

FOR IMMEDIATE RELEASE

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Company Name: OMRON Corporation
President and CEO: Hisao Sakuta
Stock ticker number: 6645
Stock exchanges: Tokyo, Osaka, Nagoya
(First Sections)
Contact: Taeko Ogose, General Manager
Corporate Brand Communications
Department
Phone: +81-75-344-7175

OMRON announces an agreement to acquire Pioneer subsidiary

OMRON Corporation (TSE: 6645; ADR: OMRNY), a global leader in automation, sensing and control technology, has announced that it has reached a preliminary agreement with Pioneer Corporation (TSE: 6773) to acquire 100% of Pioneer's stock in Pioneer Precision Machinery Corporation (hereafter Pioneer PMC).

Both Omron and Pioneer PMC have been independently developing, manufacturing and marketing backlight units (BLU) primarily for use in small size LCDs. Forecasts suggest that the global LCD backlight unit business is set to grow rapidly. Aiming to be a leader in this expanding market, Omron has decided to integrate its technical expertise, production capacity and sales forces with Pioneer PMC's, to create a world class manufacturer of BLUs for small to large size LCDs.

*Note: Omron also plans to continue Pioneer PMC'S rubber business and resin molding business.

Following the basic agreement reached today, terms and schedule for the stock purchase will be discussed and finalized in due course.

1. Objective of the acquisition

Business consolidation and expansion in the small-size BLU market through enhanced product range

Omron aims to consolidate and expand its business in the market for small size backlights by adding Pioneer PMC's multi light source BLUs to its own proprietary point light source BLU product lineup.

Boosting competitiveness across the board through accelerating medium-size BLU business

Omron is aiming to boost its competitiveness in markets for all sizes of BLU, by expanding Pioneer PMC's medium-size BLU business alongside its own small- and large-size BLU business.

Boosting cost-competitiveness through economies of scale

Greater parts procurement power, optimized usage of production capacity and technology development synergies will allow Omron to boost its cost-competitiveness.

Increasing market share

As there is little overlap between Omron and Pioneer PMC's product ranges, Omron will increase its total BLU market share through this acquisition.

2. Overview of Pioneer Precision Machinery Corporation (as of 31 March, 2006)

• Trading name	Pioneer Precision Machinery Corporation
• Representative	President Yoshio Nakano
• Location	6-1-1. Fujimi City, Tsurugashima-shi, Saitama, Japan
• Date of establishment	18 April, 1977
• Main Business Lines	Manufacture and marketing of high-precision parts for electronic equipment such as light-guiding plates for small LCDs.
• Term of fiscal year	April to March
• Number of Employees	Approx. 270 employees (as of 1 January, 2006)

- Capital 448 million yen
- Sales Approx. 35 billion yen (estimated for fiscal year 2005)
- Issued stock 884,022
- Major shareholders and holdings

Name of shareholder	Number of shares held	Percentage
Pioneer Corporation	880,000	99.5%
Pioneer PMC Employee Share Ownership Plan	4,022	0.5%

3. Shares to be acquired from

- Trading name Pioneer Corporation
- Representative President Tamihiko Sudo
- Location 1-4-1 Meguro, Meguro-ku, Tokyo, Japan

- Business lines Sales and manufacturing of electronic devices and equipment
- Capital 49.049 billion yen

4. Forecast

There will be minimal effect to OMRON's financial results for the fiscal year ending March 2006.

About Omron

Headquartered in Kyoto, Japan, OMRON Corporation is a global leader in the field of automation. Established in 1933 and headed by President and CEO Hisao Sakuta, OMRON has more than 26,000 employees in over 35 countries working to provide products and services to customers in a variety of fields including industrial automation, electronic components, social systems (ticket gate machines, ticket vending machines, and traffic control), and healthcare. The company is divided into five regions and head offices are in Japan (Kyoto), Asia Pacific (Singapore), China (Shanghai), Europe (Amsterdam) and US (Chicago). For more information, visit OMRON's website at www.omron.com

For further information please contact Omron Corporate Brand Communications
Department:

Takayuki Nakamura, at takayuki_nakamura@omron.co.jp

or

James Seddon, at james_seddon@omron.co.jp