

Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2004

July 31, 2003

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

Omron Corporation

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Stock exchange listings: Tokyo, Osaka, Nagoya

Stock ticker number: 6645

1. Preparation of Summary of Quarterly Report

Standards used in preparation of financial statements: U.S. accounting standards

Change in accounting methods: Yes (Segment classifications changed in business segment information)

Changes in scope of consolidation and application of equity method: Yes

Consolidation: (New) 3 companies (Eliminated) 1 company

Equity method: (New) 1 company (Eliminated) 1 company

Involvement of certified public accountant or audit corporation: No

2. Results for the first quarter of Fiscal 2003 (April 1, 2003 to June 30, 2003)

(1) Sales and Income

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Income(Loss) before income tax (¥ million)	Year-on-year change (%)
Three months ended 6/03	134,382	14.9	9,886	—	9,967	—
Three months ended 6/02	116,909	(4.9)	(252)	—	(2,321)	—
(Ref.) Year ended 3/03	535,073		32,313		4,732	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Three months ended 6/03	6,067	—	24.98	24.32
Three months ended 6/02	(1,745)	—	(7.03)	—
(Ref.) Year ended 3/03	511		2.07	—

Note: Year-on-year change for net sales, operating income, Income(Loss) before income tax and net income is based on the first quarter of the previous fiscal year.

(2) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/total assets (%)	Shareholders' equity per share (¥)
Three months ended 6/03	567,792	260,927	46.0	1,074.41
Three months ended 6/02	530,320	289,930	54.7	1,167.92
(Ref.) Year ended 3/03	567,399	251,610	44.3	1,036.01

(3) Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash used in investing activities (¥ million)	Net cash provided by (used in) financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
Three months ended 6/03	14,192	(6,059)	(3,403)	84,378
Three months ended 6/02	12,690	(4,910)	10,198	85,677
(Ref.) Year ended 3/03	41,854	(30,633)	(1,996)	79,919

3. Projected Results for the first half of Fiscal 2003 (April 1, 2003 to September 30, 2003)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Net income per share (¥)
Six months ending 9/03	268,000	15,000	6,000	24.71

Note: Please see pages 3-4 of the attached materials regarding the above projected results.

Summary of Results for the first quarter of Fiscal 2003 (April 1, 2003 – June 30, 2003)

1. Consolidated results

(Millions of yen, %)

	Three months ended June 30, 2003	Three months ended June 30, 2002	Year-on-year change
Net sales	134,382	116,909	114.9%
Operating income [% of net sales]	9,886 [7.4%]	(252) [-0.2%]	— [+7.6 pts.]
Income (loss) before income taxes [% of net sales]	9,967 [7.4%]	(2,321) [-2.0%]	— [+9.4 pts.]
Net income (loss)	6,067	(1,745)	—
Earnings (loss) per share (basic) (¥) (Note 3)	24.98	(7.03)	+32.01

Notes:

1. Financial figures for the quarterly period are not audited or reviewed by an audit corporation.
2. The financial statements are prepared in accordance with U.S. GAAP.
3. Includes 134 consolidated subsidiaries and 10 affiliated companies accounted for by the equity method.

(Attachment)

2. Results of Operations and Financial Condition

Qualitative Information on Progress of Results of Operations (Consolidated)

Recently in the Japanese economy, the stock market surged unexpectedly, even as the economy remained burdened by financial issues such as nonperforming loans and excessive debt. As a result, concerns about the future outlook abated somewhat. In addition, there were signs of renewed optimism, in part because of the anticipation of recovery in the second half of the year due to the effect of a tax cut on the U.S. economy. However, a high unemployment rate and weak inclination to make capital investments continued, and a full-fledged economic recovery has yet to occur.

In these uncertain conditions, net sales of the Omron Group in Japan and overseas during the first quarter surpassed the level for the same period in the previous year. This was a result of support from positive trends in spite of a low level of domestic capital investment, as well as measures such as the introduction of new device-related and other products, and a market push in China.

Profits were substantially higher than in the same period in the previous year, as reductions of fixed costs and other benefits resulting from the Structural Reforms for Group Productivity that Omron has been implementing since last year began to appear.

Qualitative Information on Changes in Financial Condition (Consolidated)

In the first quarter, operating income increased significantly, and Omron made progress in collecting receivables from the end of the previous fiscal year. As a result, the Company achieved cash flow from operating activities sufficient to cover cash outflows such as capital expenditures and dividend payments.

As a result of these factors, Omron was able to maintain a sound financial position after making repayments of interest-bearing debt.

Qualitative Information on Results Forecast

Looking ahead at the Japanese economy, given the recent simultaneous rises in stock prices and long-term interest rates, the domestic economy cannot be said to be on a full-fledged recovery path, and Omron's business environment has not changed significantly. Additionally, in the global economy, despite positive elements such as the early eradication of SARS in China, the advance of global deflation remains a source of concern.

Based on this economic outlook, the Omron Group will again strive to achieve results in the second quarter that surpass the level of the same period in the previous year. In the first half of the fiscal year, the Industrial Automation Business, Electronic Components Business, Social Systems Business and Healthcare Business are forecast to achieve net sales surpassing initial projections. Income is projected to increase more than originally forecast, due to factors such as the effect of cost reductions from accomplishment of the structural reforms, and results for the first half of the fiscal year are projected to be as shown on the following page.

Once the Structural Reforms for Group Productivity are finished in the first half, Omron will begin tackling its future growth strategy and the next round of structural reforms under its new management structure.

In summary, Omron is in a position to improve its first-half results more than envisioned in the results forecast at the beginning of the fiscal year. However, with regard to the results forecast for the full fiscal year, given the uncertainty and sources of concern in the economic environment, at present Omron will not change the results forecast announced at the beginning of the period, but will work to achieve a level surpassing the forecast.

Effective August 1, 2003, Omron will reduce the number of shares in one investment unit to 100 shares from 1,000 shares at present.

(Attachment)

[Revision of Projected Figures for Consolidated Interim Results]

	Net Sales	Income (loss) before income taxes	Net income (loss)
Previously announced projection (A) (Announced May 8, 2003)	259,000	12,000	4,000
Revised projection (B)	268,000	15,000	6,000
Increase (decrease) (B-A)	9,000	3,000	2,000
Percentage increase (decrease)	3.5	25.0	50.0
Previous interim results (Six months ended Sept. 2002)	246,890	(12,728)	(9,726)

[Revision of Projected Figures for Non-Consolidated Interim Results]

	Net Sales	Ordinary income (loss)	Net income (loss)
Previously announced projection (A) (Announced May 8, 2003)	158,000	4,000	2,500
Revised projection (B)	166,000	8,000	4,500
Increase (decrease) (B-A)	8,000	4,000	2,000
Percentage increase (decrease)	5.1	100.0	80.0
Previous interim results (Six months ended Sept. 2002)	156,176	2,817	(7,807)

Projections of results and future developments are based on information available to the Company at the present time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. Major factors influencing Omron's actual results include, but are not limited to, (i) the economic conditions surrounding the Company's businesses in Japan and overseas, (ii) demand trends for the Company's products and services, (iii) the ability of the Omron Group to develop new technologies and new products, (iv) major changes in the fund-raising environment, (v) tie-ups or cooperative relationships with other companies, and (vi) movements in currency exchange rates and stock markets.

(Attachment)

3. Consolidated Quarterly Financial Statements

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2003		Three months ended June 30, 2002		Increase (Decrease)
Net sales	134,382	100.0%	116,909	100.0%	17,473
Cost of sales	81,186	60.4	76,453	65.4	4,733
Gross profit	53,196	39.6	40,456	34.6	12,740
Selling, general and administrative expenses	33,665	25.0	31,266	26.7	2,399
Research and development expenses	9,645	7.2	9,442	8.1	203
Operating income (loss)	9,886	7.4	(252)	(0.2)	10,138
Foreign exchange loss, net	373	0.3	923	0.8	(550)
Other expenses, net	(454)	(0.3)	1,146	1.0	(1,600)
Income (loss) before income taxes and minority interests and cumulative effect of accounting change	9,967	7.4	(2,321)	(2.0)	12,288
Income taxes	3,887	2.9	(574)	(0.5)	4,461
Minority Interests	13	0.0	(2)	(0.0)	15
Net income (loss)	6,067	4.5	(1,745)	(1.5)	7,812

Comprehensive income (loss) in addition to other comprehensive income (loss) in net income is as follows:

Three months ended June 30, 2003: ¥9,333 million
Three months ended June 30, 2002: (¥8,269 million)

Other comprehensive income (loss) includes changes in foreign currency translation adjustments, minimum pension liability adjustments, unrealized gain on available-for-sale securities, and unrealized loss on derivatives.

(Attachment)

Consolidated Balance Sheets

	As of June 30, 2003		As of June 30, 2002		As of March 31, 2003		Increase (Decrease)
ASSETS							
Current Assets:	284,988	50.2%	267,520	50.5	295,113	52.0	(10,125)
Cash and cash equivalents	84,378		85,677		79,919		4,459
Notes and accounts receivable - trade	99,744		87,871		110,111		(10,367)
Inventories	77,872		74,935		75,446		2,426
Other current assets	22,994		19,037		29,637		(6,643)
Property, Plant and Equipment	150,961	26.6	145,479	27.4	149,045	26.3	1,916
Investments and Other Assets:	131,843	23.2	117,321	22.1	123,241	21.7	8,602
Investments in and advances to associates	1,093		768		1,187		(94)
Investment securities	34,477		41,431		30,861		3,616
Other	96,273		75,122		91,193		5,080
Total Assets	567,792	100.0%	530,320	100.0%	567,399	100.0%	393

	As of June 30, 2003		As of June 30, 2002		As of March 31, 2003		Increase (Decrease)
LIABILITIES							
Current Liabilities:	140,264	24.7	123,030	23.2	151,577	26.7	(11,313)
Bank loans and current portion of long-term debt	30,942		31,215		30,945		(3)
Notes and accounts payable - trade	62,828		48,129		67,773		(4,945)
Other current liabilities	46,494		43,686		52,859		(6,365)
Long-Term Debt	40,713	7.2	39,353	7.4	40,315	7.1	398
Other Long-Term Liabilities	123,420	21.7	75,268	14.2	121,425	21.5	1,995
Minority Interests in Subsidiaries	2,468	0.4	2,739	0.5	2,472	0.4	(4)
Total Liabilities	306,865	54.0	240,390	45.3	315,789	55.7	(8,924)
SHAREHOLDERS' EQUITY							
Common stock	64,082	11.3	64,082	12.1	64,082	11.3	-
Additional paid-in capital	98,705	17.4	98,705	18.6	98,705	17.4	-
Legal reserve	7,553	1.3	7,660	1.5	7,619	1.3	(66)
Retained earnings	159,267	28.1	153,324	28.9	153,134	27.0	6,133
Accumulated other comprehensive loss	(56,643)	(10.0)	(31,887)	(6.0)	(59,909)	(10.6)	3,266
Treasury stock	(12,037)	(2.1)	(1,954)	(0.4)	(12,021)	(2.1)	(16)
Total Shareholders' Equity	260,927	46.0	289,930	54.7	251,610	44.3	9,317
Total Liabilities and Shareholders' Equity	567,792	100.0%	530,320	100.0%	567,399	100.0%	393

(Attachment)

Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2003	Three months ended June 30, 2002	Increase (Decrease)
Operating Activities:			
Net income (loss)	6,067	(1,745)	7,812
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	6,693	7,024	
Loss on impairment of investment securities and other assets	98	560	
Notes and accounts receivable - trade, net	12,505	23,640	
Inventories	(1,770)	(899)	
Notes and accounts payable - trade	(5,953)	(11,715)	
Other, net	(3,448)	(4,175)	
Total adjustments	8,125	14,435	(6,310)
Net cash provided by operating activities	14,192	12,690	1,502
Investing Activities:			
Capital expenditures	(8,239)	(5,331)	(2,908)
Net proceeds from sale and acquisition of businesses	512	—	512
Other, net	1,668	421	1,247
Net cash used in investing activities	(6,059)	(4,910)	(1,149)
Financing Activities:			
Increase (decrease) in interest-bearing debt	(2,158)	11,857	(14,015)
Dividends paid	(1,229)	(1,623)	394
Treasury stock	(16)	(36)	20
Net cash provided by (used in) financing activities	(3,403)	10,198	(13,601)
Effect of exchange rate changes on cash and cash equivalents	(271)	(3,080)	2,809
Net increase (decrease) in cash and cash equivalents	4,459	14,898	(10,439)
Cash and cash equivalents at beginning of the year	79,919	70,779	9,140
Cash and cash equivalents at end of the year	84,378	85,677	(1,299)

(Attachment)

4. Segment Information

1. Business Segment Information

Three months ended 6/30/03 (April 1, 2003-June 30, 2003)

(Millions of yen)

	Industrial Automation Business	Electronic Components Business	Automotive Electronic Component s Business	Social Systems Business	Healthcare Business	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	54,477	22,341	14,593	25,648	11,693	5,630	134,382	—	134,382
(2) Intersegment sales and transfers	1,714	5,219	210	2,028	6	12,849	22,026	(22,026)	—
Total	56,191	27,560	14,803	27,676	11,699	18,479	156,408	(22,026)	134,382
Operating expenses	48,093	23,444	14,447	28,362	9,781	18,540	142,667	(18,171)	124,496
Operating income (loss)	8,098	4,116	356	(686)	1,918	(61)	13,741	(3,855)	9,886

Three months ended 6/30/02 (April 1, 2002-June 30, 2002)

(Millions of yen)

	Industrial Automation Business	Electronic Components Business	Automotive Electronic Component s Business	Social Systems Business	Healthcare Business	Others	Total	Eliminations & Corporate	Consolidated
Net sales:									
(1) Sales to outside customers	46,940	19,718	13,738	17,859	10,108	8,546	116,909	—	116,909
(2) Intersegment sales and transfers	1,340	4,388	155	1,807	24	11,393	19,107	(19,107)	—
Total	48,280	24,106	13,893	19,666	10,132	19,939	136,016	(19,107)	116,909
Operating expenses	43,391	22,488	12,890	24,742	8,937	20,677	133,125	(15,964)	117,161
Operating income (loss)	4,889	1,618	1,003	(5,076)	1,195	(738)	2,891	(3,143)	(252)

Notes:

1. The Social Systems Solutions and Service Business Company and the Advanced Modules Business Company are included in the Social Systems Business
2. "Others" includes the Business Development Group and other divisions.

2. Area Segment Information

Three months ended 6/30/03 (April 1, 2003-June 30, 2003)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales:							
(1) Sales to outside customers	81,556	17,116	20,786	14,924	134,382	—	134,382
(2) Intersegment sales and transfers	19,762	55	185	9,653	29,655	(29,655)	—
Total	101,318	17,171	20,971	24,577	164,037	(29,655)	134,382
Operating expenses	91,718	15,815	19,226	22,856	149,615	(25,119)	124,496
Operating income	9,600	1,356	1,745	1,721	14,422	(4,536)	9,886

Three months ended 6/30/02 (April 1, 2002-June 30, 2002)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales:							
(1) Sales to outside customers	69,333	17,513	17,565	12,498	116,909	—	116,909
(2) Intersegment sales and transfers	16,767	52	141	7,863	24,823	(24,823)	—
Total	86,100	17,565	17,706	20,361	141,732	(24,823)	116,909
Operating expenses	87,376	15,850	16,701	19,597	139,524	(22,363)	117,161
Operating income	(1,276)	1,715	1,005	764	2,208	(2,460)	(252)

(Attachment)

5. Breakdown of Sales

Net sales by consolidated company

(Millions of yen)

	Three months ended June 30, 2003		Three months ended June 30, 2002		Increase (Decrease)
Industrial Automation Business	54,477	40.5%	46,940	40.2%	16.1%
Electronic Components Business	22,341	16.6	19,718	16.9	13.3
Automotive Electronic Components Business	14,593	10.9	13,738	11.7	6.2
Social Systems Business	25,648	19.1	17,859	15.3	43.6
Healthcare Business	11,693	8.7	10,108	8.6	15.7
Others	5,630	4.2	8,546	7.3	(34.1)
Total	134,382	100.0%	116,909	100.0%	14.9

Notes: The Social Systems Solutions and Service Business Company and the Advanced Modules Business Company are included in the Social Systems Business.

Projected net sales for six months ending September 30, 2003 by consolidated company

(Millions of yen)

	Projection for six months ending Sept. 30, 2003		Six months ended Sept. 30, 2002		Increase (Decrease)
Industrial Automation Business	109,000	40.7%	98,233	39.8%	11.0%
Electronic Components Business	44,000	16.4	38,904	15.8	13.1
Automotive Electronic Components Business	29,000	10.8	28,375	11.5	2.2
Social Systems Business	52,000	19.4	41,803	16.9	24.4
Healthcare Business	23,000	8.6	20,367	8.2	12.9
Others	11,000	4.1	19,208	7.8	(42.7)
Total	268,000	100.0%	246,890	100.0%	8.6

Notes: The Social Systems Solutions and Service Business Company and the Advanced Modules Business Company are included in the Social Systems Business.