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For Immediate Release

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Omron to Separate Its Healthcare Business

May 8, 2003 – Omron Corporation (“Omron”) resolved at a Board of Directors meeting held on May 8, 2003 to move ahead with the decision announced on January 28, 2003 to separate its healthcare business. On July 1, 2003, the healthcare business will be separated and transferred to a newly established company, Omron Healthcare Co., Ltd. (“Omron Healthcare”). Details follow below.

1. Purpose of Separation

Omron's healthcare business manufactures and markets healthcare equipment including blood pressure monitors for household use. The market and management environment for this business, however, has become increasingly challenging. To strengthen its ability to generate revenue growth and establish itself in the growing domain of lifestyle disease monitoring, the Company must therefore focus operating resources on personal wellness products and healthcare services in fields ranging from healthcare equipment to lifestyle diseases. To this end, Omron has concluded that its healthcare business must operate independently as a specialist manufacturer of medical equipment. This decision culminated in the resolution to separate its healthcare business and integrate it with wholly owned development subsidiary Omron Institute of Life Science Co., Ltd. (“OLS”). The new company will focus on building an optimal management infrastructure (including the personnel system, creation of a challenging workplace environment, information systems, and decision making systems) to increase its speed and maximize its business potential.

2. Separation Overview

(1) Separation Timetable

Board meeting to approve split-off reorganization plan:	May 8, 2003
Date of split-off:	July 1, 2003 (scheduled)
Registration of split-off:	July 1, 2003 (scheduled)

(2) Separation Method

A. Separation Method

The new company will be established as a joint entity combining a company separated from Omron and OLS on the one hand, and the newly established Omron Healthcare Co., Ltd. as the successor company on the other. The separation from Omron will entail the split-off of a company, and the separation of OLS will entail business separation. Omron will carry out a simple separation that does not require the approval of the General Meeting of Shareholders.

B. Rationale for Use of This Separation Method

The new company will take over the business planning, marketing and sales functions of Omron's Healthcare Business Company, and the business of OLS, which is responsible for development. Omron decided to use a separation method that results in a wholly owned subsidiary to ensure continued close cooperation with the parent company.

(3) Allocation of Shares

The new company will issue 80,000 shares of common stock, and will allocate all of them to Omron.

(4) Authorities and Responsibilities of the New Company

The new company will assume all of the assets of Omron's Healthcare Businesses Company and OLS, including receivables and inventories, and all liabilities, including payables. Moreover, the new company will assume the intellectual property rights of the preceding entities, as well as their standing under their major development, sales, purchasing, maintenance and other contracts, and the underlying rights and responsibilities that such contracts imply and entail. The new company shall also assume labor contracts for all employees engaged in the businesses succeeding to the new company.

(5) Outlook for Fulfillment of Financial Obligations

Omron has carefully considered the assets and liabilities of the new company that will be created via the separation and has determined that the effect of the separation on Omron's financial condition is immaterial. Moreover, Omron does not at present foresee the occurrence or likelihood of any event that will impede fulfillment of its financial obligations or those of the new company after the separation. Consequently, Omron believes that both Omron and the new company will fulfill all of their respective financial obligations that come due after the actual date of separation.

(6) Newly Appointed Directors of the Successor Company

The newly appointed directors and corporate auditors of the company created by the separation are as follows:

Directors:
Keiichiro Akahoshi

Shingo Akechi
Yoshinobu Suzuki

Corporate Auditors
Kenji Sato (Full-time)
Yoshihiro Fukuya (Part-time)
Hitoshi Kondo (Part-time)

3. Overview of the Companies Party to the Separation (As of March 31, 2003)

	Separating Company	Separating Company	New Company Scheduled to be Created July 1, 2003
(1) Company Name	Omron Corporation	Omron Institute of Life Science Co., Ltd.	Omron Healthcare Co., Ltd.
(2) Content of Business	Manufacture and sale of electronic equipment	Development of healthcare and medical equipment	Development and sale of medical equipment and services, and other activities
(3) Date of Establishment	May 19, 1948	July 2, 1974	July 1, 2003 (scheduled)
(4) Location of Head Office	Higashi-iru Minami Fudodocho 801, Shiokoji Horikawa, Shimogyo-ku, Kyoto	Yamanouchi Yamanoshitamachi 24, Ukyo-ku, Kyoto	Yamanouchi Yamanoshitamachi 24, Ukyo-ku, Kyoto
(5) Representative	Yoshio Tateisi, Representative Director and CEO	XXX XXX, President and Representative Director	Keiichiro Akahoshi, President and Representative Director
(6) Capital	¥64,082 million	¥400 million	¥4,000 million
(7) Shares Issued and Outstanding	242,864,183	114,000	80,000
(8) Shareholders' Equity	¥197,204 million	¥132 million	—
(9) Assets	¥378,484 million	¥2,086 million	—
(10) Fiscal Year-end	March 31	March 31	March 31
(11) Employees	5,393	127	270
(12) Principal customers	Direct sales of control equipment and other products to manufacturers and other customers	Omron Corporation	Sales through distributors of medical equipment and other products to consumers and healthcare practitioners
(13) Major shareholders and percentage of shares held	<ul style="list-style-type: none"> • The Japan Trustee Service Bank, Ltd., Trust Account, 9.53% • The Master Trust Bank of Japan, Ltd., Trust Account, 7.17% • The Bank of Tokyo-Mitsubishi Bank, Ltd., 3.69% 	Omron Corporation, 100%	Omron Corporation, 100%
(14) Main Bank	The Bank of Tokyo-Mitsubishi Bank, Ltd., Others	The Bank of Tokyo-Mitsubishi, Ltd.	The Bank of Tokyo-Mitsubishi, Ltd.
(15) Relationships among Parties	Capital	The new company will be a wholly owned subsidiary of Omron Corporation	
	Personnel	The employees of the new company will all be shifted from the separating company	
	Transactions	Leasing of land and buildings	

(16) Three-Year Summary of Results (¥ Million, except per share data)

Years ending	Omron Corporation			Omron Institute of Life Science Co., Ltd.		
	3/01	3/02	3/03	3/01	3/02	3/03
Net sales	429,306	347,223	350,459	2,270	2,312	2,583
Operating income	27,136	(2,149)	8,166	74	33	153
Ordinary income	28,120	(2,186)	6,815	83	41	181
Net income	16,839	(8,840)	10,291	18	(111)	(690)

Per Share Data (¥)

Net income	65.91	(35.59)	41.61	182.02	(1,107.20)	(6,823.99)
Dividends	13.00	13.00	10.00	418.00	0.00	0.00
Shareholders' equity	1,012.53	911.14	811.99	2,752.90	1,221.59	1,161.50

4. Descriptions of the Businesses to Be Separated

(1) Operations of the Separated Company

The Healthcare Business Company of Omron is involved in the planning, marketing and sale of medical equipment and services. OLS is involved in the research and development of these products and services.

(2) Results for the Year Ended March 2003

1. The Healthcare Business Company of Omron

	Healthcare Business Company (a)	Omron Corporation (b)	Share (a/b)
Net sales	¥19,608 million	¥350,459 million	5.6%
Gross profit	¥8,631 million	¥124,833 million	6.9%

Note: Only net sales and gross profit are presented due to the difficulty in calculating the fixed costs associated with the separated Healthcare Business Company.

2. OLS

See section 3-16 above.

(3) Assets and Liabilities of the Businesses to Be Separated

As of the end of March 2003, assets of the Healthcare Company of Omron to be separated were ¥7,017 million, and liabilities were approximately ¥1,157 million. Assets of OLS to be separated were ¥2,085 million, and liabilities were ¥1,953 million.

5. Omron's Condition Following the Separation

Omron's company name, contents of business, head office location, capital and fiscal year-end will remain the same as before the separation. Regarding the representative, a resolution nominating Hisao Sakata for election to the position of Director will be presented at the General Meeting of Shareholders scheduled for June 25, 2003. At the Board of Directors meeting following the General Meeting of Shareholders, the Board plans to elect a Representative Officer and Chief Executive Officer.

The separation is projected to reduce the total assets of Omron Corporation by ¥7,017 million.

6. Effect on Performance

The May 8, 2003 announcement has already been factored into the performance forecast for the fiscal year ending March 2004.