

FOR IMMEDIATE RELEASE

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Stock ticker number: 6645
Stock exchanges: Tokyo, Osaka, Nagoya
(First Sections)
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Stock Options (Common Stock Acquisition Rights)

OMRON Corporation resolved at a meeting of its Board of Directors today (May 11, 2005) to make a proposal for authorization to issue common stock acquisition rights as stock options, pursuant to Articles 280-20 and 280-21 of the Commercial Code of Japan. The proposal, which will be placed on the agenda of its ordinary general meeting of shareholders to be held on June 23, 2005, is as follows.

1. Reason for Issuance of Common Stock Acquisition Rights at Advantageous Terms to Persons Other Than Shareholders

OMRON Corporation will issue stock acquisition rights to its directors and managing officers without consideration, under the terms listed below, for the purpose of giving them greater incentive to carry out their duties in order to improve the results and maximize the international competitiveness of OMRON Corporation, thus contributing to raising the market value of its shareholder's stock.

2. Persons Who Will Receive Allocations of Common Stock Acquisition Rights

Directors and managing officers of OMRON Corporation, excluding non-executive directors.

3. Terms of Issue of Common Stock Acquisition Rights

(1) Class and Number of Shares to be Issued or Transferred for Common Stock Acquisition Rights

A maximum of two hundred and twenty five thousand (225,000) shares of common stock of OMRON Corporation.

Provided, that if OMRON Corporation splits or consolidates its common stock, the number of shares to be issued or transferred upon exercise of the rights shall be adjusted according to the following formula. However, such adjustment shall be made only rights that remain unexercised at the relevant time. Any fractions less than one(1) share arising as a result of such adjustment shall be rounded down to the nearest whole number.

$$\text{Number of shares after= Adjustment} = \frac{\text{Number of shares before adjustment}}{\text{Ratio of stock split on consolidation}} \times$$

(2) Total Number of Rights to Be Issued

A maximum of two thousand and two hundred and fifty (2,250)

(The number of shares to be issued or transferred upon exercise of each right shall be 100; provided, however, that any adjustments to the number of shares as set forth in (1) above shall be carried out as set forth in that section.)

(3) Issue Price of Rights

No consideration shall be paid.

(4) Amount to Be Paid in for Exercise of Rights

The amount paid in per right shall be the number of shares per right set forth in (2) above, multiplied by the amount paid in per share as defined below.

The exercise price shall be 1.05 times the average of closing prices of the common stock of OMRON Corporation in regular trading on the Osaka Securities Exchange for each day (excluding days on which there is no such closing price) of the full calendar month prior to the issuance of the rights. Any fraction less than one(1) yen arising as a result of such calculation shall be rounded up to the nearest whole number.

However, if such calculated price is lower than the closing price on the day before issuance of the rights (if there is no closing price on such date, then the closing price on the immediately preceding trading day), the exercise price shall be the closing price on the day of issuance of the rights.

If, after the issuance of the rights, OMRON Corporation splits or merges its common stock, the exercise price per share shall be adjusted according to the following formula, and any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to

the nearest whole number.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of Split or Consolidation}}$$

In addition, if the issue price of the new stock is less than the market price, or if there is a disposal of treasury stock (except in the case of exercise of rights, conversion of convertible bonds issued under the Commercial Code of Japan before its revision, or exercise of the right to request transfer of authorized stock), the exercise price per share shall be adjusted according to the following formula, and any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest whole number.

$$\text{Exercise Price after Adjustment} = \frac{\text{Exercise price before adjustment} \times \text{Previous Number of Shares Issued} + \text{New number of shares issued} \times \text{Exercise price per share}}{\text{Previous Number of Shares Issued} + \text{Increase in number of shares due to new issuance}}$$

(5) Period in which Rights May Be Exercised

July 1, 2007 – June 30, 2010

(6) Conditions for Exercising Rights

- (1) Persons who have received allocations of common stock acquisitions rights must hold the position of director or managing officer at the time of exercise. However, this limitation shall not apply in the case of directors and managing officers of OMRON Corporation who shall have reached the mandatory retirement age, or other such appropriate reason.
- (2) Common stock acquisition rights may not be assigned, pledged, or otherwise disposed of or inherited.
- (3) Other conditions shall be as set forth in the "Agreement on Allocation of Common Stock Acquisition Rights" between OMRON Corporation and the directors and managing officers who are party thereto, based on this resolution on the general meeting of shareholders and the board of directors.

(7) Cancellation of Rights

In the event that a person who has received an allocation of common stock acquisition rights does not conform to the conditions for exercise of such rights as set forth in section (6) above, such rights may be cancelled. In such an event, the relevant rights shall be cancelled without any consideration.