staff are not assigned to outside directors and outside auditors, but staff in charge of assisting outside directors and outside auditors are assigned in the BOD Office and the Corporate Auditors Office to provide support.

2. Items Related to Business Execution, Audits and Oversight, Nominations and Setting of Compensation, etc. (Updated)

(1) Business Execution System

- Omron has adopted a system of internal companies, which is divided into five domains (four internal companies and one business company). This system is intended to autonomously conduct business operations best suited for respective markets and customers of each business company. Through the empowerment of substantial authority to each company president, faster decision-making and more efficient operations have been realized. In addition, through commitment-based management, we strive to promote clarification of roles and responsibilities, and an incentives-based compensation system.
- At the monthly Executive Council, the Group's growth strategy and business execution matters that have a large impact on multiple divisions, beyond the authority of the internal company presidents and within the scope of the president's authority, are discussed and resolved. The Council also conducts monitoring of the status of execution and determines measures to respond to change.

(2) Audits and Oversight

- The president is the only director who is tasked with execution of business operations. To strengthen monitoring functions over business operations, we have separated management oversight and business execution.
- From fiscal 2007, while further clarifying the responsibilities of the Omron management team for shareholders, the term of directorship has been reduced from two years to one in order to more swiftly respond in order to changes in the business environment.
- The average attendance rate of seven directors at Board meetings was 89.6% in fiscal 2008, while that of four corporate auditors was 93.0%.

(3) Appointment of Officers

- The Personnel Advisory Committee, chaired by an outside director, has been set up within the Board of Directors by its own resolve for the purpose of emphasizing objectivity and improving the transparency of decision making. The committee is comprised of four directors, excluding the chairman, executive vice chairman, and president.
- The CEO Selection Advisory Committee has been set up within the Board of Directors to specialize in the replacement and selection of the president (CEO), deliberating candidates and possible successors in case of a contingency. The committee is comprised of two internal directors and two external directors. The president departs after making a proposal and does not participate in discussions among the committee members.
- With emphasis on maintaining the substantive independence of outside directors and auditors, we have set forth qualifications regarding the relationships of new candidates for outside

directors and auditors with the Omron Group and those of the companies/organizations to which the candidates belong with the Omron Group. In addition to following the provisions of Corporation Law, a candidate for an outside director or auditor must not:

- ① Have assumed the role of representative or employee of the independent auditor for the Omron Group for five years prior to the nomination.
- ② Be a director, auditor, executive officer and/or employee of any principal shareholder of the Omron Group (which holds shares that are one-third or more of total voting rights).
- ③ Be a director, auditor, executive officer and/or employee of any principal partner or supplier (in which sales to the Omron Group are ranked among the top 10).
- ④ Receive yearly compensation amounting to ¥10 million or more from the Omron Group besides compensation for directors or corporate auditors.
- ⑤ Have kinship with any current director, corporate auditor and/or executive officer of the Omron Group (which includes spouses, children, parents and siblings).
- ⑥ Have mutually dispatched directors and/or auditors between the candidate's company/organization and the Omron Group.
- ⑦ Have any other interest or stake in the Omron Group, which is not suitable for performing the duties of an outside director or outside auditor.

* The above-mentioned "Omron Group" refers to Omron Corporation and its subsidiaries and affiliates.

* For transfer of an outside director from a major position (including resignation), the director should be re-evaluated using qualification criteria.

(4) Compensation for Officers

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

- Based on a resolution of the Board of Directors, the Company has a Compensation Advisory Committee to increase objectivity and transparency with respect to the compensation of directors and corporate auditors. The Compensation Advisory Committee is composed of four members, excluding the chairman, executive vice chairman and president of the Company, and chaired by an external director on the Board of Directors, and sets the Company's fundamental principles for compensation of officers.
- The Compensation Advisory Committee is consulted on the compensation of each director and corporate auditor. It then discusses the compensation of each individual and makes recommendations based on the Company's compensation principles.
- The amount of compensation for each director is determined by resolution of the Board of Directors and the amount of compensation for each corporate auditor is determined by discussions among the corporate auditors (resolution of the Board of Corporate Auditors). These amounts are within the scope of the aggregate compensation amounts for all directors

and all corporate auditors set by resolution of the General Meeting of Shareholders.

III. Status of Execution of Measures Concerning Shareholders and Other Interested Parties

1. Measures to Vitalize the General Shareholders' Meeting and Facilitate the Exercise of Voting Rights (Updated)

	Supplemental Remarks
Prompt shipment of convocation notices for the general shareholders' meeting	Our basic policy is to send out notices three weeks before the date of the general shareholders' meeting.
Avoidance of peak day when scheduling the general shareholders' meeting	We will set the date of the meeting 4-5 business days before the peak day.
Electronic voting	Omron introduced voting via the Internet at the 2003 general meeting. Starting with the 2006 general meeting, we participate in the electronic voting platform for institutional investors operated by ICJ Inc.
Other	Providing convocation notices and related documents on Omron's website, holding the general shareholders' meeting at an easily accessible location outside the company, use of visual materials for the business report at the general shareholders' meeting, etc.

2. IR-related Activities

	Personal explanation by representative	Supplemental remarks
Regular information meetings for individual investors	Yes	Omron participates in information meetings planned by securities companies, IR support companies, newspaper companies, etc., though not on a regular basis, and conducts information meetings using the Internet.
Regular information meetings for analysts and institutional investors	Yes	_____
Regular information meetings for overseas investors	No	Omron makes regular individual visits to overseas investors (one-on-one meetings). Omron regularly sends representatives to speak at overseas investors meetings.
Posting of IR materials on web site	Yes	_____

Establishment of department and/or manager in charge of IR	—	Department in charge: IR and M&A Planning Headquarters (reports directly to the president) Executive in charge: Yutaka Fujiwara, Managing Officer and Senior General Manager, IR and M&A Planning Headquarters
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3. Measures for Respecting the Position of Stakeholders

	Supplemental Remarks
Rules for Respecting the Position of Stakeholders through Internal Regulations, etc.	<p>The opening of the “Management Commitments Section” in The Omron Principles declares the following stance toward stakeholders:</p> <p>“We seek to develop relations of mutual trust with our stakeholders through sincere dialogue.”</p> <p>In addition, we express a clear commitment to respecting the position of each of our valued stakeholders, as follows: For our employees, “respect for individuality and diversity.” For our customers, “maximum customer satisfaction.” For our shareholders and investors, “relationship building with shareholders.” For society, “awareness and practice of corporate citizenship.”</p>
Implementation of environmental activities, CSR activities, etc.	<ul style="list-style-type: none"> • Regarding our environmental activities, we present our basic position with regard to the environment in our Environmental Policy, and have formulated an environmental vision, “Green Omron 21,” to promote environmental efforts in corporate management (eco-management), creation of environmentally conscious products and products that contribute to the environment (eco-products), environmentally friendly business activities (eco-factories/laboratories/offices), environmentally conscious logistics (eco-logistics), disclosure of environmental information and environmental contribution activities (eco-communication), and environmental awareness of all employees (eco-mind). • Omron’s fundamental CSR policy is organized into three pillars: “contribute to a better society through business operations,” “always demonstrate fairness and integrity in the promotion of corporate activities” and “show commitment to addressing societal issues as a concerned party.” The company aims to fulfill its corporate social responsibility by pursuing activities in the areas of innovation driven by social needs, the environment, human rights, corporate ethics, social action programs and support for people with disabilities. Details of these activities are reported in our Sustainability Report. To promote our company-wide efforts to pursue CSR, we set up the Group CSR Committee chaired by the president, to map out Omron Group policies related to CSR and important company-wide CSR activities.

Formulation of policies on providing information to stakeholders	We have an information disclosure policy and our own disclosure standards, and practice them thoroughly in all of our corporate activities. We have also established a Group CSR Committee chaired by the President and make timely external disclosure of significant information concerning the Omron Group, with the aim of realizing highly transparent management.
Other	<p>“Working for the benefit of society” is the core value of the Omron Principles. It expresses our view that as society’s needs become more diversified and wide-ranging, and the social responsibilities that companies assume become even more multifaceted and evolving, it is crucial that companies meet society's expectations.</p> <p>Within this context, the Omron Group will strive to be a valued corporate citizen by committing itself to:</p> <ul style="list-style-type: none"> - Building trust and confidence with stakeholders through constructive engagement. - Demonstrating integrity, fairness, and transparency in all our business activities. - Contributing to the sustainable development of society by addressing its needs in a well-balanced manner, taking into consideration the economic, environmental and social impact of our actions. <p>While this is our declaration of “CSR management,” it is also a declaration of “stakeholder-oriented management.”</p> <p>In other words, a company is built on mutual relationships with its various stakeholders, and must respond to the expectations and demands these stakeholders place on the company. Therefore, maintaining a sincere dialogue with stakeholders and increasing our visibility while building relationships of trust through efforts that include occasionally planning and implementing corporate activities together with stakeholders is the fulfillment of “stakeholder-oriented management.”</p>

IV. Basic Policies Concerning Internal Control Systems and Status of Their Implementation (Updated)

IV-I Basic Policies Concerning Internal Control Systems and Status of Their Implementation

In accordance with the Corporation Law and the Corporation Law Enforcement Rules, Omron and its affiliated companies (the “Omron Group”) will establish the following internal control systems.

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

(1) The Company has more than one external director (two of the seven directors), separates the positions of chairman and president (CEO) and takes other measures to strengthen

management oversight by the Board of Directors.

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

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

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

committee, Omron proactively makes timely disclosure to the public about significant information concerning the Omron Group.

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

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

4. Systems to Ensure Efficient Execution of Directors' Duties

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

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

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

6. Systems to Ensure Effectiveness of Corporate Auditors

- (1) An Auditors Office and full-time staff are established to assist corporate auditors in performing their duties. The Auditors Office staff perform their work under the supervision and instruction of the corporate auditors.
- (2) Personnel evaluations, appointments and transfers of the Auditors Office staff are done with

the consent of the Board of Corporate Auditors.

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

IV-II Basic policy on antisocial forces and status of internal countermeasure system
Omron has established a basic policy on antisocial forces and resolved to establish an internal system to counter such forces, as described below.

Omron's policy on antisocial forces is, "Omron does not and will not have any relationship with antisocial forces or organizations that threaten the order or security of civil society, and the company will decisively take on such forces." This policy, stated in the Omron Group CSR Practice Guidelines and publicized both internally and externally, stipulates the code of conduct for all employees, including executives.

Omron has dedicated personnel who are responsible for establishing cooperative ties with police, corporate lawyers and other outside organizations and collecting intelligence on a regular basis.

In the event that antisocial forces make undue claims, the company will act in an organized way against such forces by transmitting reports and information, setting up a response teams and taking countermeasures in cooperation with police, corporate lawyers and other outside organizations in accordance with the Crisis Management Rules and countermeasure manuals.

V. Other

1. Defense Against Takeovers

Omron has not adopted takeover defense measures.

2. Other Matters Concerning the Corporate Governance System

We will strengthen the corporate governance system of the entire Omron Group for further business expansion and global development. In addition to disseminating our Management Commitments, we will conduct management with a constant awareness of three focal points — fulfilling management accountability, achieving management transparency and pursuing high business ethics — and continuously strengthen corporate governance.

Reference: Organization Chart

Structure of Omron Corporate Governance

