# Value Creation Model

# Input

**Human Capital** 

**Employees** 

36,008

(As of March 2017, plus new hires and mid-career hires)

**Social and Relationship Capital** 

No. of Countries

117

(As of March 2017)

**Financial Capital** 

**Ratings** 

AA- (R&I) /A (S&P)

### **Social Issues**

**Focus Domains** (P28-47)

Core

# **Business Divisions** (P77-89)

- Shortage of skilled workers in advanced countries, rising labor costs in emerging economies
- Diversification in manufacturing

**Factory Automation** >>> P36

**Technologies** (P26-27)



Industrial Automation **Business** 

- Increase in number of patients with brain and cardiovascular diseases caused by hypertension
- Respiratory diseases increasing worldwide

Healthcare >>> P40





Healthcare **Business** 

- Increase in accidents in advanced countries due to elderly drivers
- Increase in traffic accidents, congestion, and environmental burden in emerging economies



Automotive Electronic Components **Business** 



Social Systems, Solutions and Service Business



Other Businesses (including Environmental Solutions)



Electronic and **Mechanical Components** Business, Other

 Global warming due to CO<sub>2</sub> emissions

**Energy** Managem >>> P46

> Technology & Intellectual Property HQ



Collaboration



# **Partners**

(customers, companies in other industries, universities, research institutes)

# Intellectual Capital

## **Patents**

8,224

# **R&D Expenses**

¥270 billion

(FY2017 to FY2020 plan)

# **Manufactured Capital**

# **Capital Investment**

¥160 billion

(FY2017 to FY2020 plan)

Intellectual Capital, Manufactured Capital, Social and Relationship Capital

# **Growth Investment**\*

¥100-¥200 billion

(FY2017 to FY2020 plan) \*M&A + Alliances

Contribute to economic growth

Contribute to healthy and vibrant

lifestyles for people around the

through social productivity

improvement

### Output (Main Products)

**Factory Automation** 

Equipment

Medical Equipment

#### **Customers**

Manufacturers

(Auto, Digital, Food, Other)

Electronics

Retailers,

Pharmacies, Other ⇒Users

#### **KPIs / Social Value**

# **OMRON** (FY2020)

**Financial Goals** 

**Net Sales** 

**Gross Profit Margin** 

**Operating Income** 

¥100 billion

**ROIC** 

ROE > 10% Contribute to safe, secure, pleasant, and clean lifestyles for people around the world



world







Station and Traffic Equipment Maintenance / Services

Automakers

Railway / Roads



PV Inverters, Other

Housing Makers, Other



Home Appliance Makers, Other

**EPS** > ¥300

Non-Financial Goals P17

Contribute to sustainable society by promoting the use of renewable energy





