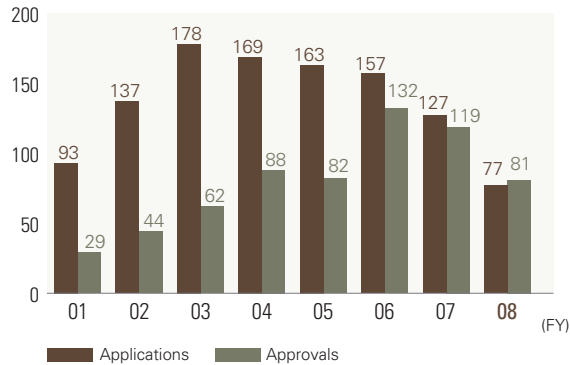


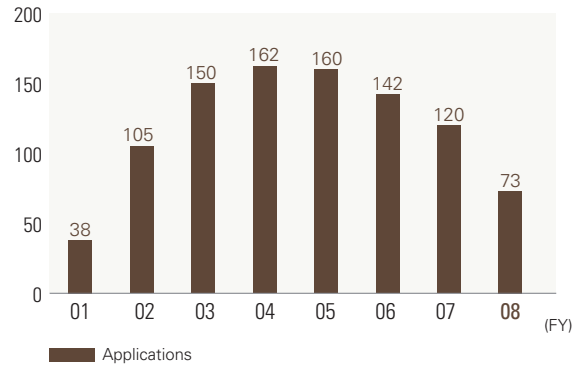
Intellectual Property Strategy

The Intellectual Property Center contributes to the effective use of the Omron Group's intellectual asset by analyzing and visualizing potential value and effectiveness of Omron and other companies' technologies from an independent standpoint. The Center plays a crucial role in technology management, supporting the long-term maximization of Omron's corporate value.

Patent Applications and Approvals in the United States



Patent Applications in China



Contributing to Efficient and Effective Investment in Development

The Intellectual Property Center invests in intellectual property focused on core business themes with the objective of contributing to business through the efficient and effective use of limited management resources. Investments are made from the immediate perspective of fortifying current core businesses and from the long-term perspective of advancing in the direction of next-generation technological innovation to ensure that the core businesses will remain vital in the future.

Investment target areas are selected using rigorous reviews of the investment effects and follow a policy of utilizing the minimum investment necessary in areas determined to be absolutely essential, such as reducing business risks and improving business positioning.

The Center also conducts identification and analysis of technological trends in new markets, such as the developing energy market, to ensure we are fully prepared "to create Omron-style business using fundamental Omron technology" without missing the positive developments that occur in the business environment.

The Center conducts operations in accordance with economic conditions while helping to maximize the results of developmental investment by strengthening the Group's internal coordination and ability to respond to rapidly changing market conditions. This is done by looking at the Group's fundamental technologies through a larger framework and by firmly incorporating them into each business unit's operations. The Center is a key component for supporting the growth of Omron's business value over the long term.

Capabilities

We are continuing to develop our intellectual property capabilities on a global scale for the period beyond the Grand Design 2010 (GD2010) management plan. To ensure the most effective use of resources during the current global recession, our overseas activities related to intellectual property are being concentrated in China and the United States.

In China, we have expanded both our production and development capabilities and are establishing intellectual property functions to support localized innovation. However, several issues must still be resolved before we can begin raising expectations for the local creation of key technologies in the medium and long term. We are working to quickly establish a working environment conducive to global development and are conducting local training on intellectual property issues to establish a corporate culture that fully respects intellectual property rights. We are also providing intensive training in Japan for Chinese staff to cultivate local, intellectual property management and specialist staff as well as with the aim of greatly enhancing our intellectual property capabilities in China. Similar training and staff development programs are being conducted at local subsidiaries in the United States.

We are making steady progress in fortifying our foundation for global intellectual property capabilities through the active cultivation of staff capable of providing significant contributions to the Group's intellectual property at our global operating sites. We are also establishing an intellectual property management system and reducing intellectual property risks to achieve results that are key components of strong global intellectual capabilities.

Promoting Globalization of Intellectual Property

Intellectual Property and R&D-related Data

Fiscal Year	2004	2005	2006	2007	2008
Number of patents					
Applications	1,216	1,509	1,300	1,255	1,119
Approvals	676	705	836	943	826
Total patents	4,426	4,538	5,206	5,717	5,205
R&D expenses (billions of yen)	49.4	50.5	52.0	51.5	48.9
Sales/R&D expense ratio	8.1%	8.1%	7.1%	6.7%	7.7%
R&D staff (number of employees)	1,384	1,591	1,630	1,622	1,509