

FY2021 Earnings
ended March 31, 2022

Results Briefing

April 26, 2022

OMRON Corporation

Summary

■ FY2021 results

- Despite ongoing supply constraints, OMRON exceeded previous forecasts to hit a new record high for OP
- IAB achieved new record highs for sales and OP, reaping the benefits from previous investments
- Now guiding for full-year FY2021 DPS to rise 8 yen to a record high of 92 yen

■ FY2022 full-year forecasts

- On persistently strong demand, OMRON projects continued sales growth and a further record high for profits. Plan to both accelerate the harvesting of growth opportunities and execute on investments for future growth
- Reflecting the uncertainty in the macro backdrop, such as the suspension of operations at a mainstay plant owing to the Shanghai lockdown, the forecast factors in earnings fluctuation risk of ¥10 billion in sales and ¥4 billion in operating profit
- Guiding for a 6 yen increase for FY2022 full-year DPS, from a record high 92 yen to 98 yen

■ Expect IAB and HCB to achieve strong growth

- Strong sales growth in the focus domains identified in the MTP to drive overall sales expansion
- IAB to accelerate customer adoption of innovative-Automation, focusing on Digital and NEV
- HCB aiming for dramatic sales growth in the cardiovascular business in China and Asia

Contents

- | | |
|---|--------------|
| 1. FY2021 Results | P. 3 |
| 2. FY2022 Full-year Forecasts <ul style="list-style-type: none">• Management Policy• Overall Earnings Forecasts | P. 9 |
| 3. Achieving Strong Growth
in IAB, HCB | P. 18 |

FY2021 Results

Full-year Results

Exceeded previous forecast. Operating income up 43% Y/Y for new record high

(¥bn)

	FY2021 Forecast	FY2021 Actual	Chg. Vs Fcst.	FY2020 Actual	Y/Y
Net Sales	760.0	762.9	+0.4%	655.5	+16.4%
Gross Profit (%)	347.0 (45.7%)	346.8 (45.5%)	-0.0% (-0.2%pt)	298.4 (45.5%)	+16.2% (-0.1%pt)
Operating Income (%)	88.0 (11.6%)	89.3 (11.7%)	+1.5% (+0.1%pt)	62.5 (9.5%)	+43.0% (+2.2%pt)
Net Income	57.0	61.4	+7.7%	43.3	+41.8%
1USD (JPY)	111.5	112.1	+0.6	105.8	+6.2
1EUR (JPY)	130.6	130.5	-0.1	123.2	+7.3
1CNY (JPY)	17.4	17.4	+0.1	15.5	+1.9

Sales by Segment

IAB, DMB report substantial sales growth. IAB sets new record high for sales, as OMRON begins to reap the benefits of earlier investments

	FY2021 Forecast	FY2021 Actual	Chg. Vs Fcst.	FY2020 Actual	(¥bn) Y/Y
IAB Industrial Automation	430.0	432.6	+0.6%	346.4	+24.9%
HCB Healthcare	134.0	132.9	-0.9%	123.1	+7.9%
SSB Social Systems, Solutions & Service	90.0	87.7	-2.6%	95.7	-8.3%
DMB Device & Module Solutions	103.0	106.4	+3.3%	86.0	+23.7%
Eliminations & Corporate	3.0	3.3	+10.0%	4.3	-23.4%
Total	760.0	762.9	+0.4%	655.5	+16.4%

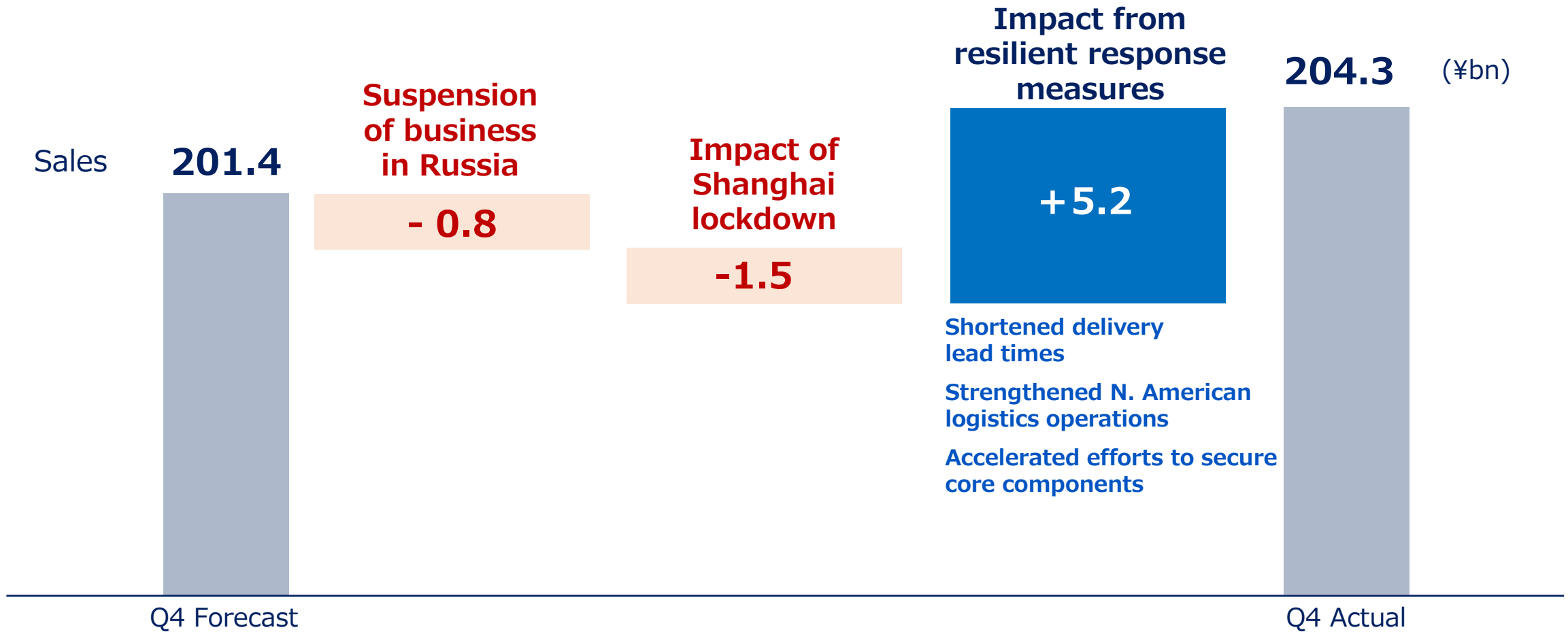
Operating Income by Segment

IAB, EMC achieve strong Y/Y profit growth

	FY2021 Forecast	FY2021 Actual	Chg. Vs Fcst.	FY2020 Actual	(¥bn) Y/Y
IAB Industrial Automation	79.0 (18.4%)	78.1 (18.1%)	-0.9 (-0.3%pt)	58.8 (17.0%)	+19.3 (+1.1%pt)
HCB Healthcare	19.5 (14.6%)	18.5 (14.0%)	-1.0 (-0.6%pt)	20.6 (16.7%)	-2.0 (-2.8%pt)
SSB Social Systems, Solutions & Service	6.5 (7.2%)	6.5 (7.4%)	+0.0 (+0.2%pt)	5.7 (6.0%)	+0.8 (+1.5%pt)
DMB Device & Module Solutions	8.0 (7.8%)	8.2 (7.7%)	+0.2 (-0.0%pt)	3.0 (3.4%)	+5.3 (+4.3%pt)
Eliminations & Corporate	-25.0	-22.1	+2.9	-25.5	+3.4
Total	88.0 (11.6%)	89.3 (11.7%)	+1.3 (+0.1%pt)	62.5 (9.5%)	+26.8 (+2.2%pt)

Demonstrating Strong Resilience in Q4

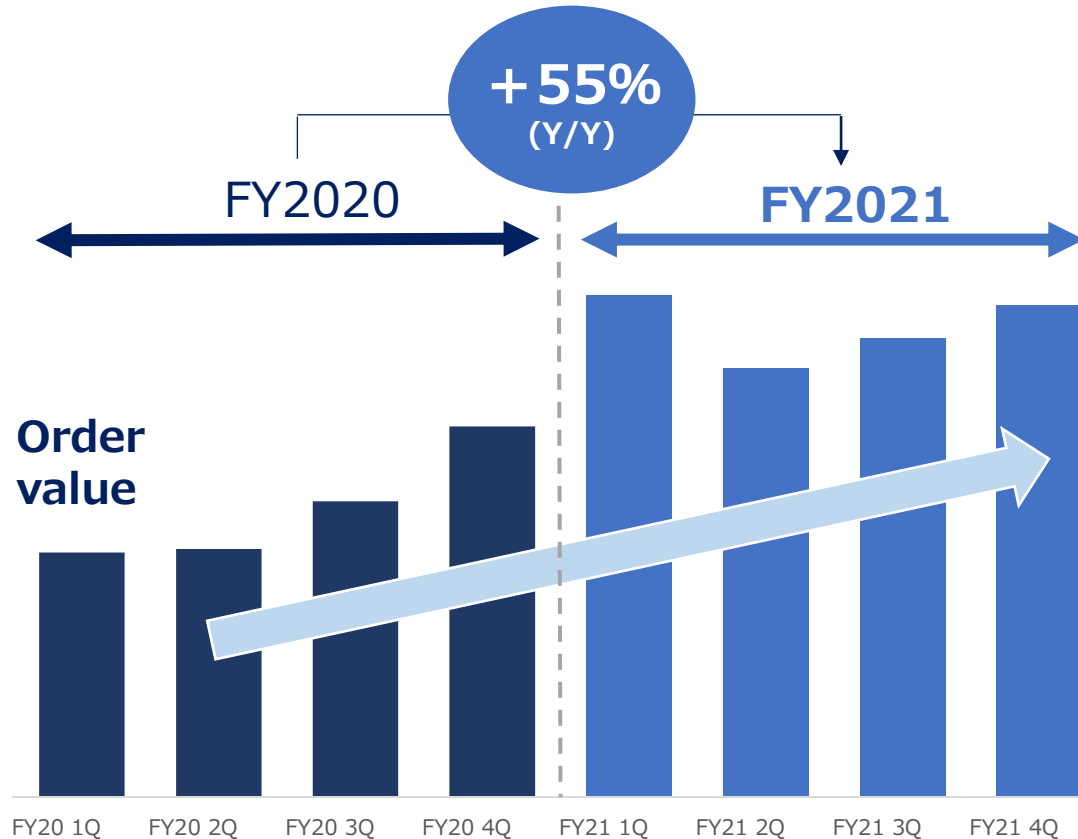
OMRON demonstrated strong resilience in response to downside risks that emerged in Q4, overshooting the forecast



IAB Growth Drivers

IAB order intake increased significantly Y/Y. OMRON able to provide value-added solutions to more customers due to solid progress on business model evolution

Order Intake (Value Basis)



VG2.0 Assets Developed Up To FY2021

● Innovative Applications

250
(+200 vs. FY2017)

● Application Engineers

1,600
(+45% vs. FY2017)

● No. of Customers adopting innovative-Automation

2,500 Cos.
(+1,000 vs. FY2017)

FY2022 Forecasts

Management Policy

FY2022 Management Policy

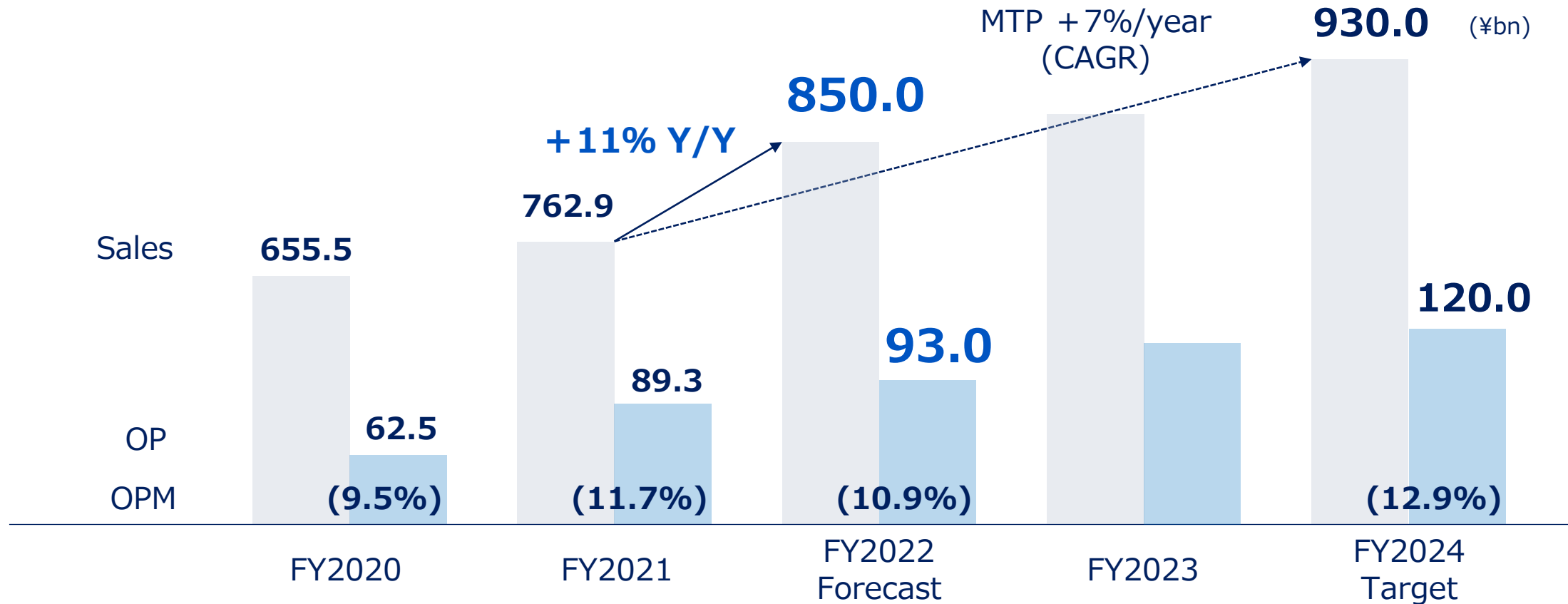
Shifting Gears to Create New Value

Operational Stance

**Continue to Demonstrate Resilience
in the Face of Change**

Sales and Operating Income Forecasts

Accelerate harvesting of growth opportunities to drive sales growth. Simultaneously execute on investments for the future to enhance sustainability of growth



Operating Environment for Focus Domains

Overall demand remains strong on a global basis but the macro backdrop, including supply constraints, remains uncertain

IAB Industrial Automation	<p>Digital: Firm trend with major semiconductor customers continuing to make large-scale investments in US, Europe and Asia NEV: Investments in batteries and other EV-related areas picking up from last year, with US/Europe investing in earnest following trends already seen in China</p> <p>Food/Household Goods: Strong shipments of packaging equipment in US/Europe/China. Automation investments also firm on inflationary pressures and COVID-19 impact</p> <p>Medicine: In addition to ongoing investments for COVID-19, investments in biopharmaceuticals increasing</p> <p>Logistics: Logistics majors accelerating investments in large-scale facilities. Automation investments for small/medium facilities such as robots, also increasing</p>
HCB Healthcare	<p>Cardiovascular: Global demand strong, chiefly in China and Asia, on the back of the expanding online channel</p> <p>Respiratory: On top of rising penetration rates for nebulizers, demand up on easing of restrictions on activity, leading to an increase in patient visits</p> <p>Remote medical service: Demand continuing to increase in US and Europe</p>
SSB Social Systems, Solutions & Service	<p>Energy: Demand expanding on subsidies and increase in companies declaring commitment to achieving carbon neutral</p> <p>Management & Services: Retailers increasing investments to respond to labor shortages, upgrading store facilities</p>
DMB Device & Module Solutions	<p>DC Equipment: Demand strong in DC drives and infrastructure areas on progress in shift to direct current and rising voltage capacity</p> <p>Microwave Devices: Continued demand for semiconductors. Strong demand for IC inspection and high-speed communication equipment.</p>

Financial Targets

Forecasting higher sales and profits. Aim for Y/Y improvements to ROIC, ROE & EPS

	<u>FY2021 Actual</u>	<u>FY2022 Targets</u>	<u>Y/Y</u>
Sales	¥762.9 bn	¥850.0 bn	+11%
OP	¥89.3 bn	¥93.0 bn	+4%
ROIC	9.6%	>10%	>+0.4 pt
ROE	9.7%	>10%	>+0.3 pt
EPS	¥306	¥316	+¥10.6
Forex (USD/EUR/CNY)	112/131/17.4	121/133/19.0	+9/+3/+1.6

Sales & Operating Income Forecasts by Segment

Targeting Y/Y improvements to sales and profits for all segments. Forecasts factor in earnings fluctuation risk of ¥10 bn in sales and ¥4 bn in OP for overall company

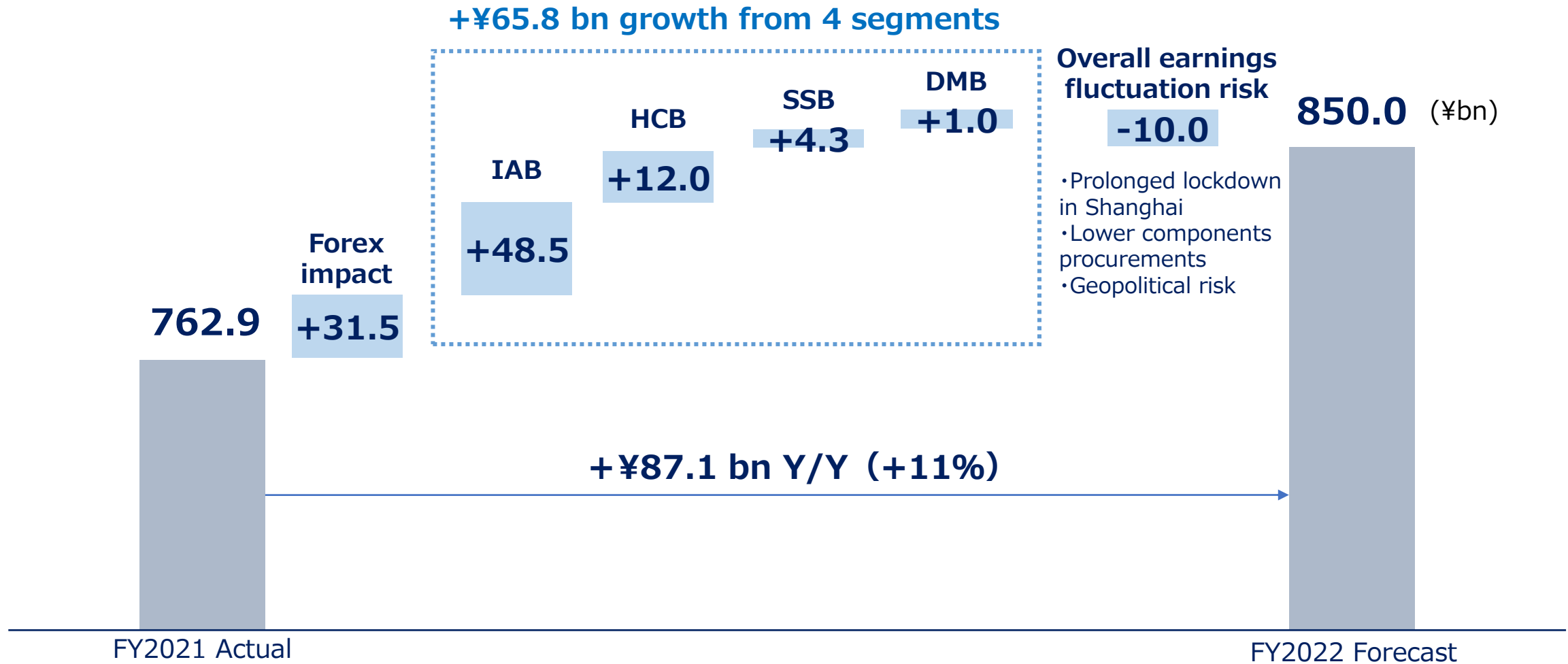
(¥bn)

	Sales			OP		
	FY2021 Actual	FY2022 Forecast	Y/Y	FY2021 Actual	FY2022 Forecast	Y/Y
IAB Industrial Automation	418.1	483.0	+15.5%	76.3 (18.2%)	90.0 (18.6%)	+18.0% (+0.4%pt)
HCB Healthcare	132.9	154.0	+15.9%	18.5 (14.0%)	20.0 (13.0%)	+7.9% (-1.0%pt)
SSB Social Systems, Solutions & Service	87.7	92.0	+4.9%	6.5 (7.4%)	6.5 (7.1%)	+0.0% (-0.3%pt)
DMB Device & Module Solutions	121.0	128.0	+5.8%	10.1 (8.3%)	10.5 (8.2%)	+4.1% (-0.1%pt)
Eliminations & Corporate	3.3	3.0	-9.1%	-22.1	-30.0	-
Earnings Fluctuation Risk		-10.0	-		-4.0	-
Total	762.9	850.0	+11.4%	89.3 (11.7%)	93.0 (10.9%)	+4.1% (-0.8%pt)

*Certain products in IAB have been reclassified to DMB.

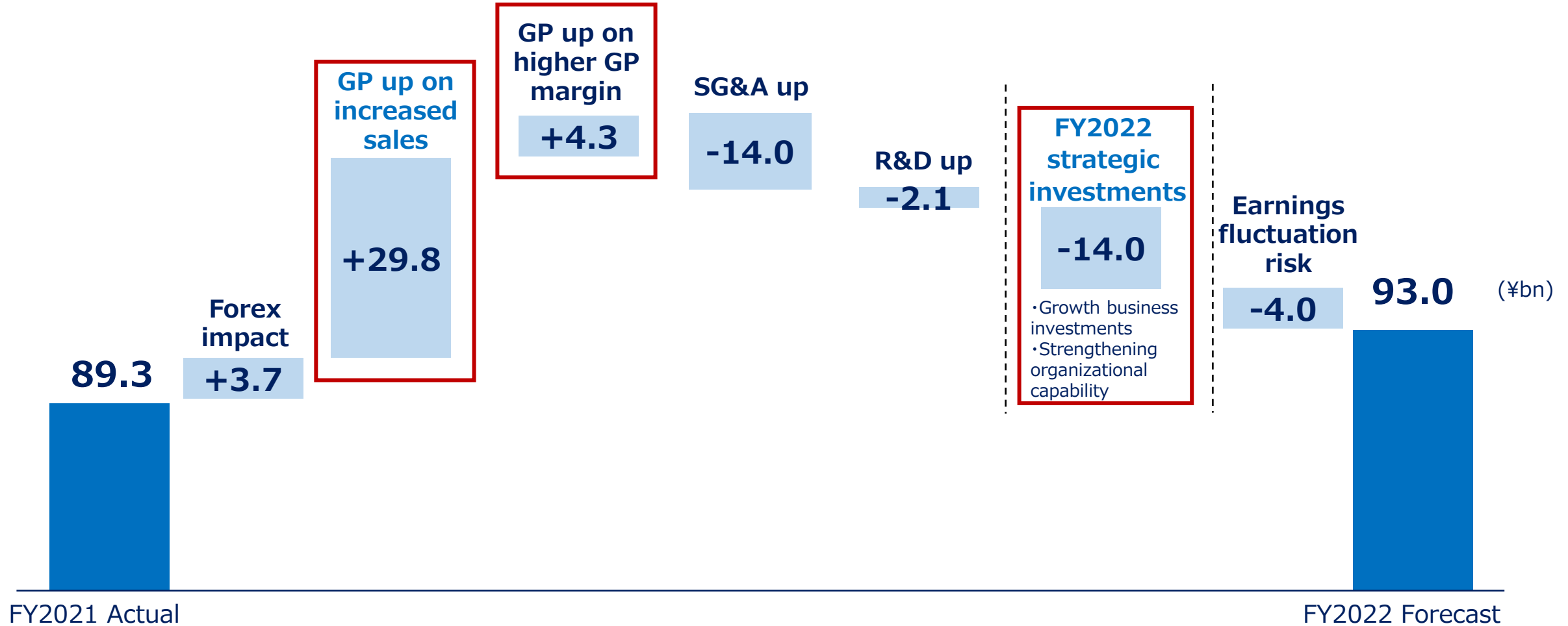
Analysis of Change in Sales (Y/Y)

Targeting strong sales growth for 4 segments, in addition to forex impact



Operating Income Analysis (Y/Y)

Continue solidly investing for future growth while also growing sales and improving GP margin



Breakdown of Strategic Investments

Continue strategic investments in IAB and HCB. Take flexible approach in making investments to reflect operating environment and maintain appropriate balance with profit growth

Group Strategic Investments

(P/L investments +¥14 bn Y/Y, B/S investments +¥8.7 bn Y/Y)

Growth Business Investments

IAB
+¥8.0 bn

Enhance 3 front-line layers:
sales/application engineers &
ATCs
Create new innovative
applications to support
innovative-Automation

HCB
+¥2.9 bn

Strengthen marketing for
China and India to drive
dramatic growth
Deploy remote medical
service in US and Europe

Organizational Capability Investments

**Human
Capital
Development**
+¥1.1 bn

Invest in human
capital development
to further elevate
employees'
capabilities

DX
+¥1.4 bn
(B/S +¥7.5bn)

Develop standard
model for Europe,
with focus on SCM

Sustainability
+¥0.6 bn
(B/S +¥1.2 bn)

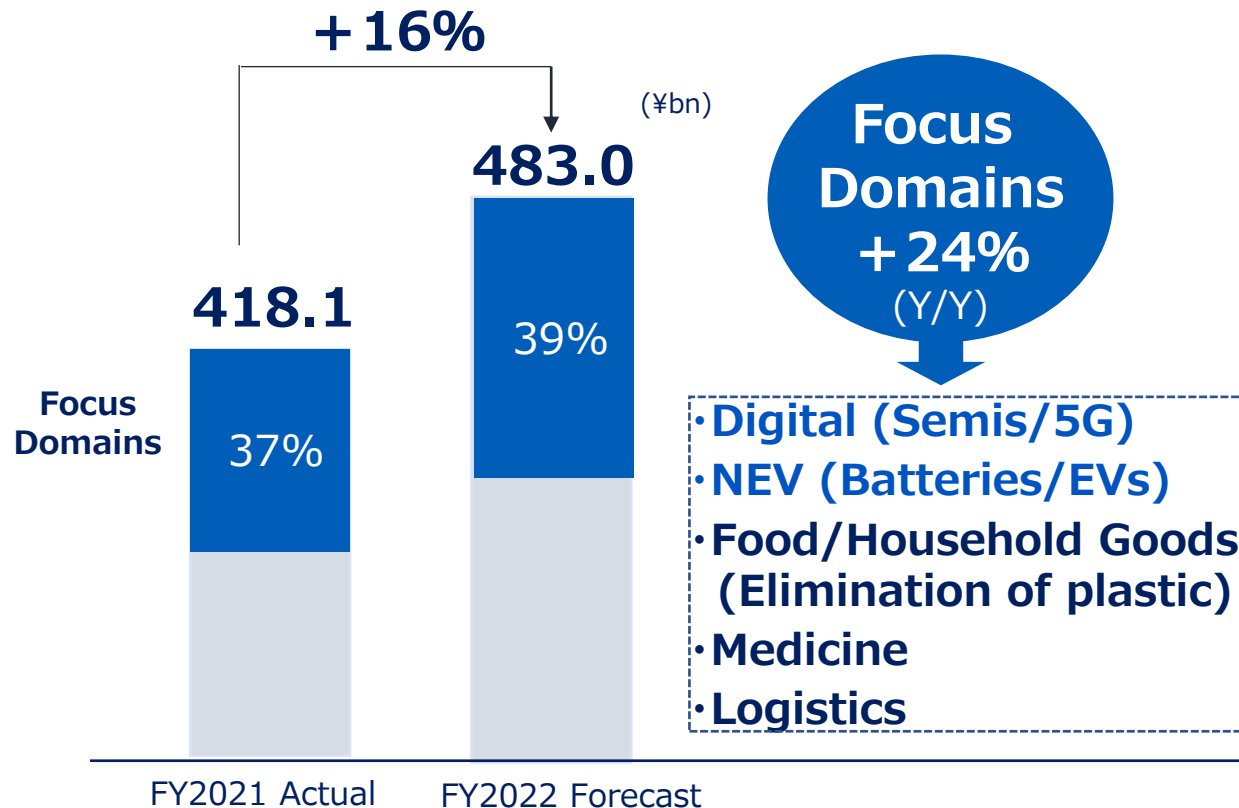
Upgrade facilities to
promote shift to carbon
neutral at domestic
bases
Develop new energy
business

Achieving Strong Growth: IAB & HCB

IAB Sales Forecast

Accelerate deployment of innovative-Automation, focusing on areas of continued strong demand: Digital and NEV. Maximize ability to capture growth opportunities by adding application engineers and raising product supply capability

Sales Forecast



Key Initiatives for Growth

Growth Markets × Robust Business Model × Enhanced Supply Capability

- Increase number of customers in high growth areas that adopt innovative-Automation (+800 cos. Y/Y)
- Increase number of application engineers to boost ability to capture global investment in semiconductors/batteries (+100 engineers Y/Y)
- Further strengthen product supply capability (+¥65.0 bn Y/Y)

Enhancing IAB Product Supply Capability

Improving supply capability by reaping the benefits of design changes, shortening delivery lead times, and partnering strategically with EMS

1 Change designs to enable continued reductions in number of required components and improve procurement capability

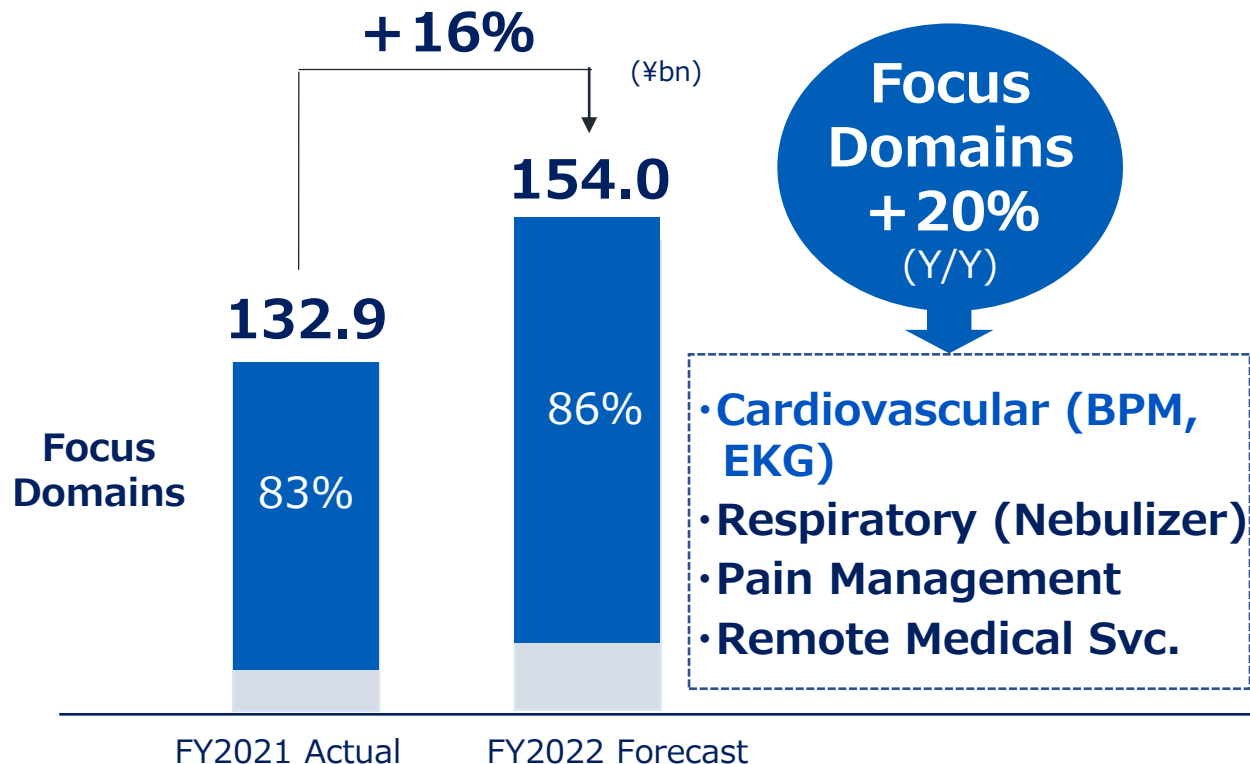
2 Shorten delivery lead times through better transportation efficiency and acceleration of local production

3 Enhance production flexibility and procurement capability by developing strategic partnerships with EMS

HCB Sales Forecast

Achieve sales growth for cardiovascular business in expanding China and Asia market

Sales Forecast



Key Initiatives for Growth

Strengthen Channels × Area Expansion
× Product Lineup Expansion

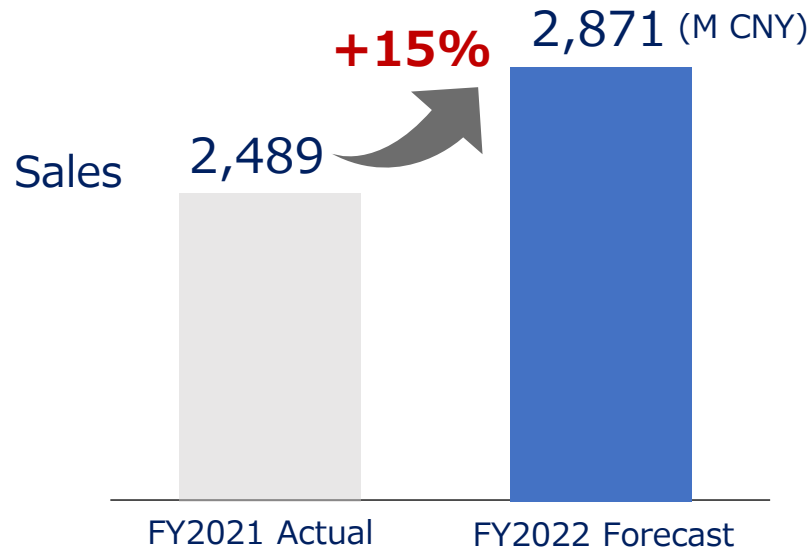
- In China and Asia market, strengthen sales channels and expand sales areas
- Launch flagship home-use EKG product and expand sales territory from 15 to 22 countries
- Enhance sales/planning/ development framework for remote medical service in US and Europe

Dramatic Growth for HCB in China and Asian Markets

Capture rising health needs to achieve dramatic growth in China and Asia

China

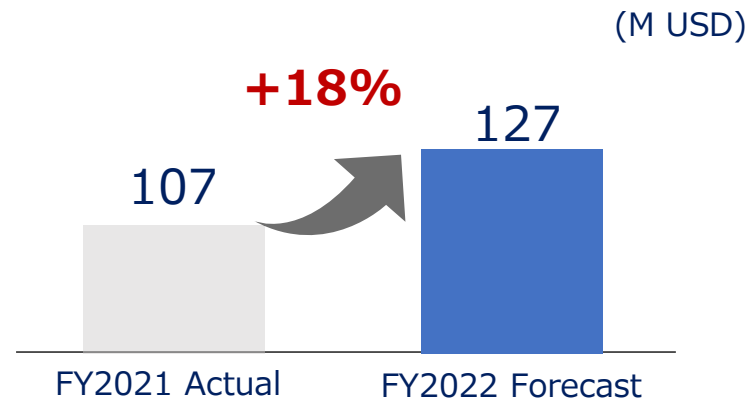
Accelerate initiatives in expanding market



- Expand business in Tier 3/4 cities
- Enhance China-specific product lineup

Asia (ex-India)

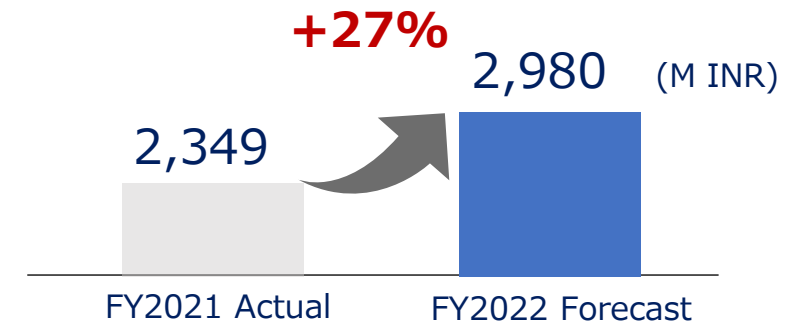
Accelerate initiatives in expanding market



- Expand number of stores handling BPMs/nebulizers
- Strengthen online channel

India

Lay foundation for strong future growth



- Collaborate with medical societies to educate public about home BP readings
- Boost sales by increasing number of stores handling OMRON products

Non-financial Metrics

Medium-term Management Plan Targets

- 1 Grow Sustainability Sales* 45% vs FY2021(reflects contribution to solving 3 social issues)
- 2 Raise ratio of women in management roles above 18% on a global basis
- 3 Hire disabled individuals at 28 overseas bases; maintain 3% level achieved in Japan
- 4 Reduce Scope 1 & 2 GHG emissions by 53% versus FY2016
- 5 Achieve Carbon Zero at all 76 domestic locations
- 6 Implement human rights due diligence in alignment with UNGP and develop mechanism for remedying abuses in the value chain
- 7 Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World
- 8 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources
- 9 In all regions, introduce training program covering the basic knowledge required for DX: statistics, data analytics, AI and others
- 10 Make full use of digital tools to reduce use of paper
- +1 Top management of each region to declare and execute their commitment to contribute to local communities in alignment with OMRON's Sustainability Policy

FY2022 Targets

+15% vs. FY2021

17.4%

**26 overseas bases/
3% in Japan**

-51% vs. FY2016

9 locations

**Identify human rights issues/
Establish & test primary remedy
mechanism**

Selected to DJSI World

40%

**Create training program/
Trial in Europe**

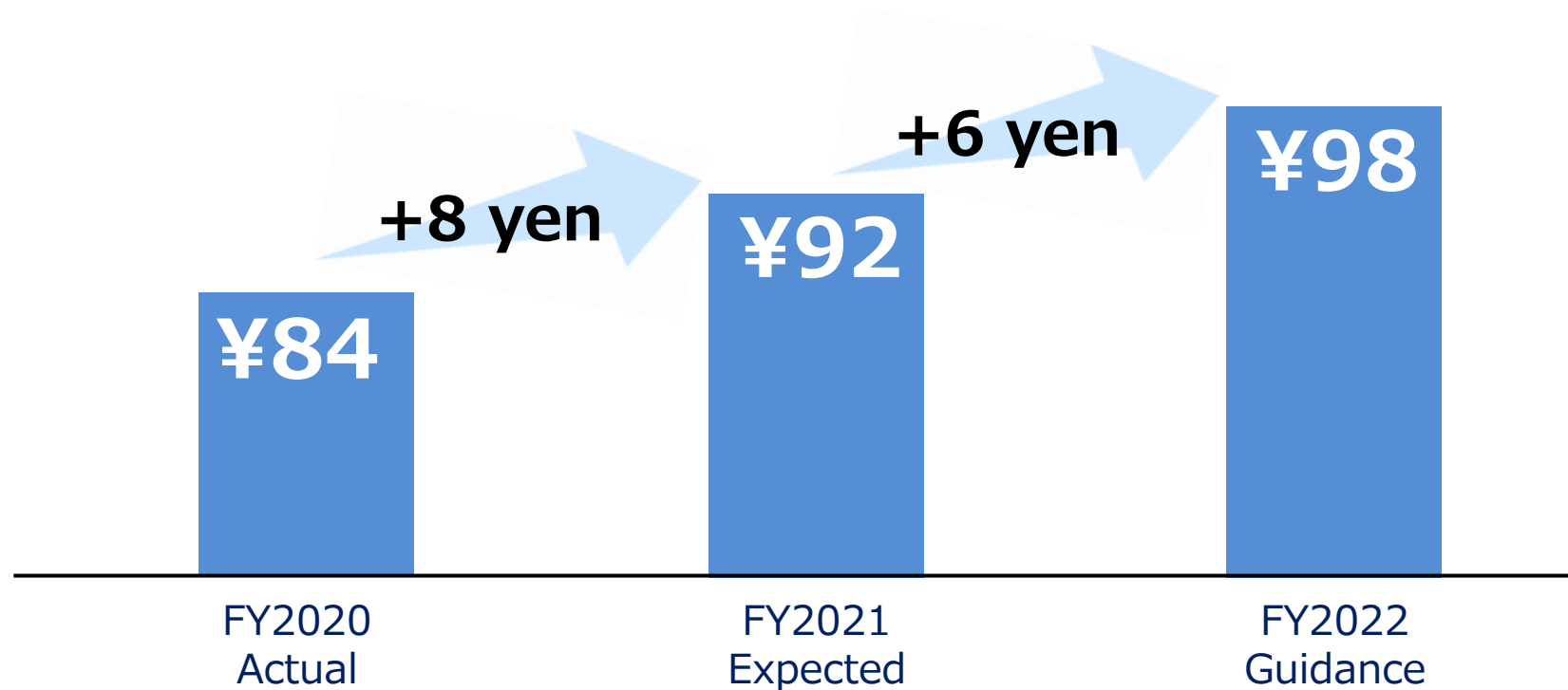
-40% vs. FY2019

**Declaration/execution
ongoing in all areas**

*Focus domain sales which lead to 'Achieving Carbon Neutrality', 'Realizing a Digital Society', 'Extending Healthy Life Expectancy'

Full-year Dividend Guidance

FY2021 DPS raised 8 yen to 92 yen. Guiding for a 6 yen increase to 98 yen in FY2022. Continue to deliver stable and sustainable shareholder returns

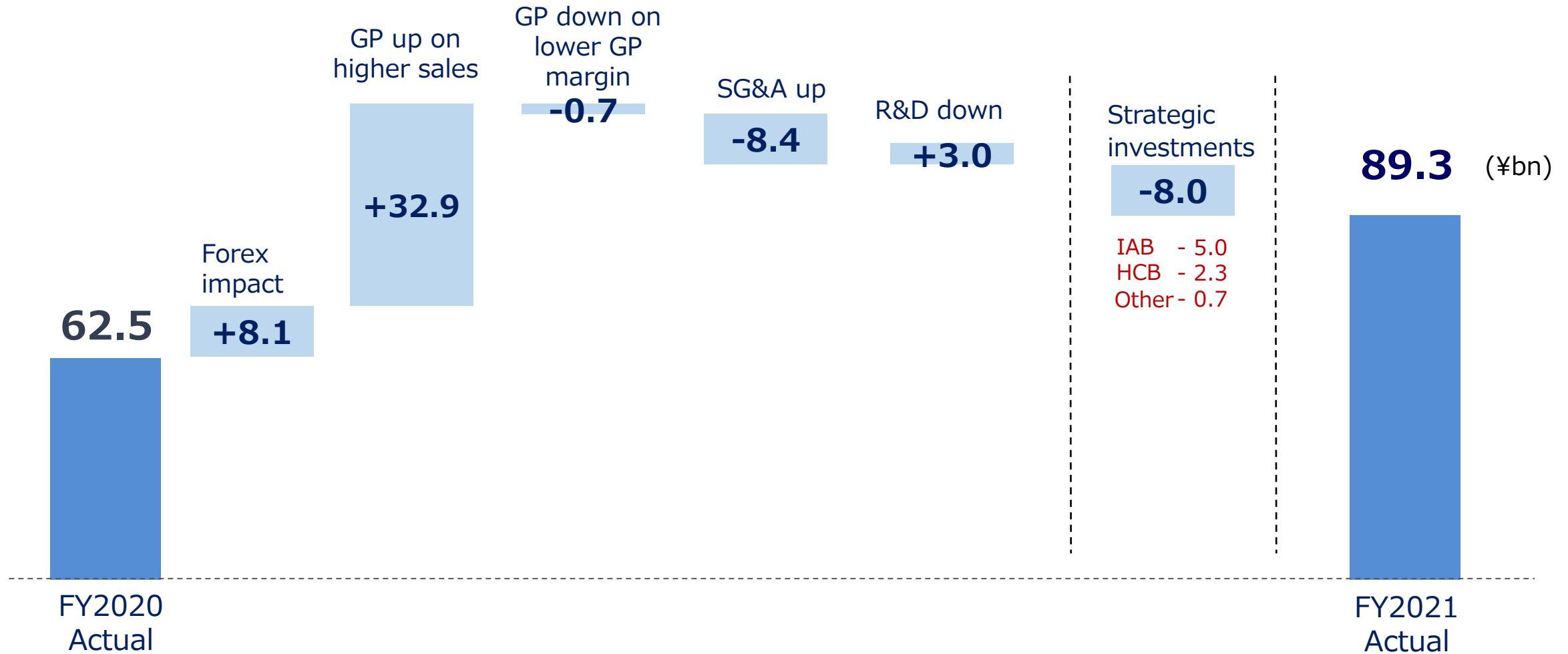


* FY2021 annual dividend per share to be set at the Annual General Shareholders' Meeting.
Interim and fiscal year-end dividend guidance for FY2022 TBD

OMRON

Reference

Operating Income Analysis (Y/Y)



Consolidated Balance Sheet

	(¥bn)		
	End-March 2021	End-March 2022	Y/Y
Current assets	514.4	482.9	-31.5
(Cash and cash equivalents)	(250.8)	(155.5)	(-95.3)
(Inventory)	(103.3)	(141.9)	(+38.7)
Property, plant and equipment	113.0	122.1	+9.1
Investments and other assets	192.9	325.6	+132.7
Total assets	820.4	930.6	+110.3
Current liabilities	161.4	211.7	+50.3
Long-term liabilities	49.7	51.0	+1.3
Total Liabilities	211.0	262.7	+51.6
Shareholders' equity	606.9	665.2	+58.4
Noncontrolling interests	2.5	2.7	+0.2
Total net assets	609.4	668.0	+58.6
Total Liabilities and net assets	820.4	930.6	+110.3
Equity ratio	74.0%	71.5%	- 2.5%pt

Consolidated Cash Flow Statement

	FY2020 Actual	FY2021 Actual	(¥bn) Y/Y
Operating cash flow	93.8	67.4	-26.4
Investment cash flow	-14.8	-150.2	-135.4
Free cash flow (FCF)	79.0	-82.7	-161.8
Financing cash flow	-20.4	-29.6	-9.3
Cash and cash equivalents as of end of period	250.8	155.5	-95.3
Capital expenditure	24.0	34.2	+10.3
Depreciation	22.8	23.4	+0.6

Forex Assumptions and Sensitivities

		Impact of 1 yen move (full year) CNY impact of 0.1 yen move	
	FY2022 Assumptions	Sales	OP
USD	¥121	¥1.8 bn	¥0.1 bn
EUR	¥133	¥0.9 bn	¥0.4 bn
CNY	¥19.0	¥1.0 bn	¥0.3 bn

* If emerging market currency trends diverge from trends in major currencies contrary to our expectations, it will impact sensitivities

MTP Segment Sales & Operating Income Targets

		FY2024 Targets (Prior to segment adjustments)	FY2024 Targets (After segment adjustments)
IAB	Sales	¥530.0 bn	¥515.0 bn
	OP (OPM)	¥106.0 bn (20.0%)	¥104.0 bn (20.2%)
HCB	Sales	¥180.0 bn	¥180.0 bn
	OP (OPM)	¥28.0 bn (15.6%)	¥28.0 bn (15.6%)
SSB	Sales	¥100.0 bn	¥100.0 bn
	OP (OPM)	¥10.0 bn (10.0%)	¥10.0 bn (10.0%)
DMB	Sales	¥110.0 bn	¥125.0 bn
	OP (OPM)	¥11.0 bn (10.0%)	¥13.0 bn (10.4%)

Cash Allocation and Shareholder Returns Policies

Cash Allocation Policy

1. Aim to maximize corporate value by realizing OMRON's LT vision. Prioritizing investments that will create new value from a medium- to long-term perspective. In SF 1st Stage, will prioritize investments in human capital and R&D to address social issues and create social needs, capex to increase production capacity and to advance DX, growth investments such as M&A & A(Iliances) and sustainability initiatives such as decarbonization, reducing environmental impact and respecting human rights in the supply chain. Beyond this, OMRON will maintain stable and consistent shareholder returns
2. Basic policy for funding the above value creation investments and shareholder returns: funds to come from retained earnings and operating cash flow generated. If necessary, OMRON will tap into appropriate fund raising alternatives. Given its ability to raise funds without being unduly impacted by financial market conditions OMRON will continue to focus on maintaining financial soundness

Shareholder Returns Policy

1. After prioritizing necessary investments for medium- to long-term value creation, OMRON's annual dividend payout policy will be a DOE of 3%. Beyond this, OMRON will take into account previous DPS levels in order to maintain stable and consistent shareholder returns
2. In the event where excess levels of cash are maintained over the long term after making the above investments and profit distributions, OMRON may reward shareholders by undertaking share buybacks from time to time

OMRON Included in Major ESG Indices (As of April 2022)

ESG Indices which include OMRON

- ✓ DJSI – World **5th consecutive year**
- ✓ FTSE4Good Index Series **6th consecutive year**
- ✓ MSCI ESG Leaders Indexes **7th consecutive year**
- ✓ MSCI SRI Indexes **5th consecutive year**
- ✓ STOXX Global ESG Leaders Indices **6th consecutive year**
- ✓ FTSE Blossom Japan Index **5th consecutive year**
- ✓ FTSE Blossom Japan Sector Relative Index **1st time selected**
- ✓ MSCI Japan ESG Select Leaders Index **5th consecutive year**
- ✓ MSCI Japan Empowering Women Index **5th consecutive year**
- ✓ S&P/JPX Carbon Efficient Index **4th consecutive year**

* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.
FY2021 Assessment: Climate Change 'A-', Water Security 'A-'

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



THE INCLUSION OF OMRON CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF OMRON CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDICES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

External Recognition (As of April 2022)

Domestic ESG awards, selection for inclusion

S&P Global Sustainability Award

- ✓ S&P Sustainability Award Silver Class

EcoVadis

- ✓ Sustainability Assessment Gold Rating

Japan Association of Corporate Directors

- ✓ Corporate Governance of the Year 2018
METI Minister's Award for Corporate Governance of the Year **FY2018**

Ministry of the Environment

- ✓ FY2018 Minister's Award for Global Warming Prevention Activity
'Implementation of Countermeasures and Dissemination Category' **FY2018**

Sponsored by Nikkei Inc

- ✓ Nikkei SDGs Management Grand Prix SDGs Strategy/Economic Value Award **December 2019**

Selected by METI, TSE

- ✓ TSE 2014 Corporate Value Improvement Award, Grand Prix. **FY2014**
- ✓ Nadeshiko Brand **5th consecutive year from FY2017**
- ✓ Health & Productivity Stock **4th consecutive year from FY2018**
- ✓ Health & Productivity: White 500 **6th consecutive year from FY2016**

Selected by Nikkei Inc.

- ✓ Nikkei 225 **March 2019, 1st time**

Sustainability Award
Silver Class 2022

S&P Global



Corporate Governance
of The Year

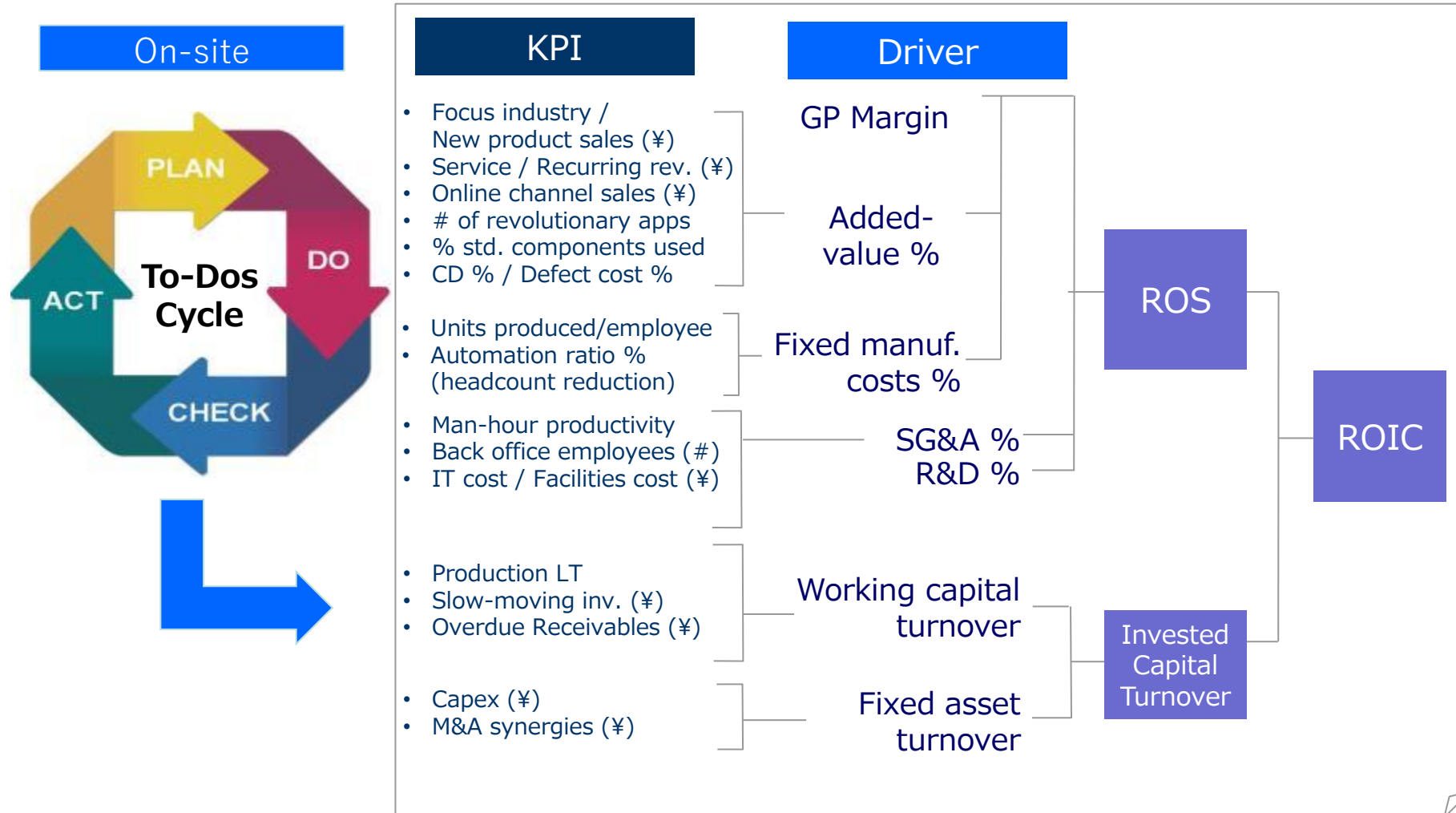


健康経営銘柄 2022
Health and Productivity



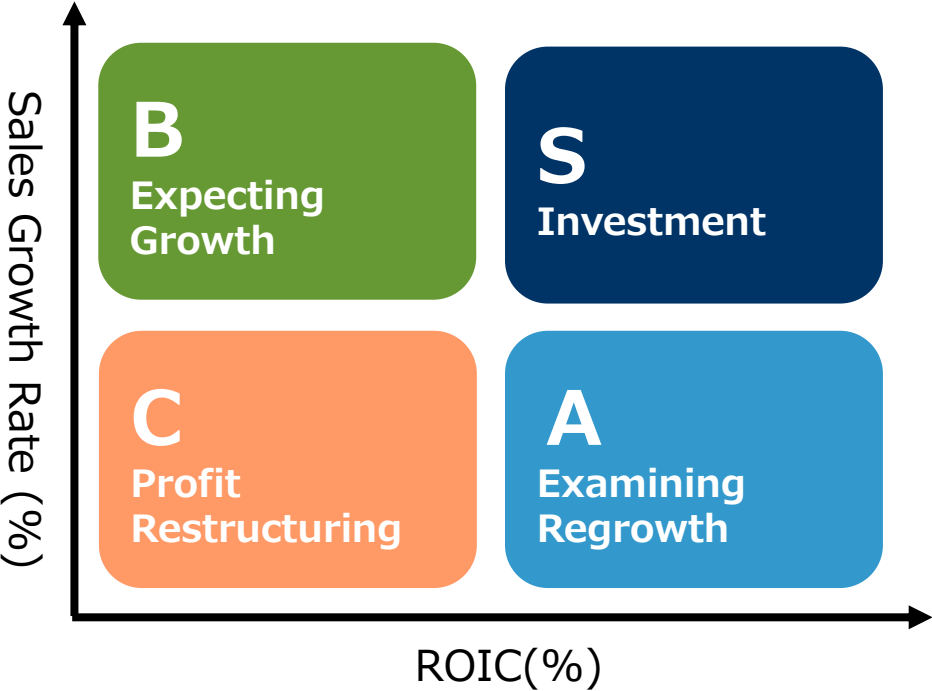
2022
健康経営優良法人
Health and productivity
ホワイト500

Down-Top ROIC Tree (2.0)

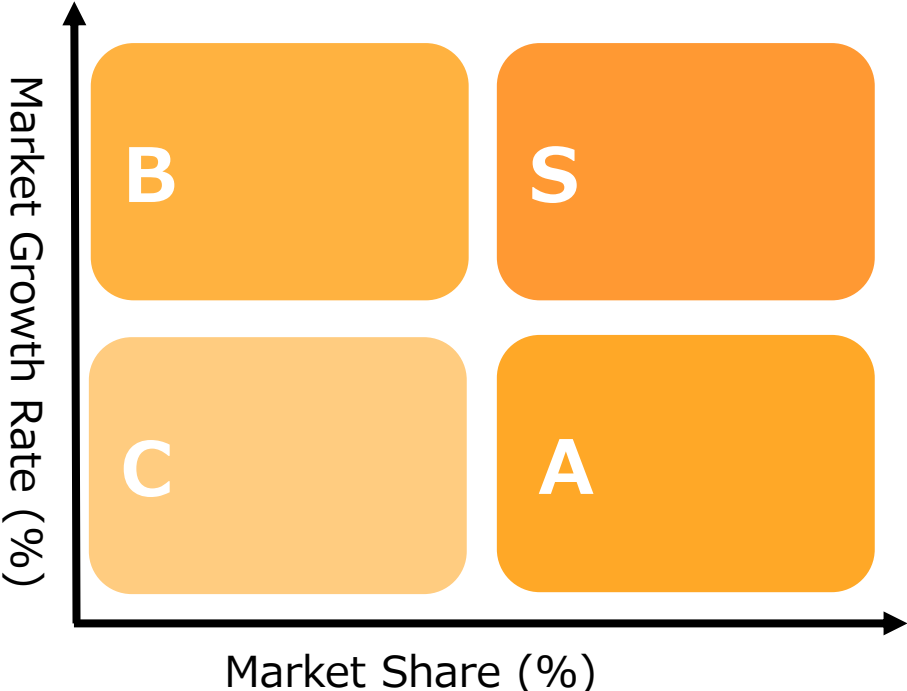


Portfolio Management

Assessing Economic Value



Assessing Competitiveness



ROIC Definition

<Consol. B/S>

LIABILITIES	
Current liabilities:	
Short-term debt	
Notes and accounts payable — trade	
Accrued expenses	
Income taxes payable	
Other current liabilities	
Deferred income taxes	
Termination and retirement benefits	
Other long-term liabilities	
Total liabilities	
NET ASSETS	
Shareholders' equity	
Common stock	
Capital surplus	
Legal reserve	
Retained earnings	
Accumulated other comprehensive income (loss)	
Foreign currency translation adjustments	
Minimum pension liability adjustments	
Net unrealized gains on available-for-sale securities	
Net losses on derivative instruments	
Treasury stock	
Noncontrolling interests	
Total net assets	
Total liabilities and net assets	

$$\text{ROIC} = \frac{\text{Net income attributable to OMRON shareholders}}{\text{Invested capital}}$$

Invested capital*

= Net assets + Interest-bearing debt

*The average of previous fiscal year-end result and quarterly results (or forecasts) of current fiscal year.

Capital cost forecast at 5.5% for FY2021 - 2024

Notes

1. The consolidated statements of OMRON Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks and uncertain factors could cause actual results to differ materially from these projections.

Contact:

Investor Relations Department
Global Investor & Brand Communications
OMRON Corporation

Email: omron-ir@omron.com

Website: www.omron.com/global/en/