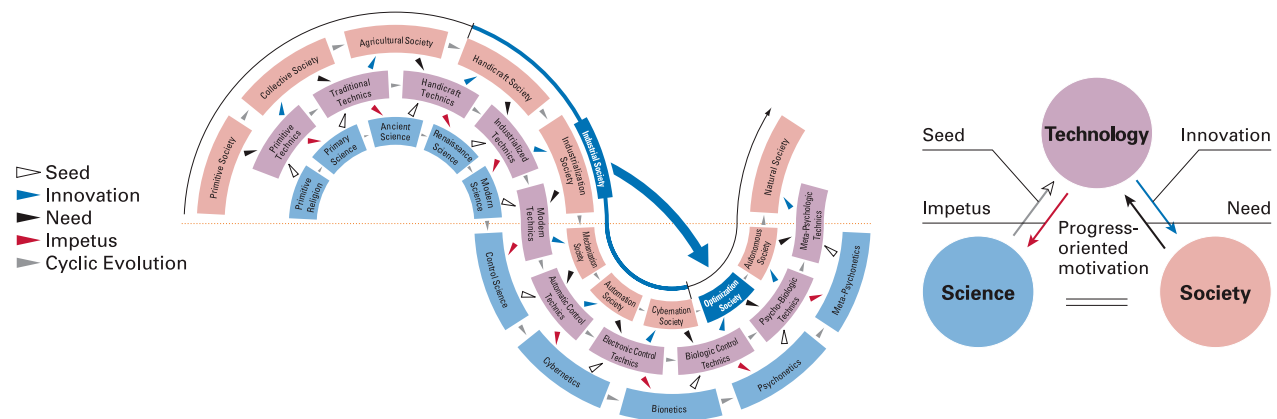


Management Compass

The SINIC Theory

Our founder, Kazuma Tateishi, believed that to solve social issues through business and create a better society required the ability to anticipate future social needs. He believed that a company needed a compass to help predict the future. As our compass, Mr. Tateishi formulated the SINIC predictive theory, which projects the future based on the cycle of interrelationships between Science, Technology, and Society. Omron first announced this predictive theory to the world at the International Future Research World Congress in 1970. Since then, the SINIC Theory has been our compass for projecting into the future.

Note: See <http://www.omron.com/about/principles/sinic/> for more.



From an Optimization Society to an Autonomous Society

According to the SINIC Theory, we are presently living in the Optimization Society^{*1}. In the preceding Industrial Society, the world emphasized the values of efficiency, productivity, physical goods, and groups. The Autonomous Society is the next stage in which the world values higher-level pursuits of spiritual and emotional development. These values focus on contentment and individual lifestyle.

The Optimization Society is a repeated cycle of destruction and creation in the gaps that exist between these two social values. Today, we are experiencing a period of chaos in the advancement of optimization. We predict that the Autonomous Society will arrive in 10 years or so. This society will be a more mature one in which individuals can experience the joy of self-actualization, deciding their own values and living their own lifestyle without outside interference.

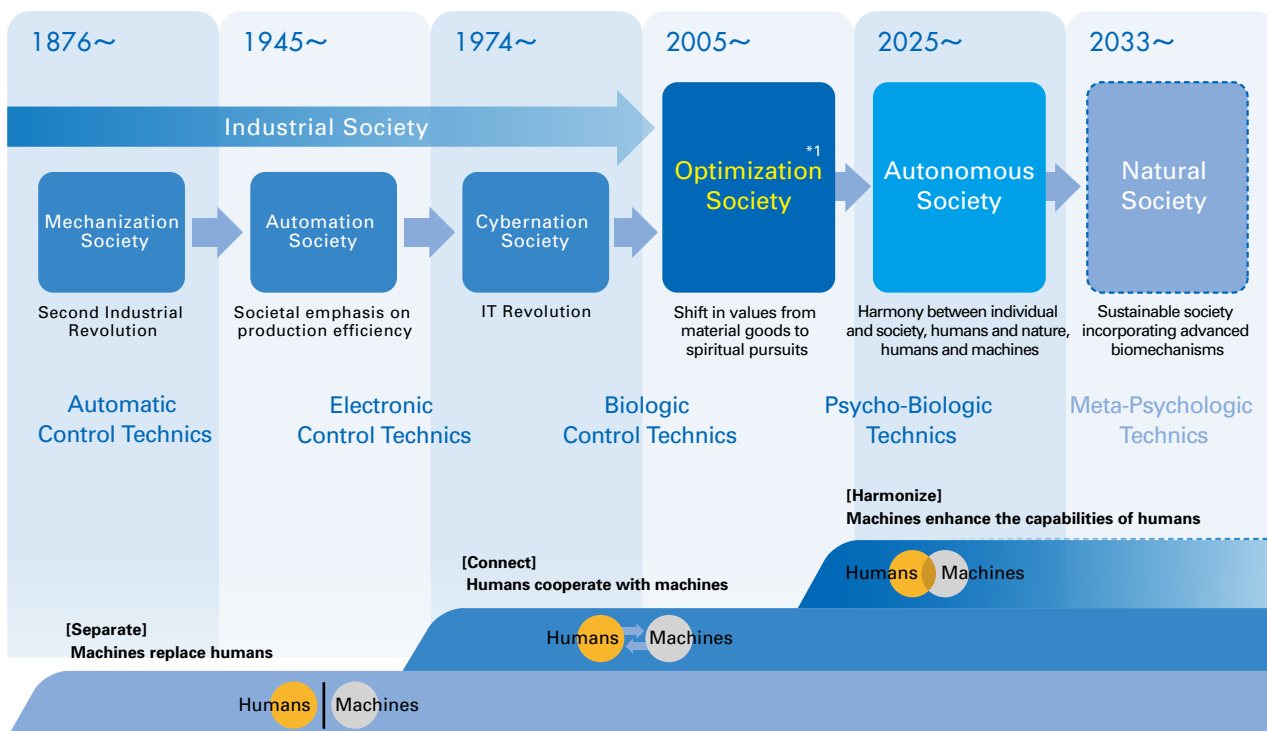
Over time, we will experience a shift away from physical goods toward an increase in collective wisdom, emotional intelligence, and the capacity to concern ourselves with others.

These changes will require advancements in science and technology related to human intellect, sensitivity, and other human virtues. The Internet of Things and Artificial Intelligence are ushering in the Fourth Industrial Revolution, a development that confirms the predictive model of the SINIC Theory.

The Evolving Relationship between Humans and Machines

This change in society is inextricably tied to the changing nature of the relationship between humans and machines. The relationship between humans and machines develops across three stages. The first stage is one of separating humans and machines, having the machine take over certain tasks from the human. This was the beginning of automation: using machines to replace humans to do work that does not require human intervention. The Omron history mirrors this history, as we introduced factory automation, automated ticket gates, and other inventions.

The second stage in this relationship is one of connecting humans and machines in a cooperative relationship. An example of this is a



*1 While this addresses the period of change coming to advanced nations in the future, the pace of change among emerging nations will be much faster and far more dramatic.

production line where humans and robots work together, each performing the most suitable task to increase productivity. Another example is the Omron collision-prevention technology that supports our vision of a collision-free mobile society. Here, humans and machines work together to ensure peace of mind, safety, and comfort.

The third stage in this relationship is harmony between humans and machines. Here, harmony enhances the capabilities of the human worker. As machines become a more integral part of society, humans will enjoy machine support in a number of new and different ways that extend the potential of human capabilities. We are already seeing the practical implementation of these technologies. Wearable devices that monitor human biological information and robot suits that detect and aid human intent are just a few examples.

Automating Our Way to the Future

Looking forward to a new future in human and machine interaction, Omron is taking up the challenge to create new forms of automation in

this era of the Internet of Things. More specifically, our approach to automation will follow three concepts: (1) Evolution in control (integrated); (2) Intelligence developed through ICT (intelligent); and (3) New harmonization between humans and machines (interactive). Our sights are set beyond industrial applications, as we look to introduce automation in the agricultural and services industries as well. To accomplish our goals, we are developing new technologies for use in applications such as cognitive sciences, neuroscience, and artificial intelligence.

Since our founding, we have continued to anticipate social needs, develop technologies to solve social issues, and contribute to a better society through our businesses. The good we have brought to society is based on the future-predictive SINIC Theory and our basic founding philosophy: “To the machine, the work of the machine; to humankind, the thrill of unfettered creativity.” Guided by our vision of the future of automation, Omron will continue to develop technologies and carry out businesses that contribute to a better society.