

Global Corporate Venturing Office (CVC)

OMRON's Evolving Corporate Venture Capital Initiatives

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The vision of the Global Corporate Venturing Office (CVC), which is responsible for OMRON's corporate venturing function, is to "become a 'booster' accelerating the transformation of OMRON and society in the evolution from the Autonomous Society to the Natural Society." Based on this vision, we are working with entrepreneurs and investors around the world who have the power to change the world by accelerating innovation driven by social needs to resolve the social issues that OMRON is addressing, namely, "achievement of carbon neutrality," "realization of a digital society," and "extension of healthy life expectancy."

CVC has invested in three startups through OVC II Investment Limited Partnership (OVC Second Fund), which invests in startups that seek to create value by addressing social issues. CVC's first investment in fiscal 2022 was in Eagle Genomics Ltd., which has developed an AI-augmented knowledge discovery platform for microbiome analysis. This overcomes long-standing challenges in statistical processing and is a major step toward practical application in the healthcare field.

The second company, Rehab for JAPAN INC., which focuses on automation of rehabilitation in the medical and nursing care field, provides software solutions

that help reduce the on-site burden of caregivers when providing rehabilitation services, thus addressing pressing needs associated with population aging, a phenomenon that continues to accelerate. The third company in which we invested, Ubiden, Inc., aims to "achieve carbon neutrality" with an energy system that balances a safe, secure, and convenient lifestyle with a natural environment. Ubiden and OMRON's Device & Module Solutions Business (DMB) have started co-creation activities to achieve carbon neutrality, including a demonstration experiment of an EV charging service at OMRON's Okayama Office.

CVC has invested in 24 companies to date, in addition to these three companies, expanding its portfolio to help resolve the three social issues that OMRON is addressing.

Moreover, as a new way of utilizing human resources, CVC is working to "establish a mechanism for co-creation between business divisions and startups" and

<Portfolio>

Achievement of Carbon Neutrality	Realization of a Digital Society	Extension of Healthy Life Expectancy	
Energy visualization 	Robot control 	Migraine treatment 	Prevention of dementia
Carbon offsetting 	Image processing + AI 	Medical data 	AST systems
EV charging service 	Agri-automation 	Rehabilitation 	Microbiome
	Generative AI 	PCR testing 	Digital coaching



“implement an acceleration program for the portfolio” to strengthen the corporate venturing function. In order to realize the long-term vision SF2030, it is necessary to promote high cycle co-creation. Co-creation between OMRON’s business divisions, which have in-depth industry knowledge and diverse business assets, and startups, which rapidly give shape to innovative ideas, is a form of open innovation which is essential for the Optimization Society where its competitive environment changes at a dizzying pace. Therefore, CVC launched a new initiative with the Industrial Automation Business (IAB) in fiscal 2022. In this project, IAB’s development engineers seconded to CVC search for startups and serve as a bridge between IAB and startups, evaluating their technology with a view to investment and co-creation. We also aim to contribute to our portfolio companies by utilizing our human resources in the acceleration program for them. OMRON, with a wide variety of business assets and a system for recruiting people to work on the side, reserves missing pieces that startups need to acquire. To make the most of these business assets and the expertise of our employees, we send members of CVC to the startups in which we invest to accelerate their business growth. Activities undertaken in fiscal 2022 included the improvement of clinical trial protocols and regulatory development to expand the cognitive testing business. OMRON’s acceleration activities not only aim to grow the businesses of the companies in which it invests, but also to provide opportunities for dispatched employees to develop their capabilities and deepen their business insight. Through these initiatives, CVC will continue not only to support startups that have the power to potentially change the world but to develop human resources who will contribute to the realization of the Autonomous Society.

Case 1 **Establishing a mechanism for co-creation between business divisions and startups**

The bottleneck for business companies in promoting co-creation with startups is often the difference in the speed of communication and the processes for responding to change in the environment. Therefore, people at CVC who understand the needs of both business divisions and startups view events from the perspectives of the two parties. They intervene in communication to accelerate co-creation by facilitating open innovation to promote growth of both parties’ businesses. Masayoshi Tsukikawa, a robotics engineer developing AI in IAB, is engaged in such co-creation activities. Based on his own experience as an engineer, he became interested in open innovation with startups as a means of business creation. He volunteered to participate in a project which members were recruited within IAB. Regarding his participation in the project, Tsukikawa says, “Just as I expected, it has been a challenging and rewarding learning experience every day. By looking at IAB from the external perspective of a startup, I am able to recognize the breadth of its business fields and the fast pace of the robotics industry. Each day, I am inspired by memorable experiences and encounters with people that I would never have had if I had simply concentrated on developing products and technologies.”

CVC is enhancing the mechanism for co-creation between business divisions and startups, and Tsukikawa, as a core member of this project, continues to search for startups that have the potential to create synergy with IAB’s business assets.

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Masayoshi Tsukikawa



Case 2 **Implementing an acceleration program that develops both employees and portfolio companies**

Yasuyo Kotake, a member of CVC and a distinguished specialist of technology at OMRON, has planned and implemented new acceleration activities. Kotake provided business support to CogSmart Co., Ltd., a startup in which OMRON has been a lead investor since fiscal 2021. With its vision, “creating a society where everyone can live a healthy and enriched life forever with the power of brain medicine and technology,” CogSmart is developing solutions for prevention of dementia. From fiscal 2022, as part of the support activities, Kotake worked within CogSmart to conduct acceleration activities, utilizing her skills in bioengineering, her field of expertise. Looking back on the time when she started providing support to CogSmart, Kotake says, “I gained a lot of insights through discussions and friendly rivalry with the people at CogSmart in order to resolve the issues that CogSmart was then facing. Not only were the speed and execution capabilities of CogSmart astounding, but I was also inspired by their strong determination to resolve social issues at all costs.” After completing her mission, Kotake returned to CVC and is now supporting another startup, capitalizing on her experience with CogSmart. She has enhanced her capabilities as a bridge between OMRON and startups and moreover as a person who takes the initiative in creating innovation driven by social needs.

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