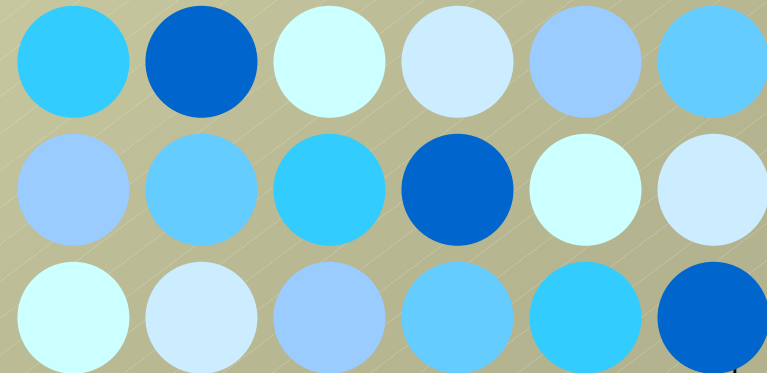




# Results for the Three Months Ended June 30, 2004

**July 30, 2004**

**OMRON Corporation**



# Contents

- 1. Results for the Three Months Ended June 30, 2004**
- 2. Forecast for the Six Months Ending Sept. 30, 2004**
- 3. Forecast for the Six Months Ending March 31, 2005**
- 4. Forecast for the Full Year Ending March 31, 2005**

**Notes:**

- 1. Quarterly financial information is not audited or reviewed by an auditing corporation.**
- 2. The financial statements are prepared in accordance with U.S. GAAP.**
- 3. Includes 136 consolidated subsidiaries and 13 affiliated companies accounted for by the equity method.**
- 4. 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.**

# Main Business Areas

<b>Business</b>	<b>Business Name</b>	<b>Abbreviation</b>	<b>Business Description</b>
<b>Control Equipment</b>	<b>Industrial Automation Business</b>	<b>IAB</b>	Manufacture and sale of control components for factory automation, etc.
<b>Electronic Components</b>	<b>Electronic Components Business</b>	<b>ECB</b>	Manufacture and sale of electronics components for home appliances, communications, mobile devices, etc.
<b>Automotive Electronic Components</b>	<b>Automotive Electronic Components Business</b>	<b>AEC</b>	Manufacture and sale of electronic components for automobiles
<b>Social Systems</b>	<b>Social Systems Business *</b>	<b>SSB</b>	Manufacture, sale and services for fund transfer (ATMs, etc.), public transportation (automated passenger gates, etc.) and traffic and road management systems
<b>Healthcare Equipment</b>	<b>Healthcare Business</b>	<b>HCB</b>	Manufacture and sale of medical devices (digital blood pressure monitors, etc.)
<b>Others</b>	<b>Business Development Group/Others</b>	<b>Others</b>	Exploration of new businesses, businesses not included in above

\* SSB consists of the Social Systems Solutions and Service Business Company (SSB) and the Financial Systems Business Company (FSB).

# **1 . Results for the Three Months Ended June 30, 2004**

Three months ended  
June 30, 2004

# Consolidated Statements of Income



**Net sales ¥147.9B, 110.1% YOY change due to global economic recovery**  
**Operating income ¥15.2B, 153.8% YOY change**

## Statements of Income

(Billions of yen)

	3 months ended June 2003	3 months ended June 2004	Year-on-year change %	3 months ended June 2004 Original budget	Comparison to budget %
Net sales	134.4	147.9	110.1%	147.5	100.3%
Gross profit	53.2	61.1	114.9%	59.3	103.1%
SG&A expenses	33.7	34.8	103.4%	36.7	94.8%
R&D expenses	9.6	11.1	115.1%	11.1	100.0%
Operating income	9.9	15.2	153.8%	11.5	132.2%
NIBT	10.0	15.1	151.3%	10.6	142.3%
NIAT	6.1	9.6	158.3%	-	-

## Currency Rate

(Yen)

US\$	119.6	108.4	-11.2	105.0	3.4
EUR	135.0	131.3	-3.7	125.0	6.3

Three months ended  
June 30, 2004

# Breakdown of Sales by Region and Business

**Approx. 110% YOY change on favorable domestic and overseas sales  
IAB particularly strong, with 117.4% YOY change**

(Billions of yen)

By Region	3 months ended June 2003	3 months ended June 2004	Year-on-year change %	3 months ended June 2004 Original budget	Comparison to budget %
Japan	78.3	86.0	109.8%	91.2	94.3%
Overseas*	56.0	61.9	110.5%	56.3	109.9%
<b>Total</b>	<b>134.4</b>	<b>147.9</b>	<b>110.1%</b>	<b>147.6</b>	<b>100.3%</b>
*Direct exports included in overseas					
By Business	Results	Results	%	Original budget	%
IAB	54.5	64.0	117.4%	59.7	107.2%
ECB	22.3	24.8	111.1%	23.9	103.8%
AEC	14.6	14.9	102.2%	14.5	102.7%
SSB	25.6	26.5	103.2%	32.7	80.9%
HCB	11.7	12.4	105.9%	11.7	105.5%
Others	5.6	5.4	95.2%	5.0	107.2%
<b>Total</b>	<b>134.4</b>	<b>147.9</b>	<b>110.1%</b>	<b>147.6</b>	<b>100.3%</b>

Responding to the new bills delayed to 2004

Three months ended  
June 30, 2004

# Breakdown of Operating Income

**IAB contributed strongly to the increase in income**  
**SSB: Responding to the new bills delayed to 2Q or thereafter**

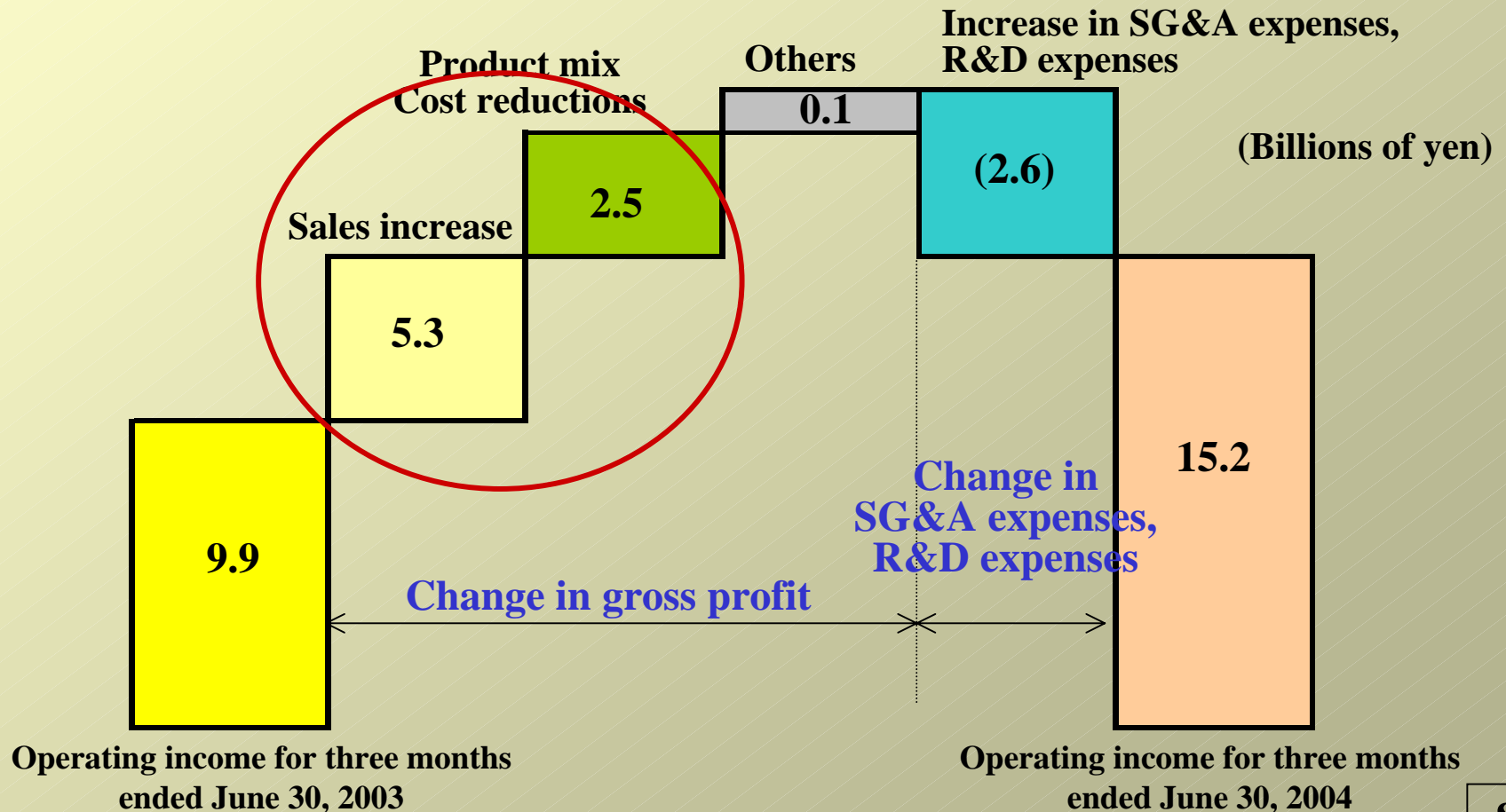
(Billions of yen)

By Business	3 months ended June 2003	3 months ended June 2004	Year-on-year change %	3 months ended Jun-04 Original budget	Comparison to budget %
IAB	8.1	12.7	157.1%	9.3	136.3%
ECB	4.1	4.3	104.5%	3.5	123.6%
AEC	0.4	-0.3	-	0.3	-
SSB	-0.7	0.1	-	2.2	5.5%
HCB	1.9	2.3	121.0%	1.8	131.8%
Others	-0.1	0.5	-	0.5	100.0%
HQ Cost / Elimination	-3.9	-4.5	117.0%	-6.1	73.5%
<b>Total</b>	<b>9.9</b>	<b>15.2</b>	<b>153.5%</b>	<b>115.0</b>	<b>13.2%</b>

Three months ended  
June 30, 2004

# Breakdown of Changes in Operating Income

## Contribution of increased sales in high-margin segments





Three months ended  
June 30, 2004

# Segment Information

## IAB (Industrial Automation Business)

**Manufacture and sale of control systems and equipment for factory automation and production machinery**  
**Industrial Components (Relays, Switches, Temperature Controllers, Timers, etc.)**  
**System Components (Programmable Logic Controllers, etc.)**  
**Sensors (Photoelectric/Proximity Sensors, Inspection Systems, etc.)**

(Billions of yen)

**Net sales ¥64.0B, growth in Japan and Greater China**  
**Operating income ¥12.7B, 157.1% YOY change**

Digital Panel Meter



Programmable Logic Controller



Inspection System



<b>IAB</b>	3 months ended June 2003	3 months ended June 2004	Year-on-year change %
Japan	26.2	32.3	123.2%
Overseas	28.3	31.7	112.1%
North America	5.2	5.0	95.7%
Europe	15.0	16.8	111.5%
Asia	3.4	2.8	81.9%
China	4.6	6.1	130.7%
Exports	0	1.1	3733.3%
<b>Total</b>	<b>54.5</b>	<b>64.0</b>	<b>117.4%</b>
<b>Operating income</b>	<b>8.1</b>	<b>12.7</b>	<b>157.1%</b>

Figure of Korean Sales subsidiary moved  
to exports

Three months ended  
June 30, 2004

# Segment Information

## ECB (Electronic Components Business)

Manufacture and sale of electronic components for home appliances, communications, mobile phones, amusement components, OA

Relays, Switches, Connectors, Sensors, Micro Lens Arrays, Customized ICs, IC Coins, Optical Switchs, etc.

**Net sales ¥24.8B, operating income ¥4.3B**  
**Strong sales for air conditioning, communications relays, mobile devices**

<b>ECB</b>	3 months ended June 2003	3 months ended June 2004	Year-on-year change %
Japan	12.5	12.4	99.8%
Overseas	9.9	12.4	125.5%
North America	2.8	2.6	90.9%
Europe	2.5	2.9	116.1%
Asia	1.1	1.4	124.6%
China	2.2	2.8	124.4%
Exports	1.2	2.7	230.3%
<b>Total</b>	<b>22.3</b>	<b>24.8</b>	<b>111.2%</b>
<b>Operating income</b>	<b>4.1</b>	<b>4.3</b>	<b>104.5%</b>

(Billions of yen)

FPC Connector



Optical Switch



B-MLA



Three months ended  
June 30, 2004

## Segment Information

### AEC (Automotive Electronic Components Business)

(Billions of yen)

**Manufacture and sale of automotive electronic components**  
Automotive Relays, Switches, Power, Automotive Laser Rader,  
Window Switches, Keyless Entry Systems,  
Electric Power Steering Controllers, etc.

**Net sales ¥14.9B, operating loss**  
**Slump in sales to certain major customers,**  
**difficult situation in North America**

Automotive Relay



Keyless Entry System



Automotive Laser Radar



AEC	3 months ended June 2003	3 months ended June 2004	Year-on-year change %
Japan	5.9	6.2	104.5%
Overseas	8.7	8.7	100.6%
North America	5.5	5.0	90.9%
Europe	1.0	1.1	109.2%
Asia	2.2	2.7	121.0%
China	0	0	-
Exports	0	0	-
<b>Total</b>	<b>14.6</b>	<b>14.9</b>	<b>102.2%</b>
<b>Operating income</b>	<b>0.4</b>	<b>-0.3</b>	

Three months ended  
June 30, 2004

# Segment Information

## SSB (Social Systems Business\*)

**Manufacture and sale of equipment/modules, and provision of solutions and services to the fields of finance, public transportation and traffic/road management**

Finance: ATMs, Cash Dispensers, Automated Bill Changers, etc.

Public Transportation : Passenger Gates, Ticket Venders, Fare Adjustment Systems, etc.

Traffic/Road Management: Signal Controllers, Road Management Devices, etc.

**Net sales ¥26.5B, positive operating income**  
**Public transportation sector strong,**  
**responding to the new bills delayed to 2Q**

<b>SSB</b>	<b>3 months ended June 2003</b>	<b>3 months ended June 2004</b>	<b>Year-on-year change %</b>
<b>Japan</b>	23.2	24.0	103.4%
<b>Overseas</b>	2.5	2.5	101.7%
<b>North America</b>	0.1	0	0.0%
<b>Europe</b>	0.3	0.2	58.5%
<b>Asia</b>	0	0	-
<b>China</b>	0.1	0	-
<b>Exports</b>	2.0	2.3	117.3%
<b>Total</b>	25.6	26.5	103.2%
<b>Operating income</b>	-0.7	0.1	-

(Billions of yen)

**Automatic Gate**



**ATM (Automated Teller Machine)**



**Traffic/Road Management System**



Three months ended  
June 30, 2004

# Segment Information

## HCB (Healthcare Business)

### Manufacture and sale of home and professional healthcare equipment

Digital Blood Pressure Monitors, Digital Thermometers, Nebulizers, Pedometers, Body Composition Monitors, Low Frequency wave treatment machines, Massagers, etc.

**Net sales ¥12.4B, operating income ¥2.3B**  
**Solid sales of blood pressure monitors,**  
**market share growth for body composition analyzers**

<b>HCB</b>	<b>3 months ended June 2003</b>	<b>3 months ended June 2004</b>	<b>Year-on-year change %</b>
<b>Japan</b>	5.1	5.9	114.6%
<b>Overseas</b>	6.6	6.5	99.0%
<b>North America</b>	3.5	3.6	100.5%
<b>Europe</b>	1.9	1.8	94.7%
<b>Asia</b>	0.4	0.4	101.1%
<b>China</b>	0.7	0.7	101.1%
<b>Exports</b>	0	0	-
<b>Total</b>	<b>11.7</b>	<b>12.4</b>	<b>105.8%</b>
<b>Operating income</b>	<b>1.9</b>	<b>2.3</b>	<b>121.0%</b>

(Billions of yen)

#### Blood Pressure Monitor



#### Body Composition Monitor



#### Nebulizer



## **2. Forecast for the Six Months Ending Sept. 30, 2004**

Six Months Ending  
Sept. 30, 2004

# Forecast of Consolidated Statements of Operations

**OMRON**  
Sensing tomorrow™

**Forecast: Net sales ¥300.0B (111% YOY change, about 104% vs. budget)  
Operating income ¥31.0B (about 144% YOY change, 124% vs. budget)**

## Statements of Operations

(Billions of yen)

	6 months ended Sept. 2003 Results	6 months ending Sept. 2004 Revised forecast	Year-on-year change %	6 months ending Sept. 2004 Original budget	Comparison to budget %
Sales	270.2	300.0	111.0%	289.0	103.8%
Gross profit	113.0	126.0	111.5%	119.0	105.9%
SG&A	71.0	72.0	101.4%	72.0	100.0%
R&D expenses	20.5	23.0	112.4%	22.0	104.5%
Operating income	21.5	31.0	143.9%	25.0	124.0%
NIBT	19.4	27.0	138.9%	21.0	128.6%
NIAT	7.7	16.0	207.8%	12.0	133.3%

## Currency Rate

(Yen)

US\$	118.1	107.0	-11.1	105.0	2.0
EUR	133.3	130.7	-2.6	125.0	5.7



Six Months Ending  
Sept. 30, 2004

# Forecast of Breakdown of Sales by Region and Business

**OMRON**  
Sensing tomorrow™

**Forecast: sales in Japan, both IAB and ECB to  
achieve double-digit YOY growth**

(Billions of yen)

By Region	6 months ended Sept. 2003 Results	6 months ending Sept. 2004 Revised forecast	Year-on-year change %	6 months ending Sept. 2004 Original budget	Comparison to budget %
Japan	159.6	181.0	113.4%	176.2	102.7%
Overseas	110.6	119.0	107.6%	112.8	105.5%
Total	270.2	300.0	111.0%	289.0	103.8%
By Business	Results	Revised forecast	%	Original budget	%
IAB	110.6	125.5	113.5%	118.0	106.4%
ECB	43.5	50.0	114.8%	49.0	102.0%
AEC	28.2	30.0	106.3%	30.0	100.0%
SSB	53.7	58.5	109.0%	57.0	102.6%
HCB	22.8	24.5	107.4%	23.5	104.3%
Other	11.4	11.5	101.3%	11.5	100.0%
Total	270.2	300.0	111.0%	289.0	103.8%



Six Months Ending  
Sept. 30, 2004

# Forecast of Consolidated Operating Income

**OMRON**  
Sensing tomorrow™

**IAB, ECB, HCB forecast to exceed budget on continued strength**  
**SSB: some new currency-related demand postponed to 2<sup>nd</sup> half**  
**AEC: difficulty expected in achieving plan**

(Billions of yen)

By Business	6 months ended Sept. 2003 Results	6 months ending Sept. 2004 Revised forecast	Year-on-year change %	6 months ending Sept. 2004 Original budget	Comparison to budget %
IAB	16.3	24.3	148.8%	18.7	129.9%
ECB	7.5	8.2	109.2%	7.0	117.1%
AEC	0.4	0.1	27.2%	1.1	9.1%
SSB	0.9	1.7	195.0%	2.5	68.0%
HCB	3.8	4.4	115.4%	3.6	122.2%
Others	1.9	1.3	68.1%	1.5	86.5%
HQ Cost/Eliminations	-9.2	-9.0	97.5%	-9.4	95.7%
<b>Total</b>	<b>21.6</b>	<b>31.0</b>	<b>143.8%</b>	<b>25.0</b>	<b>124.0%</b>

### **3. Forecast for the Six Months Ending March 31, 2005**

# Forecast of Consolidated Statements of Operations

**Forecast: Net sales ¥315.0B, operating income ¥29.0B according to budget  
Decrease by transfer of SSB financial business to JV covered by other businesses**

## Statement of Income

(Billions of yen)

	6 months ended March 2004 Results	6 months ending March 2005 Revised forecast	Year-on-year change %	6 months ending March 2005 Original budget	Comparison to budget %
Sales	314.7	315.0	100.1%	321.0	98.1%
Gross profit	127.1	126.0	99.2%	128.0	98.4%
SG&A	71.2	72.0	101.2%	72.0	100.0%
R&D expenses	26.0	25.0	96.1%	27.0	92.6%
Operating income	29.9	29.0	97.1%	29.0	100.0%
NIBT	28.6	29.0	101.6%	29.0	100.0%
NIAT	19.1	18.0	94.2%	17.0	105.9%

## Currency Rate

US\$	108.3	105.0	-3.3	105.0	0.0
EUR	131.0	130.0	-1.0	125.0	5.0

Six Months Ending  
March 31, 2005

# Forecast of Breakdown of Sales by Region and Business

**OMRON**  
Sensing tomorrow™

**Decrease in sales due to transfer of SSB financial business to JV  
Other businesses generally according to budget, except AEC**

(Billions of yen)

By Region	6 months ended March 2004 Results	6 months ending March 2005 Revised forecast	Year-on-year change %	6 months ending March 2005 Original budget	Comparison to budget %
Japan	201.5	192.5	95.5%	194.8	98.8%
Overseas	113.2	122.5	108.2%	126.2	97.1%
Total	314.7	315.0	100.1%	321.0	98.1%
By Business	Results	Revised forecast	%	Original budget	%
IAB	119.0	124.0	104.2%	121.0	102.5%
ECB	45.4	58.5	128.7%	58.0	100.9%
AEC	30.6	32.0	104.6%	32.5	98.5%
SSB	82.3	56.5	68.6%	68.0	83.1%
HCB	24.2	27.0	111.8%	26.0	103.8%
Other	13.1	17.0	129.5%	15.5	109.7%
Total	314.7	315.0	100.1%	321.0	98.1%

Six Months Ending  
March 31, 2005

# Forecast of Consolidated Operating Income

**OMRON**  
Sensing tomorrow™

**Overall consolidated operating income expected to be according to budget  
IAB: continued strong sales forecast; SSB: expected to exceed budget  
due to new currency-related demand from public transport sector**

(Billions of yen)

By Business	6 months ended March 2004 Results	6 months ending March 2005 Revised forecast	Year-on-year change %	6 months ending March 2005 Original budget	Comparison to budget %
IAB	17.9	20.7	115.9%	18.9	109.5%
ECB	7.1	9.0	127.0%	9.2	97.8%
AEC	0.7	1.4	209.0%	1.8	77.8%
SSB	9.5	3.4	35.8%	2.2	154.5%
HCB	3.3	4.3	128.5%	4.8	89.6%
Others	1.9	2.0	106.8%	2.5	81.2%
HQ Cost/Eliminations	-10.5	-11.8	112.7%	-10.4	113.8%
Total	29.9	29.0	97.1%	29.0	100.0%

## **4. Forecast for the Year Ending March 31, 2005**

# Forecast of Consolidated Statements of Operations

**Both sales and income expected to set new records  
ROE=11.3% if net income reaches ¥34.0B**

(Billions of yen)

## Statement of Income

	Year ended March 2004 Results	Year ending March 2005 Revised forecast	Year-on-year change %	Year ending March 2005 Original budget	Comparison to budget %
Sales	584.9	615.0	105.1%	610.0	100.8%
Gross profit	240.1	252.0	105.0%	247.0	102.0%
SG&A	142.2	144.0	101.3%	144.0	100.0%
R&D expenses	46.5	48.0	103.2%	49.0	98.0%
Operating income	51.4	60.0	116.7%	54.0	111.1%
NIBT	48.0	56.0	116.7%	50.0	112.0%
NIAT	26.8	34.0	126.8%	29.0	117.2%

## Currency Rate

**ROE forecast = 11.3%**

US\$	113.4	106.1	[7.3]	105.0	1.1
EUR	132.4	130.3	[2.1]	125.0	5.3

Year Ending  
March 31, 2005

# Forecast of Breakdown of Sales by Region and Business

**OMRON**  
Sensing tomorrow™

**Almost all regions and businesses expected to meet original sales budget, except for sales decrease on transfer of SSB financial business to JV**

(Billions of yen)

By Region	Year ended March 2004 Results	Year ending March 2005 Revised forecast	Year-on-year change %	Year ending March 2005 Original budget	Comparison to budget %
Japan	361.1	373.5	103.4%	371.0	100.7%
Overseas	223.8	241.5	107.9%	239.0	101.0%
<b>Total</b>	<b>584.9</b>	<b>615.0</b>	<b>105.1%</b>	<b>610.0</b>	<b>100.8%</b>
By Business	Results	Revised forecast	%	Original budget	%
IAB	229.6	249.5	108.6%	239.0	104.4%
ECB	89.0	108.5	121.9%	107.0	101.4%
AEC	58.8	62.0	105.4%	62.5	99.2%
SSB	136.0	115.0	84.6%	125.0	92.0%
HCB	47.0	51.5	109.7%	49.5	104.0%
Other	24.5	28.5	116.4%	27.0	105.6%
<b>Total</b>	<b>584.9</b>	<b>615.0</b>	<b>105.1%</b>	<b>610.0</b>	<b>100.8%</b>



Year Ending  
March 31, 2005

# Forecast of Consolidated Operating Income

**OMRON**  
Sensing tomorrow™

**Major contribution from substantial increase in IAB income  
All other businesses except AEC expected to achieve original income budget**

(Billions of yen)

By Business	Year ended March 2004 Results	Year ending March 2005 Revised forecast	Year-on-year change %	Year ending March 2005 Original budget	Comparison to budget %
IAB	34.2	45.0	131.6%	37.6	119.7%
ECB	14.6	17.2	117.8%	16.2	106.2%
AEC	1.0	1.5	144.6%	2.9	51.7%
SSB	10.4	5.1	49.2%	4.7	108.5%
HCB	7.2	8.7	121.5%	8.4	103.6%
Others	3.8	3.3	87.6%	4.0	83.2%
HQ Cost/Eliminations	-19.7	-20.8	105.6%	-19.8	105.2%
<b>Total</b>	<b>51.4</b>	<b>60.0</b>	<b>116.7%</b>	<b>54.0</b>	<b>111.1%</b>

Aiming for the best match between humans and machines



**OMRON Corporation**

