

Human Resources Strategy

Accelerating the growth of our people and our organization to drive VG2.0 forward

Three Key Global Initiatives

The goal of our human resources strategy under VG2.0 is to create a strong company where people grow, enjoy their work, and keep improving performance. We have established three initiatives to accomplish this goal.

The first is to foster leaders.

We included this initiative when we first launched VG2020. To achieve VG2.0 and sustainable growth in the future, we must do even more to accelerate the training of leaders who will drive management and business. In particular, we must focus on leadership overseas, raising the ratio of local employees in key positions from the current one-half to two-thirds within four years.

The second initiative is the hiring, training, and effective utilization of a diverse employee base.

This is a new initiative under VG2.0. We want to generate a new chemical reaction by linking the talents of those employees who have brought us to where we are and those employees necessary for future growth. This chemical reaction is necessary

for creating innovation. We must hire and train employees who have the skills and unique experiences to help us achieve this goal. By encouraging the growth and performance of individuals with unique characteristics, we can maximize the potential of a diverse workforce and provide an environment and systems for maximum performance.

The third initiative is to foster self-motivated employees.

The OMRON Group human resources development policy is to give opportunities to those who are ambitious and who are well prepared. We encourage and support those who take the challenge to generate greater growth. We plan to offer more programs to improve capabilities and skills, providing more support for new career choices that allow individuals to express their talents and strengths. We will also implement a ground-up review of the programs and systems we have in place.



Masahiko Tomita

Executive Officer
Senior General Manager, Global Human
Resources and Administration HQ

Human Resources Strategy Goals

Create a strong company that fosters our people, provides an enjoyable work environment, and encourages high performance

Key Global Initiatives

1

Foster leaders who will
drive management
and business

2

Hire, train, and make
effective use of a diverse
employee base

3

Encourage self-motivated
employees

Health Management and Other Specific Action Plans

We intend to execute a number of specific action plans for these three initiatives. Here, we will discuss several of these action plans in detail.

The first deals with fostering leaders. When we began in fiscal 2011, only one-third of our key positions overseas were held by local employees. Today, that ratio is 49 percent. In Asia, in particular, we started a talent management system during fiscal 2014 to find and train future leaders. As a result, the number of individuals capable of serving in key positions has increased steadily. We are adopting similar systems in North America and other regions, promoting talented individuals.

The next deals with redesigning work styles to encourage innovation. For example, we plan to offer a wider variety of work arrangements, providing an improved communications and collaboration infrastructure, as well as more choices in work

locations, work schedules, and work styles. We believe flexible work arrangements will motivate employees to greater productivity, attract a more diverse workforce, and result in even more chemical reactions.

We further believe that diversity and inclusion lead to innovation, and are a critical element to our future competitiveness. For Japan, in particular, we have set goals to address the important issue of promoting career advancement for women. As of fiscal 2016, we achieved our goal of having a 3.3 percent ratio of women in managerial roles. Our goal is to raise this ratio to 5 percent by the end of fiscal 2018, and to 8 percent by the end of fiscal 2020. Further, we will provide more opportunities for persons with disabilities to take an active part globally.

The foundation of our entire human resources



strategy is that every employee is able to be healthy and display their talents. Accordingly, we will promote health management throughout our entire company. In July, we made a declaration of health management, identifying five indicators we believe will result in better employee focus: Exercise, sleep, mental health, diet and smoking. This program represents what a company such as OMRON should be. We plan to address these five indicators throughout the year, encouraging greater physical and mental health in our employees and creating a more happy workplace. Using the expertise regarding high blood pressure developed within our Healthcare Business, we aim to implement full blood pressure management among all employees, taking yet another active role in helping promote employee health.

During fiscal 2012, we launched a very important initiative for the OMRON Group, which we still carry out today. We have challenged ourselves to practice the OMRON Principles through our businesses. One key initiative to

share the OMRON Principles among our employees worldwide is the OMRON Global Awards, or TOGA. Fiscal 2017 will be the sixth year of our TOGA program. We plan to improve and expand TOGA, promoting the shared belief in our principles and self-directed action.

Last, we began conducting an engagement survey in fiscal 2016 to ensure progress toward our human resources strategy. This survey serves as the starting point for a cycle that includes action plan execution, evaluation of results, analysis of issues, and improvements.

We intend to continue with this survey as a means to improve our initiatives. We aspire to be a company in which a diverse employee base feels comfortable exchanging opinions, having fun, and creating innovations. By attracting and connecting unique individuals from outside our company, we will accelerate diversity and innovation, building an attractive company that fosters this kind of chain reactions.

OMRON Health Management Declaration

OMRON aims to be a pioneer in creating social needs, and the health of our employees is accordingly fundamental to our business. We OMRON Group will unite to do our utmost to create positive working environments full of smiles and vitality so all of our people can innovate to solve various social issues.

Y. Yamada

President and CEO
July 3, 2017



Building a Stronger Business through Diversity

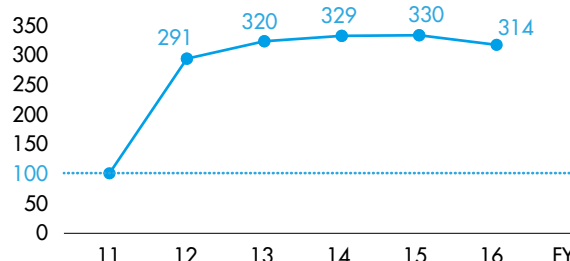
Solving Women's Health Issues from the Perspective of Women

The passing of the Equal Opportunity Employment Law in Japan 30 years ago marked the beginning of major changes in the lives of women. At the same time, women gained new life choices related to marriage, birth, and more. A decrease in the number of births per person and changes in lifestyles have corresponded to an increase in dysmenorrhea, uterine disease, and other female-specific health issues, which are said to cost ¥6 trillion annually in lost labor productivity.

In response to these developments, OMRON Healthcare launched the *OMRON Style Beauty Project* in 2010. The objective of this project is to balance beauty and health in equal proportions, making a serious effort to create products and services that address female-specific health issues. OMRON Healthcare has developed products in painstaking detail from a number of potential-use cases. In addition, the company has sponsored seminars and other programs to educate both men and women about female-specific health issues.

As a result of these initiatives, OMRON brand recognition rose from 50% in fiscal 2014 to 54% in fiscal 2016, while favorability ratings rose from 30%

Trends in OMRON Style Beauty Project-Related Products



Trends in OMRON Beauty and Health-Related Products; 2011 indexed at 100.

to 41%. Product sales also rose during the period.

OMRON Healthcare has a culture that encourages all employees, regardless of gender or seniority, to take on new challenges. The company is also creating a corporate culture in which male employees learn more about female-specific health issues, fostering a greater cooperative environment. Moving forward, we will work with even greater urgency to incorporate the female perspective in our approach, tackling new health issues head on.

Isao Ogino

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