

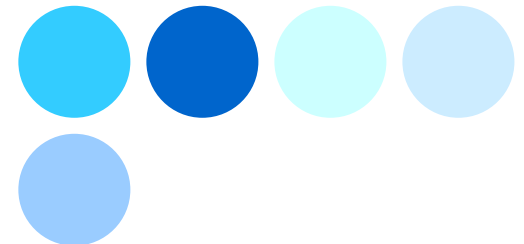


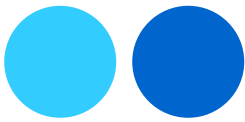
Section 1: Results for the Three Months Ended June 30, 2005

Section 2: Restructuring IAB Development and Production Centers

July 29, 2005

OMRON Corporation





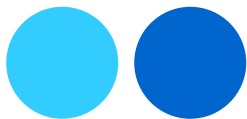
Contents

Section 1: Results for the Three Months Ended June 30, 2005

- 1. Executive Summary**
- 2. Results for the Three Months Ended June 30, 2005**
- 3. Forecast for the Six Months Ending Sept. 30, 2005
and
Forecast for the Full Year Ending March 31, 2006**

Notes:

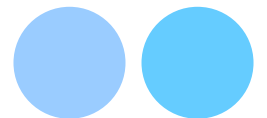
- 1. Quarterly financial information is not audited or reviewed by an auditing corporation.**
- 2. The financial statements are prepared in accordance with U.S. GAAP.**
- 3. Includes 146 consolidated subsidiaries and 18 affiliated companies accounted for by the equity method.**
- 4. Projections of results 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

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

1. Executive Summary



Year ending March 31, 2006 is the 2nd year of Stage II (Apr. 2004 to March 2008) of Grand Design 2010 (GD2010)

Achieving Stage II targets set as a milestone in “Achieving a robust profit structure”

1st Quarter Results and Key Points

- Sales/income basically in line with budget
 - Consolidated net sales ¥138.5 billion (99% vs. budget, 94% vs. same period in prev. year)
 - Consolidated operating income ¥9.1 billion (96% vs. budget, 60% vs. same period in prev. year) Operating margin 6.6%
- Sales of industrial automation (IAB), automotive (AEC), social systems (SSB), health care (HCB) basically as planned
- Electronic components (ECB) sales below plan (90% vs. budget) due to inventory adjustments of digital home appliances and postponement of large-scale and small-scale backlight orders
- Main factor in net sales decrease was SSB’s transfer of ATM business to a joint venture (¥13.1 billion decrease)
- Main factors decreasing operating income were SSB’s transfer of ATM business to a joint venture and increases in SG&A expenses (¥0.5 billion) and R&D expenses (¥0.4 billion)

Interim and Full-Year Forecasts and Key Points

- Sales, income both forecast to be in line with initial budget

Six months ending Sept. 30, 2005

Net sales ¥285.0 billion (94% vs. prev. first half)
 Operating income ¥30.0 billion (96% vs. prev. first half)
 Operating margin 10.5%

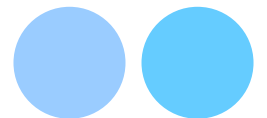
Year ending March 31, 2006

¥625.0 billion (103% vs. prev. year)
 ¥65.0 billion (116% vs. prev. year)
 10.4%

- Return of substitutional portion of pension fund (approx. ¥9.0 billion) scheduled in first half
- Inclusion of Colin Medical Technology from 2nd quarter
 (est. annual sales approx. ¥7.0 billion, operating income approx. ¥ 0.3 billion, for nine months)

**Three months ended
June 30, 2005**

2. Results for the Three Months Ended June 30, 2005



Three months ended
June 30, 2005

Consolidated Statements of Income

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Net Sales ¥138.5B, Operating Margin 6.6%
Consolidated net sales, operating income both basically in line with budget
 Main factor in net sales decrease was SSB's transfer of ATM business to a joint venture

Statements of Income

(billion yen)

	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Net sales	147.9	138.5	* 93.6%	140.0	98.9%
Gross profit	61.1	55.9	91.6%	56.5	99.0%
SG&A expense	34.8	35.3	101.5%	35.0	100.9%
R&D expense	11.1	11.5	103.9%	12.0	96.1%
Operating income	15.2	9.1	59.8%	9.5	95.8%
NIBT	15.1	8.6	56.9%	10.0	85.8%
NIAT	9.6	5.1	53.6%	5.5	93.6%

Currency Rate

(yen)

US\$	108.4	108.1	-0.3	100.0	8.1
EUR	131.3	136.2	4.9	130.0	6.2

* 102.7% including sales of ATM business transferred to joint venture in October 2004.

Three months ended
June 30, 2005

Breakdown of Sales by Region and Business

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**Basically in line with budget in Japan and overseas
By segment, in line with budget except for ECB**

(billion yen)

By Region	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Japan	86.0	77.3	89.8%	77.9	99.2%
Overseas**	61.9	61.2	98.8%	62.1	98.5%
Total	147.9	138.5	93.6%	140.0	98.9%

**Overseas includes direct exports

By Business	Actual(1)	Actual(2)	(2)/(1)	Original budget(3)	(2)/(3)
IAB	64.0	64.6	101.0%	65.0	99.4%
ECB	24.8	22.6	91.0%	25.0	90.4%
AEC	14.9	17.5	117.2%	17.0	102.8%
SSB	* 26.5	15.6	58.8%	15.0	103.9%
HCB	12.4	12.4	100.2%	12.5	99.2%
Ohters	5.4	5.8	108.2%	5.5	105.3%
Total	147.9	138.5	93.6%	140.0	98.9%

*Results for the year ended 3/2005 include results of the ATM business

Three months ended
June 30, 2005

Breakdown of Operating Income

**IAB exceeded budget due to exchange rate and cost cutting
ECB faced difficult conditions**

(billion yen)

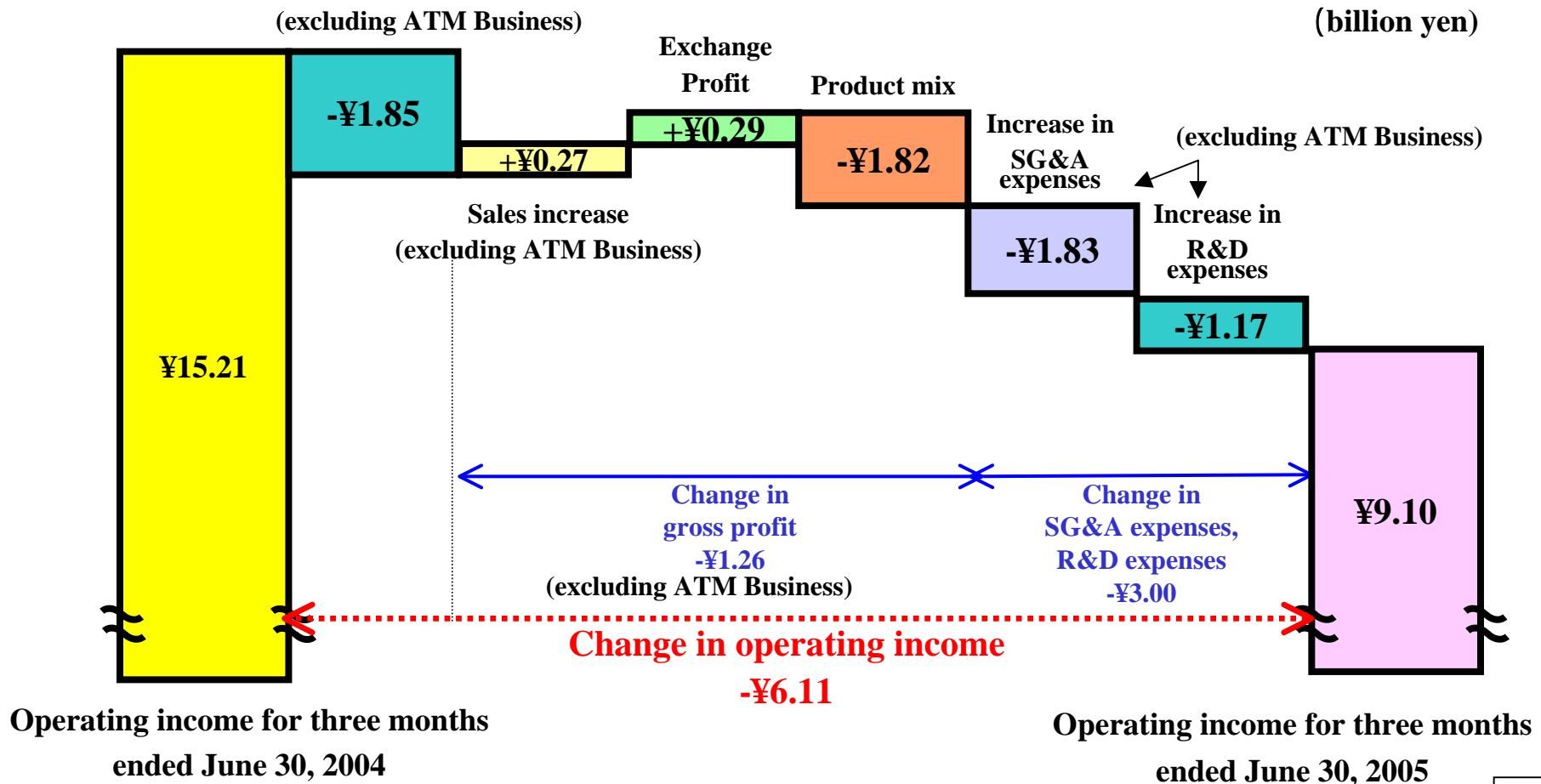
By Business	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
IAB	12.7	10.7	84.1%	9.0	118.9%
ECB	4.3	2.3	53.6%	3.0	76.8%
AEC	-0.3	0.1	-	0.2	33.5%
SSB	* 0.1	-1.9	-	-1.5	-
HCB	2.3	1.5	66.6%	1.5	103.1%
Others	0.5	0.6	103.9%	0.5	111.4%
HQ Cost/Elimination	-4.5	-4.2	-	-3.2	-
Total	15.2	9.1	59.8%	9.5	95.3%

*Results for the year ended 3/2005 include results of ATM business

Three months ended
June 30, 2005

Breakdown of Changes in Operating Income

Main factors decreasing operating income were transfer of ATM business to a joint venture and product mix



Three months ended
June 30, 2005

Segment Information

IAB (Industrial Automation Business)

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

Sensing Devices (Photoelectric/Proximity Sensors, AOI, etc.)

Control Devices (Programmable Logic Controllers, Relays, Timers, etc.)

Safety Devices (Safety sensors, Safety switches, etc.)

Net sales: ¥64.6b; Operating margin: 16.6%
Europe, U.S., Asia remained strong

(billion yen)

IAB	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Japan	32.3	32.0	98.9%	32.8	97.4%
Overseas	31.7	32.7	103.2%	32.2	101.5%
North America	5.0	5.4	107.7%	5.1	105.0%
Europe	16.7	17.5	104.2%	17.5	99.7%
Asia	2.8	3.0	107.7%	2.8	106.7%
China	6.1	5.7	93.7%	5.7	99.5%
Exports	1.1	1.2	108.9%	1.1	110.9%
Total	64.0	64.6	101.0%	65.0	99.4%
Operating income	12.7	10.7	84.1%	9.0	118.9%

Smart Sensor



Programmable Logic Controller



AOI (Automated Optical Inspection System)



Three months ended
June 30, 2005

Segment Information

ECB (Electronic Components Business)

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

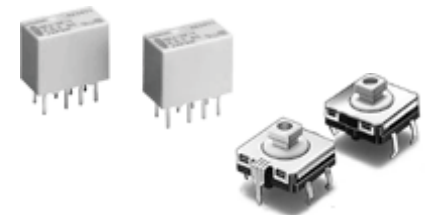
Relays, Switches, Connectors, Sensors, Micro Lens Arrays, Customized ICs, IC Coins, Optical Communications Devices, etc.

Net sales: ¥22.6b; Operating margin: 10.2%
Japan and overseas weak;
LCD Backlight faced difficult conditions

ZD Connector



Relay, Switch



B-MLA



(billion yen)

ECB	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Japan	12.4	11.5	92.1%	12.3	93.1%
Overseas	12.4	11.1	89.8%	12.7	87.7%
North America	2.6	2.2	86.7%	2.4	92.5%
Europe	2.9	3.1	105.2%	3.3	93.5%
Asia	1.4	1.3	95.4%	1.4	96.2%
China	2.8	2.9	106.0%	3.1	94.4%
Exports	2.7	1.6	56.9%	2.5	62.4%
Total	24.8	22.6	91.0%	25.0	90.4%
Operating income	4.3	2.3	53.6%	3.0	76.8%

Three months ended
June 30, 2005

Segment Information

AEC (Automotive Electronic Components Business)

Manufacture and sale of automotive electronic components

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

Automotive
Relay



Net sales: ¥17.5b; move into the back
Sales remained strong overseas

Keyless Entry System



Automotive Laser Radar



(billion yen)

AEC	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Japan	6.2	6.5	105.3%	6.6	98.9%
Overseas	8.7	10.9	125.6%	10.4	105.3%
North America	5.0	5.8	116.8%	5.6	103.7%
Europe	1.1	1.6	150.7%	1.7	95.8%
Asia	2.7	3.5	131.8%	3.1	113.3%
China	0.0	0.0	0.0%	0.0	-
Exports	0.0	0.0	0.0%	0.0	-
Total	14.9	17.5	117.2%	17.0	102.8%
Operating income	-3.0	0.1	-	0.2	33.5%

Three months ended
June 30, 2005

Segment Information

SSB (Social Systems Business)

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

Public Transportation : Passenger Gates, Ticket Vending machines, etc.

Traffic/Road Management, Signal Controllers, Road Management Systems, etc.

Automatic Gate



Ticket Vending Machine



Traffic/Road Management System



Net sales : ¥15.6b
116% YOY excluding settlement systems business in previous year

(billion yen)

SSB	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Japan	23.9	15.2	63.7%	14.4	105.8%
Overseas	2.5	0.3	13.3%	0.6	56.3%
North America	0.0	0.0	102.2%	0.2	23.5%
Europe	0.2	0.0	-	0.0	-
Asia	0.0	0.0	-	0.0	-
China	0.0	0.0	20.0%	0.0	-
Exports	2.3	0.3	12.6%	0.4	72.5%
Total	26.5	15.6	58.8%	15.0	103.9%
Operating income	0.1	-1.9	-	-1.5	-

*Results for the year ended 3/2005 include results of the settlement systems business (ATMs, etc.)

Three months ended
June 30, 2005

Segment Information

HCB (Healthcare Business)

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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, Massage Chairs, etc.

Net sales : ¥12.4b ; Operating margin : 12.5%
Sales of blood pressure monitors strong in Europe and Asia

Blood Pressure Monitor



Body Composition Analyzer



Portable Electrocardiograph



HCB	(billion yen)				
	3 months ended 6/2004 Actual(1)	3 months ended 6/2005 Actual(2)	Change from last year (2)/(1)	3 months ended 6/2005 Original budget(3)	Change from Original budget (2)/(3)
Japan	5.9	6.3	107.5%	6.3	100.4%
Overseas	6.5	6.1	93.5%	6.2	97.9%
North America	3.5	2.9	80.7%	3.3	86.8%
Europe	1.8	2.0	106.7%	1.8	108.7%
Asia	0.4	0.5	138.6%	0.4	123.0%
China	0.7	0.7	97.3%	0.7	101.4%
Exports	0.0	0.1	166.7%	0.0	-
Total	12.4	12.4	100.2%	12.5	99.2%
Operating income	2.3	1.5	66.6%	1.5	103.1%

Three months ended
June 30, 2005

Consolidated Balance Sheets



Stockholder's equity : +¥4.6b vs. ended March 2005
Capital ratio (Shareholder's equity / Total assets) : 54.4%

(billion yen)

Consolidated B/S	As of 6/30/2004	As of 3/31/2005	As of 6/30/2005
Total Assets	596.0	585.4	570.3
Cash and cash equivalents	97.0	80.6	70.2
Notes and accounts receivable - trade	113.4	121.7	106.9
Inventories	79.2	68.6	70.3
Other current assets	26.7	25.1	30.5
Other assets	279.8	289.5	292.4
Total Liabilities	304.6	279.6	259.9
Bank Loans / Current portion of L/T debt	45.0	22.9	24.5
Long-term debt	11.4	1.8	2.1
Other liabilities	248.2	254.9	233.3
Shareholders' Equity	291.4	305.8	310.4

Three months ended
June 30, 2005

Consolidated Statements of Cash Flows



¥6.2b increased cash out in investing activities vs. same period in prev. year due to investment for future growth and acquisitions

(billion yen)

Consolidated Statements of C/F	3 months ended 6/2004	3 months ended 6/2005	Year ended 3/2005
Net cash provided by operating activities	10.7	8.1	61.1
Net cash used in investing activities	-5.4	-11.6	-36.1
Free cash flow	5.3	-3.5	25.0
Net cash used in financing activities	-3.5	-3.2	-40.7
Effect of exchange rate changes	0.1	-3.8	1.2
Net increase (decrease)	1.9	-10.4	-14.4
Cash and cash equivalents at end of the period	97.0	70.2	80.6

**3. Forecast for the Six Months
Ending Sept. 30, 2005
And
Forecast for the Full Year
Ending March 31, 2006**



Six Months Ending
Sept. 30, 2005

Forecast of Consolidated Statements of Operations

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No change from initial budget

Statements of Income

(billion yen)

	6 montshs ended 9/2004 Actual(1)	6 months ending 9/2005 Forecasts(2)	Change from last year (2)/(1)	6 months ending 9/2005 Original budget(3)	Change from Original budget (2)/(3)
Net Sales	302.2	285.0	94.3%	285.0	100.0%
Gross Profit	127.3	117.0	91.9%	117.0	100.0%
SG&A expenses	71.9	71.0	98.7%	71.0	100.0%
R&D expenses	24.2	25.0	103.5%	25.0	100.0%
Return of substitutional portion of pension fund	-	9.0	-	9.0	100.0%
Operating income	31.2	30.0	96.2%	30.0	100.0%
NIBT	29.0	30.0	103.4%	30.0	100.0%
NIAT	16.4	17.0	103.4%	17.0	100.0%

Exchange Rate

(yen)

US\$	109.5	108.9	-0.6	100.0	8.9
EUR	132.8	135.7	2.9	130.0	5.7

*2nd Quarter US\$: ¥110, EUR: ¥135

Forecast of Consolidated Statements of Operations

Year Ending
March 31, 2006

No change from initial budget

Statements of Income

(billion yen)

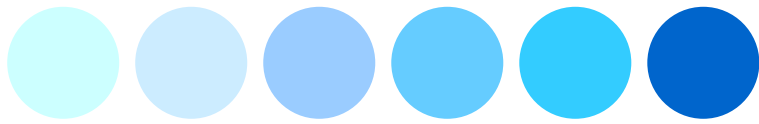
	Year ended 3/2005 Actual(1)	Year ending 3/2006 Forecasts(2)	Change from last year (2)/(1)	Year ending 3/2006 Original budget(3)	Change from Original budget (2)/(3)
Net Sales	608.6	625.0	102.7%	625.0	100.0%
Gross Profit	249.8	256.0	102.5%	256.0	100.0%
SG&A expenses	144.2	150.0	104.0%	150.0	100.0%
R&D expenses	49.4	50.0	101.1%	50.0	100.0%
Return of substitutional portion of pension fund	-	9.0	-	9.0	100.0%
Operating income	56.1	65.0	115.8%	65.0	100.0%
NIBT	52.5	63.0	119.9%	63.0	100.0%
NIAT	30.2	36.0	119.3%	36.0	100.0%

Exchange Rate

(yen)

US\$	107.3	104.8	-2.5	100.0	4.8
EUR	135.0	133.0	-2.0	130.0	3.0

*2nd half US\$: ¥100, EUR: ¥130

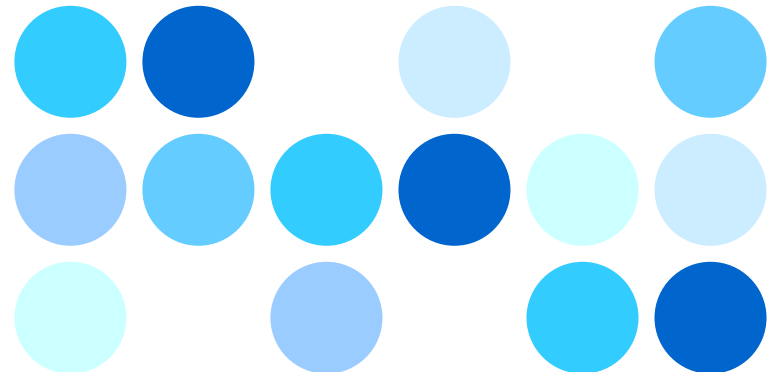


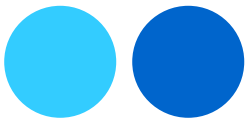
Restructuring IAB Development and Production Centers

for internationally competitive manufacturing

July 29, 2005

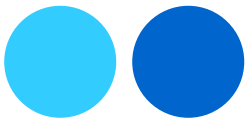
Industrial Automation Business Company





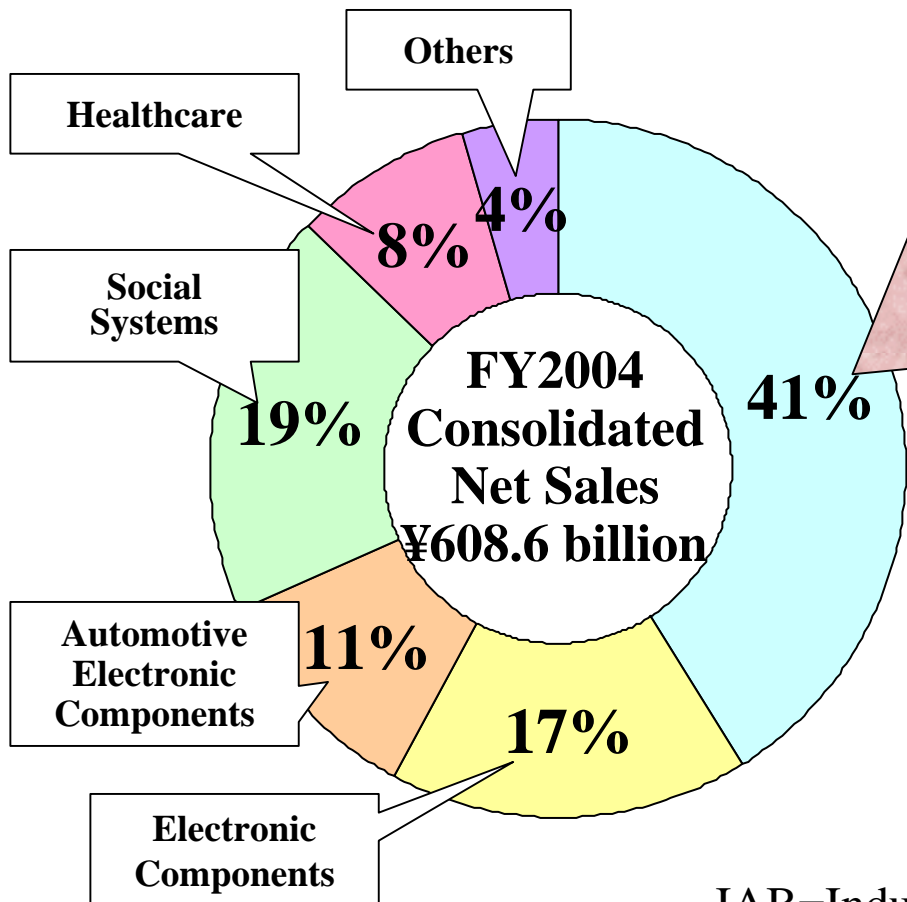
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Overview of IAB

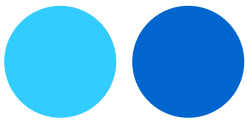
IAB manufactures and sells control components for factory automation etc. and accounts for approx. 40% of net sales. Main products include sensors, timers and PLCs.



Industrial Automation

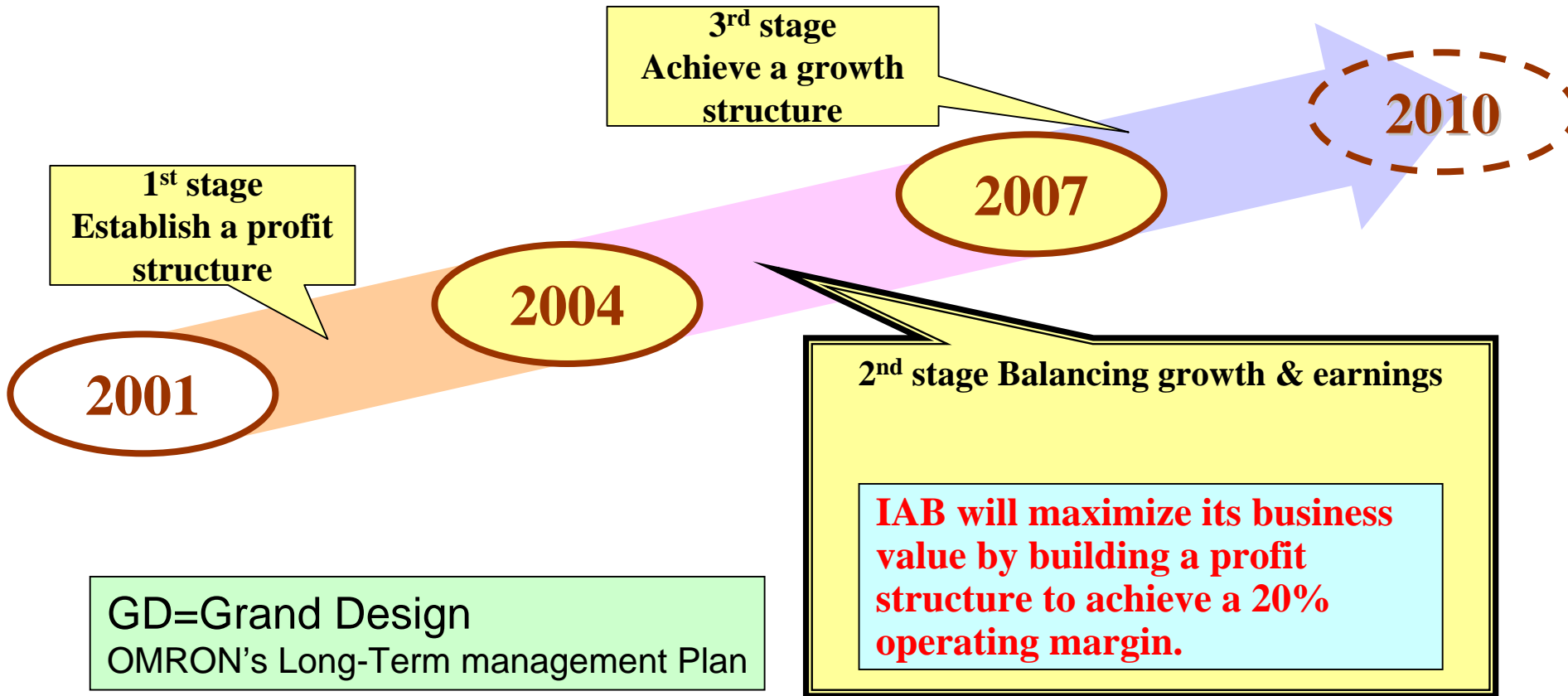
Smart Sensors 	Timers 
Programmable Logic Controllers (PLC) 	Safety-Relay Units 

IAB=Industrial Automation Business Company

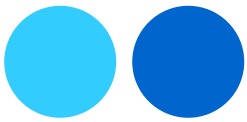


GD2010 2nd stage of IAB

During GD2010 Second Stage (Corporate theme: Balancing growth & earnings), IAB will build a profit structure to achieve a 20% operating margin and maximize business value.



Note : The 20% operating margin applies only to existing and Greater China businesses, excluding new business fields.



Overview of Restructuring

Restructuring development and production centers to strengthen IAB's position as a globally competitive manufacturer and achieve GD2010 2nd stage target

IAB Target for 2nd Stage of GD2010
Operating Margin 16% (FY2003) -> 20% (FY2007)
Achieve this target while actively investing in growth and implementing structural reform

Internationally Competitive Manufacturing

Strengthening of core technology

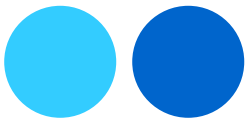
Boosting Cost Competitiveness

Strengthening of concurrent development

Pursuit of core production technology

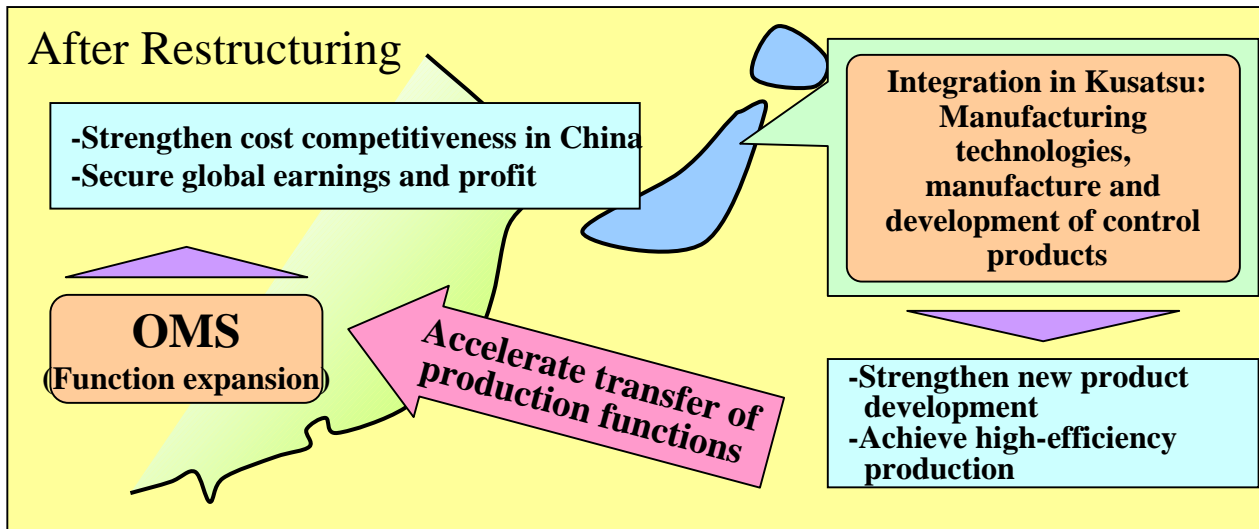
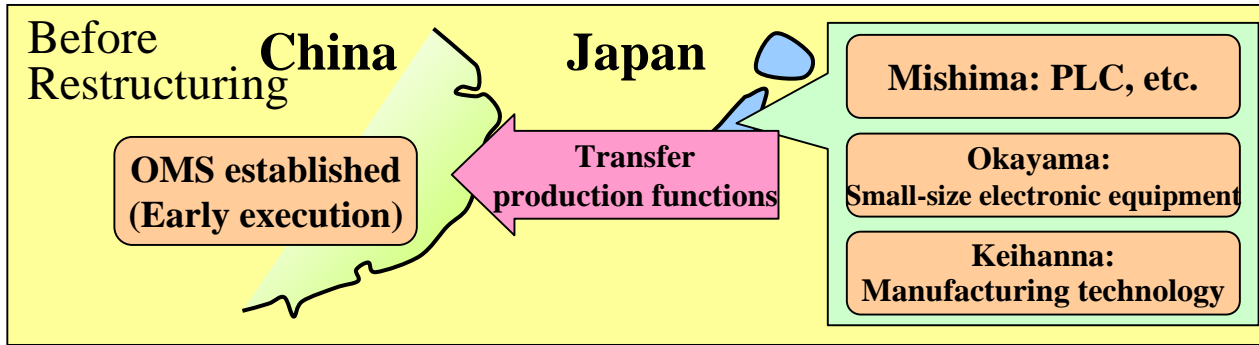
Strengthening of China production and design center (OMS)

OMS=Abbreviation of China (Shanghai) production and design center



Details of Restructuring

Raising cost competitiveness by restructuring centers in Japan by the end of FY2007, strengthening concurrent development and manufacturing technology, and accelerating the transfer of production functions from Japan to China



Restructuring Points

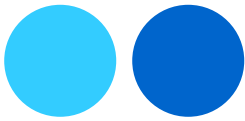
Manufacturing/development center
Mishima/Okayama -> Kusatsu

Manufacturing technology center
Keihanna -> Kusatsu

OMRON Okayama
Subsidiary -> Merged and absorbed
Manufacturing -> Quality and procurement

Mishima
Development/manufacturing
-> Customer service

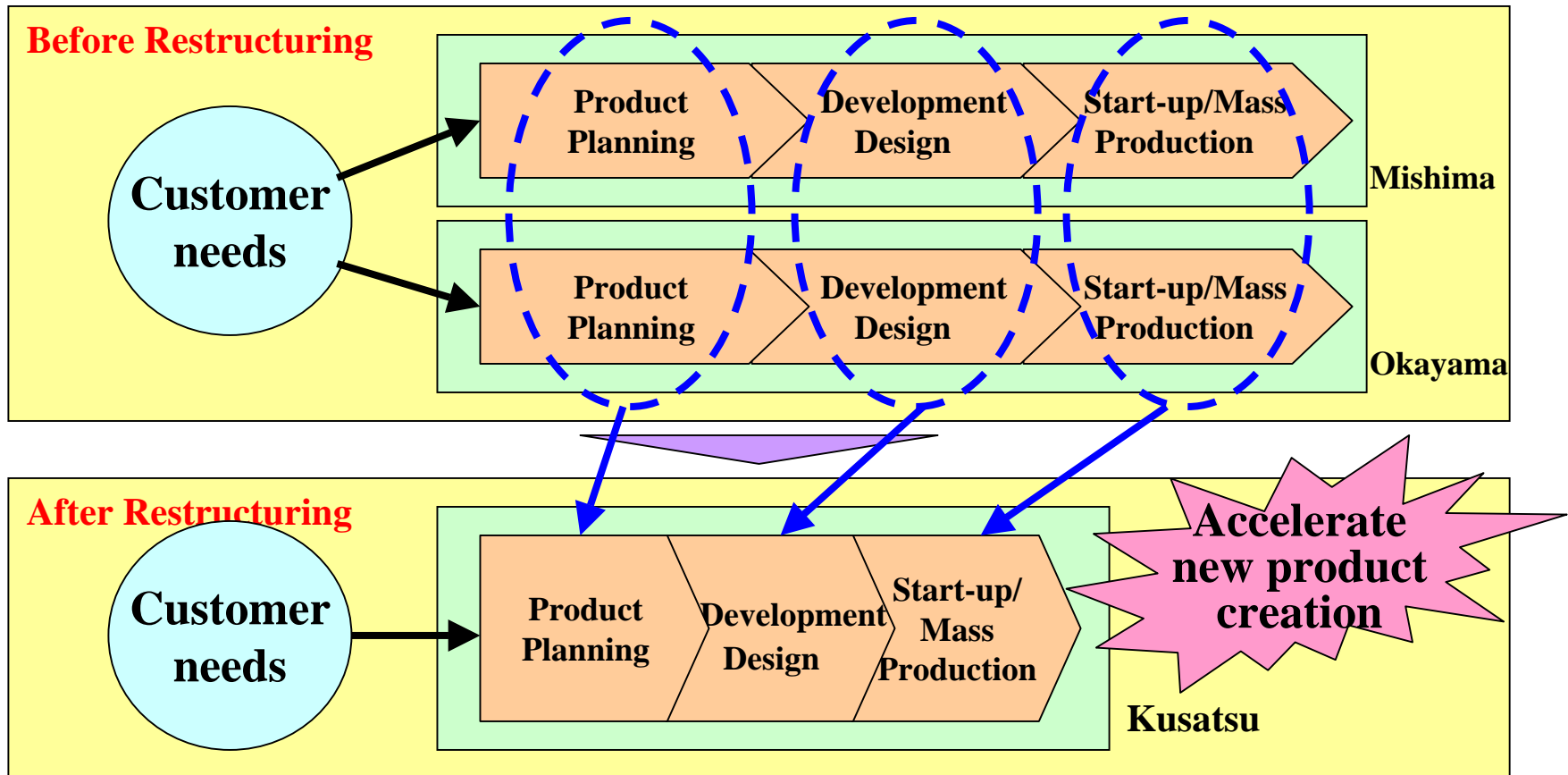
Accelerate transfer of production
Japan -> China (Shanghai)

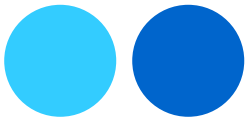


Aims of Restructuring (1)

Strengthen Concurrent Framework to Accelerate New Product Creation

Consolidate manufacturing and development centers to accelerate product development and strengthen the concurrent development of control products by sharing technological properties and others.





Aims of Restructuring (2) Strengthen Core Manufacturing Technologies to Achieve High-Efficiency Production

Integrate manufacturing technology, and control product development/manufacturing in one location in order to strengthen core manufacturing technologies, such as demand-driven, mixed-model synchronized production

Aim of strengthening core manufacturing technologies:

**Differentiate products and achieve high-efficiency production
(Realize “any time, anywhere, global level QCD”)**

During three years from FY2005-FY2007, invest 1.2 billion yen in R&D

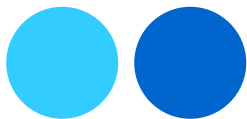
Sharing of product framework

Technology for flexibility,
etc.

**Sharing of production
methods/processes**

Technology that
innovates production processes,
etc.

Core Manufacturing Technologies

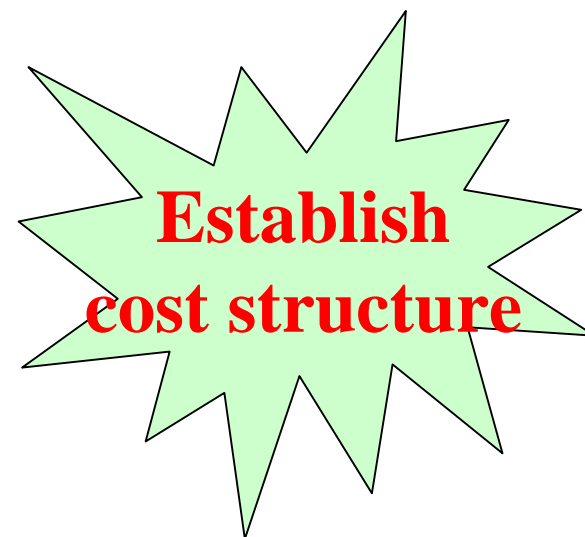
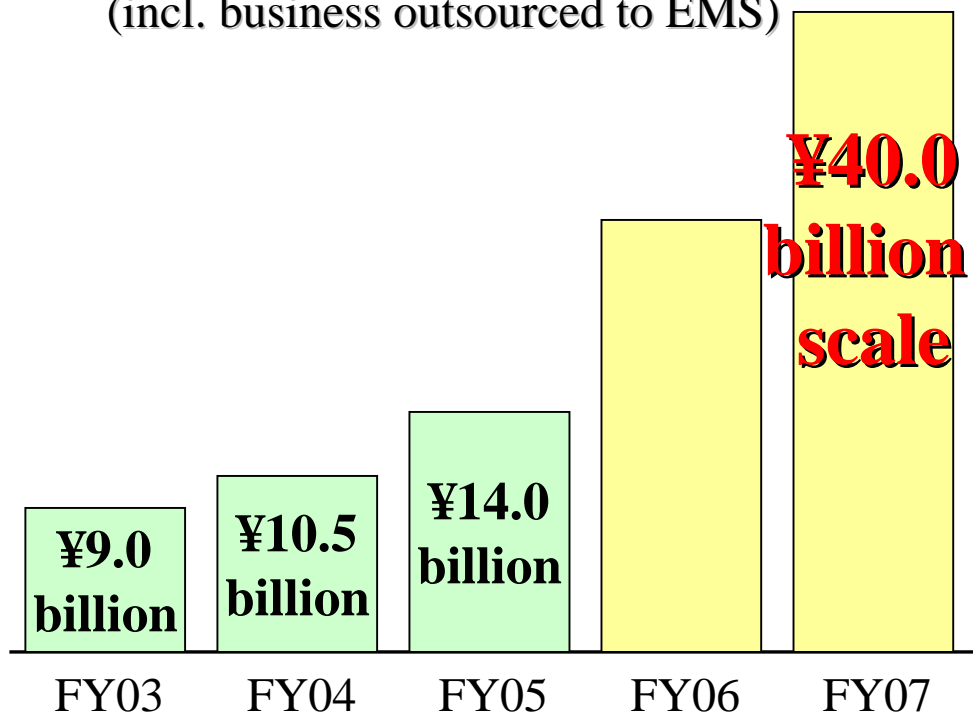


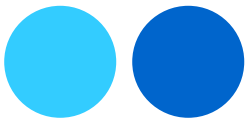
Aims of Restructuring (3)

Strengthen Cost Competitiveness

Build an appropriate cost structure in China by accelerating production transfer to China along with the fixed and variable expense reduction effect gained by the full usage of China manufacturing infrastructure.

Increase shipments of products manufactured in China
(incl. business outsourced to EMS)

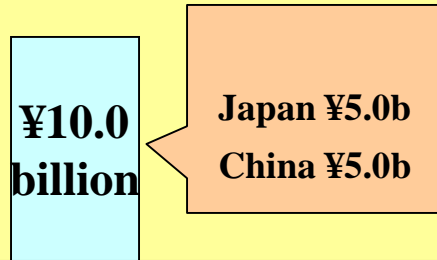




Financial impact of the merger

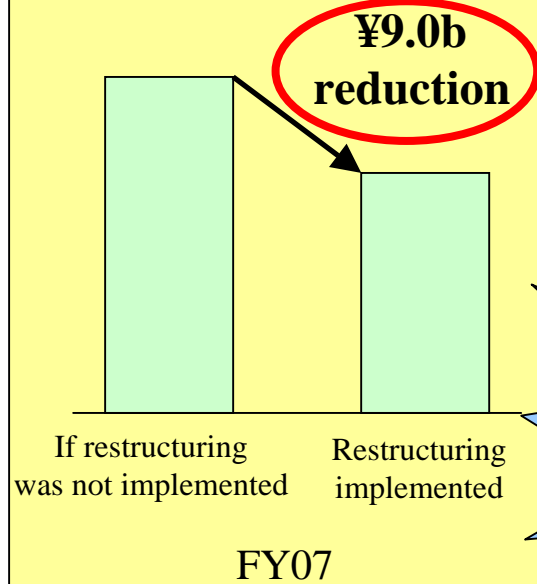
Through investing a total of ¥10 billion in this restructuring, we expect to reduce fixed manufacturing costs by ¥9 billion or more every year from fiscal year 2007.

Restructuring investment related to merger



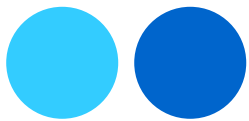
FY05-FY07 Total

Global manufacturing fixed costs



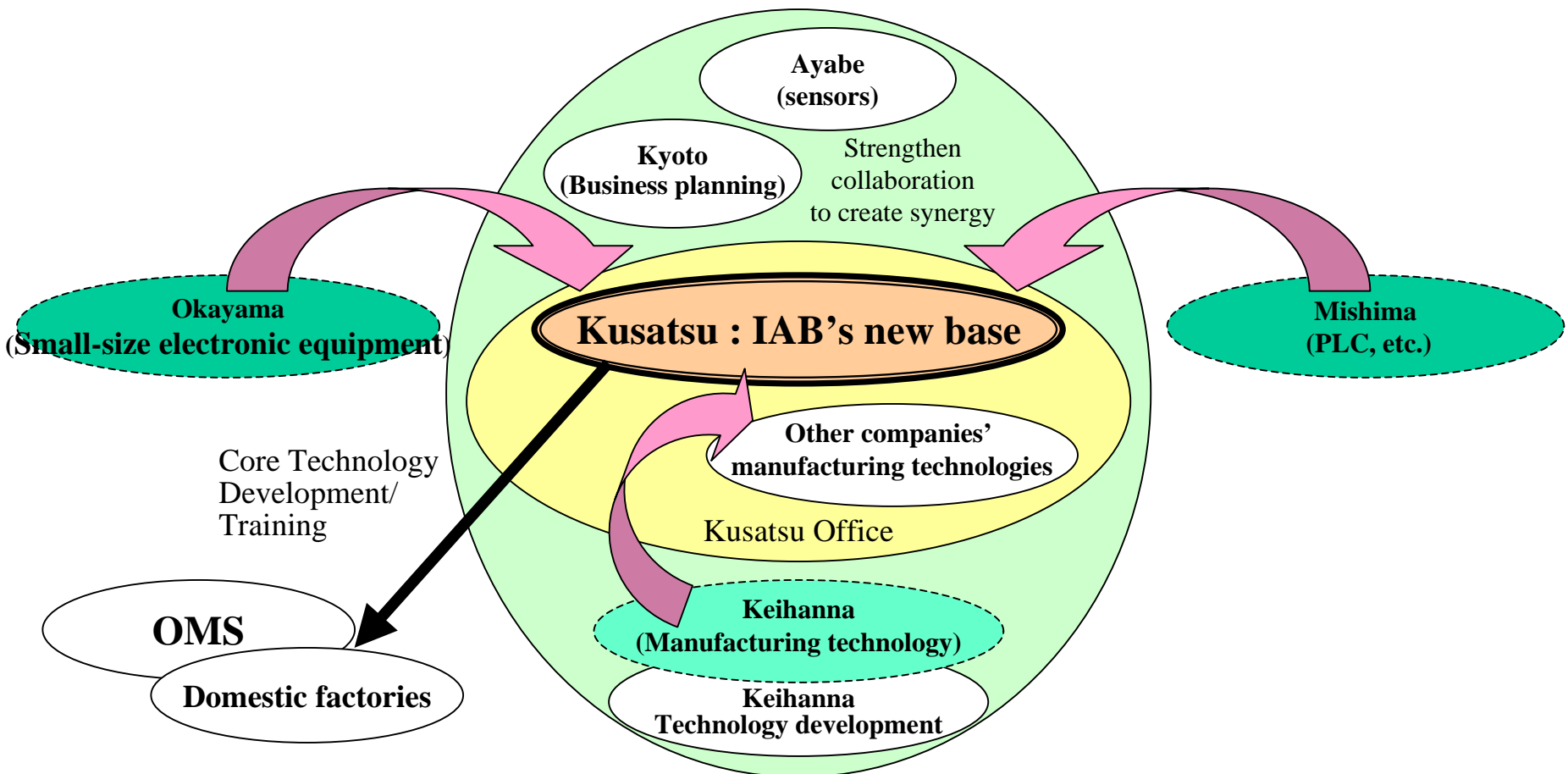
From FY2007, a reduction equivalent to more than 22% of FY 2004 IAB operating income (¥41.4 billion) every year.

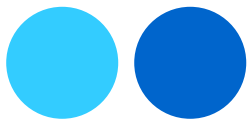
Greatly contributes to increasing operating profit margin



Positioning of New Kusatsu Center after Restructuring

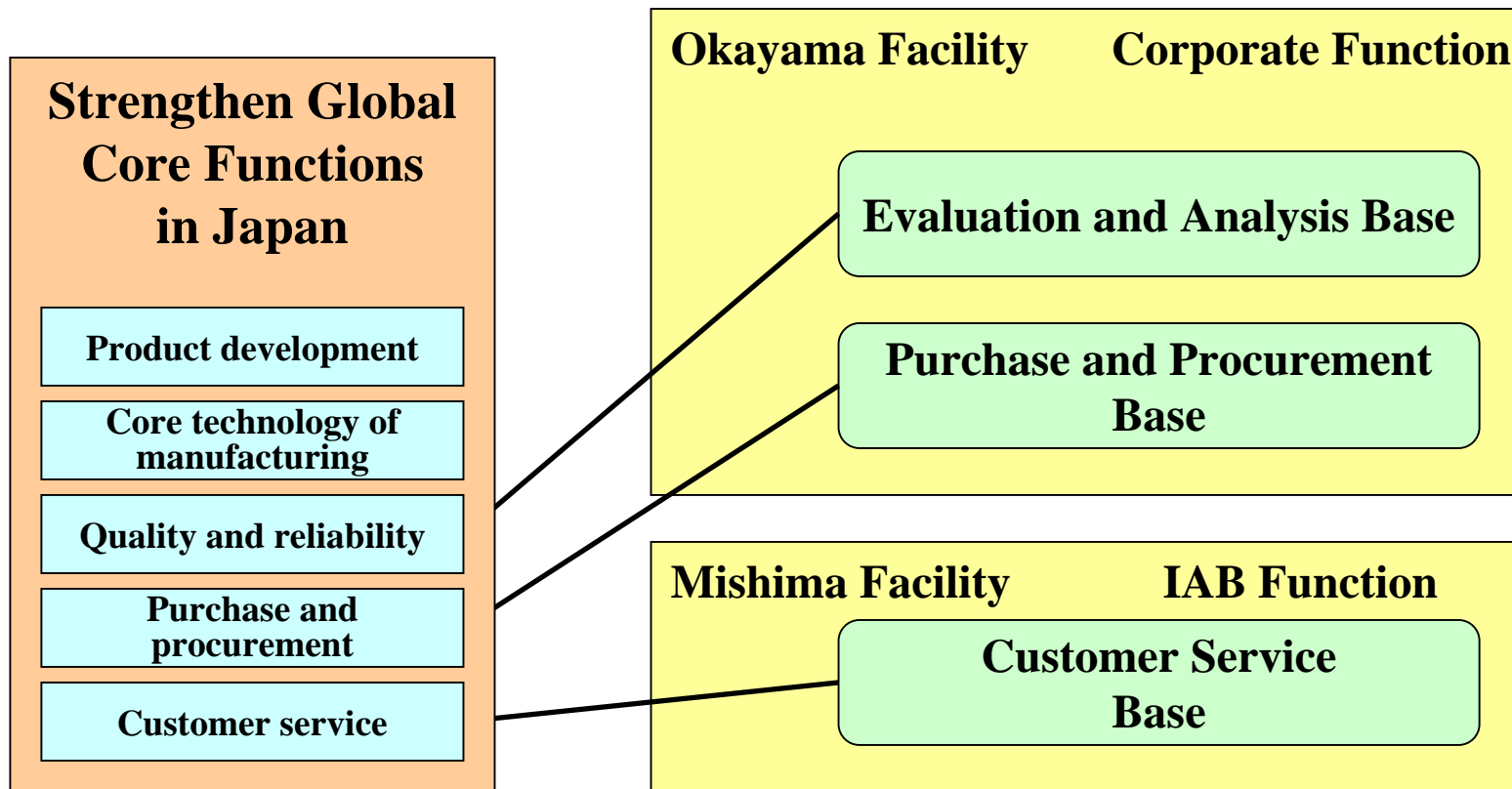
Accelerate strengthening/accumulation of technologies by establishing one center, which has both IAB's core manufacturing technologies and manufacturing and development of control products.

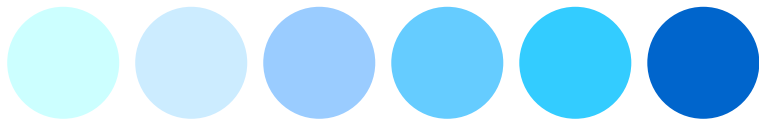




Positioning of Okayama and Mishima Facilities after Restructuring

To strengthen the global core functions in Japan, our facility at Okayama will become an evaluation, analysis, purchasing and procurement base. Our Mishima facility will become a customer service base.





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