

October 10, 2002

For Immediate Release

Company name: OMRON Corporation
Representative Director and
Chief Executive Officer: Yoshio Tateisi
Stock ticker number: 6645
Stock exchanges: Tokyo, Osaka, Nagoya
(First Sections)
Contact: Yukio Uchida, General Manager
Corporate Group, General Affairs Division
(Phone: +81-75-344-7175)

Transfer of a Subsidiary

OMRON Corporation has agreed to transfer shares of its consolidated subsidiary OMRON Alphatec Corporation to IBM Japan, Ltd. Details are as follows.

1. Reason for the Share Transfer

OMRON Alphatec Corporation sells computer equipment and provides comprehensive solutions and services for computer systems, ranging from consultation to design, construction, implementation and installation, management and maintenance. However, in the current difficult economic environment, equipment sales and the solutions business have continued to be sluggish, and the subsidiary could not be expected to shift to a high profitability structure on its own under the present circumstances. Furthermore, there is a deep-rooted awareness among companies that investment in information infrastructure is necessary to compete successfully. OMRON Corporation therefore judged that cooperation with a company that has full capabilities as a system integrator was vital to OMRON Alphatec's future growth, and decided to transfer rights of management of the subsidiary to IBM Japan.

2. Profile of Company to be Transferred (as of March 31, 2002)

- (1) Company name: OMRON Alphatec Corporation
- (2) Representative: Katsuichi Ichikawa, President and Representative Director
- (3) Address: Shuwa Kamiyacho Bldg., 4-3-13 Toranomom, Minato-ku, Tokyo
- (4) Established: February 1971
- (5) Main businesses: Provision of total solutions and services for computer systems
- (6) Fiscal year end: March
- (7) Number of employees: 412
- (8) Main business locations: Osaka, Nagoya, Fukuoka
- (9) Capital: 1 billion yen
- (10) Total shares issued
and outstanding: 2,000,000
- (11) Shareholders and
percentage of shares held: OMRON Corporation (100%)

(12) Business results in recent fiscal years (in millions of yen)

	Year ended March 31, 2002	Year ended March 31, 2001
Net sales	18,437	21,277
Ordinary income	329	527
Total assets	10,582	11,645
Shareholders' equity	2,387	2,009

3. Profile of Company Acquiring Shares

- (1) Company name: IBM Japan, Ltd.
- (2) Representative: Takuma Otoshi, President and CEO
- (3) Address: 3-2-12 Roppongi, Minato-ku, Tokyo
- (4) Main businesses: Computer-related businesses
- (5) Relationship with OMRON: Performs system-related work on consignment

4. Shares to be Transferred and OMRON's Shareholdings Before and After Transfer

- (1) Shares held before transfer: 2,000,000 (100% of total)
- (2) Number of shares to be transferred: 1,300,000
- (3) Shares held after transfer: 700,000 (35% of total)

5. Schedule

- October 8, 2002: Share transfer contract signing
October 11, 2002: Share transfer date (planned)

6. Effect on Results

The share transfer will not necessitate revision of OMRON Corporation's forecast of consolidated and non-consolidated results for the full fiscal year, but first-half results are currently being compiled and will be announced as soon as that process is completed.

7. Other

- (1) It is expected that all of the 700,000 shares held by OMRON Corporation after the share transfer will be sold to IBM Japan within three years.
- (2) OMRON Alphatec Corporation plans to change its company name by December 31, 2002. Further details are not yet decided.