



FOR IMMEDIATE RELEASE

Contact: Dave Reiners
847.279.0022 extension 233
Dave.Reiners@techimage.com

Omron's \$20 Million Investment Signals Major RFID Growth Initiative Targeting Wal-Mart Suppliers, Other Markets

RFID division of Omron will use Illinois facilities to provide technical support, product testing, customer training, marketing and sales resources

SCHAUMBURG, Illinois – November 29, 2005 – Omron Corporation, a \$5.5 billion Japanese manufacturer of automation and sensing products, will invest \$20 million worldwide over 2005 and 2006 as a first step in seizing a larger share of the U.S. and global radio frequency identification (RFID) market.

The company's aggressive entry into the U.S. marketplace focuses on its RFID label inlay and reader products. It aims to take advantage of Wal-Mart Stores' RFID shipping tag mandate to its top 100 suppliers while leveraging Omron's (www.omronrfid.com) 20 years of global RFID product development and application experience.

Wal-Mart's RFID mandate now requires its largest 100 suppliers to put RFID tags on shipping crates and pallets. Starting in 2006, this mandate will be rolled out to Wal-Mart's next largest 200 suppliers.

Omron president and chief executive officer Hisao Sakuta, who has appointed himself as project leader, said "RFID is an important, global initiative which requires a large investment. I believe RFID could be a major growth engine for the company."

Sakuta said that certain market conditions in the U.S. and Omron's own history in RFID product development and testing are creating these opportunities. He added that applications involving Wal-Mart suppliers and others that focus on supply chain management are purely RFID-related and thus "will enable us to put to use our decades of experience in automation and sensing markets."

In addition to Wal-Mart suppliers, Omron's RFID's sales initiatives here include other mass retailers such as Best Buy and Target stores, electronics, pharmaceutical and consumer packaged goods companies and the U.S. Department of Defense, which itself has established RFID mandates for suppliers.

- more -

Omron RFID products sold in the U.S. are designed and manufactured in Japan. Initial U.S. investments have included a headquarters office and training center for the division in Schaumburg, Illinois, a Chicago suburb. A testing center to help customers and systems integrators validate applications will be opened in nearby St. Charles, Illinois. Marketing and sales operations in Schaumburg will support sales and technical support teams serving the entire U.S. Following this U.S. initiative, Omron RFID will expand and create similar operations on the European continent and in China.

Despite the growing popularity of RFID systems, poorly working or failed inlays, the sensitive electronic components of RFID tags, have been costly to manufacturers and label converting companies throughout the U.S., said Bill Arnold, Omron's chief U.S. strategist.

He cited the case of R and V Group, a label converting company in Chattanooga, Tennessee, which was experiencing failure rates of 40 percent or more with incoming label inlays from certain manufacturers prior to becoming an Omron certified label converter.

"Omron RFID ships RFID labels having a 95 to 98 percent yield rate on quality inlay performance, versus others with yield rates of only 80 to 90 percent," Arnold said.

The RFID tags act as portable databases that allow information to be accessed and modified through Reader/Writers at any point on the supply chain. They provide a non-contact, non-line of sight method of automatically gathering, inspecting and distributing detailed information. Sensitive electronic inlays forming a part of each RFID tag are ruggedized by Omron through an ultrasonic mounting process so the data they contain can be read in harsh, damp or dusty environments or after being subjected to bending, twisting or misalignment.

About Omron

Headquartered in Kyoto, Japan, OMRON Corporation is a global leader in the field of automation with \$5.5 billion in annual revenue. 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. **Omron's RFID Division** has been in the RFID business for over 20 years and is headquartered in Tokyo, Japan, with US operations in Schaumburg, Illinois. As an EPCglobal member, OMRON offers a wide range of RFID products including inlays and readers for HF (13.56 MHz), UHF (915 MHz) and other frequencies. Also offered are one-day EPC compliance kits fully scalable from one device to an enterprise-wide deployment. The kits include cables and RFID tags, require a minimal investment to arrange for initial testing and are fully upgradeable to Gen 2, the latest RFID standard from EPCglobal, the organization managing UPC numbers and other EPC standards. For more information, write to info@omronrfid.com, visit the Web site at www.omronrfid.com or contact OMRON's U.S. office at (847) 303-0780.

#####