OMRON Announces Capital Alliance with Global No. 1 in Laser Repair Devices, Laserfront Technologies, Inc.

- Expanding into the Precision Laser Processing Business -

Tokyo, Japan - OMRON Corporation (TSE: 6645; ADR: OMRNY; ‘OMRON’), a global leader in sensing and control technologies, has today announced that it will enter into a business alliance and capital tie-up with Laserfront Technologies, Inc. (‘LFT’). By integrating its precision measurement and inspection systems with LFT’s laser micromachining technology, OMRON aims to deliver revolutionary new levels of quality control to its customers in the manufacturing sector.

OMRON’s industrial automation business provides advanced, customizable solutions that empower manufacturers worldwide to improve product quality and workplace safety while reducing their impact on the environment. As the dominant player in the global AOI (automated optical inspection) market, OMRON has developed particular expertise in product quality improvement; its industry-leading precision sensing devices, which include PCB (printed circuit board) inspection systems and LCD/overlay measurement equipment¹, enable manufacturers to measure, analyze and improve quality throughout their entire product life-cycle.

LFT, a former unit of NEC Corp. carved out in April 2004, was the first company ever to commercialize UV solid state lasers and has gone on to develop world-class expertise in both laser oscillators and the processing technologies used to apply them. A provider of the world’s highest-power UV lasers, laser trimmers, welding machines and markers, LFT also boasts top share of the global market for laser CVD repair systems for LCD TFT substrates².

Manufacturers today face growing pressure to deliver consistently high quality while reducing the size, weight and footprint of their products. This form factor reduction is especially challenging for LCD makers, as consumer demand increases for ever larger

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¹ Devices which enable high-speed and precise measurement of the line width and overlap of TFT substrates in the LCD array fabrication process. Monitoring line width variations on the substrate allows manufacturers to predict and prevent defects before they occur.

² These systems can repair both opened and shortened defects of metal electrodes around the thin film transistor of LCD panels by laser micro processing. These systems can dramatically improve the yield rate of LCD mass production. CVD stands for Chemical Vapor Deposition by laser.
screen sizes on AV equipment.

The marriage of OMRON’s in-line inspection and measurement systems with LFT’s laser processing expertise opens up new avenues for the integration of inspection and repair processes, which will realize greater efficiency, shorter downtimes and less waste. In addition, while OMRON has a well-established global customer base spanning multiple industries, LFT is a major supplier of laser processing equipment to the LCD, semiconductor and electronic components industries. The new alliance will allow the two companies to provide an enhanced product offering to their respective customers and achieve even greater customer satisfaction.

The capital tie-up will be made in an arrangement whereby OMRON shall acquire in excess of 80% of LFT’s ordinary shares from Japan Industrial Partners, Inc., NEC Corp. and other major LFT shareholders.

“This is a very exciting alliance for OMRON,” said Fumio Tateisi, president of OMRON’s industrial automation business. “It gives us access to new customers in the flourishing LCD and semiconductor sectors and uniquely positions us as a ‘one-stop-shop’ for quality control solutions that cover the entire manufacturing process. By fusing LFT’s advanced laser processing technologies with our own core competency in sensing and control, OMRON will be better set than ever to help customers around the world achieve greater levels of quality, safety and environmental protection.”

Takeshi Matsunobu, president and CEO of Laserfront Technologies, Inc. said, “Until now, LFT has concentrated on its customers in the LCD and semiconductor industries. OMRON’s technology will allow us to develop new laser solutions tailored to a wider range of customers’ needs, and as a result, dramatically expand our customer base.”

1. Objective of the Business Alliance & Capital Tie-up
(1) Enhancing product line-up to drive business domain expansion
The manufacturing industry is in a state of flux. Faced with the challenge of ensuring traceability and compliance with the RoHS directive, meeting the demand for ever smaller and lighter components and trends towards high-density and high-precision manufacturing, makers rely heavily on precision laser processing technologies.

Adding LFT’s cutting-edge laser repair, marker and welding products to its own extensive line-up of sensors and measurement devices, OMRON plans to unlock new revenue streams by offering total solutions that cover all stages of the manufacturing process, from machining and assembly through to inspection. In turn, LFT will benefit from the integration of OMRON’s core sensing and control technologies into its own laser processing products.
(2) Maximizing customer satisfaction
In addition to offering their combined existing product range, OMRON and LFT will collaborate on new product development, aiming to provide total solutions that meet the needs of their varied customer base.

2. Overview of LFT

(1) Company name  Laserfront Technologies, Inc.
(2) Main business lines  Development, design, manufacture, sales and maintenance of laser and laser processing machines
(3) Representative  Takeshi Matsunobu, President and CEO
(4) Paid-in capital  JPY 1.508 billion
(5) Location  Sagamihara City, Kanagawa Prefecture, Japan
(6) Established  January 30, 2004
(7) Sales  JPY 11.174 billion (FY05)
(8) No. of employees  247 (as of March 31, 2007)

3. Schedule
The alliance is scheduled for finalization at the end of June, 2007 (subject to change).

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 30,000 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 specific information on OMRON's industrial automation business, visit www.ia.omron.com; for corporate information, visit www.omron.com

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