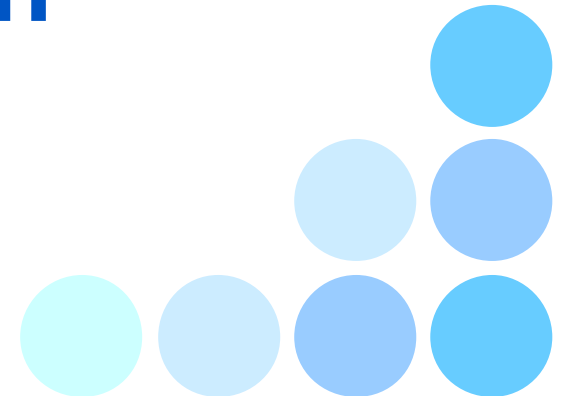




Financial Results for the Third Quarter Ended December 31, 2008

January 30, 2009

OMRON Corporation



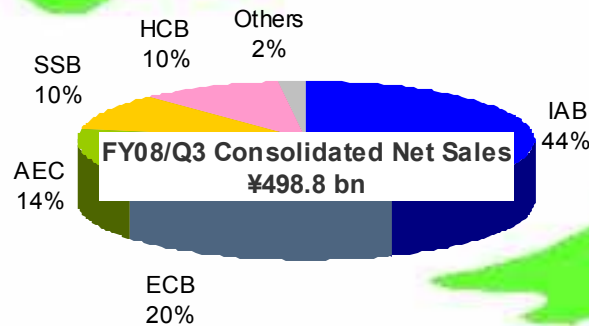
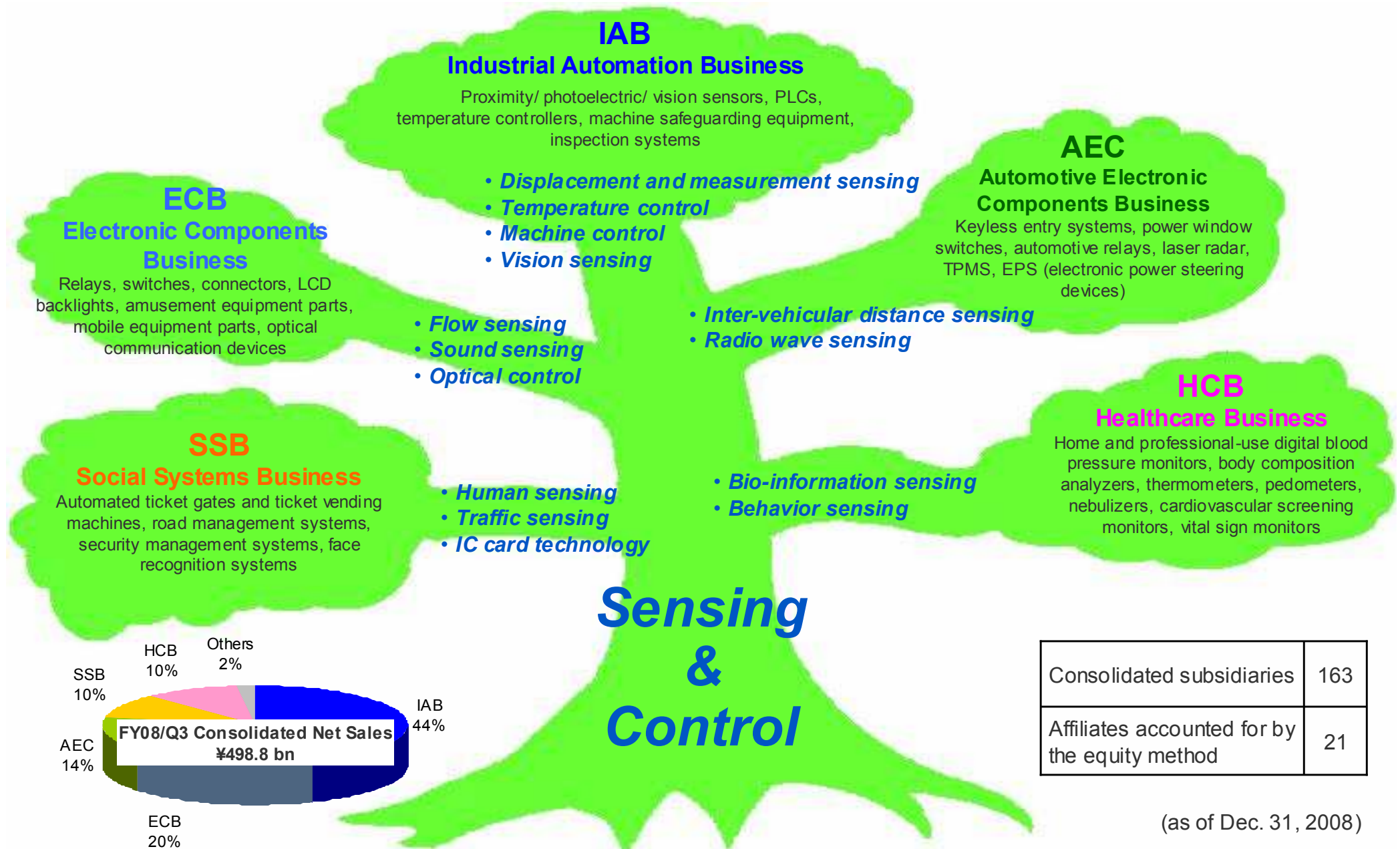
Contents

1. Executive Summary	P. 4
2. Results for the Third Quarter Ended December 31, 2008 (FY08/Q3)	P. 5
3. FY08 Full Year Forecast	P. 17
4. Emergency Measures and Structural Reform	P. 25

Notes

1. The consolidated statements of Omron Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results and future developments are based on information available to the Company at the current 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) economic conditions affecting the Company's businesses in Japan and overseas, (ii) demand trends for the Company's products and services, (iii) the ability of the Company to develop new technologies and 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.

Businesses and Major Products



Consolidated subsidiaries	163
Affiliates accounted for by the equity method	21

(as of Dec. 31, 2008)

1. Executive Summary

*Year on year. FY07/Q3=100%

Sales and operating income plunged YoY* due to economic downturn and exchange loss

FY08 Q1-Q3 Results

<u>Consolidated</u>	<u>Actual</u>	<u>YoY</u>	<u>Margin (%)</u>
Net sales	¥498.8 bn	89.4%	--
Operating income	¥16.7 bn	38.6%	3.3%
NIBT	¥14.7 bn	33.5%	3.0%
Net income	¥9.1 bn	31.0%	1.8%

<Business Environment>

- In response to global economic turmoil triggered by the US subprime loan crisis, the semiconductor, automotive and other industries continued restricting capital investment.
- In addition, in Q3, customers' production adjustments became apparent beginning in November.
- Sales from Nov. onward plunged due largely to poor performance of IAB (reduction in capital investment in Europe and Greater China), ECB (slowing demand for home electronics, communications equipment and semiconductors), and AEC (worldwide auto industry slowdown).
- Exchange rates: 1USD = ¥102.3 (Q3-4 forecast as of Oct 30: ¥95); 1EUR = ¥150.9 (¥120)

<Sales & Profit>

Net sales: Sharp YoY drop due to Q3 nosedive. IAB, ECB and AEC were hit hardest.
 Operating income: BCs saw dramatic decline due to poor sales and exchange loss. (See p. 9 for details.)
 NIBT: Sharp drop due to decline in operating income and increase in non-operating costs.

Downward adjustment to forecast announced Oct. 30 following further economic downturn

FY08 Full Year Forecast

<u>Consolidated</u>	<u>Revised Forecast</u>	<u>YoY</u>	<u>Margin (%)</u>	<u>(Oct 30 fcst)</u>
Net sales	¥635.0 bn	83.2%		¥725.0 bn
Operating income	¥7.0 bn	10.7%	1.1%	36.0 bn
NIBT	¥2.0 bn	3.1%	0.3%	33.0 bn
Net income	¥1.0 bn	2.4%	0.2%	20.5 bn

*Assumed exchange rates for Q4: 1USD = ¥90; 1EUR = ¥115

2. Results for the Third Quarter Ended December 31, 2008 (FY08/Q3)

- Sales and operating income far below the same period of the previous year:
Sales down 11%; operating income down 61% YoY.

(Billions of yen)

P/L	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Net sales	557.8	498.8	89.4%
Gross profit	212.5	179.5	84.5%
SG&A	132.0	126.2	95.6%
R&D	37.3	36.6	98.1%
Operating income	43.2	16.7	38.6%
NIBT	44.1*	14.7	33.5%
Net income	29.2	9.1	31.0%
<Exchange rates>			
USD	117.2	102.3	-14.9
EUR	162.9	150.9	-12.0

*FY07/Q3 Actual: Pre-tax net income from continuing operations.

- Large YoY drop both in Japan and overseas due to global economic downturn and exchange loss.
- IAB, ECB and AEC were hit hardest.

(Billions of yen)

Area	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Japan	260.0	240.3	92.4%
Overseas*	297.8	258.5	86.8%
Total	557.8	498.8	89.4%

*Includes direct exports

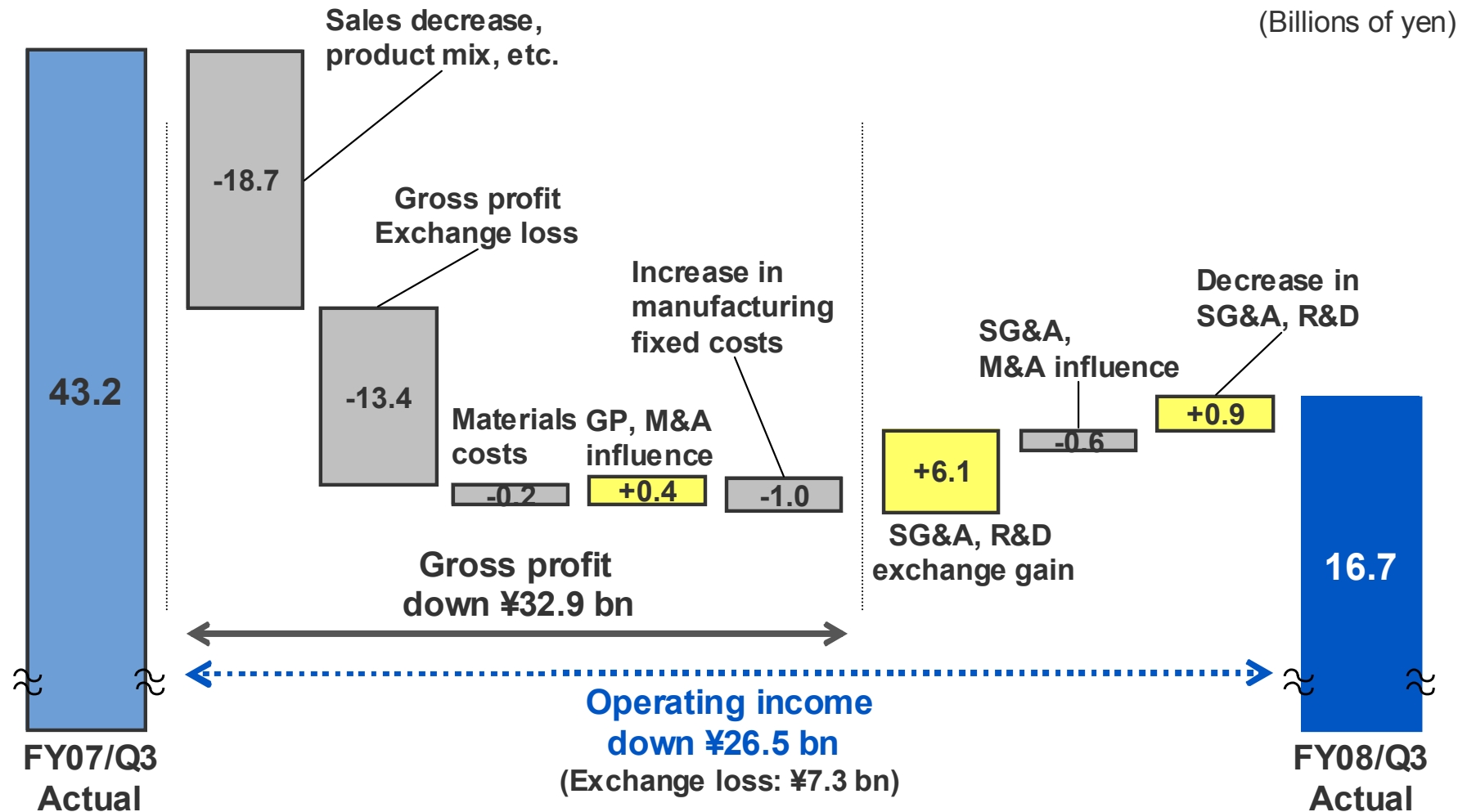
Segment	(1) Actual	(2) Actual	YoY
IAB	243.0	218.5	90.0%
ECB	117.8	101.3	86.0%
AEC	80.5	69.5	86.2%
SSB	52.4	49.8	95.0%
HCB	52.5	48.8	92.9%
Others	11.6	10.9	94.5%
Total	557.8	498.8	89.4%

- All major segments saw sharp year-on-year decline due to sluggish sales and exchange loss.

(Billions of yen)

Segment	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
IAB	37.7	25.6	68.1%
ECB	9.8	1.6	16.5%
AEC	1.0	-3.1	-
SSB	0.2	-0.9	-
HCB	6.2	4.2	67.0%
Others	0.0	0.6	-
HQ Cost/ Elimination	-11.8	-11.4	-
Total	43.2	16.7	38.6%

■ Down sharply YoY due to net sales drop and exchange loss.

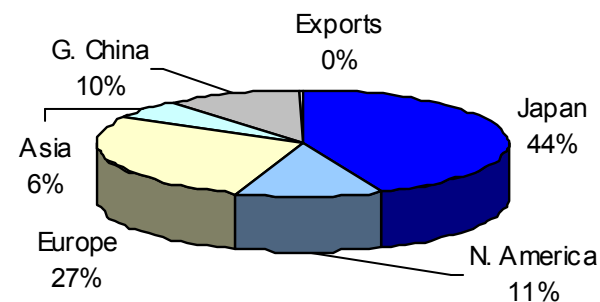


- Sales down 10% YoY to ¥218.5 bn, with 11.7% OP margin.
- Slow both in Japan and overseas.

(Billions of yen)

IAB	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Japan	104.9	96.1	91.6%
Overseas	138.1	122.4	88.7%
North America	28.2	24.9	88.3%
Europe	67.6	59.7	88.2%
Asia	11.7	14.1 *	121.3%
Greater China	26.0	22.9	88.2%
Exports	4.6	0.8	18.3%
Total	243.0	218.5	90.0%
Operating income	37.7	25.6	68.1%
OP margin	15.5%	11.7%	-3.8pt

Sales by Area



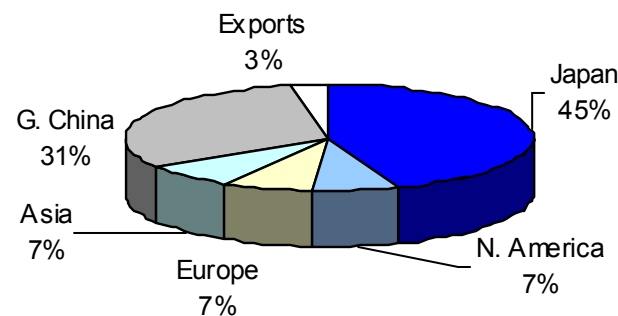
*Includes some of Exports transferred in FY08.

- Sales down 14% YoY to ¥101.3 bn, with 1.6% OP margin.
- Operating income plunged due to weak sales, exchange loss and worsening of product mix.

(Billions of yen)

ECB	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Japan	47.5	45.1	95.0%
Overseas	70.3	56.2	80.0%
North America	8.0	6.9	86.7%
Europe	9.0	7.5	82.7%
Asia	8.0	7.1	88.5%
Greater China	36.2	31.5	87.0%
Exports	9.1	3.2	35.4%
Total	117.8	101.3	86.2%
Operating income	9.8	1.6	16.5%
OP margin	8.3%	1.6%	-6.7pt

Sales by Area

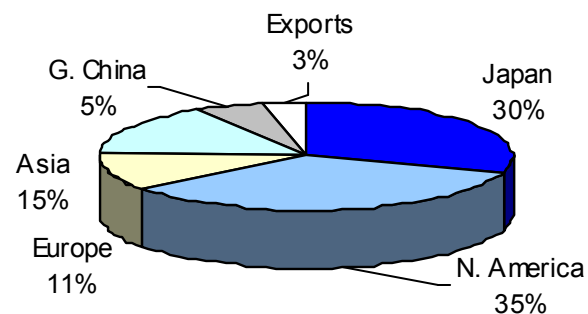


- Sales down 14% YoY to ¥69.5 bn with operating loss.
- Challenging conditions will continue with drastic auto industry downturn.

(Billions of yen)

AEC	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Japan	20.5	20.7	100.8%
Overseas	60.0	48.8	81.3%
North America	32.8	24.3	74.0%
Europe	10.1	7.7	76.6%
Asia	13.8	10.6	76.8%
Greater China	2.1	3.8	176.9%
Exports	1.2	2.4	202.1%
Total	80.5	69.5	86.3%
Operating income	1.0	-3.1 *	-
OP margin	1.2%	-	-

Sales by Area



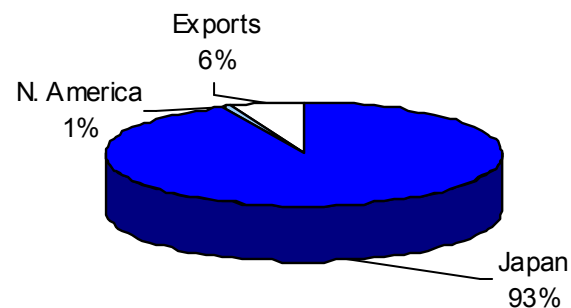
*Includes head office R&D expenses transferred to AEC in FY08.

- Sales down 5% YoY to ¥49.8 bn with operating loss.
- Operating income down due to slow sales, dampened by restrained capital investment.

(Billions of yen)

SSB	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Japan	49.6	46.4	93.6%
Overseas	2.8	3.4	119.1%
North America	0.4	0.2	50.8%
Europe	0.0	0.0	-
Asia	0.0	0.0	-
Greater China	0.0	0.0	-
Exports	2.4	3.1	131.7%
Total	52.4	49.8	95.0%
Operating income	0.2	-0.9	-
OP margin	0.5%	-	-

Sales by Area



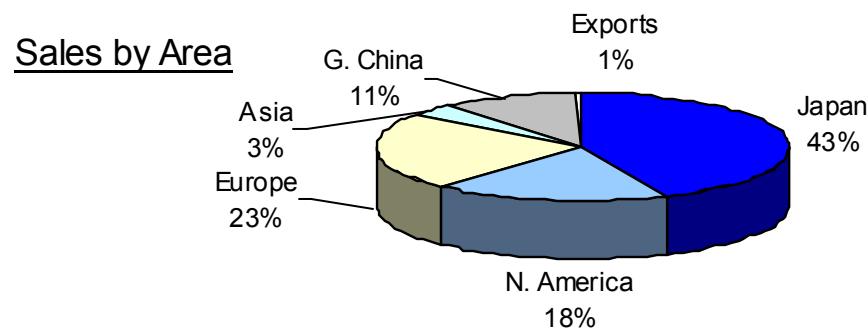
HCB

(Healthcare Business)

- Sales down 7% YoY to ¥48.8 bn with 8.6% OP margin.
- Operating income down, with sales sluggish in Japan though steady overseas.

(Billions of yen)

HCB	(1) FY07 Q3 Actual	(2) FY08 Q3 Actual	YoY (2)/(1) (FY07=100%)
Japan	26.0	21.2	81.5%
Overseas	26.5	27.6	104.1%
North America	9.1	9.0	99.5%
Europe	11.2	11.4	102.0%
Asia	1.6	1.7	104.7%
Greater China	4.2	5.2	124.1%
Exports	0.4	0.3	58.6%
Total	52.5	48.8	92.9%
Operating income	6.2	4.2	67.0%
OP margin	11.9%	8.6%	-3.3pt



- Net worth ratio: 56.6%.
- Shareholders' equity down due to strong yen and sliding stock price.

(Units: JPY billions)

Consolidated B/S	Dec. 2007	Mar. 2008	Dec. 2008
Total Assets	634.6	617.4	583.8
Cash and cash equivalents	38.4	40.6	40.0
Notes and accounts receivable - trade	157.3	164.7	121.9
Inventories	110.3	95.1	102.6
Other current assets	29.9	29.7	38.2
Property, plant and equipment	159.7	152.7	150.1
Investments and other assets	139.0	134.6	131.0
Total Liabilities	232.9	246.9	251.6
Short-term debt	20.3	18.3	45.6
Long-term debt	1.8	1.5	1.3
Other liabilities	210.7	227.1	204.7
Minority equity	2.0	2.0	1.9
Shareholders' equity	399.7	368.5	330.3

- Negative free cash flow (FCF) due to decrease in cash provided by operating activities and increase in cash used in investing activities.

(Units: JPY billions)

Consolidated C/F	Dec. 2007	Dec. 2008	(Ref.) Mar. 2008
Operating activities	40.7	23.5	69.0
Investing activities	-27.1	-31.7	-36.7
Free cash flow	13.6	-8.2	32.3
Financing activities	-19.1	14.1	-34.5
Effect of exchange rate changes	1.0	-6.6	-0.2
Net increase/decrease	-4.6	-0.7	-2.4
Cash and cash equivalents at end of period	38.4	40.0	40.6
Depreciation and amortization	27.8	25.2	36.3
Capital expenditures (investment in plant and equipment)	-29.3	-28.5	-37.8*

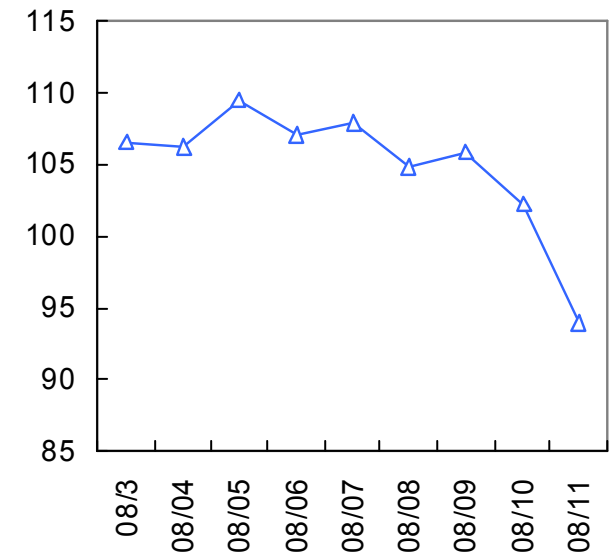
*Mar. 2008 figure differs from plant & equipment investment.

3. FY08 Full Year Forecast

External Environment	2009: Increasingly severe business environment
	More challenging business environment caused by the sudden global economic downturn <ul style="list-style-type: none"> • Reduced capital investment by manufacturers • Downturn in semiconductor and electronic components industries • Production cutbacks in auto industry • Slowdown in consumer spending
	<ul style="list-style-type: none"> • JPY remains strong against USD and EUR (see p. 31) • Stabilization of raw material costs (silver and copper, see p.32)

Basis for Forecast	Forex	Q4 rates: 1USD = ¥90 1EUR = ¥115
	Raw Material Costs	Q4 per kilo purchasing prices: <ul style="list-style-type: none"> • Silver: ¥30,000/kg • Copper: ¥400/kg
	In-house Efforts	Emergency cost-cutting measures <ul style="list-style-type: none"> • Restrictions on expenditures • Restrictions on overtime work • Reduction of personnel costs incl. return of a part of monthly compensation for directors and executive officers (beginning in Jan.) and managers (beginning in Feb.)

Indices of Industrial Production, Seasonally Adjusted
(2005 Avg. = 100)



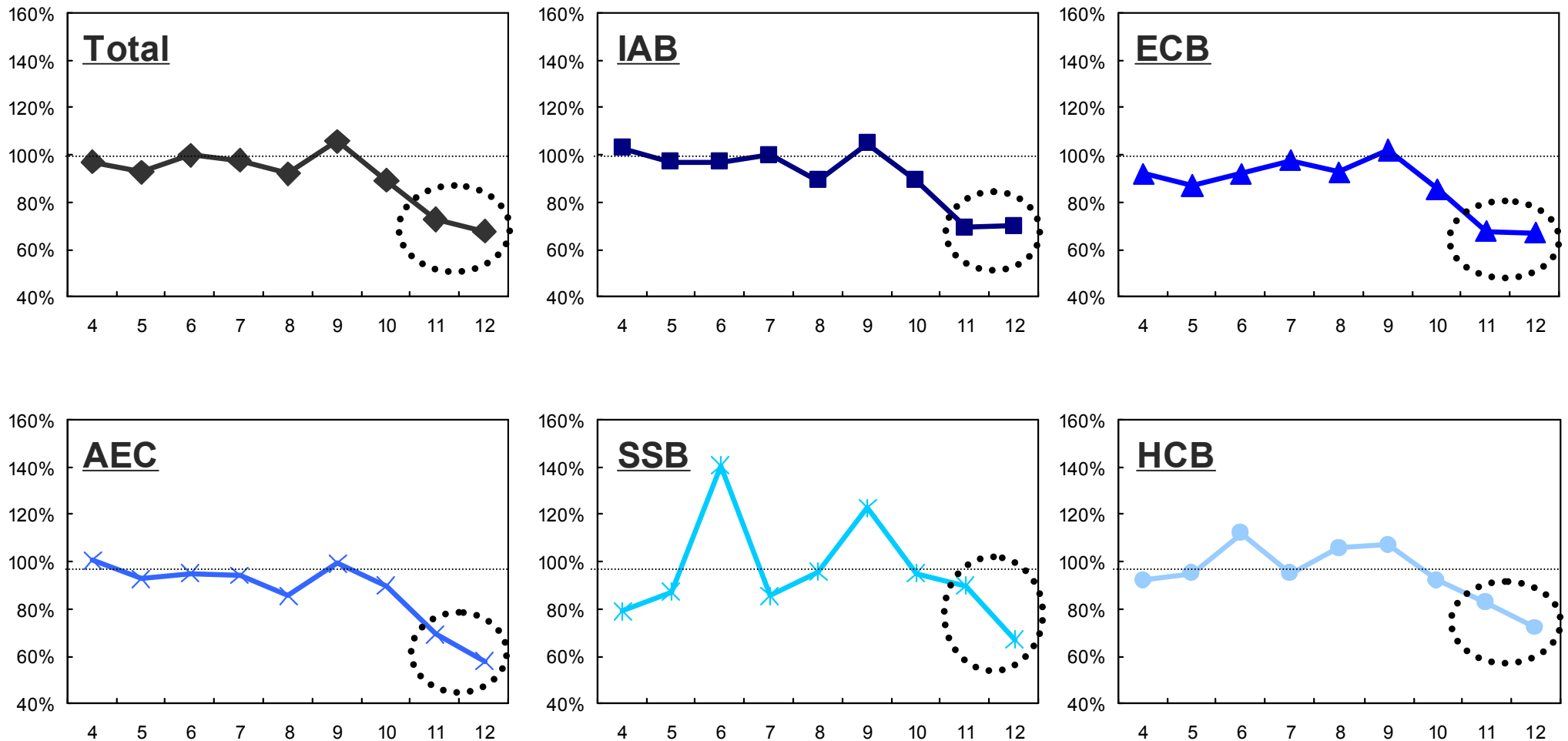
Source: Ministry of Economy, Trade and Industry

Market/Area Forecast by Segment

IAB	Market	Slowdown of automotive, electronic component, FPD semiconductor, machine tool and other related industries is likely to continue along with suspension of capital investment.
	Area	(1) Japan: Situation expected to worsen as major customers suspend/delay capital investment. (2) Overseas: Suspension/delay of capital investment expected in each area. Conditions likely to become more challenging with plunging GDP in Greater China and other negative factors.
ECB	Mkt	Sluggish performance predicted in major markets (telecommunications, home electronics, semiconductor and mobile phone markets).
	Area	(1) Situation likely to become increasingly severe, with suspension/delay of capital investment in industrial equipment market and slowdown in consumer spending. (2) Business environment will get worse, with shrinking demand from customers in Europe and America, and slowing growth of home appliance makers in China.
AEC	Mkt	In a deteriorating global auto market, further production cuts by manufacturers are likely.
	Area	(1) Further drop in auto demand likely following production cutbacks. (2) NA market likely to get even worse. Growth in emerging markets expected to be sluggish.
SSB	Mkt	Railroad and other related industries are working to cut investments; a downturn in related markets is probable.
HCB	Mkt	Global economic downturn will likely discourage consumer spending on healthcare products.
	Area	(1) Downturn is likely to affect both consumer and professional healthcare equipment markets. (2) Consumer spending likely to drop overall, with some emerging markets maintaining momentum.

■ Since November, all BCs experienced sharp drops. Uncertainty remains.

FY08/FY07 YoY monthly sales (FY07 = 100%)



(Billions of yen)

	(1) FY07 Actual	(2) FY08 2nd Rev.	YoY (2)/(1) FY07=100%	(3) FY08 1st Rev.*	(2)/(3) %	(4) FY08 Initial*	(2)/(4) %
Net sales	763.0	635.0	83.2%	725.0	87.6%	780.0	81.4%
Gross profit	293.3	220.0	75.0%	262.5	83.8%	300.5	73.2%
SG&A	176.6	164.0	92.9%	173.5	94.5%	183.5	89.4%
R&D	51.5	49.0	95.1%	53.0	92.5%	57.0	86.0%
Operating income	65.3	7.0	10.7%	36.0	19.4%	60.0	11.7%
NIBT	64.2	2.0	3.1%	33.0	6.1%	59.0	3.4%
NIAT	42.4	1.0	2.4%	20.5	4.9%	36.5	2.7%
EPS (JPY)	185.89	4.53	2.4%	92.87	4.9%	164.65	2.8%

*Previous revision to FY08 forecast (3) was announced on October 30, 2008, following initial forecast (4) on April 28, 2008.

Consolidated Sales by Area/Segment

(Billions of yen)

Area	(1) FY07 Actual	(2) FY08 2nd Rev.	YoY (2)/(1) FY07=100%	(3) FY08 1st Rev.*	(2)/(3) %	(4) FY08 Initial*	(2)/(4) %
Japan	365.9	320.0	87.5%	355.3	90.1%	385.0	83.1%
Overseas*	397.1	315.0	79.3%	369.7	85.2%	395.0	79.7%
Total	763.0	635.0	83.2%	725.0	87.6%	780.0	81.4%

*Includes direct exports.

Segment	(1)	(2)	(2)/(1)	(3)	(2)/(3)	(4)	(2)/(4)
IAB	328.8	268.0	81.5%	308.0	87.0%	337.5	79.4%
ECB	154.2	124.5	80.7%	144.0	86.5%	154.5	80.6%
AEC	107.5	84.5	78.6%	99.0	85.4%	108.5	77.9%
SSB	85.2	80.3	94.2%	90.0	89.2%	90.0	89.3%
HCB	71.6	63.0	88.0%	69.0	91.3%	74.0	85.1%
Others	15.7	14.7	94.0%	15.0	98.0%	15.5	94.5%
Total	763.0	635.0	83.2%	725.0	87.6%	780.0	81.4%

*Previous revision to FY08 forecast (3) was announced on October 30, 2008, following initial forecast (4) on April 28, 2008.

Consolidated Operating Income by Segment

(Billions of yen)

Segment	(1) FY07 Actual	(2) FY08 2nd Rev.	YoY (2)/(1) FY07=100%	(3) FY08 1st Rev.*	(2)/(3) %	(4) FY08 Initial*	(2)/(4) %
IAB	51.9	20.6	39.7%	38.5	53.5%	50.0	41.2%
ECB	12.6	-0.7	-	5.5	-	11.5	-
AEC	1.4	-6.2	-	-4.0	-	0.5	-
SSB	7.0	4.8	68.2%	8.0	60.0%	8.0	60.0%
HCB	9.4	4.4	46.8%	6.5	67.7%	9.5	46.3%
Others	0.1	0.2	-	0.0	-	0.0	-
HQ Cost/ Elimination	-17.1	-16.1	-	-18.5	-	-19.5	-
Total	65.3	7.0	55.2%	36.0	19.4%	60.0	11.7%

*Previous revision to FY08 forecast (3) was announced on October 30, 2008, following initial forecast (4) on April 28, 2008.

- Capital investment and R&D expenditures expected to be less than previously projected due to restrictions.

(Billions of yen)

Segment	(1) FY07 Actual	(2) FY08 2nd Rev.	YoY (2)/(1) FY07=100%	(3) FY08 1st Rev.	(2)/(3) %	(4) FY08 Initial	(2)/(4) %
Capital Investment	37.1**	40*	108%*	45.0*	90%*	56.0	70%*
Depreciation & Amortization	36.3	40*	110%*	40.0*	100%*	40.0	100%*
R&D	51.5	49.0	95.1%	53.0	92.5%	57.0	86.0%

*Approximate figures.

**FY07 figure (investment in plant and equipment) differs from capex on CF sheet.

4. Emergency Measures and Structural Reform

Changes in the Business Environment in FY08

- It becomes apparent that the US financial crisis has triggered a global economic downturn and recession.
- Appreciation of the yen causes drastic changes in the business environment.
- Signs of worsening business environment appear in related markets with large-scale suspension/delay of capital investment by manufacturers, slowdown of electronic components, semiconductor and auto industries, and weak consumer spending.

Efforts to Cut Costs Taken to Date (FY08)

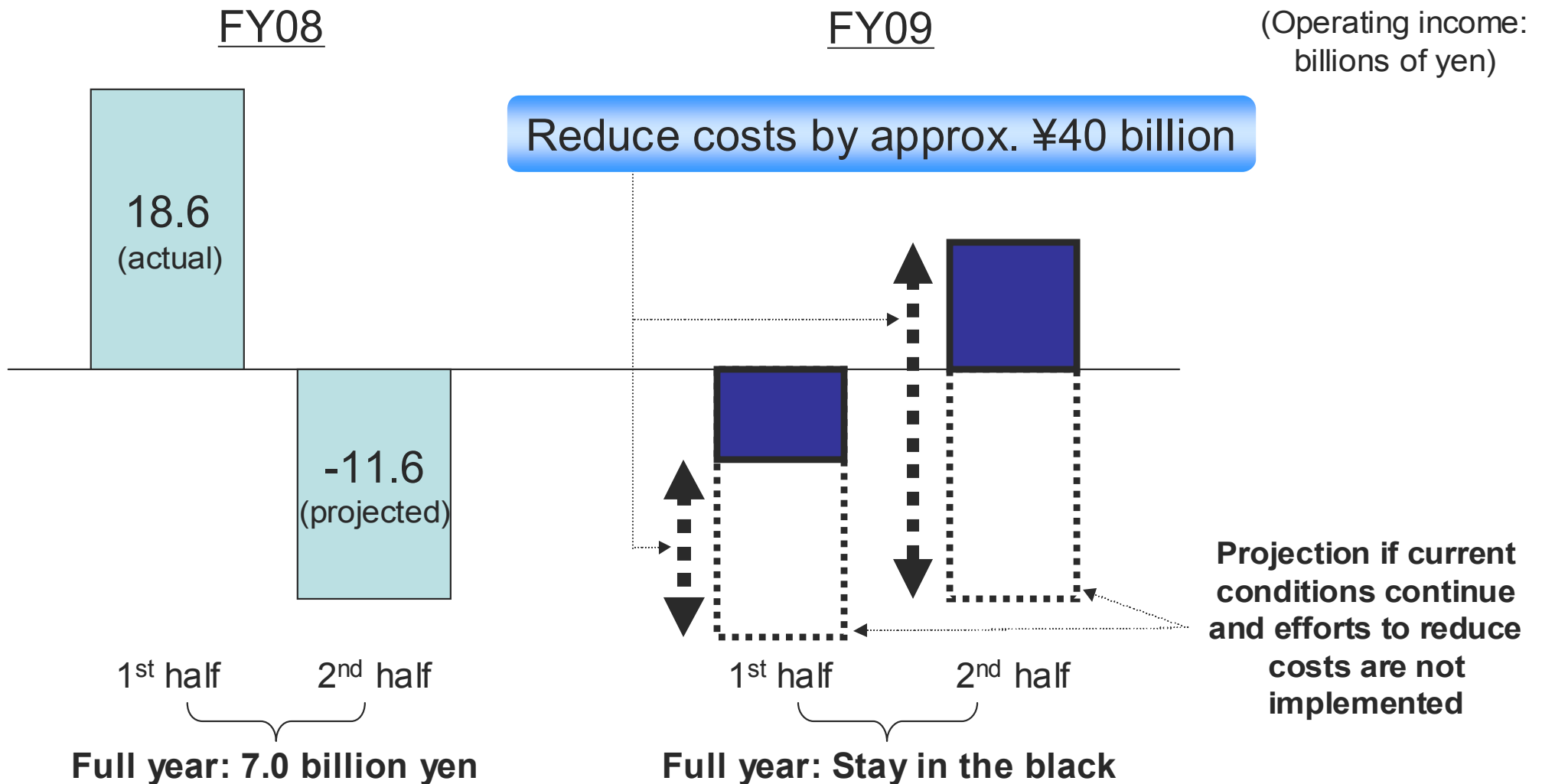
- Cost-cutting with numeric goals from the beginning of FY08 (e.g., R&D, SG&A: 10% reduction in budget)
- Return of a portion of directors' and executive officers' monthly compensation (beginning in Jan.)
- Restrictions on overtime work

In order to address the deteriorating business environment, **Omron MUST adopt emergency measures and implement structural reform.**



The newly-established "**Emergency Measures and Structural Reform HQ**" led by President & CEO Hisao Sakuta will be tasked with ensuring that reforms spearheaded by the head offices are implemented swiftly and steadily throughout the Omron Group.

- Secure operating profit in FY09 under current business conditions (FY08 second half) and reduce costs by approx. ¥40 billion



Goals & Measures

Emergency Measures

(Generating profit in FY09 through ¥40 bn in cost cuts)

Profit Generation

(1) Cost cutting

Advertising, R&D, indirect costs, etc.

(2) Withdrawal from underperforming businesses

Four businesses in Japan/abroad (ECB, AEC)

(3) Reduction of other fixed costs

Return of part of directors', executive officers' compensation as well as managers' compensation, extreme reduction in overtime work, etc.

Cash Flow Creation

- Freeze on large-scale investments
- Reduction in ordinary investments

Structural Reform

(Strengthening of profit base over the medium term)

1. Business Domain Reform

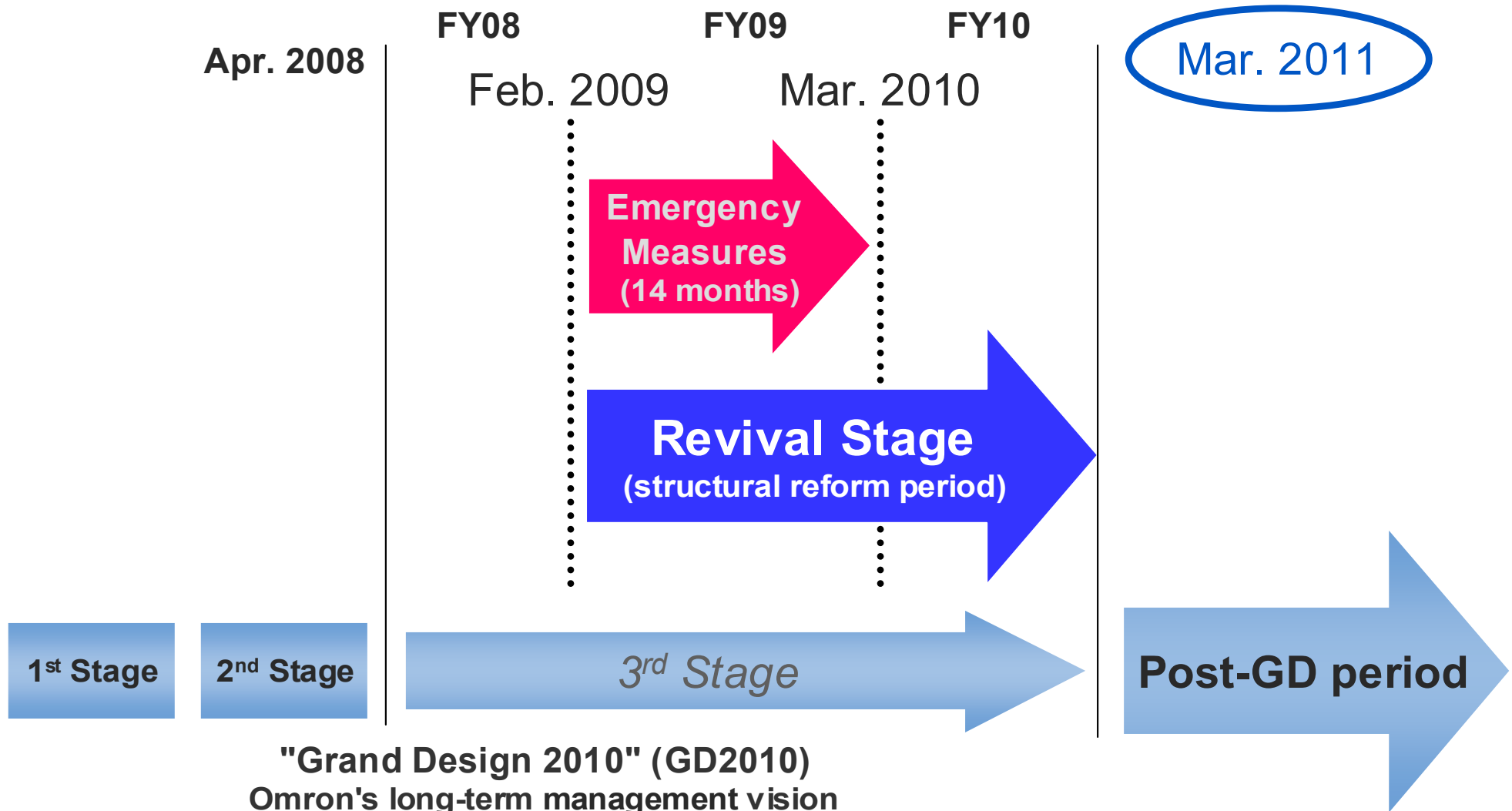
Restructure 3 control businesses: IAB, ECB, and AEC

- IAB: Strengthen front line and profit base
- ECB: Re-strengthen EMC business
- AEC: Implement thorough efforts to improve profitability

2. Operational Structure Reform

- (1) Elimination and consolidation of production bases
 - Consolidate/eliminate 5 production bases in Japan/abroad
 - Consolidate bases to maximize EMC profitability (possibly from 18 to around 10)
- (2) Variable cost structure reform
- (3) IT structure reform
- (4) Head office functions reform

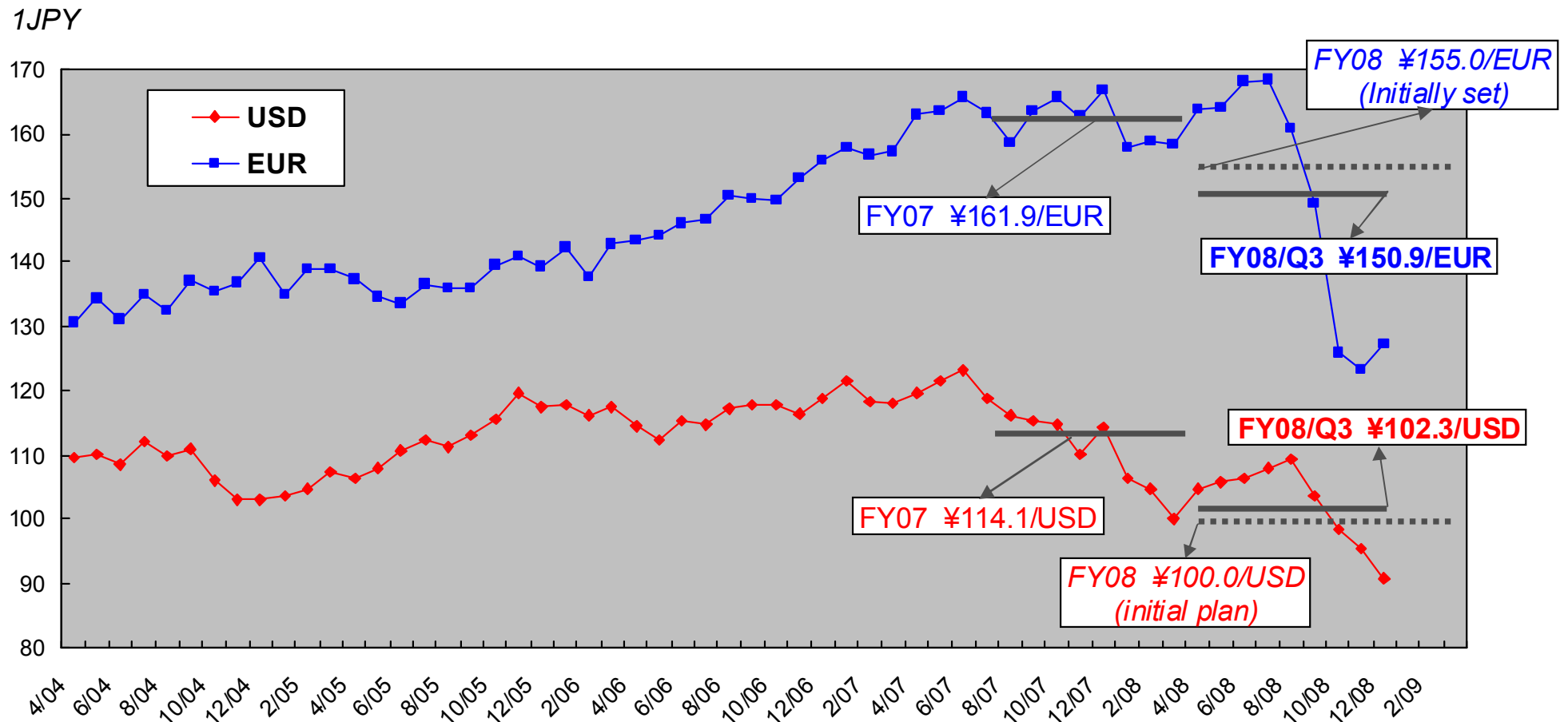
- Abandon medium-term goal for GD2010 3rd stage and designate period until March 2011 as "Revival Stage."



Reference

- **Exchange Rates**
- **Raw Material Prices**

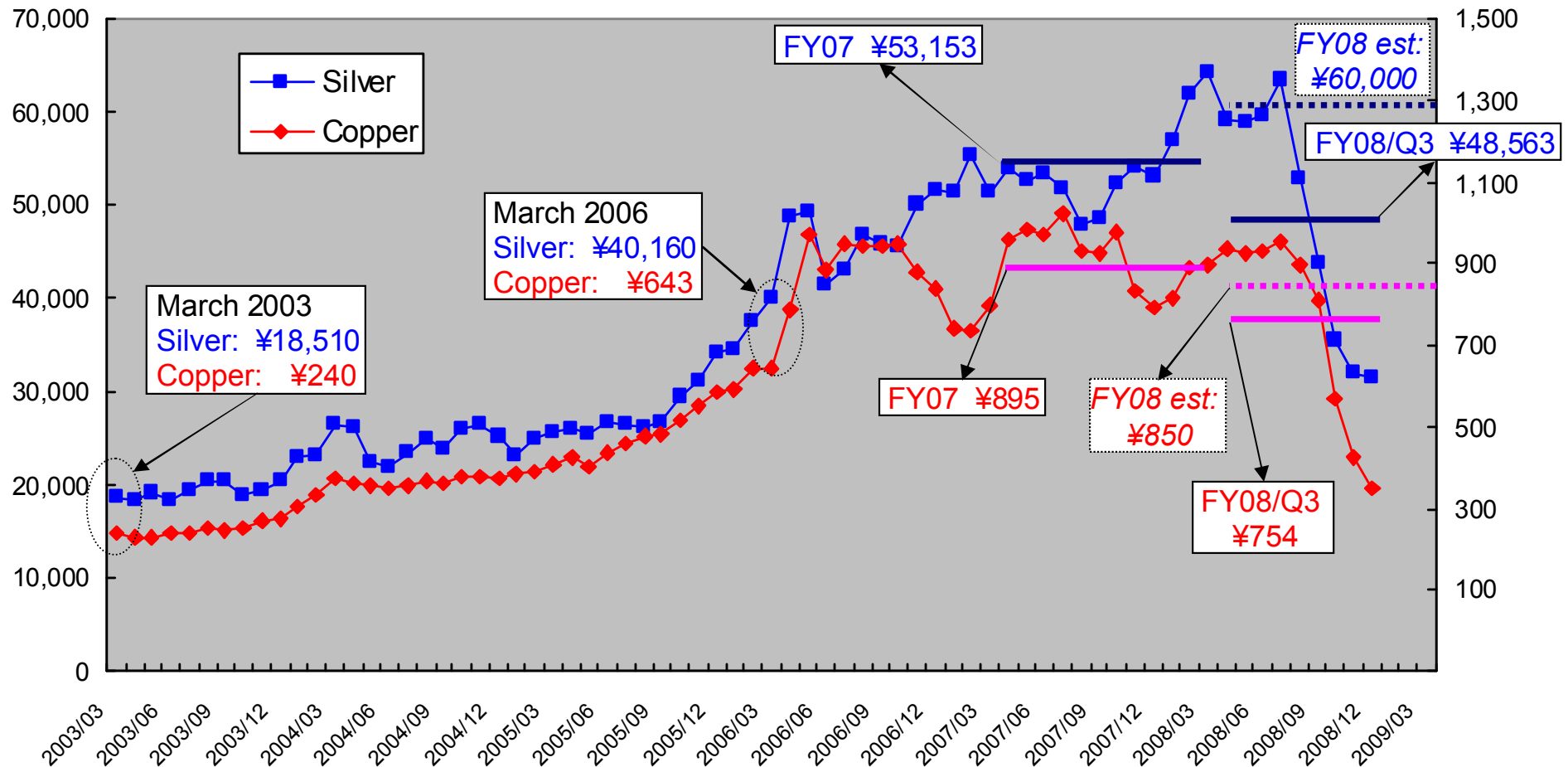
- Both USD and EUR dropped sharply beginning in the second half of Q2.
- Averaged over 9 months, USD was about the same as expected; EUR was lower.



- Silver and copper prices dropped throughout the second half of Q2.
- Averaged over 9 months, both were below initial estimates.

Silver price quotation, JPY/kg

Copper price quotation, JPY/kg





Bring Machines Closer to People
with Sensing and Control Technology

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