

May 8, 2003

For Immediate Release

Company name: OMRON Corporation
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Stock ticker number: 6645
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Omron to Separate Its Entertainment 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 reached and announced on January 28, 2003 to separate its entertainment business. On July 1, 2003, the entertainment business will be separated and transferred to a newly established company, Omron Entertainment Co., Ltd. (“Omron Entertainment”). Details follow below.

1. Purpose of Separation

The entertainment business of Omron primarily manufactures and sells photo-sticker vending machines and other commercial game equipment and commodities, and provides mobile terminal information services. The entertainment business creates high added value by providing intangible services that satisfy consumer desires. Omron is separating its entertainment business to achieve continuous expansion in revenues and create the most appropriate management structure for the entertainment business through means including collaboration with other industry participants and recruitment of entertainment professionals from outside the Company.

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 by separation of a company from Omron, with Omron Entertainment Co., Ltd. as the successor company. 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 objective of the separation is to maximize the value of the Omron Group by enabling revenue expansion through the optimization of operations of the new company. Therefore, the new company will allocate all of the shares its issues to Omron.

(3) Allocation of Shares

The new company will issue 8,000 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 relevant assets currently controlled by Omron, including receivables and inventories, and all relevant liabilities, including deposits received. Moreover, the new company will assume the relevant intellectual property rights of Omron, as well as its standing under its major development, sales, purchasing, maintenance and other contracts and the underlying rights and responsibilities that such contracts imply and entail.

(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:

Kichiro Tasaka
Yutaka Takigawa
Kazunobu Amemiya

Corporate Auditor:

Tatsuro Onuki

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

	Separating Company	New Company Scheduled to be Created July 1, 2003
(1) Company Name	Omron Corporation	Omron Entertainment Co., Ltd.
(2) Content of Business	Manufacture and sale of electronic equipment	Development, manufacture and sale of electronic devices and equipment for entertainment
(3) Date of Establishment	May 19, 1948	July 1, 2003 (scheduled)

(4) Location of Head Office	Higashi Iru Minami Fudodocho 801, Shiokoji Horikawa, Shimogyo-ku, Kyoto	Shibuya-ku, Tokyo
(5) Representative Officer	Yoshio Tateisi, Representative Director and CEO	Kichiro Tasaka, President and Representative Director
(6) Capital	¥64,082 million	¥400 million
(7) Shares Issued and Outstanding	242,864,183	8,000
(8) Shareholders' Equity	¥197,204 million	—
(9) Assets	¥378,484 million	—
(10) Fiscal Year-end	March 31	March 31
(11) Employees	5,393	47
(12) Principal Customers	Direct sales of control equipment and other products to manufacturers and other customers	Direct and indirect sales of amusement equipment and other products to amusement facilities and other customers
(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%
(14) Main Bank	The Bank of Tokyo-Mitsubishi, Ltd., Others	The Bank of Tokyo-Mitsubishi, Ltd.
(15) Relationships between 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 or assigned from the separating company	

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

Years ending	Omron Corporation		
	3/01	3/02	3/03
Net sales	429,306	347,223	350,459
Operating income	27,136	(2,149)	8,166
Ordinary income	28,120	(2,186)	6,815
Net income	16,839	(8,840)	10,291
Per Share Data (¥)			
Net income	65.91	(35.59)	41.61
Dividends	13.00	13.00	10.00
Shareholders' equity	1,012.53	911.14	811.99

4. Description of the Business to Be Separated

(1) Description of the Business to Be Separated

The entertainment business of Omron primarily manufactures and sells photo-sticker vending machines and other commercial game equipment and commodities, and provides mobile terminal information services.

(2) Results for the Year Ended March 2003

1. Entertainment Business of Omron

	Entertainment Business (a)	Omron Corporation (b)	Share (a/b)
Net sales	¥12,538 million	¥350,459 million	3.6%
Gross profit	¥5,844 million	¥124,833 million	4.7%

Note: Only net sales and gross profit are presented due to the difficulty of calculating the fixed costs associated with the separated entertainment business.

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

As of the end of March 2003, assets of the entertainment business to be separated were ¥2,501 million, and liabilities were ¥103 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 ¥2,501 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.

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