FY2021 Earnings
ended March 31, 2022

Results Briefing

April 26, 2022
OMRON Corporation
Summary

■ FY2021 results
  • Despite ongoing supply constraints, OMRON exceeded previous forecasts to hit a new record high for OP
  • IAB achieved new record highs for sales and OP, reaping the benefits from previous investments
  • Now guiding for full-year FY2021 DPS to rise 8 yen to a record high of 92 yen

■ FY2022 full-year forecasts
  • On persistently strong demand, OMRON projects continued sales growth and a further record high for profits.
    Plan to both accelerate the harvesting of growth opportunities and execute on investments for future growth
  • Reflecting the uncertainty in the macro backdrop, such as the suspension of operations at a mainstay plant
    owing to the Shanghai lockdown, the forecast factors in earnings fluctuation risk of ¥10 billion in sales and ¥4
    billion in operating profit
  • Guiding for a 6 yen increase for FY2022 full-year DPS, from a record high 92 yen to 98 yen

■ Expect IAB and HCB to achieve strong growth
  • Strong sales growth in the focus domains identified in the MTP to drive overall sales expansion
  • IAB to accelerate customer adoption of innovative-Automation, focusing on Digital and NEV
  • HCB aiming for dramatic sales growth in the cardiovascular business in China and Asia
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FY2021 Results
## FY2021 Results

### Exceeded previous forecast. Operating income up 43% Y/Y for new record high

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Forecast</th>
<th>FY2021 Actual</th>
<th>Chg. Vs Fcst.</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>760.0</td>
<td>762.9</td>
<td>+0.4%</td>
<td>655.5</td>
<td>+16.4%</td>
</tr>
<tr>
<td><strong>Gross Profit (%)</strong></td>
<td>347.0 (45.7%)</td>
<td>346.8 (45.5%)</td>
<td>-0.0% (-0.2%pt)</td>
<td>298.4 (45.5%)</td>
<td>+16.2% (-0.1%pt)</td>
</tr>
<tr>
<td><strong>Operating Income %</strong></td>
<td>88.0 (11.6%)</td>
<td>89.3 (11.7%)</td>
<td>+1.5% (+0.1%pt)</td>
<td>62.5 (9.5%)</td>
<td>+43.0% (+2.2%pt)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>57.0</td>
<td>61.4</td>
<td>+7.7%</td>
<td>43.3</td>
<td>+41.8%</td>
</tr>
</tbody>
</table>

1USD (JPY) | 111.5 | 112.1 | +0.6 | 105.8 | +6.2 |
1EUR (JPY)  | 130.6 | 130.5 | -0.1 | 123.2 | +7.3 |
1CNY (JPY)  | 17.4  | 17.4  | +0.1 | 15.5  | +1.9 |
**IAB, DMB report substantial sales growth. IAB sets new record high for sales, as OMRON begins to reap the benefits of earlier investments**

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2021 Forecast</th>
<th>FY2021 Actual</th>
<th>Chg. Vs Fcst.</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAB Industrial Automation</td>
<td>430.0</td>
<td>432.6</td>
<td>+0.6%</td>
<td>346.4</td>
<td>+24.9%</td>
</tr>
<tr>
<td>HCB Healthcare</td>
<td>134.0</td>
<td>132.9</td>
<td>-0.9%</td>
<td>123.1</td>
<td>+7.9%</td>
</tr>
<tr>
<td>SSB Social Systems, Solutions &amp; Service</td>
<td>90.0</td>
<td>87.7</td>
<td>-2.6%</td>
<td>95.7</td>
<td>-8.3%</td>
</tr>
<tr>
<td>DMB Device &amp; Module Solutions</td>
<td>103.0</td>
<td>106.4</td>
<td>+3.3%</td>
<td>86.0</td>
<td>+23.7%</td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>3.0</td>
<td>3.3</td>
<td>+10.0%</td>
<td>4.3</td>
<td>-23.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>760.0</td>
<td>762.9</td>
<td>+0.4%</td>
<td>655.5</td>
<td>+16.4%</td>
</tr>
</tbody>
</table>
### Operating Income by Segment

IAB, EMC achieve strong Y/Y profit growth

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Forecast</th>
<th>FY2021 Actual</th>
<th>Chg. Vs Fcst.</th>
<th>FY2020 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(% of total)</td>
<td></td>
<td></td>
<td>(% of total)</td>
<td>(%)</td>
</tr>
<tr>
<td><strong>IAB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Automation</td>
<td>79.0 (18.4%)</td>
<td>78.1 (18.1%)</td>
<td>-0.9 (-0.3%)</td>
<td>58.8 (17.0%)</td>
<td>+19.3 (+1.1%)</td>
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<tr>
<td><strong>HCB</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>19.5 (14.6%)</td>
<td>18.5 (14.0%)</td>
<td>-1.0 (-0.6%)</td>
<td>20.6 (16.7%)</td>
<td>-2.0 (-2.8%)</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td><strong>SSB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Systems, Solutions &amp; Service</td>
<td>6.5 (7.2%)</td>
<td>6.5 (7.4%)</td>
<td>+0.0 (+0.2%)</td>
<td>5.7 (6.0%)</td>
<td>+0.8 (1.5%)</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>DMB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Device &amp; Module Solutions</td>
<td>8.0 (7.8%)</td>
<td>8.2 (7.7%)</td>
<td>+0.2 (-0.0%)</td>
<td>3.0 (3.4%)</td>
<td>+5.3 (4.3%)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eliminations &amp; Corporate</strong></td>
<td>-25.0</td>
<td>-22.1</td>
<td>+2.9</td>
<td>-25.5</td>
<td>+3.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>88.0 (11.6%)</td>
<td>89.3 (11.7%)</td>
<td>+1.3 (+0.1%)</td>
<td>62.5 (9.5%)</td>
<td>+26.8 (+2.2%)</td>
</tr>
</tbody>
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OMRON demonstrated strong resilience in response to downside risks that emerged in Q4, overshooting the forecast.

Sales

Q4 Forecast: 201.4

- Suspension of business in Russia: -0.8
- Impact of Shanghai lockdown: -1.5

Impact from resilient response measures:
- +5.2

OMRON's Q4 Actual Sales: 204.3 (¥bn)

- Shortened delivery lead times
- Strengthened N. American logistics operations
- Accelerated efforts to secure core components
IAB order intake increased significantly Y/Y. OMRON able to provide value-added solutions to more customers due to solid progress on business model evolution.

**Order Intake (Value Basis)**

- FY2020: 1,600 (1,000 vs. FY2017)
- FY2021: 2,500 Cos. (+1,000 vs. FY2017)
- Order value: +55% (Y/Y)

**VG2.0 Assets Developed Up To FY2021**

- Innovative Applications: 250 (+200 vs. FY2017)
- Application Engineers: 1,600 (+45% vs. FY2017)
- No. of Customers adopting innovative Automation: 2,500 Cos. (+1,000 vs. FY2017)

**IAB Growth Drivers**

- No. of Customers adopting innovative Automation
- Application Engineers
- Innovative Applications
FY2022 Forecasts
FY2022 Management Policy

Shifting Gears to Create New Value

Operational Stance

Continue to Demonstrate Resilience in the Face of Change
Accelerate harvesting of growth opportunities to drive sales growth. Simultaneously execute on investments for the future to enhance sustainability of growth.
## Operating Environment for Focus Domains

### FY2022 Forecasts

**IAB**

**Industrial Automation**

- **Digital**: Firm trend with major semiconductor customers continuing to make large-scale investments in US, Europe and Asia.
- **NEV**: Investments in batteries and other EV-related areas picking up from last year, with US/Europe investing in earnest following trends already seen in China.
- **Medicine**: In addition to ongoing investments for COVID-19, investments in biopharmaceuticals increasing.
- **Logistics**: Logistics majors accelerating investments in large-scale facilities. Automation investments for small/medium facilities such as robots, also increasing.

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**HCB**

**Healthcare**

- **Cardiovascular**: Global demand strong, chiefly in China and Asia, on the back of the expanding online channel.
- **Respiratory**: On top of rising penetration rates for nebulizers, demand up on easing of restrictions on activity, leading to an increase in patient visits.
- **Remote medical service**: Demand continuing to increase in US and Europe.

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**SSB**

**Social Systems, Solutions & Service**

- **Energy**: Demand expanding on subsidies and increase in companies declaring commitment to achieving carbon neutral.
- **Management & Services**: Retailers increasing investments to respond to labor shortages, upgrading store facilities.

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**DMB**

**Device & Module Solutions**

- **DC Equipment**: Demand strong in DC drives and infrastructure areas on progress in shift to direct current and rising voltage capacity.
- **Microwave Devices**: Continued demand for semiconductors. Strong demand for IC inspection and high-speed communication equipment.

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## Financial Targets

Forecasting higher sales and profits. Aim for Y/Y improvements to ROIC, ROE & EPS

<table>
<thead>
<tr>
<th></th>
<th>FY2021 Actual</th>
<th>FY2022 Targets</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>¥762.9 bn</td>
<td>¥850.0 bn</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>OP</strong></td>
<td>¥89.3 bn</td>
<td>¥93.0 bn</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>9.6%</td>
<td>&gt;10%</td>
<td>&gt;+0.4 pt</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>9.7%</td>
<td>&gt;10%</td>
<td>&gt;+0.3 pt</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>¥306</td>
<td>¥316</td>
<td>+¥10.6</td>
</tr>
<tr>
<td><strong>Forex (USD/EUR/CNY)</strong></td>
<td>112/131/17.4</td>
<td>121/133/19.0</td>
<td>+9/+3/+1.6</td>
</tr>
</tbody>
</table>
Sales & Operating Income Forecasts by Segment

Targeting Y/Y improvements to sales and profits for all segments. Forecasts factor in earnings fluctuation risk of ¥10 bn in sales and ¥4 bn in OP for overall company.

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2021 Actual</th>
<th>FY2022 Forecast</th>
<th>Y/Y</th>
<th>FY2021 Actual</th>
<th>FY2022 Forecast</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IAB (Industrial Automation)</td>
<td>418.1</td>
<td>483.0</td>
<td>+15.5%</td>
<td>76.3</td>
<td>90.0</td>
<td>+18.0%</td>
</tr>
<tr>
<td></td>
<td>(18.2%)</td>
<td>(18.6%)</td>
<td>(+0.4%pt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCB (Healthcare)</td>
<td>132.9</td>
<td>154.0</td>
<td>+15.9%</td>
<td>18.5</td>
<td>20.0</td>
<td>+7.9%</td>
</tr>
<tr>
<td></td>
<td>(14.0%)</td>
<td>(13.0%)</td>
<td>(-1.0%pt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSB (Social Systems, Solutions &amp; Service)</td>
<td>87.7</td>
<td>92.0</td>
<td>+4.9%</td>
<td>6.5</td>
<td>6.5</td>
<td>+0.0%</td>
</tr>
<tr>
<td></td>
<td>(7.4%)</td>
<td>(7.1%)</td>
<td>(-0.3%pt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DMB (Device &amp; Module Solutions)</td>
<td>121.0</td>
<td>128.0</td>
<td>+5.8%</td>
<td>10.1</td>
<td>10.5</td>
<td>+4.1%</td>
</tr>
<tr>
<td></td>
<td>(8.3%)</td>
<td>(8.2%)</td>
<td>(-0.1%pt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminations &amp; Corporate</td>
<td>3.3</td>
<td>3.0</td>
<td>-9.1%</td>
<td>-22.1</td>
<td>-30.0</td>
<td>-</td>
</tr>
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<td></td>
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</tr>
<tr>
<td><strong>Earnings Fluctuation Risk</strong></td>
<td>-10.0</td>
<td></td>
<td></td>
<td>-4.0</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>762.9</td>
<td>850.0</td>
<td>+11.4%</td>
<td>89.3</td>
<td>93.0</td>
<td>+4.1%</td>
</tr>
<tr>
<td></td>
<td>(11.7%)</td>
<td>(10.9%)</td>
<td>(-0.8%pt)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Certain products in IAB have been reclassified to DMB.
FY2021 Results

Analysis of Change in Sales (Y/Y)

Targeting strong sales growth for 4 segments, in addition to forex impact

- ¥65.8 bn growth from 4 segments
- Forex impact: +¥48.5 bn
- IAB: +¥12.0 bn
- HCB: +¥4.3 bn
- SSB: +¥1.0 bn

Overall earnings fluctuation risk:
- +¥10.0 bn (11%)

Risk factors:
- Prolonged lockdown in Shanghai
- Lower components procurements
- Geopolitical risk

FY2021 Actual: ¥762.9 bn
FY2022 Forecast: ¥850.0 bn

+¥87.1 bn Y/Y (+11%)
Continue solidly investing for future growth while also growing sales and improving GP margin

Operating Income Analysis (Y/Y)

- **GP up on higher GP margin**: +4.3
- **SG&A up**: -14.0
- **R&D up**: -2.1
- **FY2022 strategic investments**: -14.0
  - Growth business investments
  - Strengthening organizational capability
- **Earnings fluctuation risk**: -4.0

### FY2021 Actual
- **89.3 (¥bn)**
- **Forex impact**: +3.7

### FY2022 Forecast
- **93.0 (¥bn)**
- **GP up on increased sales**: +29.8
- **FY2022 Forecast**: 93.0 (¥bn)
**Breakdown of Strategic Investments**

Continue strategic investments in IAB and HCB. Take flexible approach in making investments to reflect operating environment and maintain appropriate balance with profit growth.

### Group Strategic Investments

(P/L investments +¥14 bn Y/Y, B/S investments +¥8.7 bn Y/Y)

<table>
<thead>
<tr>
<th>Growth Business Investments</th>
<th>Organizational Capability Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAB</strong> +¥8.0 bn</td>
<td><strong>Human Capital Development</strong> +¥1.1 bn</td>
</tr>
<tr>
<td><strong>HCB</strong> +¥2.9 bn</td>
<td><strong>DX</strong> +¥1.4 bn (B/S +¥7.5bn)</td>
</tr>
<tr>
<td>Enhance 3 front-line layers: sales/application engineers &amp; ATCs</td>
<td>Invest in human capital development to further elevate employees’ capabilities</td>
</tr>
<tr>
<td>Create new innovative applications to support innovative-Automation</td>
<td>Develop standard model for Europe, with focus on SCM</td>
</tr>
<tr>
<td>Strengthen marketing for China and India to drive dramatic growth</td>
<td>Upgrade facilities to promote shift to carbon neutral at domestic bases</td>
</tr>
<tr>
<td>Deploy remote medical service in US and Europe</td>
<td>Develop new energy business</td>
</tr>
</tbody>
</table>

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Achieving Strong Growth: IAB & HCB
**IAB Sales Forecast**

Accelerate deployment of innovative-Automation, focusing on areas of continued strong demand: Digital and NEV. Maximize ability to capture growth opportunities by adding application engineers and raising product supply capability.

**Sales Forecast**

- **Focus Domains**
  - Digital (Semis/5G)
  - NEV (Batteries/EVs)
  - Food/Household Goods (Elimination of plastic)
  - Medicine
  - Logistics

- **Growth Markets × Robust Business Model × Enhanced Supply Capability**

  - Increase number of customers in high growth areas that adopt innovative-Automation (+800 cos. Y/Y)
  - Increase number of application engineers to boost ability to capture global investment in semiconductors/batteries (+100 engineers Y/Y)
  - Further strengthen product supply capability (+¥65.0 bn Y/Y)

**Key Initiatives for Growth**

<table>
<thead>
<tr>
<th>FY2021 Actual</th>
<th>FY2022 Forecast</th>
<th>+16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>418.1</td>
<td>483.0</td>
<td>(¥bn)</td>
</tr>
<tr>
<td>37%</td>
<td>39%</td>
<td></td>
</tr>
</tbody>
</table>

Focus Domains +24% (Y/Y)
Enhancing IAB Product Supply Capability

Improving supply capability by reaping the benefits of design changes, shortening delivery lead times, and partnering strategically with EMS

1. Change designs to enable continued reductions in number of required components and improve procurement capability

2. Shorten delivery lead times through better transportation efficiency and acceleration of local production

3. Enhance production flexibility and procurement capability by developing strategic partnerships with EMS
HCB Sales Forecast

Achieve sales growth for cardiovascular business in expanding China and Asia market

Sales Forecast

<table>
<thead>
<tr>
<th>Focus Domains</th>
<th>FY2021 Actual</th>
<th>FY2022 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular (BPM, EKG)</td>
<td>83%</td>
<td>86%</td>
</tr>
<tr>
<td>Respiratory (Nebulizer)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pain Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remote Medical Svc.</td>
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</tr>
</tbody>
</table>

Focus Domains + 20% (Y/Y) = 154.0

Key Initiatives for Growth

Strength: Channels × Area Expansion × Product Lineup Expansion

- In China and Asia market, strengthen sales channels and expand sales areas
- Launch flagship home-use EKG product and expand sales territory from 15 to 22 countries
- Enhance sales/planning/development framework for remote medical service in US and Europe
Dramatic Growth for HCB in China and Asian Markets

Capture rising health needs to achieve dramatic growth in China and Asia

**China**
- Accelerate initiatives in expanding market
- Expand business in Tier 3/4 cities
- Enhance China-specific product lineup
- Sales:
  - FY2021 Actual: 2,489
  - FY2022 Forecast: 2,871 (M CNY) **+15%**

**Asia (ex-India)**
- Accelerate initiatives in expanding market
- Expand number of stores handling BPMs/nebulizers
- Strengthen online channel
- Sales:
  - FY2021 Actual: 107
  - FY2022 Forecast: 127 (M USD) **+18%**

**India**
- Lay foundation for strong future growth
- Collaborate with medical societies to educate public about home BP readings
- Boost sales by increasing number of stores handling OMRON products
- Sales:
  - FY2021 Actual: 2,349
  - FY2022 Forecast: 2,980 (M INR) **+27%**
## Non-financial Metrics

### Medium-term Management Plan Targets

1. **Grow Sustainability Sales**<sup>*</sup> 45% vs FY2021 (reflects contribution to solving 3 social issues)

2. **Raise ratio of women in management roles** above 18% on a global basis

3. **Hire disabled individuals** at 28 overseas bases; maintain 3% level achieved in Japan

4. **Reduce Scope 1 & 2 GHG emissions** by 53% versus FY2016

5. **Achieve Carbon Zero** at all 76 domestic locations

6. **Implement human rights due diligence** in alignment with UNGP and develop mechanism for remedying abuses in the value chain

7. **Continue to make solid advances on sustainability initiatives** to maintain inclusion in DJSI World

8. **100% participation** by global managers in management training to effectively capitalize on the capabilities of diverse human resources

9. **In all regions, introduce training program covering the basic knowledge required for DX**: statistics, data analytics, AI and others

10. **Make full use of digital tools to reduce use of paper**

### FY2022 Targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>+15% vs. FY2021</td>
<td>17.4%</td>
</tr>
<tr>
<td>26 overseas bases</td>
<td>9 locations</td>
</tr>
<tr>
<td>3% in Japan</td>
<td>-51% vs. FY2016</td>
</tr>
<tr>
<td>9 locations</td>
<td>Identify human rights issues/Establish &amp; test primary remedy mechanism</td>
</tr>
<tr>
<td>Selected to DJSI World</td>
<td>40%</td>
</tr>
<tr>
<td>-40% vs. FY2019</td>
<td>Create training program/Trial in Europe</td>
</tr>
</tbody>
</table>

---

*Focus domain sales which lead to ‘Achieving Carbon Neutrality’, ‘Realizing a Digital Society’, ‘Extending Healthy Life Expectancy’
FY2021 DPS raised 8 yen to 92 yen. Guiding for a 6 yen increase to 98 yen in FY2022. Continue to deliver stable and sustainable shareholder returns.

* FY2021 annual dividend per share to be set at the Annual General Shareholders’ Meeting. Interim and fiscal year-end dividend guidance for FY2022 TBD.
Reference
### Operating Income Analysis (Y/Y)

**FY2020 Actual**
- **62.5**
  - GP up on higher sales: +32.9
  - Forex impact: +8.1

**FY2021 Actual**
- **89.3** (¥bn)
  - SG&A up: -8.4
  - R&D down: +3.0
  - Strategic investments: -8.0
    - IAB: -5.0
    - HCB: -2.3
    - Other: -0.7

**Actual**
- FY2020: 62.5
- FY2021: 89.3

**Operating Income Analysis (Y/Y)**
- **+8.1**
- **+32.9**
- **-0.7**
- **+3.0**
- **-8.4**

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## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>End-March 2021</th>
<th>End-March 2022</th>
<th>Y/Y</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>(155.5)</td>
<td>(-95.3)</td>
</tr>
<tr>
<td>(Inventory)</td>
<td>(103.3)</td>
<td>(141.9)</td>
<td>(+38.7)</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>113.0</td>
<td>122.1</td>
<td>+9.1</td>
</tr>
<tr>
<td><strong>Investments and other assets</strong></td>
<td>192.9</td>
<td>325.6</td>
<td>+132.7</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>820.4</td>
<td>930.6</td>
<td>+110.3</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>161.4</td>
<td>211.7</td>
<td>+50.3</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td>49.7</td>
<td>51.0</td>
<td>+1.3</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>211.0</td>
<td>262.7</td>
<td>+51.6</td>
</tr>
<tr>
<td><strong>Shareholders' equity</strong></td>
<td>606.9</td>
<td>665.2</td>
<td>+58.4</td>
</tr>
<tr>
<td><strong>Noncontrolling interests</strong></td>
<td>2.5</td>
<td>2.7</td>
<td>+0.2</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>609.4</td>
<td>668.0</td>
<td>+58.6</td>
</tr>
<tr>
<td><strong>Total Liabilities and net assets</strong></td>
<td>820.4</td>
<td>930.6</td>
<td>+110.3</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>74.0%</td>
<td>71.5%</td>
<td>-2.5%pt</td>
</tr>
</tbody>
</table>
## Consolidated Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Actual</th>
<th>FY2021 Actual</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>93.8</td>
<td>67.4</td>
<td>-26.4</td>
</tr>
<tr>
<td>Investment cash flow</td>
<td>-14.8</td>
<td>-150.2</td>
<td>-135.4</td>
</tr>
<tr>
<td>Free cash flow (FCF)</td>
<td>79.0</td>
<td>-82.7</td>
<td>-161.8</td>
</tr>
<tr>
<td>Financing cash flow</td>
<td>-20.4</td>
<td>-29.6</td>
<td>-9.3</td>
</tr>
<tr>
<td>Cash and cash equivalents as of end of period</td>
<td>250.8</td>
<td>155.5</td>
<td>-95.3</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>24.0</td>
<td>34.2</td>
<td>+10.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>22.8</td>
<td>23.4</td>
<td>+0.6</td>
</tr>
</tbody>
</table>
Forex Assumptions and Sensitivities

If emerging market currency trends diverge from trends in major currencies contrary to our expectations, it will impact sensitivities.

<table>
<thead>
<tr>
<th>FY2022 Assumptions</th>
<th>Sales</th>
<th>OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>¥121</td>
<td>¥1.8 bn</td>
</tr>
<tr>
<td>EUR</td>
<td>¥133</td>
<td>¥0.9 bn</td>
</tr>
<tr>
<td>CNY</td>
<td>¥19.0</td>
<td>¥1.0 bn</td>
</tr>
</tbody>
</table>

Impact of 1 yen move (full year)
CNY impact of 0.1 yen move
## MTP Segment Sales & Operating Income Targets

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2024 Targets (Prior to segment adjustments)</th>
<th>FY2024 Targets (After segment adjustments)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAB</strong></td>
<td>- Sales OP (OPM): ¥530.0 bn, ¥106.0 bn (20.0%)</td>
<td>- ¥515.0 bn, ¥104.0 bn (20.2%)</td>
</tr>
<tr>
<td><strong>HCB</strong></td>
<td>- Sales OP (OPM): ¥180.0 bn, ¥28.0 bn (15.6%)</td>
<td>- ¥180.0 bn, ¥28.0 bn (15.6%)</td>
</tr>
<tr>
<td><strong>SSB</strong></td>
<td>- Sales OP (OPM): ¥100.0 bn, ¥10.0 bn (10.0%)</td>
<td>- ¥100.0 bn, ¥10.0 bn (10.0%)</td>
</tr>
<tr>
<td><strong>DMB</strong></td>
<td>- Sales OP (OPM): ¥110.0 bn, ¥11.0 bn (10.0%)</td>
<td>- ¥125.0 bn, ¥13.0 bn (10.4%)</td>
</tr>
</tbody>
</table>
Cash Allocation and Shareholder Returns Policies

Cash Allocation Policy

1. Aim to maximize corporate value by realizing OMRON’s LT vision. Prioritizing investments that will create new value from a medium- to long-term perspective. In SF 1st Stage, will prioritize investments in human capital and R&D to address social issues and create social needs, capex to increase production capacity and to advance DX, growth investments such as M&A & Alliances and sustainability initiatives such as decarbonization, reducing environmental impact and respecting human rights in the supply chain. Beyond this, OMRON will maintain stable and consistent shareholder returns

2. Basic policy for funding the above value creation investments and shareholder returns: funds to come from retained earnings and operating cash flow generated. If necessary, OMRON will tap into appropriate fund raising alternatives. Given its ability to raise funds without being unduly impacted by financial market conditions OMRON will continue to focus on maintaining financial soundness

Shareholder Returns Policy

1. After prioritizing necessary investments for medium- to long-term value creation, OMRON’s annual dividend payout policy will be a DOE of 3%. Beyond this, OMRON will take into account previous DPS levels in order to maintain stable and consistent shareholder returns

2. In the event where excess levels of cash are maintained over the long term after making the above investments and profit distributions, OMRON may reward shareholders by undertaking share buybacks from time to time
OMRON Included in Major ESG Indices (As of April 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
✓ FTSE Blossom Japan Sector Relative 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
1st time selected
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 April 2022)

Domestic ESG awards, selection for inclusion

S&P Global Sustainability Award
✓ S&P Sustainability Award Silver Class

EcoVadis
✓ Sustainability Assessment Gold Rating

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
  5th consecutive year from FY2017
✓ Nadeshiko Brand
✓ Health & Productivity Stock
✓ Health & Productivity: White 500
  6th consecutive year from FY2016

Selected by Nikkei Inc.
✓ Nikkei 225
  March 2019, 1st time

Sustainability Award
Silver Class 2022
S&P Global
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 %

ROS

Invested Capital Turnover

ROIC

To-Dos Cycle

On-site

PLAN

DO

CHECK
Portfolio Management

Assessing Economic Value

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

Assessing Competitiveness

- B
- S
- C
- A

Axes:
- Y-axis: Sales Growth Rate (%)
- X-axis: ROIC (%)
- Y-axis: Market Growth Rate (%)
- X-axis: Market Share (%)

Assessing Economic Value:
- B: High ROIC, High Sales Growth
- S: High ROIC, Low Sales Growth
- C: Low ROIC, High Sales Growth
- A: Low ROIC, Low Sales Growth

Assessing Competitiveness:
- B: High Market Growth, High Market Share
- S: High Market Growth, Low Market Share
- C: Low Market Growth, High Market Share
- A: Low Market Growth, Low Market Share
ROIC Definition

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

\text{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.

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