

**Long-Term Group Vision SF2030  
Medium-Term Management Plan  
SF 1st Stage**

**Investor Briefing**

**March 9, 2022  
OMRON Corporation**

# Contents

## **1. Review of VG2020 (FY2011 – 2021)**

## 2. Long-Term Vision SF2030

## 3. Medium-Term Management Plan 1st Stage (FY2022 – 2024)

# OMRON's Aims Under VG2020/VG2.0

## VG2020 Vision

**Sense, Think & Control. For a Brighter Future for People and the Earth**

## VG2020/VG2.0 Goal (Qualitative)

**To become a quantitatively and qualitatively superior  
global value-creating group**

## VG2.0 Goal (Quantitative)

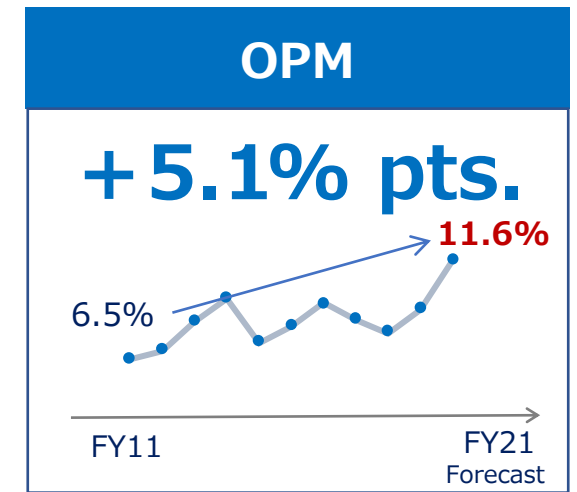
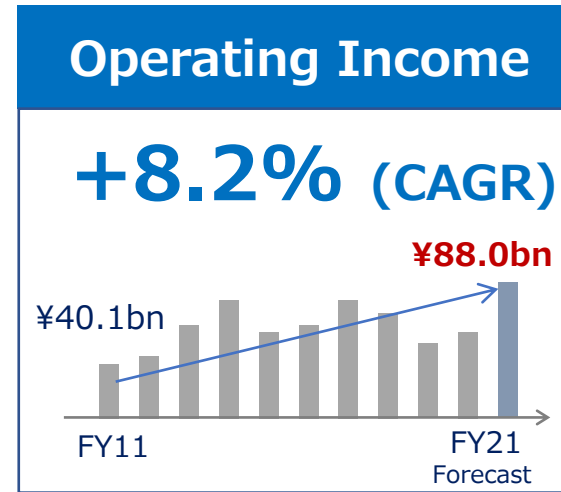
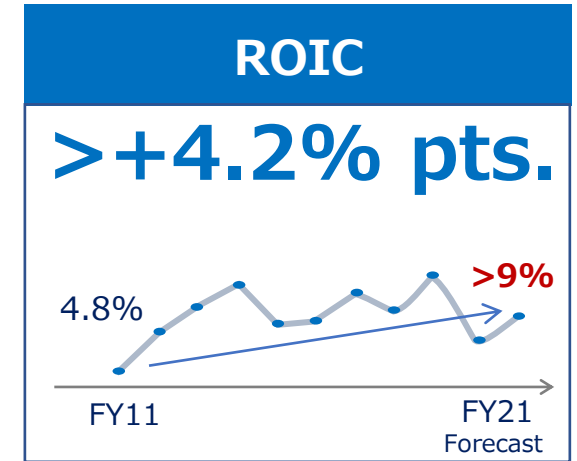
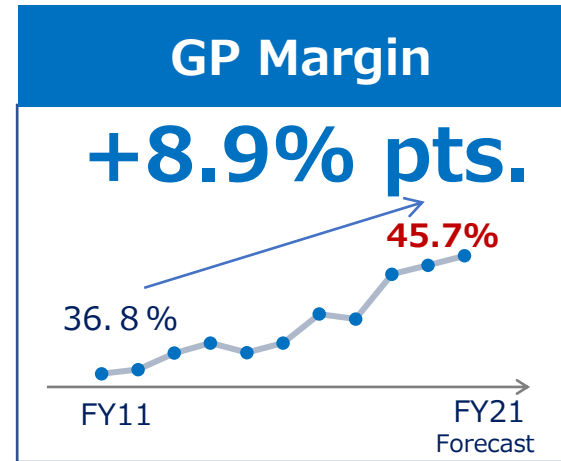
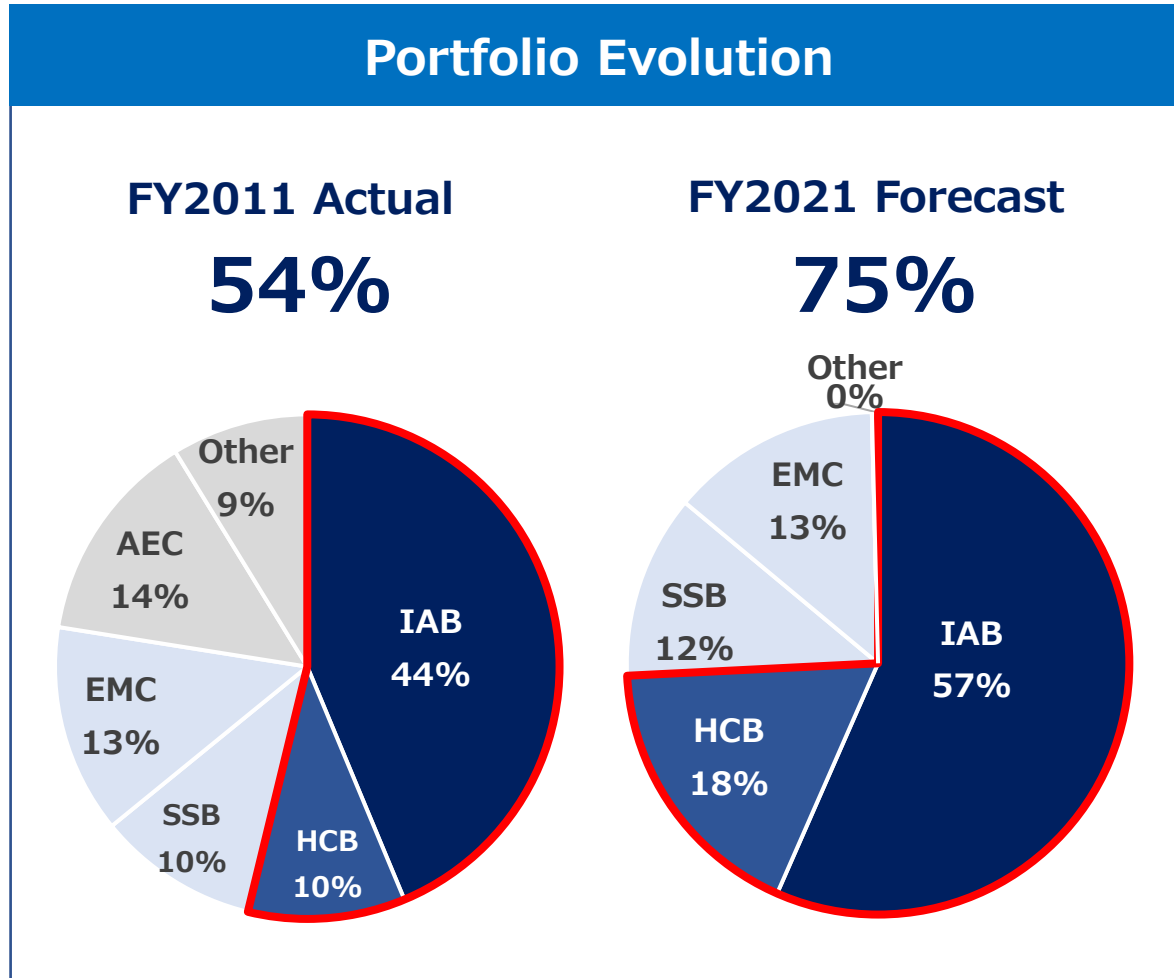
**Net sales: 1 trillion yen, Operating profit: 100 billion yen**

# Review of VG2020/VG2.0

- 1. Improve profitability**
- 2. Achieve self-sustaining growth capability**
- 3. Demonstrate resilience to change**
- 4. Implement sustainability management**
- 5. Practice OMRON Principles Management  
Enhance corporate governance /  
integrated risk management**

# 1. Improve Profitability

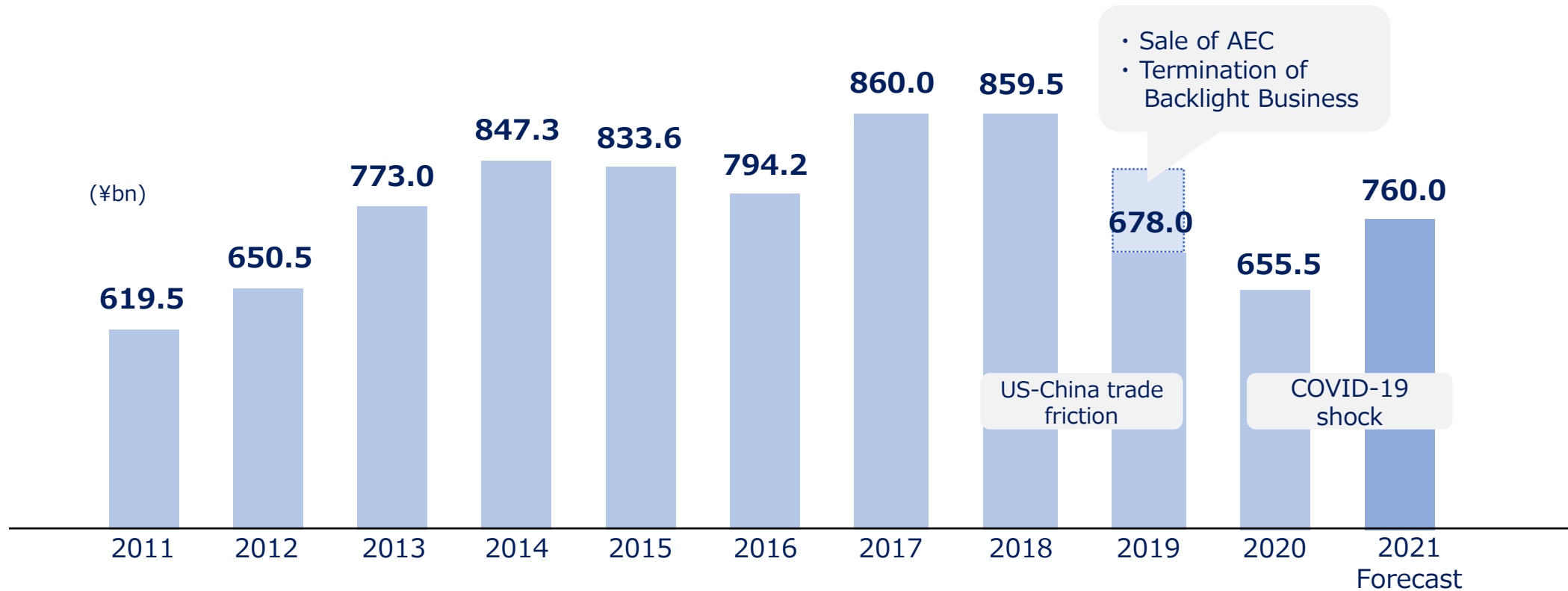
**Raised operating income and operating margin on portfolio evolution, improved GP margin and ROIC. Expect to achieve record high profits in FY2021**



## 2. Achieve Self-sustaining Growth Capability

Still more to do, partly as a result of externalities

Sales Trend



## 3. Demonstrate Resilience to Change

**Demonstrated significant resilience: 2 consecutive years of OP growth despite the pandemic, due to measures such as developing a multi-location production system and leveraging digital technology**

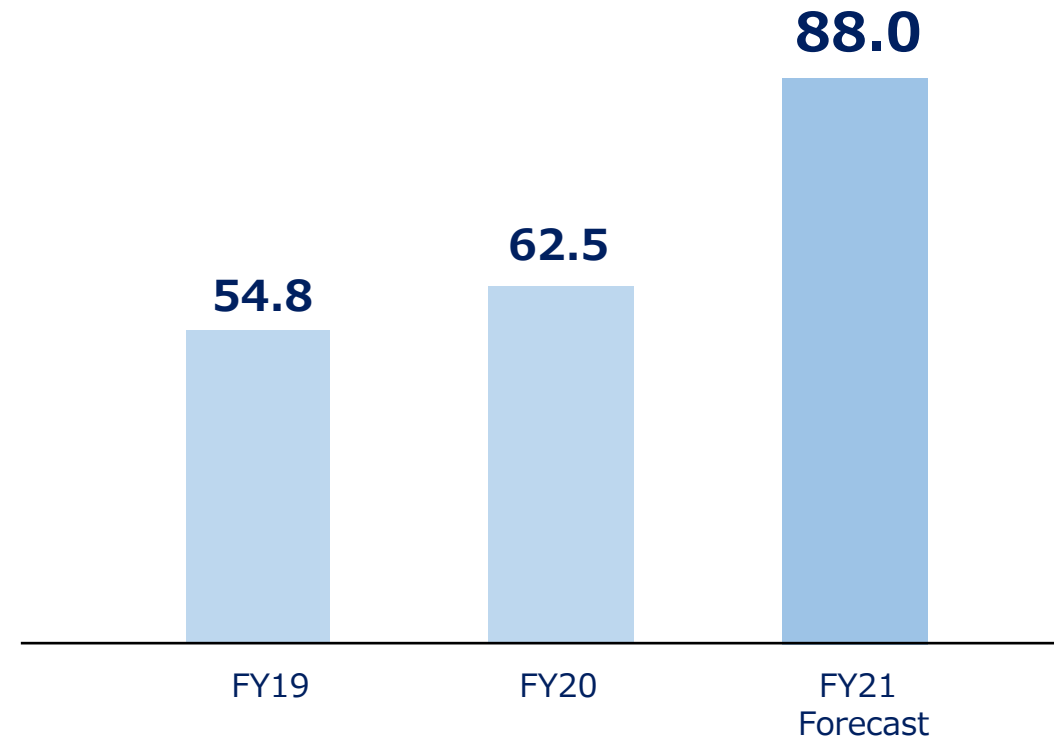
### Major Initiatives

**Established a multi-location production system**

**Business continuity by utilizing digital technology**

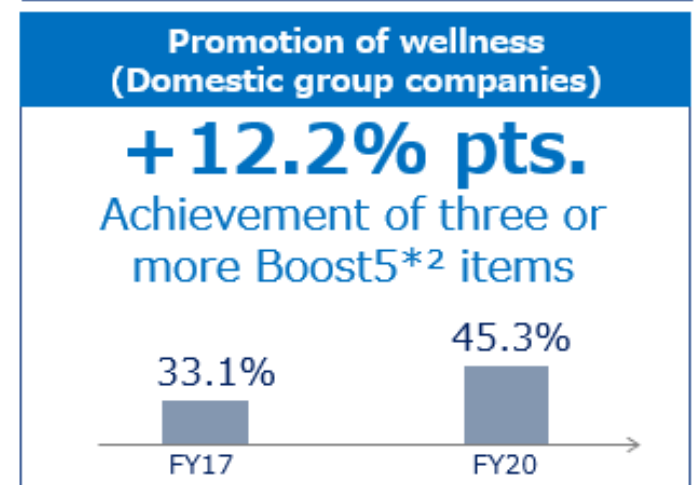
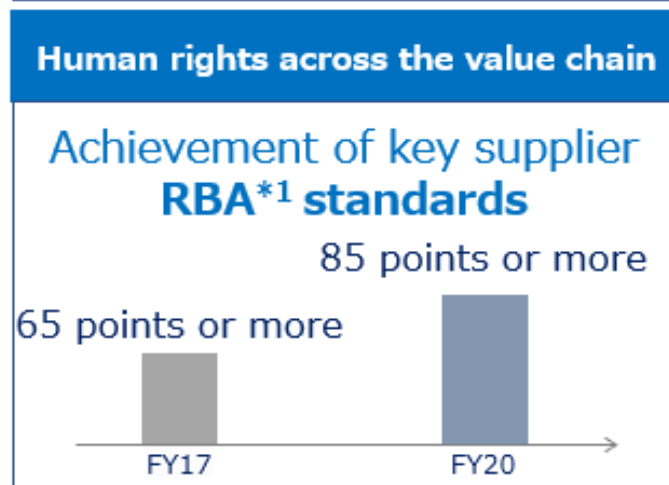
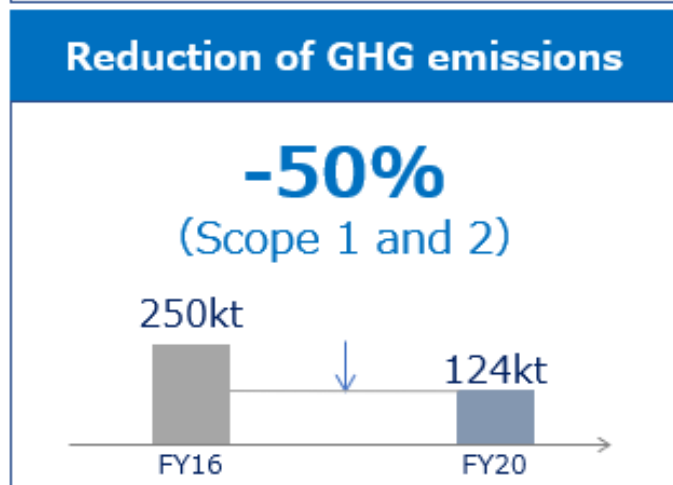
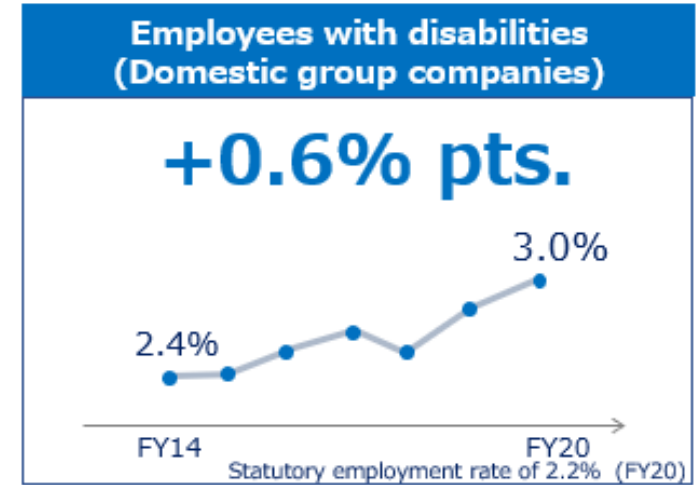
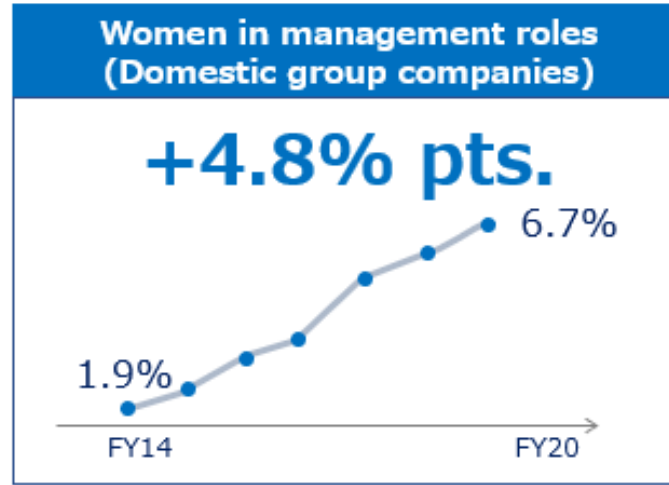
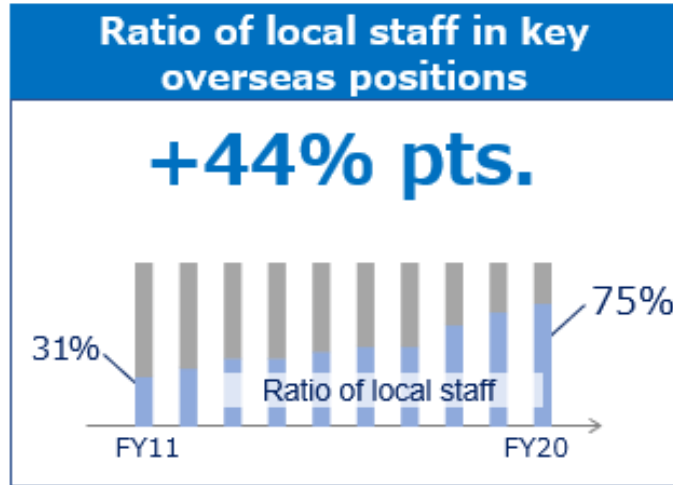
### Operating Profit Trends

(Billion yen)



# 4. Implementing Sustainability Management

Progress on sustainability initiatives such as diversity & inclusion and promotion of initiatives related to the environment, human rights and wellness management



\*1: RBA: Responsible Business Alliance. Global CSR alliance focused mainly on the electronics industry. Implementing self-check aligned with RBA standards

\*2: Boost5: Index of selected metrics covering 5 key themes for mental and physical wellbeing (exercise, sleep, mental health, diet and smoking). Domestic data



## 5. OMRON Principles, Corporate Governance, Integrated Risk Management

**Successfully elevated practices that put the OMRON Principles into action on a global basis through the revised OMRON Principles and TOGA. Also developed a robust foundation as a group by strengthening corporate governance and integrated risk management**

### Practicing OMRON Principles

- Revision of OMRON principles
- Pushing to exercise OMRON principles on site through TOGA\*

### Enhancing Corporate Governance

- Established the OMRON Corporate Governance Policy
- Strengthen to improve effectiveness of Board of Directors

### Enhancing Integrated Risk Management

- Establishing global integrated risk management

# Key External Evaluations During VG Period

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

**DJSI World  
 Selected for 5  
 consecutive years**

**S&P Global  
 Sustainability Award**  
 Gold Class 2021

**Top 1%  
 in the sector**

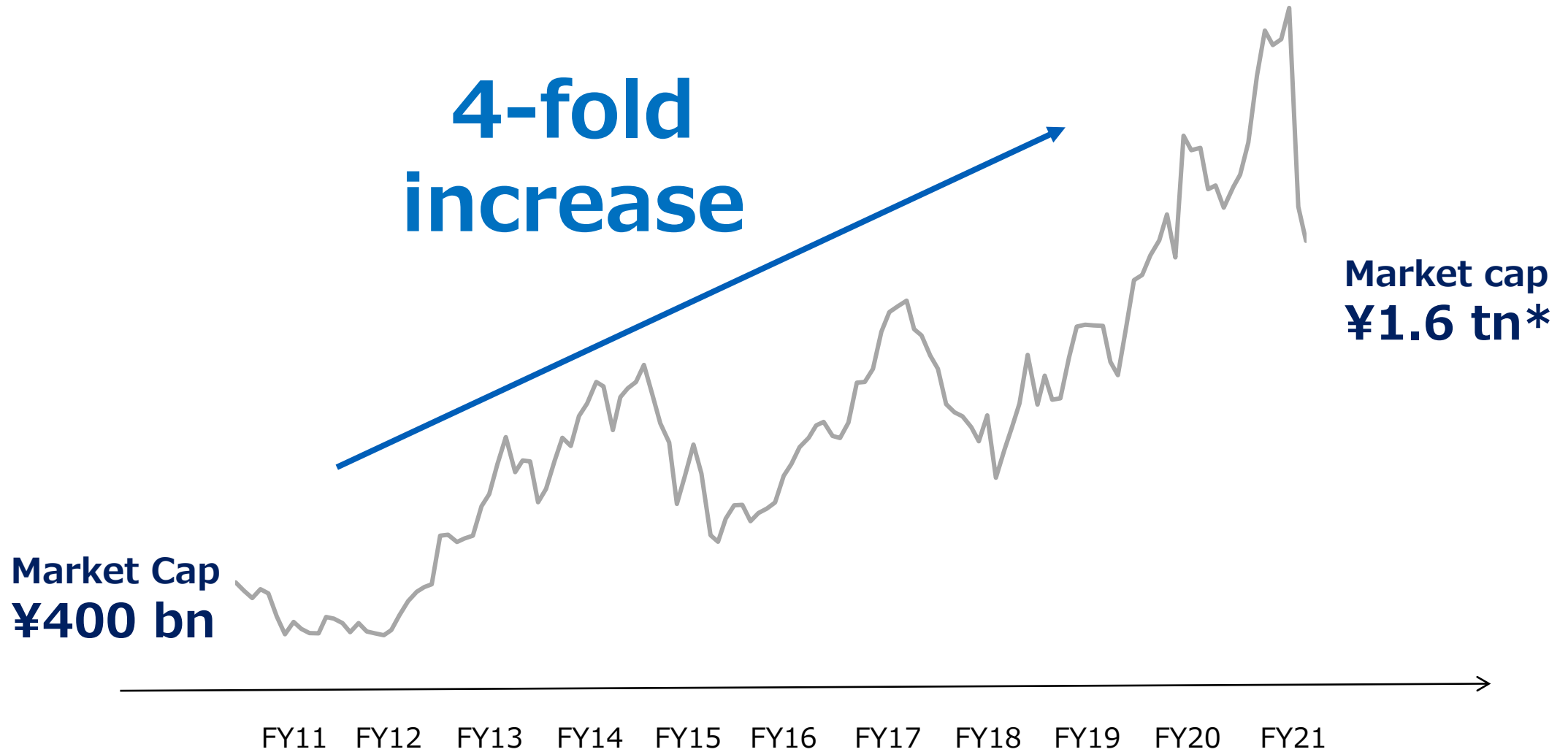
**ecovadis**

**Gold**

**GPIF**

**Selected in all 4  
 ESG indices**

# Trend in Market Capitalization



\* As of February 28, 2022

# Achievements and Challenges

**OMRON's ability to create value clearly improved in VG period. Further evolution needed to continue sustainable growth given rapid social changes resulting from the pandemic**

## Achievements

<b>Transformation of profit structure</b>
<b>Demonstrated resilience in the face of change</b>
<b>Implemented sustainability management initiatives</b>
<b>Practiced OMRON Principles and enhanced corporate governance and integrated risk management</b>
<b>Enhanced Corporate Value</b>

## Challenges

<b>Improving Resilience to Change</b>	<ul style="list-style-type: none"> <li>• Elevating ability to detect change</li> <li>• Rebuilding value chain</li> </ul>
<b>Achieving Self-Sustaining Growth</b>	<ul style="list-style-type: none"> <li>• Growth through value creation</li> <li>• Achieving discontinuous growth through M&amp;A</li> </ul>
<b>Evolution of Corporate Management</b>	<ul style="list-style-type: none"> <li>• Accelerating / completing development of DX platform</li> <li>• Promotion of diversity and inclusion</li> </ul>

## 1. Review of VG2020 (FY2011 – 2021)

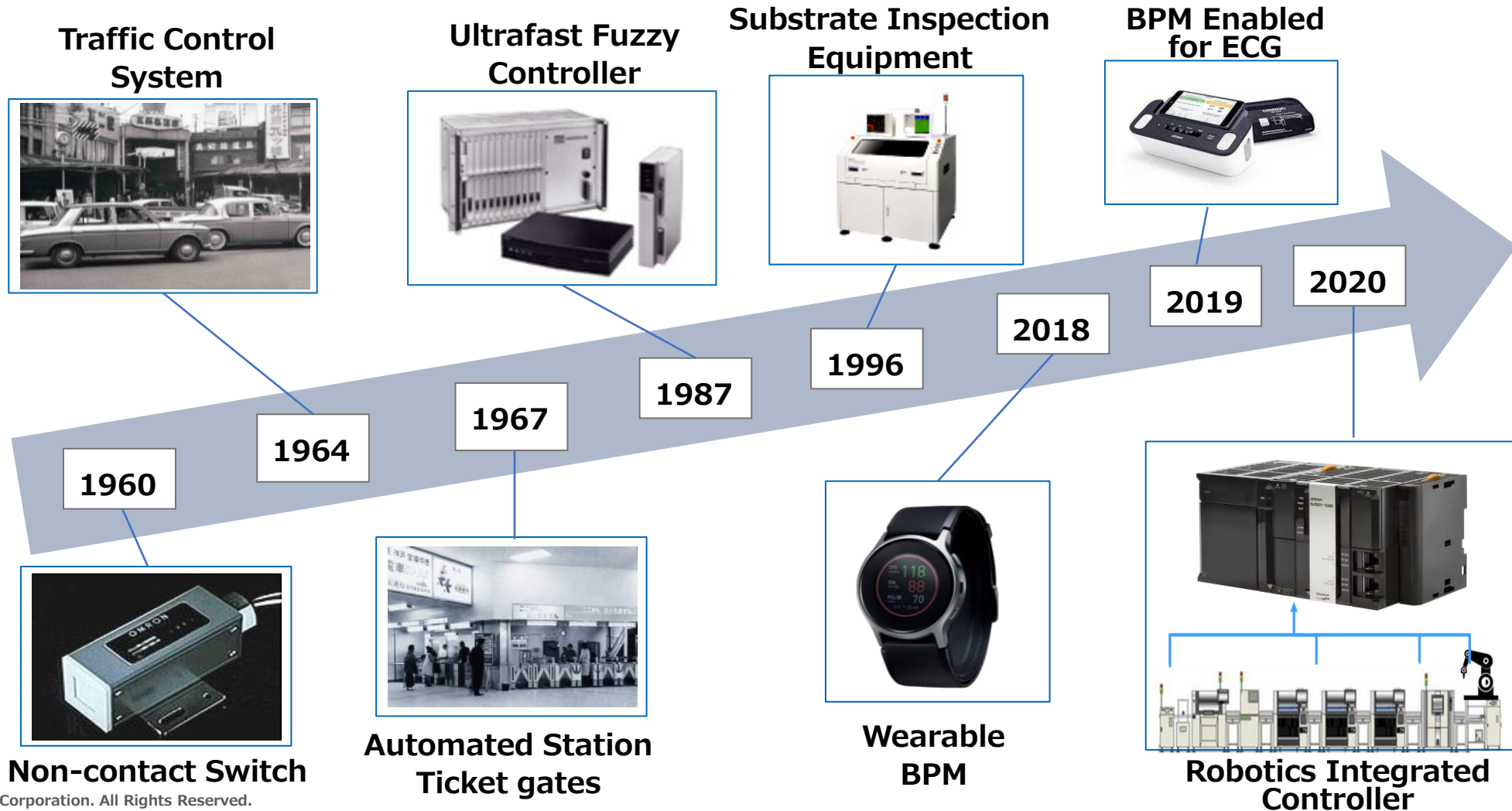
## 2. Long-Term Vision SF2030

- Fundamental Purpose
- A Changing Society: Toward 2030
- Vision Statement
- Creating Social Value

## 3. Medium-Term Management Plan 1st Stage (FY2022 – 2024)

# Value Creation Achieved to Date

**Achieved growth by serially creating world first solutions in response to targeted social issues**



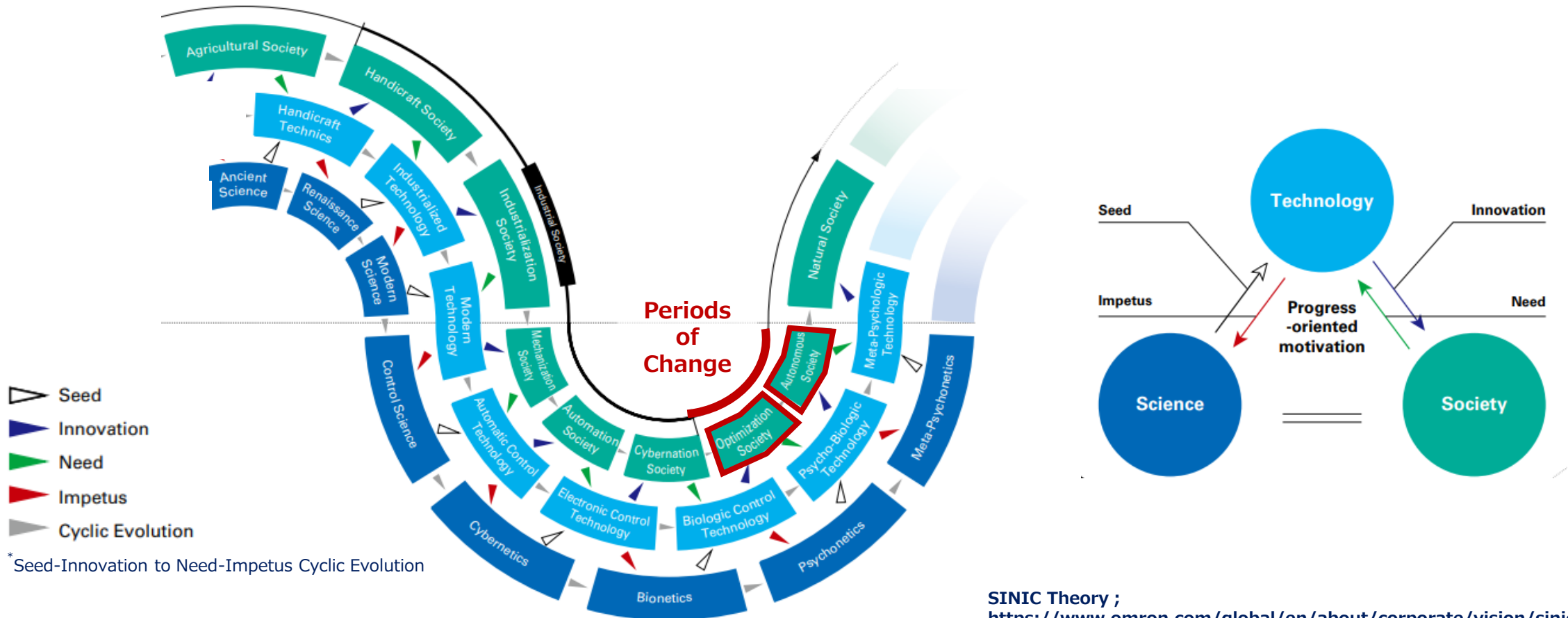
# OMRON's Fundamental Purpose

Continue to contribute to  
society through the  
creation of social value

# From Optimization Society to Autonomous Society

OMRON's SINIC\* Theory identifies the current 'Optimization Society' period as an era of change. We call the new society expected to emerge from the tensions and changes of this period the 'Autonomous Society'. In the Autonomous Society period it is possible to simultaneously pursue a rich overall society and individual self-fulfillment

## Prediction of the Future Based on the SINIC Theory

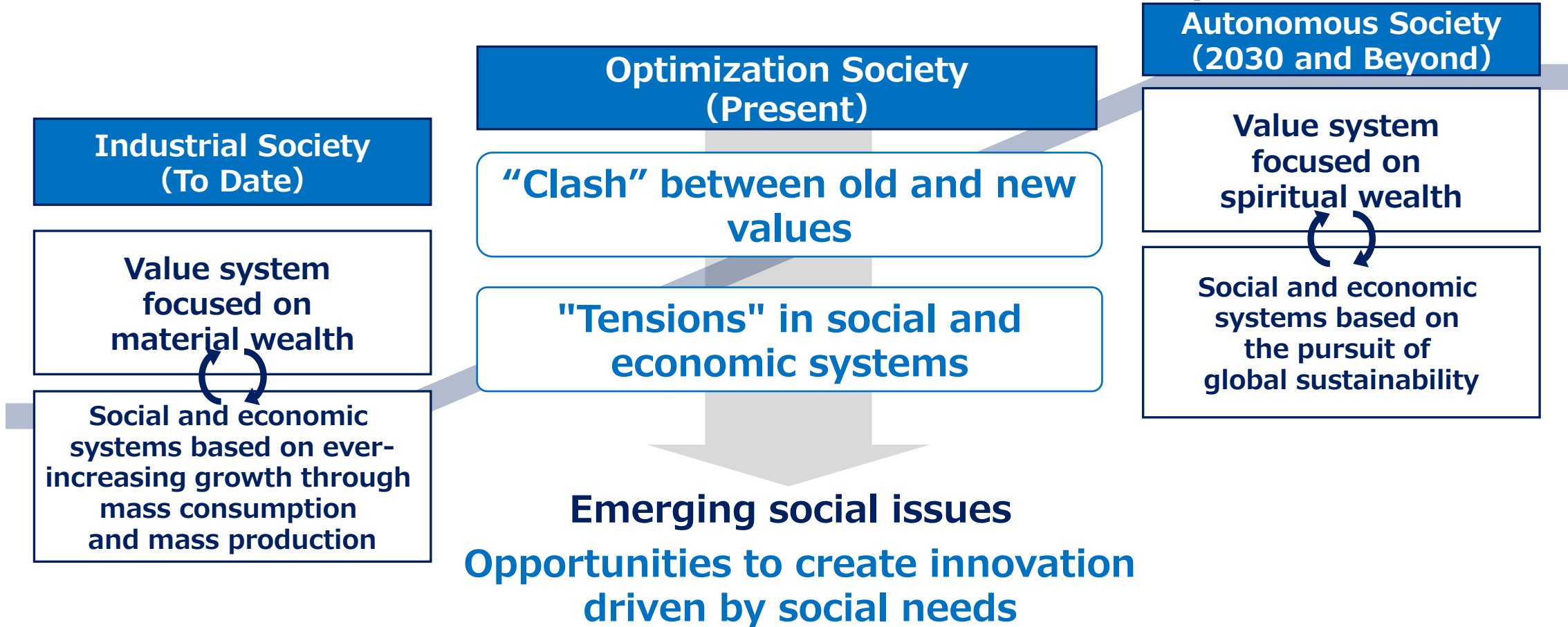




# The Approaching Era

The next 10 years will see an outburst of diverse social issues which will create opportunities for OMRON to demonstrate its fundamental purpose. It will be a period of major opportunities that can lead to dramatic advances and growth

—— Period of Transition to New Social and Economic Systems ——→



# SF 2030

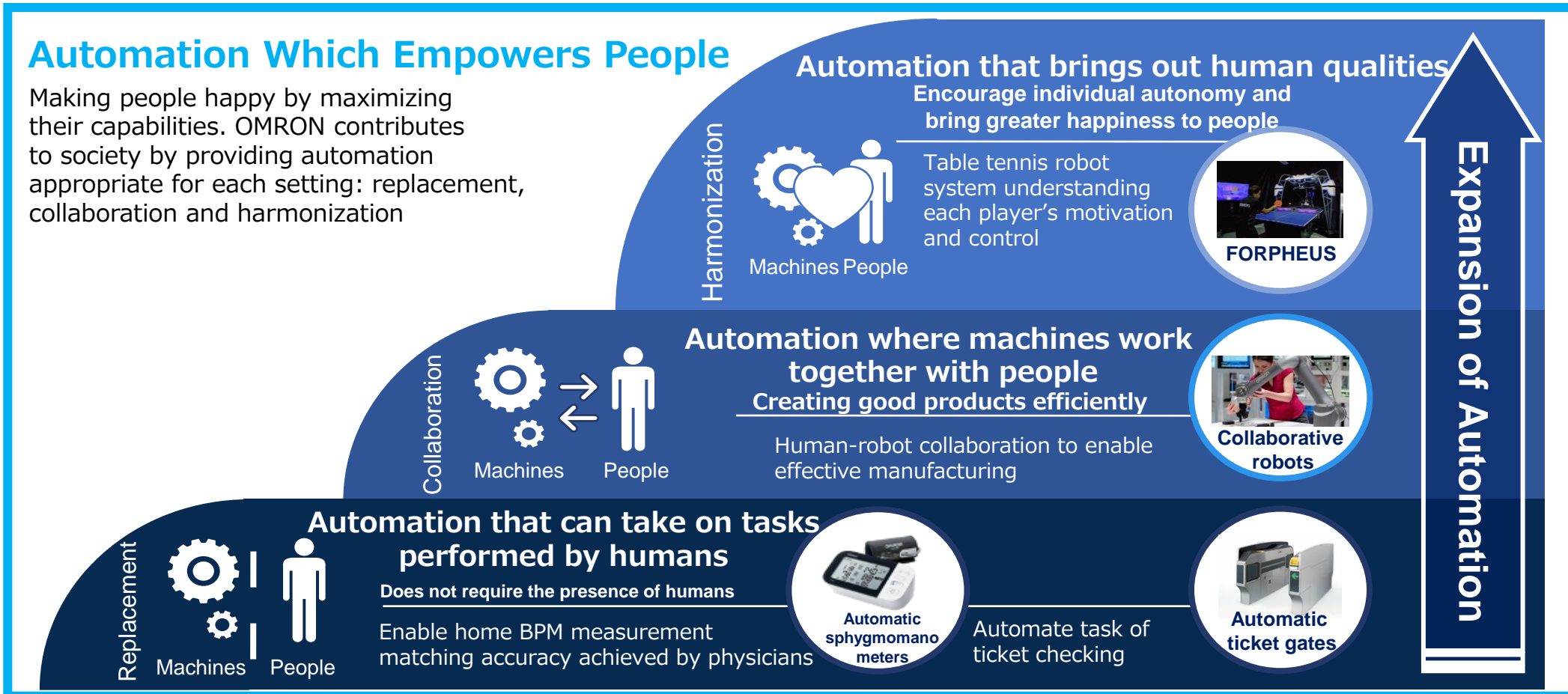
## Shaping the Future 2030

**Continue to create innovation  
driven by social needs with automation  
which empowers people**



# Automation Which Empowers People

**OMRON's core technologies Sensing & Control + Think have expanded automation beyond replacements for workers. OMRON provides automation that empowers people to maximize their capabilities through collaboration and harmonization**





# Social Issues Addressed by OMRON

**Social issues addressed by OMRON leverage its strengths and have a major social impact: Achieving Carbon Neutrality, Realization of Digital Society and Extending Healthy Life Expectancy**

## Achieving Carbon Neutrality



## Realizing a Digital Society

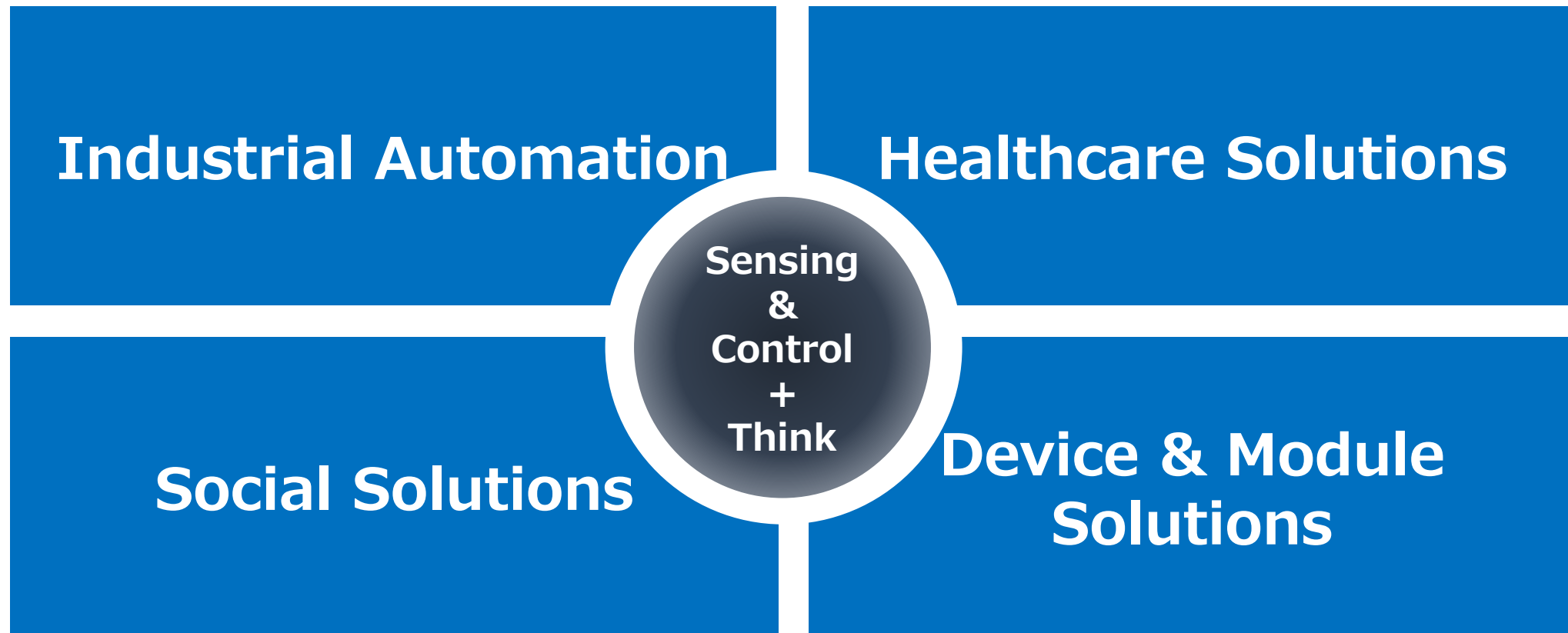


## Extending Healthy Life Expectancy



# 4 Domains

**Create social value through our business by developing solutions to social issues in 4 domains**





**Social Value to be Created:  
Contributing to the advancement of  
manufacturing that will support a  
sustainable society**

What OMRON will achieve :

- 1. Maximize productivity and energy efficiency**
- 2. Develop a workplace that allows people to maximize their potential**
- 3. Improve operational processes.  
Enhancing operational efficiency in engineering**

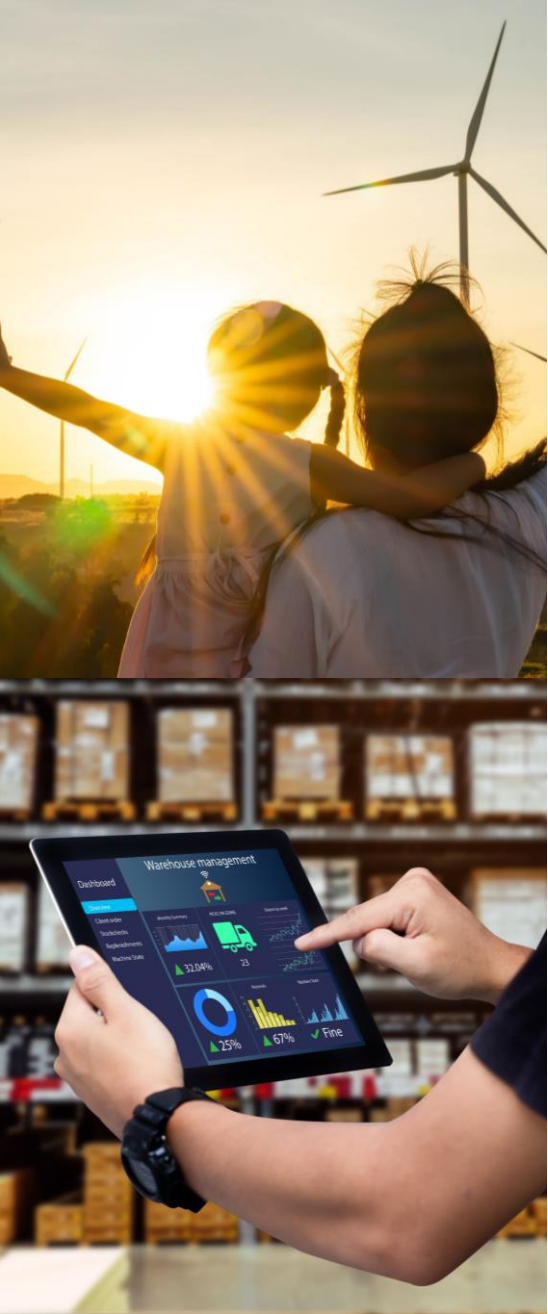


## **Social Value to be Created: Contributing to the achievement of "Zero Events" for cardiovascular diseases**

What OMRON will achieve :

- 1. Create devices that measure vital sign data in everyday settings**
- 2. Support the adoption of remote medical service which will use algorithms to support doctors in making diagnostic and treatment decisions**
- 3. Develop new preventative medical service**





**Social Value to be Created:  
Contributing to the adoption and  
efficient use of renewable energy and  
a sustainable infrastructure to  
support digital society**

What OMRON will achieve :

- 1. Provide a control system to stabilize power generation**
- 2. Develop a management and service system that will support efficient use of shop floor systems**
- 3. Enhance the overall operational efficiency of social infrastructure**





## **Social Value to be Created: Contributing to the take-up of new energy\* and high-speed communications**

What OMRON will achieve :

- 1. Create devices to elevate equipment safety**
- 2. Create microwave-enabled devices capable of maintaining stable connectivity**
- 3. Create devices that generate a low environmental burden**

\*New energy: Refers to innovative energy sources such as renewable energy, hydrogen and fuel cells

# Evolution of Business Model: From Products to Products & Services

**Pursue the highest level of value generation for society by focusing not just on products but combinations of products and services.  
Create value for society through co-creation with partners**

Deploying value to society through businesses where differences in products continue to be important



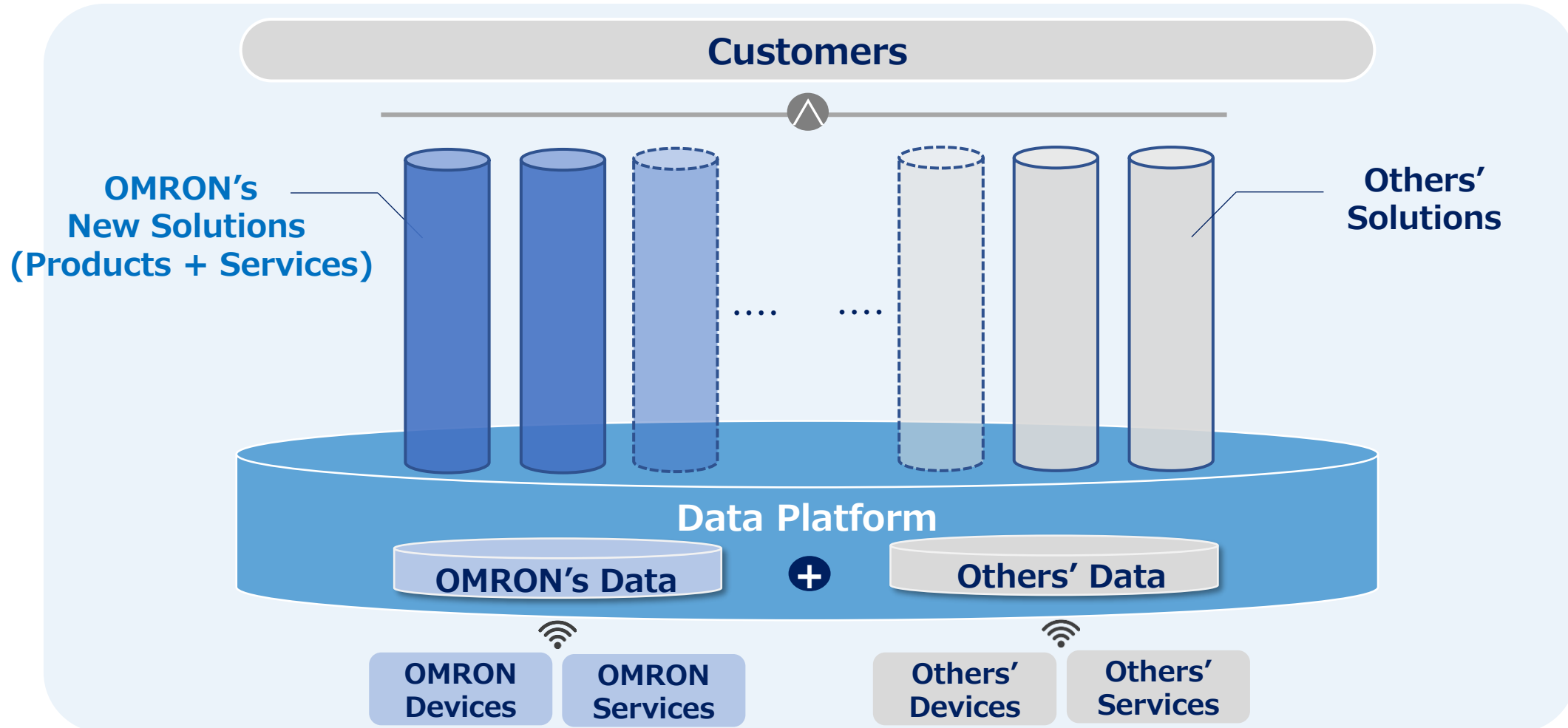
Deploying value to society through businesses where value is generated by the use of products



**Co-creation with partners**

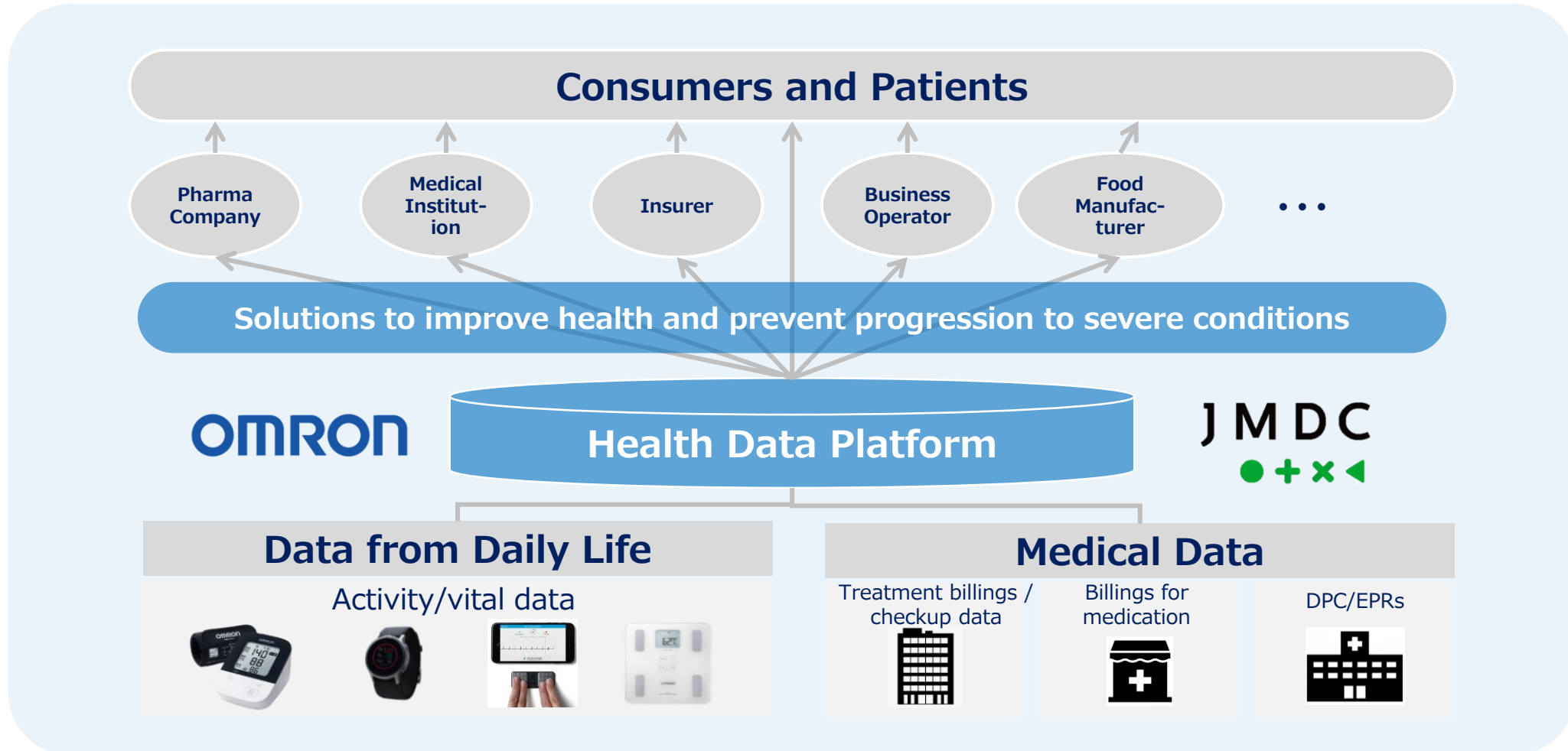
# Value Creation Driven by Data

Develop data platform that links data generated by OMRON devices and services to data of others; leverage to create new solutions (products + services)



# Capital and Business Alliance with JMDC

Create solutions to promote wellness and prevent worsening of medical conditions through alliance: develop platform to harmonize/analyze personal health data of both





# SF 2030

## Shaping the Future 2030

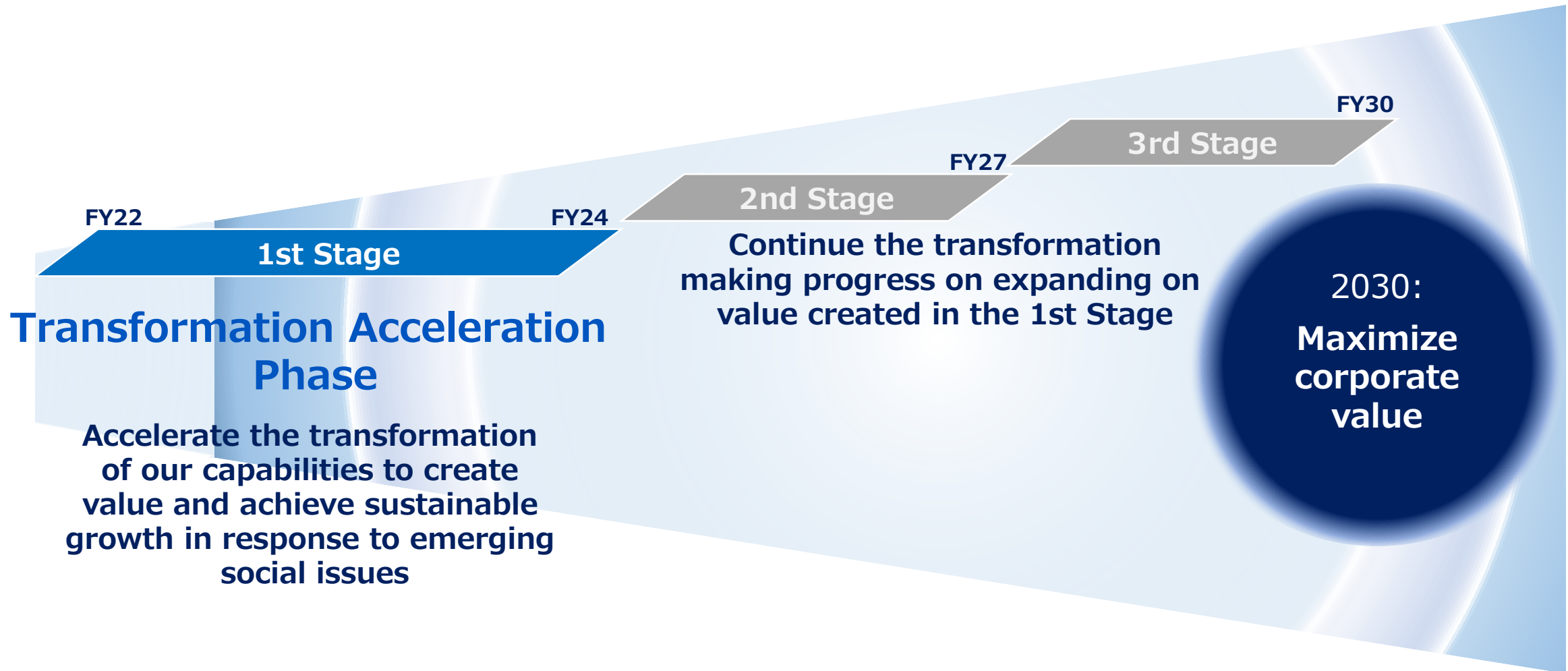
**Continue to create innovation  
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- 1. Review of VG2020 (FY2011 – 2021)**
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  - SF 1st Stage Strategies & Policies**
  - Transformation of Business
  - Transformation of Corporate Management and Organizational Capabilities
  - Strengthening Sustainability Initiatives
  - Management Targets

# Positioning of 1st Stage

**OMRON positions 1st Stage as a period of accelerating the transformation of its capabilities to create value in response to social issues and to grow sustainably**



# 1st Stage Overall Policy and Group Strategy

## 1st Stage Overall Policy

**Taking on the challenge of value creation by accelerating transformation**

### 1. Transformation of Business

- Evolution of 4 core businesses
- Expansion of customer asset-type service businesses
- Creation of new businesses sparked by social issues

### 2. Transformation of Corporate Management and Organizational Capabilities

- Acceleration of diversity & inclusion
- Data-driven enterprise operations through DX
- Improvement of supply chain resilience

### 3. Strengthening Sustainability Initiatives

- Reduce GHG emissions toward decarbonization and lower the environmental burden
- Thoroughly address human rights issues on a global basis



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# Creating Social Value

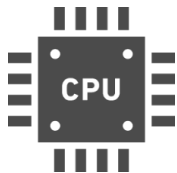
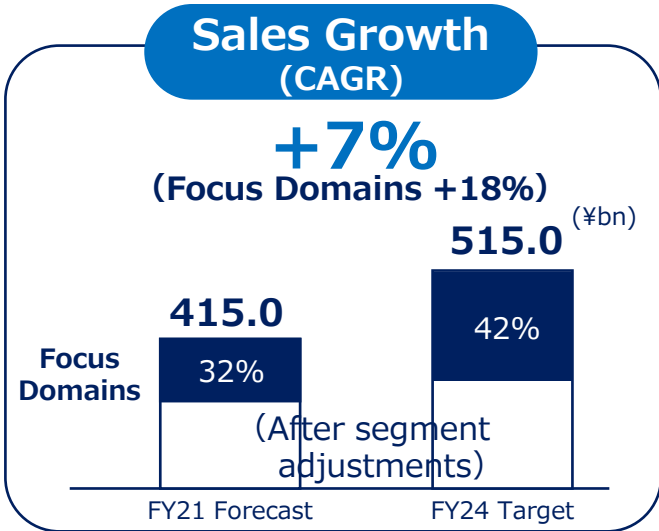




**Create social value through our business by developing solutions to social issues in 4 domains**

Domain [Core Business]	Social Issues	Achieving Carbon Neutrality	Realizing a Digital Society	Extending Healthy Life Expectancy
Industrial Automation [IAB]		Contributing to the advancement of manufacturing which will support a sustainable society		
Healthcare Solutions [HCB]				Contributing to "Zero Events" for cardiovascular diseases
Social Solutions [SSB]		Contributing to the adoption and efficient use of renewable energy and sustainability of infrastructure to support a digital society		
Device & Module Solutions [EMC]		Contributing to the adoption of renewable energy and high-speed communications		

# Evolution of 4 Core Businesses: IAB

**Achieve high growth by shifting business domains to growth industries where manufacturing is changing as the world migrates toward a sustainable society.**

**Achieve strong growth on continued evolution of innovative-Automation**

Focus Domains	Key Initiatives	Targets									
	<p><b>Digital</b></p>	<p><b>Sales Growth (CAGR)</b></p> <p><b>+7%</b></p> <p>(Focus Domains +18%)</p>  <table border="1"> <caption>Sales Growth Data</caption> <thead> <tr> <th>Year</th> <th>Focus Domains (¥bn)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY21 Forecast</td> <td>415.0</td> <td>32%</td> </tr> <tr> <td>FY24 Target</td> <td>515.0</td> <td>42%</td> </tr> </tbody> </table>	Year	Focus Domains (¥bn)	Percentage	FY21 Forecast	415.0	32%	FY24 Target	515.0	42%
Year	Focus Domains (¥bn)	Percentage									
FY21 Forecast	415.0	32%									
FY24 Target	515.0	42%									
	<p><b>NEV</b></p>										
	<p><b>Food/ Household Goods</b></p>										
	<p><b>Medicine</b></p>										
	<p><b>Logistics</b></p>										
	<ul style="list-style-type: none"> <li>● Strengthened competitive edge through evolution of innovative-Automation</li> <li>● Enhanced Automation Centers/SEs</li> <li>● Accelerate global deployment of i-BELT which maximizes productivity and energy efficiency</li> </ul> <p style="text-align: center;">&lt;Co-creation with Partners&gt;</p> <ul style="list-style-type: none"> <li>● Accelerate acquisition of AI/5G/Robotic technology</li> </ul>	<p><b>Social Value KPI</b></p> <p>No. of companies that have adopted innovative-Automation</p> <p><b>5,000</b></p> <p>(2X FY2021)</p>									

# Evolution of 4 Core Businesses: HCB

**Further growth of the device business on a global basis and expanding the remote medical service**

## Focus Domains

## Key Initiatives

## Targets



**Cardiovascular**

- Strengthen marketing in regional cities in China and the India market



**Respiratory**

- Evolution from BPMs to cardiovascular devices



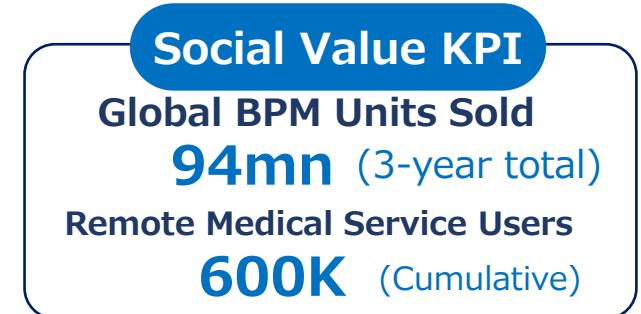
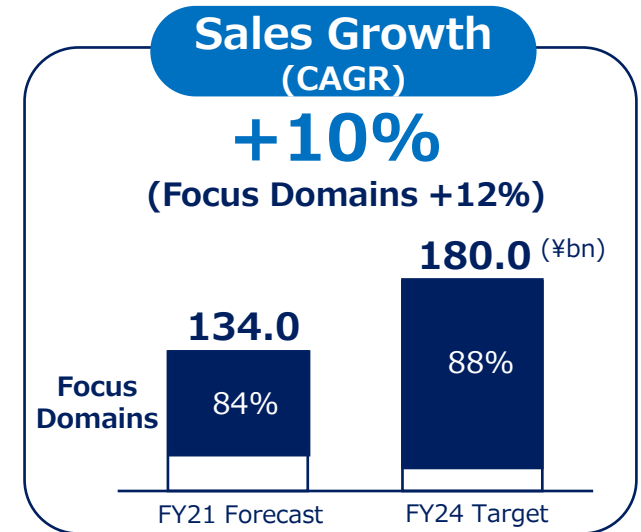
**Pain Management**

- Creating innovative devices to expand the value of the respiratory equipment business



**Remote Medical Service**

- <Co-creation with Partners>
- Alliances with service providers to lay the foundations for expansion of the remote monitoring service



# Evolution of 4 Core Businesses: SSB

**Expand the renewable energy control business and accelerate transformation of the business model for the core railway-related business**

## Focus Domains



**Renewable Energy Control (Housing/Industrial)**



**Management & Service**

## Key Initiatives

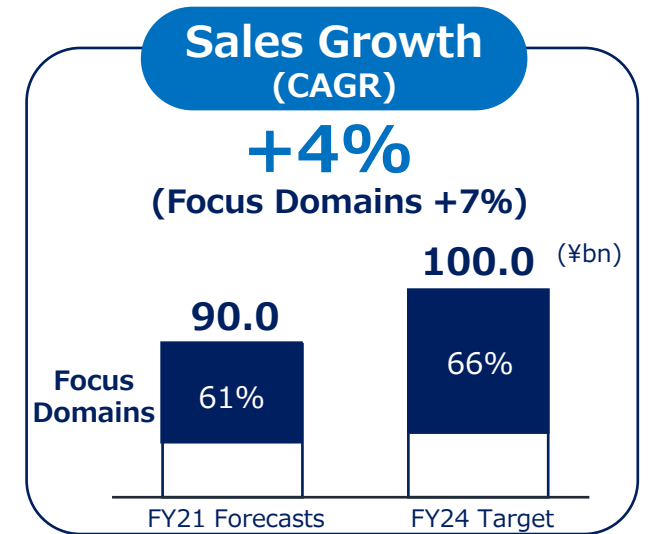
- Introduce/expand storage system enabled for remote control
- Create/expand recurring service businesses
- Complete restructuring of railway-related business

### <Co-creation with Partners>

- Accelerate adoption of storage system for industrial PPA\* business through alliances with electric power retailers

\* Power Purchase Agreement

## Targets



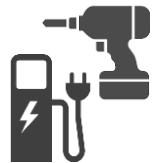
# Evolution of 4 Core Businesses: EMC

**Establish growth path by capturing growing needs for high function devices driven by migration to DC to ease environmental burden, and digitalization of society**

## Focus Domains

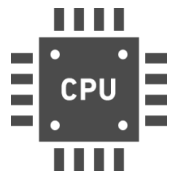
## Key Initiatives

## Targets



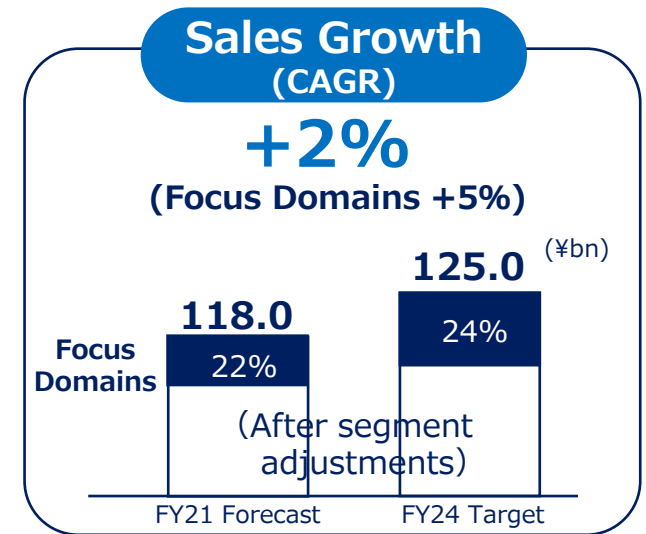
**DC (Direct Current) Equipment**

- Create new products that make it possible to safely control direct current
- Create new products that enable stable connectivity for microwave signals



**Microwave Devices**

- <Co-creation with Partners>**
- Early participation in new designs for leading companies and alliances with think-tanks and technology ventures

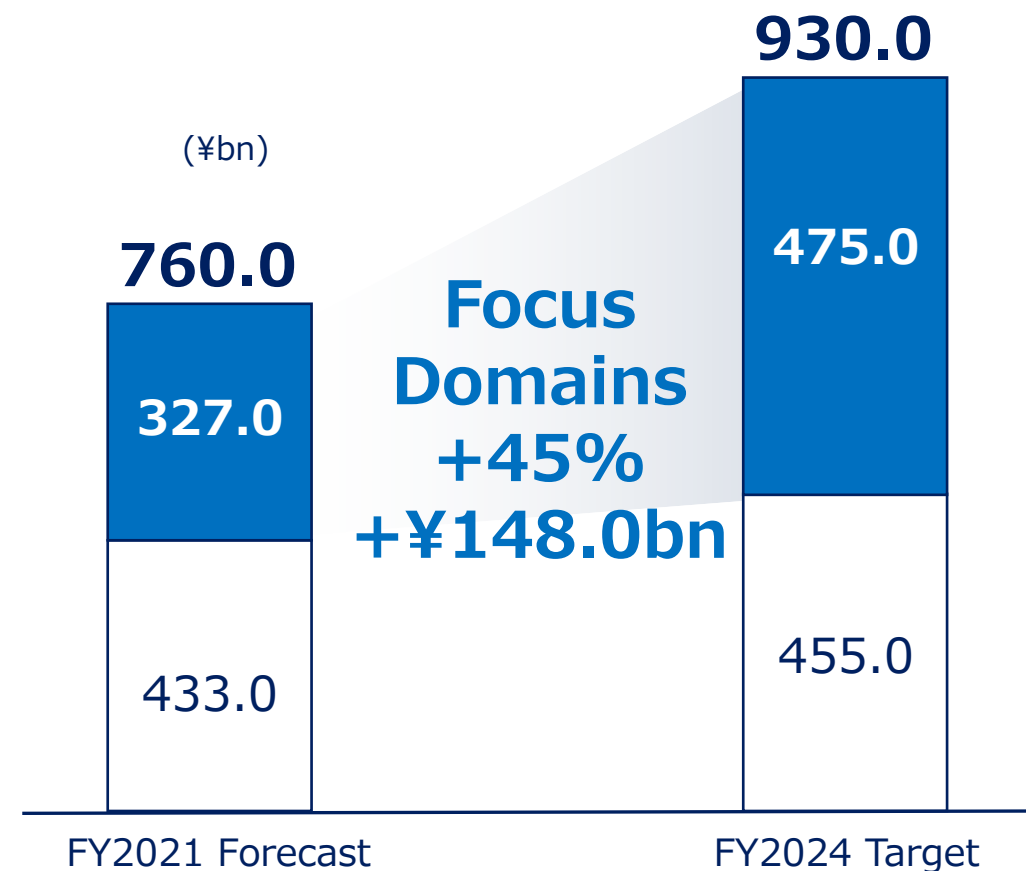


# Evolution of 4 Core Businesses: Sales Growth in Focus Domains

**OMRON Group's growth to be led by the focus domains, primarily by the IAB business**

**Focus Domain Sales Growth and Growth Rates (versus FY2021)**

<b>Industrial Automation (IAB)</b>	Digital, NEV, Food & Household Goods, Medicine, Logistics	<b>+ ¥87.5 bn</b>
<b>Healthcare (HCB)</b>	Cardiovascular, Respiratory Equipment, Pain Management, Remote Medical Service	<b>+ ¥45.5bn</b>
<b>Social Systems, Solutions &amp; Service (SSB)</b>	Renewable Energy Control (Housing/Industrial), Management & Services	<b>+ ¥11.5bn</b>
<b>Electronic &amp; Mechanical Components (EMC)</b>	DC Equipment, Microwave Devices	<b>+ ¥3.5bn</b>





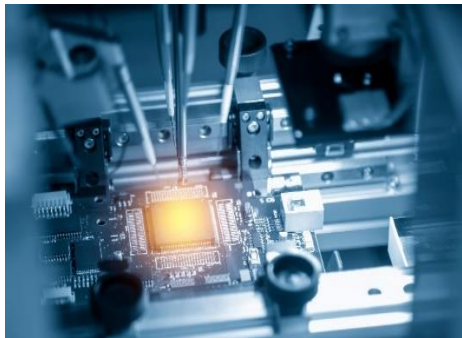
# Evolution of 4 Core Businesses: IAB's Growth Opportunities

**Capturing growth opportunities: 5 focus domains where investment levels are high**

## Growth Opportunities in Focus Domains

### Digital

Production capacity expansion and ultra-miniaturization



### Environmental Mobility

Highly efficient production of EV parts



### Food & Household Goods

Technological innovation to eliminate plastic in packaging



### Medicine

Enhanced traceability to prevent distribution of counterfeit drugs



### Logistics

Automation of logistics operations



## Common Themes Across Industries

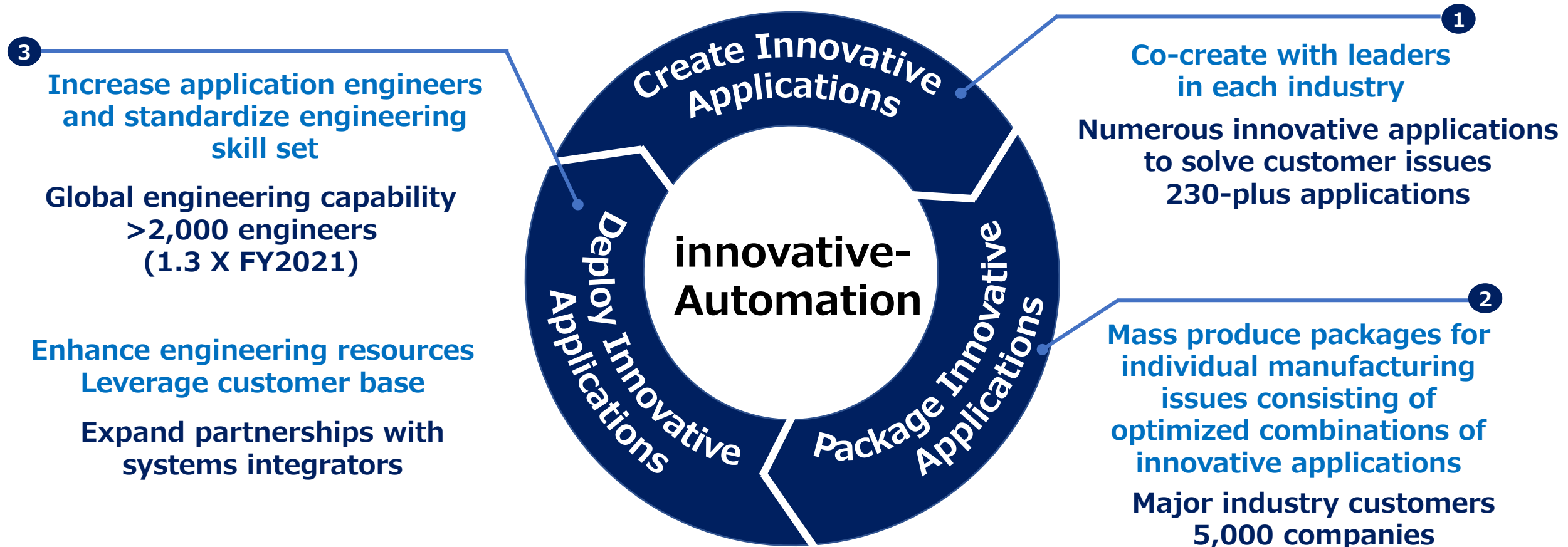
Improve energy efficiency, address labor shortages and create pleasant manufacturing workplaces



# Evolution of 4 Core Businesses: Advances in the IAB Application Business

**The application business embodies innovative-Automation. Powerfully leverage the application business virtuous cycle to achieve FY2024 sales target of 530 billion yen**

## Unique Application Business Enabling OMRON Wins in Growth Opportunities



# Evolution of 4 Core Businesses: Innovative Applications Created by IAB

## Automation which exceeds human capabilities



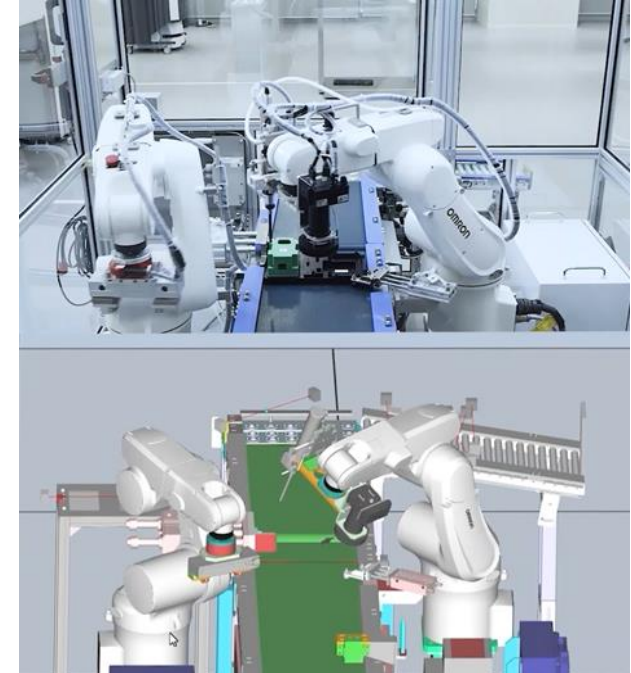
- Production lines enabled to achieve both energy control and improved productivity
- Facilities able to autonomously detect changes
- Replicate master craftsmanship

## Sophisticated human-machine collaboration



- Intelligent machines to support workers on the shop floor
- Lines where workers and machines flexibly collaborate
- Seamless cooperation between humans and machines

## Innovation in digital engineering

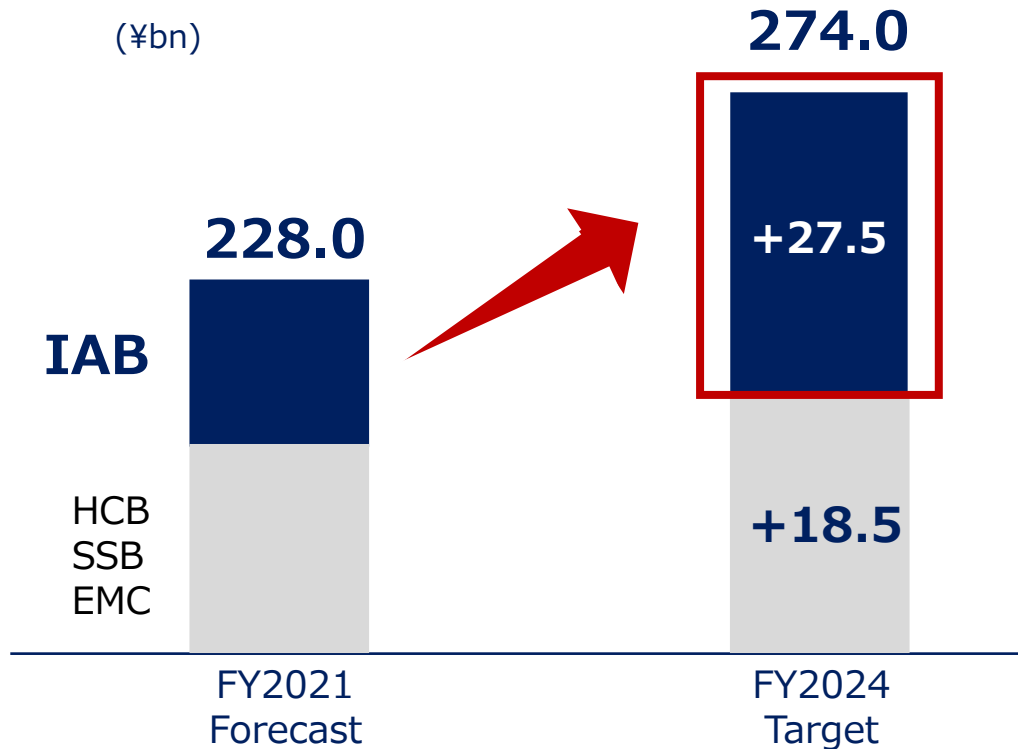


- Manufacturing management combining robotic integrated controller and digital twinning
- Digital maintenance which exceeds the ability of master craftsmen
- Virtual facility design integrated with production lines

# Evolution of 4 Core Businesses: Allocation of Management Resources to IAB

**Proactively invest in IAB's high growth potential. Allocate resources to the creation of new applications and human capital to generate new value**

## 4 Core Businesses: SG&A and R&D Expenses



## Major IAB Investments

- Product development, such as new applications and robots
- Investment in human capital, such as hiring application engineers and improving capabilities
- Developing the foundations for expanding service businesses

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# Transformation of Corporate Management and Organizational Capabilities

**Establish 3 areas for accelerated transformation. Evolve operational foundations for corporate management/business operations and organizational capabilities**

## Acceleration of Diversity & Inclusion

- **Accelerate global initiatives to attract diverse human resources and implement strategies that allow each individual to fully live up to their potential** to support the expansion of business areas and creation of new value

## Data-driven Enterprise Operations Through DX

- **Expand data-driven value creation and improve operational productivity** through the adoption of digital technologies (Establish DX platform model, implement in selected regions)

## Improvement of Supply Chain Resilience

- **Evolve supply chain management for all businesses, based on assumptions of a high level of uncertainty**
  - Develop supply network optimized for regions where demand is growing
  - Elevate the sustainability of the overall supply chain (Step up initiatives for decarbonization and human rights)

# OMRON's Concept of Diversity & Inclusion

## Diversity

Attract diverse people  
who will take on the challenge  
of the creation of a better  
society

&

## Inclusion

Unleash the passion and  
ability of each individual,  
create innovation by  
bringing our diverse  
personalities together  
and share the fruits  
of our labor

### Image of Required Human Resources

- Individuals passionate about solving social issues
- Individuals who continue to hone their specialties to realize their ambitions
- Individuals who care about the team as a whole and who are self-starters that demonstrate leadership



# Initiatives to Accelerate Diversity & Inclusion

**Accelerate implementation of HR policies to accelerate D&I. Improve human creativity by 7%**

Attract diverse human resources

Create innovation by unleashing passion and ability

Framework for sharing co-creation and achievements

## Evolution of Human Resource Policies

Global hiring of specialist human resources to lead value creation

Promote localization of globally important positions

Promote career advancement for women by developing next-generation leaders

Implement and expand diverse career, employment status and working styles choices

## Invest in individuals keen to grow

## Establish Jobs program with defined roles, responsibilities and specialties

Cultivate a workplace environment that supports personal growth and motivated individuals

## Initiatives and programs to share achievements which solve social issues

## Performance Indicators

HR portfolio sufficiency rate

>80%

Global ratio of women in management roles >18%

VOICE SEI >70 points

**HR development investments**  
**¥6 bn 3-year total**

**Complete introduction of defined Jobs program**

VOICE & bottom-up FB Scores

- Evolution of TOGA
- Adoption of MT equity linked compensation for global management positions

## FY2024 Target

**Human Creativity\***  
(vs. FY2021)  
**+7%**

\*Added value per unit cost of employee

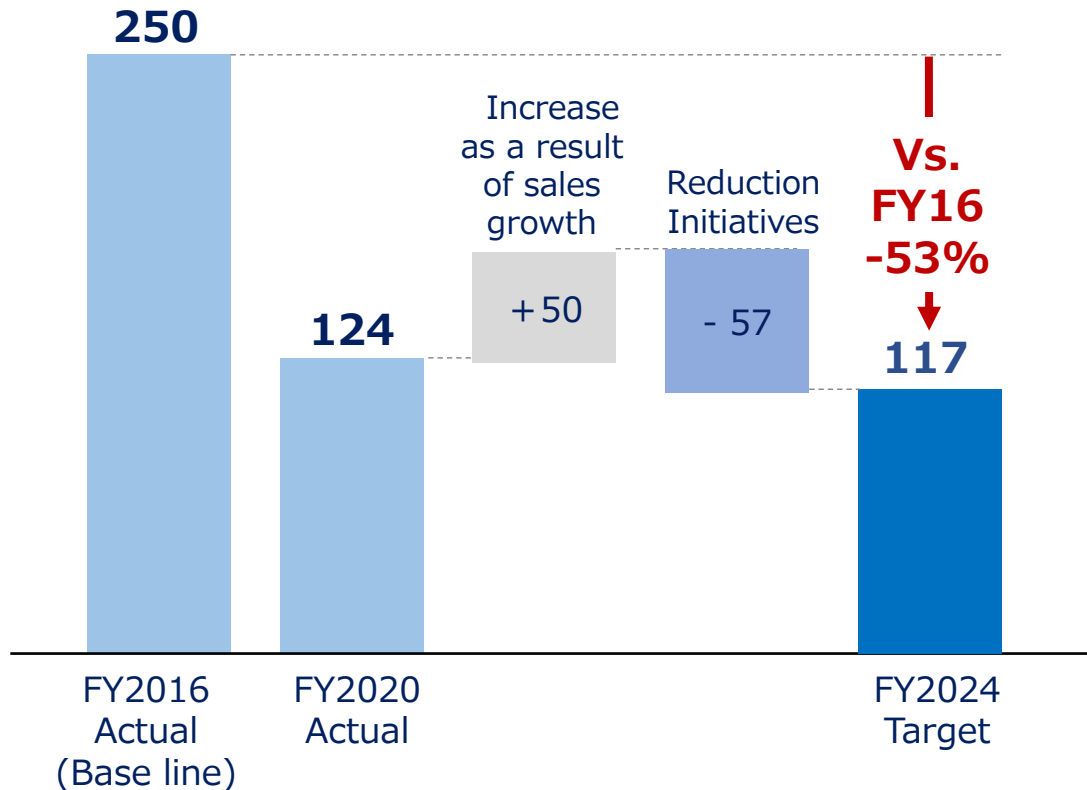
- 1. Review of VG2020 (FY2011 – 2021)**
- 2. Long-Term Vision SF2030**
- 3. Medium-Term Management Plan 1st Stage (FY2022 – 2024)**
  - SF 1st Stage Strategies & Policies
  - Transformation of Business
  - Transformation of Corporate Management and Organizational Capabilities
  - **Strengthening Sustainability Initiatives**
  - Management Targets

Accelerate Initiatives for Decarbonization, Lowering the Environmental Burden: Scope 1 & 2

**Target 53% reduction of GHG emissions by FY2024. Aim to achieve Carbon Zero at domestic locations. Lead efforts to realize carbon neutrality for society as a whole; leverage into product competitiveness**

**GHG Emissions Track Record and Targets**

(Unit: kt-CO2)



**Objectives and Initiatives**

**Domestic**

**Achieve Carbon Zero\* at all 76 locations**

- Expanding energy savings/generation
- Leverage J Credits accumulated by SSB's energy business

**Global**

**Expand energy savings/generation at all locations**

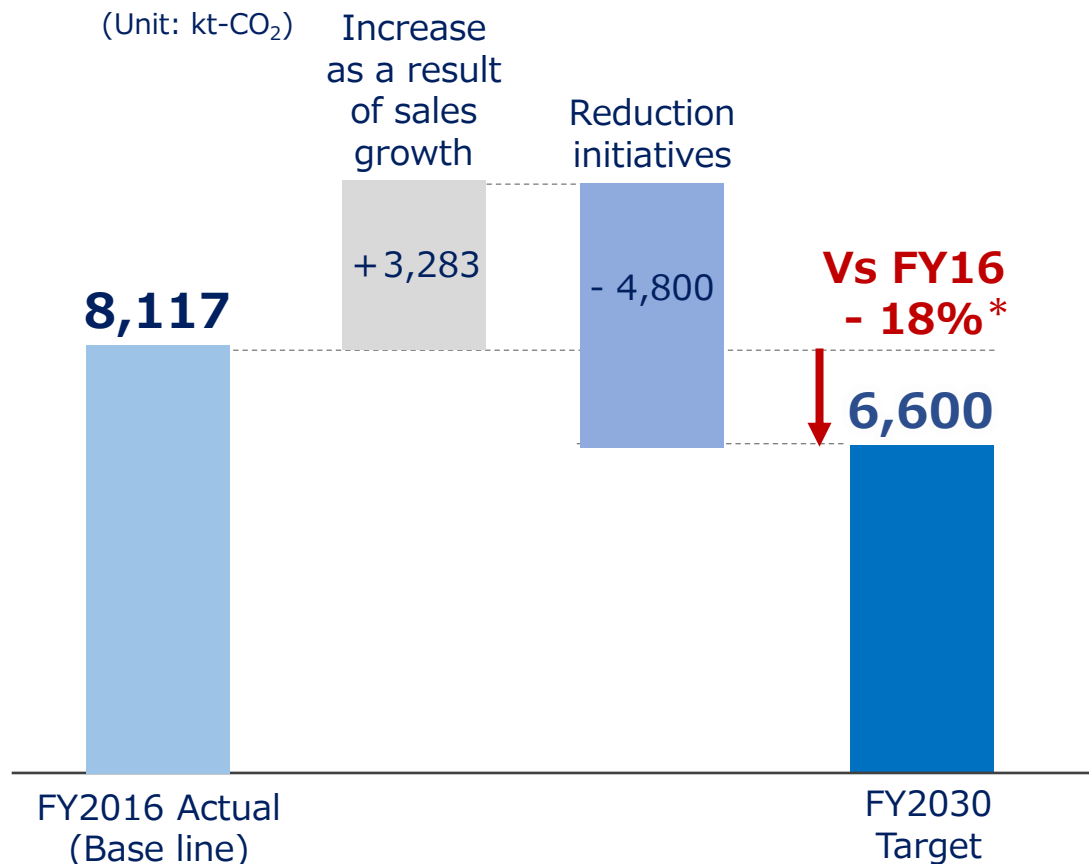
- Upgrade energy-saving facilities at production plants
- Add new on-site solar power generation facilities, etc

\* Targeting GHG emissions resulting from in-house use of electric power (Scope 2): 13 production bases, 63 non-production bases (HQ, R&D, Sales)

# Accelerate Decarbonization/Environmental Initiatives: Scope 3 Category 11

**Set FY2030 target for Scope 3 Category 11. Aim for 18% reduction compared to FY2016. To achieve this, implement energy-saving designs and other measures for new products in each business at 1st Stage**

## GHG Emissions: Track Record and Target



## Major Initiatives

<b>IAB</b>	<b>Power-saving design in new products</b> that support the realization of innovative-Automation
<b>HCB</b>	Development and adoption of <b>power consumption reduction</b> technology for new BPM products
<b>SSB</b>	UPS, which account for 2/3 of emissions: <ul style="list-style-type: none"> <li>•Promotion of <b>the replacement with low power consumption products</b></li> <li>•Development and sales of <b>energy-saving products</b></li> </ul>
<b>EMC</b>	Provision of products that contribute to <b>energy savings</b> in customer products (No standby power consumption, low power consumption, compact and lightweight)

# Thorough Respect for Human Rights Throughout the Value Chain

**Committed to establishing a global human rights governance framework and implementing human rights due diligence in line with the UN Guiding Principles on Business and Human Rights**

## Major Ongoing Initiatives

**Actively manage both internally and across the supply chain**

- Continue to undertake human rights risk analysis at all production bases and remedy abuses
- Continue 100% implementation of sustainability self-checks for all key vendors



## New Initiatives

**Enhance value chain initiatives in line with UNGP**

- Implement human rights due diligence in alignment with UNGP
- Develop a mechanism for remedying human rights abuses across the global value chain

- 1. Review of VG2020 (FY2011 – 2021)**
- 2. Long-Term Vision SF2030**
- 3. Medium-Term Management Plan 1st Stage (FY2022 – 2024)**
  - SF 1st Stage Strategies & Policies
  - Transformation of Business
  - Transformation of Corporate Management and Organizational Capabilities
  - Strengthening Sustainability Initiatives
  - **Management Targets**

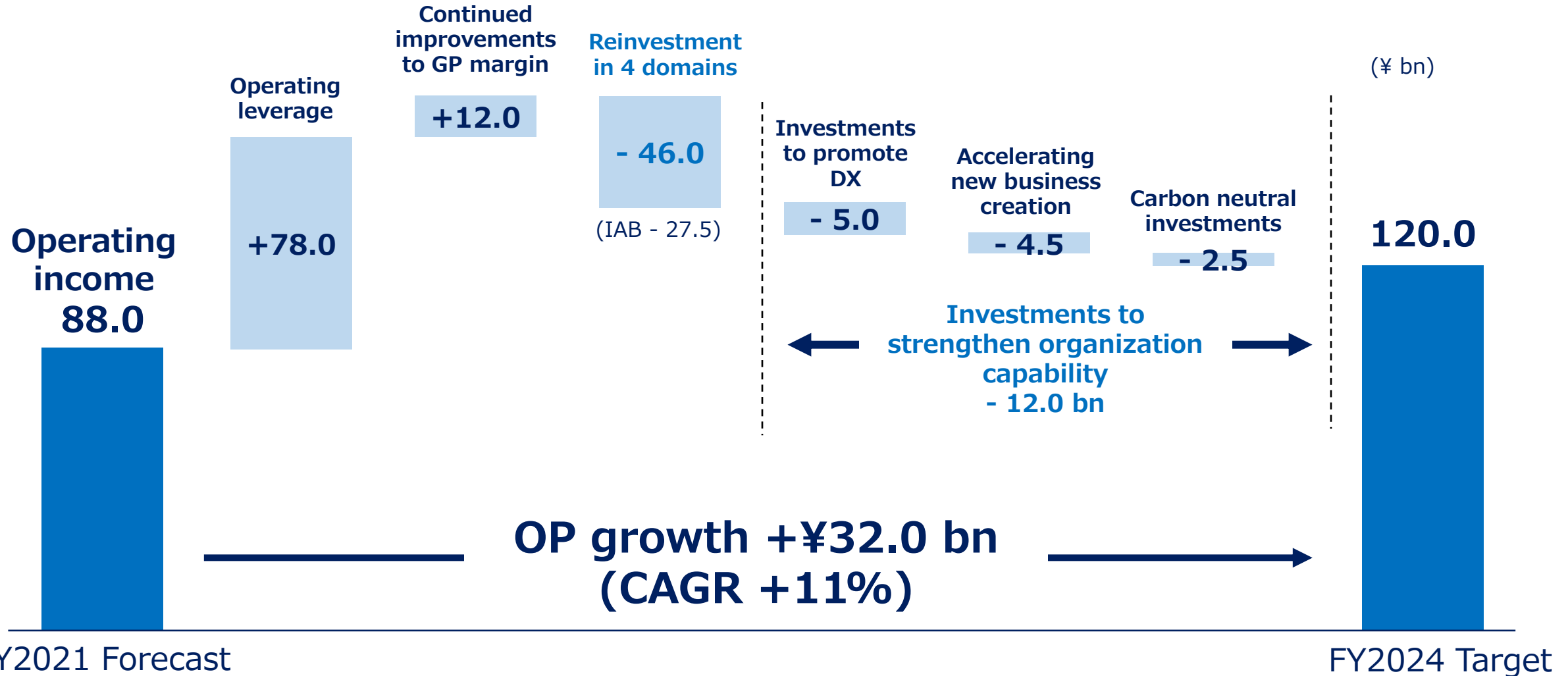


# SF 1st Stage Management Metrics (FY2024 Financial Targets)

	<u>FY2021 Forecasts</u>	<u>FY2024 Targets</u>	<u>FY2021→FY2024</u>
<b>Net Sales</b>	<b>¥760.0 bn</b>	<b>¥930.0 bn</b>	<b>+7%/year</b> <sup>* CAGR</sup>
<b>Operating Income</b>	<b>¥88.0 bn</b>	<b>¥120.0 bn</b>	<b>+11%/year</b> <sup>*</sup>
<b>Business C/F 3-year total</b>	<b>¥217.9 bn</b> <small>(Excludes impact of AEC transfer)</small>	<b>¥250.0 bn</b>	<b>+¥32.1 bn</b>
<b>ROIC</b>	<b>&gt;9%</b>	<b>&gt;10%</b>	<b>+1% pt.</b>
<b>ROE</b>	<b>&gt;9%</b>	<b>&gt;10%</b>	<b>+1% pt.</b>
<b>EPS</b>	<b>¥284</b>	<b>&gt;¥400</b>	<b>+12%/year</b> <sup>*</sup>

# Operating Income Growth (FY2021→FY2024)

Project strong profit growth in 4 core businesses by capturing growth opportunities. In addition to reinvestment to drive new value creation, proactively investing to enhance organizational capability



# Sales and Operating Income FY2024 Targets by Segment

		FY2021 Forecasts (After segment adjustments)	FY2024 Targets (After segment adjustments)	FY2021→FY2024 Annual Growth rate
<b>IAB</b>	Sales	¥415.0 bn	¥515.0 bn	+7%
	OP (%)	¥77.0 bn (18.6%)	¥104.0 bn (20.2%)	+10% (+1.6% pt.)
<b>HCB</b>	Sales	¥134.0 bn	¥180.0 bn	+10%
	OP (%)	¥19.5 bn (14.6%)	¥28.0 bn (15.6%)	+13% (+1.0% pt.)
<b>SSB</b>	Sales	¥90.0 bn	¥100.0 bn	+4%
	OP (%)	¥6.5 bn (7.2%)	¥10.0 bn (10.0%)	+15% (+2.8% pt.)
<b>EMC</b>	Sales	¥118.0 bn	¥125.0 bn	+2%
	OP (%)	¥10.0 bn (8.5%)	¥13.0 bn (10.4%)	+11% (+1.9% pt.)

# SF 1st Stage Management Targets (Non-financial Targets)

1. Grow Sustainability Sales\*<sup>1</sup> 45% versus 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 \*<sup>2</sup> at all 76 \*<sup>3</sup> domestic locations
6. Implement human rights due diligence in alignment with UNGP\*<sup>4</sup> 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

\*1 Focus domain sales related to 'Achieving Carbon Neutrality', Realizing a Digital Society', 'Extending Healthy Life Expectancy'

\*2 Scope 2 GHG emissions resulting from internal use of electric power

\*3 13 production bases, 63 non-production bases (HQ/R&D/Sales)

\*4 UN Guiding Principles on Business and Human Rights

# Investment Plan

**In addition to business investments to create value, OMRON will proactively invest to achieve carbon neutrality for itself and society**

	Forecast for FY2019 – 2021 (cumulative)	1st Stage Plan FY2022-2024 (cumulative)
<b>Growth Investments</b> (Includes M&A)	<b>¥140.2 bn</b>	<b>¥200.0 bn</b>
<b>R&amp;D Investments</b>	<b>¥134.2 bn</b>	<b>¥165.0 bn</b>
<b>Capex</b> (Includes DX investments)	<b>¥93.6 bn</b>	<b>¥130.0 bn</b>
<b>Investments for Carbon Neutral</b>	<b>¥3.8 bn</b>	<b>¥20.0 bn</b>
<b>Investments to Develop Human Capital</b>	<b>¥2.0 bn</b>	<b>¥6.0 bn</b>

# Cash Allocation Policy / Shareholder Returns Policy

## Cash Allocation Policy

- To create new value, prioritize investments for growth and sustainability initiatives
- Basic policy to fund investments and shareholder returns from retained earnings and OPCF

## Shareholder Returns Policy

- Basic policy to target DOE of around 3%
- Surplus cash retained over long periods of time may be used from time to time to buy back shares



# SF 2030

## Shaping the Future 2030

**Continue to create innovation  
driven by social needs with automation  
which empowers people**



**OMRON**

# Reference

# Strategic Objectives

## Industrial Automation (IAB)

Customers using  
innovative-Automation  
**5,000 companies**  
(2X vs. FY2021)

## Healthcare (HCB)

Global BPM Sales  
**94 mn units**  
(3-year total)  
Remote Medical  
Service Users  
**600,000 users**  
(Cumulative)

## Social Systems, Solutions & Service (SSB)

Connected Energy  
Management Devices  
**50,000 units**  
(3-year total)

## Electronic & Mechanical Components (EMC)

Product sales contributing  
to raising penetration of  
renewable energy/high  
speed communications  
DC eq. products  
60 mn units  
Microwave device products  
170 mn units  
(3-year total)

## Expanding Customer Asset Service Businesses

Ratio of Service  
Business Sales  
**>10%**

## Creating New Businesses

New Businesses  
Created  
**3 or more**

## Diversity & Inclusion

Human Creativity  
**+7%** (vs. FY2021)  
Investment in  
Human Resources  
**¥6.0 bn** (3-year total)  
VOICE SEI  
**>70 points**

## Enhancing Profit Generating Capability

GP Margin  
**>47.0%**

## 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.

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