

August 27, 2001

Company: Omron Corporation

Code Number: 6645

Listed on: Tokyo Stock Exchange, Osaka Stock Exchange, Nagoya Stock Exchange (First Section of each)

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Notification of Adjustments to the Performance Forecast

Adjustments to the performance forecast announced on May 9, 2001, and reflecting the current business climate are provided below.

Details

[Adjustments to consolidated performance forecast]

1. Adjustments to half year (April 1 to September 30, 2001) forecasted consolidated performance figures for the 2001 Fiscal Year ending in March 2002:

(unit: millions of yen, %)

	Net Sales	Net Income Before Tax	Net Profit
Forecast from May 9, 2001	275,000	15,000	9,000
Adjusted forecast	259,000	5,000	3,000
Change in figures	16,000 ()	10,000 ()	6,000 ()
Percentage change	5.8 ()	66.7 ()	66.7 ()
Half year results from period ending March 2001	271,591	14,995	8,221

2. Adjustments to forecasted performance figures for the 2001 Fiscal Year ending March 2002 (April 1, 2001 to March 31, 2002):

(unit: millions of yen, %)

	Net Sales	Net Income Before Tax	Net Profit
Forecast from May 9, 2001	610,000	45,000	26,000
Adjusted forecast	570,000	25,000	15,000
Change in figures	40,000 ()	20,000 ()	11,000 ()
Percentage change	6.6 ()	44.4 ()	42.3 ()
Results from end of Fiscal Year 2000	594,259	40,037	22,297

[[Adjustments to non-consolidated performance forecast]

1. Adjustments to half year (April 1 to September 30, 2001) forecasted consolidated performance figures for the 2001 Fiscal Year ending in March 2002:

(unit: millions of yen, %)

	Net Sales	Net Income Before Tax	Net Profit
Forecast from May 9, 2001	190,000	11,000	6,400
Adjusted forecast	172,000	3,000	2,000
Change in figures	18,000 ()	8,000 ()	4,400 ()
Percentage change	9.5 ()	72.7 ()	68.8 ()
Half year results from period ending March 2001	195,351	13,969	7,327

2. Adjustments to forecasted performance figures for the 2001 Fiscal Year ending March 2002 (April 1, 2001 to March 31, 2002):

(unit: millions of yen, %)

	Net Sales	Net Income Before Tax	Net Profit
Forecast from May 9, 2001	429,000	29,000	17,000
Adjusted forecast	386,000	14,000	8,000
Change in figures	43,000 ()	15,000 ()	9,000 ()

Percentage change	10.0 ()	51.7 ()	52.9 ()
Results from end of Fiscal Year 2000	429,306	28,120	16,839

[Reasons for adjustments to consolidated/non-consolidated performance forecasts]

Due to continued restraint in IT related investing worldwide, Omron's business performance for its core control systems business (Industrial Automation Business and Electronic Components Business) turned downward. Hereafter, it is anticipated that weakening expectations for recovery in the U.S. economy and a persistent slump globally are conditions that will make immediate improvement in business performance difficult to predict.

On account of these circumstances, a decline in revenue and profit for this company is foreseen, and thus adjustments were made above to half year and full year performance forecasts.

Based on these severe conditions, for the purpose of recovering earning capacity after the next period, from this fiscal year Omron will accelerate structural reform as outlined in its long term business plan (Grand Design 2010.) Specifically, this includes reevaluating businesses making little or no profit, compressing resources not operating at capacity, reviewing the global production system, such as accelerating the transfer of manufacturing overseas, improving productivity of labor, and actively developing cooperative strategies through tie-ups with other companies.

(Note)

Figures listed above were calculated based on information that could be collected at this time. Movement in the demand for equipment investment, currency exchange rate fluctuations, and other factors contain some uncertainty. Thus, changes internally and externally may lead to deviations between the performance forecast and actual results.