

FOR IMMEDIATE RELEASE

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Company Name: OMRON Corporation
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Stock ticker number: 6645
Stock exchanges: Tokyo, Osaka, Nagoya
(First Sections)
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**OMRON to Transfer its Small-size Backlight Business to Consolidated Subsidiary by
Corporate Demerger**

Tokyo, Japan – OMRON Corporation (TOKYO: 6645; ADR: OMRNY; ‘Omron’) announced that it has resolved at a Board of Directors meeting held on July 30, 2007 to transfer its small-size backlight business to its wholly-owned subsidiary Omron Precision Technology, Co., Ltd. (OPT) by means of a corporate demerger, scheduled for completion on November 1, 2007.

Details of the demerger that are as yet undetermined will be disclosed as soon as they have been finalized.

1. Objective of Demerger

Omron has applied its expertise in optical control and microfabrication technology to develop a successful and highly competitive business in proprietary point light source backlights. In August 2006, Omron acquired Pioneer Corporation’s small- and medium-size multi-light source backlight business and established it as a new subsidiary, OPT. As a result, Omron seized top share of the global market for small-size backlights along with world-class productivity-enhancing manufacturing technology.

To ensure future growth amidst heightening competition, Omron has now decided to integrate its small-size backlight business with that of OPT, thus taking full advantage of the two companies’ powerful synergies.

2. Outline of Demerger

(1) Schedule (subject to change)

Approval by Board of Directors	August 30 2007
Execution of demerger agreement	August 31 2007
Effective date of demerger	November 1 2007

(Note) Omron is still in the process of finalizing the exact nature of the assets and cash to be transferred to OPT. However, since the transfer is pursuant to the provisions of Article 784-3 of the Corporate Law of Japan, Omron is not required to obtain the approval of its shareholders.

(2) Procedure

Omron will conduct a corporate demerger in order for OPT to succeed its small-size backlight business.

(3) Allocation of shares: TBA

(4) Calculation method for share allocation: TBA

(5) Change in paid-in capital: TBA

(6) Stock acquisition and bonds with stock acquisition rights: TBA

(7) Rights and obligations to be succeeded by OPT: TBA

(8) Fulfillment of obligations: TBA

3. Outline of OMRON

(1) Trading name	OMRON Corporation	
(2) Main business	Manufacture and sales of electrical machinery and equipment	
(3) Date of incorporation	May 19, 1948	
(4) Location of headquarters	Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530, Japan	
(5) Representative	Hisao Sakuta, President & CEO	
(6) Paid-in capital	64,100 million yen (non-consolidated)	
(7) No. of shares outstanding	249,121,000	
(8) Net assets	241,733 million yen (non-consolidated)	
(9) Total assets	389,247 million yen (non-consolidated)	
(10) Fiscal year end	March 31	
(11) Principal shareholders & holdings (percentage of total)	State Street Bank and Trust Company	5.81%
	Japan Trustee Services Bank, Ltd.	4.00%
	The Master Trust Bank of Japan, Ltd.	3.82%

4. Outline of division to be demerged

- (1) Main business line: Development, manufacture and sales of small-size backlights
- (2) Operation results: 7,292 million yen (FY06 net sales)
- (3) Demerged assets and liabilities: TBA

5. Outline of OPT

(1) Trading name	Omron Precision Technology Co., Ltd.
(2) Main business	Manufacture and sales of high-precision machinery parts
(3) Location	6-1-1 Fujimi City, Tsurugashima-shi, Saitama, Japan
(4) Representative	Isamu Horimoto, President
(5) Paid-in capital	448 million yen
(6) Fiscal year end	March 31

6. Impact on Omron Corporation

There will be no change in trading name, business lines, address of head office, company representative, paid-in capital or fiscal year as a result of this demerger.

The demerger will not affect Omron's consolidated financial results for the current term as OPT is a wholly-owned subsidiary. Furthermore, the demerger is not expected to have a significant material effect on Omron's non-consolidated financial outlook for the fiscal year ending March 2008.

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