

▶ Quality “Quick Shots”

▶ WHAT IS THIS CONFLICT ABOUT?

Conflict Minerals Legislation Affect on SEC Companies and Suppliers

World problems can have an affect on countries and companies that value freedom and human rights. In the Democratic Republic of Congo (DRC) rebels obtain their financing from the mining of certain rare minerals. These rebels use extreme violence that has created an emergency humanitarian situation in eastern DRC and the surrounding region.

In July 2010 President Obama signed into law legislation requiring companies that are on the Securities and Exchange Commission to report if their products contain metals that are derived from the “conflict minerals” coming from the DRC. The conflict metals include Tantalum, Tungsten, Tin, Gold and other metal specified by the Secretary of State.

The companies are required to disclose annually if their products were produced with conflict minerals that originated in the DRC or surrounding region. Since most products are made up of many parts and components, these companies must turn to their suppliers for this information.

▶ WHAT MATERIALS ARE INCLUDED?



- Tantalum
- Tungsten
- Tin
- Gold
- And other metals specified by the Secretary of State.

ORIGINS



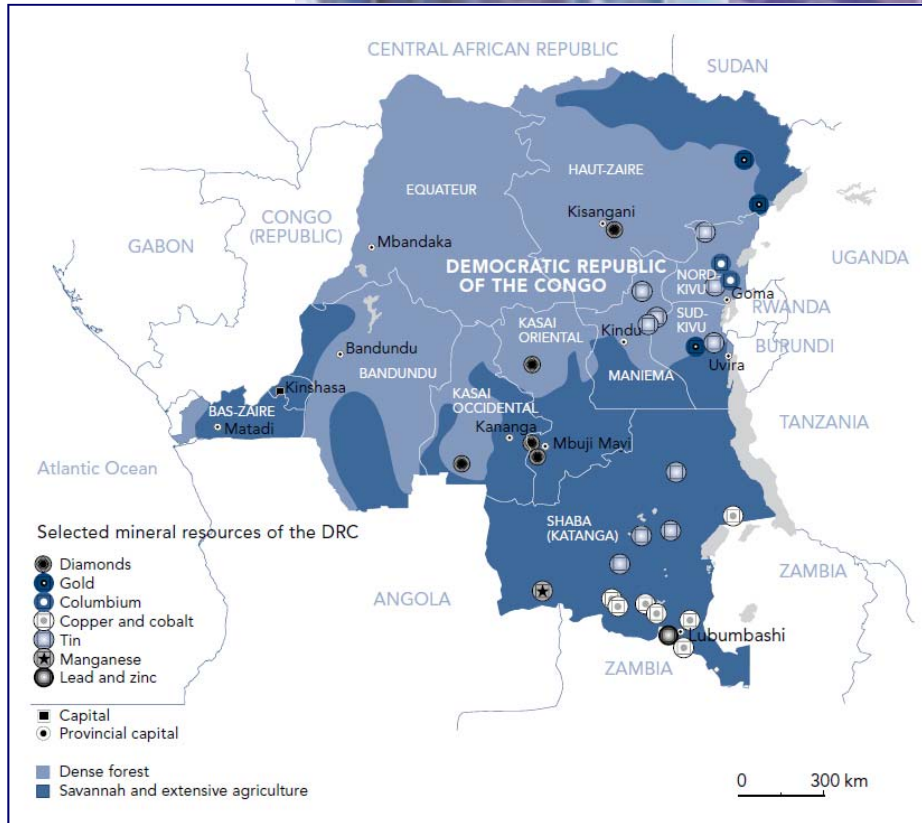
HOW IS OMRON RESPONDING TO THIS ISSUE?

Requests to Omron from some customers have been coming in for information on these conflict minerals. Omron in turn must also acquire this information from its suppliers. In December 2010 Omron management published a letter to its customers explaining its procedure for providing this information. The following are three steps Omron is doing to support this requirement for our customers.

1. Omron states in its sourcing policy that “We strictly comply with laws, ordinances, and social standards by maintaining a high level of morality.” Even though Omron is not in the scope of this new regulation, we will comprehend the contents and cooperate to make it effective.
2. However, identifying and verifying the origin of each product is very complicated and also it will cause strain on many companies. With that, we had to decide to wait until the details such as items must be investigated become clearer.
3. As a temporary measure, Monozukuri Innovation HQ will contact the suppliers to confirm the origin of the products containing conflict mineral and disclose the findings.

If any of your customers have questions about conflict minerals in Omron products pass that request to me. I will then get the latest information that we have on these conflict minerals in our products.

BREAKING IT DOWN—BY MAP & FLOW CHART



Congo's Conflict Minerals Supply Chain

