

Consolidated Statements of Cash Flows

Omron Corporation and Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2009	2008	2007	2009
Operating activities:				
Net income (loss)	¥ (29,172)	¥ 42,383	¥ 38,280	\$ (297,673)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	33,496	36,343	33,923	341,796
Net loss on sales and disposals of property, plant and equipment	1,983	963	6,445	20,235
Loss on impairment of property, plant and equipment	21,203	168	1,441	216,357
Net gain on sales of investment securities	(64)	(1,571)	(954)	(653)
Loss on impairment of investment securities and other assets	5,401	2,297	682	55,112
Loss on impairment of goodwill	16,813	—	—	171,561
Gain on contribution of securities to retirement benefit trust	—	—	(10,141)	—
Termination and retirement benefits	(1,390)	(1,722)	(1,403)	(14,184)
Deferred income taxes	(13,895)	(131)	3,887	(141,786)
Minority interests	(277)	217	238	(2,827)
Equity in loss of affiliates	811	348	1,352	8,276
Net gain on sale of business	—	(5,177)	—	—
Changes in assets and liabilities:				
Notes and accounts receivable – trade, net	47,526	4,977	(19,773)	484,959
Inventories	5,776	(3,002)	(13,955)	58,939
Other assets	(7,689)	644	2,248	(78,459)
Notes and accounts payable – trade	(34,046)	5,305	(5,674)	(347,408)
Income taxes payable	(8,044)	(2,663)	(2,244)	(82,082)
Accrued expenses and other current liabilities	(8,290)	(10,846)	6,480	(84,592)
Other, net	1,266	463	(293)	12,918
Total adjustments	60,580	26,613	2,259	618,163
Net cash provided by operating activities	31,408	68,996	40,539	320,490
Investing activities:				
Proceeds from sales or maturities of investment securities	1,742	3,955	1,643	17,775
Purchase of investment securities	(6,151)	(7,456)	(2,108)	(62,765)
Capital expenditures	(37,477)	(37,848)	(44,689)	(382,418)
Decrease (increase) in leasehold deposits	228	417	(9)	2,327
Proceeds from sales of property, plant and equipment	1,046	5,038	17,930	10,673
Acquisition of minority interests	—	—	(15)	—
Decrease (increase) in investment in and loans to affiliates	(16)	(850)	(1,189)	(163)
Proceeds from sale of business, net	—	8,089	—	—
Payment for acquisition of business entities, net	—	(8,026)	(18,638)	—
Net cash used in investing activities	(40,628)	(36,681)	(47,075)	(414,571)
Financing activities:				
Net borrowings (repayments) of short-term debt	15,291	(3,523)	13,812	156,031
Proceeds from issuance of long-term debt	20,000	28	242	204,082
Repayments of long-term debt	(916)	(772)	(455)	(9,347)
Dividends paid by the Company	(9,507)	(8,252)	(7,680)	(97,010)
Dividends paid to minority interests	(13)	(7)	(9)	(133)
Acquisition of treasury stock	(2,995)	(22,348)	(11,204)	(30,561)
Sale of treasury stock	7	7	3	71
Exercise of stock options	—	386	594	—
Net cash used in financing activities	21,867	(34,481)	(4,697)	223,133
Effect of exchange rate changes on cash and cash equivalents	(6,640)	(205)	1,943	(67,755)
Net increase (decrease) in cash and cash equivalents	6,007	(2,371)	(9,290)	61,296
Cash and cash equivalents at beginning of the year	40,624	42,995	52,285	414,531
Cash and cash equivalents at end of the year	¥ 46,631	¥ 40,624	¥ 42,995	\$ 475,827

See notes to consolidated financial statements.