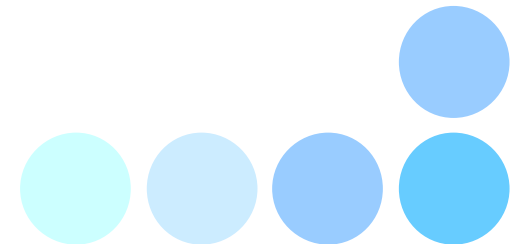




Financial Results for the Three Months Ended June 30, 2007

July 31, 2007

OMRON Corporation



Contents

Financial Results for the Three Months Ended June 30, 2007

And Forecast for the Full Year Ending March 31, 2008

1. Executive Summary	P. 4
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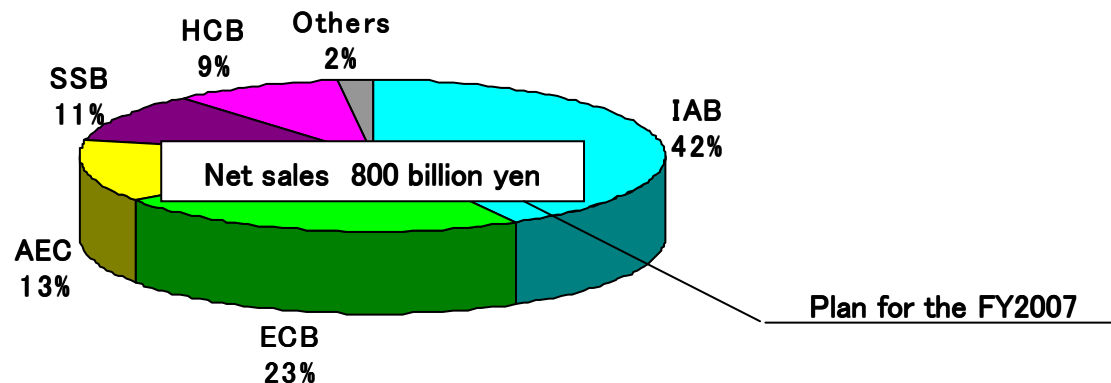
Notes:

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 163 consolidated subsidiaries and 23 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.

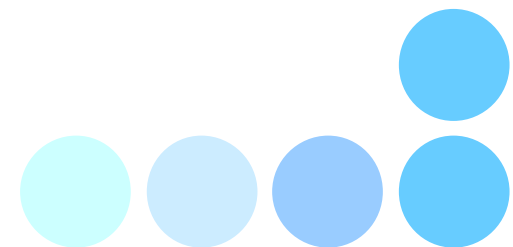


Main Business Areas

Industrial Automation	
IAB	: Sensing Devices, Control Devices, Safety Devices, Inspection Systems, etc.
Electronic components	
ECB	: Relays, Switches, Connectors, Micro Lens Arrays, Backlights for LCD, Optical Communications Devices, etc.
Automotive Electronics	
AEC	: Keyless Entry System, Power Window Switches, Automotive relays Components, Laser Radars, TPMS etc.
Social Systems	
SSB	: Passenger Gates, Ticket Vending Machines, Road Management Systems, Security Management Systems, Face Recognition Systems, etc.
Healthcare Equipment	
HCB	: Digital Blood Pressure Monitors, Body Composition Analyzers Nebulizer, etc.
Others	
Others	: Personal Computer Peripherals, RFID Systems, etc



1. Executive Summary



Executive Summary

FY2007 is final year toward achieving second-stage objectives of GD2010
Laying the foundation of a profitable growth structure – “Prioritizing Profits to Achieve 2nd Stage Goals”

* Pursuant to Statement of Financial Accounting Standards (SFAS), figures for the fiscal year ended March 2007 and the three months ended June 30, 2006 have been reclassified in relation to operations discontinued during the three months ended June 30, 2007.

3 months Results and Key Points

■ Sales and operating income increased from same period in previous year, but did not reach targets

Consolidated	Result	vs. same period in prev. year	vs. original target	
Net sales	¥176.1 billion	115.1%	96.5%	(Operating margin 5.5%)
Operating income	¥9.7 billion	104.1%	84.1%	(NIBT margin 6.8%)
NIBT	¥12.0 billion	89.7%	109.0%	(NI margin 5.5%)
Net income	¥9.7 billion	141.7%	102.3%	

■ Consolidated net sales: 15% increase over previous Q1 due to factors including foreign exchange gains and sales increase from M&A; 4% short of target, mainly due to decline in domestic sales of control equipment (IAB) and weak sales of electronic components (ECB)

■ Operating income: Main factors in 4% increase over previous Q1 include M&A, foreign currency translation (refer to p.10 for details); 16% short of target due mainly to lower-than-expected sales (refer to p.11 for details)

■ NIBT: 9% increase against original target, due to sale of investment securities, etc.

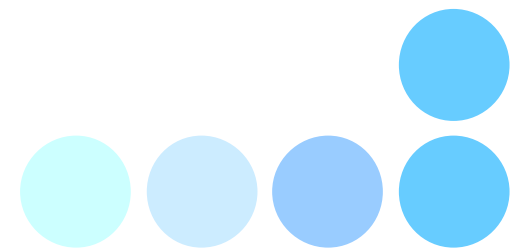
■ Business summary: Control equipment (IAB) in Japan and electronic components business (ECB) faced weak market conditions.

Full-Year Forecasts and Key Points

■ Original sales and operating income targets are unchanged

Consolidated	Year ending March 31, 2008	vs. same period in prev. year	
Net sales	¥800.0 billion	110.5%	
Operating income	¥75.0 billion	120.9%	(Operating margin 9.4%)
NIBT	¥72.0 billion	112.0%	(NIBT margin 9.0%)
Net income	¥46.0 billion	120.2%	(NI margin 5.8%)

2. Results for the Three Months Ended June 30, 2007



Net sales ¥176.1 billion; Operating margin 5.5%

Consolidated sales and operating income both increased over previous Q1, but fell short of targets
 Net income exceeded target due to ¥3.1 billion gain on transfer of discontinued operations (entertainment business)

(billions of yen)

P/L	FY2006 Q1 Actual(1)	FY2007 Q1 Actual(2)	YoY Change (2)/(1)	FY2007 Q1 Original target(3)	Change from Original target (2)/(3)
Net sales	153.0	176.1	115.1%	182.5	96.5%
Gross profit	59.9	64.2	107.3%	68.0	94.4%
SG&A expense	39.1	42.2	108.1%	42.0	100.6%
R&D expense	11.5	12.3	106.9%	14.5	84.9%
Operating income	9.3	9.7	104.1%	11.5	84.1%
NIBT	13.4	12.0	89.7%	11.0	109.0%
NI from continuing OP	6.7	6.7	99.2%	-	-
NI from discontinued OP	0.1	3.1	2197.1%	-	-
NIAT	6.9	9.7	141.7%	9.5	102.3%
					(Yen)
USD	114.8	121.6	6.8	115.0	6.6
EUR	144.1	164.0	19.9	150.0	14.0

* Results for Q1 of year ended March 2007 after reclassification of discontinued operations

Sales increased over previous Q1 in Japan and overseas, but fell short of target in Japan
IAB, ECB and AEC higher than same period in previous year,
but only AEC and the Others segments reached targets.

(billions of yen)

Japan/Overseas	FY2006 Q1 Actual(1)	FY2007 Q1 Actual(2)	YoY Change (2)/(1)	FY2007 Q1 Original target(3)	Change from Original target (2)/(3)
Japan	76.9	78.4	101.9%	85.4	91.8%
Overseas*	76.1	97.7	128.5%	97.1	100.7%
Total	153.0	176.1	115.1%	182.5	96.5%

By business	(1)	(2)	(2)/(1)	Original target(3)	(2)/(3)
IAB	71.8	77.9	108.4%	81.3	95.8%
ECB	26.9	38.2	141.7%	42.5	89.8%
AEC	21.5	27.3	127.3%	25.2	108.5%
SSB	13.9	13.8	99.2%	14.5	95.3%
HCB	15.1	14.8	98.5%	15.6	95.1%
Others	3.8	4.1	109.5%	3.4	120.4%
Total	153.0	176.1	115.1%	182.5	96.5%

* Results for Q1 of year ended March 2007 after reclassification of discontinued operations

**Solid performance by AEC and HCB
But IAB and ECB did not reach targets**

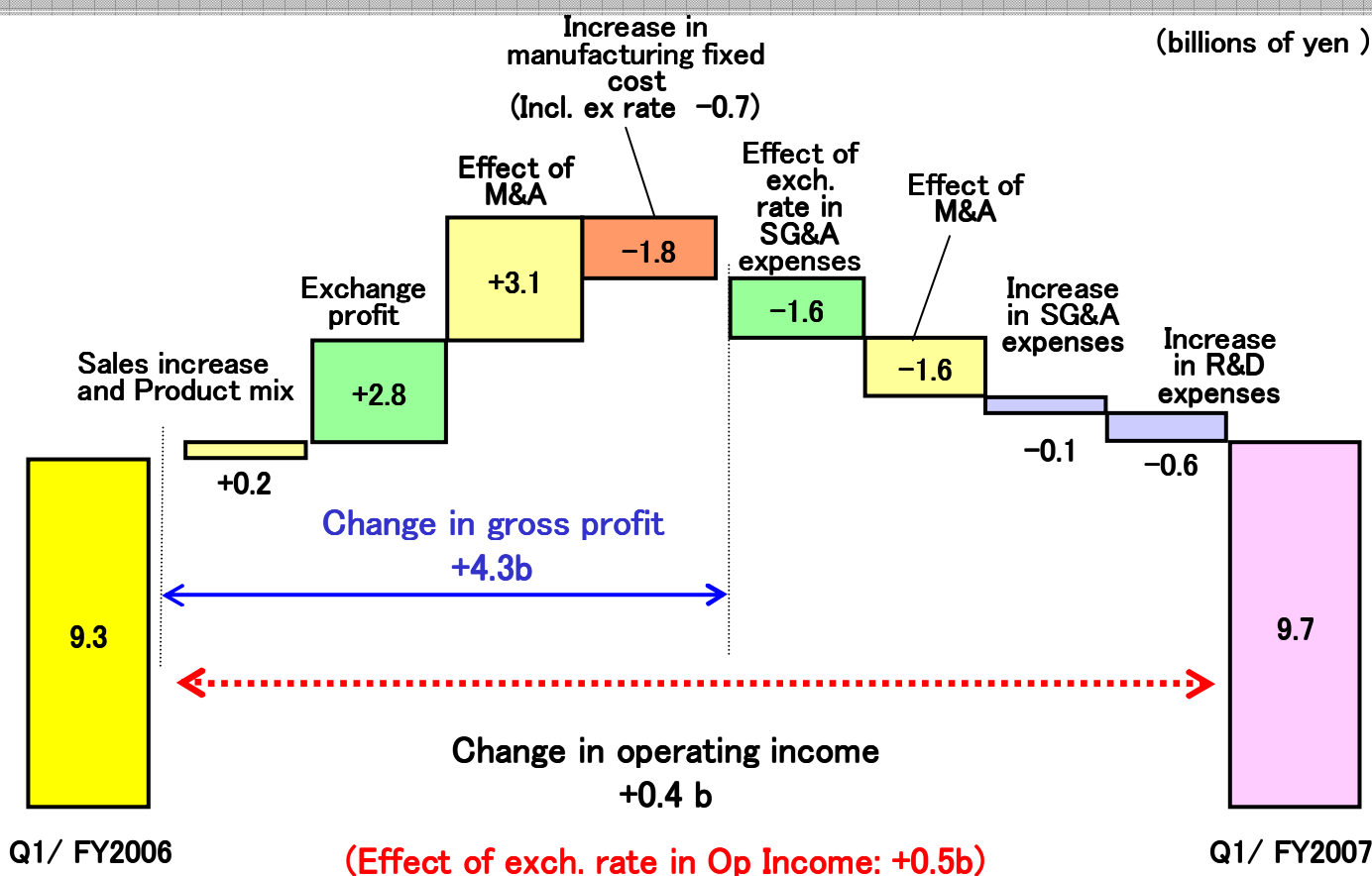
(billions of yen)

By Business	FY2006 Q1 Actual(1)	FY2007 Q1 Actual(2)	YoY Change (2)/(1)	FY2007 Q1 Original target(3)	Change from Original target (2)/(3)
IAB	11.3	10.7	94.2%	13.7	77.9%
ECB	2.6	2.5	94.4%	3.4	72.9%
AEC	-0.8	0.5	-	0.1	401.6%
SSB	-1.8	-1.5	-	-1.8	-
HCB	1.8	1.4	77.0%	1.1	122.7%
Others	0.1	0.1	124.7%	-0.4	-
HQ Cost/Elimination	-4.0	-4.0	-	-4.6	-
Total	9.3	9.7	104.1%	11.5	84.1%

* Results for Q1 of year ended March 2007 after reclassification of discontinued operations

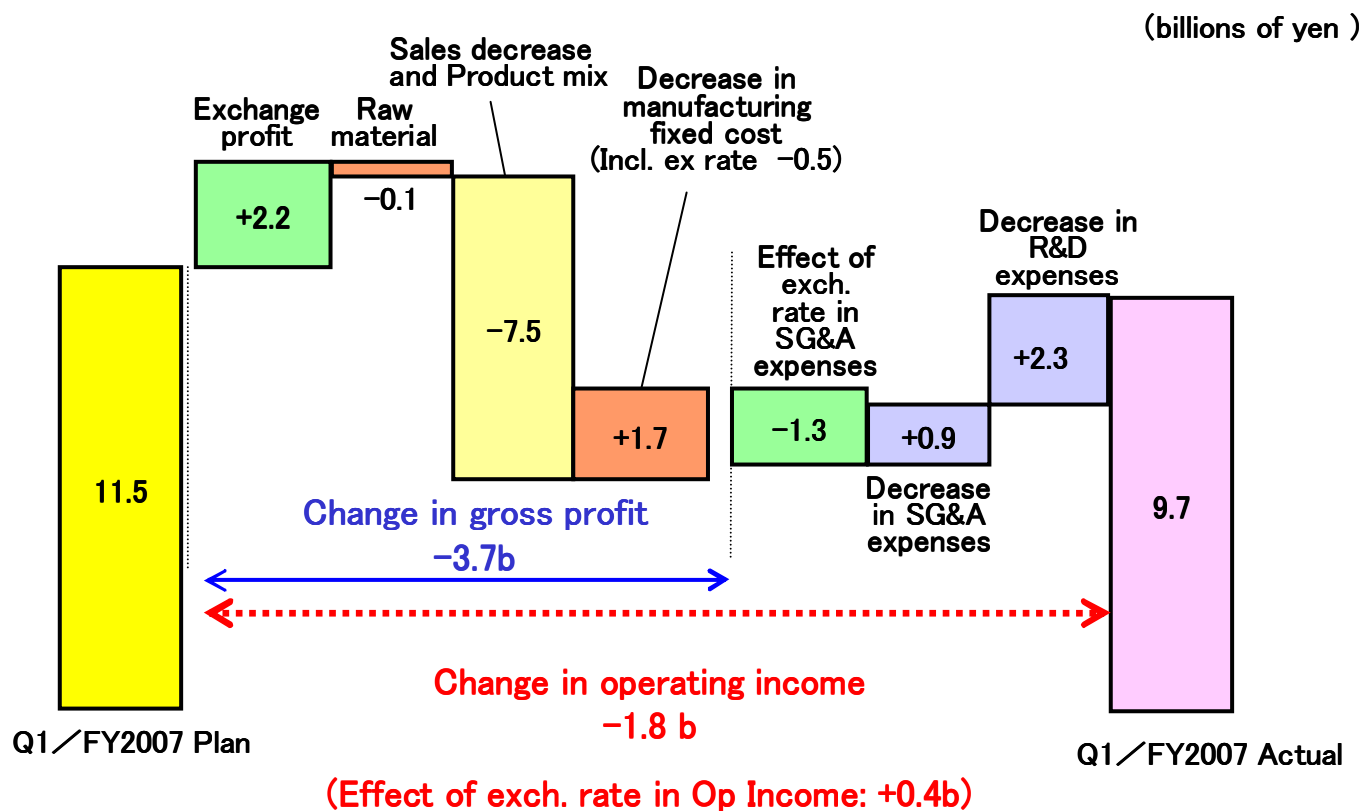
Breakdown of Changes in Operating Income (comparison to previous year)

Net increase in sales and contribution from M&A offset by product mix and fixed costs
Slight increase over previous Q1 due to foreign exchange gains



Breakdown of Changes in Operating Income (comparison to original target)

Efforts to contain fixed costs did not fully offset decline in gross profit due to shortfall in sales. Operating income was below target.



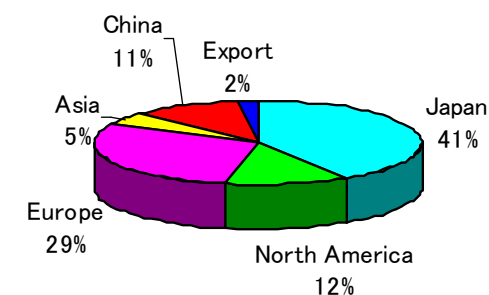
8% increase over previous Q1, Sales ¥77.9 billion; Operating margin 13.7%

Domestic sales did not reach target due to reaction from rise in demand at end of previous fiscal year and slow results from strengthening of applications business. Overseas sales grew steadily

(billions of yen)

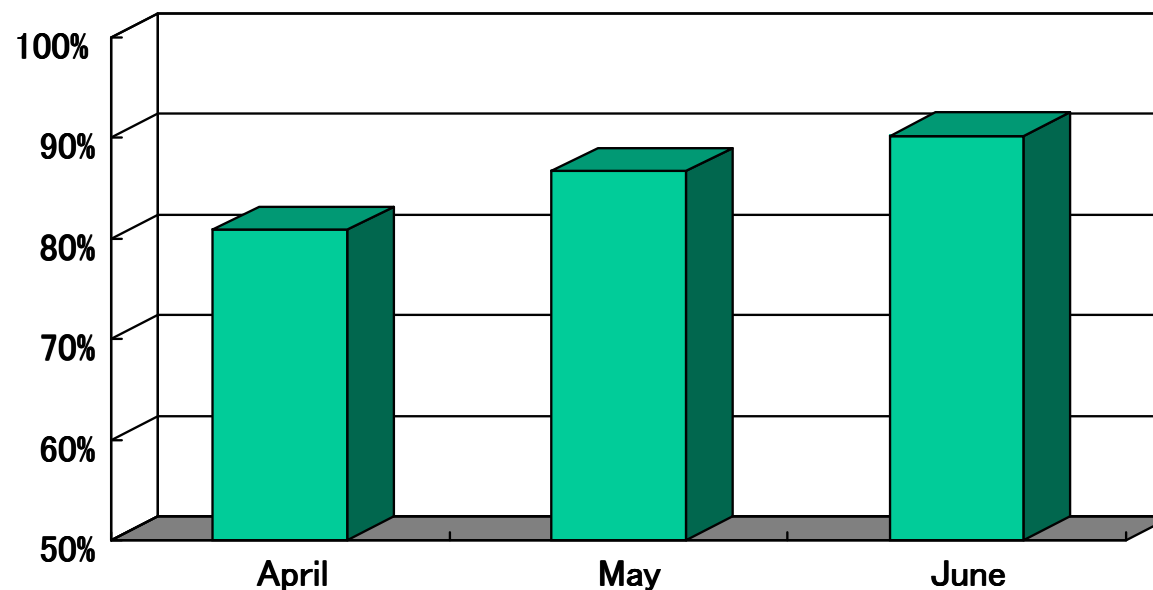
IAB	FY2006	FY2007	YoY Change (2)/(1)	FY2007	Change from
	Q1	Q1		Q1	Original
	Actual(1)	Actual(2)		Original target(3)	target (2)/(3)
Japan	33.0	31.8	96.5%	36.7	86.8%
Overseas	38.9	46.0	118.5%	44.7	103.1%
North America	7.5	9.5	126.3%	9.5	100.6%
Europe	19.8	22.9	116.0%	21.7	105.6%
Asia	3.2	3.6	110.3%	3.5	102.6%
China	6.7	8.6	128.5%	8.3	102.8%
Export	1.7	1.5	88.5%	1.7	87.5%
Total	71.8	77.9	108.4%	81.3	95.8%
Operating income	11.3	10.7	94.2%	13.7	77.9%
Operating income ratio	15.7%	13.7%		16.8%	

Sales by region



Did not achieve full-fledged recovery due to drop in actual demand in automotive and electronic components sectors and FPD-related business in Taiwan and Korea.
Fell short of target due to factors including reaction from rise in demand at end of previous fiscal year, but came closer to target figures each month.

< IAB domestic sales vs. target (Three Months Ended June 30, 2007) >



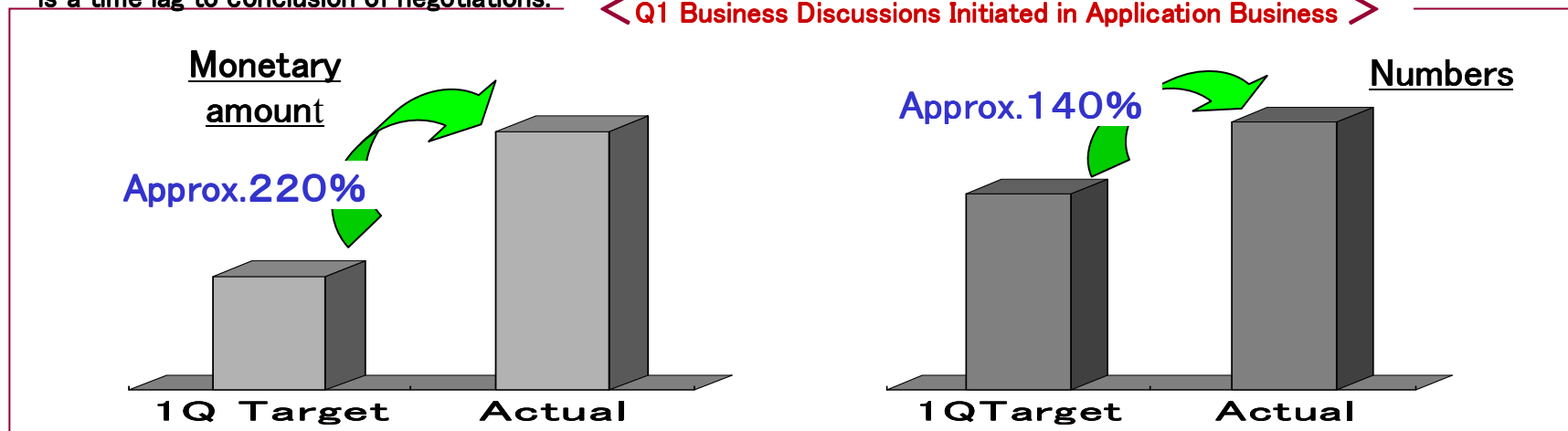
IAB domestic sales: Recovery projected in Q2 and beyond

Status of IAB

We project growth for the fiscal year as a result of accelerated activity and business discussions and conclusions in applications business, and stronger measures to respond to changes in market environment in the second quarter and beyond.

	Conditions in 1Q	Recovery projected in Q2 and beyond
Growth from Strengthening Applications Business	<ul style="list-style-type: none"> Start-up of new domestic sales operation and measures Despite sharp increase in amount of activity, there is a time lag from initiation to conclusion of business discussions 	<ul style="list-style-type: none"> Full-scale execution of measures from second quarter The number of business discussions increased substantially due to measures started in FY2007. We will further strengthen and accelerate this trend in the second quarter and beyond, and link it to sales growth. Aggressively promote direct contacts to four key industries
Growth in Expanding Markets	<ul style="list-style-type: none"> Reaction from rise in demand at end of previous fiscal year Drop in actual demand from customers in electronic components and automotive industries Decrease in capital investment in FPD industry (particularly in Taiwan and Korea) 	<ul style="list-style-type: none"> Recovery expected in Q2 and beyond due to stronger response to changes in automotive, FPD and semiconductor market environments

Status of applications business: Business discussions greatly exceeded targets in number and monetary amount, but there is a time lag to conclusion of negotiations.

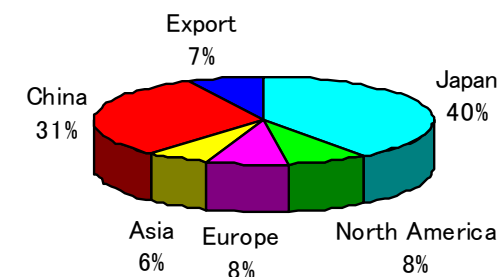


42% increase over previous Q1, Sales ¥38.2 billion; Operating margin 6.5%
But did not reach target due to weak sales of small backlight business (Omron Precision Technology) and amusement business.

(billions of yen)

ECB	FY2006 Q1	FY2007 Q1	YoY Change	FY2007 Q1	Change from Original target
	Actual(1)	Actual(2)	(2)/(1)	Original target(3)	(2)/(3)
Japan	12.0	15.3	127.2%	17.3	88.1%
Overseas	14.9	22.9	153.4%	25.2	90.9%
North America	2.7	2.9	105.0%	3.0	94.5%
Europe	2.8	3.1	108.2%	3.1	97.4%
Asia	1.8	2.3	124.4%	2.2	105.6%
China	3.7	12.0	321.3%	14.2	84.0%
Export	3.8	2.7	71.9%	2.6	104.0%
Total	26.9	38.2	141.7%	42.5	89.7%
Operating income	2.6	2.5	94.4%	3.4	72.9%
Operating income ratio	9.8%	6.5%		8.0%	

Sales by region



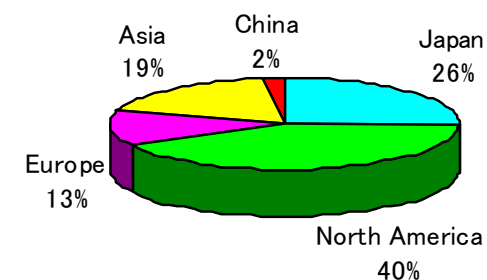
27% increase over previous Q1, Sales ¥27.3 billion; Operating margin 1.9%

Secured operating profit as a result of improvement of manufacturing structure and sales growth due to solid domestic sales and positive exchange rate effect

(billions of yen)

AEC	FY2006 Q1	FY2007 Q1	YoY Change	FY2007 Q1	Change from Original target
	Actual(1)	Actual(2)	(2)/(1)	Original target(3)	(2)/(3)
Japan	6.5	7.0	107.5%	6.0	117.4%
Overseas	15.0	20.4	135.9%	19.3	105.7%
North America	8.7	11.3	130.2%	11.2	100.9%
Europe	2.3	3.4	150.1%	3.2	108.5%
Asia	3.8	5.1	132.8%	4.4	116.6%
China	0.2	0.5	282.1%	0.5	101.3%
Export	0.0	0.0	-	0.0	-
Total	21.5	27.3	127.3%	25.2	108.5%
Operating income	-0.8	0.5	-	0.1	401.6%
Operating income ratio	-	1.9%	-	0.5%	

Sales by region

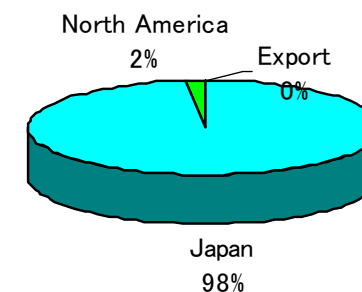


Net sales: ¥13.8 billion; Did not reach sales target as themes were delayed until Q2; Improved on operating income basis

(billions of yen)

SSB	FY2006 Q1	FY2007 Q1	YoY Change	FY2007 Q1	Change from Original target
	Actual(1)	Actual(2)	(2)/(1)	Original target(3)	(2)/(3)
Japan	13.9	13.6	97.8%	14.0	97.0%
Overseas	0.0	0.2	495.0%	0.5	49.2%
North America	0.0	0.2	469.4%	0.3	85.1%
Europe	0.0	0.0	-	0.0	-
Asia	0.0	0.0	-	0.0	-
China	0.0	0.0	-	0.0	-
Export	0.0	0.0	-	0.2	5.6%
Total	13.9	13.8	99.2%	14.5	95.4%
Operating income	-1.8	-1.5	-	-1.8	-
Operating income ratio	-	-	-	-	-

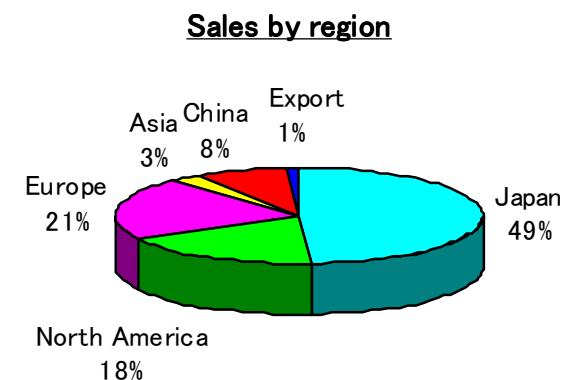
Sales by region



Net sales ¥14.8 billion; Operating margin 9.3%
 Slow domestic sales of professional equipment.
 Overseas, sales in China offset drop in U.S. sales.

(billions of yen)

HCB	FY2006 Q1 Actual(1)	FY2007 Q1 Actual(2)	YoY Change (2)/(1)	FY2007 Q1 Original target(3)	Change from Original target (2)/(3)
Japan	7.8	7.2	92.4%	8.2	88.8%
Overseas	7.2	7.6	105.3%	7.4	102.0%
North America	3.0	2.7	89.6%	2.8	94.8%
Europe	2.8	3.1	110.0%	3.2	98.2%
Asia	0.3	0.5	143.7%	0.4	108.6%
China	0.7	1.2	163.5%	0.9	132.2%
Export	0.4	0.2	45.3%	0.1	118.9%
Total	15.1	14.8	98.5%	15.6	95.1%
Operating income	1.8	1.4	77.0%	1.1	122.7%
Operating income ratio	11.9%	9.3%		7.2%	



Increase in equity due to increases in retained earnings, foreign currency translation gains, unrealized gains on securities, etc.

Increase in business assets (trade receivables, inventories, investments and other assets) from same period of previous year due to M&A

(billions of yen)

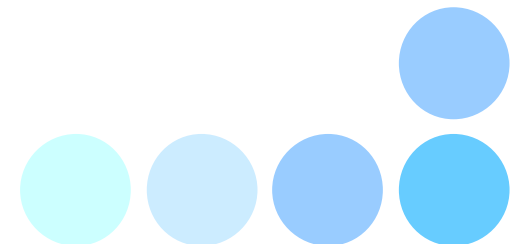
B/S	June 2006	March 2007	June 2007
Total Assets	556.9	630.3	631.8
Cash and cash equivalents	58.9	43.0	44.6
Notes and accounts receivable – trade	117.0	173.4	157.7
Inventories	87.4	94.1	101.6
Other current assets	29.5	31.5	31.7
Net Property, Plant and Equipment	150.8	159.3	160.6
Investments and Other Assets	113.3	129.0	135.6
Total Liabilities	196.3	247.5	227.2
Bank Loans / Current portion of L/T debt	2.9	20.1	19.2
Long-term debt	1.2	1.7	1.4
Other liabilities	192.2	225.7	206.6
Shareholders' Equity	360.6	382.8	404.6

Net cash used in investing activities was ¥7.5 billion due to future-oriented business acquisitions

(billions of yen)

C/F	June 2006	June 2007	(Reference) March 2007
Net cash provided by operating activities	6.7	14.1	40.5
Net cash provided by (used in) investing activities	2.3	-7.5	-47.1
Free cash flow	9.0	6.6	-6.6
Net cash used in financing activities	-3.6	-6.5	-4.7
Effect of exchange rate changes	1.2	1.6	1.9
Net increase (decrease)	6.6	1.6	-9.3
Cash and cash equivalents at end of the period	58.9	44.6	43.0

**3. Forecast for the Six Months
Ending Sep. 30, 2007
and
Forecast for the Full Year
Ending March 31, 2008**



Original targets unchanged

(billions of yen)

	FY2006 1H Actual	FY2007 1H Forecasts	YOY Change %	FY2007 1H Target	Change from Original target %
Net sales	324.1	375.0	115.7%	375.0	100.0%
Gross profit	125.6	141.5	112.7%	141.5	100.0%
SG&A	78.2	83.0	106.1%	83.0	100.0%
R&D	24.1	28.5	118.4%	28.5	100.0%
Operating income	23.3	30.0	128.9%	30.0	100.0%
NIBT	29.1	29.0	99.6%	29.0	100.0%
NI from continuing OP	14.3	17.0	118.6%	17.0	100.0%
NI from discontinued OP	0.5	3.0	652.2%	3.0	100.0%
NIAT	14.8	20.0	135.2%	20.0	100.0%

* Results for Q1 of year ended March 2007 after reclassification of discontinued operations

Original targets unchanged

(billions of yen)

	FY2006 Actual	FY2007 Forecasts	YOY Change %	FY2007 Target	Change from Original target %
Net sales	723.9	800.0	110.5%	800.0	100.0%
Gross profit	278.2	309.5	111.2%	309.5	100.0%
SG&A	164.2	178.0	108.4%	178.0	100.0%
R&D	52.0	56.5	108.6%	56.5	100.0%
Operating income	62.0	75.0	120.9%	75.0	100.0%
NIBT	64.3	72.0	112.0%	72.0	100.0%
NI from continuing OP	37.1	43.0	115.9%	43.0	100.0%
NI from discontinued OP	1.2	3.0	253.0%	3.0	100.0%
NIAT	38.3	46.0	120.2%	46.0	100.0%

* Results for Q1 of year ended March 2007 after reclassification of discontinued operations



(Reference 1)

M&A



Expansion of business domain with laser processing technology



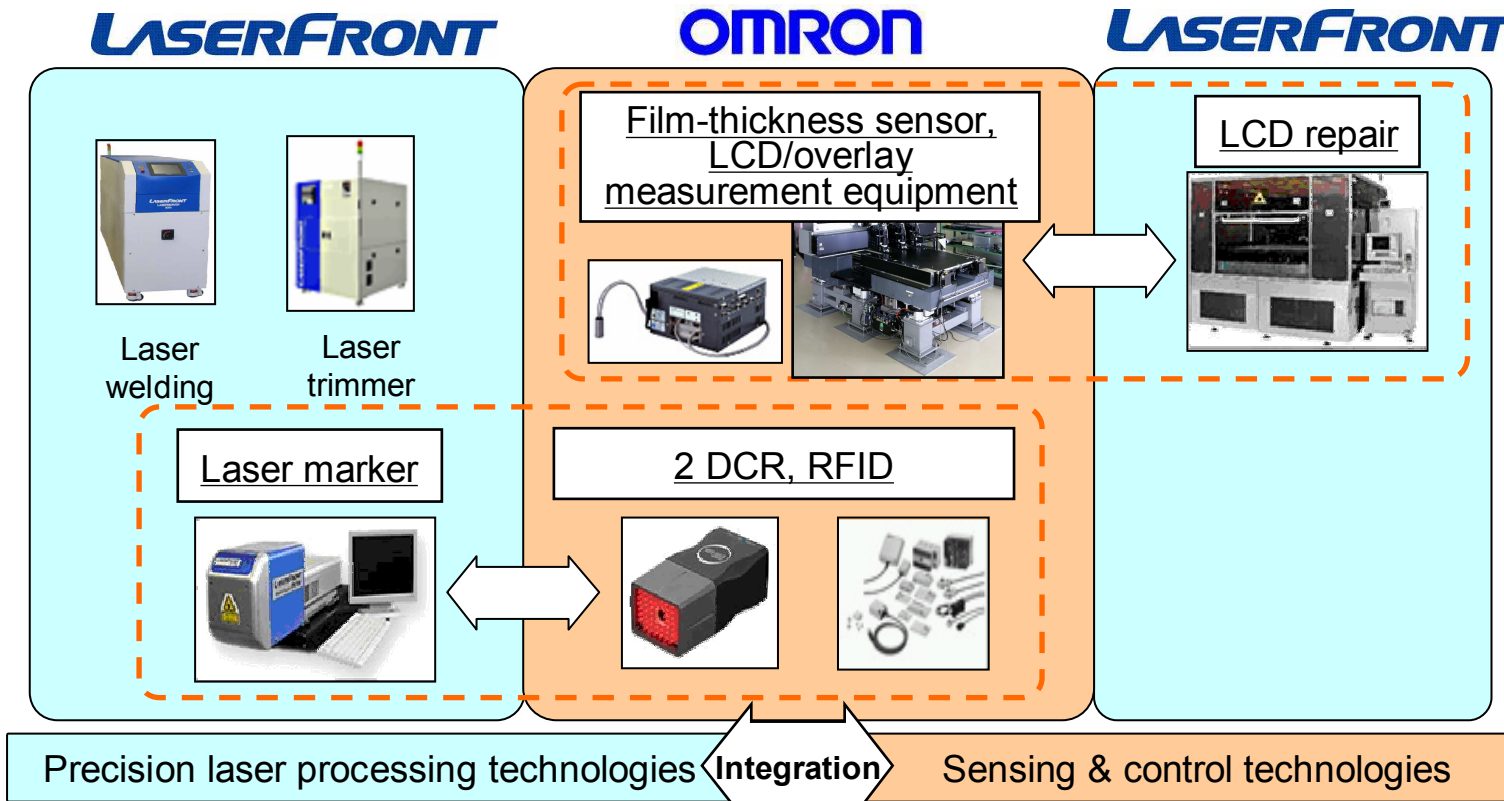
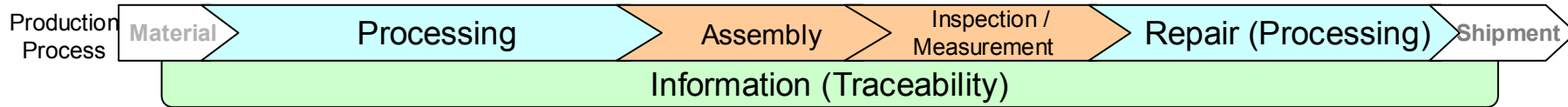
Sensing tomorrow™

M&A

—Acquired 95% of Laserfront Technologies, Inc. (LFT)—

Will support advanced product creation and deliver total quality control through collaboration between IAB's measurement and inspection systems business and LFT's laser processing business.

Will be included in consolidation from Q2



OMRON Corporation Investor Relations

Acquired Scientific Technologies, Inc. (now Omron Scientific Technologies, Inc.), a leading U.S. provider of safety products, in September 2006
 Combined with our strength in Japan, we are aiming for a top global market share

Full-year contribution in FY2007

Top share in U.S.A.

OSTI Light Curtain







Safety Equipment

- Light Curtains
- Laser Scanners

Consulting SE

Customers in realms of expertise

Top share in Japan

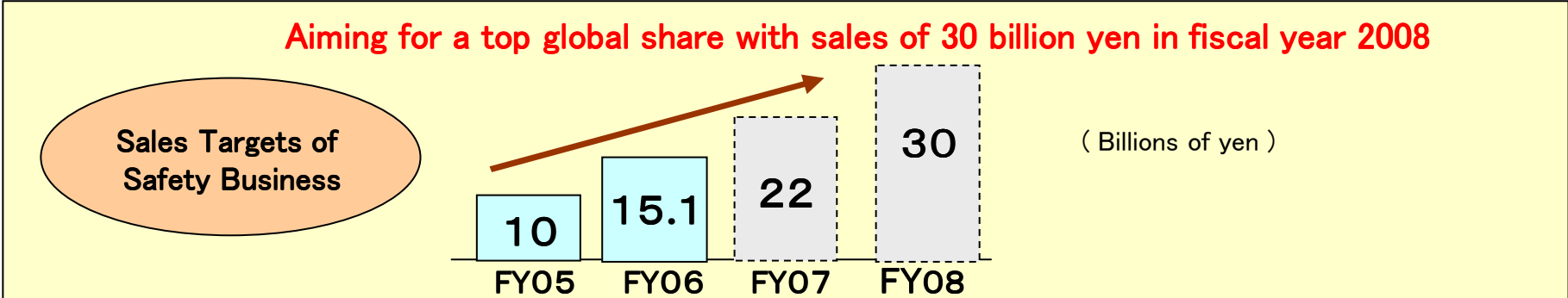




OMRON Controllers

QCD+S

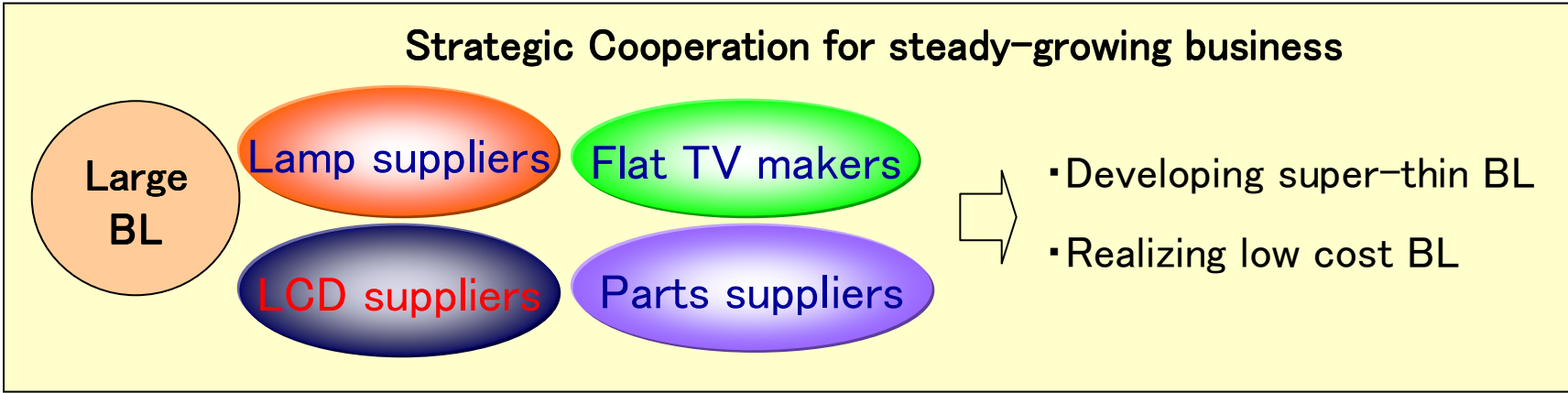
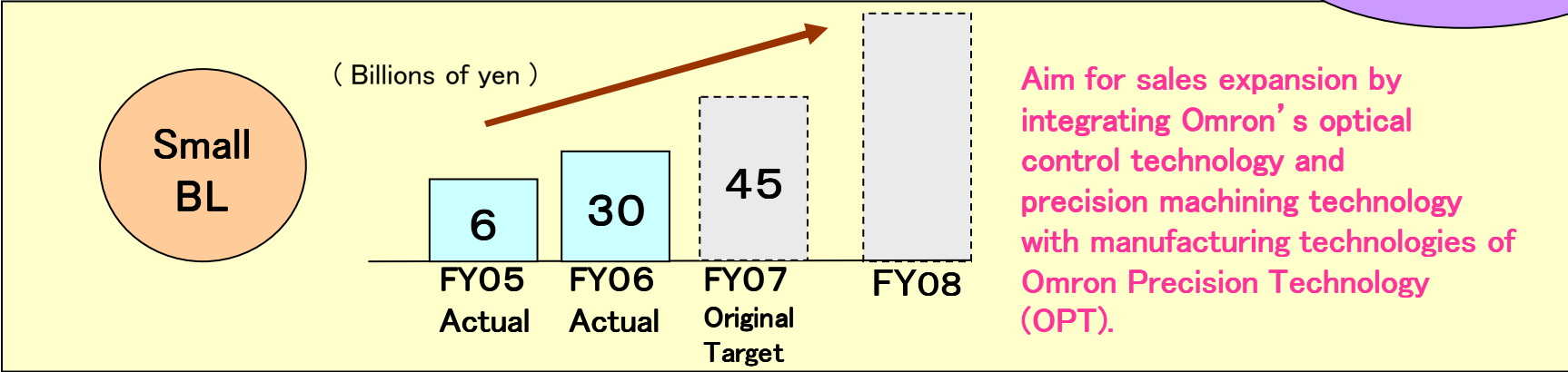
Global Sales Channel

Safety Components



Maintain number-one global share in small backlights, work to expand sales of medium-sized backlights for car navigation systems
Aim for stable growth in large backlight business with strategic cooperation

Full-year contribution of OPT in FY2007





(Reference 2)

Progress of Key Strategic Themes



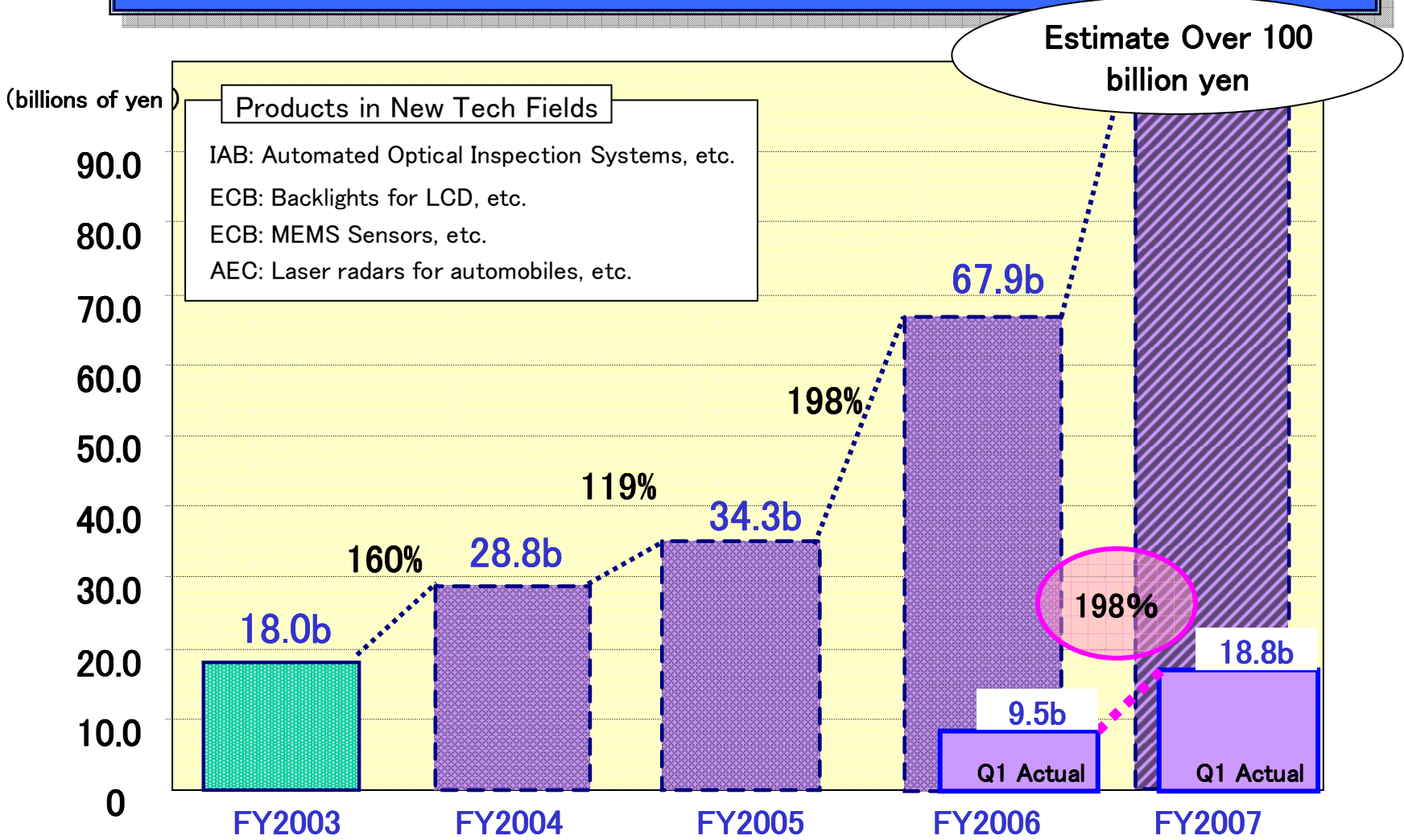
FY2007

Progress of Key Strategic Themes (1) Sales Growth in New Tech Fields

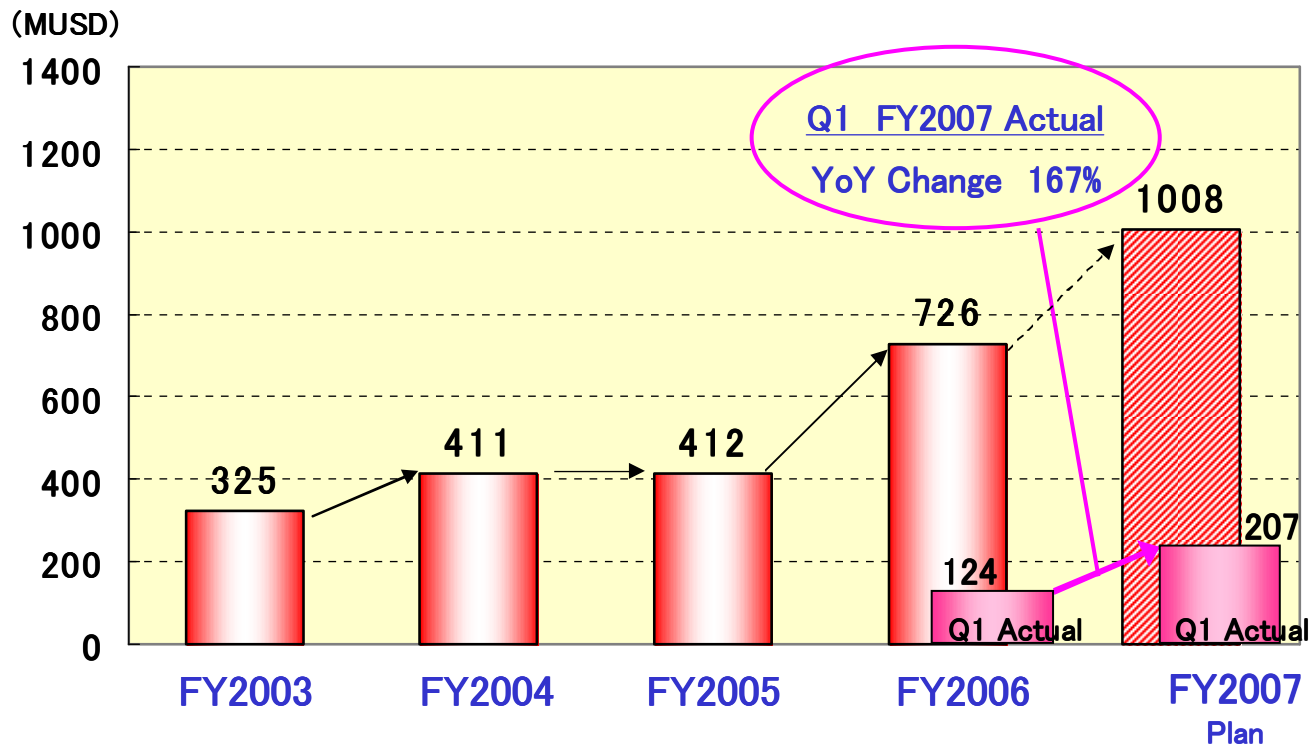


Sensing tomorrow™

Sharp increase over previous period due to contribution of OMRON PRECISION TECHNOLOGY Co., Ltd.



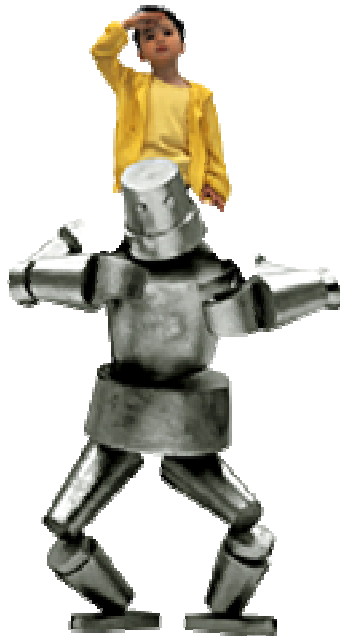
Sales of OMRON PRECISION TECHNOLOGY Co., Ltd. made strong contribution
Sales up 167% year-on-year





Aiming for the Best Matching of
Machines to People

OMRON Corporation



-Contact us -

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