FY2020 Earnings
Ended March 31, 2021
Summary

■ FY2020 results
  ・ Exceeded forecasts which were revised up in Q3. Pace of recovery accelerated in Q4
  ・ Despite tough operating environment, profits increased 14% Y/Y. GP margin rose to 45.5%
  ・ IAB achieved new record high in Greater China sales. Solutions-based sales approach bearing fruit

■ Review of Long-term(LT) Vision VG2020, direction for Next LT Vision
  ・ Over the 10 years of VG2020 OMRON significantly enhanced corporate value through the creation of financial value, driven by focus on improving growth capacity, profitability and resilience, and non-financial value, supported by ESG initiatives
  ・ Establishing self-sustaining growth-generation capacity is a work in progress. Focus of next Long-term Vision is to achieve this
  ・ Aim to create, expand on social needs with products and services, in response to growth opportunities

■ FY2021 forecasts
  ・ Next LT Vision to start in FY2022. FY2021 positioned as a running start. Forecasting Y/Y growth in sales, profits for all businesses in FY2021. Aim for continued GP margin improvement: raising target to 46.4%
  ・ Accelerating business model transformation: Continue growth investments while increasing sales at existing businesses
  ・ Maintaining focus on shareholder returns. Raising dividend forecast by 2 yen from last year. Guiding for full-year dividend of 86 yen
Contents

1. FY2020 Results
   P. 3

2. VG2020 Review, Direction of Next Long-term Vision
   P. 9

3. FY2021 Forecasts
   P. 24

Reference
   P. 37
FY2020 Results
## Full-year Results

### Profits up despite tough environment. GP margin rose to new record high

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Forecast</th>
<th>FY2020 Actual</th>
<th>Vs. Forecast</th>
<th>FY2019 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>645.0</td>
<td>655.5</td>
<td>+1.6%</td>
<td>678.0</td>
<td>-3.3%</td>
</tr>
<tr>
<td><strong>Gross Profit (%)</strong></td>
<td>293.0 (45.4%)</td>
<td>298.4 (45.5%)</td>
<td>+1.8%</td>
<td>303.7</td>
<td>-1.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(+0.1%pt)</td>
<td>(44.8%)</td>
<td>(+0.7%pt)</td>
</tr>
<tr>
<td><strong>Operating Income (%)</strong></td>
<td>56.0 (8.7%)</td>
<td>62.5 (9.5%)</td>
<td>+11.6%</td>
<td>54.8</td>
<td>+14.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(+0.8%pt)</td>
<td>(8.1%)</td>
<td>(+1.5%pt)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>40.0</td>
<td>43.3</td>
<td>+8.3%</td>
<td>39.2*</td>
<td>+10.6%</td>
</tr>
<tr>
<td><strong>1USD (JPY)</strong></td>
<td>105.9</td>
<td>105.8</td>
<td>-0.1</td>
<td>109.1</td>
<td>-3.3</td>
</tr>
<tr>
<td><strong>1EUR (JPY)</strong></td>
<td>122.4</td>
<td>123.2</td>
<td>+0.8</td>
<td>121.2</td>
<td>+2.0</td>
</tr>
<tr>
<td><strong>1RMB (JPY)</strong></td>
<td>15.3</td>
<td>15.5</td>
<td>+0.2</td>
<td>15.7</td>
<td>-0.2</td>
</tr>
</tbody>
</table>

*FY2019 Net Income excludes Net Income from Discontinued Operations. If Net Income from Discontinued Operations is included, Net Income would be ¥74.9 billion
Mainstay IAB exceeded our latest forecast. HCB sales up substantially

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2020 Forecast</th>
<th>FY2020 Actual</th>
<th>Vs. Forecast</th>
<th>FY2019 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB Industrial Automation</td>
<td>340.0</td>
<td>346.4</td>
<td>+1.9%</td>
<td>352.8</td>
<td>-1.8%</td>
</tr>
<tr>
<td>EMC Electronic &amp; Mechanical Components</td>
<td>84.0</td>
<td>86.0</td>
<td>+2.4%</td>
<td>88.4</td>
<td>-2.6%</td>
</tr>
<tr>
<td>SSB Social Systems, Solutions &amp; Service</td>
<td>93.0</td>
<td>95.7</td>
<td>+2.9%</td>
<td>116.0</td>
<td>-17.5%</td>
</tr>
<tr>
<td>HCB Healthcare</td>
<td>122.0</td>
<td>123.1</td>
<td>+0.9%</td>
<td>112.0</td>
<td>+9.9%</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>6.0</td>
<td>4.3</td>
<td>-28.3%</td>
<td>8.9</td>
<td>-51.4%</td>
</tr>
<tr>
<td>Total</td>
<td>645.0</td>
<td>655.5</td>
<td>+1.6%</td>
<td>678.0</td>
<td>-3.3%</td>
</tr>
</tbody>
</table>

*FY2019 figures restated to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business
## Operating Income by Segment

### All segments exceeded latest forecasts. Profits up Y/Y at IAB, EMC and HCB

(¥bn, %: OPM)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2020 Forecast</th>
<th>FY2020 Actual</th>
<th>Vs. Forecast</th>
<th>FY2019 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB</td>
<td>55.0 (16.2%)</td>
<td>58.8 (17.0%)</td>
<td>+3.8 (+0.8%pt)</td>
<td>53.6</td>
<td>+5.2 (+1.8%pt)</td>
</tr>
<tr>
<td>Industrial Automation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMC</td>
<td>2.5 (3.0%)</td>
<td>3.0 (3.4%)</td>
<td>+0.5 (+0.5%pt)</td>
<td>0.9</td>
<td>+2.0 (+2.4%pt)</td>
</tr>
<tr>
<td>Electronic &amp; Mechanical Components</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSB</td>
<td>5.0 (5.4%)</td>
<td>5.7 (6.0%)</td>
<td>+0.7 (+0.6%pt)</td>
<td>10.9</td>
<td>-5.2 (-3.4%pt)</td>
</tr>
<tr>
<td>Social Systems, Solutions &amp; Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCB</td>
<td>20.0 (16.4%)</td>
<td>20.6 (16.7%)</td>
<td>+0.6 (+0.3%pt)</td>
<td>13.5</td>
<td>+7.1 (+4.7%pt)</td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>-26.5</td>
<td>-25.5</td>
<td>1.0</td>
<td>-24.1</td>
<td>-1.4</td>
</tr>
<tr>
<td>Total</td>
<td>56.0 (8.7%)</td>
<td>62.5 (9.5%)</td>
<td>+6.5 (+0.8%pt)</td>
<td>54.8</td>
<td>+7.7 (+1.5%pt)</td>
</tr>
</tbody>
</table>

*FY2019 figures restated to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.

Copyright: 2021 OMRON Corporation. All Rights Reserved.
In response to market recovery from Q2 onward, pace of sales rebound accelerated from Q3 into Q4.

**IAB**

**EMC**

**HCB**

**SSB**

Recovered to last year’s level
Greater China sales up substantially in Q4. Global demand recovery expanded, leading to clear signs of recovery in other regions.

Q4 FY2020 (Jan. – Mar.)
IAB Sales Growth by Region
(Y/Y, local currency basis)

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1-Q3</th>
<th>Q2-Q3</th>
<th>Q3-Q4</th>
<th>Q4-Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>-12%</td>
<td>-11%</td>
<td>-10%</td>
<td>-10%</td>
</tr>
<tr>
<td>Americas</td>
<td>-11%</td>
<td>-10%</td>
<td>-10%</td>
<td>-9%</td>
</tr>
<tr>
<td>Europe</td>
<td>-12%</td>
<td>-10%</td>
<td>-9%</td>
<td>-8%</td>
</tr>
<tr>
<td>Greater China</td>
<td>-12%</td>
<td>-11%</td>
<td>-10%</td>
<td>-9%</td>
</tr>
<tr>
<td>SE Asia/Other</td>
<td>-12%</td>
<td>-11%</td>
<td>-10%</td>
<td>-9%</td>
</tr>
<tr>
<td>Ex.-S. Korea</td>
<td>-12%</td>
<td>-11%</td>
<td>-10%</td>
<td>-9%</td>
</tr>
<tr>
<td>S. Korea</td>
<td>-12%</td>
<td>-11%</td>
<td>-10%</td>
<td>-9%</td>
</tr>
</tbody>
</table>
VG2020 Review,
Direction of Next
LT Vision
Start of the Next Long-term Vision

Initiatives Over the Last 10 Years

Concentrated on enhancing growth capability, profitability and resilience. Priority on FA and Healthcare businesses

Three Areas of Enhancement

- Growth Capability
- Profitability
- Resilience

Focus Domains

- FA
- Healthcare
Proactively invested during VG2020 to develop assets which will secure future growth

**Major Growth Investments**

1. Enhancing solutions capability
   - 37 automation centers
   - Sales engineering resources increased 20% (vs. FY16)

2. Developing new business models
   - i-BELT: Collaborative service leveraging shop floor data
   - Remote medical service
   - Remote, labor-saving station services

3. Acquiring new products, technologies
   - IAB: Robotics, motion controllers
   - HCB: Develop innovative devices, boost nebulizer business
   - Invest in ventures utilizing CVC
Changes in Segment Sales Composition

Narrowed focus to businesses with high margins and market shares. Transitioned to portfolio of highly profitable businesses

**FY2011**

- IAB: 44%
- EMC: 13%
- SSB: 10%
- HCB: 10%
- Other: 9%

**FY2020**

- IAB: 53%
- EMC: 13%
- SSB: 14%
- HCB: 19%
- Other: 1%

*Divested*:
- Oil & gas
- Laser processing equipment

*Other*:
- Motion controllers
- Industrial robots
- Industrial cameras
- Industrial code readers

**Share of businesses generating margins above 10%**

- FY2011: 44% (IAB)
- FY2020: 72% (IAB, HCB)
**Trends in Segment Operating Income**

Achieved solid improvements in operating margin at IAB, HCB

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2011</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>HCB</td>
<td>5%</td>
<td>17%</td>
</tr>
<tr>
<td>SSB</td>
<td>0.2%</td>
<td>6%</td>
</tr>
<tr>
<td>EMC</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Developed into lean, highly profitable organization. GP margin improved on initiatives such as business portfolio management.
Bolster Supply Chain: Manufacturing Diversification and Consolidation

Enhanced resilience through progress on diversification and consolidation of manufacturing bases and supply chain

<table>
<thead>
<tr>
<th>Diversification</th>
<th>FY2011</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB</td>
<td>4 Bases</td>
<td>8 Bases</td>
</tr>
<tr>
<td><strong>Japan</strong>: Ayabe, Kusatsu&lt;br&gt;<strong>China</strong>: Shanghai&lt;br&gt;<strong>Europe</strong>: The Netherlands</td>
<td>Japan: Ayabe, Kusatsu&lt;br&gt;<strong>China</strong>: Shanghai&lt;br&gt;S.E. Asia: Indonesia&lt;br&gt;Americas: California (2), Seattle&lt;br&gt;<strong>Europe</strong>: The Netherlands</td>
<td></td>
</tr>
<tr>
<td>HCB</td>
<td>3 Bases</td>
<td>5 Bases</td>
</tr>
<tr>
<td><strong>Japan</strong>: Matsusaka&lt;br&gt;<strong>China</strong>: Dalian&lt;br&gt;S.E. Asia: Vietnam</td>
<td>Japan: Matsusaka&lt;br&gt;<strong>China</strong>: Dalian&lt;br&gt;S.E. Asia: Vietnam&lt;br&gt;Americas: Brazil&lt;br&gt;<strong>Europe</strong>: Italy</td>
<td></td>
</tr>
<tr>
<td>EMC</td>
<td>11 Bases</td>
<td>7 Bases</td>
</tr>
<tr>
<td><strong>Japan</strong>: Yamaga/Kurayoshi&lt;br&gt;**Sanyo/Iida/Kusatsu&lt;br&gt;<strong>China</strong>: Shanghai, Shenzhen&lt;br&gt;S.E. Asia: Malaysia, Indonesia&lt;br&gt;Americas: Illinois</td>
<td>Japan: Yamaga/Kurayoshi&lt;br&gt;**Sanyo/Iida/Kusatsu&lt;br&gt;<strong>China</strong>: Shanghai, Shenzhen&lt;br&gt;S.E. Asia: Malaysia, Indonesia</td>
<td></td>
</tr>
</tbody>
</table>
Our Sustainability Initiatives and External Recognition

Top class global ratings for proactively addressing sustainability. Inclusion in ESG indices contributes to lower share price volatility

**Key Sustainability Initiatives**

- Included sustainability targets in medium-term plan
- Effective board oversight and supervision
- Adopted 3rd-party assessment for MT/LT performance-linked compensation
- Proactive information disclosure, deepened dialogue with stakeholders

**Major External Assessments**

- **DJSI—World**
  - Global 323 Cos. (Japan 39 Cos.)

- **S&P Sustainability Award: Gold Class**
  - Global 70 Cos. (Japan 6 Cos.)
  - Selected for Top 1% in “Electronic Equipment, Instruments & Components” sector

- **GPIF**
  - Selected for 4 indices
Substantial improvement in corporate value through creation of financial and non-financial value

*(Return at end of each fiscal year, assuming shares acquired at closing price on final day of FY2010)*
Ongoing Challenge

Achieving self-sustaining growth a work in progress

Sales Trend

(¥bn)

AEC/Backlight

2011: 619.5
2012: 650.5
2013: 773.0
2014: 847.3
2015: 833.6
2016: 794.2
2017: 860.0
2018: 859.5
2019: 678.0
2020: 655.5

- AEC business sold
- Backlight business wound down
- US-China trade friction
- COVID-19 outbreak
Objective for the Next Long-term Vision

OMRON’s Fundamental Purpose
Continue to contribute to society through the creation of social value

Maximizing Corporate Value
Create social value and economic value
Social Issues Targeted by OMRON

Focus on limiting CO₂ emissions volumes, human-machine collaboration and harmonization and extending healthy life

Factors for Social Change

Climate change

Aging society

Widening inequality

Social Issues Targeted by OMRON

Limiting CO₂ emissions volumes

Human-machine collaboration/harmonization

Extending healthy life
Focus on growth opportunities. Tackling the challenge of continuous value creation through business model evolution

Growth Opportunities Targeted by OMRON

- Rising sophistication of manufacturing
- Automation of primary & tertiary industries
- Preventative medical support
- Energy solutions

Business Model Evolution

Products + Services

Collaboration with partners
Key Strategies for Achieving Self-sustaining Growth

Targeting value creation through focus on evolution of automation, digital transformation and changing human resource management

**Evolution of automation**
Achieving human-machine collaboration, harmonization through the evolution of “Sensing & Control + Think” technologies

**Digital transformation**
Leveraging digital technologies to develop business models, drive change in operational management

**Changing human resource management**
Promoting management that brings together diverse human resources and maximizes capabilities of each individual
## Business Outlook by Segment

### Global recovery trend to continue, primarily in IAB

<table>
<thead>
<tr>
<th>Segment</th>
<th>Automotive</th>
<th>Digital</th>
<th>Food &amp; bev.</th>
<th>Social infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB - Industrial Automation</td>
<td>Gradual recovery, primarily in EV/ADAS-related investments</td>
<td>Continued strength in semiconductor/rechargeable battery capex, primarily in China and South Korea</td>
<td>Gradual recovery, driven by environment-related investments in new materials to reduce/replace plastics</td>
<td>Overall recovery trend. Strong solar power investments</td>
</tr>
<tr>
<td>EMC - Electronic &amp; Mechanical Components</td>
<td>Overall gradual recovery trend to continue, mainly in China</td>
<td>Recovery trend to continue in Americas, China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSB - Social Systems, Solutions &amp; Service</td>
<td>Railways continue to limit capex, expect demand to be weak</td>
<td>Expect firm replacement demand to continue</td>
<td>Expect gradual recovery from COVID-19 impact</td>
<td></td>
</tr>
<tr>
<td>HCB - Healthcare</td>
<td>BPMs: Strong global trend to continue, primarily driven by online sales</td>
<td>Others: Expect pullback from high base in thermometers but recovery to continue in nebulizers and low-frequency treatment equipment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Copyright: 2021 OMRON Corporation. All Rights Reserved.
## FY2021 Plan

Targeting sales and profit growth. Guiding for GP margin of 46.4%, OPM to rise to 10%

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Actual</th>
<th>FY2021 Forecast</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>655.5</td>
<td>700.0</td>
<td>+6.8%</td>
</tr>
<tr>
<td>Gross Profit (%)</td>
<td>298.4 (45.5%)</td>
<td>325.0 (46.4%)</td>
<td>+8.9%</td>
</tr>
<tr>
<td>Operating Income (%)</td>
<td>62.5 (9.5%)</td>
<td>70.0 (10.0%)</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Net Income</td>
<td>43.3</td>
<td>48.0</td>
<td>+10.8%</td>
</tr>
<tr>
<td>1USD (JPY)</td>
<td>105.8</td>
<td>108.0</td>
<td>+2.2</td>
</tr>
<tr>
<td>1EUR (JPY)</td>
<td>123.2</td>
<td>128.0</td>
<td>+4.8</td>
</tr>
<tr>
<td>1RMB (JPY)</td>
<td>15.5</td>
<td>16.5</td>
<td>+1.0</td>
</tr>
</tbody>
</table>
### Sales by Segment

**IAB sales to rise in all regions on continued strength from Digital/EV-related. BPMs to continue to drive HCB sales growth**

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2020 Actual</th>
<th>FY2021 Forecast</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAB</strong> Industrial Automation</td>
<td>346.4</td>
<td>375.0</td>
<td>+8.2%</td>
</tr>
<tr>
<td><strong>EMC</strong> Electronic &amp; Mechanical Components</td>
<td>86.0</td>
<td>94.0</td>
<td>+9.3%</td>
</tr>
<tr>
<td><strong>SSB</strong> Social Systems, Solutions &amp; Service</td>
<td>95.7</td>
<td>96.0</td>
<td>+0.4%</td>
</tr>
<tr>
<td><strong>HCB</strong> Healthcare</td>
<td>123.1</td>
<td>133.0</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>4.3</td>
<td>2.0</td>
<td>-53.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>655.5</td>
<td>700.0</td>
<td>+6.8%</td>
</tr>
</tbody>
</table>
**IAB and HCB Sales Trends**

Greater China and S. Korea to continue to drive IAB sales growth. Recovery to continue in other regions. HCB to grow in all regions.

**IAB Sales Trends**
- FY19 Actual: 352.8
- FY20 Actual: 346.4
- FY21 Forecast: 375.0
- Greater China: +44%
- S. Korea: +20%
- Asia: ±0%
- Japan: -2%
- Europe: -3%
- Americas: -3%

**HCB Sales Trends**
- FY19 Actual: 112.0
- FY20 Actual: 123.1
- FY21 Forecast: 133.0
- Americas: +31%
- Greater China: +24%
- Europe: +10%
- Japan: +6%
- Asia: +40%

Units: Bar chart ¥bn (JPY)
Line chart % (local currency)
### Operating Income by Segment

**Expect operating income to improve for all segments**

(¥bn, %: OPM)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2020 Actual</th>
<th>FY2021 Forecast</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(¥bn)</td>
<td>(¥bn)</td>
<td>(%)</td>
</tr>
<tr>
<td>IAB</td>
<td>58.8</td>
<td>63.0</td>
<td>+4.2</td>
</tr>
<tr>
<td>Industrial Automation</td>
<td>(17.0%)</td>
<td>(16.8%)</td>
<td>(-0.2%pt)</td>
</tr>
<tr>
<td>EMC</td>
<td>3.0</td>
<td>4.5</td>
<td>+1.5</td>
</tr>
<tr>
<td>Electronic &amp; Mechanical Components</td>
<td>(3.4%)</td>
<td>(4.8%)</td>
<td>(+1.3%pt)</td>
</tr>
<tr>
<td>SSB</td>
<td>5.7</td>
<td>7.0</td>
<td>+1.3</td>
</tr>
<tr>
<td>Social Systems, Solutions &amp; Service</td>
<td>(6.0%)</td>
<td>(7.3%)</td>
<td>(+1.3%pt)</td>
</tr>
<tr>
<td>HCB</td>
<td>20.6</td>
<td>22.5</td>
<td>+1.9</td>
</tr>
<tr>
<td>Healthcare</td>
<td>(16.7%)</td>
<td>(16.9%)</td>
<td>(+0.2%pt)</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>-25.5</td>
<td>-27.0</td>
<td>-1.5</td>
</tr>
<tr>
<td>Total</td>
<td>62.5</td>
<td>70.0</td>
<td>+7.5</td>
</tr>
<tr>
<td></td>
<td>(9.5%)</td>
<td>(10.0%)</td>
<td>(+0.5%pt)</td>
</tr>
</tbody>
</table>

Copyright: 2021 OMRON Corporation. All Rights Reserved.
### IAB Growth Areas

Achieve growth by capturing business opportunities in growth areas within focus industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Main Growth Area</th>
<th>Business Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>EV</td>
<td>EV investments increasing on green recovery policies</td>
</tr>
<tr>
<td>Digital</td>
<td>Semi-conductors</td>
<td>Global capacity expansion and further miniaturization</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>Plastic-free</td>
<td>Developing new production processes with recyclable materials</td>
</tr>
</tbody>
</table>
IAB: innovative-Automation Solving Issues in EV Manufacturing

Solving issues in automotive battery production to improve productivity 1.5x. Shorten tact time while maintaining high quality

Auto Battery Assembly Process

Process where electrode positioned by robot is wrapped in laminate film
(Demo machine at Automation Center in China)

Production issue for EV batteries

✓ High-speed production needed to achieve low prices
✓ Production technology needed to achieve high quality

Solution powered by innovative-Automation

Assembly process using robotic integrated controller: labor-saving application
Expanding the BPM business on a global basis to grow HCB

BPM Markets by Region

- **U.S.**: 23
- **Japan**: 20
- **W. Europe**: 33
- **China**: 420mn
- **India**: 300mn
- **Brazil**: 2
- **Russia**: 38

**BPM Penetration Rate**

- **U.S.**: 50%
- **Japan**: 23
- **W. Europe**: 33
- **China**: 24
- **India**: 2
- **Brazil**: 20
- **Russia**: 38

* Hypertension patients: Based on WHO data for incidence of adult hypertension and adult population figures for each country

**BPM penetration: Based on estimates of total installed base (all brands) using estimated number of hypertension patients and assuming a replacement cycle of 5 years

# of patients increasing
Providing business models tailored to the medical regulatory framework in each country on a global basis

- **U.K.**: Hypertension treatment support service ‘Hypertension Plus’
  - Launching April 2021
- **U.S.**: Remote monitoring service ‘VitalSight’ already launched
  - In FY2021, increase users from current 1,500 to more than 33,000
- **Netherlands**: Developed business model
- **Japan**: Developed business model
- **India**: Developed business model
- **Singapore**: Developed business model

Launched: U.K., U.S., Singapore
Developing business model: Netherlands, Japan, India
Maintaining policy of focusing on shareholder returns. Reflecting this, FY2021 dividend guidance raised 2 yen to 86 yen.

*Full-year FY2020 dividend to be approved at AGM. Split of FY2021 dividend between interim and fiscal year-end dividends TBD.*
In Conclusion

FY2020 achievements

• Further enhanced resilience and solutions capabilities during pandemic

Management stance for FY2021

• Capture growth opportunities by fully leveraging resilience and solutions capabilities

• Invest to develop self-sustaining growth capability, accelerate execution of actions
Reference
<table>
<thead>
<tr>
<th>Metric</th>
<th>FY2011</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>619.5 bn</td>
<td>655.5 bn</td>
</tr>
<tr>
<td>GP Margin</td>
<td>36.8%</td>
<td>45.5%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>40.1 bn</td>
<td>62.5 bn</td>
</tr>
<tr>
<td>ROIC</td>
<td>4.8%</td>
<td>7.8%</td>
</tr>
<tr>
<td>ROE</td>
<td>5.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>EPS</td>
<td>74.5 yen</td>
<td>214.7 yen</td>
</tr>
</tbody>
</table>
FY2020: Operating Income Analysis (Y/Y)

- Fixed cost reduction: 22.2*
- Strategic investments up *

### Added value analysis

<table>
<thead>
<tr>
<th>Component</th>
<th>FY2019 Actual</th>
<th>FY2020 Actual</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>FX impact on added value</td>
<td>-5.6</td>
<td>-5.6</td>
<td>0</td>
</tr>
<tr>
<td>Fixed cost down on added value</td>
<td>-7.9</td>
<td>-7.9</td>
<td>0</td>
</tr>
<tr>
<td>Added value on lower sales</td>
<td>-5.6</td>
<td>-5.6</td>
<td>0</td>
</tr>
<tr>
<td>Added value on higher added value rate</td>
<td>+2.9</td>
<td>+2.9</td>
<td>0</td>
</tr>
<tr>
<td>Fixed mfg. costs down</td>
<td>-7.9</td>
<td>-7.9</td>
<td>0</td>
</tr>
<tr>
<td>SG&amp;A down</td>
<td>+13.2</td>
<td>+13.2</td>
<td>0</td>
</tr>
<tr>
<td>R&amp;D down</td>
<td>-3.9</td>
<td>-3.9</td>
<td>0</td>
</tr>
<tr>
<td>Strategic investments up</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Includes impact of yen appreciation

<table>
<thead>
<tr>
<th>Strategic investments up</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT sys.</td>
</tr>
<tr>
<td>IAB</td>
</tr>
<tr>
<td>HCB</td>
</tr>
</tbody>
</table>

Total added value change: +5.2

Total operating income change: +62.5

Copyright: 2021 OMRON Corporation. All Rights Reserved.
FY2021 Forecast: Operating Income Analysis (Y/Y)

- **Operating Income Analysis (Y/Y)**
  - **FY2020 Actual**: 70.0
  - **FY2021 Forecast**: 70.0

**Added value** up on higher added value rate:
- **Fixed mfg. costs up**: -3.0
- **SG&A up**: -6.8
- **R&D up**: -3.7

**Strategic investments up**
- **IT sys.**: -2.1
- **IAB**: -5.1
- **HCB**: -0.5
- **Other**: -0.9

**FX impact on added value**: +11.8

**Added value up on higher sales rate**: +15.4

**Fixed mfg. costs up**: -3.0

**SG&A up**: -6.8

**R&D up**: -3.7

**Strategic investments up**
- **IT sys.**: -2.1
- **IAB**: -5.1
- **HCB**: -0.5
- **Other**: -0.9

**Added value** up on higher sales rate:
- **Fixed mfg. costs up**: +2.5

**Added value up on higher added value rate**: +15.4

**Fixed mfg. costs up**: -3.0

**SG&A up**: -6.8

**R&D up**: -3.7

**Strategic investments up**
- **IT sys.**: -2.1
- **IAB**: -5.1
- **HCB**: -0.5
- **Other**: -0.9

**Added value** up on higher sales rate:
- **Fixed mfg. costs up**: +2.5
FY2021 Forecast: Changes to Fixed Costs (Y/Y)

- **SG&A**: 235.9 ¥bn (29.4% of sales)
  - **Actual**: 206.0 ¥bn (29.4% of sales)
  - **Forecast**: 255.0 ¥bn (29.9% of sales)
  - **Change**: +6.5 ¥bn (SG&A ratio +0.5% pt)
- **R&D**: 43.2 ¥bn (6.6% of sales)
  - **Actual**: 49.0 ¥bn (7.0% of sales)
  - **Forecast**: 46.0 ¥bn (6.8% of sales)
  - **Change**: +0.9 ¥bn (R&D ratio +0.2% pt)

**Strategic Investments**
- **IT system investments up**: +2.1 ¥bn
- **IAB**: +5.1 ¥bn
- **HCB**: +0.5 ¥bn
- **Other**: +0.9 ¥bn

**Growth Investments**
- **IT system investments up**: +2.1 ¥bn
- **IAB**: +5.1 ¥bn
- **HCB**: +0.5 ¥bn
- **Other**: +0.9 ¥bn

**FY2020 Actual**
- **FY2019 Actual**
- **FY2021 Forecast**
### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>End-March 2020</th>
<th>End-March 2021</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td>447.1</td>
<td>514.4</td>
<td>+67.3%</td>
</tr>
<tr>
<td>(Cash and cash equivalents)</td>
<td>(185.5)</td>
<td>(250.8)</td>
<td>(+65.2%)</td>
</tr>
<tr>
<td>(Inventory)</td>
<td>(104.3)</td>
<td>(103.3)</td>
<td>(-1.0%)</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>114.5</td>
<td>113.0</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Investments and other assets</strong></td>
<td>196.5</td>
<td>192.9</td>
<td>-3.5%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>758.1</td>
<td>820.4</td>
<td>+62.3%</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>151.3</td>
<td>161.4</td>
<td>+10.1%</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td>74.2</td>
<td>49.7</td>
<td>-24.6%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>225.5</td>
<td>211.0</td>
<td>-14.5%</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>530.4</td>
<td>606.9</td>
<td>+76.4%</td>
</tr>
<tr>
<td><strong>Noncontrolling interests</strong></td>
<td>2.2</td>
<td>2.5</td>
<td>+0.3%</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>532.6</td>
<td>609.4</td>
<td>+76.8%</td>
</tr>
<tr>
<td><strong>Total Liabilities and net assets</strong></td>
<td>758.1</td>
<td>820.4</td>
<td>+62.3%</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>70.0%</td>
<td>74.0%</td>
<td>+4.0%pt</td>
</tr>
</tbody>
</table>

(¥bn)
<table>
<thead>
<tr>
<th></th>
<th>FY2019 Actual</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>89.8</td>
<td>93.8</td>
<td>+4.0</td>
</tr>
<tr>
<td>Investment cash flow</td>
<td>28.6</td>
<td>-14.8</td>
<td>-43.4</td>
</tr>
<tr>
<td>Free cash flow (FCF)</td>
<td>118.4</td>
<td>79.0</td>
<td>-39.4</td>
</tr>
<tr>
<td>Financing cash flow</td>
<td>-29.4</td>
<td>-20.4</td>
<td>+9.1</td>
</tr>
<tr>
<td>Cash and cash equivalents as of end of period</td>
<td>185.5</td>
<td>250.8</td>
<td>+65.2</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>33.1</td>
<td>24.0</td>
<td>-9.2</td>
</tr>
<tr>
<td>Depreciation</td>
<td>25.7</td>
<td>22.8</td>
<td>-2.9</td>
</tr>
</tbody>
</table>
### FY2021 Forex Assumptions

<table>
<thead>
<tr>
<th>FY2021 Assumption</th>
<th>Impact of ¥1 move (full-year, approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>*RMB impact of ¥0.1 move</td>
</tr>
<tr>
<td>Sales</td>
<td>OP</td>
</tr>
<tr>
<td><strong>USD</strong></td>
<td>¥108</td>
</tr>
<tr>
<td></td>
<td>¥1.7bn</td>
</tr>
<tr>
<td></td>
<td>¥0.2bn</td>
</tr>
<tr>
<td><strong>EUR</strong></td>
<td>¥128</td>
</tr>
<tr>
<td></td>
<td>¥0.9bn</td>
</tr>
<tr>
<td></td>
<td>¥0.4bn</td>
</tr>
<tr>
<td><strong>RMB</strong></td>
<td>¥16.5</td>
</tr>
<tr>
<td></td>
<td>¥0.8bn</td>
</tr>
<tr>
<td></td>
<td>¥0.2bn</td>
</tr>
</tbody>
</table>

* If emerging market currency trends diverge from trends in major currencies contrary to our expectations, it will impact sensitivities.
Capital allocation priorities: (1) Investments for future growth, (2) Dividends, (3) Share buybacks

**Investment for Future Growth**
- Focus on Factory Automation and Healthcare
- Allocate to growth investments (including M&A), R&D, and capital expenditures

**Dividends**
- Targets:
  - Full-year dividend payout ratio: approx. 30%
  - Dividend on equity ratio (DOE): approx. 3%

**Share Buybacks**
- Long-term retained earnings may be allocated toward share buybacks in a flexible manner.
OMRON Included in Major ESG Indices (As of April 2021)

ESG Indices which include OMRON

- DJSI – World
- FTSE4Good Index Series
- MSCI ESG Leaders Indexes
- MSCI SRI Indexes
- STOXX Global ESG Leaders indices
- FTSE Blossom Japan Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index
- S&P/JPX Carbon Efficient Index

* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.

External Recognition (As of April 2021)

Domestic ESG awards, selection for inclusion

S&P Global Sustainability Award
✓ S&P Sustainability Award Gold Class  1st time

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  4th consecutive year from FY2017
✓ Health & Productivity Stock  3rd consecutive year from FY2018
✓ Health & Productivity: White 500  5th consecutive year from FY2016

Selected by Nikkei Inc.
✓ Nikkei 225  March 2019, 1st time
Down-Top ROIC Tree (2.0)

**KPI**
- Focus industry / New product sales (¥)
- Service / Recurring rev. (¥)
- Online channel sales (¥)
- # of revolutionary apps
- % std. components used
- CD % / Defect cost %
- Units produced/employee
- Automation ratio % (headcount reduction)
- Labor cost/sales %
- Back office employees (#)
- IT cost / Facilities cost (¥)
- Production LT
- Slow-moving inv. (¥)
- Overdue Receivables (¥)
- Capex (¥)
- M&A synergies (¥)

**Driver**
- GP Margin
- Added-value %
- Fixed manuf. costs %
- SG&A %
- R&D %
- ROS

**To-Dos Cycle**
- PLAN
- ACT
- CHECK
- DO

**On-site**

**Invested Capital Turnover**

**ROS**

**ROIC**
Portfolio Management

Assessing Economic Value

- **B**: Expecting Growth
- **C**: Profit Restructuring
- **S**: Investment
- **A**: Examining Regrowth

Sales Growth Rate (%) vs. ROIC (%)

Assessing Competitiveness

- **B**: Expecting Growth
- **S**: Investment
- **C**: Profit Restructuring
- **A**: Examining Regrowth

Market Growth Rate (%) vs. Market Share (%)
ROIC Definition

\[ \text{ROIC} = \frac{\text{Net income attributable to OMRON shareholders}}{\text{Invested capital}} \]

**Invested capital**

\[ = \text{Net assets} + \text{Interest-bearing debt} \]

*The average of previous fiscal year-end result and quarterly results (or forecasts) of current fiscal year.

**Capital cost forecast at 5.5% for FY2021 - 2024**
Notes
1. The consolidated statements of OMRON Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks and uncertain factors could cause actual results to differ materially from these projections.
3. The presentation slides are based on "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (U.S. GAAP)."
Figures rounded to the nearest million JPY and percentage to one decimal place.

Contact:
Investor Relations Department
Global Investor & Brand Communications
OMRON Corporation
Phone: +81-(0)3-6718-3421
Email: omron-ir@omron.com
Website: www.omron.com/global/en/