

OMRON Basic

July 2024

**OMRON Corporation
Investor Relations**



1

About OMRON

Medium-Term Management Plan
and Structural Reform

OMRON's Business

ESG and Shareholder Returns Policy

Corporate Profile

Established	May 10, 1933
Head Office	Shiokoji Horikawa, Shimogyo-ku, Kyoto, Japan
Capital	¥64.1bn
Net Sales	¥818.8bn (Year ended Mar 31, 2024)
Number of Employees	28,450* (Domestic : 11,738 Overseas : 16,712)
Stock Listing	Tokyo Prime Market (6645)
Market Cap	1.1 Trillion Yen (As of June 28, 2024)

***As of March 31,2024**

The OMRON Principles

**OMRON employees have inherited the spirit of the corporate constitution
as a corporate philosophy**

OMRON Principles

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.

Management Philosophy

**We believe a business should create value for society through its key practices.
We are committed to sustainably increasing our long-term value by putting Our
Mission and Values into practice.**

- We uphold a long-term vision and solve social issues through our business.
- We operate as a truly global company through our fair and transparent management practices.
- We cultivate strong relationships with all of our stakeholders through responsible engagement.

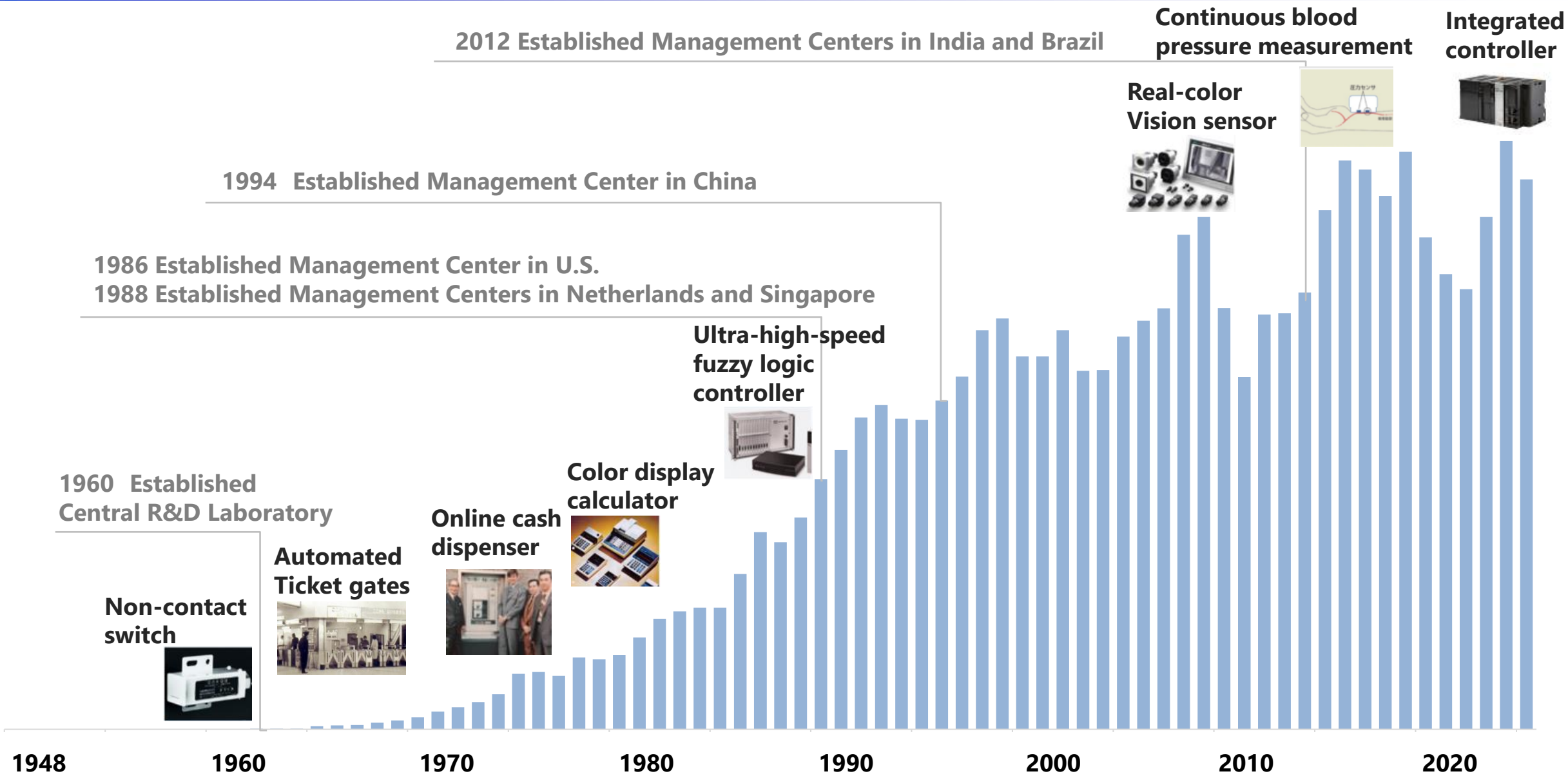
Articles of Incorporation

Article 2

In the spirit of Our Mission, which is “to improve lives and contribute to a better society,” the Company will put our corporate principles into practice, contribute to the development of society through its business, and strive to increase its value.

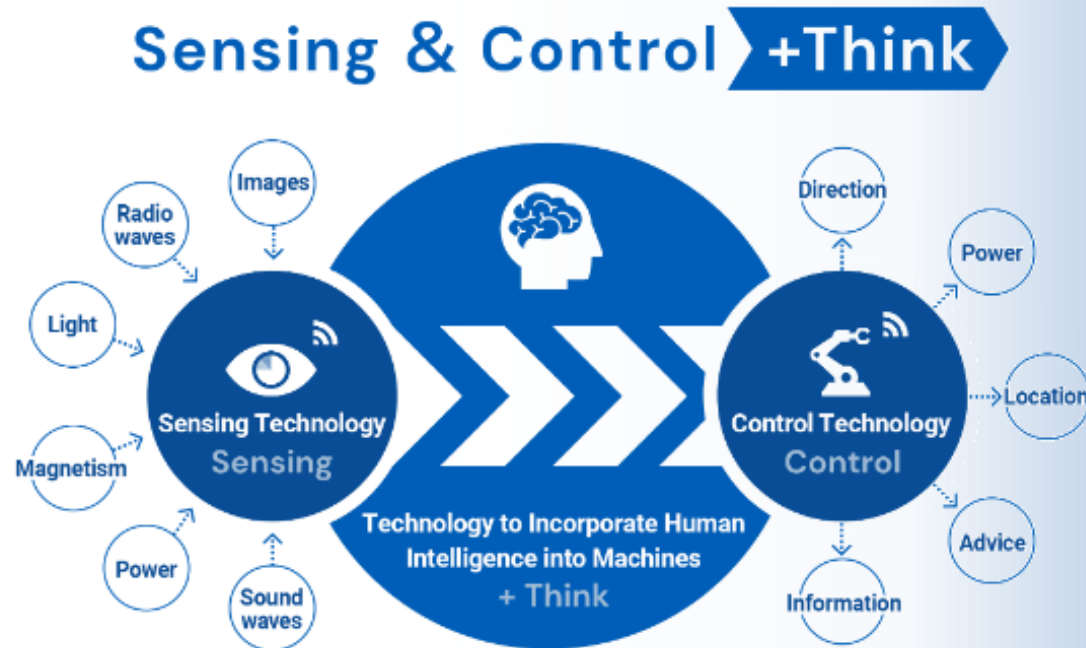


OMRON's History of World's First Innovations



Based on our core technology “Sensing & Control + Think”, we will solve social issues through 5 businesses

OMRON's Core Technology



5 Businesses

Industrial Automation
(IAB)

Healthcare
(HCB)

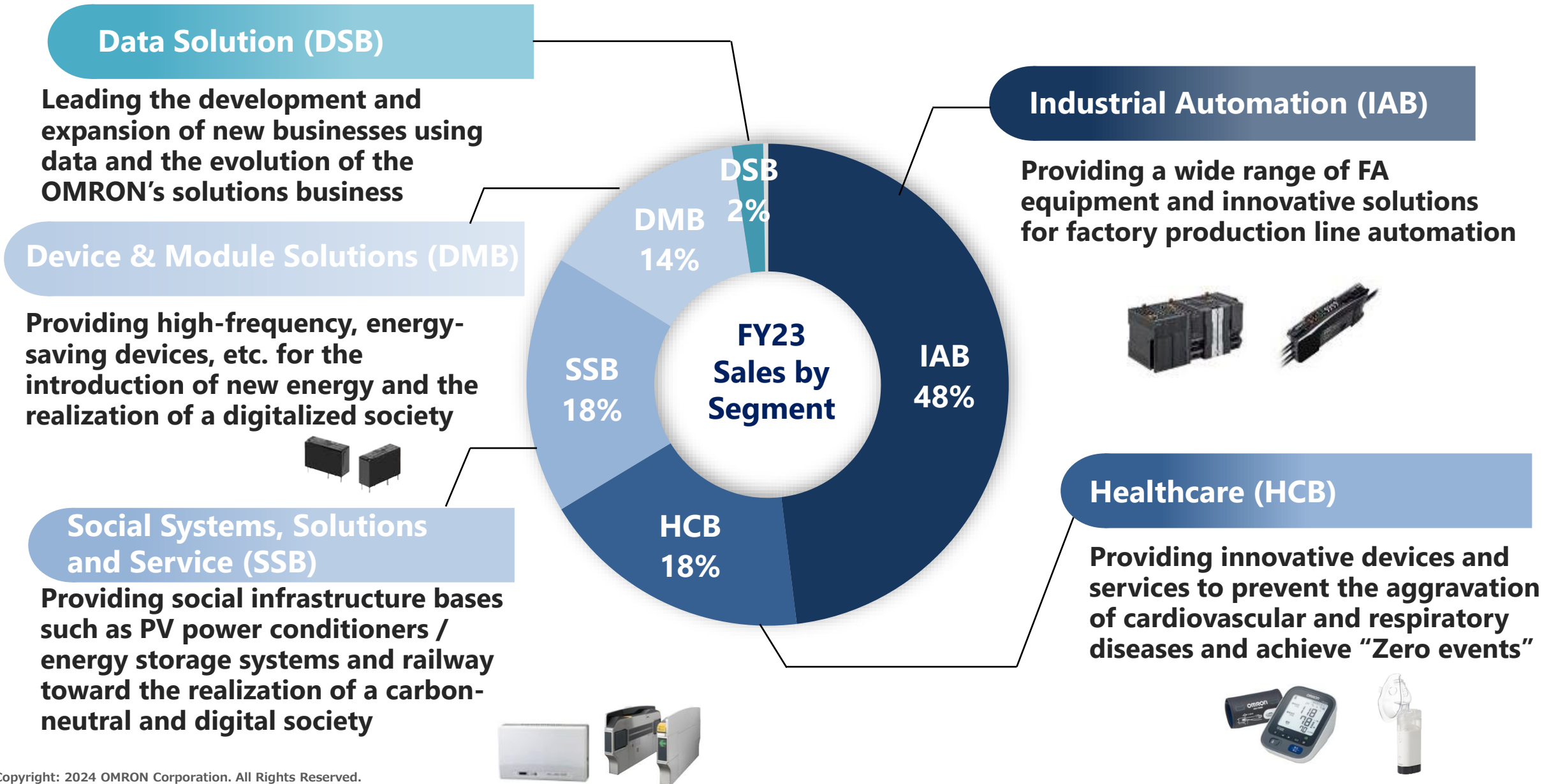
Social Systems, Solutions
and Services (SSB)

Device & Module
Solutions (DMB)

Data Solution
(DSB)

Solving
social
issues

OMRON's Business Segment and Sales Composition





About OMRON

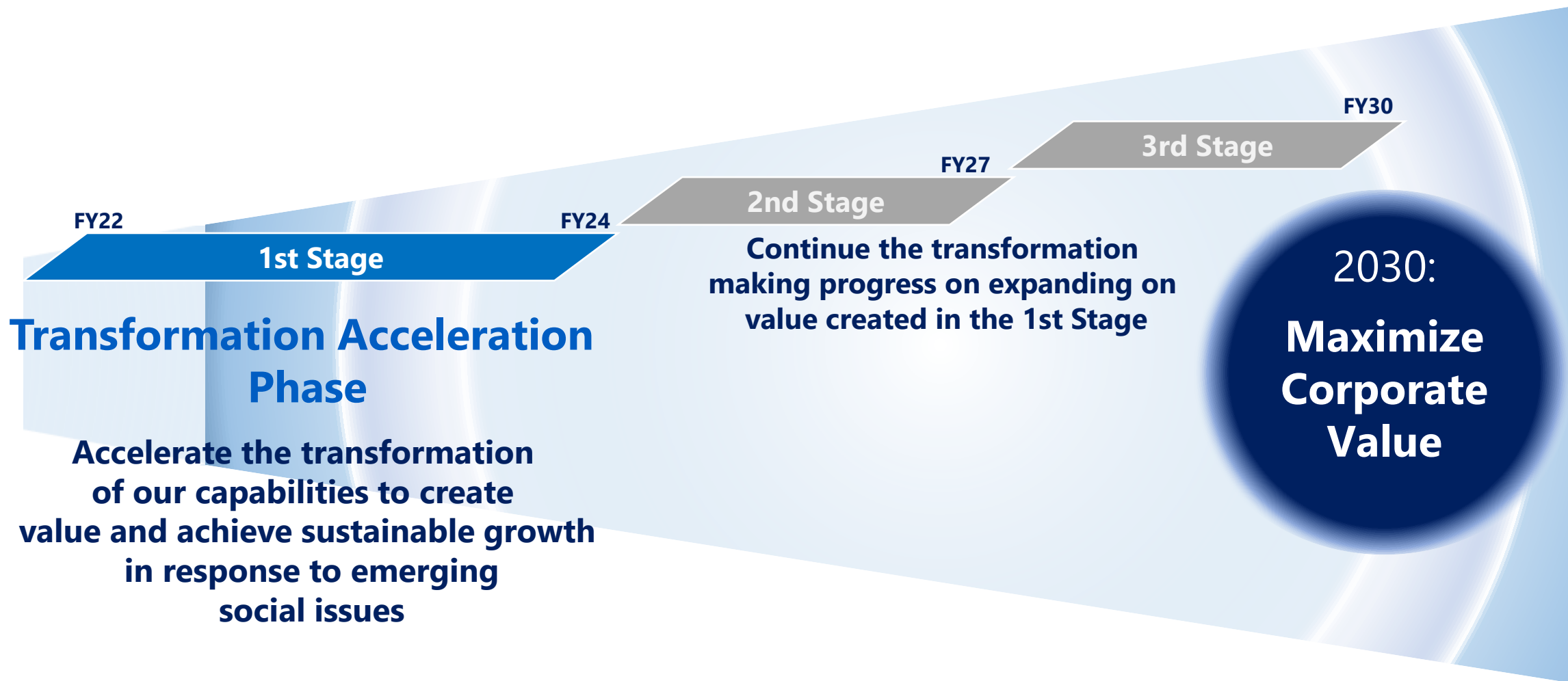
Medium-Term Management Plan and Structural Reform

OMRON's Business

ESG and Shareholder Returns Policy

Medium-Term Management Plan SF 1st Stage

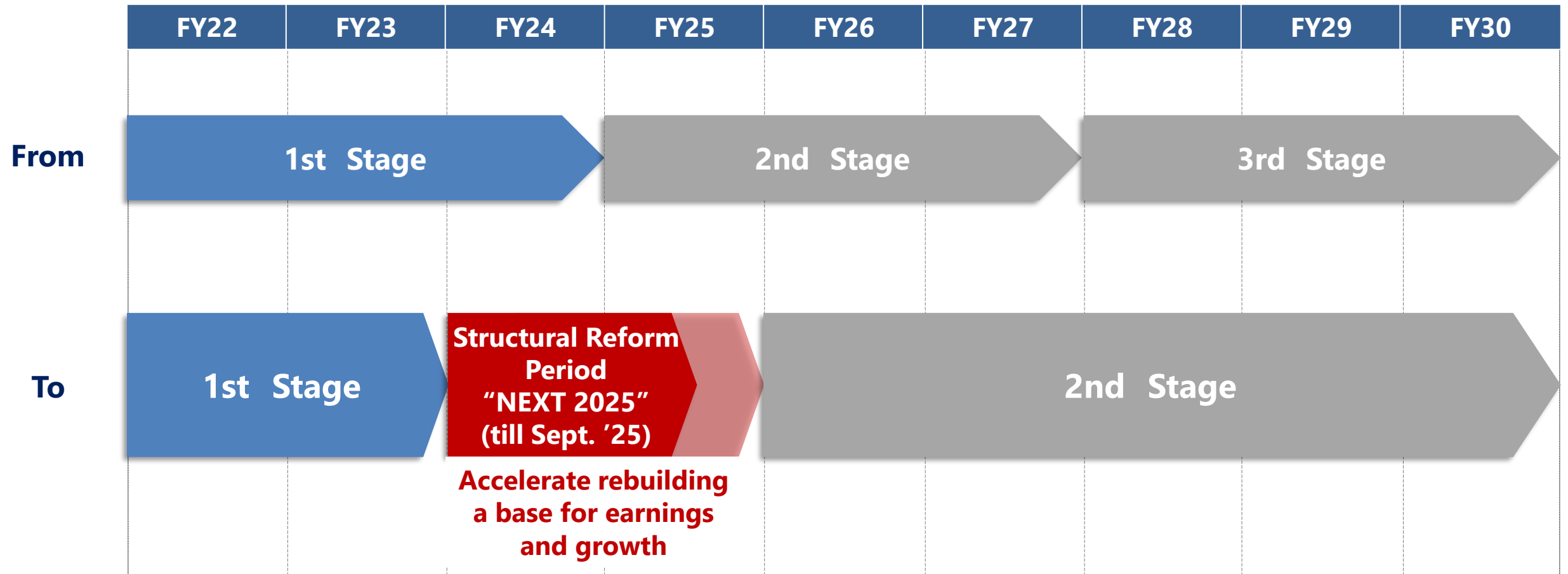
OMRON positions Medium-Term Management Plan SF 1st Stage that was launched in FY22 as a period of accelerating the transformation of its capabilities to create value in response to social issues and to grow sustainably

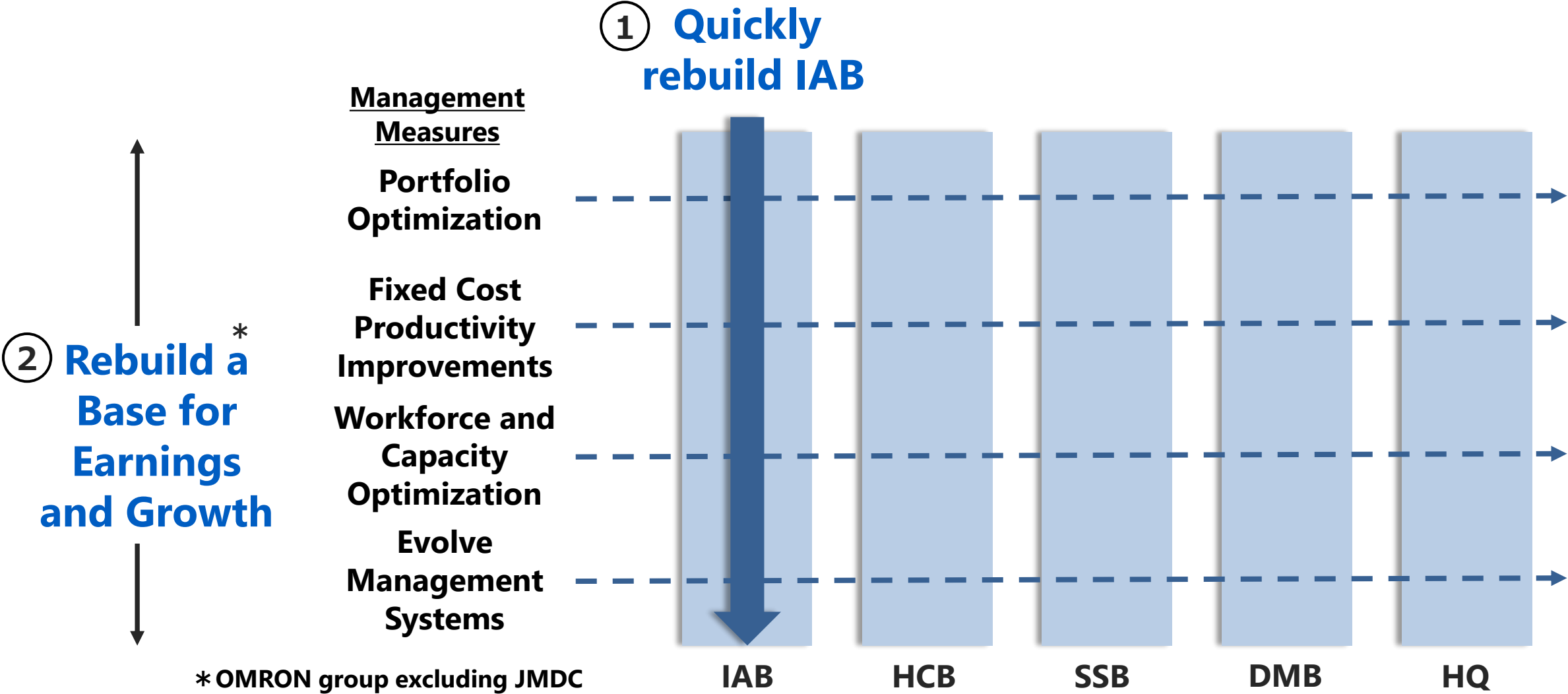


Implementing Structural Reform

10

**FY24-FY25 is positioned as structural reform period
to implement fundamental reforms for company-wide management
in response to major changes in the business environment**

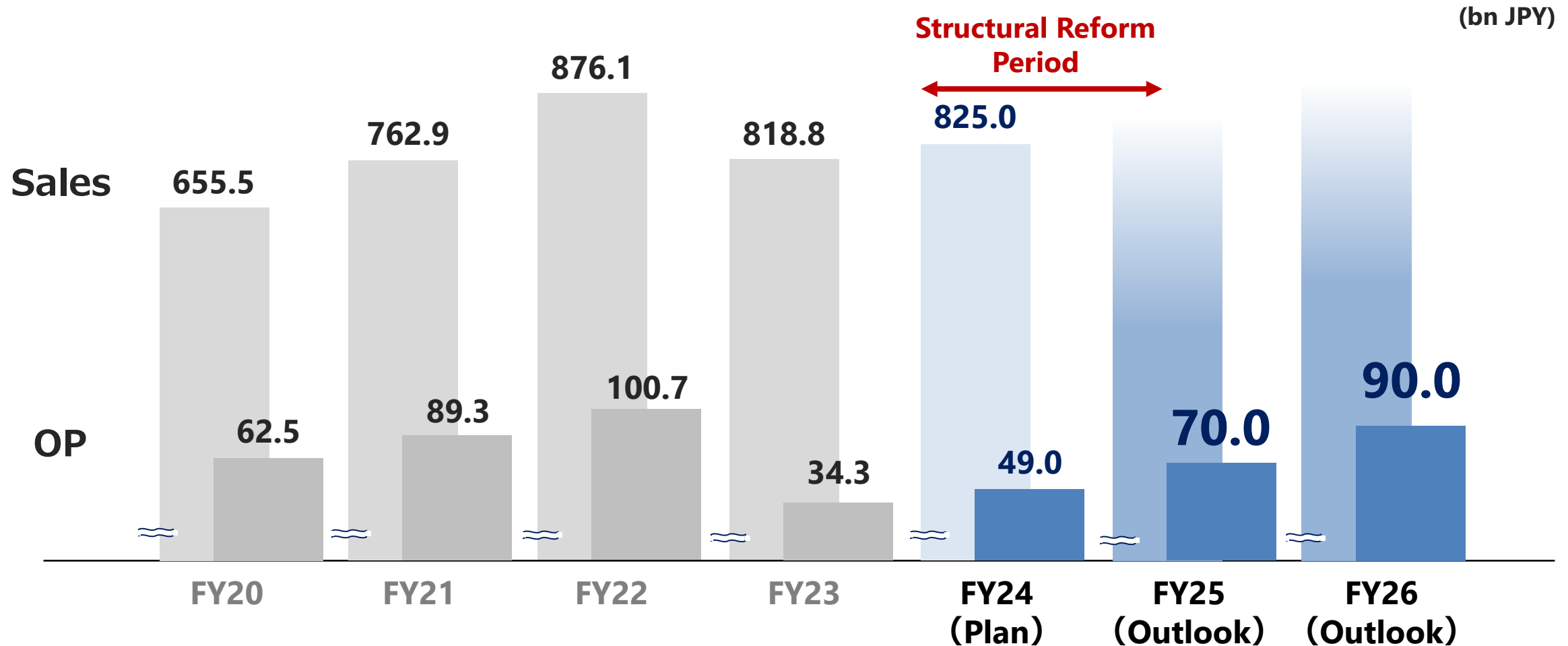




Performance Outlook After Structural Reform

12

Aim for OP of approx. ¥90.0 bn in FY26 by addressing the structural reform and increasing sales





About OMRON

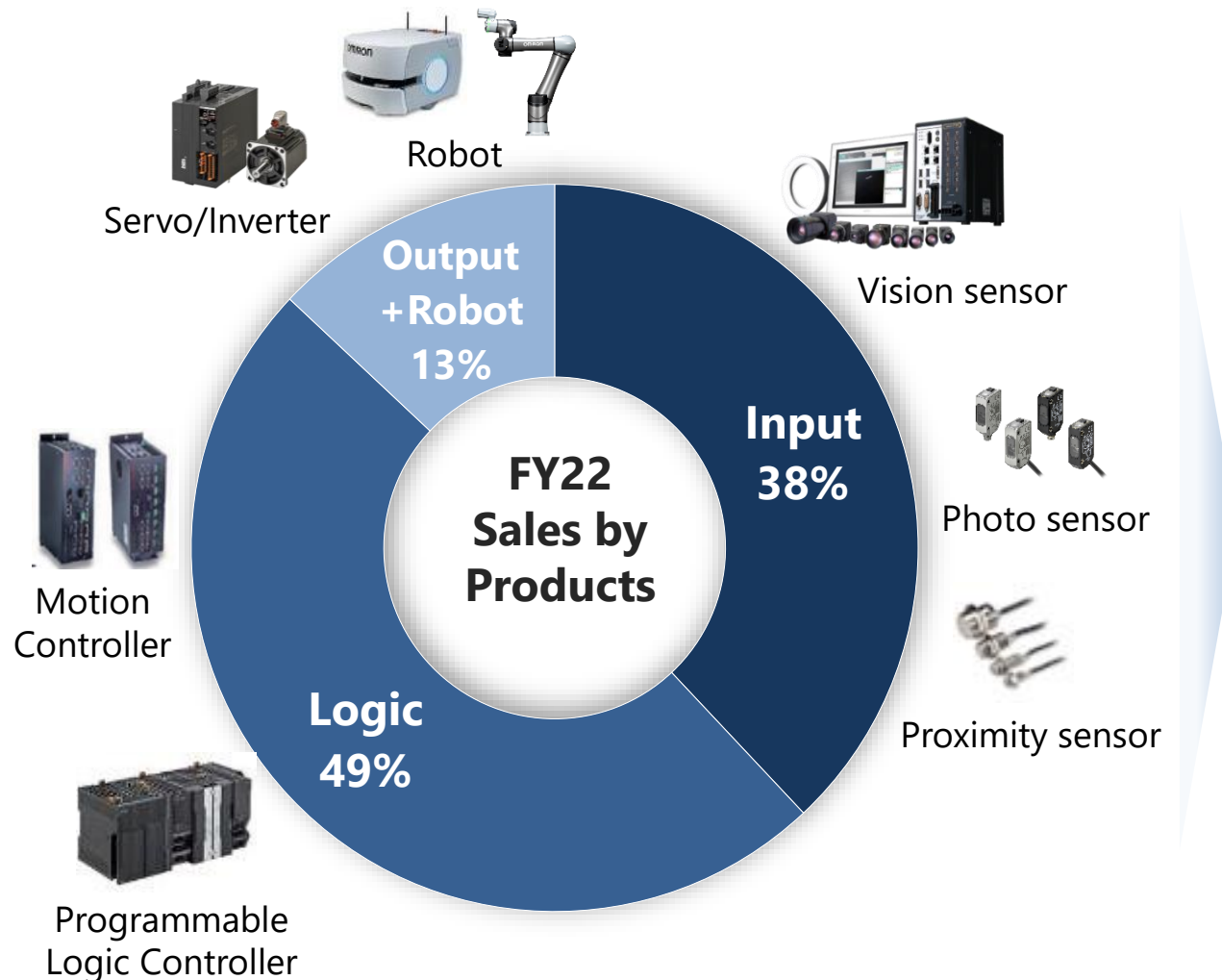
Medium-Term Management Plan
and Structural Reform

3

OMRON's Business

ESG and Shareholder Returns Policy

Providing a wide range of FA equipment and innovative solutions for factory production line automation

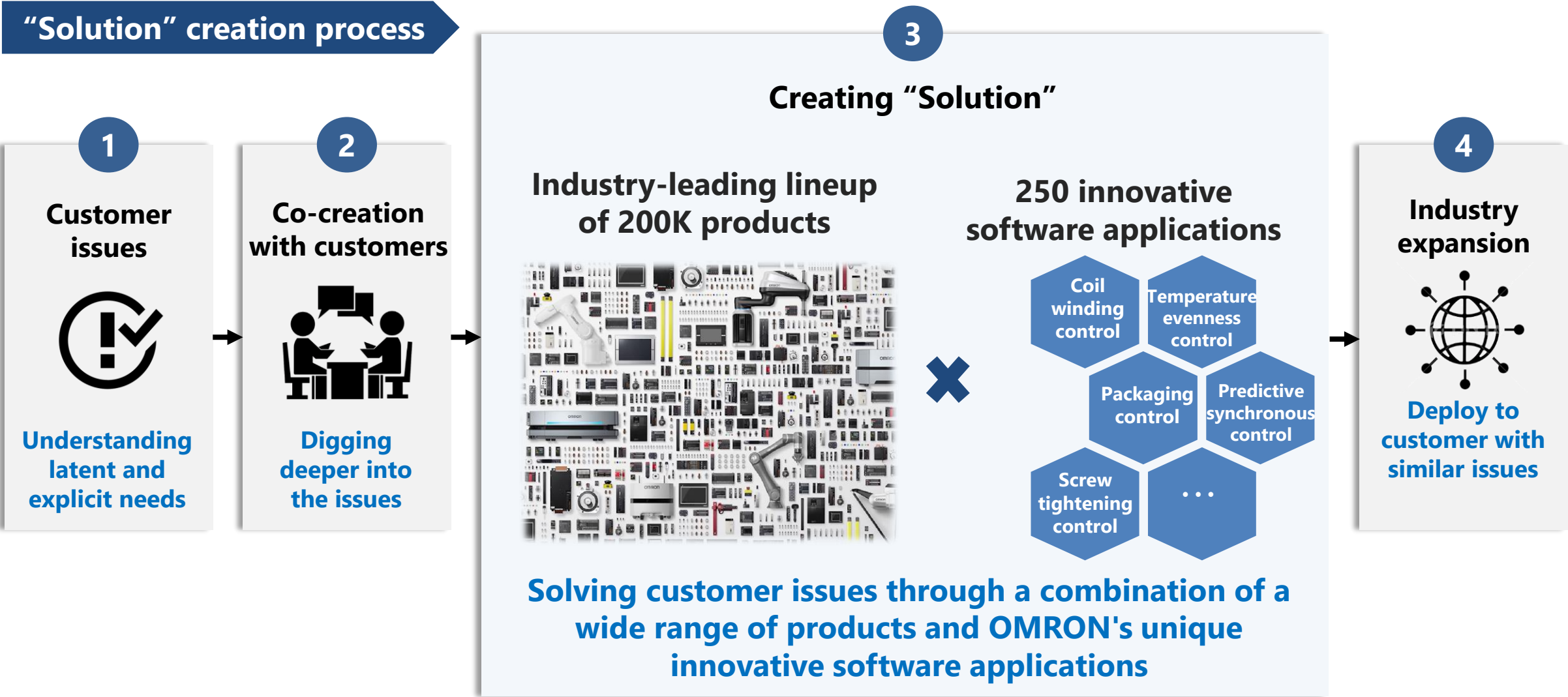


End user/market



OMRON’s unique solutions from co-creation with customers are the strength

“Solution” creation process



IAB: Mechanism for Business Expansion

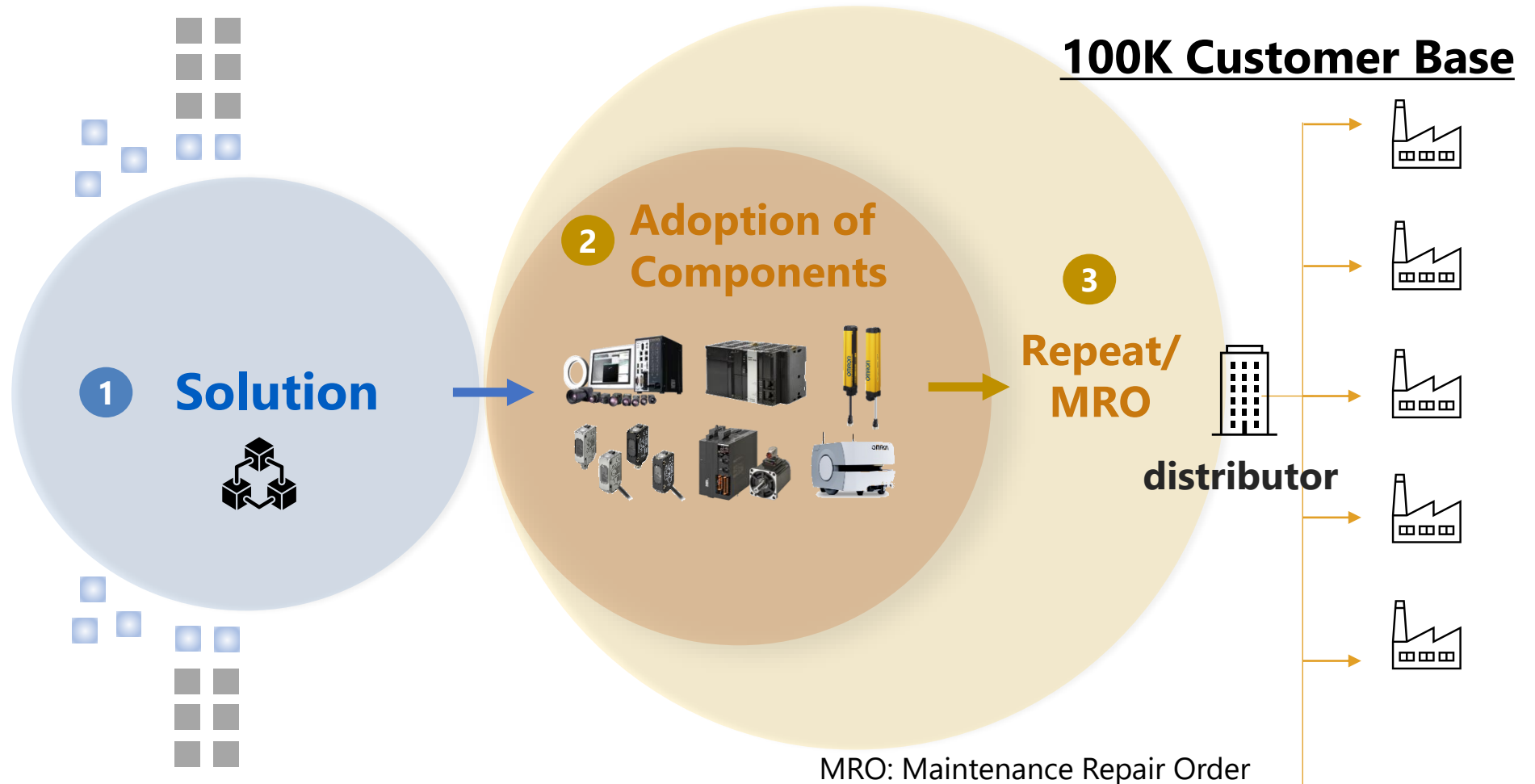
16

Armed with solutions, we will develop customers and expand
to component services and MRO

Focus Industry
Semiconductor,
EVs



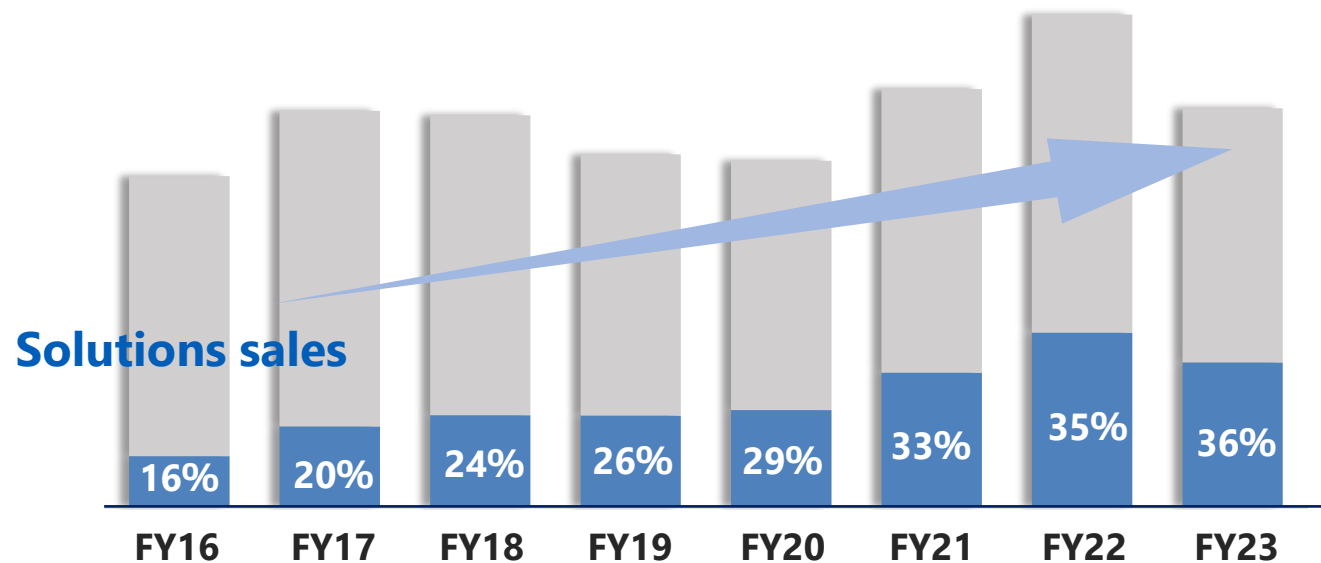
Barriers to Entry



Solution business that is core for growth is solidly expanding from FY2016

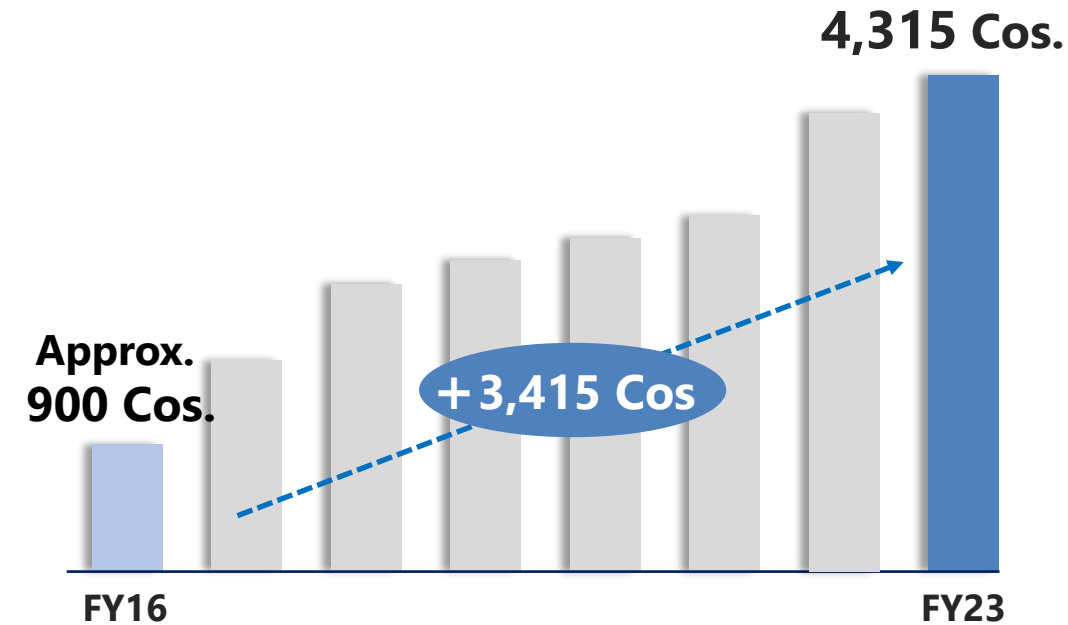
Share of sales from Solutions

CAGR +16%
(FY16→23)

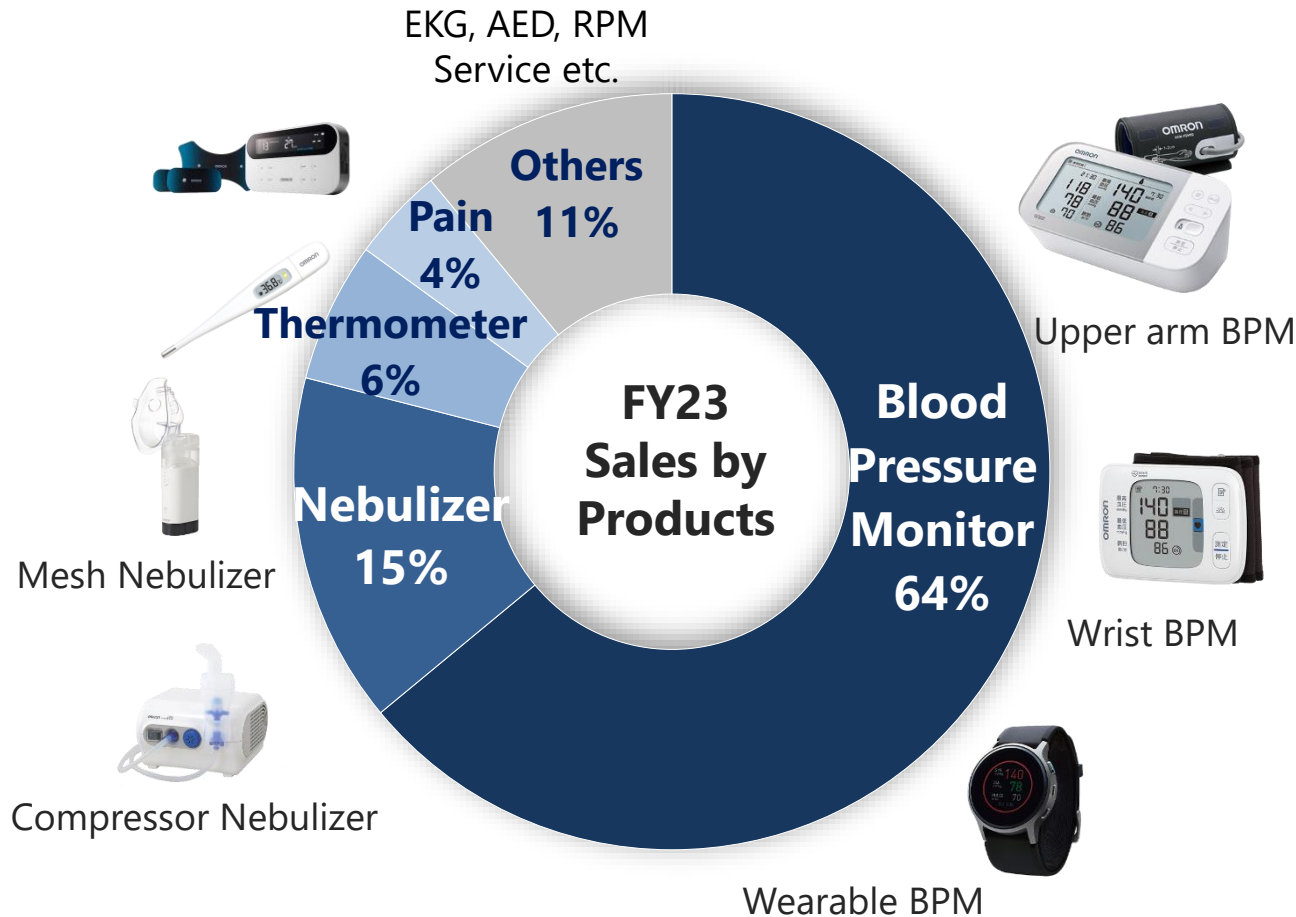


of customers adopting solutions

FY23 4,315 Cos.
(vs. FY16: >4.8X)



Providing innovative devices and services to prevent the aggravation of cardiovascular and respiratory diseases and achieve “Zero events”



End User/market



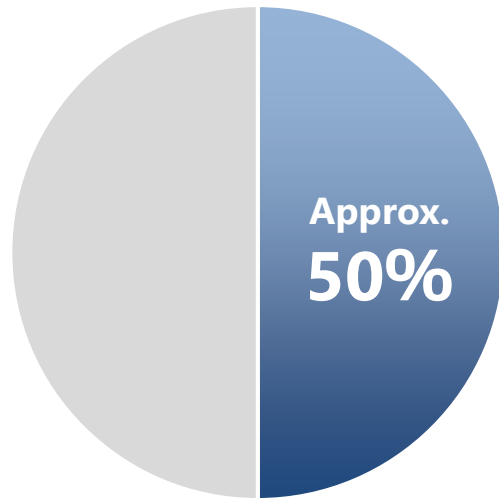
HCB: Source of Strength

Global share No.1 on the 3 core categories

FY2023 Market share

▷ Cardiovascular

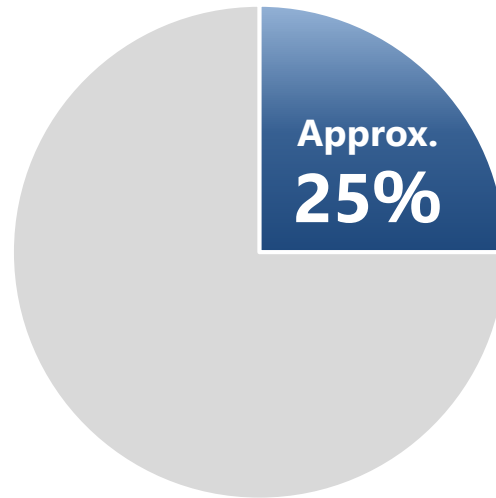
Home-use Blood Pressure Monitor



Global No.1

▷ Respiratory

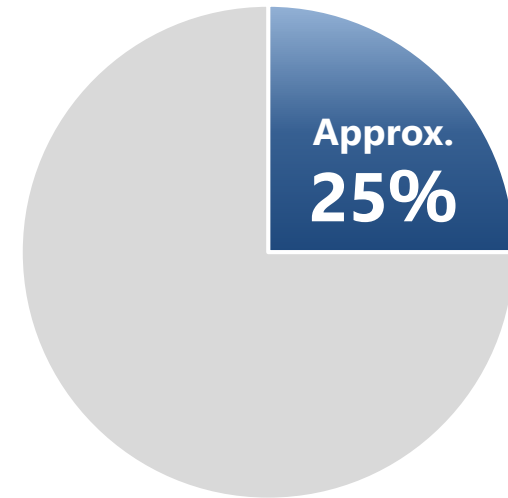
Nebulizer



Global No.1

▷ Pain Management

Low-frequency Therapy Equipment

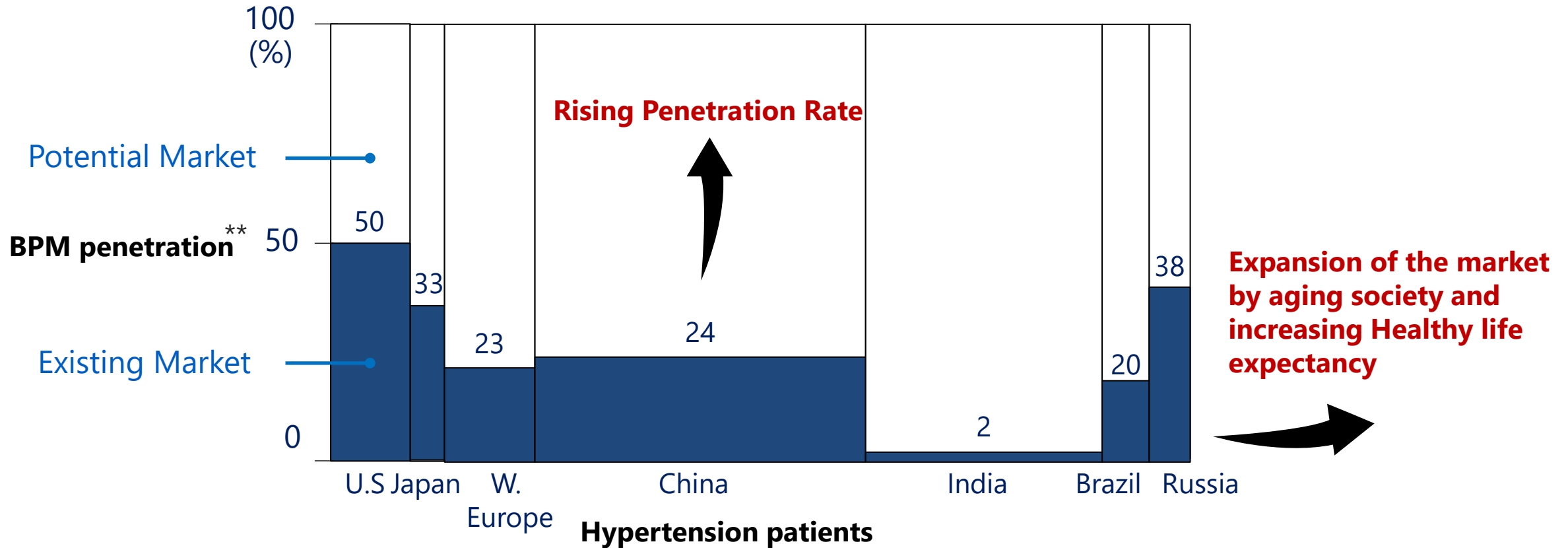


Global No.1

HCB: BPM Market Potential

Potential markets in emerging countries are huge. Markets in developed countries are also expanding due to an increase in the no. of hypertension patients accompanying aging population

Global BPM Markets by Region

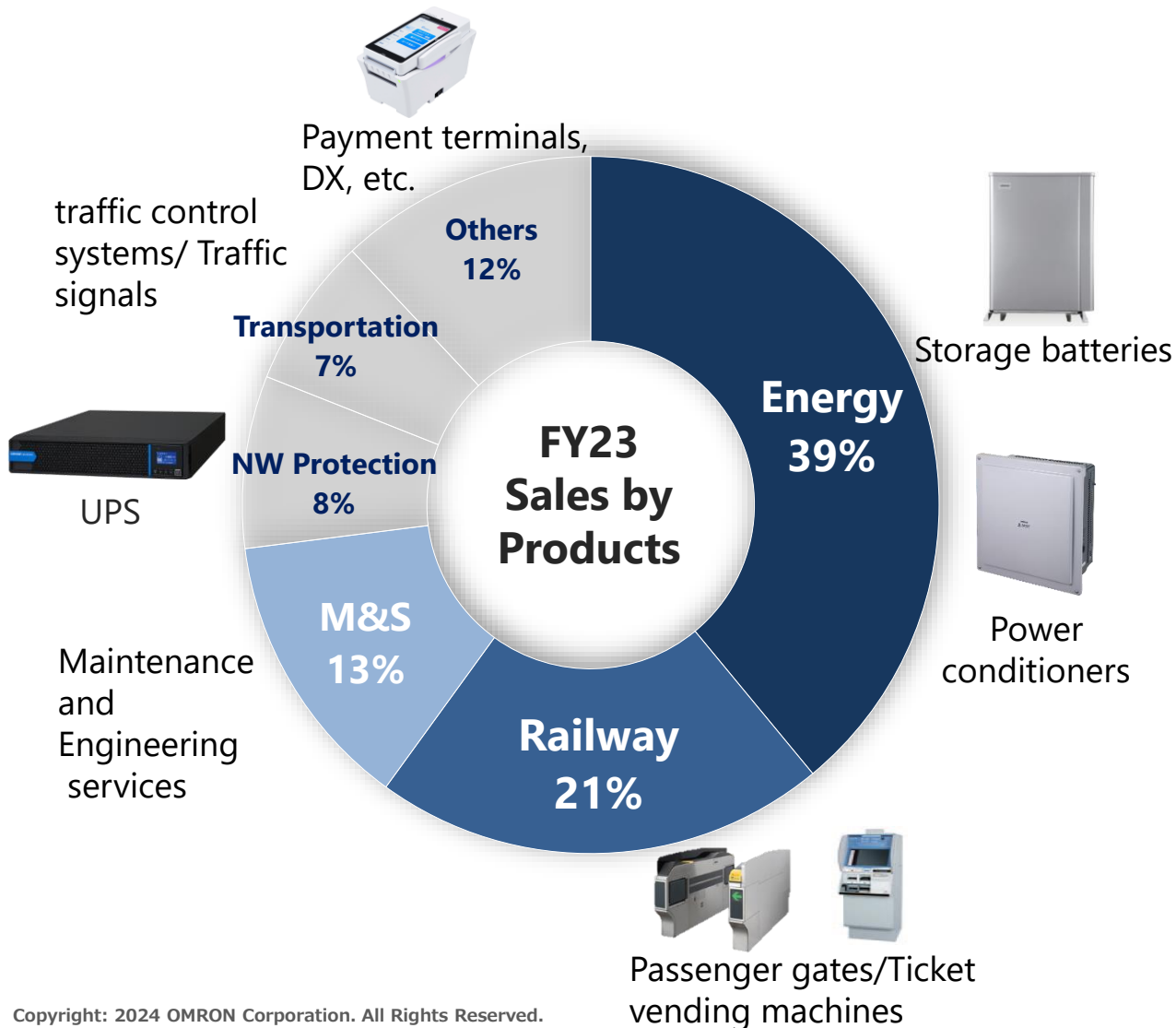


* Hypertension patients: Based on WHO data for incidence of adult hypertension and adult population figures for each country

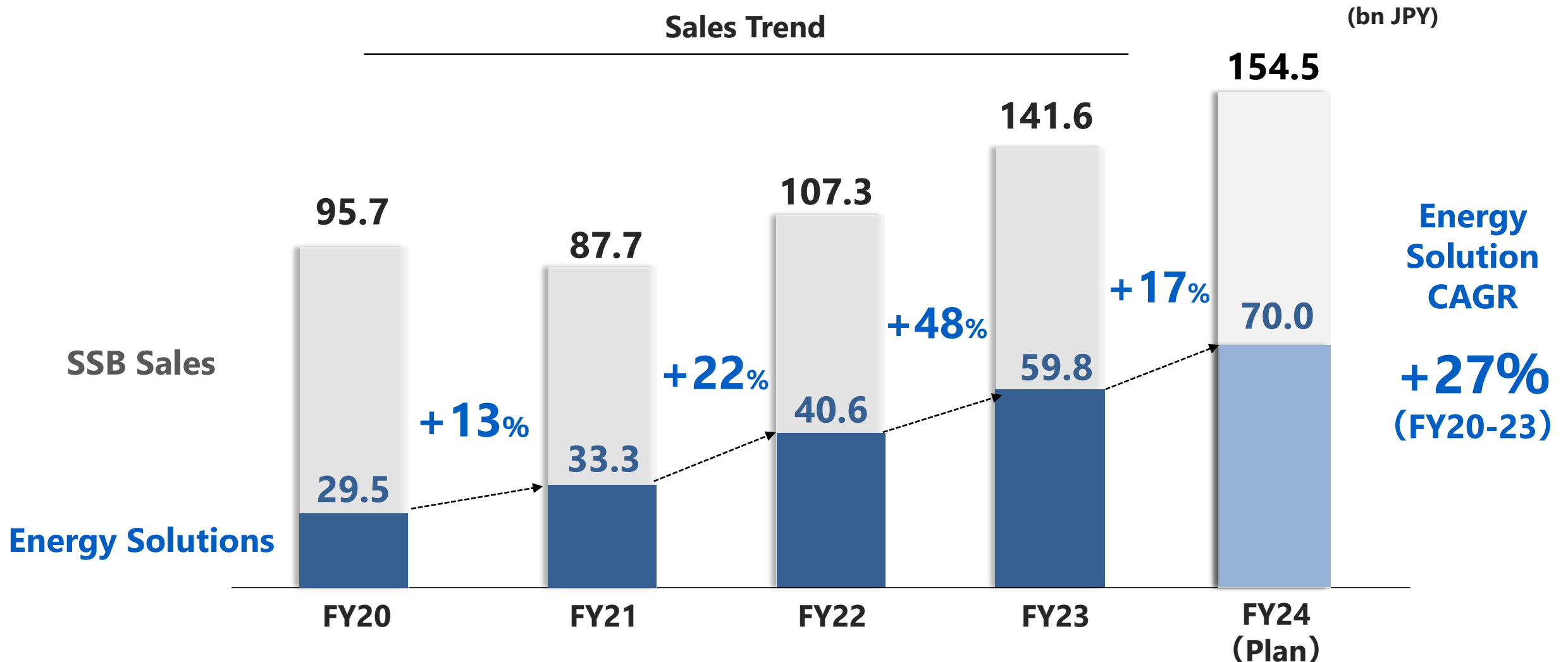
**BPM penetration: Based on estimates of total installed base (all brands) using estimated number of hypertension patients and assuming a replacement cycle of 5 years

Providing social infrastructure bases such as PV power conditioners/energy storage systems and Railway toward the realization of a carbon-neutral and digital society

Main End Users/Markets

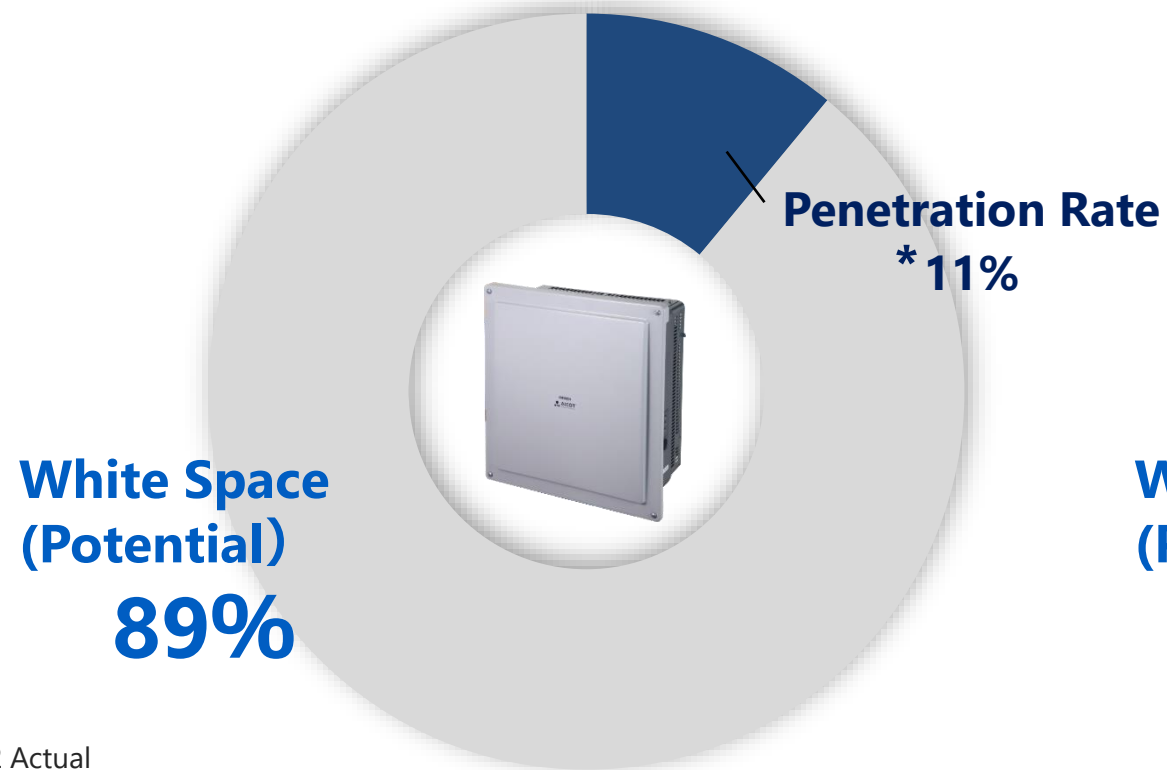


Energy Solutions drive growth in SSB Overall



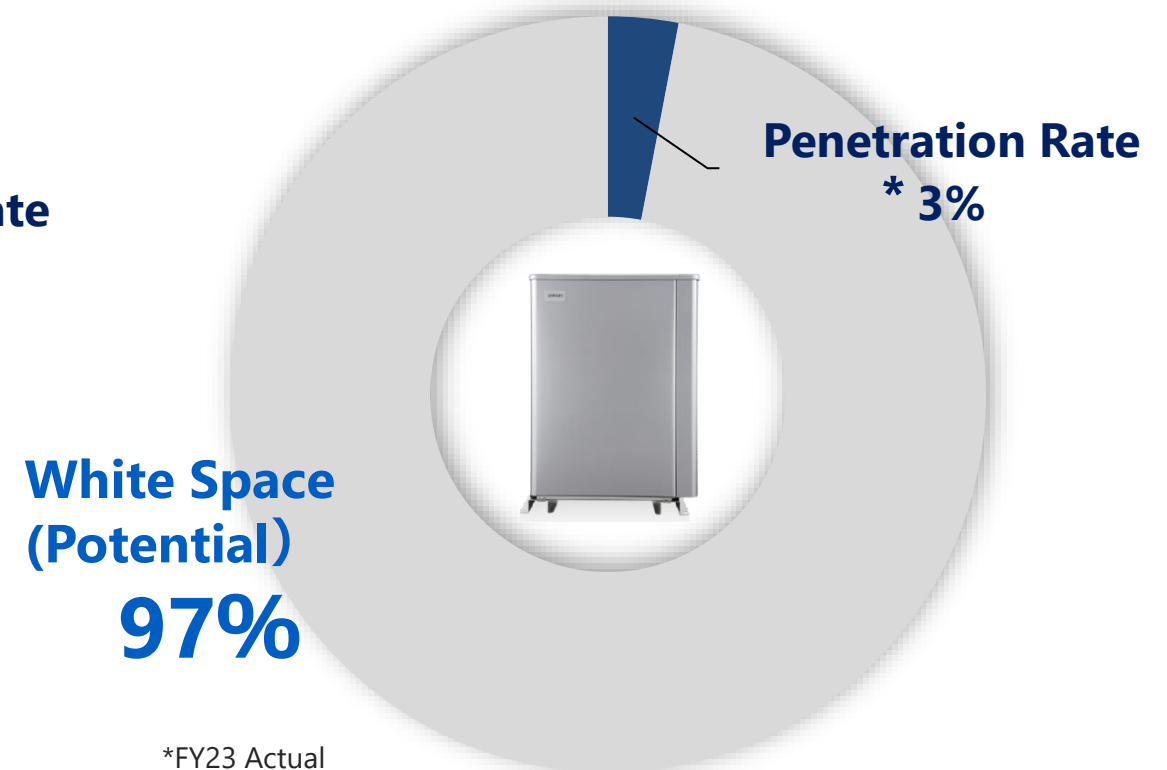
Market penetration rates for both PV power conditioners and energy storage systems are still low, leaving a large white space

Residential PV Power Conditioners Penetration Rate



*FY22 Actual
of PV installations/total number of detached houses 28.7 million houses

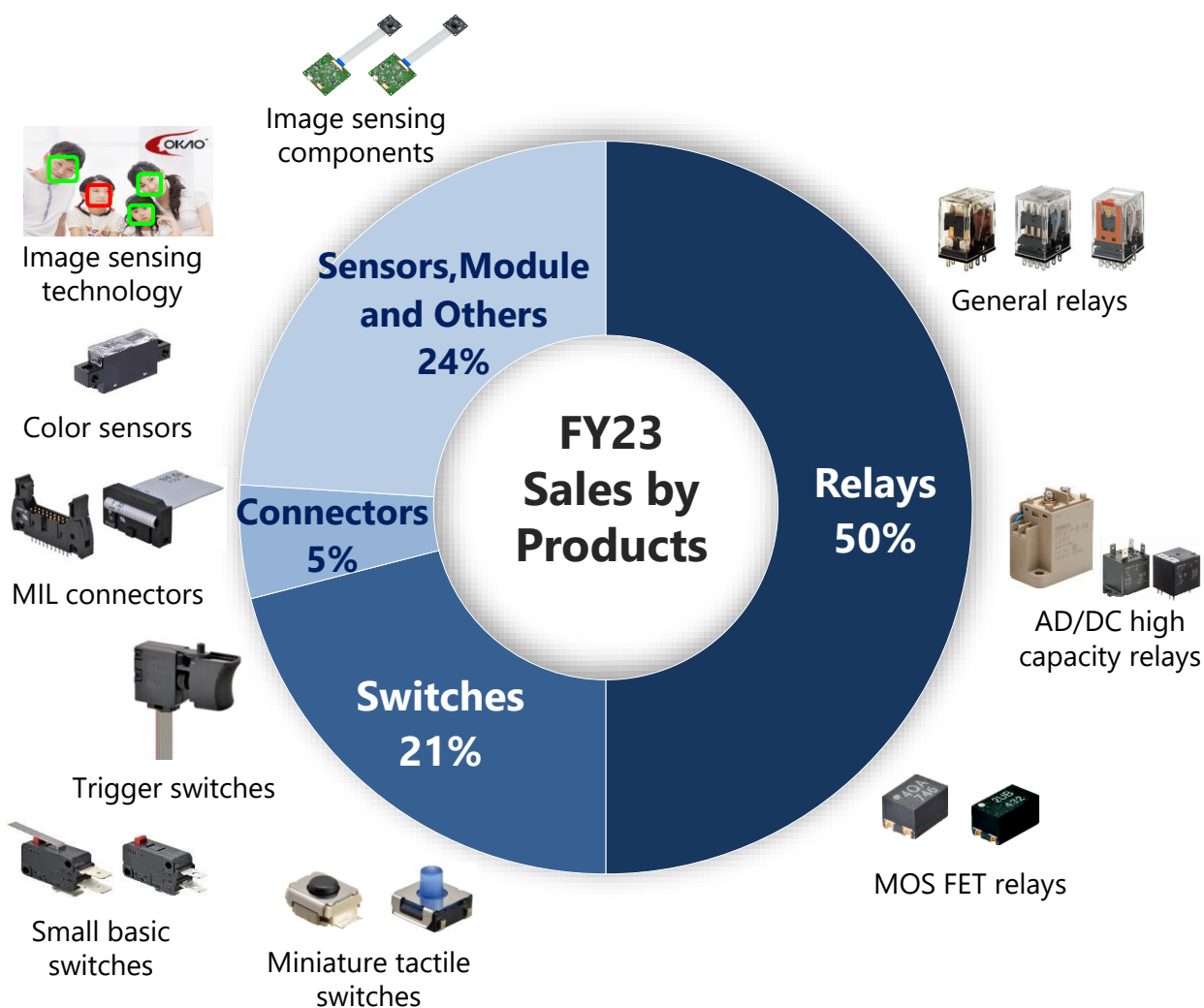
Energy Storage Systems Penetration Rate



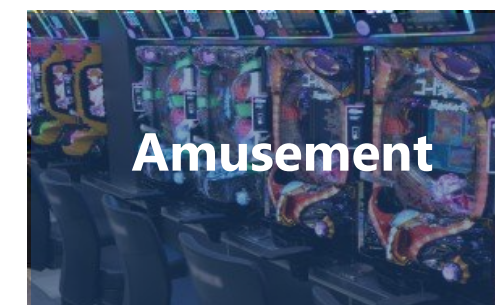
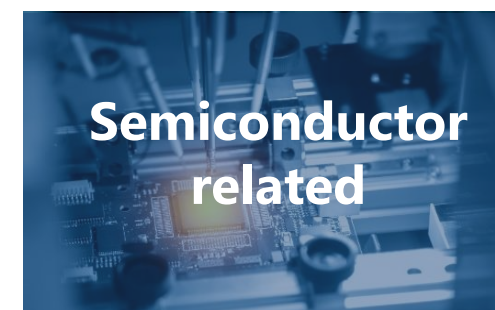
*FY23 Actual
of Energy Storage System installations /total number of detached houses

Total number of detached houses : Ministry of Internal Affairs and Communications
https://www.renewable-ei.org/pdfdownload/activities/S1-JPEA_TMasukawa_20240314.pdf
[https://www.jema-net.or.jp/jema/data/S7216\(20220427\).pdf](https://www.jema-net.or.jp/jema/data/S7216(20220427).pdf)

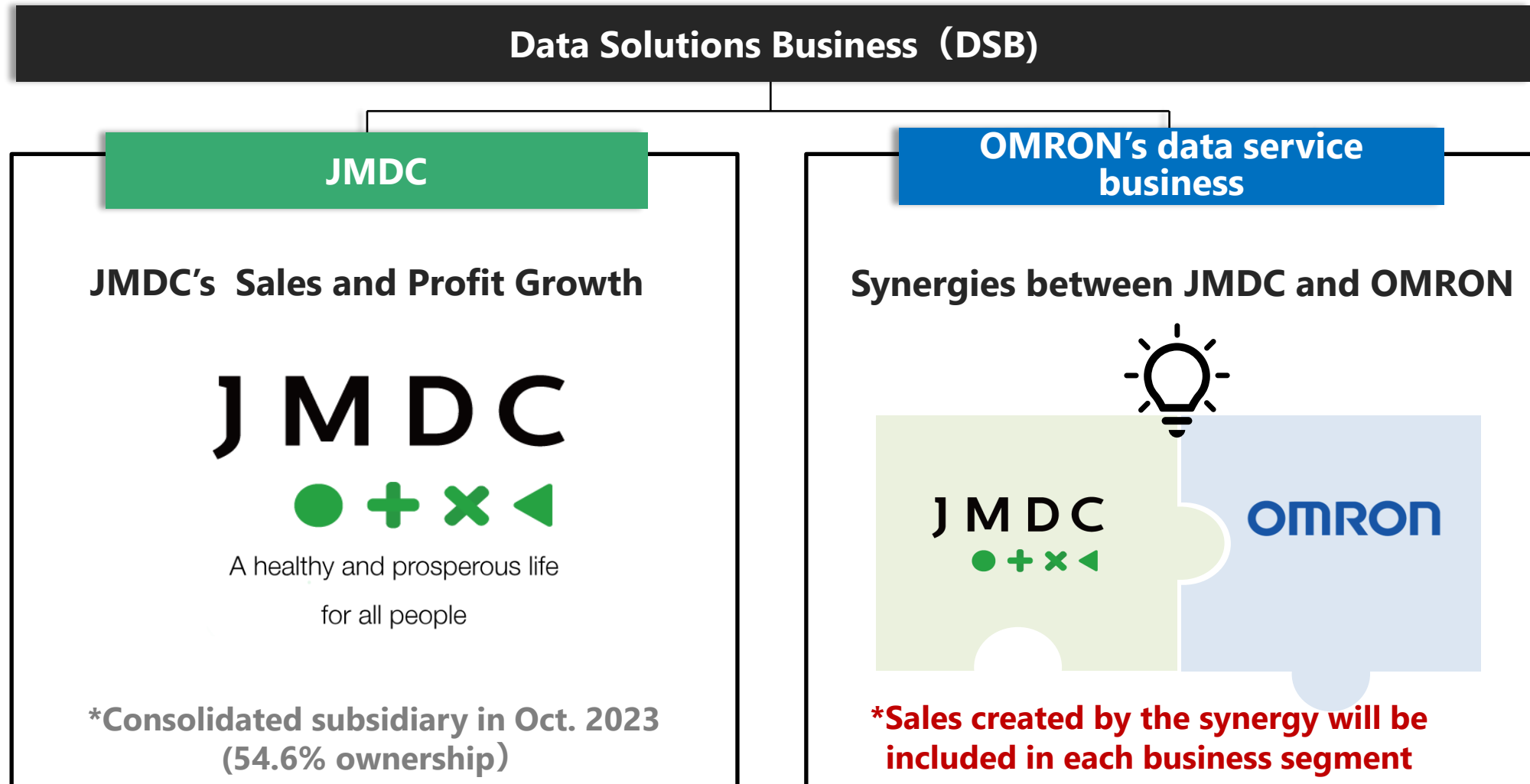
Providing high-frequency, energy-saving devices, etc. for the introduction of new energy and the realization of a digitalized society



End User/Market

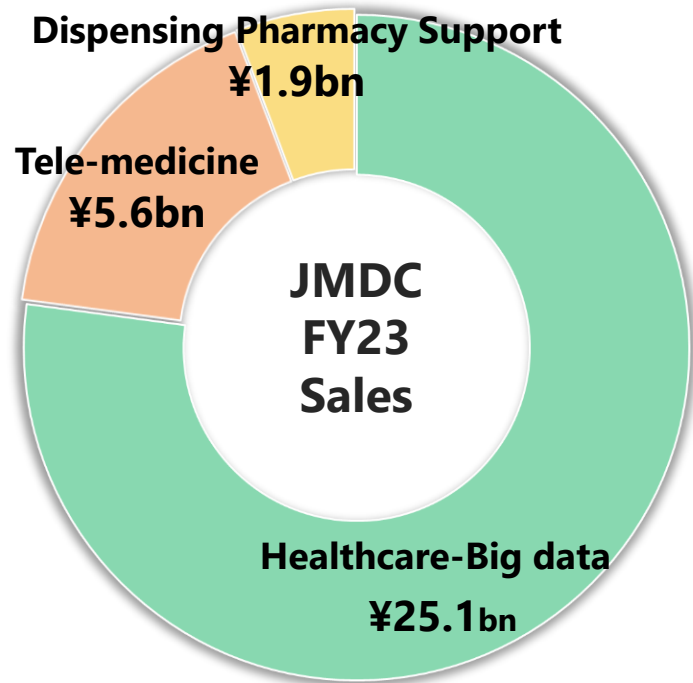


**Leading the development and expansion of new businesses using data
and the evolution of the OMRON's solutions business**

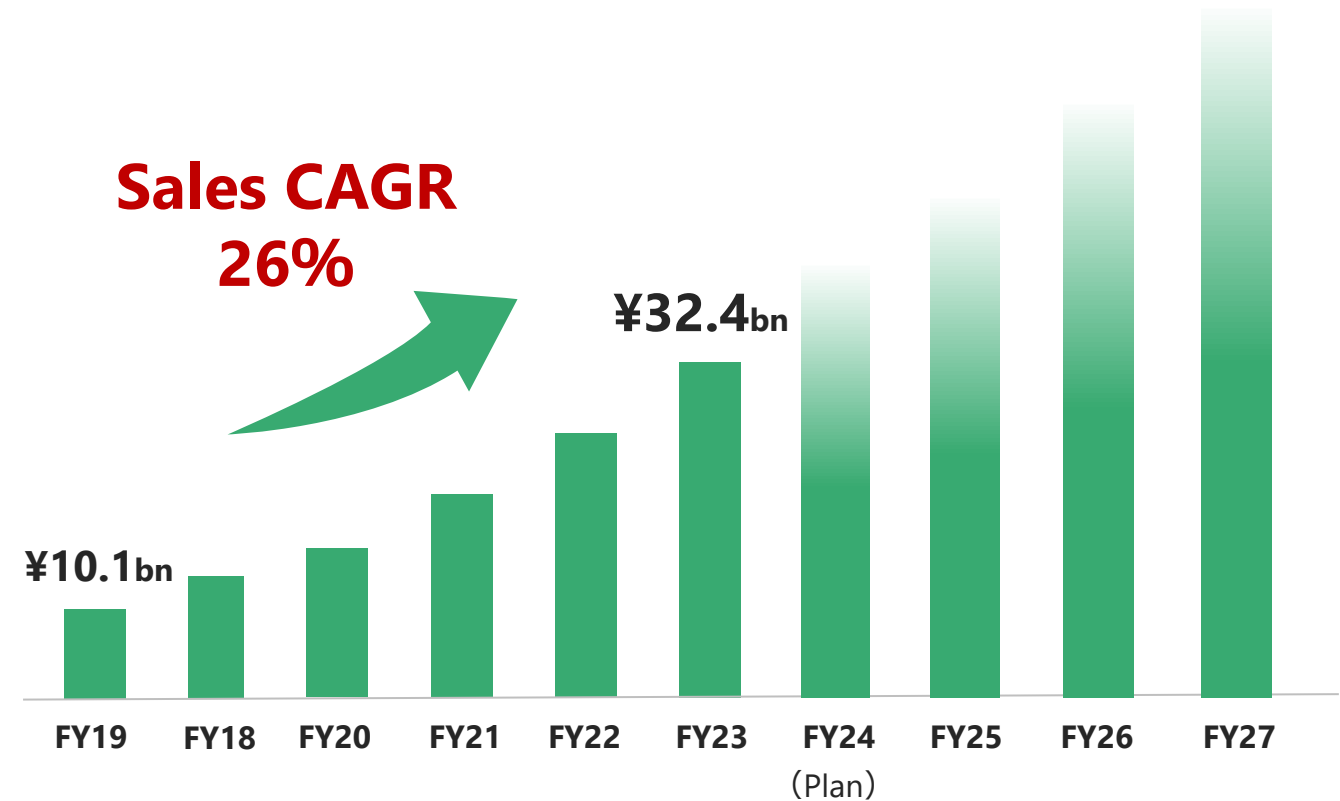


JMDC leads the data healthcare market with overwhelming health big data and analytical capabilities, boasting a high growth rate

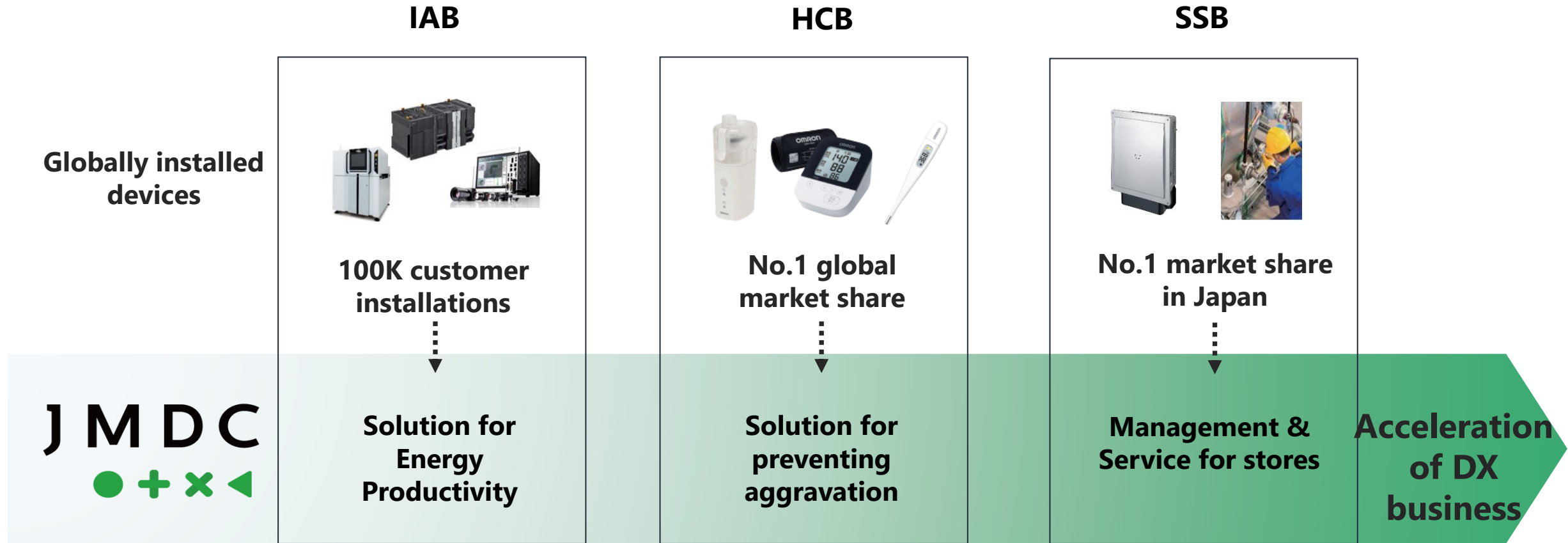
Sales exposure



Sales trend of JMDC



**Accelerate DX of 3 businesses with JMDC's consolidation into the Group.
Expanding data solution business**





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OMRON's Business

4

ESG and Shareholder Returns Policy

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Selected for DJSI World (Top 3% of Sector) for Sixth Year in a Row



Achieved Top 5% S&P Global ESG Score



Acquired Highest MSCI ESG Rating (AAA)



Acquired Highest Supplier Engagement Rating and Selected as a Supplier Engagement Leader



Selected for the FTSE4Good Index Series for Eighth Year in a Row



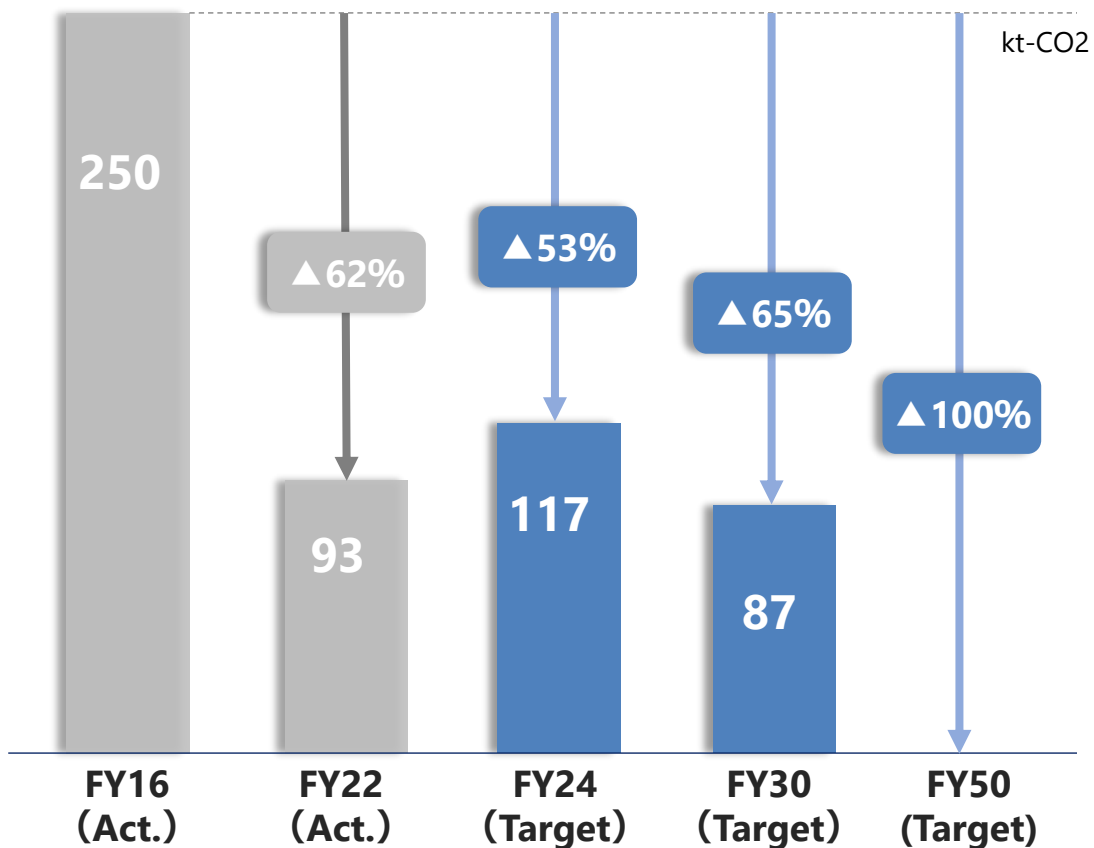
Awarded top ecovadis Rating (Platinum)

Carbon Neutrality Initiatives At Own Sites (Scope 1 and 2)

30

In the SF 1st Stage, we will work to achieve carbon zero at all sites in Japan

GHG Emissions' Reduction Targets (Scope1・2)



SF 1st Stage Target Locations and Goals

Domestic

Achieve zero carbon* for all 76 domestic locations

- Expand power generation/savings
- Leverage J credits acquired by SSB energy solutions business

Global

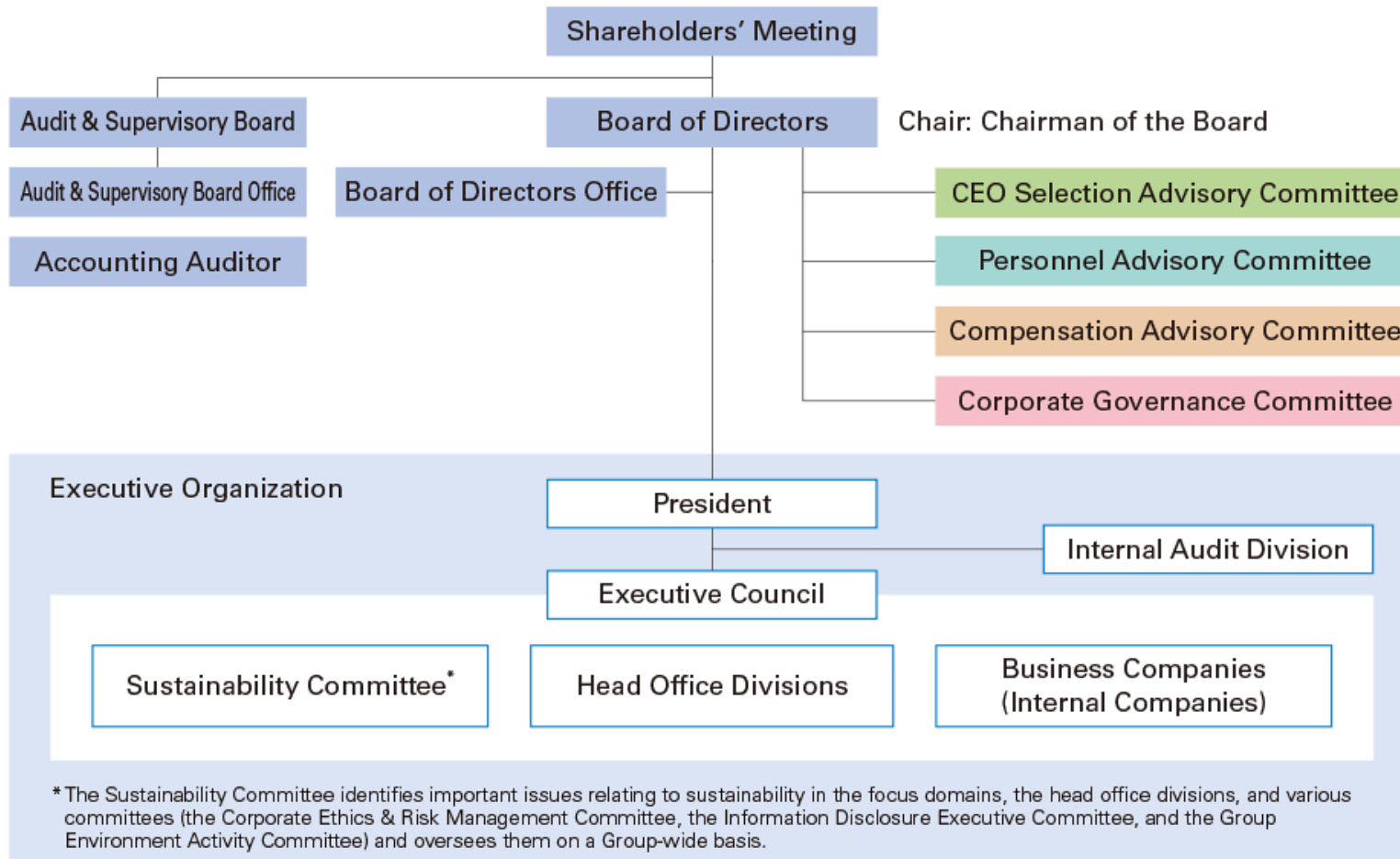
Expand power generation/savings at all locations

- Upgrade power-saving facilities at production sites
- Add more in-house solar power generation facilities, etc.

* Target Scope 2 emissions resulting from in-house use of power at 13 production sites and 63 non-production sites (HQ, R&D, Sales)

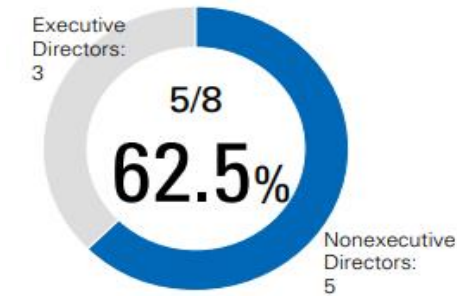
**Designed highly transparent and effective organizations
to ensure enhancing sustainable value**

Corporate Governance Framework

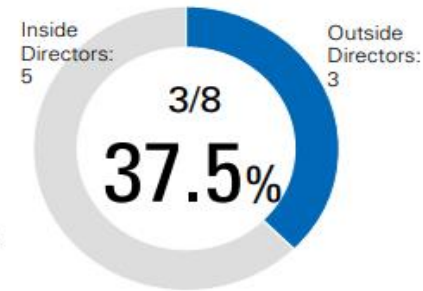


Composition of Board of Directors

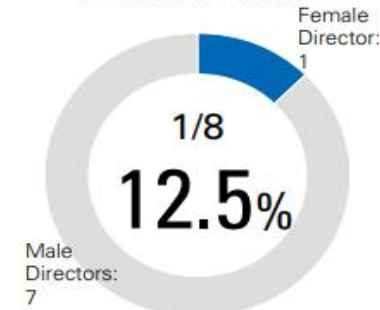
Ratio of Non-executive Directors



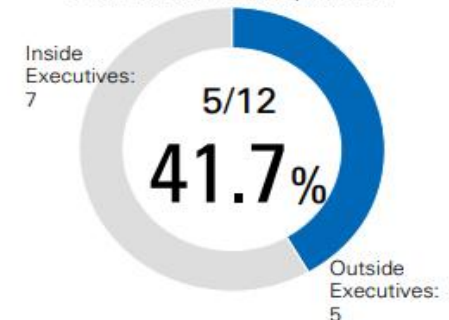
Ratio of Outside Directors



Ratio of Female Directors



Ratio of Outside Executives
(Outside Directors / Audit & Supervisory Board Members (Independent))



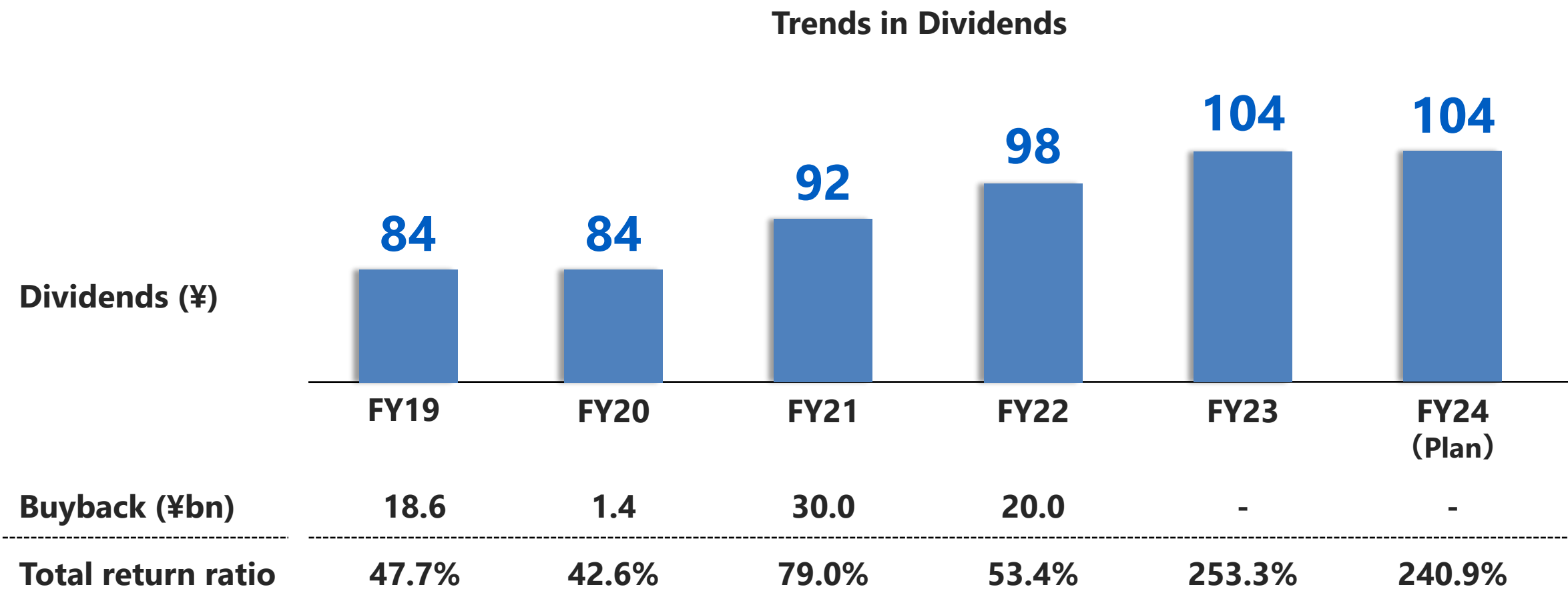
Cash Allocation Policy

- Aiming to maximize corporate value, prioritize investment to create new value from a medium- to long-term perspective.
- During the restructuring period, we will give top priority to the investments necessary to "rebuild business performance" and "rebuild the foundation for earnings and growth." On top of that, we will implement stable and continuous shareholder returns.
- Investments and shareholder returns are funded based on internal reserves and operating cash flow and are appropriated by taking appropriate financing measures as necessary.

Shareholder Return Policy

- Basic Policy to target DOE of around 3%.
- Surplus cash retained over long periods of time may be used from time to time to buy back shares.

Enhance shareholder returns by increasing corporate value and paying stable dividends



OMRON