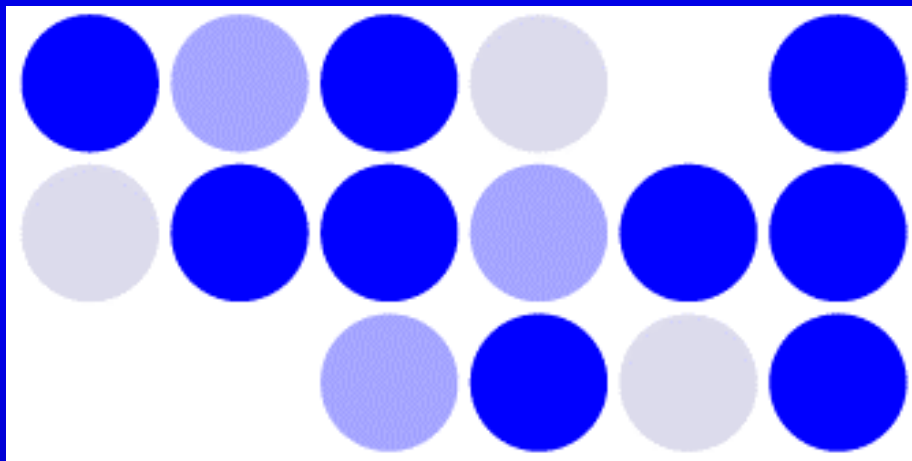


# Earnings Announcement



November 14, 2001

**Omron Corporation**

# **Interim Financial Statement as of September 30, 2001**

**Masaaki Sadatomo**  
Managing Officer

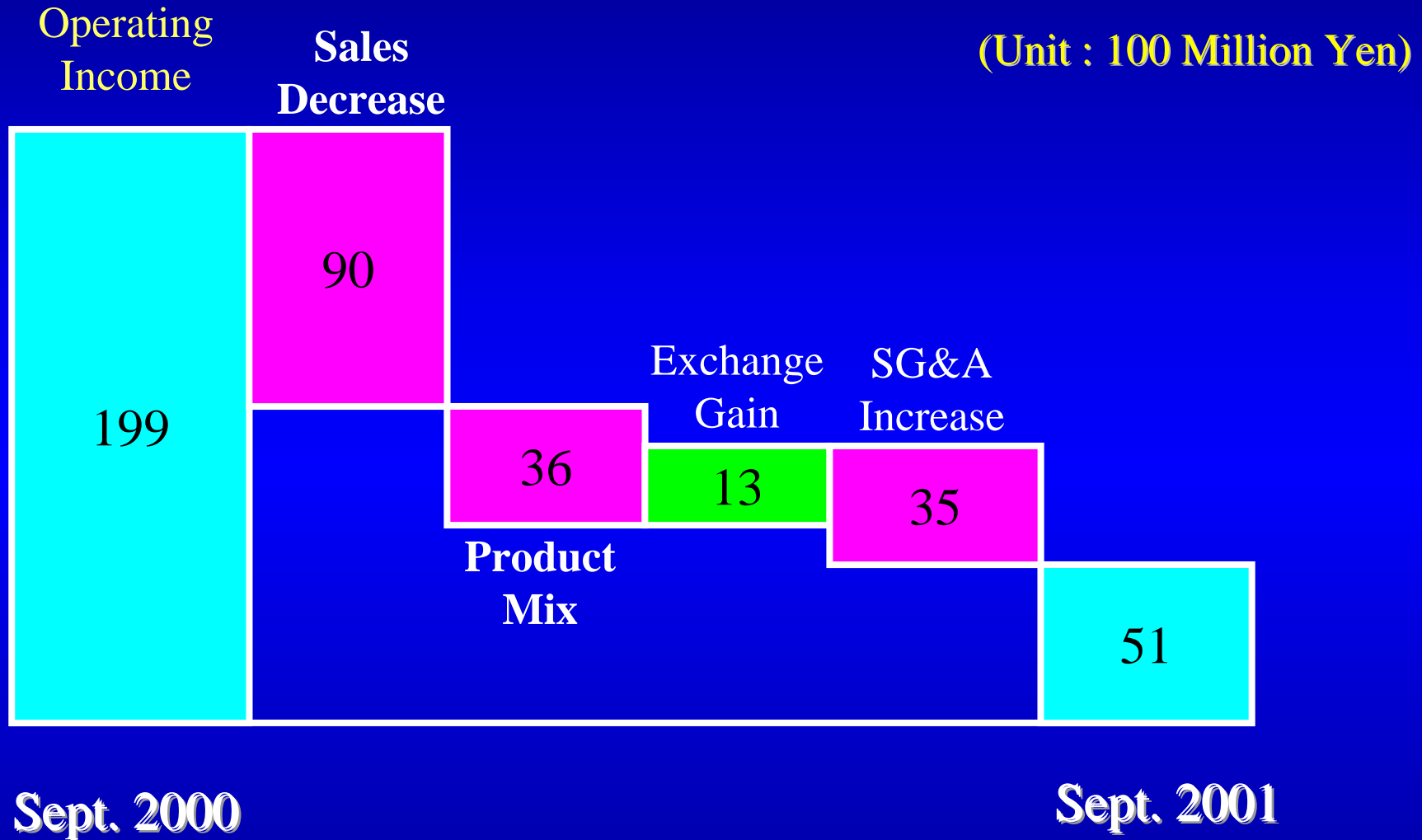
# Interim Financial Statement



(Unit : 100 million Yen)

	Sept. 2000	Sept. 2001	Comparison to previous year
Net Sales	2,716	<b>2,562</b>	94%
Gross Profit	1,024	<b>911</b>	89%
Gross Profit Margin	37.7%	<b>35.6%</b>	
SG&A Expenses	825	<b>860</b>	104%
Operating Income	199	<b>51</b>	26%
Operating Income Ratio	7.3%	<b>2.0%</b>	
NIBT	150	<b>36</b>	24%
NIBT Ratio	5.5%	<b>1.4%</b>	
NIAT	82	<b>22</b>	27%

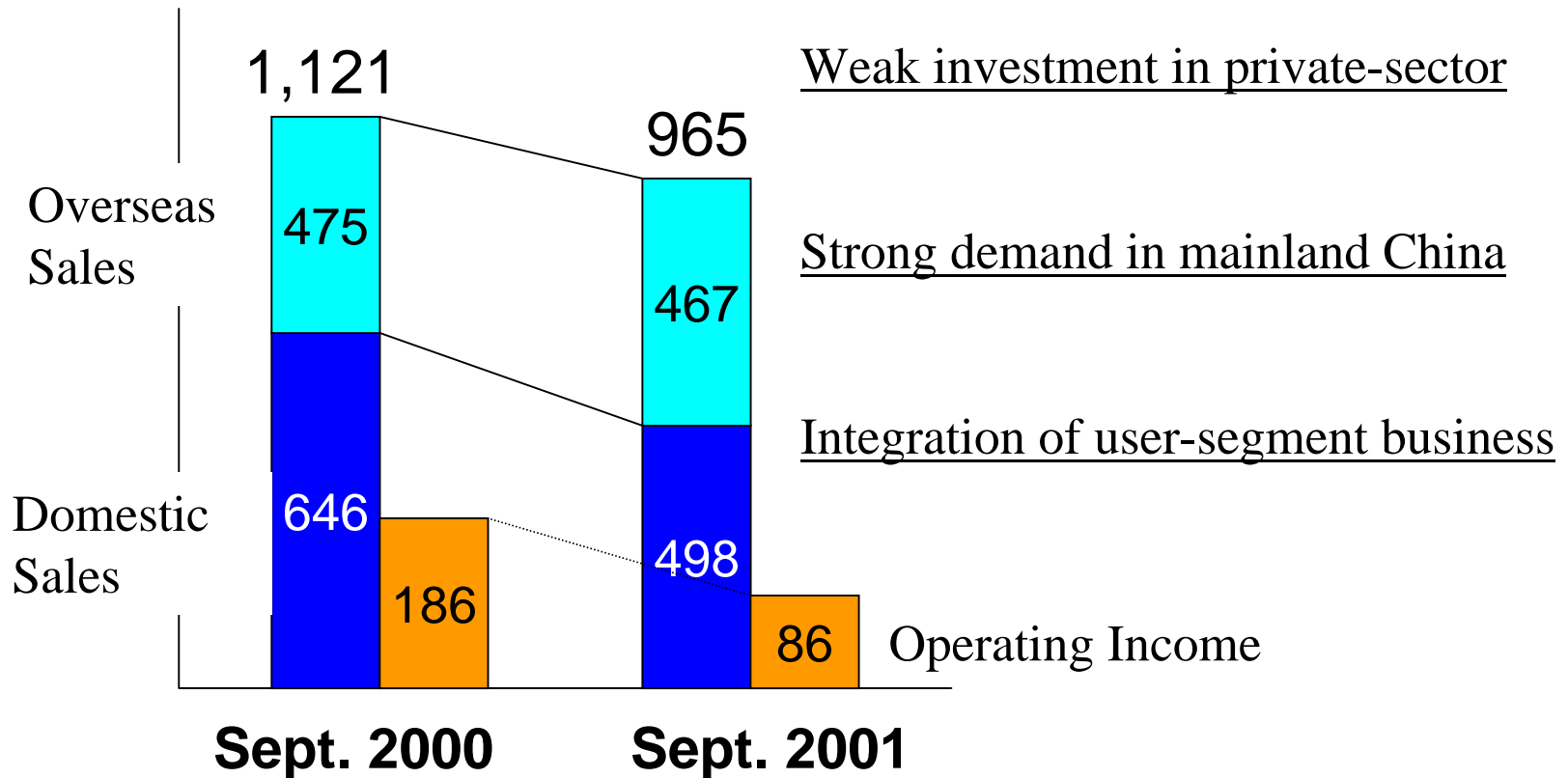
# Fluctuation in Operating Income



# Business Company Results

(Unit : 100 Million Yen)

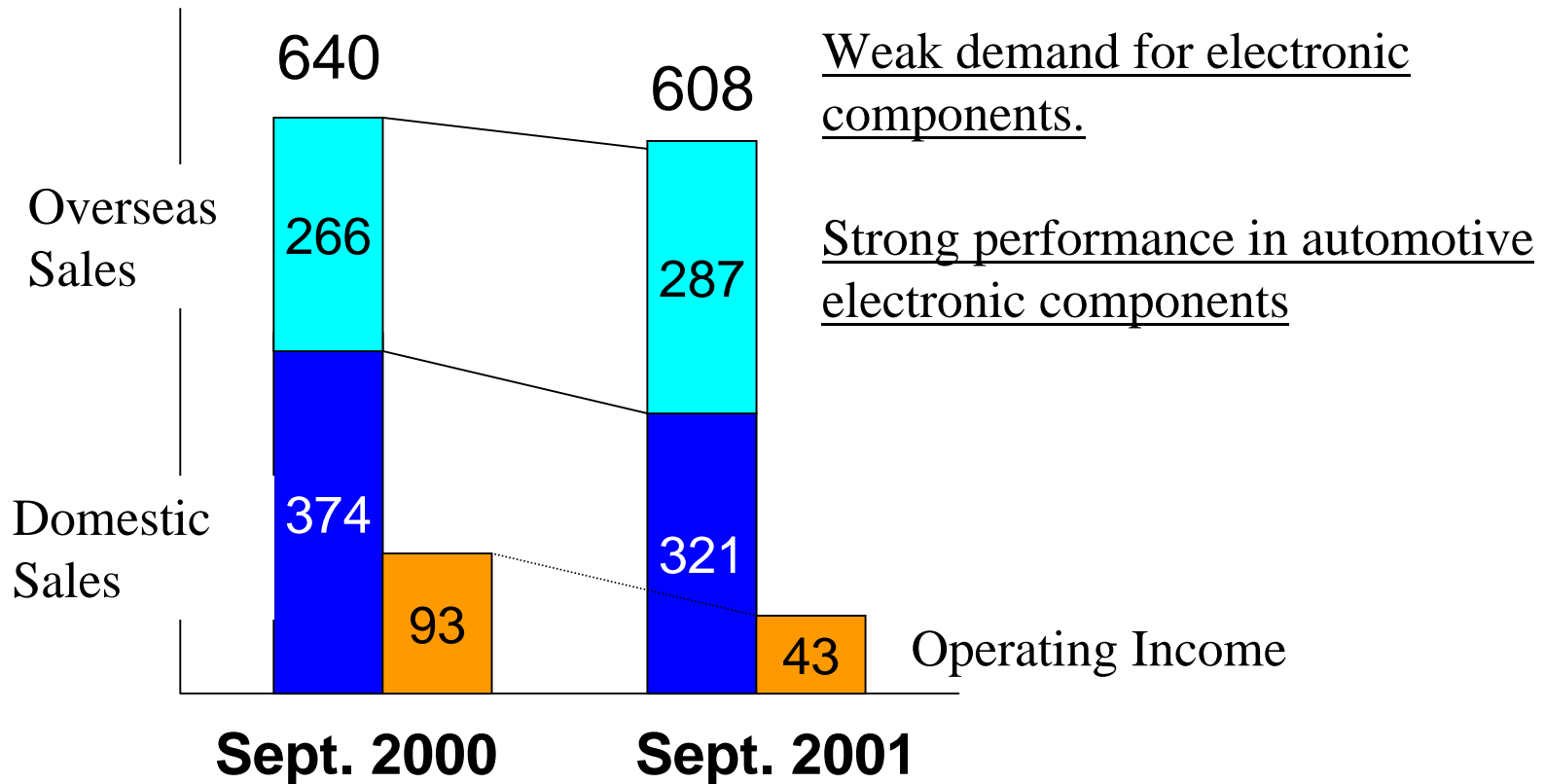
## Industrial Automation Company



# Business Company Results

## Electronic Components Company

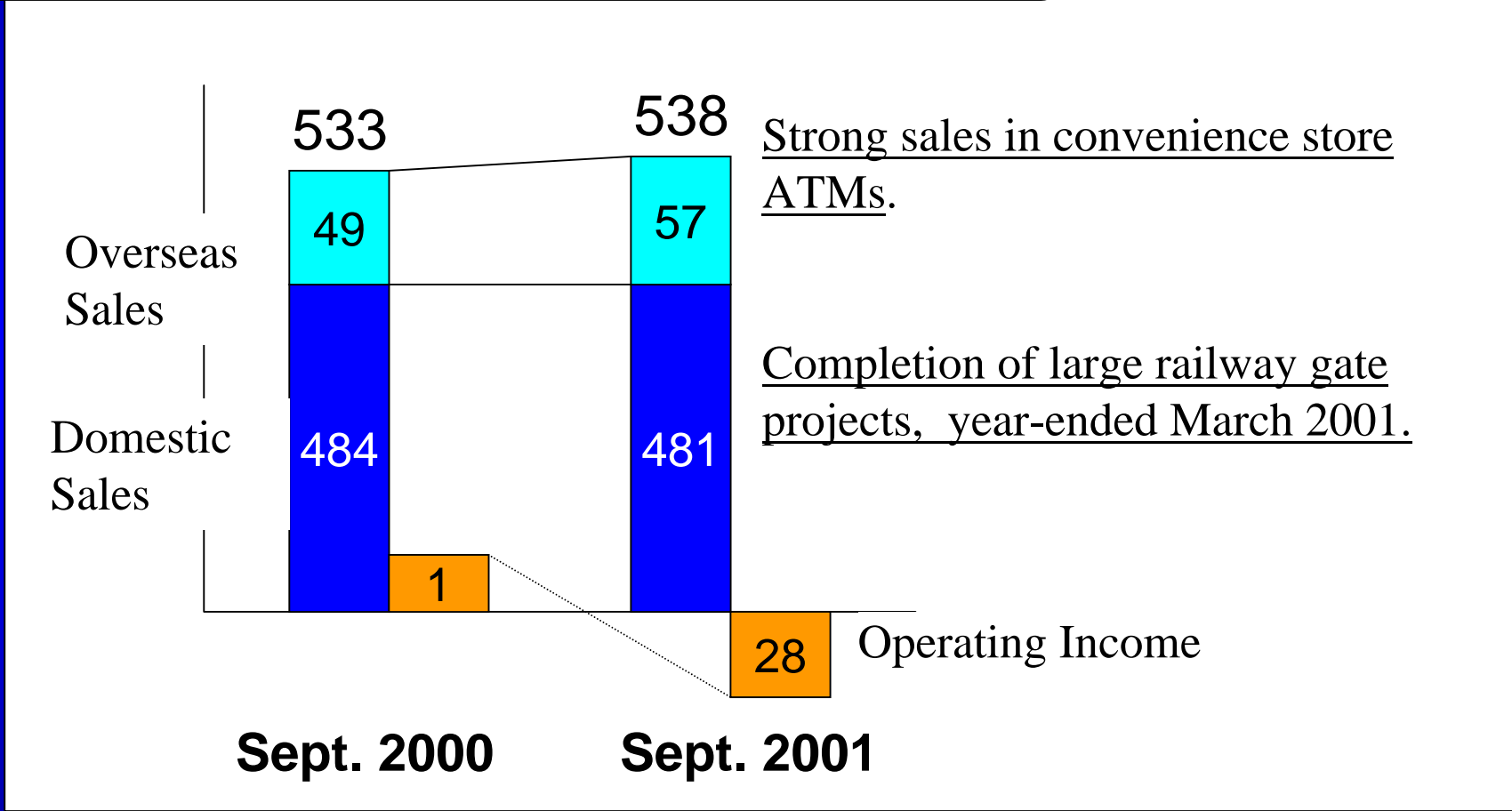
(Unit : 100 Million Yen)



# Business Company Results

## Social Systems Business Company

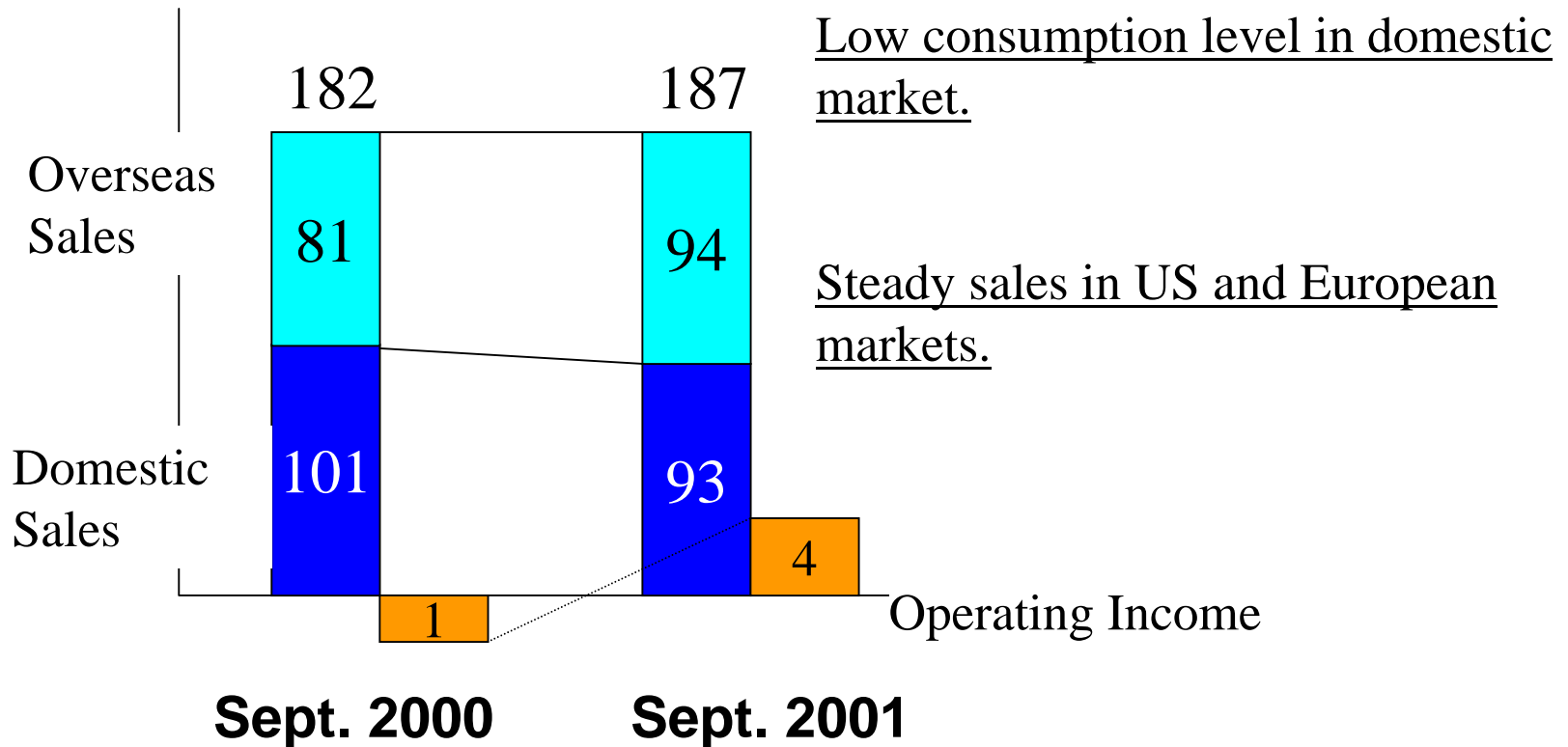
(Unit : 100 Million Yen)



# Business Company Results

(Unit : 100 Million Yen)

## Healthcare Company

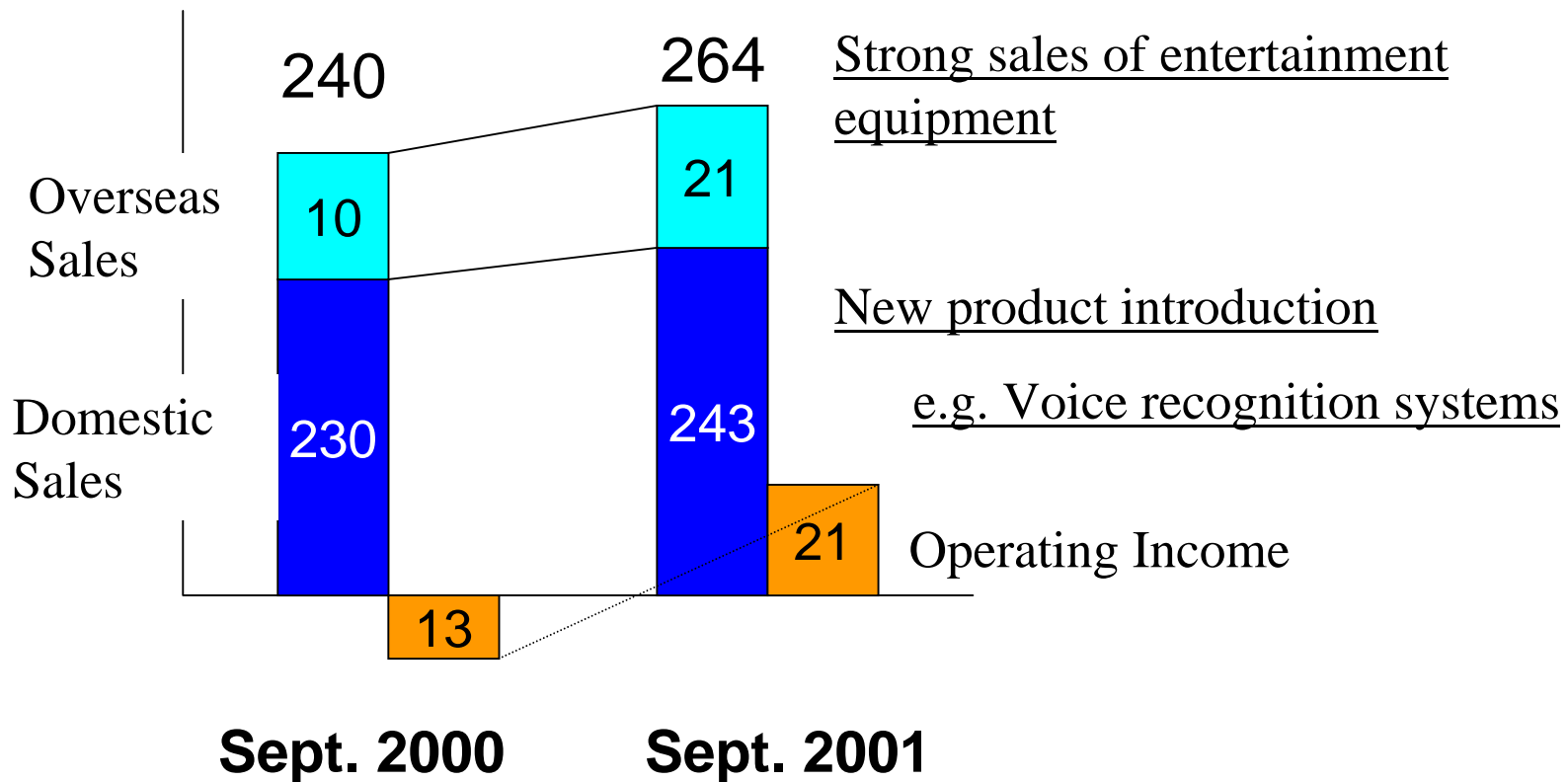




# Business Company Results

## Others

(Unit : 100 Million Yen)



# **Full-year Forecast for March 2002 and Structural Reforms**

**Yoshio Tateisi**  
President and CEO

# Estimated sales by internal companies



(Unit : 100 Million Yen)

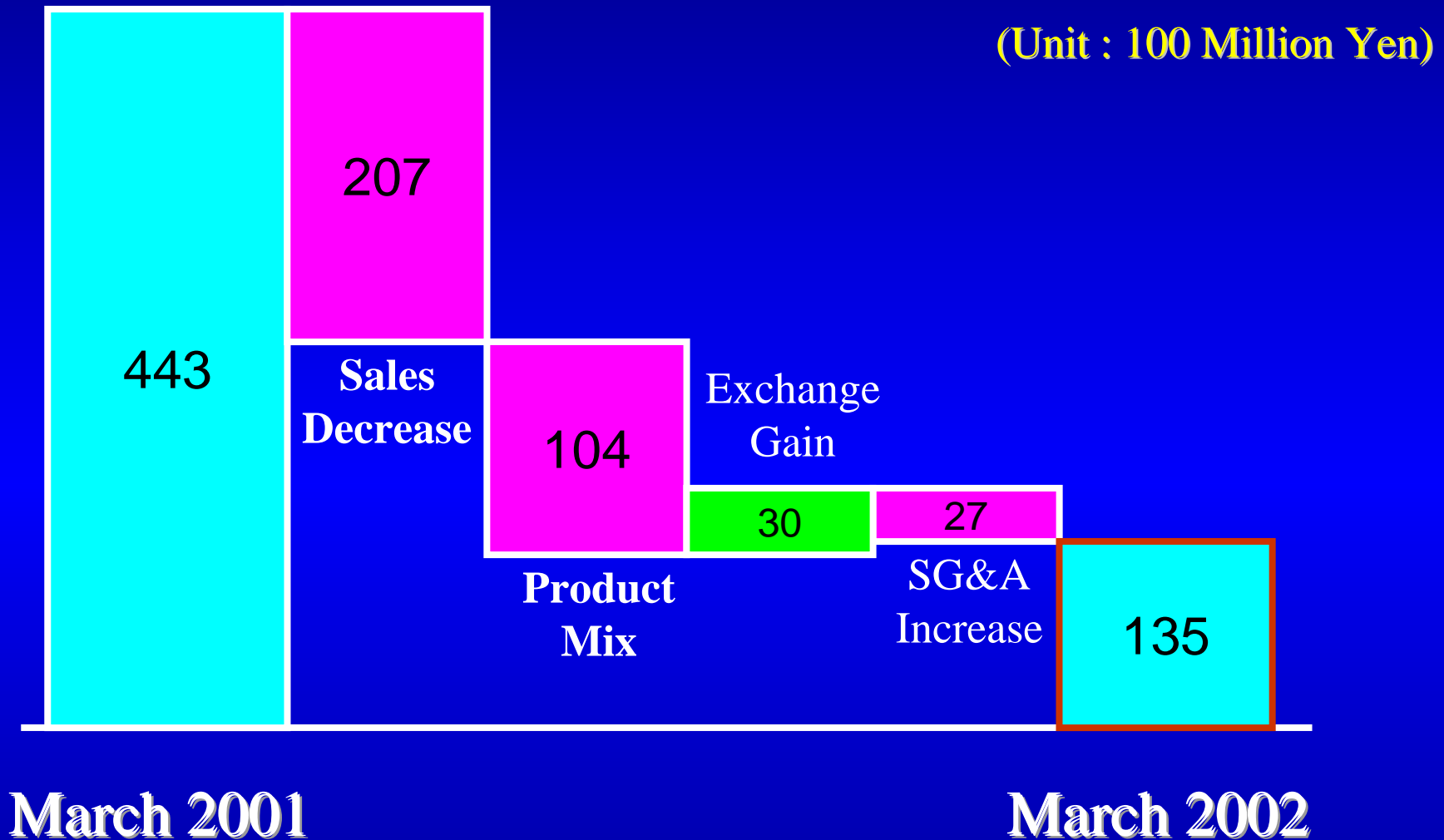
	Mar-01	Mar-02	Comparison to previous year
IAB	2,277	<b>1,910</b>	-16%
ECB	1,294	<b>1,230</b>	-5%
SSB	1,419	<b>1,380</b>	-3%
HCB	393	<b>410</b>	4%
Others	560	<b>570</b>	2%
Total	5,943	<b>5,500</b>	-7%

# Full-year Forecast

(Unit : 100 Million Yen)

	Mar-01	Mar-02	Comparison to previous year
Sales	<b>5,943</b>	<b>5,500</b>	93%
Gross Profit	<b>2,181</b>	<b>1,900</b>	87%
SG&A Expenses	<b>1,738</b>	<b>1,765</b>	102%
Operating Profit	<b>443</b>	<b>135</b>	30%
NIBT	<b>400</b>	<b>-80</b>	----
NIAT	<b>223</b>	<b>-50</b>	----
ROE	<b>6.7%</b>	----	

# Fluctuations in Full-year Operating Income



# Non-operating Income / Expenses

Non-Operating Expenses 21.5 billion yen

Ordinary expenses : Approx 2 billion yen  
(exchange loss, etc.)

Estimated depreciation of stock  
: Approx 12 billion yen

+

**Structural Reform Costs 7.5 billion yen**

# Business Environment Conditions

## - Requiring Accelerated Structural Reforms

### Rapidly Changing Business Environment

Collapse of IT-induced bubble  
Terrorist attacks in the U.S.

Chinese presence  
Competition in Production

The need for

**'No Retreat Structural Reform'**

**Management Structure Reforms**

**Business Structure Reforms**

**Cost Structure Reforms**

**Productivity Improvement Reform**

# Productivity Improvement Reform Goal

[GOAL] For the next 2 years

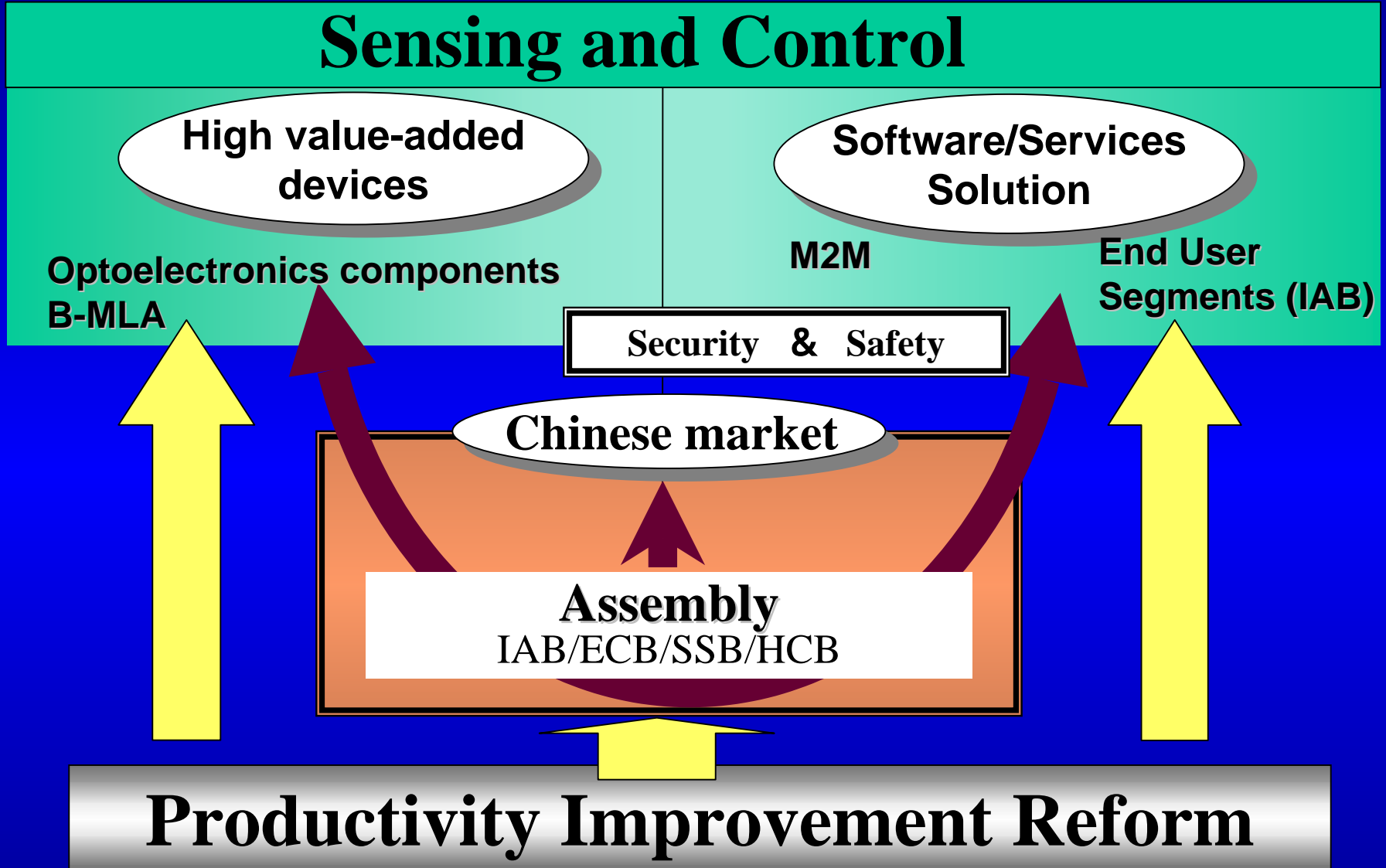
- Cut global fixed and variable costs  
by 30 billion yen
  - Reduce global personnel costs by 10%
  - Increase overseas production by 50%

Resources for Growth

**Key Areas for Future Growth**



# Key Areas for Future Growth



# Productivity Improvement Reform

Strengthen business and enhance productivity

- \* Consolidate/integrate offices & facilities

more than 5 domestic production bases

- \* Concentrate corporate resources in focused areas

reallocate personnel and reorganize business

- \* Accelerate overseas production

expand production in China and promote outsourcing

Eliminate non/low-profit-yielding businesses

- \* Restructure businesses & subsidiaries

more than 2 businesses and 5 subsidiaries

# Productivity Improvement Reform

## Improvement of employee productivity

- Reallocate human resources and expand options for working style and conditions
- Review remuneration system

provide remuneration that matches individual achievements

## Slim assets

- Sell unnecessary assets

sell former R&D centers and employee dormitory property

- Compress operating capital

reduce inventories and borrowing

# NOTE

Omron's performance forecast figures listed in these slides were calculated based on information that could be collected at this time and assumptions that are deemed rational.

Overall economic conditions both in and outside Japan, movement in the demand for Omron products and services, currency exchange rate fluctuations and stock market trends all lack certainty. Due to this uncertainty, the performance forecast may not exactly reflect actual results.

Factors that are uncertain include but are not limited to those listed above.