



FOR IMMEDIATE RELEASE
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Omron and KOA agree on the transfer of Backlight business

Omron Corporation (President and Chief Executive Officer: Hisao Sakuta / Stock Ticker Number: 6645) and KOA Corporation (President and Chief Executive Officer: Koichi Mukaiyama / Stock Ticker Number: 6999) have agreed on the transfer of the Backlight business from the Display System Division of Tama Electric Co., Ltd (President: Yoshimasa Hayashi / Unlisted Company), a wholly owned subsidiary of KOA, to Omron.

A new company will be created via a corporate division of Tama Electric. The Backlight business will become a 100% subsidiary ("New Company") of Tama Electric. Upon completion of this corporate division, Omron will acquire all shares of the New Company from Tama Electric, thereby receiving all development, production, and sales functions associated with Tama Electric's Backlight business along with pertinent employees.

Omron is developing and commercializing Backlight units for small cellular phone LCDs by utilizing LED as a light source, and by applying proprietary MLA (Micro Lens Array) technology for light control. Although the market for Backlight units for large LCDs, which generally incorporate cold-cathode tubes as a light source, is expected to expand greatly with the spread of large LCD TVs with screen size exceeding 30 inches, a shift to LED light sources is anticipated in the near future. For this reason, Omron will acquire the Backlight business from Tama Electric. Tama Electric is highly proficient in the area of large Backlight units. Synergy with Omron's proprietary technology will advance technological differentiation in the Backlight market to further expand the business of Backlight units and components.

KOA Corporation is promoting selection and concentration in pursuit of enhanced corporate value of KOA Group as a whole, through devotion of management resources to the electronic components business. Tama Electric has two revenue streams in its business operation – one is the Electronic Components Business and the other is the Backlight Business. Even though Tama Electric is the leading company in the Backlight industry for Direct-Type large LCD TV, it intends to further strengthen its business undertakings by directing management resources to the electronic components business, to be in line with the corporate strategy of KOA.

Corporate strategies of both parties matched and an agreement was reached between both companies to transfer Tama Electric's Backlight Business to Omron.

Transfer of the Backlight business from KOA to Omron is slated for completion by the end of June this year.

Details such as the name of the new company, location of the headquarters, and capitalization are still under consideration and will be reported once these are determined.

■ Omron Profile

Company Name: Omron Corporation

Business: FA (Factory Automation) Systems, Control Equipment, Electronic Components, Financial Systems, Social Systems, Traffic Systems, Healthcare Equipment and Services, Development, Sales, and Service of PC Peripheral Equipment

President and Chief Executive Officer: Hisao Sakuta

Capital: 64,082 million Yen

Location: 801 Minamifudoudou-chou, Shiokoji Horikawa, Shimogyo-ku, Kyoto, 600-8530, JAPAN

Consolidated Employees: 23,745 (As of the end of September 2003)

Consolidated Sales: 535,073 million Yen (Fiscal Year ended March 2003)

■ KOA Profile

Company Name: KOA Corporation

Business: Production and Sale of Electronic Components

President and Chief Executive Officer: Koichi Mukaiyama

Capital: 6,033 million Yen

Location: 3672 Ina, Ina-shi, Nagano, 396-8585 JAPAN

Consolidated Employees: 3,293 (As of the end of September 2003)

Consolidated Sales: 56,836 million Yen (Fiscal Year ended March 2003)

■ Tama Electric Profile

Company Name: Tama Electric Co., Ltd

Business: Production of Electronic Components, and Production and Sale of Backlight Unit

President and Chief Executive Officer: Yoshimasa Hayashi

Capital: 1,283 million Yen

Location: 15-12, Nakane, 2-chome, Meguro-ku, Tokyo, 152-8577 JAPAN

Employees: 265 (As of the end of September 2003)

Sales: 8,998 million Yen (Fiscal Year ended March 2003)

Shareholder: KOA (100%)

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
