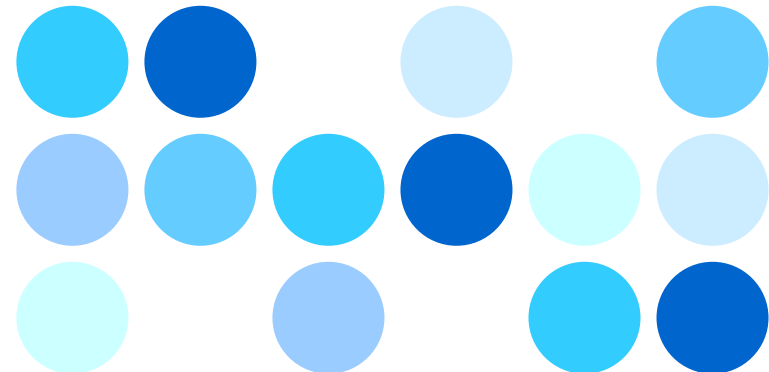
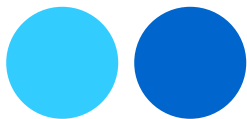


OMRON Corporation

**Results for the fiscal year
ended March 31, 2005 (FY2004)
Business plan for the year
ending March 31, 2006 (FY2005)**

April 28, 2005



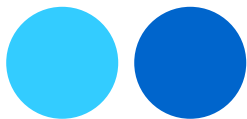


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(Reference)	
Medium-Term Management Plan to Fiscal Year 2007	P36

Notes:

- 1. The financial statements are prepared in accordance with U.S. GAAP.**
- 2. Includes 142 consolidated subsidiaries and 17 affiliated companies accounted for by the equity method.**
- 3. 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.**

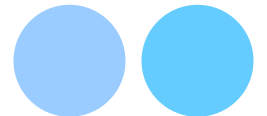


Main Business Areas

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

•The ATM businesses were transferred to Hitachi-Omron Terminal Solutions, Corp.(Joint Venture company: HITACHI:55% OMRON 45%) on October 1, 2004

1. Executive Summary



The business objective of phase 2 of Grand Design 2010(GD2010) is
Balancing sales growth & earnings, Double the Total Business Value

Results for FY2004

- FY2004 was the first year of GD2010 Phase 2
- Surpassed record high income of previous year, third consecutive year of sales and income growth
Net sales ¥608.6 billion Operating income ¥56.1 billion
- Sales growth excluding a extraordinary factor of the ATM business was 108%
(Sales of the ATM and other information equipment businesses transferred to JV on October 2004 :
FY2003 ¥47.3b FY2004 ¥27.0b)
IAB,ECB, HCB achieved approx. 10% sales growth
- EPS(Result) 126.5 yen FY 2004 dividends will increase to 24 yen Dividend payout ratio 19%

Plan for FY2005

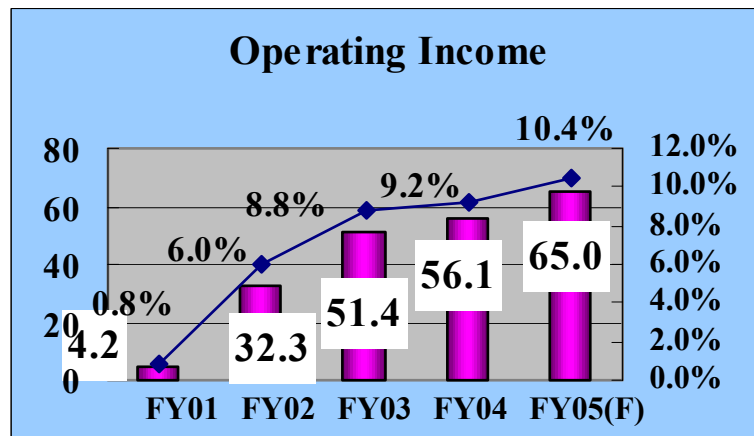
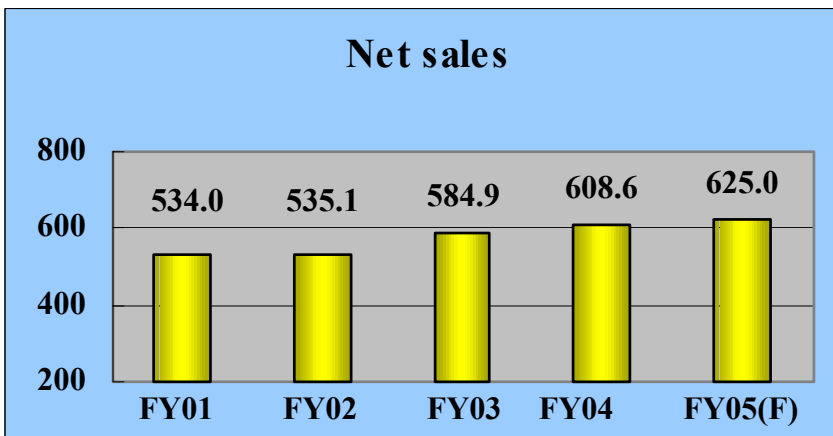
- FY2005 is the second year of GD2010 Phase 2
- Expect to achieve 4th consecutive year of sales and income growth
Net sales ¥625.0 billion Operating income ¥65.0 billion
- The forecast of sales growth excluding a extraordinary factor of the ATM business is 107%
Sales expected to increase approx. 10% in all business segments except SSB
- Extraordinary factors influencing operating income :
 - a. Sales decrease due to ATM business transfer to JV : ¥ - 4.0 billion
 - b. Response to hazardous chemical substance regulations : ¥ -4.3 billion
 - c. Income on return to government of a portion of the public pension managed by company : ¥ + 9.0 billion
- EPS (Forecast) 151.3 yen Keep dividends at 24 yen in FY 2005 Dividend payout ratio 16%

Progress of Medium-term Management Plan

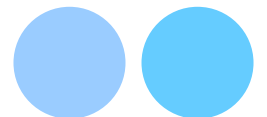
- Total business value at the end of March 2005 was about ¥850b
- Business value as calculated by Omron is on track for the target of GD2010 Phase 2

Expect to 4th consecutive year of sales and income growth and to achieve new record of sales

	FY2001	FY2002	FY2003	FY2004	FY2005(F)
	(billion yen)				
Net sales	534.0	535.1	584.9	608.6	625.0
Gross profit	180.5	207.7	240.1	249.8	256.0
Operating income	4.2	32.3	51.4	56.1	65.0
Operating income margin	0.8%	6.0%	8.8%	9.2%	10.4%
NIAT	-15.8	0.5	26.8	30.2	36.0
EPS (Yen)	-63.50	2.07	110.66	126.52	151.25
	(billion yen)				
Exchange Rate					
USD	125.7	122.1	113.4	107.3	100.0
EUR	110.9	121.1	132.4	135.0	130.0



2. Results for the Fiscal Year Ended March 31, 2005



Net sales: ¥608.6b, Operating income ratio: 9.2%
Third consecutive year of sales and income growth

Statements of Income

(billion yen)

	FY2003	FY2004	YoY Change	FY2004	Change from Previous Forecasts % (2)/(3)
	(1)	(2)	% (2)/(1)	Previous Forecast*	
Net sales	584.9	608.6	104.1%	610.0	99.8%
Gross profit	240.1	249.8	104.0%	250.0	99.9%
SG&A expense	142.2	144.2	101.4%	144.0	100.2%
R&D expense	46.5	49.4	106.3%	49.0	100.9%
Operating income	51.4	56.1	109.2%	57.0	98.4%
NIBT	48.0	52.5	109.5%	53.5	98.2%
NIAT	26.8	30.2	112.6%	31.0	97.3%

Exchange Rate

(Yen)

US\$	113.4	107.3	-6.1	106.1	1.2
EUR	132.4	135.0	2.6	134.4	0.6

*Previous forecasts released on January 31, 2005

**IAB, ECB, AEC, HCB achieved approx. 10% sales growth
Basically in line with our previous forecasts**

By Region	FY2003	FY2004	YoY Change	FY2004	(billion yen) Change from previous forecasts
	(1)	(2)	(2)/(1) %	Previous Forecasts* (3)	(2)/(3) %
Japan	361.1	366.1	101.4%	369.5	99.1%
Overseas **	223.8	242.5	108.4%	240.5	100.8%
Total	584.9	608.6	104.1%	610.0	99.8%

**Overseas includes direct exports

By Business	(1)	(2)	(2)/(1)	(3)	(2)/(3) %
IAB	229.6	250.3	109.0%	249.0	100.5%
ECB	89.0	101.1	113.6%	103.0	98.2%
AEC	58.8	64.6	109.7%	63.5	101.7%
SSB	136.0	115.2	84.7%	116.5	98.9%
HCB	47.0	50.6	107.7%	51.0	99.2%
Others	24.5	26.8	109.4%	27.0	99.2%
Total	584.9	608.6	104.1%	610.0	99.8%

*Previous forecasts released on January 31, 2005

Breakdown of Operating Income

**IAB,ECB achieved a large income increase
Basically in line our previous forecasts**

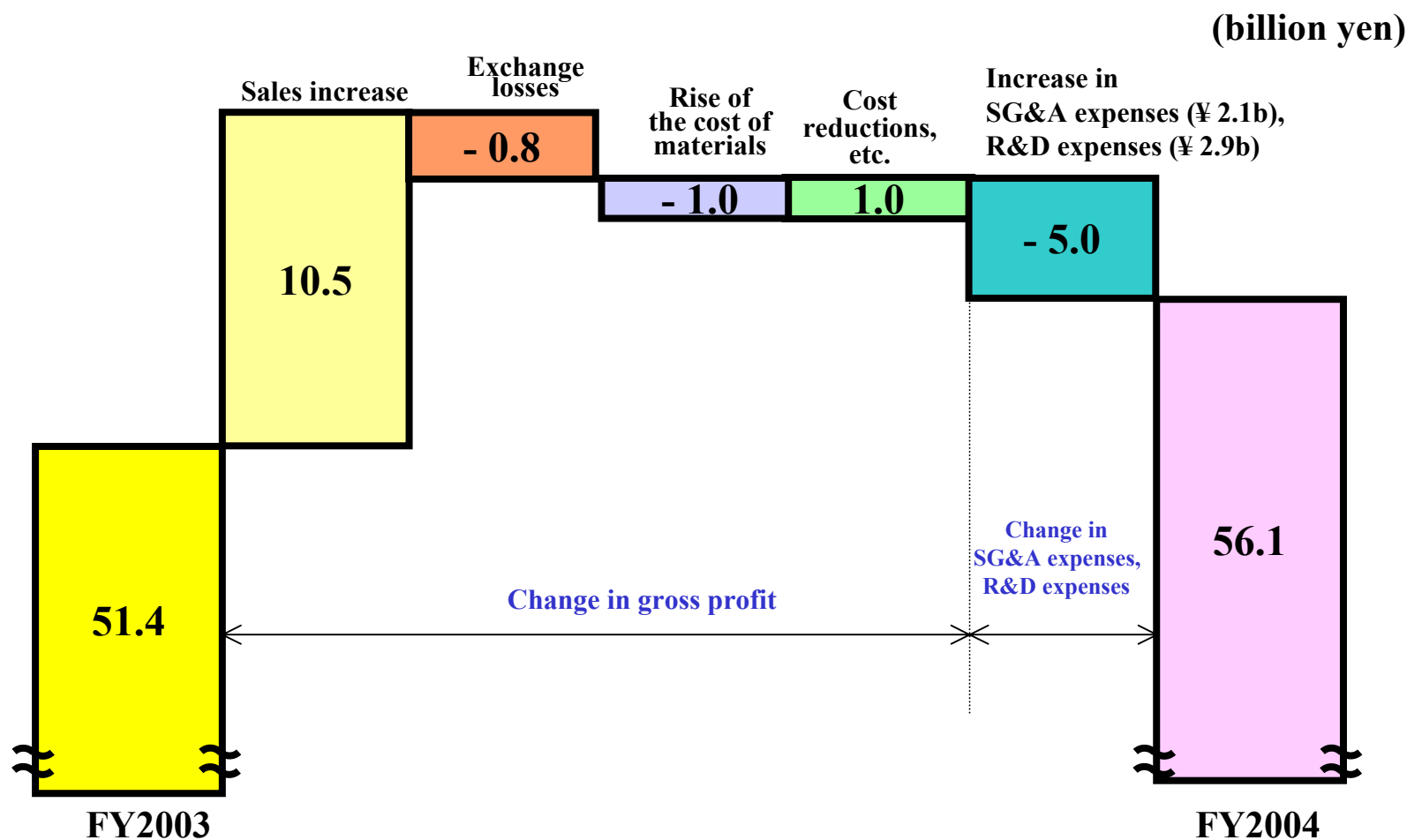
(billion yen)

By Business	FY2003 (1)	FY2004 (2)	YoY Change % (2)/(1)	FY2004 Previous Forecasts* (3)	Change from Previous Forecasts * % (2)/(3)
IAB	34.2	41.4	121.2%	41.5	99.8%
ECB	14.6	16.1	110.1%	16.5	97.4%
AEC	1.0	-0.9	—	0.3	—
SSB	10.4	6.4	62.0%	6.9	93.2%
HCB	7.2	7.6	106.2%	8.0	95.2%
Others	3.8	3.8	99.8%	2.2	169.2%
HQ Cost/Eliminations	-19.7	-18.4	93.0%	-18.4	99.6%
Total	51.4	56.1	109.2%	57.0	98.4%

*Previous forecasts released on January 31, 2005

Breakdown of Changes in Operating Income

**Sales growth was the major factor in gross profit increase;
¥4.7b YOY increase in operating income**



Manufacture and sale of control systems and equipment for factory automation and production machinery

Industrial Components (Temperature Controllers, Relays, Switches, Timers, counters, etc.)

System Components (Programmable Logic Controllers, Motion Controllers, etc.)

Sensors (Photoelectric/Proximity Sensors, Base Inspection Systems, etc.)

**Net sales : ¥250.3b ; Operating income ratio : 16.6% ;
Sales growth in Japan and Europe**

Smart Sensor



Programmable Logic Controller



Base Inspection System



(billion yen)

IAB	FY2003	FY2004	YoY change %
Japan	117.1	130.2	111.1%
Overseas	112.5	120.1	106.8%
North America	19.6	20.3	103.9%
Europe	60.7	65.6	108.2%
Asia	13.6	10.4	76.3%*
Greater China	18.4	19.5	105.9%
Exports	0.3	4.3	1672.1%*
Total	229.6	250.3	109.0%
Operating income	34.2	41.4	121.2%

*Figures for Korean sales subsidiary moved to exports (in 1st half)

Segment Information

ECB (Electronic Components Business)

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

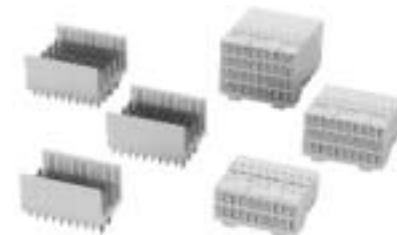
Relays, Switches, Connectors, Sensors, Micro Lens Arrays, Customized ICs, IC Coins, Optical Communications Devices, etc.

**Net sales: ¥101.1b; Operating income ratio: 15.9%;
Strong sales of mobile devices in Greater China and exports**

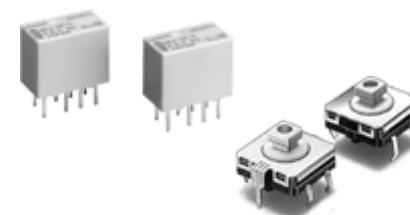
(billion yen)

ECB	FY2003	FY2004	YoY change %
Japan	47.5	51.8	109.2%
Overseas	41.5	49.3	118.7%
North America	10.5	9.5	90.7%
Europe	10.4	12.0	115.4%
Asia	5.0	5.6	111.2%
Greater China	9.1	11.6	126.4%
Exports	6.6	10.7	163.6%
Total	89.0	101.1	113.6%
Operating income	14.6	16.1	110.1%

ZD Connector



Relay, Switch



B-MLA



Manufacture and sale of automotive electronic components

Automotive Relays, Sensors, Laser Radars, Power Window Switches, Keyless Entry Systems, ECU, etc.

Net sales : ¥64.6b ; Operating income ratio : negative due to the aggressive investment for quality improvement and new product development ; Strong sales in Europe and Asia

Automotive Relay



Keyless Entry System



Automotive Laser Radar



(billion yen)

AEC	FY2003	FY2004	YoY change %
Japan	24.8	26.0	104.6%
Overseas	34.0	38.6	113.5%
North America	20.9	21.0	100.7%
Europe	4.0	5.4	134.4%
Asia	8.8	11.9	135.5%
Greater China	0.0	0.0	—
Exports	0.3	0.3	85.4%
Total	58.8	64.6	109.7%
Operating income	1.0	-0.9	—

Segment Information

SSB (Social Systems Business*)

Manufacture and sale of equipment/modules, and provision of solutions and services in 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 Systems, etc.

**Net sales :¥115.2b ; Operating income ratio :5.6% ;
Sales and income decrease due to ATM business transfer to JV
and subsiding demand from new bank note**

Automatic Gate



Ticket Vending Machine



Traffic/Road Management System



(billion yen)

SSB	FY2003	FY2004	YoY change %
Japan	126.4	108.6	85.9%
Overseas	9.6	6.6	68.7%
North America	0.2	0.2	85.7%
Europe	0.9	0.4	40.6%
Asia	0.0	0.0	27.9%
Greater China	0.4	0.0	3.9%
Exports	8.0	6.0	74.6%
Total	136.0	115.2	84.7%
Operating income	10.4	6.4	62.0%

*The ATM businesses are included in results through September 30, 2004

Segment Information

HCB (Healthcare Business)

Manufacture and sale of home and professional healthcare equipment

Digital Blood Pressure Monitors, Digital Thermometers, Pedometers, Body Composition Analyzers (Body-fat Analyzers), Electronic Pulse Massagers, Chair Massagers, etc.

**Net sales : ¥50.6b ; Operating income ratio : 15.1% ;
Sales of blood pressure monitors and body composition
analyzers (body-fat analyzers) continued very strong**

(billion yen)

HCB	FY2003	FY2004	YoY change %
Japan	21.3	23.1	108.2%
Overseas	25.7	27.5	107.3%
North America	13.3	14.6	109.4%
Europe	8.3	8.9	106.5%
Asia	1.2	1.4	117.3%
Greater China	2.7	2.6	95.0%
Exports	0.1	0.1	107.4%
Total	47.0	50.6	107.3%
Operating income	7.2	7.6	106.4%

Blood Pressure Monitor



Body Composition Analyzer



Portable Electrocardiograph



Consolidated Balance Sheets

**Redemption of approx. ¥30.0b in convertible bonds at the end of Sept. 2004, etc.
reduced cash and cash equivalents and short- & long-term debt;
Stockholder's equity : over ¥300b Capital ratio: 52.2%**

(billion yen)

	FY2002	FY2003	FY2004
Total Assets	567.4	592.3	585.4
Cash and cash equivalents	79.9	95.1	80.6
Notes and accounts receivable - trade	110.1	122.1	121.7
Inventories	75.5	70.3	68.6
Other current assets	29.7	28.8	25.0
Other assets	272.3	276.1	289.5
Total Liabilities	315.8	317.6	279.6
Bank Loans / Current portion of L/T debt	31.0	45.5	22.9
Long-term debt	40.3	11.2	1.8
Other liabilities	244.6	260.9	254.9
Shareholders' Equity	251.6	274.7	305.8

FY2004 Capital ratio (Stockholder's equity / Total assets) : 52.2%

**Redemption of approx. ¥30.0b in convertible bonds in Sept., etc.
increased cash out in financial activities**

(billion yen)

	FY2001	FY2002	FY2003	FY2004
Net cash provided by operating activities	33.7	41.9	80.7	61.1
Net cash used in investing activities	-40.1	-30.6	-34.5	-36.1
Free cash flow	-6.4	11.3	46.2	25.0
Net cash used in financing activities	12.1	2.0	-28.1	-40.7
Effect of exchange rate changes	3.6	-0.1	-2.9	1.2
Net increase (decrease)	-14.8	9.1	15.1	-14.4
Cash and cash equivalents at end of the period	70.8	79.9	95.1	80.6

3. Business Plan for the Year Ending March 31, 2006



FY 2005 Policy

Achieving a robust profit structure

Basic stance

Milestones for achieving second-phase goals
Accelerating unceasing promotion of structural reform
Achieving sales and profit increases
Implementing aggressive investments wherever necessary

Operating Environment

IAB	<ul style="list-style-type: none"> • Inventory adjustment of digital consumer electronic will accelerate in Japan. • Favorable capital investment in automotive industries in Japan, overseas markets will remain strong
ECB	<ul style="list-style-type: none"> • Despite a business slowdown in Japan and overseas due to inventory adjustment, in economic recovery is projected for the second half of FY2005.
AEC	<ul style="list-style-type: none"> • Global automobile unit production is trending upward. • Sales growth expected to become more dependent on electronic controls for automobile
SSB	<ul style="list-style-type: none"> • Decrease due to subsiding demand of new bank note • Growth from stronger demand for making cards IC-compatible
HCB	<ul style="list-style-type: none"> • Market of blood pressure monitors and body composition monitors will continue very strong • Growth in North America's market

Exchange Rate

(Yen)

	FY 2004 Actual	FY 2005 Est.
US \$	107.3	100.0
EUR	135.0	130.0

Consolidated Income Statements Forecast

Expect to achieve 4th consecutive year of sales and income growth.
Sales and income expected to set new records, with operating income
ratio over 10%

(billion yen)

	FY 2003	FY2004	FY2005 Forecast	YoY Change %
Net sales	584.9	608.6	625.0	102.7%
Gross profit	240.1	249.8	256.0	102.5%
SG&A	142.2	144.2	150.0	104.0%
R&D	46.5	49.4	50.0	101.1%
Operating income	51.4	56.1	65.0	115.8%
NIBT	48.0	52.5	63.0	119.9%
NIAT	26.8	30.2	36.0	119.3%
ROE	10.2%	10.4%	10.8%	+0.4P

Sales Forecast by Region and Business

Sales growth forecast excluding the ATM business:
107% (Japan 104% overseas 112%)
Sales growth in the AEC and ECB segments will be over 10%.

(billion yen)

By Region	FY2003	FY2004	FY2005 Forecast	YoY Change %
Japan	361.1	366.1	358.0	97.8%
Overseas	223.8	242.5	267.0	110.1%
Total	584.9	608.6	625.0	102.7%

**Overseas includes direct exports

By Business	FY2003	FY2004	FY2005	%
IAB	229.6	250.3	267.5	106.9%
ECB	89.0	101.1	114.0	112.7%
AEC	58.8	64.6	72.0	111.5%
SSB	136.0	115.2	91.0	79.0%
HCB	47.0	50.6	54.0	106.8%
Others	24.5	26.8	26.5	98.9%
Total	584.9	608.6	625.0	102.7%

Forecast of Consolidated Operating Income

Continued strong growth forecast for IAB, ECB and HCB;
Profit growth forecast for AEC
Income expected to set new record including of return of substitutional portion

(billion yen)

By Business	FY2003	FY2004	FY2005 Forecast	YoY Change %
IAB	34.2	41.4	42.0	101.4%
ECB	14.6	16.1	16.0	99.6%
AEC	1.0	-0.9	2.5	—
SSB	10.4	6.4	3.0	46.7%
HCB	7.2	7.6	8.5	111.5%
Others	3.8	2.8	2.0	52.6%
HQ Cost/Eliminations	-19.7	-18.4	*-9.0	49.0%
Total	51.4	56.1	65.0	115.8%

* HQ Cost/Eliminations is included income on return to the government of portion of the public pension managed by the company

• From FY 2005, business companies' operating income margin will decrease from 0.2 - 0.6% due to a partial transfer of HQ costs.

Forecast for Capital Expenditures and Depreciation

Strengthening core business such as IAB with capital investment;
Particularly strong investment in high potential AEC

(billion yen)

	FY2003	FY2004	FY2005 (Forecast)
IAB	7.3	8.8	10.0
ECB	7.1	9.1	10.0
AEC	9.0	7.6	11.5
SSB	3.2	4.1	3.5
HCB	1.9	2.1	1.8
Other	9.5	5.8	5.2
Total capital expenditures	38.0	37.4	42.0
Depreciation	27.7	28.6	30.0

Response to hazardous chemical substance regulations will be completed by the end of March, 2006. The cost increase will be ¥2.8b compared with the previous year, and we will accelerate elimination of toxics.

Cost of response to regulated chemicals

FY2004 ¥1.5 billion  **FY2005 (Forecast) ¥4.3 billion**

Examples of OMRON's measures

Elimination of toxics in manufacturing process

- Free solder of lead
- Free electroplated contact of relays and switches of cadmium

Elimination of toxics in purchased parts

- Free plating for prevention of rust of hexavalent chromium

Constructing a mechanism for incorporating environmental protection in the development and design phase

Extraordinary factor influencing operating income
Income on return to government of a portion of the public pension managed by company

Business Plan for Year
Ending Mar. 31, 2006

Return of substitutional portion of pension reduced PBO* by ¥ 90.8b,
Forecast income of return of substitutional portion : ¥ 9.0b

*PBO: Projected Benefit Obligation
(Discount rate 2.0%)

Pension before return
of substitutional portion (3/31/05)

Approx. ¥ 90.8b decrease

Pension after return of substitutional
portion (as base of 3/31/05, assumption)

Allowance for
retirement benefits
(on balance sheet)
¥ 112.0b

Pension assets ¥ 121.1b	PBO ¥ 244.8b
Retirement benefits (Net recognized on income statement) ¥ 36.2b	Unrecognized on income statement ¥ 87.5b
Retirement benefits (Add'l on balance sheet, etc.) ¥ 75.8b	

Approx. ¥ 9.0b
decrease

Allowance for
retirement benefits
(on balance sheet)
Approx. ¥ 49.0b

Approx. ¥ 63.0b decrease

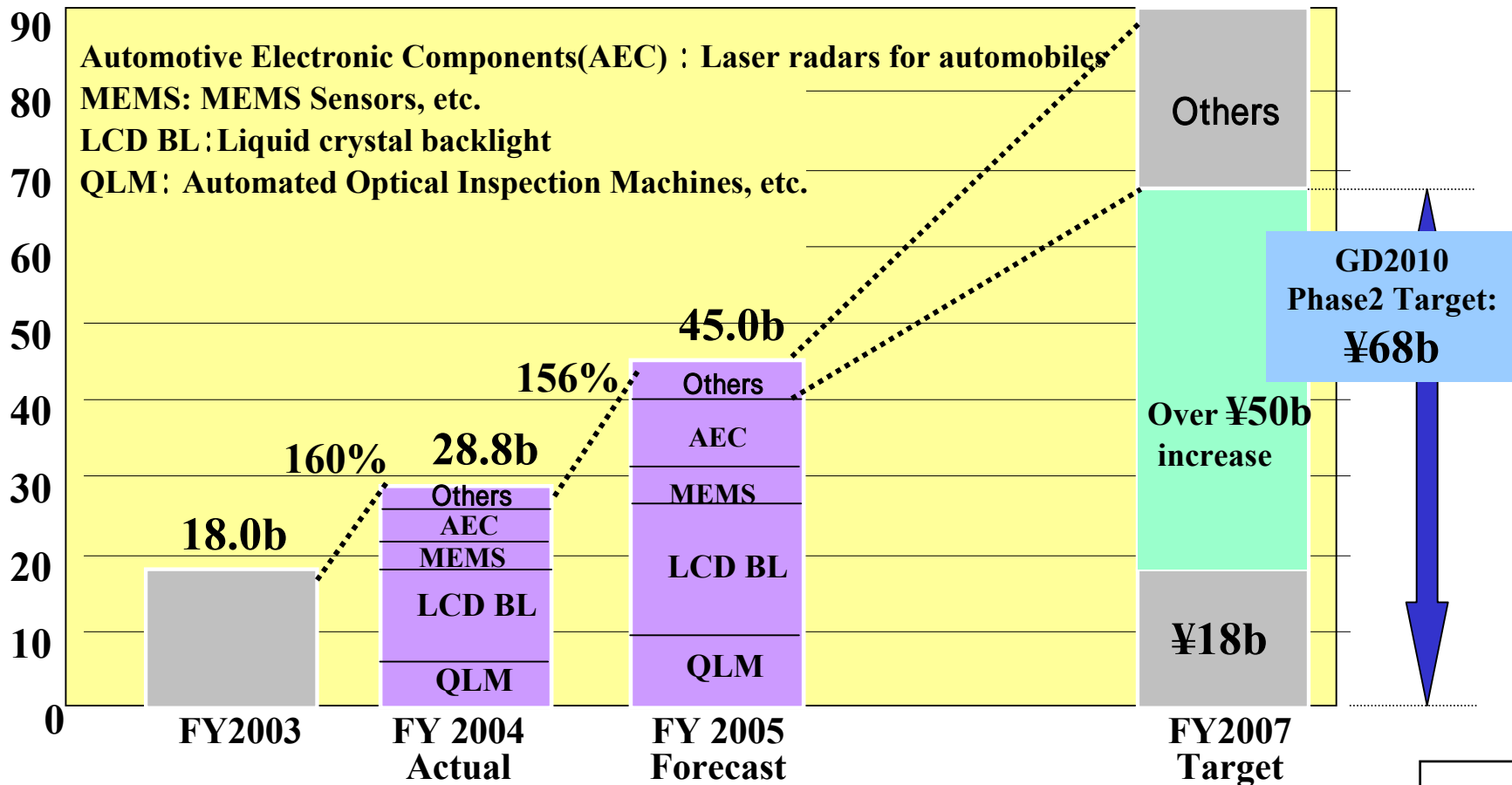
Pension assets Approx. ¥ 78.0b	PBO Approx. ¥ 154.0b
Retirement benefits (Net recognized on income statement) Approx. ¥ 27.0b	Unrecognized on income statement Approx. ¥ 49.0b
Retirement benefits (Add'l on balance sheet, etc.) Approx. ¥ 22.0b	

Progress of Key Strategic Themes

Sales Growth in New Tech Fields

Forecast sales in new tech fields is ¥45b in FY2005
Sales growth will be continuously over 50% toward the FY2007 target

(billion yen)

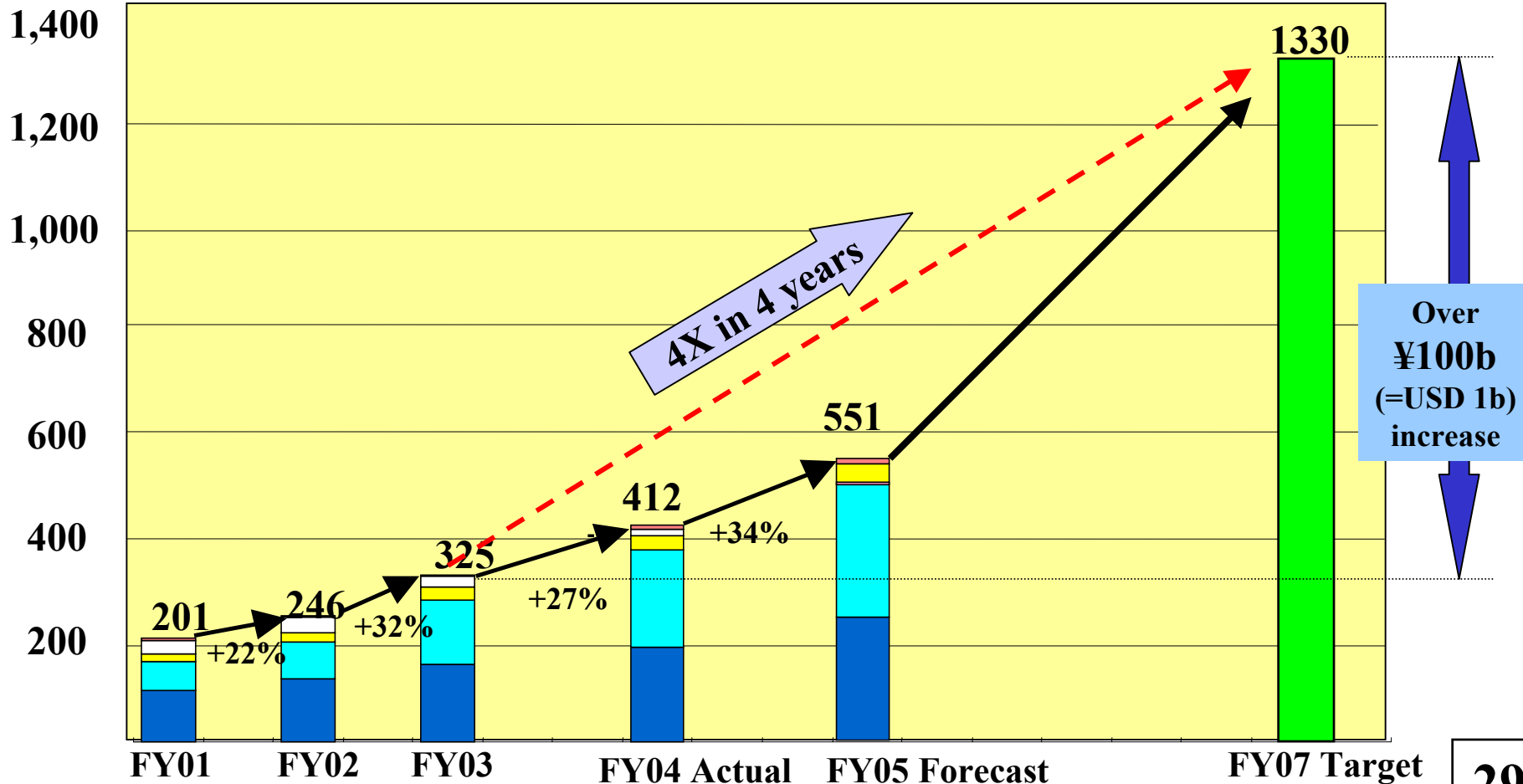


Progress of Key Strategic Themes

Sales Growth in Greater China

Forecast sales growth in Greater China is USD551m in FY2005
Aiming at USD1330m sales in FY2007

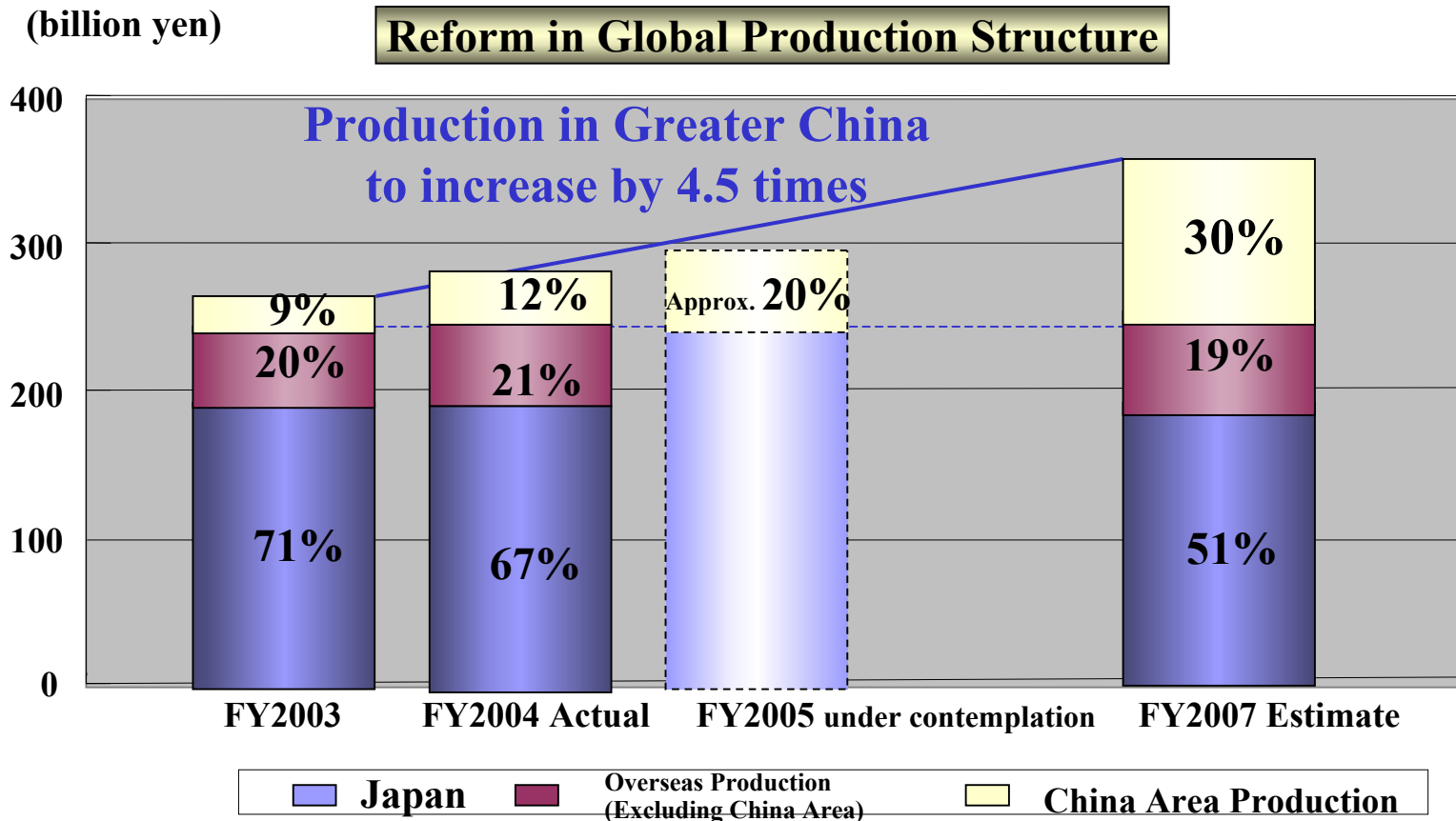
(million USD)



Progress of Key Strategic Themes

Global Production Reform

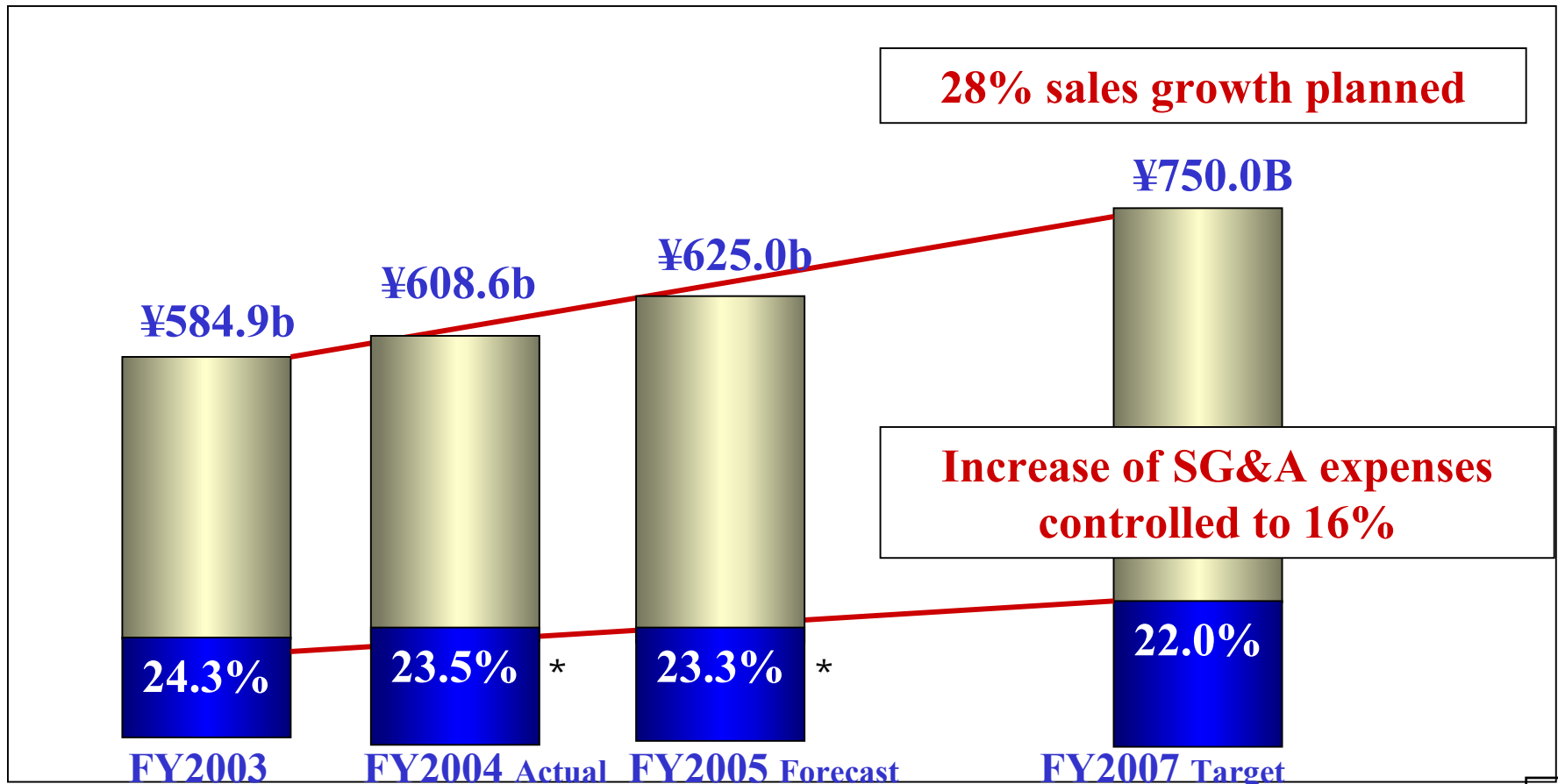
Continue the shift manufacturing to Greater China, to achieve the goal of reducing consolidated manufacturing cost ratio to 15%; The production in Greater China is expanding in FY2005, to reach approx.30% in FY 2007



Progress of Key Strategic Themes

SG&A Expenses Reform

Toward target of SG&A expense ratio of 22.0% in FY2005
Continuously reduce SG&A expense in business and headquarters section



* Excluding extraordinary factor of response to hazardous chemical substance regulations in FY2004 and FY2005

Sales growth near double digits to meet target in FY 2007.

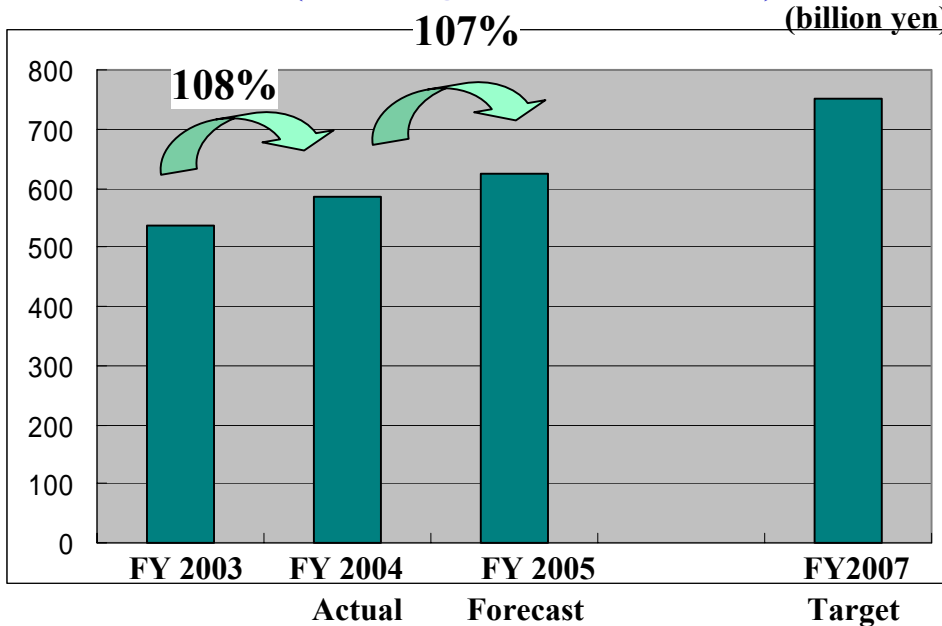
Sales growth excluding the ATM business :

108% (FY2004 Actual) , 107%(FY2005 Forecast)

Net sales

(excluding the ATM business)

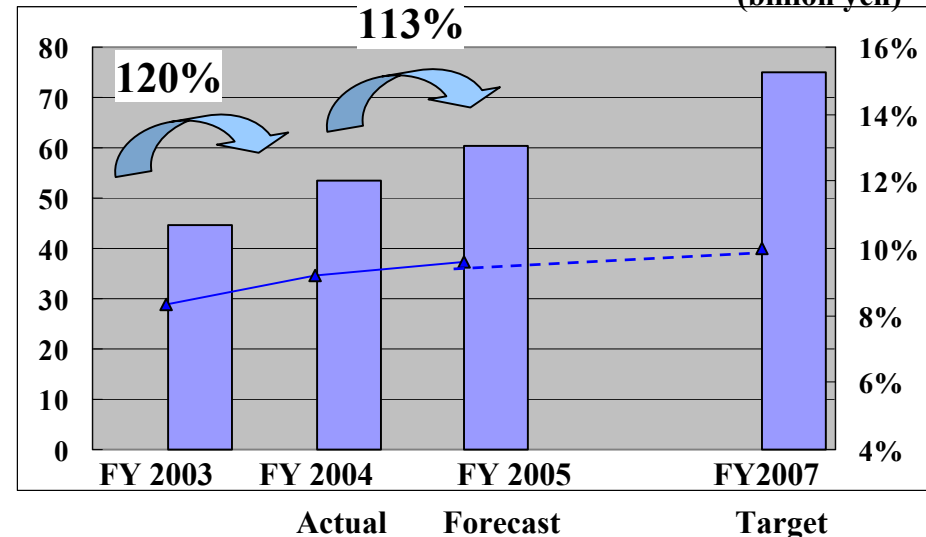
(billion yen)



Operating income

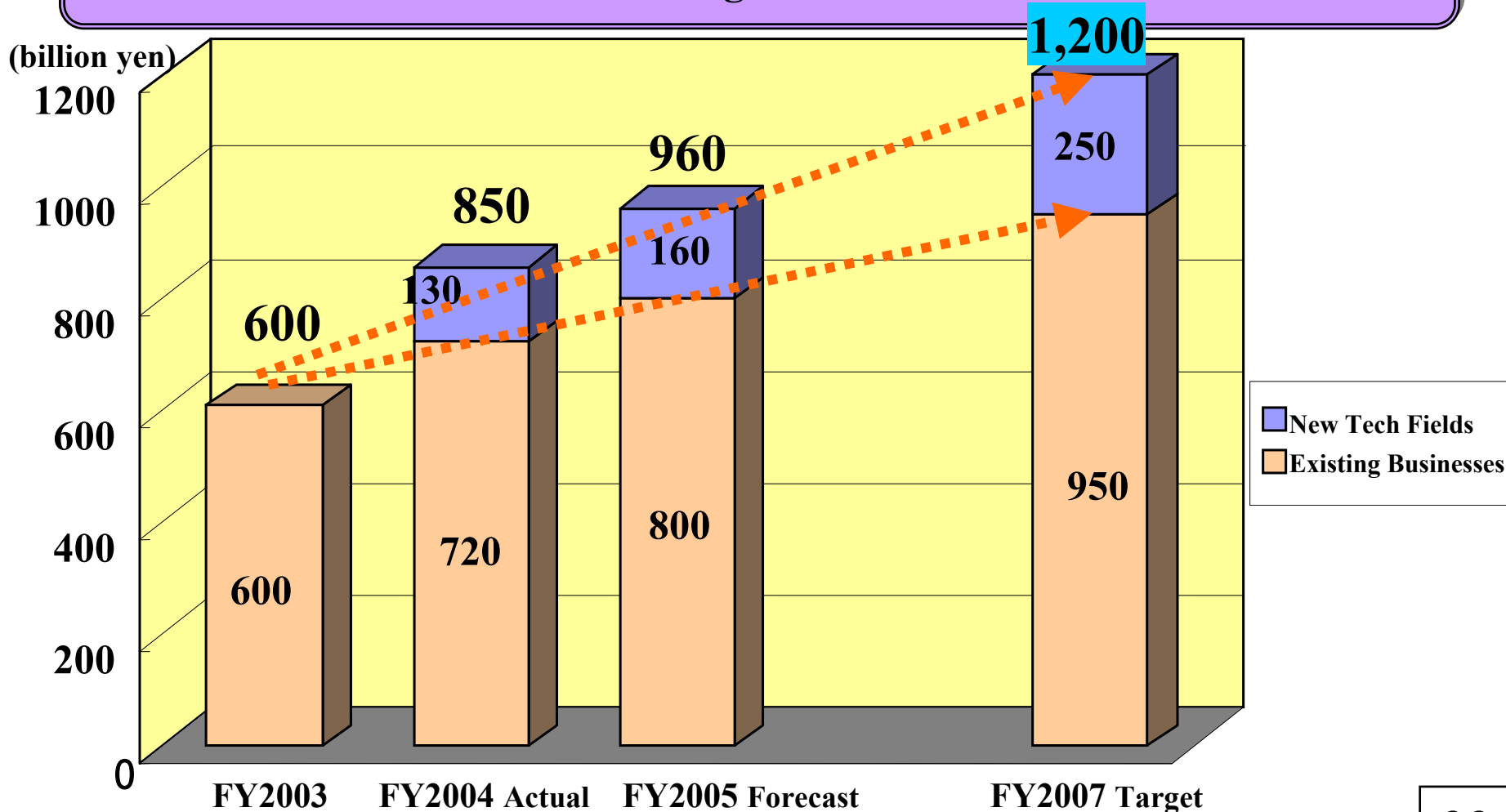
(excluding the ATM business, response to hazardous chemical substance regulations and income on return to government of a portion of the public managed by company)

(billion yen)



Progress of Medium-Term Plan “Double the Total Business Value”

Business value as calculated by Omron is on track
for the target of GD2010.





4. Basic Policy on Distribution of Profits

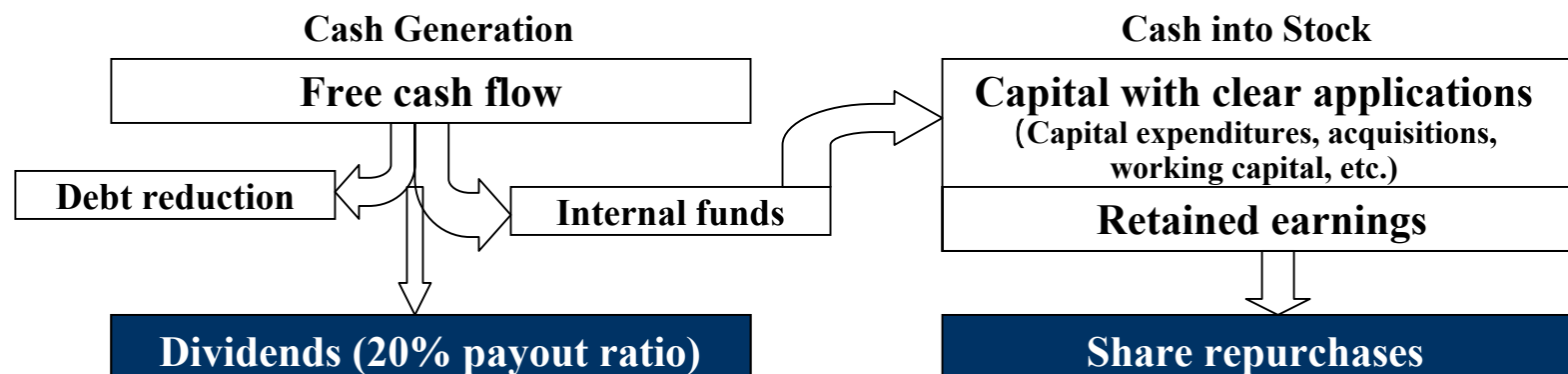


Basic Policy on Distribution of Profits

**Omron will increase cash dividends for FY 2004 to 24 yen per share.
Expect to keep cash dividends at 24 yen per share in FY 2005.**

Basic Policy on Distribution of Profits

1. Place top priority internal funds for growth investments to raise corporate value
2. Return surplus earnings to shareholders to the extent possible after considering the free cash flow level
3. Target payout ratio of approx. 20% of consolidated net income for annual dividends; however, in the event of a downturn in results, maintain a stable, long-term annual dividend of ¥10
4. Over the long-term, use retained earnings to flexibly provide returns to shareholders, including share repurchases



(Reference)

Excerpt from the materials of presentation on Feb. 1, 2005

Medium-Term Management Plan to Fiscal 2007



“Small but Global”
Omron should be recognized as a global leading company

GD2010

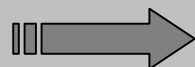
Management Objectives:
Maximizing long-term corporate value

By FY2010

**To become a high-growing company
with rigid profitability base**

Goal in the 1st stage

**To establish a structure of high profitability,
and achieve ROE 10% as of 03/2005**



ROE 10.2% was achieved as of 03/2004

The 2nd stage goal is directly linked to “maximizing corporate value” :
“Double the Total Business Value”

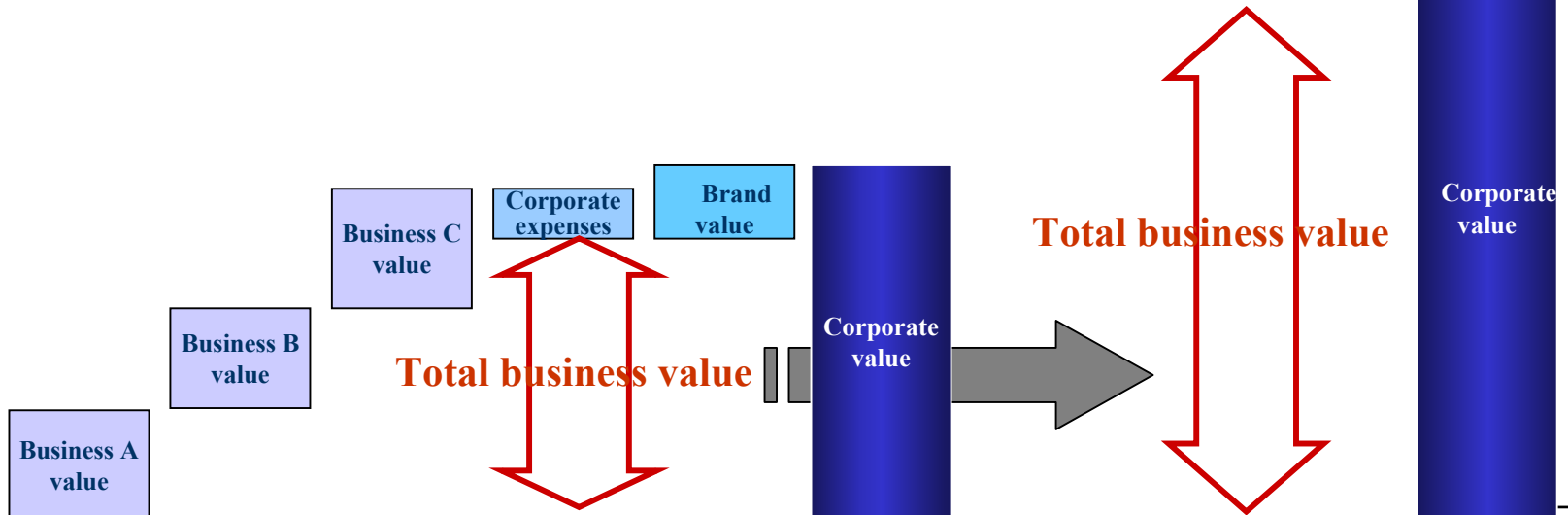
GD2010 Long-Term Management Objectives

Maximizing long-term corporate value

Enhancing brand value

Medium-Term Management Goal (FY07)

Double the Total Business Value of FY03



**A business value of ¥250b is created in new technological fields,
and the business value in existing fields increases to ¥950b**

FY 2003

Total business value: ¥600b

FY 2007

Total business value: ¥1,200b

<Scenario for New Technological Fields>

<Scenario for Existing + China Market>

Generate ¥250b business value

**Increase business value to ¥950b
(1.6 times that of FY2003)**

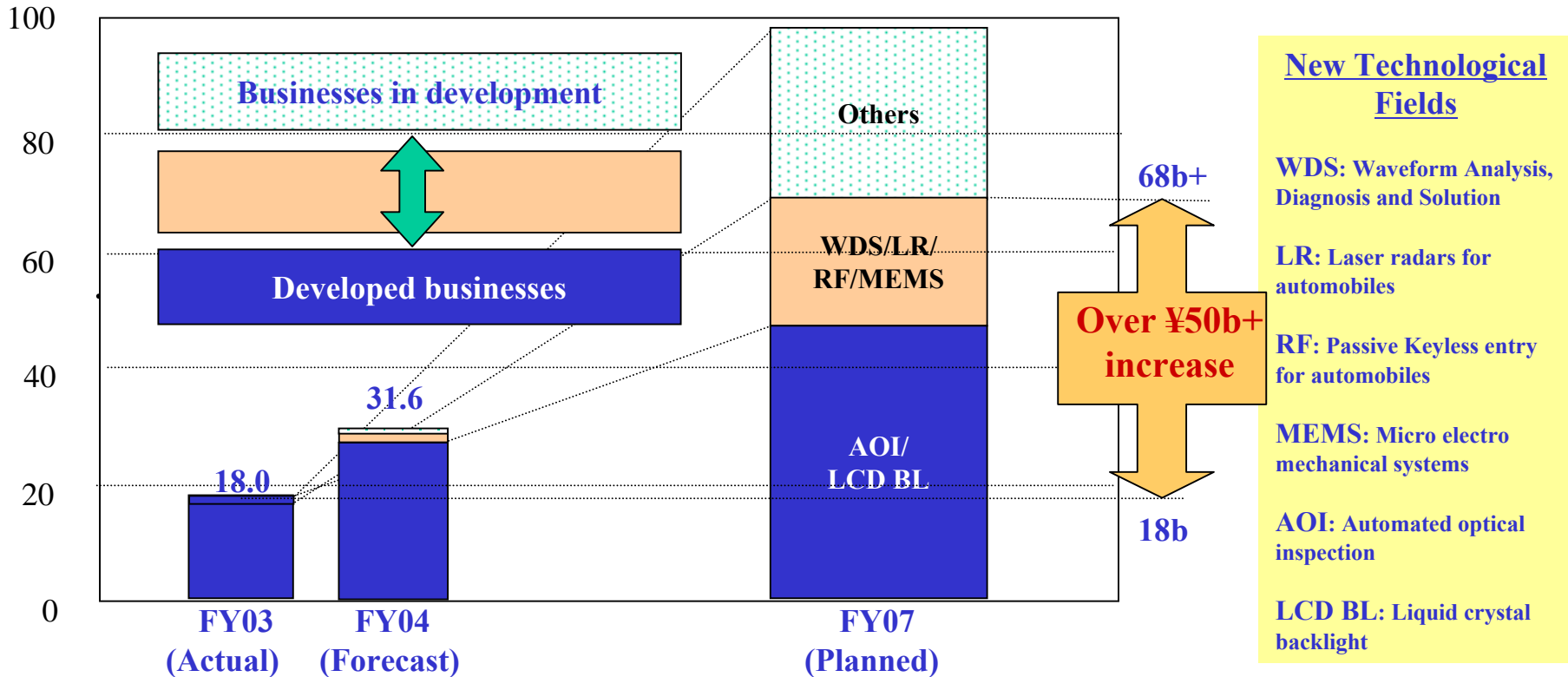
Establish new business areas that generate
over ¥68b sales and over 20% FCF growth
(Structural Reform in Business Domains)

Sales expansion over ¥100b in Greater
China area=
Structural Reform in Business Domains

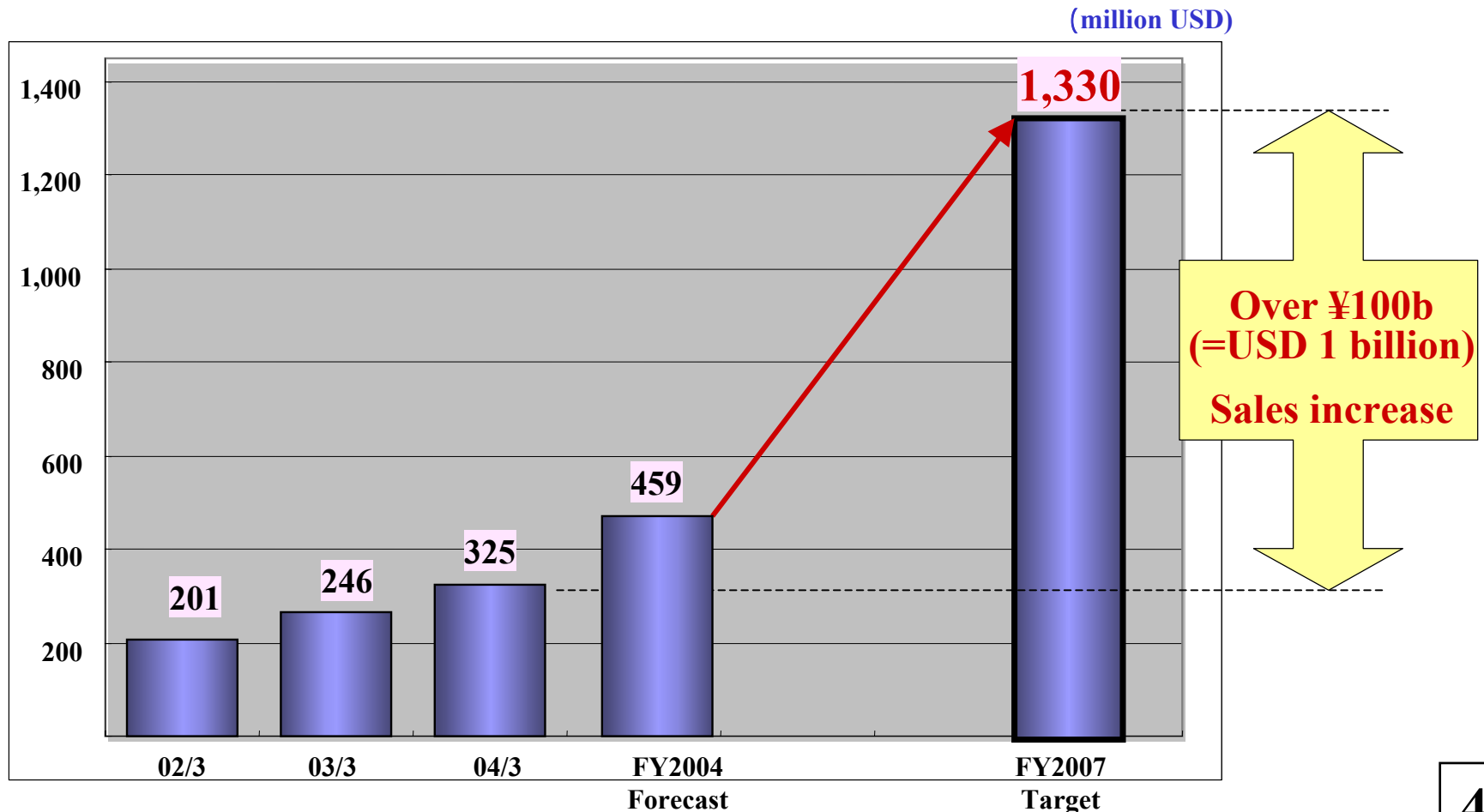
Profitability improvement in existing
area by executing of
Operational Structural Reform

Aiming at ¥50b sales increase from FY03 based on our unique technologies and products, most of which are already launched in the market and established a track record

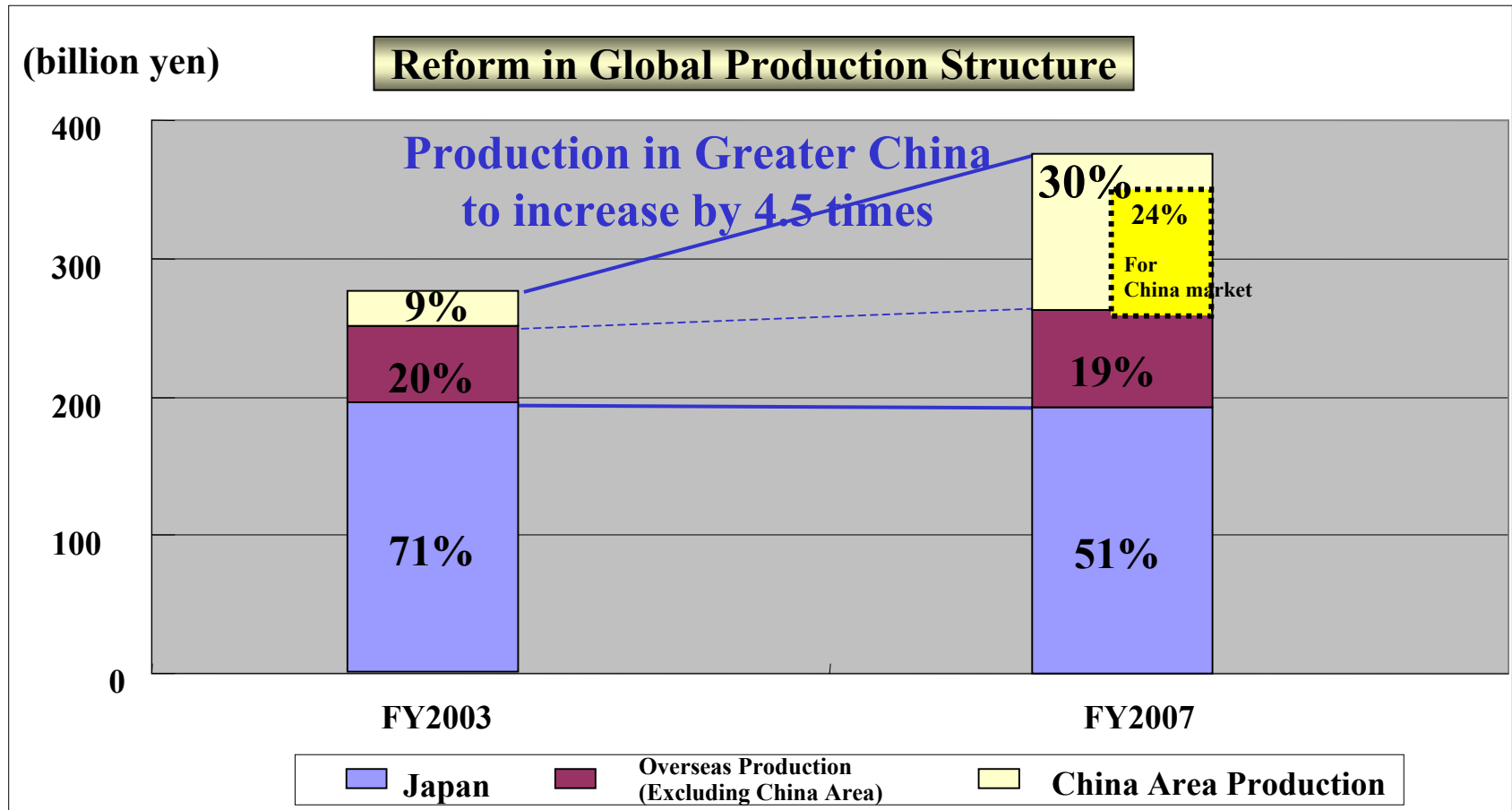
(billion yen)



**Generate additional ¥10b OP by achieving about ¥100b sales increase
from FY2003 in Greater China
(Structural Reform #2 in Business Domain)**

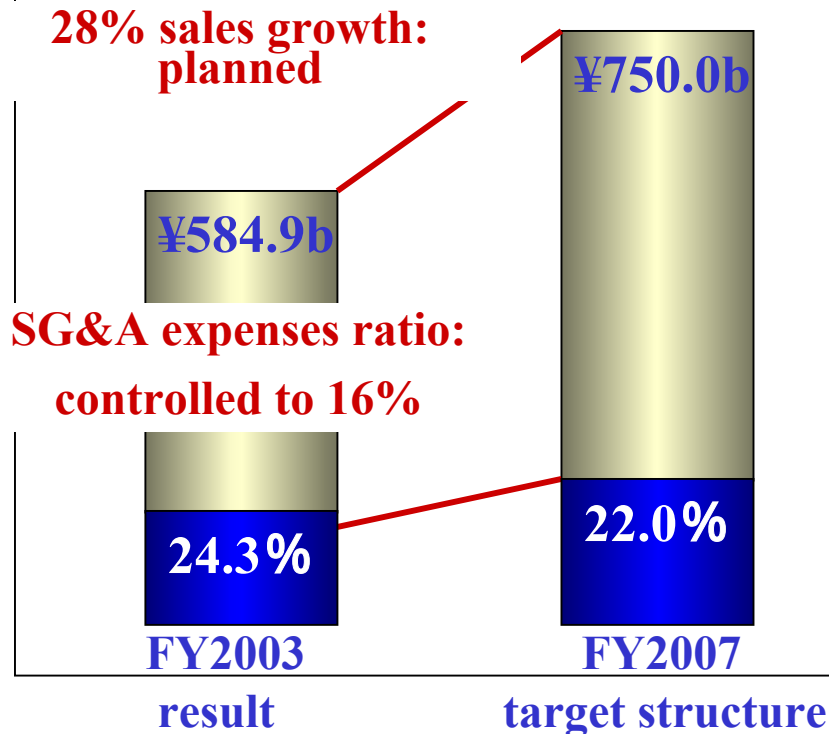


**Decrease consolidated manufacturing cost ratio by 2%
through increasing of production ratio in Greater China to about 30%
in FY2007 (Operational Structural Reform #1)**

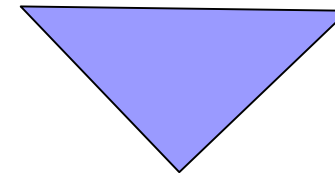


Decrease SG&A expense ratio by 2% in business and headquarters section (Operational Structural Reform #2)

Management resources in the group are intensively shifted to fields where high growth are expected;
And SG&A expenses ratio is improved over 2% in FY2007 compared with FY2003 by control of growth rate of SG&A expenses in entire group



Re-distribution of management resources in the entire group

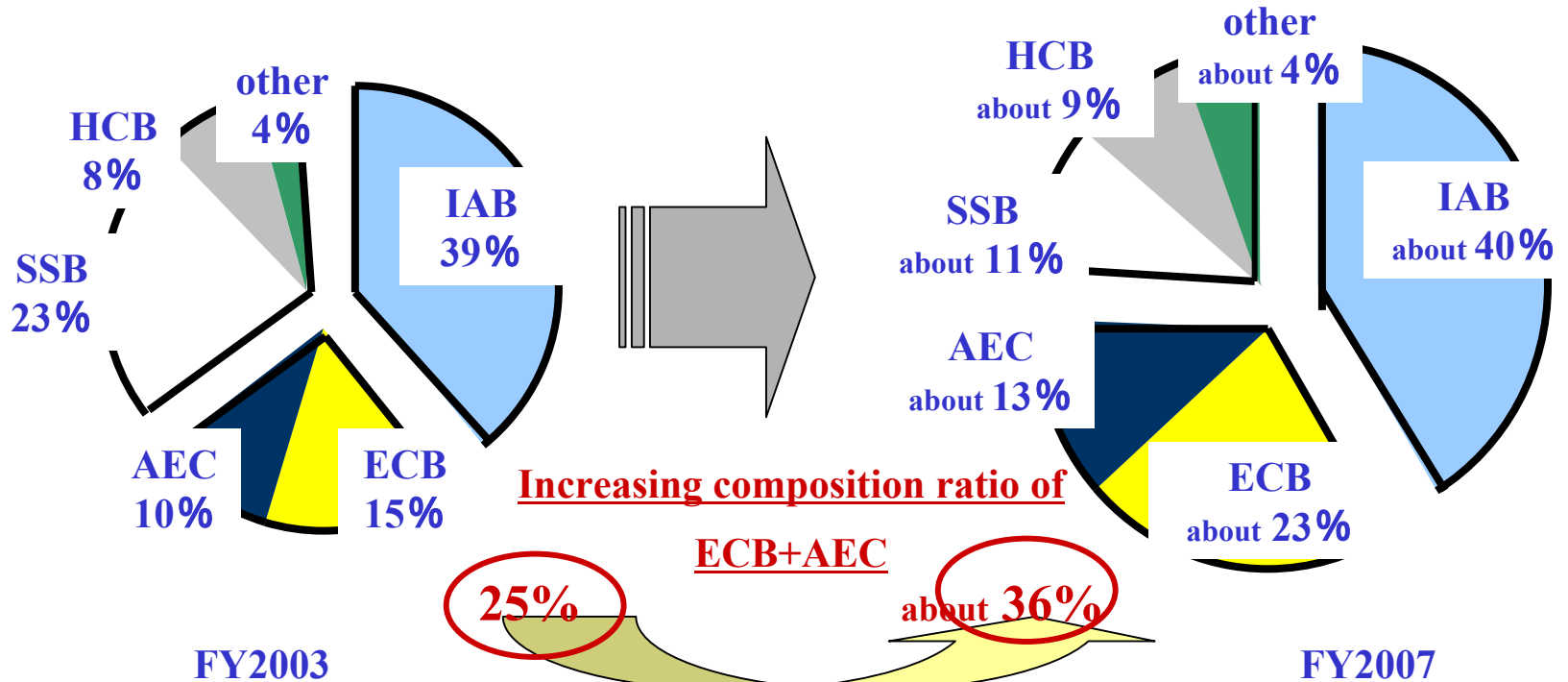


Productivity reformation mainly in business and staff department

**To achieve high growth in ECB and AEC;
Offsetting the decrease in SSB sales*
and establishing another pillar comparable to IAB**

*Due to transfer of SSB financial equipment business to a joint venture company in October 2004

Achievement of “Balancing sales growth & earnings”



Summary of Consolidated PL Scenario in FY2007

To achieve high growth in sales and attain over 10% of profits margin (ROS/ROIC/ROE) through business restructuring

(billions of yen)	12 months ended 03/2004 Actual	12 months ending 03/2008 Target	Sales Ratio
Net sales	584.9	750.0	100.0%
Gross profit	240.1	300.0	40.0%
SG&A expenses	142.2	165.0	22.0%
R&D expenses	46.5	60.0	8.0%

Operating income	51.4	75.0	10.0%
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