

Long-term Vision “Shaping the Future 2030”

In light of OMRON’s fundamental purpose and the changes in society toward the year 2030, OMRON launched a new long-term vision, “Shaping the Future 2030 (SF2030),” in fiscal 2022. SF2030 expresses OMRON’s desire for all OMRON employees to put the OMRON Principles into practice as they work together with stakeholders to create a sustainable society by applying OMRON’s core technologies, “Sensing & Control + Think.”

| OMRON’s fundamental purpose

OMRON’s fundamental purpose is “to create social value through business and continue to contribute to society.” This is OMRON Principles in action and we will remain true to those principles regardless of changes in society.

| Society in 2030 Envisioned by OMRON

We have attained material wealth through an “Industrial Society” that values and pursues efficiency and productivity. However, people’s sense of value is shifting dramatically from material wealth to spiritual wealth. For example, people’s awareness of environmental issues and the values shaping their attitude to work have changed dramatically. As well as choosing sustainable products and lifestyles, people are increasingly rethinking their work-life balance as they seek work that allows them to demonstrate their abilities.

OMRON believes that the transition to a new social and economic system over the next decade will inevitably lead to clashes between old and new values, strain the current social and economic systems, and lead to the emergence of new social

issues. OMRON will continue to create social value by resolving these social issues and contribute to the realization of a society where individual fulfillment is compatible with the society’s affluence.

| Social Value to be Created by OMRON

At OMRON, we view the coming decade, in which existing social issues will become more pressing and new ones will arise, as a great opportunity to create new markets and businesses. Under SF2030, in order to be sure to seize this opportunity, we have identified three priority change factors: “The Aging of Population,” “Climate Change,” and “Increasing Economic Disparities among Individuals.” Based on these three change factors, we have identified three social issues that OMRON should address, namely, “Achievement of Carbon neutrality,” “Realization of a Digital Society,” and “Extension of Healthy Life Expectancies.” We selected these three issues in view of their huge impact on society and from the perspective of leveraging OMRON’s strengths in automation, our customer assets, and business assets.

For the achievement of carbon neutrality, we will contribute to the creation of energy systems that strike a balance between safety, security, convenience, and the natural environment. For the realization of a digital society, we will contribute to manufacturing and infrastructure that will free people from all restrictions, regardless of age or wealth, and realize an enjoyable, creative, and sustainable society. And for the extension of healthy life expectancy, we will tackle the problems of the aging society by building healthcare systems that enable people to lead healthy, prosperous, and independent lives.

To address these three social issues, we revised the OMRON Group’s business domains and set four domains, namely “Industrial Automation,” “Healthcare Solutions,” “Social Solutions,” and “Device & Module Solutions,” defining social value corresponding to these domains.

Through Industrial Automation, we aim to contribute to the advancement of manufacturing that will support a sustainable society. Through Healthcare Solutions, we aim to contribute to the achievement of “Zero Events” for cardiovascular diseases. Through Social Solutions, we aim to contribute to the spread and efficient use of renewable energy and the sustainability of the infrastructure supporting a digital society. In addition, through Device & Module Solutions, we aim to contribute to the spread of new energy and high-speed communications.

| Direction of OMRON’s Evolution

OMRON is changing the way it perceives value creation, shifting its emphasis from “products” to “products and services” in order to create social value. We pursue realization of value not only through products and other goods but also through combinations of products and services that help solve the fundamental problems confronting society. When intrinsic value is reconsidered at a turning point in society and markets, implementation of value is not limited to products and can be in services, such as consulting services, operation support services, and upgrading services of i-BELT in the Industrial Automation Business. In addition, we will promote co-creation with partners, rather than relying exclusively on our own resources, to enhance the speed of execution and feasibility. To deliver value through the combination of products and services and co-creation with partners, establishment of a data platform to

serve as a base is necessary. We will develop a data platform that links data generated by OMRON devices and services with our partners' data and leverage the data in development of new solutions through the combination of products and services. Based on this concept, the OMRON Group will transform its business structure over the medium to long term, transitioning to a revenue structure that includes a recurring service model in addition to a business model centering on products.

Material Sustainability Issues

Under SF2030, our aim is to maximize corporate value by creating social value and economic value through business. To this end, we identified material sustainability issues for the first time under the long-term vision.

OMRON's fundamental purpose is "to create social value through business and continue to contribute to the development of society." It will endure, regardless of how society changes. In order to remain true to this purpose, material sustainability issues are fully reflected in SF2030 and the medium-term management plan "SF 1st Stage." In identifying material sustainability issues, we adopted three viewpoints: "the OMRON Principles and fundamental purpose," "backcasting from a society envisioned for 2030 and beyond," and "calls on companies to contribute to environmental and social sustainability." Five material issues were identified as a result of a series of management discussions, reflecting suggestions gained through internal discussion and dialogues with external experts.

For OMRON, sustainability means pursuing the sustainability of both society and the company. We will continue to strive for the sustainable development of society and the sustainable growth of OMRON.

Material Sustainability Issues under SF2030

- 1 Resolving Social Issues through Our Business**
 Creating social value and driving OMRON's sustainable growth by resolving social issues through our business
- 2 Maximizing the Capability to Innovate Driven by Social Needs**
 Evolving business models, endowing OMRON with the competitiveness required for achieving sustainable growth, and expanding new business generation efforts
- 3 Generating Diverse Talent Taking on the Challenge of Value Creation**
 Evolving human resources management to bring out the capabilities and skills of OMRON's diverse talent, who will be the source of OMRON's sustainable growth
- 4 Achieving Decarbonization and Lower Environmental Impact**
 By viewing climate change from the two aspects of opportunities and risks, practicing corporate social responsibility and building further competitive advantage
- 5 Respecting Human Rights in the Value Chain**
 As part of our corporate social responsibility, exerting our influence for the respect of human rights for workers in the value chain and at OMRON

SF2030 Goals

- The state of contributing to the sustainable development of society by resolving the social issues tackled Group-wide, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy from the social change factors focused on in SF2030: an aging population, climate change, and economic disparity among individuals
- The state of continuously generating new businesses by demonstrating our capability to innovate driven by social needs in both existing and new business domains, through actions such as evolving essential core technology development and incorporating it into business models
- The state of bringing diverse talent together where everyone can succeed, regardless of nationality, gender, or work style, where OMRON provides opportunities for its diverse talent to grow and evolves its human resources management to maximize their capabilities and skills
- The state of building further competitive advantage while solving social issues through reducing greenhouse gas (GHG) emissions in the value chain and establishing a resource recycling model

 - Scope 1 and 2^{*1}: 65% cut vs. FY2016
 - Scope 3, Category 11^{*2}: 18% cut vs. FY2016
- In line with the UN Guiding Principles on Business and Human Rights, the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not permit or cause human rights violations

*1 Scope 1 and 2: Direct and indirect GHG emissions from the company

*2 Scope 3, Category 11: Scope 3 corresponds to GHG emissions from the company's value chain. Category 11 of Scope 3 corresponds to emissions from use of manufactured/sold products, services, etc.