

FOR IMMEDIATE RELEASE

May 16, 2007

Company Name: OMRON Corporation  
President and CEO: Hisao Sakuta  
Stock ticker number: 6645  
Stock exchanges: Tokyo, Osaka, Nagoya  
(First Sections)  
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### **Stock Options (Common Stock Acquisition Rights) for Directors**

At a meeting of the Board of Directors on May 16, 2007, OMRON Corporation (TSE: 6645, US: OMRNY; hereafter, the Company) passed a resolution seeking approval to grant stock acquisition rights as stock options, as part of the compensation paid to directors (excluding external directors), up to a total of 98 million Japanese yen for a period of 1 year beginning the day following the ordinary general meeting of shareholders scheduled for June 21, 2007. The issue of these stock acquisition rights is pursuant to Article 361 Paragraph 1 of the Corporation Law of Japan and based on the terms of issue set out below.

#### **1. Reason for Granting Stock Acquisition Rights**

As the value of stock acquisition rights fluctuates in line with the Company's stock price, granting these rights is intended to heighten the motivation of the Company's directors and maximize the international competitiveness of the OMRON Corporation by reflecting the Company's long-term performance in executive compensation, and creating a direct link between shareholder value and directors' rewards.

#### **2. Terms of Issue of Common Stock Acquisition Rights**

- (1) Total number of Stock Acquisition Rights and Class & Number of Shares to be issued or transferred upon exercise of Stock Acquisition Rights
  - ① Number of Stock Acquisition Rights: A maximum of 1,200 for a period of 1 year beginning the day following the

ordinary general meeting of shareholders.

- ② Class of Shares: A maximum of 120,000 shares of common stock of OMRON Corporation for a period of 1 year beginning the day following the ordinary general meeting of shareholders.
- ③ One Stock Acquisition Right shall be equivalent to 100 shares.  
In the event that the Company makes a public offering, merger, corporate split, stock split or stock consolidation relating to the Company etc., it will adjust the number of shares as the Company considers appropriate.

(2) Amount to be paid upon exercise of each Stock Acquisition Right

The amount to be paid upon the exercise of each stock acquisition right shall be obtained by multiplying the amount paid-in per share (hereafter called the “exercise price”), determined as follows, by the number of shares for each stock acquisition right as set forth in section (1) above.

The exercise price shall be 1.05 times the average closing price of the Company’s stock on the Osaka Securities Exchange for each day (excluding days on which no transactions took place) of the month preceding the month in which the stock acquisition rights are issued.

However, if the resulting exercise price is lower than the closing price on the day before the day of allocation (excluding days on which no transactions took place), this closing price shall apply.

In the event that the Company makes a public offering, merger, corporate split-off, stock split, stock consolidation etc., the Company will adjust the exercise price as it considers appropriate (any fraction less than one (1) yen arising as a result of such adjustment shall be rounded up to the nearest whole number).

(3) Period in which Rights May Be Exercised

July 1, 2009 – June 30, 2012

(4) Conditions for Exercising Rights

- ① Persons who have received allocations of common stock acquisition rights must hold the position of director, managing officer or an equivalent position at the time of exercise. However, this limitation shall not apply in the case of directors and managing officers of OMRON Corporation who have retired due to the expiration of their term of office, or for other valid reasons.
- 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” concluded between OMRON Corporation and each person to whom stock acquisition rights are granted, based on this resolution at the general meeting of shareholders and the board of directors.

- (5) Other details regarding the Stock Acquisition Rights will be determined in the resolution of the Board of Directors meeting that will decide the terms of the stock acquisition right offering.

(Note) The terms outlined above are subject to the approval of the “Details and Amount of Stock Option Compensation for Directors” at the ordinary general meeting of shareholders scheduled for June 21, 2007