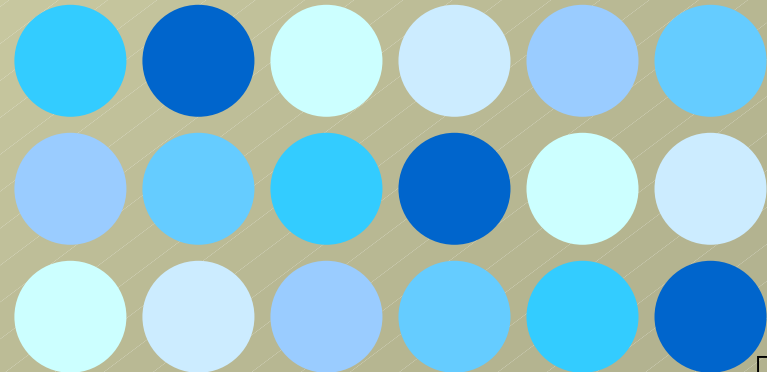


Results for the Nine Months Ended December 31, 2004

February 1, 2005

OMRON Corporation



Contents

- 1. Results for the Nine Months Ended December 31, 2004**
- 2. Forecast for the Twelve Months Ending March 31, 2005**
- 3. Long-Term Management Plan GD2010, Medium-Term Goals for 2nd stage**
- 4. Approach to CSR and Challenges for 2010**

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 141 consolidated subsidiaries and 17 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	Abbreviation	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

* Financial equipment business, such as ATMs, was transferred to "Hitachi-Omron Terminal Solutions, Corp." on October 1, 2004

1. Results for the Nine Months Ended December 31, 2004

Nine months ended
December 31, 2004

Consolidated Statements of Income



Net sales: ¥449.6b (108% YOY change), Operating income: ¥45.8b (123% YOY change), both in line with our previous forecasts*

Statements of Income

(billion yen)

	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)	9 months ended 12/2004 Previous forecasts*(3)	Change from Previous forecasts* (2)/(3)
Net sales	416.8	449.6	107.9%	454.3	99.0%
Gross profit	172.6	186.0	107.8%	189.8	98.0%
SG&A expense	104.4	105.5	101.1%	108.4	97.4%
R&D expense	30.8	34.6	112.3%	36.2	95.7%
Operating income	37.3	45.8	122.8%	45.2	101.4%
NIBT	34.8	43.1	123.9%	42.5	101.4%
NIAT	17.1	24.8	145.1%	-	-

Exchange Rate

(yen)

US\$	115.3	107.9	-7.3	107.7	0.2
EUR	132.4	134.2	1.9	135.1	-0.9

*Previous forecasts released on October 29, 2004

Nine months ended
December 31, 2004

Breakdown of Sales by Region and Business

**YOY sales growth continues high, but the growth rate gets smaller.
9 months results falls below the previous forecasts in IAB and ECB**

(billion yen)

By Region	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)	9 months ended 12/2004 Previous forecasts*(3)	Change from Previous forecasts* (2)/(3)
Japan	249.8	269.5	107.9%	272.0	99.1%
Overseas**	167.0	180.1	107.9%	182.3	98.8%
Total	416.8	449.6	107.9%	454.3	99.0%

**Overseas includes direct exports

By Business	Actual(1)	Actual(2)	(2)/(1)	Previous forecasts*(3)	(2)/(3)
IAB	168.5	187.6	111.3%	189.7	98.9%
ECB	66.9	76.1	113.7%	78.5	96.9%
AEC	43.2	47.2	109.2%	46.2	102.1%
SSB	84.5	80.0	94.8%	82.9	96.5%
HCB	36.1	38.6	106.8%	38.4	100.5%
Ohters	17.6	20.2	114.6%	18.6	108.3%
Total	416.8	449.6	107.9%	454.3	99.0%

*Previous forecasts released on October 29, 2004

Nine months ended
December 31, 2004

Breakdown of Operating Income

**Operating Income increases in all business segments except HCB
However, IAB and ECB's falls short from the previous forecasts**

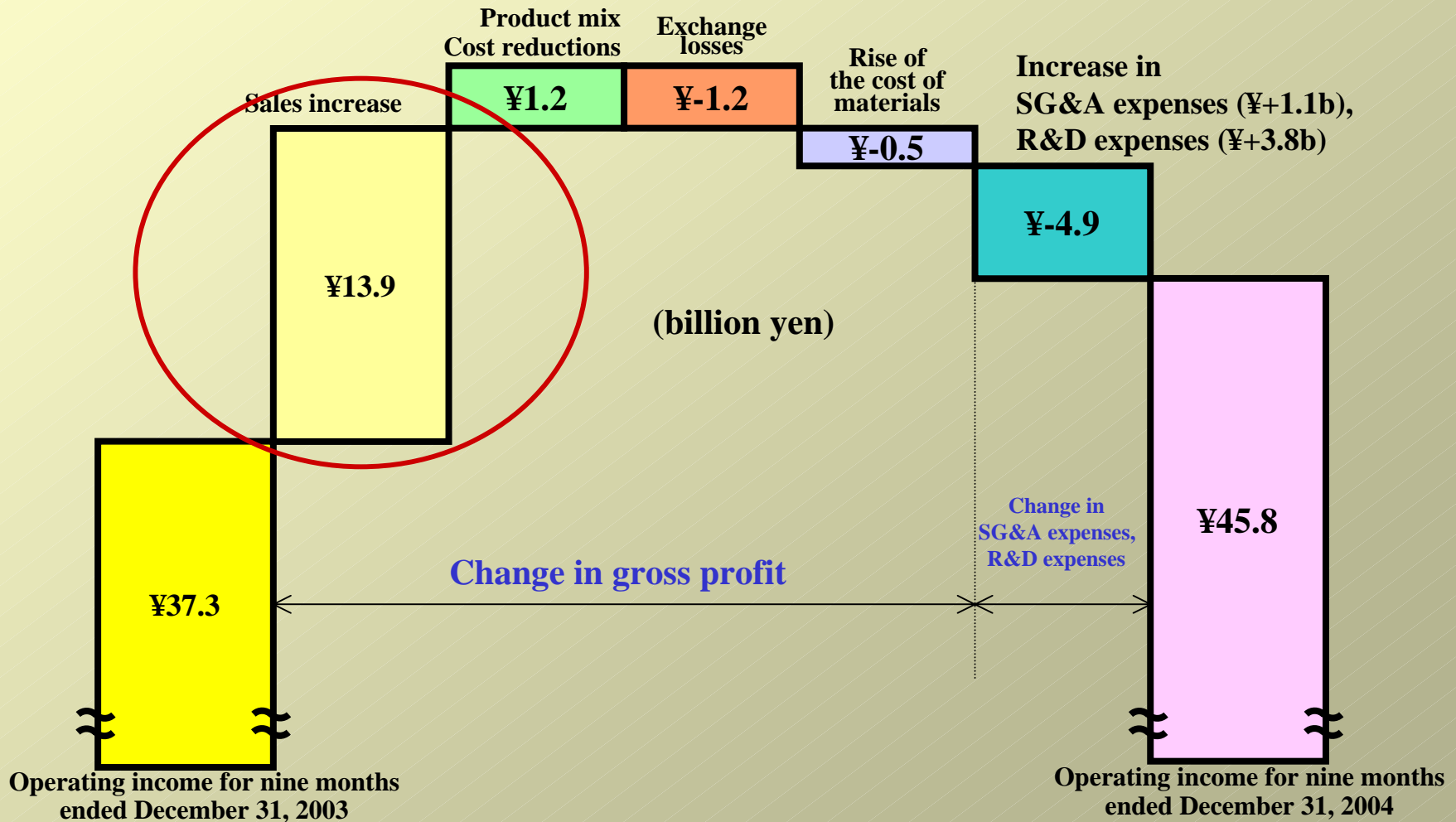
By Business	9 months ended 12/2003	9 months ended 12/2004	Change from last year	9 months ended 12/2004 Previous forecasts*(3)	Change from Previous forecasts*
	Actual(1)	Actual(2)	(2)/(1)	(2)/(3)	(2)/(3)
IAB	25.1	32.2	128.5%	34.1	94.4%
ECB	11.4	12.2	107.3%	12.8	95.6%
AEC	0.5	-0.5	-	-0.3	-
SSB	4.9	5.0	102.0%	4.7	104.6%
HCB	6.8	5.9	87.8%	5.6	105.9%
Others	2.9	3.4	117.0%	2.4	141.5%
HQ Cost/Elimination	-14.2	-12.4	87.6%	-14.2	87.5%
Total	37.3	45.8	122.8%	45.2	101.4%

*Previous forecasts released on October 29, 2004

Nine months ended
December 31, 2004

Breakdown of Changes in Operating Income

**Sales growth was the major factor in gross profit increase;
¥8.5b YOY increase in operating income**



Nine months ended
December 31, 2004

Segment Information

IAB (Industrial Automation Business)

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: ¥187.6b; Operating income ratio: 17.1%;
Growth rate is getting lower because of slowdown
specially in China market**

Digital Panel Meter



Programmable Logic Controller



Base Inspection System



IAB	(billion yen)		
	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)
Japan	84.4	97.3	115.3%
Overseas	84.1	90.2	107.3%
North America	15.0	15.2	101.6%
Europe	44.1	48.5	109.8%
Asia	10.2	7.6	75.3%
China	14.6	15.8	107.7%
Exports	0.2	3.1	1640.2%
Total	168.5	187.6	111.3%
Operating income	25.1	32.2	128.5%

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

Nine months ended
December 31, 2004

Segment Information

ECB (Electronic Components Business)

OMRON
Sensing tomorrow™

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.

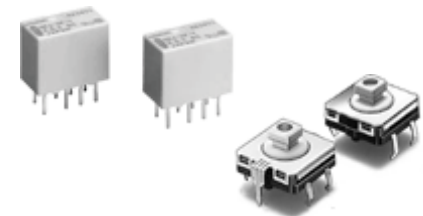
**Net sales: ¥76.1b; Operating income ratio: 16.0%;
Although over 10% growth is continued,
the results did not reach the previous forecasts**

ECB	(billion yen)		
	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)
Japan	36.4	39.5	108.7%
Overseas	30.5	36.5	119.9%
North America	8.0	7.3	92.0%
Europe	7.4	8.8	118.9%
Asia	3.6	4.2	115.1%
China	6.7	8.6	129.3%
Exports	4.8	7.6	158.1%
Total	66.9	76.1	113.7%
Operating income	11.4	12.2	107.3%

FPC Connector



Relay, Switch



B-MLA



Nine months ended
December 31, 2004

Segment Information



AEC (Automotive Electronic Components Business)

Sensing tomorrow™

Manufacture and sale of automotive electronic components

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

Automotive Relay



**Net sales: ¥47.2b; Operating loss;
Europe and Asia business continue strong**

Keyless Entry System



(billion yen)

AEC	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)
Japan	18.1	19.4	107.1%
Overseas	25.0	27.8	111.1%
North America	15.6	15.3	97.8%
Europe	2.9	3.8	128.6%
Asia	6.4	8.6	135.1%
China	0.0	0.0	-
Exports	0.2	0.1	79.1%
Total	43.2	47.2	109.2%
Operating income	0.5	-0.5	-

Automotive Laser Radar



*Nine months ended
December 31, 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: ¥80.0b; Operating income ratio: 6.2%;
Sales decrease due to ATM business transfer to JV;
Special demand for new bank notes continues in railway business**

SSB	(billion yen)		
	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)
Japan	76.8	75.2	97.9%
Overseas	7.7	4.8	62.6%
North America	0.2	0.1	83.4%
Europe	0.7	0.4	53.6%
Asia	0.0	0.0	9.7%
China	0.4	0.0	3.1%
Exports	6.3	4.3	67.9%
Total	84.5	80.0	94.8%
Operating income	4.9	5.0	102.0%

Automatic Gate



Ticket Vending Machine



Traffic/Road Management System



*Financial equipment business, such as ATMs, is included in results until September 30, 2004

*Nine months ended
December 31, 2004*

Segment Information

HCB (Healthcare Business)

OMRON
Sensing tomorrow™

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: ¥38.6b; Operating income ratio: 15.5%;
Slowdown in China, but sales of blood pressure monitors
continues very strong in other area**

HCB	(billion yen)		
	9 months ended 12/2003 Actual(1)	9 months ended 12/2004 Actual(2)	Change from last year (2)/(1)
Japan	16.7	18.3	109.6%
Overseas	19.4	20.3	104.7%
North America	10.3	11.1	107.9%
Europe	6.1	6.2	102.2%
Asia	0.9	1.1	112.9%
China	2.1	1.9	91.2%
Exports	0.1	0.1	70.6%
Total	36.1	38.6	106.8%
Operating income	6.8	5.9	87.8%

Blood Pressure Monitor



Body Composition Monitor



Portable Electrocardiograph



2. Forecast for the Twelve Months Ending March 31, 2005

12 months ending
March 31, 2005

Forecast of Consolidated Income Statements

**Full year forecasts revised downward due to slowdown specially in China;
YOY sales and profits growth maintained high,
and profits expected to set new records**

Statements of Income

(billion yen)

	12 months ended 03/2004 Actual(1)	12 months ending 03/2005 Forecasts(2)	Change from last year (2)/(1)	12 months ending 03/2005 Previous forecasts*(3)	Change from Previous forecasts* (2)/(3)
Sales	584.9	610.0	104.3%	615.0	99.2%
Gross Profit	240.1	250.0	104.1%	254.0	98.4%
SG&A expenses	142.2	144.0	101.3%	145.0	99.3%
R&D expenses	46.5	49.0	105.4%	49.0	100.0%
Operating income	51.4	57.0	110.9%	60.0	95.0%
NIBT	48.0	53.5	111.5%	56.0	95.5%
NIAT	26.8	31.0	115.6%	34.0	91.2%

Record high

Exchange Rate

ROE=10.6%, EPS=about ¥130(Forecast)

(yen)

US\$	113.4	106.1	-7.3	109.8	-3.7
EUR	132.4	134.4	2.0	131.5	2.9

12 months ending
March 31, 2005

Sales Forecast by Region and Business

**Forecasts in Japan unchanged, but decreased in overseas from previous one;
IAB and ECB segment will fall short from previous forecasts**

(billion yen)

By Region	12 months ended 03/2004 Actual(1)	12 months ending 03/2005 Forecasts(2)	Change from last year (2)/(1)	12 months ending 03/2005 Previous forecasts*(3)	Change from Previous forecasts* (2)/(3)
Japan	361.1	369.5	102.3%	369.5	100.0%
Overseas**	223.8	240.5	107.5%	245.5	98.0%
Total	584.9	610.0	104.3%	615.0	99.2%

**Overseas includes direct exports

By Business	Actual(1)	Forecasts(2)	(2)/(1)	Previous forecasts*(3)	(2)/(3)
IAB	229.6	249.0	108.4%	253.0	98.4%
ECB	89.0	103.0	115.7%	106.5	96.7%
AEC	58.8	63.5	107.9%	62.0	102.4%
SSB	136.0	116.5	85.7%	116.0	100.4%
HCB	47.0	51.0	108.6%	51.0	100.0%
Other	24.5	27.0	110.3%	26.5	101.9%
Total	584.9	610.0	104.3%	615.0	99.2%

New records expected though revised forecast gets shy from previous one; IAB/ECB/HCB expect high growth but AEC/SSB decrease on YOY basis

(billion yen)

By Business	12 montshs ended 03/2004 Actual(1)	12 months ending 03/2005 Forecasts(2)	Change from last year (2)/(1)	12 months ending 03/2005 Previous forecasts*(3)	Change from Previous forecasts* (2)/(3)
IAB	34.2	41.5	121.4%	44.5	93.3%
ECB	14.6	16.5	113.1%	17.0	97.1%
AEC	1.0	0.3	30.0%	0.3	100.0%
SSB	10.4	6.9	66.3%	6.5	106.2%
HCB	7.2	8.0	111.4%	8.0	100.0%
Others	3.8	2.2	57.8%	3.1	71.0%
HQ Cost/Eliminations	-19.7	-18.4	93.3%	-19.4	94.8%
Total	51.4	57.0	110.9%	60.0	95.0%

3. Long-Term Management Plan GD2010

Medium-Term Goals for 2nd stage

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

GD2010

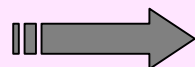
**Management Objectives:
Maximizing long-term corporate value**

By FY2010

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

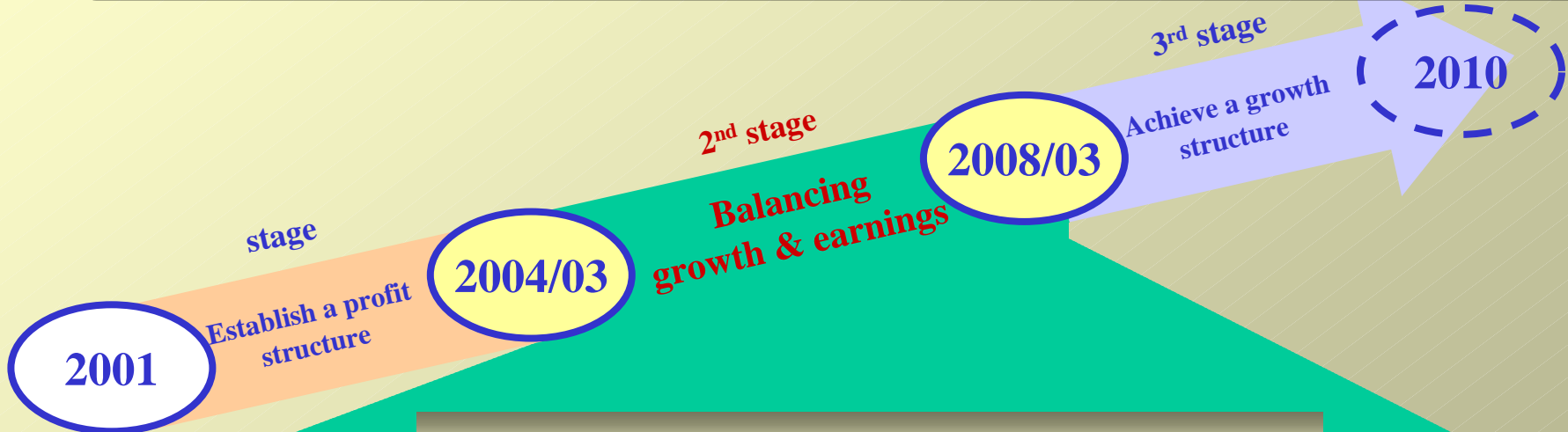
Goal in the 1st stage

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



ROE 10.2% was achieved as of 03/2004

Balancing sales growth & earnings, Implementing constant structural reforms



“Implement Constant Structural Reforms”

Structural reform not ended at the 1st Stage but continues in the 2nd Stage and after

[Operational structural reform]

To enhance capabilities to respond quickly to changes in the business environment and create a strong structure of high profitability

[Business domain structural reform]

To expand geographical area and business domain with our core technology to get higher growth

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

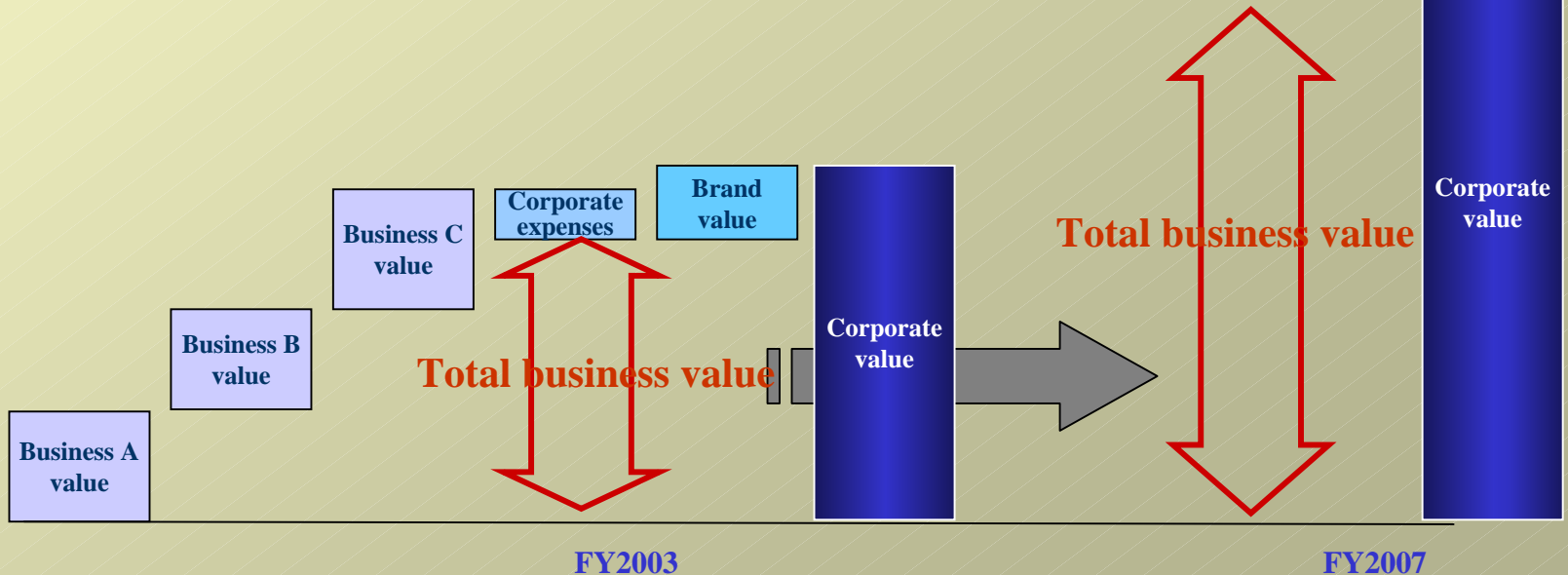
GD2010 Long-Term Management Objectives

Maximizing long-term corporate value

Enhancing brand value

Medium-Term Management Goal (FY07)

Double the Total Business Value of FY03



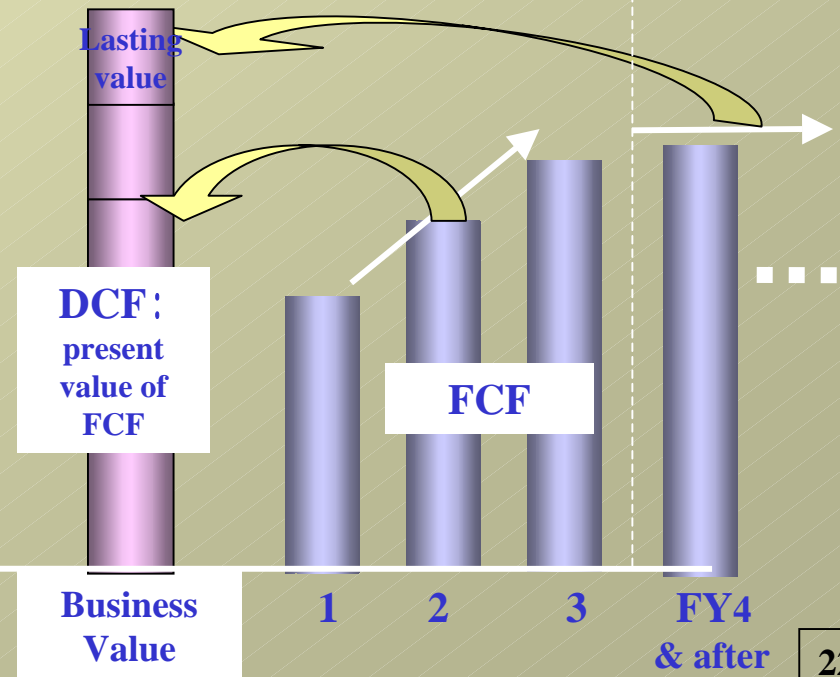
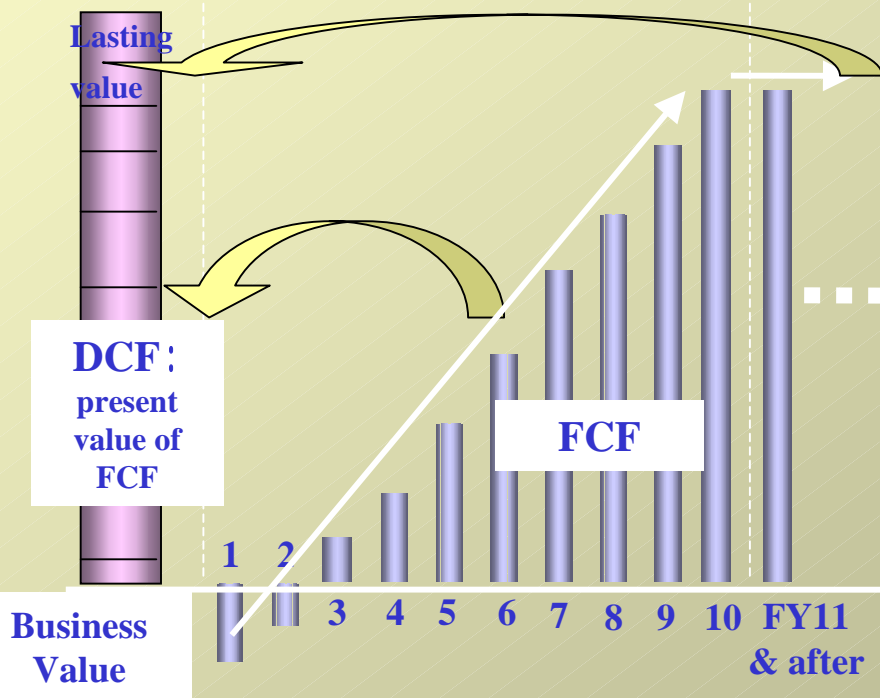
Omron defines business value as the total of present values of future FCF (Free Cash Flow) generated by each business unit

New Technological Fields

- Simulate 10-year FCF based on five-year plan
- Stabilize FCF with lasting value after 11 years

Existing + China Market

- Simulate 3-year FCF
- Stabilize FCF with lasting value after 4 years



One scenario to “Double the Total Business Value”

**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>

Generate ¥250b business value

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

<Scenario for Existing + China Market>

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

Refer to
the page 24

Refer to
the page 28

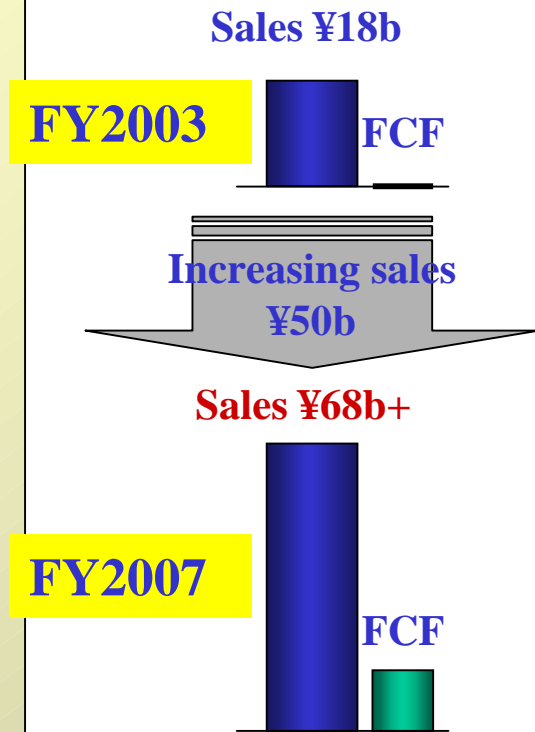
Sales expansion over ¥100b in Greater China area=
Structural Reform in Business Domains

Profitability improvement in existing area by executing of
Operational Structural Reform

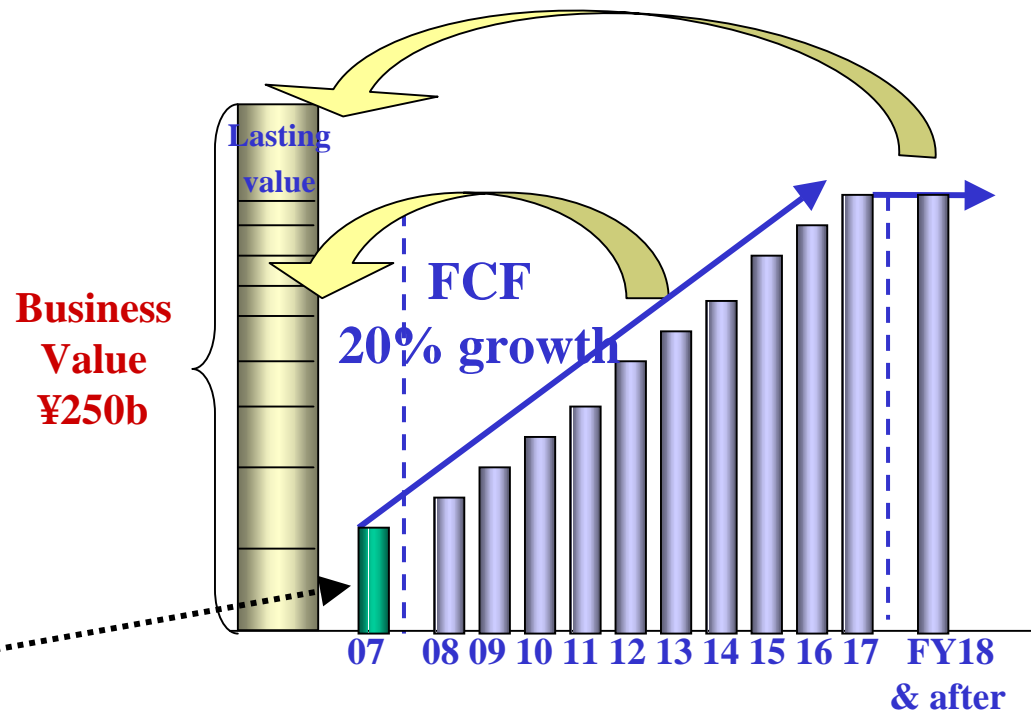
Refer to
the page 29

Establishing new technological fields that may be expected to grow at 20% annually over ten years, with anticipated sales of over ¥68b in FY07 (Structural Reform #1 in Business Domain)

Sales/FCF increase plan

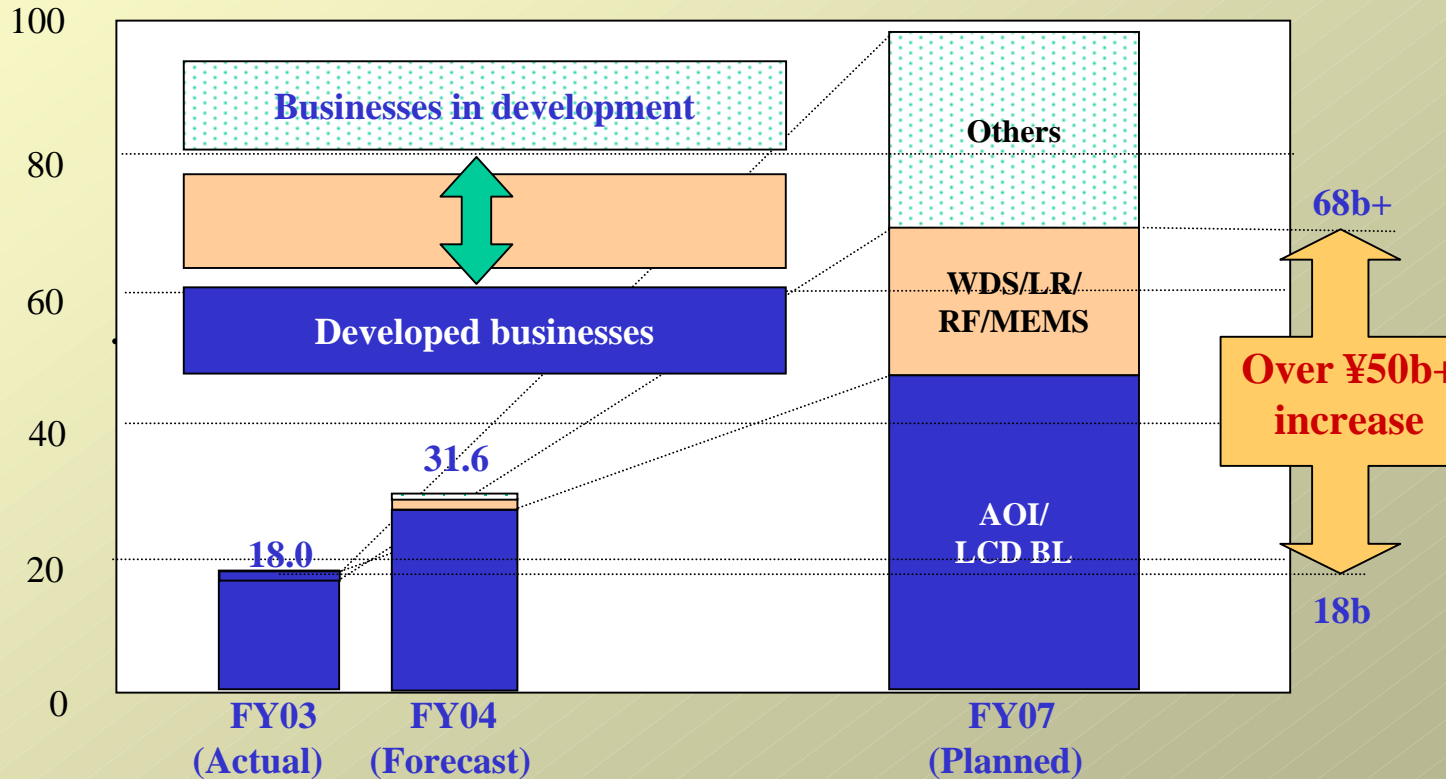


Business value simulation
in New Technological Fields in FY2007



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)



New Technological Fields

WDS: Waveform Analysis, Diagnosis and Solution

LR: Laser radars for automobiles

RF: Passive Keyless entry for automobiles

MEMS: Micro electro mechanical systems

AOI: Automated optical inspection

LCD BL: Liquid crystal backlight

Products anticipating a high growth rate in IAB/ECB/AEC (three core businesses)

IAB

AOI: Automated Optical Inspection system for PCB Assembly Line



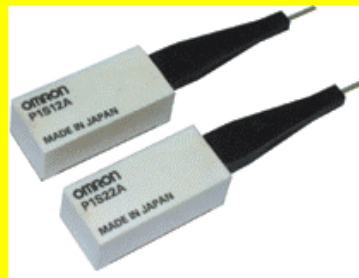
WDS: Waveform Analysis, Diagnosis and Solution

ECB

LCD BL: LCD Backlight Units for Mobile Phones



(World First Reversible Type)



Optical Communication Device

AEC

L/R: Automotive Laser Radar for Anti-collision



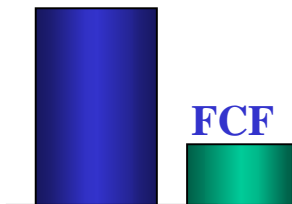
TPMS: Tire Pressure Monitoring System

Generate additional about ¥25b OP by achieving ¥100b sales growth in Greater China and by improving margin ratio in the existing domain

Sales/FCF increase plan

FY2003

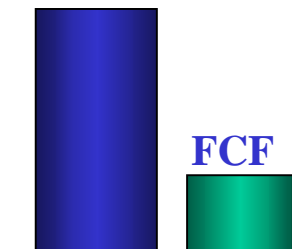
Sales about ¥570b



Increasing sales
¥110b or more

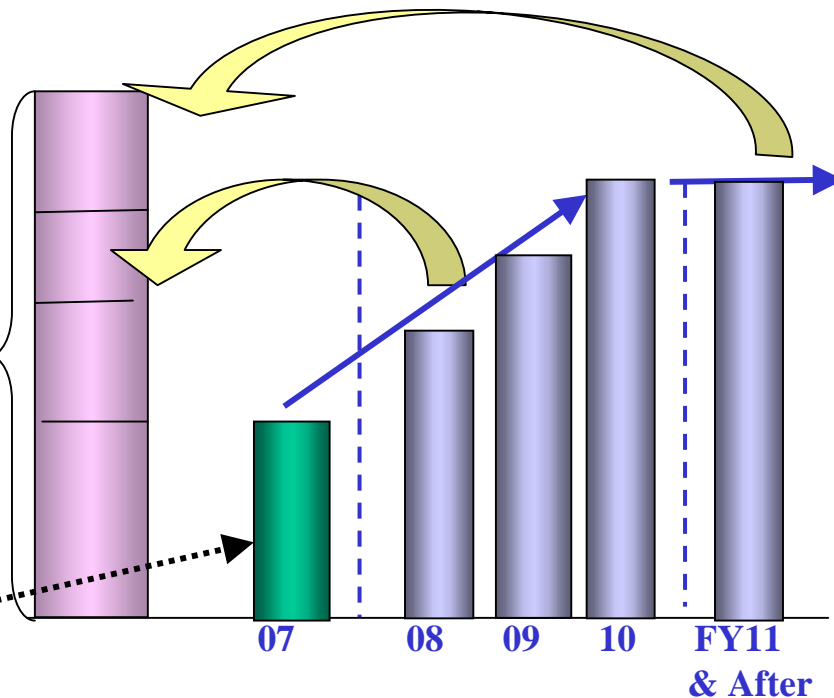
Sales about ¥680b+

FY2007

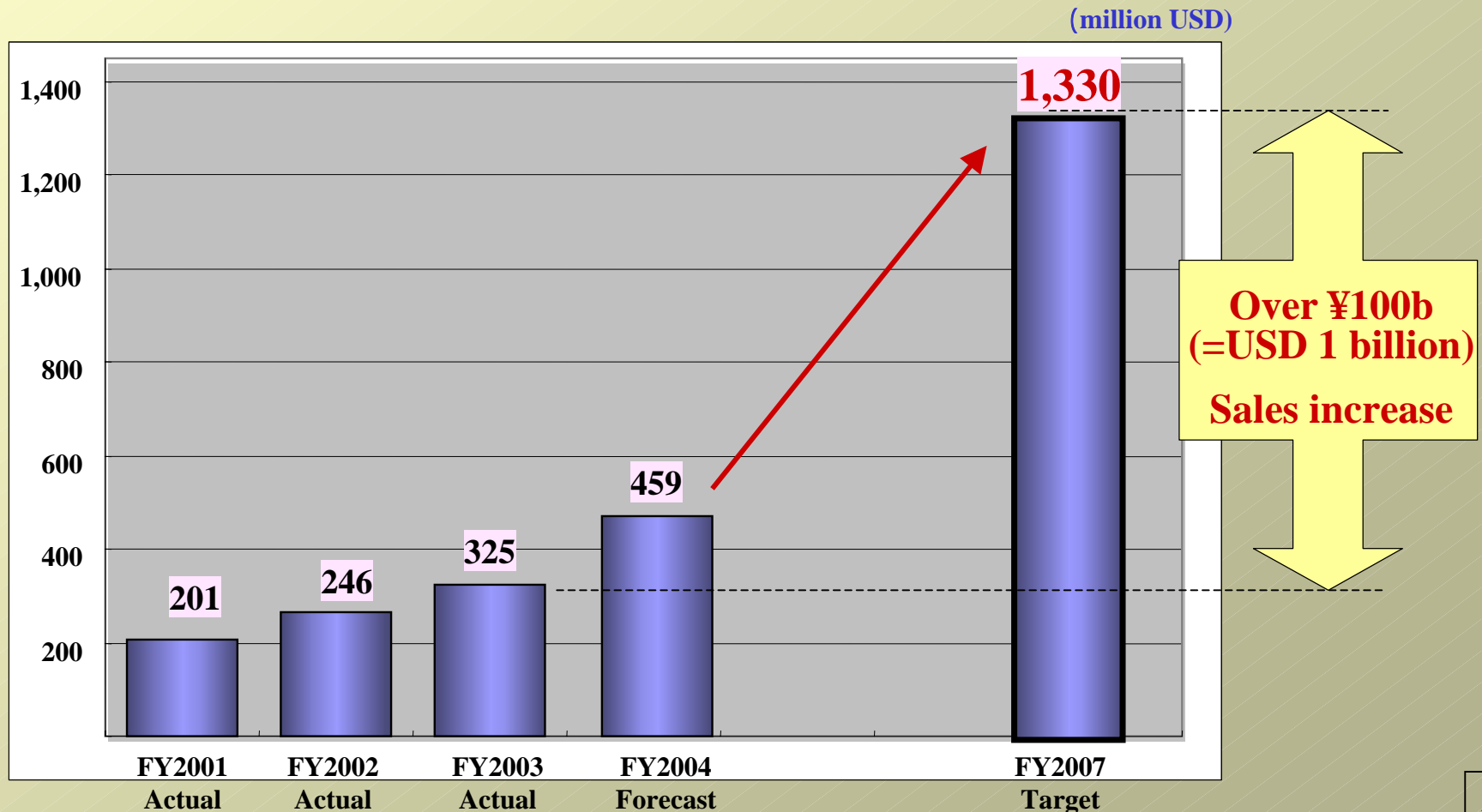


Business value simulation
in Existing + China Market in FY2007

Business
Value
¥950b

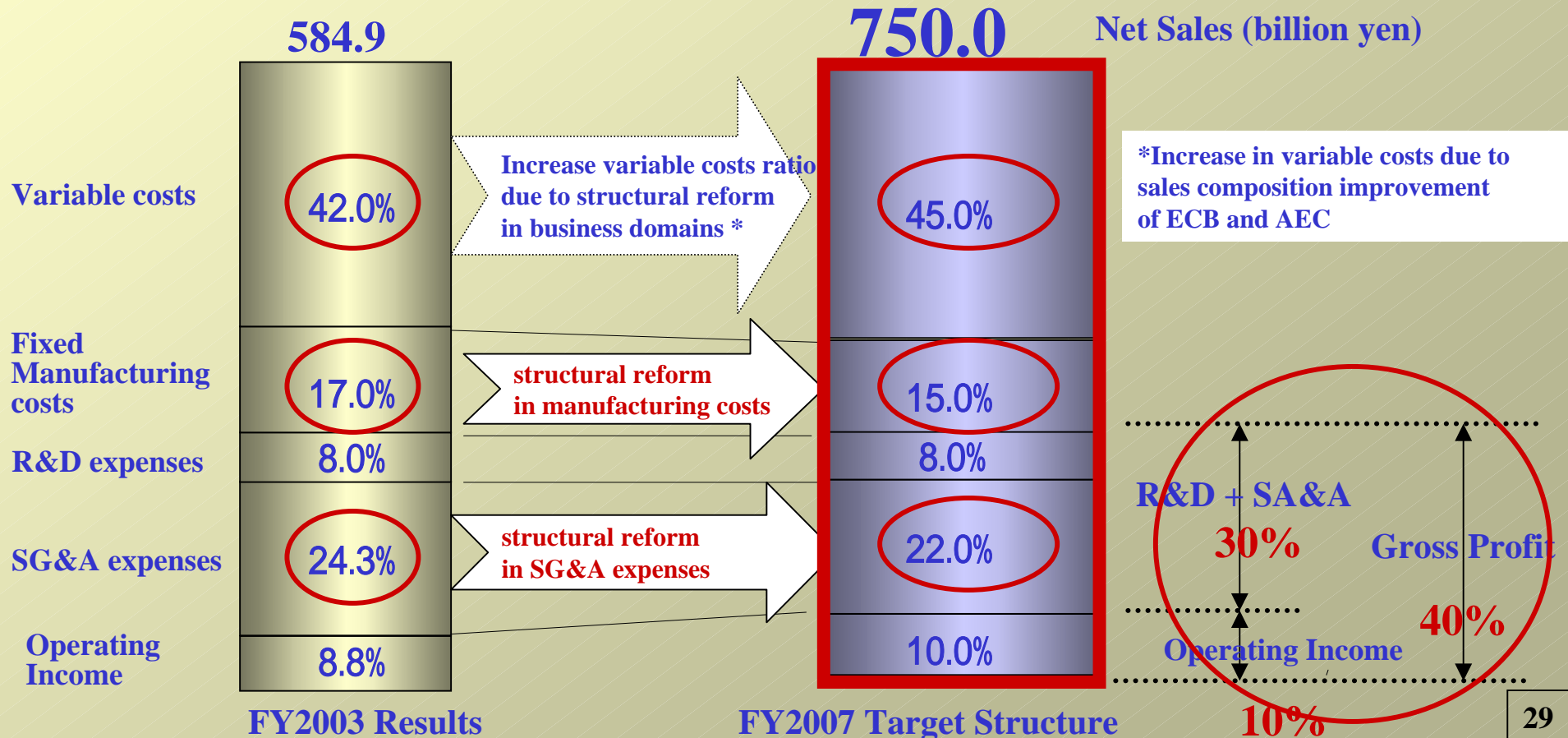


**Generate additional ¥10b OP by achieving about ¥100b sales increase
from FY2003 in Greater China
(Structural Reform #2 in Business Domain)**



Establish a strong profit structure of 40:30:10* in FY2007 by promoting further reductions in ratios of SG&A and fixed manufacturing cost (Structural Reform in Business Operations)

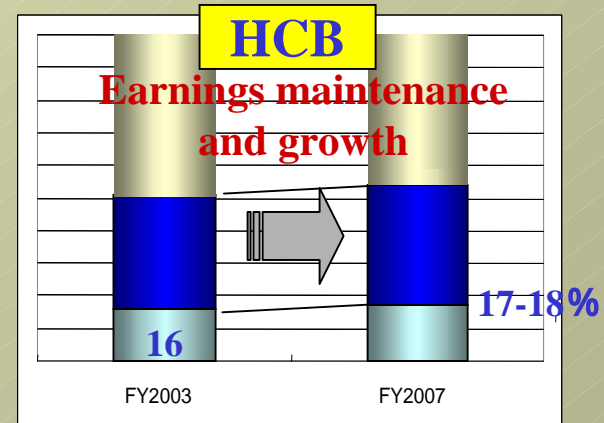
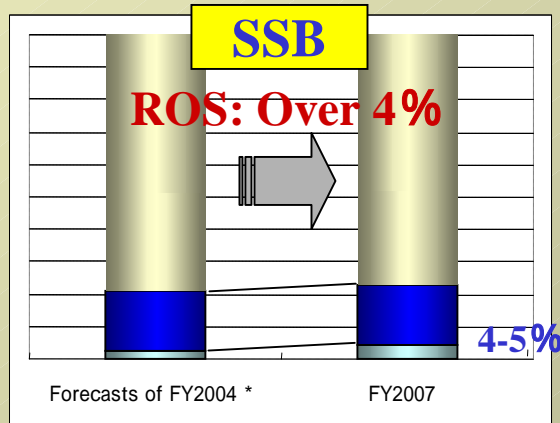
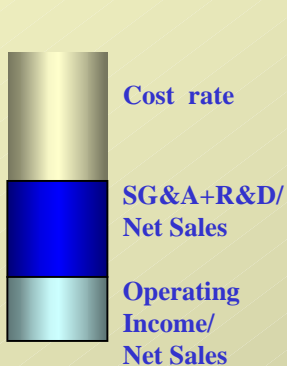
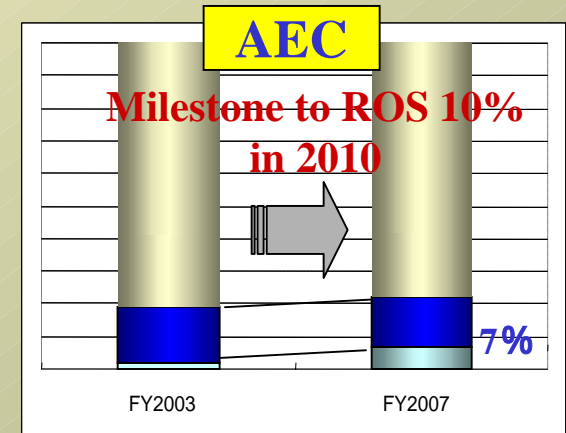
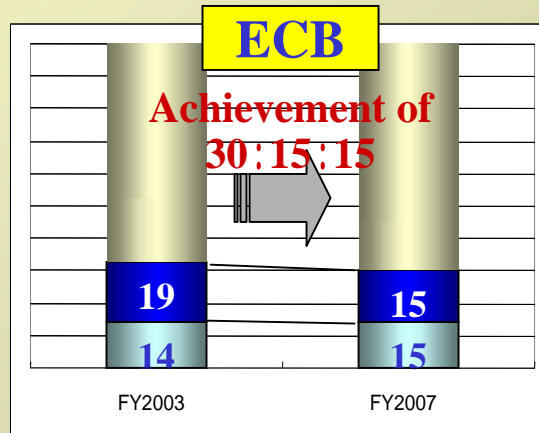
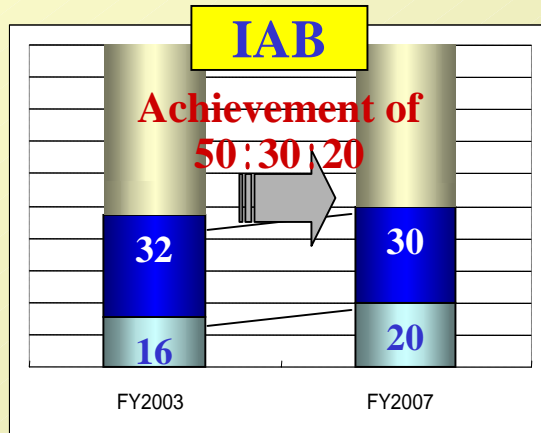
(Gross Profit/Net sales 40% : SG&A+R&D/Net Sales 30% : Operating Income/Net Sales 10%)



Existing + China Market

Target P/L structure of each segment

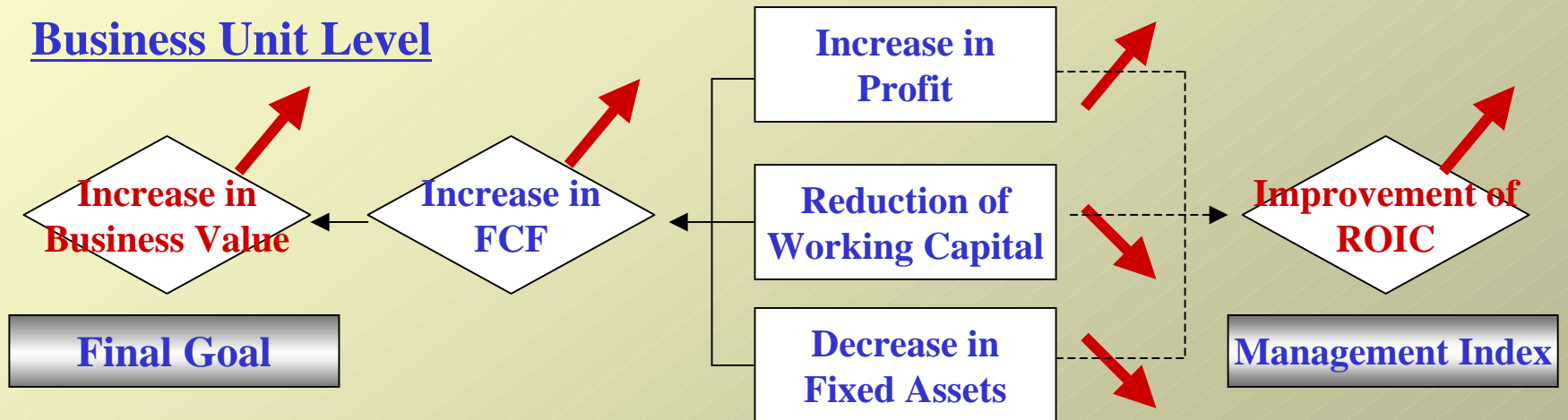
Promoting "Structural Reform in Business Operations" to target P/L structure of each segment while balancing sales growth and earnings



*Before reorganizing financial business in FY2003

Each business unit to increase its business value through ROIC improvement, with maximizing its profits and improving the efficiency of assets utilization

Business Unit Level



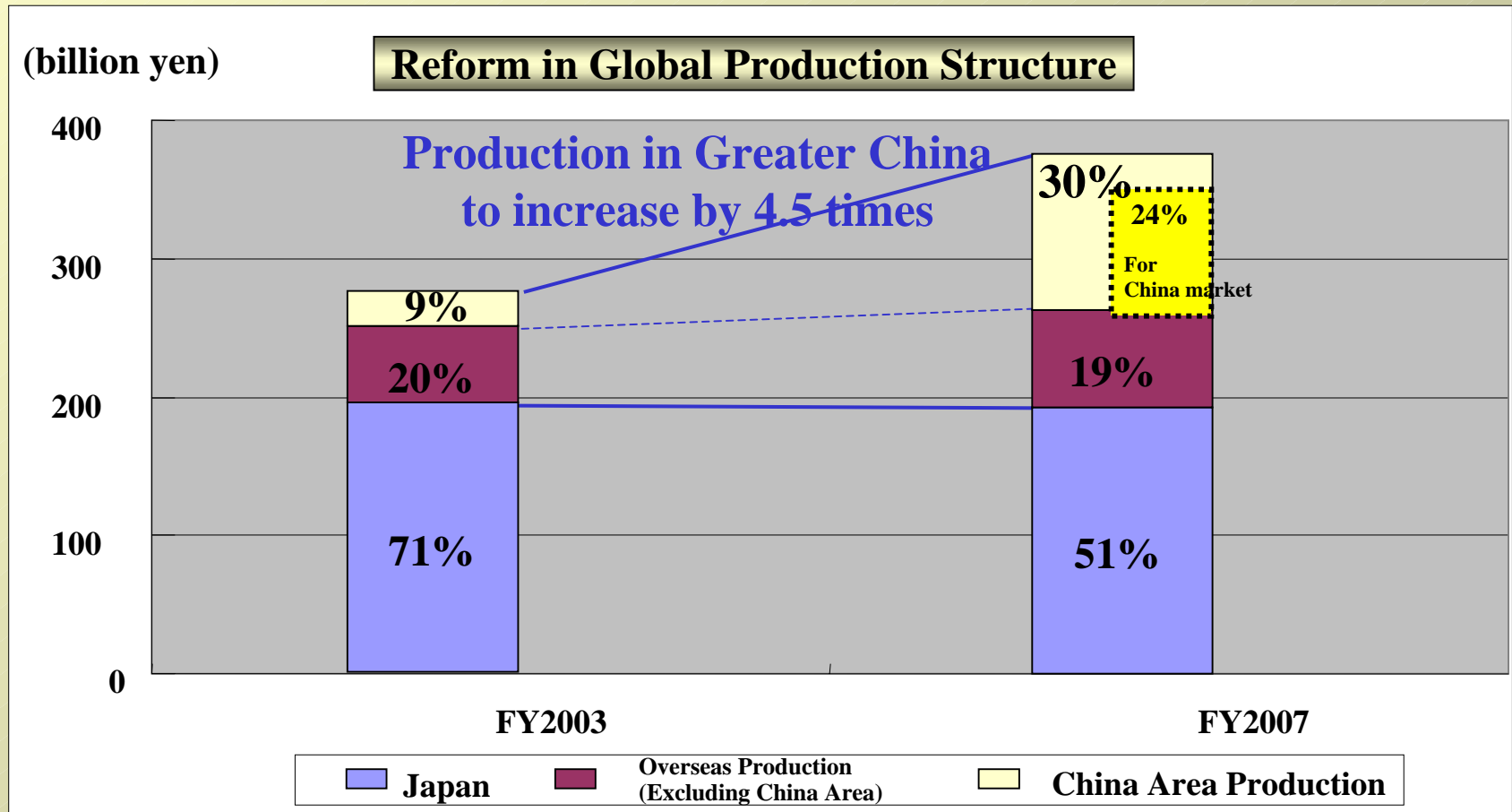
BS of each Business

	Notes and accounts receivable	Notes and accounts payable
Working capital	Inventories	Invested capital
	Fixed assets	

$$\begin{aligned}
 \text{ROIC} &= \frac{\text{Profit}}{\text{Invested Capital}} \\
 &= \frac{\text{Profit}}{\text{Working Capital}^* + \text{Fixed Assets}}
 \end{aligned}$$

*Working Capital = Notes and Accounts Receivable + Inventories - Notes and Accounts Payable

**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

28% sales growth:
planned

¥750.0b

¥584.9b

SG&A expenses ratio:
controlled to 16%

24.3%

22.0%

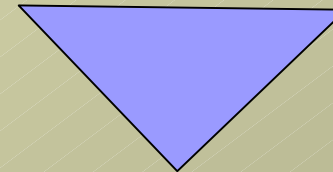
FY2003

FY2007

result

target structure

Re-distribution of management
resources in the entire group

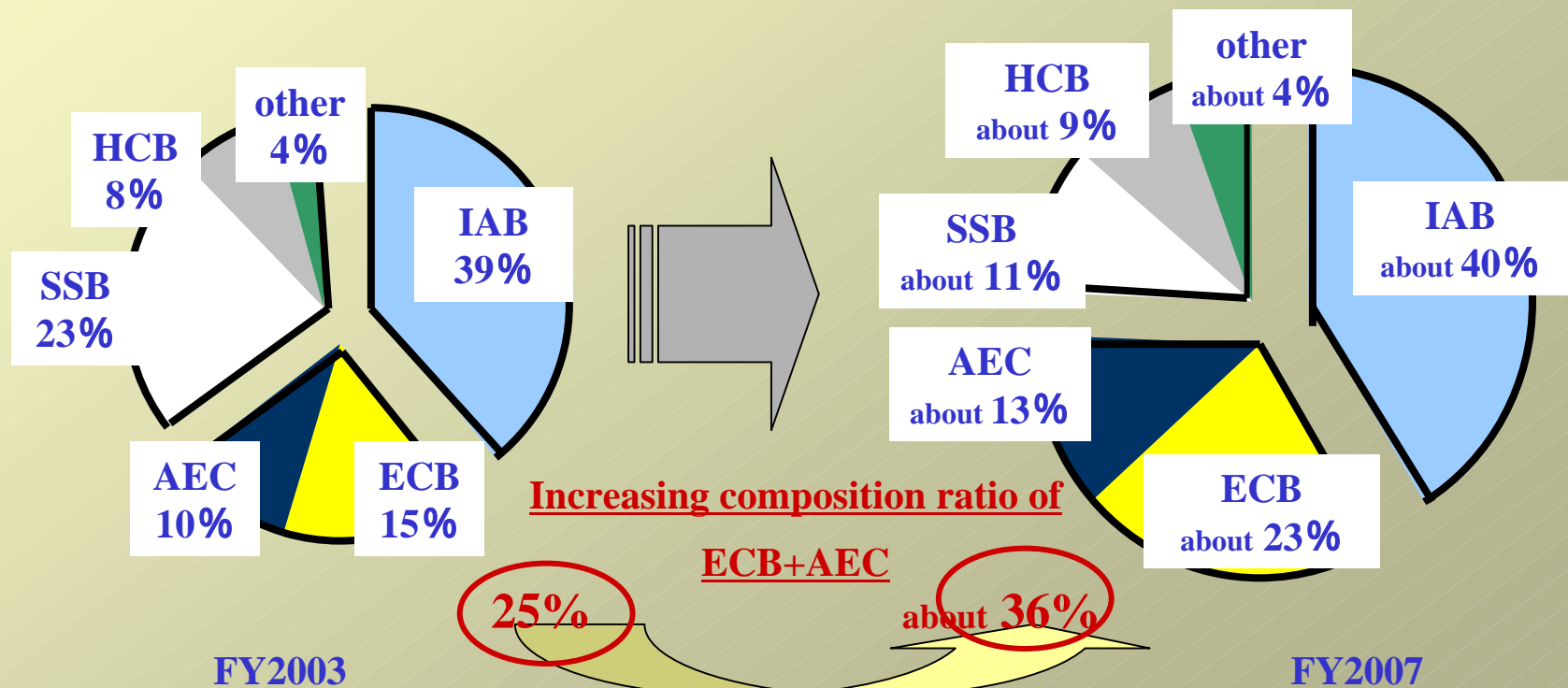


Productivity reformation mainly
in business and staff department

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

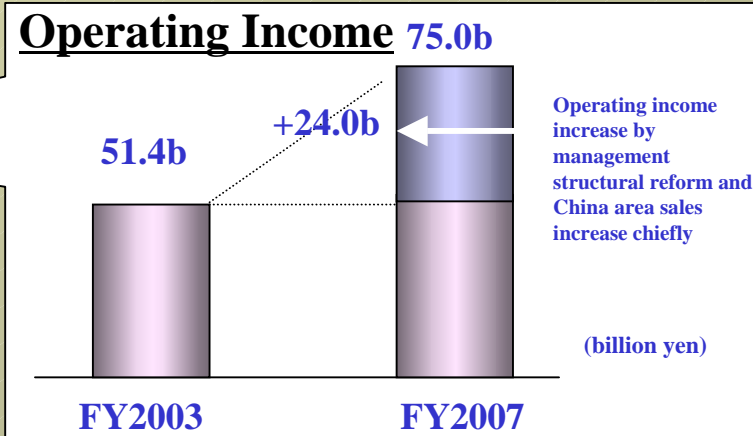
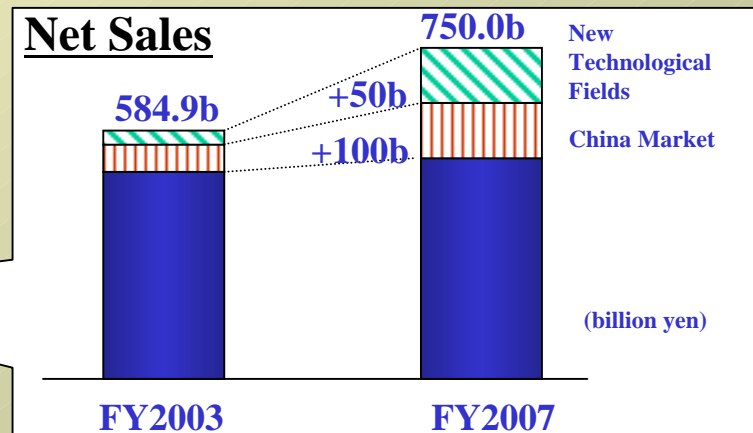
Achievement of “Balancing sales growth & earnings”



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

(billion 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%



4. Approach to CSR and Challenges for 2010

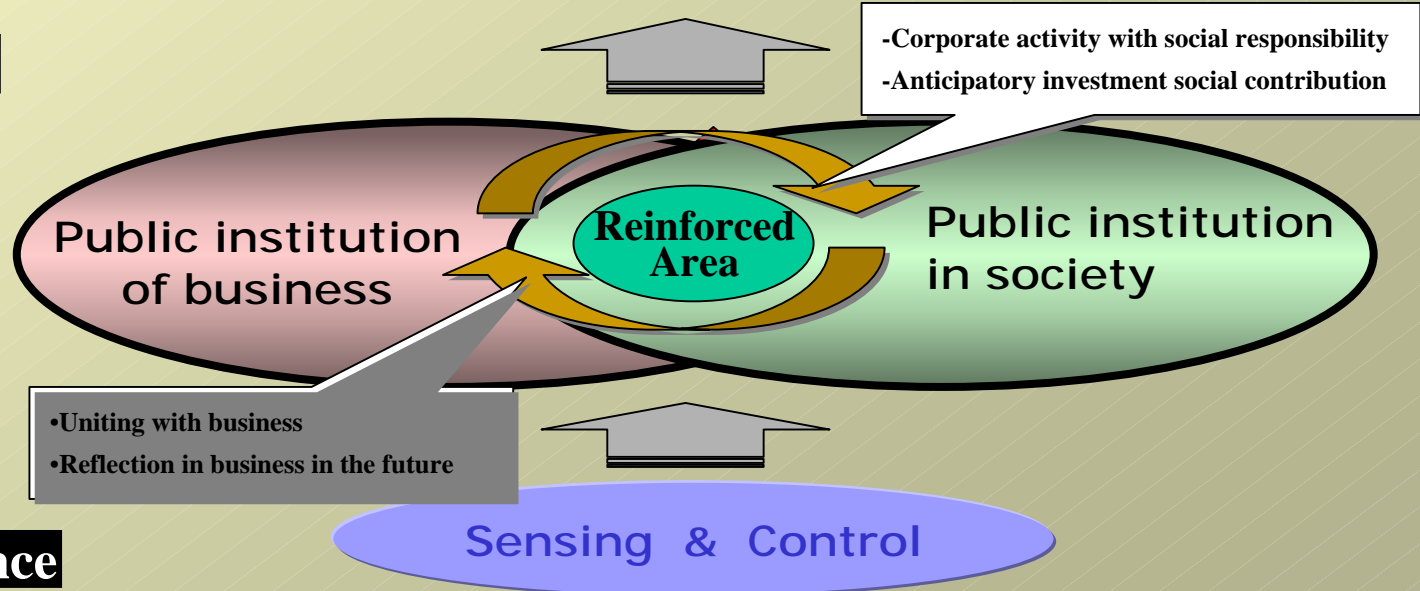
Strengthening the area where business activities and social contribution correspond, improving the corporate image and brand value, with the aim of maximizing corporate value

Social Needs

Safety, Security, Environment, Health

Challenging the achievements of “Safety, Security, Environment, Health” as social needs, with the strengths in “Sensing & Control Technology” and the concept of the “Best Match of Human Beings and Machines”

Omron's Sprit



Core competence

Always meeting changes in social needs

Industrialized Society

Needs to attain
material wealth

High Productivity

High Efficiency

Society's
needs
also
change

Optimized Society

Needs to attain
comfort and well-being

Security

High Productivity

High Efficiency

Environment

Safety

**Making machines more compatible with humans -
that is, the “Best Match of Human Beings and Machines”**

Past

Humans adapt to machines

**Evolution of
Sensing & Control Technology**

Future

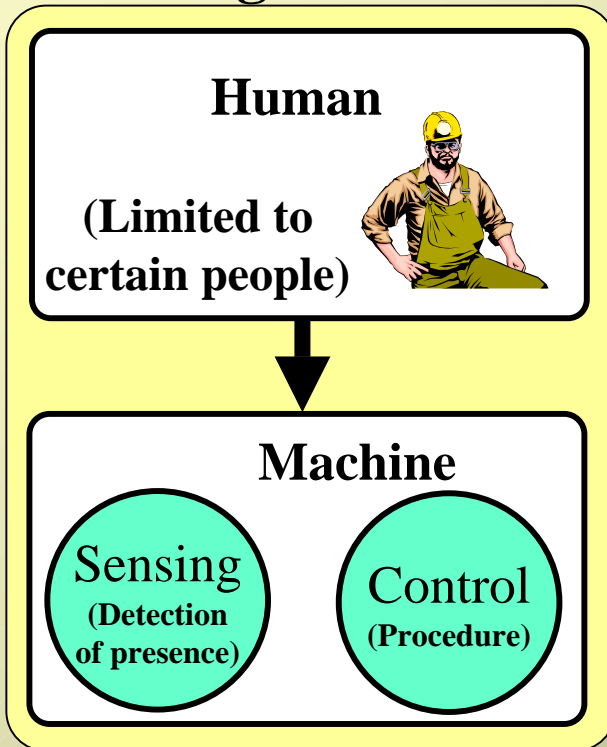
Machines adapt to humans

**Machine adjusting their functions and performance
according to the user’s ability level/gender/age**

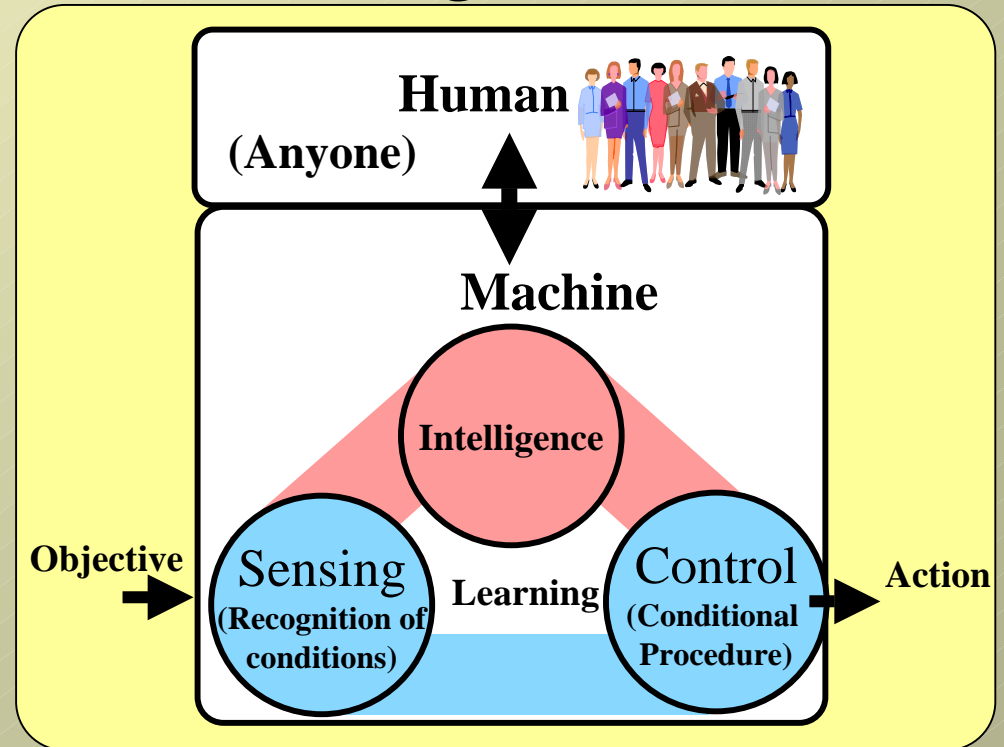
“Best Match of Human Beings and Machines”

With advanced Sensing & Control, machine learns in lieu of humans to achieve optimum action

Sensing + Control



Sensing & Control



**Omron captures the needs of a changing society in advance
and achieves the maximization of long-term corporate value in 2010**

2005: First Year of Optimized Society

- Capture the needs of society in advance
with “Best Match of Human Beings and Machines” -

2010: Small but Global

- *Management:** Management that wins the confidence of global society
- *Business:** Business that maintains high sales growth and earnings based on its advanced technologies
- *Individual:** Autonomous specialists

Aiming at the Best Match of Human Beings and Machines

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