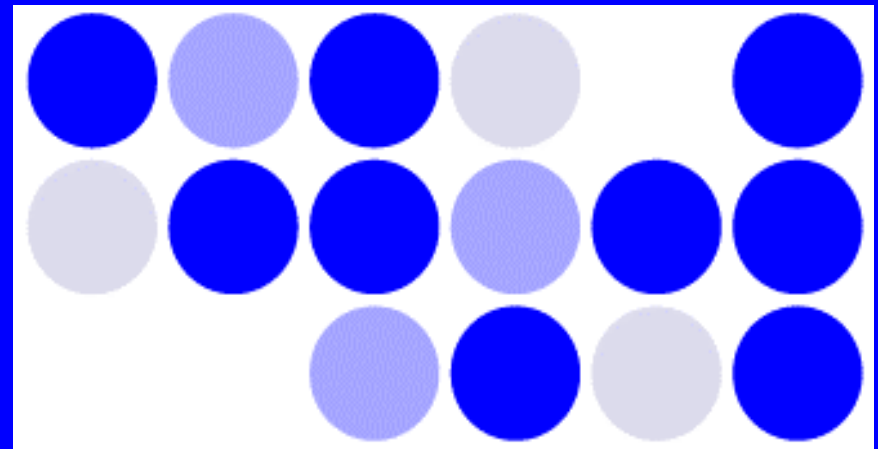


Results of year ended March 2002 Business Plan for year ends March 2003



May 2002

Omron Corporation

Results of year ended March 2002



(¥ Billion; %)

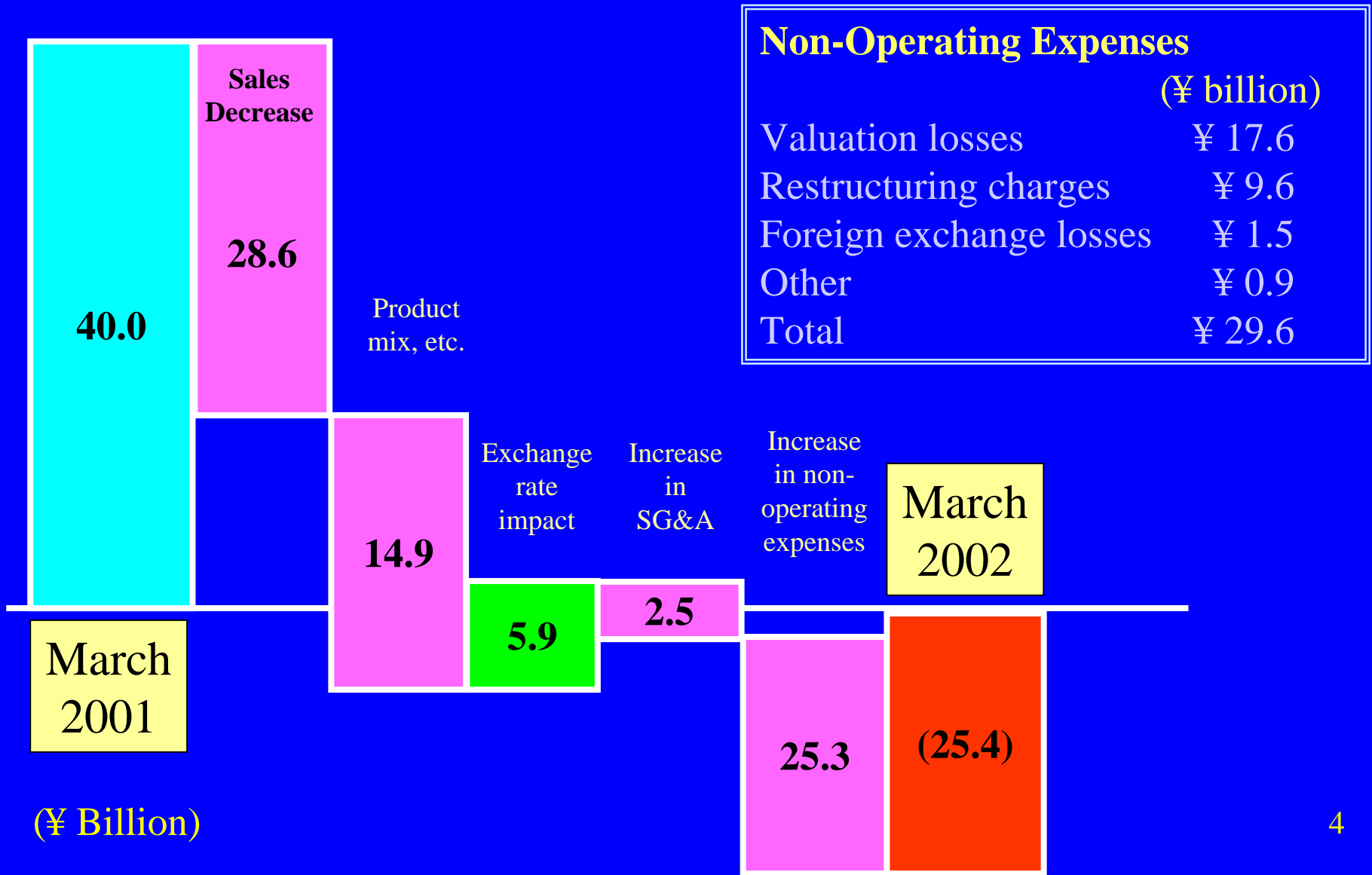
	Mar-01	Mar-02	Comparison to Previous Year
Net sales	594.3	534.0	-10.1%
Gross profit	218.1	180.5	-17.2%
Gross margin	36.7%	33.8%	---
SGA expenses	173.8	176.3	1.4%
Operating income	44.3	4.2	-90.5%
Operating margin	7.5%	0.8%	---
Pre-tax income	40.0	-25.4	---
Pre-tax margin	6.7%	-4.8%	---
Net income	22.3	-158.0	---

Segment Information

(¥ Billion; %)

		Mar-01	Mar-02	Comparison to Previous Year
IAB	Sales	227.7	187.0	-17.9%
	Op. Income	32.5	12.1	-62.8%
ECB	Sales	129.4	128.2	-0.9%
	Op. Income	18.1	7.9	-56.4%
SSB	Sales	141.9	124.6	-12.2%
	Op. Income	6.4	-3.0	--
HCB	Sales	39.3	40.6	3.3%
	Op. Income	0.6	1.6	166.7%
Others	Sales	56.0	53.6	-4.3%
	Op. Income	-0.6	2.6	--
Eliminations & Corporate	Sales	0.0	0.0	--
	Op. Income	-12.7	-17.0	--
Total	Sales	594.3	534.0	-10.1%
	Op. Income	44.3	4.2	-90.5%

Changes in Pre-Tax Income



Structural Reforms



Done by the end of March 2002

Restructuring Charges

Eliminate non/low-profit –yielding businesses	¥7.2 billion
Consolidate/integrate offices and facilities	¥6.9 billion
Personnel-related charges	¥0.6 billion
Other	¥0.5 billion
Total (¥9.6 billion incl. in non-operating expenses)	¥15.2 billion

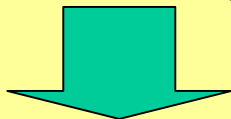
Announced Measures

- Discontinued businesses — 3 companies — (HRC, M.A.M.A, Bell Sante)
- Discontinued manufacturing companies — 3 companies
— (Nomura Matsuno, Amakusa, Hitoyoshi)
- Other companies — 2 companies — (OAP, OCC)

Structural Reform Priorities

Grand Design 2010 (GD2010)

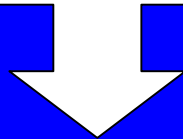
**Win
Globally**



ROE ? 10%

**Create Powerful
Businesses**

Changes in
Operating
Environment



**Accelerate
GD Measures
for Quality &
Speed**

Group Productivity Improvement Reforms (VIC21)

Re-examine every
management resource
to optimize productivity

**Selection &
Focus**

**Optimal
Business Units**

**Cost Structure Reform,
incl. Fixed Costs**

Structural Reform Objectives

Execution time frame

November, 2001 — September, 2003

Objectives

**Reduce Group fixed & variable costs
by ¥30 billion**

¥30.5 billion projected cost reduction

Increase overseas production by 50%

Raise overseas production ratio from 20% to 30%

Eliminate non/low-profit-yielding businesses

- **Restructure 2 businesses & 5 subsidiaries**
 - Close 5 subsidiaries
 - Discontinue 2 businesses
 - Restructure SSB
- **Consolidate/integrate 5 domestic locations**
 - Close 3 factories
 - Close and consolidate 3 labs

Group Productivity Improvement Reforms (VIC21)

Business Structure Reform

Manufacturing Structure Reform

Purchasing Process Reform

Management Productivity Reform

Group Head Office Structure Reform

Asset Structure Reform

Early Retirement Program

Business Structure Reform

Completely Overhaul Business Structure to Optimize Business Strength

Selection & focus (incl. withdrawal from nonperforming businesses)

Review business processes (incl. consolidation of R&D facilities)

Switch to optimal business units (incl. business restructuring)

Manufacturing Structure Reform

Create an optimum global manufacturing network

Strengthen overseas production, mainly in China

Reduction of Group production capacity in Japan by 25% (IAB·ECB)

Functional conversion of manufacturing divisions

Purchasing Process Reform

Pursue best prices by expanding centralized purchasing areas

Expand centralized purchasing areas

Strengthen purchasing & procurement in China

Management Productivity Reform

Improve human productivity to succeed in global competition

Impartial evaluation & compensation based on duties and performance

Right-size the organization at the managerial level

Group Head Office Structure Reform

Create head office that represents & oversees Group to prepare for holding company structure

Head office organization reform (6/02 — 11 divisions to 7 divisions)

10% decrease in head office fixed and personnel costs

Asset Structure Reform

Reduce total assets, reallocate resources, reduce asset maintenance costs

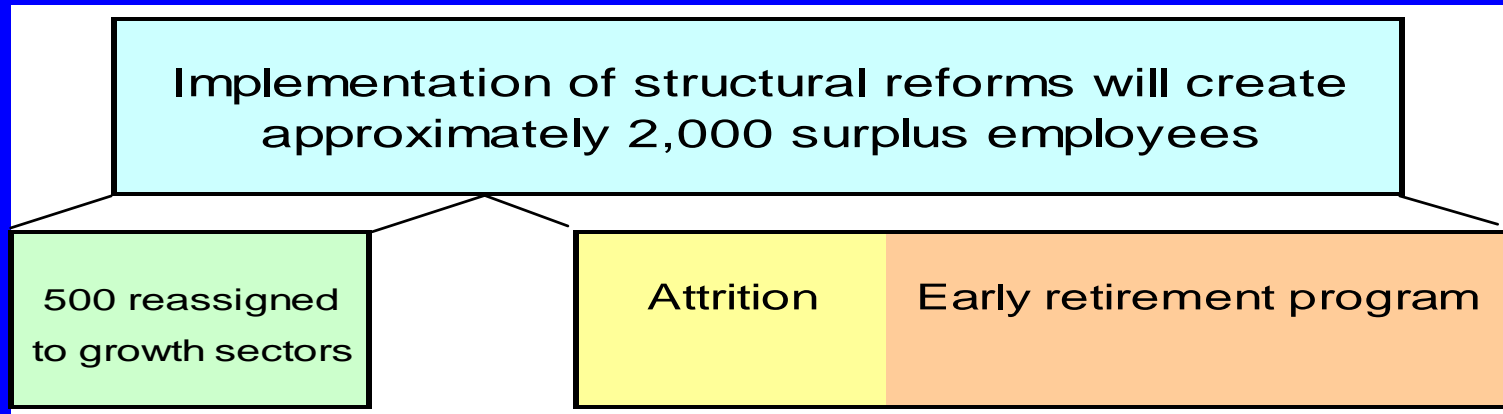
Sell idle & underutilized assets

Sell closed or transferred facilities

} (15 locations)

Early Retirement Program

Early Retirement Program



Omron Corporation (Parent Company):

Application Period: 7/02 ~ 8/02 (2 months)
Retirement Date: 9/02 or 10/02
Eligibility: Employees with minimum 10 years service, age 30-59
Additional retirement payment: 2.5 times annual salary at age 55, structured in stages

Domestic Subsidiaries

Each domestic subsidiary will implement its own early retirement system

Selection & Focus

1. Withdraw from non/low-profit yielding businesses

ECB: Withdraw from paper-handling business

SSB: Review low-profit businesses during first half of FY02

CSB: Sell or withdraw from low-profit businesses during FY02

2. Dissolve unprofitable subsidiaries

3. Close manufacturing subsidiaries

Review Business Processes

1. Convert manufacturing subsidiaries into business bases

ECB: Convert OMRON Kumamoto Co., Ltd. into a relay business base
(marketing, development & manufacturing)

2. Consolidate R&D bases

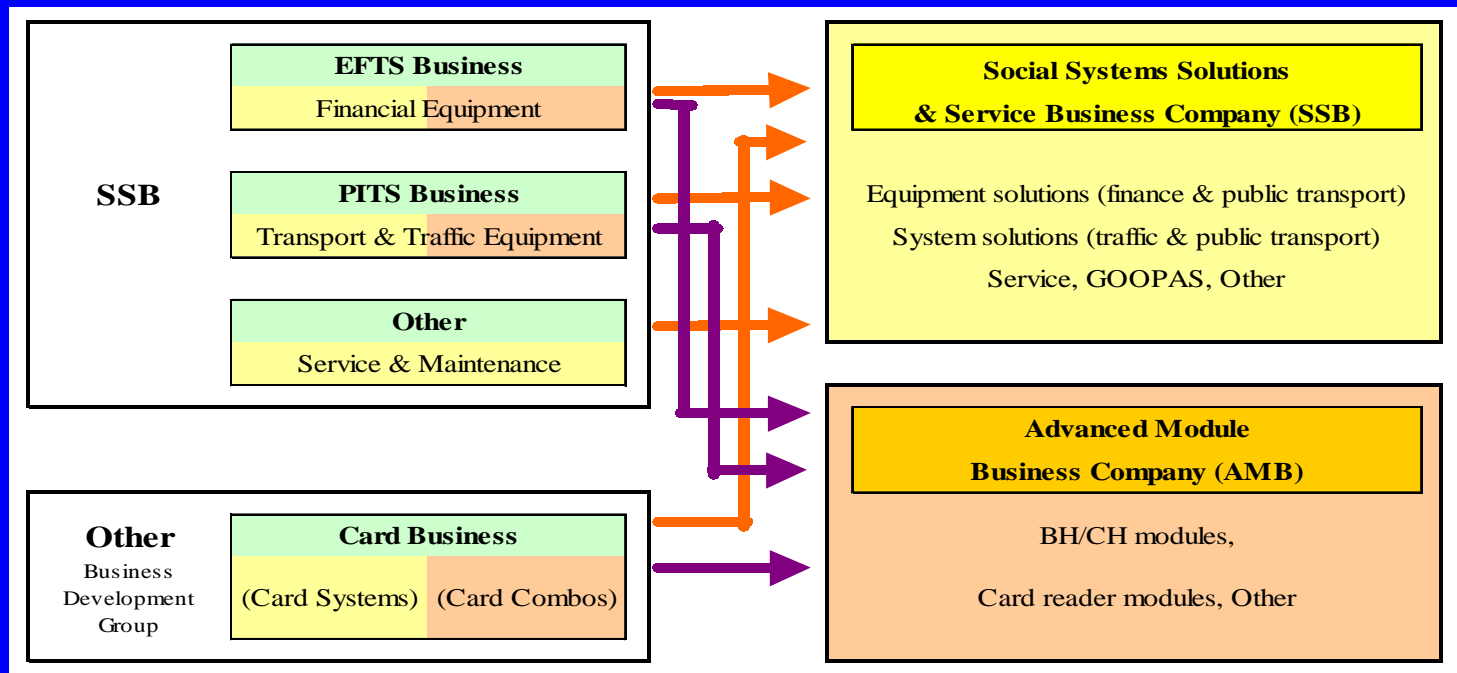
ECB: Close Kumamoto R&D Lab and transfer its functions (8/02)

Corporate: Close Kyoto & Tsukuba R&D Labs and consolidate functions
at Keihanna R&D Lab

Business Structure Reform — 2

Switch to Optimal Business Units

1. SSB: Divide & restructure (6/02)



2. HCB: Consolidate locations (Centralize in Kyoto in 8/02)

3. CSB: Assess business independence and revise business strategy units

4. Business Development Group: Withdraw or sell, transfer to companies, or establish as independent entity during FY02

Structural Reform Costs & Benefits

Costs (¥ billion)

	Mar-02	Mar-03	Mar-04
Total	15.2	16.5	3.3
Non-Operating Expenses	9.6	16.5	3.3
Operating Expenses	5.6	Included in above	Included in above

Projected Cost Savings (¥ billion)

	Mar-02	Mar-03	Mar-04
Total	0	10.0	30.5
Personnel Cost	0	4.0	11.5
General Expenses & Variable Costs	0	6.0	19.0

Result of early retirement system and other factors

Centralized purchasing & design changes (¥10 billion), administrative expense reductions at Head Office & SSB (¥6 billion) & other factors

Note: These projections assume no change in net sales.

Performance Estimates

for the year ends March 2003



(¥ Billion; %)

	Mar-02	Mar-03	Comparison to Previous Year
Net sales	534.0	550.0	3.0%
Gross profit	180.5	195.0	8.0%
Gross margin	33.8%	35.5%	---
SG&A expenses	176.3	174.0	-1.0%
Operating income	4.2	21.0	400.0%
Operating margin	0.8%	3.8%	---
Pre-tax income	-25.4	2.0	---
Pre-tax margin	-4.8%	0.4%	---
Net income	-15.8	1.0	---

Projected Sales by Segment for the year ends March 2003



(¥ Billion; %)

	Mar-02	Mar-03	Comparison to Previous Year
IAB	184.2	193.0	4.8%
ECB	131.9	138.0	4.6%
SSB	124.6	125.0	0.3%
HCB	40.6	40.0	-1.5%
Other	52.7	54.0	2.5%
Total	534.0	550.0	3.0%

Note: Mar-02 figures reflect reclassification of sales.

Other Projections

for the year ends March 2003

(¥ Billion)

	Mar-02	Mar-03	Change from previous year
R&D Expenses	41.4	42.0	0.6
Capital Expenditures	38.6	40.0	1.4
Depreciation Expenses	32.2	32.0	-0.2
ROE	-5.1%	0.3%	+5.4 points
Exchange Rates			
	Mar-02	Mar-03	Change from previous year
US\$	125.7	125.0	-0.7
EURO	110.9	110.0	-0.9

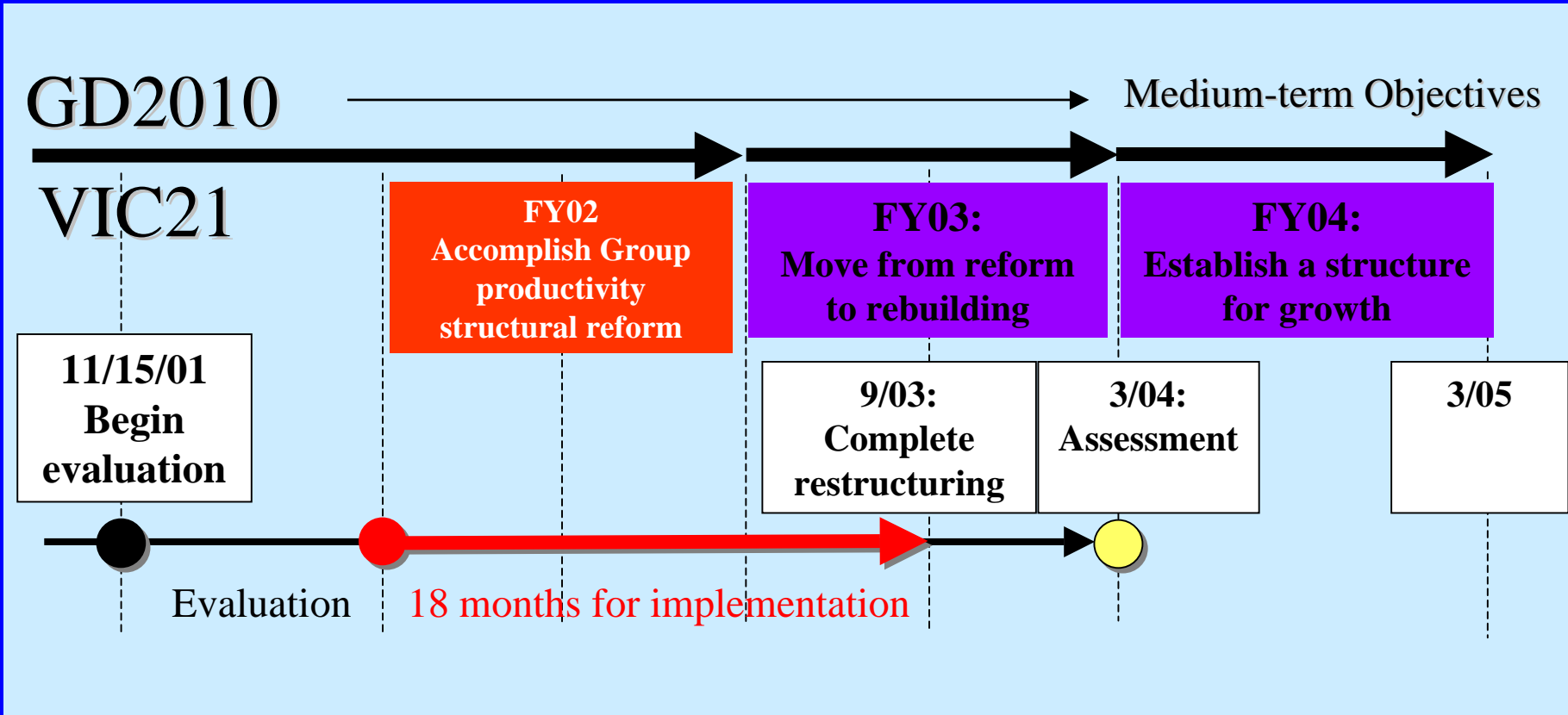
Growth After Structural Reform

Group productivity structural reform will take 18 months beginning 4/02

FY02 (April 02 – March 03) : Accomplish reforms

FY03 (April 03 – March 04) : Adjust to new structure

FY04 (April 04 - March 05) : Establish a structure for growth



Approaches for Generating Growth

High-Value-Added
Modules & Devices

**ECB: Optical devices, MEMS business,
automotive components,
amusement business**

SSB: Module business

Software, Service &
Solutions Business

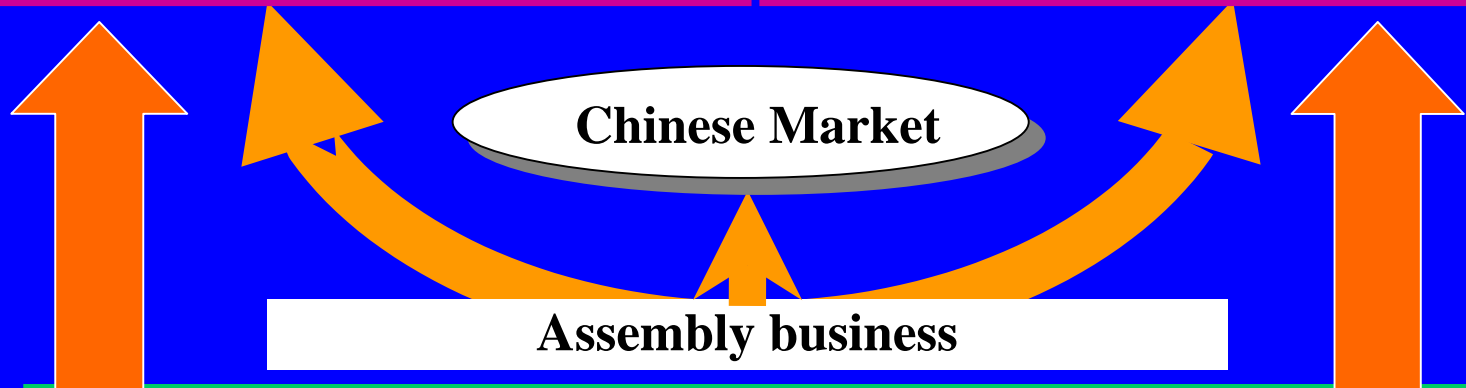
IAB: User segment business

SSB: Solutions & service business

HCB: Health promotion & support

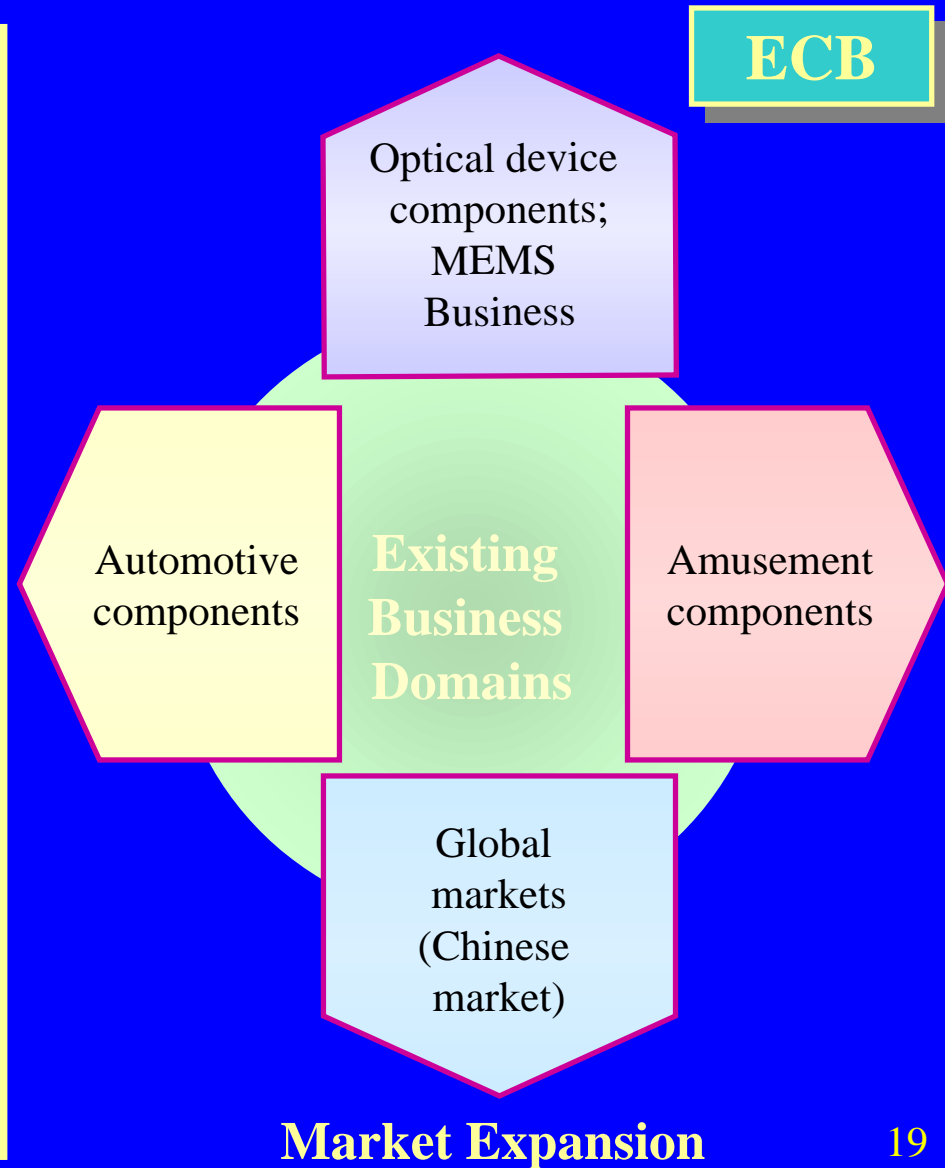
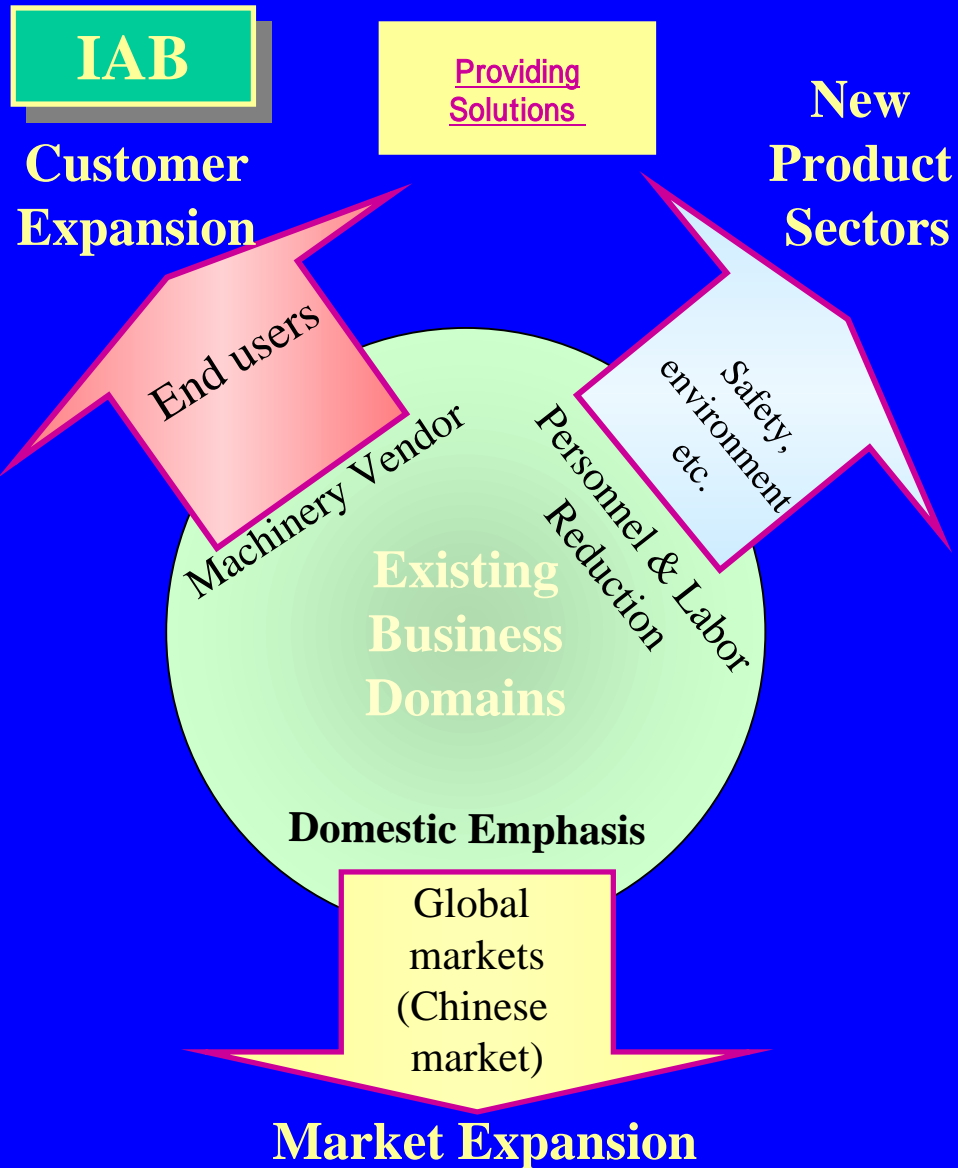
Companywide: M2M business

Safety & security business,

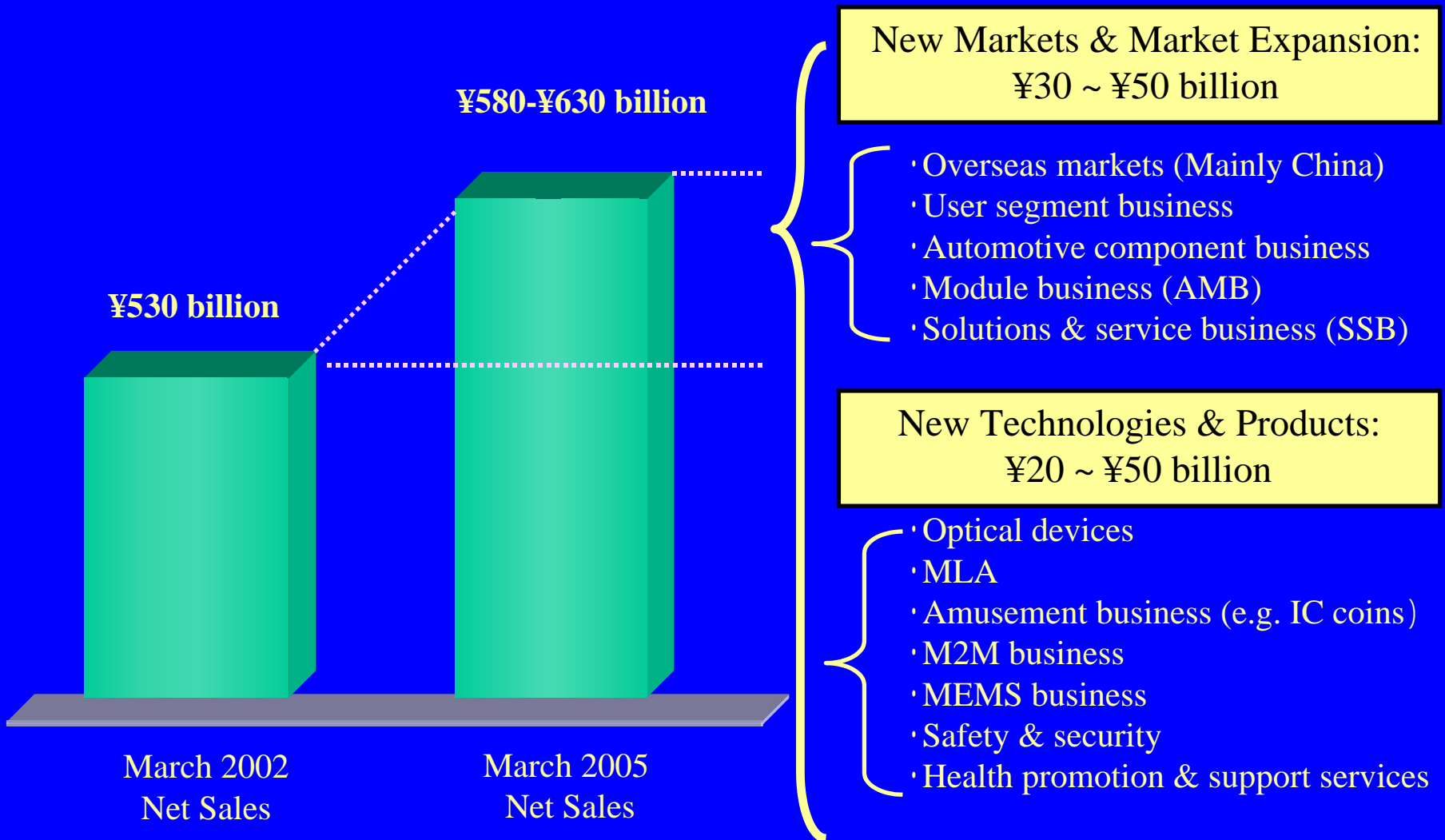


Redeploy human & management resources

Growth Strategy for IAB / ECB



Expected Results of Growth Strategies



NOTE

The performance forecasts presented in these slides were calculated based on the best information and assumptions we had available.

Factors including, but not limited to, domestic and international economic conditions, relative demand for Omron's products and services, currency exchange rate fluctuations and stock market trends are unpredictable and subject to change. Consequently, actual performance may differ from the performance forecasts.