FY2021 Q3 Earnings
Ended December 31, 2021
Summary

■ Q1-Q3 FY2021 Results
  • Strong growth in sales and OP. Achieve new record high in OP
  • However, the negative supply chain impact from component shortages and logistics disruption persisted for longer than expected
  • Results fell short of internal plan on inability to achieve supply volumes enough expected as of Q2

■ FY2021 Full-year Forecasts
  • Revise down full-year forecasts, on continued negative supply chain impact in Q4
  • Orders still strong. Full-year sales and OP to rise significantly Y/Y.
    Expect to achieve new record high for OP
  • Full-year DPS guidance maintained at ¥92.

■ Future Growth Opportunities
  • OMRON is already capturing growth opportunities given its focus that arise from social change.
    We will achieve further growth
  • Specifically growth opportunities are EV, Digital and F&B in FA,
    and BPMs and Remote Medical Services in HCB
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3. Future Growth Opportunities .................. P. 19

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## Q1-Q3 FY2021 Results

Sales and OP up substantially. OP hit new record high

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>469.6</td>
<td>558.6</td>
<td>+19.0%</td>
</tr>
<tr>
<td><strong>Gross Profit (%)</strong></td>
<td>213.9 (45.6%)</td>
<td>256.4 (45.9%)</td>
<td>+19.8%  (+0.3%pt)</td>
</tr>
<tr>
<td><strong>Operating Income (%)</strong></td>
<td>42.4 (9.0%)</td>
<td>66.9 (12.0%)</td>
<td>+57.5% (+2.9%pt)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>33.9</td>
<td>44.8</td>
<td>+32.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2020 (¥bn)</th>
<th>FY2021 (¥bn)</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>1USD (JPY)</td>
<td>106.2</td>
<td>111.0</td>
<td>+4.8</td>
</tr>
<tr>
<td>1EUR (JPY)</td>
<td>121.8</td>
<td>130.8</td>
<td>+9.0</td>
</tr>
<tr>
<td>1RMB (JPY)</td>
<td>15.3</td>
<td>17.2</td>
<td>+1.9</td>
</tr>
</tbody>
</table>
## Sales by Segment

IAB and EMC successfully capture global demand, achieving significant sales growth. BPM demand firm in HCB

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>IAB</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Automation</td>
<td>252.9</td>
<td>321.3</td>
<td>+27.1%</td>
</tr>
<tr>
<td><strong>EMC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic &amp; Mechanical Components</td>
<td>61.8</td>
<td>78.5</td>
<td>+26.9%</td>
</tr>
<tr>
<td><strong>SSB</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Systems, Solutions &amp; Service</td>
<td>58.6</td>
<td>55.2</td>
<td>-5.8%</td>
</tr>
<tr>
<td><strong>HCB</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>92.5</td>
<td>101.1</td>
<td>+9.3%</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>3.7</td>
<td>2.5</td>
<td>-32.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>469.6</td>
<td>558.6</td>
<td>+19.0%</td>
</tr>
</tbody>
</table>
Achieved Y/Y double-digit or higher growth in all regions. Orders also up significantly.

### Q1-Q3 FY2021 (April-December)

#### IAB Sales and Order Growth by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Japan</th>
<th>Americas</th>
<th>Europe</th>
<th>Greater China</th>
<th>SE Asia/Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth</td>
<td>+20%</td>
<td>+24%</td>
<td>+24%</td>
<td>+22%</td>
<td>+10%</td>
</tr>
<tr>
<td>Order Growth</td>
<td>+87%</td>
<td>+68%</td>
<td>+63%</td>
<td>+67%</td>
<td>+33%</td>
</tr>
</tbody>
</table>

* Y/Y, local currency basis

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**Table:**

<table>
<thead>
<tr>
<th></th>
<th>Ex-S. Korea</th>
<th>S. Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth</td>
<td>+10%</td>
<td>+11%</td>
</tr>
<tr>
<td>Order Growth</td>
<td>+33%</td>
<td>+74%</td>
</tr>
</tbody>
</table>
### Operating Income by Segment

Achieve substantial OP growth in IAB, EMC. Logistics disruption a factor behind lower OP for HCB

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2020 Q1-Q3 Act.</th>
<th>FY2021 Q1-Q3 Act.</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB Industrial Automation</td>
<td>41.9 (16.6%)</td>
<td>59.3 (18.5%)</td>
<td>+17.4 (+1.9%pt)</td>
</tr>
<tr>
<td>EMC Electronic &amp; Mechanical Components</td>
<td>1.5 (2.5%)</td>
<td>6.8 (8.7%)</td>
<td>+5.3 (+6.2%pt)</td>
</tr>
<tr>
<td>SSB Social Systems, Solutions &amp; Service</td>
<td>-0.6 (-)</td>
<td>-0.9 (-)</td>
<td>-0.3 (-)</td>
</tr>
<tr>
<td>HCB Healthcare</td>
<td>16.9 (18.3%)</td>
<td>16.2 (16.0%)</td>
<td>-0.7 (-2.3%pt)</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>-17.3</td>
<td>-14.5</td>
<td>+2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42.4 (9.0%)</td>
<td>66.9 (12.0%)</td>
<td>+24.5 (+2.9%pt)</td>
</tr>
</tbody>
</table>
Improved profitability combined with sales growth to drive strong growth in gross profits. Solidly executed on growth investments.
Supply chain issues persisting. Emergence of new issues unanticipated at time of previous forecasts

<table>
<thead>
<tr>
<th>Changes from Previous Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component Shortages</strong></td>
</tr>
<tr>
<td>- At IAB, range of components in tight supply increased. Unable to secure expected procurement volumes</td>
</tr>
<tr>
<td><strong>Component Price Surges</strong></td>
</tr>
<tr>
<td>- All businesses reporting a larger impact from rising component prices and increased use of components procured in the spot market</td>
</tr>
<tr>
<td><strong>Logistics Delays</strong></td>
</tr>
<tr>
<td>- HCB impacted by container shortages, and customs clearance delays in N. America and lack of drivers as a result of labor shortages. Logistics lead times for products significantly longer</td>
</tr>
<tr>
<td><strong>Logistics Costs</strong></td>
</tr>
<tr>
<td>- Larger-than-expected negative impact on IAB, EMC &amp; HCB owing to rising unit prices for air/sea freight and increased use of air shipments</td>
</tr>
</tbody>
</table>
Full-year Forecasts
### Q4 Business Environment by Segment (January-March)

**Outlook remains firm, primarily for IAB. No major changes from previous outlook**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAB</strong> Industrial Automation</td>
<td><strong>Automotive:</strong> EV investments continue on trend toward decarbonization</td>
</tr>
<tr>
<td></td>
<td><strong>Digital:</strong> High level of investment continues on ongoing increase in demand for semiconductors/rechargeable batteries</td>
</tr>
<tr>
<td></td>
<td><strong>Food &amp; bev.:</strong> Firm trend for environmental/automation investments on economic reopenings</td>
</tr>
<tr>
<td></td>
<td><strong>Social infrastructure:</strong> Recovering on resumption of energy investments like solar power, which had seen a temporary correction</td>
</tr>
<tr>
<td><strong>EMC</strong> Electronic &amp; Mechanical Components</td>
<td><strong>Consumer:</strong> Recovery trend continuing, focused on US/Europe</td>
</tr>
<tr>
<td></td>
<td><strong>Automotive:</strong> Gradual recovery trend maintained</td>
</tr>
<tr>
<td><strong>SSB</strong> Social Systems, Solutions &amp; Service</td>
<td><strong>Station sys.:</strong> Continued capex constraints</td>
</tr>
<tr>
<td></td>
<td><strong>Transport:</strong> Expect firm replacement demand to continue</td>
</tr>
<tr>
<td></td>
<td><strong>Env. Soln:</strong> Continued gradual recovery from COVID-19 impact</td>
</tr>
<tr>
<td><strong>HCB</strong> Healthcare</td>
<td><strong>BPMs:</strong> Continued strong global trend, including online</td>
</tr>
<tr>
<td></td>
<td><strong>Others:</strong> Recovery trends continue for nebulizers globally and low frequency treatment devices in Japan. Pace of demand decline in thermometers faster than expected; reverting to pre-COVID-19 levels</td>
</tr>
</tbody>
</table>
Revising full-year forecasts on negative impact from supply chain issues. Sales and OP up Y/Y; OP to hit new record high

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Initial Plan</th>
<th>FY2021 Previous Fcst.</th>
<th>FY2021 Forecast</th>
<th>Chg. Vs Prev Fcst.</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>700.0</td>
<td>780.0</td>
<td>760.0</td>
<td>-2.6%</td>
<td>655.5</td>
<td>+15.9%</td>
</tr>
<tr>
<td><strong>Gross Profit (%)</strong></td>
<td>325.0 (46.4%)</td>
<td>361.0 (46.3%)</td>
<td>347.0 (45.7%)</td>
<td>-3.9%</td>
<td>298.4</td>
<td>+16.3%</td>
</tr>
<tr>
<td><strong>Operating Income (%)</strong></td>
<td>70.0 (10.0%)</td>
<td>98.0 (12.6%)</td>
<td>88.0 (11.6%)</td>
<td>-10.2%</td>
<td>62.5</td>
<td>+40.8%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>48.0</td>
<td>65.5</td>
<td>57.0</td>
<td>-13.0%</td>
<td>43.3</td>
<td>+31.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>1USD (JPY)</td>
<td>108.0</td>
<td>108.9</td>
<td>111.5</td>
<td>+2.5</td>
</tr>
<tr>
<td>1EUR (JPY)</td>
<td>128.0</td>
<td>129.5</td>
<td>130.6</td>
<td>+1.1</td>
</tr>
<tr>
<td>1RMB (JPY)</td>
<td>16.5</td>
<td>16.7</td>
<td>17.4</td>
<td>+0.6</td>
</tr>
</tbody>
</table>
## FY2021 Forecasts: Sales by Segment

Revising forecasts for IAB, SSB and HCB. Projecting new record highs for IAB and HCB

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Initial Plan</th>
<th>FY2021 Previous Fcst.</th>
<th>FY2021 Forecast</th>
<th>Chg. Vs Prev Fcst.</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Automation</td>
<td>375.0</td>
<td>443.0</td>
<td>430.0</td>
<td>-2.9%</td>
<td>346.4</td>
<td>+24.1%</td>
</tr>
<tr>
<td><strong>EMC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic &amp; Mechanical Components</td>
<td>94.0</td>
<td>103.0</td>
<td>103.0</td>
<td>-</td>
<td>86.0</td>
<td>+19.7%</td>
</tr>
<tr>
<td><strong>SSB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Systems, Solutions &amp; Service</td>
<td>96.0</td>
<td>92.0</td>
<td>90.0</td>
<td>-2.2%</td>
<td>95.7</td>
<td>-5.9%</td>
</tr>
<tr>
<td><strong>HCB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>133.0</td>
<td>140.0</td>
<td>134.0</td>
<td>-4.3%</td>
<td>123.1</td>
<td>+8.9%</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>2.0</td>
<td>2.0</td>
<td>3.0</td>
<td>-</td>
<td>4.3</td>
<td>-30.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>700.0</td>
<td>780.0</td>
<td>760.0</td>
<td>-2.6%</td>
<td>655.5</td>
<td>+15.9%</td>
</tr>
</tbody>
</table>
### FY2021 Forecasts: Operating Income by Segment

Revising IAB, SSB and HCB forecasts reflecting downward revision to sales forecasts

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2021 Initial Plan</th>
<th>FY2021 Previous Fcst.</th>
<th>FY2021 Forecast</th>
<th>Chg. Vs Prev Fcst.</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Automation</td>
<td>63.0</td>
<td>87.0</td>
<td>79.0</td>
<td>-8.0</td>
<td>58.8</td>
<td>+20.2</td>
</tr>
<tr>
<td><strong>EMC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic &amp; Mechanical Components</td>
<td>4.5</td>
<td>7.5</td>
<td>8.0</td>
<td>+0.5</td>
<td>3.0</td>
<td>+5.0</td>
</tr>
<tr>
<td><strong>SSB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Systems, Solutions &amp; Service</td>
<td>7.0</td>
<td>7.0</td>
<td>6.5</td>
<td>-0.5</td>
<td>5.7</td>
<td>+0.8</td>
</tr>
<tr>
<td><strong>HCB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>22.5</td>
<td>22.5</td>
<td>19.5</td>
<td>-3.0</td>
<td>20.6</td>
<td>-1.1</td>
</tr>
<tr>
<td><strong>Eliminations &amp; Corporate</strong></td>
<td>-27.0</td>
<td>-26.0</td>
<td>-25.0</td>
<td>+1.0</td>
<td>-25.5</td>
<td>+0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>70.0</td>
<td>98.0</td>
<td>88.0</td>
<td>-10.0</td>
<td>62.5</td>
<td>+25.5</td>
</tr>
</tbody>
</table>

(¥bn, %: OPM)
Factoring in negative impact of component shortages on sales and surging materials and logistics costs on GP

### Operating Income Analysis (vs. Previous Forecast)

- **FX impact**: +1.4
- **GP down on lower sales**: -13.7
- **GP down on lower GP margin**: -4.0
- **SG&A down**: +3.5
- **R&D down**: +2.2
- **Strategic investment down**: +0.6

**FY2021 Previous Forecast**: 98.0

**FY2021 Forecast**: 88.0 (¥bn)
Expect substantial Y/Y OP growth on strong sales growth. Firmly committed to executing on investments aimed at future growth.
Quarterly Earnings Trends: Consolidated and IAB

Achieving sequential earnings growth from Q2 onward for the overall company and IAB. If component procurement situation improves, room for upside to forecasts.

### Consolidated

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (¥bn)</th>
<th>OP (¥bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21 2Q</td>
<td>181.2</td>
<td>19.9</td>
</tr>
<tr>
<td>FY21 3Q</td>
<td>189.3</td>
<td>21.1</td>
</tr>
<tr>
<td>FY21 4Q</td>
<td>201.4</td>
<td>21.1</td>
</tr>
</tbody>
</table>

### IAB

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (¥bn)</th>
<th>OP (¥bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21 2Q</td>
<td>102.5</td>
<td>17.8</td>
</tr>
<tr>
<td>FY21 3Q</td>
<td>107.9</td>
<td>18.3</td>
</tr>
<tr>
<td>FY21 4Q</td>
<td>108.7</td>
<td>19.7</td>
</tr>
</tbody>
</table>
Maintain annual dividend guidance at ¥92 increase announced in Q2, up ¥8 Y/Y. Share buyback (¥30bn, 2.63mn shares) completed in December.

Annual DPS (Interim DPS)

FY2020 Actual
¥84
(¥42)

FY2021 Forecast
¥92
(¥46)

*Interim dividend fixed
Future Growth Opportunities
OMRON is focused on growth opportunities arising as a result of social change.

Demand and investments in our focus markets will remain strong.

OMRON is already capturing such growth opportunities. We will achieve further growth by successfully securing new needs that emerge going forward.
IAB: Drivers for Achieving Strong Growth

Increase sales in high growth areas on active investments in FA emerging on social demands to lower environmental burdens, the pandemic and a surge in demand.

Social Change
- Easing environmental burden through cuts to GHGs and waste losses
- Automation of production processes overly reliant on workers

Growth Opportunities Emerging as a Result of Social Change
- Improving energy efficiency of EVs
- Global increases in semiconductor production capacity and further miniaturization
- Evolution in packaging materials to eliminate plastic use
HCB: Drivers for Achieving Strong Growth

Achieve strong growth by capturing emerging needs resulting from a changing awareness of health issues and new lifestyles.

Social Change
- Rising awareness of preventative healthcare
- Lifestyle changes

Growth Opportunities Emerging as a Result of Social Change
- Growth of BPM business, mainly in emerging markets
- Acceleration of Remote Medical Service
Briefing on Next Long-Term Vision and Medium-Term Business Plan

Date: Early March, 2022
Format: Remote Webinar
Reference
Shareholder Return Policy

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.
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Cash and cash equivalents)</td>
<td>(-250.8)</td>
<td>(-235.2)</td>
<td>(-15.5)</td>
</tr>
<tr>
<td>(Inventory)</td>
<td>(-103.3)</td>
<td>(133.1)</td>
<td>(+29.9)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>113.0</td>
<td>114.7</td>
<td>+1.7</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td>192.9</td>
<td>194.8</td>
<td>+1.9</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>820.4</td>
<td>841.6</td>
<td>+21.3</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>161.4</td>
<td>163.3</td>
<td>+2.0</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td>49.7</td>
<td>44.2</td>
<td>-5.4</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>211.0</td>
<td>207.5</td>
<td>-3.5</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>606.9</td>
<td>631.5</td>
<td>+24.7</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>2.5</td>
<td>2.6</td>
<td>+0.1</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>609.4</td>
<td>634.1</td>
<td>+24.8</td>
</tr>
<tr>
<td><strong>Total Liabilities and net assets</strong></td>
<td>820.4</td>
<td>841.6</td>
<td>+21.3</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>74.0%</td>
<td>75.0%</td>
<td>+1.0%pt</td>
</tr>
</tbody>
</table>
## Consolidated Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>62.6</td>
<td>47.3</td>
<td>-15.3</td>
</tr>
<tr>
<td>Investment cash flow</td>
<td>-17.7</td>
<td>-24.0</td>
<td>-6.3</td>
</tr>
<tr>
<td>Free cash flow (FCF)</td>
<td>45.0</td>
<td>23.3</td>
<td>-21.6</td>
</tr>
<tr>
<td>Financing cash flow</td>
<td>-20.4</td>
<td>-49.6</td>
<td>-29.2</td>
</tr>
<tr>
<td>Cash and cash equivalents as of end of period</td>
<td>211.4</td>
<td>235.2</td>
<td>+23.8</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>13.3</td>
<td>20.7</td>
<td>+7.4</td>
</tr>
<tr>
<td>Depreciation</td>
<td>17.2</td>
<td>17.4</td>
<td>+0.2</td>
</tr>
</tbody>
</table>
### FY2021 Forex Assumptions

<table>
<thead>
<tr>
<th>Q4 FY2021 Assumptions</th>
<th>Impact of ¥1 move (full-year, approx.)</th>
<th>*RMB impact of ¥0.1 move</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales</td>
<td>OP</td>
</tr>
<tr>
<td><strong>USD</strong></td>
<td>¥113</td>
<td>¥1.7bn</td>
</tr>
<tr>
<td><strong>EUR</strong></td>
<td>¥130</td>
<td>¥0.9bn</td>
</tr>
<tr>
<td><strong>RMB</strong></td>
<td>¥17.8</td>
<td>¥0.8bn</td>
</tr>
</tbody>
</table>

* If emerging market currency trends diverge from trends in major currencies contrary to our expectations, it will impact sensitivities.
OMRON Included in Major ESG Indices (As of January 2022)

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

5th consecutive year

6th consecutive year

7th consecutive year

5th consecutive year

6th consecutive year

5th consecutive year

5th consecutive year

4th consecutive year

* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.
FY2021 Assessment: Climate Change ‘A-’, Water Security ‘A-’
External Recognition (As of January 2022)

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)
- Man-hour productivity
- 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 %
- Working capital turnover
- Fixed asset turnover

### ROIC
- ROS
- Invested Capital Turnover
Portfolio Management

Assessing Economic Value

- B: Expecting Growth
- C: Profit Restructuring
- A: Examining Regrowth

Assessing Competitiveness

- B: Investment
- C: Market Growth Rate
- A: Market Share

Sales Growth Rate (%) vs. ROIC(%)
**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 Third Quarter of the Fiscal Year Ending March 31, 2022 (U.S. GAAP)." Figures rounded to the nearest million JPY and percentage to one decimal place.

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