

Sustainability Report 2010



Sensing tomorrow™



Editorial Policy

In fiscal 1998, OMRON began publishing an environmental report. The report was upgraded in fiscal 2004 to include in-depth reporting of the social aspects of OMRON's corporate activities. Since then it has been published under the title "Sustainability Report." Moreover, OMRON has been using two media for reporting: the printed report focusing on issues of high importance to both OMRON's stakeholders and OMRON, and the website providing more comprehensive coverage of information. As for the reporting of activities during fiscal 2009, OMRON decided to concentrate on reporting through its website without publishing the printed report. By so doing, OMRON seeks to respond to stakeholders' needs for timely information disclosure, as well as growing social requirements for conserving resources and reducing CO₂ emissions.

For the 2010 report, OMRON reviewed its former editorial policy and the content of the report from the perspective of the degree of readers' interest and materiality. Because target readers vary among the three fields of Environment (E), Society (S) and Governance (G), issues attracting a high degree of interest from readers and important activities were identified for each field. The identified issues/activities were then put together and reporting was done starting from the items of highest materiality.

Materiality and Priority of Reporting

	Core issues	CSR tasks
E	1. Prevention of pollution 2. Sustainable use of resources 3. Alleviation of climate change and adaptation 4. Protection and restoration of natural environment 5. Innovation driven by social needs	(1) Elimination of hazardous substances (2) Enhancement of resource productivity ★ (3) Zero emissions/recycling (4) Reduction in CO ₂ emissions at all sites ★ (5) Energy conservation (6) Preservation of biodiversity/ecosystem ★ (7) Products/services responsive to environmental needs ★
S	1. Human rights 2. Labor practices 3. Community involvement & development 4. Customer/consumer issues 5. Accountability	(1) Elimination of discrimination (2) Support for self-reliance of persons with limitations such as disabilities ★ (3) Respect for fundamental rights ★ (4) Rights at work and social security ★ (5) Support for self-reliance of employees • (6) Respect for diversity ★ (7) Occupational safety and health (8) Work-life balance (9) Dialogue with employees (10) Promotion of local personnel to positions of responsibility (11) Community involvement ★ (12) Support for developing regions ★ (13) Safe products & services (14) Customer support ★ (15) Protection of personal information (16) Products and services responsive to social needs ★
	1. Accountability 2. Transparent management	(1) Information disclosure ★ (2) Internal control ★ (1) Information disclosure ★

	practices	(3) Internal auditing (4) Whistleblower system
	3. Ethical behavior	(5) Maintenance of corporate ethics •
G	4. Respect for the interests of stakeholders	(1) Information disclosure ★ (2) Internal control ★ (3) Internal auditing (4) Whistleblower system (6) Protection of intellectual property (7) Personal information protection & information security •
	5. Respect for legal interests	(8) Legal and regulatory compliance ★

• : High materiality themes

★ : High materiality/high priority themes

Overview

Overview

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The OMRON Principles

▶ Corporate Core Value (The OMRON Principles)

"Working for the benefit of society" is the core value of OMRON

▶ Instillation and Implementation of the OMRON Principles

An introduction to OMRON's efforts to instill the OMRON Principles across the Group

Instillation and Implementation of the OMRON Principles

Instilling "Management Commitments" and "Guiding Principles for Action" through two guidelines

In fiscal 2006, OMRON established its new corporate principles. Along with this, OMRON published its CSR Practice Guidelines that specify the ground rules and the basic stance for fulfilling its Management Commitments in line with the corporate core value of "working for the benefit of society."

In fiscal 2007, "Implementing the Guiding Principles for Action" was issued, indicating specific actions required for OMRON employees to practice each Guiding Principle for Action. These two guidelines are intended to share the OMRON Principles among all OMRON Group employees and encourage them to live up to the Principles.

Assessment of implementation of the Guiding Principles for Action targeting managers

Aiming for deeper penetration of the new OMRON Principles established in fiscal 2006, OMRON launched an assessment system targeting managerial-class employees so as to evaluate the level of implementation of the Guiding Principles for Action. The system assesses managers' behavior regarding the Guiding Principles for Action from two angles. The first evaluation targets their own action and behavior, while the second evaluation examines their drive of sharing and instillation of the principles in their workplaces, such as by giving advice and guidance to their staff. The results of assessment are incorporated into a personnel appraisal.

Evaluation criteria include "workplace discussions in line with the guidelines," and the assessment system began to prove effective for settling discussions at each worksite, and for deeper penetration of the Guiding Principles for Action into the mindsets of general employees.

Conducting a survey targeting employees worldwide to check the penetration of the OMRON Principles

Since fiscal 2006, OMRON has regularly conducted an in-house awareness survey on the Internet targeting OMRON Group employees around the world. Elements surveyed included the level of implementation of the Guiding Principles for Action, penetration of the OMRON Principles, and the level of vitality of the organization and workplace.

In fiscal 2008, the survey targeted 33,000 employees, of which approximately 9,000 employees responded, mainly those who have Internet access.

The survey was conducted on an annual basis until fiscal 2008. Beginning in fiscal 2009, the frequency changed to biennial, making the next survey to be held in fiscal 2010.

"Challenge Commendation Program" encourages employees' implementation of the OMRON Principles

The employee awareness survey conducted in fiscal 2006 revealed a relatively high level of employee awareness for the Guiding Principles for Action, with "quality first" and "integrity and high ethics" especially indicating high levels of implementation. On the other hand, the

levels of implementation for "unceasing commitment to challenging ourselves" and "self-reliance and mutual support" were lower compared to other elements.

To further promote practicing of these two principles, OMRON launched a new "Challenge Commendation Program" in fiscal 2008. By expanding the in-house commendation program formerly available at OMRON Corporation to cover the entire OMRON Group, the new program aims to create a workplace atmosphere that encourages the spirit of taking on challenges.

The new commendation program targets not only regular employees of OMRON Corporation and its Group companies throughout the world, but also part-timers and temporary workers. Designed to recognize teams and individuals who have taken on new challenges based on self-motivation, the criteria for commendation emphasizes a challenge-oriented spirit, effort and creativity, rather than results.

Sharing the OMRON Principles at about 50 sites throughout the world

In fiscal 2007, OMRON conducted activities designed to share its Principles and enable deeper penetration of the CSR Practice Guidelines at about 50 sites throughout the world.

Top executives from the OMRON Head Office visited regional sites and gave presentations to local managers, explaining the background behind the birth of the corporate core value of "working for the benefit of society," and stressed the importance of living up to the OMRON Principles. Since fiscal 2008, OMRON has been inviting managers from various countries and regions to Japan for more extensive training sessions.

In fiscal 2008, a training session was organized for managerial-class employees in charge of human resources in the Americas, to help them strengthen their understanding of the OMRON Principles and encourage their practice. In fiscal 2009, training was provided for executives from Europe and the Americas.

OMRON also provides texts, manuals and other support tools for managers to use for sharing and penetrating the Principles in their own worksites.

In fiscal 2009, OMRON created a comic book introducing founder Kazuma Tateisi's personal background in cooperation with the Asia Pacific area, for the purpose of instilling the corporate core value. Reflecting Dr. Tateisi's personal philosophy, the core value describes the real purpose of the OMRON Group's existence, and has been preserved across the Group for more than a half century. The comic book was published in English with Malay, Thai, Vietnamese, Indonesian and Hindi translations, and distributed to local employees within the area.

Executive Messages

▶ Message from the Chairman

Chairman Yoshio Tateisi stresses the importance of interaction with communities for practicing CSR

▶ Message from the President

President and CEO Hisao Sakuta emphasizes a proactive, self-reliant attitude as the key to addressing social challenges

Message from the Chairman

Aiming for sustainable development of society and the company



On behalf of all OMRON Group employees, I would first like to express our heartfelt appreciation for the daily support and cooperation from all our stakeholders. At OMRON, we are promoting our corporate activities in conformance with the corporate core value of "working for the benefit of society." We are pleased to inform you that the OMRON Group has been able to recover from the extremely challenging conditions posed by the global recession. This would have been impossible without your patronage, and thus we are deeply grateful. All OMRON Group executives responsible for management practices and business execution, including myself, are determined to work even harder to realize a sustainable society, keeping in mind the lessons we have learned during the course of regaining our footing.

From a global perspective, the world economy is increasingly driven by the rapid development of emerging countries, in particular, China, India and other parts of Asia. Quick to respond to this trend, the OMRON Group has focused its investment in East Asia centering on China as well as Southeast Asia, while concentrating resources on promoting business operations in these regions. Going forward, we will also be strengthening our activities in India and other parts of Southwest Asia. As such, we seek to share our experience with CSR initiatives that we have accumulated in Japan and China with other regions of Asia as well. These initiatives include promotion of corporate ethics, improvement of the labor environment, and protection of human rights. We are also encouraging our suppliers to implement these same activities.

By contrast, in Western countries and Japan, the industrial society oriented toward mass-production and mass-consumption has satisfied people's desire for material affluence. But at the same time, it has left many social issues unsolved. Today, social innovation to redress these issues is increasingly in demand.

Looking at the world from this viewpoint, the present time can be considered to be the "age of inter-city competition." In other words, I think an age has arrived in which cities, separate from nations or regions, independently compete with other cities, demonstrating their distinctive appeal to address the issues left behind in the industrial society. Specifically, cities

compete against others in terms of the degree of comfort and well-being of the people who live there, including considerations for the ecosystem, efficient use of resources and energy, maintenance of safety and security, promotion of physical and mental health, securing clean water and safe food, and other factors. We can take this as a great opportunity for the OMRON Group to contribute to creating a more "smart" city. OMRON can do so by embodying the concept of "innovation driven by social needs," a concept that OMRON has consistently preserved and pursued ever since its inception. In particular, we will strive to play important roles in the Kansai area of Western Japan, which is our company's birthplace and which houses important sites for the operation of our business.

In my message in last year's Sustainability Report, I stated: "To practice CSR in a way as to meet the requirements of this new age, we must prioritize engagement with a diverse range of stakeholders, as we cannot meet all our responsibilities to society by our company alone. Our goal is to assume social responsibilities together with local communities by implementing comprehensive initiatives that involve communities in each region of the world where we conduct business." In the fall of 2008, OMRON declared its support for the United Nations Global Compact (UNGC) and became a member of the Global Compact Japan Network (GC-JN). Accordingly, the OMRON Group will continue to abide by the UNGC's Ten Principles. Moreover, since fiscal 2009, we have been engaged with GC-JN's initiative to fulfill social responsibilities together with people in the Kansai region, while actively interacting with many stakeholders in the region. We plan to continue increasing our role in this initiative during the present fiscal year.

OMRON's value chain consists of companies of different scales. We often hear globally operating small- and medium-sized companies say that CSR activities are difficult and costly. Similarly with the GC-JN, involvement with a Global Compact Local Network in respective areas of the world should be beneficial to those companies. Thus, while actively releasing information, we also aim to help expand membership and vitalize activities of the Local Networks in various countries/regions to whatever extent possible.

The OMRON Group will launch a new ten-year vision in fiscal 2011, so we are now engaged in all-out efforts to formulate a new vision, strategies and plans. Our goal is to help realize a sustainable society at the global level by drawing on OMRON's core competencies in sensing and control technology.

We sincerely appreciate the understanding of all our stakeholders across the world, as we pursue our commitment to do our part in achieving the sustainable development of society and the company.

August 2010

Yoshio Tateisi
Chairman of the Board of
Directors
OMRON Corporation



► [Message from the President](#)

Message from the President

Striving for an organization in which all employees carry out their missions by their own initiative



New values created by new generations

Today, our world faces a variety of issues, including deterioration of the environment, depletion of resources, and regional and individual wealth disparities, to list a few. Parties who aim to address these issues are wide-ranging and vary in level, from international organization level such as the United Nations to the state, municipal, corporate, home and individual levels. I believe that, regardless of the parties involved, we must be prepared to accept any challenge when dealing with these issues.

Preparing ourselves to accept any challenge means specifying what we need to do based on our own thought and determination, and practicing our tasks at our own risk, rather than simply following current trends or doing what we are told to do. Quite a lot of people are busy expressing their opinions on how to solve social issues from the third party's perspective but never state what they can or will do. Unless we determine for ourselves what we must do, however, nothing will be accomplished. The self-reliance and proactive stance of the concerned parties is vital.

For companies such as OMRON, becoming prepared to accept any challenge involves determining our goals, setting forth the road map to achieve them internally and externally, and implementing all necessary measures to reach our goals. We have announced OMRON's corporate social responsibility (CSR) vision for 2020 and core issues that OMRON will address. We are now working toward the achievement of the goals set out in this vision, while also striving to meet the targets of OMRON's medium- to long-term management plan in which CSR is an essential element.

For OMRON, fiscal 2010 is the final year of our "Revival Stage" and thus we are concentrating our efforts on creating a robust profit structure and "changing gears" to re-growth. Also currently being promoted is the "Common, Standard, Platform" concept which involves sharing knowledge and standardizing basic work processes to build common business platforms.

We are also in the process of formulating a new plan for the decade starting from fiscal 2011. We are aiming to complete a plan that clearly sets out the goals OMRON should aim for (Mission), the road map to guide us toward the goals (Vision), and why we must do it (Values), which is the most important, both internally and externally. Our intention is to make the upcoming ten years the decade during which new values will be created by new generations of people. The key factor is a proactive, self-reliant attitude.

Giving resources entrusted to us back to society in a better form

What is most important for human beings is that our planet Earth will continue to exist as long as possible, to achieve a sustainable world. This makes it necessary to promote "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" as the Brundtland Commission of the United Nations defined "sustainability." This idea conforms to the philosophy that OMRON has traditionally upheld—"working for the benefit of society" and "innovation driven by social needs."

OMRON's Corporate Core Value of "working for the benefit of society" emphasizes the idea that a company is a part of society and thus must coexist in harmony with society. The Management Principle of "innovation driven by social needs" represents our commitment to anticipating and addressing social issues that are not yet well-recognized, and producing products and services that will contribute to solving these challenges. But OMRON is not attempting to offer benefits for society or address social challenges because doing so follows current trends. Instead, we are determined to do so on our own initiative because we know it is necessary for us to continue to coexist in harmony with the global community.

OMRON is entrusted by society with various resources including raw materials, energy, funds and personnel, and we conduct business by utilizing these resources. The underlying spirit behind our Core Value and Management Principles is using these entrusted resources as efficiently as possible and returning them back to society in a better form.

Based on this way of thinking, OMRON emphasizes reuse, recycling and saving of resources as we develop, design and produce products. For instance, we use water taken from Lake Biwa for production activities. We strive to treat industrial wastewater in such a way that renders it better than its original quality. For energy sources that cannot be reused or recycled, such as petroleum, we make sure to conserve them as much as possible, in order to reduce CO₂ emissions that cause climate change.

The same approach is adopted for financial and human resources that society has entrusted to us as well. We seek to efficiently invest financial resources in equipment and R&D activities to create high-value products and services, and give earnings that we gain from these products and services to society. Regarding human resources, we encourage our personnel to cultivate skills and capabilities necessary for creating high-value products and services.

Our policy of continuously offering beneficial products and services to society while avoiding wasting resources reflects our commitment to "working for the benefit of society" and promoting "innovation driven by social needs." The objectives of the "Common, Standard, Platform" concept now being promoted for our business practices conforms to the same idea.

Encouraging employees around the world to demonstrate a proactive, self-reliant attitude

The direction OMRON is heading toward can be summarized with the phrase "true globalization." At present, OMRON conducts business in 37 countries around the world. In a way, this shows OMRON is already globalized. However, if we are to promote "innovation driven by social needs" in a manner that meets each country's situation, OMRON in various countries will have to realize further localization. In other words, we need to look to "true globalization."

For the quest for localization as well, the key is the proactive, self-reliant attitude of local

staff in each country. Unless individual employees think and act on their own initiative, they will not be able to demonstrate creativity. Without creativity, no individual or company can enjoy growth. Based on this thought, we will strive to accelerate localization not only in the U.S. and Europe but also in China and the rest of Asia as well, so that all these areas will be able to implement management practices by bringing individual characteristics to the fore.

Accordingly, we have encouraged local staff from each area to actively participate in the formulation process for OMRON's management plan for the next decade so that their views can be fully incorporated into our overall strategy. For the next fiscal year and beyond, we also plan to hold global strategy conferences on a quarterly basis in order to help deepen mutual understanding between areas.

As for global quality and safety management, we will maintain the conventional approach of establishing systems in each area in conformance with the ISO and other global standards. For compliance and internal controls, we will seek to apply our experience of establishing systems and structures developed in Japan for overseas areas to establish solid control systems. Here too, individual employees must be fully aware that they are part of OMRON as a responsible corporate citizen, and thus govern themselves and behave in accordance with their own perceptions of values and ethics, rather than being guided by rules or established systems, and still be able to produce optimum results.

As we aim for global development in the future, OMRON desires to remain as an organization driven by a proactive, self-reliant stance. Instead of taking the road chosen by someone else, we aim to think and choose the road we will take for ourselves, being ready to accept challenges awaiting us. When the road we chose conforms to needs and values of society, it will be justified as a business. I believe this is what "innovation driven by social needs" is all about.

We would like to ask for your continued guidance and support to us in years to come.

August 2010

Hisao Sakuta
President and Chief
Executive Officer
OMRON Corporation



► [Message from the Chairman](#)

CSR Management

▶ CSR Management Policy

OMRON's policy for promoting CSR activities

▶ CSR Management System

OMRON's strategic implementation of CSR activities and the structure to promote it

▶ Materiality Analysis

An overview of newly identified key issues that OMRON will address

▶ Dialogue with Stakeholders

A discussion with experts on OMRON's sustainability reporting and strategy

▶ CSR Vision for 2020

What OMRON aims to accomplish with its CSR strategy in 2020

CSR Management Policy

Identifying important activities based on OMRON's distinctive qualities and sense of urgency

Within the OMRON Principles, the Management Commitments serve as the core elements in OMRON's drive to meet its CSR. These commitments clearly stipulate OMRON's focus on stakeholder engagement in management based on sincere dialogue and mutual trust.

In line with these commitments, OMRON formulated long-term CSR strategies and embedded them into its management strategies to effectively promote CSR practices. In fiscal 2005, OMRON established its basic policy for implementing CSR activities.

Basic CSR policy—3 pillars

- Contribute to a better society through business operations.
Continuously offer advanced technologies, high-quality products and services by stimulating innovation driven by social needs.
- Always demonstrate fairness and integrity in the promotion of corporate activities.
Promote more transparent corporate activities that maintain fairness and integrity not only through strict compliance with laws, regulations and social rules but also through increased accountability.
- Show a commitment to addressing societal issues as a concerned party.
Address issues such as human rights, environment, diversity and community relations in a way that draws on OMRON's distinctive strengths.

CSR framework based on triple bottom line

To implement management practices that emphasize stakeholder engagement, OMRON defined three pillars of CSR activities in its basic policy. In fiscal 2008, striving to create a common CSR awareness within the OMRON Group at the global level, OMRON also developed a framework (chart below) that gives an overview of issues that the company will tackle.

The framework consists of activities to address issues related to economy, environment and society, a so-called "triple bottom line," on top of fundamentals such as corporate governance and internal controls.

Framework of CSR Activities



CSR Management System

Strategic promotion of CSR activities

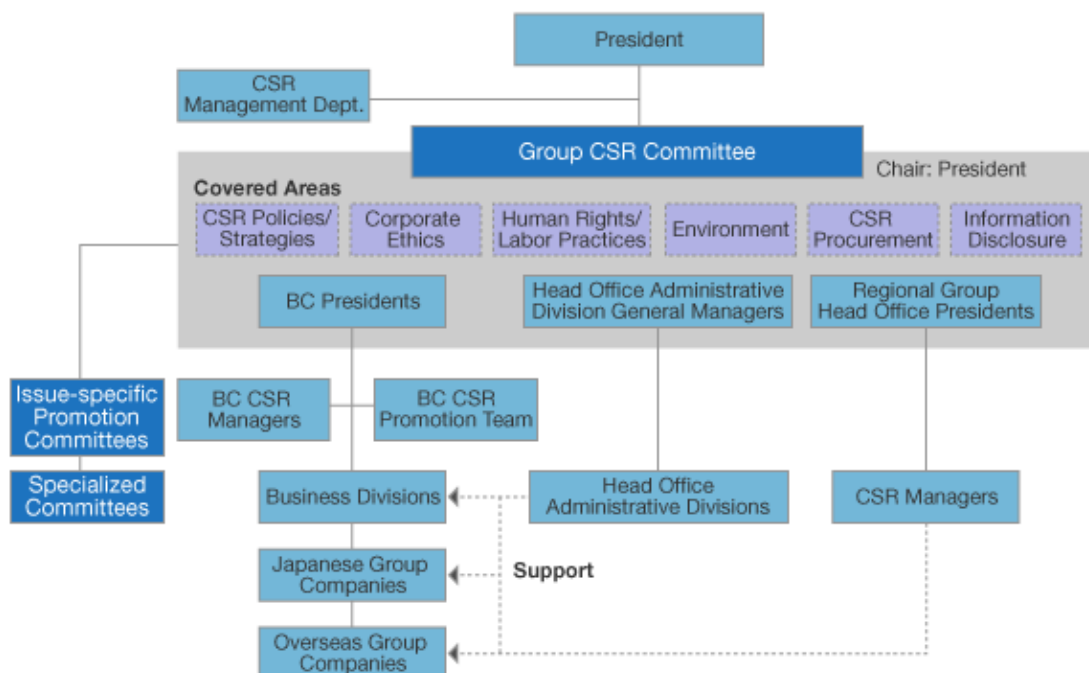
OMRON considers it essential to embed CSR into its management strategies, and to practice CSR as part of its business operations. As such, OMRON has worked to strengthen its CSR management system globally.

In the end of fiscal 2007, the Group CSR Committee was set up to help the management team assess the overall status of CSR and define the specific issues that the OMRON Group faces. The committee also helps determine the future direction of CSR activities. Chaired by the President, the committee's main tasks include formulating the OMRON Group's CSR policy and strategies as well as promotion and monitoring of CSR activities in key areas. Members are presidents of business companies, general managers of head office divisions, and presidents of regional group head offices.

In the past, specialized groups were in place to respectively deal with corporate ethics, environmental preservation, information disclosure and other areas. The Group CSR Committee in turn will cover all of these areas and review OMRON Group's business operations from an overall CSR perspective so as to promote CSR practices more strategically. Business companies and head office divisions (including the environment department and the legal affairs department) are responsible for putting into action the policies and strategies determined by the committee. In fiscal 2009, the Group CSR Committee met twice—in August 2009 and February 2010.

Overseas, CSR managers have been in place in Europe, the Americas and Greater China since fiscal 2008. In fiscal 2010, CSR managers have been assigned in the Asia Pacific region, as part of the OMRON Group's effort to augment its CSR management system at the global level.

CSR Management Structure



Surveying CSR status of production sites worldwide

To respond to the growing societal demand for CSR practices, in fiscal 2008 OMRON prepared self-assessment check sheets based on the Electronics Industry Code of Conduct (EICC *) in order to assess the status of CSR practices at its production sites.

In fiscal 2008, CSR surveys were conducted for only two sites in Japan and one site in Europe. In fiscal 2009, sites subjected to surveys were expanded to include three production sites in Greater China, two production sites in Asia Pacific, and three sources of OMRON's centralized procurement located in Greater China.

Survey results showed no major problems, or points requiring particular improvements even when compared to other companies (such as suppliers) within the same region. However, in Greater China, which is enjoying rapid growth in production, there was a problem of insufficiency in labor management for overwork prevention, a common problem found both inside and outside OMRON.

To solve this problem OMRON will conduct CSR training for managers and those in charge of CSR in Greater China in order to help strengthen understanding of employees' rights, while continuing its monitoring to ensure steady improvement of labor management.

Plans for fiscal 2010 are to conduct surveys for the remaining three production sites in Greater China and one site in Asia Pacific.

◆Main check items :

Policies and procedures regarding labor practices and ethics, freely chosen employment, child labor avoidance, working hours, wages and benefits, humane treatment, freedom of association, elements comprising management systems for labor practices and ethics, emergency preparedness, occupational injury/illness and physically demanding work, occupational safety and machine safeguarding, industrial hygiene, environmental permits and reporting, hazardous substances, wastewater and solid waste, air emissions, employee housing environment, business ethics and information security, etc.

* EICC

The Electronics Industry Code of Conduct (EICC) is an industry code of CSR practices adopted and implemented by major global electronics supply chains.

Establishment of CSR Practice Guidelines aimed at global instillation of CSR across the Group

To make sure that the underlying philosophy of CSR, as stipulated in the OMRON's Management Commitments, is thoroughly practiced by all employees, OMRON published its "CSR Practice Guidelines" in fiscal 2006. This was followed by the establishment of "Implementing the Guiding Principles for Action" in fiscal 2007 so as to help employees practice the Guiding Principles for Action in their day-to-day work. By distributing these two guidelines to all employees in Japan, OMRON has worked to instill and penetrate the concept of CSR based on its Corporate Core Value, "working for the benefit of society."

In fiscal 2007, OMRON initiated activities designed to promote CSR practices globally. As part of this drive, regional editions of the CSR Practice Guidelines were prepared in English by incorporating legislation and customs specific to each region, including Europe, Americas, Asia Pacific, and Greater China. The guidelines were also translated into 25 different local languages including Korean, Chinese, French, Portuguese, Indonesian, Thai, Malay and Vietnamese. "Implementing the Guiding Principles for Action" was also translated into 25 different languages and distributed to all Group companies in fiscal 2007.

OMRON will continue promoting global instillation of CSR, while seeking discovery and solution of individual issues.

Materiality Analysis

Identifying important issues that OMRON should address based on a new concept

In fiscal 2007, OMRON conducted materiality analysis using a materiality map to determine the priority of issues that OMRON should address in the long term. The map was created by plotting various issues faced by the company along the two axes of materiality to stakeholders ("impact on stakeholders") and materiality to OMRON ("impact on OMRON"). This helped identify important issues for OMRON. Since fiscal 2008, OMRON has promoted CSR activities based on this map.

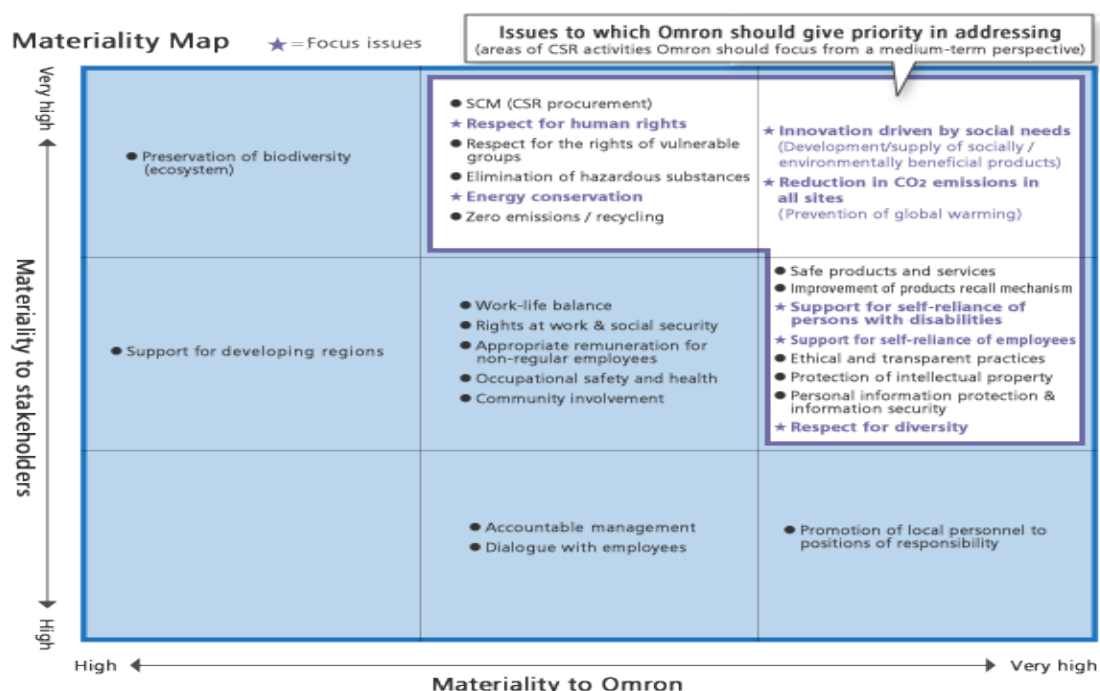
During the course of that process, several problems were detected in the previously created materiality map as shown below. Moreover, as it became necessary to further narrow the focus on issues to be addressed against the backdrop of a radically changing economic environment, OMRON reviewed its way of analyzing the materiality of issues and re-created the map based on a new concept.

Under this concept, OMRON classifies issues to be addressed into three fields: E (Environment), S (Society) and G (Governance), and determines materiality of issues in each of these areas. Issues are then plotted individually according to the degree of materiality. OMRON currently implements CSR activities based on the new materiality map created for each of the E, S and G fields. Going forward, OMRON will regularly review the maps and revise if necessary to reflect changes in social conditions.

Problems with the previous map

- Issues related to the environment, society and governance, which are entirely different from each other in nature, were rated in terms of materiality on the same map.
- The vertical axis of "materiality to stakeholders" included a mix of totally different stakeholders.
- For the horizontal axis of "materiality to OMRON," the definition of OMRON as a company was vague.

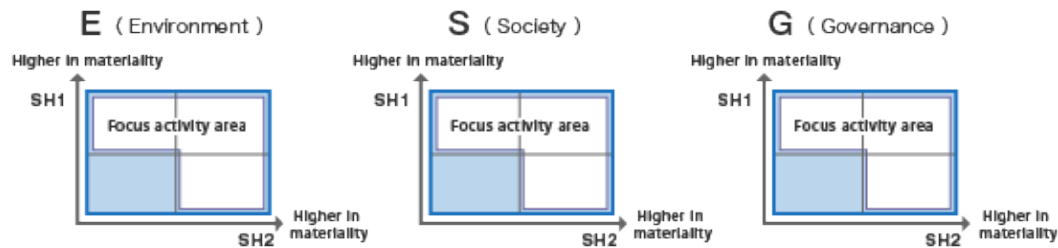
Previous Materiality Map



New Materiality Map

- Stakeholders are classified into those who share the same goal or direction of development with the company and those who don't. The former is called SH2 and the latter, SH1. The map's horizontal axis represents "SH2" group, while the vertical axis represents "SH1" group.
- Issues were re-analyzed for materiality, separately for E (Environment), S (Society) and G (Governance). Then, important issues that OMRON should address were specified for each of these fields.

New classification of stakeholders



CSR tasks re-specified from ESG perspective

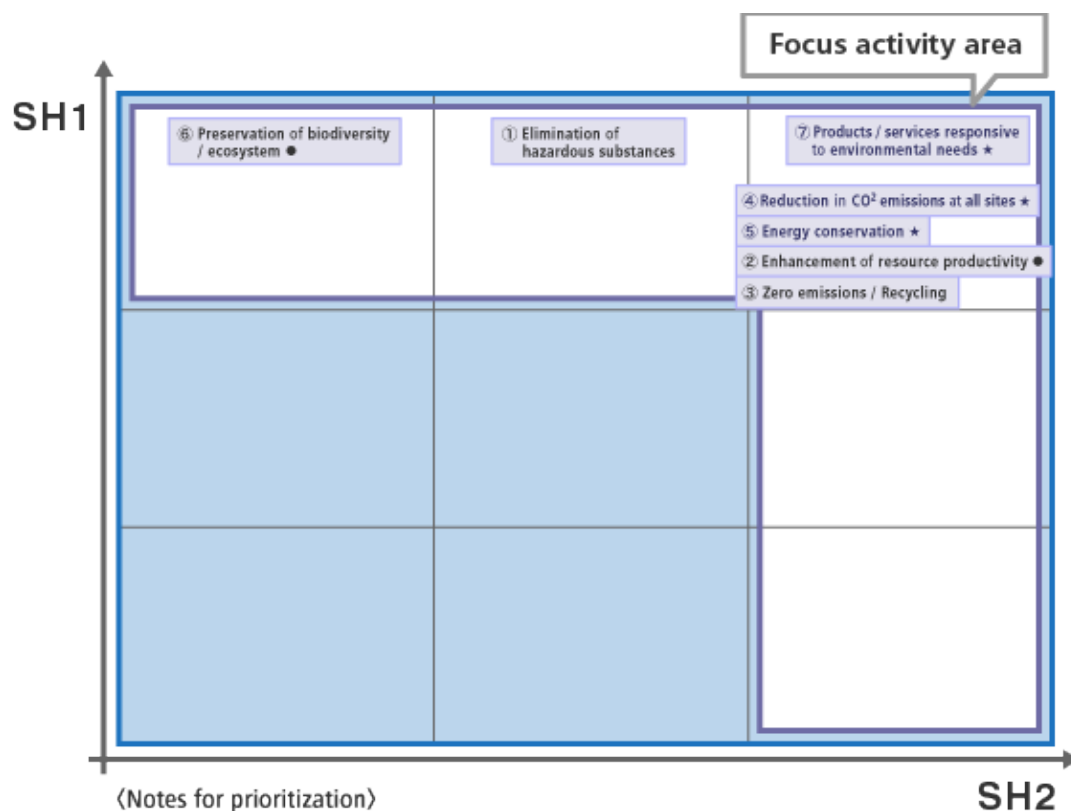
	Core issues	CSR tasks
E	1. Prevention of pollution 2. Sustainable use of resources 3. Alleviation of climate change and adaptation 4. Protection and restoration of natural environment 5. Innovation driven by social needs	(1) Elimination of hazardous substances (2) Enhancement of resource productivity • (3) Zero emissions / recycling (4) Reduction in CO2 emissions at all sites ★ (5) Energy conservation ★ (6) Preservation of biodiversity / ecosystem • (7) Products / services responsive to environmental needs ★
S	1. Human rights 2. Labor practices 3. Community involvement & development 4. Customer/consumer issues 5. Accountability	(1) Elimination of discrimination ★ (2) Support for self-reliance of persons with limitations such as disabilities ★ (3) Respect for fundamental rights ★ (4) Rights at work and social security • (5) Support for self-reliance of employees • (6) Respect for diversity ★ (7) Occupational safety and health • (8) Work-life balance (9) Dialogue with employees (10) Promotion of local personnel to positions of responsibility (11) Community involvement (12) Support for developing regions • (13) Safe products & services • (14) Customer support • (15) Protection of personal information • (16) Products and services responsive to social needs ★

G	1. Accountability	(1) Information disclosure ● (2) Internal control ●
	2. Transparent management practices	(1) Information disclosure ● (3) Internal auditing (4) Whistleblower system
	3. Ethical behavior	(5) Maintenance of corporate ethics ●
	4. Respect for the interests of stakeholders	(1) Information disclosure ● (2) Internal control ● (3) Internal auditing (4) Whistleblower system (6) Protection of intellectual property (7) Personal information protection & information security ●
	5. Respect for legal interests	(8) Legal and regulatory compliance ★

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★ : High materiality/high priority themes

Materiality Analysis of Activities—E (Environment)

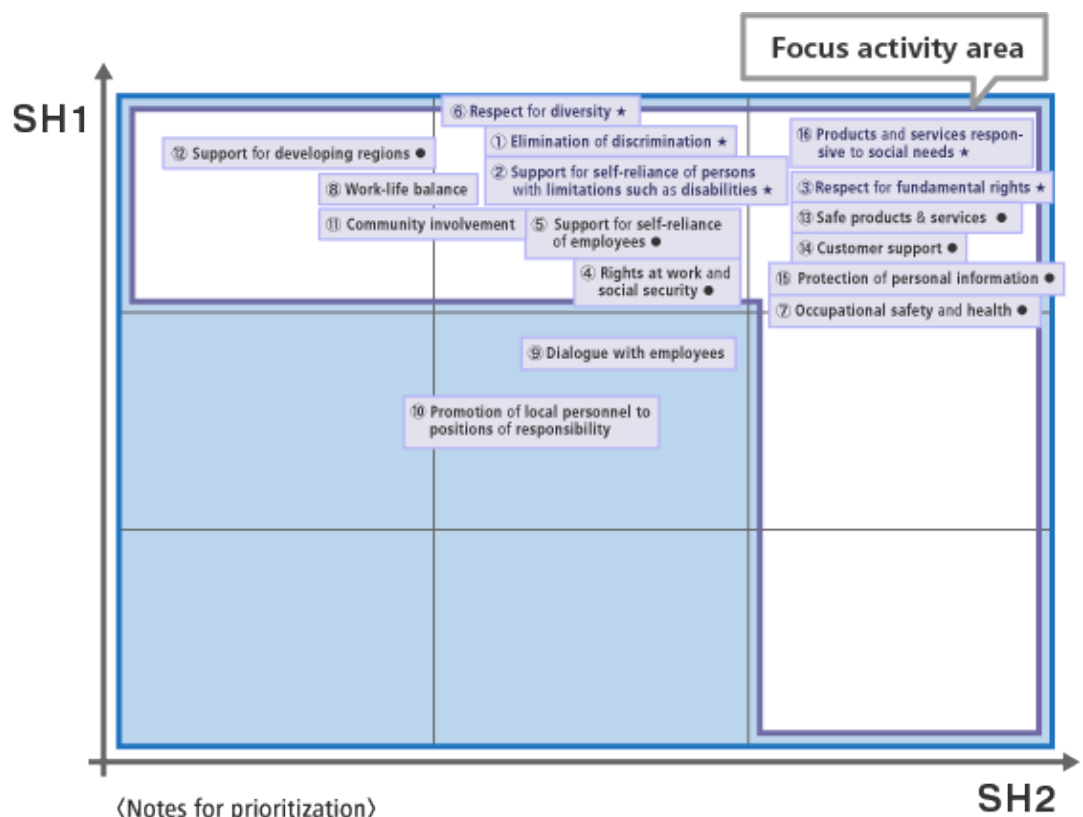


★ : Tasks that require particularly high commitment in the revival stage *

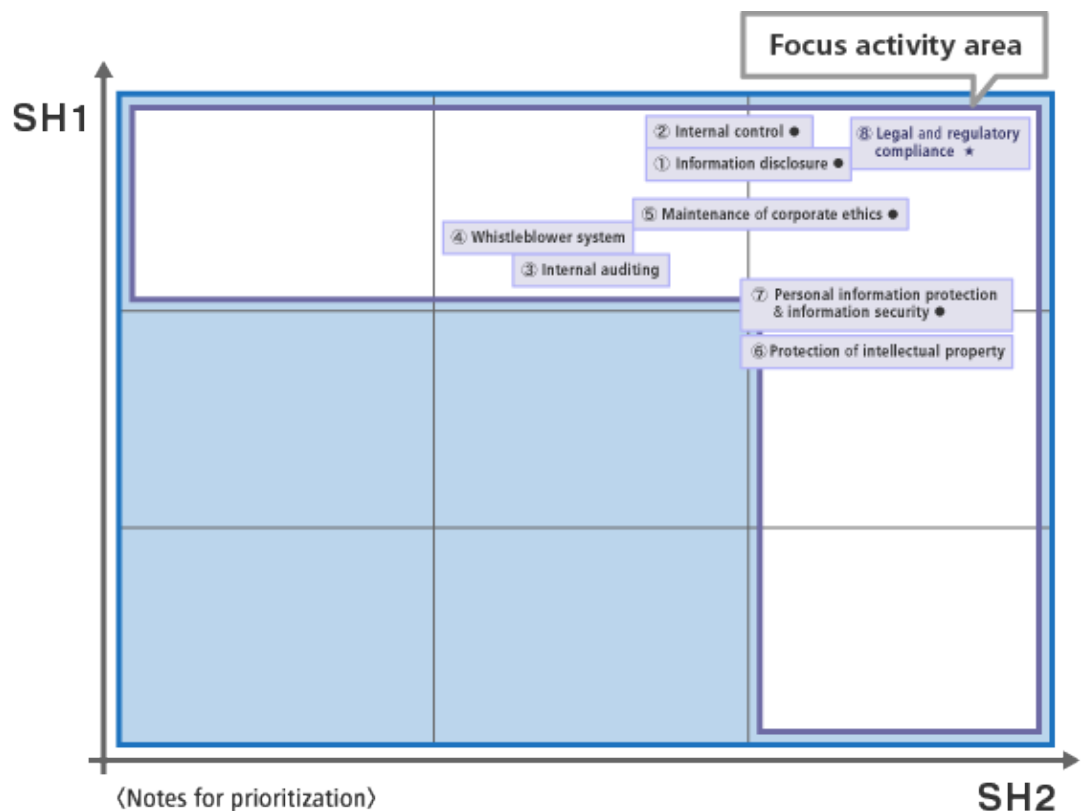
● : High-priority tasks even in the revival stage

* The revival stage refers to the period from February 2009 through March 2011, during which OMRON has concentrated, and will continue to concentrate, efforts on structural reform.

Materiality Analysis of Activities—S (Society)



Materiality Analysis of Activities—G (Government)



Dialogue with Stakeholders

Correctly communicating OMRON's commitment to CSR to stakeholders

OMRON recently organized a dialogue to listen to external experts' impressions and remarks about the OMRON Group's Sustainability Report 2009. The dialogue was also intended to seek their input regarding the editorial policy draft for its Sustainability Report 2010 and confirm its validity.



The dialogue was opened with OMRON's report on the points needing reconsideration in Sustainability Report 2009, followed by an explanation of the editorial policy draft for the 2010 edition which incorporated improvements on these points. The following is a summary of the policy draft, as well as external experts' views on the three topics of discussion regarding OMRON's Sustainability Report.

Participating stakeholders



Ms. Reiko Asano
Ohmi Network Center for
Voluntary Organizations



Mr. Norimasa Orii
Secretary General, Nippon
International Cooperation for
Community Development



Ms. Akiko Sakurai
Kyoto CSR Workshop



Mr. Masahiro Fujino
Kyoto NPO Center

Facilitator

Takeshi Miyamoto

General Manager of Corporate Social
Responsibility Management Department,
Corporate Planning HQ, OMRON Corporation

Points needing reconsideration in Sustainability Report 2009 and editorial policy for Sustainability Report 2010

Shifting from the triple bottom line to ESG—Converting materiality analysis and reporting segmentation

With our Sustainability Report 2009, we reported our activities based on segmentation of the triple bottom line (Economy, Environment and Society). As a result, targets and results related to governance were excluded from the report. Moreover, since the materiality map shown on the "Editorial Policy" page presented focus activities (issues), it was difficult to directly reflect them in triple bottom line reporting. We therefore realized that the materiality analysis should be conducted separately for activities and reporting.

With these points in mind, we decided to carry out materiality analysis for activities for each area of ESG (Environment, Society (= People) and Governance), and also more clearly defined X and Y axes according to the type of stakeholders. For reporting as well, we will carry out materiality analysis by clearly identifying target readers for each ESG area. As such,

the Feature Articles and the list of Targets and Results were also made to follow the ESG segmentation instead of the triple bottom line.

Impressions from reading Sustainability Report 2009

"Reporting should emphasize process above outputs." (Ms. Sakurai)

Although it is a small section, the Editorial Policy in the beginning of the report made the biggest impression on me. The reason was that OMRON's stance for the printed report and website reporting was clearly differentiated, which I thought was very important.

As for the reporting of biodiversity preservation activities, however, I had a firm impression that the corporate message it tried to deliver was rather weak although OMRON, as a leading company, has stressed the importance of conserving biodiversity by taking every possible opportunity.

I sometimes wonder if CSR reports tend to focus too much on outputs, which I think is an issue common to almost all companies. I think balance is essential when deciding whether the report should focus on activities for the particular year under review or should convey the identity or distinctive characteristics of the company OMRON itself through feature articles, etc.

This is just an idea, but I think communicating the process of preparing a report from the kickoff of the editorial meeting to the final publication to stakeholders, rather than concentrating on the reporting of outputs, will probably create a stronger report capable of effectively conveying the corporate message.

"Reducing volume by narrowing down focus points made the report easier to read." (Mr. Fujino)

I have participated in OMRON's dialogue with stakeholders several times and continue to read your Sustainability Report every year. I had the impression that the 2009 edition was totally different from the previous ones. One of the points that made a difference was the volume. I think that using the web for comprehensive coverage of information, while focusing on only key points in the printed report is a reasonable decision, and I think this made the 2009 edition easier to read as a whole.

On the other hand, discussions regarding employees and the supply chain became very limited. Previous reports included photos of employees and their comments, but they were mostly missing from the 2009 edition. As OMRON is a company that cherishes employees, I think it might be better to mention them slightly more often. Also, it concerned me that there was no information about the supply chain's CSR activities at all, although I suppose this is covered more thoroughly on the web.

"Use expressions that are easier to understand for general readers as well as CSR experts." (Ms. Asano)

Readers who know a lot about CSR will find OMRON's Sustainability Report easy to read and comprehensive. For those who are not so familiar with CSR, the idea of sustainability itself may be difficult to understand, and what OMRON is talking about may appear to be high-handed. I felt that it may be necessary to put catchphrases that are easy to understand for general readers and use easier expressions.

I also visited OMRON's CSR web pages and found there was a lot of information covered. Despite this broad coverage, the site map was too broad, which required me to click many buttons to reach the page I wanted to access. I want to ask you to create the site map more carefully to enhance navigation.

"Visualization through setting of numerical targets is worth recognition." (Mr. Orii)

Every year, I feel OMRON's report is well made in all aspects. The 2009 edition in particular

impressed me with its visualization approach including numerical targets specified for various activities. I thought the Eco-Volun initiative is also very interesting. As the company gives donations to charities based on the total number of points earned by employees through participation in activities that help preserve the global environment or volunteer activities in their local communities, it can be considered as a kind of visualization of social contributions.

We have been working on addressing Africa's poverty issues for many years. In the past, OMRON indicated that support for Africa will be a matter the company may consider in the distant future. But the report introduced a Malawi project as part of the Eco-Volun initiative. I was very glad to see that.

Validity of materiality analysis via ESG segmentation

"The definition given to the map's Stakeholder Group 2 axis needs reconsideration." (Mr. Fujino)

The materiality maps such as the one in OMRON's 2009 report are a mainstream trend in CSR reporting, hence we have become accustomed to them. So honestly speaking, your new map presented a feeling of unfamiliarity for me. It was explained by OMRON staff that the Stakeholder Group 1 (Y-axis) and Stakeholder Group 2 (X-axis) refer to stakeholders who have opposing interests with each other. But while there are many different stakeholders, they don't all necessarily have opposing interests, so I think it's better to change the expression of "opposing interests."

"Materiality analysis based on ESG segmentation is easy to understand, which is highly appreciated." (Mr. Orii)

In contrast to Mr. Fujino's comment, because I personally do not have a "materiality map that I'm familiar with," I had the impression that OMRON's ESG segmentation is simple and clear. But I wonder if we can really say that "Stakeholder Group 2" of the two stakeholder axes really shares the same interests with OMRON. I had a slight feeling of discomfort with this classification.

"Corporate stance may become unclear unless targets are narrowed for reporting." (Ms. Asano)

OMRON's idea of separating activities and reporting, and applying ESG analysis for each is very easy to understand for me. But when it comes to combining these two in a single report, I'm not sure if this really works very well. Among readers of the OMRON report, expert readers would study the report very carefully down to its details, but others would not. With such a diversification of stakeholders, the more precisely OMRON tries to segment analysis methods, the more unclear OMRON's corporate stance may become. It may be more effective if OMRON identifies who you will prioritize as the target readers of your report among a diverse range of stakeholders, and it would be actually easier for readers to understand as well.

"Try to avoid reporting of too many particulars." (Ms. Sakurai)

I also had a feeling of discomfort with the "opposing interests" of stakeholders that OMRON explained. For the materiality map shown in the 2009 edition, I can understand the contradiction that OMRON felt. But when I put the new map and the 2009 map side by side, the new map may contain too many particulars for me. Honestly speaking, it is difficult for me to evaluate which is better at this moment.

Expectations for OMRON's future reporting

"'Whose standpoint' is more important than 'who to target.' Taking the other person's standpoint is essential." (Ms. Sakurai)

I think determining "reporting from whose standpoint" is more important than "whom your report will target." To realize the "Optimization Society" as OMRON calls it, support for succeeding generations will increase in priority among all CSR activities. As such, I suggest that OMRON put more focus on creating products and promoting CSR activities from the standpoint of children who will serve vital roles in the future.

Additionally, OMRON's employees and suppliers can also serve as the standpoints you may take for your reporting. I hope you will present "life-sized" portraits of employees and communications with your suppliers.

"The process and results of attaining numerical targets should be reported clearly." (Mr. Fujino)

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What I feel every year reading OMRON's Sustainability Report is that it is really a "straight-A student's" report. But one thing that bothers me is there is no mention of negative information at all. It is often said that social performance is difficult to quantify. But I think there are many items of social performance that can be measured in terms of numbers. So I hope OMRON will include numerical targets for social performance and how the process was built to attain them as well as the results in your report. I believe that even if you fail to meet the targets, it should be reported. For instance, "We were able to achieve just 70% of our target, so we will do such-and-such to meet 100% of the target next year." This should be enough to convince your stakeholders.

"Create a communication tool that fits a diverse range of readers." (Ms. Asano)

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I had previously suggested improving the web report's accessibility. I would appreciate very much if your website incorporates the concept of Universal Design to make sure it can be read with any kind of browser and even can be heard with a voice reader.

You should also target young readers like students as well as current customers, and create a report that appeals to young people so that they will feel like joining OMRON or feel it is "cool!" The perspective of seeking and developing future employees or customers may be necessary. A kids' edition of the sustainability report could be an idea as well.

"I would also appreciate the motive for your sincere commitment to CSR and background information." (Mr. Orii)

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OMRON delivers an image of consistent evolution every year with its report. But it's hard not to feel that OMRON's report is too "nice." I'd like to know what motivates OMRON to do this much, although I may be trying to read too much into it. If you involve general staff in the process of the report preparation and create it in a bottom-up fashion, it will penetrate the worksite more deeply as a report everyone can call their own.

I also heard that you distribute your report to existing customers through salespeople. It may be a good idea to evaluate the effects of the report by measuring how the customers' awareness of OMRON has changed after reading the distributed report. A technique currently being used by NGOs to evaluate the effects of activities intended to raise public awareness may provide a helpful reference.

Incorporation of experts' input in the compilation of the Sustainability Report 2010

- In the new materiality map, we have defined Stakeholder Group 2 and Stakeholder Group 1 axes as those who share the same direction as OMRON and those who don't.
- We decided to target all who have shown a strong interest in CSR as the main readers of our report.
- We decided to design the site map more carefully so that readers can reach their desired pages more quickly and effortlessly. We will work in cooperation with the Corporate Communications Department so as to update information in a timely manner by leveraging the merits of the website.
- As for the comment, "The 'face' of employees is invisible," we will try to devise ways to effectively introduce them as part of OMRON's corporate communications strategies, including our corporate website.

CSR Vision for 2020

Innovation Driven by Social Needs and Customer Issues

Perception of society in 2020	<p>Ten years from now, it will be natural that companies solve various social challenges through their core businesses such as supply of products, services and technologies. The challenges that companies are required to address will include not only environmental issues but also issues related to an aging society with declining birthrate, education, regional and individual wealth disparities, and poverty. Each company's commitment to tackling these social issues and outcomes of its efforts will determine the real value of that company. Regardless of national economic situations, today's mass consumption/mass disposal-oriented lifestyle will be forced to change, and many consumers will demand more eco-friendly products and services that are based on fair dealings.</p> <p>As a result, people will come to seek more psychological fulfillment and a rewarding lifestyle and become more conscious of health. Along with companies' proactive information disclosure and advancement of communications technology, consumer knowledge regarding products, services and other aspects of corporate activities will improve along with their information-gathering abilities.</p> <p>This will make consumers take a harder look at corporate activities. Consumers' discerning judgments will allow only a company that is seriously committed to harmonious coexistence with society to continue to be in business and grow.</p>
OMRON's roles in society in 2020	<p>Since the inception of the company, OMRON has lived up to its core value of "working for the benefit of society." OMRON envisions the Optimization Society in which a complete balance is achieved between individuals and society, between humans and the environment, and between people and machines. Accordingly, the company puts prime importance on the concept of "innovation driven by social needs," which will allow OMRON to introduce innovative products and services to the world ahead of its competitors.</p> <p>This means promoting business operations in such a way as to help build a better society, and OMRON recognizes that society will demand this even more strongly in 10 years to come. All employees feel a strong sense of responsibility to meet this requirement, and maintain a spirit of challenging themselves to meet the great opportunities presented to them.</p> <p>Specifically, OMRON will continue to offer health promotion solutions to consumers and provide corporate clients with safety and security by drawing on its sensing and control technology. In addition, OMRON will be integrating all employees' efforts to deliver a positive impact on society both domestically and internationally, by developing businesses related to a sustainable lifestyle and social structure. At the same time, OMRON will subject itself to the critical eye of society as it seeks fairness and integrity as a manufacturer, while providing maximum quality and environmental consciousness. As such, OMRON will fulfill its responsibility by avoiding any negative impact on society.</p>
OMRON's CSR vision for 2020	<p>The most effective way to steadily promote innovation driven by social needs is through alliances and partnerships with various stakeholders, both internal and external, in comprehensive areas from research and development to production and sales. OMRON envisions that in 10</p>

	<p>years it will have a full-fledged system in place for collaborative innovation with its customers (both consumers and businesses), business associates, governmental agencies, NPOs and others. By materializing "discoveries" that OMRON has gained through collaborations with various stakeholders, many innovative and socially beneficial products and services will become available from OMRON. OMRON will also apply this process of collaborative innovation to social and economic development throughout the world, offering support in the areas of healthcare, safety and security particularly to minorities and vulnerable groups. This will allow OMRON to uncover and meet the potential needs of society. OMRON, as a manufacturer, will also remain committed to product quality and take pride in this effort, while maintaining a top-level global reputation.</p>
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Fair Operating Practices and Organizational Governance

Perception of society in 2020	<p>With increased deregulation in trade and investment, accompanied by the accelerated globalization of economies, there is an urgent need to establish international rules regarding economic activities, while striving to align these with local rules. Against the backdrop of expanding economic disparities within companies or among different countries, the possibility that developing countries may suffer disadvantages will be left unsolved. This will increase public demand for more oversight of corporate activities, so as to ensure strict practice of ethical behavior. Along with this trend, the scope of stakeholders will expand both upstream and downstream, while a company's relations with governmental organizations or NPOs will deepen.</p> <p>Reflecting these conditions, society will demand even more corporate efforts to promote fair operating practices and further improvement of quality for organizational governance.</p>
OMRON's roles in society in 2020	<p>As in the past, OMRON will follow the principle that ethical behavior and economic performance are not mutually exclusive, and that simultaneous achievement of both across the OMRON Group will lead to enhancement of its long-term credibility and corporate value.</p> <p>As OMRON's business activities in emerging economies continue to grow and thrive, it will be essential that OMRON take responsibility for imbuing and strictly complying with corporate ethics and international rules. This not only relates to direct transactions but also involves providing support as the situation requires for fair dealings and business activities throughout the entire supply chain. To earn trust and confidence from a diverse range of stakeholders, it will be necessary for OMRON to strive for sincere information disclosure to strengthen transparency and accountability in corporate activities.</p>
OMRON's CSR vision for 2020	<p>The target image that OMRON envisions is a corporate group equipped with a system for implementing consistent, globally applicable guidelines for compliance and corporate ethics. Instead of limiting this effort to within its Group, OMRON envisions assuming a leading role in helping to share international rules across the Japanese business community. By consistently communicating the concept of mutual respect and mutual growth, OMRON will be able to encourage fair dealings throughout its supply chain. In particular, a system will be established to promote compliance and ethical behavior targeting suppliers. To stay responsive to changes in the social environment, OMRON will proactively maintain communication with its stakeholders. By so doing, OMRON will do its part in building values and making rules that can be shared across the global community as necessary while addressing social issues through concerted Group efforts.</p>

Human Rights

Perception of society in 2020	<p>Increasing global competition and worldwide mobilization of human resources can have a negative side, in terms of unfair treatment of the labor force. In addition to human rights issues caused by destruction of the global environment, conflicts, political insecurity and epidemics, there are other factors that can create new types of threats toward human rights. For example, technology advancements have enabled the accumulation of personal information in medical, healthcare and other security-related services and businesses.</p> <p>As corporate operations become more globalized in the future, and as more and more types of human rights infringement become possible, the challenges that companies face will increase both in scope and complexity.</p>
OMRON's roles in society in 2020	<p>As OMRON's corporate activities become increasingly globalized, its employees will become more and more diverse. This will make it more important than ever to fully instill the spirit of "respect for humanity" into its organizations and individual employees around the world, and to make sure that this takes root among employees as their own values. It will also be possible that inappropriate applications of technology may lead to infringements of human rights, mainly in the fields of healthcare and social infrastructure systems. OMRON therefore considers it its mission to make a move toward appropriate use of technology.</p> <p>OMRON should also expand its long-standing commitment to persons with disabilities, helping them take a more active role in society. While doing so, OMRON will consider ways to help solve the poverty crisis, which touches on a number of human rights issues.</p>
OMRON's CSR vision for 2020	<p>The target image that OMRON envisions is that of a company that eliminates all discrimination in staff recruiting and provides all employees with equal opportunities related to education and promotion. In addition, the company will provide employees with human rights education that is compliant with global standards, with the goal of deeply instilling a spirit of respect for human rights among them.</p> <p>At the same time, OMRON will increase its organizational strength so as to allow a diversity of talents to be fully demonstrated. In business, OMRON will work in tandem with stakeholders on establishing guidelines for the application of technology. Although the guidelines will focus on areas of technology in which the OMRON Group is engaged, OMRON will strive to extend these focus areas, aiming to demonstrate leadership in both the protection of human rights and the application of science and technology. For regions in which human rights are being infringed, OMRON will cooperate with governments and NPOs to address the issue.</p> <p>At the same time, OMRON will strengthen its support for persons with disabilities, a long-lasting commitment since the company's inception. Specifically, OMRON will proactively assist persons with disabilities to increase self-reliance, while supplying products and services that address the challenges faced by them. By so doing, OMRON will do its part to widely inform the public about these issues and raise awareness throughout society.</p>

Perception of society in 2020	<p>In Japan, the so-called "part-timer society" or "free agent society" will continue to expand, along with other styles of working that differ from formal employment. The concept of work-life balance will permeate society, accompanied by a global-level mobilization of human resources. This will in turn give rise to increasingly diversified value perceptions regarding work.</p> <p>Under such circumstances, companies will continue to struggle to seek ideal corporate systems and support initiatives so that employees will be able to choose the optimal working style and workplace environment depending on their individual values. More than ever, this will require people in managerial posts to serve as coordinators to realize optimization of corporate resources, encouraging more and more managers to become professionals. Each organization will assign human resource development experts to key posts and develop its own educational programs. An important factor in differentiating a company from others when recruiting staff will be the level of corporate commitment to helping cultivate diverse talents and skills.</p>
OMRON's roles in society in 2020	<p>At OMRON, our belief is that self-reliant employees who can think and act on their own initiative are a key driver of corporate creativity. The idea of "free agents" who work in a style most appropriate to them according to the nature of the task, and who do so by leveraging their own knowledge and skills, will be positioned as an extension of these self-reliant employees. By combining self-reliant employees and external free agents in the most optimal manner, OMRON will evolve into a company that will deliver satisfaction on both the individual and organizational levels, while promoting the growth of both.</p> <p>During the course of this evolution, OMRON aims to become a company with abundant and powerful human resources. Staff will respect differences among individuals, have a strong sense of curiosity and the energy to take action. At the same time, the concept of work-life balance and respect for diversity and individuality will spread throughout the company. This will provide a high level of satisfaction to employees, while also making OMRON a company of choice among job seekers.</p>
OMRON's CSR vision for 2020	<p>Aiming for the development of a workplace that allows all employees to display their individuality in work, OMRON will continue to emphasize improvement in management capabilities, and the ability to develop human resources for those in managerial positions. In response to the increasingly diversified and multinational composition of human resources, OMRON will design and deploy global standards-compliant systems of personnel development, evaluation/remuneration and management. While doing so, OMRON headquarters will work to enable flexible localized operation of these systems in each region. Promotion of local staff into positions of responsibility will continue to be a top priority, but OMRON as a global company will accelerate implementation of the "right person in the right place" placement policy. This will ensure sufficient mobility to assign talented people to various departments or countries as necessary.</p> <p>At the same time, OMRON will develop and strengthen human resource management systems and initiatives so as to make maximum use of work-ready "free agents" available from external sources. In this quest for optimal human resources, OMRON will work to realize a networked workplace in which talented people can collaborate. Such a workplace, along with various support initiatives, would encourage diversified talents to assume important roles at work, regardless of gender, disabilities or other factors.</p>

Perception of society in 2020	<p>With the 2020 deadline for the post-Kyoto Protocol target just around the corner, countries across the world will come to recognize the limitations of international action to combat global warming. Among nations, the great powers will continue to oppose numerical targets, and it is very unlikely that there will be any meaningful reduction in greenhouse gas emissions, not only in developed countries but developing countries as well. It appears that the EU nations and Japan will also fail to meet their targets.</p> <p>In light of this situation, arguments regarding the adoption of a carbon tax or environmental tax will continue, but it remains to be seen if any countries will actually implement them, resulting in a continued stalemate. Because of this, we're likely to see a number of small islands disappear into the ocean, while disasters such as forest fires stemming from climate change will increase. It is most likely that the supply of fresh water resources will continue to decrease. This could result in shortages of safe drinking water, which could in turn lead to the outbreak of "water wars." As the shift to bioethanol accelerates due to petroleum energy shortages and global warming issues, the argument of food vs. fuel will re-emerge, with no sign of improvement. At the same time, private-level transfer of environmental technologies to developing countries will increase in parallel with the advancement of environmental technology.</p>
OMRON's roles in society in 2020	<p>In view of anticipated increases in demand for capacitors, backlights and other products designed to reduce environmental impact, as well as healthcare products that address health concerns stemming from environmental destruction (mainly in developing countries), it will become increasingly important for OMRON to contribute to environmental conservation for developing countries in the form of technology transfer and international contributions.</p> <p>OMRON will further expand its corporate activities in newly emerging economies. Because of this, the company realizes the need for activities that extend beyond reducing the environmental impact of the OMRON Group's business activities alone, addressing broader environmental issues of the countries/regions in which it operates. Aware of this, OMRON will examine the initiatives and target regions that will be most productive at the global level in tackling global warming and energy shortage issues and concentrate its resources on these to make the most significant contributions possible.</p>
OMRON's CSR vision for 2020	<p>As a private company, OMRON seeks to assume leadership in areas such as transfer of environmental technologies, where it can contribute through its business operations. As for global warming issues, OMRON will make effective use of existing frameworks such as the Clean Development Mechanism (CDM) to contribute to CO2 emissions reduction in developing countries in a visible manner. OMRON will proactively seek ways to contribute to society through the employment of its core technologies. Possibilities include visualization of environmental issues by drawing on OMRON's proprietary sensing and control technology. OMRON will also strive to take the lead in international discussions aimed at solving environmental issues.</p>

<p>Perception of society in 2020</p>	<p>As the world's population increases, the corresponding environmental impact will continue to grow. This will make harmonious coexistence between companies and society even more important than today. Economic development in emerging countries will be accompanied by negative consequences such as widening regional and individual wealth disparities and worsening food and water issues. Although it is obvious that the prime responsibility for social development*1 lies with the government, all organizations will be required to play a role in social development. These roles will include helping to reduce poverty and hunger, offering education and training, improving public health and the living environment, and working to preserve cultural heritage. In Japan in particular, various organizations are expected to address issues caused by a declining birthrate.</p> <p>To tackle these societal challenges, community involvement*2 will be vital, along with economic development. Companies will need to thoroughly understand the social impact of their operations and optimally adapt their activities to ensure maximum benefits for both themselves and society as a whole.</p> <p>※1 Social development : refers to initiatives to promote social and economic development of a community.</p> <p>※2 Community involvement : refers to providing active assistance to a community as a responsible member of that community.</p>
<p>OMRON's roles in society in 2020</p>	<p>In ten years, the challenges that companies must address will become broader in scope and more complex. This will make it a basic prerequisite for companies to grasp the extent and status of their current and potential impact. To this end, it will be vital to promote community involvement and aggressively engage with social development, so as to correctly assess changes in social conditions and expectations. Doing so is an important mission for OMRON, and will also provide OMRON with a source of its core strengths in conformance with its commitment to "innovation driven by social needs." Once this is accomplished, exercising leadership over social investment by drawing on the unique characteristics and expertise of OMRON's business, or through collaborations with other companies/industries if necessary, will be the most suitable social development strategy for OMRON.</p> <p>As a global company originating in Japan, OMRON should fulfill its role to relay problems in other parts of the world to Japanese society, so as to raise public awareness and encourage action.</p>
<p>OMRON's CSR vision for 2020</p>	<p>OMRON aims to assume an international leadership position in social development by communicating its vision of what a sustainable society would look like. In underprivileged regions, OMRON's focus will be on healthcare, social infrastructure and employment. OMRON will also serve as a leader in promoting health, safety and security—both mental and physical—in rapidly aging advanced societies. These efforts will be promoted as part of its process of creating "innovation driven by social needs."</p> <p>OMRON will also share with the global community its unique stance for social development (i.e., a model of corporate development integral with society through partnerships with the government or NPOs). With "enhancement of QOL for people with limitations" as its basic policy, OMRON will implement various contribution activities tailored to each community's needs. Employees will also be encouraged to take part in community activities individually, resulting in a synergy between social development as part of the business process and community involvement of individual employees.</p>

United Nations Global Compact

United Nations Global Compact Upholding the UN Global Compact's Ten Principles

In fiscal 2008, OMRON declared its support for the Ten Principles of the United Nations Global Compact (UNGC), which are universally accepted principles in the areas of human rights, labor standards, the environment and anti-corruption. Accordingly, OMRON joined the Global Compact Japan Network (GC-JN), a local Global Compact network. In fiscal 2006, OMRON published its CSR Practice Guidelines, which set forth the ground rules for implementing CSR-oriented practices. In conformance with these guidelines, the OMRON Group has promoted its CSR activities. Now, these guidelines set the direction for OMRON's drive to put UNGC's ten principles into practice.



In fiscal 2009, OMRON actively supported vitalizing GC-JN's activities in the Kansai region and increasing its member companies.

▶ [United Nations Global Compact \(UNGC\)](#)

United Nations Global Compact Upholding the UN Global Compact's Ten Principles

CSR Practice Guidelines have been translated into 25 different languages and distributed to all directors, officers and employees of the OMRON Group throughout the world.

UNGC Ten Principles			OMRON Group in-house regulations	Status of activities
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	The basic policy for respect for human rights, based on the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and other major international standards, is set forth in the OMRON Group CSR Practice Guidelines.	▶ Respect for Human Rights ▶ Responsibility to Business Partners
	Principle 2	make sure that they are not complicit in human rights abuses. Labour	2-1-1. Respect for Human Rights 2-1-2. Labor Standards Compliance and Respect for Individuality and Diversity	
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	OMRON's respect for the ILO Declaration on Fundamental Principles and Rights at Work is discussed in the OMRON Group CSR Practice Guidelines. 2-1-2. Labor Standards Compliance and Respect for Individuality and Diversity	▶ Respect for Workers' Rights ▶ Responsibility to Business Partners ▶ Employment/Remuneration /Employee Support Initiatives ▶ Respect for Human Rights ▶ Respect for Workers' Rights ▶ Equal Employment Opportunities and Diversity at Work ▶ Work-Life Balance ▶ Responsibility to Business Partners
	Principle 4	the elimination of all forms of forced and compulsory labour;	OMRON's respect for the ILO Declaration on Fundamental Principles and Rights at Work is discussed in the OMRON Group CSR Practice Guidelines.	
	Principle 5	he effective abolition of child labour; and	2-1-1. Respect for Human Rights	
	Principle 6	the elimination of discrimination in respect of employment and occupation.	2-1-2. Labor Standards Compliance and Respect for Individuality and Diversity	

Environ- ment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	The basic policy for environmental protection is specified in the OMRON Group CSR Practice Guidelines. 2-3. Environmental Protection In addition, in 2002, OMRON established its "Green OMRON 21" vision, an environmental vision that sets forth the direction of its environmental management, as well as OMRON's targets related to key areas of activity.	▶ Environmental Aspects of CSR ▶ Responsibility to Business Partners
	Principle 8	undertake initiatives to promote greater environmental responsibility; and		
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.		
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	The basic policy for preventing corrupt practices is described in the OMRON Group CSR Practice Guidelines. 2-2-4. Prevention of Corrupt Practices	▶ Compliance ▶ Responsibility to Business Partners

United Nations Millennium Development Goals

OMRON is also striving to achieve the United Nations' Millennium Development Goals (MDGs). As its efforts to achieve Goal 4 "Reduce Child Mortality Rate," OMRON conducted a campaign to support UNICEF to mark its milestone of the 100 millionth blood pressure monitor unit sold.

▶ [United Nations Millennium Development Goals \(MDGs\)](#)

CSR Activities in China

▸ CSR Management

How OMRON promotes CSR activities in China

- [Message from the President of China Group Head Office](#)
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▸ Environmental Initiatives

OMRON's energy- and resource-conservation solutions and activities in China

- [Energy Conservation](#)
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▸ Social Initiatives

Product liability, human resource development and community support in China

- [Human Rights Education](#)
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▸ Governance

Efforts to strengthen foundation for supporting OMRON's CSR commitment in China

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CSR Management

Message from the President of China Group Head Office

[[Message from the President of China Group Head Office](#) | [Dialogue with Stakeholders](#) | [CSR Education](#) | [CSR Awards and Recognition](#)]

Presently, OMRON has eight production sites and some 17,000 employees in Greater China. The financial crisis that hit the world during the second half of fiscal 2008 had a serious impact on the global economy. Despite this, in fiscal 2009 OMRON recorded sales revenue of US\$898 million in Greater China, which has grown into the second largest market for the OMRON Group, after Japan. Fully equipped with all business processes and functions, including R&D, production, sales, marketing and service, OMRON's foundation in China has solidified to the point that the company can be expected to achieve sustainable growth in the area.

With manufacturers from around the world placing their production sites in China, energy conservation and CO₂ emissions reduction (low carbon footprint) are among the most crucial issues for the nation. These correspond to the areas that OMRON has focused on over many long years. At the establishment ceremony for the Green Group Members (GGM) that took place in Shanghai on November 20, 2009, OMRON, as a member of GGM, declared its strong determination to help solve the social issues facing China through the exploitation of a new business model in the energy-saving field.

Along with these contributions through business, we also promote corporate citizenship activities in a wide range of areas, including employment of persons with disabilities and support for sports and education. To help victims of the earthquake that hit the Qinghai Province in April 2009, OMRON donated blood pressure monitors and electronic thermometers while also sending supplies to the disaster-affected region. OMRON employees in China also made donations, which were sent to support the victims of the earthquake and express the love and kindness of employees.

We are also aggressively involved with initiatives to promote respect for human rights, one of the CSR issues on which the OMRON Group is determined to focus worldwide. Accordingly, in fiscal 2009 we launched CSR education programs for employees of Chinese production companies. By raising awareness and transforming the mindset of individual employees, we are aiming to build a harmonious management-labor relationship by taking into account the current status of Chinese society. This will allow us to create a company in which the company and employees will be able to enjoy mutual development.

In conformance with the OMRON Group's core value of "working for the benefit of society," we will continue to strengthen R&D activities in the key areas of safety, security, health and the environment, and offer products and services that can meet potential needs that are expected to arise in Chinese society. By so doing, we pledge to develop OMRON into a global company firmly rooted in China through our business and all other corporate activities.

Dialogue with Stakeholders

[[Message from the President of China Group Head Office](#) | [Dialogue with Stakeholders](#) | [CSR Education](#) | [CSR Awards and Recognition](#)]

Business presentations for the government and media

To deepen relationships with main stakeholders in China and provide them with necessary information, OMRON holds annual business presentations targeting the Chinese government and related media. In fiscal 2009, a presentation for the government took place on January 20, 2010, with another for the media on the following day. Each of these presentations attracted 10-20 attendees. During the presentations, Tatsunosuke Goto, chairman and president of OMRON (China) Co., Ltd., explained the extent to which OMRON's business in China had recovered in fiscal 2009. He also outlined the company's CSR activities, thanking governmental officials and media reporters for their daily support and patronage.



Mr. Goto explaining the growth of OMRON's business in China

CSR Education

[[Message from the President of China Group Head Office](#) | [Dialogue with Stakeholders](#) | [CSR Education](#) | [CSR Awards and Recognition](#)]

Promoting CSR education in Greater China

To put OMRON's management principle, "respect for humanity," into practice in Greater China, OMRON (China) Co., Ltd., OMRON's China Group Head Office, launched CSR education for its Group employees in the area during fiscal 2009. The first training session targeted employees of OMRON Electronic Components (Shenzhen) Ltd. having the largest staff among all production companies in the area. OMRON (China) invited the lecturer from the Shenzhen Institute of Contemporary Observation (ICO), who taught employees of various ranks about what they need to know for building a sound work environment.

For the training, an educational goal was specified for each of five ranks, namely general staff, team leader, group leader, section chief and department manager, and lectures were given on 20 subjects, including cultivation of good human relations, mental health, team building, and factory floor management and management technique. The focus was on enhancing awareness of team and group leaders who lead factory floor operations. The purpose of the training is to help these leaders improve skill needed for their duty of quality of work, while at the same time raising their awareness about compliance and human rights. This will allow harmonious labor-management relations to be built with factory operators, which will eventually lead to the creation of a workplace that stimulates development of both the company and individually employees.

The training was well-received by many participants. One participant remarked, "I was able to develop myself by gaining lots of knowledge," while others showed a high enthusiasm about further learning, requesting more opportunities for similar education in the future.

OMRON's goal is to enhance all employees' awareness regarding human rights and create a workplace atmosphere that values the personalities and capabilities of individuals, so as to help them achieve self-fulfillment and promote mutual growth of employees and the company. To this end, it is essential to raise management-class employees' concern for CSR issues, while at the same time providing general employees with greater learning opportunities to promote their growth. OMRON (China) plans to continue providing CSR education to other production companies as well.



Employee discussion on CSR

CSR Awards and Recognition

[[Message from the President of China Group Head Office](#) | [Dialogue with Stakeholders](#) | [CSR Education](#) | [CSR Awards and Recognition](#)]

External commendation in Greater China

OMRON (China) Co., Ltd. wins 2009 Multinational Corporations in China Contribution Award

In 2009, OMRON (China) Co., Ltd. was given the "Multinational Corporations in China Contribution" award by the Chinese Enterprise News and China Corporate Social Responsibility Research Center. This award is given to top-ranking multinational companies operating in China based on an overall evaluation of CSR-related efforts. This was the second time that the award was given to OMRON (China).



OMRON (China) Co., Ltd. receives Special Recognition Award at World Hypertension Congress

At the World Hypertension Congress, OMRON (China) Co., Ltd. received the World Hypertension League Recognition Award in acknowledgement of the long-lasting contribution of its healthcare business to the prevention and treatment of hypertension.

OMRON (Shanghai) Co., Ltd. certified as Clean Production Model Company

OMRON (Shanghai) Co., Ltd. was certified as a Clean Production Model Company after having passed the clean production examination by Shanghai City. The examination determines if a company's production process and its overall management meet Shanghai's environmental standards.



OMRON Electronic Components (Shenzhen) Ltd. recognized for workplace improvement for workers with disabilities

OMRON Electronic Components (Shenzhen) Ltd. was recognized for excellence in its commitment to improving the workplace environment for workers with disabilities. The company has consistently promoted employment of people with disabilities, while aggressively supporting the ability of disabled people to produce productive results through full demonstration of their capabilities. Through these efforts, OMRON Electronic Components (Shenzhen) was recognized for its many contributions. Artist MS. Xiaolan Fu and MS. Yanhong Xiao, a member of the gold medal winning Archery Women's Team at the 2008 Beijing Paralympic Games, now work at OMRON Electronic Components (Shenzhen).

OMRON Electronic Components Trading (Shanghai) Ltd. named 2009 Leading Electronic Components Manufacturer in China

OMRON Electronic Components Trading (Shanghai) Ltd. participated in the 74th China Electronics Fair, where the company was named one of the 16 leading electronic components manufacturers in the Chinese market. The company was selected from among the fair exhibitors through votes cast on the fair's electronic components technology website.



Environmental Initiatives

Energy Conservation

[[Energy Conservation](#) | [Contribution through Business](#)]

Achieving significant energy conservation through onsite improvement

OMRON (Shanghai) Co., Ltd. has been aggressively working to address environmental issues by promoting energy conservation and zero waste emissions initiatives. In fiscal 2009, OMRON (Shanghai) concentrated on improving air compressors as it faced a rapid increase in production.

Previously, eight compressors were in operation continuously on its production line. As a result of equipment adjustments, however, the company realized that the necessary amount of air could be supplied by operating one compressor as needed, with two other units in constant operation. This improvement made it possible to reduce electricity usage for operating compressors to 40% of the previously required level, thus resulting in significant energy conservation. Moreover, because the operation time for each unit was shortened, equipment wear was reduced, leading to a lower frequency of maintenance and extended equipment service life.



Improved efficiency enabled the use of fewer compressor units

OMRON (Shanghai) has been selected as one of the 22 most advanced companies in Shanghai in recognition for its commitment to environmental preservation, and certified as an excellent model for clean production. The company also actively takes part in the government's initiative to promote green lifestyles and low carbon emissions in production, implementing various ecological preservation activities together with its employees and neighboring companies.

Contribution through Business

[[Energy Conservation](#) | [Contribution through Business](#)]

Participating in energy conservation/environmental protection projects in China

At the GGM* (Green Group Members) establishment ceremony held in Shanghai on November 20, 2009, OMRON expressed its commitment as a GGM member to help address social issues in China. This commitment will be fulfilled by promoting various environmental protection and energy saving-related initiatives. On March 22, 2010, GGM and the Chinese Academy of Sciences signed a strategic collaboration agreement regarding energy-saving and environmental businesses in Tangshan City. At the signing ceremony, Chairman and President Tatsunosuke Goto of OMRON (China) Co., Ltd. introduced GGM members to the Chinese Academy of Sciences as well as Chinese and Japanese media reporters. He also pledged that Japanese companies will work to promote energy conservation, CO2 emissions reduction and the



development of a low-carbon economy, which are key areas for the Chinese government's policies on environmental improvement. To this end, Japanese companies will draw on their accumulated experience in developing technologies and solutions as well as excellent track record in these fields.

* GGM

GGM (Green Group Members) is a coalition of Japanese-affiliated companies in China that are engaged in environmental protection and energy conservation businesses. The objectives of GGM are to serve as a bridge between China and Japan, helping China to meet its environmental improvement goals by exploiting Japan's advanced energy-saving and other environmental technologies. GGM also aims to establish environmental protection-related firms within China to help address the global challenges of energy conservation and environmental improvement.

■ Agreements between GGM and the Chinese Academy of Sciences

Strategic collaboration

1. Development of energy-saving and environmental protection models
2. Sharing and release of energy-saving and environmental protection information
3. Promotion of surveys and research in the fields of energy-saving and environmental protection
4. Personnel exchange between China and Japan

Joint venture projects

1. Adoption of Japan's energy-saving technologies for more efficient promotion of energy conservation and environmental businesses in China
2. Implementation of energy-saving and environmental business model plans
3. Establishment of joint branding for energy-saving and environmental products

Social Initiatives

Human Rights Education

[[Human Rights Education](#) | [Product Safety](#) | [Customer Service](#) | [Disaster Relief](#) | [Contribution through Business](#)]

| Offering human rights training at all sites in Greater China

Human rights is one of the issues attracting strong interest from the global community, so promotion of human rights awareness and resolving human rights issues are one of the most essential requirements for the progress of human society. Based on this awareness, OMRON considers "respect for human rights" to be one of the highest priority CSR issues that the company should address, and thus has been promoting various related activities across the Group. As such, measures have already been taken to enhance employee awareness of human rights including employee training in Japan and part of the Americas. OMRON plans to expand the training and other awareness-raising activities to Europe and China in the future. OMRON's basic policy is to raise awareness of all employees throughout the world regarding human rights, and create a corporate culture that values the personality and talents of individuals at the global level. By so doing, OMRON strives to do its part in building a fair, discrimination-free society.

In March 2010, OMRON (China) offered human rights training for managerial-class employees at all sites throughout China. During the training sessions, OMRON managers in China learned about human rights-related issues covered by China's National Human Rights Action Plan and the Shanghai Pudong New Area's local standards on CSR, using OMRON Group's human rights educational materials. Participants submitted reports describing their own views on human rights and their impressions of the training. Many reports included comments about China's national determination to respect human rights. Others commented that the training taught them the importance of respecting human rights in their own workplace and during day-to-day work.

Product Safety

[[Human Rights Education](#) | [Product Safety](#) | [Customer Service](#) | [Disaster Relief](#) | [Contribution through Business](#)]

| Accepting UL61058-1 testing challenge to meet safety standards

OMRON Group companies in Greater China are working hard to challenge themselves to always do better, as stated in OMRON's Management Principles.

In accordance with the latest requirements of UL Standards issued in September 2005, OMRON Electronic Components (Shenzhen) Ltd. is required to transfer safety standards of its UL recognized manual switches from UL1054 to UL61058-1 by the year 2015. To meet this requirement, OMRON Electronic Components (Shenzhen) has been working on the transfer of safety certification for the applicable switches since fiscal 2008. As part of this drive, the company decided to handle UL61058-1 testing on its own in China, which is the key point for transition of safety certification.

For UL61058-1 testing, the testing facility must first be officially recognized by UL, and all technical staff worked to meet this challenge. By learning about the test facility structure and gaining basic knowledge about UL standards, they gradually were able to solve equipment failures for themselves. They also learned how to connect the instructions written in the English manual with operation of the actual equipment, which also helped deepen their basic knowledge of UL safety standards. Thanks to the efforts of all involved, OMRON Electronic Components (Shenzhen)'s testing facility was finally UL recognized.



Engineers working with equipment adjustment and testing for UL recognition

After receiving UL recognition for the testing facility, sample testing was launched. By shortening each test period from three weeks to one week, switches subject to testing were protected from shipment stoppage.

Through their independent efforts, OMRON Electronic Components (Shenzhen) was able to quickly meet safety standards with their switches, while also promoting improvement of skills and sharing of technologies. This successful experience also leads to enhanced employee motivation for the growth of business. By taking advantage of this experience, the company also aims to work for the transition of UL standards for other products such as relays.

Customer Service

[[Human Rights Education](#) | [Product Safety](#) | Customer Service | [Disaster Relief](#) | [Contribution through Business](#)]

Efforts to enhance customer service

OMRON Industrial Automation (China) Co., Ltd. offers various services related to a customer's production process based on its policy of "providing customers with first-rate service in a timely manner at every stage, including planning, equipment setup, deployment, operation and maintenance."

In fiscal 2009, while further cost reductions and efficiency enhancements were required to cope with severe economic conditions, the company worked toward providing better service by setting up an elite technical support team that can provide greater satisfaction to customers.



Main functions of the Customer Support Center

[Technical consultation]

Staffed with some 40 engineers, the Customer Support Center is ready to provide appropriate advice for product selection and respond to customer inquiries as needed for any problems that occur during the use of OMRON industrial automation products. In fiscal 2009, consultation and claim response functions were strengthened. As for response to telephone inquiries, the recorded response-based self-service FAQ system, the first of its kind in the industry, was deployed for 24/7 support. In fiscal 2009, a total of 239,304 customer calls were received, with a rate of response reaching 85.43%.

[Technical database]

Efforts are also focused on improving the technical database so that customers can access a complete list of products. Any product is available at a glance by searching for the product name and model. The database also includes a wide range of information covering non-FAQ questions and answers, enabling quick and appropriate response to inquiries.

[Technical seminars]

OMRON training centers in Shanghai, Beijing and Guangzhou host seminars for customers throughout China as well as technology seminars for specific customers. Seminars are classified by product category and function, and cover a broad range of topics to meet the diverse needs of customers. In fiscal 2009, a total of 207 seminars were held, attracting 2,149 participants. Among these, VIP seminars numbered 75 with 846 participants in attendance.

[Online training]

The Customer Support Center is equipped with an online audiovisual system for fundamental education and introducing new products. A wide range of courses with varied content resources are available online, enabling customers and distributors to learn the basic features of OMRON products any time, anywhere. Participants can check their own level of comprehension, and can also acquire certification for course completion.

[Product repair]

A specialized service team provides repair service for all OMRON industrial automation components and systems, while also responding to product quality-related complaints from customers. The staff is committed to repairing products in the shortest possible time, in order to minimize the loss to customers. During fiscal 2009, a total of 16,785 repair requests were handled. Of these, 97.2% were responded to with a primary diagnosis within a single business day. A full 88.5% of defective products were repaired and returned to customers within four business days.

[Customer satisfaction survey]

To understand how customers feel about OMRON products, and to better implement measures for enhancing customer service based on customer feedback, the Customer Support Center conducts a customer satisfaction survey regarding various services. Comments and suggestions from customers collected through the survey are relayed to related departments, which in turn respond with countermeasures, while also seeking to raise the quality of service by referencing the comments. The results of the fiscal 2009 survey conducted for 989 client companies revealed that customer satisfaction increased sharply, especially after improvements in repair service.

Disaster Relief

[[Human Rights Education](#) | [Product Safety](#) | [Customer Service](#) | Disaster Relief | [Contribution through Business](#)]

▶ [Corporate Citizenship](#)

Contribution through Business

[[Human Rights Education](#) | [Product Safety](#) | [Customer Service](#) | [Disaster Relief](#) | Contribution through Business]

| OMRON training centers contribute to solving labor issues in China

Previously, OMRON sought to increase the recognition of its control components and systems in the field of industrial automation in China by setting up an OMRON laboratory in technical colleges. This also contributed to promoting the nation's higher education through the supply of experimental equipment, training for teachers, and preparation of educational materials.

Along with the restructuring of state-owned enterprises in China, the need for re-education of early retirees has grown. In response, OMRON reviewed its contribution by means of the OMRON laboratory. As a result, OMRON, in collaboration with the China Electrotechnical Society, received certification as an exemplary high-tech training facility from the China Employment Training Technical Instruction Center (CETTIC) of the Ministry of Labor (presently the Ministry of Human Resources and Social Security) in 2004. With this certification, those who received training at OMRON training centers can be awarded with a CETTIC certificate which provides an advantage when early retirees seek re-employment. At present, OMRON training centers are used by many people for pre-employment training.

In fiscal 2009, 24 OMRON training centers throughout China accepted 915 participants for training, 874 of whom acquired a CETTIC certificate.

OMRON's control technology helps improve infrastructure and address social issues in China

Various projects are now underway in China to improve its social infrastructure, which in turn is aimed at solving such issues as poverty and wealth discrepancies, as well as environmental pollution and energy shortages. In addition to its contribution in the area of industrial automation, OMRON has been supporting the improvement of social infrastructure in China and the subsequent development of society with its sensing and control technology since 2001.

Today, OMRON's air conditioning, lighting and water treatment control technologies and products are active in transportation networks including expressways, tunnels and subways, as well as power stations, wastewater treatment plants and other facilities.



Example of tunnel monitoring and control system in China using OMRON products (for 210 tunnels in 26 provinces/municipalities in China, a total distance of 320km)

Governance

Corporate Ethics

[[Corporate Ethics](#) | [Internal Auditing](#)]

Launching corporate ethics e-learning program

Since 2006, OMRON Industrial Automation (China) Co., Ltd. has been promoting company-wide corporate ethics education, incorporating corporate ethics as a subject of new employee training as well. The company also launched the e-learning program in October 2009 to provide employees with web-based self-learning opportunities. The e-learning system is equipped with offline learning and online update functions, enabling efficient self-study using free time during business trips or while out of office. The e-learning content covers a wide range of subjects from business contracts to personal development, providing over ten courses in six months.

In fiscal 2010, the previously available corporate ethics courses have been upgraded to the e-learning courses by incorporating the latest information. The upgraded corporate ethics e-learning program introduces the story of OMRON founder and employees of OMRON Taiyo and OMRON Kyoto Taiyo (factories run by workers with disabilities). The program also provides an explanation for OMRON's internal regulations for corporate ethics and privacy protection, and offers reference information on fair trade, individual behavior and related laws/regulations. Since fiscal 2010, a new employee training program has also been available online, with approximately 60 newcomers having already taken corporate ethics courses on the Internet.



Corporate ethics e-learning program's web page

Internal Auditing

[[Corporate Ethics](#) | [Internal Auditing](#)]

Conducting a general audit for internal controls

OMRON (Shanghai) Co., Ltd. conducts a general audit for internal controls based on its own auditing standards. This audit is aimed at ensuring that internal controls are functioning properly in four areas, namely effectiveness and efficiency of operation, legal and regulatory compliance, reliability of financial reporting, and maintenance of assets. As such, the audit examines three specific areas: business process, prevention of fraud, and compliance with J-SOX requirements.

This audit targets all OMRON Group companies in China, Hong Kong and Taiwan, with the frequency of auditing classified into three categories: every year, once every two years, and once every three years, according to the degree of risk. For the future, OMRON (Shanghai) will continue to conduct auditing for all Group companies in the area at least once every three years. OMRON (Shanghai) also collaborates with the OMRON Head Office in Japan as it seeks to refine auditing skills, with the schedule and results of auditing being reviewed by the Corporate Internal Auditing HQ.

Targets and Results

[[FY2009 Targets and Results](#) | [FY2010 Policy/Targets and GD-III Focus Activities/Targets](#)]

CSR Issues and Basic Policy

Offer products and services to address social needs related to safety, security, health and the environment, by capitalizing on OMRON's core competencies of sensing and control technology. The key concept is "best matching of machines to people."

FY2009 Targets and Results

Innovation driven by social needs

FY2009 policy/targets	FY2009 main results	Rating
Safety and Security (Products/services for various sectors of society)		
<p>[Ensuring safety and security for production sites]</p> <ul style="list-style-type: none"> Continue promoting safety business to maintain safety at worldwide production sites. <p>Note: Aim to establish an indicator for objective measurement of progress by the end of FY2009.</p>	<p>[Ensuring safety and security for production sites]</p> <ul style="list-style-type: none"> Considered roll-out of machine safety service to Asia and Europe, with a track record developed by a North America site. Although the service was highly acclaimed by pilot customers, service was not launched yet at the global level. 	△
<p>[Toward safer, more secure road transportation]</p> <ul style="list-style-type: none"> Promote social sensor solutions business that contributes to safety and security of society in 4 domains: train stations, roads, industry and commerce. Continue tests with car manufactures to verify the effectiveness of driving safety support systems (DSSS). 	<p>[Toward safer, more secure road transportation]</p> <ul style="list-style-type: none"> DSSS tests during fiscal 2009 were postponed due to external circumstances, thus effectiveness of the systems could not be verified. Launched the deployment of a straying detection system. 	○
<p>[Embedded personal computers that ensure equipment safety and security]</p> <ul style="list-style-type: none"> Promote adoption of the CSO (common, standard and options) concept for RAS (reliability, availability and serviceability) sensing technology to expand the range of products employing the technology. <p>Note: Aim to establish an indicator for objective measurement of progress by the end of FY2009.</p>	<p>[Embedded personal computers that ensure equipment safety and security]</p> <ul style="list-style-type: none"> Adopted the CSO concept for RAS sensing technology, starting deployment of the technology for new products and launching sales. 	○
Health (Products/services supporting lifestyle disease prevention/treatment)		
<ul style="list-style-type: none"> Offer home and professional use products/services that help prevent, 	<ul style="list-style-type: none"> Increased the number of countries in which OMRON blood pressure 	

<p>treat and manage lifestyle diseases globally. Accelerate sales expansion by meeting needs of emerging and fast-growing countries in FY2009.</p>	<p>monitors were sold, with a corresponding increase in annual production quantity. Countries in which OMRON blood pressure monitors are sold: 107 (as of Feb. 2010).</p> <p>▶ Annual blood pressure monitor production quantity</p>	○
Environment (Products/services supporting a small carbon footprint society)		
<p>[Environmental solutions business]</p> <ul style="list-style-type: none"> Promote CO2 reduction solutions business designed to help companies prevent climate change. Achieve CO2 emissions reduction rate of approx. 10% on average among client company sites employing OMRON solutions. Develop a new method for further reduction in CO2 emissions and conduct in-house verification. 	<p>[Environmental solutions business]</p> <ul style="list-style-type: none"> Promoted CO2 reduction solutions business. Averaged among 10 client sites, achieved CO2 emissions reduction rate of more than 10% on a monetary basis. Verification is underway at 4 OMRON sites for further reduction of CO2 emissions. 	○
<p>[Environmental components business]</p> <ul style="list-style-type: none"> Promote solar power conditioner¹ business related to new energy sources. <p>¹ A solar power conditioner converts DC power from solar panels to home-use AC power, and connects it to a commercial power source from the power company.</p>	<p>[Environmental components business]</p> <ul style="list-style-type: none"> Expanded solar power conditioner business, contributing to CO2 emissions reduction and resulting in a 230% increase in sales quantity in Japan compared to previous year. 	○
<ul style="list-style-type: none"> Promote environmental sensing business (ionizers², particle sensors³, etc. which contribute to a cleaner production environment). <p>² An ionizer can neutralize and eliminate static electricity generated in production processes.</p> <p>³ A particle sensor enables high-precision monitoring of airborne particles.</p>	<ul style="list-style-type: none"> Launched 2 new particle sensor models for monitoring clean environment, and an air thermo sensor designed to measure temperature and humidity at the same time. Generated many sales leads mainly for rechargeable battery manufacturing environment management, resulting in a sales increase of 26% from the previous year's level. 	○
<ul style="list-style-type: none"> Promote environmental components for battery management systems of next-generation electric vehicles. <p>Note: Aim to establish an indicator for objective measurement of progress by the end of FY2009.</p>	<ul style="list-style-type: none"> Supplied leakage sensors and cell monitoring units for Mitsubishi i-MiEV cars. 	○
	<p>[Devices business for environmental applications]</p> <ul style="list-style-type: none"> Offered DC power relays, capacitors and other devices for environmental applications. 	-

Innovation driven by social needs

FY2010 policy/targets	GD-III (FY08-10) focus activities/targets
<p>Safety and Security</p> <p>[Ensuring safety and security for production sites]</p> <ul style="list-style-type: none"> • Offer flexible and comprehensive safety controls covering input to output to keep up with advancement of a control system. • Develop a next-generation platform for a comprehensive safety system that enhances both capacity utilization and safety. <p>.....</p> <p>[Toward safer, more secure road transportation]</p> <ul style="list-style-type: none"> • Continue tests with car manufacturers to verify the effectiveness of DSSS systems. • Introduce a detection system for pedestrians entering expressways. <p>.....</p> <p>[Embedded personal computers that ensure equipment safety and security]</p> <p>Continue R&D for adopting the CSO concept for RAS sensing technology and expand products employing this technology.</p>	<p>Take on challenge of creating products/services that contribute to solving social issues with focus on 4 areas of safety, security, health and environment.</p>
<p>Health</p> <ul style="list-style-type: none"> • Offer home and professional use products/services that help prevent, treat and manage lifestyle diseases globally. Continue to expand sales by meeting needs of emerging and fast-growing countries. 	
<p>Environment</p> <p>[Environmental solutions business]</p> <ul style="list-style-type: none"> • Develop a business model for the upcoming Smart Community society. <p>Note: Participate in government-organized tests for Japanese Smart Grid to verify its feasibility.</p> <p>.....</p> <p>[Environmental components business]</p> <ul style="list-style-type: none"> • Spread anti-islanding control technology (AICOT) to promote deployment of photovoltaic power systems. • Release new solar power conditioners and related products to promote environmental components business. <p>.....</p> <ul style="list-style-type: none"> • Expand the range of products for monitoring and controlling environmental conditions (5 models) based on the concept of "combining total environment visualization and energy conservation." <p>.....</p> <ul style="list-style-type: none"> • Develop products to popularize electric vehicles (EVs). 	

[Devices business for environmental applications]

- Expand the range of DC power relays for hybrid electric vehicles (HEVs) and electric vehicles (EVs).
- Realize employment of control components for quick battery chargers for EVs.
- Promote resource conservation in production processes through production technology innovation and MFCA.

Biodiversity

▶ Biodiversity Policy Formulation Project

A story of how OMRON's biodiversity policy was developed

▶ Protection of Rare Species

Efforts by an OMRON factory to preserve rare species

Biodiversity Policy Formulation Project

OMRON launches a biodiversity policy formulation project in collaboration with NGO

In November 2009, OMRON set up a project for formulating a biodiversity policy draft in collaboration with Conservation International* (CI), an international NGO. During the first meeting, Mr. Yasushi Hibi, vice president and director of the CI-Japan Project, gave a lecture to all project members on the theme of "The Essence of Biodiversity and Its Connection with Companies—Why Companies must Address Biodiversity Issues," which led to an essential discussion to determine the reasons why the OMRON Group needs to address biodiversity issues. Mr. Hibi also discussed the fact that perspectives of validity, efficacy and efficiency (degree of contribution) should be taken into consideration when planning a policy or activities.

After several such discussions among OMRON project members and with CI-Japan staff, OMRON reached a conclusion: "A company exists in a human society, which in turn exists in a natural society. Therefore, OMRON, as a company living up to its corporate core value of 'working for the benefit of society,' must consider that conserving biodiversity is an important plank in its commitment to CSR. This is essential for realizing a better society, and it should not be regarded as simply one area of the environment."



OMRON plans to announce the OMRON Group biodiversity policy during the first half of fiscal 2010 after deliberation at a Board of Directors meeting.

* Conservation International (CI)

Conservation International (CI) is an international NGO founded for the purpose of solving environmental issues by emphasizing relationships between ecosystems and people. CI's mission is to empower societies to responsibly and sustainably care for nature and global biodiversity by building on the foundation of science, partnership and field demonstration. By so doing, CI aims to pass on the rich natural environment to generations to come and contribute to the well-being of humanity.



Mr. Yasushi Hibi, vice president and director
of Conservation International Japan Project

Protection of Rare Species

OMRON Iida supports protection of Iida City's protected species of butterfly

With the tenth Conference of the Parties to the Convention on Biological Diversity (CBD COP10) scheduled to be held in Nagoya in October 2010, the preservation of biodiversity is attracting growing public attention. OMRON Iida Co., Ltd., an OMRON Group company in Iida City, Nagano Prefecture, cooperates with the city in the protection of the Japanese Luehdorfia butterfly, designated as one of the city's protected species.

The Japanese Luehdorfia is a small butterfly in the Papilionidae family, measuring a mere 5-6cm across the wings, and is nicknamed "Goddess of the Spring," because it incubates in the spring. This butterfly is extremely popular among enthusiasts, so the number of Luehdorfia at one time declined to a level approaching extinction due to excessive hunting. OMRON Iida is located within Luehdorfia park, which was chosen as a "home to creatures" by the Environment Agency in 1989. Therefore, when the company constructed its second factory building in response to an invitation by Iida City in 2004, OMRON Iida chose black for the base color of the building so as not to hinder the inhabitation of Luehdorfia which is susceptible to sunlight. The company also gave up constructing a connecting road between the first and second buildings for the protection of biodiversity. Even today, the company's employees are using a local unpaved road.

In addition, OMRON Iida lends a parking area for the Iida Insects Association, which has been dedicated to survey and research of the Japanese Luehdorfia for over 20 years, when the association members observe the butterfly once a year. The company also supports the protection of Heterotropa takaoi, a feed herb for this butterfly.



OMRON Iida's building is painted black in consideration of the Luehdorfia






Environment

Environment

Environmental Vision “Green OMRON 21”

To contribute to sustainable resource-circulating society, OMRON establishes action plans and performance goals related to 6 key areas for the years leading up to 2010.



Environmental Vision	Environmental Mass Balance	Environmental Action Plan	Performance Data
Eco - Mind  <ul style="list-style-type: none"> Environmental Education and Awareness Enhancement 	Eco-Management  <ul style="list-style-type: none"> Environmental Management Promotion System Environmental Accounting Environmental Auditing Environmental Risk Management Acquisition of ISO 14001 Certification 	Eco - Products  <ul style="list-style-type: none"> Development and Supply of Eco-products Green Procurement Product Recycling and Reuse 	
Eco - Factories / Laboratories / Offices  <ul style="list-style-type: none"> CO2 Emissions Reduction Waste Reduction Disposal of PCB Waste Reduction of PRTR Substances Resource Conservation (Water) Resource Conservation (Office Paper) Preventing Air Pollution Preventing Water Pollution 	Eco-Logistics  <ul style="list-style-type: none"> CO2 Emissions Reduction in Logistics Resource Conservation in Logistics 	Eco-Communication  <ul style="list-style-type: none"> Release of Environmental Information Environmental Contribution 	

Environmental Vision

OMRON Group Environmental Policies

OMRON recognizes that harmonious coexistence with the environment is a “must” for the OMRON Group’s corporate activities. As such, OMRON considers addressing environmental issues to be its corporate responsibility and thus is an important management objective for the Group. Based on this awareness, OMRON established the Group’s Environmental Policy in 1996. The policy states that while working to lessen the negative impact on the environment arising from its business activities, OMRON will also remain committed to developing and promoting products and technologies that help conserve natural resources and the environment. OMRON also aims to implement environmental management practices that enhance both ecology and economy. To build a solid base for environmental management, OMRON will provide all employees with environmental education and awareness-raising opportunities in order to encourage an ecological mindset.

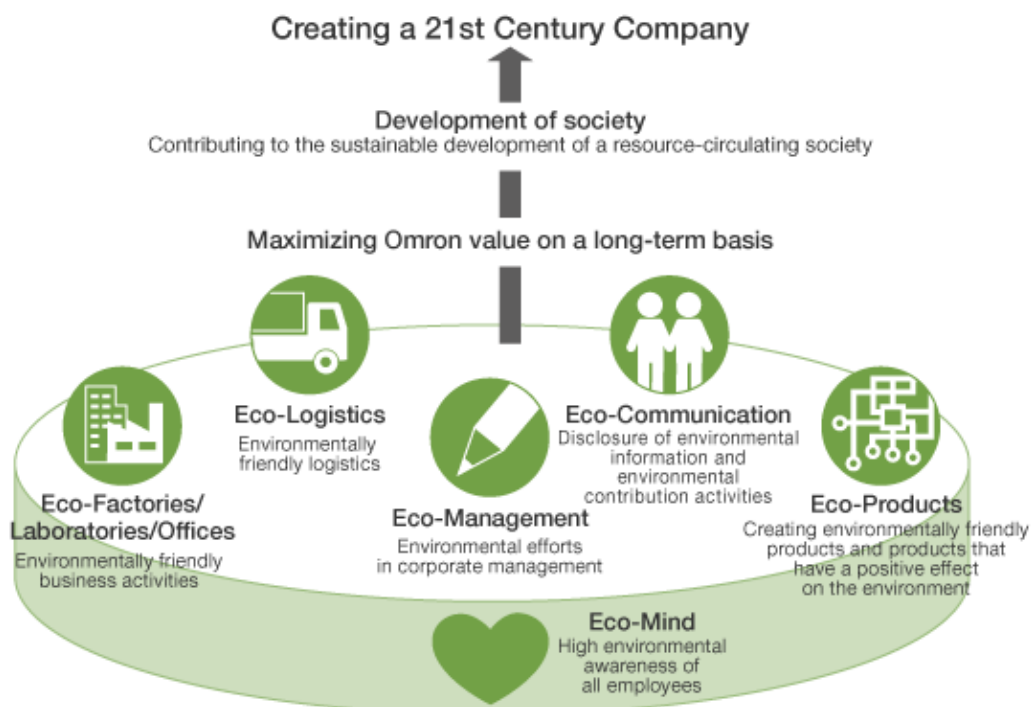
▸ Environmental Policy

Green OMRON 21

In 2002, OMRON established “Green OMRON 21,” an environmental vision that determines the direction of OMRON’s environmental management as a “21st century company,” and an action plan that clearly identifies focused activities and targets.

“Green OMRON 21” is designed to promote activities in six key areas, namely Eco-Management, Eco-Products, Eco-Factories / Laboratories / Offices, Eco-Logistics and Eco-Communication, centering on Eco-Mind. This aims at the long-term maximization of OMRON’s corporate value and contributing to the development of a sustainable society.

The corporate-wide action plan is shared with all business companies, head office administrative divisions and sites under their control and incorporated into their individual action plans. Each site’s implementation of the action plan is inspected by corporate audits.



Eco-Mind
ECO-Mind



High environmental awareness of all employees

Encourage all employees to demonstrate concern for the environment at work, home and in society at large and act on their own initiatives. OMRON aims to serve as the center for offering environmental education and heightening ecological awareness at both the local and global level.

Activities

- Rank-specific environmental education
- Environmental awareness-enhancing initiatives and events

Eco-Management
ECO-Management



Environmental efforts in corporate management

Embed environmental commitment in corporate management and unify the management direction to pursue both economy/profits and environmental efficiency/effectiveness in all aspects of management practices.

Activities

- Environmental accounting
- ISO certification
- Pollution control/environmental risk management

Eco-Products
ECO-Products



Creating environmentally friendly products and products that have a positive effect on the environment

Discover social needs inspired by transition to more environmentally conscious value perceptions and lifestyles, and contribute to the environment, society and business through the creation of products that meet these needs.

Activities

- Development of Eco-products
- Non-use of hazardous substances
- Promotion of green procurement
- Product recycling/reuse

Eco-Factories/
Laboratories/
Offices
ECO-factory/
Laboratory/
Office



Environmentally friendly business activities

Eliminate losses and inefficiencies from all business processes and implement environmental activities that pursue efficiency and effectiveness. As a result of these efforts, OMRON aims to earn recognition from the local community as an excellent example of an environmentally responsible company.

Activities

- CO2 emissions reduction through energy conservation
- Waste reduction/recycling
- Improvement of resource productivity
- Air pollution/water contamination prevention

Eco-Logistics
ECO-Logistics



Environmentally friendly logistics

Strive to reduce environmental impact of logistic operations that link customers and suppliers by maximizing efficiency.

Activities

- CO2 emissions reduction during transportation
- Promotion of resource conservation such as non-use of cardboard cases

Eco-Communication
ECO-Communication



Disclosure of environmental information and environmental contribution activities

Aggressively offer information on OMRON's environmental activities. Form partnerships for community action to contribute to the environment and aim to earn a reputation as an environmentally responsible company.

Activities

- CSR reporting/Web
- Environmental advertising/ publicity/exhibitions
- Promotion of environmental contribution activities

Environmental Policy

In accordance with the OMRON Principles, we consider environmental issues to be one of most significant challenges facing us. All corporate activities, services, and products of the OMRON Group, including our microelectronics and service operations, will be subject to our environmental policy as outlined below.

- | | |
|---------------------------------------|--|
| 1. Basic Law Observance : | Observances of the Environmental Basic Law and all related laws as well as maximum response possible prior to the enactment of such legislation and provision of voluntary standards to encourage preservation of the environment. |
| 2. Response to Environmental Issues : | Any environmental issue raised by an interested party will be responded to in good faith. |
| 3. Support Structure : | Appointment of Senior Environment Officer and establishment of a specialized corporate organization at OMRON headquarters. Establishment of organizations to support harmony between the environment and people at all business companies and sites. |
| 4. System : | Establishment of an Environmental Management System (EMS) compatible with ISO 14001. |
| 5. Specific Goals : | Each environment-related organization to select relevant goals from listed priorities and promote continual improvement of EMS and reduction of the burden our activities place on the environment. |
| 6. Determination and Review : | <ul style="list-style-type: none">1. Development of technology and products that contribute to a reduction of the burden business activities place on the environment for our customers2. Purchase of environmentally friendly materials, fixtures, and fittings3. Activities to improve resource productivity4. Energy conservation to cut CO₂ emissions5. Pollution reduction and prevention in regional environments |
| 7. Instruction and Training : | Environmental improvement objectives and targets to be fixed, environmental audits to be conducted over fixed time frames, and environmental management to be reviewed, improved, and maintained.
All staff receive instruction on environmental policy and participate in related training activities. |
| 8. Social Contribution : | Active participation. |
| 9. Disclosure : | Environmental policy and strategies to be made available for public use in the appropriate form. |

Established: April 1, 1996

Revised: October 1, 1999; July 1, 2003; April 1, 2009

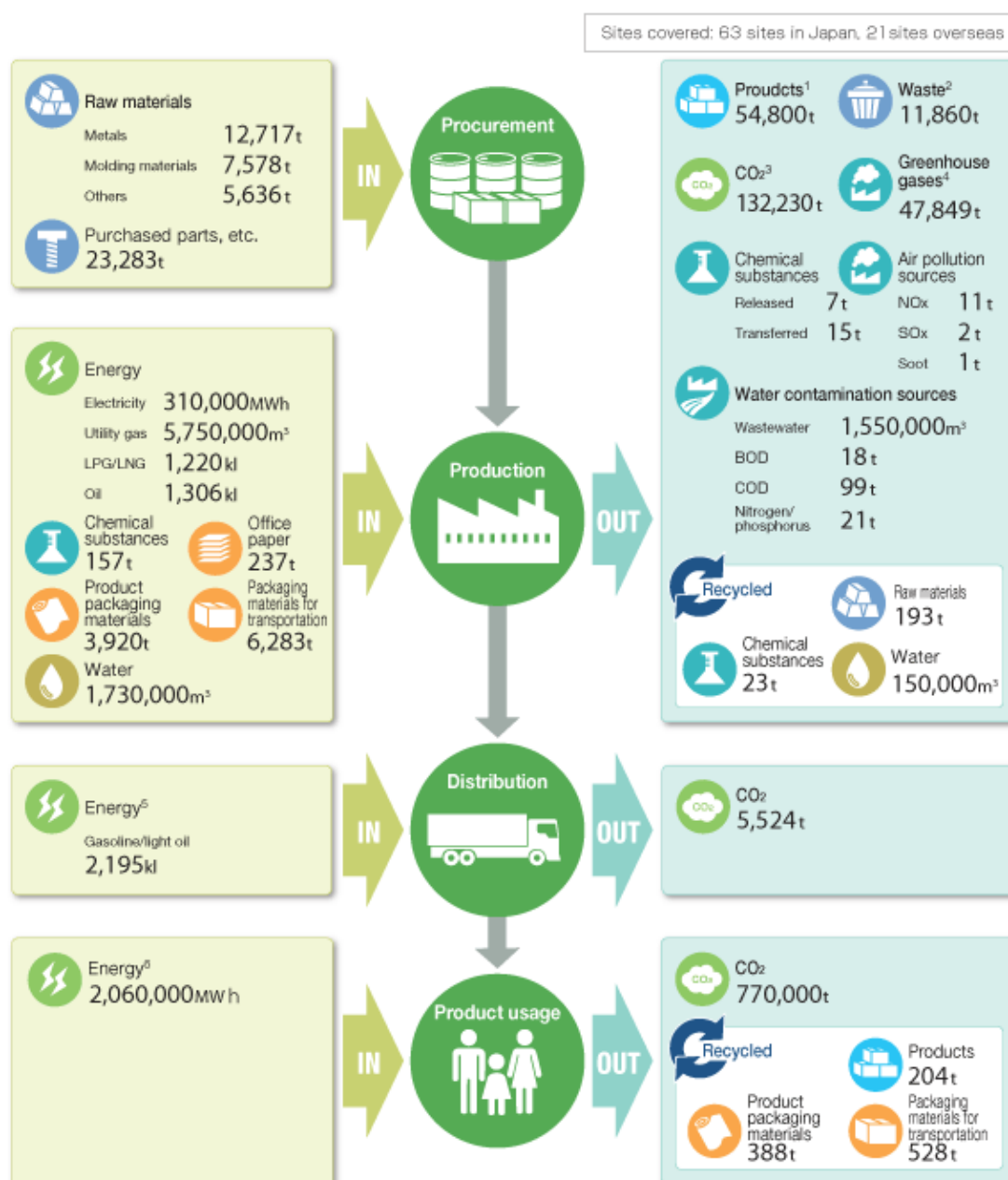
OMRON Corporation
Hisao Sakuta

Environmental Mass Balance

Assessing the use of resources (input) and emissions (output) at the global level

Business activities impact the environment in various ways, including the use of natural resources, emissions of hazardous chemical substances and CO₂, and other factors. To reduce the environmental impact of its business operations, OMRON assesses and analyzes the amounts of energy and resources used (inputs) and the amounts of solid waste, wastewater and chemical substance emissions (outputs) at 80 sites throughout the world. The mass balance data is compiled in conformance with the latest Environmental Reporting Guidelines 2007 issued by the Ministry of the Environment (MOE), and used to formulate measures to reduce environmental impact.

Mass Balance on Environmental Impacts



*1 Estimated based on shipment quantity of main products in each business segment in fiscal 2009.

*2 Industrial waste from business activities, business-related general waste, and waste materials converted into usable

resources.

※3 The latest national average power-receiving end coefficient (0.453kg/kWh) reported by the Federation of Electric Power Companies of Japan is used for CO₂ emissions for purchased electricity. For other fuels, coefficients specified by the revised Law Concerning the Promotion of Measures to Cope with Global Warming are used.

※4 Global warming potentials specified by the revised Law Concerning the Promotion of Measures to Cope with Global Warming are used for five greenhouse gas emissions (CH₄, N₂O, HFC, PFC, SF₆), which were then converted into tons of CO₂.




※5 Gasoline and light oil used for trucks and commercial vehicles in Japan.



※6 Estimated with an equation: (Sales quantity for main products in fiscal 2008) x (Electricity consumption per hour) x (Average use hours per year).

Environmental Action Plan

Targets and Results of the OMRON Group Environmental Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

Theme		FY2009 Targets	FY2009 Results	Rating	FY2010 Targets
 Eco-Mind	Environmental education / Promotion of environmental awareness	<ul style="list-style-type: none"> Continue implementation of environmental education programs Continue hosting Environmental Month seminars Continue soliciting ideas for environmental proposals and slogans 	<ul style="list-style-type: none"> Conducted environmental education for new recruits (April) Conducted e-learning-based training for internal environmental auditors (throughout the year) Conducted awareness-raising activities using in-house media Continued Eco-Volun initiative 	○	<ul style="list-style-type: none"> Maintain and continue implementation of environmental education programs Strengthen measures to raise environmental awareness among employees
	Environmental accounting	<ul style="list-style-type: none"> Continue implementation of environmental accounting Implement MFCA at 1 overseas site 	<ul style="list-style-type: none"> Environmental accounting implemented at 2 additional sites in Japan MFCA implementation at overseas sites postponed, and implementation in supply chain in Japan started 	△	<ul style="list-style-type: none"> Continue implementation of environmental accounting in Japan
 Eco-Management	Pollution control / environmental risk management	<ul style="list-style-type: none"> Maintain record of no legal infringement, environmental accidents, claims or complaints Kusatsu Factory: Complete cleanup Okayama Factory: Reduce cleanup area 	<ul style="list-style-type: none"> No cases of law infringement, environmental accidents, claims or complaints Kusatsu Factory: Reported completion of cleanup to municipal government Okayama Factory: Measured concentration value decreased to detection limit and cleanup area reduced 	○	<ul style="list-style-type: none"> Continue record of no cases Okayama Factory: Cleanup underway
	ISO 14001 certification	<ul style="list-style-type: none"> Maintain and expand acquisition of ISO 14001 certification 	<ul style="list-style-type: none"> Certification acquired by 1 additional overseas site (OMRON Automotive Electronics Italy S.r.l.) 	○	<ul style="list-style-type: none"> Maintain and expand acquisition of ISO 14001 certification
 Eco-Products	Development / supply of Eco-products	<ul style="list-style-type: none"> Percentage of new Eco-label products relative to new products: 10% 	<ul style="list-style-type: none"> Percentage of Eco-products relative to new products: 27% 	○	<ul style="list-style-type: none"> Percentage of Eco-label products relative to new products: 10%
	Creation of products with fewer or no hazardous chemical substances	<ul style="list-style-type: none"> Maintain total elimination of hazardous chemical substances Launch IT system for compliance with REACH 	<ul style="list-style-type: none"> Maintained total elimination of hazardous chemical substances Launched IT system for compliance with REACH 	○	<ul style="list-style-type: none"> Maintain total elimination of hazardous chemical substances Integrate IT systems for compliance with RoHS and REACH
	Promotion of green procurement	<ul style="list-style-type: none"> Continue procurement from green suppliers 	<ul style="list-style-type: none"> Continued procurement from green suppliers 	○	<ul style="list-style-type: none"> Continue procurement from green suppliers

	Product recycling / reuse	<ul style="list-style-type: none"> Continue product recycling / reuse 	<ul style="list-style-type: none"> Continued recycling of automated ticket gates and vendors Continued reuse of CATs (credit authorization terminals) 	○	<ul style="list-style-type: none"> Continue product recycling / reuse
 Eco-Factories/ Laboratories/ Offices	Promotion of CO2 emissions reduction	[Japan] <ul style="list-style-type: none"> Reduce total CO2 emissions by 2% from FY2008 level [Overseas] <ul style="list-style-type: none"> Reduce CO2 emissions per unit of production by 7% from FY2002 level 	[Japan] <ul style="list-style-type: none"> 13% decrease from FY2008 level to 72,967 tons [Overseas] <ul style="list-style-type: none"> 1% decrease in CO2 emissions per unit of production from FY2002 level 	△	[Japan] <ul style="list-style-type: none"> Reduce total CO2 emissions by 8.6% from FY1990 level (including purchase of carbon emissions credits) [Overseas] <ul style="list-style-type: none"> Reduce CO2 emissions per unit of production by 8% from FY2002 level
	Waste reduction / recycling	[Japan] <ul style="list-style-type: none"> Reduce volume of waste per unit of production by 21% from FY1998 level [Overseas] <ul style="list-style-type: none"> Promote zero emissions (Level I) at all production sites Reduce volume of waste per unit of production by 14% from FY2002 level 	[Japan] <ul style="list-style-type: none"> 32% decrease from FY1998 level [Overseas] <ul style="list-style-type: none"> Zero emissions (Level I) achieved at 1 additional site 2% increase from FY2002 level 	△	[Japan] <ul style="list-style-type: none"> Reduce volume of waste per unit of production by 22% from FY1998 level Achieve zero emissions (Level II) at all sites [Overseas] <ul style="list-style-type: none"> Promote zero emissions Reduce volume of waste per unit of production by 16% from FY2002 level
	Detoxification of PCB-containing waste	<ul style="list-style-type: none"> Conduct detoxification at 2 sites 	<ul style="list-style-type: none"> Completed detoxification for 16 PCB-containing capacitors at 2 sites 	○	<ul style="list-style-type: none"> Conduct detoxification at 2 additional sites
	Reduction of PRTR Law-controlled substances	<ul style="list-style-type: none"> Maintain FY2005 levels per unit of production or less 	<ul style="list-style-type: none"> Released amount: 22% decrease from FY2005 level Transferred amount: 165% increase from FY2005 level 	△	<ul style="list-style-type: none"> Maintain FY2005 levels per unit of production or less
	Resource conservation at sites (Water / Paper)	<ul style="list-style-type: none"> Maintain FY2005 total volume levels or less (Japan) 	<ul style="list-style-type: none"> Paper: 35% decrease from FY2005 level (Japan) Water: 16% decrease from FY2005 level (Japan) 	○	<ul style="list-style-type: none"> Maintain FY2005 total volume levels or less (Japan)
	Air pollution prevention	<ul style="list-style-type: none"> Maintain FY2005 levels per unit of production or less (Japan) 	<ul style="list-style-type: none"> NOx: 94% decrease from FY2005 level (Japan) SOx: 95% decrease from FY2005 level (Japan) 	○	<ul style="list-style-type: none"> Maintain FY2005 levels per unit of production or less (Japan)
	Water contamination prevention	<ul style="list-style-type: none"> Maintain FY2005 total volume levels or less (Japan) 	<ul style="list-style-type: none"> BOD: 57% decrease from FY2005 level (Japan) COD: 36% decrease from FY2005 level (Japan) 	○	<ul style="list-style-type: none"> Maintain FY2005 total volume levels or less (Japan)
 Eco-Logistics	Promotion of CO2 emissions reduction at logistics stage	<ul style="list-style-type: none"> Set emissions reduction targets 	<ul style="list-style-type: none"> No reduction targets set Emissions in Japan: 5,492 tons (based on improved ton-kilometers method) Emissions overseas: 27,862 tons (based on improved ton-kilometers method) 	×	<ul style="list-style-type: none"> Study targets for FY2011 and beyond
		<ul style="list-style-type: none"> Expand use of returnable container systems to include 	<ul style="list-style-type: none"> Continued implementation for distributors that have 		<ul style="list-style-type: none"> Continue implementation

	Promotion of resource conservation at logistics stage	<p>distributors</p> <ul style="list-style-type: none"> Study use of foldable container pallet stacking through standardized outer cases 	<p>already started using a returnable container system</p> <ul style="list-style-type: none"> Implemented foldable container stacking through standardized outer cases 	△	
	Environmental communication (environmental reporting, site reporting)	<ul style="list-style-type: none"> Continue publishing report and strengthen information disclosure Expand sites covered by the report 	<ul style="list-style-type: none"> Discontinued printed report Included additional sites (1 in Japan and 6 overseas) for reporting (84 sites in total) 	△	<ul style="list-style-type: none"> Continue publishing report and strengthen information disclosure Expand sites covered by the report
	Environmental communication (public relations, exhibitions)	<ul style="list-style-type: none"> Continue release of environmental information through website Continue participating in environmental exhibitions Continue release of environmental information using media 	<ul style="list-style-type: none"> Continued releasing information through the website Participated in Eco-Products 2009 (Dec.) Placed advertisement in "Nikkei Ecology" magazine (Mar. 2010) 	○	<ul style="list-style-type: none"> Hold environmental forum
	Environmental / social contribution activities	<ul style="list-style-type: none"> Continue community contribution activities 	<ul style="list-style-type: none"> Participated in forest preservation activities at 12 locations in Japan Gave environmental lectures at 3 elementary schools targeting 160 students 	○	<ul style="list-style-type: none"> Continue community contribution activities

Eco-Mind

► Environmental Education and Awareness Enhancement

Various programs for raising employee awareness of environmental issues

Environmental Education and Awareness Enhancement

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Continue implementation of environmental education programs Conduct awareness-raising activities using in-house media 	
FY2009 Results	<ul style="list-style-type: none"> Conducted environmental education for new recruits (April) Conducted e-learning-based training for internal environmental auditors (throughout the year) Conducted awareness-raising activities using in-house media Continued Eco-Volun initiative 	○
FY2010 Targets	<ul style="list-style-type: none"> Continue implementation of environmental education programs Strengthen measures to raise environmental awareness among employees 	

Basic Policies

OMRON considers addressing environmental issues to be one of the most important management objectives for the Group. Accordingly, OMRON makes sure that all Group employees are provided with education and training regarding its environmental policies based on the OMRON Principles.

OMRON implements various environmental education and awareness-raising programs. These programs are intended to encourage all Group employees to demonstrate concern for environmental protection, act on their own initiative and take necessary action, whether at work, at home, in the local community or in society at large. Another aim is to make OMRON serve as the center for heightening environmental awareness at both the local and global levels.

FY2009 Overview

As in previous years, OMRON conducted environmental education for new employees in April 2009 at the Head Office and regional offices. The education was given to employees before they were assigned to certain sections. New employees aggressively asked questions, showing the growing trend of environmental awareness among young people. An e-learning program was also offered for training of internal environmental auditors, so that those working at sites apart from Kyoto where the Head Office is located could also participate easily. A variety of education programs were also organized by each site (table below).

In the Environment Month of June, the general manager of the Quality & Environment Center issued a message through the ON-net internal communication media targeting all Group employees. In his message, the general manager stressed the need for OMRON to address environmental issues as a company committed to "working for the benefit of society." He also spoke on CO₂ emissions reduction, which is one of the central goals of OMRON's environmental management vision. He emphasized the importance of offering products and services that can help customers and society at large to lessen environmental impact, as well as developing products that consume less energy and use less resources. As a whole, the message helped raise the environmental consciousness of employees.

FY2009 Environmental Education Programs (organized by Head Office)

Program	Target audiences	Description	Time of year	Participants
Environmental education for new recruits	New employees hired by head offices	Environmental education for new recruits before being assigned to departments	Apr. '09	227
e-learning	Personnel who aim to take internal auditor training courses	Pre-learning for internal environmental auditor training courses	Full year	120

Planned programs for FY2009 (organized by sites)

Program	Target audiences	Description	Time of year	Participants
Environmental education for new recruits	New employees hired by each site	Environmental education for new recruits before being assigned to departments	Full year	196
Rank-specific environmental education	General staff, managerial-class employees	Respective education programs for general staff and managerial-class employees	Full year	9,034
Education for qualified personnel	Internal environmental auditors/ environmental impact assessors	Training for new and current internal environmental auditors / environmental impact assessors	Full year	421
Product assessment reviewer education	Researchers / developers / engineers	Education on product assessment techniques, handling of regulated chemical substances, etc.	Full year	20

Promotion of Qualified Personnel for Building Multisite Environmental Management System

To raise the skills of internal environmental auditors and environmental impact assessors, education for qualified personnel has been offered at each site.

In fiscal 2009, a common specialized education program was organized by the Environmental Management System (EMS) Committee and offered to instructors for internal environmental auditors and environmental impact assessors. This conformed to OMRON's drive to promote acquisition of ISO 14001 certification for the multisite EMS. As the sites covered by the multisite EMS grow in number, OMRON will further strengthen educational programs for qualified personnel.



Environmental impact assessor training

Eco-Management

▶ Environmental Management Promotion System

OMRON's system to promote environmental management

▶ Environmental Accounting

Analysis of environmental costs, environmental performance benefits and economic benefits

▶ Environmental Auditing

Auditing practices to ensure compliance with environmental laws/regulations

▶ Environmental Risk Management

Measures for controlling pollution and environmental accidents

▶ Acquisition of ISO 14001 Certification

Promoting acquisition of ISO 14001 certification worldwide

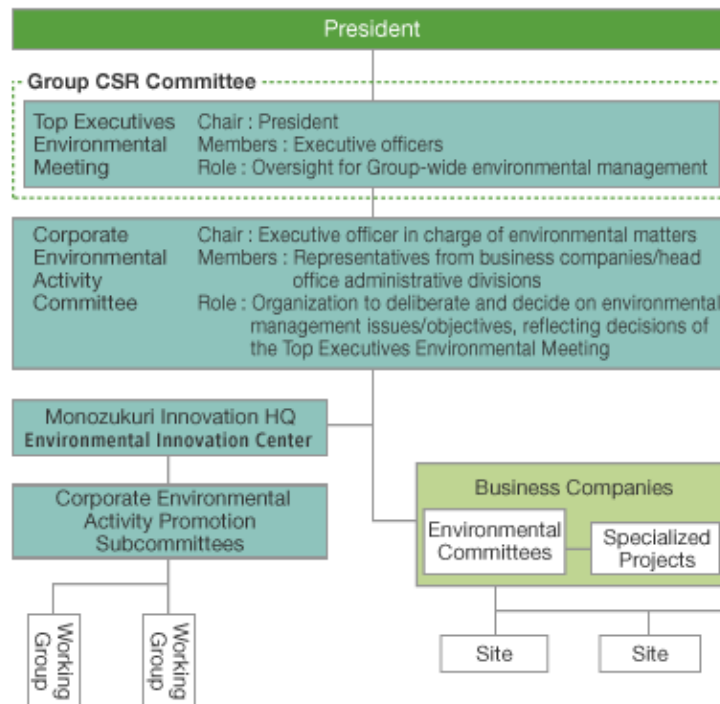
Environmental Management Promotion System

The "Green OMRON 21" vision is made up of OMRON's environmental management plan and an action plan for implementing it. OMRON's environmental management promotion system consists of the Top Executives Environmental Meeting, the highest-ranking body chaired by the President. It is responsible for overseeing Group-wide environmental management, as well as supervising the Corporate Environmental Activity Committee chaired by an executive officer in charge of environmental matters. This committee meets twice a year in June and December to decide on Group-wide environmental measures and targets. In fiscal 2009, the committee decided on measures for complying with the revised Energy Conservation Law and REACH (regulations for chemical substances in Europe), and targets regarding creation of Eco-label products and CO₂ emissions.

Environmental committees established within business companies then align these measures and targets with their business operations to individually plan specific environmental preservation activities and implement them at each site.

The Environmental Innovation Center (formerly the Quality & Environment Center, renamed in July 2010) of the Monozukuri Innovation HQ is tasked with planning and promoting environmental measures for the Group as a whole. The Corporate Environmental Activity Promotion Subcommittee established within the Environmental Innovation Center sets up working groups as necessary to conduct expert review for common environmental measures and issues shared across the Group. The subcommittee then submits the findings to the Corporate Environmental Activity Committee.

In fiscal 2009, a working group was established to study the environmental contributions of OMRON products. The group developed a method (formula) for estimating CO₂ reductions when a product is in use or during standby, and a formula for estimating indirect contributions by solutions-type products. The results of the study were submitted to the Corporate Environmental Activity Committee.



Environmental Accounting

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">Continue implementation of environmental accountingImplement MFCA at 1 overseas site	
FY2009 Results	<ul style="list-style-type: none">Environmental accounting implemented at 2 additional sites in JapanMFCA implementation at overseas sites postponed, and implementation in supply chain in Japan started	△
FY2010 Targets	<ul style="list-style-type: none">Continue implementation of environmental accounting in Japan	

Basic Policies

OMRON has been implementing environmental accounting practices to quantitatively analyze and manage investments and costs associated with environmental preservation, as well as the resulting environmental and economic benefits. Since fiscal 2006, an environmental management accounting method known as "Material Flow Cost Accounting" (MFCA) has been deployed and promoted throughout the world. Previously, loss of raw materials and energy loss during processing were not accounted for as manufacturing costs. By contrast, MFCA treats any economic loss generated from manufacturing processes as costs of loss, also taking input materials costs, processing costs and depreciation of equipment into consideration. These costs of loss can be considered as wasted resources and energy, thus cost reduction through the MFCA method will eventually lead to the saving of resources and energy. OMRON makes losses resulting from manufacturing processes visible by adopting MFCA, and promotes improvement measures on the identified sources of loss, in order to accelerate conservation of resources and energy.

FY2009 Overview

In fiscal 2009, an additional two sites in Japan launched environmental accounting, adding up to a total of 51 sites adopting environmental accounting.

Of environmental costs spent during fiscal 2009, environmental investments amounted to 60 million yen, or a decrease of 430 million yen compared to the previous fiscal year.

Environmental expenses were 2.6 billion yen, or a decrease of 1.6 billion yen compared to the previous fiscal year. As for environmental performance benefits, both energy usage and total volume of waste declined due to decreased business volume. Economic benefits totaled 550 million yen, with a 350 million yen decrease in proceeds from the sale of usable resources. A decline in raw material input also resulted in cost savings.

Since fiscal 2006, deployment of MFCA has been promoted for production sites in Japan, giving rise to productive results. During fiscal 2009, OMRON concentrated on introducing MFCA into its supply chain in Japan. Although OMRON aimed to implement MFCA at one overseas site, implementation was postponed until fiscal 2010 or beyond due to the need to take countermeasures against the influenza epidemic.

DATA >> [Environmental Costs,](#)
[Environmental Performance Benefits, Economic](#)
[Benefits Resulting](#)
[from Environmental Conservation Measures](#)

Supply Chain Resource Conservation Model Grand Prize Awarded to OMRON Relay & Devices

OMRON Relay & Devices Corporation (OER) is a subsidiary of OMRON's Electronic & Mechanical Components Company engaged in the electronic components business.

In March 2010, OER, along with three partners for subcontracted processing, won the second Supply Chain Resource Conservation Model Grand Prize. This award recognizes the corporate team which has made the most exemplary achievements through participation in the Supply Chain Resource Conservation Partnership Program organized by the Ministry of Economy, Trade and Industry for the purpose of supporting resource conservation through the adoption of MFCA analysis.

Since October 2009, OER, together with its production subcontractors, has worked on making potential losses in each process (inefficient usage of resource and wasted cost) visible by employing MFCA analysis for subcontracted processing of materials and parts. As a result, the OER team was able to extract potential areas for saving raw materials including rare metal, and those for reducing CO₂ emissions from processing and cutting usage of water. Based on these findings, OER is conducting improvements in cooperation with its partners according to the order of priority.



Supply Chain Resource
Conservation Model Grand
Prize Awarded

Environmental Accounting

Environmental Costs, Environmental Performance Benefits,
Economic Benefits Resulting from Environmental Conservation
Measures

Sites covered: 17 production sites, 34 non-production sites

Period: April 1, 2009 through March 31, 2010

Environmental Costs

Units: Millions of yen

	Main areas addressed	FY2009	
		Investment	Expenses
1. Costs within business areas		57.3	501.5
1-1. Pollution prevention costs	Prevention of air pollution, water pollution and soil contamination	1.2	194.3
1-2. Global environmental conservation costs	Energy conservation measures and prevention of global warming	56.0	110.3
1-3. Resource circulation costs	Recycling and appropriate treatment of waste	0.1	196.9
2. Upstream/downstream costs	Collection, recycling and proper treatment of end-of-life products and packaging materials	0.0	8.9
3. Environmental management costs	Promotion of environmental activities, acquisition and maintenance of ISO 14001 certification, survey of environmental impact data	0.0	425.2
4. Environmental R&D costs	R&D activities for environmentally sound products	0.0	1,617.4
5. Social activity costs	Environmental enhancement efforts such as tree-planting campaigns and local cleanup projects	0.0	28.3
6. Environmental harm costs	Remedy for past soil and groundwater contamination	0.0	0.1
Total		57.3	2,581.5

Environmental Performance Benefits

	Indicator	FY2009
1. Benefits concerning the use of resources for business activities	Energy consumption (TJ)	-
	Water used (10,000m ³)	173

	Resources used (metric tons)	48,458
	PRTR substances used (metric tons)	157
2. Benefits concerning the environmental impact of business activities and discharged waste	CO2 emissions (metric tons-CO2)	132,230
	Water discharged (10,000m3)	155
	Waste generated (metric tons)	11,860
	Chemical substances (metric tons)	7
3. Benefits concerning properties and services generated from business activities	Packaging materials used (metric tons)	-
4. Benefits concerning transportation, etc.	Volume transported (metric tons)	861

Economic Benefits Resulting from Environmental Conservation Measures

Units: Millions of yen

	FY2009
1. Proceeds	550.3
2. Cost savings	1,744.0
Total	2,294.4

► Environmental Accounting

Environmental Auditing

Basic Policies

At least once a year, OMRON's ISO 14001-certified sites (factories) conduct onsite internal audits based on the requirements of ISO standards. In addition, these sites undergo regular external audits by the ISO registration/certification body to ensure the effectiveness and validity of their environmental management systems, while also guaranteeing objectivity in auditing.

Corporate audits are also carried out by the Head Office environmental department once every two years (as a basic rule). Corporate audits focus on examining environmental impact and confirming compliance with environmental laws/regulations, supporting each site's improvement efforts for environmental activities.

FY2009 Overview

In fiscal 2009, corporate audits concentrated on a single production site in China, which had not been subject to auditing due to various circumstances. As a result, almost all Japanese and Chinese ISO 14001-certified sites have received corporate audits.

In fiscal 2010, OMRON will continue to conduct corporate audits for Japanese and Chinese sites selected through sampling. Based on the findings, OMRON will support reduction of environmental impact and promote minimization of risk by ensuring strict compliance with environmental laws/regulations in order to help accelerate improvements of environmental activities at each site.



Environmental auditing

OMRON's Auditing Scheme and Auditing Items

Type of audit	Auditing criteria
Corporate audits (All sites are subject to auditing once every two or three years)	<ul style="list-style-type: none">• "Green OMRON 21" Environmental Action Plan• Environmental laws/regulations and other requirements• Corporate-level environmental rules• Measures for environmental risks
Onsite internal audits (At least one audit per year, according to each site's EMS regulations)	<ul style="list-style-type: none">• ISO 14001:2004 requirements• Provisions of each site's environmental management system documents• Applicable laws/regulations for each site and other requirements• Each site's environmental objectives/targets and action plans

Number of Sites that Received Audits (as of 2010)

Area	Onsite internal audits	External audits	Corporate audits
Japan	35	35	0
Overseas	21	121	1

DATA > Number of Identified Problems /
Points Requiring Improvement

Training of Internal Environmental Auditors

As of fiscal 2009, the OMRON Group has trained 1,122 internal environmental auditors. Training is intended to raise the accuracy of auditing and maintain consistency. The auditing teams in charge of onsite internal audits undergo pre-auditing training for aligning the standards for pointing out problems. The training also covers key points for achieving accurate, comprehensive audits.

DATA > Number of Internal Environmental Auditors
and Official Inspectors



Internal environmental
auditor training

Environmental Auditing

Number of Identified Problems/ Points Requiring Improvement

Number of Identified Problems

Japan	Onsite internal audits		External audits		Corporate audits	
	Major	Minor	Major	Minor	Major	Minor
	19	99	0	6	-	-
Overseas	Onsite internal audits		External audits		Corporate audits	
	Major	Minor	Major	Minor	Major	Minor
	5	215	1	30	0	3

Points Requiring Improvement

Onsite internal audits	<ul style="list-style-type: none"> • Insufficient environmental education/training for employees • Insufficient explanation of procedures for newly employed equipment • Incomplete management of environmental documents • Insufficient separation/management of waste • Deficiencies in emergency response procedures • Deficiencies in archiving MSDS for chemical substances • Omissions in implementing corrective measures for non-achievement of targets and problems identified
External audits	<ul style="list-style-type: none"> • Flaws in content of non-conformance reports • Flaws in selection standards for waste disposal subcontractors • Flaws in contents of hazardous materials list • Deficiencies in archiving MSDS for chemical substances • Flaws in content of reports regarding issue of industrial waste control manifests • Dangerous chemical substances stored that exceed in-house limits
Corporate audits	<ul style="list-style-type: none"> • Insufficient assessment for deployment of equipment not subject to environmental laws/regulations • Insufficient management of environmental data for environmental impact reporting

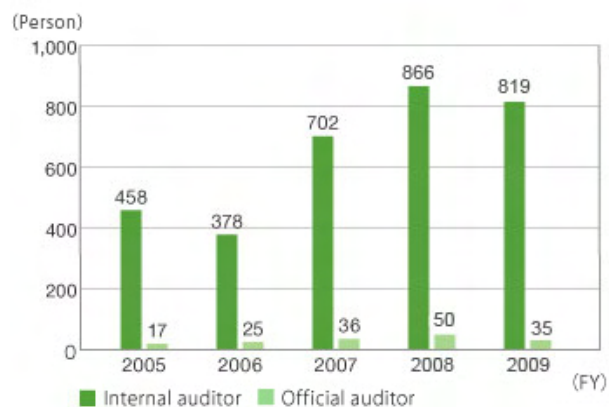
Environmental Auditing

Internal environmental auditor training

Japan - Internal environmental auditor training

Units: Person

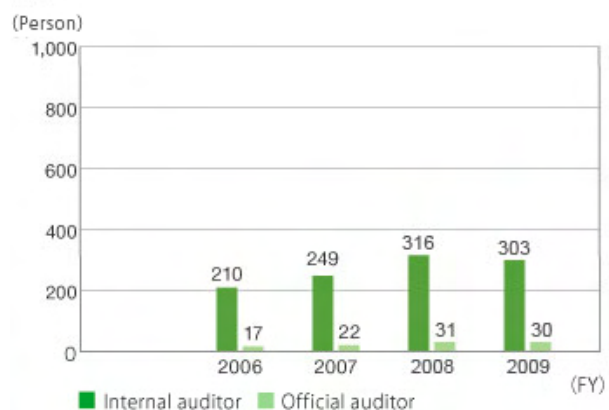
	2005	2006	2007	2008	2009
Internal auditor	458	378	702	866	819
Official auditor	17	25	36	50	35



Overseas Internal environmental auditor training

Units: Person

	2006	2007	2008	2008
Internal auditor	210	249	316	303
Official auditor	17	22	31	30



Environmental Risk Management

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> • Maintain record of no legal infringement, environmental accidents, claims or complaints • Kusatsu Factory: Complete cleanup • Okayama Factory: Reduce cleanup area 	
FY2009 Results	<ul style="list-style-type: none"> • No cases of law infringement, environmental accidents, claims or complaints • Kusatsu Factory: Reported completion of cleanup to municipal government • Okayama Factory: Measured concentration value decreased to detection limit and cleanup area reduced 	○
FY2010 Targets	<ul style="list-style-type: none"> • Continue record of no cases • Okayama Factory: Cleanup underway 	

Basic Policies

In accordance with the OMRON Principles and CSR Practice Guidelines, OMRON makes sure to comply with environmental laws and regulations. OMRON quickly responds to environmental accidents and risks by taking appropriate measures to minimize damage and ensure continuation of business while giving top priority to maintaining the safety of people. OMRON is also committed to restoring the original state as quickly as possible and preventing recurrences of the same problem. OMRON's basic policy for environmental pollution and risk management is to maintain and strengthen a relationship of trust with stakeholders while making sure to fulfill its social responsibilities.

OMRON evaluates the environmental risk based on the crisis level evaluation criteria stipulated by in-house rules. In case of a serious crisis that puts OMRON in a socially liable position, a corporate-wide emergency headquarters headed by the President will be set up to build an appropriate team depending on the event.

FY2009 Overview

In fiscal 2007, volatile organochlorine compounds that exceeded environmental standards were detected in the soil and groundwater on the grounds of OMRON's Kusatsu Factory. As a remedy, OMRON conducted cleanup of soil throughout fiscal 2007, making a transition to the stage of monitoring soil conditions. In fiscal 2009, completion of the whole cleanup process was confirmed and a report was submitted to the municipal government.

Similarly with the Kusatsu Factory, hazardous substances polluting soil and groundwater that exceeded environmental standards were also detected at the Okayama Factory. The Okayama Factory continued sewage purification throughout fiscal 2009. As the substance concentrations at the monitoring wells have decreased nearly to the detection limit (quantity limit), the Okayama Factory expects that the polluted area has been decreasing.

As of fiscal 2009, OMRON has met its target of no cases of law infringement, environmental accidents, claims or complaints for eight years in a row since fiscal 2001 when OMRON began keeping data.

Emergency Drills at OMRON Sites and Group Companies

Emergency drills are conducted at OMRON Group companies in Japan to prepare for environmental risks. Drills offer training to respond to leakage of high-pressure gas and organic solvents and outbreak of fire, as well as preventing leaked chemical substances from being discharged outside the factory grounds.

At the Kurayoshi Factory of OMRON Switch & Devices Corporation engaged in the manufacture of switches and other electronic components, for example, emergency drills are organized to prepare for a potential emergency of kerosene leakage from tanks onto the ground.

Kerosene is used as fuel for air conditioners. Drills were also conducted in fiscal 2009, allowing employees to confirm the procedure to take depending on the amount of leakage. For a small amount of leakage, they were trained to use an oil adsorption mat or cloth and put the mat or cloth in a nylon bag for separated disposal. Procedures to deal with a large amount of leakage were also covered, including blocking the final discharge port to prevent leaked fuel from being discharged outside the factory grounds.



Emergency drills for coping with fuel leakage

DATA >> [Pollution Control and Risk Management](#)

Environmental Risk Management

Pollution Control and Risk Management

Risk Management Training

Category	Site/company	Emergency drills
OMRON Corporation	Kusatsu Factory	<ul style="list-style-type: none"> • Response to hazardous materials/organic solvents leakage • Emergency response to electroforming system/excimer laser processing problems • Prevention of water contamination
	Okayama Factory	<ul style="list-style-type: none"> • Emergency response to abnormal reactions (gas, fire, explosion, etc.) due to chemical leakage
	Mishima Factory	<ul style="list-style-type: none"> • Emergency response to organic solvents leakage from hazardous materials storage area • Response to earthquake/fire
	Komaki Automotive Electronics Office	<ul style="list-style-type: none"> • Emergency response to anticipated Tonankai earthquake with seismic intensity of 6
	Keihanna Technology Innovation Center	<ul style="list-style-type: none"> • Emergency response to gas leakage from general laboratories • Emergency response to gas leakage from clean room • Emergency response to waste liquid leakage from clean room
Group Company	OMRON RELAY & DEVICES Corporation	<ul style="list-style-type: none"> • Emergency response to hazardous substances/organic solvents leakage • Emergency response to oil spill accident • Emergency response to effluent leakage from purification tank
	OMRON SWITCH & DEVICES Corporation	<ul style="list-style-type: none"> • Prevention of liquid leakage
	OMRON Amusement Co., Ltd.	<ul style="list-style-type: none"> • Emergency response to alcohol/lubricant leakage
	OMRON NOHGATA Co., Ltd.	<ul style="list-style-type: none"> • Emergency response to fire/oil leakage
	OMRON SANYO Co., Ltd.	<ul style="list-style-type: none"> • Emergency response to gas leakage
	OMRON MATSUSAKA Co., Ltd.	<ul style="list-style-type: none"> • Emergency response to hazardous materials/organic solvents leakage • Emergency response to effluent outflowing from processing/purification tank • Emergency response to compressor oil spill
	GYODEN Corporation	<ul style="list-style-type: none"> • Fire evacuation drill
	FA Annex Corporation	<ul style="list-style-type: none"> • Fire evacuation drill

Acquisition of ISO 14001 Certification

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Maintain and expand acquisition of ISO 14001 certification 	
FY2009 Results	<ul style="list-style-type: none"> Certification acquired by 1 additional overseas site (OMRON Automotive Electronics Italy S.r.l.) 	○
FY2010 Targets	<ul style="list-style-type: none"> Maintain and expand acquisition of ISO 14001 certification 	

Basic Policies

Considering the construction of an environmental management system (EMS) as the foundation for incorporating environmental commitment into its management practices, OMRON promotes acquisition of ISO 14001 certification at the global level.

Since OMRON's Ayabe site (factory) first received ISO 14001 certification in 1996, certified sites have steadily increased. In fiscal 2009, OMRON started working on achieving certification for its globally integrated multisite EMS.

FY2009 Overview and ISO Certification Acquisition Plan for Globally Integrated Multisite EMS

In fiscal 2009, OMRON Automotive Electronics Italy S.r.l. received its first ISO 14001 certification. As a result, 26,536 out of 35,842 employees in the OMRON Group (74%) are now working in ISO 14001-certified sites. In fiscal 2010, an additional overseas site (factory) is expected to acquire certification. Along with the increase in ISO 14001-certified sites, OMRON has been promoting the acquisition of certification for a globally integrated multisite EMS (G-EMS) since fiscal 2009. At OMRON, ISO 14001 certification has traditionally been acquired by each site or country. However, to more effectively respond to international trends including the need for addressing global environmental issues and increasingly severe environmental regulations, OMRON set forth the G-EMS Environmental Policy in March 2009, initiating a project aimed at building a truly global environmental management system.

OMRON plans to complete integration of EMS systems at the global level by fiscal 2012. In fiscal 2009 (the initial year), EMS integration has been completed for 20 sites in Japan and seven sites in Greater China. OMRON will further accelerate EMS integration aiming at completion in Japan and Greater China by the end of fiscal 2010, by also integrating 13 Japanese sites and five Chinese sites.

G-EMS Environmental Policy

ISO 14001-certified Sites in Each Area (as of March 31, 2010)

Area	Number of certified sites
Japan	35
Asia Pacific	4
Greater China	12
Americas	3
Europe	2

Employees Working in ISO 14001-certified Sites



DATA > [ISO 14001-certified Sites](#)

Acquisition of ISO 14001 Certification

ISO 14001-certified Sites

ISO 14001-certified Sites

31.mar.10

[Japan] Production sites: 17, Non-production sites: 18

[Overseas] Production sites: 17, Non-production sites: 6

Total: 58 sites

Japan / Overseas	Category	Sites (certified organizations)	Date of initial certification
Japan	OMRON Corporation	Ayabe Factory	1996.11.16
		Kusatsu Factory	1998.12.25
		Yasu Factory	2000.10.31
		Offices & Laboratories*1	2001.04.03
	Group Companies	OMRON Iida Co., Ltd.	1998.10.02
		OMRON Amusement Co., Ltd.	1996.12.08
		OMRON Takeo Co., Ltd.*2	1998.02.23
		OMRON Nohgata Co., Ltd.	1997.07.26
		OMRON Sanyo Co., Ltd.	1999.01.08
		OMRON Matsusaka Co., Ltd.	1998.02.21
		OMRON Izumo Co., Ltd.*3	1998.01.25
		OMRON Aso Co., Ltd.	1997.09.15
		OMRON Kurayoshi Corporation*3	1997.09.29
		OMRON Relay and Devices Corporation	2003.04.18
		OMRON Kyoto Taiyo Co., Ltd.	1998.03.31
		OMRON Taiyo Co., Ltd.	2000.09.30
		OMRON Field Engineering Co., Ltd.*4	2002.09.30
		OMRON Software Co., Ltd.*5	2003.09.27
		OMRON Healthcare Co., Ltd.*6	2004.04.12
		FA Techno Corporation*7	2005.03.16
		OMRON Kansai-Seigyo Corporation*8	2005.06.15
		OMRON SUMISO Logistic Co., Ltd.	2005.11.14
		OMRON Precision Technology Co., Ltd.	2004.10.29
		OMRON Laserfront Inc.*9	2004.07.02
		FA Annex Corporation*10	2007.03.07
		Gyoden Corporation*11	2007.03.28

Overseas	China (Shanghai)	Shanghai OMRON Control Components.Co.,Ltd.	1999.02.5
	China (Shanghai)	OMRON (Shanghai) Co.,Ltd.	2007.01.22
	China (Dalian)	OMRON (Dalian) Co.,Ltd.	1998.12.14
	China (Shenzhen)	OMRON Electronic Components (Shenzhen) Ltd.	2004.01.30
	China (Shenzhen)	Omron Electronics (HK) Ltd. (Shenzehen office)	2007.06.20
	China (Dalian)	OMRON Healthcare Product Development (DALIAN) Co.,Ltd	2007.01.29
	China (Hong Kong)	OMRON PRECISION TECHNOLOGY (HK) Ltd.	2006.07.04
	China (Suzhou)	OMRON PRECISION TECHNOLOGY (SUZHOU) Co., Ltd.	2006.08.02
	China (Shanghai)	OMRON (CHINA) Co.,Ltd.	2007.08.09
	China (Guangzhou)	OMRON (GUANGZHOU) AUTOMOTIVE ELECTRONICS Co., Ltd	2007.04.08
	China (Yueqing)	OMRON ELECTRONICS ASIA LTD	2007.08.09
	Korea	OMRON Automotive Electronics Korea Co.,Ltd.	1999.03.27
	Malaysia	OMRON Malaysia Sdn.Bhd.	1998.12.18
	Indonesia	P.T. OMRON Manufacturing of Indonesia	1997.08.26
	Thailand	OMRON Automotive Electronics Co., Ltd.	2004.03.26
	Thailand	OMRON ELECTRONICS Co., Ltd.	2005.05.11
	Germany	OMRON Electronics Manufacturing of Germany G.m.b.H.	1999.04.16
	The Netherlands	OMRON Europe B.V. Control Business Unit /OMRON Manufacturing of The Netherlands B.V.	1996.11.28
	Italy	OMRON AUTOMOTIVE ELECTRONICS ITALY S.R.L	2009.11.20
	U.S.A.	OMRON Automotive Electronics,Inc.	1999.03.31
	Canada	OMRON Dualtec Automotive Electronics,Inc.	1999.04.23
	Brazil	OMRON COMPONENTES AUTOMOTIVOS LTDA.	2009.01.06

*1 Multi-site acquisition of ISO 14001 certification for the Kyoto Office (including Kyoto Ekimae Office in the San-o Kyoto Ekimae Building), Tokyo Head Office, Osaka Office, Mishima Office, Nagoya Office (including Nagoya Fushimi Office), Komaki Automotive Electronics Office, Osaka Office, Okayama Office, Fukuoka Office (including the Kumamoto Factory) and Keihanna Technology Innovation Center.

• Kyoto Office — OMRON Network Applications Corporation, OMRON Business Associates Co., Ltd., OMRON Creative Marketing Co., Ltd., OMRON Finance Co., Ltd. and OMRON Personnel Service Co., Ltd.

・ Osaka Office — OMRON Logistics Creates Co., Ltd.

- *2 In April 2010, OMRON Takeo Co., Ltd. merged with OMRON Relay & Devices Corporation, and turned into OMRON Relay & Devices Corporation's Takeo Factory.
- *3 In April 2010, OMRON Izumo Co., Ltd. and OMRON Kurayoshi Corporation merged with the Switch Division of OMRON Corporation to form the new OMRON Switch & Devices Corporation.
- *4 Multi-site acquisition of ISO 14001 certification for Head Office (Tokyo Office), Metropolitan Second Branch (Chiba Techno Center), Metropolitan Second Branch (Saitama Techno Center), Tohoku Branch, Osaka Office, Kyoto Office, Chugoku/Shikoku Branch (Hiroshima Techno Center), Chubu Branch (Nagoya Office), Human Techno Communication Center, OMRON Field Engineering Hokkaido Co., Ltd. (Head Office, Sapporo Office), OMRON Field Engineering Kyushu Co., Ltd. (Head Office, Fukuoka Office and all sales offices excluding warehouses).
- *5 Multi-site acquisition of ISO 14001 certification for Head Office, Kawasaki Office and OMRON Software Kyushu Co., Ltd. (Head Office).
- *6 Multi-site acquisition of ISO 14001 certification for Head Office and Tokyo Office.
- *7 Multi-site acquisition of ISO 14001 certification for Head Office, Tokyo Office, Saitama Office, Nagaoka Office, Yokohama Office, Atsugi Office, Kashiwa Office, Logistic Center, Niigata Office, Kumagaya Office, Makuhari Office and Kitasenju Office.
- *8 Multi-site acquisition of ISO 14001 certification for Head Office, Keiji Office, Shinki Office, Kofu Office and Wakayama Office.
- *9 Multi-site acquisition of ISO 14001 certification for Head Office, Hashimoto Technical Center, Chubu Service Center and Kansai Service Center.
- *10 Multi-site acquisition of ISO 14001 certification for Head Office and Kitakami Office.
- *11 Multi-site acquisition of ISO 14001 certification for Head Office, Mito Office, Tsukuba Office and Yuki Office

▶ Acquisition of ISO 14001 Certification

Eco-Products

▶ [Development and Supply of Eco-products](#)

OMRON's endeavor to develop products contributing to environmental impact reduction

▶ [Green Procurement](#)

Environmental impact reduction efforts in the supply chain

▶ [Product Recycling and Reuse](#)

Implementation of recycling/reuse system for OMRON products

Development and Supply of Eco-products

Action Plan

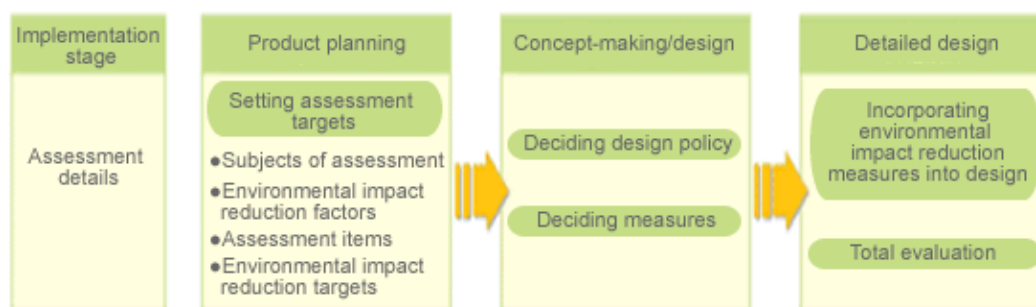
Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Percentage of new Eco-label products relative to new products: 10% 	
FY2009 Results	<ul style="list-style-type: none"> Percentage of Eco-products relative to new products: 27% 	○
FY2010 Targets	<ul style="list-style-type: none"> Percentage of Eco-label products relative to new products: 10% 	

Basic Policies

OMRON conducts product assessment (chart below) at the product planning and design stages, while implementing a certification system that recognizes products that have met environmental impact reduction targets as "Eco-products." Through these endeavors, OMRON strives to reduce the environmental impact of its products at every stage of their life span, by enhancing their energy conservation capabilities and recyclability, for example. OMRON also makes sure its new products fully comply with environmental laws and regulations in all relevant countries. OMRON's product assessment involves prediction and estimation of the potential environmental impact of products. This is based on objective data and evaluation by product assessment reviewers (third-party personnel other than the developer), as well as the developer's own evaluation. Since fiscal 2005, this system has been implemented at all sites throughout the world targeting all OMRON products. Of the certified "Eco-products," those that satisfy even higher standards of environmental impact reduction are certified as "Eco-label products."

Product Assessment Flow



DATA > Assessment Items

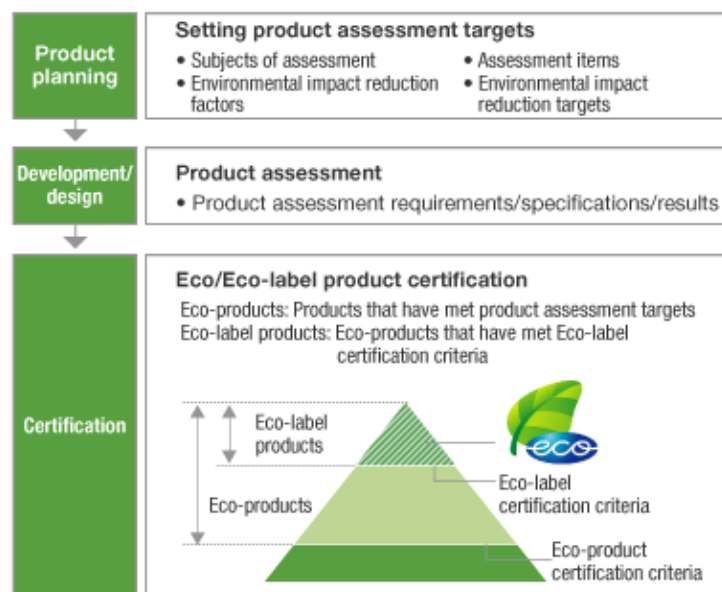
FY2009 Overview

In fiscal 2009, a total of 37 Eco-label products were developed, accounting for 27% of new developments produced during the year, which exceeded the 10% target. For fiscal 2010, OMRON will continue promoting the creation of Eco-label products to meet the target of 10% for the percentage relative to new products.

As a system to promote development and sales of products contributing to a reduction in environmental impact, OMRON also considered the creation of a measure, or a formula, for calculating the degree of contribution made by a product/service (CO₂ reduction amount), and rules of its implementation (see section "Environmental Contribution by Products/Services (CO₂ Reduction Effects)" below.) OMRON will consider setting business goals based on this indicator, as the company strives to develop products and services that will help customers lessen CO₂ emissions.

Eco-product Certification System

In 1988, OMRON launched a certification system for Eco-products and Eco-label products. Products that have met environmental targets through product assessment are designated as "Eco-products." Products that satisfy even higher standards of environmental impact reduction are certified as "Eco-label products." The use of OMRON original labels provides customers with ecological information on OMRON products in a clearer and easier-to-understand manner.



Eco-product Certification Criteria

Environmental factors	
Energy-saving	Reduction in electricity consumption during use/standby
Resource conservation	Reduction in use of main materials
Recycling	Promotion of use of recycled plastics
Direct contribution	Products originally developed for contribution to environmental preservation
Chemical substances	Non-use of polluting substances (among the top in the industry)

※Eco-label products are evaluated and certified based on OMRON's in-house standards specified for the environmental factors listed above.

Environmental Contribution by Products/Services (CO₂ Reduction Effects)

Since fiscal 2008, OMRON has been studying a measure (calculation formula) for quantifying and estimating the degree of environmental contribution made by OMRON products/services. The degree of contribution consists of direct effects by the products themselves, and indirect effects through the use of products/services.

[Direct effects]

Reduction of environmental impact by an OMRON product itself throughout its lifecycle

compared to the reference product, such as through energy consumption reduction or resource conservation effects

※Reference estimation formula

CO2 reduction = Energy-saving effect (W/units) x Operation time (hours/year) x CO2 conversion coefficient x Number of units in operation in the marketplace

Energy-saving effect = Electricity consumed by reference product (FY2000) – Electricity consumed by the product in question

[Indirect effects]

Reduction of energy usage by customer's products/business activities through the use of an OMRON product/service, or generation of recyclable energy

※Reference estimation formula

CO2 reduction = Energy usage reduction effect in a year by a single unit of the product x CO2 conversion coefficient x Degree of contribution x Number of units in operation in the marketplace

※Examples of applicable products

- Solar power conditioner: Contribution as a part of a system to generate and supply clean energy
- Energy management system: Contribution to energy conservation through visualization of energy usage and improvement of operation based on the visible data
- Electric power steering controller system: Contribution to fuel efficiency improvement through a shift from hydraulic power steering to electric power steering
- Real-time traffic prediction type signal control system: Contribution to smoothing traffic flow and improving a vehicle's fuel economy

Development and Supply of Eco-products

Assessment Items

Assessment Items

Subjects of assessment		Product	Packaging materials	Production process	Manuals/ brochures
Environmental impact reduction factors	Resource-saving	<ul style="list-style-type: none"> Reduced dimensions Lighter weight Reduced parts usage Use of recycled materials Use of recycled consumables 	<ul style="list-style-type: none"> Reduced dimensions Lighter weight Reduced Styrofoam use 	<ul style="list-style-type: none"> Waste reduction Cleaning-free process Reuse of molds Reuse of equipment 	
	Energy-saving	<ul style="list-style-type: none"> Electricity consumption during use Electricity consumption during standby 		<ul style="list-style-type: none"> Less energy consumption during production 	<ul style="list-style-type: none"> Usage
	Recycling	<ul style="list-style-type: none"> Use of easily recyclable materials Indication of materials used Common use of materials Dismantling ease Crushing ease 	<ul style="list-style-type: none"> Use of easily recyclable materials 		<ul style="list-style-type: none"> Materials list Dismantling method
	Reuse	<ul style="list-style-type: none"> Reuse of parts 	<ul style="list-style-type: none"> Reuse of package 		
	Avoidance of hazardous chemical substances	<ul style="list-style-type: none"> Non-use of hazardous chemical substances 	<ul style="list-style-type: none"> Non-use of hazardous chemical substances 	<ul style="list-style-type: none"> Non-use of hazardous chemical substances 	<ul style="list-style-type: none"> Safe use of products Disposal method
	Compliance with REACH	<ul style="list-style-type: none"> SVHC content confirmation 	<ul style="list-style-type: none"> SVHC content confirmation 		
	CO2 reduction effects in society	<ul style="list-style-type: none"> SVHC content confirmation 			

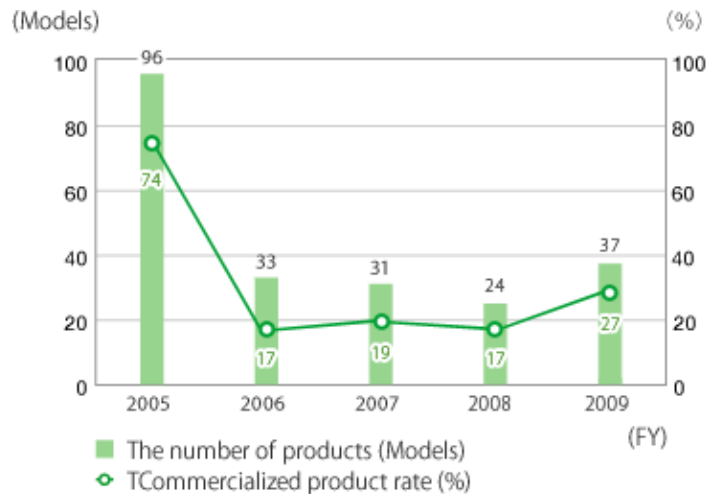
Development and Supply of Eco-products

Development and Supply of Eco-products

Eco-label Products Relative to New Products

Eco-label Products Relative to New Products

	2005	2006	2007	2008	2009
The number of products (Models)	96	33	31	24	37
Commercialized product rate (%)	74	17	19	17	27



Development and Supply of Eco-products

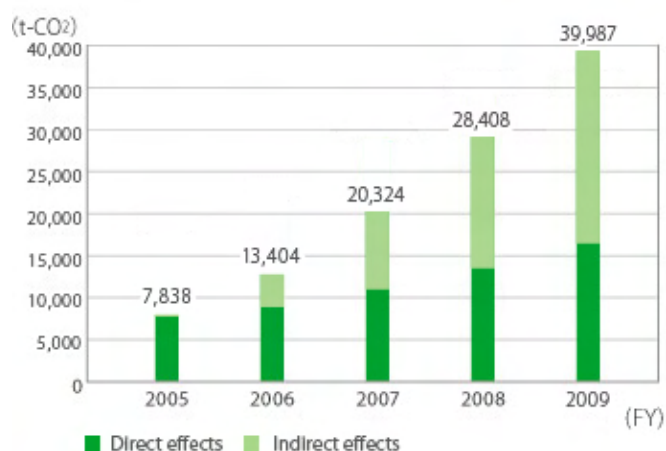
Development and Supply of Eco-products

Environmental Contribution by Products / Services

Energy saving Effects by Eco-label Products

Unit: tons-CO₂

	2005	2006	2007	2008	2009
Direct effects	7,703.7	9,601.0	11,996.7	13,815.3	16,152.7
Indirect effects	135.2	3,803.1	8,328.0	14,593.0	23,834.5
Total	7,838.9	13,404.2	20,324.7	28,408.4	39,987.2



[Direct effects]

Reduction of environmental impact by an OMRON product itself throughout its lifecycle compared to the reference product, such as through energy consumption reduction or resource conservation effects

Reference estimation formula

* CO₂ reduction = Energy-saving effect (W/units) x Operation time (hours/year) x CO₂ conversion coefficient x Number of units in operation in the marketplace

* Energy-saving effect = Electricity consumed by reference product (FY2000) – Electricity consumed by the product in question

[Indirect effects]

Reduction of energy/resource usage by customer's products/business activities through the use of an OMRON product/service, or generation of recyclable energy

Reference estimation formula

* CO₂ reduction = Energy usage reduction effect in a year by a single unit of the product x CO₂ conversion coefficient x Degree of contribution x Number of units in operation in the marketplace

▶ Development and Supply of Eco-products

Green Procurement

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Continue procurement from green suppliers Maintain total elimination of hazardous chemical substances Launch IT system for compliance with REACH 	
FY2009 Results	<ul style="list-style-type: none"> Continued procurement from green suppliers Maintained total elimination of hazardous chemical substances Launched IT system for compliance with REACH 	○
FY2010 Targets	<ul style="list-style-type: none"> Continue procurement from green suppliers Maintain total elimination of hazardous chemical substances Integrate IT systems for compliance with RoHS and REACH 	

Basic Policies

As part of its drive to promote environmental preservation across its supply chain, OMRON proactively promotes green procurement intended to purchase environmentally warranted parts and materials. As such, OMRON encourages suppliers to acquire ISO 14001 or other third-party environmental management certification, while also giving preference to green suppliers that have received third-party certification and met requirements for provision of information on hazardous substances contained in parts or materials they supply, and proof thereof.

In accordance with the green purchase guidelines, the OMRON Group also gives preference to purchase of green indirect materials with less environmental impact, including office supplies necessary for business activities.

Documents/forms	Japanese	English	Chinese
OMRON Green Procurement Standards, Version 2.1 (revised December 24, 2008) ※Note: Changes to Attachment 2: Non-inclusion Certificate and Attachment 4: Survey Sheets 1 to 3	[PDF : 320KB]	[PDF : 246KB]	[PDF : 381KB]
Application Form for Green Supplier Certification	[Excel : 21KB]	[Excel : 21KB]	[Excel : 21KB]

FY2009 Overview (Green Procurement)

Since May 2004, OMRON has accelerated green procurement by specifying "ecology" (reduction of environmental impact) and "compliance" (compliance with laws/regulations and social norms) as key policies. These efforts allowed OMRON to achieve a green procurement rate of 95% on a monetary basis in fiscal 2008. In fiscal 2009, OMRON also maintained the rate of 95% in Japan, while the green procurement rate was 85% overseas.

DATA >> [The number of approved business partners, Procurement rate](#)

Management of Hazardous Substances

Based on its policy of not using any parts or raw materials suspected to contain hazardous substances, OMRON has been working to reduce or eliminate hazardous chemical substances.

In Europe, REACH regulations that require registration, evaluation, authorization and restriction of all chemical substances that are available in the EU market went into force in June 2007. These legally binding regulations apply for businesses that manufacture, distribute, sell and import into EU not only chemical substances themselves, but also preparations and articles using them.

In October 2008, the REACH regulations listed 15 substances as candidate Substances of Very High Concern for authorization (SVHC). These substances may have very serious and often irreversible effects on humans and the environment. Since then, suppliers of all products containing SVHC substances are required to notify and provide information on SVHC within its supply chain. (38 SVHC substances as of July 2010)

To meet this requirement and facilitate the smooth transfer of information on chemical substances across its supply chain, OMRON in fiscal 2008 decided to construct and launch an in-house chemical substance management mechanism using the basic information transmission sheets recommended by the Joint Article Management Promotion-Consortium (JAMP).* JAMP promotes actions to cope with international issues regarding management of chemical substances.

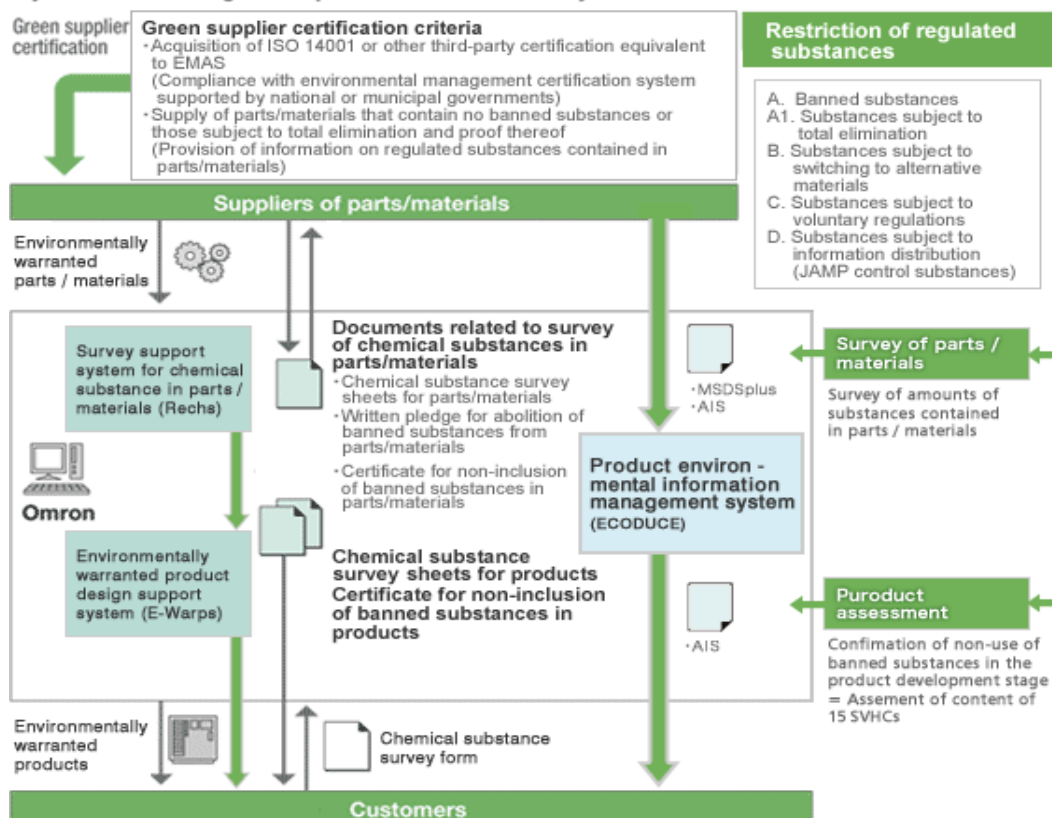
Following the decision, OMRON briefed its suppliers on its policies regarding compliance with REACH during fiscal 2009, asking them to cooperate for surveys for parts/materials they supply. At the same time, OMRON revised its in-house regulations to respond to JAMP recommendations of the information transmission mechanism and launched a new IT system (ECODUCE) for compliance with REACH.

Besides REACH, there is also the RoHS Directive that became effective in June 2007. RoHS restricts the use of certain hazardous substances in electrical and electronic products. To ensure compliance with RoHS, OMRON has various IT systems in place, including the Rechs system designed to collect necessary information from suppliers regarding regulated substances contained in parts/materials via the Internet. In fiscal 2010, OMRON plans to integrate these existing systems with the new ECODUCE system for compliance with REACH.

※JAMP (Joint Article Management Promotion-Consortium)

The Joint Article Management Promotion-Consortium is an industry-wide consortium that was established in September 2006 by 17 companies that served as founders for the purpose of appropriately managing information on chemical substances contained in articles (parts and molded products) and facilitating disclosure/transfer of the information throughout the whole supply chain. As of July 22, 2010, JAMP has a membership of 366 companies including OMRON.

System for Ensuring Development of Environmentally Warranted Products



¹ REACH	EU's regulation. REACH stands for Registration, Evaluation, Authorization, and Restriction of Chemical substances.
² 15 SVHC substances	Candidate substances of Very High Concern listed in the Annex XIV of the REACH regulation. These substances meet one or more of the following criteria: carcinogenic, mutagenic or toxic to reproduction, and/or persistent and bioaccumulative, according to Article 57. Currently, 15 substances are identified as SVHC, which is expected to eventually increase to 1,500.
³ JAMP	Joint Article Management Promotion Consortium.
⁴ Rechs	System designed to collect necessary information from suppliers regarding regulated substances contained in parts/materials via the Internet.
⁵ E-Warps	System that uses the data collected by Rechs to support product development, assessment and release of information to customers.

FY2009 Overview (Green Purchase)

In fiscal 2009, cost-cutting efforts were accelerated as part of OMRON's Group-wide emergency profitability initiative, while selection and purchase of green products were also promoted. This resulted in a significant reduction in the purchase amount of green products compared to the previous year. The increased need for lower-priced products accompanying the drive to enhance profitability also dragged the green purchase rate down 2.5% from the previous year's level.

In fiscal 2010, OMRON will further encourage purchase of green indirect materials in cooperation with the purchase department and by exchanging opinions with suppliers regarding the method for promoting the use of green products.

 [Ratio of Green Purchase Amount Relative to Total Purchase Amount](#)

Green Procurement

The number of approved business partners, Procurement rate

Japan - The number of approved business partners, Procurement rate

	2005	2006	2007	2008	2009
Procurement rate (%)	85	93	96	95	95
The number of approved business partners (company)	689	848	979	1,030	1,053



Oversea - The number of approved business partners, Procurement rate

	2005	2006	2007	2008	2009
Procurement rate (%)	—	—	84	95	85
The number of approved business partners (company)	—	—	957	1,182	1,110



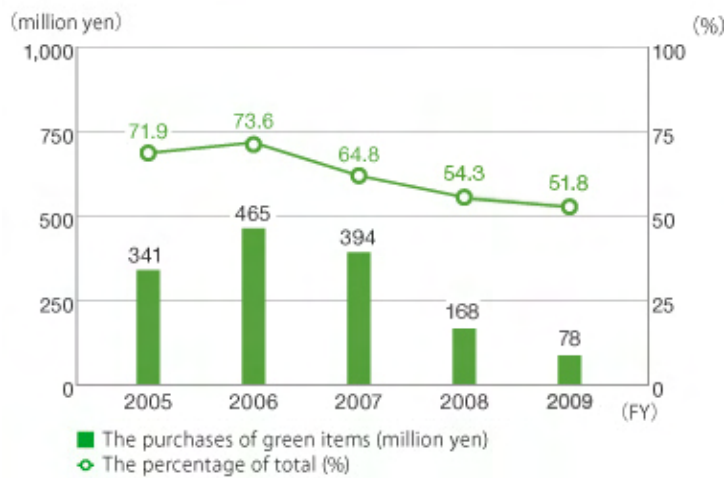
► Green Procurement

Green Procurement

Ratio of Green Purchase Amount Relative to Total Purchase Amount

Proportion of Amount Spent for Green Purchases against Total Purchases

	2005	2006	2007	2008	2009
The purchases of green items (million yen)	341	465	394	168	78
The percentage of total (%)	71.9	73.6	64.8	54.3	51.8



► Green Procurement

Product Recycling and Reuse

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">Continue product recycling/reuse	
FY2009 Results	<ul style="list-style-type: none">Continued recycling of automated ticket gates and vendorsContinued reuse of CATs (credit authorization terminals)	○
FY2010 Targets	<ul style="list-style-type: none">Continue product recycling/reuse	

Basic Policies

OMRON has collected, dismantled and disassembled OMRON products that are no longer used by customers, so as to promote recycling by recovering raw materials or reusing products.

OMRON has built a system for recycling railway station systems such as automated ticket gates and vendors and has been promoting its implementation. Since fiscal 2008, OMRON has been working in collaboration with credit card companies to collect and reuse end-of-life CATs used for credit card authorization. In the past, OMRON also conducted recycling and reuse of end-of-life automatic teller machines.

FY2009 Overview

In fiscal 2007, OMRON built a new recycling system for automated ticket vendors and passenger gates in the Tokyo metropolitan area. Since then, efforts have been concentrated on fully establishing the system. At the same time, OMRON is now working to change the disposal subcontractor to one that is capable of quantitatively assessing the recycled amount for each material from the collected end-of-life products.

In fiscal 2009, due to decreased sales in the Tokyo metropolitan area, the amount of recycled units was 7 tons, much lower than the 72 tons recycled in fiscal 2008. The current recycling system targets the Tokyo metropolitan area only. By signing a contract with a disposal subcontractor that can assess data for Chubu and Kansai areas similarly as the Tokyo metropolitan area, OMRON aims to gradually expand the system's territory to cover the entire nation, so as to further increase the recycling amount.

In fiscal 2008, OMRON also built a collection/reuse system for CATs in cooperation with the credit card companies. In fiscal 2009, OMRON continued to use this system, but the reused CATs totaled 251 units (reuse rate: 2%), fewer than 321 units (reuse rate: 4%) recycled in fiscal 2008, because the sluggish marketplace discouraged credit card companies from setting up CATs.



Sorting materials
for recycling

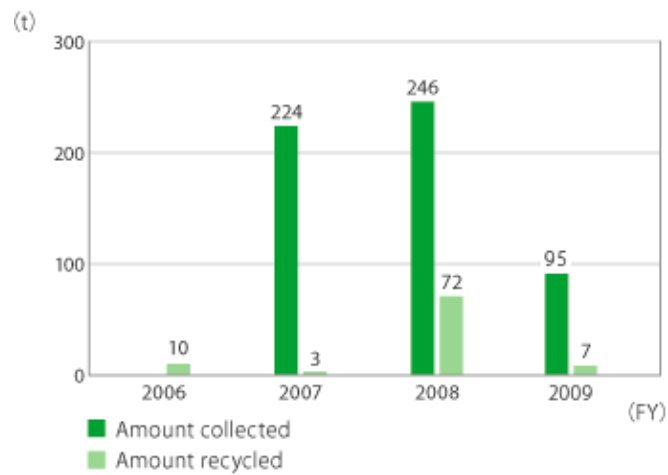
Product Recycling and Reuse

Collection of End-of-life Products, Amount of Recycling

Japan - Collection of End-of-life Products

Unit: ton

	2006	2007	2008	2009
End-of-life Products Collected	-	224	246	95
End-of-life Products Recycled	10	3	72	7



※“End-of-life products recycled” show those with clearly identified amounts only.

▶ Product Recycling and Reuse

CO2 Emissions Reduction

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	(Japan) • Reduce total CO2 emissions by 2% from FY2008 level (Overseas) • Reduce CO2 emissions per unit of production by 7% from FY2002 level	
FY2009 Results	(Japan) • 13% decrease from FY2008 level to 72,967 tons (Overseas) • 1% decrease in CO2 emissions per unit of production from FY2002 level	△
FY2010 Targets	(Japan) • Reduce total CO2 emissions by 8.6% from FY1990 level (including purchase of carbon emissions credits) (Overseas) • Reduce CO2 emissions per unit of production by 8% from FY2002 level	

Basic Policies

OMRON considers that promotion of anti-climate change measures is an important social responsibility that the company must take on now and into the future. Accordingly, Group-wide efforts are being concentrated on promoting energy conservation to ensure the achievement of Japan's Kyoto Protocol target (a 6% reduction in greenhouse gas emissions compared to fiscal 1990).

In fiscal 2009, OMRON set a Group-wide target in Japan on a "total emissions" basis. To achieve this goal, business companies specified individual targets and worked toward them. For overseas sites, OMRON has specified a target in terms of emissions per unit of production instead of total emissions, aiming to enhance energy usage efficiency. This is because the reduction of energy usage is difficult with the ongoing business expansion strategy, and the total emissions targets differ greatly among countries.

Specific measures being taken to meet these targets include appropriate temperature settings for heating/cooling, controls on daily usage of electricity, reduction of energy consumption through the promotion of visualization using energy monitoring systems, and the deployment of energy-efficient devices and clean energy equipment. Moreover, OMRON will also consider emissions trading (*1), one of the Kyoto Mechanisms (*2), to ensure achievement of its CO2 emissions reduction targets.

*1 Emissions trading

Developed countries can purchase carbon credits by investing in programs intended to curb CO2 emissions in developing nations to offset excess emissions in their countries.

*2 Kyoto Mechanisms

Countries with commitments under the Kyoto Protocol to limit or reduce greenhouse gas emissions must meet their targets primarily through national measures. The Kyoto mechanisms are three market-based mechanisms introduced by the Kyoto Protocol as an additional means of meeting these targets.

FY2009 Overview

【Japan】

In Japan, OMRON has been working to achieve its Group-wide target of reducing total CO2 emissions by 8.6% below the fiscal 1990 level by fiscal 2010. However, emissions increased

significantly due to the Yasu Factory, which engages in the production of semiconductor-related components. The factory joined the Group through M&A during fiscal 2007. This made it difficult to meet the Group-wide target through in-house efforts alone. To cope with this situation, OMRON decided to purchase emissions credits through the use of a Kyoto mechanism in order to help meet the target.

In fiscal 2009, to accompany the Yasu Factory's building expansion, heat sources were switched to the latest turbo freezers, which resulted in a reduction of approximately 3,000 tons of CO₂. Presently, energy-saving measures are being taken for Yasu Factory's clean room for semiconductor manufacturing that consumes a huge amount of energy through 24-hour operation. At other sites as well, air conditioning systems and lights were changed to energy-saving types, and visualization of energy usage and improvements in operation based on visualized data were promoted at main production sites. Thanks to these efforts, and partly due to the slowdown of business, CO₂ emissions in Japan decreased 13% from the fiscal 2008 level to 72,967 tons.

【Overseas】

For overseas, OMRON set a target for fiscal 2009 to reduce CO₂ emissions per unit of production by 7% compared to the fiscal 2002 level of 44.6 tons per 100 million yen of production to 41.1 tons/100 million yen of production. But equipment-related energy-saving efforts did not offset a reduction in production volume, failing to meet its target with emissions of 44.1 tons per 100 million yen of production.

In fiscal 2010, efforts will be geared toward enhancing the energy efficiency of existing equipment through energy conservation diagnoses (discussed below), aiming at an 8% reduction compared to fiscal 2002. Starting from fiscal 2011, OMRON aims to further promote energy conservation through the visualization of energy usage, which has proven effective in Japan.

DATA >> [CO₂ Emissions](#)

DATA >> [Energy Usage at Business Sites](#)

DATA >> [Non-CO₂ Greenhouse Gas Emissions \(CH₄, N₂O, HFCs, PFCs, SF₆\)](#)

DATA >> [Recyclable Energy Generation](#)

DATA >> [Fuel Usage for Company Vehicles](#)

Visualization of Energy Usage

OMRON has been promoting the deployment of its energy monitoring system for its Japanese production sites. This system measures the total amount of energy usage at each factory building and by each machine. Through the employment of this system, OMRON aims to extract and eliminate inefficiencies and losses, such as unevenness in energy usage or equipment operation during off-hours or on holidays, for heat pumps, air conditioners, compressors and clean room air blowers.

After points requiring improvement are discovered, improvement measures are devised by involving on-site workers, and are tried out at one location. If a particular measure is found to be effective, it is documented in a manual so that it can be adopted for other equipment and at other buildings. By implementing this CAPD (Check-Act-Plan-Do) cycle, the entire production site.

By the end of fiscal 2009, OMRON had deployed the energy monitoring system at six sites, which resulted in extraction of possible improvements in operation worth 2,750 tons of reduction in CO2 emissions. To date, improvements worth up to 2,000 tons of reduction have been completed.

sites. The first step will be to conduct energy conservation diagnosis toward the employment of the monitoring system at five out of seven sites in China.

As for non-production sites, OMRON will deploy an additional system at the Kyoto Head Office, where energy monitoring is already in place, by the end of fiscal 2010. The new Shinagawa Office, which will integrate two separately located OMRON offices by December, will also be equipped with the energy monitoring system. The new OMRON Healthcare Head Office scheduled for completion in 2011 also has a plan to deploy the system.



Energy conservation diagnosis
at Kusatsu Factory

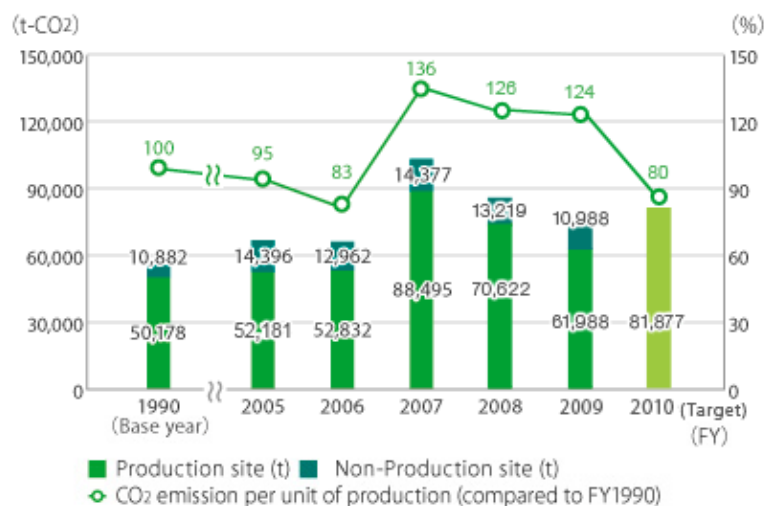
For fiscal 2010, deployment is planned for an additional three sites, which will result in nine out of 17 sites in Japan being equipped with an energy monitoring system. This is expected to result in a reduction. By the end of fiscal 2010, OMRON expects to complete deployment of the energy monitoring system at main production sites, which are among the highest in CO2 emissions in Japan. Thus, from fiscal 2011 and onward, OMRON plans to introduce the system to overseas production

CO2 Emissions Reduction

CO2 Emissions

Japan - CO2 Emissions

	1990 (Base year)	2005	2006	2007	2008	2009	2010 (Target)
Production site (t-CO ₂)	50,178	52,181	52,832	88,495	70,622	61,988	81,877
Non-Production site (t-CO ₂)	10,882	14,396	12,962	14,377	13,219	10,988	-
CO ₂ emission per unit of production (%)	100	95	83	136	126	124	80



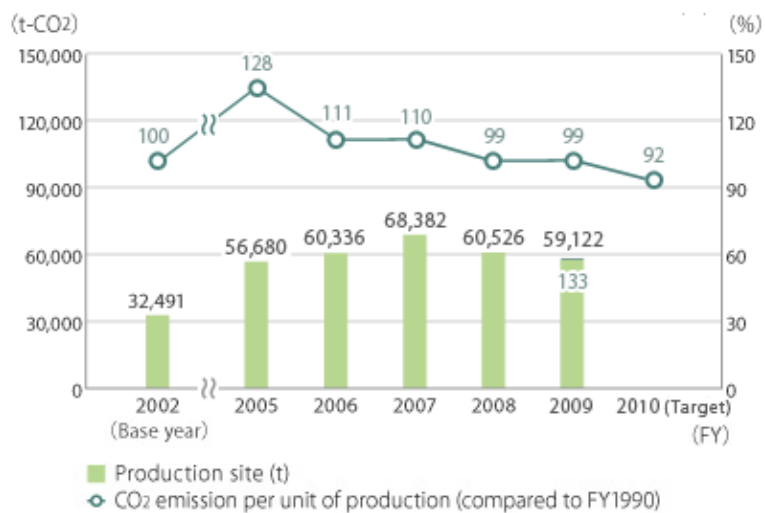
* The Ministry of the Environment's CO₂ conversion coefficient is used for various fuels.

* The national average power-receiving end coefficient reported by the Federation of Electric Power Companies is used for electricity.

* CO₂ emissions per unit of production above are shown in terms of percentages relative to the base level 100 in base year 1990.

Oversea - CO2 Emissions

	2002 (Base year)	2005	2006	2007	2008	2009	2010
Production site (t-CO ₂)	32,491	56,680	60,336	68,382	68,526	59,122	-
Non-Production site (t-CO ₂)	-	-	-	-	-	133	-
CO ₂ emission per unit of production (%)	100	128	111	110	99	99	92



* The Ministry of the Environment's CO₂ conversion coefficient is used for various fuels.

* The national average power-receiving end coefficient reported by the Federation of Electric Power Companies is used for electricity.

* CO₂ emissions per unit of production above are shown in terms of percentages relative to the base level 100 in base year 1990.

► CO₂ Emissions Reduction

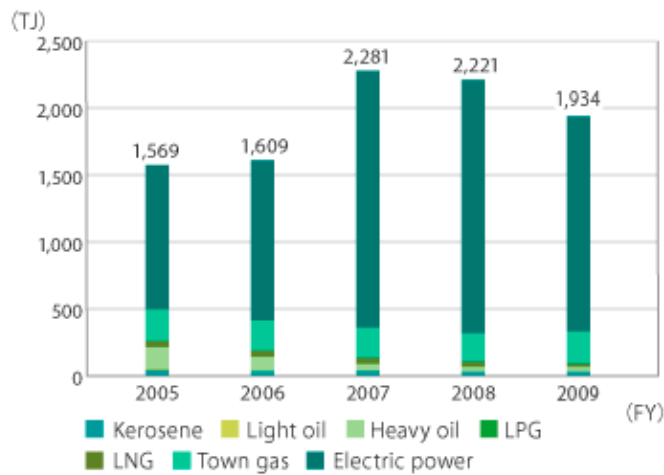
CO2 Emissions Reduction

Energy Usage at Business Sites

Japan - Energy Usage at Business Sites (Electricity, Gas, Oil)

Unit: TJ

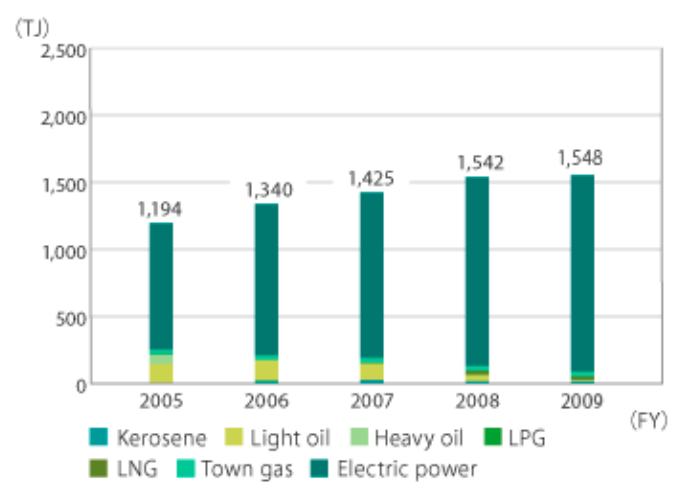
	2005	2006	2007	2008	2009
Kerosene	49	34	36	32	16
Light oil	1	0	0	0	0
Heavy oil	155	106	50	35	15
LPG	7	6	6	6	6
LNG	41	40	46	42	22
Town gas	238	226	225	210	226
Electric power	1,078	1,197	1,918	1,896	1,650
Total	1,569	1,609	2,281	2,221	1,934



Oversea - Energy Usage at Business Sites (Electricity, Gas, Oil)

Unit: TJ

	2005	2006	2007	2008	2009
Kerosene	0	19	26	17	18
Light oil	144	153	122	49	0
Heavy oil	71	4	0	0	0
LPG	1	1	1	2	1
LNG	2	2	2	30	38
Town gas	34	34	39	36	32
Electric power	942	1,128	1,234	1,408	1,460
Total	1,194	1,340	1,425	1,542	1,548



▶ CO₂ Emissions Reduction

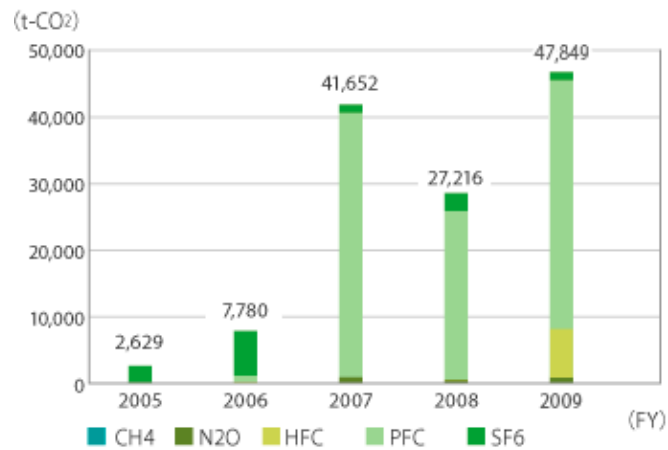
CO₂ Emissions Reduction

Non-CO₂ Greenhouse Gas Emissions (CH₄,N₂O,HFCs, PFCs, SF₆)

Japan - Non-CO₂ Greenhouse Gas Emissions (CH₄,N₂O,HFCs, PFCs, SF₆)

Unit: tons-CO₂

	2005	2006	2007	2008	2009
CH ₄	0	0	0	0	0
N ₂ O	0	0	930	512	735
HFC	0	140	0	35	6,962
PFC	0	948	39,470	25,192	38,682
SF ₆	2,629	6,692	1,252	1,477	1,470



▶ CO₂ Emissions Reduction

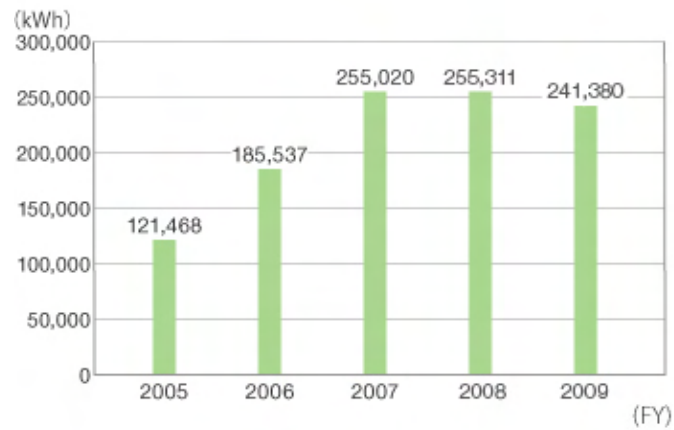
CO2 Emissions Reduction

Recyclable Energy Generation

Recyclable Energy Generation

Unit: kWh

	2005	2006	2007	2008	2009
Electricity generated	121,468	185,537	255,020	255,311	241,380



▶ CO2 Emissions Reduction

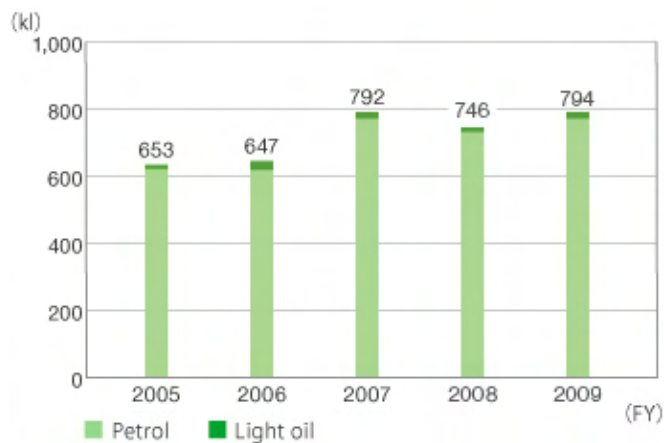
CO2 Emissions Reduction

Fuel Usage for Company Vehicles

Japan - Fuel Usage for Company Vehicles

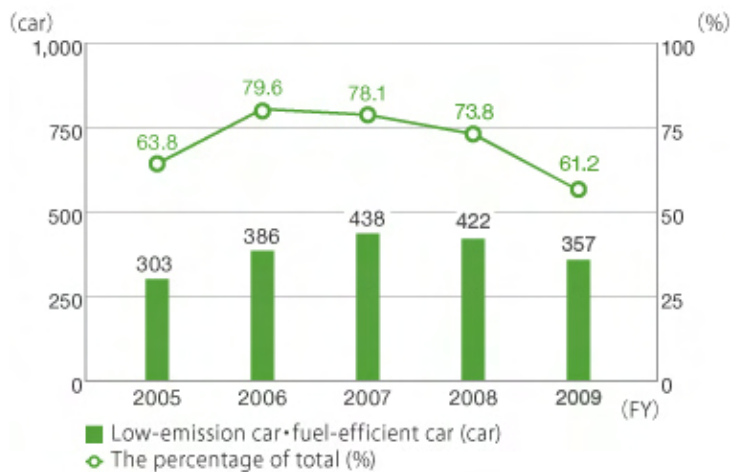
Unit: KL

	2005	2006	2007	2008	2009
Petrol	622	620	772	731	774
Light oil	31	27	20	15	19



Japan - The number of domestic low-emission cars and fuel-efficient cars

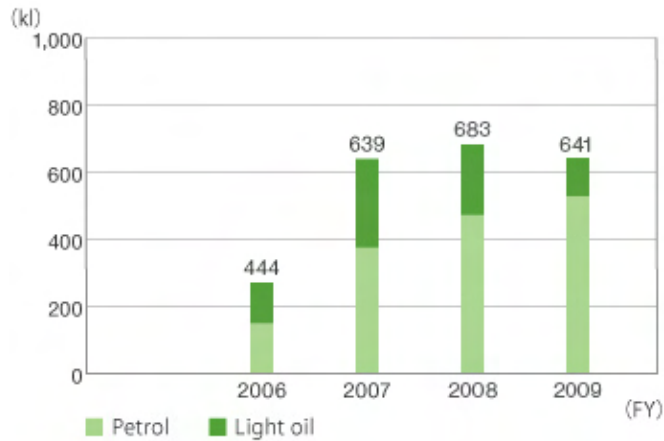
	2005	2006	2007	2008	2009
Low-emission car • fuel-efficient car (car)	303	386	438	422	357
The percentage of total (%)	63.8	79.6	78.1	73.8	61.2



Oversea - Fuel Usage for Company Vehicles

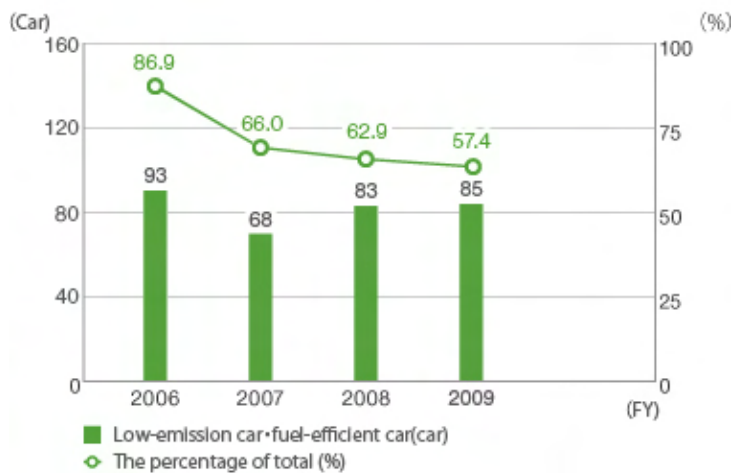
Unit: KL

	2006	2007	2008	2009
Petrol	322	376	473	529
Light oil	122	264	210	112



Oversea - The number of domestic low-emission cars and fuel-efficient cars

	2006	2007	2008	2009
Low-emission car • fuel-efficient car (car)	93	68	83	85
The percentage of total (%)	86.9	66.0	62.9	57.4



► CO2 Emissions Reduction

Waste Reduction

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	(Japan) • Reduce volume of waste per unit of production by 21% from FY1998 level (Overseas) • Promote zero emissions (Level I) at all production sites • Reduce volume of waste per unit of production by 14% from FY2002 level	
FY2009 Results	(Japan) • 32% decrease from FY1998 level (Overseas) • Zero emissions (Level I) achieved at 1 additional site • 2% increase from FY2002 level	×
FY2010 Targets	(Japan) • Reduce volume of waste per unit of production by 22% from FY1998 level • Achieve zero emissions (Level II) at all sites (Overseas) • Promote zero emissions • Reduce volume of waste per unit of production by 16% from FY2002 level	

Basic Policies

Aiming to realize a sustainable society, OMRON strives to reduce the total amount of waste by unifying its Group-wide efforts. OMRON also promotes zero emissions efforts aimed at achieving 100% recycling and reuse of waste materials generated from sites through business activities, as opposed to incineration or landfill disposal.

OMRON also established two standards for zero emissions status: Level I^(※1) and the more exacting Level II^(※2). Japanese sites that have already achieved Level I are now working toward Level II, while all overseas sites are striving to achieve Level I.

At production sites, efforts are also geared toward producing products using fewer materials by reducing losses of raw materials and processed parts. Toward this end, OMRON is promoting assessment of data for inputs (materials used) and outputs (products and waste) and increasing the accuracy of data, while continually working to enhance resource productivity as an environmental management indicator.

OMRON's Zero Emissions Standards

※1 Level I :

Recycling rate of 100% achieved without taking into consideration residues remaining after outsourced treatment of waste by a recycling subcontractor.

※2 Level II :

Recycling rate of 98% or higher achieved, including residues remaining after outsourced treatment of waste by a recycling subcontractor. OMRON calls this rate the "real recycling rate."

FY2009 Overview

【Japan】

In fiscal 2009, waste volume per unit of production decreased 32% compared to fiscal 1998

at Japanese sites, exceeding the target reduction rate of 21%. The total volume of waste also decreased 1,680 tons from the fiscal 2008 level to 4,173 tons. This was mainly due to decreased amounts of waste at both production and non-production sites accompanying declined business volume. In fiscal 2010, OMRON aims to reduce the volume of waste per unit of production to 22% below the fiscal 1998 level.

On the other hand, the recycling rate was 97%, an improvement of 1 percentage point compared to fiscal 2008. Two sites in Japan also achieved Level II zero emissions status with a real recycling rate of 98% or higher. In fiscal 2010, efforts will be aimed at achieving Level II status at all sites in Japan.

【Overseas】

Outside Japan, OMRON worked to meet its target of reducing waste volume per unit of production by 14% compared to fiscal 2002. However, the result was a 2% increase in waste volume per unit of production. The total volume of waste was 7,687 tons, down 1,401 tons compared to fiscal 2008. As with Japanese sites, lower business volume was the main cause for this decrease. In fiscal 2010, overseas sites will aim to reduce waste volume per unit of production by 16% from the 2002 level.

As for the zero emissions challenge, one overseas site recently achieved Level I status. Also, the real recycling rate at overseas sites increased significantly from the 79% achieved in fiscal 2008 to 96%. In fiscal 2010, OMRON will further promote zero emissions efforts outside Japan.

DATA >> [Total Waste Volume](#)

DATA >> [Usage of Packaging Materials](#)

Production with Fewer Resources

Since fiscal 2008, OMRON has been supporting production with fewer resources through visualization of input resources by assessing the data for input materials including raw materials and some processed items. Visualization is also promoted on the factory floor as well, sharing information on locations and weight of generated losses and their causes among all related departments. This helps avoid material losses in the production process for reduced input resources.

As part of OMRON's drive to conserve resources, the Material Flow Cost Accounting (MFCA) technique was adopted by OMRON Kurayoshi Corporation* in fiscal 2006, and later introduced to three sites in Japan and one site abroad. This helped conserve resources, mainly with regard to metal and molding materials with large amounts of input.



Activities with
resource saving by MFCA

* As of April 1, 2010, the Switch Division of OMRON Corporation, OMRON Kurayoshi Corporation, and OMRON Izumo Co., Ltd. merged to form the new OMRON Switch and Devices Corporation.

DATA >> [Raw Material and Processed Parts Input](#)

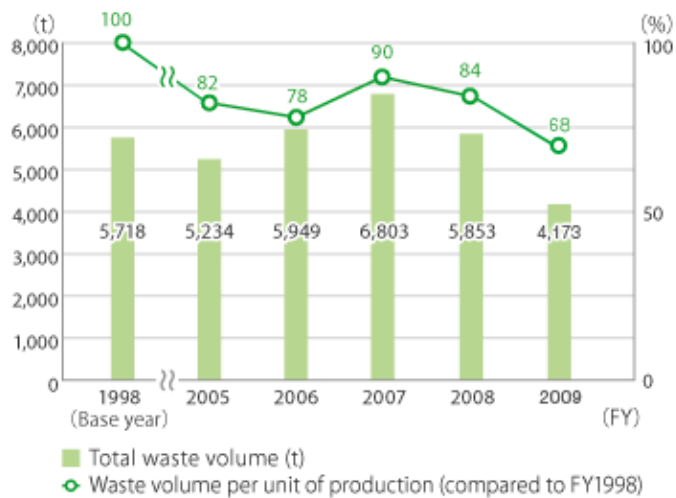
DATA >> [Usage of Packaging Materials](#)

Waste Reduction

Total Waste Volume

Japan - Total Waste Volume

	1998 (Base year)	2005	2006	2007	2008	2009
Total waste volume(t)	5,718	5,234	5,949	6,803	5,853	4,173
Waste volume per unit of production (%)	100	82	78	90	84	68



※Waste volume per unit of production is based on increase-decrease rate of 1998.

Oversea - Total Waste Volume

	2002 (Base year)	2005	2006	2007	2008	2009
Total waste volume(t)	3,301	4,779	8,346	7,938	9,088	7,687
Waste volume per unit of production (%)	100	123	139	116	159	102



※Waste volume per unit of production is based on increase-decrease rate of 2002.

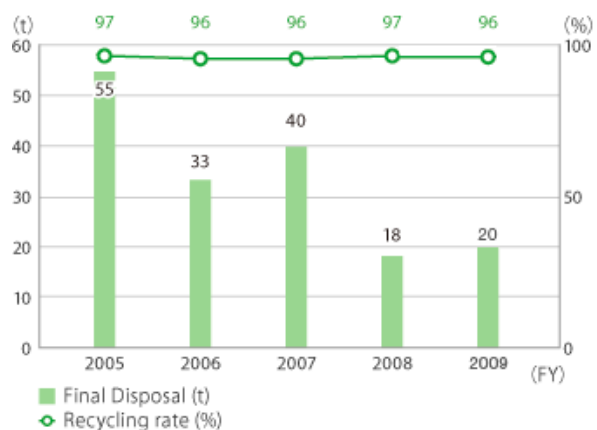
▶ Total Waste Volume

Waste Reduction

Usage of Packaging Materials

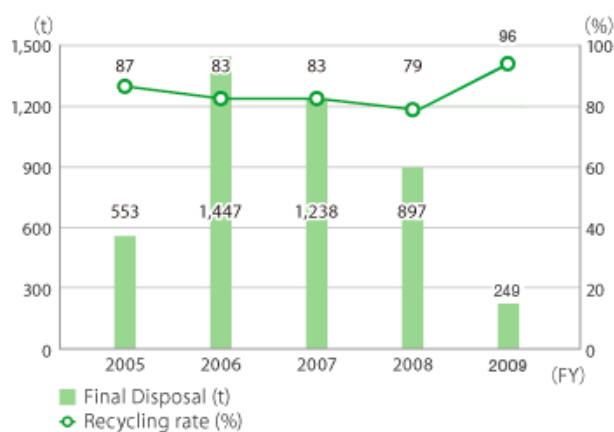
Japan - Packaging materials used of Waste, recycling rate

	2005	2006	2007	2008	2009
Packaging materials used (t)	55	33	40	18	20
Recycling rate (%)	97	96	96	97	96



Oversea - Packaging materials used of Waste, recycling rate

	2005	2006	2007	2008	2009
Packaging materials used (t)	553	1,447	1,238	897	249
Recycling rate (%)	87	83	83	79	96



▶ Total Waste Volume

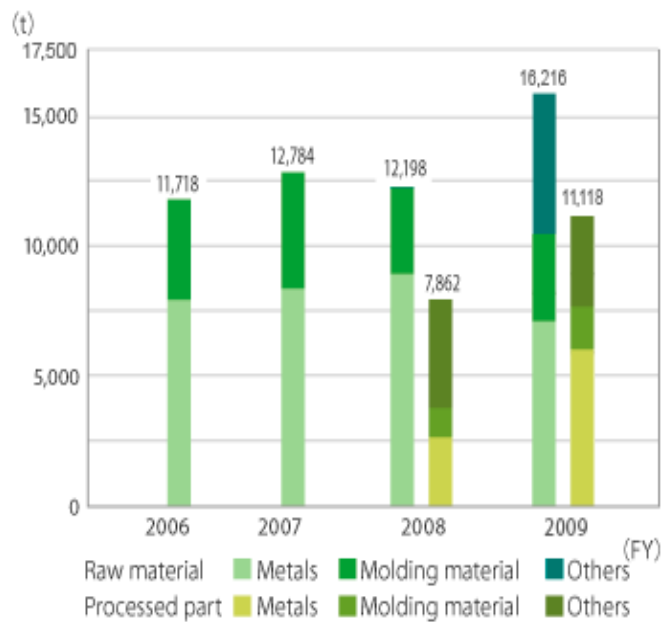
Waste Reduction

Raw Material and Processed Parts Input

Japan - Raw Material and Processed Parts Input

Unit: ton

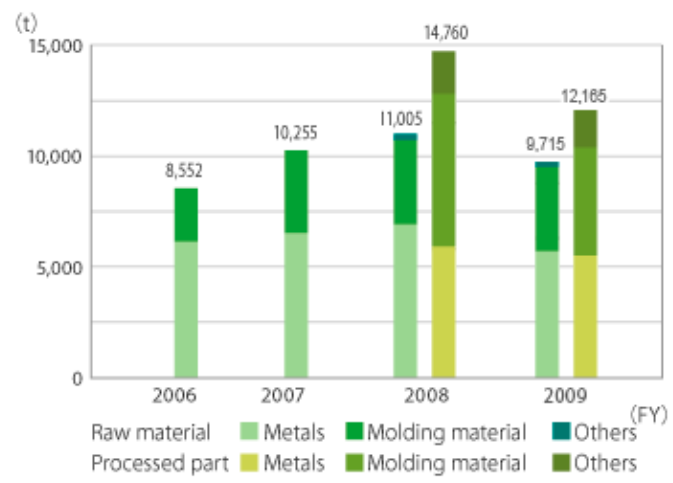
		2006	2007	2008	2009
Raw material input	Metals	7,913	8,340	8,909	7,269
	Molding material	3,805	4,444	3,273	3,412
	Others	—	—	15	5,535
Processed parts input	Metals	—	—	2,568	5,689
	Molding material	—	—	1,194	1,443
	Others	—	—	4,099	3,986



Oversea - Raw Material and Processed Parts Input

Unit: ton

		2006	2007	2008	2009
Raw material input	Metals	6,079	6,485	6,920	5,448
	Molding material	2,472	3,739	3,765	4,166
	Others	—	—	319	101
Processed parts input	Metals	—	—	6,308	5,553
	Molding material	—	—	6,886	5,437
	Others	—	—	1,564	1,175



► Waste Reduction

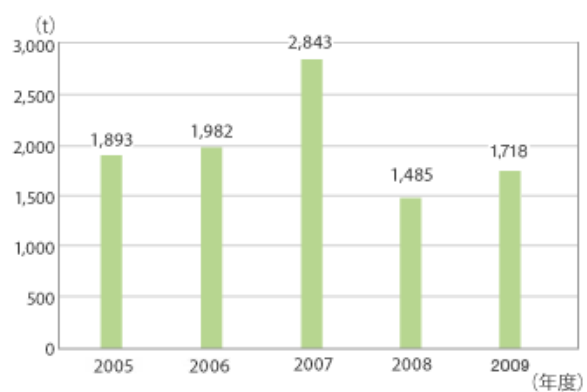
Waste Reduction

Usage of Packaging Materials

Japan - Usage of Packaging Materials

Unit: ton

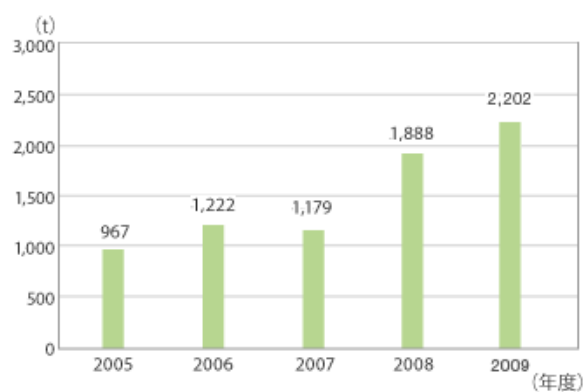
	2005	2006	2007	2008	2009
Amount used	1,893	1,982	2,843	1,485	1,718



Oversea - Usage of Packaging Materials

Unit: ton

	2005	2006	2007	2008	2009
Amount used	967	1,222	1,179	1,888	2,202



▶ [Total Waste Volume](#)

Disposal of PCB Waste

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Conduct detoxification at 2 sites 	
FY2009 Results	<ul style="list-style-type: none"> Completed detoxification for 16 PCB-containing capacitors at 2 sites 	○
FY2010 Targets	<ul style="list-style-type: none"> Conduct detoxification at 2 additional sites 	

Basic Policies

At OMRON, power capacitors, transformers and fluorescent lamp ballasts, which contain polychlorinated biphenyls (PCBs), are stored and managed in compliance with the Law Concerning Special Measures for Promotion of Proper Treatment of PCB Waste. OMRON regularly monitors stored devices while implementing strict leakage prevention measures and ledger control for quantity checks.

FY2009 Overview

OMRON outsources disposal of PCB-containing devices to the Japan Environmental Safety Corporation (JESC), engaged in detoxification of PCBs contained in equipment under the guidance and supervision of the government.

In fiscal 2009, a detoxification process was completed for 16 PCB-containing capacitors at two sites which were subject to JESC's PCB waste treatment plan.

In fiscal 2010, two additional sites that will be included in JESC's plan will complete detoxification of PCB-containing devices. As of the end of fiscal 2009, 14 OMRON sites still possess PCB-containing devices that will require future detoxification treatment. OMRON will conduct disposal of PCB-containing devices in place at these sites in conformance with the progress of JESC's treatment plan implementation.

PCB-containing Devices Stored

	Stored devices (units)	
	High-concentration content of PCB (units)	Low-concentration content of PCB (units)
Transformers (High-voltage transformers)	0	20
Power capacitors	54	0
Fluorescent lamp ballasts	376	0

PCB Waste Management

For business sites with PCB-containing devices, it is mandatory to appropriately store PCB waste until it is detoxified, and report its storage status to the relevant local government.

OMRON Amusement Co., Ltd. engaged in manufacture of components for pinball machines, for example, contains chain-locked PCB waste in a plastic container and keeps it in a locked room. Storage conditions are inspected twice a year against the checklist and reported to the governor of the relevant prefecture on a regular basis.



Storage of PCB waste

Reduction of PRTR Substances

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">Maintain FY2005 levels per unit of production or less	
FY2009 Results	<ul style="list-style-type: none">Released amount: 22% decrease from FY2005 levelTransferred amount: 165% increase from FY2005 level	△
FY2010 Targets	<ul style="list-style-type: none">Maintain FY2005 levels per unit of production or less	

Basic Policies

As for comprehensive chemical substances, OMRON has specified substances subject to in-house control in conformance with applicable laws and regulations in Japan and abroad as well as industry trends, in order to reduce the use of hazardous substances for its production processes during the development stage.

OMRON sites in Japan are striving to maintain the released and transferred amounts per unit of production of Class 1 chemicals designated under Japan's PRTR (Pollutant Release and Transfer Register) Law at fiscal 2005 levels or less. As per the revision to the PRTR Law in 2008, substances subject to reporting will change in fiscal 2011. Thus OMRON will start a survey for 462 substances required by the revised Law (compared to the former list of 354 substances) in fiscal 2010.

FY2009 Overview

In fiscal 2009, the released amount per unit of production decreased 22% from the fiscal 2005 level, while the transferred amount per unit of production increased 165%. The main cause of the increase in the transferred amount was inclusion of the Yasu Factory in the scope of data calculation through M&A. If this site was excluded, the released amount declined 24% and the transferred amount decreased 14% from the fiscal 2005 levels. For fiscal 2010, OMRON will continue to aim at maintaining fiscal 2005 levels or less per unit of production.

DATA >> PRTR Survey Results

(Amount handled, Amount released, Amount transferred)

Appropriate Management of Chemical Substances

The Keihanna Technology Innovation Center, OMRON's core global R&D facility, has built and has been using its own access control system to enhance the level of security and maintain compliance for the management of chemical substances within the facility since 2005. This system allows only authorized personnel with preregistered IDs to enter the storage area. When removing substances from the storage area, staff must also input the removed quantity and other data through a barcode before they exit. The deployment of this system is especially helpful for enhancing security, as well as providing strict control over chemicals for which storage quantity is specified by law. This system also helps avoid delay in the development process due to lack of substances in stock.



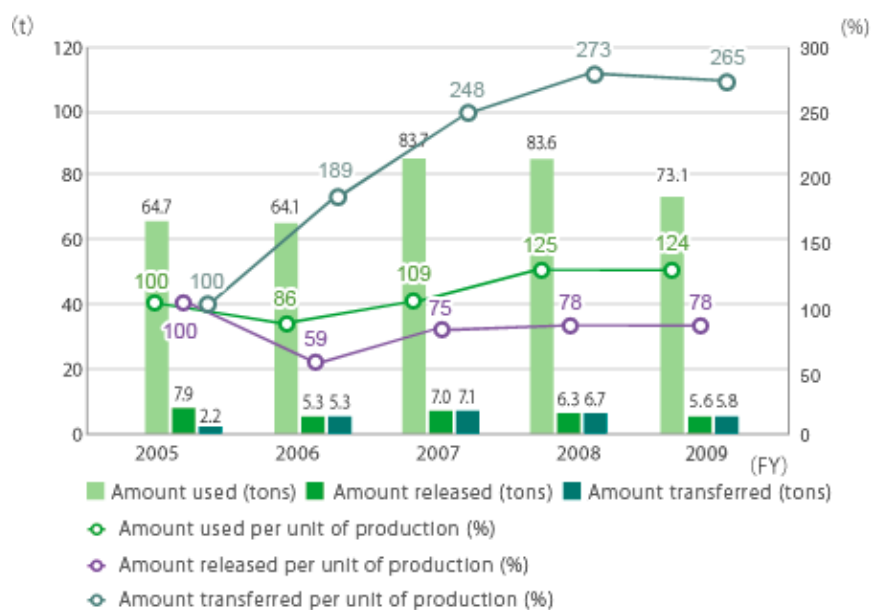
Control of chemicals in storage using a barcode system

Reduction of PRTR Substances

Use of Chemical Substances

Japan - Use of Chemical Substances

	2005	2006	2007	2008	2009
Amount used (t)	64.7	64.1	83.7	82.6	73.1
Amount used per unit of production (%)	100	86	109	125	124
Amount released (tons)	7.9	5.3	7.0	6.3	5.6
Amount released per unit of production (%)	100	59	75	78	78
Amount transferred (tons)	2.2	5.3	7.1	6.7	5.8
Amount transferred per unit of production (%)	100	189	248	273	265

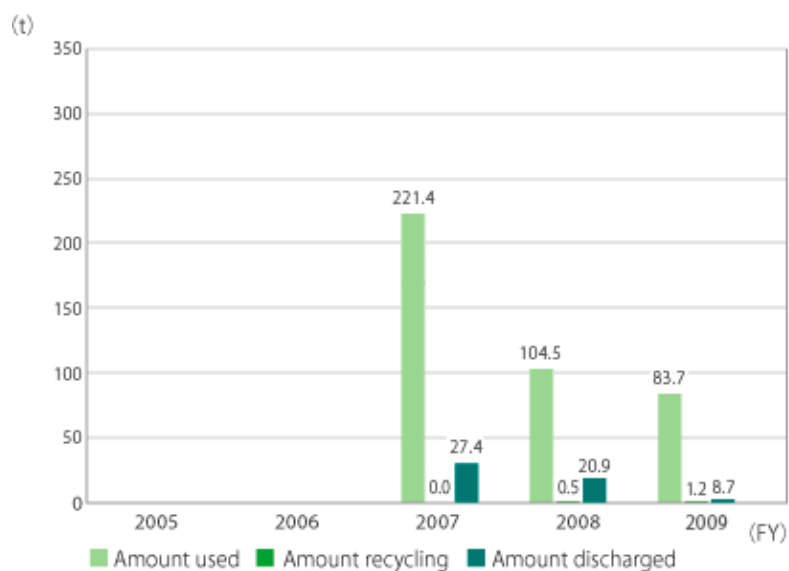


※Each year's amounts per unit of production above are calculated relative to the base level 100 in base year 2005.

Oversea - Use of Chemical Substances

Unit: ton

	2005	2006	2007	2008	2009
Amount used	—	—	221.4	104.5	83.7
Amount released	—	—	0.0	0.5	1.2
Amount transferred	—	—	27.4	20.9	8.7



Japan - PRTR Survey Results (Amount handled, Amount released, Amount transferred)

Unit: ton

Substance number	Substance name	Amount handled	Amount released	Amount transferred
25	Antimony and its compound	26.43	0.00	0.92
29	4,4'-isopropylidenediphenol	0.00	0.00	0.00
30	Polymer of 4,4'-isopropylidenediphenol and 1-chloro-2,3-epoxypropane (liquid type)	7.19	0.00	0.51
40	Ethylbenzene	1.51	0.91	0.00
43	Ethylene glycol	0.00	0.00	0.00
63	Xylene	2.65	1.15	0.76
64	Silver and its compound (water-soluble)	1.05	0.00	0.00
95	Chloroform	0.14	0.14	0.00
129	3-(3,4-dichlorophenyl)-1,1-dimethylurea	0.00	0.00	0.00
202	Methyltetrahydrophthalic anhydride	0.90	0.00	0.11
203	Tetrafluoroethylene	0.00	0.00	0.00
224	1,3,5-trimethylbenzene	0.00	0.00	0.00
227	Toluene	10.35	2.21	0.00
230	Lead and its compound	17.15	0.39	0.01
231	Nickel	0.36	0.00	0.04
232	Nickel compound	0.49	0.00	0.05
283	Hydrogen fluoride and its water-soluble salt	4.20	0.81	3.39
341	Methylenebis(4,1-cyclohexylene) diisocyanate	0.65	0.00	0.00
	Total	73.08	5.61	5.79

Oversea - PRTR Survey Results

(Amount handled, Amount released, Amount transferred)

Unit: ton

Substance number	Substance name	Amount handled	Amount released	Amount transferred
30	Polymer of 4,4'-isopropylidenediphenol and 1-chloro-2,3-epoxypropane (liquid type)	55.04	0.00	7.67
40	Ethylbenzene	0.48	0.06	0.00
63	Xylene	1.20	0.33	0.00
64	Silver and its compound (water-soluble)	0.01	0.00	0.00
227	Toluene	3.81	0.77	0.01
230	Lead and its compound	19.69	0.00	1.03
231	Nickel	0.00	0.00	0.00
232	Nickel compound	3.30	0.00	0.00
341	Methylenebis(4,1-cyclohexylene) diisocyanate	0.22	0.00	0.01
	Total	83.73	1.15	8.72

► Use of Chemical Substances

Resource Conservation (Water)

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">Maintain FY2005 total volume level or less (Japan)	
FY2009 Results	<ul style="list-style-type: none">16% decrease from FY2005 level (Japan)	○
FY2010 Targets	<ul style="list-style-type: none">Maintain FY2005 total volume level or less (Japan)	

Basic Policies

Aiming to preserve limited water resources, OMRON strives to reduce water usage for business activities and promote reuse. At the same time, OMRON is committed to enhancing employee awareness of environmental issues.

FY2009 Overview

In Japan, the OMRON Group worked to maintain water usage at the fiscal 2005 level (980,000m³) or less. As a result, the amount of water used in fiscal 2009 was kept at 16% below the fiscal 2005 level, meeting its target. This was partially due to the decreased production caused by the recession, which in turn reduced the usage of water considerably.

At overseas sites as well, efforts are being concentrated on upgrading facilities, such as installing water-saving faucets, inspection and improvement of water leaks, and improvement of toilet water purification efficiency, while also enhancing the employee mindset of saving water. As a result, the amount of water used in fiscal 2009 totaled 690,000m³, a significant decrease from the 1,110,000m³ tons used in fiscal 2008.

In fiscal 2010, OMRON will continue implementing strict controls in order to maintain or reduce water usage across the Group.

DATA >> Water Usage

Reduction of Water Usage

The Kyoto Office has installed lavatory faucets with a water-saving valve. The overseas production sites regularly inspect water leakage and take measures to enhance the conservation mindset.



Water-saving faucet installed
at a Chinese production site

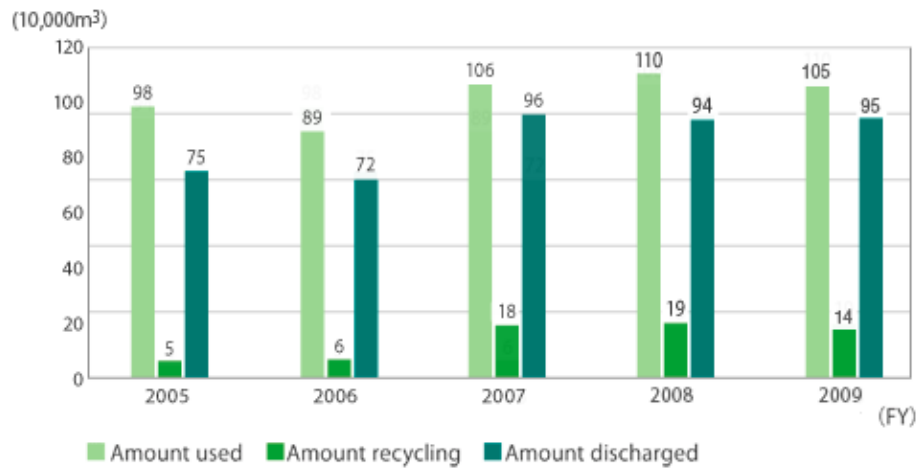
Resource Conservation

Water Usage, Wastewater Recycling, Wastewater Discharged

Japan - Water Usage, Wastewater Recycling, Wastewater Discharged

Unit: 10,000m³

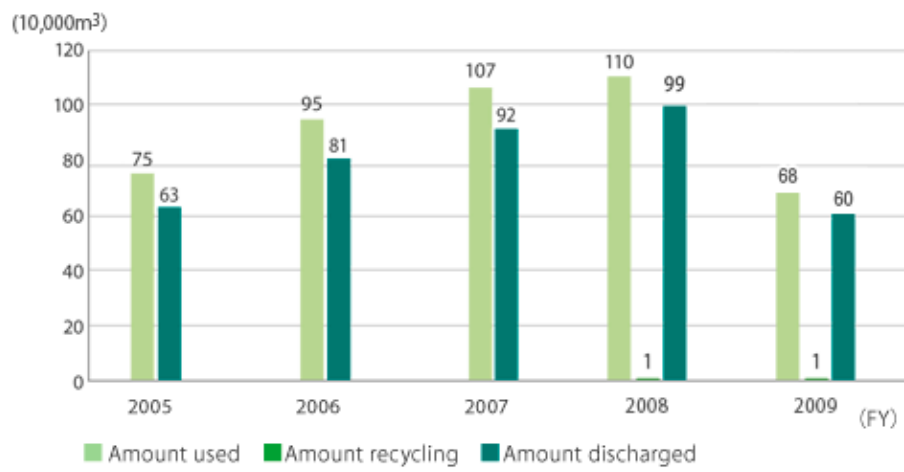
	2005	2006	2007	2008	2009
Amount used	98	89	106	110	105
Amount recycling	5	6	18	19	14
Amount discharged	75	72	96	94	95



Oversea - Water Usage, Wastewater Recycling, Wastewater Discharged

Unit: 10,000m³

	2005	2006	2007	2008	2009
Amount used	75	95	107	110	68
Amount recycling	—	—	—	1	1
Amount discharged	63	81	92	99	60



▶ Resource Conservation

Resource Conservation (Office Paper)

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">Maintain FY2005 total volume level or less (Japan)	
FY2009 Results	<ul style="list-style-type: none">35% decrease from FY2005 level (Japan)	○
FY2010 Targets	<ul style="list-style-type: none">Maintain FY2005 total volume level or less (Japan)	

Basic Policies

To protect forest resources, OMRON promotes purchase and use of recycled paper, as well as paperless documentation and saving of photocopy paper in order to reduce usage of office paper.

FY2009 Overview

In Japan, OMRON worked toward maintaining its use of office paper at the fiscal 2005 level (226 tons) or less. Consequently, the volume of office paper used in fiscal 2009 was down 35% from the fiscal 2005 level. Implementation of cost-cutting efforts across the Group as part of OMRON's emergency profitability initiative, as well as promoted use of digital data, helped cut paper usage.

Paperless documentation also advanced at overseas sites through duplex printing and more efficient use of photocopiers, along with each department's individual control of paper usage. As a result, paper usage has been decreasing annually since fiscal 2007.

In fiscal 2010, OMRON will continue trimming its usage of paper.

DATA >> Paper Usage

Office Paper Reduction Efforts in China

In line with OMRON's commitment to achieve global multisite ISO 14001 (environmental management system) certification, OMRON (China) Co., Ltd. is working to cut its usage of office paper. To promote paperless documentation through duplex-printing, used paper collection boxes were set up to encourage and ensure employees' recycling of used paper.



Paper sorting/collection box
set up at
OMRON (China) Co., Ltd.
Shenzhen Branch

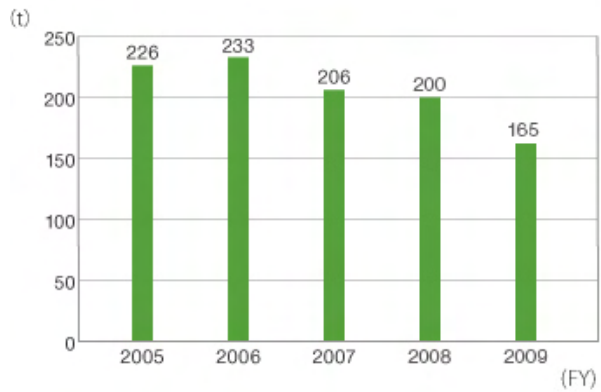
Resource Conservation (Office Paper)

Paper Usage

Japan - Paper Usage

Unit: ton

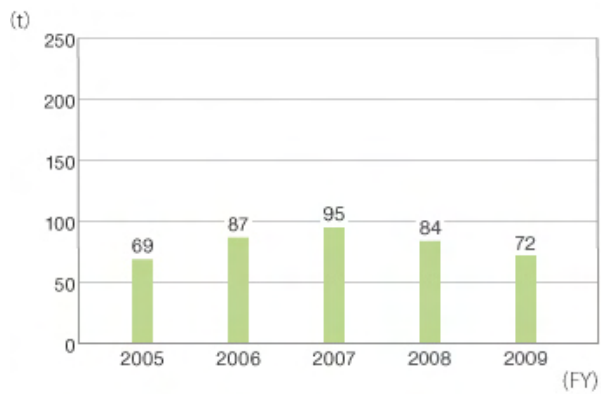
	2005	2006	2007	2008	2004
Paper Usage	226	233	206	200	165



Oversea - Paper Usage

Unit: ton

	2005	2006	2007	2008	2009
Paper Usage	69	87	95	84	72



Preventing Air Pollution

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">• Maintain FY2005 levels per unit of production or less (Japan)	
FY2009 Results	<ul style="list-style-type: none">• NOx: 94% decrease from FY2005 level (Japan)• SOx: 95% decrease from FY2005 level (Japan)	○
FY2010 Targets	<ul style="list-style-type: none">• Maintain FY2005 levels per unit of production or less (Japan)	

Basic Policies

OMRON has set forth in-house voluntary guidelines for controlling concentrations of NOx (nitrogen oxides) and SOx (sulfur oxides) emissions. The controls are even more strict than the standards stipulated by the Air Pollution Control Law. Based on these guidelines, OMRON implements various measures to reduce emissions of these air-polluting substances, aiming to protect the environment and avoid health risks.

FY2009 Overview

In Japan, efforts were focused on maintaining NOx and SOx emissions per unit of production at fiscal 2005 levels or less through exacting control of their concentrations based on its voluntary standards. Consequently in fiscal 2009, NOx emissions per unit of production were 94% below the fiscal 2005 level, and SOx emissions per unit of production were 95% below the fiscal 2005 level. The main factor that caused these significant improvements was a shift from the former production lines at the Minakuchi Factory in Shiga Prefecture to new lines in the Yasu Factory.

In fiscal 2010 as well, OMRON will continue strictly controlling and maintaining concentrations of NOx and SOx emissions at fiscal 2005 levels or less.

DATA >> [Air Pollutants \(NOx, SOx\)](#)

Efforts to Prevent Air Pollution

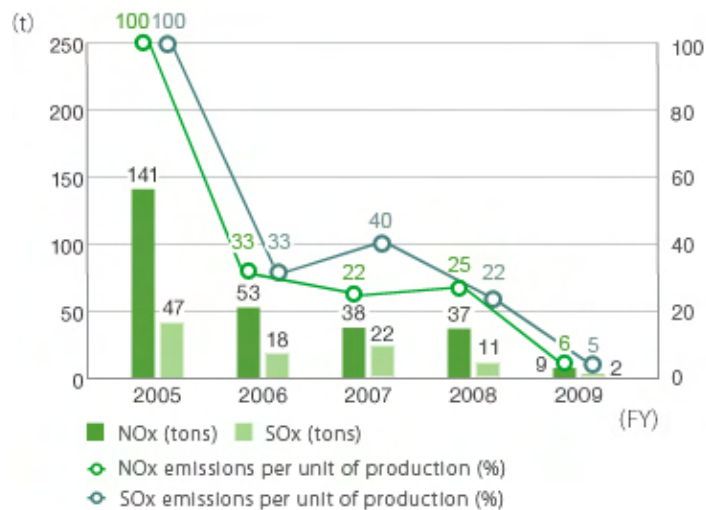
To restrict concentrations of air pollutant emissions (NOx, SOx and soot), OMRON has been implementing regular monitoring and measurement of emissions and periodic inspections of boilers and other equipment. OMRON is also working to discontinue use of boilers and cut the number of generators in operation and their operating time.

Preventing Air Pollution

Air Pollutants (NOx, SOx)

Japan - Air Pollutants (NOx, SOx)

	2005	2006	2007	2008	2009
NOx (tons)	141	53	38	37	9
NOx emissions per unit of production (%)	100	33	22	25	6
SOx (tons)	47	18	22	11	2
SOx emissions per unit of production (%)	100	33	40	22	5

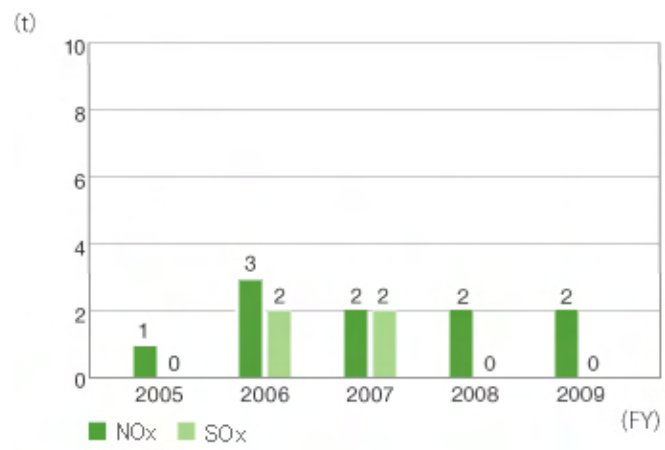


※Emissions per unit of production are shown in terms of percentages relative to the base level 100 in base year 2005.

Oversea - Air Pollutants (NOx, SOx)

Unit: ton

	2005	2006	2007	2008	2009
NOx	1	3	2	2	2
SOx	0	2	2	0	0



► Preventing Air Pollution

Preventing Water Pollution

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">• Maintain FY2005 total volume levels or less (Japan)	
FY2009 Results	<ul style="list-style-type: none">• BOD: 57% decrease from FY2005 level (Japan)• COD: 36% decrease from FY2005 level (Japan)	○
FY2010 Targets	<ul style="list-style-type: none">• Maintain FY2005 total volume levels or less (Japan)	

Basic Policies

To prevent water pollution, OMRON has established in-house guidelines with voluntary standards for controlling BOD (biological oxygen demand) and COD (chemical oxygen demand) concentrations to keep them below the regulatory standards. Each site closely monitors and measures water pollutants, while at the same time working to reduce the concentrations and amounts of these substances by installing organic materials decomposition/removal systems in the drainage path, and through regular inspection of water purification tanks.

FY2009 Overview

OMRON sites in Japan worked toward the goal of maintaining BOD and COD at fiscal 2005 levels or lower, through controls based on voluntary standards. Thanks to these efforts, OMRON was able to reduce BOD by 57% and COD by 36% compared to fiscal 2005. Other helpful factors were decreased production and shift of production to foreign countries.

As in fiscal 2009, OMRON will continuously aim at maintaining fiscal 2005 levels or lower for BOD and COD in fiscal 2010.

DATA > [Water Pollutants \(BOD, COD\)](#)

Efforts to Prevent Water Pollution

In Japan, BOD and COD concentrations were curbed by activating microorganisms during inspection and cleaning of purification tanks.

Overseas, a separate facility was set up for treating garbage from dining rooms so as to separate oily water and sewage, thus holding down sewage concentrations. Going forward, OMRON will continue monitoring and measuring water pollutant (BOD and COD) concentrations with the aim of lessening the impact on the environment.



Drainage facility
at Yasu Factory

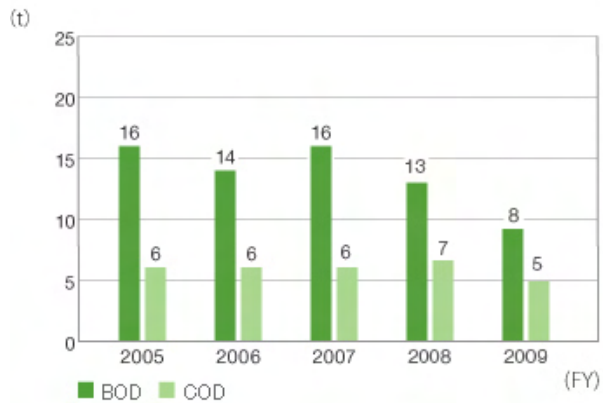
Preventing Water Pollution

Water Pollutants (BOD, COD)

Japan - Measured Values of Water Pollutants (BOD,COD)

Unit: ton

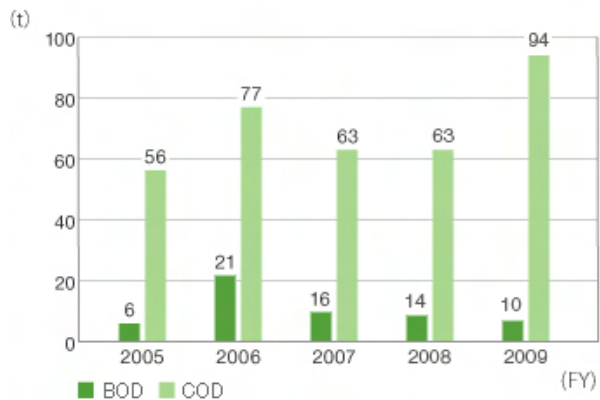
	2005	2006	2007	2008	2009
BOD	16	14	16	13	8
COD	6	6	6	7	5



Oversea - Measured Values of Water Pollutants (BOD,COD)

Unit: ton

	2005	2006	2007	2008	2009
BOD	6	21	16	14	10
COD	56	77	63	63	94



Eco-Logistics

► CO2 Emissions Reduction in Logistics

Efforts to lessen CO2 emissions during cargo transportation

► Resource Conservation in Logistics

Reducing use of containers and packaging materials

CO₂ Emissions Reduction in Logistics

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Set reduction emissions targets 	
FY2009 Results	<ul style="list-style-type: none"> No reduction targets set Emissions in Japan: 5,492 tons (based on improved ton-kilometers method) Emissions overseas: 27,862 tons (based on improved ton-kilometers method)	×
FY2010 Targets	<ul style="list-style-type: none"> Study targets for FY2011 and beyond 	

Basic Policies

OMRON is committed to promoting improvement of transport efficiency and a modal shift in order to reduce CO₂ emissions at the logistics stage. Although OMRON in Japan does not fall into the category of designated shippers (※1) under the Energy Conservation Law, OMRON is aware of its social responsibility as a shipper (※2). As such, OMRON is striving to review circulating transportation routes, expand consolidated cargo transportation and joint distribution with other companies, while also promoting upgrades to eco-friendly trucks (natural gas vehicles). For overseas distribution, OMRON is working to consolidate import/export points, and promote a modal shift away from air transport to transport by ship to further lessen CO₂ emissions.

※1 Designated shippers

A designated shipper is a shipper with freight transport totaling 30 million ton-kilometers or more per year (calculated by multiplying the number of metric tons of cargo carried by the distance they are transported in kilometers). Designated shippers are mandated to formulate energy-saving plans and regularly report the amount of consumed energy.

※2 Shipper

A shipper is a company that has its cargo related to business continuously transported by cargo distributors. Under the Energy Conservation Law, shippers are required to promote energy conservation for cargo transportation.

FY2009 Overview

In fiscal 2009, OMRON's cargo transport volume in Japan decreased 4.6% from the previous year, resulting in a 0.6% drop in CO₂ emissions at the logistics stage.

This was due to decreased production volume and aggressive efforts to expand consolidated cargo transportation and joint distribution. Overseas as well, a decrease in production volume caused transport volume to decline by 29.8% and CO₂ emissions at the logistics stage to decrease by 15.1% compared to the previous year.



Logistics center in Osaka

Although setting a CO₂ emissions reduction target for the logistics stage was considered, it was not realized during fiscal 2009 due to the considerable impact of the decrease in production volume. In fiscal 2010 as well, OMRON will study the possibility of target setting, while also continuing the formerly promoted activities to further reduce CO₂ emissions at the logistics stage.

DATA >> CO₂ Emissions at Logistics Stage

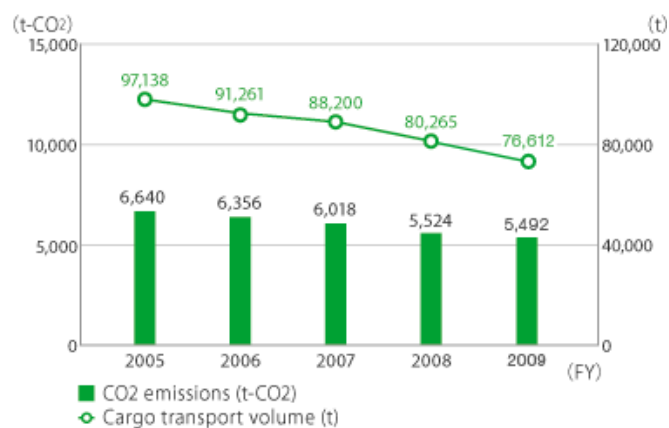
DATA >> Cargo Transport Volume by Transport Mode

CO2 Emissions Reduction in Logistics

CO2 Emissions at Logistics Stage

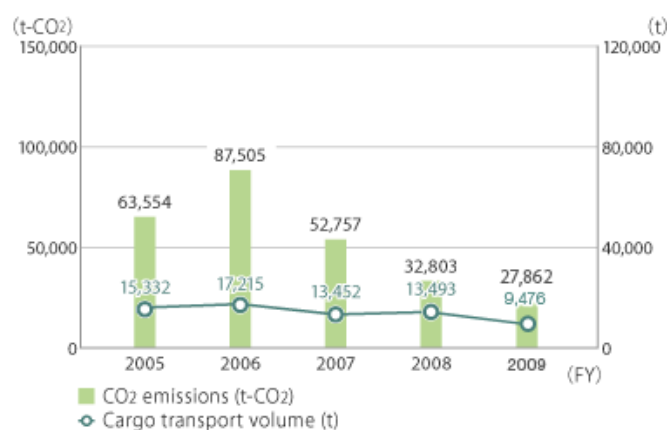
Japan - CO2 Emissions at Logistics Stage

	2005	2006	2007	2008	2009
CO2emissions (t-CO2)	6,640	6,356	6,018	5,524	5,492
Cargo transport volume (t)	97,138	91,261	88,200	80,265	76,612



Oversea - CO2 Emissions at Logistics Stage

	2005	2006	2007	2008	2009
CO2 emissions (t-CO2)	63,554	87,505	52,757	32,803	27,862
Cargo transport volume (t)	15,332	17,215	13,452	13,493	9,476



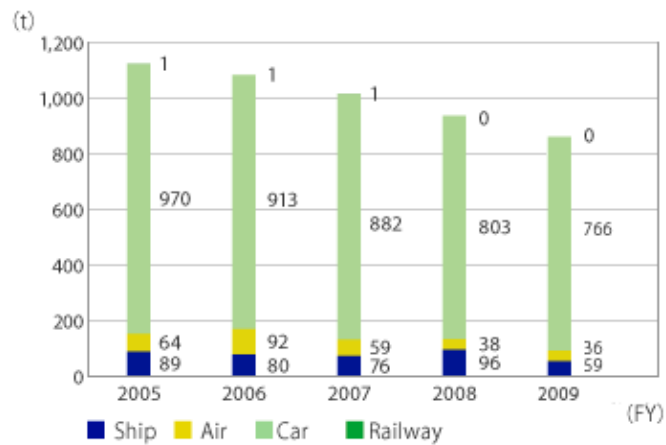
CO2 Emissions Reduction in Logistics

Cargo Transport Volume by Transport Mode

Cargo Transport Volume by Transport Mode (Car, Ship, Railway, Air)

Unit: ton

	2005	2006	2007	2008	2009
Ship	89	80	76	96	59
Air	64	92	59	38	36
Car	970	913	882	803	766
Railway	1	1	1	0	0



▶ CO2 Emissions Reduction in Logistics

Resource Conservation in Logistics

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> Expand use of returnable container systems to include distributors Study use of foldable container pallet stacking through standardized outer cases 	
FY2009 Results	<ul style="list-style-type: none"> Continued implementation for distributors that have already started using a returnable container system Implemented foldable container stacking through standardized outer cases 	△
FY2010 Targets	<ul style="list-style-type: none"> Continue implementation 	

Basic Policies

While working to lessen CO₂ emissions through enhancement of transportation efficiency, OMRON is also committed to reducing the use of packaging materials for transportation. As part of this drive, OMRON strives to introduce a returnable system using foldable containers between all factories and logistics centers in Japan. Moreover, OMRON promotes replacement of traditionally used disposable stretch film, (※1) used for preventing the collapse of stacked goods on pallets, with a reusable green band (※2). OMRON's efforts are also geared toward reducing the weight of product packaging and encouraging its reuse in order to reduce environmental impact in the logistics stage.

As a specified business entity under the Containers and Packaging Recycling Law, OMRON also endeavors to curb the environmental impact of containers and packaging materials by fulfilling its obligations to keep records and recycle containers and wrapping for consumer products.

※1 Stretch film

Self-stick packaging film used to secure corrugated cardboard boxes on pallets, without requiring an adhesive.

※2 Green band

A band that can be used in place of stretch film to prevent the collapse of stacked goods, and which can be reused many times.

FY2009 Overview

In fiscal 2009, OMRON worked hard to reduce the use of packaging materials by supporting pallet stacking of foldable containers through the standardization of outer cases. Despite this, packaging materials used for transportation in Japan increased 2.0% from the previous fiscal year to 2,665 tons. OMRON will continue striving to lessen the use of packaging materials by maintaining the implementation of a returnable container system and the use of reusable green bands.

Overseas, packaging materials for transportation rose 62.3% from the previous fiscal year to 4,918 tons. The original plan for fiscal 2009 was to introduce a returnable container system for direct transportation to all distributors, as well as for transportation between OMRON Group companies. But OMRON simply decided to continue using a returnable container system only for distributors for which the system had already been deployed.



Green band

Since 2006, OMRON has also been working to reduce product packaging weight by cutting the size of accessory packages, as well as simplifying product packaging.

DATA >> Packaging Materials Used for Transportation

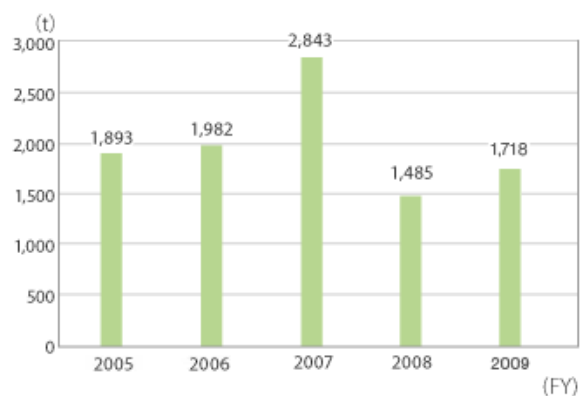
Resource Conservation in Logistics

Packaging Materials Used for Transportation

Japan - Usage of Packaging Materials

Unit: ton

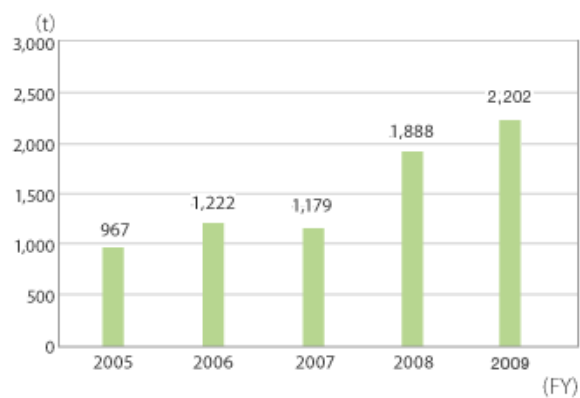
	2005	2006	2007	2008	2009
Amount used	812	1,719	2,230	2,616	1,365



Oversea - Usage of Packaging Materials

Unit: ton

	2005	2006	2007	2008	2009
Amount used	1,888	3,609	3,982	3,026	4,918



Eco-Communication

▸ Release of Environmental Information

Appropriate release of environmental information to stakeholders

▸ Environmental Contribution

Participation in and support for community efforts to protect the environment

Release of Environmental Information

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none"> • Continue publishing report • Expand sites covered by the report • Continue release of environmental information through website • Continue participating in environmental exhibitions • Continue release of environmental information using media 	
FY2009 Results	<ul style="list-style-type: none"> • Discontinued printed report • Included additional sites (1 in Japan and 6 overseas) for reporting (84 sites in total) • Continued releasing information through the website • Participated in Eco-Products 2009 (Dec.) • Placed advertisement in "Nikkei Ecology" magazine 	○
FY2010 Targets	<ul style="list-style-type: none"> • Continue reporting through website • Expand sites covered by the report • Host environmental forum 	

Basic Policies

OMRON believes that one of the best ways to realize a sustainable society is to proactively undertake environmental preservation activities and share the results and plans with stakeholders through a variety of media, thereby promoting communication with them.

This is why OMRON is actively involved in CSR (sustainability) reporting through its website, participating in environmental exhibitions, and offering information through various other media.

FY2009 Overview

In fiscal 2009, OMRON implemented the following activities to promote communication with stakeholders regarding environmental preservation.

In fiscal 2010, OMRON will aim to expand the sites covered by its reporting, while studying the possibility of using various media for offering information depending on the application.

Offering Information through Website

In 1998, OMRON published its first annual environmental report that outlined OMRON's environmental management philosophy and activities. The report was upgraded in fiscal 2004 to comprehensively cover all aspects of CSR. Since that time, it has been published under the title of the "Sustainability Report," including in-depth reporting of the social and economic (business) aspects of OMRON's corporate activities, as well as environmental aspects.

In fiscal 2009, to respond to stakeholders' demands for timely disclosure of information and the growing public call for companies to further conserve resources and reduce CO₂ emissions, OMRON decided to discontinue the publication of the printed report and concentrate the release of information on its website. Going forward, OMRON will strive to strengthen two-way communication with stakeholders.

Environmental Exhibitions and Events

OMRON has been an active participant in environmental exhibitions to introduce its eco-friendly products and environmental preservation activities and seek feedback from many stakeholders.

In fiscal 2009, OMRON participated in Eco-Products (December) and N-EXPO 2009 (May), showcasing its environmental technologies such as the monitoring system that helps customers conserve energy through visualization of energy usage.



Participated
in Eco-Products 2009

Environmental Advertisements

To widely introduce the company's commitment to environmental preservation, as well as its environmentally friendly products and technologies to a wide range of people, OMRON frequently places corporate advertisements in newspapers and magazines.



Placed advertisement in
"Nikkei Ecology" magazine

Environmental Contribution

Action Plan

Self-assessment rating ○ : Targets achieved △ : Targets partially achieved × : Targets not achieved

FY2009 Targets	<ul style="list-style-type: none">Continue environmental contribution activities	
FY2009 Results	<ul style="list-style-type: none">Participated in forest preservation activities at 12 locations in JapanGave environmental lectures at 3 elementary schools targeting 160 students	○
FY2010 Targets	<ul style="list-style-type: none">Continue environmental contribution activities	

Basic Policies

OMRON believes that it is the company's responsibility as a member of local communities in which it operates to proactively contribute to the environment through its business activities as well as non-business activities. Based on this belief, OMRON will continue undertaking environmental conservation activities in cooperation with local citizens and NPOs, and communicating OMRON's commitment to environmental preservation.

FY2009 Overview

In fiscal 2009, OMRON was engaged in environmental education for children and raising public awareness of the need for preventing climate change in collaboration with various stakeholders. OMRON will continually promote environmental preservation activities during fiscal 2010.

Forest Preservation Activities

In 1991, OMRON designated May 10th as "Founder's Day" ("OMRON Day" in Japan). Since then, OMRON Group employees have performed volunteer work throughout the world every year on this day. Since fiscal 2008, with support from the OMRON Labor Union, employees from various OMRON sites in Japan have taken part in reforestation projects. In fiscal 2009, OMRON employees and their families were engaged in planting trees, cutting back branches and trimming undergrowth in 12 locations in Japan.



Participated in forest preservation activities

Supporting Environmental Education at Elementary Schools

OMRON has participated in the Kyoto Chamber of Commerce and Industry's environmental education initiative targeting elementary school students, with employees giving lectures at elementary schools in Kyoto City on a regular basis.

This initiative is intended to foster students' interest in science and increase awareness of environmental issues by introducing elementary school students to environmental technologies developed by Kyoto-based companies that are aggressively addressing ecological issues. OMRON presents the company's efforts to



Gave environmental lectures at elementary schools

preserve the environment with the theme of "supplying environmentally friendly products," by giving examples of its healthcare products. Staff members in charge of environmental activities and product development/planning, working as a team, introduce OMRON's overall environmental preservation efforts and environmentally sound products.

In fiscal 2009, OMRON employees gave lectures in three elementary schools in Kyoto targeting 160 students. The employees introduced OMRON's eco-friendly products by showing examples of an ECG monitor and a blood pressure monitor. Children were also given hands-on experience with the devices, allowing them to learn about the flow and functions of the blood. One student commented: "I learned that OMRON makes products that are easy for me to use and understand." Another student said, "I now know that OMRON is working hard to make healthcare products and various other eco-friendly products."

Community Contributions to Address Environmental Issues

OMRON works together with stakeholders in various initiatives aimed at enhancing public awareness regarding anti-climate change efforts.

An example of such efforts is its participation in the executive committee of the "100 Most Eco-friendly Activities" project involving industry, government, academia and the citizens of Kyoto. The executive committee plans and organizes various events, including the "Kyoto Protocol Birthday Walk" which involves a walk down the streets of Kyoto City around February 16 when the Kyoto Protocol came into effect, calling for action to prevent climate change. An exhibition was also held in August, showcasing 100 selected eco-friendly products and technologies. The Birthday Walk in February 2010 drew some 200 participants who called for passersby to do their part in preventing climate change. In recognition of these activities which were launched in 2005, the executive committee received the Kyoto Environmental Excellence Award for fiscal 2009. This award recognizes organizations and companies that are committed to tackling climate change and building a resource-circulating society in an advanced and unique manner and through activities of great promise.

As a company with headquarters in Kyoto, where the Kyoto Protocol was adopted, OMRON will continue striving to reduce CO₂ emissions from its business activities, while also promoting public awareness of environmental issues and releasing environmental information.



OMRON products displayed
at "100 Most Eco-friendly
Products / Technologies"
exhibition

Performance Data

Eco-Management

[Environmental Accounting]

▶ [Environmental Costs, Environmental Performance Benefits, Economic Benefits Resulting from Environmental Conservation Measures](#)

[Environmental Auditing]

▶ [Number of Identified Problems / Points Requiring Improvement](#)

▶ [Internal environmental auditor training](#)

[Environmental Risk Management]

▶ [Pollution Control and Risk Management](#)

[Environmental ISO]

▶ [ISO 14001-certified Sites](#)

Eco-Products

[Development and Supply of Eco-products]

▶ [Assessment Items](#)

▶ [Eco-label Products Relative to New Products](#)

▶ [Environmental Contribution by Products / Services](#)

[Green Procurement]

▶ [The number of approved business partners, Procurement rate](#)

▶ [Ratio of Green Purchase Amount Relative to Total Purchase Amount](#)

[Product Recycling and Reuse]

▶ [Collection of End-of-life Products, Amount of Recycling](#)

Eco-Factories / Laboratories / Offices

[CO2 Emissions Reduction]

▶ [CO2 Emissions](#)

▶ [Energy Usage at Business Sites](#)

▶ [Non-CO2 Greenhouse Gas Emissions
\(CH4,N2O,HFCs, PFCs, SF6\)](#)

▶ [Recyclable Energy Generation](#)

▶ [Fuel Usage for Company Vehicles](#)

[Waste Reduction]

▶ [Total Waste Volume](#)

▶ [Usage of Packaging Materials](#)

▶ [Raw Material and Processed Parts Input](#)

▶ [Usage of Packaging Materials](#)

[Disposal of PCB Waste]

▶ [PCB-containing Devices Stored](#)

[Reduction of PRTR Substances]

▶ [Use of Chemical Substances](#)

[Resource Conservation]

▶ [Water Usage, Wastewater Recycling, Wastewater Discharged](#)

[Resource Conservation (Office Paper)]

▶ [Paper Usage](#)

[Preventing Air Pollution]

▶ [Air Pollutants \(NOx, SOx\)](#)

[Preventing Water Pollution]

▶ [Water Pollutants \(BOD, COD\)](#)

Eco-Logistics

[CO2 Emissions Reduction in Logistics]

▶ [CO2 Emissions at Logistics Stage](#)

▶ [Cargo Transport Volume by Transport Mode](#)

[Resource Conservation in Logistics]

▶ [Packaging Materials Used for Transportation](#)

Society

Society

What's New

Latest Update 2010.10.20

2010.10.20 Report of society is renewed

▸ Focus Activities and Long-term Targets

An overview of focus activities and long-term goals determined as part of CSR strategy

▸ Targets and Results — Social Performance

Fiscal 2009 targets and results, plus fiscal 2010 targets in the area of social initiatives

▸ Responsibility to Employees

OMRON values the individuality and diversity of employees and seeks to provide all people with equal opportunities in the workplace

- Employment/Remuneration/Employee Support Initiatives
- Respect for Human Rights
- Respect for Workers' Rights
- Occupational Health and Safety
- Education and Training
- Equal Employment Opportunities and Diversity at Work
- Work-Life Balance
- Dialogue with Employees

▸ Responsibility to Customers

With primary focus on maximum customer satisfaction, OMRON is dedicated to providing a stable supply of safe, high-quality products

- Quality Assurance
- Universal Design
- Dialogue with Customers

▸ Responsibility to Business Partners

OMRON endeavors to build solid and sustainable relationships with its partners

- Responsibility to Business Partners
- CSR Procurement
- Dialogue with Business Partners

▸ Responsibility to Investors

Focusing on relationship-building with investors, OMRON aims to provide them with an

appropriate level of return

- Distribution of Profits
- Dialogue with Investors

▸ Responsibility to Communities

OMRON emphasizes awareness and practice of corporate citizenship, aiming at harmonious coexistence with local communities

- Community Involvement

Focus Activities and Long-term Targets

Setting medium-term goals from a long-term perspective

OMRON considers the three years from fiscal 2008 to fiscal 2010 to be the third stage of its GD2010 long-term management plan (GD-III). In line with the start of GD-III, OMRON formulated a CSR management strategy.

The first step was to determine the direction toward which OMRON is heading in the long run. To do so, OMRON developed a perception of society ten years into the future and OMRON's CSR vision. Once this was done, it was necessary to identify the key issues the company should address from among many issues. This was achieved through materiality analysis from the dual perspectives of materiality to OMRON and materiality to stakeholders. Going through these steps, focus activities for OMRON and its targets for fiscal 2010 were specified.

Note: In response to rapid changes in the business environment, OMRON decided to promote structural reform initiatives across its Group by specifying the period from February 2009 to March 2011 as the "Revival Stage." However, CSR-related targets specified at the start of GD-III remain unchanged.

Society-related Strategies

CSR issues and basic policy		Focus activities and FY2010 targets
Respect for human rights	Strive to raise employee awareness of human rights in the workplace and create a workplace atmosphere that values the personality and talents of individuals, thereby helping to build a pleasant society free from discrimination.	<ul style="list-style-type: none"> Regularly conduct human rights education at all global sites. Build a system to assess internal human rights-related issues and connect assessment with improvement.
Respect for diversity	Promote a diversity of talented people to vital positions in the workplace depending on their performance and achievements, without regard to nationality, gender or other non-performance-related attributes.	<ul style="list-style-type: none"> Strive to empower women in the workplace and provide them more opportunities to assume vital positions by offering career development support initiatives and creating a motivating workplace environment. Promote normalization in Japan and further improve employment rate for disabled persons.
Support for people with disabilities or other limitations	<p>Strive to proactively contribute to community development as a responsible corporate citizen mainly through supporting people with limitations to enhance the quality of their lives (QOL*).</p> <p>* QOL (Quality of Life) is a scale for measuring the degree to which a person enjoys a rewarding life as desired.</p>	<ul style="list-style-type: none"> Enhance support initiatives and programs in conformance with OMRON's policy of improving QOL of persons with limitations. Continue implementing activities of Recruitment Agent Network for Disabled Persons to help promote teleworking for physically challenged people.

Targets and Results

[FY2009 Targets and Results | FY2010 Policy/Targets and GD-III Focus Activities/Targets]

CSR Issues and Basic Policy

Respect for human rights

Strive to raise employee awareness of human rights in the workplace and create a workplace atmosphere that values the personality and talents of individuals, thereby helping to build a pleasant society free from discrimination.

Respect for diversity

Promote a diversity of talented people to vital positions in the workplace depending on their performance and achievements, without regard to nationality, gender or other non-performance-related attributes.

Support for people with disabilities or other limitations

Strive to proactively contribute to community development as a responsible corporate citizen mainly through supporting people with limitations to enhance the quality of their lives (QOL*).

*QOL

QOL (Quality of Life) is a scale for measuring the degree to which a person enjoys a rewarding life as desired.

FY2009 Targets and Results

Respect for human rights

FY2009 policy/targets	FY2009 main results	Rating
<p>(1) Formulate/implement area-specific policies and action plans for putting 10 principles of United Nations Global Compact into practice.</p> <ul style="list-style-type: none"> Identify human rights-related issues specific to each nation among Japan, Korea, Americas and Europe, and select activities to be implemented. Formulate/implement educational curriculum. Gather information concerning human rights-related ordinances promoted by Chinese Government, such as National Human Rights Action Plan (2009-2010) issued by Information Office of the State Council, and quickly disseminate information to all related sites. 	<p>(1) Implemented the following area-specific measures in order to put 10 principles of United Nations Global Compact into practice.</p> <ul style="list-style-type: none"> Failed to identify human rights-related issues specific to each nation in areas except Japan. Prepared or selected human rights educational materials in Japan, the U.S. and Europe (except Korea). Incorporated the contents of National Human Rights Action Plan and Shanghai Municipal Local Standards on CSR into human rights educational materials, and distributed them to all sites in Greater China. Conducted rank-specific employee education at OMRON Electronic Components (Shenzhen) Ltd. under the guidance of Shenzhen Institute of Contemporary Observation. 	

<ul style="list-style-type: none"> • Seek to achieve China's CSR certification at OMRON Industrial Automation (China) Co., Ltd.; OMRON Electronic Components Trading (Shanghai) Ltd.; and Shanghai OMRON Control Components Co., Ltd. 	<ul style="list-style-type: none"> • All three companies could acquire certification. <p>Note: Due to delays caused by Shanghai Pudong New Area Government's circumstances, certification was not awarded until July 13, 2010.</p>	
<ul style="list-style-type: none"> • Assess human rights protection status at each site in Asia Pacific in cooperation with external organizations. 	<ul style="list-style-type: none"> • Failed to assess human rights protection status at each site, but was able to assess the achievement of United Nations' Millennium Development Goals for each country, thus gaining an overall picture of human rights-related issues. 	
<ul style="list-style-type: none"> • Conduct CSR monitoring for main production companies in each area for onsite assessment of CSR issues such as human rights protection, while also providing human rights education. <p>[Greater China] OMRON Dalian Co., Ltd.; OMRON Electronic Components (Shenzhen) Ltd. and their main suppliers</p> <p>[Asia Pacific] P.T. OMRON Manufacturing of Indonesia</p>	<ul style="list-style-type: none"> • Conducted monitoring for the following production companies that are considered especially important in terms of response to clients' CSR procurement requirements. Monitoring enabled onsite observation and guidance regarding CSR issues such as human rights protection. <p>[Greater China] OMRON Dalian Co., Ltd.; OMRON Electronic Components (Shenzhen) Ltd.; OMRON (Guangzhou) Automotive Electronics Co., Ltd. and their three main suppliers</p> <p>[Asia Pacific] P.T. OMRON Manufacturing of Indonesia; OMRON Malaysia Sdn. Bhd.</p>	△
<ul style="list-style-type: none"> • Target attendance rate for human rights training courses <p>[Japan] • 90% or higher of all employees</p> <p>[Korea] • 85% or higher of managers</p> <p>[Americas] • U.S. and Canada: 85% or higher of managers • Other regions: 100% of Group company presidents</p> <p>[Europe] • Central, North & South Europe: 85% or higher of managers • Other regions: 100% of Group company</p> <p>[Greater China] • Mainland China: 85% or higher of managers • Hong Kong & Taiwan: 85% or higher of managers</p> <p>[Asia Pacific] • Singapore, Thailand & Oceania: 85% or higher of managers • Indonesia, Malaysia, Vietnam & India: 100% of Group company presidents</p>	<ul style="list-style-type: none"> • Attendance rate for human rights training courses <p>[Japan] • 83.3% (OMRON Corporation: 83.2%, Group companies: 83.3%) Note: Cross-workplace training made adjustment of schedule difficult, resulting in declined attendance.</p> <p>[Korea] • No training was offered due to lack of established system.</p> <p>[Americas] • U.S.: Approx. 80% of managers</p> <p>[Europe] • Approx. 50% of managers (via intranet bulletin board system)</p> <p>[Greater China] • Mainland China & Hong Kong: 90% of managers (via intranet bulletin board system) • Taiwan: No training was offered due to lack of established system.</p> <p>[Asia Pacific] • No training was offered due to lack of established system.</p>	
(2) Study ISO 26000 Committee Draft and identify policies, regulations and	(2) CSR managers in Europe took initiative to prepare global educational	

educational materials necessary for promotion of CSR practices. Complete Japanese, Korean and English versions of global human rights educational materials used throughout OMRON Group. Aim to complete drafts of Chinese and Portuguese versions.	materials (English version), but these could not reach the universal level for use across the entire OMRON Group. Translations into local languages were postponed.
(3) Study human rights issues that companies need to address, which are stipulated in ISO 26000 Committee Draft, as well as required measures through communication with international human rights organizations.	(3) Engaged in interaction with 3 human rights organizations in Japan. In-house working group researched ISO 26000 Committee Draft and held seminars in response to requests from human rights organizations in Shiga and Nara prefectures, which helped deepen understanding of human rights issues through communication.
(4) Establish a system to assess neutral and objective information regarding human rights violations at the global level through communication with international human rights organizations.	(4) Learned about the status of human rights violations at the global level through interaction with 3 human rights organizations in Japan, but could not build a system to assess neutral and objective information.

Respect for diversity

FY2009 policy/targets	FY2009 main results	Rating
<p>(1) Continue increasing opportunities for diversity of talent to assume vital positions in the workplace in Japan, without regard to nationality, gender and other non-performance-related attributes.</p> <ul style="list-style-type: none"> Target number of women employed for main career track: 16 or more (20% or higher) Target number of foreigners employed for main career track: 5 (6.3%) <p>Note: Shown above is OMRON Corporation's data. OMRON will consider the indicator for appropriately measuring the progress of diversity enhancement in the future.</p>	<p>(1) Increased opportunities for diversity of talent to assume vital positions in the workplace without regard to nationality, gender and other non-performance-related attributes.</p> <ul style="list-style-type: none"> Number of women employed for main career track: 15 (19.2%) Number of foreigners employed for main career track: 7 (9.0%) Number of women in management positions: 19 (1.2%) - OMRON Corporation: 7 (0.8%), Group companies: 12 (1.7%) Employees who took childcare leave: 48 (Women: 46, Men: 2) Employees who used short working hours for childcare: 36 (Women: 36, Men: 0) <p>Note: Shown above is OMRON Corporation's data, except for women in management positions.</p>	
<p>(2) Formulate/implement specific programs to be proposed by empowerment project for women in Japan.</p>	<p>(2) Issued work/life balance support guide (a specific program recommended by the empowerment project for women) and studied or expanded women's network at each site. Also held brainstorming sessions and seminars in Japan.</p>	△

<p>(3) Continue offering job opportunities for persons with physical disabilities in Japan and China. Study possibilities of hiring people with non-physical disabilities.</p>	<p>(3) Continued to offer job opportunities for persons with physical disabilities by promoting normalization and other measures, but failed to meet target in Japan. Of Group companies in Japan, 15 failed to achieve the legally mandated level. Employment of persons with non-physical disabilities is continuously under consideration.</p>
<ul style="list-style-type: none"> • Employment rate for disabled persons <p>[Japan] OMRON Corporation (including special subsidiaries): 2.9%</p> <p>[Greater China] Meet and maintain municipal/provincial legal requirements for employment of persons with disabilities at 4 main production sites.</p>	<ul style="list-style-type: none"> • Employment rate for disabled persons <p>[Japan] 2.73% for OMRON Corporation (including special subsidiaries)</p> <p>[Greater China] 3 sites among 6 production sites met municipal/provincial legal requirements for employment of persons with disabilities.</p>
<p>(4) In Europe, identify/sort diversity issues and determine action. In Greater China, Americas and Asia Pacific, continue assessing diversity issues.</p>	<p>(4) Discovered the difficulty of classifying diversity issues by area due to differences among countries/regions.</p>

Support for people with disabilities or other limitations

FY2009 policy/targets	FY2009 main results	Rating
<p>(1) Continue Eco-Volun activities in manners tailored to each area.</p>	<p>(1) 8,970 employees (70%) from Group companies in Japan participated in Eco-Volun activities, earning 7.36 million points in total. The points earned were converted to a monetary amount, which was matched by each site for charitable donations. Charities were selected according to criteria including environmental preservation, support for people with disabilities, and community engagement. Total donations amounted to 1,853,744 yen.</p>	△
<p>(2) Clarify people with limitations in each area depending on area characteristics and determine measures to enhance QOL.</p>	<p>(2) Study regarding support measures in each area is not progressing as intended. Target people with limitations vary by country/region so could not be classified by area. In China, a dialogue with stakeholders (held in June 2010) confirmed the finding that rural migrants should be the subject of most attention. It was also discovered that people with disabilities, disaster victims, poverty/famine victims, and non-literate people experience limitations throughout the world.</p> <ul style="list-style-type: none"> • Donations/support for organizations for persons with disabilities • Donations for disaster victims • Donations for poverty/famine relief • Educational support for improving literacy rate 	

Respect for human rights

FY2010 policy/targets	GD-III (FY08-10) focus activities/targets
<p>(1) Formulate/implement area-specific policies and action plans for putting 10 principles of United Nations Global Compact into practice.</p> <ul style="list-style-type: none"> Identify human rights-related issues in Korea and Taiwan, and select activities to be implemented. Formulate/implement educational curriculum. Gather information concerning human rights-related ordinances promoted by Chinese Government, such as National Human Rights Action Plan (2009-2010) issued by Information Office of the State Council, and quickly disseminate information to all related sites. Promote research regarding healthy labor-management relations in China and put them into practice. Expand acquisition of CSR certification to include sites in non-Shanghai cities. Assess human rights protection status in India in cooperation with an external organization. Continue CSR monitoring for the following main production companies in China for onsite assessment of CSR issues such as human rights protection. [Greater China] OMRON (Shanghai) Co., Ltd.; Shanghai OMRON Control Components Co., Ltd.; OMRON Precision Technology (Suzhou) Co., Ltd. [Asia Pacific] OMRON Healthcare Manufacturing Vietnam Co., Ltd. Target attendance rate for human rights training courses [Japan] · 90% or higher of all employees [Korea] · 85% or higher of managers [Americas] · U.S., Canada, Mexico & Brazil: 80% or higher of general employees [Europe] · Targets being set [Greater China] · Mainland China: 85% or higher of managers · Hong Kong & Taiwan: 85% or higher of managers [Asia Pacific] · 85% or higher of managers 	<ul style="list-style-type: none"> Regularly conduct human rights education at all global sites. Build a system to assess internal human rights-related issues and connect assessment with improvement.
<p>(2) Study ISO 26000 and identify policies, regulations and educational materials necessary for</p>	

promotion of CSR practices.	
(3) Study human rights issues that companies need to address, which are stipulated in ISO 26000 Committee Draft, as well as required measures through communication with international human rights organizations.	
(4) Continue acquiring information regarding human rights violations at the global level through communication with international human rights organizations.	

Respect for diversity

FY2010 policy/targets	GD-III (FY08-10) focus activities/targets
<p>(1) Continue striving to increase opportunities for diversity of talent to assume vital positions in the workplace in Japan, without regard to nationality, gender and other non-performance-related attributes.</p> <hr/> <ul style="list-style-type: none"> Target number of foreigners employed for main career track: 6 (6.3% or higher) <p>Note: Shown above is OMRON Corporation's data. OMRON will consider the indicator for appropriately measuring the progress of diversity enhancement in the future.</p>	<ul style="list-style-type: none"> Strive to empower women in the workplace and provide them more opportunities to assume vital positions by offering career development support initiatives and creating a motivating workplace environment. Promote normalization in Japan and further improve employment rate for disabled persons.
<p>(2) Continue holding and expanding exchange sessions and study workshops at sites proposed by empowerment project. Promote issuing of messages from executives, identification of workplace issues and formulation/implementation of solutions.</p>	
<p>(3) Continue offering job opportunities for persons with physical disabilities in Japan and China. Especially, strive to increase employment rate for physically disabled persons (excluding special subsidiaries) and employment rate for departments that have not reached the legally mandated level through promotion of normalization. Promote employment of persons with disabilities for Group companies in Japan that have not achieved the legally mandated level. Continue to study possibilities of hiring people with non-physical disabilities.</p> <hr/> <ul style="list-style-type: none"> Employment rate for disabled persons <p>[Japan] OMRON Corporation (including special subsidiaries): 3.0%</p> <p>[Greater China] Meet and maintain municipal/provincial legal requirements for employment of persons with disabilities at 4 main production sites</p>	
<p>(4) Determine and classify diversity issues in China and formulate specific countermeasures.</p>	

Support for people with disabilities or other limitations

FY2010 policy/targets	GD-III (FY08-10) focus activities/targets
<p>(1) Fully establish Eco-Volun activities in Group companies in Japan and aim to increase employee participation. Launch Eco-Volun activities in Asia Pacific in July and Greater China in October for global roll-out/establishment of activities.</p>	<ul style="list-style-type: none"> • Enhance support initiatives and programs in conformance with OMRON's policy of improving QOL of persons with limitations. • Continue implementing activities of Recruitment Agent Network for Disabled Persons to help promote teleworking for physically challenged people.
<p>(2) Continue to study support measures tailored to each area's characteristics. Clarify people with limitations in each country such as China and India, and determine measures to enhance QOL. Because people with disabilities, disaster victims, poverty/famine victims, and non-literate people experience limitations throughout the world, information should be collected at sites throughout the world, and the status of support for these people should be assessed.</p> <p>Note: For support measures, OMRON considers numerical targets to be unsuitable, thus only global results will be reported.</p>	

Responsibility to Employees

▶ Employment / Remuneration / Employees Support Initiatives

OMRON's policy for employment, remuneration and work environment, as well as related initiatives

- ▶ Employment and Remuneration Policy
- ▶ Personnel Allocations

▶ [Respect for Human Rights](#)

Basic policy and initiatives for promoting human rights awareness and protection

- ▶ Human Rights Policy
- ▶ Human Rights Awareness Promotion System
- ▶ Human Rights Education
- ▶ Prohibition of Child Labor and Forced Labor
- ▶ Harassment Prevention

▶ [Respect for Workers' Rights](#)

Labor-management relations policy and initiatives to protect the rights of workers

- ▶ Basic Policy for Labor-Management Relations
- ▶ Recognition for Inventions

▶ [Occupational Health and Safety](#)

OMRON's commitment to maintaining and promoting the health and safety of employees

- ▶ Basic Policy for Occupational Health and Safety
- ▶ Occupational Health and Safety Management System
- ▶ Healthcare for Employees

▶ [Education and Training](#)

A wide range of education and training programs tailored to the needs of individual employees

- ▶ Education and Training Policy
- ▶ Education and Training Programs

▶ [Equal Employment Opportunities and Diversity at Work](#)

Various initiatives based on respect for diversity and individuality in the workplace

- ▶ Employment of Persons with Disabilities
- ▶ Post-retirement Re-employment System
- ▶ Empowering Women

▶ Work-Life Balance

OMRON's support initiatives for employees to achieve work-life balance

- ▶ [Employee Support Initiatives](#)
- ▶ [Other Support Initiatives for Work-Life Balance](#)

▶ Dialogue with Employees

Provision of communication opportunities between top executives and employees

- ▶ [Dialogue with Employees](#)

Employment / Remuneration / Employee Support Initiatives

Employment and Remuneration Policy

[Employment and Remuneration Policy | [Personnel Allocations](#)]

Respect for equal opportunity and diversity, eliminating discrimination

OMRON's employment and remuneration policies are based on respect for diversity, providing equal opportunities free from discrimination according to nationality, race, gender, age, region, cultural background or other attributes.

In Japan, in strict conformance with the Equal Employment Opportunity Act, OMRON's recruiting process is governed by a set of detailed regulations. These include requirements that information be provided at orientations or mailed to prospective employees in a gender-neutral manner, and that there be no gender-based treatment differences in examinations and interviews. OMRON also strives to publicize employment opportunities widely using its corporate website and a variety of other media to attract a large base of prospective recruits.

Personnel Allocations

[[Employment and Remuneration Policy](#) | Personnel Allocations]

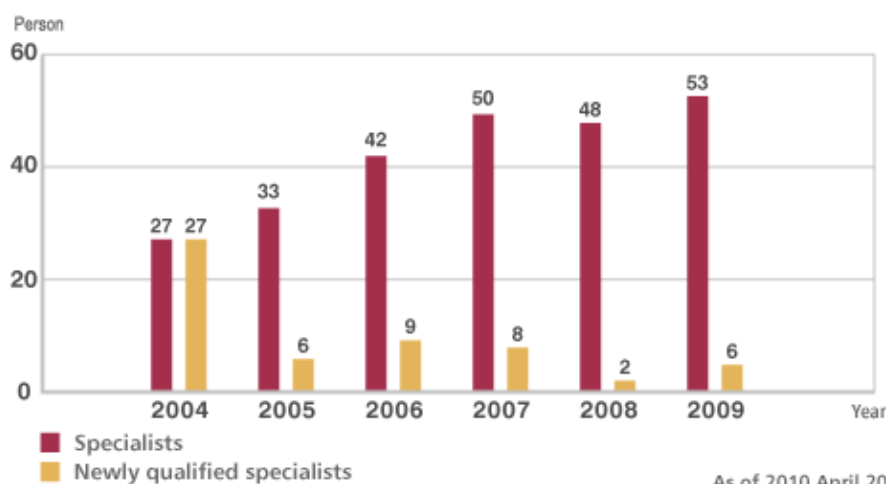
Personnel management system to motivate specialists

In fiscal 2005, OMRON Corporation launched a system that designates as "specialists" those employees who are willing to contribute to the company's business by demonstrating their highly specialized talent and expertise. The system, developed originally by OMRON, is designed to provide employees with greater opportunities and motivation. The specialists system encourages employees to challenge themselves through special initiatives, such as taking up to a one-year leave for the purpose of sharpening their expertise, and entering into a "post-retirement master specialists" contract.

This system is designed to clearly identify the desired personnel and provide them with appropriate remuneration that reflects their level of professionalism and performance.

Because the specialists system presents an alternative path of career development than assuming managerial positions, it also has a positive impact on employee motivation. This has resulted in an increasing number of employees who want to become skilled specialists.

"Specialists" qualified employees



Respect for Human Rights

Human Rights Policy

[[Human Rights Policy](#) | [Human Rights Awareness Promotion System](#) | [Human Rights Education](#) | [Prohibition of Child Labor and Forced Labor](#) | [Harassment Prevention](#)]

| Instilling awareness of human rights at each workplace

With respect for human rights set forth in OMRON Group CSR Practice Guidelines, all employees are provided with human rights training at each workplace of all Group companies in Japan.

Respect for Human Rights

BASIC POLICY

The OMRON Group is conscious of the fact that all human beings should be free and equal, and that we must respect the basic human rights of individuals. The OMRON Group will not discriminate on the basis of national origin, citizenship, color, race, belief, religion, ancestry, marital status, gender, disabilities, age, sexual orientation, place of birth, social status, or any other basis prohibited by local law. The OMRON Group will also actively strive to become involved in educating all OMRON Group directors and employees and enhancing their awareness of human rights.

PRACTICE GUIDELINES

1. No Discrimination or Other Unreasonable Treatment
We will value the human rights of each individual and must not discriminate, harass or treat others in an unreasonable manner.
2. Fair and Sincere Attitudes towards Others
We will interact with others with respect and gratitude, and respond to them in a fair and honest manner.
3. Respect for Privacy and Protection of Personal Information
Subsection 2-2-2-(2) "Respect for Privacy and Protection of Personal Information" shall apply to the respect for privacy and the protection of personal information.
4. Learning about Human Rights
We will actively use available learning opportunities, such as seminars and training sessions, to learn about human rights.

Human Rights Awareness Promotion System

[[Human Rights Policy](#) | [Human Rights Awareness Promotion System](#) | [Human Rights Education](#) | [Prohibition of Child Labor and Forced Labor](#) | [Harassment Prevention](#)]

| Building a human rights promotion system at the global level

To create a workplace that is free from discrimination and that holds the rights of individual workers in high esteem, a human rights committee has been set up at each OMRON Corporation site and each Group company in Japan. These committees, revolving around the Central Human Rights Committee, work to instill and nurture a human rights-oriented mindset among employees.

Every year, OMRON receives reports outlining human rights promotion activities and their results from all sites and Group companies in Japan, and puts them together to relay the information back to each site and Group company. In fiscal 2008, overseas Group companies

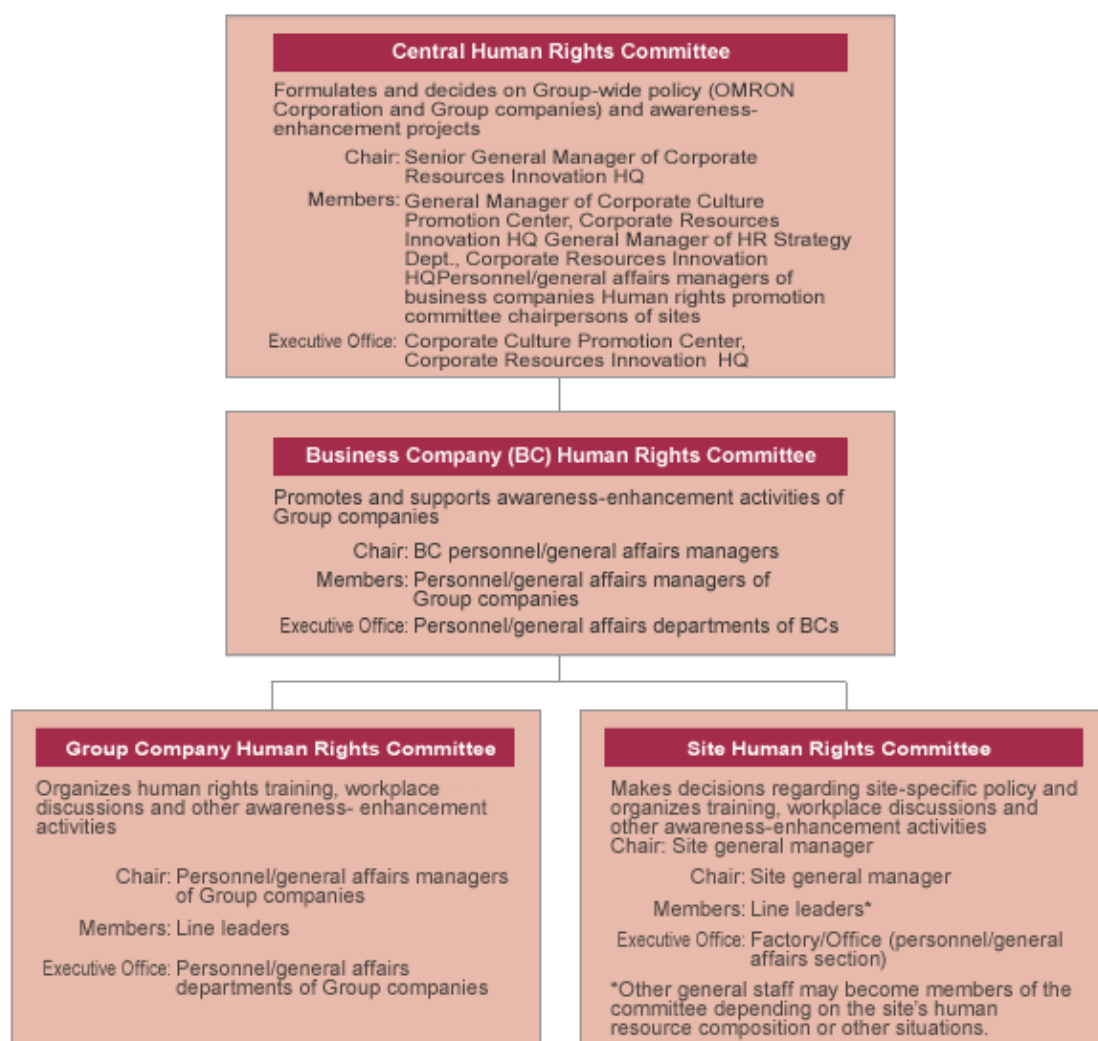
assigned a CSR manager for each business area (Greater China, Asia Pacific, Americas and Europe). The manager is tasked with promoting human rights awareness at each company. In the future, they will conduct monitoring in cooperation with the head office in Japan.

In fiscal 2009, Basic Rules for Human Rights Awareness Promotion were established as in-house regulations, so as to equalize and standardize activities for raising awareness of human rights across the OMRON Group. Various procedures are being set forth in line with the established rules.

In fiscal 2008, CSR managers at four overseas areas (China, Asia Pacific, Americas and Europe) were appointed with the task of enhancing employee awareness regarding human rights. Since then, activities to raise human rights awareness have been actively implemented at overseas Group companies as well. In fiscal 2009, human rights training was conducted at the global level, targeting all employees in Japan and mainly managers overseas, using educational tools geared to the situation of each area.

With support from the head office in Japan, the Asia Pacific group head office conducted monitoring for production sites in the area to assess the progress of CSR practices in fiscal 2009. This monitoring revealed no major problems related to human rights. The monitoring will also be continued during fiscal 2010 according to the specified plan.

Human Rights Awareness Promotion System



Human Rights Education

[[Human Rights Policy](#) | [Human Rights Awareness Promotion System](#) | [Human Rights Education](#) | [Prohibition of Child Labor and Forced Labor](#) | [Harassment Prevention](#)]

Implementing workplace discussions and human rights training

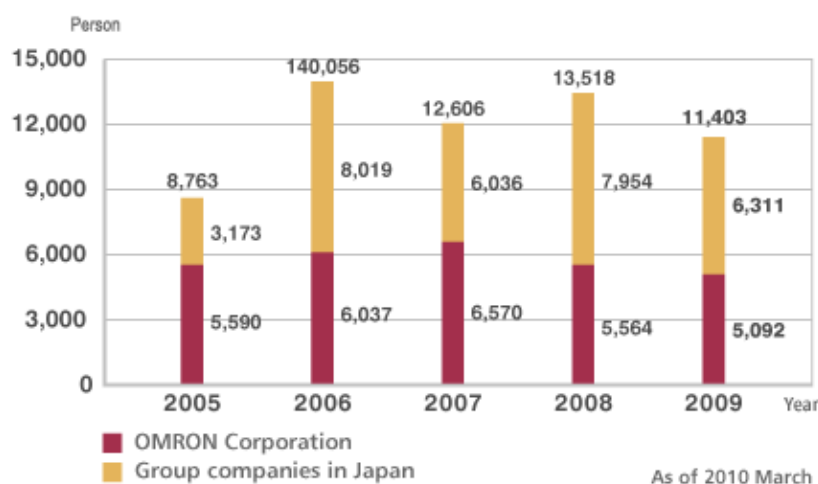
Every year, the OMRON Group in Japan organizes workplace discussions and training courses targeting all employees at each site. OMRON Corporation also conducts human rights training depending on rank, targeting new employees, mid-career recruits, new supervisors, new managerial-class employees, Central Human Rights Committee members and directors.

In fiscal 2009, with the theme of "creating a workplace free from harassment risk," OMRON offered human rights training to all OMRON Group employees in Japan. Participants totaled 11,403, including regular employees, part-timers and temporary workers of OMRON Corporation and Group companies. The training included a discussion on subjects of actual cases that are likely to develop into power harassment, and this training style was favorably accepted by participants. One participant remarked that the discussion "helped me better understand the way in which harassments occur."

Fiscal 2009 also included training for sexual harassment advisors, as well as human rights training sessions targeting newly appointed managers and human rights promotion officers at Group companies.

"Raising awareness and reviewing behavior so that no one will engage in harassment, or allow anyone else to do so," is the theme of training for fiscal 2010. OMRON is determined to solidify employees' understanding through continuation of human rights education.

The Number of the OMRON group (Japan)
Human Rights Training Participants



* Workplace discussion enforcement special in 2006 by the establishment year of the new company idea

Prohibition of Child Labor and Forced Labor

[[Human Rights Policy](#) | [Human Rights Awareness Promotion System](#) | [Human Rights Education](#) | [Prohibition of Child Labor and Forced Labor](#) | [Harassment Prevention](#)]

Respecting International labor standards

With the prohibition of forced labor and child labor stated in its CSR Practice Guidelines, OMRON is committed to promoting respect for human rights across the entire supply chain at the global level.

Labor Standards Compliance and Respect for Individuality and Diversity

BASIC POLICY

The OMRON Group has a high regard for the ILO Declaration on Fundamental Principles and Rights at Work. This means that we will, in accordance with applicable law, respect freedom of association and the right to collective bargaining, make the recruiting process discrimination-free, and otherwise eliminate unlawful or inappropriate discrimination in the workplace. We also will never be involved in forced, compulsory, or child labor.

Harassment Prevention

[[Human Rights Policy](#) | [Human Rights Awareness Promotion System](#) | [Human Rights Education](#) | [Prohibition of Child Labor and Forced Labor](#) | [Harassment Prevention](#)]

| Creating an environment that encourages anyone to seek advice

As part of the company's drive to enhance awareness of human rights, OMRON prohibits both sexual harassment and power harassment, as stipulated in the "No Harassment" provision in the OMRON Group CSR Practice Guidelines.

In 1999, a sexual harassment consultation counter was opened at major sites in Japan. By announcing the names and departments of advisors through the intranet, and making female advisors available, OMRON works to create an environment in which anyone can consult with advisors easily and comfortably.

As for handling sexual harassment cases, a flowchart was prepared to standardize the procedure, and solutions are sought in cooperation with relevant departments depending on the extent of the problem. To raise advisors' awareness of protecting privacy, advisor training is also provided on a regular basis.

Separately from sexual harassment, managers in charge of human rights issues at business sites and Group companies in Japan are responsible for handling cases of power harassment.

| Conducting training for all employees to create a workplace with no risk of harassment

As in fiscal 2008, power harassment training was conducted targeting all OMRON Group employees in fiscal 2009, aiming to instill a basic understanding of power harassment issues.

As for sexual harassment, efforts were concentrated on strengthening the consulting skills of advisors. Practical advisor training centering on role-play is given by an external instructor. In fiscal 2009, educational videos were also introduced to newly appointed advisors to help them master the skills necessary for consulting.

Harassment is a problem that affects only a small minority of employees. Even so, it is essential to steadily work on building a workplace environment free from harassment risk. Based on this awareness, OMRON will continue carrying out harassment training targeting all employees in fiscal 2010.

Respect for Workers' Rights

Basic Policy for Labor-Management Relations

[[Basic Policy for Labor-Management Relations](#) | [Recognition for Inventions](#)]

Developing labor-management relations based on sincerity and trust

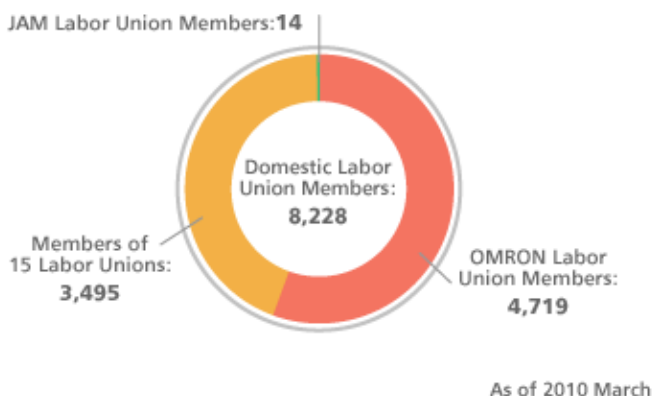
OMRON Corporation has concluded a labor agreement with the OMRON Labor Union. The agreement requires both sides to act in good faith and to strictly observe contract provisions in order to establish and develop labor-management relations based on mutual sincerity and trust.

In fiscal 2009, discussions were held regarding restructuring of three control-related business companies and spinoff of the automotive electronic components business to establish a separate company. The discussions were held in order to gain the full understanding of union members regarding these strategies. Decisions on working conditions are made only after thorough discussions are held and a mutual agreement is reached between management and employees at the Labor-Management Council meetings. To deal with important issues, various Labor-Management Review Committees are established to discuss and reach a consensus regarding issues facing OMRON and the activities needed to solve them.

As with OMRON Corporation, OMRON Group companies in Japan with labor unions seek to promote communication between management and union members through the Labor-Management Council meetings, and deepen mutual understanding in order to facilitate smooth implementation of various strategies.

OMRON Group companies in Greater China have also organized a labor union, initiating activities to encourage discussions between the management team and representatives of employees, and promote better understanding between them.

The members of Labor Union



Recognition for Inventions

[[Basic Policy for Labor-Management Relations](#) | [Recognition for Inventions](#)]

Expanding initiatives to recognize excellent patents

OMRON has an appropriate compensation system in place for inventions by employees based on the provisions stipulated in the Patent Law.

To raise employee motivation for creating excellent inventions, and to establish a corporate culture that promotes the creation of powerful patents that can support the growth the

company, OMRON has established an Excellent Patent Reward System. This system recognizes employees' excellent inventions that are expected to result in the creation of new businesses or contribute significantly to the company's revenue. A reward will be paid for excellent patents that have been registered and recognized for actual contributions to business.

Occupational Health and Safety

Basic Policy for Occupational Health and Safety

[[Basic Policy for Occupational Health and Safety](#) | [Occupational Health and Management System](#) | [Healthcare for Employees](#)]

In response to decreasing expert engineers and increasing part-time/temporary workers

OMRON strives to build a safe and comfortable work environment by specifying its policy for occupational health and safety in its CSR Practice Guidelines.

Occupational Health and Safety

BASIC POLICY

The OMRON Group will abide by applicable laws and regulations regarding occupational health and safety in each respective country or region. The OMRON Group also respects the rights of employees to work in a safe and comfortable work environment, as well as the right to refuse to work in unsafe work conditions.

The OMRON Group is mindful that the mental and physical well-being of employees and the maintenance of health and safety at the workplace is essential to enable employees to exhibit their full capabilities. Accordingly, the OMRON Group gives the utmost priority to the promotion of health and safety in all business processes, and strives to build a safe and comfortable work environment.

The OMRON Group will also establish an effective risk management system for protection against potential disasters, accidents, terrorism, and other unexpected events.

PRACTICE GUIDELINES

(1) Safety and Comfort in the Workplace

We must comply with all applicable laws and internal company rules relating to safety and hygiene in the workplace. We will strive to create a workplace that is safe and comfortable to work in both physically and mentally.

(2) Prompt Response to Accidents and Prevention of Recurrence

If any disaster, accident, outbreak of infectious disease, environmental spill, or other misfortune occurs in the workplace, we will promptly take all appropriate measures in accordance with directions from responsible managers and others in charge. We also will actively cooperate in company efforts to limit and prevent such events in the future.

Occupational Health and Management System

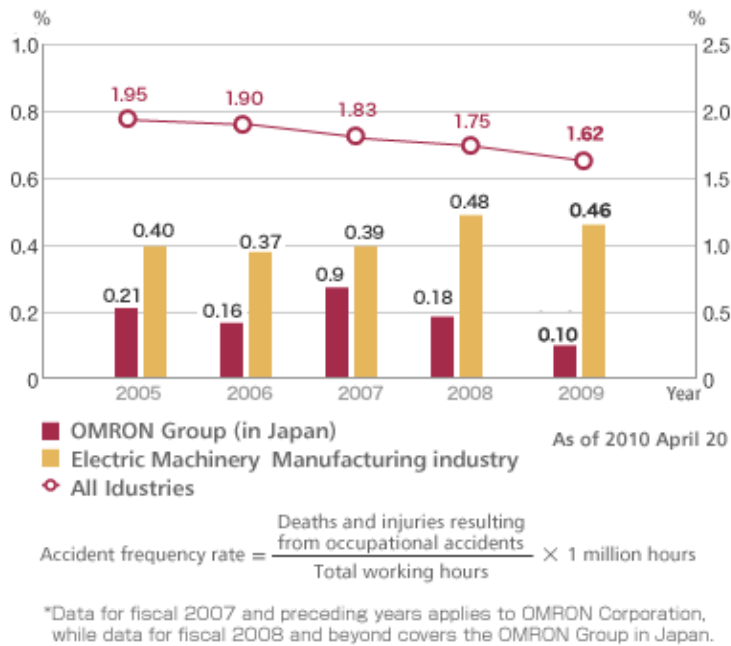
[[Basic Policy for Occupational Health and Safety](#) | [Occupational Health and Management System](#) | [Healthcare for Employees](#)]

Setting up an occupational health and safety management committee at each worksite in accordance with the applicable law

Each OMRON site in Japan has set up its own health and safety management committee in accordance with the Occupational Health and Safety Law, to promote activities intended to enhance employee safety and health. Based on a yearly theme decided by each site's committee depending on the site's business such as production, research or sales, employees are working toward achieving the goal of "zero occupational accidents."

All sites are also actively committed to acquiring OHSAS 18001 certification (international standards for occupational health and safety management system). To date, two OMRON Corporation sites and four OMRON Group companies have become OHSAS 18001 certified.

Occupational Accident Frequency Rate



Reaching agreements with labor union regarding health and safety at management council

OMRON Corporation has concluded labor agreements with the following provisions regarding occupational health and safety.

OMRON Corporation's labor agreements regarding health and safety in the workplace (excerpts from Labor Agreements Chapter 7)

Article 58 (Safety and Health)

1. Regarding safety and health, the Company implements necessary measures to protect Union members from hazards and promote their health, and strives to improve the work environment.
2. The Union is allowed to share its views regarding safety and health in the workplace by submitting a proposal to the Company or bringing the matter up for discussion at the Management Council.

Article 59 (Safety and Health Committee)

For the purpose of implementing necessary measures to ensure safety and health as mentioned above, each site sets up a safety and health committee.

Article 60 (Medical Checkups)

The Company provides regular medical checkups for Union members once per year. Union members must receive medical checkups conducted by the Company.

Article 61 (Safety and Health Education)

The Company provides education regarding safety and health for employees as necessary. Union members must take education conducted by the Company.

Healthcare for Employees

[[Basic Policy for Occupational Health and Safety](#) | [Occupational Health and Management System](#) | Customized advice for promoting employee health]

Customized advice for promoting employee health

To promote the mental and physical health of employees, OMRON emphasizes the prevention of lifestyle diseases and other afflictions, as well as mental healthcare. In recent years, OMRON has focused on health advice targeting metabolic syndrome patients, with its Health Management Center providing advice on lifestyle improvements tailored to each employee.

As for mental healthcare, a part of the company's long-term commitment, OMRON plans to conduct a mental health survey targeting all OMRON Corporation employees to check the level and type of stress they suffer in fiscal 2010. The results of survey will be used for care of those with mental health problems and for improving the workplace atmosphere.

Education and training related to mental health

Since fiscal 2007, a new educational system has been in place that conforms to the Ministry of Health, Labour and Welfare's guidelines for maintaining and promoting workers' mental health. The guidelines were set forth under the provisions of the Occupational Health and Safety Law. Based on this system, OMRON has been conducting rank-specific mental health seminars to cover all employees.

In fiscal 2009, a seminar was held that targeted only managerial-class employees, so OMRON plans to expand it to cover general employees as well in fiscal 2010.

Preparedness for serious medical problems affecting employees in accordance with OMRON Crisis Management Rules

Should infection by highly pathogenic influenza or other viruses spread over a wide area, and health hazard affecting OMRON employees be likely to expand, OMRON will consider it as a major risk for the company and take necessary countermeasures against the problem in accordance with its Crisis Management Rules.

To counteract the new influenza pandemic that occurred during fiscal 2009, an Influenza Countermeasures Headquarters was set up to gather information concerning the health conditions of all members of the OMRON Group worldwide. The headquarters was in charge of reporting, sending cautions and issuing counteraction policies, among other tasks.

Education and Training

Education and Training Policy

[[Education and Training Policy](#) | [Education and Training Programs](#)]

On-the-job training supported by in-house training and self-education support programs

OMRON's employee skill development system centers on on-the-job training (OJT). Complementing the system are in-house training and self-education support programs. To evaluate the results and effectiveness of employee education, training and skill development programs, OMRON conducts a questionnaire survey for those who attended the courses.

In response to the rapid aging of society, a special type of training called "New Life Plan Training" is provided for all employees over 59, helping them design a post-retirement lifestyle. In addition, career development support training also provides employees with an opportunity to review their career path and objectives.

Education and Training Programs

[[Education and Training Policy](#) | [Education and Training Programs](#)]

Training programs tailored to the needs of individual employees

In-house training programs tailored to the needs of individual employees, and extensive personal development support programs are available to help employees sharpen their skills and expertise, while also nurturing self-reliant employees and raising their motivation.

In-house training program

Category	Objectives	Main training courses
Rank-specific training	Understand changes in roles and capabilities required for each qualification based on MBO and put them into practice	New senior manager training, new managerial-class employee training, new assistant manager training, new supervisor training, and mid-level employee introductory training
Business leader development training	Develop business leaders by selecting employees with a high level of enthusiasm and aptitude	Mid-level business leader training
Role-specific training	Acquire the knowledge and skills required for each work role	Training for supervisors for new employees, and training for those in charge of personnel performance evaluation
Assessment training	Create diagnosis/development plans for required capabilities	Management skill assessment training
Career development support training	Encourage employees to take a "self-inventory" and examine their career plans by providing them with the opportunity to review their careers	Initial career plan training, new career plan training, and "new life plan" training
Core issue	Solve core issues related to	Pre-training for overseas posting and

training	business	female business leader training
Job-specific training	Acquire specialized knowledge and skills required to perform tasks according to job category and duty	Conducted by each business company individually

Personal development support programs

Program	Description
e-learning	A system designed to complement group training and support employee self-education
Correspondence courses	Employees are reimbursed for half of course fees (subject to upper limit) if they complete the specified correspondence courses
Smart Skill	Broadband educational materials (for management/business skill reinforcement)
Simple capability testing system	Simple capability tests available on intranets
Incentives for acquiring public qualifications	Incentive pay is provided to employees who acquire specified public qualifications
Self-development courses	Self-development courses such as a general English conversation course, organized at each site

Equal Employment Opportunities and Diversity at Work

Employment of Persons with Disabilities

[[Employment of Persons with Disabilities](#) | [Post-retirement Re-employment System](#) | [Female Employee's Activity Support](#)]

Disabled employee ratio of 2.7% at OMRON Corporation, and OMRON Group in Japan ranks highly among manufacturers

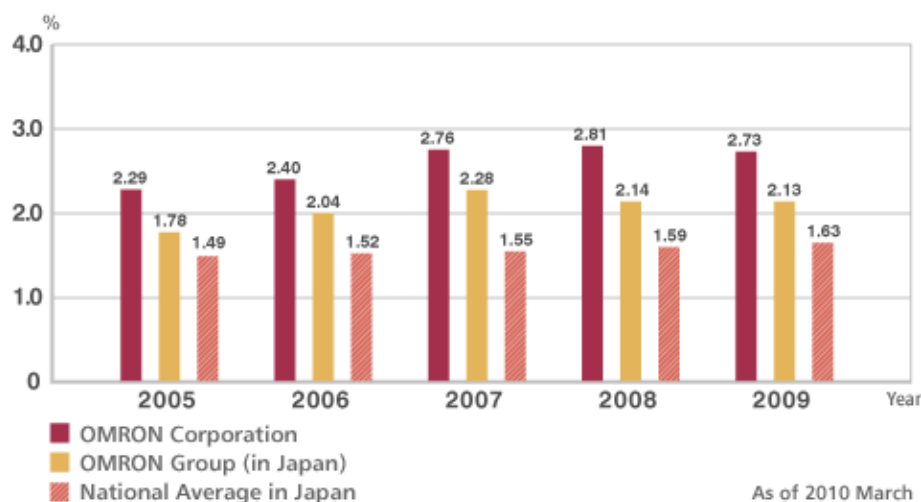
OMRON is aware that people are the key source of the OMRON Group's growth, and that revitalizing human resources is essential for creating added value and enhancing productivity.

As of June 2009, the percentage of employees at OMRON Corporation with disabilities is 2.73% which is above the legally mandated level of 1.80%. This level includes employees at special subsidiaries charged with providing particular considerations for employees with disabilities. In the future, OMRON will strive to increase the employment rate for disabled persons without including special subsidiaries, as well as the rate at divisions that have not yet achieved the legally mandated level.

The average employment rate for disabled persons including 25 Group companies in Japan is 2.13% as of June 2009, which is among the highest for the Japanese manufacturing industry. However, since 15 Group companies failed to meet the legal requirement of 1.8%, efforts will be concentrated on promoting employment of disabled persons at these companies.

Along with promoting the employment of disabled persons, efforts at all Group companies are geared toward creating a workplace for all employees, with or without disabilities, to work comfortably, by implementing various initiatives to help them fully demonstrate their capabilities.

Employment of Persons with Disabilities (in Japan)



Post-retirement Re-employment System

[[Employment of Persons with Disabilities](#) | [Post-retirement Re-employment System](#) | [Female Employee's Activity Support](#)]

Re-employment system for retirees

The revised Law Concerning the Stabilization of Employment for Elderly People that came into effect in 2006 requires employers to provide stable employment for people until the age of 65.

A re-employment system for retirees has also been introduced at 17 major Group companies in Japan, securing jobs for employees up to age 65 under the conditions required by the continual employment system specified under the revised law.

■ [17 OMRON Group companies in Japan equipped with a re-employment system]
(as of March 31, 2010)

OMRON Relay and Devices Corporation; OMRON Amusement Co., Ltd.; OMRON Aso Co., Ltd.; OMRON Takeo Co., Ltd.¹; OMRON Kurayoshi Corporation²; OMRON Izumo Co., Ltd.²; OMRON Sanyo Co., Ltd.; OMRON Iida Co., Ltd.; OMRON Nohgata Co., Ltd.; OMRON Matsusaka Co., Ltd.; OMRON Software Co., Ltd.; OMRON Laserfront Inc.; OMRON Field Engineering Co., Ltd.; OMRON Colin Co., Ltd.; OMRON Precision Technology Co., Ltd.; OMRON Business Associates Co., Ltd.; and OMRON Personnel Service Co., Ltd.

※1) In April 2010, OMRON Takeo Co., Ltd. merged with OMRON Relay and Devices Corporation.

※2) In April 2010, the Switch Division of OMRON Corporation, OMRON Kurayoshi Corporation, and OMRON Izumo Co., Ltd. merged to form the new OMRON Switch and Devices Corporation.

Female Employee's Activity Support

[[Employment of Persons with Disabilities](#) | [Post-retirement Re-employment System](#) | Female Employee's Activity Support]

Promoting empowerment for women in various sites

In fiscal 2008, the initial year of the project, a questionnaire survey was conducted targeting 5,400 employees at OMRON Corporation in Japan. The survey aimed to extract issues that hinder the empowerment of women, and analyzed them from the concerned party's perspective—female employees, the company, and workplace/management. Based on the results of analysis, an action plan was formulated and launched in fiscal 2009. Various measures were taken, including the preparation/issue of a work-life balance support guide, as well as female workers' networking events, workshops and seminars organized by each site.

In fiscal 2010, efforts will continually be geared toward maintaining and expanding the female worker network at each site. There will also be a focus on implementation of the action plan through messages from top executives, clarification of issues facing worksites, and formulation and execution of solutions.

Female leader training program to promote women to positions of responsibility

OMRON has been committed to recruiting a variety of talented people without regard to gender, while also working to establish a workplace environment that can allow them to fully demonstrate their capabilities for the company's business management. In particular, empowering women in the workplace is one of the focused areas of CSR activities. As such, OMRON has been striving to promote more women to managerial positions.

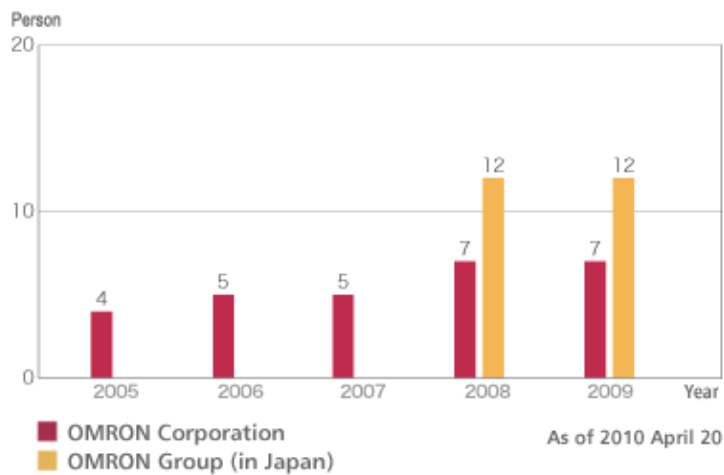
As part of this drive, OMRON launched a female leader training program targeting mid-career or assistant manager-class employees in fiscal 2001. By the end of fiscal 2008, 87 employees had taken the training course.

As a result of these efforts, the number of women in managerial or upper positions or with specialist status, as well as female leaders, has been gradually on the rise. As of April 2010, 19 women are in manager positions and 199 are in assistant manager positions for the OMRON Group as a whole.

Female leader training program

Term	Description
1st	<ul style="list-style-type: none"> • Lectures on communication skills, mini MBA and strategic MBO • e-learning
2nd	<ul style="list-style-type: none"> • Leadership in responding to situations, ownership and logical thinking • Strategic thinking and management strategy • Lectures on marketing and project management • Personal issue workshop
3rd	<ul style="list-style-type: none"> • Self-management • Communication management basics course • Lecture on ownership • Business issue solving workshop
4th	<ul style="list-style-type: none"> • Work-life balance and career mindset • Lecture on leadership • Business issue solving workshop
5th	<ul style="list-style-type: none"> • Work-life plan and leadership • Formulation of action plan for solving business issues and evaluation of results • Mastery of presentation skills and presentations of achievements, discussions with managers

Women to positions of responsibility



*OMRON Group companies in Japan started collecting data in fiscal 2008.

Work-Life Balance

Employee Support Initiatives

[[Employee Support Initiatives](#) | [Other Support Initiatives for Work-Life Balance](#)]

Support initiatives for employees to achieve work-life balance go beyond legal requirements

In fiscal 2006, OMRON Corporation strengthened and expanded support initiatives for employees trying to achieve a balance between their work and personal lives.

For example, the maximum childcare leave period was extended from the previous "longer of up to end of March at the child's age of 1 year or up to the child's age of 1 year and 6 months," to "up to the end of March at the child's age of 2 years." The maximum period for short working hours for childcare was also extended from "up to the time in which child enters elementary school" to "up to the time in which child completes third grade in elementary school." Also, to help employees adjust to returning to work after childcare leave, a system was established in which the manager can interview employees three months before their leave completes.

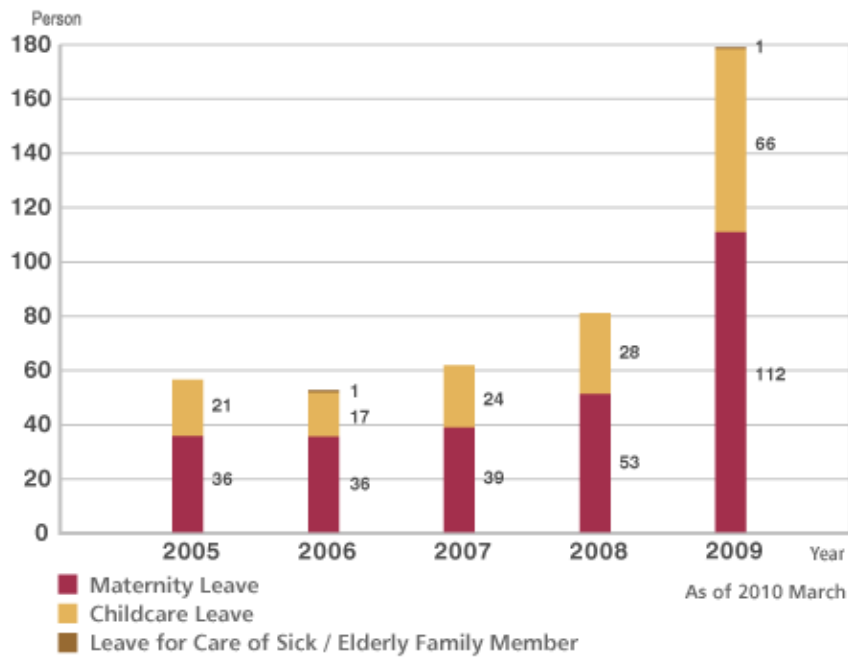
Recognized for extensive support initiatives for parenting employees, OMRON obtained the "Kurumin" certification in 2008. This certification mark is granted by the Ministry of Health, Labour and Welfare, for organizations with supportive measures that meet requirements prescribed by the Next Generation Nurturing Support Measures Promotion Law.

In fiscal 2009, 48 employees took childcare leave and 33 used the shorter working hour system for childcare.

	legal requirements	OMRON Corporation
Childcare leave	Until the child's age of 18 months	Until the end of March at the child's age of 2 years
Short working hours for childcare	Until the child enters elementary school	Until the child completes third grade in elementary school
Maternity leave	6 weeks before and 8 weeks after childbirth	8 weeks before and 8 weeks after childbirth

	Legal requirements	OMRON Corporation
Leave for care of sick/elderly family member	3 months	1 year
Short working hours for care of sick/elderly family member	3 months	3 years

Applicants for Employee Support Initiatives



*Data for fiscal 2008 and preceding years applies to OMRON Corporation, while data for fiscal 2009 and beyond covers the OMRON Group in Japan.

Other Support Initiatives for Work-Life Balance

[[Employee Support Initiatives](#) | Other Support Initiatives for Work-Life Balance]

Career reentry initiative supporting work-life balance from a longer-term perspective

This initiative gives hiring preferences to former employees who want to return to work after experiencing ongoing extenuating circumstances. Such circumstances may include relocation due to marriage or job transfer of a spouse, pregnancy, giving birth, care for a child or an elderly or ill family member, etc.

The reentry application period is within three years after resignation, and reentered persons are employed as regular employees.

Since the launch of the initiative, four employees have reentered to date.

Eligibility	<p>Former regular employees who have worked at OMRON for 3 or more years and resigned due to any of the following circumstances:</p> <ol style="list-style-type: none"> 1. Difficulty in commuting due to relocation accompanying marriage 2. Employee's pregnancy, giving birth or care of a child until the time the child enters school 3. Care for an elderly or ill family member in the first or second degree of kinship (those who also used the leave for care of sick/elderly family member while working for OMRON) 4. Transfer of a spouse including accompanying the spouse for work abroad <p>※Note: No limitations in the frequency of application for the system.</p>
Reentry application period	<p>Employees may apply for reentry within 3 years of resignation. If an employee resigns from the company due to a circumstance eligible for this system, while also taking leave for care of a child or sick/elderly family member, the sum of the leave period and the period after resignation should be 3 years maximum.</p>
Conditions	<p>Applicants must meet the following conditions. Acceptance of reentry will be</p>

	<p>determined through screening (interview).</p> <ol style="list-style-type: none"> 1. The employee must indicate a desire for reentry at the time of resigning from the company 2. The employee must have the experience, capability and aptitude required for the job that is offered
Employment status	Regular employee

Additional leave for fertility treatment

A declining birthrate has become a critical issue in Japanese society. Accordingly, OMRON Corporation and 14 Group companies introduced a special leave for fertility treatment in fiscal 2005. Employees who require longer leave than annual paid holidays for advanced fertility treatment are eligible for this initiative.

Moreover, the OMRON Group employee association, named "WITH," began providing subsidies for fertility treatment in fiscal 2005. OMRON Corporation pledges half of the association's membership fee. Should an employee or his/her spouse receive fertility treatment, the employee association provides a subsidy of up to 200,000 yen in total, provided that the sum of the public subsidy from the respective municipality and the subsidy from the association does not exceed the actual cost for treatment.

Period	Up to 2 years
Conditions	The sum of the public subsidy from the respective municipality and the subsidy from this initiative must not exceed the actual cost of treatment (the sum of the amount paid by health insurance for in vitro fertilization, etc. and the amount borne by the patient)

Dialogue with Employees

Building new Internet-based internal communication media

Aiming to revitalize internal communication, OMRON launched an online social network communication site called "NetWave" in October 2008. This site is also expected to promote sharing of knowledge and expertise possessed by individual employees or departments across the company as corporate assets, and help OMRON build and expand a new human network.

Targeting OMRON Group employees in Japan, "NetWave" provides a variety of content designed to stimulate interactive communication among employees. For example, the "Knowledge Circle" page consists of questions and answers contributed by employees, while the "Eco Life" page introduces individually promoted eco-friendly activities. Web communities are also available to exchange information regarding specific business or matters of interest.



NetWave Home Page

On this site, President and CEO Hisao Sakuta also posts his blog entries on a regular basis, which facilitates sharing of the top executive's vision and views with the employees.

Responsibility to Customers

▸ Quality Assurance

Quality assurance system for products and services, as well as OMRON's approach to customer satisfaction

- [Quality Assurance Policy](#)
- [Quality Assurance System](#)
- [Quality Assurance Initiatives](#)
- [Quality Risk Management](#)

▸ Universal Design

OMRON's commitment to offering products easy for everyone to use

- [Universal Design](#)

▸ Dialogue with Customers

Communication with customers aimed at maximization of customer satisfaction

- [Customer Support](#)
- [User Monitoring](#)
- [Promotion of CSR Procurement](#)

Quality Assurance

Quality Assurance Policy

[[Quality Assurance Policy](#) | [Quality Assurance System](#) | [Quality Assurance Initiatives](#) | [Quality Risk Management](#)]

Safety comes before functionality, performance and cost

To realize maximum customer satisfaction, which is one of OMRON's Management Commitments, the company continually seeks to improve the quality of its products and services, in accordance with its "quality first" policy. At the same time, all employees are working hard to raise quality in their daily work.

OMRON considers safety to be the most important consideration, even before functionality, performance and cost. As such, OMRON strives to maintain and enhance the safety of its products and services at every stage of its business process from product planning and development through production, all the way up to sales, after-sales service and disposal.

Basic Quality Policies

- Achieve quality levels that satisfy our customers.
- Establish, maintain and improve quality systems based on ISO quality standards.
- Promote quality assurance activities through the participation and cooperation of all employees.

Quality Assurance System

[[Quality Assurance Policy](#) | [Quality Assurance System](#) | [Quality Assurance Initiatives](#) | [Quality Risk Management](#)]

Establishment of a quality management system and strict implementation of the PDCA cycle

OMRON has set forth a Group-wide quality policy, while also preparing quality manuals for each business division and Group company, in order to establish a solid quality assurance system.

By March 31, 2010, five business divisions, 14 Group companies in Japan and 20 Group companies abroad had acquired ISO 9001 certification for their quality management systems. This has led to the establishment and full-scale implementation of a PDCA cycle at each organization. The PDCA cycle is intended to first formulate an improvement plan, implement the plan, and evaluate the degree of achievement, and then reflect the evaluation results in the next improvement. Strict implementation of an individual PDCA cycle helps ensure safety and quality of products in the early stage of product development for continued improvement of quality and prevention of quality-related problems.

The Monozukuri Innovation HQ, as a head office division, has a well-established structure to support quality enhancement with such functions as reinforcement of development organizations, quality approval for purchased parts, and advancement of failure analysis technologies.

Industrial Automation Business	OMRON Corporation Industrial Components Division HQ
	OMRON Corporation Automation Systems Division HQ
	OMRON Aso Co., Ltd.
	OMRON ELECTRONICS B.V.
	OMRON ELECTRONICS MANUFACTURING OF GERMANY G.m.b.H.
	OMRON MANUFACTURING OF THE NETHERLANDS B.V.
	OMRON ELECTRONICS PTY. LTD.
	OMRON ELECTRONICS CO., LTD.
	OMRON (SHANGHAI) CO., LTD.
	OMRON ELECTRONICS (HK) LTD.
	OMRON SCIENTIFIC TECHNOLOGIES INCORPORATED
Electronic & Mechanical Components Business	OMRON Amusement Co., Ltd.
	OMRON Relay and Devices Corporation
	OMRON Switch and Devices Corporation
	OMRON Sanyo Co.
	OMRON Taiyo Co.
	OMRON ELECTRONIC COMPONENTS EUROPE B.V.
	OMRON MALAYSIA SDN. BHD.
	P.T. OMRON MANUFACTURING OF INDONESIA
	SHANGHAI OMRON CONTROL COMPONENTS CO., LTD.
	OMRON ELECTRONIC COMPONENTS (SHENZHEN) LTD.
Automotive Electronics Business	OMRON Automotive Electronic Co., Ltd. *
	OMRON Iida Co., Ltd.
	OMRON AUTOMOTIVE ELECTRONICS UK LTD.
	OMRON DUALTEC AUTOMOTIVE ELECTRONICS INC.
	OMRON AUTOMOTIVE ELECTRONICS, INC.
	OMRON AUTOMOTIVE ELECTRONICS KOREA, CO., LTD. *
	OMRON AUTOMOTIVE ELECTRONICS CO., LTD. *
Social Systems Business	OMRON Corporation Social Systems Solutions Business Company
	OMRON Field Engineering Co., Ltd.
	OMRON Software Co., Ltd.
Healthcare Business	OMRON Healthcare Co.
	OMRON Matsusaka Co.
	OMRON HEALTHCARE, INC.

	OMRON (DALIAN) CO., LTD.
	OMRON HEALTHCARE PRODUCT DEVELOPMENT (DALIAN) CO., LTD.
Others	OMRON Corporation Micro Devices Division HQ
	OMRON Nohgata Co., Ltd.
	OMRON PRECISION TECHNOLOGY Co., Ltd.
	OMRON PRECISION TECHNOLOGY (HK) LTD.
	OMRON PRECISION TECHNOLOGY (SUZHOU) CO., LTD.

* Acquisition of TS16949 certification

Quality Assurance Initiatives

[[Quality Assurance Policy](#) | [Quality Assurance System](#) | Quality Assurance Initiatives | [Quality Risk Management](#)]

Conducting quality audits to examine a quality assurance system

The Monozukuri Innovation HQ conducts quality audits for business companies, business divisions and Group companies. The audits are intended to confirm the quality-related capabilities of each organization, including the ability to build quality into products based on OMRON's quality policy and through the implementation of a quality management system. Other items of examination are product safety initiatives, achievement of quality goals, development of quality leaders, and continued improvement of quality.

At OMRON, the "President's Tour for Quality" program, which involves the President's visits to production sites for onsite examination and auditing of each factory's quality status, is also underway. This program helps provide factory staff with the opportunity to communicate with the chief executive and directly listen to the President's personal philosophy and commitment to quality, as well as raising quality awareness among factory workers.

Training programs to continually nurture quality leaders

OMRON's business companies are individually working on development of personnel engaged in quality enhancement and assurance. Corporate-wide training and education are also offered, including quality training programs targeting employees in different ranks, and FMEA* training programs for those in charge of development, design, quality assurance and production. In fiscal 2009, various training programs were organized for quality-related personnel, with a focus on case studies and research on quality-related issues, along with on-demand training from instructors visiting production sites to give lectures and guidance.

To promote the continuation of personnel development, a focus was put on quality education targeting new recruits and recently promoted managers, as well as nurturing people engaged in quality control and assurance. Since OMRON has many production sites in China, quality training was also performed targeting managers of local production sites.

* FMEA (Failure Modes and Effects Analysis):

A methodology for analyzing potential failure modes within a system so that effective measures can be drafted in the design stage to avoid future failures.

OMRON Group Quality Training Programs

Quality training on demand for recently promoted managers
Quality training for leaders
Quality training for managers of production sites in China
Training for new recruit development engineers

Quality training for new recruits
Safety training regarding adaptor/power supplies embedded in equipment
FMEA training on demand

Providing information that ensures safe use and correct judgment for customers

To help customers make correct judgments in the purchase, use and disposal of products and services, OMRON seeks to provide a sufficient amount of appropriate information through specifications sheets, instruction manuals, leaflets, the website and other media.

Quality Risk Management

[[Quality Assurance Policy](#) | [Quality Assurance System](#) | [Quality Assurance Initiatives](#) | Quality Risk Management]

Establishment of a system for quick detection and response to serious claims

OMRON manages quality information at the corporate level by gathering customer inquiries and complaints on defects on a daily basis in order to quickly detect and respond to a serious claim and prevent the recurrence of a similar claim.

OMRON has also set forth its internal Crisis Management Rules that stipulate that the President heads the implementation of countermeasures in the event of serious accidents such as those that involve bodily injury, death and fire. Well-established procedures are in place to quickly relay accurate and complete information to top executives in the event of a serious claim. A serious claim reporting system has also been established to minimize damage to customers and quickly implement necessary actions to improve quality.

As for product defects specified by the Product Liability (PL) Law, OMRON has formulated its PLP* Rules which stipulate the implementation of four activities mentioned below. Based on these rules, OMRON seeks to prevent PL accidents involving defects of products manufactured and sold by OMRON that cause damage to customers' lives or possessions, while also ensuring the supply of highly safe products.

1. The four activities include:
2. Activities for maintaining product safety
3. Actions to take in the event of PL accidents, and measures to prevent the spread of damage and recurrence of similar accidents
4. Activities necessary to avoid PL risk
5. Education and information release related to PLP, and inspection of PLP activity status

* PLP (Prevention Product Liability)

PLP stands for Product Liability Prevention, which deals with techniques for identifying, minimizing and managing risks in product liability to prevent PL accidents, i.e., product defects that put the use of the product, health or life of third person, or properties at risk. ◦

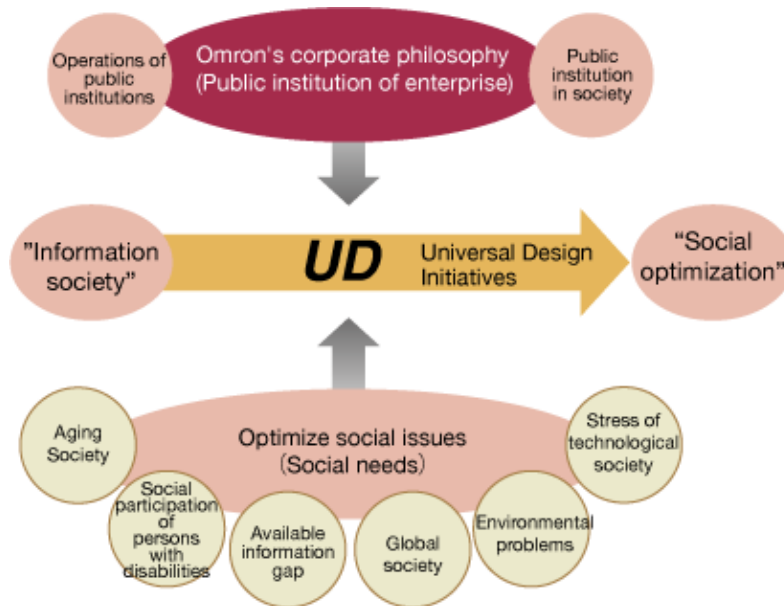
Universal Design

Aiming to create easy-to-use products for anyone

One of OMRON's Management Commitments is "maximum customer satisfaction." To this end, OMRON is dedicated to providing a stable supply of safe, high-quality products by maintaining its commitment to quality assurance.

As part of its drive to maximize customer satisfaction, OMRON is committed to promoting universal design to make products easy to use by a broad range of people.

Idea of universal design



Dialogue with Customer

Customer Support

[[Customer Support](#) | [User Monitoring](#) | [Promotion of CSR Procurement](#)]

Launching first-rate customer service and support

One of the OMRON Group's Management Commitments is "maximum customer satisfaction." Living up to this philosophy, OMRON has consistently strived to provide customers with first-rate service in a timely manner, while always keeping the customer's perspective in mind.

As part of this drive, the Industrial Automation Company (IAB), one of OMRON's mainstay business companies, established the Global Service Center (GSC) in fiscal 2006. During fiscal 2006 and 2007, IAB conducted a customer satisfaction survey at the site level throughout the world. To further upgrade the level of customer support at each site, various support functions have been standardized to ensure that customers can receive consistent service without regard to location. In fiscal 2008, IAB aggressively implemented various improvement measures based on feedback mainly from customers in Japan, in line with its policy of "Pursuing maximum convenience for customers."

In fiscal 2009, the key concept of IAB's customer service and support was "Get customer's equipment into operation quickly, and avoid stoppage of equipment already in operation." Under this concept, IAB strived to provide the highest-quality service and support in its industry to ensure that customers can depend on OMRON's control components and equipment and use them with full peace of mind.

User Monitoring

[[Customer Support](#) | [User Monitoring](#) | [Promotion of CSR Procurement](#)]

Aggressively capitalizing on input from product testers

To supply products that are easy to use for anyone, OMRON Healthcare Co., Ltd. conducts universal design evaluation at every stage of product development to secure a high level of usability. The company also asks about 1,200 consumers to use and monitor products that are under development, and seeks to incorporate feedback and suggestions into products.

Even after a product is released, opinions and requests from customers who actually used the product for some time are analyzed based on inquiries received by the support center, information gathered through user cards and findings from customer satisfaction surveys. OMRON Healthcare staff occasionally visit customers to observe how products are actually used, in order to identify possible issues. By collecting information through various means, OMRON Healthcare seeks continual improvements in usability.

Promotion of CSR Procurement

[[Customer Support](#) | [User Monitoring](#) | [Promotion of CSR Procurement](#)]

Sincere response to client requests for CSR procurement

In recent years, with the advancement of CSR initiatives, there are a growing number of companies that extend their CSR commitment to cover not only in-house matters but the entire supply chain as well. CSR procurement, which requires suppliers/business partners to practice CSR, is also being promoted by OMRON's client companies, requiring OMRON to meet their CSR requirements and cooperate in CSR-related surveys.

In fiscal 2009, a total of 15 customers asked OMRON, mostly its Electronic and Mechanical Components Company (EMC), which handles chiefly electronic components, to participate in a survey for CSR practices, or confirm and uphold their CSR procurement policies. OMRON thoroughly checked the specifics of these requests and sincerely responded to them whenever possible. In general, the number of such requests is steadily increasing, with requests from overseas customers becoming increasingly prominent.

Targeting its main suppliers, OMRON has conducted a meeting to present its basic attitude toward CSR procurement and a survey to assess the status of their CSR practices.

To enhance the effectiveness of its CSR efforts and boost their benefits to society, OMRON will continue meeting customers' requests in a sincere manner based on its awareness of its responsibility as a part of customers' supply chains.

Responsibility to Business Partners

▸ Responsibility to Business Partners

OMRON's basic stance in procurement and purchasing as well as related initiatives

- Basic Stance in Procurement and Purchasing
- Observance of Subcontract Act

▸ CSR Procurement

Expanding CSR practices to cover the entire supply chain

- Promotion of CSR Procurement
- Green Procurement

▸ Dialogue with Business Partners

Emphasizing communication with business partners to build sustainable relationships

- Dialogue with Business Partners

Responsibility to Business Partners

Responsibility to Business Partners Policy

[[Responsibility to Business Partners Policy](#) | [Observance of Subcontract Act](#)]

▶ [Purchasing Policies](#)

Observance of Subcontract Act

[[Responsibility to Business Partners Policy](#) | [Observance of Subcontract Act](#)]

| Employee education focusing on fair dealings

OMRON emphasizes employee education regarding the Subcontract Act, which forms the basis for fair dealings with suppliers and subcontractors.

Staff members serving as contacts to deal with suppliers/subcontractors are encouraged to acquire the necessary knowledge by taking part in external seminars and making inquiries to regulatory authorities whenever questions arise. OMRON also works to raise employee awareness regarding the Subcontract Act through the e-learning program targeting all Group employees.

In fiscal 2009, OMRON's Yasu Factory hosted an education program regarding the Subcontract Act targeting managers and persons in charge. To ensure strict observance of the Subcontract Act, OMRON will continue enhancing its employee education programs.

CSR Procurement

Promotion of CSR Procurement

[[Promotion of CSR Procurement](#) | [Green Procurement](#)]

Promoting CSR procurement based on purchasing policies and fair transactions

Since OMRON established its "open, fair and global" purchasing policies in 1999, OMRON has implemented CSR procurement based on fair transactions with suppliers of materials, parts and products.

In April 2007, OMRON updated its purchasing policies, emphasizing "ecology" (reduction of environmental impact) and "compliance" (observance of laws, regulations and social norms) as key programs. Efforts are underway to share and promote these key programs across the entire supply chain. OMRON will further strengthen CSR procurement to meet the expectations of its customers and society at large.

Cooperating with suppliers to promote CSR procurement

To promote CSR procurement in tandem with its suppliers, OMRON is taking the following steps: 1. Share information regarding CSR matters with suppliers 2. Assess status of CSR practices implemented by suppliers 3. Conduct appropriate management

OMRON also forwarded a request letter to suppliers asking them to follow eight basic requirements related to quality maintenance, environmental preservation, respect for human rights, and appropriate labor practices. Specific requirements included: no discrimination in recruiting and employment, no child labor or forced labor, and establishment of an appropriate work environment.

OMRON will continue explaining OMRON's CSR procurement policies to its suppliers and conduct a survey to assess their CSR practices, while also adopting clearly stipulated standards across the entire supply chain.

Note:CSR procurement

CSR procurement refers to efforts to extend a company's CSR commitment to cover purchasing and procurement processes, while requiring suppliers/business partners to practice CSR. Requirements include legal and regulatory compliance; forbiddance of forced labor and child labor; respect for human rights and diversity; forbiddance of illegal trading; and appropriate management of chemical substances and observance of regulations related to substances contained in products.

Green Procurement

[[Promotion of CSR Procurement](#) | [Green Procurement](#)]

► [Green Procurement](#)

Dialogue with Business Partners

| Solidifying partnership with suppliers through individual interviews

To strengthen partnerships with its suppliers, OMRON has been meeting annually with its main suppliers in Japan, during which the director in charge of purchasing explains OMRON's basic attitude toward CSR procurement. In fiscal 2009, meetings focused on presentation of OMRON's business policies.

OMRON has also conducted a CSR-related questionnaire survey targeting its main suppliers. The results of the survey are analyzed to assess the status of CSR practices being promoted by suppliers. The most recent survey took place in November 2007 targeting 69 suppliers.

Reflecting the especially rapid expansion of business in China, OMRON plans to assess the status of CSR practices by Chinese suppliers.

Responsibility to Investors

▶ Distribution of Profits

OMRON's policy of distribution of earnings and inclusion in SRI indexes

- ▶ Distribution of Profits
- ▶ Inclusion in SRI Indices

▶ Dialogue with Investors

Promoting communication with current and potential investors as the core of investor relations

- ▶ General Shareholders Meeting
- ▶ IR Communication

Distribution of Profits

Distribution of Profits

[[Distribution of Profits](#) | [Inclusion in SRI Indices](#)]

Aiming for a dividend payout ratio of at least 20%

OMRON's dividend payout ratio goal is to return at least 20% of final earnings (net income) to shareholders.

OMRON also aims at a dividends on equity (DOE*) of approximately 2% in order to provide stable dividends for shareholders.

* Dividends on equity (DOE) = Return on equity (ROE) x Dividend payout ratio

Inclusion in SRI Indices

[[Distribution of Profits](#) | [Inclusion in SRI Indices](#)]

Inclusion in internationally renowned SRI indices

Highly recognized for the company's proactive CSR practices, OMRON has been included in two international SRI indices(*1): Morningstar SRI Index(*2) and Ethibel Sustainability Index(*3). OMRON is also included in several SRI and eco-friendly funds such as the Corporate Governance Fund set up by Japan's Pension Fund Association . Since fiscal 2008, OMRON has also been included in ASN Bank's SRI trust fund in the Netherlands (as of March 31, 2010).

*1 SRI indices refer to indices for socially responsible investment, whose key criteria for investment decisions include CSR commitment as well as financial performance.

*2 Morningstar SRI Index is a stock price index that tracks the share performance of selected Japanese companies based on their commitment to CSR.

*3 Ethibel Sustainability Index is a stock price index that is operated by a Belgian-based SRI evaluation organization.

*4 Eco-friendly funds(*4) are a type of investment trust funds that invest in companies that support or provide environmentally friendly products or practices.

Dialogue with Investors

General Shareholders Meeting

[[General Shareholders Meeting](#) | [IR Communication](#)]

Creating a more open, interactive shareholders meeting

In an effort to make its shareholders meeting more open and easier for shareholders to attend, OMRON schedules meetings to avoid days on which the shareholders meetings of other large companies are concentrated. OMRON also uses a conveniently located hotel at the JR Kyoto station as a venue. For shareholders unable to attend the meetings, OMRON has also introduced an electronic voting system by which they can exercise their voting rights.

Since fiscal 2006, OMRON has offered access to the Electronic Voting Platform for Institutional Investors. Using this system, it has become possible for institutional investors who entrust fund management to trust banks, and non-resident investors to conveniently exercise their voting rights via the Internet.

After the general meeting closes, a separate meeting follows to present detailed information on OMRON's business and management activities that cannot be covered by the general shareholders meeting alone.

In fiscal 2009, shareholders who exercised their voting rights totaled 11,281, including those who did so in written form or via the Internet. This is an increase of 1,645 from the previous year, and represents a voting rate of 83.5%.

IR Communication

[[General Shareholders Meeting](#) | [IR Communication](#)]

Aiming to strengthen two-way interactive communication

With its investor relations policy emphasizing two-way interactive communication with current and potential investors, OMRON is working to provide timely and accurate information on the company's business conditions and management policies. OMRON also aims to reflect investors' comments on its management strategies to the extent possible toward the aim of maximizing corporate value.

To enhance communication with individual investors, OMRON actively participates in corporate presentations and investor fairs. In fiscal 2009, OMRON participated in 39 investor relations events, communicating with some 3,000 investors.

For institutional investors, OMRON provided about 750 communication opportunities in fiscal 2009. These included the President's tours to personally meet investors throughout the world, presentations of business results and financial standing, teleconferences, and participation in investor relations conferences.

Input and feedback obtained through dialogues are relayed via the investor relations department to the President and the management team, and are used to help create various management strategies.

■Main investor relations activities conducted during fiscal 2009

Quarterly meetings for presentation of business results and financial standing

Teleconferences with investors in Japan, the U.S. and Europe at the time of financial results announcement

Participation in investor relations conferences for institutional investors

President visits to personally meet institutional investors in Japan and abroad
Corporate presentations for individual investors
President meetings with analysts and investors to exchange opinions
Participation in investor fairs

▶ Investor Relations

Proactively offering information to investors using various tools

To support interactive communication with investors, OMRON also proactively provides information regarding the development and marketing of products tailored to local market characteristics, as well as financial results, using various media including the Internet and mobile phone IR sites. The websites also offer the President's message, management strategies and business results, as well as stock price information in seven languages. There is a special section that introduces OMRON's business and technologies in an easy-to-understand video.

To further enhance communication with current and potential investors, OMRON conducts a questionnaire survey on the IR sites. OMRON plans to use investors' opinions and comments collected through the survey to refine the IR sites.

As in the previous year, in fiscal 2009, OMRON again was recognized as one of the top 15 companies in the Nikkei Annual Report Awards, organized by Nihon Keizai Shimbun, Inc.

OMRON's Annual Report 2009 included a dialogue between the President and an outside director, and a development story of the "Smile Scan" system. These feature articles are designed to help investors become more familiar with OMRON management and development frontlines, which earned especially high marks.

Responsibility to Communities

▸ Community Involvement

Direct and indirect approaches to promotion of community contribution activities

- Community Involvement Policy
- Community Involvement Promotion System
- Community Involvement Activities in Various Fields
- Dialogue with Communities

Community Involvement

Community Involvement Policy

[[Community Involvement Policy](#) | [Community Involvement System](#) | [Community Involvement Activities in Various Fields](#) | [Dialogue with Communities](#)]

Setting up the Better Corporate Citizenship Department for management of the OMRON Group's community involvement

OMRON has set forth its Basic Policy for Community Involvement and Social Contributions (Corporate Citizenship) by upgrading its conventional Corporate Citizenship Declaration as part of the OMRON Group CSR Practice Guidelines. Guided by these guidelines, OMRON promotes community involvement and other social contribution activities both directly and indirectly. With its clearly stated commitment to "working for the benefit of society," OMRON has been actively involved in promoting the employment of people with disabilities. OMRON is actively doing its part to build a society in which people with disabilities or other limitations can assume more active roles and lead more meaningful lives. The company believes that these are the type of social contributions that are most suited for OMRON's distinctive characteristics. Direct contributions include donations to Japan [Sun Industries](#), an organization dedicated to creating work opportunities for persons with disabilities, as well as various NPOs. The company also cosponsors a wheelchair marathon, the Ekiden long-distance wheelchair relay race and other sporting events for disabled people. Indirect contributions are made by providing employees with information on volunteer activities. OMRON introduces various volunteer opportunities, such as donations to the Plan Japan (an organization supporting youth in developing nations) and exchanging letters with them. There are also opportunities to volunteer in the knitting charity project, which presents knit sweaters or goods to emotionally or physically injured children in disaster- or conflict-affected areas. By so doing, OMRON seeks to encourage employees' active participation in volunteer activities. In addition to individual employees' participation, OMRON designates the scope of volunteer efforts as group-wide, multiple-site or site-specific according to the theme of the activity, as the company pursues effectiveness in its contributions. OMRON also aims to boost synergies between direct and indirect contributions, for example by inviting and encouraging employees to participate as volunteers in Japan [Sun Industries'](#) summer festival and sporting events for disabled persons.

Community Involvement and Social Contributions

BASIC POLICY

As a responsible corporate citizen, the OMRON Group will actively promote community involvement and other social contribution activities. When engaging in community activities, the OMRON Group selects themes of activities that suit the culture, social climate or issues of respective countries or regions and are aligned with the OMRON Group's values, resources (financial and human resources, products, facilities, etc.), and expertise (technology, know-how, etc.). Based on this, the Group aims to take the best action available, such as collaboration with communities and related organizations (NGO, NPO and other concerned organizations). The OMRON Group also works to encourage and support employees to individually take part in community involvement and other social contribution activities on their own initiative.

PRACTICE GUIDELINES

1. Voluntary Social Contributions

We will have concern for issues faced by local communities and global society and take part in community development and social contribution programs.

2. Active Participation in the Company's Social Contribution Activities

We will actively participate in community development and other social contribution activities organized and carried out by the company or its departments.

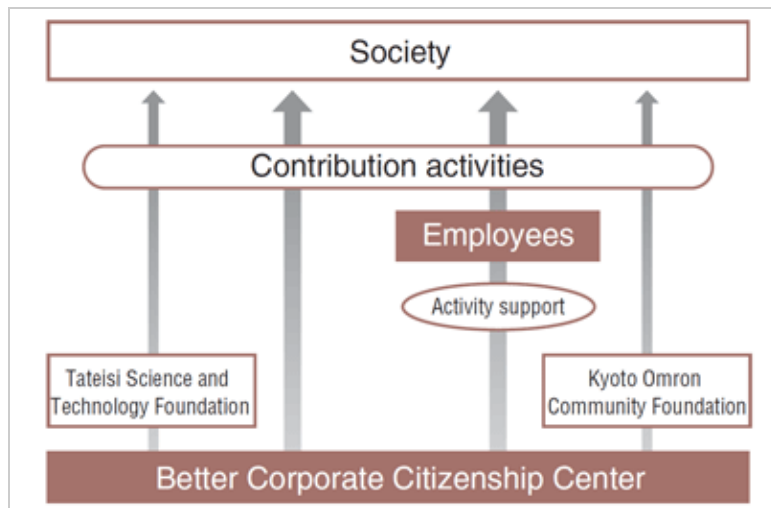
Community Involvement System

[[Community Involvement Policy](#) | [Community Involvement System](#) | [Community Involvement Activities in Various Fields](#) | [Dialogue with Communities](#)]

Management of the Omron Group's corporate citizenship activities

In fiscal 2007, the Better Corporate Citizenship Department was established in the OMRON head office. This organization is tasked with planning, promoting and managing the social contributions and community involvement activities of the OMRON Group as a whole.

Omron also pursues effectiveness in its activities by specifying the scope of these efforts as group-wide, multiple-site, or site-specific according to the theme of activity.



Community Involvement Activities in Various Fields

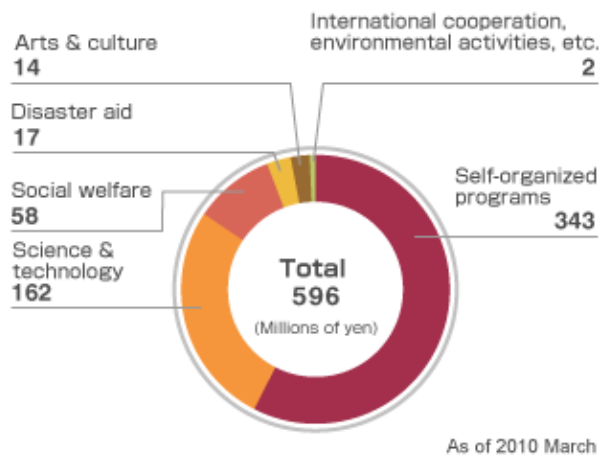
[[Community Involvement Policy](#) | [Community Involvement System](#) | [Community Involvement Activities in Various Fields](#) | [Dialogue with Communities](#)]

Donations for supporting persons with disabilities, science and technology, social welfare, disaster aid and other areas

OMRON's donations are mainly targeted toward areas related to improving QOL (quality of life) for persons with disabilities and supporting their active involvement in society. OMRON also strictly and objectively evaluates the effects of the donations, so as to make more effective donations in the future.

In fiscal 2009, OMRON's community involvement expenditures totaled 596 million yen, targeting a wide range of fields, including science and technology, social welfare and disaster aid, in addition to each site's individually organized social contribution programs.

Community Involvement Expenditures by Field



Community involvement activities in various fields (FY2009)

Science & Technology

- Supporting the 20th Granting of Subsidies by the Tateisi Science and Technology Foundation (Subsidies were granted for 26 research projects and 6 international exchange projects.)
- Offering FA kits (containing educational machine parts) and donating courses to 59 public technical colleges, and hosting OMRON control technology seminar

Social Welfare

- Kyoto OMRON Community Foundation Humanity Awards presentation
- Cosponsoring the 29th Oita International Wheelchair Marathon and offering employees' participation as volunteers
- Cosponsoring the 21st All-Japan Ekiden Long-distance Wheelchair Relay Race and offering employees' participation as volunteers
- Supporting KIDS Project (volunteers to escort children with disabilities at Tokyo Disneyland) and offering employees' participation as volunteers
- Organizing ski training course for people with disabilities together with the Professional Ski Instructors Association of Japan
- Cosponsoring International Wheelchair Basketball Tournament Kitakyushu Champions' Cup
- Cosponsoring 2009 Kyoto "Tentomushi" (Ladybug) Marathon Race
- Cosponsoring "PiPo" Universal Ekiden Long-distance Relay Race
(Each participating team consists of an elementary school pupil, an elderly person aged 60 or above, a visually impaired runner, a wheelchair runner and a freestyle runner.)
- Participation in Exhibitions by Companies Supporting Social Involvement of Persons with Disabilities, an event related to the 2009 "Week of Persons with Disabilities"

Disaster Aid

- Donating 5 million yen to assist victims of the Ketsana typhoon in the Philippines through the Japan Platform
- Donating 5 million yen to assist victims of the Sumatra earthquake in Indonesia through the Nippon International Cooperation for Community Development (NICCD)
(P.T. OMRON Manufacturing of Indonesia also pledged donations collected from employees to the Dompot Kamanusiaan Media Group Mumatera.)
- Donating 5 million yen for Haiti earthquake relief through the Japan Platform (OMRON Foundation, Inc. (OFI) also donated US\$20,000 through the American Red Cross. OMRON Healthcare contributed 500 solar-powered blood pressure monitors.)
- Donating 2 million yen for Chile earthquake relief through the Japan Platform (OFI also

donated US\$10,000 through the American Red Cross.)

Arts & Culture

- Organizing OMRON Cultural Forum jointly with the NHK Kyoto Culture Center
- Supporting pipe organ concerts organized by Kyoto Concert Hall
- Supporting 2009 International Cooperation Concert organized by the Japan International Volunteer Center

International Cooperation

- Participation in a knitting charity project for children worldwide
- Supporting the "Foster Parents" project organized by NGO Plan Japan
- Contributing donations to the Japan Committee for Vaccines for the World's Children as a matching gift for Eco-Volun activities in Japan

Environmental Activities

- Support and participation in forest preservation projects by various sites
- Cosponsoring "100 Most Eco-friendly Activities" project involving industry, government, academia and the citizens of Kyoto

Dialogue with Communities

[[Community Involvement Policy](#) | [Community Involvement System](#) | [Community Involvement Activities in Various Fields](#) | Dialogue with Communities]

| Aiming for harmonious coexistence with local communities

With the aim of serving as a valued corporate citizen, OMRON strives for harmonious coexistence with local communities. As such, OMRON not only complies with all applicable laws and rules but also respects local culture and customs. Proactive communication with local people and organizations is also promoted in order to build relations of mutual trust.

In fiscal 2009, OMRON continued to participate in the Philanthropy and CSR Link-up Forum organized by the Osaka Voluntary Action Center (OVAC). This forum provides businesspeople in charge of corporate citizenship or CSR mainly from the Kansai region with the opportunity to exchange views and information with NGO/NPO staff and experts. This will help build solid relations of trust that will allow partnerships in contributions to local communities.

Governance

Governance

What's New

Latest Update 2010.10.20

2010.10.20 Report of governance is renewed

▸ Focus Activities and Long-term Targets

An overview of focus activities and long-term goals determined as part of CSR strategy

▸ Targets and Results — Governance

Fiscal 2009 targets and results, plus fiscal 2010 targets in the area of corporate governance

▸ Corporate Governance

OMRON's corporate governance policy, structure and related initiatives

- Corporate Governance Policy
- Corporate Governance System
- Information Disclosure
- Internal Controls

▸ Compliance

OMRON's policy, structure and measures to promote legal/regulatory compliance

- Promotion of Compliance
- Compliance Education
- Information Security
- Fair Dealings

▸ Risk Management

OMRON's policy and measures to prepare for disasters and other potential hazards

Focus Activities and Long-term Targets

Setting medium-term goals from a long-term perspective

OMRON considers the three years from fiscal 2008 to fiscal 2010 to be the third stage of its GD2010 long-term management plan (GD-III). In line with the start of GD-III, OMRON formulated a CSR management strategy.

The first step was to determine the direction toward which OMRON is heading in the long run. To do so, OMRON developed a perception of society ten years into the future and OMRON's CSR vision. Once this was done, it was necessary to identify the key issues the company should address from among many issues. This was achieved through materiality analysis from the dual perspectives of materiality to OMRON and materiality to stakeholders. Going through these steps, focus activities for OMRON and its targets for fiscal 2010 were specified.

Note: In response to rapid changes in the business environment, OMRON decided to promote structural reform initiatives across its Group by specifying the period from February 2009 to March 2011 as the "Revival Stage." However, CSR-related targets specified at the start of GD-III remain unchanged.

Governance-related Strategies

CSR issues and basic policy		Focus activities and FY2010 targets
Organizational governance	Build and effectively operate an efficient and transparent corporate governance system by focusing on three concepts, namely fulfilling management accountability, achieving management transparency, and pursuing high business ethics. This is intended to promote sustained growth while earning support from stakeholders.	<ul style="list-style-type: none"> • Continue instillation of the OMRON Principles at the global level. • Develop a technique and model for compliance risk visualization.
Fair operating practices	As a responsible member of society, ensure fairness and integrity for action and behavior at all organizational and individual levels in order to promote highly ethical corporate activities by placing the highest priority on legal/regulatory compliance and respect for fair social rules.	<ul style="list-style-type: none"> • Establish a system to promote corporate ethics in each area of the world and promote ethical behavior at all sites throughout the world. • Visualize compliance risk at the global level and embed countermeasures in onsite business processes.

Targets and Results

CSR Issues and Basic Policy

Organizational governance

Build and effectively operate an efficient and transparent corporate governance system by focusing on three concepts, namely fulfilling management accountability, achieving management transparency, and pursuing high business ethics. This is intended to promote sustained growth while earning support from stakeholders.

Fair operating practices

As a responsible member of society, ensure fairness and integrity for action and behavior at all organizational and individual levels in order to promote highly ethical corporate activities by placing the highest priority on legal/regulatory compliance and respect for fair social rules.

FY2009 Targets and Results

Organizational governance

FY2009 policy/targets	FY2009 main results	Rating
(1) Corporate governance <ul style="list-style-type: none"> • Work to establish an optimal management system and promote appropriate corporate operations. 	(1) Corporate governance <ul style="list-style-type: none"> • Worked on establishment of an optimal management system and appropriate corporate operations. 	○
(2) Internal controls <ul style="list-style-type: none"> • Confirm need for reviewing decisions on internal control system and implement appropriate measures. 	(2) Internal controls <ul style="list-style-type: none"> • Implemented appropriate measures. 	○
(3) Internal auditing <ul style="list-style-type: none"> • Establish framework for comprehensive auditing of internal controls in order to raise auditing accuracy and consistency. 	(3) Internal auditing <ul style="list-style-type: none"> • Completed framework for comprehensive auditing of internal controls in order to raise auditing accuracy and consistency. 	○
<ul style="list-style-type: none"> • Conduct auditing for 5 management tasks. 	<ul style="list-style-type: none"> • Conduct auditing for 5 management tasks. 	
(4) Information disclosure <ul style="list-style-type: none"> • Comply with the Timely Disclosure Rules stipulated by law and enhance employee awareness of the rules. 	(4) Information disclosure <ul style="list-style-type: none"> • Complied with Timely Disclosure Rules and conducted activities to enhance employee awareness of the rules. Timely disclosures: 19, omissions in disclosure: 0 • Revised OMRON Corporation's internal regulations for insider trading and focused on notifying employees with new regulations. 	○

FY2009 policy/targets	FY2009 main results	Rating
(1) Compliance/risk management <ul style="list-style-type: none"> Continue taking measures to respond to "One strike, you're out" risks (export control, emergency response, compliance in China, etc.). 	(1) Compliance/risk management <ul style="list-style-type: none"> Responded to "One strike, you're out" risks. 	○
<ul style="list-style-type: none"> Offer corporate ethics education to all OMRON Group employees in Japan. 	<ul style="list-style-type: none"> Target training attendance rate : 80% of all employee 	
<ul style="list-style-type: none"> Continue conducting risk monitoring. 	<ul style="list-style-type: none"> Conducted risk monitoring mainly in Japan. 	
(2) Whistleblower hotline <ul style="list-style-type: none"> Continue implementation of whistleblower hotline. 	(2) Whistleblower hotline <ul style="list-style-type: none"> Continued implementation. Hotline contacts: 17 in Japan, 4 in North America 	○
(3) Information security <ul style="list-style-type: none"> Offer education to OMRON Group employees in Japan and confirm compliance with internal regulations. 	(3) Information security <ul style="list-style-type: none"> Training attendance rate : 95.1%, conformance of regulations : 94.9% 	○
<ul style="list-style-type: none"> Establish internal regulations in overseas Group companies. 	<ul style="list-style-type: none"> Regulations establishment rate : 91% (63 out of 69 companies have established internal regulations) 	

FY2010 Policy/Targets and GD-III Focus Activities/Targets

Organizational governance

FY2010 policy/targets	GD-III (FY08-10) focus activities/targets
(1) Corporate governance <ul style="list-style-type: none"> Aim at establishment of an optimal management system and appropriate corporate operations. 	<ul style="list-style-type: none"> Continue instillation of the OMRON Principles at the global level. Develop a technique and model for compliance risk visualization.
(2) Internal controls <ul style="list-style-type: none"> Continue to confirm need for reviewing decisions on internal control system and implement appropriate measures. 	
(3) Internal auditing <ul style="list-style-type: none"> Upgrade framework for comprehensive auditing of internal controls. Conduct auditing for 5 management tasks. 	
(4) Information disclosure <ul style="list-style-type: none"> Continue compliance with the Timely Disclosure Rules stipulated by law and enhancing employee awareness of the rules. Apply internal regulations for insider trading for 	

Group companies.	
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Fair operating practices

FY2010 policy/targets	GD-III (FY08-10) focus activities/targets
(1) Compliance / risk management <ul style="list-style-type: none">Continue taking measures to respond to “One strike, you’re out” risks.Offer corporate ethics education to OMRON Group employees in Japan.Continue conducting risk monitoring at the global level.	<ul style="list-style-type: none">Establish a system to promote corporate ethics in each area of the world and promote ethical behavior at all sites throughout the world.Visualize compliance risk at the global level and embed countermeasures in onsite business processes.
(2) Whistleblower hotline <ul style="list-style-type: none">Continue implementation of whistleblower hotline.	
(3) Information security <ul style="list-style-type: none">Continue and improve information security management measures.Strengthen countermeasures for prevention of information leakage overseas.	

Corporate Governance

▶ Corporate Governance Policy

OMRON's basic stance in maintaining and enhancing corporate governance

▶ Corporate Governance System

Overview of OMRON's corporate governance structure

▶ Information Disclosure

Policy, structure and initiatives to ensure appropriate release of required information

▶ Internal Controls

OMRON's policy for internal control system, structure and related initiatives

Corporate Governance Policy

Aiming to meet stakeholder expectations and requirements

The key objective of corporate governance in the OMRON Group is to earn the support of stakeholders and realize the sustainable growth of the company by enhancing its business competitiveness, and to build and operate a mechanism (supervisory system) that can verify this.

To respond to the expectations and demands of stakeholders, OMRON is building an optimal management structure and promoting fair and appropriate business operations, with the management objective of long-term maximization of its corporate value. At the same time, OMRON strives to reinforce its corporate governance system to demonstrate publicly its commitment to such management practices.

To achieve continued enhancement of corporate governance, and to raise the integrity and transparency of management practices, the Corporate Governance Committee chaired by an outside director has been set up as an advisory committee to the Board of Directors.

Corporate Governance System

Aiming to meet stakeholder expectations and requirements

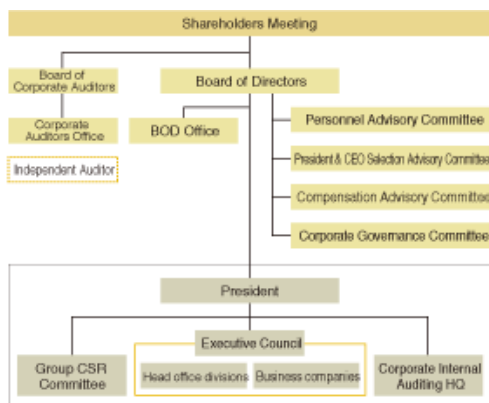
OMRON has established a solid governance system aimed at enhancing integrity and transparency of its management practices and to become more responsive to changes in the business environment.

To monitor and ensure that directors are properly functioning to represent OMRON's shareholders and other stakeholders, two out of seven board members are outside directors. Also, three out of four corporate auditors are outside auditors.

Emphasizing the independence of these outside directors and auditors, OMRON has specified strict criteria consisting of seven requirements for qualification of candidates. For example, candidates for outside directors or organizations to which they belong must not have assumed the role of representative or employee of the independent accounting auditor for the OMRON Group for five years prior to the nomination. They also may not be a principal shareholder of the OMRON Group.

To facilitate business operations, OMRON has adopted an executive officer system, which allows clear separation of management oversight and business execution. As such, the President is the only director who is also tasked with business execution. The internal company system empowers senior executives of each business unit with more authority for quicker decision-making and more streamlined business operations.

Corporate governance structure



Board of Directors

The BOD decides important business matters such as company objectives and management strategies, while overseeing the execution of business practices.

Board of Corporate Auditors

The board verifies the effectiveness of the corporate governance system and its implementation, while also monitoring the day-to-day operations of executives including directors. The board consists of four corporate auditors, three of whom are outside auditors.

Personnel Advisory Committee

This committee, chaired by an outside director, sets election standards for directors, corporate auditors and executive officers, selects candidates, and evaluates current executives.

President & CEO Selection Advisory Committee

Dedicated to nomination of the President and chaired by an outside director, this committee deliberates on selection of the new President for the next term and a succession plan in preparation for a contingency.

Compensation Advisory Committee

Chaired by an outside director, this committee determines the compensation structure for directors, corporate auditors and executive officers, sets evaluation standards, and evaluates current executives.

Corporate Governance Committee

Also chaired by an outside director, this committee discusses strategies and measures for continued enhancement of corporate governance, as well as for raising the integrity and transparency of management practices.

Executive Council

This council determines and reviews important business operation matters that are within the scope of authority of the President.

► Corporate Governance ("Investor Relations")

Information Disclosure

Thoroughly meeting stakeholder requirements

Conforming to its basic policy of proactively offering information to realize transparent management practices, OMRON ensures compliance with the statutory Timely Disclosure Rules. To meet increasing demands of shareholders and other stakeholders, OMRON has established its own information disclosure standards notably stricter than these rules. OMRON also holds explanatory meetings regarding the timely information disclosure every year to enhance employee awareness.

Summary Report of Timely Disclosure System (excerpts)

1. Basic stance on timely disclosure

In accordance with its basic stance of proactively offering information with the aim of enhancing transparency of its management practices, OMRON undertakes timely disclosure of important corporate information to its stakeholders based on the following policies:

1. With respect to disclosure of information, OMRON not only complies with Japan's Securities and Exchange Law (SEL) and the Tokyo Stock Exchange's (TSE) Timely Disclosure Rules but also meets its own standards so as to fulfill the increasing demand from investors and other stakeholders. These standards are more exacting than the SEL requirements and TSE rules.
2. With respect to qualitative information that requires individual judgment for disclosure, OMRON promptly convenes an Information Disclosure Executive Committee (hereinafter referred to as the "Executive Committee") meeting to discuss and determine the necessity and content of disclosure.
3. With respect to important corporate information, OMRON promptly reports such information to the TSE and releases it to at least two media organization so as to ensure fair disclosure to all stakeholders.
4. OMRON sets up the Group CSR Committee chaired by the president to monitor activities conducted in the entire OMRON Group in regard to information disclosure.

2. Internal system for timely disclosure

Operating system for timely disclosure

OMRON has set up an Executive Committee to determine whether a decision made or an incident that occurred within the OMRON Group corresponds to a matter that requires timely disclosure in accordance with TSE rules or OMRON's internal standards. Any matter that was determined by the Executive Committee to be disclosed is first reported to the person in charge of information management. As instructed by the person in charge of information management, the investor relations department conducts timely disclosure of the said matter on the TSE's Timely Disclosure Network (TDnet^{*}). To ensure that the Executive Committee accesses all important corporate information without omissions, the Committee is informed of the said information by following procedures 1 and 2:

1. Should a business division/Head Office administrative division conclude that an important incident within that division corresponds to information that should be disclosed based on its own judgment, or if there is a question whether it corresponds to information to be disclosed, the relevant division should so report to the Executive Committee.
2. With respect to important matters that are submitted to a meeting of the Board of Directors or the Executive Council, which are tasked to discuss and determine important business matters, the BOD office or the Executive Council office should report such

matters to the Executive Committee.

* TDnet (Timely Disclosure Network): A system operated by the Tokyo Stock Exchange to enable the rapid and extensive conveyance of timely disclosed information.

Monitoring system for timely disclosure

To monitor the status of information disclosure by the entire OMRON Group, OMRON has set up an Information Disclosure Committee chaired by the President as an upper-level organization of the Executive Committee. The functions of the Information Disclosure Committee are as follows:

1. Revising or discontinuing the information disclosure policy
2. Monitoring the soundness and validity of information disclosure, as well as the status of regulatory compliance
3. Reporting the status of information disclosure and other matters to the Board of Directors.

Internal Control

Ensuring sound and efficient organizational management

To ensure sound and efficient management and operations of the organization, OMRON has established a basic policy for the establishment of an internal control system. In conformance with this policy, OMRON strengthens and implements an internal control system to make sure that all four objectives of internal controls are met. The objectives are: reliability of financial reporting, legal and regulatory compliance, effectiveness and efficiency of operation, and maintenance of assets.

As for the internal control reporting (more commonly known as "J-SOX") which became mandatory by the Financial Instruments and Exchange Law enacted in June 2006, each division/Group company conducts self-assessment for the establishment and implementation status of its internal control system for business process, and the internal auditing department monitors the results of assessment. Self-assessment helps each division/Group company to increase their understanding of internal control for financial reporting, facilitating more autonomous control.

In February 2009, OMRON was awarded the Prize for Excellence at the Japan Internal Control Grand Prix 2009 organized by the Integrity Award Council. The Integrity Award recognizes and commends companies which are proactively committed to raising compliance awareness and enhancing internal controls. OMRON was recognized for incorporation of the CSR system development and implementation into the company's long-term management strategy.

Two auditing programs to maintain management soundness and efficiency

OMRON's internal audit consists of two auditing programs designed to maintain sound and efficient management and operation of the organization. First, the general internal control audit is aimed at ensuring that its internal control system is functioning appropriately in four areas of internal controls. These four areas are: reliability of financial reporting, legal and regulatory compliance, effectiveness and efficiency of operation, and maintenance of assets. Second, the management process audit is intended to provide solutions for specific management issues and propose improvement measures. In both audits, should any points needing improvement be discovered, OMRON provides support until countermeasures are completed.

To conduct internal audits based on the full knowledge of local business practices and legal systems, an internal auditing department was set up in each of four global regions (North America, Europe, Asia Pacific and Greater China) as well as Japan. In all of these, specialized auditors are stationed.

Acquisition of Integrated Management System (IMS) certification

On March 26, 2010, OMRON's Social Systems Solutions Business Company (SSB) became the first business company in the OMRON Group to achieve integrated management system (IMS) certification, passing an IMS audit held by the Japan Quality Assurance Organization (JQA), a renowned management system registration body, based on its own guidelines. The IMS certification was awarded to SSB after undergoing an external audit by JQA from February 15-19, 2010 and accompanied by renewal of its quality management system (ISO 9001) and information security management system (ISO 27001) certifications.

SSB has already acquired ISO 9001 and ISO 27001 certifications. As societal and governmental requirements for a company encompass a broader scope, including

environmental management and internal control systems, it has recently become difficult for SSB to meet these extensive requirements from the perspectives of quality and information security alone.

Living up to the OMRON Principles, SSB considers that offering social infrastructure systems that provide safety, security and reliability forms the essential part of its CSR implementation. Based on this awareness, SSB believes that to realize this requires enhancing quality in a broader sense by keeping various requirements into consideration. As such, SSB recognized the need for going back to the basics. In other words, SSB realized the need for reconstructing an integrated management system suitable for SSB, rather than separately implementing PDCA cycles for quality and information security respectively with ISO 9001 and ISO 27001 systems. Once accomplished, the SSB organization can be unified toward a single goal of improving quality of work. This will enable SSB to better satisfy its customers and fulfill its social responsibilities.

In fiscal 2007, SSB launched a three-year plan to rebuild and integrate management systems. Its recent auditing was the first audit for SSB's integrated system and examined whether the company's management system (including policy-setting, management review, risk management and internal controls) is constructed and implemented effectively in an integrated fashion toward attaining its management goal. According to JQA, it is very unusual for a large company of 1,000-person scale like SSB to implement an integrated system, and it is also very rare to successfully pass the audit on the first attempt. This success was due to the recognition of SSB's comprehensive strengths, as well as the dedicated efforts that allowed the company to complete everything from system construction to deployment in a mere three years.

Encouraged by this achievement, SSB will continually seek improvements of its management system in order to further enhance the accuracy and efficiency of business processes and boost its overall quality.

Compliance

▶ [Promotion of Compliance](#)

OMRON's commitment to ensuring legal and regulatory compliance across its Group

▶ [Compliance Education](#)

Compliance training programs and other efforts to enhance employee awareness

▶ [Information Security](#)

How OMRON strives to strengthen information security at the global level

▶ [Fair Dealings](#)

Preventing corrupt practices through maintenance of ethical behavior

Promotion of Compliance

Strengthening measures to control risks stemming from internal or external environmental changes

Aiming to promote legal and regulatory compliance across the Group, OMRON set up a Corporate Ethics & Business Conduct Committee within the Group CSR Committee. The committee consists of corporate ethics promotion officers from each business company and the head office, who met three times during fiscal 2009, deliberating corporate ethics-related activities to more effectively deal with risks. Based on the decisions reached at the meetings, OMRON reviewed and standardized risk analysis methods and formulated education programs.

Group companies in Japan also appointed corporate ethics officers in charge of offering compliance education selected from among manager- and higher-rank employees. A corporate ethics officer meeting is held once a year with all these members participating, to exchange information regarding the implementation of a PDCA cycle in accordance with an action plan, as well as hosting compliance training.

Going forward, the committee will continue holding meetings and enhancing its activities as a forum to quickly detect and share risks caused by changes in the external environment, such as revisions to laws and regulations, along with internal changes resulting from launch of new businesses or entering emerging markets.

Overseas, corporate ethics officers were assigned for the Asia Pacific area in 2008, following the appointment of corporate ethics officers in Greater China in 2006. With the ongoing appointment of compliance officers in charge of promoting corporate ethics in the Americas, OMRON is actively working to strengthen its compliance system.

Establishing operational regulations with clearly stated protection of whistleblowers

In Japan and North America, a whistleblower hotline is in place inside and outside of the company for OMRON Group executives, full-time employees and temporary staff as well as their families.

The corporate legal department staff handles hotline contacts within the company, while an external law firm also serves to accept contacts. In fiscal 2008, it became possible to make hotline contact or seek advice through the electronic bulletin board on intranets in Japan, in addition to conventional telephone and email accesses.

In fiscal 2009, a total of 17 hotline contacts were made in Japan and 4 in North America. The biggest number of contacts in Japan sought advice regarding labor standards compliance and respect for individuality and diversity, which numbered 12.

For the operation of the whistleblower hotline, the regulations clearly state strict maintenance of secrecy and protection of whistleblowers from any detrimental treatment. OMRON informs employees of the availability of the hotline through corporate ethics cards, intranets and during new employee training. OMRON will continue disseminating the hotline and implement various measures to improve response to whistle-blowing.

Compliance Education

Offering rank-specific compliance training programs

The OMRON Group provides education and training programs to its employees around the world. The programs are based on its CSR Practice Guidelines and aim to raise awareness of compliance among employees.

The CSR Practice Guidelines are distributed to all employees in Japan. Overseas as well, regional editions of the CSR Practice Guidelines for Asia Pacific, the Americas, Europe, Greater China and Korea were prepared and then translated into 25 different languages, before being distributed to local employees.

In Japan, compliance is included as a theme of the rank-specific training programs. Each October (designated "Corporate Ethics Month" at OMRON), OMRON carries out activities intended to strengthen compliance.

In the Corporate Ethics Month of 2009, worksite discussions were held on such themes as labor standards compliance and respect for individuality and diversity, competition and fair dealing, and prohibition of abuse of corporate position in personal life. Approximately 80% of OMRON Group employees in Japan participated.

Compliance education is being enhanced overseas as well, by taking into consideration the issues facing each area or overseas production sites. In the future, OMRON will strive to provide more systematic employee education, while improving and expanding the training curriculum.

Education on preventing insider trading

In fiscal 2009, in view of reinforced monitoring systems for financial markets, OMRON revised its internal regulations for insider trading and focused on enhancing employee awareness regarding this matter.

Targeting managerial-class employees, a total of 16 explanatory sessions were held at business sites across Japan, while e-learning opportunities were offered to all employees.

In fiscal 2009, there were no cases of compliance violations related to insider trading. In the future, OMRON plans to share education of insider trading prevention with its Group companies.

Information Security

| Fully established PDCA cycle for management

Omron's policy in enhancing information security is to fulfill its responsibilities to stakeholders by appropriately managing confidential information supplied from business associates, personal information and its own company information to protect them from leakage.

In fiscal 2007, an Information Security Management Committee was set up for the purpose of strengthening an integrated management system covering both confidential information and personal information. Since then, the committee has established management rules that reflect basic policy, and annually provided employee education and worksite monitoring to check the status of management in Japan. New activities have been added, including implementation of measures based on risk analysis for important information leakage, and surveys to determine subcontractors' information security management status. The management rules are regularly reviewed and revised to reflect changes in the external environment and the results of worksite monitoring, for example, adding rules for minimizing risk associated with information leakage from mobile phones.

Ongoing activities are based on the implementation of a corporate-wide PDCA cycle under the promotion system led by the Information Security Management Committee.

Overseas, common global rules for information security were established in fiscal 2007, with each area working on the preparation of individual regulations based on the common rules. By the end of fiscal 2009, a majority of overseas Group companies had already established their regulations.

Going forward, OMRON will strive to continually improve information security management by adopting a PDCA cycle in Japan. Overseas, OMRON will focus on ensuring the completion of regulations at all Group companies, while also launching information security education and risk analysis.

Fair Dealings

Maintenance of ethical behavior and prevention of corrupt practices

OMRON's CSR Practice Guidelines include guidance for "Competition and Fair Dealing" and "Prevention of Corrupt Practices." Guided by the Corporate Ethics & Business Conduct Committee, OMRON strives to maintain high ethical standards among all OMRON business companies and Group companies to prevent any unfair competition, corrupt practices or illegal behavior.

In fiscal 2009, to ensure avoidance of corrupt practices, OMRON prepared e-learning materials regarding compliance with the Subcontract Law and placed them on the intranet, while also conducting joint training involving personnel from all related divisions.

CSR Practice Guidelines Competition and Fair Dealing

BASIC POLICY

The OMRON Group strives to act in conformance with principles of fair and free competition, recognizing this as a fundamental ground rule for proper and efficient business activities. The OMRON Group also emphasizes protection of rights for customers and consumers, sound development of the economy, and the independence of individual organizations. Accordingly, the OMRON Group promotes free competition and endeavors to maintain legal, fair and transparent relationships with its distributors, suppliers, customers and, as appropriate, competitors. As for suppliers, we expect their support and cooperation in the OMRON Group's CSR procurement activities.

PRACTICE GUIDELINES

<Fair and Healthy Competition with Competitors>

(1) No Restrictions on Free Business Practices

We must not engage in illegal agreements or arrangements that may lead to restrictions on free business practices as set forth by the applicable laws and regulations in this respect.

1. No Agreements with Competitors (No Cartels)

We must not engage in price fixing or other illegal agreements or arrangements with competitors regarding sales volume, territories, customers or other competitive factors.

2. No Unethical or Unfair Bidding Arrangements

We must not take part in any unethical or unfair bidding activity, such as fixing the successful bidder or contract price.

3. Prohibition on Certain Trade Association Activities

When participating in trade associations or other meetings with companies in our industries, we must not participate in any way in actions or plans with competitors contemplated to form a cartel, rig bidding or interfere with companies newly entering a market or exclude other companies from a market. If presented with proposals by other companies to engage in these activities, to avoid any doubt, we must register our clear objections.

(2) No Unfair Trade Practices

We must not misappropriate the trade secrets of others and not engage in unfair trade practices such as untrue or misleading statements to customers about products of others.

Risk Management

Basic policies stipulated in OMRON's Crisis Management Rules

OMRON's Crisis Management Rules (established in 1999 and revised in June 2009) require all employees to quickly and appropriately take any countermeasures necessary to minimize damage from a crisis, and to continue or restore business operations as early as possible. Employees are required to take measures to prevent a recurrence whenever a crisis occurs.

Basic policies

1. Place human life and personal safety at the top of the list of priorities.
2. Give high priority to legal/regulatory compliance and respect for social rules.
3. Minimize the negative impact of crises on customers and society.
4. Curtail the negative impact of crises on OMRON's business and strive to ensure smooth continuation and quick restoration of business operations.
5. Take necessary measures in a sincere and consistent manner.
6. Disclose information appropriately and remain accountable.

Establishing the OMRON Group initial emergency response manual

In fiscal 2009, OMRON expanded its emergency simulation drills conventionally held at OMRON Corporation to cover its Group companies in Japan. Also, by referring to countermeasures taken in past cases, and applying knowledge gained through drills, a new OMRON Group initial emergency response manual was prepared to provide reference guidelines for the disaster headquarters in the event of a crisis.

Revising Contingency Planning Rules to improve practicality

Based on its Crisis Management Rules, OMRON established the Contingency Planning Rules in 1999. These rules stipulate the setup of a corporate-wide disaster headquarters led by the President, the basic route for emergency contact, and other matters.

In fiscal 2008, aiming for a more effective corporate-wide crisis management system, OMRON revised its Contingency Planning Rules. Moreover, the establishment of the OMRON Group guidelines and a specific action plan is now in progress to respond to the threat of new strains of influenza.

Conducting emergency and evacuation drills at all worksites

OMRON employees at each worksite participate in emergency and evacuation drills every year. Moreover, a system is in place that allows employees to record and confirm their own safety and that of their families via mobile phone or the Internet. This system is activated in the event of a disaster with the potential for damage over a wide area.

In the case of an outbreak of a highly virulent new influenza virus with high fatality rates, it is expected that many employees will have to stay home from work. To prepare for this crisis, OMRON has an infection status management system in place in order to track the infection status of employees and their families.

Moreover, OMRON annually conducts drills in Japan for training of safety confirmation in the event of an earthquake with a seismic intensity of 6- or greater. In fiscal 2009, however, drills were cancelled due to the spread of the new influenza epidemic.

Third-Party Comments

Comments on the Omron CSR Report for 2010

Scott T. Davis
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Omron's CSR as a strategic initiative

In his message Chairman Tateishi makes two particularly important points which must be borne in mind when reading this report. The first is the assertion that no single corporation on its own is fully capable of meeting all its responsibilities to society as a business. By this Mr. Tateishi is referring directly to the concept of a corporation as a “public vessel” – one which acts as a steward on behalf of society for the management, and development of business and industry. The second point is that Omron as a corporation from its establishment up until the present day has pursued the mission of creating social needs – essentially innovation to achieve the development of social infrastructure for the promotion of social wellbeing.

President Sakuta in his message further develops these themes by explaining in more pragmatic terms that the resources corporations use in the course of their business are “lent” to them by society and that a responsible corporation will “return” these resources in a form of greater utility and value than their respective original states. Mr. Sakuta also explains the importance for Omron of a globalization strategy based upon a careful process of localization as being essential to responding fully to the needs of each society in which the corporation operates and thereby achieving an organization which is both subjective and independent.

Combined these conceptualizations and their implementation have a profound meaning for gaining a full appreciation of Omron's CSR report for 2010. Firstly, a high level of awareness for social needs, trends and their contexts is required of any corporation attempting to follow such a “public vessel” based interpretation of CSR. In other words, an advanced organizational capacity to identify, locate and subjectively evaluate issues in the societies in which the corporation operates is essential. Secondly, on a more material level, a stewardship approach to resource utilization requires a detailed and comprehensive system of supply chain management and environmental impact monitoring. In order to realize the objectives stated in the Chairman and President's messages, Omron's CSR initiative must embody and develop these two organizational capabilities. The degree to which these organizational capabilities are developed can be used in turn as an indicator for evaluating the effectiveness of the design and performance of Omron's corporate structures and processes for the realization of its social responsibilities as a business.

The following comments will concentrate on these two organizational capabilities, the extent to which they are evident, and the processes in place to develop them.

Social awareness

Identifying and prioritizing environmental, social and governance issues in separate “materiality maps” as the basis for its CSR initiative and reporting process lends great clarity to this report and the strategic intent behind it. Setting the axis on each map upon the importance of issues for stakeholders who do or do not share Omron's position in each field is a rare approach among firms in Japan. This technique could be expanded to include a consideration of the sub-issues or conditions behind the difference in positions in stakeholders and what this means for maintaining a dialogue regarding the social responsibility of business.

The stakeholder dialogue involving several prominent figures from the fields in and around

CSR regarding the aims and technicalities of CSR reporting is frank and informative. The inclusion of a dialogue between executives and employees of Omron regarding the importance of, and efforts made towards, promoting social sensitivity would also make a valuable contribution towards enhancing the approachability of future reports for stakeholders outside Omron and the specialist field of CSR.

The section on the "image for CSR achievement by 2020" is excellent and constitutes one of the highlights of the report. Dividing each issue into the three topics of the image of society, Omron's planned contribution, and a word sketch of each optimal outcome by the year 2020 clearly illustrates the level to which social issues are integrated into Omron's business strategy and the level of expertise that Omron rallies to plan and implement its business.

The section on Omron's activities in China is by far the most detailed and comprehensive exposition of a CSR initiative in a Japanese corporation's overseas operations that I have seen to date. The analysis of ESG issues in Omron's China operations is presented with clarity and great detail and reflects a considerable degree of strategic planning. More information on the projects planned and implemented on the initiative of Omron's employees in China and a detailed scenario of Omron's potential contribution to, and goals for, China by 2020 would further enhance this section.

Resource stewardship

The report offers a wealth of information regarding the management of natural resources over a wide range of materials including policies for utilization, goals for reduction, reuse and recycling, and data on achievements against each goal over a multiple year period. Omron's objectives are generally set to strict standards with significant reductions required in most fields. Evaluation of performance is equally strict and instances of failure to achieve objectives are marked conspicuously and accompanied with a frank analysis of factors responsible for missing goals. Data on past environmental performance is also presented in an advanced and comprehensive format as environmental accounting. Considering its current global importance, the use and management of water could be treated in more detail in future reports.

Omron's report details its management of social and human resources in the same detailed and systematic manner in which it presents its performance in the management of natural resources. One of the interesting features of the reporting in the social section on employee wellbeing is the report on union representation of employees and the basic principles in place to promote constructive industrial relations based upon mutual trust.

While some corporations have interpreted CSR initiatives as a mechanism for deemphasizing and displacing labor unions, Omron's inclusion of a policy and goals for industrial relations in this report further reflects its dedication to respecting local needs and social values.

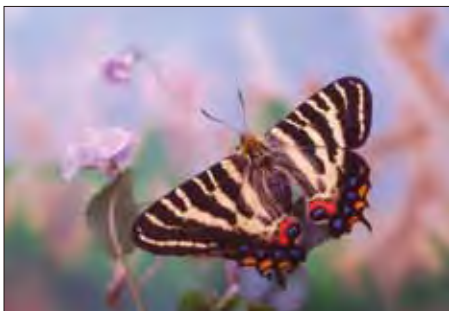
The social section of the report could be made more approachable by the inclusion of sections featuring individual employees relating first hand their own priorities, experiences and achievements in realizing Omron's social responsibilities as a business and the implementation of its social contribution strategies.

In conclusion

Overall this is an ambitious and well-implemented CSR report.

It is ambitious in the sense that it is designed to elucidate a CSR initiative tightly integrated with the business strategy, mission and vision of Omron as it deals with its various stakeholders in their respective social contexts, and strives to responsibly utilize the natural and human resources necessary for the conduct of its operations.

As a whole, this report gives the reader ample information on and examples of the processes by which Omron develops the levels of social awareness and systems of resource stewardship called for in its corporate mission.



About the Cover

The 10th Conference of the Parties to the Convention on Biological Diversity (COP10) held in Nagoya in October 2010 has helped to increase interest in learning about and preserving biological diversity. As part of our activities on biological diversity, OMRON IIDA Co., Ltd. (located in Iida City in Nagano Prefecture) cooperates in protecting the Gifu Butterfly (*Luehdorfia japonica*), which is specified as a protected species by Iida City.

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