Our Business Strategy
## Industrial Automation Business (IAB)

Oct 31, 2017
OMRON Corporation

First Year of VG2.0 Off to a Jump Start

Set to achieve record-high net sales and operating income

117%

Net sales: ¥bn
Operating income: %

388.0

339.2

Net sales **331.0**

Operating income

52.0 (15.7%)

71.5 (18.4%)

54.6 (16.5%)

FY2016 Actual

FY2007 Actual (Record sales)

FY2017 forecast

FY2014 Actual (Record operating profit)

1
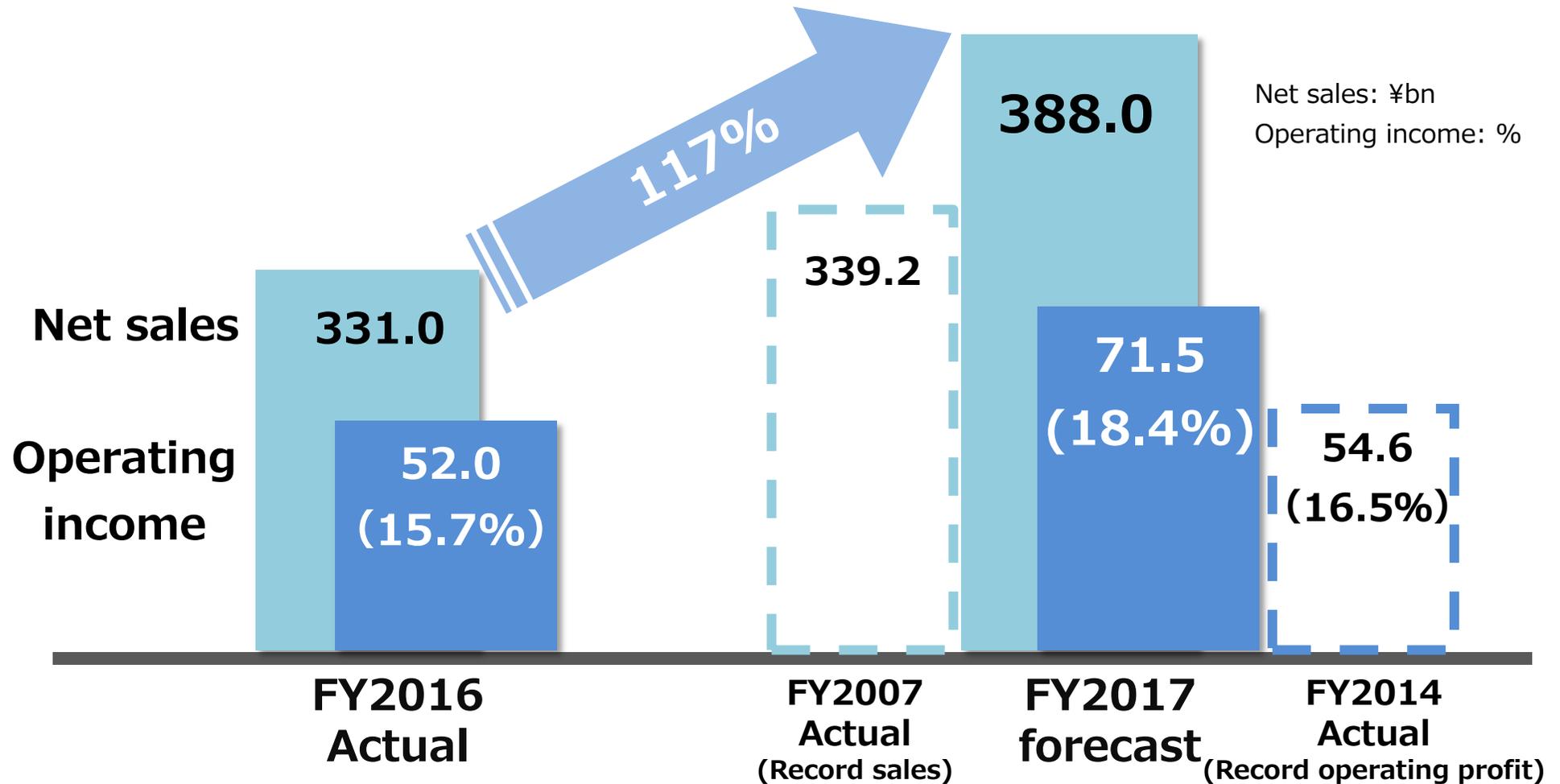
Three Factors Underpinning Growth

**Growth Markets and Global Linkages**

Diverse Product Lines x Services x Solutions

Sales Expertise Enhancement

Growth Structure (1): Growth Markets and Global Linkages

"Select and concentrate" on four industrial sectors globally

Automotive   **Digital**   **Food and beverages**   **Social infrastructure**

Automotive components
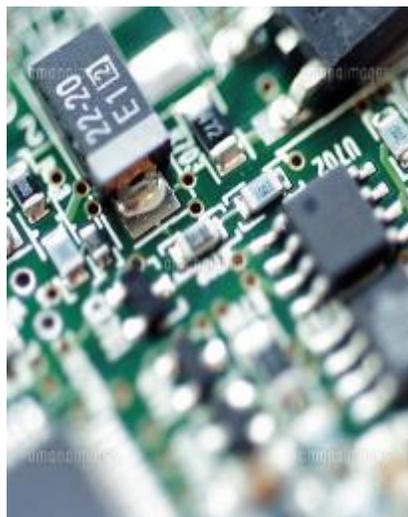
Electronic/mechanical components for smartphones Semiconductors/FPDs Rechargeable batteries

Food and beverages Daily necessities Drugs

Urban development Water treatment Traffic/Buildings

# Growth Structure (2): Diverse Product Lines x Services x Solutions

Growth Structure (2): Diverse Product Lines x Services x Solutions

Motion Controller
Delta Tau Data Systems, Inc. (U.S.) (acquired in 2015)

Industrial Robot
Adept Technology, Inc. (U.S.) (acquired in 2015)

Industrial Camera
### Sentech Co., Ltd. (Japan) (acquired in 2017)

Industrial Code Reader
Microscan Systems, Inc. (U.S.) (acquired in 2017)

Growth Structure (2): Diverse Product Lines x Services x Solutions

Advanced control applications

LO
Vibration control

LO
"Soft" control
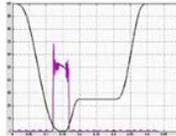
LO
High-speed synchronized control

LO
Packaging equip. control
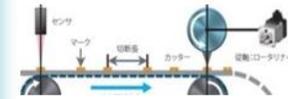
LO
Winding control

LO
Servo press control

IL
Contouring control
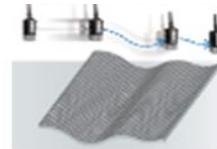
LO
Model prediction control
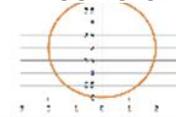
ILR
Robot networking control
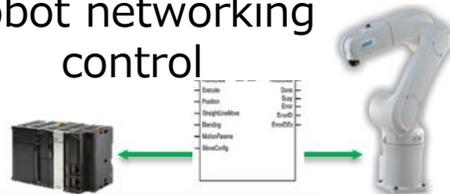
Mobile traveling technology
Multi-unit control technology

Growth Structure (3): Sales Expertise Enhancement

Single products
(Product proposals)

Multiple products
(Solution proposals)

PLCs

Sales x n

Visual sensors   **Servo motors**

Touch panels

PLCs

Safety devices

Sensors

Control panel devices

Power sources
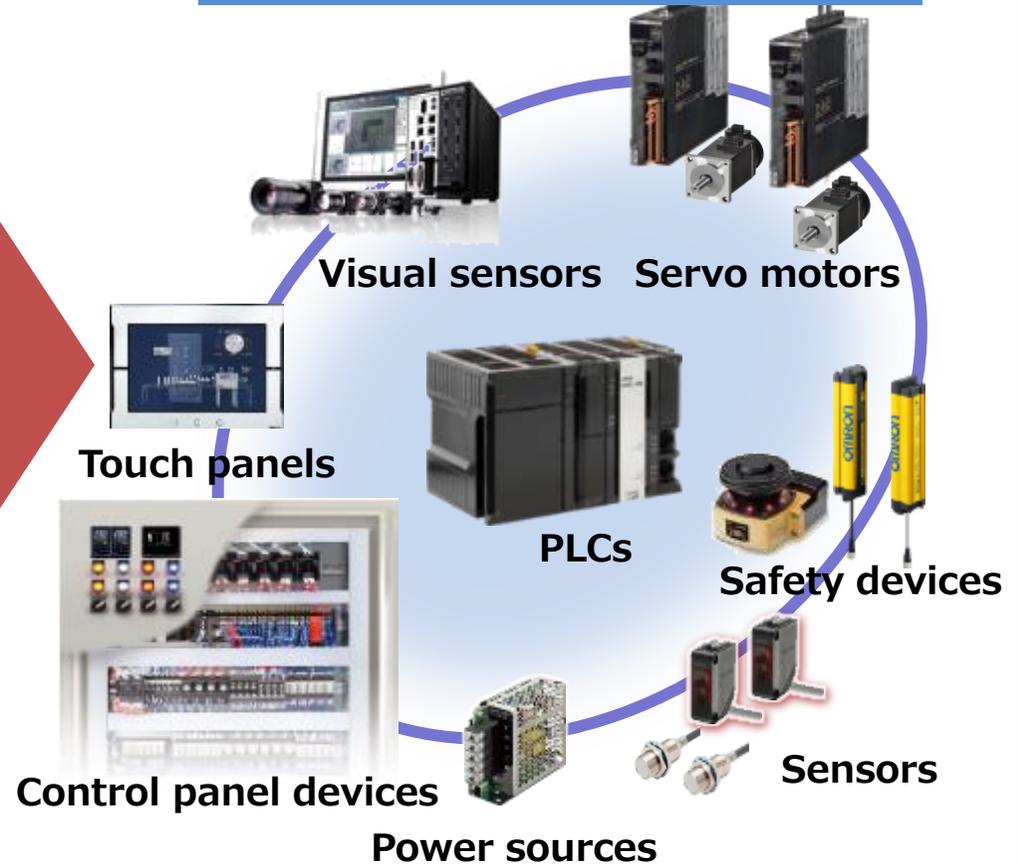
Manufacturing Innovation Concept Accelerates Growth

*i*ntegrated

Evolution in control

Improving productivity through ultra-high-speed control and ultra-high-precision machine control

innovative-Automation

*i*ntelligent

Intelligence developed through ICT

Realizing manufacturing in which machines learn and evolve through maximum use of data

*i*nteractive

New harmonization between humans and machines

Pursuing ultra-high flexibility through human-machine collaboration

Omron's Uniqueness

"Real" manufacturing at an altitude of 1～10 m
x
### Diverse control equipment for shop floors

Altitude
- 10,000m — Inter-sector
- Inter-company
- 1,000m
- Businesses
- 100m
- Factories
- **10m**
- **1m**
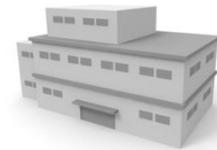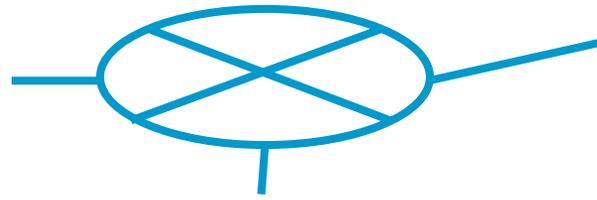
Businesses

Consumers

Shop floors

IoT-driven IT

AI

Robotics

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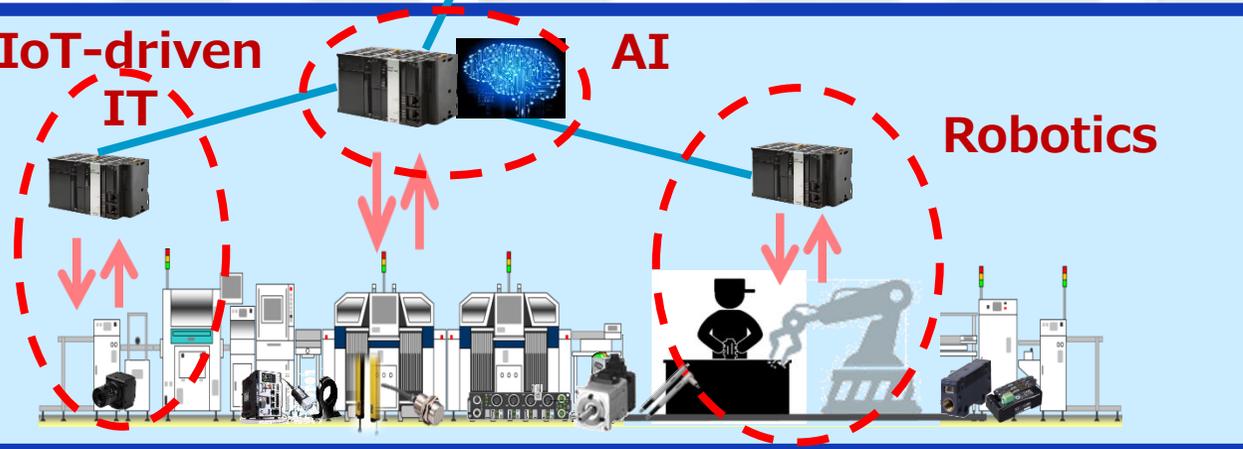
Three "*i*"s: integrated (Evolution in Control)

Digital
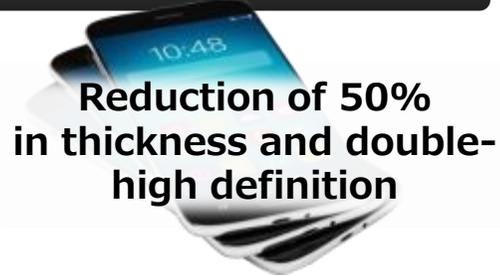
Reduction of 50% in thickness and double-high definition

High-precision alignment Panel bonding

Automotive

Reduction of 50% in battery cost and proliferation of EVs

High-speed, high-precision wire winding Winding process for lithium batteries

Food and beverages

Overcoming severe labor shortages

High-speed picking Robot conveyance of food products

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Three "*i*"s: *i*nteractive

Creating shop floors where humans and machines work harmoniously

Three "*i*"s: **i**ntelligent

Shifting from IoT on shop floors to creation of the new "i-BELT" business model

Altitude

100 m

11 m

10 m

1 m

(2) Visualization and analysis
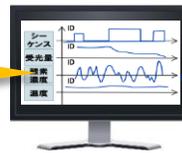
Data accumulation

Data analysis

Algorithm (control model)

AI controller

Formatting

Control algorithm

(1) Data collection

(3) Feedback to device control

Other companies' input devices

Other companies' output devices

Input devices and equipment

Output devices and equipment

Our Goals with "i-BELT"

Accelerating "innovative-Automation" through "i-BELT"!
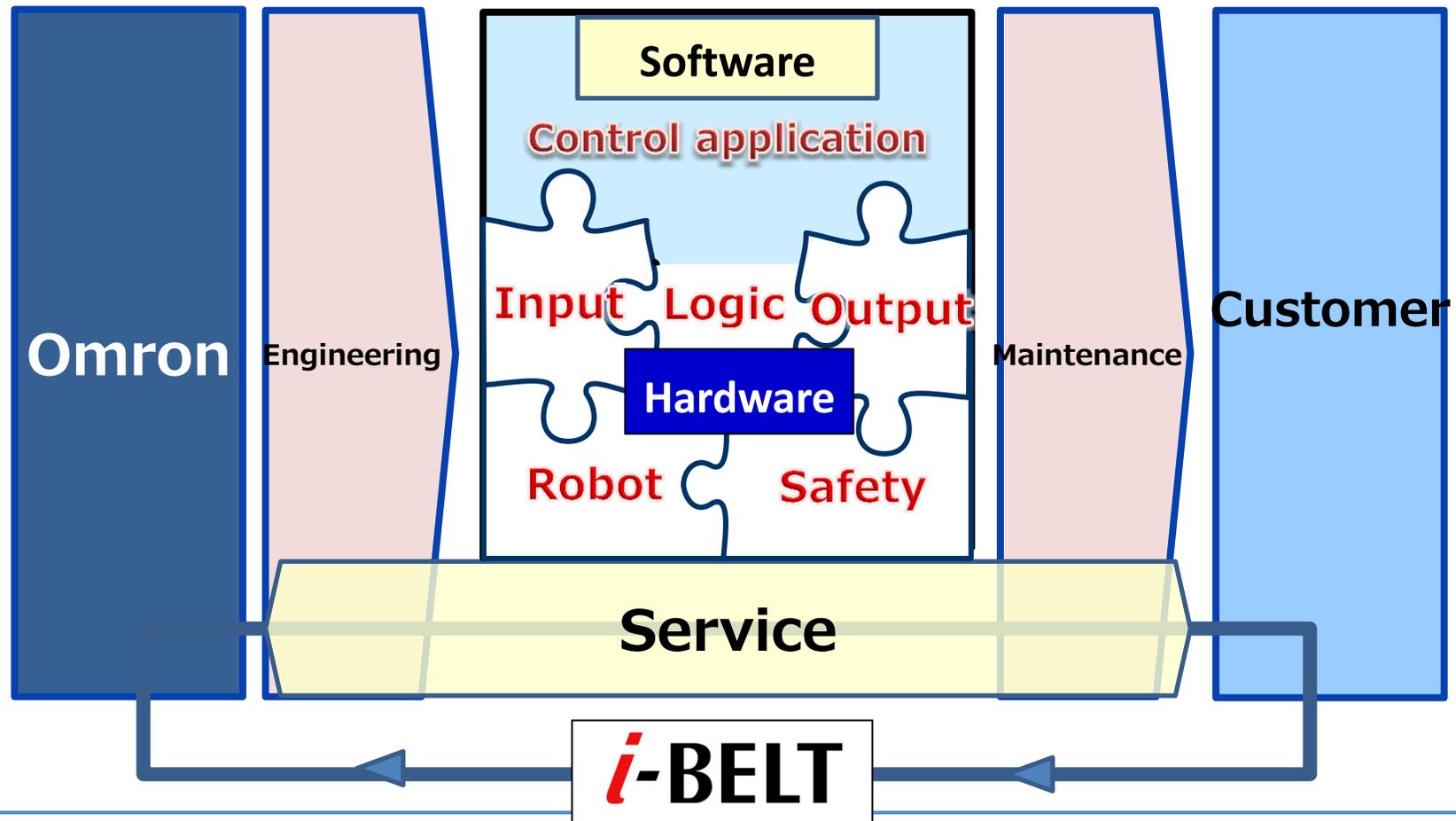
"i-BELT" applications

Beverage/pharma sectors: Learning optimal control of filler content

(2) Visualization and analysis

AI controller

(3) Feedback to device control

(1) Data collection

Open/close nozzle

[Before filling]
- Residual quantity
- Tank temp.

[During filling]
- Filling pressure
- Conveyor speed

[After filling]
Determine filler content

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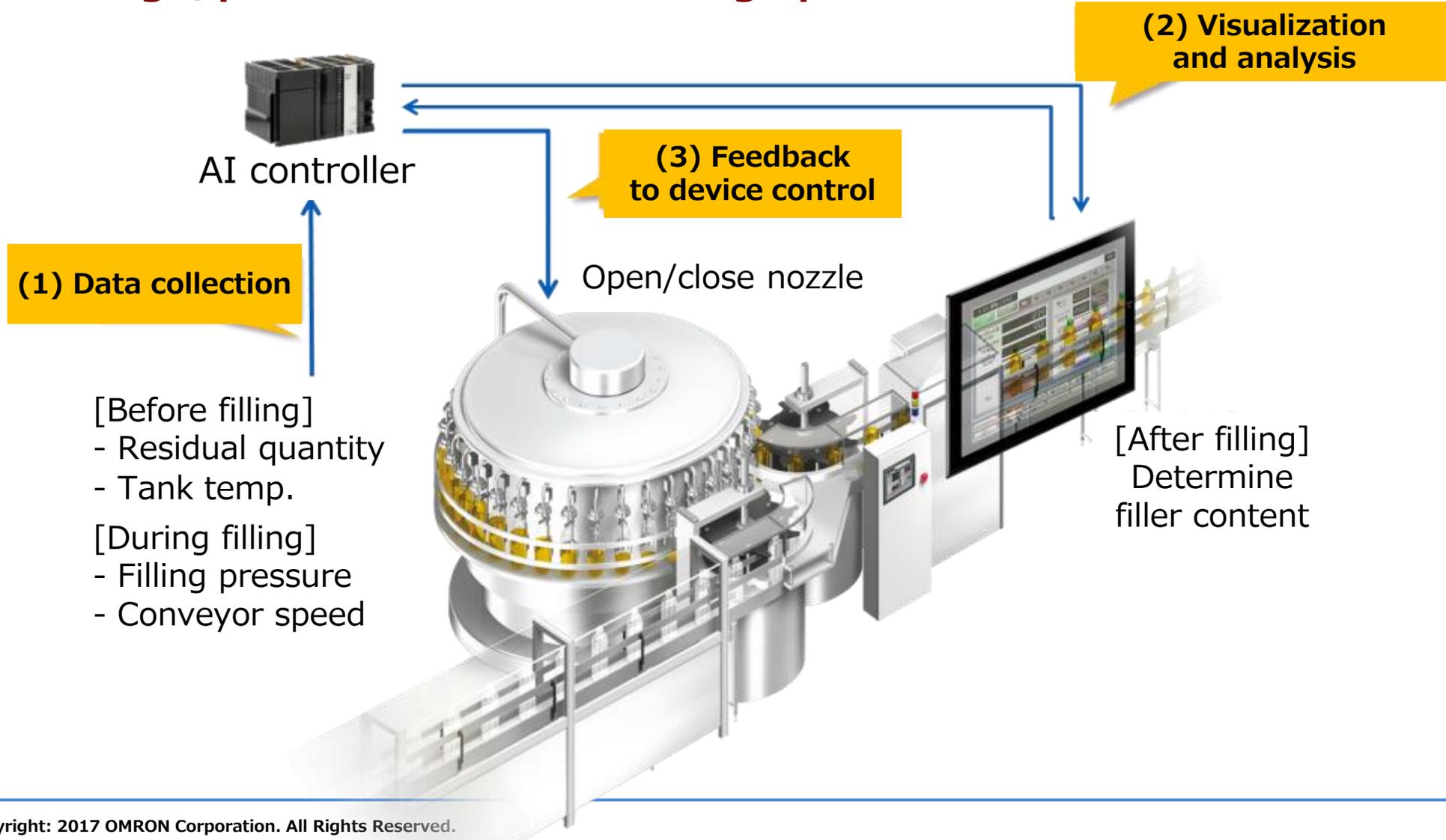
Future Steps for "i-BELT"

Releasing "IoT Start Package," which facilitates FA equipment data collection, in October 2017

October 2017

Release of the IoT Start Package

By March 2018

Expanding IoT Start Package functionality

Increasing number of connected equipment brands

From April 2018

Full-fledged launch of "i-BELT"

Bring innovation to manufacturing by automation to enrich lives of people all over the world.