

# **OMRON**

## **Basic Information**



# About OMRON

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# Corporate Profile

**Established**

May 10, 1933

**Head Office**

Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530 Japan

**Capital**

¥64.1bn

**Net Sales**

¥678.0bn (Year ended Mar 31, 2020)

**Number of  
Employees**

28,006 (As of Mar 31, 2020)

**Stock Listing**

Tokyo (Ticker symbol: 6645)

**Number of  
Shares Issued**

206,245 thousand shares (As of Mar 31, 2020)

# Established in 1933 as "Tateishi Electric Manufacturing Co."

**Kazuma Tateishi established "Tateishi Electric Manufacturing Co." in Higashi-Osaka in 1933.**

**The first launched product which led to the foundation of OMRON was X-ray timers. With accurate shooting in 1/20 second, it was a revolutionary product at the time.**

**In 1945, moved the head office to Omuro in Kyoto to escape war damage.**

**In 1990, changed the company name to "OMRON Corporation"**



Founder Kazuma Tateishi  
(1900~1991)



At the time of  
establishment



X-ray timer

# Our DNA: Contributing to the Society Through Business

In 1959, publicly announced the OMRON's Corporate Motto



【Corporate Motto】

*To improve lives and contribute to  
a better society.*

Handwritten Sketch by Our Founder

# Corporate Principles (Revised in 2015)

## Our Mission

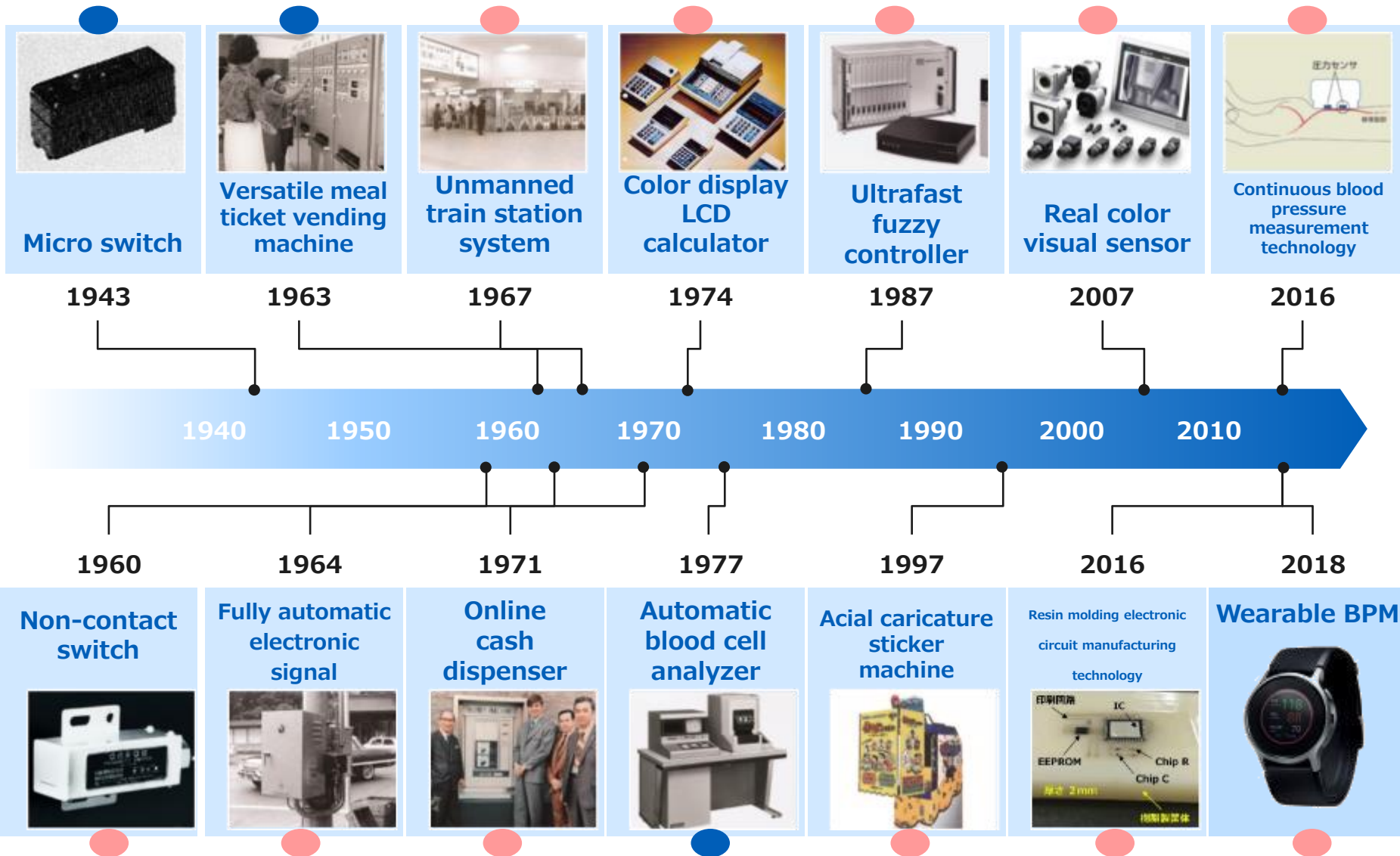
**To improve lives and contribute to a better society**

## Our Values

- **Innovation Driven by Social Needs**  
Be a pioneer in creating inspired solutions for the future.
- **Challenging Ourselves**  
Pursue new challenges with passion and courage.
- **Respect for All**  
Act with integrity and encourage everyone's potential.

# OMRON's History: Innovation Driven by Social Needs

● The World's First ● First in Japan



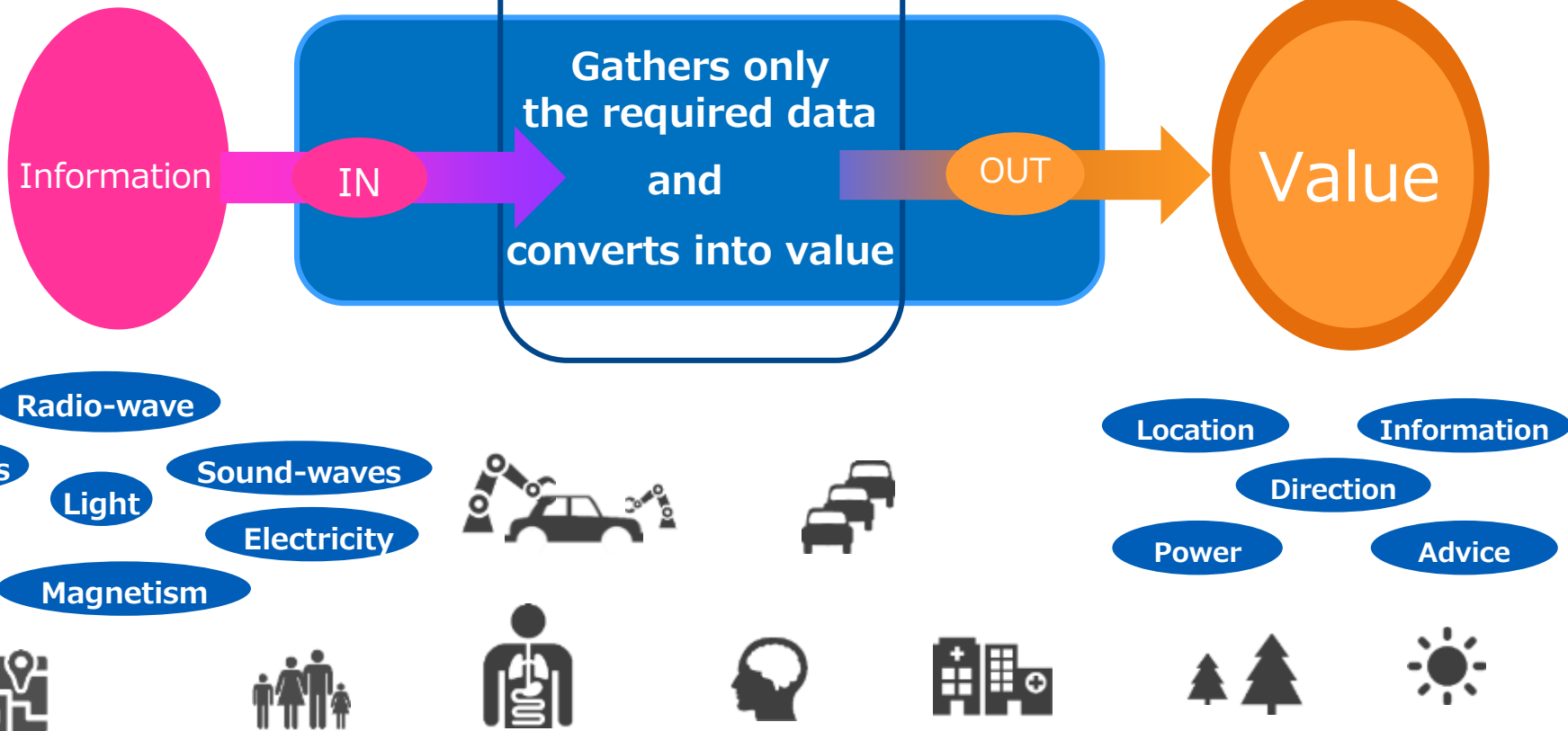
# OMRON's Core Technology

“Sensing & Control + Think” is OMRON's core technology, which converts information into value through our original algorithm

## Sensing

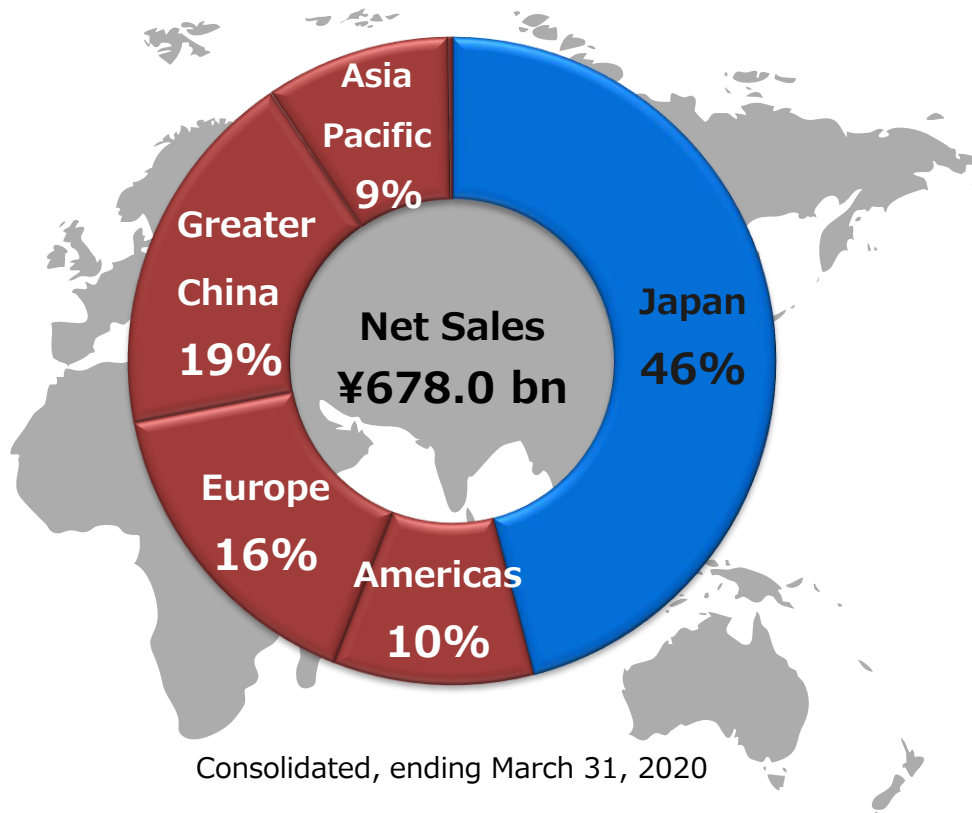
## + Think

## Control

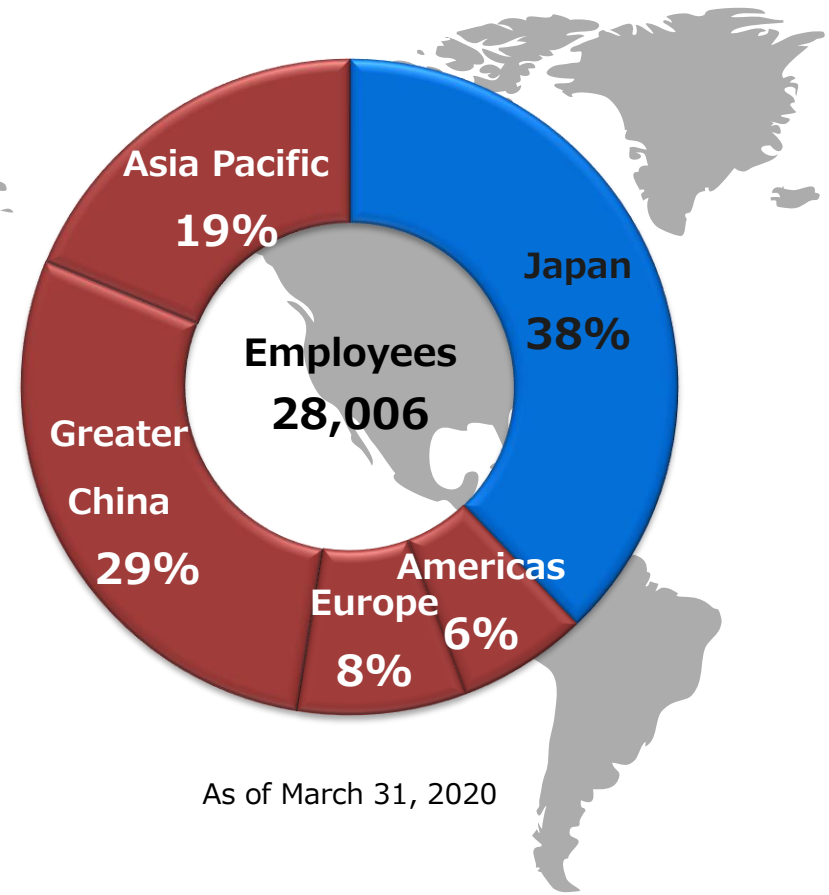


# Business Develops in about 120 Countries and Areas

Over 50% is  
overseas' sales



Approx. 60% are  
non-Japanese



# OMRON's Diverse Business Portfolio

## HCB

Healthcare

Supporting the health of people around the world (electronic bpm, thermometer, etc.)



## SSB

Social Systems, Solution & Service

Contributing to the comfortable and safe life by diverse systems for social infrastructure (automatic ticket gates, ticket vending machine, PV inverters, storage systems, etc.)



Elimination & Corporate  
1%

## IAB

Industrial Automation

OMRON's mainstay business, leading the innovation of global manufacturing through factory automation (FA)



**FY2019  
Net Sales  
by Segment  
¥678.0 bn**

**HCB  
17%**

**SSB  
17%**

**EMC  
13%**

**IAB  
52%**

## EMC

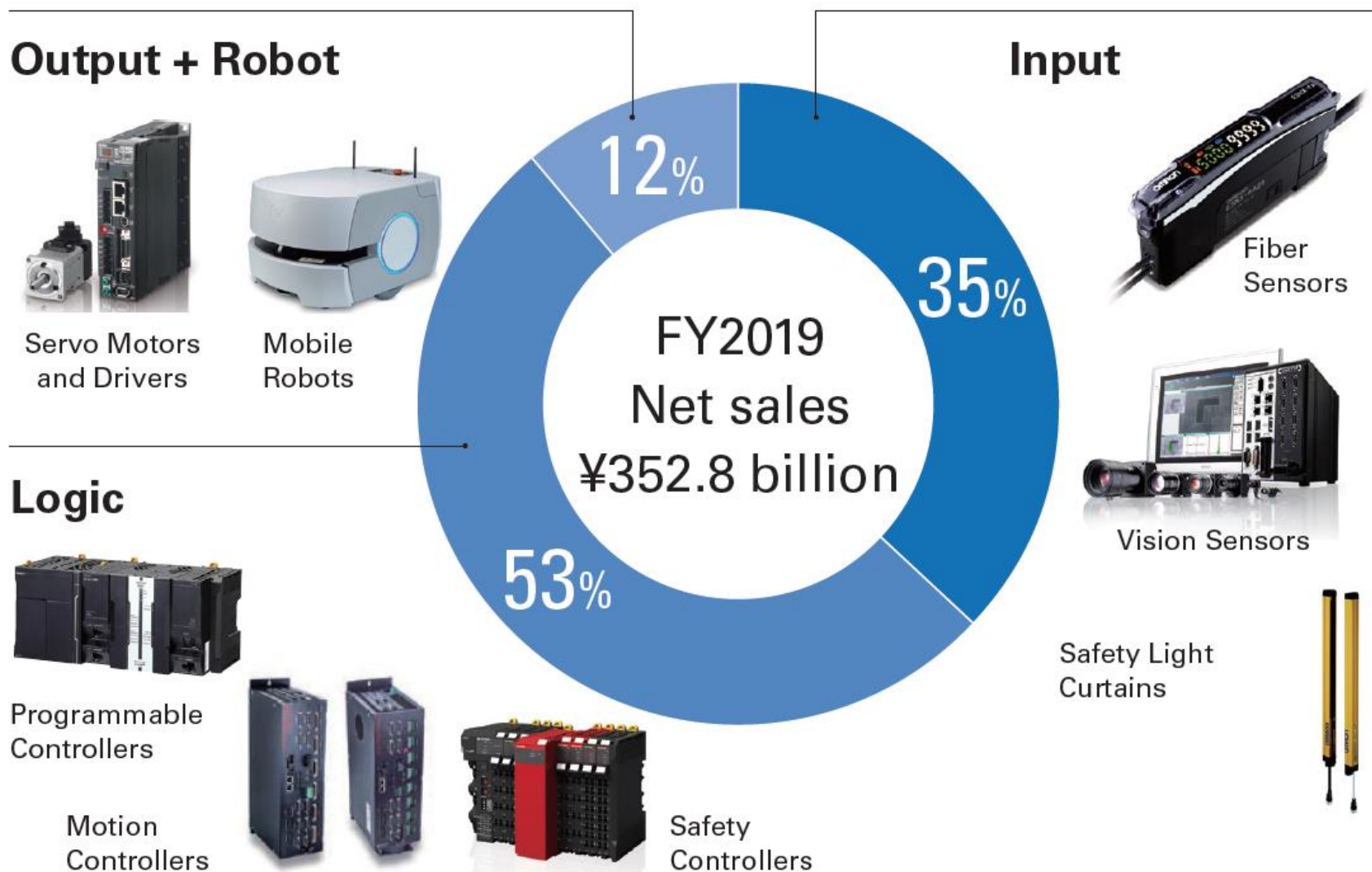
Electronic & Mechanical Components

Contributing to the high performance of consumer electronics, telecommunication equipment, etc. (relays, switches, etc.)



# Industrial Automation (IAB)

## Sales by Product



# Full Coverage of Products

Broad lineup of over 200,000 products

× as many as 170 control applications software generation



# Electronic & Mechanical Components (EMC)

## Sales by Product

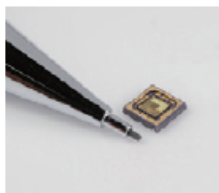
Other Electronic and Mechanical Components (Amusement Equipment, Image Sensing, MEMS Sensors, etc.)



Power Supply Units for Amusement Devices

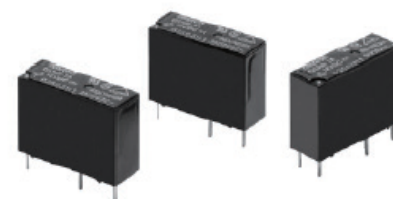


Human Image Sensor



MEMS Pressure Sensors

Relays, Switches, Connectors



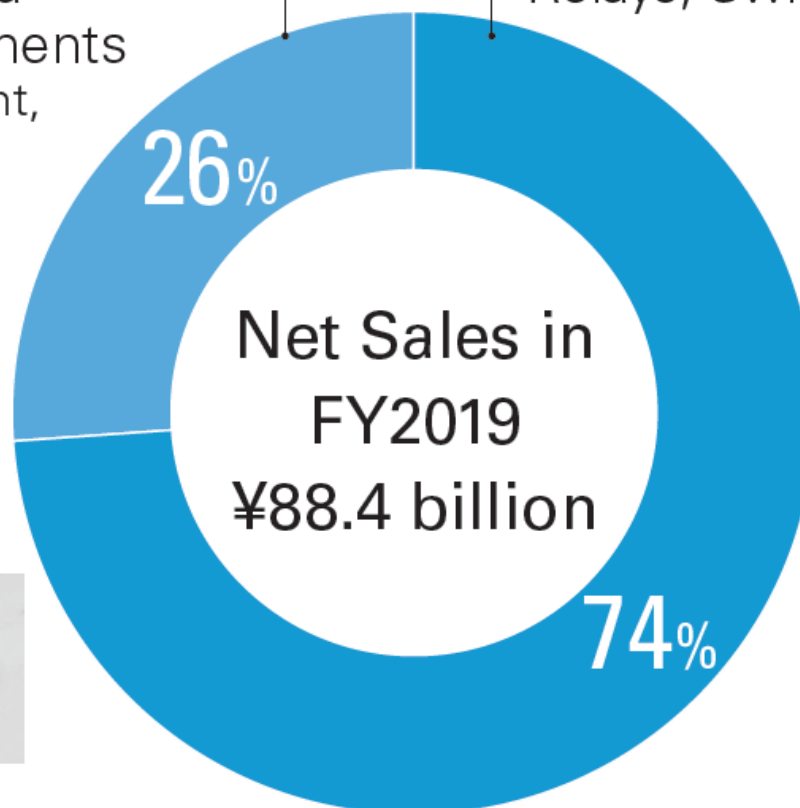
Power Relays for Printed Circuit Boards



Surface-Mounted Switches

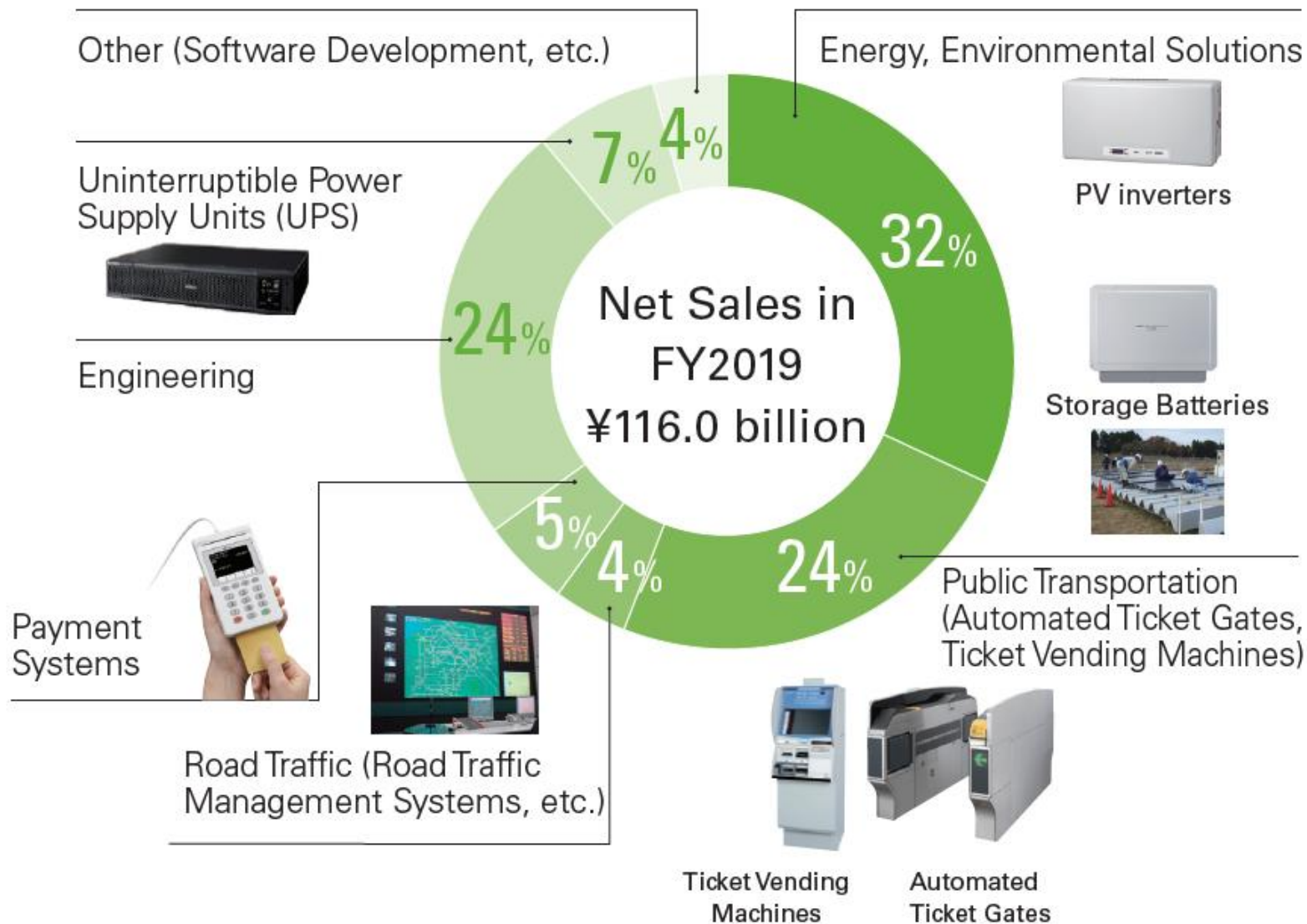


MIL Connectors



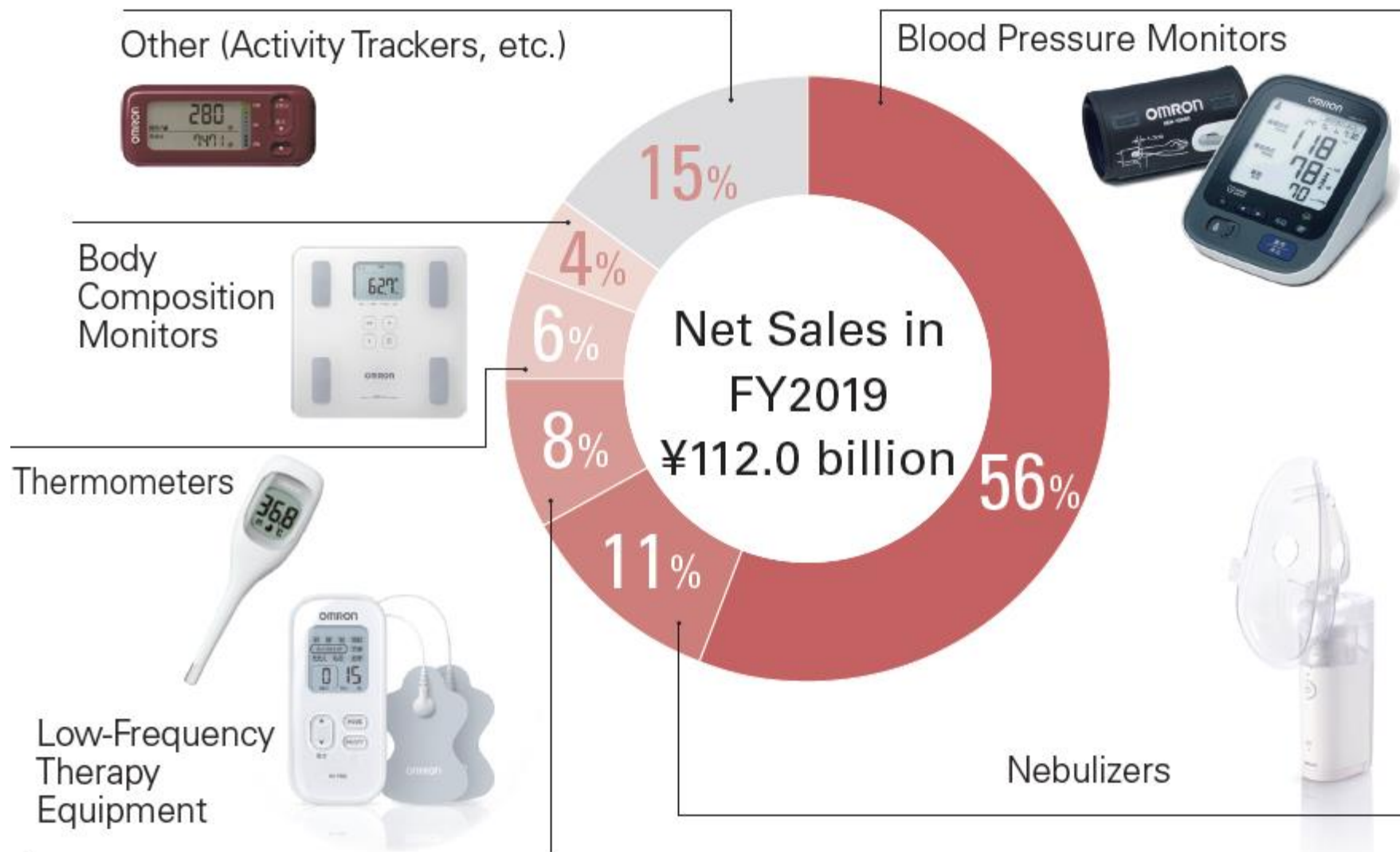
# Social Systems, Solution & Service (SSB)

## Sales by Product



# Healthcare (HCB)

## ■ Sales by Product



# Enhancement of Corporate Value

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# VG2.0 Medium-Term Management Plan: Goals & Group Policy

## Integration of Sustainability Initiative into VG2.0

### OMRON Principles

### VG2.0

#### Business Strategies

#### Sustainability Issues

A value-generator for people and the Earth that is qualitatively and quantitatively superior

1. Reinforce businesses by designating focus domains
2. Business model evolution
3. Enhance core technologies

×

Collaboration with partners

+

Human capital management, manufacturing, risk management...

FA



Healthcare



Social Solutions



×

Collaboration with partners



+

Human Capital Mgmt.



Manufacturing



Risk Management



# OMRON Included in Major ESG Indices (As of December 2020)

## ESG Indices which include OMRON

- ✓ DJSI – World **4<sup>th</sup> consecutive year**
- ✓ FTSE4Good Index Series **5<sup>th</sup> consecutive year**
- ✓ MSCI ESG Leaders Indexes **6<sup>th</sup> consecutive year**
- ✓ MSCI SRI Indexes **4<sup>th</sup> consecutive year**
- ✓ STOXX Global ESG Leaders indices **5<sup>th</sup> consecutive year**
- ✓ FTSE Blossom Japan Index **4<sup>th</sup> consecutive year**
- ✓ MSCI Japan ESG Select Leaders Index **4<sup>th</sup> consecutive year**
- ✓ MSCI Japan Empowering Women Index **4<sup>th</sup> consecutive year**
- ✓ S&P/JPX Carbon Efficient Index **3<sup>rd</sup> consecutive year**

\* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.  
FY2019 Assessment: Climate Change 'A-', Water Security 'B'

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



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**STOXX**

Member 2020/2021  
**ESG Leaders  
Indices**

**FTSE Blossom  
Japan**

**2020** CONSTITUENT MSCI JAPAN  
**ESG SELECT LEADERS INDEX**

**2020** CONSTITUENT MSCI JAPAN  
**EMPOWERING WOMEN INDEX (WIN)**



# External Recognition (As of December 2020)

## Domestic ESG awards, selection for inclusion

### Japan Association of Corporate Directors

- ✓ Corporate Governance of the Year 2018

METI Minister's Award for Corporate Governance of the Year **FY2018**



### Ministry of the Environment

- ✓ FY2018 Minister's Award for Global Warming Prevention Activity

'Implementation of Countermeasures and Dissemination Category' **FY2018**



### Sponsored by Nikkei Inc

- ✓ Nikkei SDGs Management Grand Prix SDGs Strategy/Economic Value Award **December 2019**

### Selected by METI, TSE

- ✓ TSE 2014 Corporate Value Improvement Award, Grand Prix. **FY2014**



- ✓ Nadeshiko Brand

**3<sup>rd</sup> consecutive year from FY2017**

- ✓ Health & Productivity Stock

**2<sup>nd</sup> consecutive year from FY2018**



- ✓ Health & Productivity: White 500

**4<sup>th</sup> consecutive year from FY2016**



### Selected by Nikkei Inc.

- ✓ Nikkei 225

**March 2019, 1<sup>st</sup> time**

# Basic Policy on Profit Sharing

The priority of profit sharing is  
**(1) investment for future growth (2) dividends (3) share buybacks**

## Investment for Future Growth

Focusing on Factory Automation and Healthcare, allocate investment for growth (M & A), R & D, and capital expenditures.

## Dividend

Decide on a target of

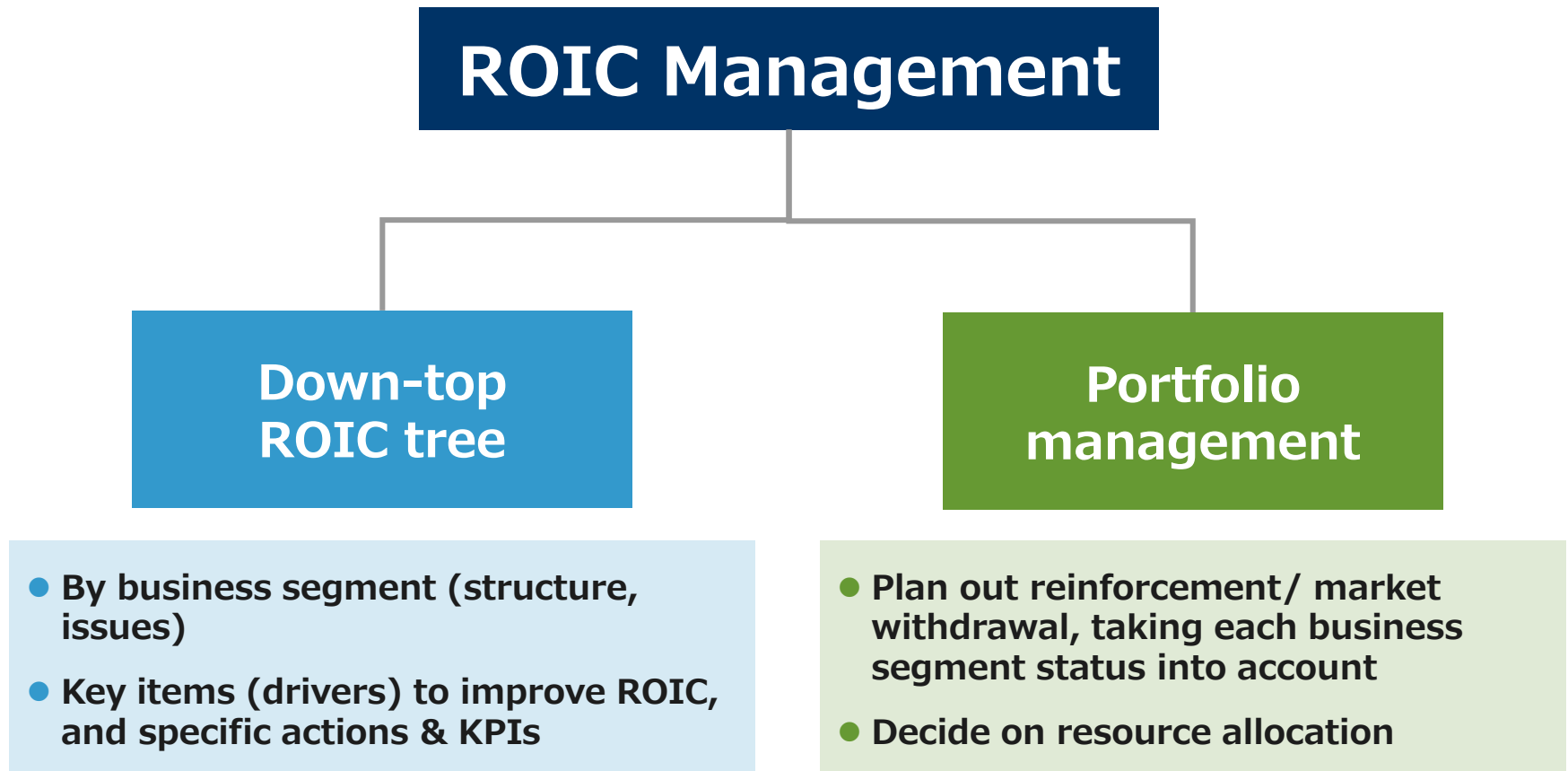
- full-year dividend payout ratio as approximately 30%.
- dividend on equity ratio (DOE) as approximately 3%.

## Share Buyback

Retained earnings held over the long term are repurchased in a flexible manner.

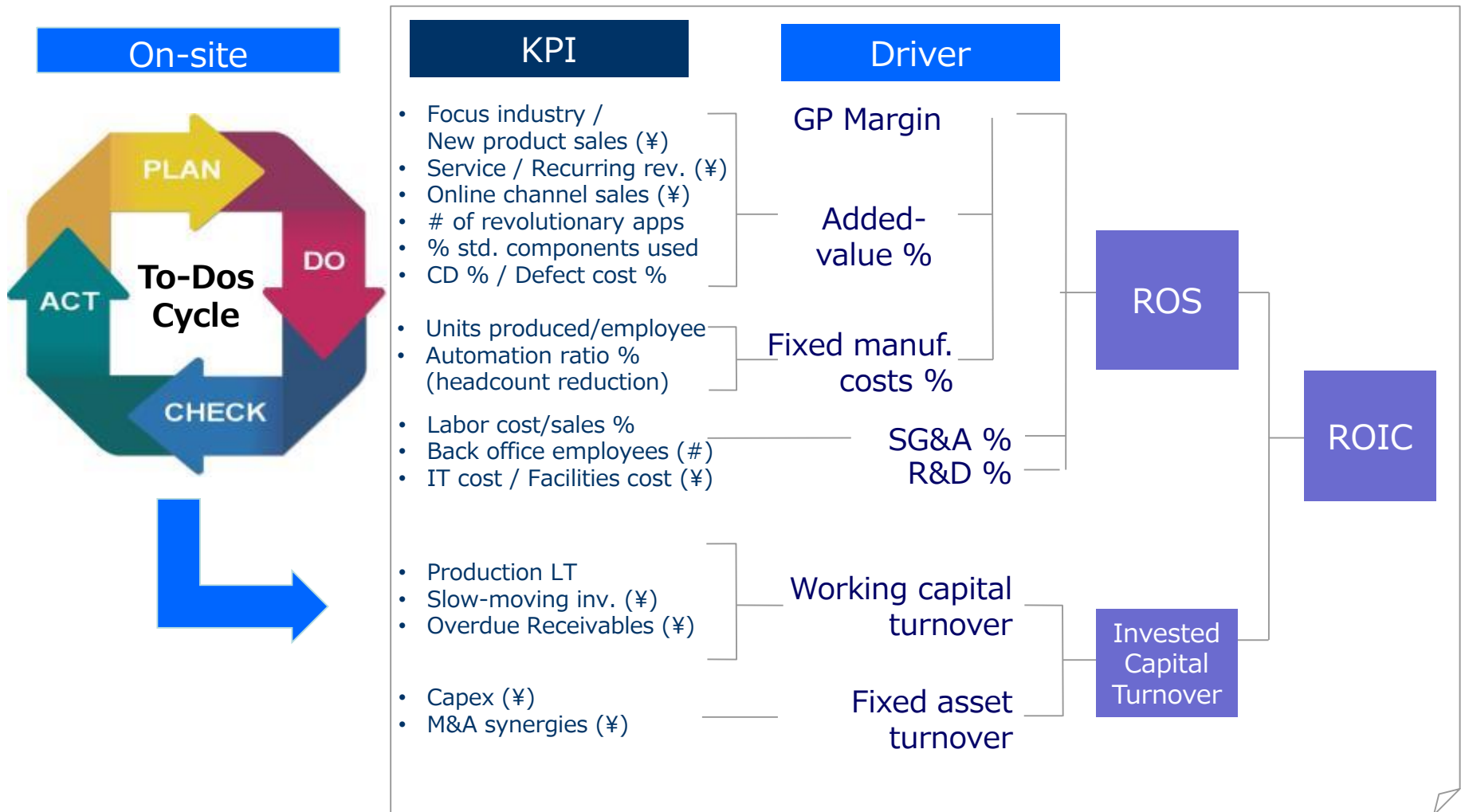
# ROIC Management

**Set ROIC Management as medium- to long-term management decision making tools**



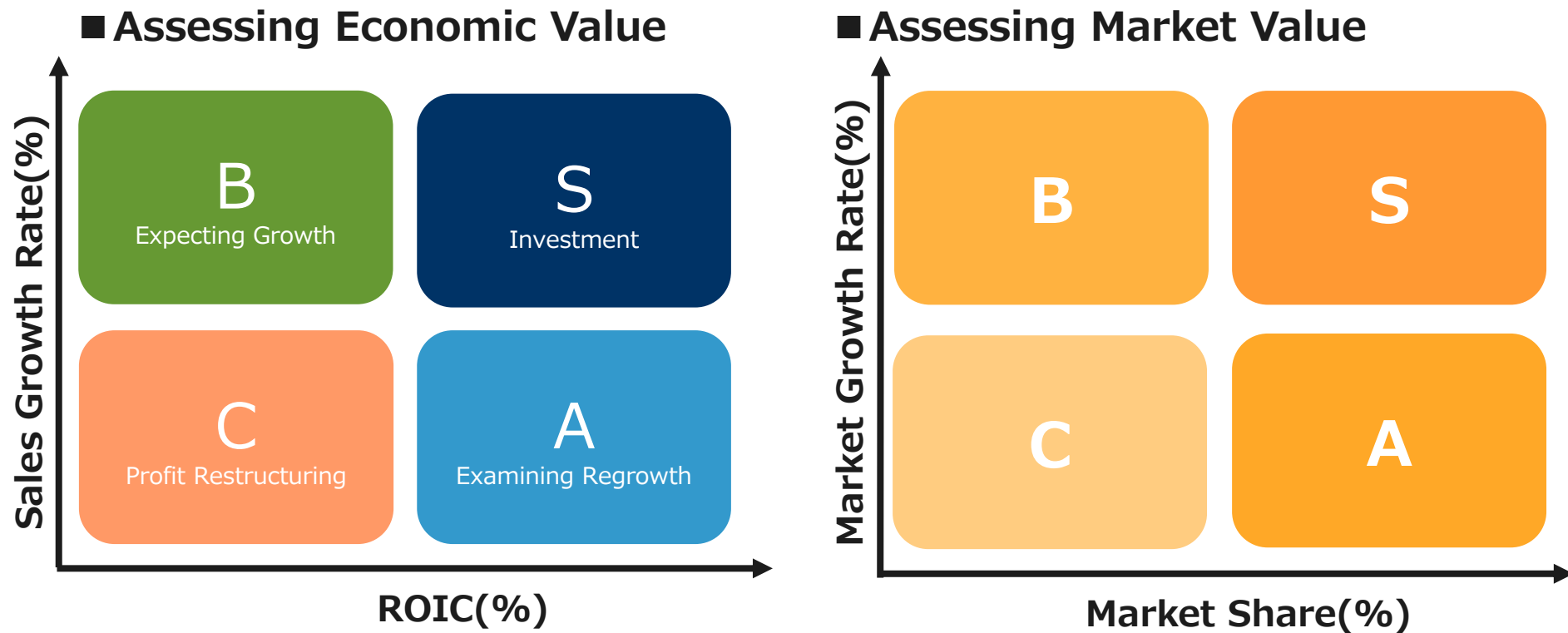
# Down-Top ROIC Tree (2.0)

Through Down-Top tree, execute on KPI/PDCA at all levels down to on-site staff



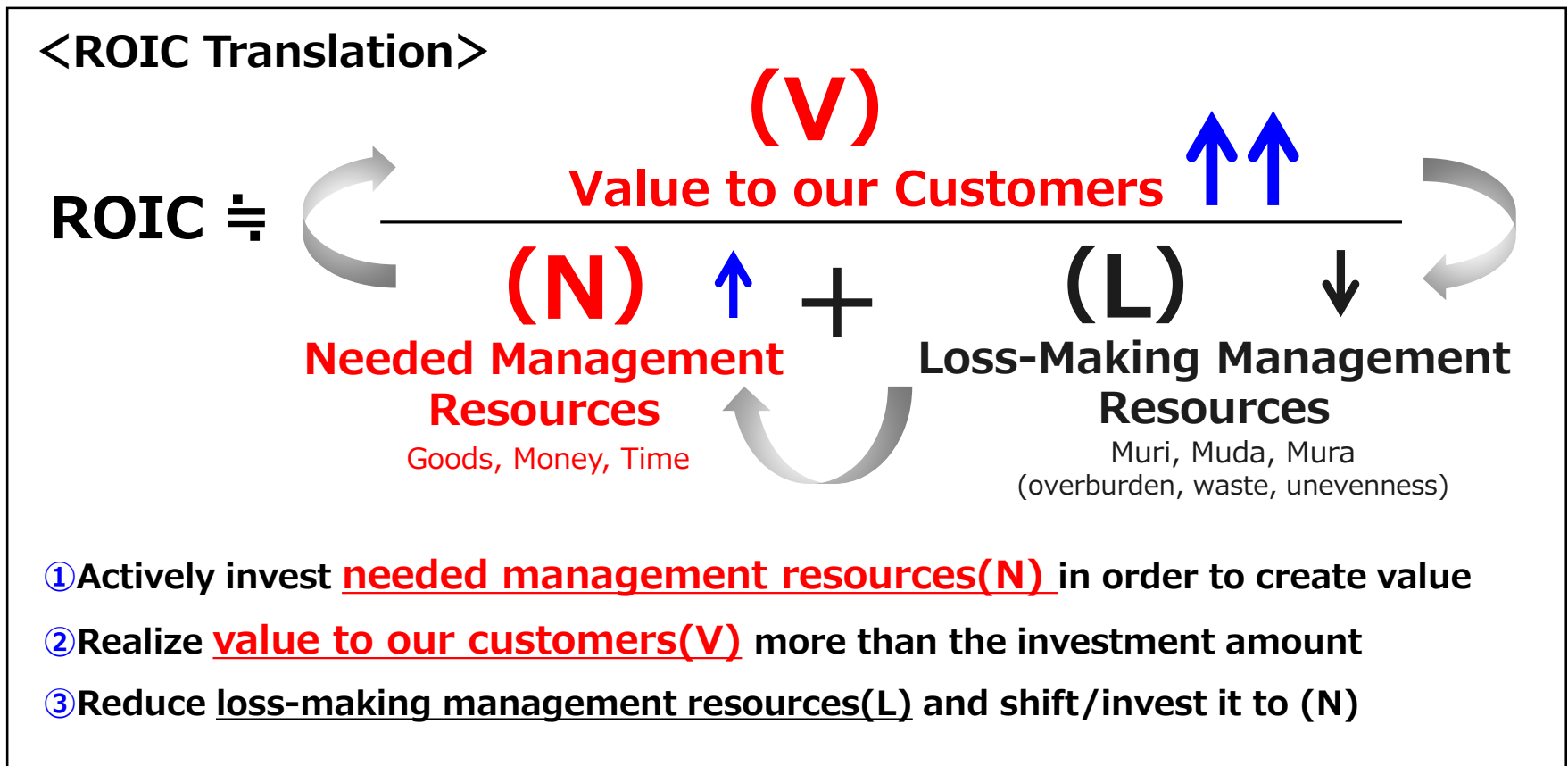
# Portfolio Management

After assessing economic and market value, allocate investment resources in an optimal manner



# ROIC Management Upgrading (ROIC 2.0)

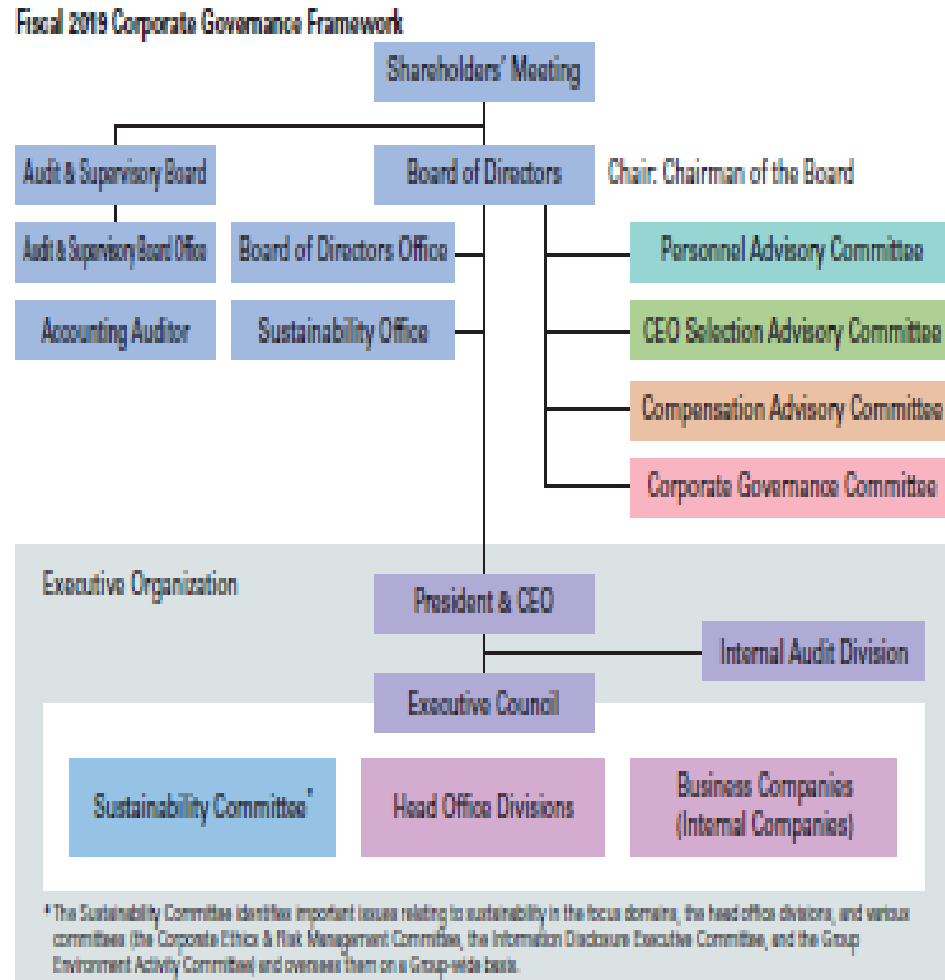
Upgrading ROIC management to encourage an awareness and better understanding on ROIC



# Corporate Governance

## Highly transparent and effective corporate governance structure as a basis for sustainable value creation

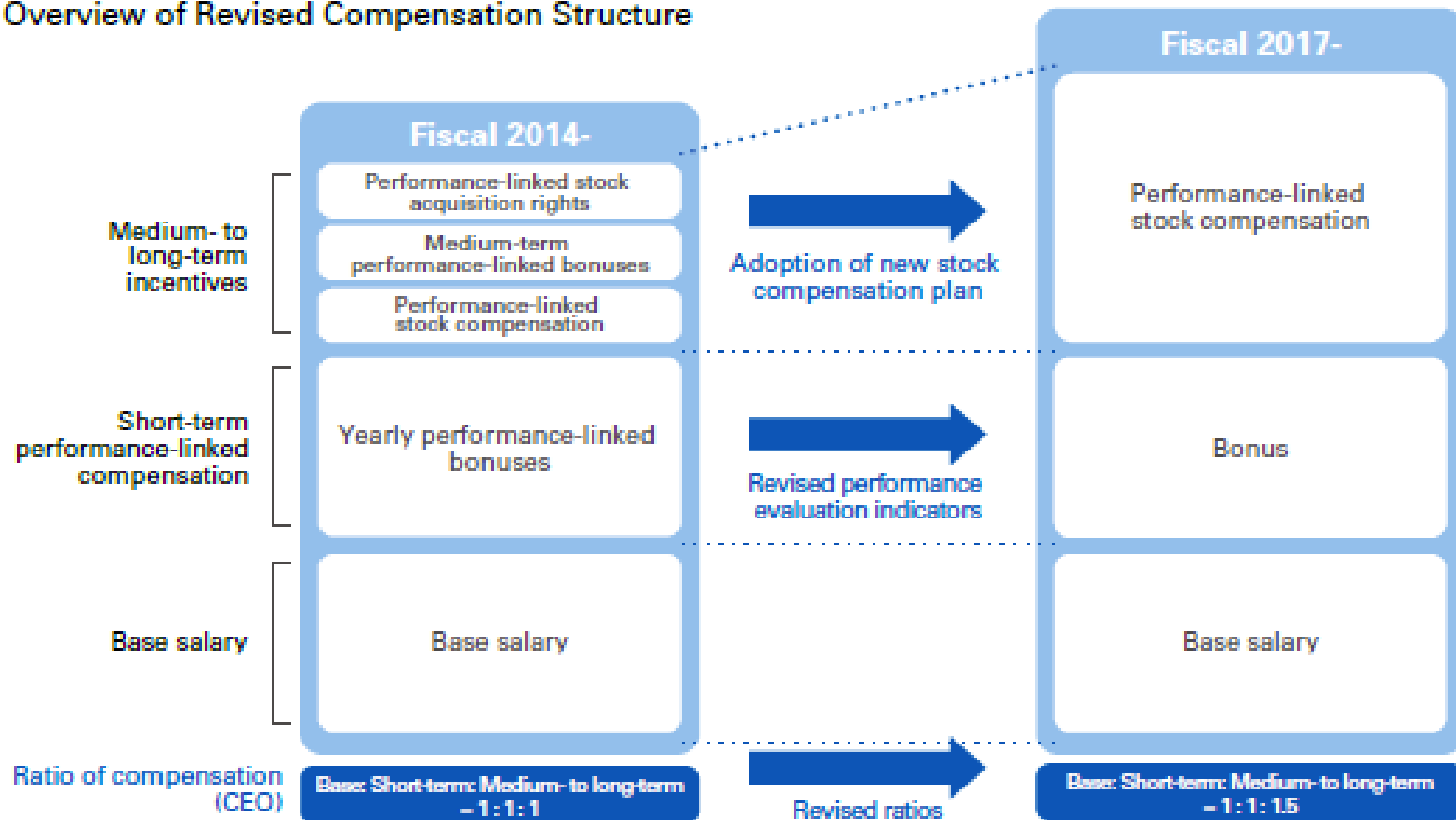
- ✓ **Separation of management oversight and business execution**
  - **Separate position:**  
**Chairperson of the BoD and CEO**
  - **Of 8 directors, 3 are independent, with majority being non-executive**
  - **Larger authority given to business company presidents for swifter decision-making**
- ✓ **Personnel/ CEO selection/ compensation advisory committees and corporate governance committee**
  - **While OMRON is a company with an audit & supervisory board under Japan's Companies Act, it has 3 advisory committees and 1 committee**
  - **The four chaired by independent directors**
  - **President does not belong to any of the committees**



# Compensation Scheme

## Increased ratio of medium- to long-term performance-lined compensation

### ■ Overview of Revised Compensation Structure



**OMRON**