



**PCB Inspection System  
VT-WIN II**  
Omron's top PCB solder inspection system, the VT-WIN II is equipped with a high-resolution camera, and features twice the inspection speed of existing equipment. It is also compatible with lead-free solder, which manufacturers are increasingly adopting as an environmental measure.

**Digital Controller E5 R**  
The speed and precision of the E5 R are among the highest in the industry. It uses a function-based modular structure, which speeds delivery lead time.

**Programmable Logic  
Controller CJ1M**  
This is the industry's smallest programmable logic controller, and is ideal for use in machinery such as equipment that assembles electronic components, food processing equipment and packaging equipment.

**FPD Seal Profile Sensor  
Z5FP**  
This sensor measures the profile of seals used to bond flat panel displays (FPD) with both high speed and high precision to effectively improve manufacturing process yields and quality.

# Industrial Automation Company

## ► Business Overview

For the fiscal year ended March 31, 2003, net sales of the Industrial Automation Company (IAB) increased 10.0 percent from the previous fiscal year to ¥202.5 billion. While overall investment in all types of machinery and equipment was weak, sales expanded in greater China and Southeast Asia. By industry, sales to semiconductor and flat panel display (FPD) manufacturers rebounded moderately, and sales to the automobile and food industries were firm. By application, sales expanded in the areas of equipment safety and advanced automation of inspection.

In the domestic market, IAB reinforced strategic activities targeting specific industries and provided solutions to promote the use of information technology (IT) among manufacturers. As a result, sales of safety-related components and sensors, FPD auto identification components, displacement sensors, vision sensors, motion control components and other products increased substantially.

Overseas, sales in North America increased strongly, led by sales of sensing equipment. Sales in Europe were flat due to the effect of restrained investment in the electronics and electrical equipment industries. Sales in Southeast Asia and in greater China increased substantially as IAB strengthened direct marketing and sales channels, and increased its emphasis on social infrastructure projects and implemented other initiatives.

## ►► Strategies and Outlook

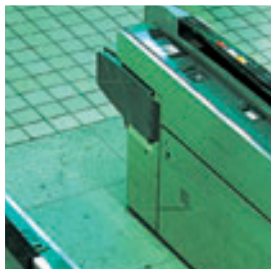
IAB will concentrate on maximizing customer satisfaction and adding value for component packages composed of controllers, sensors and control systems, as well as inspection systems and service, with a focus on industries and applications including automobiles, semiconductors, LCDs and food.

At the same time, IAB will design product platforms and launch modular products, while boosting its cost competitiveness and profitability by continuously reducing manufacturing costs. Efforts to expand sales will focus on measures such as strengthening global marketing tie-ups and improving regional sales channels through relationships with sales agents and distributors. In particular, IAB aims to substantially increase profitability by raising the volume and quality of sales activities in greater China and introducing the most suitable products for given areas. Moreover, IAB will work to continuously increase productivity by investing in and generating returns from IT, particularly customer relationship management (CRM).

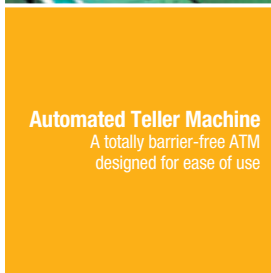
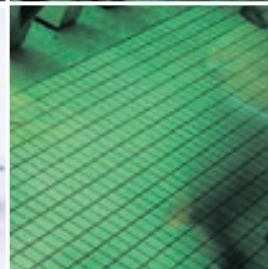




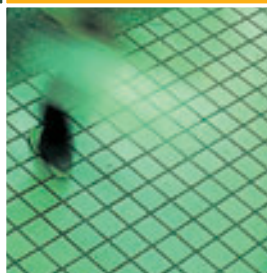
**Bill Circulation Unit EX-BH**  
High-performance bill handling equipment used in applications such as railway station ticket vending machines



**Card Reader/Writer**  
Applicable in all industrial fields, including financial systems, security systems, card issuing machines and ID systems



**Automated Teller Machine**  
A totally barrier-free ATM designed for ease of use



**“goopas”  
Content Delivery Service**  
A new system that customizes and transmits selected information when a pass for public transportation is passed through a passenger gate



# Social Systems Business

## ► Business Overview

The Social Systems Business posted net sales of ¥116.7 billion, a year-on-year decrease of 8.9 percent. In June 2002, this business was divided into the Social Systems Solutions and Service Business Company (SSB), which operates the solutions and service businesses, and the Advanced Modules Business Company (AMB), which is involved in the modules business.

### Social Systems Solutions and Service Business Company (SSB)

The electronic fund transfer systems sector was affected by reduced capital investment due to the overall weakness of the financial industry. As a result, sales fell sharply.

In the public transportation systems sector, sales increased considerably as SSB obtained a major ticket vending machine order in the Kanto region that had been deferred from the previous fiscal year.

In the traffic control and road information systems sector, despite significant demand in certain areas, sales decreased because of reduced public works investment. Also, SSB transferred its parking systems business during the period.

## ►► Strategies and Outlook

As markets for existing products mature, SSB will focus on customer-oriented solutions and shift its emphasis to services. In particular, as the spreading use of IC cards and mobile devices integrates businesses such as finance, retail and transportation, SSB will concentrate on these areas, especially the rapidly expanding sector of transportation IC cards.

### Advanced Modules Business Company (AMB)

## ► Business Overview

AMB generated growth in sales of electronic fund transfer systems, supported by strong demand in South Korea and Taiwan. In the domestic market, however, sales declined sharply due to a lull in deliveries of ATMs for convenience stores, which made a large contribution to sales in the prior fiscal year. Sales were down in the card reader business and in the overseas public transportation systems business.

## ►► Strategies and Outlook

AMB plans to increase sales, particularly in overseas markets, by developing products with a focus on its core module business, collaborating with equipment manufacturers and strengthening its sales organization. In addition, AMB will establish an earnings structure through stronger cost reduction activities by expanding production at overseas bases.



### ► Business Overview

Healthcare Company (HCB) sales were buoyed by a moderate recovery in consumption in the early part of the fiscal year. However, consumption slowed toward the end of the period. As a result, HCB sales increased 4.2 percent year-on-year to ¥42.3 billion.

Blood pressure monitors, thermometers and nebulizers, the core products of this division, sold well, and sales of a new compact, low-cost massage chair expanded steadily in a brisk market. However, sales of products in other categories such as electronic pulse massagers and pedometers declined.

By region, although sales in Japan were unchanged from the previous fiscal year, overseas sales grew strongly. Sales increased substantially in the Asia/Oceania region, centered on Australia, and in China, where HCB expanded sales offices and strengthened user support functions.

### ►► Strategies and Outlook

HCB will work to expand its business by aggressively introducing new products, as well as strengthening overseas sales channels and raising the power of its brands by marketing products that meet local market needs. Additionally, monitoring lifestyle-related diseases is a core business domain, and HCB will develop hardware and create services in this new field. HCB will also create a new business model that generates growth by supporting the prevention of lifestyle-related diseases.

# Healthcare Company

**Blood Pressure Monitor HEM-637IT**  
The first in Japan with a guide for placement on the arm when measuring, this monitor allows daily management of blood pressure data on a personal computer.

**Mesh-Type Nebulizer NE-U22**  
The world's smallest and lightest pocket-sized nebulizer, this unit allows inhalation at any angle.

**Massage Chair Pisu HM-601**  
This low-priced, comfortable reclining chair incorporates a massage unit that gives a full-fledged massage.



**Vehicle Disturbance Surveillance Device  
Carmoni 200**

Using Omron's original sound and pressure sensor, this device detects disturbances to a vehicle (break-in, window breakage, hit-and-run, etc.), uses light and sound to startle the perpetrator, and sends notification to the owner's remote control.

**High-Speed VPN Broadband Router Viaggio MR104DV**

This ultra-high-speed throughput broadband router (maximum 92 Mbps) offers high-performance firewall and virtual private network (VPN) functions for solid Internet security.

## Others

### ► Business Overview

Other businesses posted net sales, including royalty income, of ¥34.7 billion, a decrease of 30 percent from the previous fiscal year.

The Business Development Group explores and nurtures new businesses, and develops and strengthens existing businesses that are not formally classified under other internal business companies. In addition, Omron reassessed some businesses as part of its business structure reforms.

Among new businesses, Omron began marketing new products in the machine-to-machine business, including a tank monitoring system and a vehicle anti-theft system, and verified their future marketability.

In existing businesses, sales of entertainment equipment declined due to factors including increased competition resulting from the entry of other companies into the market. Sales of automated voice answering systems were negatively impacted by restrained corporate investment due to the slump in the IT industry. Despite a decline in domestic shipments of personal computers, sales of PC peripherals were essentially unchanged from the previous fiscal year because of Omron's focus on developing the market for uninterruptible power supplies. Sales of RFID tag systems were firm, reflecting growing interest in IC tags in both manufacturing and consumer sectors.

The Creative Service Company has been engaged in the outsourcing business, mainly for administrative work. However, after reassessing its businesses as part of the Group productivity structural reforms, Omron placed each business under the control of the head office to increase Group productivity by focusing on internal services in specialized fields. As a result, in March 2003, the Creative Service Company was dissolved as an internal company.

### ►► Strategies and Outlook

The Business Development Group will explore and nurture new businesses, and will reinforce and assess existing businesses that are not classified as part of any of the current internal companies.