

Message from an Outside Director

Evaluating the Effectiveness of the Board of Directors

In launching this initiative, we began building a framework based on discussions within the Corporate Governance Committee, which is made up of outside directors. These discussions addressed by whom and how such evaluations would be conducted, as well as how we would link the results of evaluations to improving the effectiveness of the Board of Directors.

While objectivity is important, evaluations that solely emphasize form and numerical data will not lead to substantial and autonomous improvements in effectiveness. To ensure both effectiveness and objectivity, we asked all members of the Board of Directors to complete a self-evaluation. Based on the results of these evaluations, the Corporate Governance Committee performed an evaluation of the effectiveness of the Board. This evaluation focused on areas having room for reform and improvement.

The committee then submitted a report to the Board of Directors. This report included frank opinions and proposals for solving the issues. The report was framed as the result of an evaluation from outside directors and auditors familiar with Omron and intimately involved in Omron management oversight. As such, we believe our Board of Directors accepted the feedback earnestly and sincerely.

After receiving the evaluation results, the Board of Directors promptly set about implementing operating policies. I believe that this evaluation of the effectiveness of our Board of Directors has served as an impetus for change, and that the Board of Directors will serve as an even more robust platform for decision-making, which will be proven as the Corporate Governance Committee continues to gauge our progress.

Kazuhiko Toyama

Outside Director

Chairman of the Corporate Governance Committee
President and CEO, Industrial Growth Platform, Inc.

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