

June 5, 2024

Initiatives towards improving Board of Directors' effectiveness.

OMRON Corporation

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1. Overview of initiatives towards improving the Board of Directors' effectiveness

The Company ensures transparency and fairness in business management, speeds up management decisions and practices, and strives to boost the OMRON Group's competitive edge. The ultimate objective is to achieve sustained enhancement of corporate value. To this end, the Company reinforces the supervisory functions of the Board of Directors through initiatives for improving its effectiveness. Such initiatives are undertaken in a cycle of (1) evaluation of the Board of Directors' effectiveness and (2) determination of the policy for the operation and focus themes of the Board of Directors and formulation and implementation of annual plans.

(1) Evaluation of the Board of Directors' effectiveness

The Company's evaluation of the Board of Directors' effectiveness is conducted by the Corporate Governance Committee chaired by an Outside Director and comprising Outside Directors and Outside Audit & Supervisory Board Members (hereinafter "Outside Executives"), as well as non-executive internal Directors. Outside Executives act as members of the Board of Directors while having the perspectives of all stakeholders including the shareholders. The Corporate Governance Committee, which is composed of Outside Executives and non-executive internal Directors, performs evaluations in order to ensure that evaluations are both objective and effective.

(2) Determination of the policy for the operation and focus themes of the Board of Directors and formulation and implementation of annual plans

Based on the evaluation results by the Corporate Governance Committee in (1) and the business environment, etc., the Board of Directors determines the policy for the operation and focus themes of the Board of Directors for the next fiscal year. The Board of Directors formulates and implements annual plans based on this operation policy.

The Company continues to improve the Board of Directors' effectiveness by implementing (1) and (2) above on a yearly basis. The Corporate Governance Committee has evaluated these initiatives to be the Company's unique, optimal activities that are both objective and effective. The Board of Directors recognizes the Company's initiatives as being more effective than evaluations by third parties.

Initiatives towards improving the Board of Directors' effectiveness



2. Methods of Evaluation of the Board of Directors' effectiveness for fiscal 2023

The methods of the evaluation of the Board of Directors' effectiveness and the evaluation items in the self-evaluation for fiscal 2023 are as described below.

(1) Self-evaluations by Directors and Audit & Supervisory Board Members

- Each Director and Audit & Supervisory Board Member performed self-evaluations of the contents of discussions at the meetings of the Board of Directors and the extent of oversight functions exercised, immediately following each meeting of the Board of Directors. Immediately after each meeting of the Board of Directors, Outside Executives evaluated the Board of Directors and held a review meeting to review the Board of Directors.
- Each Director and Audit & Supervisory Board Member performed self-evaluations of the operation, etc. of the Board of Directors over the course of the year following the meetings of the Board of Directors held on February 26 and March 26, 2024.

*Self-evaluation: Performed by completing questionnaires. For each evaluation item, answers are provided using five-point scales and free comment fields.

1) Self-evaluations performed immediately following meetings of the Board of Directors [Contents of discussions at the meeting of the Board of Directors, Extent of oversight functions exercised by the Board of Directors]

2) Self-evaluations for the entire year, performed at the end of the fiscal year [Operation of the Board of Directors, Increasing information sharing opportunities, Each advisory Committee, Other overall issues regarding the Board of Directors]

(2) Interviews by the Chairman of the Board of Directors

- The Chairman of the Board of Directors conducted individual interviews to Directors and Audit & Supervisory Board Members between December 2023 and February 2024.

(3) Evaluation by the Corporate Governance Committee

- The Corporate Governance Committee conducted evaluations of the Board of Directors' effectiveness on March 26 and April 24, 2024.

3. Policy for the operation and focus themes of the Board of Directors for fiscal 2023

<Board of Directors Operational Policy for Fiscal 2023>

The Board of Directors will exercise its oversight functions from a medium- to long-term perspective as we move forward to achieving the OMRON Group’s long-term vision, SF2030, and the medium-term management plan, SF 1st Stage, under the new business execution system. This will be done by recognizing the link between the following three focus themes and issues subject to oversight.

<Focus Themes>

1) Monitoring progress of the long-term vision and medium-term management plan

<Points of oversight>

- Operational status of the new business execution system
- Progress of global human resources strategy implementation
- Autonomous growth and business model transformation
- Future business strategy in alliance with JMDC

2) Response to risks in the era of uncertainty

<Points of oversight>

- Response to global geopolitical risks including changes in markets
- Enhancement of cybersecurity

3) Construction of the Corporate IT System

<Point of oversight>

- Progress of Enterprise Resources Planning (ERP) system deployment in Europe and Japan

Background of the establishment of the policy for the operation and focus themes of the Board of Directors for fiscal 2023 (discussed and decided at the Board of Directors meeting held in May 2023)

The Board of Directors confirmed that monitoring progress of the long-term vision and the medium-term management plan led by the new executive structure, following the changes in President, CFO and Presidents of all Business Companies, was an important part of oversight functions, and confirmed its intent to continue discussions with an emphasis on a medium- and long-term- perspective. It was also confirmed that the alliance with JMDC Inc. (hereinafter, “JMDC”) would be a significant, revolutionary theme for the Company. The Board also confirmed that “2) Response to risks in the era of uncertainty” and “3) Checking the progress of establishing a companywide IT system” would remain focus themes, following on from the previous fiscal year.

4. Results of evaluation of the Board of Directors’ effectiveness for fiscal 2023

4-1. Performance of operation of the Board of Directors

4-1-1. Focus themes

Focus theme 1: Monitoring progress of the long-term vision and medium-term management plan

<Operational status of the new business execution system, Autonomous growth and business model transformation>

■ Contents of reports and resolutions at the meeting of the Board of Directors

The business execution division reported the following points to the Board of Directors.

- In an agenda item regarding the business plan for fiscal 2023, each of the Business Companies

reported on sales growth plans based on self-propulsion amid the continued slow growth in the global economy, and the Board of Directors resolved on this. In reporting Short-Term Management Plans, the Presidents of each Business Company reported on specific initiatives toward encouraging self-propulsion. In particular, IAB*1 reported on a plan for winning orders through making a shift to customers with growth potential and through evolving into the solution business model.

*1: Industrial Automation Company

- Regarding an agenda item of “forecasts of the consolidated financial results for the second quarter and for the full-year” (hereinafter, “financial results forecast for the second quarter”), in which the first downward revision was made to the forecasts, they reported that demand had slowed down more than expected in the Chinese market and elsewhere, resulting in sluggish net sales in IAB and DMS*2. They also reported that a decrease in operating income was attributable to decreased added value due to lower sales, as well as declined sales in China that makes up a large portion of our sales of solution business with high added value. This resulted in changes in the sales composition of products and geographical areas and led to a lower gross profit margin. Business environment projections for the second half of the fiscal year they reported were continued sluggishness for IAB and DMS, mixed conditions for OHQ*3, and a continuous favorable environment for OSS*4. Under these circumstances, they reported that they would accelerate respective actions they had set, such as capturing demand through enhancing and demonstrating self-propulsion, toward fully achieving the financial results forecast for the second quarter.

*2: Device & Module Solutions Company

*3: OMRON HEALTHCARE Co., Ltd.

*4: OMRON SOCIAL SOLUTIONS Co., Ltd.

- Regarding an agenda item of “forecasts of the consolidated financial results for the third quarter and for the full-year” (hereinafter, “financial results forecast for the third quarter”), in which the second downward revision was made to the forecasts, it was reported that the business environment underlying the full-year forecast worsened compared to that at the time of the forecast of the second quarter results, despite signs of moderate recovery seen in some industries surrounding IAB and DMS. As a result, all of sales, gross profit margin and operating income would fall well below the financial results forecast for the second quarter. Contributing factors reported by IAB were the impact from postponement or contraction of capital expenditures by major clients, such as semiconductors and rechargeable batteries industries. They also reported that a significant decrease in operating income was mainly attributable to an increase in inventory provisioning, in addition to lower added value accompanying decreased sales, and that the current rigid fixed cost structure allow little room for All OMRON to respond to Market condition changes. In light of these circumstances and toward returning IAB to growth, transformation to customer-driven management and a reform of the rigid fixed cost structure were determined as challenges to expanding customer value (added value). They reported on IAB Revival Plan and five management measures, including headcount and capacity optimization.

■ Main contents of discussions at the meeting of the Board of Directors

- Regarding the agenda item on the management plan for fiscal 2023, the Board of Directors suggested that in order to achieve the plan, it is essential to prepare for changes in the market environment, such as the possibility of the U.S. financial market crash. Next, with regard to evolving the profit structure into businesses reflecting an essential value perspective, which is important for Autonomous growth, the Board of Directors confirmed that a discussion had started between distributors and the management team on the solution business. In IAB’s report on the Short-Term Management Plan, the Board discussed the current state of value transfer capability, which is important for shifting to customers with growth potential and

evolving into the solution business, and confirmed the need for reviewing the human resources portfolio.

- With regard to the report on the financial results forecast for the second quarter, given the drastic changes in circumstances after the first quarter, the Board of Directors confirmed what kind of analysis and scenarios had been developed on the latest market situation and medium- to long-term changes. The Board also mentioned the division's failure to grasp the inventory status of distributors, and pointed out that in a highly volatile business, it is essential to improve a system so as to get the picture of real demand in the market. The Board also requested that the current inventory status be analyzed carefully, with factors other than the economic climate taken into account.
- In the reporting on the financial results forecast for the third quarter, the Board of Directors confirmed the causes for differences between our results and those of competitors, and discussed how the unbalanced area portfolio and industry portfolio, which is an issue of IAB, can be optimized and lead to growth. In terms of portfolio, the Board considered a most profitable business structure and combination and discussed how to add tolerance to a phase of downside in economic fluctuations. The Board of Directors confirmed that the client portfolios and area portfolios need to be reviewed for all of our businesses, not just for IAB. Then, as to the fixed cost structure, in which selling and administrative expenses are relatively high, the Board confirmed that the problem lies in labor cost, IT-related operation/maintenance, and depreciation expenses. The Board of Directors therefore confirmed the need for changing the labor cost structure, the significance of launching a companywide IT system on schedule, which is currently under development, and the importance of a shift to cash flow management for increasing investment efficiency by going beyond ROIC management led by each Business Company. Lastly, the Board of Directors discussed the withdrawal of the medium-term management plan 1st Stage, deliberated about five structural reform programs and resolved on them.

<Progress of global human resources strategy implementation>

■ Contents of reports at the meeting of the Board of Directors

The business execution division reported the following points to the Board of Directors.

- They reported on the evolution of Global Core Position and Core Human Resources Strategy (hereinafter, "Core Position Strategy") with a mission to "continue supplying human resources optimal for the core positions of the OMRON Group and support OMRON's long-term growth." In this report, it was explained that the Core Position Strategy succeeded in optimal personnel placement and supply of human resource pipelines through following a cycle of "clarification of requirements for each position," "identification of successor candidates," "development" and "evaluation and promotion" (see Figure 1), along with the report on the results and outcome after more than 10 years of continuation.
- On the other hand, toward realizing an ideal state in the future, some items had been identified as issues, such as a delay in promotion of women among the current positions, aging in and insufficient successor candidates for the positions in production- and quality-related divisions, and supply of successors with an eye to the next five years. They reported on the current state of these issues and measures to be taken.

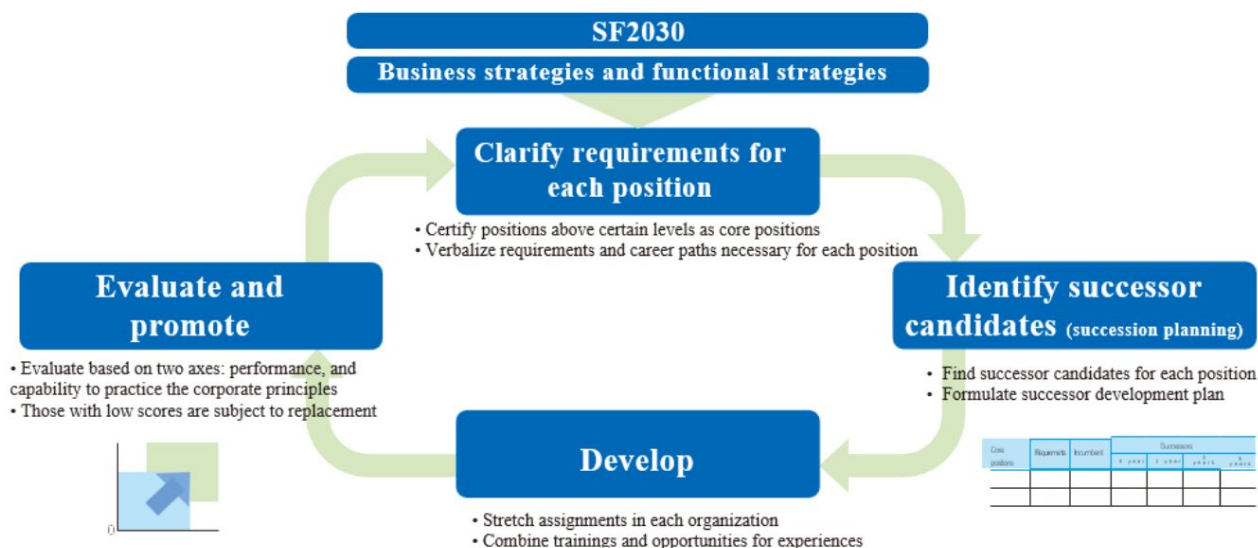


Figure 1

■ **Main contents of discussions at the meeting of the Board of Directors**

- The Board of Directors discussed the fact that the ratio of women in officer positions is not high, and confirmed that to accelerate diversity in the management, it is important to augment human resource pipelines from general employees. To this end, the Board discussed the need for eliminating bias in every corner of the company and for promoting women by taking various opportunities and confirmed that the business execution division would take conscious effort to proceed with these initiatives.

<Future business strategies in alliance with JMDC>

■ **Contents of reports and resolutions at the meeting of the Board of Directors**

The business execution division reported the following points to the Board of Directors.

- Regarding an agenda item of “consideration on the acquisition of additional shares of JMDC,” they reviewed and evaluated developments after the conclusion of a capital and business alliance with JMDC following the acquisition of 33% of shares on February 25, 2022. They reported that a strong relationship of trust was established and that JMDC’s competitive edge and growth potential of both companies became clear through the collaboration. With the purpose of concretizing and accelerating the growth potential of both companies and expanding the Company’s corporate value through incorporating JMDC’s business performance into that of the Company, they reported on a draft proposal for the acquisition of JMDC as a consolidated subsidiary.
- Regarding an agenda item on the acquisition of additional shares of JMDC for making it into a consolidated subsidiary, they reported on items such as a business plan premised on the consolidation, policies on TOB, investment evaluations, and risks and measures upon consolidation. Referring to a case of the business model in M&S business*, the business plan premised on the consolidation explained that OMRON and JMDC would be able to accelerate and expand not only their respective healthcare businesses, but also the data service business in the industrial automation and social solutions domains. In addition, they reported on governance practice that would achieve JMDC’s sustainable growth and how to protect from any damage the corporate values of both companies.

*M&S Business: Management service business, such as a comprehensive maintenance service

■ Main contents of discussions at the meeting of the Board of Directors

- The Board of Directors discussed an ideal practice of governance of JMDC after the consolidation and confirmed that it is essential to conclude a capital and business alliance for the Company to conduct governance while leveraging JMDC's strengths and ensuring its independence. The Board also confirmed that OMRON's purpose in the alliance with JMDC is to develop and provide devices intended for monitoring use to individuals with high risks identified through algorithms owned by JMDC, which should be a major step toward reducing close to zero the number of those experiencing an onset of serious events.
- The Board of Directors discussed how to utilize data scientists owned by JMDC and confirmed that, through promoting DX of the field maintenance data possessed by OSS, greater operational efficiency and other new values would be generated, which would lead to significant business growth. In addition, it was confirmed that the Company would strengthen IAB's and OSS's data business to press forward with the transformation of the entire company. The Board also requested a clear explanation as to the significance of acquiring over 50% of JMDC shares to OMRON, bearing in mind the voices of shareholders that OMRON received upon acquiring 33% of JMDC shares.
- In the conduct of TOB, the Board of Directors confirmed forecasts on corporations that might offer prices higher than the Company's projection and risks therefrom, and also confirmed that JMDC expects to learn from OMRON the capabilities for "managing a large organization" and "executing overseas development." It was also confirmed that there is much for us to learn from JMDC, such as superior human resources and high-cycle decision-making that OMRON aspires to practice. The Board requested a success in TOB and acquisition of knowhow thereafter, and resolved on this agenda item.

Focus theme 2: Response to risks in the era of uncertainty

<Response to global geopolitical risks including changes in markets>

- A lecture by an economist and an exchange of opinions on the U.S.-China geopolitical risk and its impact on Japan and the world economy were implemented. The Board of Directors confirmed the current state of the EV market and the possibility of expansion in hydrogen technology in China. Opinions were also exchanged about changes in the people's stance on consumption after the Zero-COVID policy.

<Enhancement of cybersecurity>

■ Contents of reports at the meeting of the Board of Directors

The business execution division reported the following points to the Board of Directors.

- They reported on external evaluations on the results of executing cybersecurity measures and on maturity of the current security status, mentioning the steady progress in security strength. On the other hand, it was reported that there remain issues such as automation of IT assets management and response to risks across the supply chain. They also reported on the formulation and disclosure of Information Security Basic Policy.

■ Main contents of discussions at the meeting of the Board of Directors

- As cyber attacks are becoming increasingly sophisticated, the Board of Directors discussed the need for confirming the level that the Company must achieve and for setting out a security level commensurate with the characteristics of its business. The Board also requested that they examine unnecessary IT assets in order to enhance security strength.

Focus theme 3: Construction of the Corporate IT System

<Progress of Enterprise Resources Planning (ERP) system deployment in Europe and Japan>

■ Contents of reports at the meeting of the Board of Directors

The business execution division reported the following points to the Board of Directors.

- At the Board of Directors meeting in January, they reported on the progress of ERP deployment in Europe and Japan, and that there is no major change in the schedule and budgets. In relation to this topic, they reported on lessons learnt during the deployment in Europe, where the system had been introduced in advance, and on measures and actions to be taken upon deployment in Japan.

■ Main contents of discussions at the meeting of the Board of Directors

- The Board of Directors confirmed the results of explanation to distributors along with their feedback and confirmed that there was no major concern. The Board also confirmed the state of customer facing, and by presenting case studies at other companies, pointed out that it is important to communicate well with customers in order not to accept their requests for securing extra inventory, which may come from their anxieties for problems upon the system start-up.
- Next, with regard to the three areas to which the system had been introduced in advance, namely, “indirect material procurement,” “expense reimbursement” and “human resources management,” the Board of Directors discussed the importance of confirming the post-deployment results and requested a thorough utilization of the system from here onward.

4-1-2. Significant matters other than the focus themes

<Report on the progress of important M&As and alliances>

- The business execution division reported on the business value evaluation of the important M&As and alliances that had been deliberated by the Board of Directors in the past, along with the progress of business plans and future plans pertaining to these cases. To make reports more from a business perspective, the business execution division had Presidents of Business Companies explain the progress of business plans that were initially laid out at the time of acquiring three businesses.

<Increasing responsibility for respecting human rights and the role expected of the Board of Directors>

- The Board of Directors invited an external lecturer and exchanged opinions to obtain latest information about rising demands for addressing human rights issues in all the nations and regions involved in the value chain, and to confirm the role expected of the Board of Directors, as well as the current position of the Company.

<Report on the progress of intellectual property activities>

- The business execution division reported on and discussed at the Board of Directors meeting the two initiatives on intellectual property reforms started in 2015, namely, “initiative to enhance the ability to generate patents in terms of both quantity and quality” and “initiative to promote and strengthen intellectual property and intangible assets, which are the source of competitive advantage of our business model.”

4-2. Evaluation by the Corporate Governance Committee

The Corporate Governance Committee conducted evaluations of the Board of Directors' effectiveness during fiscal 2023 and reported the following evaluation results at the Board of Directors meeting held on May 8, 2024.

4-2-1. General comments on evaluation

■ Points commended

- Discussions by the Board of Directors were generally active. Many of the agenda items were commended for having a medium- to long-term perspective, and selection of the focus themes was also appropriate.
- The Board of Directors were commended for increasing opportunities for dialogue and discussions with the business execution division, which allowed for deeper discussions.
- With regard to the consolidation of JMDC, the Board of Directors meetings were commended for growing understanding of this matter, through having discussions on JMDC's positioning in our business along with issues to be focused.
- The establishment of a companywide IT system is steadily underway with concerns addressed appropriately, which had arisen before the start of the project.

■ Issues

- The Company made downward revisions to the financial results twice. The Board of Directors viewed this fact as a matter of great regret and considered insufficient discussions about downward revisions to be an issue. The Board also recognized that it is essential to detect any signs, increase predictability in the performance, and make preliminary discussions proactively.
- Some agenda items submitted to the Board of Directors meetings lacked pursuit of the root causes of problems. The Board of Directors viewed this as an issue.
- The Board of Directors recognized the need for exchanging opinions among the Board members and further vitalizing discussions on agenda items submitted to the Board meetings.
- In discussions about strategies of each business, the Board recognized that there is a need for presenting the current state in numerical terms clearer than ever, so as to clarify the Company's competitive advantages over competitors or to achieve uniformity in market analysis data.

■ Points requested

Toward resolving the issues mentioned above, the Corporate Governance Committee presented the following directions to be taken and requested to the Board of Directors.

- Based on reflection on the two downward revisions, it was requested that business execution divisions share information with the members of the Board of Directors and set up a forum for discussion with them by using an Informal Meeting and the like, in the wake of any signs felt in the trends in business performance or in the operating environment.
- With regard to the submission of agenda items, the Corporate Governance Committee requested the business execution division to conduct in-depth analysis of issues and clarify obstacles to the execution of plans.
- The Corporate Governance Committee requested that discussions be held among members of the Board of Directors (many-to-many discussion), instead of discussions held between an explainer and members of the Board of Directors (one-to-many discussion), to generate greater value.

- The Corporate Governance Committee requested that facts and data be organized, which are the base of discussions, and that a system be devised for allowing continual confirmation of the data.

4-3. Initiatives by the Advisory Committees and evaluation by the Corporate Governance Committee

4-3-1. Evaluation

The Corporate Governance Committee commended the operations of the Advisory Committees for ensuring an objective and transparent process and operating properly.

	CEO Selection Advisory Committee	Personnel Advisory Committee
Members	Five members (three Outside Directors and two internal Directors)	Five members (three Outside Directors and two internal Directors)
Chair	Mr. Takehiro Kamigama, the lead Outside Director	Ms. Izumi Kobayashi, Outside Director
Committee composition	<ul style="list-style-type: none"> • The majority shall be Outside Directors • The two internal Directors shall be non-executive internal Directors (the President and CEO is not a member of the committee) 	<ul style="list-style-type: none"> • The majority shall be Outside Directors • The Chairman of the Board of Directors and the President and CEO are not members of the committee
Number of meetings held	1 (Attendance rate: 100%)	8 (Attendance rate: 100%)
Matters deliberated and matters reported	<ul style="list-style-type: none"> • Deliberation on candidates for CEO • Deliberation on a CEO successor candidate in the event of a crisis in fiscal 2024 	<ul style="list-style-type: none"> • Study toward increasing the ratio of women in officer positions • Determination of criteria for appointing Directors, Audit & Supervisory Board Members, and Executive Officers • Deliberation on Director candidates, Audit & Supervisory Board Member candidates, and Executive Officer candidates • Reporting on succession planning for management executives • Reporting on the list of candidates for Outside Director and Outside Audit & Supervisory Board Member • Determination of the members of each Advisory Committee

	CEO Selection Advisory Committee	Personnel Advisory Committee
Points commended	The CEO Selection Advisory Committee was commended for appropriately confirming a candidate for the President and CEO for the next fiscal year and a successor candidate in the event of a crisis.	It was confirmed that the Personnel Advisory Committee appropriately pooled successors of top executives (CFO and other CxOs), and the committee was commended for this point. The Committee was also commended for actively searching female candidates and reflecting them in the talent pool in an effort to increase women in officer positions.
Comments from the chair	Fiscal 2023 saw a change of President and the Advisory Committee entered a new cycle toward selecting a next President in the future. During the fiscal year, we focused on the review of Mr. Tsujinaga's first year in office as the President, and confirmation of issues. From the next fiscal year onward, we will engage in discussions on successors development planning for the future.	The committee has discussed development and promotion of global and diverse human resources, in addition to reviewing various personnel systems. We will focus on more drastic utilization of human resources, personnel development transcending the bounds of Companies, and promotion and development planning for leaders, in particular.

	Compensation Advisory Committee	Corporate Governance Committee
Members	Five members (three Outside Directors and two internal Directors)	Seven members (three Outside Directors, two Outside Audit & Supervisory Board Members and two non-executive internal Directors)
Chair	Mr. Yoshihisa Suzuki, Outside Director	Mr. Takehiro Kamigama, the lead Outside Director
Committee composition	<ul style="list-style-type: none"> The majority shall be Outside Directors The Chairman of the Board of Directors and the President and CEO are not members of the committee 	<ul style="list-style-type: none"> The majority shall be Outside Executives (Outside Directors and Outside Audit & Supervisory Board Members) Directors engaged in business executions are not members of the committee
Number of meetings held	4 (Attendance rate: 100%)	6 (Attendance rate: 100%)
Matters deliberated and matters reported	<ul style="list-style-type: none"> Deliberation of compensation policy for Directors and Executive Officers Deliberation of compensation levels and tables for Directors and Executive Officers Deliberation of compensation for foreign Executive Officers Deliberation of evaluation criteria and payment amounts for Director bonuses and stock compensation Determination of evaluation criteria and payment amounts for Executive Officer bonuses and stock compensation 	<ul style="list-style-type: none"> Discussion on the purpose of the Corporate Governance Committee Deliberation of evaluation of effectiveness of the Board of Directors in fiscal 2023 Deliberation of the process for evaluation of the Board of Directors' effectiveness for fiscal 2023 Deliberation of appointment/dismissal of Executive Officers (in the narrow sense) and heads of departments directly under the President Discussion on common matters pointed out in the Board of Directors review

	Compensation Advisory Committee	Corporate Governance Committee
Points commended	The Compensation Advisory Committee was commended for deliberating the compensation levels and other items based on the compensation structure determined in fiscal 2021 and for its appropriate operation.	The Corporate Governance Committee was commended for redefining the purpose of the Committee and evolving into a forum for discussion on the essence of corporate governance, following the addition of non-executive internal Directors as Committee members from the fiscal year under review.
Comments from the chair	We will emphasize more flexibility in the operation of the Advisory Committee in order to ensure appropriateness in the compensation system and its operation even amid rapid changes in the business performance and the start of a structural reform.	We welcomed non-executive internal Directors as new members and repeated discussions on what should be the Committee's role in enhancing governance of the Company, and this process helped us evolve. Going forward, we will deepen discussion on the ideal shape of governance from a medium- to long-term perspective.

4-4. Initiatives on information sharing opportunities and evaluation by the Corporate Governance Committee

To improve the Board of Directors' effectiveness, the Corporate Governance Committee deems it important to focus not only on the time for the Board of Directors meetings, but also on relevant activities as a whole. Based on this belief, the Committee commended opportunities for discussions and other various initiatives for information sharing, and requested the continued provision of such opportunities.

Informal Meeting (continuously held from fiscal 2014)	
Purpose	The meeting was set up as a forum to discuss on business strategies and business issues, etc. in an early phase or to consult on specific themes. Moreover, meetings are held as an opportunity for sharing latest case studies and trends that the Board of Directors must be aware of, helping Outside Executives to deepen their understanding and the business execution division to resolve their issues.
Structure	Determined depending on themes; some meetings are attended by all Directors and Audit & Supervisory Board Members, while others may be attended only by Outside Executives.
Number of meetings held	8
Initiatives	<ul style="list-style-type: none"> • All Directors and Audit & Supervisory Board Members engaged in discussion on the themes of "Increasing responsibility for respecting human rights and the role expected of the Board of Directors," "Study on corporate governance" and "U.S.-China geopolitical risk and its impact on Japan and the world economy." • An opportunity was set up for the business execution division to individually consult with Outside Executives and non-executive internal Directors on the theme of "Policies and guidelines for Short-Term Management Plan." • An opportunity was held for opinion exchange among Outside Directors and internal Directors on the theme of "Progress of the global human resource strategy" and "Value-up of the Board of Directors."

Outside Executives' and top Executives' opinion exchange meeting (continuously held from fiscal 2019)	
Purpose	Opportunities are provided for the exchange of opinions between Outside Executives and top Executives, which leads to an improvement in understanding of the Company's business and organizational culture.
Number of meetings held	4
Initiatives	<ul style="list-style-type: none"> • An opinion exchange meeting between newly appointed Presidents of Business Companies and Outside Directors was held individually to discuss on the theme of "the operation status of the new executive structure and issues toward growth."

Interviews by the Chairman of the Board of Directors (continuously held from fiscal 2016)	
Purpose	The Chairman of the Board of Directors holds individual interviews with Directors and Audit & Supervisory Board Members once a year to discuss improvement plans related to the operation of the Board of Directors.
Number of meetings held	1 for each (for a total of 11) *Individual interviews with all Directors and Audit & Supervisory Board Members

Board of Directors review (continuously held from fiscal 2021)	
Purpose	Outside Executives conduct a review of the Board of Directors immediately after meetings of the Board of Directors. Outside Executives sharing amongst themselves what they felt, issues and improvements immediately following meetings of the Board of Directors leads to the improvement of the evaluation of the Board of Directors.
Number of meetings held	13

Outside Executives' and Accounting Auditor's opinion exchange meeting (continuously held from fiscal 2015)	
Purpose	Supervisory and auditing functions are being strengthened by sharing the viewpoints of the Accounting Auditor with Outside Executives. In addition, through this approach, we are building a relationship in which Outside Executives directly exchange information about risks in the Company with the Accounting Auditor.
Number of meetings held	2
Initiatives	<ul style="list-style-type: none"> • Opinions were exchanged about the Accounting Auditor's attention points regarding potential business management issues in the future. • Opinions were exchanged about points in addressing fraud and risk and about governance enhancement based on onsite audits from the viewpoints of the Accounting Auditor.

Observation of Executive Committee meetings (continuously held from fiscal 2021)	
Purpose	Outside Executives may observe Executive Committee meetings (management meetings by Executives), as fully understanding the situation of the business execution division will lead to the expansion of the breadth and depth of discussions at the Board of Directors meetings.
Initiatives	<ul style="list-style-type: none"> • Agenda of Executive Committee Meeting is sent to Outside Executives before the meeting every month. Outside Executives monitor online the agenda item they want to observe. • Meeting minutes are sent to members of the Board of Directors every quarter.

On-site visits (continuously held from fiscal 2015)	
Purpose	Opportunities are provided for Outside Executives to visit major bases, exhibitions, etc. and participate in in-house events, which leads to an improvement in understanding of the Company's business and organizational culture.
Number of meetings held	5
Initiatives	<ul style="list-style-type: none"> • Had a tour of renovated OMRON Communication Plaza. • Visited Keihanna Technology Innovation Center, our global R&D core base. • Visited OMRON SINIC X Corp. engaged in research and development of innovative technologies needed in society in the near future. • Visited the booth of Industrial Automation Company at International Robot Exhibition 2023 (iREX2023). • Visited the booth of Industrial Automation Company at the Japan's largest automation exhibition IIFES 2024.

5. Policy for the operation and focus themes of the Board of Directors for fiscal 2024

Based on the results of evaluation conducted by Corporate Governance Committee, Board of Directors engaged in a discussion to determine its operational policy for fiscal 2024. Based on the results of this discussion, Board of Directors operational policy for fiscal 2024 and its focus themes were determined at Board of Directors meeting held on June 4.

<Board of Directors Operational Policy for Fiscal 2024>

The Board of Directors will exercise its oversight functions from a medium- to long-term perspective as we move forward to realize the OMRON Group's Long-term Vision SF2030 and accomplish the Structural Reform Program NEXT 2025. This will be done by recognizing the link between the following focus themes and issues subject to oversight.

<Focus Themes>

1) Progress monitoring toward accomplishing the structural reform program (NEXT 2025)

< Points of oversight>

- Business/regional portfolio optimization
- Organizational capability to realize the above

2) Progress monitoring toward realizing the long-term vision

< Points of oversight>

- Issues in achieving growth for the data solution business and countermeasures
- Global human resources strategy