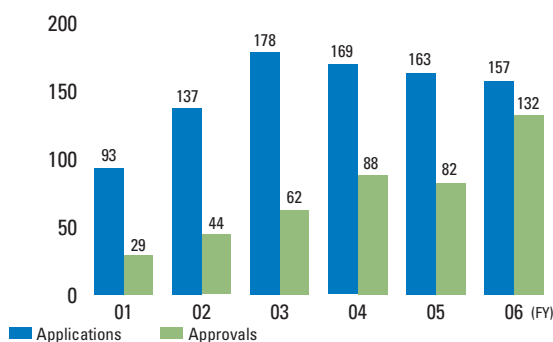


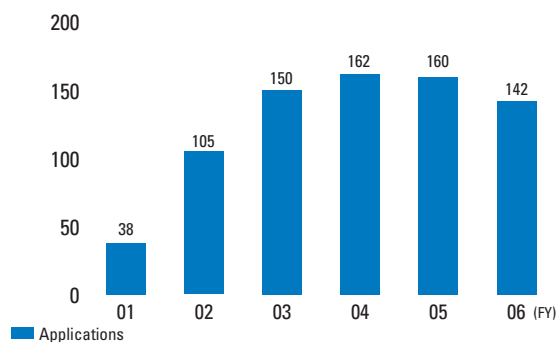
# INTELLECTUAL PROPERTY STRATEGY

Intellectual property relating to technology and know-how is one of the Omron Group's most vital management resources for ensuring its sustainable growth. Acting as our mentor in technology, the Intellectual Property Center strategically links research and development with business and plays an essential role as a corporate concierge in converting technology into profit.

Patent Applications and Approvals in the United States



Patent Applications in China



## Omron's Research and Development Scheme and Strategy for Intellectual Property

Focusing on sensing and control as core competencies, the Advance Device Laboratory and Sensing & Control Laboratory are responsible for the development of fundamental technology while the companies of the Omron Group engage in the development of applied technology and product development.

In the context of this research and development scheme, the Intellectual Property Center not only serves as an intermediary between business and technology but also contributes to the Group by creating the differentiating value that in the future will set Omron apart from other manufacturers in the industry. In specific terms, the Center comprehensively manages intellectual content from the development of fundamental technology to the development of applied technology and determines the direction of strategic development with a view to providing integrated support for both R&D and the business units. Through the Intellectual Property Center, we will predict and assess value in terms of the differentiating value that will be created in the future, synergies between technologies, and the accumulation of know-how, and we will promote the acquisition of rights for these projects, including business models from the research and development stages to their categorization as business models, aiming at maximization of corporate value.

## Stepping up Patent Applications in the United States and China and Commencing Application Procedures in India

Since the Omron Group put in place its long-term management vision GD2010 in 2001, we have accelerated our business development globally and have increased our number of overseas patent applications. With our sights set on securing patents that will enhance our competitive edge internationally, we are stepping up efforts to acquire patents in the United States. Likewise, we have also been promoting the acquisition of patents in China, which is positioned as one of our priority strategic areas. In India too, despite existing inadequacies in legislation to protect intellectual property rights, we have not only investigated legal conditions but have actually begun to file applications for patents with a vision for the future.

## Promoting the Acquisition of Patents on a Global Scale

To coincide with our plans as a global corporation, we will continue to promote collaborative innovation with local universities and local development in various regions of the world. In China, as we move ahead with research and development locally at the Omron Institute of Sensing & Control Technology (ORS) in Shanghai and at Omron (Shanghai) Co., Ltd., the need for us to apply for patents locally in accordance with the Chinese legal system is increasing in recent years. To facilitate the acquisition of patents, we have appointed specialist staff in both China and North America to provide local support at every stage from consultation concerning inventions to the filing of patent applications.

### Intellectual Property and R&D-related Data

Fiscal Year	2006	2005	2004	2003	2002
Number of patents					
Applications	1,300	1,509	1,216	1,170	1,141
Approvals	836	705	676	580	543
Total patents	5,206	4,538	4,426	4,154	4,068
R&D expenses (Billions of yen)	52.0	50.5	49.4	46.5	40.2
R&D expenses ratio	7.1%	8.1%	8.1%	7.9%	7.5%
R&D staff (persons)	1,630	1,591	1,384	1,594	1,378