

Company name : OMRON Corporation
Representative : Yoshihito Yamada, President & CEO
Stock code : 6645
Stock exchange : Tokyo (Prime Market)
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Notice of Establishment of Treasury Stock Acquisition Limit

(Acquisition of treasury stock in accordance with the provisions of the Articles of Incorporation pursuant to Paragraph 2 Article 165 of the Companies Act)

KYOTO, Japan – At a meeting held today (July 26, 2022), the OMRON Corporation (TOKYO: 6645; ADR: OMRNY) board of directors resolved to establish a limit on share repurchases in accordance with the provisions of Article 156 of the Companies Act, as applied pursuant to Paragraph 3 Article 165 of the same Act.

1. Reasons for the Acquisition of Treasury Stock

In line with the Company's cash allocation and shareholder return policies, we set a limit of 3.3 million shares, or 20 billion yen, as the maximum number of shares to be repurchased. This decision was made in consideration of the Company's current cash position, fiscal year-end cash position taking into account projected operating cash flows, future investment plans, the stock market environment, etc.

Cash Allocation Policy

- (1) Aiming to maximize corporate value through the realization of the long-term vision, OMRON prioritizes the necessary investments to create new value from the medium- and long-term perspectives. During the medium-term management plan (SF 1st Stage), priority will be placed on investments for solving social issues, creating social needs, developing human resources, promoting research and development, capital investments to ramp up production capacity and advance the digital transformation (DX), and investments in growth initiatives such as M&A (merger, acquisition, and alliance), as well as investments in sustainability initiatives such as de-carbonization and reduction of our environmental impact and incorporation of respect for human rights in the value chain, while at the same time returning profits to shareholders in a stable and sustainable manner.
- (2) Such investments for value creation and shareholder returns will be, at least in principle, sourced from internal reserves and operating cash flows that are generated continually, as we use appropriate financing facilities when necessary. We will maintain a degree of financial soundness that allows us to seek financing regardless of the current financial situation.

Shareholder Return Policy

- (1) With priority being placed on the investments necessary for value creation over the medium- and long-term, annual dividends will be based on "dividends on equity (DOE) of

around 3%." With the past dividend records also being taken into account, we will ensure stable and sustainable shareholder returns.

- (2) OMRON will distribute retained earnings accumulated over the long term after making the above investments and profit distribution to shareholders through strategic share buybacks and other measures

2. Details of Matters Related to the Acquisition of Treasury Stock

- (1) Type of shares to be acquired : Common stock of OMRON Corporation
(2) Total number of shares to be acquired : 3,300,000 shares (maximum)
(1.65% of total shares outstanding (excluding treasury stock))
(3) Total acquisition price : 20,000,000,000 yen (maximum)
(4) Acquisition period : July 27, 2022 to March 31, 2023

(Stock information as of June 30, 2022)

Total number of shares issued (excluding treasury stock) : 199,701,134 shares
Number of treasury stock : 6,543,738 shares

* Number of treasury stock includes 600,208 OMRON shares held for Board Incentive Plan and Employee Stock Ownership Plan.