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For Immediate Release

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Effects of Revision of Local Tax Law and Stock Market Downturn on Projected Results for Year Ended March 31, 2003

OMRON Corporation ("Omron") expects the revision of the Local Tax Law and the downturn in the stock market to affect its projected non-consolidated and consolidated results for the year ending March 31, 2003, as announced on November 7, 2002.

The following is an overview of the affected amounts. More time is required to determine the exact amount of the effect, including calculation of taxes, and aggregation is currently in progress.

1. Amount of Effect of Revision of Local Tax Law, etc.

The Law Revising the Local Tax Law, etc., which was promulgated on March 31, 2003, will introduce a system of factor-based corporate enterprise taxes for corporate fiscal years beginning on and after April 1, 2004. The revisions will reduce the standard tax rate on taxable income, and tax-effect accounting will be based on the revised tax rate for the year ended March 31, 2003 and thereafter. The revisions will therefore affect deferred tax assets, deferred tax liabilities and corporate tax adjustments.

The change is currently expected to exert a negative effect on net income of approximately ¥1.0 billion on a non-consolidated basis and ¥1.5 billion on a consolidated basis.

2. Loss on Impairment of Investment Securities

Omron books losses on impairment of investment securities for which a recovery in stock price is anticipated to be unlikely. Due to the stock market downturn since the announcement of projected results on November 7, 2002, this loss is expected to have an effect on business results.

The effect on income before income taxes is projected to be an additional impairment loss of approximately ¥300 million on both a non-consolidated and

consolidated basis.

3. Outlook

Factors affecting the projected results for the year ending March 31, 2003, as announced on November 7, 2002, are not limited to those mentioned above. Efforts to secure profits through sales activities and the benefits from the company's structural reforms for group productivity carried out after the announcement are also expected to contribute to results. Financial results for the year ended March 31, 2003 are currently being aggregated, and are scheduled to be announced on May 8, 2003.

(For reference) Projected Results for the Year Ending March 31, 2003, as announced on November 7, 2003

Consolidated	Net Sales:	¥535.0 billion
	Income before Income Taxes:	¥4.0 billion
	Net Income:	¥1.0 billion
Non-consolidated	Net Sales:	¥343.0 billion
	Ordinary Income:	¥5.0 billion
	Net Loss	¥7.5 billion

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