

# **FY2018 Full-Year Earnings Ended March 31, 2019**

## **Results Briefing**



**April 24, 2019  
OMRON Corporation**

# Summary

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## ■ FY2018 Results

- Q4 operating environment tough as expected but earnings exceeded January revision

## ■ Optimizing Business Portfolio

- Completed agreement to transfer Automotive Business to Nidec

## ■ FY2019 Plan

- Project Y/Y declines in sales and profits. Assume tough Q4 environment will continue. Also factored in risk of volatility to overall earnings to reflect uncertainty
- Despite tough environment, did not ease up on necessary investments needed to enhance self-driven growth capability
- Full-year dividend guidance unchanged YoY at ¥84

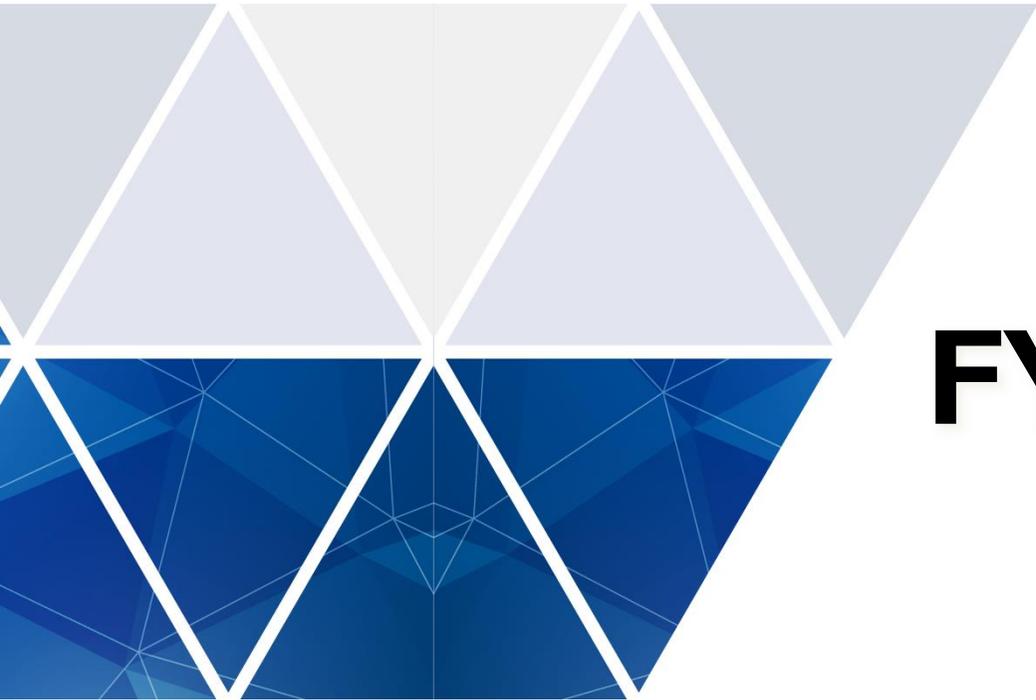
## ■ Growth Driving Assets Acquired in First 2 Years of VG2.0

- Proactively undertook investments for IAB and HCB in first 2 years of VG2.0. Built up technology, products and infrastructure to support self-driven growth

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# **FY2018 Results**



## FY2018 Results

**Tough December conditions continued into Q4 as expected but full-year results exceeded revised January forecast**

(¥bn)

	(1) FY2018 Fcst (Jan)	(2) FY2018 Actual	(2) / (1)	FY2017 Actual	Y/Y
Net Sales	855.0	859.5	+0.5%	860.0	-0.1%
Gross Profit (%)	352.5 (41.2%)	354.1 (41.2%)	+0.5% (-0.0%pt)	357.8 (41.6%)	-1.0% (-0.4%pt)
Operating Income (%)	72.0 (8.4%)	76.6 (8.9%)	+6.4% (+0.5%pt)	86.3 (10.0%)	-11.2% (-1.1%pt)
Net Income Attributable to Shareholders	50.0	54.3	+8.6%	63.2	-14.0%
1USD (JPY)	110.1	110.7	+0.6	111.2	-0.5
1EUR (JPY)	128.2	128.8	+0.6	129.4	-0.6
1RMB (JPY)	16.4	16.5	+0.1	16.7	-0.2

\* Figures presented reflect the application of FASB Accounting Standards Update 2017-17 'Improving the Presentation of Net Periodic Pension Cost and Net Postretirement Benefit Cost'

## Sales by Business Segment

**IAB, EMC down Y/Y on deterioration in operating environment.  
Sales up Y/Y at SSB, HCB and Environmental Solutions**

	(1) FY2018 Fcst (Jan)	(2) FY2018 Actual	(2) / (1)	FY2017 Actual	(¥bn) Y/Y
<b>IAB</b> Industrial Automation	390.0	391.8	+0.5%	396.1	-1.1%
<b>EMC</b> Electronic and Mechanical Components	99.0	99.7	+0.7%	104.4	-4.5%
<b>AEC</b> Automotive Electronic Components	130.0	130.5	+0.4%	131.2	-0.5%
<b>SSB</b> Social Systems, Solutions & Service	76.0	75.0	-1.3%	70.3	+6.7%
<b>HCB</b> Healthcare	115.5	115.5	-0.0%	108.5	+6.5%
<b>Other</b> Business under Direct Control of HQ	40.0	41.7	+4.3%	44.4	-5.9%
Eliminations & Corporate	4.5	5.2	+16.1%	5.2	+1.1%
<b>Total</b>	<b>855.0</b>	<b>859.5</b>	<b>+0.5%</b>	<b>860.0</b>	<b>-0.1%</b>

## Operating Income by Business Segment

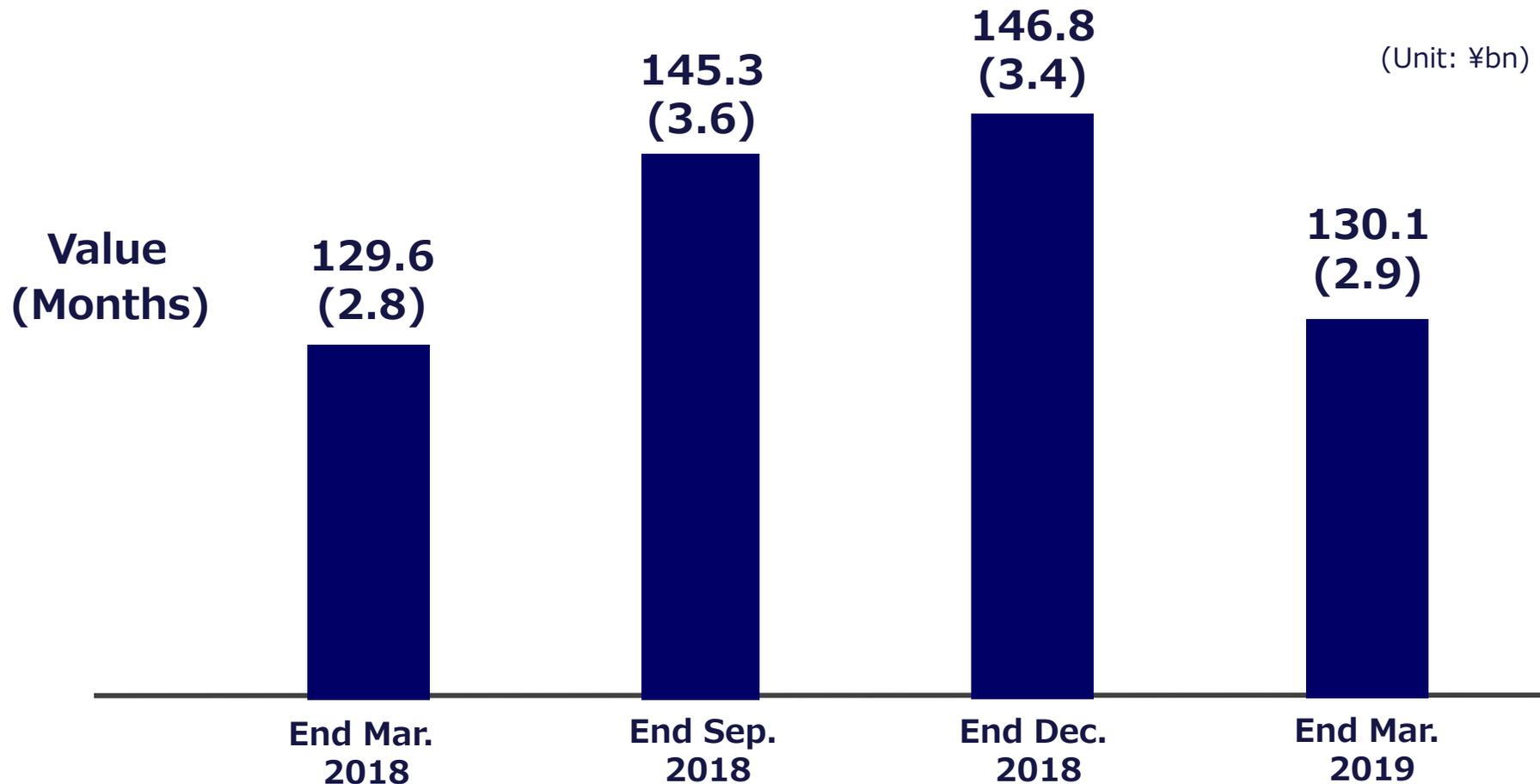
**IAB, EMC down Y/Y, partly due to increased growth investments.  
SSB, HCB, Environmental Solutions business profits up Y/Y**

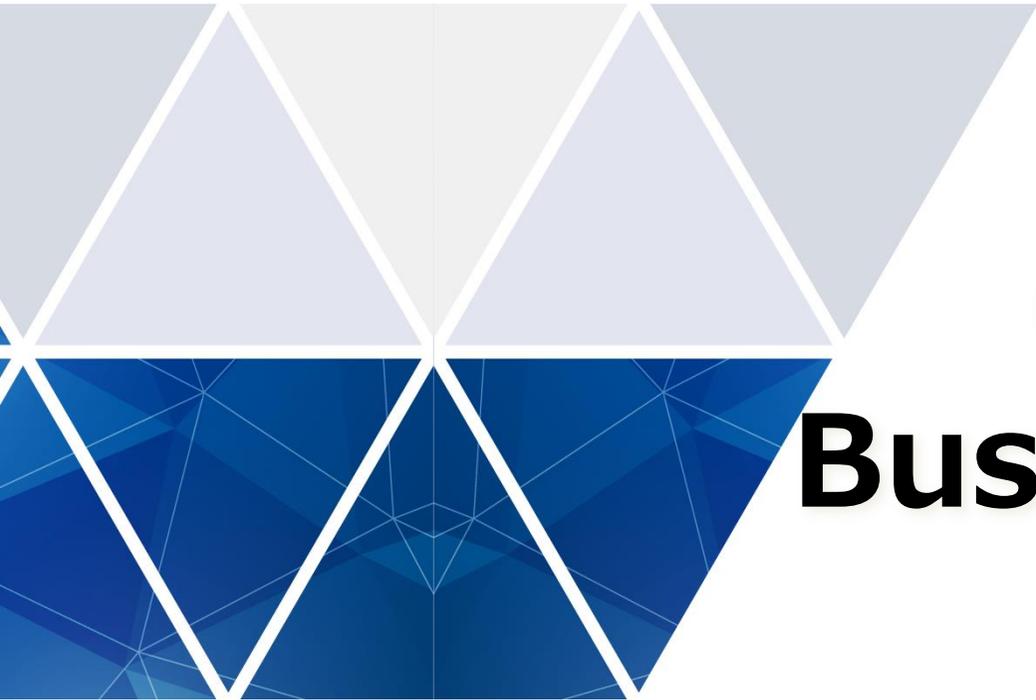
(¥bn, %: OPM)

	(1) FY2018 Fcst (Jan)	(2) FY2018 Actual	(2) / (1)	FY2017 Actual	Y/Y
<b>IAB</b> Industrial Automation	61.0 (15.6%)	62.9 (16.1%)	+1.9 (+0.4%pt)	74.0 (18.7%)	-11.1 (-2.6%pt)
<b>EMC</b> Electronic & Mechanical Components	8.5 (8.6%)	8.2 (8.2%)	-0.3 (-0.4%pt)	12.5 (12.0%)	-4.3 (-3.8%pt)
<b>AEC</b> Automotive Electronic Components	6.0 (4.6%)	6.3 (4.8%)	+0.3 (+0.2P)	5.8 (4.4%)	+0.5 (+0.4%pt)
<b>SSB</b> Social Systems, Solutions & Service	6.0 (7.9%)	5.8 (7.7%)	-0.2 (-0.2%pt)	4.8 (6.9%)	+0.9 (+0.8%pt)
<b>HCB</b> Healthcare	13.0 (11.3%)	13.0 (11.3%)	+0.0 (+0.0%pt)	11.2 (10.3%)	+1.8 (+1.0%pt)
<b>Others</b> Businesses under Directo Control of HQ	-1.0 (-)	-0.5 (-)	+0.5 (-)	-1.2 (-)	+0.7 (-)
Eliminations & Corporate	-21.5	-19.1	+2.4	-20.9	+1.8
<b>Total</b>	72.0 (8.4%)	76.6 (8.9%)	+4.6 (+0.5%pt)	86.3 (10.0%)	-9.6 (-1.1%pt)

## Inventory Trend

**Consolidated inventory declined at fiscal year-end, largely unchanged Y/Y**





# Optimizing Business Portfolio

## Transfer Shares in AEC Business

### Completed agreement to transfer shares in AEC business to Nidec Corporation

#### AEC Overview

OMRON Automotive Electronics, other related companies.  
FY2018 Sales ¥130.5 bn\*, OP ¥6.3 bn.

Purchase Amount: ¥100 bn

\*Excludes internal sales

#### Schedule

Contract date: April 16, 2019

Completion: TBD (around end-Oct. 2019)

(Completion date TBD as the transaction is subject to securing the approval of anti-trust regulators in relevant jurisdictions. )

#### Objective

- Further development of automotive business
- 'Control technology x actuator' to create new value
- Stronger, more resilient business portfolio for OMRON
- Execute on long-term growth strategy

## Acquisitions and Divestments during VG2020

**Executing on business acquisitions and divestments to optimize the business portfolio**

### Acquisitions

2014	S. America Nebulizers (HCB)
2015	Motion Controllers (IAB)
2015	Industrial Robots (IAB)
2017	Industrial Cameras (IAB)
2017	Industrial Code Readers (IAB)
2018	Europe Nebulizers (HCB)

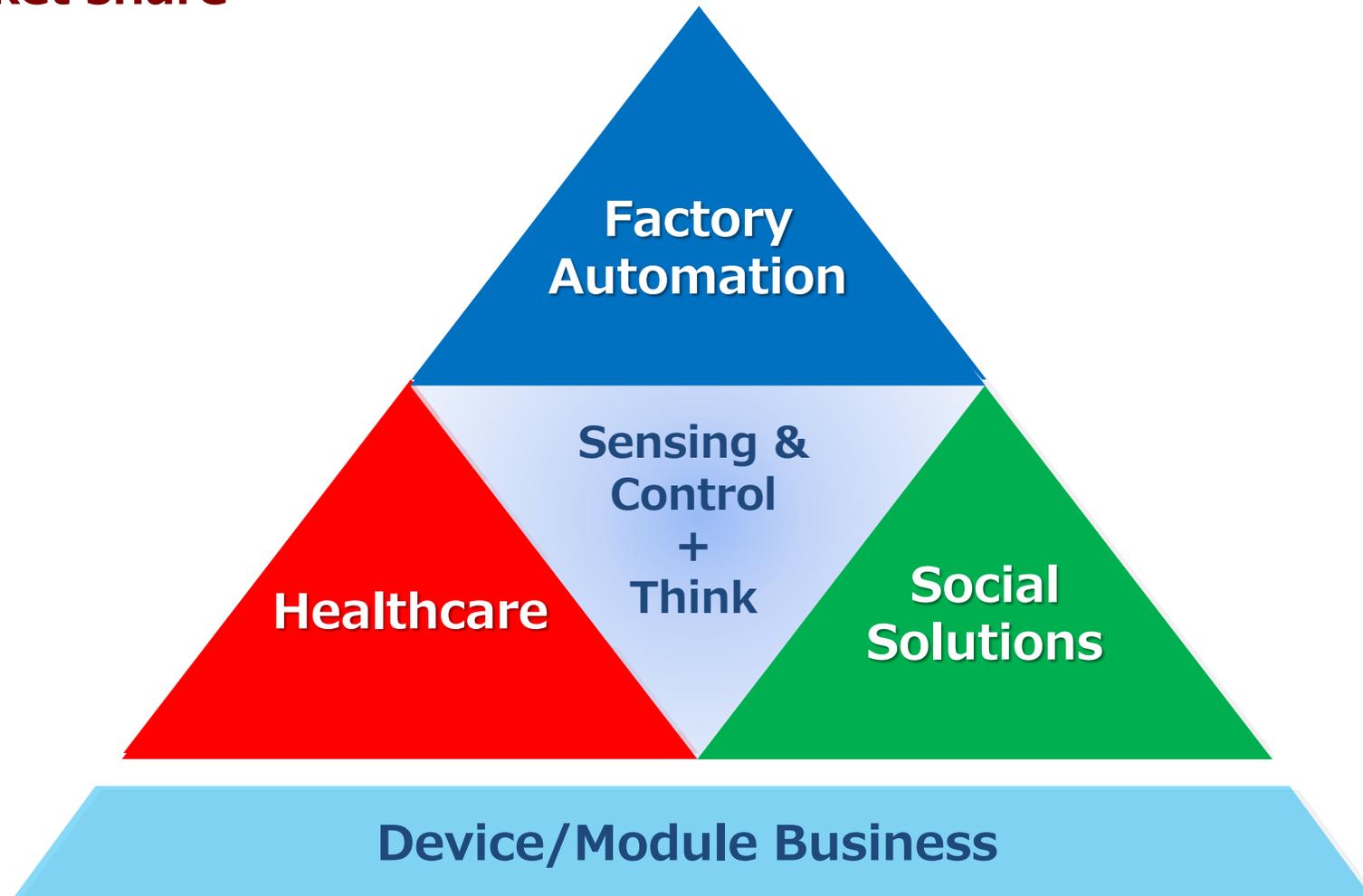
### Divestments

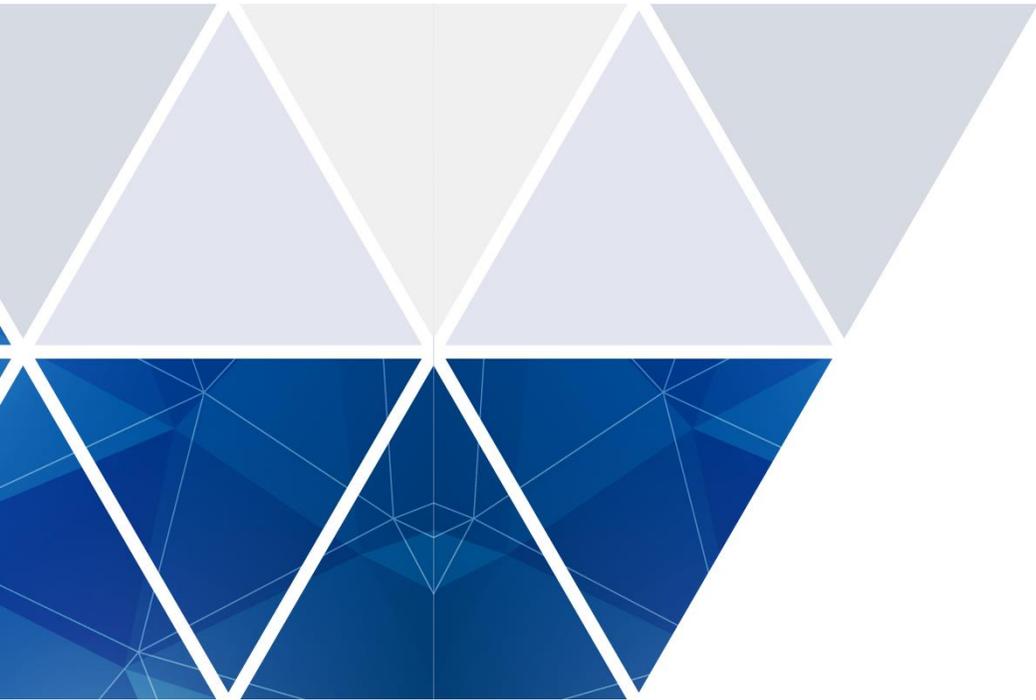
2012	Capacitors (EMC)
2012	Consignment Development of Embedded SW/HW (Other)
2013	Optical Communications (EMC)
2016	Oil & Gas (IAB)
2016	Hospital-use Med. Eq. (HCB)
2018	Laser Processing Eq. (IAB)
2019	EDMS*(Other)

\*Development and manufacture of industrial-use electronic devices on consignment

## VG2.0 Direction of Focus Domains

**Focus on 3 domains where OMRON is competitive and has high market share**





# FY2019 Plan

## FY2019 Business Environment by Segment

**Expect the operating environment to remain uncertain and challenging for the full year**

<b>IAB</b> Industrial Automation	Auto: Uncertainty continues for auto investments but ADAS/EV, electrification-related investment still firm Digital: Semiconductor/smartphone-related investments remain weak, especially in Asia Food & Beverage: Flat trend continues. Labor-saving, quality control investments still firm Social Infrastructure: Solid on increase in investments to support economic growth
<b>EMC</b> Electronic & Mechanical Components	Consumer: China market weaker. Consumer electronics, semiconductors and smartphone capex to remain weak. Europe market also weak Automotive: Globally, expect gradual growth but consumer appetite in China continues to weaken
<b>AEC</b> Automotive Electronic Components	Expect China demand will keep weakening on cooling consumer sentiment, weak sales of US auto brands Japan, US to remain firm overall
<b>SSB</b> Social Systems, Solutions and Service	Station sys: Solid capex replacement cycle, expect demand to increase Transport: Expect solid replacement demand Payment sys: Demand for payment system terminals to rise on increasing need for cashless pymt systems
<b>HCB</b> Healthcare	Expect solid demand on increase in hypertension and asthma patients, although there is potential risk that global slowdown could depress consumption
<b>Other</b> Businesses under the Direct Control of HQ	Env. Soln: PV inverters weak but continued growth for storage systems Backlight: Smartphon market to remain weak

## FY2019 Plan

**Assume tough environment but also factored in expected earnings fluctuation risk (Sales -¥10bn, OP -¥5bn). Aiming to improve GP margin**

	(¥bn)			
	FY2018 Actual	FY2019 Plan	Y/Y	
Net Sales	859.5	* 830.0	-3.4%	*Includes ¥10 bn in expected earnings fluctuation risk
Gross Profit (%)	354.1 (41.2%)	349.0 (42.0%)	-1.4% +0.8%pt	
Operating Income (%)	76.6 (8.9%)	* 65.0 (7.8%)	-15.2% -1.1%pt	*Includes ¥5 bn in expected earnings fluctuation risk
Net Income Attributable to Shareholders	54.3	42.5	-21.8%	
1USD (JPY)	110.7	108.0	-2.7	
1EUR (JPY)	128.8	123.0	-5.8	
1RMB (JPY)	16.5	16.2	-0.3	

## Sales by Business Segment

**Expect sales decline at IAB, EMC and AEC but sales growth at SSB and HCB**

(¥bn)

	FY2018 Actual	FY2019 Plan	Y/Y
<b>IAB</b> Industrial Automation	391.8	378.0	-3.5%
<b>EMC</b> Electronic & Mechanical Components	99.7	98.0	-1.7%
<b>AEC</b> Automotive Electronic Components	130.5	124.0	-5.0%
<b>SSB</b> Social Systems, Solutions & Service	75.0	83.0	+10.6%
<b>HCB</b> Healthcare	115.5	123.0	+6.5%
<b>Other</b> Businesses under the Direct Control of HQ	41.7	32.0	-23.3%
Eliminations & Corporate	5.2	2.0	-61.7%
<b>Earnings Fluctuation Risk</b>		<b>-10.0</b>	-
<b>Total</b>	<b>859.5</b>	<b>830.0</b>	<b>-3.4%</b>

## Operating Income by Segment

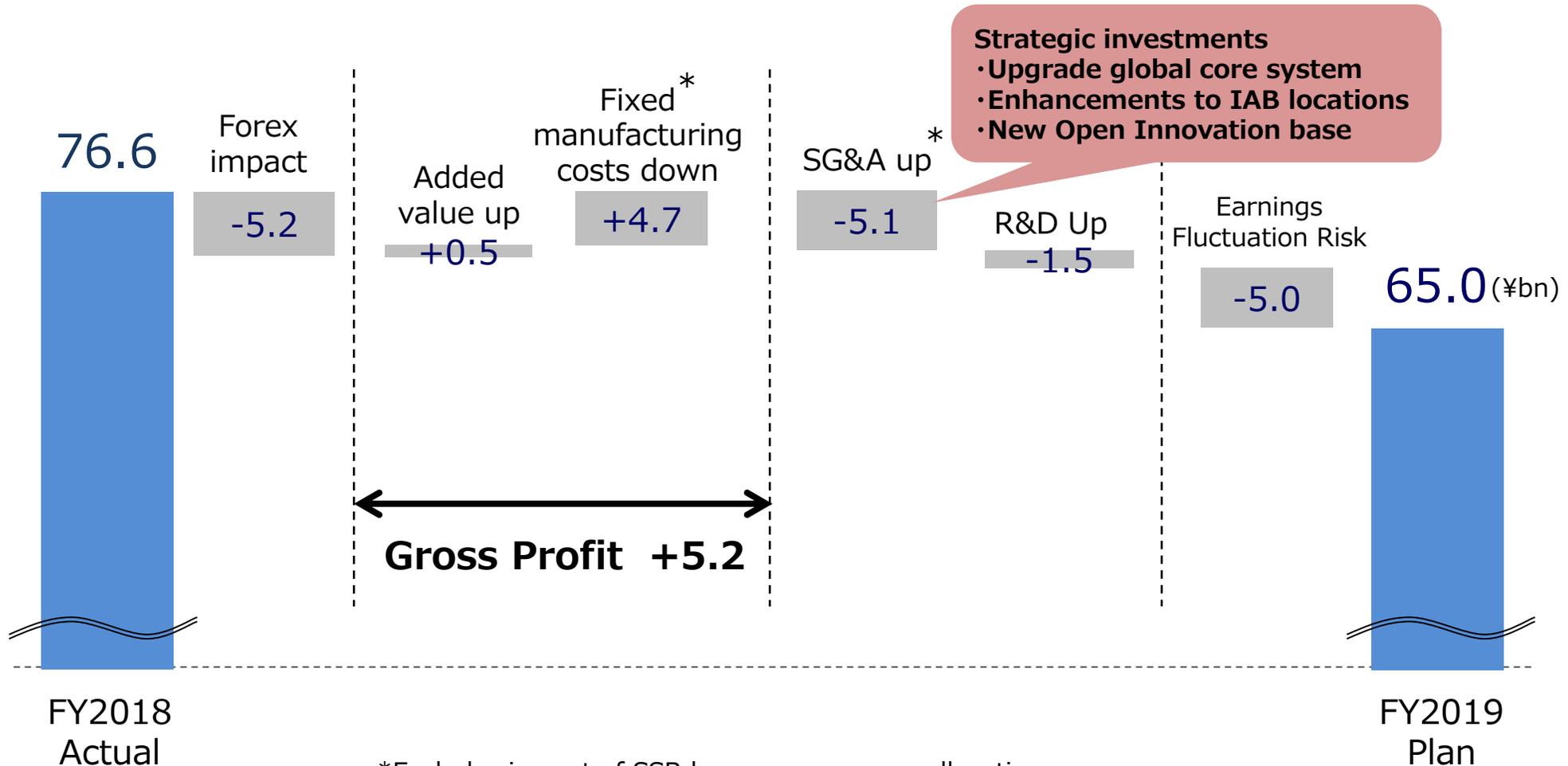
**Assume tough operating environment but aim for slight increase Y/Y at IAB**

(¥bn, %: OPM)

	FY2018 Actual	FY2019 Plan	Y/Y
<b>IAB</b> Industrial Automation	62.9 (16.1%)	<b>63.0</b> (16.7%)	+0.1 (+0.6%pt)
<b>EMC</b> Electronic & Mechanical Components	8.2 (8.2%)	8.5 (8.7%)	+0.3 (+0.5%pt)
<b>AEC</b> Automotive Electronic Components	6.3 (4.8%)	4.0 (3.2%)	-2.3 (-1.6%pt)
<b>SSB</b> Social Systems, Solutions & Service	5.8 (7.7%)	6.5 (7.8%)	+0.7 (+0.2%pt)
<b>HCB</b> Healthcare	13.0 (11.3%)	14.0 (11.4%)	+1.0 (+0.1%pt)
<b>Other</b> Businesses under Direct Control of HQ	-0.5 (-)	-1.0 (-)	-0.5 (-)
Eliminations & Corporate	-19.1	-25.0	-5.9
<b>Earnings Fluctuation Risk</b>		<b>-5.0</b>	-
<b>Total</b>	76.6 (8.9%)	65.0 (7.8%)	-11.6 (-1.1%pt)

# Operating Income Analysis (Y/Y)

**Make strategic investments necessary for medium- and long-term growth and to enhance business foundation**



\*Excludes impact of SSB human resource reallocation

## Strategic Investments to Enhance Business Foundation

**Execute with intent on investments needed to support the business in 10 years' time**

**Upgrade global core system**

**Enhance IAB production and development bases**

**Create new base for Open Innovation**

## Full-year Dividend Guidance

**Reflecting DOE standard, aim to maintain stable returns.  
Full-year dividend guidance unchanged Y/Y at ¥84**

	<b>FY2017 (Actual)</b>	<b>FY2018 (Actual)</b>	<b>FY2019 (Forecast)</b>
<b>Full-year Dividend</b>	¥76	¥84	¥84

\* FY2018 full-year dividend to be approved at Annual General Shareholders' Meeting.  
FY2019 split between interim and 2H dividend guidance TBD.

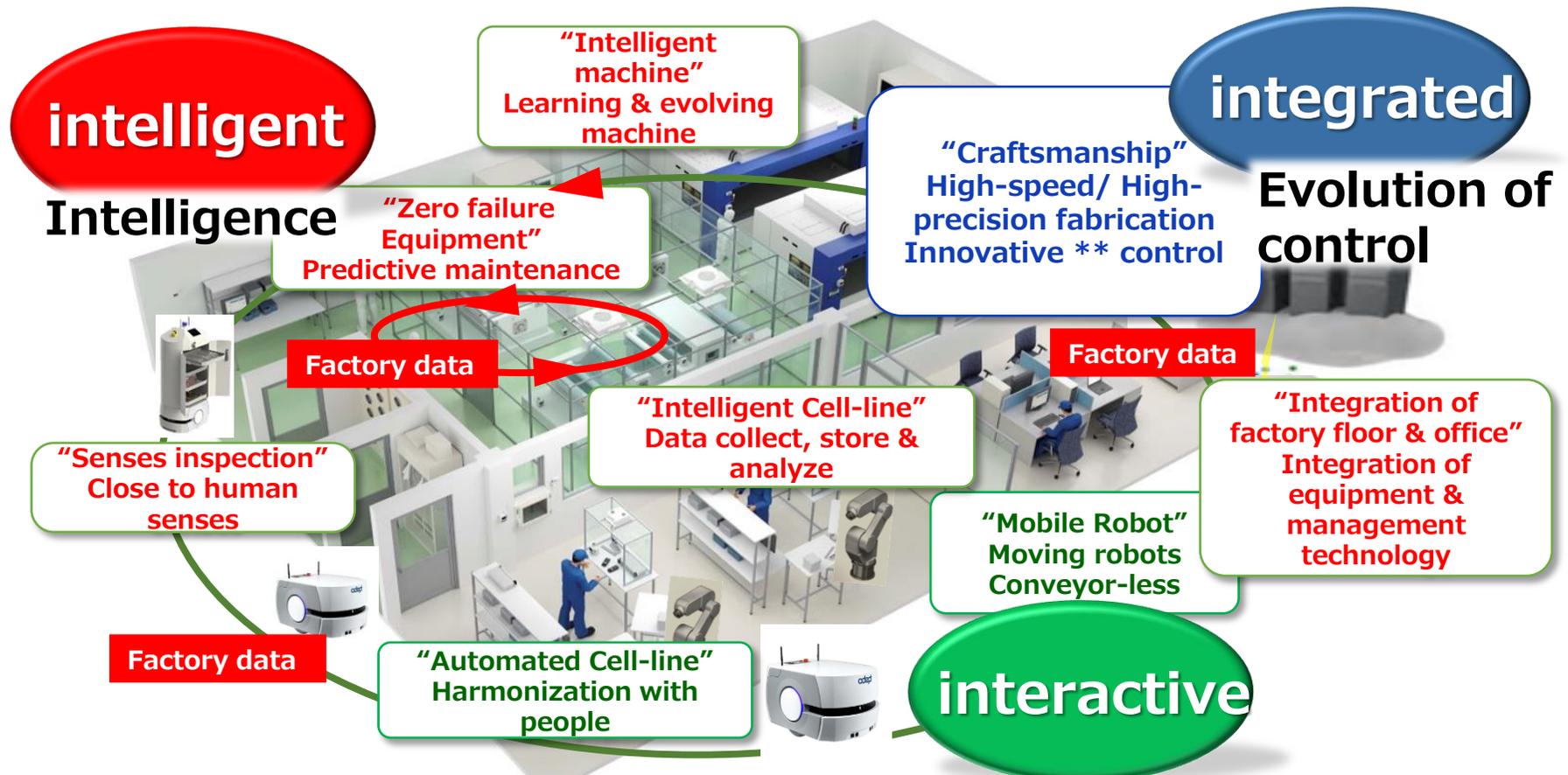


# **Assets Acquired in First Half of VG2.0**

- 1. IAB**
  - 2. HCB**
- 

# IAB: Revolutionary Manufacturing Concept Accelerates Growth

## innovative-Automation



New harmonization between people & machine

## IAB: FY2018 Sales Growth by Area

Despite tough operating environment, IAB able to achieve sales growth on a global basis

### FY2018 Sales Growth by Area (Y/Y, local currency basis)

Japan	Americas	Europe	Greater China	SE Asia, Other	
				Ex-Korea	Including Korea
+2%	+1%	+6%	+2%	+6%	-17%

## IAB: Hannover Messe

**World's largest trade show held every year in Hannover in April. Showcase for German industrial machinery and global players**



**Dates** April 1(Mon)-5(Fri), 2019

**Visitors** 210,000 visitors

**Exhibitors** 5,000 cos./  
75 countries and regions

# IAB: 3 Products Showing Strong Growth

Strong growing products which embody **innovative-Automation** concept driving growth

## AXI

(X-ray substrate inspection)



integrated

**Y/Y + 73%**  
(FY2018 Actual)

## Mobile Robot



interactive

**Y/Y + 34%**  
(FY2018 Actual)

## Co-bot

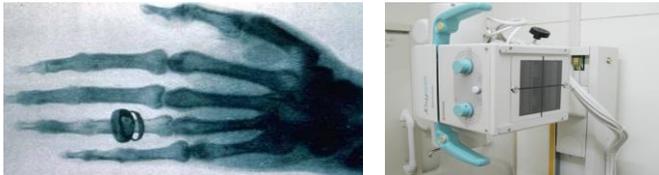
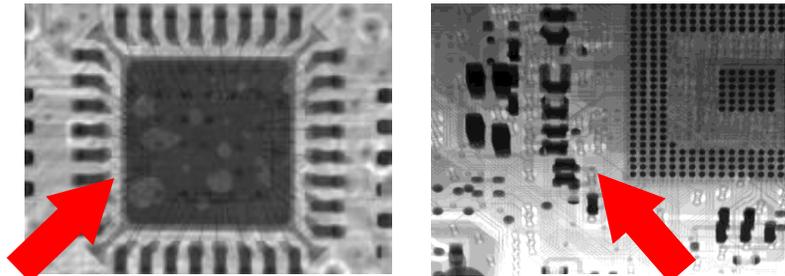
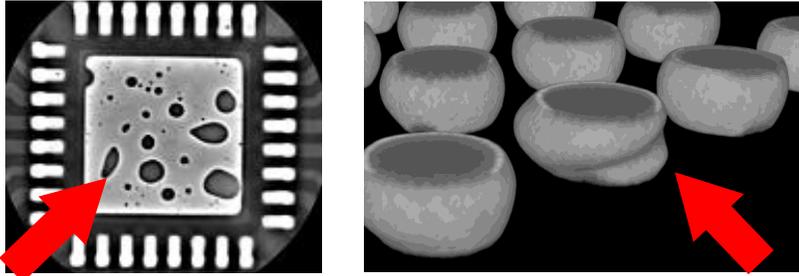


interactive

**Launched  
Oct. 2018  
Selling well**

# IAB: X-ray Substrate Inspection Equipment

## Enabling internal visualization

	Radiography (2D)	Computed Tomography (3D)
Description	<ul style="list-style-type: none"> <li>• Image from projected beam</li> <li>• High-speed image capture (seconds)</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-angle cross-sectional images</li> <li>• Time-consuming (minutes)</li> </ul>
Medical	<p>Simple testing: Radiography</p> 	<p>Precision testing: CT Scan</p> 
Industrial (substrate inspection)	<p>2D testing using radiographic images</p> <p>➢ All players have models</p>  <p>Blurry images of cavities      Backside visible</p>	<p>3D testing using CT cross sectional images</p> <p>➢ Focus on analytical applications</p> <p>Only OMRON has testing equipment</p>  <p>Clear cavity image      3D, backside not visible</p>

## IAB: X-ray Substrate Inspection Equipment

Achieve high speed 3D image inspection through proprietary **innovative**-Automation technology

Conventional Technology

Unique OMRON Technology

Stop at each point to capture images  
Sampling inspection

Continuous image capture  
In-line inspection

**MOVIE**

## HCB: 3 Domains

**Resolve social issues with personalized medical solutions in 3 domains where OMRON can maximize strengths globally**

### Cardiovascular

Global Hypertension\*<sup>1</sup>  
Patients

**1.13bn**

BPM



### Respiratory

Global Patients with  
Respiratory Conditions\*<sup>2</sup>

**440 mil**

Nebulizer



### Pain Management

Patients with Chronic  
Pain Japan & US\*<sup>3</sup>

**73 mil**

Low Frequency  
Therapy Device



\*1 From Lancet 2017; 389: 37-55 \*2 From International Respiratory Societies \*3 From Pain in Japan (Japan), National Health Interview (US)

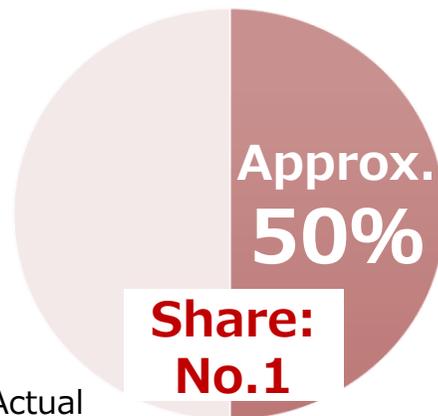
## HCB: Strengths and BPM Business

**Dominant global No. 1 market share. Market continues to expand on increase in patients. Maintaining stable sales growth**

### HCB Strengths

1. Highly trusted by medical professionals for superior accuracy (strong medical brand recognition)
2. Know-how in securing medical device approvals
3. Global sales channels in place

### BPM Global Share



FY2018 Actual

### BPM Sales Growth (Value)

**+ 10% / Year**

# HCB: Evolution in Blood Pressure Data

**New device enables capture of data heretofore impossible to collect**

**Readings possible any time, any place**

**World First**

**Able to identify factors contributing to changes in blood pressure**



**Wearable  
BPM\***



\*FDA approved

# HCB: Evolution in Blood Pressure Data

**Collaborating with service providers around the world.  
Data being leveraged in multiple apps**

## ■ Collaborations with Service Providers

Connectivity App  
OMRON connect

## Service Providers and Apps



Leveraging BP data



## HCB: Developing a Data Business

**Develop personalized/preventative medicine business by use of blood pressure and ECG data. Contribute to personalized treatment**

**World  
First**

**BPM enabled  
for ECG  
readings\***  
(Simultaneous readings)



\*FDA approved

**OMRON**

# VG2.0 and Sustainability Policy are Linked

## OMRON Principles

### VG2.0

Business Strategies

Sustainability Issues

A value-generator for people and the Earth that is qualitatively and quantitatively superior

1. Reinforce businesses by designating focus domains
2. Business model evolution
3. Enhance core technologies

×

Collaboration with partners

+

Human capital management, manufacturing, risk management...

FA



Healthcare



Mobility



Energy Mgmt.



×

Collaboration with partners



+

Human Capital Mgmt.



Manufacturing



Risk Management



# OMRON Included in Major ESG Indices (As of April, 2019)

## ESG Indices which include OMRON

- ✓ DJSI – World
- ✓ FTSE4Good Index Series
- ✓ MSCI ESG Leaders Indexes
- ✓ MSCI SRI Indexes
- ✓ STOXX Global ESG Leaders indices
- ✓ MS-SRI
- ✓ FTSE Blossom Japan Index
- ✓ MSCI Japan ESG Select Leaders Index
- ✓ MSCI Japan Empowering Women Index
- ✓ S&P/JPX Carbon Efficient Index

\* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires



# External Recognition (As of April, 2019)

## Domestic ESG awards, selection for inclusion

### Japan Association of Corporate Directors

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



### Selected by METI, TSE

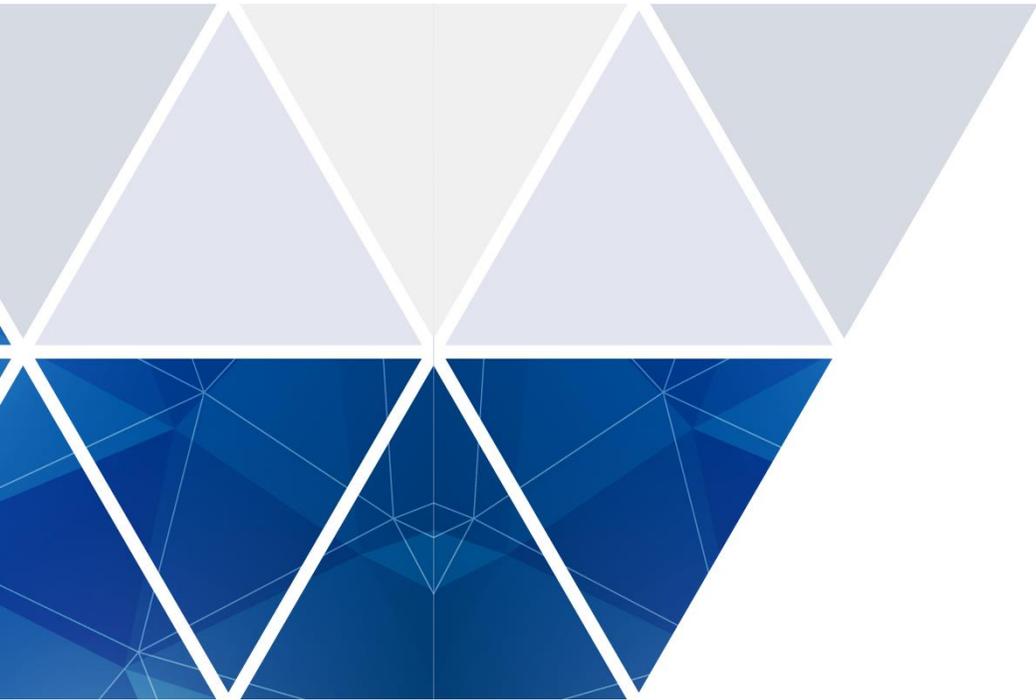
- ✓ Nadeshiko Brand **2<sup>nd</sup> consecutive year from FY2017**
- ✓ 2019 Health & Productivity Stock **From FY2018, 1<sup>st</sup> time**
- ✓ 2019 Health & Productivity:White 500 **3<sup>rd</sup> consecutive year from FY2016**



### Selected by Nikkei Inc.

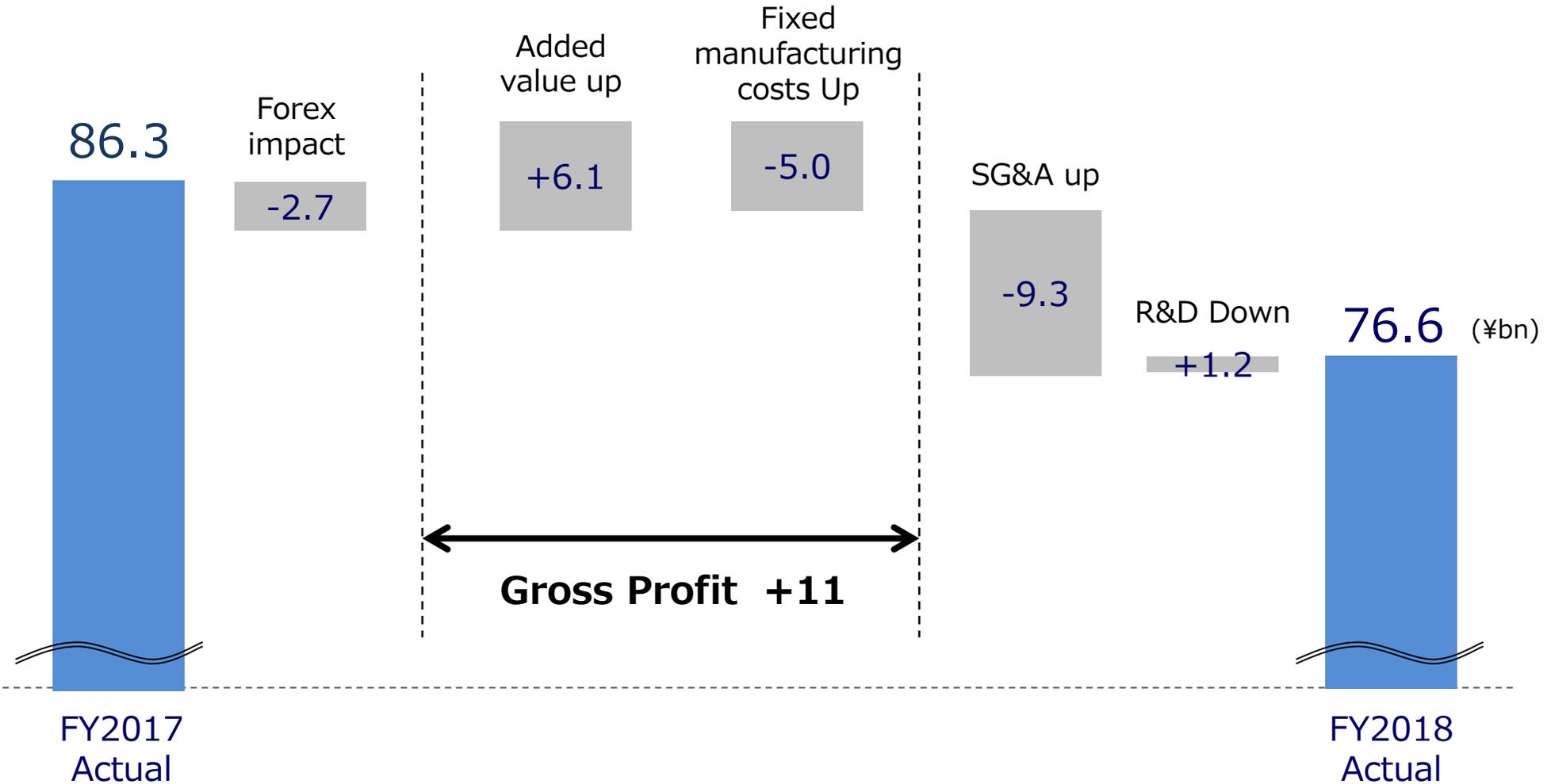
- ✓ Nikkei 225 **March 2019, 1<sup>st</sup> time**

**OMRON**



# Reference

# Operating Income Analysis (Y/Y)



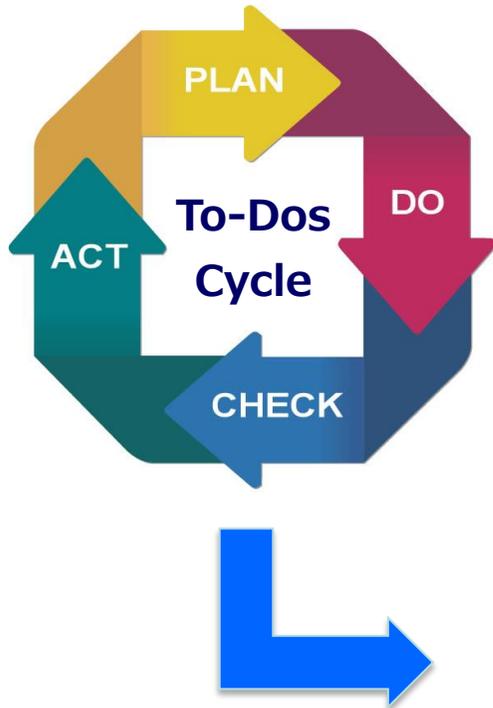
## FY2019 Assumptions: Exchange Rates

	FY2019 Assumption	Impact of ¥1 move (full-year, approx.) * RMB impact of ¥0.1 move	
		Sales	OP
USD	<b>¥108</b>	¥2.5bn	¥0.4bn
EUR	<b>¥123</b>	¥1.0bn	¥0.5bn
RMB	<b>¥16.2</b>	¥0.8bn	¥0.1bn

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

# Down-Top ROIC Tree

## On-site



## KPI

- Sales in focus industries/areas
- Sales of new/focus products
- Selling price control
- Variable cost reduction, value/%
- Defect cost %
- Per-head production # unit
- Automation % (headcount reduction)
- Labor costs-sales %
- Inventory turnover months
- Slow-moving inv. months
- Credits & debts months
- Facilities turnover (1/N automation ratio)

## Drivers

- GP Margin
- Added -value %
- Fixed manuf. costs %
- SG&A %
- R&D %
- Working capital turnover
- Fixed assets turnover

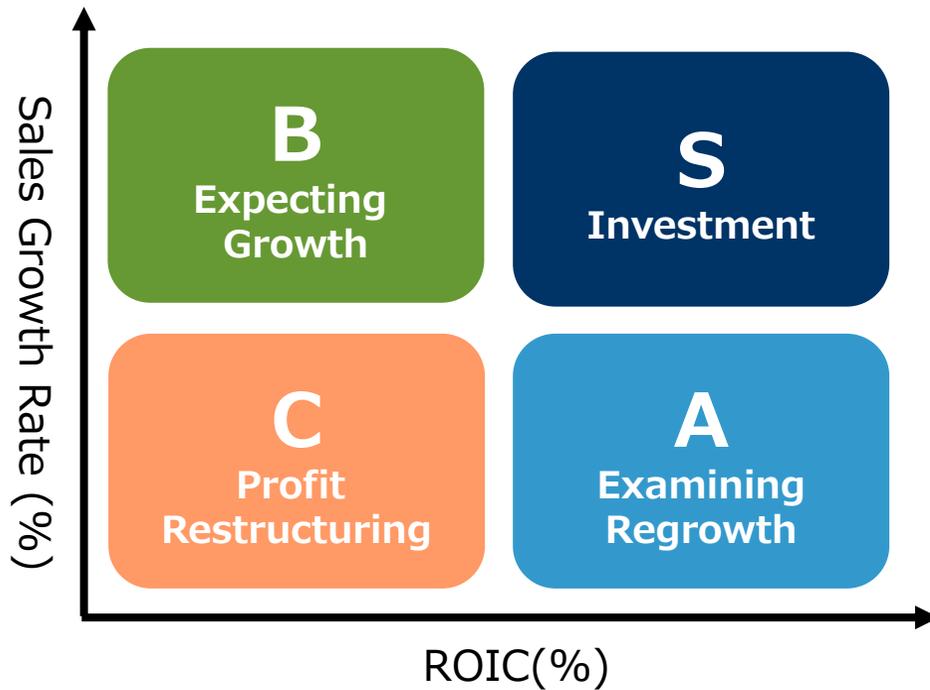
ROS

Invested Capital Turnover

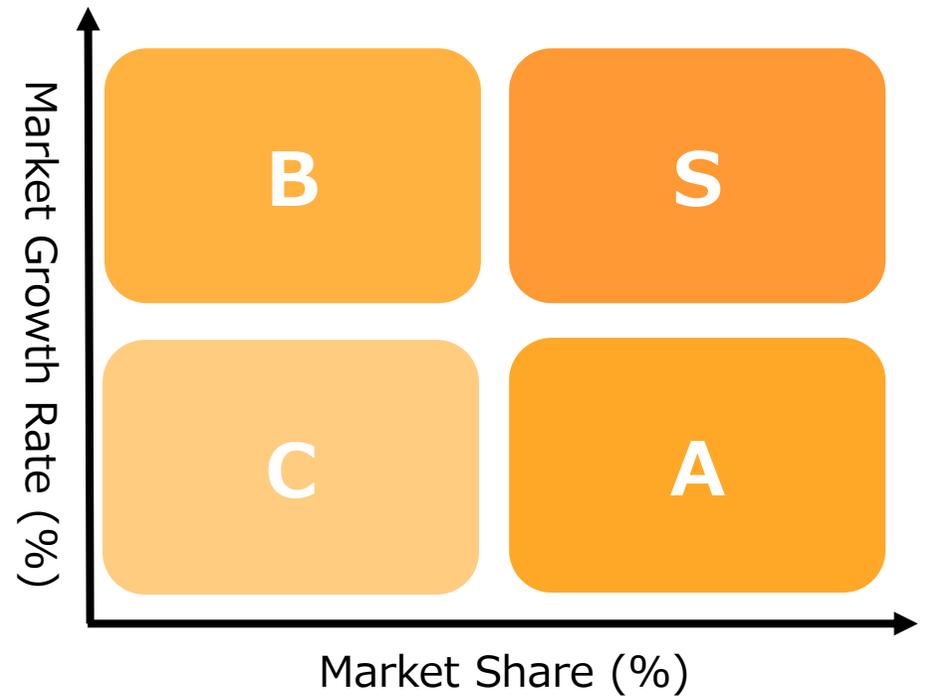
ROIC

# 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	

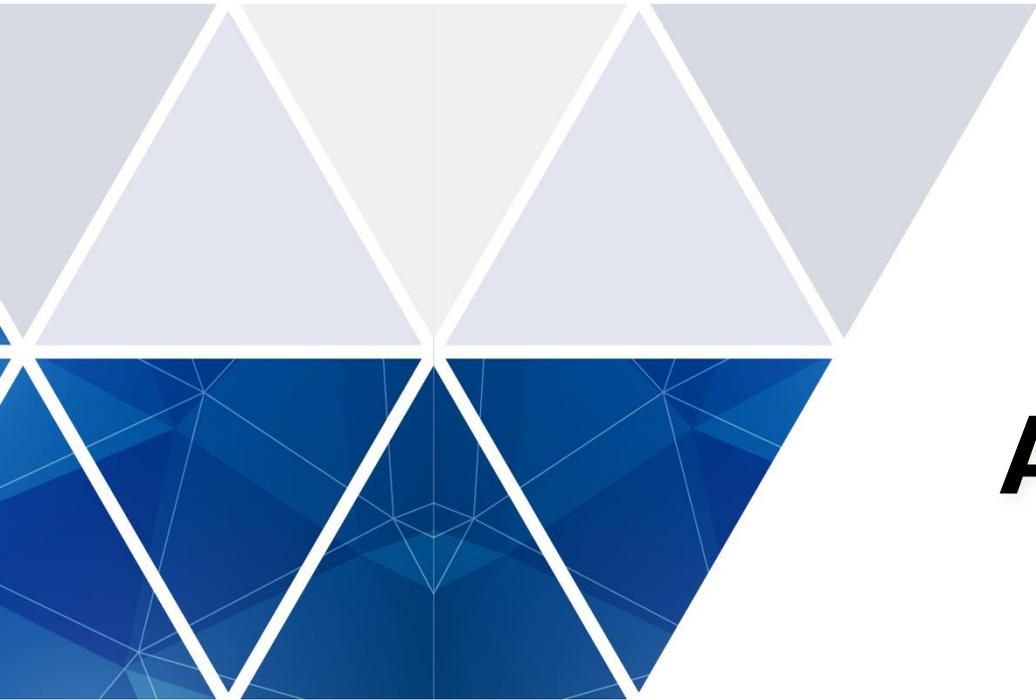
$$\text{ROIC} = \frac{\text{Net income attributable to shareholders}}{\text{Invested capital}}$$

**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 6%  
for FY2017 - 2020**



# Reference Attracting Talent

# Securing Superior Human Resources

## OMRON considered an attractive employer for both new graduates and mid-career hires

- Survey of Most Attractive Employers:  
10<sup>th</sup> for overall STEM graduates  
Top for Kansai region

Rank	Overall STEM	Kansai
1	Sony	OMRON
2	Ajinomoto	Sky
3	Meiji Group	Sekisui House
4	Kagome	Nippon Life
5	Fujitsu	Nintendo
6	Toyota Motor	Daiwa House
7	Suntory Group	JR West
8	Asahi Beer	Ezaki Glico
9	Morinaga Milk	Wacoal
10	OMRON	Asics

Source: Ranking of Most Attractive Employers for undergraduate/graduate school students completing degrees in spring 2020 as announced by the Nihon Keizai Shimbun and MyNavi on April 9, 2019

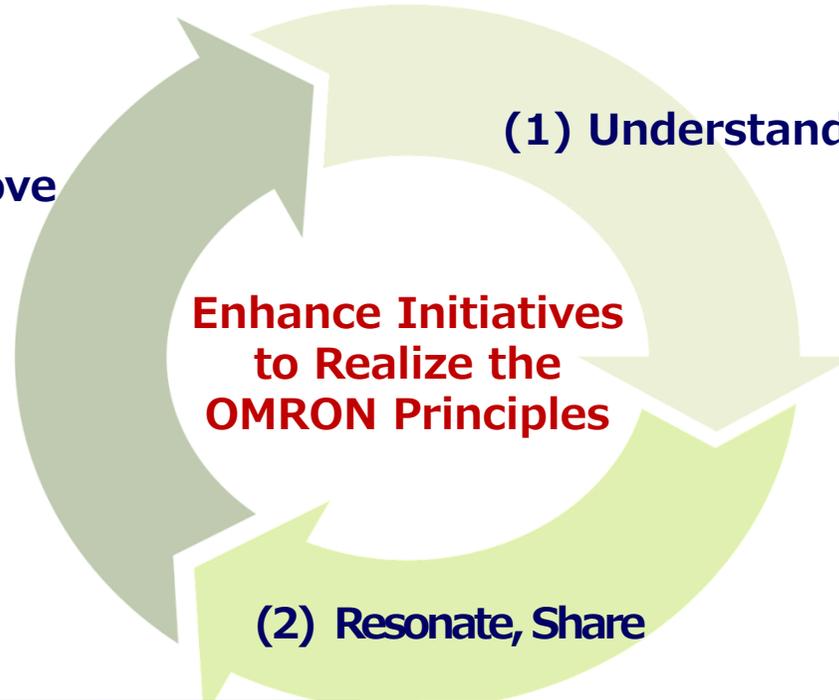
- Successful hires of top AI experts reported in Nihon Keizai Shimbun

- Successfully hiring cutting-edge young AI engineers
- Top AI developer Yoshitaka Ushiku joined OMRON SINICX as head of R&D from teaching post at Tokyo University

Source: April 8, 2019 Nihon Keizai Shimbun morning edition

# Enhancing Initiatives to Realize OMRON's Principles

Many activities to deepen understanding of link between OMRON Principles to improved management throughout the organization



# Engagement Survey VOICE

**Survey results used by management to understand and identify issues. Objective is to prompt actions to address issues**

<b>Goal</b>	<p>To support OMRON’s continuous development, VOICE allows the management team to:</p> <ol style="list-style-type: none"><li>1 Measure the attractiveness of the workplace</li><li>2 Understand and identify issues</li><li>3 Create a framework for actions to resolve issues</li></ol>						
<b>Target</b>	<p><b>Global Employees 23,920</b> * Excludes overseas production workers</p>						
<b>Results</b>	<table><tr><td><b>No. of Respondents:</b></td><td><b>20,161</b></td></tr><tr><td><b>Response Rate:</b></td><td><b>84.3%</b></td></tr><tr><td><b>Additional Comments:</b></td><td><b>8,496</b></td></tr></table>	<b>No. of Respondents:</b>	<b>20,161</b>	<b>Response Rate:</b>	<b>84.3%</b>	<b>Additional Comments:</b>	<b>8,496</b>
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\*VOICE : **V**G **O**MRON **I**nteractive **C**ommunication with **E**mployees

# Engagement Survey VOICE

## Healthy embrace of OMRON Principles; a strength for OMRON

15 categories of questions	Subject of assessment	Positives
<b>Principles/VG2.0 Targets</b>	<b>Understand, embrace, act on principles, strategies, targets</b>	<b>75%</b>
Customer-centric/quality focus	Customer-centric, quality focus in operational processes, actions	70%
Workplace, team atmosphere	Delegation of work, participation in decisions, work attitude	70%
Response to change, challenges	Atmosphere conducive to embracing change and challenges	66%
Team work, collaboration	Collaboration within units/with other units, team work	67%
Talent/career development	Opportunities for skill/career development in the workplace	61%
Diversity, mutual respect	Status of diversity, atmosphere accepting of diversity	64%
Management	Employees' view of management actions and leadership	65%
Operational efficiency	Work environment, operational efficiency, decision process	49%
<b>Sincerity, Ethical Conduct</b>	<b>Ethical conduct, compliance culture in managing operations</b>	<b>77%</b>
Direct superior	Actions and words of direct superior	73%
Communication	Communication in the workplace	63%
Performance management	Evaluations, compensation	54%
Work-life balance	Status of work-life balance	73%
Engagement	Attractiveness, pride in company	70%

Towers Watson assessment scale for % of positive responses: 70-80%: Healthy, 50-70%: Seek to maintain/improve, sub-50%: Requires improvement

# Hiring and Developing Future Management

**OMRON Principles are a touchstone for hiring superior resources.  
Focus on both external hires and nurturing internal candidates**

## Human Resources for Management

### Hiring superior external resources

- Proactive hiring of superior human resources
- Enhance diversity

### Develop superior internal candidates

- Early identification of promising candidates (Revise HR system)
- Program to nurture superior human resources

**OMRON Principles as the touchstone (Corporate Culture)**

## 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.
3. The presentation slides are based on "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (U.S. GAAP)."  
Figures rounded to the nearest million JPY and percentage to one decimal place.

Contact:

**Investor Relations Department  
Global Investor & Brand Communications  
OMRON Corporation**

Phone: +81-(0)3-6718-3421

Email: [omron-ir@omron.com](mailto:omron-ir@omron.com)

Website: [www.omron.com](http://www.omron.com)