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For Immediate Release

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## **Implementation of Early Retirement Program**

Together with the announcement of results on May 8, 2002, OMRON Corporation announced that it will implement an early retirement program as part of its Structural Reforms for Group Productivity. At the Board of Directors meeting held today, the directors of the Company voted to implement the program as follows:

### **1. Reasons for Implementing the Early Retirement Program**

In addition to alleviating the surplus headcount expected to result from the Structural Reforms for Group Productivity currently being executed, the program will expand choices for employees.

### **2. Overview of the Early Retirement Program**

Based on the "New Life Challenge Support System"\* currently in practice, eligibility will be expanded and additional support payments will be paid.

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|---------------------------------------|---|
| (1) Eligible persons:                 | Employees with minimum 10 years service, age 30-59  |
| (2) Application period:               | July 1-August 30, 2002  |
| (3) Retirement date:                  | Between September 20, 2002 and October 20, 2002   |
| (4) Additional retirement<br>payment: | 2.5 times annual salary at age 55, structured in stages   |
| (5) Support measures:                 | A counseling Center will be set up in the Company to discuss the details of individuals' benefits under the program and provide outplacement support. |

\* This system provides support payments to employees who, through their own choice and initiative, find opportunities to utilize their skills and realize their potential outside the Company, and wish to take on challenges such as starting their own business or taking a new job with another company. The system was

introduced in 1999, and is open to employees under 45 years of age or between 50 and 55 years of age.

**3. Outlook**

OMRON Corporation plans to account for the additional retirement payments associated with this program as an extraordinary loss in the year ending March 2003. Regarding the effect on results, because the number of applicants and total additional retirement payments are uncertain at the present time, any necessary revisions to the results forecast released on May 8, 2002 will be announced at a later date.

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