Annual Securities Report

Fiscal year FY2024	From April 1, 2024 to March 31, 2025

(The 88th Term)

OMRON Corporation

FY2024 (April 1, 2024 to March 31, 2025)

Annual Securities Report

1. This document serves as the annual securities report based on the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act, and represents the output and printing of the data submitted on June 23, 2025 through the use of the Electronic Data Processing System for Disclosure (EDINET) prescribed in Article 27-30-2 of said Act with a table of contents and page numbers attached.
2. Although attached documents of the annual securities report submitted using the above method is not included, an audit report is attached to the end of this document.

OMRON Corporation

Certain References and Information

This is an English translation of the Annual Securities Report filed with Director of the Kanto Local Finance Bureau pursuant to the Financial Instruments an Exchange Act of Japan on June 23, 2025 and disclosed on OMRON corporation website.

The translation of the Independent Auditor's Report for the original Annual Securities Report is included at the end of this document.

The translation of the Confirmation Letter disclosed on the Electronic Disclosure for Investors' Network ("EDINET") is included at the end of this document.

References in this document to "the Company," "the Reporting Company" refer to OMRON corporation.
And "the Companies," "the Group," "OMRON," "we," "us," "our" and similar terms refer to OMRON corporation and its consolidated subsidiaries.

References in this document to "U.S. dollars" or "$" are to the currency of the United States and references to "yen" or "¥" are to the currency of Japan.

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[Cover]

[Reported Document]	Annual Securities Report
[Clause Serving as Basis]	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
[Recipient]	Director of Kanto Local Finance Bureau
[Submission Date]	June 23, 2025
[Fiscal Year]	FY2024 (April 1, 2024 to March 31, 2025)
[Company Name]	OMRON Corporation
[Name and Title of Representative]	Junta Tsujinaga, President and CEO
[Address of Head Office]	801, Minami Fudondocho, Shiokoji Horikawa Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan
[Telephone No.]	Kyoto:+81-75-344-7070
[Name of Administrative Contact]	Toyoharu Tamoi, Executive Officer, Senior General Manager, Global Finance and Accounting HQ
[Nearest Contact Location]	801, Minami Fudondocho, Shiokoji Horikawa Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan
[Telephone No.]	Kyoto:+81-75-344-7070
[Name of Administrative Contact]	Toyoharu Tamoi, Executive Officer, Senior General Manager, Global Finance and Accounting HQ
[Location for Public Inspection]	OMRON Corporation Tokyo Office (2-3-13, Konan, Minato-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I Company Information

I. Overview of the Company

1. Key Financial Data

(1) Key Financial Data of the Group

(JPY millions, unless otherwise stated)

Fiscal Year	FY2020	FY2021	FY2022	FY2023	FY2024
Settlement Date	March 2021	March 2022	March 2023	March 2024	March 2025
Sales	655,529	762,927	876,082	818,761	801,753
Income before income taxes and equity in loss (earnings) of affiliates	65,089	86,714	98,409	34,953	29,001
Net income attributable to OMRON shareholders	43,307	61,400	73,861	8,105	16,271
Comprehensive income	94,695	108,105	101,546	79,746	3,069
Shareholders’ equity	606,858	665,227	728,473	786,686	771,885
Total assets	820,379	930,629	998,160	1,354,729	1,361,790
Shareholders’ equity per share (JPY)	3,009.15	3,339.64	3,701.08	3,995.04	3,920.30
Basic net income per share attributable to shareholders (JPY)	214.72	305.65	372.19	41.17	82.63
Diluted net income per share attributable to shareholders (JPY)	–	–	–	–	–
Shareholders’ equity ratio (%)	74.0	71.5	73.0	58.1	56.7
Return on shareholders’ equity (%)	7.6	9.7	10.6	1.1	2.1
Price-earnings ratio (times)	40.2	26.9	20.7	131.4	51.0
Cash flows from operating activities	93,831	67,428	53,456	44,875	55,784
Cash flows from investing activities	(14,785)	(150,163)	(55,533)	(107,096)	(47,889)
Cash flows from financing activities	(20,352)	(29,603)	(58,757)	85,987	(4,608)
Cash and cash equivalents at end of period	250,755	155,484	105,279	143,086	149,023
Employees (persons)	28,254	29,020	28,034	28,450	26,614

Notes: 1. The consolidated financial statements have been prepared in accordance with the accounting standards generally accepted in the United States of America.

2. Diluted net income per share attributable to shareholders is not stated since there are no potentially dilutive securities.

(2) Key Financial Data of the Reporting Company

(JPY millions, unless otherwise stated)

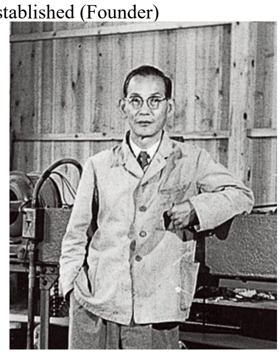
Fiscal Year	FY2020	FY2021	FY2022	FY2023	FY2024
Settlement Date	March 2021	March 2022	March 2023	March 2024	March 2025
Sales	258,494	310,989	369,498	259,328	254,027
Ordinary income (loss)	23,562	42,084	103,108	(8,260)	72,918
Net income (loss)	18,503	23,250	91,106	15,792	(37,109)
Common stock	64,100	64,100	64,100	64,100	64,100
Total number of issued shares (Thousand shares)	206,245	206,245	206,245	206,245	206,245
Net assets	298,916	277,159	333,265	319,545	258,136
Total assets	537,742	606,482	596,309	680,668	589,968
Net assets per share (JPY)	1,482.20	1,391.42	1,693.19	1,622.75	1,311.04
Net income (loss) per share (JPY)	91.74	115.74	459.09	80.21	(188.47)
Diluted net income per share (JPY)	–	–	–	—	—
Dividend per share (JPY)	84.00	92.00	98.00	104.00	104.00
(Interim dividend per share included therein) (JPY)	[42.00]	[46.00]	[49.00]	[52.00]	[52.00]
Equity ratio (%)	55.6	45.7	55.9	46.9	43.8
Return on equity (%)	6.15	8.07	29.85	4.84	—
Price-earnings ratio (times)	94.2	71.0	16.8	67.5	—
Dividend payout ratio (%)	91.6	79.5	21.3	129.7	—
Employees (persons)	4,829	4,610	4,621	4,538	3,873
Total shareholder return (%)	155.0	149.0	141.8	102.8	83.4
(Comparison index: TOPIX total return index) (%)	[142.1]	[145.0]	[153.4]	[216.8]	[213.4]
Highest share price (JPY)	10,040	12,115	8,164	9,329	6,843
Lowest share price (JPY)	5,330	7,306	6,237	5,245	4,212

Notes:
1. Diluted net income per share is not stated because there are no dilutive shares.
2. The fiscal year-end dividend of 52.00 yen per share out of the annual dividend of 104.00 yen per share for FY2024 (fiscal year ended March 2025) is subject to be resolved at the Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2025.
3. Return on equity, price earnings ratio, and dividend payout ratio for FY2024 (fiscal year ended March 2025) are not stated because a loss was recorded.
4. The highest and lowest share prices refer to those of the Prime Market of the Tokyo Stock Exchange since April 4, 2022 and those of the First Section of the Tokyo Stock Exchange before that.
5. Total shareholder return is calculated based on the share price at the end of FY2019 (fiscal year ended March 2020).
6. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of FY2021(fiscal year ended March 2022), and the accounting standard has been reflected in the figures for relevant key financial data, etc. from FY2021 onwards.

2. History

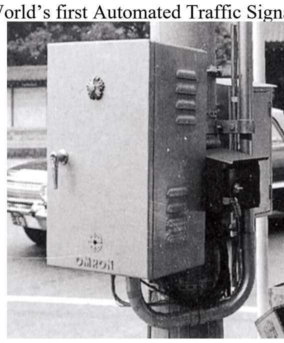
May 1933	Tateisi Electric Manufacturing Co. established by Kazuma Tateishi in Higashinoda, Miyakojima-ku, Osaka. Commenced manufacture of timer for X-ray photography (founded on May 10, 1933).
July 1936	Factory newly established and transferred to Nozato-cho, Nishiyodogawa-ku, Osaka.
June 1945	Factory relocated to Hanazonotsuchido-cho, Ukyo-ku, Kyoto-shi.
May 1948	The Company reorganized into a joint stock company with JPY2 million in common stock. Trade name changed to Tateisi Electronics Co. (founded on May 19, 1948).
January 1955	Sales division and research division made independent, with the establishment of Tateisi Electronics Sales and Tateisi Electronics Laboratories. Proposed the Producer System (a format for independent dedicated factories in a decentralized system), and established Saikyo Electronics Manufacturing as the first step.
January 1959	Established the “OMRON” trademark.
February 1959	Merged with Tateisi Electronics Laboratories.
October 1960	Central R&D Laboratory completed in Nagaoka-cho, Kyoto (currently Nagaokakyo-shi).
April 1962	Listed on the Kyoto Stock Exchange and the Second Section of the Osaka Securities Exchange.
October 1964	Tateisi Electronics Kusatsu Factory and other production subsidiaries merged into Saikyo Electronics Manufacturing.
April 1965	Absorbed Tateisi Electronics Sales and Saikyo Electronics Manufacturing.
August 1965	Listing re-designated onto First Section of Osaka Securities Exchange.
September 1966	Listed on the First Section of the Tokyo Stock Exchange and the First Section of the Nagoya Stock Exchange (delisted on November 9, 2009).
March 1967	Operated world’s first unmanned train station system.
February 1972	Established Omron Taiyo Electric Co., Ltd.
October 1976	Designated as a specified stock on the Osaka Securities Exchange.
March 1985	Established OMRON Kyoto Taiyo Co., Ltd.
April 1986	Completed Ayabe Factory in Ayabe-shi, Kyoto.
April 1988	Elevated the Tokyo branch officer to the Tokyo headquarters (transition to two-company system).
September 1988	Established a European regional management company (OMRON EUROPE B.V.) in the Netherlands.

1933 Tateisi Electric Manufacturing Co. established (Founder)



1960 World’s first Non-contact Switch

1964 World’s first Automated Traffic Signal



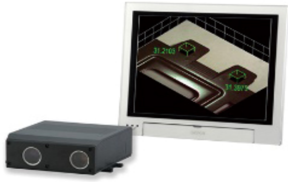
1967 World’s first Unmanned Train Station System

1973 OMRON’s first Blood Pressure Monitor

October 1988	Established an Asia-Pacific regional management company (OMRON ASIA PACIFIC PTE. LTD.) in Singapore.
April 1989	Established OMRON Management Center of America, INC. as the head of North American operations.
January 1990	Changed company name to OMRON Corporation.
April 1991	Relocated head office to Shimogyo-ku, Kyoto-shi.
April 1993	Began operation of first wholly-owned production company in China, OMRON Dalian Co., Ltd.
May 1994	Established regional management company in China (OMRON (China) Co., Ltd.)
April 1999	Abolished business unit system and established internal company system.
August 2000	Relocated head officer and headquarters administrative functions to the OMRON Kyoto Center Building (Shimogyo-ku, Kyoto-shi).
April 2002	Changed the regional management company for the Greater China (OMRON (China) Co., Ltd.) to be the Chinese head office for expansion of Chinese business.
June 2002	Began operation of OMRON Electronic Components (Shenzhen) Ltd., a company producing electronic components in China.
April 2003	Integrated management of the Relay Business Division and Omron Kumamoto Co., Ltd. to establish OMRON RELAY & DEVICES Corporation.
May 2003	Opened the Keihanna Open Innovation Center in Soraku-gun, Kyoto (currently Kizugawa-shi) as a hub for global R&D co-creation strategy.
July 2003	Spun off the healthcare business to establish OMRON HEALTHCARE Co., Ltd.
August 2003	Changed unit of shares from 1,000 shares to 100 shares
September 2004	Partnered with Peking University Founder Group Co., Ltd. in the areas of social systems business.
October 2004	Made BITRON INDUSTRIE S.P.A. (currently OMRON AUTOMOTIVE ELECTRONICS ITALY S.R.L.) a subsidiary.
	Transferred to information devices business for ATMs (automatic teller machines), etc. to Hitachi-Omron Terminal Solutions, Corp. through a joint incorporation-type company split.
	Established OMRON AMUSEMENT Corporation, a subsidiary in the amusement equipment business.
June 2005	Made Colin Medical Technology Corporation, which has bioinstrumentation technology for medical institutions, a subsidiary.
December 2005	Started operation of OMRON (Guangzhou) Automotive Electronics Co., Ltd., a company producing automotive electronic components in China.

June 2006	Made SCIENTIFIC TECHNOLOGIES INC. (currently OMRON ROBOTICS AND SAFETY TECHNOLOGIES, INC.), which has safety technology, a subsidiary.
	Started operation of OMRON (Shanghai) Co., Ltd., a global hub for control equipment systems, in China.
August 2006	Made Pioneer Precision Machinery Corp. (currently OMRON PRECISION TECHNOLOGY (HK) LTD.), which has backlight technology for small and medium LCDs, a subsidiary.
March 2007	Accepted the transfer of semiconductor business assets of Yasu Semiconductor Corporation, which has CMOS semiconductor technology.
May 2007	Made Laserfront Technologies Co., Ltd., which has laser microfabrication technology, a subsidiary.
June 2007	Opened OMRON R&D Collaborative Innovation Center (Shanghai), a research center in China.
July 2007	Opened OMRON Keishinkan, an exhibition facility and training facility adjacent to the Kyoto head office.
July 2008	Merged with OMRON Semiconductors Co. Ltd. by absorption.
September 2009	Established EMC (Electronic and Mechanical Components Business) (currently DMB (Device & Module Solutions Business)) as a new business segment.
April 2010	Spun off the switch business to establish OMRON SWITCH & DEVICES Corporation.
May 2010	Spun off the automotive electronics business to establish OMRON Automotive Electronics Co. Ltd.
November 2010	Established OMRON Social Solutions Co. Ltd., a subsidiary for the social systems business.
January 2011	Relocated and integrated the business site in Toranomon, Minato-ku and Osaki, Shinagawa-ku to Shinagawa Front Building (Konan, Minato-ku), and commenced operations as the Tokyo Office.
June 2011	Established a joint venture with NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION in the home energy saving support service business.
October 2011	Opened the R&D center and head office of OMRON HEALTHCARE Co., Ltd. in Muko-shi, Kyoto.
January 2012	Established a regional headquarters in India (OMRON MANAGEMENT CENTER OF INDIA).
	Made Shanghai Best Electrical Appliance Manufacturing Co., Ltd., a Chinese power latching relay manufacturer, a subsidiary.
April 2012	Established a regional headquarters in Brazil (Omron Management Center of Latin America).
July 2012	Established a joint venture with NTT Docomo, Inc. in the area of health support service business.
March 2013	Held an opening ceremony for the new factory of OMRON (Shanghai) Co., Ltd., an electronic components factory in China.
October 2013	Established a regional headquarters in Vietnam (OMRON VIETNAM CO., LTD).
April 2014	OMRON Iida Co., Ltd. merged into OMRON Automotive Electronics Co. Ltd. by absorption.

2007 World's first Real-color Three-Dimensional Vision sensor



2013 Table-Tennis-Playing Robot FORPHEUS

July 2014	Established OMRON VENTURES CO., LTD., an investment subsidiary handling corporate venture capital.
October 2014	Made MMRSV Participantcoes S.A., which controls Brazilian nebulizer production and sales company NS Industria de Aparelhos Medicos LTDA. and two other companies, a subsidiary.
September 2015	Made US motion control equipment manufacturer Delta Tau Data Systems Inc. and the eight companies under its control subsidiaries.
October 2015	Made US industrial robot manufacturer Adept Technology Inc. (currently OMRON ROBOTICS AND SAFETY TECHNOLOGIES, INC.) and the five companies under its control subsidiaries.
December 2016	Transferred all shares of OMRON Colin Co., Ltd., which operates medical equipment and medical systems business, to Fukuda Denshi Co., Ltd.
January 2017	Established a regional headquarters in South Korea (Omron Management Center of Korea).
March 2017	Implemented a capital and business alliance with AliveCor, Inc. in the healthcare area.
July 2017	Made leading industrial camera manufacturer Sentech Co., Ltd. (currently OMRON Sentech Co., Ltd.) and the seven companies under its control subsidiaries.
October 2017	Made US industrial code reader manufacturer Microscan Systems Inc. (currently Omron Microscan Systems, Inc.) and the three companies under its control subsidiaries.
February 2018	Established OMRON SINIC X Corporation, a research company designing the near future.
April 2018	Established OMRON EXPERTLINK Co., Ltd., a new company consolidating the personnel, general administration and financial functions of the domestic OMRON Group.
August 2018	Transferred all shares of OMRON Laserfront Inc., which specializes in manufacturing, sales and after-sale services of laser oscillators, to TOWA Corporation.
February 2019	Transferred 80% of shares of OMRON Nohgata Co., Ltd., which works on the development and entrusted manufacturing service of industrial electronic equipment, to Advantech Co., Ltd.
March 2019	Established a joint venture with iAPPS Pte.Ltd. in the area of health management services.
October 2019	Transferred all shares of OMRON Automotive Electronics Co. Ltd., which works on automotive electronic components, to Nidec Corporation.

2018 World’s first Wearable Blood Pressure Monitor

2018 World’s first SCARA Robot with predictive maintenance functions

2019 World’s first Blood Pressure Monitor + ECG

February 2020	Made AliveCor, Inc. an equity method affiliate.
March 2021	Transferred all shares of Hitachi-Omron Terminal Solutions, Corp., which was an equity method affiliate, to Hitachi, Ltd.
October 2021	Spun off the MEMS business that develops and manufactures pressure sensors and floor sensors to Mitsumi Electric Co., Ltd.
February 2022	Implemented a capital and business alliance with JMDC Inc., a medical statistical data service company.
April 2022	Listing moved from the First Section to the Prime Market of the Tokyo Stock Exchange due to a restructuring of the market divisions of the Tokyo Stock Exchange.
June 2022	Partially amended the Articles of Incorporation to include "Practice of Corporate Philosophy.
April 2023	Established OMRON EXPERT ENGINEERING Co.,Ltd. to provide human resource services (temporary staffing, outsourcing, and placement) in the engineering field.
	Invested in KIRIN TECHNO-SYSTEM CO., LTD., a manufacturer of comprehensive inspection equipment for the beverage industry, and made it a subsidiary as "OMRON KIRIN TECHNO-SYSTEM CO., LTD.
October 2023	Made JMDC Inc. a subsidiary.
December 2023	Established Data Solution Business

2020 World’s first Integrated Controller

3. Description of Business

The Group is made up of the Company, 154 subsidiaries (63 domestic and 91 overseas) and 10 affiliates (7 domestic and 3 overseas) (as of March 31, 2025), and operates businesses centered on the manufacture and sale of electrical machinery and equipment, electronic appliances, precision equipment, medical equipment and other general machinery and equipment, and services incidental to these. The scope of its products is wide ranging, including all areas of industrial control machinery components and system devices, in addition to life and public-related devices and systems.

The main business content of each operating segment, and the principal subsidiaries and affiliates are as follows.

(1) Industrial Automation Business (IAB)

With the vision of “Enriching the Future for People, Industries and the Globe by Innovative-Automation,” the Industrial Automation Business (IAB) has contributed to the development of industry by innovating the manufacturing industry around the world with advanced automation, based on the core technology of “Sensing & Control + Think” that OMRON has cultivated thus far. Setting our unique “innovative-Automation” (Note) value creation concept, our aim is to solve rapidly changing social issues mainly in the manufacturing industry with innovative solutions, based on the widest range of control devices in the industrial market, and create social value that contributes to the realization of happiness for working people along with the sophistication of industry.

Note: “innovative-Automation” is a value creation concept advocated for by OMRON that creates social value by solving issues at manufacturing sites. It promotes the provision of automation for sustainability that realizes coexistence with the global environment and job satisfaction of people while driving innovation in manufacturing. “innovative-Automation” aims to embody the following three concepts: “Autonomation beyond human abilities” that invites people to take on more creative roles and maximizes both on-site productivity and energy efficiency, “Advanced collaboration between people and machines” that maximizes human potential and allows humans and machines to grow and evolve together, and “Digital engineering transformation” that reproduces manufacturing sites and equipment in digital space, accelerates DX at manufacturing sites, and contributes to business process innovation.

(2) Healthcare Business (HCB)

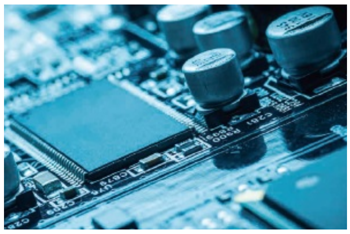
The mission of our Healthcare Business (HCB) is “To help realize healthy and comfortable lives for people around the world.” By living up to this mission, we have developed healthcare products and services with a focus on usability and accuracy of readings. This is intended to allow anyone to take measurements easily and correctly, with accuracy that ensures reliability for medical use. In terms of products, OMRON sells devices that have achieved certification for medical use in various countries, including blood pressure monitors, digital thermometers, and nebulizers (devices that deliver asthma medication through inhalation by patients), in more than 130 countries across the world. In terms of services, OMRON is promoting the provision of telemedicine services from major countries, which is a service where doctors can remotely monitor patients and provide prescription and treatment support.

(3) Social Systems, Solutions and Service Business (SSB)

The mission of the Social Systems, Solutions and Service Business (SSB) is "Creating a society in which the people of the world live in safety, security, and comfort." We provide a wide range of terminals and systems, including PV inverters, storage battery systems, railway station systems such as automated ticket gates and ticket vending machines, traffic and road management systems, payment systems, and UPS that protect equipment from unexpected power disruption which cause data loss. We also provide total solutions ranging from software development to comprehensive maintenance services to support the social infrastructure.

(4) Device & Module Solutions Business (DMB)

The mission of the Device & Module Solutions Business (DMB): "With our devices and modules, create customer value, and contribute to society." DMB is OMRON's core business unit as a global component supplier of relays, switches, connectors and sensors that act as eyes and ears for wide variety of products playing a vital role in connecting and switching devices, for customers across various industries including EVs and mobility, energy infrastructure, home appliances and industrial equipment.



(5) Data Solution Business (DSB)

The mission of the Data Solution Business (DSB) is to "Go beyond the boundaries of products. Transform OMRON and create true customer value." By combining on-site data obtained from various products and services offered by the OMRON Group with data management and solution development, we provide solutions to meet increasingly complex and diverse customer needs, such as preventing diseases including lifestyle-related diseases, improving the efficiency of on-site operations at stores and offices, DX support, and helping companies reduce GHG emissions.

Segment	Products or Services	Area	Major Subsidiaries
IAB	Programmable controllers Motion controllers Sensing devices Industrial camera/code reader devices Inspection systems Safety devices Industrial robots	Japan	OMRON KANSAI-SEIGYO CORPORATION FA TECHNO CORPORATION. SK SOLUTION CO.,LTD
		Americas	OMRON ELECTRONICS LLC OMRON ROBOTICS AND SAFETY TECHNOLOGIES, INC. OMRON CANADA, INC.
		Europe	OMRON EUROPE B.V. OMRON ELECTRONICS IBERIA SA. OMRON ELECTRONICS S.P.A
		Greater China	OMRON (SHANGHAI) CO., LTD. OMRON INDUSTRIAL AUTOMATION(CHINA)CO.,LTD. OMRON TAIWAN ELECTRONICS INC.
		Southeast Asia and Others	OMRON ASIA PACIFIC PTE. LTD. OMRON AUTOMATION PVT LTD. OMRON ELECTRONICS KOREA CO., LTD.
HCB	Digital blood pressure monitors Nebulizers Low-frequency therapy equipment ECGs Oxygen generators Digital thermometers Body composition monitors Pedometers and activity meters Electric toothbrushes Massagers Blood glucose monitors Vascular screening devices Visceral fat monitors Remote patient monitoring systems Telemedicine services	Japan	OMRON HEALTHCARE CO., LTD OMRON HEALTHCAREMARKETING CO., LTD
		Americas	OMRON HEALTHCARE, INC. OMRON HEALTHCARE MÉXICO S.A DE C.V Omron Healthcare Brasil Indústria e Comércio de Produtos Médicos LTDA.
		Europe	OMRON HEALTHCARE EUROPE B.V. OMRON HEALTHCARE UK LIMITED OMRON HEALTHCARE RUS B.V.
		Greater China	OMRON DALIAN CO., LTD. OMRON HEALTHCARE (CHINA) CO., LTD. OMRON MEDICAL (BEIJING)CO.,LTD.
		Southeast Asia and Others	OMRON HEALTHCARE SINGAPORE PTE LTD OMRON HEALTHCARE INDIA PVT LTD OMRON HEALTHCARE KOREA CO., LTD.
SSB	Energy business (solar power generation, storage battery system Railway station service systems Traffic and road management systems Card payment services IoT (power protection data protection) solutions Software development Comprehensive maintenance service business	Japan	OMRON SOCIAL SOLUTIONS CO.,LTD. OMRON ASO CO., LTD. OMRON FIELD ENGINEERING CO., LTD.
DMB	Relays Switches Connectors IoT communication modules General sensors Amusement components and units Face recognition software Image sensing component MEMS sensors	Japan	OMRON AMUSEMENT CO., LTD OMRON RELAY & DEVICES CORPORATION OMRON TAIYO CO., LTD.
		Americas	OMRON ELECTRONIC COMPONENTS LLC.
		Europe	OMRON ELECTRONIC COMPONENTS EUROPE B.V. OMRON AUTOMOTIVE ELECTRONICS ITALY S.R.L.
		Greater China	SHANGHAI OMRON CONTROL COMPONENTS CO. ,LTD. OMRON ELECTRONIC COMPONENTS TRADING(SHANGHAI)LTD. OMRON ELECTRONIC COMPONENTS(SHEN ZHEN) LTD.
		Southeast Asia and Others	OMRON ELECTRONIC COMPONENTS PTE., LTD. OMRON ELECTRONIC COMPONENTS CO., LTD. (Thailand) OMRON ELECTRONIC COMPONENTS CO., LTD. (Korea)
DSB	Data healthcare business Corporate health business Smart M&S (management service solutions) business Carbon neutral solutions business Data-based solutions business Self-reliance support business	Japan	JMDC Inc. NS PARTNERS CO., LTD. Doctor-NET Inc.
		Greater China	DOCTOR-NET(SHANGHAI)INC.

4. Information about the Affiliates

Company name	Address	Common stock (JPY millions)	Principal businesses	Segment (Notes 1)	Ownership percentage of voting rights			Relationship		
					Direct (%)	Indirect (%)	Total (%)	Inter-locking officers	Loans	Business transactions, etc.
(Consolidated subsidiaries)										
OMRON AMUSEMENT Corporation	Ichinomiya-shi, Aichi	300	Manufacture and sale of electronic components	DMB	100.0		100.0			Manufacture and sale of OMRON products
OMRON FIELD ENGINEERING Co., Ltd.	Meguro-ku, Tokyo	360	Electrical equipment maintenance services	SSB		100.0	100.0			Maintenance of OMRON products
OMRON RELAY & DEVICES Corporation (Notes 2)	Yamaga-shi, Kumamoto	300	Manufacture of electronic components	DMB	100.0		100.0			Manufacture of OMRON products
OMRON ASO Co., Ltd.	Aso-shi, Kumamoto	200	Manufacture of control equipment	SSB		100.0	100.0			–
OMRON HEALTHCARE Co., Ltd.	Muko-shi, Kyoto	5,021	Manufacture, development, sale, etc. of health and medical equipment and services	HCB	100.0		100.0			–
OMRON Social Solutions Co. Ltd. (Notes 4)	Minato-ku, Tokyo	5,000	Manufacture, sale, etc. of systems for railway and road transportation	SSB	100.0		100.0			–
OMRON KANSAI-SEIGYO CORPORATION	Kita-ku, Osaka-shi	310	Sale of control equipment	IAB	100.0		100.0			Sale of OMRON products
FA Techno Corporation	Taito-ku, Tokyo	490	Sale of control equipment	IAB	100.0		100.0			Sale of OMRON products
JMDC Inc. (Notes 2, 3)	Minato-ku, Tokyo	25,099	Medical statistical data service	DSB	54.3		54.3			Purchase of JMDC Inc. services
NS PARTNERS CO., LTD.	Minato-ku, Tokyo	10	Medical factoring to medical institutions and consulting	DSB		100.0	100.0			—
OMRON MANAGEMENT CENTER OF AMERICA, INC. (Notes 2)	Illinois, USA	USD 6,891,000	Management of subsidiaries and affiliates in North America	HQ	100.0		100.0			–
OMRON ELECTRONICS LLC	Illinois, USA	USD 9,015,000	Sale of control equipment	IAB		100.0	100.0			Sale of OMRON products
OMRON ELETRONICA DO BRASIL LTDA. (Notes 2)	Sao Paulo, Brazil	BRL 561,380,000	Sale of control equipment and management of subsidiaries and affiliates in Brazil	HQ	100.0		100.0			Sale of OMRON products
OMRON ELECTRONIC COMPONENTS LLC	Illinois, USA	USD 3,987,000	Sales management of electronic components business and sales	DMB		100.0	100.0			Sale of OMRON products
OMRON ROBOTICS AND SAFETY TECHNOLOGIES, INC. (Notes 2)	California, USA	USD 183,635,000	Development, manufacture, sale and maintenance services of industrial robots and mobile robots	IAB		100.0	100.0			Manufacture, sale, development and maintenance of OMRON products
OMRON HEALTHCARE, INC.	Illinois, USA	USD 200,000	Sale of health and medical equipment	HCB		100.0	100.0			–

Company name	Address	Common stock (JPY millions)	Principal businesses	Segment (Notes 1)	Ownership percentage of voting rights			Relationship		
					Direct (%)	Indirect (%)	Total (%)	Inter-locking officers	Loans	Business transactions, etc.
OMRON EUROPE B.V.	Hoofddorp, Netherlands	EUR 16,883,000	Management of subsidiaries and affiliates in Europe, and management of the industrial automation business in Europe	HQ	100.0		100.0			Sale of OMRON products
OMRON HEALTHCARE EUROPE B.V.	Hoofddorp, Netherlands	EUR 1,000,000	Sale of health and medical equipment, management of health and medical equipment business in Europe	HCB		100.0	100.0			–
OMRON ELECTRONIC COMPONENTS EUROPE B.V.	Hoofddorp, Netherlands	EUR 1,000,000	Sales management of electronic components business and sales	DMB		100.0	100.0			Sale of OMRON products
OMRON ELECTRONICS IBERIA SA.	Madrid Spain	EUR 988,000	Sale of control equipment	IAB		100.0	100.0			Sale of OMRON products
OMRON ELECTRONICS S.P.A	Milano Italy	EUR 5,686,000	Sale of control equipment	IAB		100.0	100.0			Sale of OMRON products
OMRON ASIA PACIFIC PTE. LTD.	Singapore	USD 23,465,000	Management of subsidiaries and affiliates in Southeast Asia and sale of control equipment	HQ	100.0		100.0			Sale of OMRON products
OMRON AUTOMATION PVT LTD.	Mumbai India	INR 799,000	Management of subsidiaries and affiliates in India and sale of control equipment	IAB		100.0	100.0			Sale of OMRON products
OMRON ELECTRONICS KOREA CO., LTD.	Seoul Korea	KRW 950 million	Sale of control equipment	IAB	100.0		100.0			Sale of OMRON products
OMRON (CHINA) CO., LTD. (Notes 2)	Beijing, China	RMB 1,469 million	Management of business in China	HQ	100.0		100.0			–
OMRON DALIAN CO., LTD.	Dalian, China	RMB 157,237,000	Manufacture of health and medical equipment	HCB		100.0	100.0			–
OMRON (SHANGHAI) CO., LTD. (Notes 2)	Shanghai, China	RMB 550,289,000	Manufacture, sale and development of control equipment	IAB		100.0	100.0			Manufacture, sale and development of OMRON products
OMRON INDUSTRIAL AUTOMATION (CHINA) CO., LTD.	Shanghai, China	RMB 56,067,000	Trading company	IAB		100.0	100.0			Sale of OMRON products
OMRON ELECTRONIC COMPONENTS TRADING (SHANGHAI) LTD.	Shanghai, China	RMB 28,968	Sale of electronic components	DMB		100.0	100.0			Sale of OMRON products
SHANGHAI OMRON CONTROL COMPONENTS CO., LTD.	Shanghai, China	RMB 390,367,000	Manufacture of electronic components	DMB		100.0	100.0			Manufacture of OMRON products
OMRON ELECTRONIC COMPONENTS (SHENZHEN) LTD. (Notes 2)	Shenzhen, China	RMB 276,560,000	Manufacture of electronic components	DMB		100.0	100.0			Manufacture of OMRON products
OMRON HEALTHCARE (CHINA) CO., LTD.	Dalian, China	RMB 208,611,000	Trading company of health and medical equipment	HCB		100.0	100.0			–
OMRON TAIWAN ELECTRONICS INC.	Taipei Taiwan	NT.$ 869,410,000	Sale of control equipment	IAB	100.0		100.0			Sale of OMRON products
121 other companies										

Company name	Address	Common stock (JPY millions)	Principal businesses	Segment (Notes 1)	Ownership percentage of voting rights			Relationship		
					Direct (%)	Indirect (%)	Total (%)	Inter-locking officers	Loans	Business transactions, etc.
(Equity method affiliates)										
AliveCor, Inc.	California, USA	USD 224 million	Provision of support services and products for heart disease diagnosis and treatment	HCB	35.5		35.5			–
9 other companies										

Notes: 1. IAB refers to the Industrial Automation Business, HCB refers to the Healthcare Business, SSB refers to the Social Systems, Solutions and Service Business, DMB refers to the Device & Module Solutions Business, DSB refers to the Data Solution Business and HQ refers to the headquarter functions such as technology and intellectual property head office, and indicate segments based on principle businesses.

2. Specified subsidiary.
3. Submits Annual Securities Reports.
4. Sales of OMRON SOCIAL SOLUTIONS CO.,LTD. (excluding internal sales between consolidated companies) exceed 10% of consolidated sales.

   Principal profit and loss information, etc.

   (1) Net sales: JPY111,108 million;
   (2) Income before income taxes and equity in loss (earnings) of affiliates: JPY10,215 million;
   (3) Net income: JPY8,020 million;
   (4) Net assets: JPY61,286 million;
   (5) Total assets: JPY96,959 million
5. The subsidiaries and affiliates above do not include companies that are in significant insolvency.

5. Employees

(1) Information about the Consolidated Companies

As of March 31, 2025

Segment	Employees (persons)
Industrial Automation Business	8,688
Healthcare Business	4,450
Social Systems, Solutions and Service Business	2,739
Device & Module Solutions Business	6,457
Data Solution Business	2,228
Head Office	2,052
Total	26,614

Note: The number of employees is the number of workers (excluding those seconded to the Group from outside the Group, including those who are seconded from outside the Group to the Group).

(2) Information about the Reporting Company

As of March 31, 2025

Employees (persons)	Average age (years old)	Average years of service (years)	Average annual salary (JPY thousands)
3,873	44.5	15.2	8,205

Notes: 1. The number of employees is the number of workers (excluding those seconded from the Company to outside the Company, including those who are seconded from outside the Company to the Company).
2. Average annual salary includes bonuses and nonstandard wages.
3. The number of employees decreased 665 compared from March 31, 2024. The primary reason is due to the optimization of the number and abilities of our workforce, which is one of the management measures addressed under Structural Reform Program NEXT2025 in Industrial Automation Business, Device & Module Solutions Business, Data Solution Business and Head Office.

As of March 31, 2025

Segment	Employees (persons)
Industrial Automation Business	2,100
Healthcare Business	—
Social Systems, Solutions & Service Business	—
Device & Module Solutions Business	812
Data Solution Business	41
Head Office	920
Total	3,873

Note: The number of employees is the number of workers (excluding those seconded from the Company to outside the Company, including those who seconded from outside the Company to the Company).

(3) Labor Union

As of March 31, 2025

Name	Omron Group Trade Unions Association (Japanese Electrical Electronic & Information Union)
Year of formation	April 1978
Union members (persons)	6,092

There are no notable matters between the Company and the labor union.

(4) Indicators Related to Diversity

The Company

Current fiscal year				
Percentage of female workers in managerial positions (%) (Note 1)	Male workers Childcare leave acquisition rate (%) (Note 2)	Difference in wages between male and female workers (%) (Note 4)		
		All workers	Regular Employee	Part-time/fixed-term workers
13.0	67.0	75.4	74.4	65.1

Consolidated Subsidiaries

Current fiscal year					
Name	Percentage of female workers in managerial positions (%) (Note 1)	Male workers Childcare leave acquisition rate (%) (Note 2)	Difference in wages between male and female workers (%) (Note 4)		
			All workers	Regular Employee	Part-time/fixed-term workers
OMRON HEALTHCARE Co., Ltd.	7.8	66.7	71.9	71.0	62.9
OMRON SOCIAL SOLUTIONS Co., Ltd.	9.2	100.0	71.6	69.3	76.4
OMRON FIELD ENGINEERING Co., Ltd.	4.8	81.0	72.7	79.2	46.1
OMRON Software Co., Ltd.	10.0	83.3	74.6	73.4	66.4
OMRON ASO Co., Ltd.	0.0	85.7	61.9	63.0	83.3
OMRON RELAY AND DEVICES CO., LTD.	18.2	70.0	64.7	74.1	65.5
OMRON AMUSEMENT Corporation.	0.0	100.0	60.4	67.5	62.6
F.A. TECHNO Co., Ltd.	0.0	50.0	68.1	64.3	* (Note 3)
OMRON KIRIN TECHNOSYSTEM Co., Ltd.	7.7	100.0	76.2	75.4	84.0
OMRON EXPERT LINK Co., Ltd.	33.3	0.0	69.0	75.6	76.0
OMRON Expert Engineering Co., Ltd.	—	66.7	71.1	86.5	67.8
JMDC Inc.	15.0	69.2	66.5	69.5	296.2
NS LIYANDO Co., Ltd.	65.0	0.0	88.0	95.4	101.3
CANCER SCAN Inc.	15.4	77.8	71.2	71.4	74.5
DOCTOR NET Inc.	17.6	80.0	66.1	75.9	80.9
NS INNOVATIONS CO., LTD.	25.0	* (Note 3)	52.8	68.4	148.0
HERO INNOVATION Inc.	0.0	0.0	65.4	70.6	68.5

(Note) 1 Calculation based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015). This includes the submitting company and consolidated subsidiaries with 101 or more full-time employees. Please note that "-" indicates that the number of workers counted at the company of origin.

2 Based on the provisions of the "Law concerning the Welfare of Workers Who Take Care of Children or Other Family Members, Including Child Care Leave and Family Care Leave" (Law No. 76 of 1991), the rate of child care leave taken is calculated under Article 71-6, Item 1 of the "Ordinance for Enforcement of the Law concerning the Welfare of Workers Who Take Care of Children or Other Family Members, Including Child Care Leave and Family Care Leave" (Ministry of Labor Ordinance No. 25 of 1991). This includes the submitting company and consolidated subsidiaries with 101 or more full-time employees.

3 "*" indicates that no employees are eligible.

4 With regard to the gender wage gap, the Act on Promotion of Women’s Participation and Advancement in the Workplace (Act No. 64 of 2015) requires disclosure of information for companies with 301 or more full-time employees. However, we have gone beyond the legal requirement and disclosed information for consolidated subsidiaries with 101 or more full-time employees. There is no gender-based differences in wage systems and structures, and this is mainly due to the low proportion of women in high-paying, senior positions. Going forward, we will establish an environment where individuals can thrive regardless of gender, and promote initiatives to support this effort.

II. Business Conditions

1. Management Policy, Management Environment, and Issues to be Addressed

This section is presented with the structure of (1) Management Policies, (2) Long-term Vision “Shaping the Future 2030” (FY2022-2030), (3) Changes to Medium-Term Management Plan (SF 1st Stage) on “SF2030”, and (4) Structural Reform Program NEXT 2025.

Matters discussed here that are not historical fact reflect the judgment of the OMRON Group management at the end of the fiscal year.

“Operating profit” in the text is presented by subtracting “Cost of sales,” “Selling, general and administrative expenses” and “Research and development expenses” from “Net sales.”

(1) Management Policies

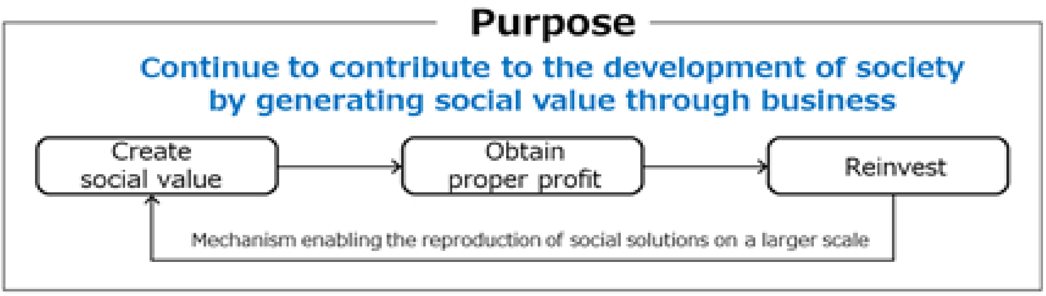
(i) OMRON Principles

In 1959, Kazuma Tateishi, the Company’s founder set forth “To improve lives and contribute to a better society” as “Our Mission” for the OMRON Group. Subsequently, the spirit of “Our Mission” was developed into the corporate principles of the OMRON Group, and has been revised in line with the changing times, while serving as the driver as well as the unifying force for business development leading to countless innovations and contributing to the development of society and the improvement of people’s lives. The OMRON Group aims to solve social issues through business by ensuring each employee holds these principles to heart. Therefore, it is important for all employees around the world to take action based on an understanding of our stance towards the corporate principles. The OMRON Group is currently reinforcing efforts to put the corporate principles into practice on a global scale.

The fundamental core of our approach is that we will continue to practice our corporate principles and strive to contribute to society and enhance corporate value. To clarify that this is the basis of our management, at the 85th Ordinary General Meeting of Shareholders (held on June 23, 2022) we proposed a resolution to state the corporate principles in the Articles of Incorporation. Following the approval of shareholders, the Articles of Incorporation were duly amended.

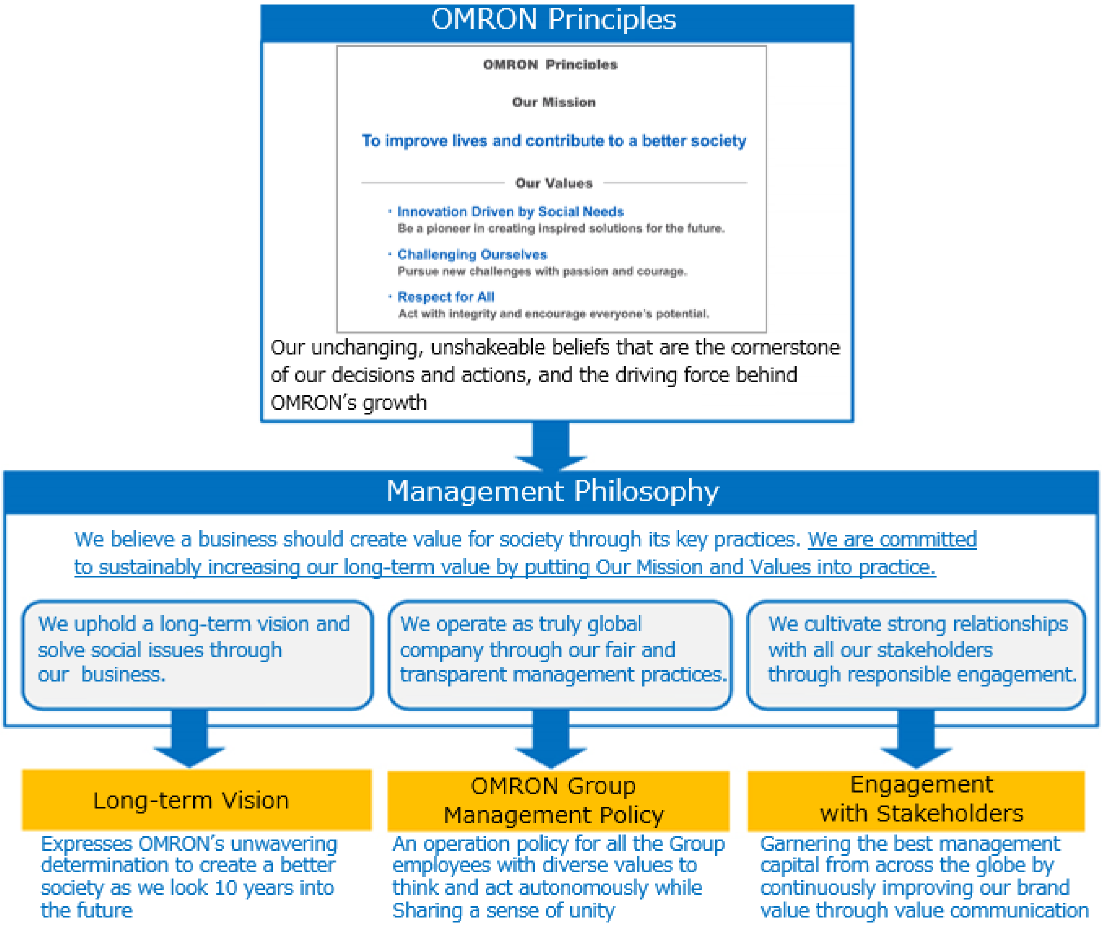
(ii) Purpose of the OMRON Group

The purpose of the OMRON Group is to "continue to contribute to the development of society by generating social value through business." To achieve this, we believe it is important to build a mechanism that can reproduce solutions to social issues on a larger scale through a cycle of creating social value, obtaining proper profit, and reinvesting.



(iii) Management Structure Based on OMRON Principles

The Management Philosophy of the OMRON Group represents our stance of putting the corporate principles into practice through our business and how we think about management. We have set forth our Management Philosophy to all our stakeholders and are acting in accordance with the 3 specific guidelines: the Long-term Vision, the OMRON Group Management Policy and stakeholder engagement.



Since this "management stance" is aimed at the persistent growth of the Company, we have also included the same content in the OMRON Group's "Sustainability Policy."

(Please see II. Business Conditions, 1. Management Policy, Management Environment, and Issues to be Addressed, (2) Long-term Vision "Shaping the Future 2030" (FY2022-2030), (iii) Material Sustainability Issues in SF2030.

(2) Long-term Vision “Shaping the Future 2030” (FY2022-2030)

The OMRON Group has a long-term vision named “Shaping the Future 2030” (abbreviated as "SF2030") spanning fiscal 2022 to 2030. OMRON has established a narrative for our own transformations and new value creation. This will allow us to continue to contribute to society by fulfilling OMRON’s purpose and addressing as many social issues as possible.

(i) SF2030 Vision Statement

> **We Will Continue to Create “Innovation Driven by Social Needs” through Automation to Empower People.**
>
> Design the near-future, detect and uncover social needs, and create new value through automation.
> We call this process “innovation driven by social needs” and have been contributing to a better society by practicing it since our foundation.
> Contributing to creation of a social and economic system capable of sustainable development is OMRON’s fundamental purpose.
> We will remain true to corporate philosophy management, continuing its practice without change.
>
> Automation in industrial society was the replacement of human work by machines.
> What is required in an “autonomous society” is automation that helps people realize their full potential through the optimal combination of replacement, collaboration, and harmonization.
> We have defined automation from now on as “automation which empowers people,” and will continue to evolve our Sensing & Control + Think technologies to realize this automation.
>
> In the next decade, as existing social issues become more pressing and new ones emerge, we will remain true to our core values and contribute to achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancies through “automation which empowers people,” with the aim of realizing an autonomous society where individual fulfillment is compatible with the society’s affluence.

The SF2030 incorporates this desire: “all OMRON employees put our corporate philosophy into practice and work together with stakeholders to create a sustainable society through Sensing and Control + Think technology.”

(ii) Social Value Created by OMRON

In considering the creation of social value, OMRON chose to focus on issues where the impact on society is large and where OMRON can leverage its strength in automation as well as capitalizing on assets of its customers and businesses. From this perspective, OMRON has identified 3 social issues: achieving carbon neutrality, realizing a digital society and extending healthy life expectancies.

We contribute to the creation of energy systems that balance safety, security, convenience, and the natural world through initiatives that aim for carbon neutrality and address global warming issues.

To realize a digital society, we must create an environment for people to access the information they need regardless of their age or wealth. By realizing a digital society that can benefit all people, OMRON aims to address issues that stem from social gaps and contribute to building creative, flexible manufacturing and infrastructure for a sustainable society where people are released from all constraints.

Also, in an aging society, extending healthy life expectancy is important to not only the individual, but also the happy lives of their families. In addition, it is important from a perspective of reducing medical expenses. OMRON is tackling head-on initiatives to address the issue of an aging society by constructing a healthcare system that allows people to live healthy, prosperous, independent lives by extending healthy life expectancy.

<Social issues addressed by OMRON and social values to be created>

Social Issues Addressed by OMRON	Achievement of Carbon Neutrality 	Realization of a Digital Society 	Extension of Healthy Life Expectancies 
Social Value to be Created	Energy systems that strike a balance between safety, security, and convenience and the natural environment	Manufacturing and infrastructure that will free people from all restrictions, regardless of age or wealth, and realize an enjoyable, creative, and sustainable society	Healthcare systems that enable people to lead healthy, prosperous, and independent lives

In order to maximize the social impact of addressing these three social issues, we revised the OMRON Group domains in SF2030, and established four domains and social values within each domain. Industrial Automation aims to contribute to the advancement of manufacturing that will support a sustainable society. Healthcare Solutions aims to contribute to the achievement of “Zero Events” for cardiovascular diseases. Social Solutions aims to contribute to the spread and efficient use of renewable energy and the sustainability of the infrastructure supporting a digital society. Device & Module Solutions aims to contribute to the spread of new energy and high-speed communications.

<Social values created by four domains>

Domains \ Social Issues	Achievement of carbon neutrality	Realization of a digital society	Extension of healthy life expectancies
Industrial Automation	Contribute to the “advancement of manufacturing that will support a sustainable society”		
Healthcare Solutions			Contribute to the “achievement of ‘Zero Events’ for cardiovascular diseases”
Social Solutions	Contribute to “the spread and efficient use of renewable energy and the sustainability of the infrastructure supporting a digital society”		
Device & Module Solutions	Contribute to the “spread of new energy and high-speed communications”		

Industrial Automation

Industrial Automation aims to contribute to the advancement of manufacturing that will support a sustainable society. Working with customers, OMRON has created applications that help innovate in manufacturing, eliminate labor shortages and improve productivity in a variety of industries through innovative-Automation. In the future, we will further evolve innovative-Automation and construct manufacturing sites that can support a sustainable future and make workers feel fulfilled in their work through co-existence with the environment. This will be achieved by maximizing productivity and energy efficiency, constructing manufacturing sites that can maximize the potential of people, improving operational processes, and improving the operational efficiency of engineering areas.

Healthcare Solutions

Healthcare Solutions aims to contribute to the achievement of “Zero Events” for cardiovascular diseases. OMRON has helped prevent the incidence of cerebral and cardiovascular events with its creation and distribution of medical-quality home-use devices that can be applied to diagnosis and treatment. Building a new preventive medical system to prevent event occurrences, we aim to bring about a society where everyone can live a healthy life and have access to high quality medical care, wherever they live. Looking toward that society, we will create devices that can measure vital data from daily life, implement remote patient monitoring services that use algorithms that support decision making of doctors in diagnosis and treatment, and develop new preventative medical services.

Social Solutions

Social Solutions aims to contribute to the spread and efficient use of renewable energy and the sustainability of the infrastructure supporting a digital society. OMRON has contributed to the spread of solar power and storage batteries. We will use advanced energy control technology to eliminate instability in power generation and contribute to the further use of renewable energy. In Social Infrastructure, we support operation and maintenance by leveraging extensive knowledge about various devices and operation site at facilities, and a service network that covers all of Japan. We will continue to innovate in operation and maintenance processes with management and services that support the efficient operation of on-site systems.

Device & Module Solutions

Device & Module Solutions aims to contribute to the spread of new energy and high-speed communications. To date, OMRON has leveraged its technology to connect and disconnect electrical current to provide on a broad global basis high performance, high quality relays and switches for customers to incorporate in their devices. With the adoption of lower environmental impact electricity all devices will be converted to direct current (DC). Alongside this change, OMRON will create safety devices that control electrical discharges and detect fault timing in order to prevent fire and electric shocks. With the spread of high-speed communications, we will create high frequency compatible devices that enable “uninterrupted connectivity” to improve noise immunity and mass production using the microfabrication technology it has developed over the years.

(iii) Material Sustainability Issues in SF2030

For SF2030, we adopted three viewpoints: "the OMRON Principles and fundamental purpose," "backcasting from a society envisioned for 2030 and beyond," and "calls on companies to contribute to environmental and social sustainability." Five material issues were identified through management discussions, reflecting suggestions gained through internal discussion and dialogues with external experts. Our aim is to maximize corporate value and create social value and economic value by tacking these five material sustainability issues.

<Material Sustainability Issues under SF2030>

	Material Sustainability Issues under SF2030	SF2030 Targets
1	**Resolving Social Issues through Our Business** Creating social value and driving OMRON's sustainable growth by resolving social issues through our business	The state of contributing to the sustainable development of society by resolving the social issues tackled groupwide, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy from the social change factors focused on in SF2030: an aging population, climate change, and economic disparity among individuals
2	**Maximizing the Capability to Innovate Driven by Social Needs** Evolving business models, endowing OMRON with the competitiveness required for achieving sustainable growth, and expanding new business generation efforts	The state of continuously generating new businesses by demonstrating our capability to innovate driven by social needs in both existing and new business domains, through actions such as evolving essential core technology development and incorporating it into business models
3	**Generating Diverse Talent Taking on the Challenge of Value Creation** Evolving human resources management to bring out the capabilities and skills of OMRON's diverse talent, who will be the source of OMRON's sustainable growth	The state of bringing diverse talent together where everyone can succeed, regardless of nationality, gender, or work style, where OMRON provides opportunities for its diverse talent to grow and evolves its human resources management to maximize their capabilities and skills
4	**Achieving Decarbonization and Lower Environmental Impact** By viewing climate change from the two aspects of opportunities and risks, practicing corporate social responsibility and building further competitive advantage	The state of building further competitive advantage while solving social issues through reducing greenhouse gas (GHG) emissions in the value chain and establishing a resource recycling model ●Scope 1 and 2 (Note 1): 65% cut vs. FY2016 ●Scope 3, Category 11 (Note 2): 18% cut vs. FY2016
5	**Respecting Human Rights in the Value Chain** As part of our corporate social responsibility, exerting our influence for the respect of human rights for workers in the value chain and at OMRON	In line with the UN Guiding Principles on Business and Human Rights, the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not permit or cause human rights violations

Notes: 1 Scope 1 and 2: Greenhouse gases emitted directly or indirectly from the company's own operations.
2 Scope 3 Category 11: Scope 3 corresponds to greenhouse gas emissions from the company's value chain. Of these emissions, Category 11 corresponds to emissions from the use of products and services manufactured or sold, etc.

*More details about SF2030 including the "Direction of OMRON's Evolution in SF2030" are available on our website: https://www.omron.com/global/en/sf2030/

*For more information on the Sustainability Key Issue Identification Process, please visit the website: https://sustainability.omron.com/en/omron_csr/sustainability_management/

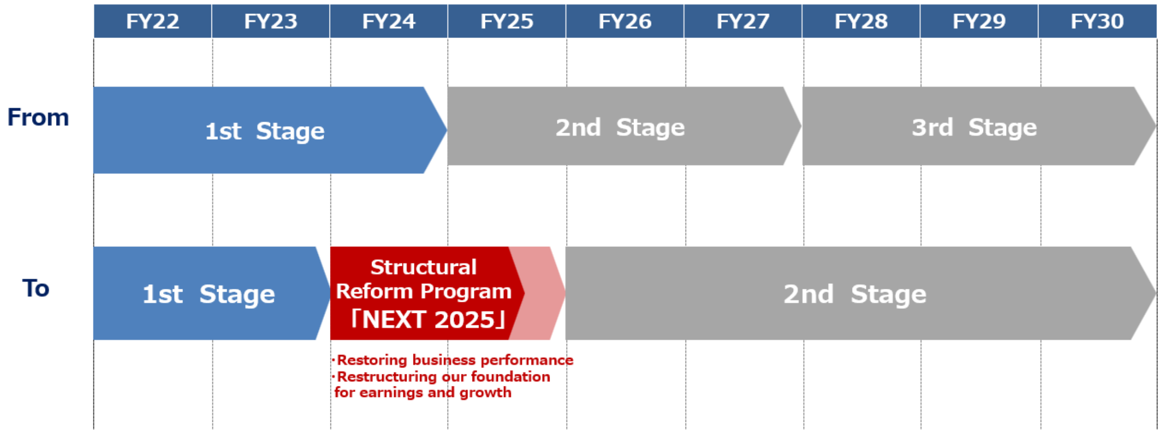
(3) Changes to Medium-Term Management Plan (SF 1st Stage) on “SF2030”

The Group designated the period spanning fiscal 2022 to fiscal 2024 as its medium-term management plan (hereinafter “SF 1st Stage”) and positioned it as a period of accelerating the transformation of OMRON to create value in response to social issues and to grow sustainably towards the achievement of the SF2030 vision, with the aim of capturing the growth opportunities that emerge from changes in social structures and achieving strong growth by tapping into the resulting competitiveness. However, the business environment deteriorated more than expected during fiscal 2023 due to the slowdown of the Chinese economy and supply chain disruptions. The Group was unable to respond to this rapid change in the environment, as operations of certain businesses and areas driving Group growth were unbalanced, resulting in a significant decline in company performance.

In response to these circumstances, the Group has decided to withdraw its medium-term management plan (SF 1st Stage), which was originally scheduled to run through fiscal 2024, and to designate the period from April 1, 2024 to September 30, 2025 as a structural reform period to implement the Structural Reform Program NEXT2025.

The next medium-term management plan (SF 2nd Stage) is planned from fiscal 2026 to fiscal 2030.

<Change of Medium -term- Management Plan>



(4) Structural Reform Program NEXT 2025

Under Structural Reform Program NEXT 2025, which is scheduled to run from April 1, 2024, to the end of September 2025, we will address the two management issues of rebuilding the Industrial Automation Business as quickly as possible and restructuring our foundation for earnings and growth and implement five management measures to ensure sustainable sales growth and profitability, as well as to achieve sustainable enhancement of corporate value.

The specific status of each management measure is as follows.

<Progress of NEXT2025 management measures>

		The original plan	Progress (as of March 2025)
Immediate restructuring of the Industrial Automation Business	**Initiatives for re-growth of the Industrial Automation Business**	・We will revise strategies and plans from a customer perspective and from the viewpoint of effectiveness for re-growth of the business. ・In order to maximize operating margins in the Industrial Automation Business during the structural reform period and establish a growth foundation that realizes the growth expected in SF2030, we will review resource allocation and accelerate implementation of measures.	・The 10 task forces for transformation to strengthen the business foundation (customer base/business operations) have moved into the implementation phase. ・By reliably capturing customer needs, expanding the customer base, and responding quickly to feedback on products and services, we aim to create a virtuous cycle of increasing customer satisfaction and achieve stable growth.
Rebuilding the foundation for profit and growth	**Portfolio Optimization**	・We will optimize business, product, and area portfolios, and areas to strengthen resistance to changes in the business environment surrounding the business and achieve sustainable growth accompanied by profits. ・The Data Solution Business will take the lead in accelerating the creation of data solution businesses within the Industrial Automation Business, Healthcare Business, and Social Systems, Solutions and Service Business, leveraging the capabilities of JMDC.	・All businesses were re-evaluated, and priority investments in growth businesses/areas and monetization efforts and convergence studies for low-profit businesses were completed. Going forward, we will complete actions for our main businesses and implement priority investments in our key businesses.
	Headcount and Capacity Optimization	・We will work to build a personnel and personnel cost structure resilient to the rapidly changing business environment.	・A total of 2,526 people at home and abroad have agreed to retire or agree to retire, and personnel optimization has been completed. In addition, we have implemented optimal arrangement of management layers and strengthening measures, and worked to strengthen key human resources for business growth.
	Fixed Cost Productivity Improvements	・The entire Group will pursue maximum fixed cost productivity. ・We will adopt and apply consistent fixed cost discipline to maintain a ratio of SG&A expenses to net sales of less than 30% over the medium term (less than 28% when excluding JMDC. Result for fiscal 2023 was 32.0%).	・As a result of proceeding with new initiatives aimed at improving fixed cost productivity, such as thorough fixed cost management based on the new fixed cost discipline, consolidation of indirect material purchases, and consolidation of bases, a fixed cost reduction of approximately JPY26 billion was achieved in FY2024.
	Introduction and Operation of a Customer-Driven Management System	・We will introduce and execute measures to orient management, business, and headquarters management toward customer-driven thinking and behavior.	・We have set the customer-driven approach as the company-wide guideline, and established KPIs to embody customer-driven thinking and actions and began implementation in all divisions. ・We have designed new human resource policies that will enable management to embody customer-driven thinking and behavior, and we began implementing these policies.

・Role of Data Solution Business and Progress of Collaboration with JMDC

To date, the OMRON Group has provided products to a diverse range of customers, including production sites, social infrastructure, and general consumers, contributing to solving issues faced by customers through the features of its products. In recent years, social issues are becoming increasingly complex. As a result, the issues faced by customers are becoming increasingly difficult to resolve. OMRON does not simply provide the functions of its products (tangible service), but it also provides new value in the form of problem-solving through the use of its products (intangible service). Data is the source of information for knowing and deeply understanding customer issues, and the role of the Data Solution Business is to create solutions based on that data.

Since entering a capital and business alliance with JMDC, this new model of value delivery is not limited to healthcare, but is being expanded to the Social Solutions and Industrial Automation domains, where the collaboration with JMDC is steadily progressing.

<Progress of collaboration with JMDC>

Business domains	Key areas of collaboration	The overview of initiatives
Healthcare Solutions	Proactive Health	• Began developing algorithms for building preventive solutions based on the utilization of data obtained from OMRON's health equipment (devices).
	Corporate Health	• Supported JMDC's marketing and business expansion for companies through the operation of the Health & Productivity Management Alliance. • The participation of JMDC, which has strengths in data utilization, will enhances the appeal of the Alliance's emphasis on data utilization
Social Solutions	Smart Management & Service	• Multiple proof-of-concept trials for on-site visualization solutions are conducted for retail and other customers. • FAQ suggestion tool to improve efficiency of maintenance is deployed internally and is undergoing evaluation.
Social Solutions × Industrial Automation	Carbon Neutral Solutions	• An algorithm is developed to assess the business value impact of greenhouse gas reduction efforts in the manufacturing sector, including benchmarking against other companies.

In Healthcare Solutions, we are advancing the sophistication of solutions that contribute to disease prevention by combining home health devices, such as blood pressure monitors and electrocardiographs, with medical data and advanced data science technologies. In addition, OMRON's influence in the industry has helped the Health & Productivity Management Alliance to gain support for its efforts to promote health management and increase working life expectancy, leading to an expansion of JMDC's customers.

Social Solutions' Smart Management & Service Business develops measures to address issues such as labor shortages and soaring operating costs by visualizing the store or business site.

In addition to Social Solutions, the Carbon Neutral Solutions theme includes the Industrial Automation business domain. We provide information that contributes to management decisions by expressing non-financial initiatives, such as greenhouse gas reductions required of manufacturing companies, in terms of business value.

See the contents below for Omron's collaboration with JMDC.

Special Dialogue Content: Evolution of Omron × JMDC
(Information as of September 2024)

https://www.omron.com/global/en/integrated_report/movie/movie_2024_01/

2. Fundamental Policy and Initiatives for Sustainability

Since its founding, the OMRON Group has achieved growth by creating social value through its business and contributing to the development of society. The driving force behind this growth has been the "Our Mission" of "to improve lives and contribute to a better society." This mission embodies the spirit of our company as a public institution, our ambition to be a pioneer in creating innovation, and our desire to build a better society. Sustainability in the Group is all about putting the OMRON Principles into practice. In the ongoing SF2030, we deliberated on five material sustainability issues from three perspectives: "the OMRON Principles and fundamental purpose," "backcasting from a society envisioned for 2030 and beyond," and "calls on companies to contribute to environmental and social sustainability." The five material sustainability issues were identified through management discussions, reflecting suggestions gained through internal discussion and dialogues with external experts.

The below describes (1) OMRON's overall view of sustainability as its approach to sustainability, and three material issues among five material sustainability issues of the Company in the thematic areas of (i) governance, (ii) strategy, (iii) risk management, and (iv) metrics and targets.

<Sustainability Concepts and Initiatives>

Overall picture of sustainability	**(1) OMRON's Policy and Initiatives for Sustainability**
Three material issues	**(2) Initiatives related to human capital**
	(3) Initiatives related to environment (climate change)
	(4) Initiatives related to human rights

(1) OMRON's Policy and Initiatives for Sustainability

(i) Governance

The OMRON Group has established a company-wide management structure to implement sustainability initiatives on a global basis. The Sustainability Committee has been established in the operating divisions and the status of initiatives to address material sustainability issues is regularly reported to the Executive Council, where progress status and issues are discussed. These sustainability initiatives are regularly reported to the Board of Directors to further strengthen governance throughout the Group.

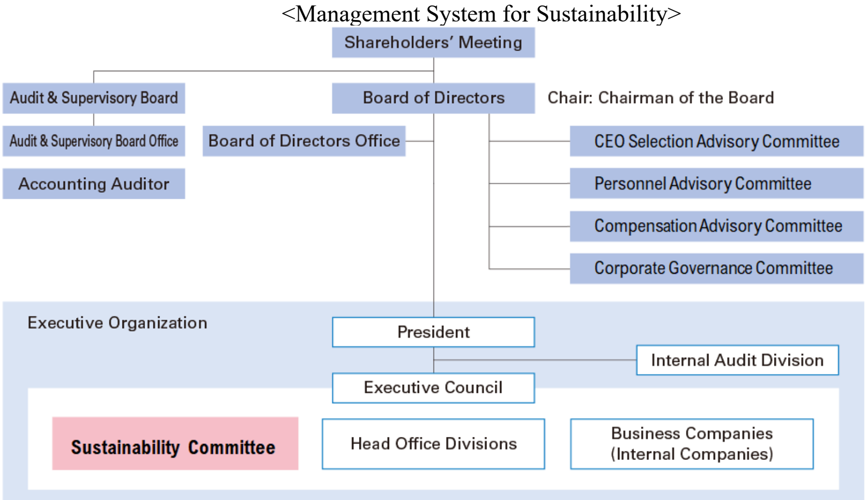
A sustainability evaluation based on the Dow Jones Sustainability Indices (DJSI)(Note) has been incorporated into the evaluation for medium- to long-term performance-linked compensation (stock compensation) for officers during the period from fiscal 2017 to fiscal 2024. In addition, the reduction of greenhouse gas emissions and the score of Sustainable Engagement Index (SEI) in an engagement survey for employees were newly added as a KPI that contributes to OMRON's growth when the officer compensation system was revised in fiscal 2020.

The adoption of third-party sustainability evaluation enhances fairness and transparency, and the disclosure of sustainability policies, targets, KPIs, and progress on the website and others enhances dialogue with stakeholders in order to evolve the initiatives.

For details of the officer compensation system, please see "(i) Content of Officer Compensation" in "(4) Officer Compensation," in "4. Corporate Governance, etc.," in "Part IV. Information about the Reporting Company."

Note: DJSI is a stock index related to ESG of the U.S. S&P Dow Jones Index, which evaluates corporate sustainability from three aspects: governance & economy, environment, and society

<Management System for Sustainability>



Note: The Sustainability Committee identifies material issues related to sustainability in the focus domains, head office functional departments, and various committees (the Corporate Ethics & Risk Management Committee, the Information Disclosure Executive Committee, the Group Environment Activity Committee, etc.) and oversees them company-wide.

(ii) Strategy

OMRON's fundamental purpose is to create social value through business and continue to contribute to the development of society. To achieve this, we have identified material sustainability issues that OMRON should focus on and incorporated them into its Long-term Vision SF2030. "SF2030" aims to maximize corporate value by integrating business and sustainability to create both social and economic values. The material sustainability issues in SF2030 and the details of targets are described in "1. Management Policy, Management Environment, and Issues to be Addressed under Part II Business Conditions."

<Material Sustainability Issues/Targets and Sustainability Initiatives in SF2030>

	Material Sustainability Issues under SF2030	SF2030 Targets	Major Sustainability Initiatives
1	**Resolving Social Issues through Our Business** Creating social value and driving OMRON's sustainable growth by resolving social issues through our business	The state of contributing to the sustainable development of society by resolving the social issues tackled groupwide, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy from the social change factors focused on in SF2030: an aging population, climate change, and economic disparity among individuals	Work through each business
2	**Maximizing the Capability to Innovate Driven by Social Needs** Evolving business models, endowing OMRON with the competitiveness required for achieving sustainable growth, and expanding new business generation efforts	The state of continuously generating new businesses by demonstrating our capability to innovate driven by social needs in both existing and new business domains, through actions such as evolving essential core technology development and incorporating it into business models	Work through each business
3	**Generating Diverse Talent Taking on the Challenge of Value Creation** Evolving human resources management to bring out the capabilities and skills of OMRON's diverse talent, who will be the source of OMRON's sustainable growth	The state of bringing diverse talent together where everyone can succeed, regardless of nationality, gender, or work style, where OMRON provides opportunities for its diverse talent to grow and evolves its human resources management to maximize their capabilities and skills	**"Human Capital" Initiatives**
4	**Achieving Decarbonization and Lower Environmental Impact** By viewing climate change from the two aspects of opportunities and risks, practicing corporate social responsibility and building further competitive advantage	The state of building further competitive advantage while solving social issues through reducing greenhouse gas (GHG) emissions in the value chain and establishing a resource recycling model ●Scope 1 and 2 (Note 1): 65% cut vs. FY2016 ●Scope 3, Category 11 (Note 2): 18% cut vs. FY2016	**"Environment (Climate Change)" Initiatives**
5	**Respecting Human Rights in the Value Chain** As part of our corporate social responsibility, exerting our influence for the respect of human rights for workers in the value chain and at OMRON	In line with the UN Guiding Principles on Business and Human Rights, the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not permit or cause human rights violations	**"Human Rights" Initiatives**

Notes: 1. Scope 1 and 2: Greenhouse gases emitted directly or indirectly from the company's own operations
2. Scope 3 Category 11: Scope 3 corresponds to greenhouse gas emissions from the company's value chain. Of these emissions, Category 11 corresponds to emissions from the use of products and services manufactured or sold, etc.

In fiscal 2024, we withdrew the medium-term management plan as a result of the implementation of NEXT2025 and implemented each initiative as a single-year initiative. Initiatives for human capital, environment (climate change), and human rights addressed mainly in relation to sustainability were as follows.

<List of Major Sustainability Initiatives for FY2024>

Sustainability Initiatives	Initiatives	Initiatives in FY2024
Human Capital	Optimization of personnel and personnel cost structure	- Global optimization of personnel and personnel cost structure
	Capability transformation of human resources	- Management (Executive Officers and managers) is particularly focused in fiscal year 2024 on strengthening their management capabilities to balance performance management and people management effectively, aiming to draw out the potential of diverse talent and create new customer value.
Environment (Climate change)	Reduction of greenhouse gas emissions	<Scope1 and 2> - Through the adoption of renewable energy sources, advancement of comprehensive energy-saving efforts while working to decarbonize electricity use - Utilization of renewable energy-derived solutions offered by our own businesses, such as "J-Credits(Note 1)" and "self-consignment(Note 2)." <Scope 3> - Regarding Category 11, promotion of energy-saving design of new products, miniaturization and weight reduction, and replacement with low power consumption products in each business area.
	Environmental evaluation framework	- To understand greenhouse gas emissions throughout the product life cycle, OMRON has established common CFP (Note 3) calculation guidelines based on international standards such as ISO 14067. - In the Device & Module Solutions Business, OMRON has begun disclosing greenhouse gas emissions calculated based on the same guidelines for high-capacity power relays for EVs and storage battery systems.
Human Rights	Human rights due diligence	- Completed the establishment of a global human rights governance framework - Continuing the human rights due diligence cycle in accordance with the UNGPs - Established the "OMRON AI Policy" and initiated the operation of the AI Governance Committee.
	Redress mechanism	- Operational improvements to enhance the convenience and reliability of the redress mechanism.

Notes: 1. J-Credits: A system in which the government certifies environmental value (i.e., the effect of avoiding CO2 emissions).
2. Self-consignment: A power supply system that allows businesses that have their own power generation facilities to transmit and supply power generated by those facilities to their factories and offices in remote areas via the power grids of general transmission and distribution companies and to use such power.
3. CFP: Carbon footprint. The amount of greenhouse gas emissions throughout the entire life cycle of a product or service, from procurement of raw materials to disposal and recycling, converted to CO2 emissions.

(iii) Risk Management

Information is provided in "Part II. Business Conditions 3. Risks of Business, etc."

(iv) Metrics and Targets

In order to achieve SF2030, we have set FY2030 targets and single-year targets for each of the five material sustainability issues. We have also established non-financial targets consisting of 11 items that integrate financial targets with business strategy and sustainability. During the NEXT2025 period (April 1, 2024 to September 30, 2025), we have set single year targets and continue our efforts.

<Targets and Progress of Material Sustainability Issues in SF2030>

1 Resolving Social Issues through Our Business ⇒ Work through each business

SF2030 Targets	The state of contributing to the sustainable development of society by resolving the social issues tackled Group-wide, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy from the social change factors focused on in SF2030: an aging population, climate change, and economic disparity among individuals		
KPI		Single year results FY2023	FY2024
	Sustainability Sales (Vs. FY2021)	+33% (Vs. FY2021)	+29% (Vs. FY2021)

2 Maximizing the Capability to Innovate Driven by Social Needs ⇒ Work through each business

SF2030 Targets	The state of continuously generating new businesses by demonstrating our capability to innovate driven by social needs in both existing and new business domains, through actions such as evolving essential core technology development and incorporating it into business models		
KPI		Single year results FY2023	FY2024
	New businesses created	31	34

3 Generating Diverse Talent Taking on the Challenge of Value Creation ⇒ "Human Capital" Initiatives

SF2030 Targets	The state of bringing diverse talent together where everyone can succeed, regardless of nationality, gender, or work style, where OMRON provides opportunities for its diverse talent to grow and evolves its human resources management to maximize their capabilities and skills		
KPI	Kpi for Human Capital	Single year results FY2023	FY2024
	Investment in human resource development(Note 1)	Approx. 1.4 billion yen	–
	Ratio of non-Japanese in key managerial positions overseas(Note 1)	Over80%	–
	Participation Ratio of people manegement training	–	Japan : 91%
	Ratio of women in managerial roles (OMRON Group worldwide)	19.1%	20.5%
	Number of overseas sites employing employees with disabilities (at 28 overseas sites)	Overseas: 28 sites achieved	Overseas monitoring
	Ratio of employees with disabilities (OMRON Group in Japan)	3.5%	3.5%
	VOICE	76P(Note 2)	63P

4 Achieving Decarbonization and Lower Environmental Impact ⇒ "Environment (Climate change)" Initiatives

SF2030 Targets	The state of building further competitive advantage while solving social issues through reducing greenhouse gas (GHG) emissions in the value chain and establishing a resource recycling model • Scope 1 and 2*1 : 65% cut vs. FY2016 • Scope 3, Category 11*2 : 18% cut vs. FY2016		
KPI	KPI for Climate change	Single year results FY2023	FY2024
	Scope1･2	▲68% (Vs. FY2016)	▲74% (Vs. FY2016)
	number of carbon Zero sites in Japan	Japan : all 76 sites	Japan : all 75 sites (Decreasing number of sites)
	Scope 3, Category 11	▲32% (Vs. FY2016)	▲26% (Vs. FY2016)

5 Respecting Human Rights in the Value Chain ⇒ "Human Rights" Initiatives

SF2030 Targets	In line with the UN Guiding Principles on Business and Human Rights, the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not permit or cause human rights violations		
KPI	KPI for Human Rights	Single year results FY2023	FY2024
	Implementation of human rights due diligence	Implementing and improving human rights due diligence at our own sites, areas with high potential risks at our suppliers, and at our sites	Establish a PDCA cycle system and operations for human rights due diligence
	Establish human rights redress mechanisms	Using JaCER to expand relief recipients to include customers and society	

Notes: 1. Targets that have been withdrawn during the period of NEXT2025.
2. The engagement survey “VOICE” is conducted every two years. The results of the FY2022 survey are presented in the FY2023 results.

(2) Initiatives related to human capital

(i) Governance

The OMRON Group monitors the realization of our Long-term Vision “SF2030” and the progress of the the Structural Reform Program “NEXT 2025” as key themes of the Board of Directors management policy for FY2024.

For details of the discussion on the realization of our Long-term Vision “SF2030” and the progress of the Structural Reform Program “NEXT 2025” at the Board of Directors, please refer to the “Results of evaluation of the Board of Directors’ effectiveness for fiscal 2024” below.
https://www.omron.com/global/en/assets/file/about/corporate/governance/chart/20250602_governance_effectiveness_e.pdf

Recognizing that a Human Capital strategy is one of the key drivers in company management going forward, with the primary purpose of further implementing initiatives to “promote greater resonance of the OMRON Principles” “develop leaders and assign right talents to right place,” and “create an attractive corporate culture for all employees,” under the leadership of CHRO, we are promoting our human capital initiatives.

(ii) Strategy

“SF2030” Human Capital Strategic Vision

Employees are the driving force of OMRON’s creation of social value through business, a target under “SF2030.” At the OMRON Group, we will build a new relationship between the company and its employees in which they choose each other and grow together. Based on this premise, we will globally implement a human capital strategy to ensure the OMRON Group continues to attract diverse talented people who aspire to resolve social issues through the practice of its corporate philosophy and encourage each employee to seize the initiative and demonstrate his/her abilities.

SF2030 Human Capital Strategic Vision

Inspired by the corporate philosophy of “contributing to a better society,” the company and its employees will always choose each other and continue growing together.

Progress of Initiatives during the Structural Reform Program

In order to realize the vision of SF2030 even in a rapidly changing business environment, we believe it is necessary to create a strong organization in which each employee can move independently and grow sustainably. To this end, we worked to optimize the workforce and labor cost structure and to transform the capabilities of its human capital.

Key initiatives

- Workforce and labor cost structure optimization

We worked to globally optimize the workforce and labor cost structure to realize increased customer value and achieve profitable growth. As a result, a total of 2,526 personnel worldwide (1,206 domestic and 1,320 overseas) have resigned or agreed to retire to realize a new career.

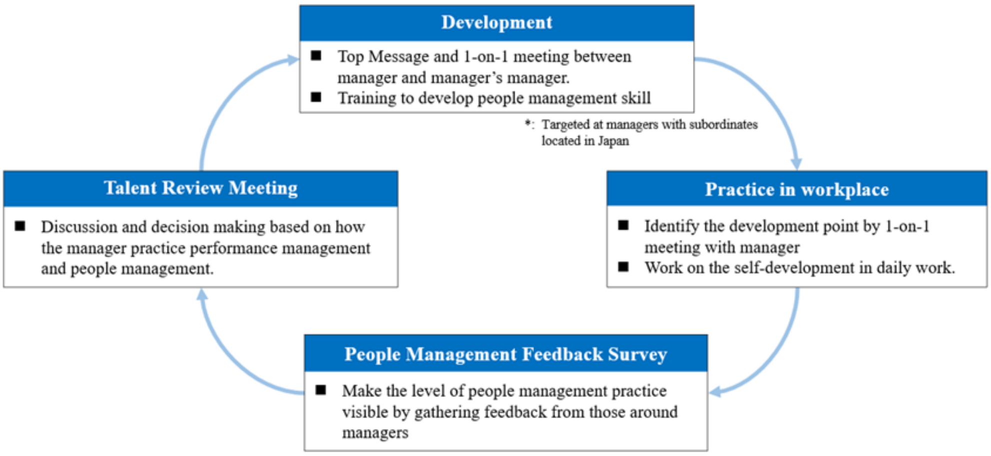
- Transformation of capabilities of human capital

- Enhancing manager’s management skills to accelerate business growth (strengthening people management skill)

Management team in Omron overall (Executive Officers and managers) is working on strengthening our management capabilities to balance “performance management” and “people management” effectively, aiming to draw out the potential of diverse talent and create new customer value. Performance management is concerned with achieving results as a team in creating customer value. People management focuses on the three skills of Storytelling to energize people, Open communication with psychological safety, and Empowerment for drawing out everyone's strengths and has introduced a Process to visualize the behavior of managers and promote the right talents in the right places.

The mechanism for transforming the quality of leadership is as follows. First, top management messages and dialogues between manager and the manager’s manager are used to deepen understanding of the management style expected. Basic people management skills are acquired through training. Next, the participants work on behavior change by checking individual areas for improvement through 1-on-1 meetings with their supervisors and visualize the degree of implementation by receiving feedback surveys from their subordinates and peers. Then, in the Talent Review Meeting, assignment to managerial role and development plan for each manager is discussed, leading to the strengthening of the management capabilities of the entire organization. Going forward, all managers in our group will work to develop their people management skills and accelerate the sustainable growth of employees.

<Process to enhance the management skills >



-Transformation to an organizational culture that seizes the initiatives and demonstrate his/her abilities (Advancements of Voice and pursuing resolution actions to solve organizational challenges)

In order to achieve sustainable growth even in a rapidly changing business environment, we believe it is important to create an organization and culture in which each and every employee is motivated to contribute initiatively and can demonstrate his/her abilities. To achieve this goal, we have evolved our employee engagement survey (VOICE) in FY2024. Until now, we have focused on challenges common to the entire company, but going forward, in addition to company-wide challenges, we will identify challenges that are occurring more on-site. This will allow employees to take action more agilely and autonomously. Therefore, we decided to conduct the VOICE every year, which had previously been conducted every two years, and changed the questions to allow for a more specific understanding of the engagement issues and factors that vary from organization to organization. The survey results are then shared with all employees, and engagement workshops are held to dialogue about the different challenges and strengths of each organization, with both managers and members taking the initiative in developing an organization that makes sense to them.

In the most recent VOICE conducted in January 2025, the Group's overall engagement score[Note 1] was 63 points. In the future, we will accelerate the transformation to an organizational culture that improves engagement and generates initiative through high-cycle implementation of actions on organizational challenges that are more actionable through the advancements of VOICE. Key advancements of VOICE

Note: 1. Although the survey content and indicators for the engagement survey (VOICE) have been changed since the January 2025 survey, the FY2024 targets and results have been converted to scores based on past calculation methods for the purpose of comparison over time.

<Key advancements of VOICE

	VOICE (until FY22)	VOICE (from FY24)
Frequency	**Biennially** Planned with a view toward execution and the timeframe needed to monitor changes.	**Annually** Capture the organization's condition in shorter cycles to identify emerging challenges and resolve them swiftly.
Actions for improvement	**Promoting implementation led by management** Implement management-led actions to address company-wide challenges and guide them to resolution.	**An organization-wide collaborative effort** Complementing management-driven efforts, individual teams lead initiatives to resolve their own organizational challenges.

(iii) Risk Management

Information is provided in "⑨ Human Resources and Labor in (3) Addressing Important Group Risks and Analysis Thereof under 3. Risks of Business, etc. in Part II. Business Conditions."

iv) Metrics and Targets

The targets and progress of the main initiatives during the structural reform period undertaken in FY2024 are as follows.

Key Initiatives	KPI Item	FY2024 Target	FY2024 Actual
Enhancing manager's management skills to accelerate business growth	Participation Rate in People Management Training (Note 1)	More than 80% of managers in Japan	Japan 91%
Transformation to an organizational culture that seizes the initiatives and demonstrate his/her abilities	VOICE Engagement Score (Note 2)	70 points or higher	63 points

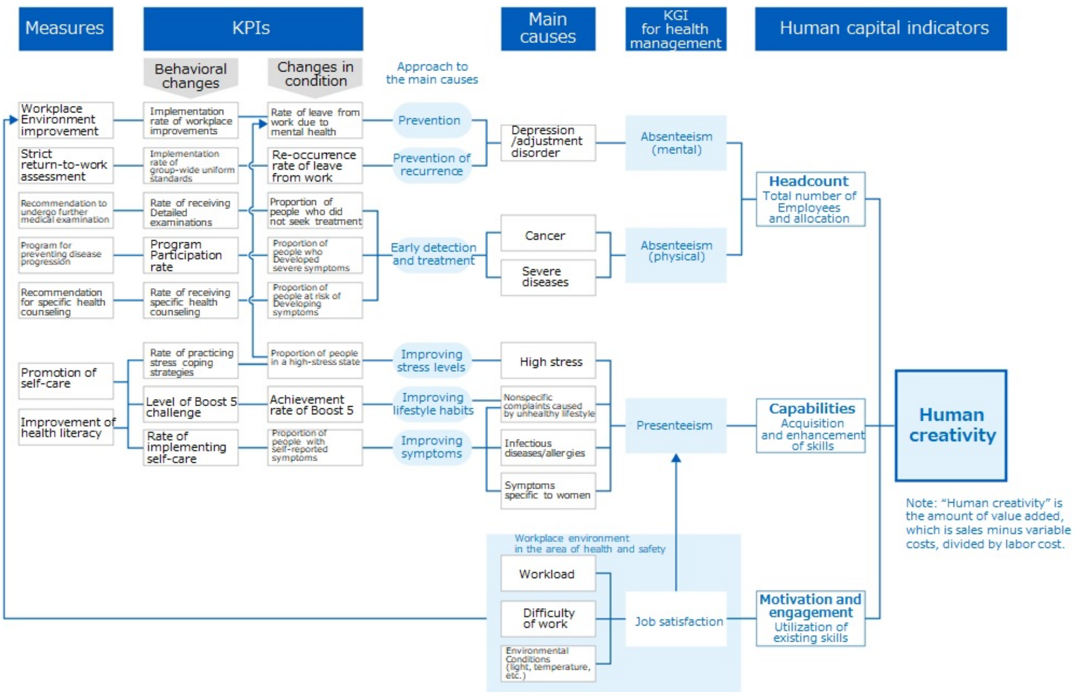
Notes: 1. Participation rate as of the end of March 2025 for managerial personnel with domestic subordinates
2. Although the survey content and indicators for the engagement survey (VOICE) have been changed since the January 2025 survey, the FY2024 targets and results have been converted to scores based on past calculation methods for the purpose of comparison over time.

(Reference) Evolution of Health and Productivity Management

In 2017, OMRON established the "OMRON Employee Health and Productivity Management Declaration" and has been promoting employee health throughout the company with the aim of reducing future health risks for employees, which is essential for the company's development. And now, as the entire company focuses on NEXT2025, the importance of strengthening the foundation for employees to take the initiative and improve their productivity is increasing, and our health and productivity management initiatives have evolved from practicing traditional health promotion to building a foundation for each and every employee to continue to fulfill their potential.

In 2023, We have positioned health and productivity management as a human capital management initiative and have set "absenteeism" and "presenteeism" as KGIs for health and productivity management. We are working on improvements while analyzing health data of each employee, personnel data, and data related to the working environment from various perspectives. In 2024, we also created the "OMRON Health and Productivity Management Strategy Map" to visualize the linkage between health and productivity management and indicators related to human capital, which has been an issue up to now. It not only enhances the effectiveness of health and productivity management initiatives but also serves as a scenario map that clarifies the strategy and story.

<OMRON Health and Productivity Management Inverse Tree>>



Furthermore, we are working to build personalized health promotion and severe disease prevention solutions by combining and analyzing medical data held by our group company, JMDC Inc., with vital and activity data and other data held by us. The "Health Risk Landscape" created by JMDC based on anonymously processed receipt data and health checkup data to categorize the risk of lifestyle-related diseases among employees, is also effective in our health and productivity management by visualizing the high-risk groups in terms of employees' health, and in considering priority measures.

We will continue to maximize the performance of our employees who take on the challenge of solving social issues through the practice of health and productivity management and sustainable growth of the company.

*Please refer to the below for details of our health and productivity management initiatives.
https://www.omron.com/global/en/sustainability/social/wellness-management/

(3) Initiatives related to environment (climate change)

The Group believes that creating an environmentally sustainable society corresponds to the OMRON Principle of “contributing to a better society,” and is proactively working to address global issues such as climate change and resource recycling. In particular, we view “reducing greenhouse gas (GHG) emissions,” “transitioning to a circular economy,” and “coexisting with nature” as important environmental issues to be addressed. By ensuring effectiveness and establishing frameworks, we are committed to contributing to the creation.

(i) Governance

- OMRON Environmental Policy

OMRON revised the OMRON Environmental Policy on March 1, 2022, as important guidelines to promote the material sustainability issues of SF2030, which are “resolving social issues through our business” and “achieving decarbonization and lower environmental impact,” and to achieve the targets. Under this policy, we have defined the key environmental issues OMRON should address and action guidelines and will promote decarbonization and lower environmental impact. Going forward, OMRON will work to solve environmental issues throughout its value chain in accordance with this policy, thereby enhancing its corporate value by meeting the expectations of stakeholders.

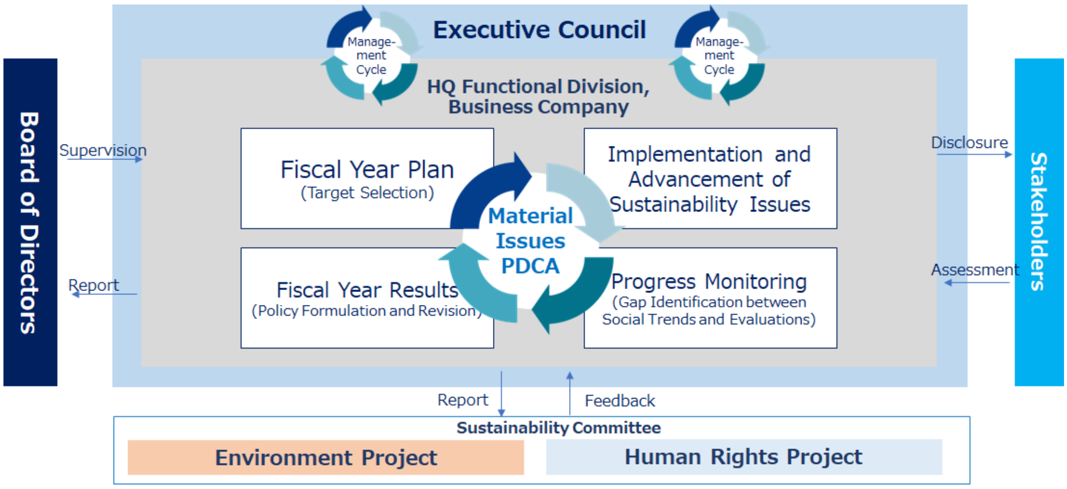
*Please refer to the below for the OMRON Environmental Policy.
https://www.omron.com/global/en/sustainability/environ/management/vision/

- Role and oversight of the Board of Directors regarding climate change

OMRON management and executives work together to address environmental issues, with the Board of Directors fulfilling its responsibility for supervision and oversight. Specifically, the President and CEO delegates authority to the individual executive division heads, who are responsible for pursuing environmental issues such as climate change and creation of circular economies. We have established a governance structure in which the President and CEO reports to the Board of Directors on progress status and important matters, while the Board makes decisions and carries out oversight of executive matters.

Furthermore, as part of efforts to strengthen sustainability governance, which includes environmental initiatives, the director in charge of environment and the executive officer in charge of sustainability promotion were appointed in fiscal 2023. In addition, the Sustainability Committee chaired by the executive officer in charge of sustainability promotion holds meetings to deliberate on environmental measures across the Group and ensure compliance with environmental laws. To strengthen company-wide efforts, we established the Environmental Project directly under the Sustainability Committee to discuss how to address material issues on a first-line, practical basis and to monitor the progress of fiscal year plans.

<Entire Company Sustainability Management and Environmental Project>



<Overview of the Sustainability Committee (Environment-related Themes)>

Bodies	Members	Agenda items	Frequency
Sustainability Committee (Environment-related themes)	- Director in charge of environment - Executive Officer in charge of sustainability promotion - Heads of strategy planning division of business companies, etc.	- Environmental evaluation framework - Progress with CFP initiatives - Environmental laws and regulations - Next fiscal year plans, etc.	In principle held on a quarterly basis

(ii) Strategy

OMRON aims to solve social issues through the reduction of GHG emissions in its value chain and the establishment of a resource recycling model by FY2030, as well as to achieve a state in which further competitive advantages are built. Specific initiatives are shown in the table below.

<Major initiatives related to environment (climate change)>

Initiatives	Strategy
Reduction of greenhouse gas emissions (Scope 1, 2)(Note 1)	- Through the adoption of renewable energy sources, advancement of comprehensive energy-saving efforts while working to decarbonize electricity use - Utilization of renewable energy-derived solutions offered by our own Energy Solution Business, such as "J-Credits(Note 2)" and "self-consignment(Note 3)."
Reduction of greenhouse gas emissions (Scope 3 Category 11)(Note 1)	- In order to reduce Scope 3 Category 11 emissions, which account for approximately 70% of greenhouse gas emissions across the entire value chain, we advance the development of highly energy-efficient products and products that are compact and lightweight in each business and promote expansion of the lineup of such products.
Environmental evaluation framework	- A system that evaluates products from a lifecycle perspective and visualizes their environmental performance with the aim of realizing a sustainable economy. The aim is to promote OMRON's environmental initiatives and enhance customer value. - Based on the EU Taxonomy, we evaluate each environmental characteristic that needs to be addressed for achieving a sustainable economy and confirm that all products are environmentally friendly "environmentally conscious products." Additionally, we designate products that demonstrate outstanding effects in specific environmental characteristics as "environmentally contributing products" and define them as products that contribute to the realization of a sustainable economy

Notes: 1. Scope 1 and 2: Greenhouse gases emitted directly or indirectly from the company's own operations.
Scope 3 Category 11: Scope 3 corresponds to greenhouse gas emissions from the company's value chain. Of these emissions, Category 11 corresponds to emissions from the use of products and services manufactured or sold, etc.
2. J-Credits: A system in which the government certifies environmental value (i.e., the effect of avoiding CO2 emissions).
3. Self-consignment: A power supply system that allows businesses that have their own power generation facilities to transmit and supply power generated by those facilities to their factories and offices in remote areas via the power grids of general transmission and distribution companies and to use such power.

Climate-related risks and opportunities identified by the OMRON Group for each product and service market are as follows:

<Overview and response to climate change risks and opportunities of the OMRON Group>

Type of Risks Opportunities			Time Horizon	Overview of Risks and Opportunities	Business and Financial Impact		Response to Risks and Opportunities
					1.5℃/2℃	4℃	
Risks	Transition	Government Policy and Regulations	Medium Term	・Increase in business costs for compliance with climate change regulations (introduction of carbon tax, emissions trading circular economy regulations, etc.)	Small	Small	・Planned energy conservation and use of renewable energy (adopted high-efficiency air-conditioning equipment, expanded renewable energy in-house power generation, purchased J-Credits from social system projects), etc.
		Markets and Technology	Short /Medium Term	・Increased competition in areas related to decarbonization (Improved environmental performance of products, reduced carbon footprint, etc.)	Small	Small	・Developing products and services to solve environmental issues (reduced greenhouse gas emissions and compliance with circular economy regulations, etc.)
		Reputation	Short /Medium Term	・Change in reputation among investors due to inability to meet customer needs	Small	Small	・Responding aggressively to climate change/circular economy to attract ESG investment, adding value to products, etc.
	Physical	Acute	short	・Suspension of operations at locations or partner factory prodution facilities due to severe natural disasters (floods, torrential rain, water shortages, etc.), suspension of parts and materials procurement	Small (Note)	Small (Note)	・Build resilience through business continuity plans(BCP) for our own locations ・Secure multiple suppliers, focusing on semiconductors, continue to strenghen the switch to low-risk parts and materials procurement through design changes, develop supply chain strategies to enhance medium- to long-term resilience, etc.
Opportunities	Products, Services and Markets	Industrial Automation Business	Short /Medium Term	・Increased opportunities to provide factory automation equipment ・Digital devices: Increased demand for semiconductors to support the spread of environmentally friendly vehicles and Evs ・Environmental mobility: Increased demand for EV-related components such as rechargeable batteries and EV vehicles ・Foods and daily necessities: Increased demand for environmentally friendly packaging materials (plastic-free packaging, etc.) to achieve decarbonized societies	Large	Medium	・Leverage innovative-Automation to provide solutions for needs to changing production methods, new capital investment, and improved energy productivity at production sites
		Healthcare Business	Short /Medium Term	・Increased needs for environmental performance due to the growth of ethical consumption	Small	Small	・Capturing consumption demand via enhanced environmental performance (carbon reduction, circular economy, etc.)
		Social Systems, Solutions and Service Business	Short /Medium Term	Increased needs for renewable energy creation and energy management in resoinse to rising electricity price because of the following: ・The expansion of the renewable energy, livestock energy, and energy management markets accelerate the models toward private energy creation, storage, and use ・Expandind for solar power generation systems and ecpanding needs for PV inverters due to local government regulations and preferential treatment for residential solar power ・Expanding needs for bi-directional charging systems and energy supply-demand control systems in response to strengthening measures against natural disasters and rising electricity prices	Medium	Small	・Expand sales of PV inverters and storage batteries further in the energy management markets that utilize solar and other renewable energy sources ・Secure V2X and other new technologies in the energy management market
		Device & Module Solutions Business	Short /Medium Term	・Increased opportunities to provide electronic and mechanical components due to increased interest in improving the environmental performance of products and reducing carbon footprints.	Medium	Small	・Accelerated development and sales of electronic components that contribute energy savings in customer products and carbon footprint reduction in the manufacturing process (including customer manufacturing processes) ・Leverage demand and design changes for decarbonization as opportunities by capturing market trends in a timely manner

Note: Analysis was performed for physical risks described as risks by using hazard maps and AQUEDUCT for 15 major production sites, mainly in Japan and China. It found that, in the event of a disaster that occurs once every 100 years, two sites would be exposed to the risk. However, the annual impact with the recurrence interval taken into consideration is extremely small under both 1.5/2°C and 4°C scenarios; therefore, the degrees of impact are considered small.
For details, please visit the following website.
https://www.omron.com/global/en/sustainability/environ/climate_change/disclosures/

<Definition of assumptions and effects of climate change scenario>

Assumed period		Period covered by SF2030 (through fiscal 2030)
Adopted Scenarios	4°C Scenario	IPCC/RCP8.5, IEA/STEPS
	1.5/2°C scenario	IPCC/RCP2.6, IEA/SDS (partially IEA/NZE)
Time Horizon	Short-term	less than 3 years
	Medium-term	3 to 10 years
	Long-term	10 to 30 years
Scenario analysis targets		Industrial Automation Business, Healthcare Business, Social Systems, Solutions and Service Business, Device & Module Solutions Business

Impact (Note)	Large	We expect ongoing regulations, policies, etc. on climate change at our customers, markets, etc., to have an impact in the future, resulting in an estimated impact on operating income (single year) of JPY10 billion or more.
	Medium	A movement against climate change is already ongoing among our customers, markets, etc. We expect ongoing impacts to continue. However, we are aware of the changes we need to make in our responses over the medium to long term, depending on whether consumers are accepting and on judgments related to return on investment. As a result, we expect the impact on operating income (single year) to be between JPY 3 billion and JPY 10 billion.
	Small	A movement against climate change is already ongoing among our customers, markets, etc. However, we expect the medium- to long-term impact to be limited. As a result, we estimate the impact on our operating income (single year) to be less than JPY3 billion.

Note: - The degree of impact to a risk is defined as a positive or negative impact to operating income.
- The degree of impact described corresponds to the resulting impact when a response to an identified risk/opportunity is made

(iii) Risk Management

- Process to evaluate, identify, and manage risks related to climate change

The Group conducts scenario analysis of each business and comprehensively extracts “transition risk” and “physical risk” caused by climate change impacts. For each adoption scenario, these risks are visualized in terms of “actual timing” and “amount of impact on business and finance,” and the impact on business and finance is assessed. Based on the assessment, we identify risks associated with climate change that are important to the Group and integrate them into company-wide risk management as part of our business risks. Important matters concerning the formulation of countermeasures are reported to the Board of Directors.

- Integration into enterprise-wide risk management

The OMRON Group has been working on integrated risk management under a common group framework. We identify and assess climate change risks as important Group risks. We incorporate climate-related risks identified in scenario analysis into groupwide risks and monitor the risks across the entire value chain.

(iv) Metrics and Targets

- Indicators related to climate change risks and opportunities

The OMRON Group has designated indicators to manage climate-related risks and opportunities: Scope 1, 2, and 3 greenhouse gas emissions; renewable energy as a percentage of electricity used in its business activities.

- Greenhouse Gas Emission Targets and Results (Scope 1, 2, and 3)

The OMRON Group views the creation of sustainable societies in terms of the environment as its commitment to improve lives and contribute to a better society under the OMRON Principles. In July 2018, we established OMRON Carbon Zero, aiming to eliminate Scope 1 and 2 greenhouse gas emissions by 2050. In addition, one of the material sustainability issues is “achieving decarbonization and lower environmental burden.” Targets are set and progress is monitored.

Additionally, with respect to the greenhouse gas emissions targets for Scope 1 and 2 and Scope 3 Category 11, certifications for the 1.5°C target and the 2°C target have been received from the SBT Initiative(Note 1), respectively.

<Greenhouse Gas Emission Targets and Results (Scope 1, 2, and 3)>

(Unit : kt-CO2)

	FY2016 Results (Standard Year)	FY2024		FY2025 Targets	FY2030 Targets	FY2050 Targets
	Emissions	Emissions	Vs. FY2016	Vs. FY2016	Vs. FY2016	
Scope1・2 (Note 3)	250	64	△74%	△74%	△65%	zero
Scope3 Category 11	9,102	6,674	△26%	–	△18%	–

The OMRON Group improved energy efficiency toward achieving these targets. By utilizing J-Credit scheme derived from renewable energy and self-consignment provided by our own Energy Solutions Business and achieved carbon zero(Note 2) for Scope 2 emissions across all facilities in Japan in fiscal 2024.

Notes: 1. Science Based Targets Initiative (SBTi): An international initiative that encourages medium- and long-term greenhouse gas reduction targets based on scientific evidence.
2. The system covers greenhouse gas emissions (Scope 2) from the use of electricity by the Company at 11 production sites and 64 nonproduction sites (headquarters, R&D, and sales).
3. Greenhouse gas emissions (Scope 1 and 2) for fiscal 2024 will be disclosed on the OMRON corporate website. These results will be subject to a limited level of assurance by the third-party assurance firm Bureau Veritas Japan. These limited assurance engagements are in accordance with the International Standards on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information of the International Auditing and Assurance Standards Board (IAASB).
4. FY2030 targets will be reviewed based on the SBTi criteria by 2027.

(Reference) Initiatives for Coexisting with Nature (Preserving Biodiversity)

Recognizing the conservation and restoration of biodiversity as a key challenge, OMRON established its Biodiversity Policy in 2010 and has been working on "Coexisting with Nature," which is an important environmental issue to address as declared in the OMRON Environmental Policy. To further strengthen this initiative, we endorsed the concept of the Kunming-Montreal Global Biodiversity Framework, adopted in December 2022, which aims to achieve coexistence with nature and a nature-positive world, and revised the OMRON Biodiversity Policy in July 2024. In making the revision, we referred to key resources such as the disclosure recommendations and guidance by the Taskforce on Nature-related Financial Disclosures (TNFD), a framework for disclosing risks and opportunities related to natural capital. Going forward, guided by the OMRON Biodiversity Policy, the OMRON Group is dedicated to biodiversity conservation, viewing it as part of both business risk management and a growth opportunity. By doing so, OMRON is committed to contributing to generating social and economic value and achieving a nature-positive future.

<OMRON's Biodiversity Policy>

OMRON Biodiversity Policy

Basic Policy

- The OMRON Group (OMRON Corporation and its subsidiaries, hereinafter referred to as "OMRON") is dedicated to biodiversity conservation, regarding it as a part of business risk management as well as a growth opportunity. By so doing, OMRON aims to contribute to creating social and economic values and to realizing nature positive. To this end, OMRON is committed to analyzing and assessing its dependencies and impacts on natural capital and taking actions on sustainable use of natural capital.
- This Basic Policy serves as a subsidiary policy to the OMRON Environmental Policy, which represents the highest principles of our environment

Action Guidelines

1. OMRON endeavors to avoid business activities in the areas containing significant biodiversity*1. In other areas where we at OMRON may impact nature and biodiversity, we seek to mitigate such impacts through measures that include restoration, regeneration, and transformation*2 in accordance with the mitigation hierarchy*3.
2. OMRON analyzes and assesses dependencies and impacts on natural capital and incurring risks, striving to disclose information in accordance with the TNFD*4 framework.
3. OMRON is committed to considering biodiversity throughout the product lifecycle, and promoting products and services that contribute to restoring biodiversity.
4. OMRON is committed to raising awareness of the concepts of natural capital, biodiversity, and no deforestation, by offering education and information to all directors and employees, and through dialogue with external stakeholders.
5. OMRON works with all stakeholders in the value chain to act upon the Basic Policy.

*1 Locations includes areas inhabited by organisms on the Red List of Ecosystems of the International Union for Conservation of Nature and Natural Resources (IUCN); internationally recognized sites such as World Heritage Sites and Ramsar wetlands; and legally protected areas.
*2 Restoration and regeneration refer to the process of restoring and regenerating destroyed natural environments and biological populations. Transformation refers to social transformation in terms of biodiversity.
*3 The mitigation hierarchy in TNFD refers to a method of presenting strategies and measures to reduce impacts on biodiversity in a prioritized, hierarchical structure.
*4 TNFD is the Taskforce on Nature-related Financial Disclosures, an international initiative that develops and provides a framework for managing and disclosing nature-related risks and opportunities.

(Revised: July, 2024)

The Initiative for TNFD Recommended Disclosures

Since the second half of fiscal 2023, OMRON has been an active participant in the TNFD Forum, getting ready for disclosures as per TNFD recommendations. In fiscal 2024, we applied the LEAP approach to locate the state of nature around our production sites and evaluate our dependencies and impacts on natural capital. Based on the findings of “Locate (Interface with nature) and Evaluate (Dependencies & impacts), we will assess key risks and opportunities and disclose them accordingly.

	Locate: Interface with nature	Evaluate: Dependencies & impacts
What to assess	24 production sites	Industrial Automation Business, Device & Module Solutions Business
Scope of assessment	- Assessment of activity locations - Identification of priority locations	- Confirmation of industrial classification by business based on sales and other information - Assessment of sector-level dependencies and impacts - Careful review of assessment results based on the actual site status - Identification of high-priority dependency assets and impact drivers
Outputs	- Assessment findings of activity locations - List of priority locations	- Assessment results of dependencies and impacts - Identification of high-priority dependency assets and drivers

L: Interface with nature

In this phase, we assessed our production sites in terms of ecosystem integrity, importance of biodiversity, physical water risks, and soil contamination in order to identify priority locations.

Evaluation items	Evaluation tools	Evaluation indicators	Sites (with High risks or higher)
(1) Importance of biodiversity	IBAT *1	IUCN Red List, Protected Areas(National, Natura2000 Regional Seas, World Heritage, Ramsar, MAB, Emerald Network), KBA	Japan (Aichi, Tottori, Oita, Saga, Kumamoto, Kyoto, Shiga, Mie), Italy (Lonato), the Netherlands ('s-Hertogenbosch), Indonesia (Bekasi), Malaysia (Petaling Jaya), China (Shenzhen), the U.S. (Pleasanton, Renton), Brazil (Sao Paulo), Vietnam (Thu Dau Mot)
	Biodiversity Risk Filter *2	Protected/Conserved Areas, KBA, Other Important Delineated Areas, Range Rarity	
(2) Ecosystem integrity	Biodiversity Risk Filter	Ecosystem Condition	None
(3) Physical water risks (water stress, flood risks, water quality)	Aqueduct Water Risk Atlas *3	Baseline water stress	China (Dalian, Shanghai), Indonesia (Bekasi)
		Riverine flood risk, Coastal flood risk	Japan (Aichi, Mie, Kumamoto), China (Dalian, Shanghai), Vietnam (Thu Dau Mot), Indonesia (Bekasi), the U.S. (Pleasanton)
	Water Risk Filter *4	Surface Water Quality Index	Italy (Frosinone, Lonato), the Netherlands ('s-Hertogenbosch), China (Dalian, Shanghai), Brazil (Sao Paulo)
(4) Soil contamination	None	Investigation/analysis by OMRON	None

*1 IBAT: Integrated Biodiversity Assessment Tool developed by the UN Environment Programme (UNEP). For the purposes of this report, the number of species within 50km of the site is measured.
*2 Biodiversity Risk Filter: Developed by the World Wide Fund for Nature (WWF), this tool helps assess biodiversity-related risks and opportunities across the value chain.
*3 Aqueduct Water Risk Atlas: Provided by the World Resources Institute (WRI), this tool helps identify and assess water risks around the world.
*4 Water Risk Filter: Co-developed by WWF and the German financial institution DEG, this tool helps identify and assess risks associated with the water environment.

E: Dependencies & impacts

With businesses spanning Industrial Automation, Device & Module Solutions, Healthcare, and Social Systems, Solutions and Service, OMRON is involved in various manufacturing sectors. In fiscal 2023, we prioritized assessing the Industrial Automation Business and the Device & Module Solutions Business based on business scale and site number. We then identified target sectors according to the sales composition ratios of products representing these two businesses, and evaluated their dependencies and impacts using ENCORE*. The analysis found that scores for water-related (groundwater and surface water), pollution-related (water pollutants, soil pollutants, and solid waste), and others (noise, light) categories were rated Medium or above. (See Table 1 and 2). Based on this analysis, we concluded that the key high-priority dependencies/impacts are related to groundwater and surface water only.

[Water-related]
At OMRON’s production sites, most water withdrawals come from third party suppliers and are primarily used for domestic purposes. As such, we assume that our direct dependencies on groundwater and surface are actually smaller than what ENCORE says. However, considering that "using water resource effectively" is part of the "Coexisting with nature," which is one of the key environmental issues laid out in the OMRON Environmental Policy, we have determined that addressing dependencies on groundwater and surface water remains a high priority.

[Pollution-related]
At all our production sites, OMRON conducts Phase 1 surveys (initial surveys including written surveys, interviews, and on-site reviews) to carry out qualitative risk analysis. At some sites, we conduct Phase 2 surveys (soil and groundwater research) to analyze potential risks. Based on these analyses, we have found no evidence of soil contamination at any of our production sites or their surrounding areas, allowing us to conclude that the risk of soil contamination is minimal. Furthermore, OMRON mainly performs assembly at its production process and rarely uses liquid chemical substances. As such, we assume that our impact on soil, groundwater, and solid waste pollution is smaller than what ENCORE says. (Revised: July, 2024)

[Others]
Likewise, based on our site environmental performance data, we believe that the impacts of noise and light pollution are smaller than indicated by ENCORE.

Table (1) Evaluation results (Dependencies)

Business	Industrial classification	Direct physical input					Production process						Mitigating direct impacts				Protection from disruption					
		Animal-based energy	Fibers and other materials	Genetic materials	Groundwater	Surface water	Maintains nursery habitats	Pollination	Soil quality	Ventilation	Water flow maintenance	Water quality	Bio-remediation	Dilution by atmosphere and ecosystems	Filtration	Mediation of sensory impacts	Buffering and attenuation of mass flows	Climate regulation	Pest control	Disease control	Flood and storm protection	Mass stabilization and erosion control
Industrial Automation	Electronic devices/ equipment	–	–	–	Medium	Medium	–	–	–	–	–	–	–	Low	–	–	–	–	–	–	–	–
	Electronic components/facilities	–	–	–	Medium	Medium	–	–	–	–	–	–	–	Low	–	–	–	–	–	–	–	–
Device & Module Solutions	Electronic devices/ equipment	–	–	–	Medium	Medium	–	–	–	–	–	–	–	Low	–	–	–	–	–	–	–	–

Table (2) Evaluation Results (Impacts)

Business	Industrial classification	Change in use of land, water, and oceans			Resource development		Climate change	Pollution				Others
		(1) Terrestrial ecosystem use	(2) Freshwater ecosystem use	(3) Marine ecosystem use	(4) Water use	(5) Other resource use	(6) GHG emissions	(7) Non GHG air pollutants	(8) Water pollutants	(9) Soil pollutants	(10) Solid waste	(11) Disturbances
Industrial Automation	Electronic devices/ equipment	–	–	–	–	–	–	–	High	High	Medium	Medium
	Electronic components/facilities	–	–	–	–	–	–	–	High	High	Medium	Medium
Device & Module Solutions	Electronic devices/ equipment	–	–	–	–	–	–	–	High	High	Medium	Medium

(4) Initiatives related to human rights

As declared in the OMRON Principles, Our Values include Respect for All. Respect for All is more than a basic respect for diversity, personality, and individuality. Respect for All is the core value underlying all our activities in pursuit of living lives and performing jobs of purpose and promise.

We believe that fulfilling this human rights responsibility is an important initiative that contributes to the creation of a sustainable society and leads to sustainable enhancement of corporate value. Accordingly, in our Long-term Vision SF2030, we have set "Respect for Human Rights in the Value Chain" as a material sustainability issue and are accelerating our efforts to address human rights.

(i) Governance

- Human Rights Policy

To realize "respecting human rights in the value chain," one of our material sustainability issues under SF2030, on March 1, 2022, we established the OMRON Human Rights Policy. We are committed to ensuring that its management practices and actions are always in line with those of the international community and strives to reduce human rights risks throughout its value chain.

*Please refer to the following for "OMRON Human Rights Policy."

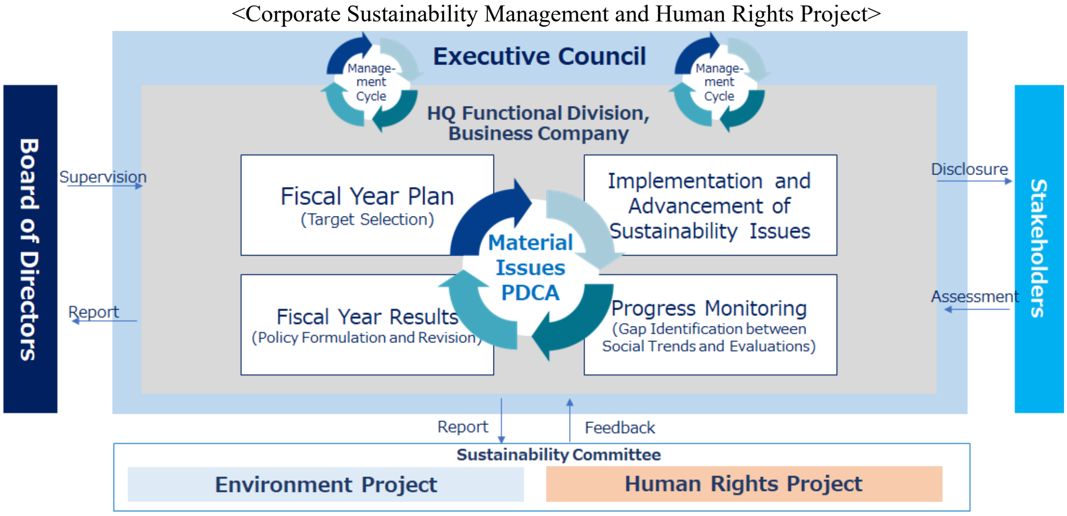
https://www.omron.com/global/en/sustainability/social/human-rights/

- Human Rights Promotion Structure

The OMRON Group is working to build a system in which management and front-line employees work together to fulfill out responsibility to respect human rights on a global basis. Specifically, the Global Corporate Communications & Engagement HQ takes the lead in promoting initiatives under the responsibility of the executive officer in charge of sustainability promotion who has been delegated authority from the President and CEO. In each area, the following individuals have been assigned responsibility. The Senior General Manager of the Global Human Resources and Administration HQ, the Senior General Manager of the Global Procurement, Quality and Logistics HQ, the Senior General Managers of respective business companies, the Senior General Manager of Technology & Intellectual Property HQ, and the Senior General Manager of Global Risk Management and Legal HQ are responsible for measures for the internal domain, supply chain domain, business strategy domain, ethical utilization of technologies including AI, and redress mechanism, respectively.

Matters that are important in fulfilling our commitment to respect for human rights are reported to the Board of Directors, and the Board of Directors monitors and supervises these matters. In addition, starting from fiscal 2023, we have appointed a director in charge of human rights to strengthen governance. The Sustainability Committee, chaired by the executive officer in charge of sustainability promotion, deliberates on group-wide human rights policies and responses to human rights-related laws and regulations. Furthermore, to strengthen company-wide initiatives, we have established the Human Rights Project directly under the Sustainability Committee to discuss how to address material issues on a first-line, practical basis and to monitor the progress of fiscal year plans.

<Corporate Sustainability Management and Human Rights Project>



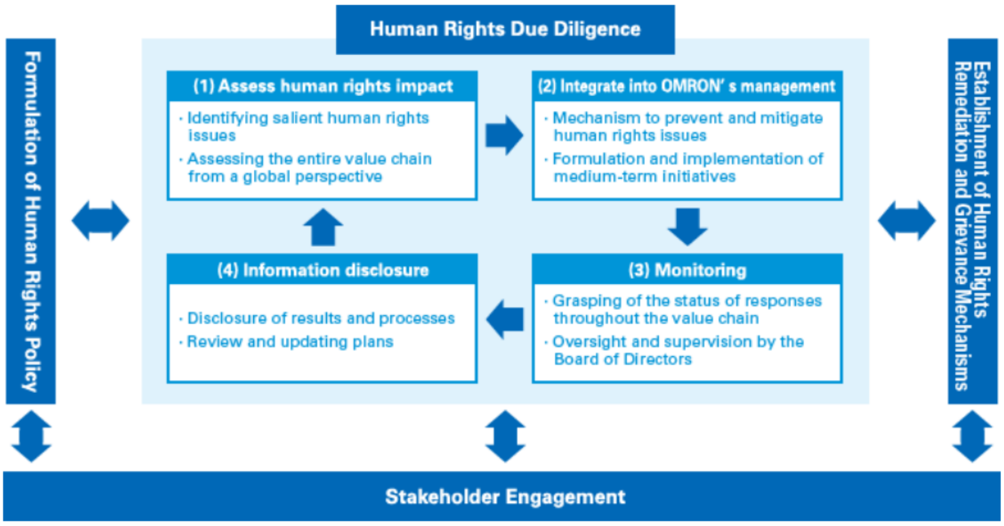
<Overview of the Sustainability Committee (Human Rights-Related Themes)>

Bodies	Members	Agenda items	Frequency
Sustainability Committee (Themes Related to Human Rights)	- Director in charge of human rights - Executive Officer in charge of sustainability promotion - Heads of head office functions, etc.	- Progress with human rights due diligence - Expansion of operating human rights redress mechanisms - Next fiscal year plans, etc.	In principle held on a quarterly basis

- Overview of initiatives to respect human rights

We make sure that our global employees recognize and are well aware of the OMRON Human Rights Policy. At the same time, we practice human rights due diligence in alignment with UNGPs to identify, prevent, mitigate, and remedy adverse impacts on human rights and take steps to create a human rights redress mechanism, thereby establishing our human rights governance globally. In addition, we heighten the effectiveness of each of our initiatives through engagement with stakeholders.

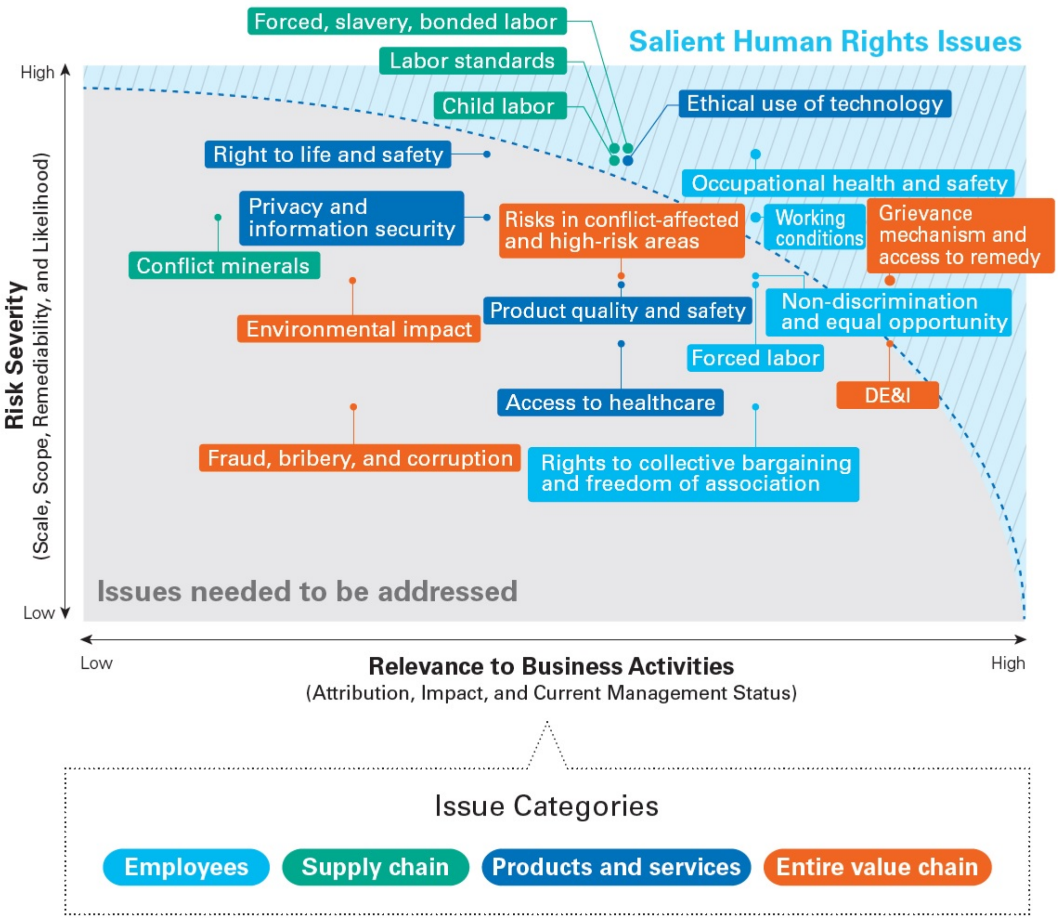
Overall Initiatives to Respect Human Rights



(ii) Strategy

In fiscal 2022, the OMRON Group conducted a group-wide human rights impact assessment based on the UNGPs. In conducting this assessment, we evaluated and identified human rights violation risks that the OMRON Group may cause or contribute to through its business activities in its entire value chain. Of the 19 issues identified through this assessment, as shown in the chart below, each responsible department is working on the seven priority issues (salient human rights issues) that are identified by mapping and prioritizing them from the two axes of risk severity and relevance to business activities.

<The mapping of identified human rights issues>



<Seven priority issues>

Issue Classification	Domain	Seven priority issues (Salient human rights issues)	Strategy
Human rights due diligence	Employees domain	**- Working conditions** **- Occupational health and safety**	- We provide training on human rights issues for all employees based on the OMRON Human Rights Policy and international standards as well as conduct human rights risk assessments using the RBA(Note 1) SAQ (self-assessment questionnaire) at our production sites and implement corrective measures. - In addition, we are conducting third-party audits, developing human rights training and disseminating the whistleblower hotline to contractors, and checking the employment status of technical interns working for on-site subcontractors at production sites in Japan as initiatives targeted at sites with high risk of human rights violations.
	Supply chains domain	**- Labor standards** **- Forced, slavery, bonded labor** **- Child labor**	- We send suppliers a self-assessment to verify the conformity to the OMRON Group Sustainable Procurement Guidelines, which include respect for human rights and labor practices, and request improvement. - Critical suppliers, who are designated as such based on the transaction volume and importance, are assessed annually, while other suppliers (all suppliers) are assessed at least once every three years. - In addition, we are evaluating and rectifying risks at each level by conducting in-depth surveys of suppliers of countries and attributes with high risk of human rights violations.
	Products and services domain	**- Ethical use of technology**	- In June 2024, we formulated the OMRON AI Policy. - Based on this policy, we aim to minimize the risks of accidents and human rights violations caused by the use of AI. We also operate the AI Governance Committee in cooperation with the existing risk management system to prevent human rights violations through products and services provided by OMRON.
Redress mechanism	Entire value chain	**- Grievance mechanism and access to remedy**	- We aim to establish a mechanism for human rights remediation that is appropriate for each country and region. - Specifically, we have an internal whistle-blowing hotline that can be used by our employees, subcontractors and suppliers in each region. - We also utilize a non-judicial grievance-handling platform that can be used by all stakeholders, including local communities and secondary and subsequent suppliers with no direct transactions.

(Note 1) RBA: Responsible Business Alliance. Global CSR alliance focused mainly on the electronics industry.

In the areas of the employees and supply chains, we are proceeding with the initiatives centered on RBA standards.

(iii) Risk Management

- Process to evaluate, identify, and manage risks

The OMRON Group conducted a human rights impact assessment described under (ii) Strategy in collaboration with the Business for Social Responsibility (BSR), a US non-profit organization. Our first step included surveying international standards, and industry and stakeholder trends, as well as interviewing 15 divisions throughout the OMRON Group, including regional headquarters outside Japan. After comprehensively identifying human rights issues based on international human rights standards, we narrowed issues down to those specific to the electrical and electronics industry. We also identified 19 issues in the Group's value chain that could affect rights holders. Finally, we mapped and prioritized risks based on risk severity and relevance to business, enabling the identification of seven priority issues (salient human rights issues) to be addressed.
(*The mapping of identified human rights issues is described in (ii) Strategy)

- Integration into enterprise-wide risk management

Given the importance of building a system to manage risks on an enterprise-wide basis, the OMRON Group has been working on integrated risk management under a common group framework. We identify and assess human rights risk as an important risk for the Group. We conduct regular monitoring in light of the issues identified through the human rights impact assessment.

(iv) Metrics and Targets

Major achievements in FY2024 are as follows.

<Major achievements in FY2024>

Issue Classification	Domain	Major Achievements in FY2024
Human rights due diligence	Employees domain	- Conducted RBA SAQs at 22 major production sites in Japan, China, Asia Pacific, Europe, and the Americas - Conducted RBA third-party audits at 1 production site (Malaysia) and correction of identified issues - Employment environment survey of foreign technical intern trainees working for on-site subcontractors at the production sites in Japan: 5 production sites (all confirmed no risk of forced labor)
	Supply chains domain	- Conducted self-checks for critical suppliers: 60 suppliers - Conducted self-checks for all suppliers: 389 suppliers - Implemented measures such as detailed self-checks, confirmation of disclosure information, and individual interviews for suppliers which have production sites in areas where the risk of human rights violations is high China: 151 companies Malaysia: 5 companies
	Products and services domain	- Announced "OMRON AI Policy" - Started the operation of the AI Governance Committee
Redress mechanism	Entire value chain	- Improved operation of redress mechanisms to enhance their accessibility and reliability

3. Risks of Business, etc.

(1) Integrated Risk Management to Support Global Business Activities

The OMRON Group has been undertaking integrated risk management under a common group framework. It is necessary to increase our risk sensitivity, and identify and take action before risks become apparent in order to respond quickly to changes as the speed of environmental changes surrounding management and business increases and the degree of uncertainty rises.

We aim for active risk management where management and front-line employees work together to solve problems caused by environmental changes that cannot be handled only by front-line employees. We will work to improve the quality of this activity while implementing the PDCA cycle globally.

We consider the development of a system that enables front-line employees to make risk decisions efficiently, effectively and swiftly to also be an important theme in seeking to achieve “SF2030”, while following the OMRON Principles and rules.

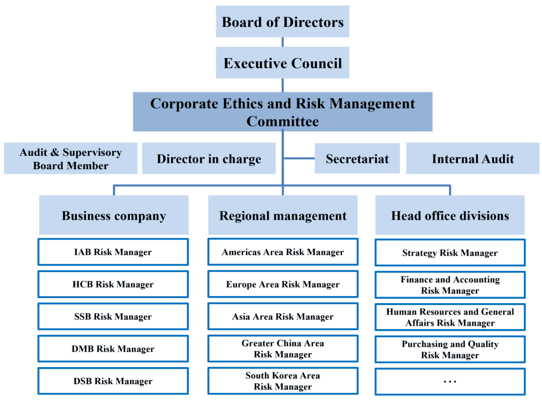
(2) Structure and System for Integrated Risk Management

Under the internal control system, the framework for integrated risk management is summarized in the OMRON Group Rules (OGR)(Note 1) for Integrated Risk Management, which clarify the position within Group management. The Senior General Manager of the Global Risk Management and Legal HQ (GRL Manager) is a person in charge of the promotion. In addition, approximately 150 risk managers have been appointed at the head office divisions, business companies, overseas regional management, and group companies worldwide to allow management and front-line employees to work together in pursuing global activities.

The three main activities of the Corporate Ethics and Risk Management Committee are as follows:

- Timely identification of environmental changes and impact assessment, sharing of information among relevant parties
- Conduct global risk analysis to identify important risks and establish appropriate responses
- Establish crisis response measures when a risk is identified

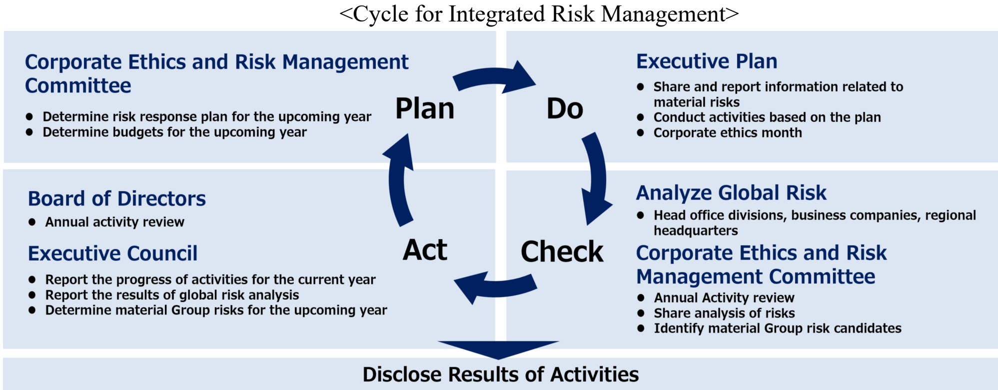
<Structure of the Corporate Ethics & Risk Management Committee>



Under the participation and supervision of Directors and Audit & Supervisory Board Members, the Corporate Ethics and Risk Management Committee (held four times a year in principle), which is chaired by the GRL Manager and comprised of key risk managers, to discuss and share important risks that are arising, changes in the environment, and the status of risk measures, while conducting Group-wide risk assessment. In addition, in the event of a crisis, reporting is made promptly to the management and actions are taken through the Emergency Response Headquarters in accordance with the rank of the risk.

The status of these risk management activities is reported to the Executive Council and the Board of Directors, being continuously evaluated and monitored. In addition, the internal audit department conducts theme audits, focusing on risk management activities.

<Cycle for Integrated Risk Management>



(Note 1) The OMRON Group has established common rules that represent the foundation of management for the Group to realize fair and transparent management, the OMRON Group Rules (OGR). In addition to risk management, the OGR has been established for major functions such as accounting and funding, human resources, information security and quality assurance. It is reviewed annually to reflect changes in the environment as needed and appropriate.

(3) Addressing Important Group Risks and Analysis Thereof

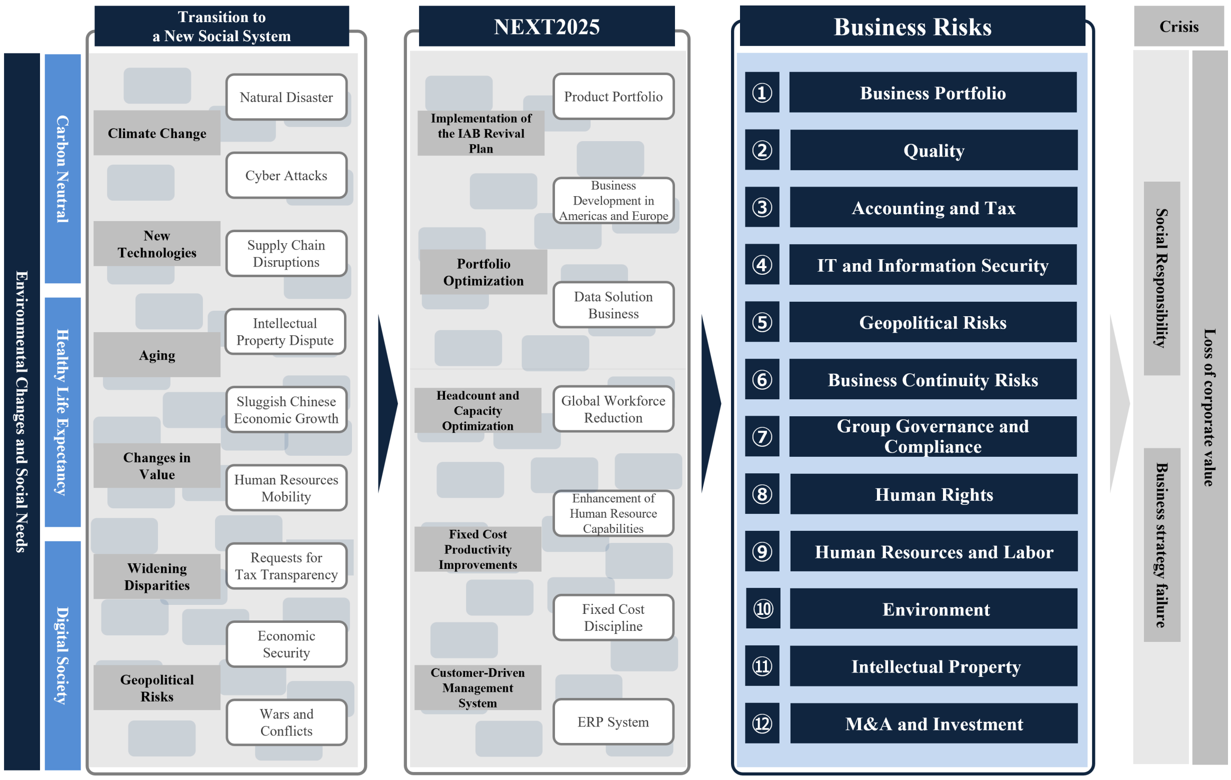
In “SF2030,” the OMRON Group aims to solve social issues that arise in the transition to a new social and economic system. To this end, we are committed to creating value for society in our business domains and addressing sustainability issues as part of our business plan. We are currently implementing structural reforms under the Structural Reform Program NEXT2025, which runs from April 1, 2024 to September 2025. We consider the key factors that must be addressed in the execution of these efforts to be risks.

In operating our group, we have identified the following two significant Group risks. S Rank: Risks of utmost importance to the operation of the Group, which may jeopardize its survival or bring severe social liability, A Rank: Risks that impede the achievement of important group goals. In order to keep these risks at an acceptable level without actualizing them, we monitor environmental changes and the status of implementation of measures.

Risk assessment as of the end of fiscal year 2024

Themes of significant Group risks based on the OMRON Group’s risk analysis conducted at the end of fiscal 2024 are presented in the table below. We will pay particular attention to risks associated with the implementation of NEXT2025 and group governance and compliance risks that may arise as we seek to accelerate business operations and improve profitability. If appropriate and sufficient measures are not taken, these risks could impact the Group’s operating results, financial condition, or the accomplishment of its long-term vision. Accordingly, we consider them to be matters that could have a material impact on judgment by investors. However, this is not an exhaustive list of all risks; the Group may be affected in the future by risks that are not currently foreseeable or considered significant. Matters discussed here that are not historical facts reflect the judgment of OMRON Group management as of the date of submission of this Annual Securities Report (June 23, 2025).

<Overview of Businesses and Other Risks>



Addressing Important Group Risks

① Business Portfolio

Risks

It is expected that volatility will remain highly uncertain in the future, as evidenced by economic conditions deteriorated due to a slowdown in the Chinese economy and disruptions in the supply chain and a temporary slowdown in new investment and a decline in consumer spending on the back of the U.S. tariff policy and other factors.

As the Group adequately responds to growing demand in growth industries and areas, if the business environment for businesses and products, that are the driving force for growth in the Greater China, on which we are currently highly dependent and for the businesses and products that drive growth in each business segment, deteriorate more than anticipated, and appropriate measures are not adequately taken, there is a risk of a decline in sales and other performance downturns, as well as the risk of not realizing sustainable and profitable growth.

System / Initiatives

Under NEXT2025, we will prioritize investments in growth businesses and areas and make low-profit businesses profitable and work to optimize industry and area portfolios by examining convergence, etc. As for the impact of the U.S. tariff policy, in addition to absorbing the cost increase by passing through the cost increase, we will build a supply chain that is resilient to the tariff policy and minimize the risk.

For details on "NEXT2025," please refer to "2. Business Conditions 1. Management Policies, Management Environment, Challenges to be Addressed, etc. (4) Progress of the Structural Reform Program "NEXT2025" and Initiatives for Future Growth."

② Quality

Risks

We are also studying and establishing laws and regulations for new technologies such as AI use and product security as high levels of safety and accuracy are required for quality. In addition, social demands for the reduction of environmental impact and the conservation of biodiversity are increasing, and the regulations on packaging materials are being strengthened globally in Europe and elsewhere for the transition to a cyclical economy.

In the event that appropriate measures are not adequately taken in the course of the global expansion of diverse products and services that require high reliability in the Group, the following risks may arise, leading to losses resulting from a decrease in sales and damage to brand value.

- Large-scale recall of the Group's products
- Violations of laws and regulations related to product environment, safety, and security
- Cyber attacks on product security vulnerabilities halt network products and services

System

We have a quality assurance system in place with ultimate responsibility residing with the President and, under the "Quality Basic Policy" based on the principle of quality first, the Global Procurement and Quality & Logistics HQ is in charge of promoting quality assurance activities. In the event that a serious quality issue arises, prompt and appropriate action is taken under the supervision of the Board of Directors.

- Related OGRs: Quality Assurance Rules and Product Quality Risk Management Rules

Initiatives

Specifically, we are promoting the following measures:

- Acquisition of Quality Management System (QMS) such as ISO9001 (ISO13485: Medical equipment industry, IATF16949: Automotive industry)
- Application and deployment of a QMS adapted to the service business
- Establishing quality technologies for technologies with high risks (such as lithium-ion batteries and power devices)
- Strengthening a product security system (gathering external vulnerability information and a response system (Product Security Incident Response Team, PSIRT), security monitoring activities, etc.)
- Currently working to ascertain trends in environmental, safety and security-related laws, regulations, and standards related to products, and to strengthen management systems conducting impact assessments
- Establishment and operation of quality consultation desks and implementation of quality compliance training and on-site quality inspections

[Examples of Focused Initiatives: On-site Quality Inspections]

While we are optimizing the number of employees and reviewing the allocation of resources through structural reforms, we are enhancing our monitoring system by conducting on-site quality inspections to quickly and accurately grasp the impact on quality and productivity.

③ Accounting and Tax

Risks As corporations become more globalized and transactions become borderless, accounting standards and auditing standards are becoming increasingly complex. While international taxation rules are being developed through coordination and collaboration among countries, various countries have shown various responses to tariff measures and other measures that are being implemented in the United States. Companies are required to respond in a timely and appropriate manner to the rapidly changing tax laws, customs laws, and transfer pricing tax systems in each country.
In the Group, as it evolves from manufacturing to solutions business using data and accelerate the global expansion of diverse new services and new businesses, if appropriate measures are not adequately implemented, the following risks may arise, leading to restatement of financial results, recording of losses, payment of a large amount of additional collection and settlement money, and damage to brand value.
- Occurrence of internal fraud and improper accounting practices that do not conform to accounting standards
- Bad debts and a decline in the appraised value of assets due to a deterioration in market conditions and insufficient investment effects on systems
- Violations of the Customs Law and the transfer pricing taxation system

System Pursuant to the basic framework for internal control on financial reporting and the "Tax Policy(Note 1)" approved by the Board of Directors, and led by the Global Finance and Accounting HQ, we have established and operate systems and rules aimed at ensuring appropriateness in accounting and tax operations.
- Related OGR: Accounting and Finance Rules, Anti-Fraud Rules, Implementation and Promotion of J-SOX Rules, and Customs Clearance Administration Rules

Initiatives Specifically, we are promoting the following measures:
- Strengthen self-inspection of internal controls and conduct audits focused on indications of risk
- Regularly gather information on accounting standards using outside experts, etc. and assess and respond to their impact, etc.
- Review policies related to international taxation in light of various OECD reports and the development of new international taxation rules
- Work with local subsidiaries to respond to changes in taxation systems and enforcement by authorities in each country and region
- Strengthen customs compliance system and monitoring

[Examples of Focused Initiatives: Prevention of inappropriate Accounting Processes Associated with Structural Reforms]
As we proceeded with structural reform measures, we worked to prevent inappropriate accounting treatment by monitoring our accounting system and strengthening our financial statements and CAAT analysis.

(Note 1) Please refer to the following for "Tax Policy."
https://www.omron.com/global/en/sustainability/governance/tax/

④ IT and Information Security

Risks As DX for resolving social issues and corporate growth and digital investment for data utilization accelerate, there is a growing need to protect information assets and protect privacy in response to cyber attacks. In addition, new information technologies such as AI are being studied and introduced.
In the event that appropriate measures are not appropriately taken, as the Group expands new services utilizing IT investments and data, including the Corporate System Project, the following risks may arise, leading to losses resulting from a decrease in sales, serious administrative penalties, and damage to brand value.
- Large-scale system failure
- Leakage of information due to cyber attacks and inadequate management of personal and technical information, and the suspension of operations
- Violation of national data privacy regulations

System As the basic policy, we have newly established and published the "Basic Policy on Information Security."

Under the supervision of a supervising director, the Senior General Manager of each head office division controls and manages measures for each area of information security, product security and personal information management as a person with operational responsibility. For issues encompassing the respective areas, the Cyber Security Integration Meeting, chaired by the executive officer and supervised by the Director both in charge of cyber security, meets as necessary to resolve them. In addition, we discuss and decide on priority issues and strategies at the Information Security Strategy Council, chaired by the President, in order to determine a course of action for promoting them at the management level. Also on the implementation front, we promote and
manage measures through the Information Security Promotion Meeting chaired by director for cybersecurity and participated in by IT managers of all regional headquarters. As for personal data, we strive to grasp trends in laws in various countries and the status of the OMRON Group and strengthen actions to ensure compliance with laws and regulations, with the Senior General Manager of the Global Risk Management and Legal HQ being a person in charge.
- Related OGR: IT Governance Rules, and Information Security Rules

Initiatives Specifically, we are promoting the following measures:
- Evaluation and strengthening of measures based on NIST-CSF(Note 1), a global standard framework
- Collection of comprehensive threat information through external specialized agencies and rolling out countermeasures within the Group
- Prompt reporting and actions to minimize damage in the event of an incident by the Incident Response Office (CSIRT)
- Implementation of risk assessment and measures to ensure the security of high-risk supply chains
- Employee education for enhanced information literacy
- Conducting of drills to prepare for cyberattacks
- Implementation of website vulnerability checkups and improvements
- Construction of a global system to respond to personal data regulations

[Examples of Focused Initiatives: Strengthening Information Leak Countermeasures]
As the value of information assets increases and human resources become more liquid, we have introduced a system to monitor and analyze logs of PCs and networks, and to check and investigate the behavior of concerns, and are strengthening measures to deal with the risk of information leaks.

(Note 1) NIST-CSF: Cyber Security Framework (CSF) published by the National Institute of Standards and Technology (NIST) in 2014. This framework is generic and systematic. Countries around the world are moving toward compliance including the U.S.

⑤ Geopolitical Risks

Risks As the world's power balance becomes more multipolar, the United States' protectionist policies, such as the rise in tariffs, and other policy trends in various countries, as well as the intensification of competition and protection policies for advanced technologies such as semiconductors and AI, have accelerated the fluidity of the global economic order and the situation surrounding international peace and economic security, and have a major impact on corporate activities.
In the event that appropriate measures are not taken adequately while the Group is expanding its production and sales bases and its network of suppliers globally and developing products that are related to advanced technologies such as robots and economic security policies, the following risks may arise, leading to a decline in sales, a revision of strategies, significant administrative penalties, and damage to brand value.
- Delayed response to economic and security policies in each country, such as revisions to the supply chain, and reduced competitiveness
- Suspension of product supply in the event of a dispute
- Violations of export restrictions and sanctions

System Business response policies are discussed and decided by the Board of Directors, Executive Council and other executive committees. The respective divisions in charge are responsible for ensuring compliance with laws and regulations. With respect to export regulations, for example, our Global Risk Management and Legal HQ implement security trading management globally under a company-wide export control committee.
- Related OGR: Integrated Risk Management Rules, and Export Control Rules

Initiatives Specifically, we are promoting the following measures:

- Exploring and promoting medium- to long-term production, research and development systems to reduce the impact of geopolitical risks
- Monitoring global political and economic conditions and trends in laws and regulations, and ascertaining the impact of economic sanctions and responding to them

[Examples of Focused Initiatives: Strengthening Security Transaction Management]
As export regulations and sanctions in each country are becoming increasingly stricter and more complex, we are improving our security transaction management system, including the revision of the OGR. We are also enhancing education for major Group companies, and are strengthening our system on a global basis.

⑥ Business Continuity Risks (Natural Disasters, etc.)

Risks There remains a possibility globally that natural disasters such as floods, torrential rains and huge earthquakes and emergence of infectious diseases would cause society to become dysfunctional.
In the event that the Group has suppliers and production bases located in various countries and regions around the world, unexpected disasters or other events occur, and appropriate measures are not taken adequately, the following risks may arise, leading to the partial suspension or reduction of business activities.
- Large-scale shutdown of IT infrastructure
- Suspension of production at our plants
- Long-term suspension of parts supply from major suppliers

System Based on the basic policy of prioritizing personal safety, maintenance of social infrastructure, and full cooperation for reconstruction activities, each business company and head office division has coordinated to devise a business continuity plan for production, purchasing and procurement, logistics, and IT.
- Related OGR: Integrated Risk Management Rules, and Procurement Rules

Initiatives Specifically, we are promoting the following measures:
- Simulations and training drills for emergency situations
- Operation of an employee safety confirmation system and stockpiling of emergency food and drinking water at business sites according to risks
- Centralized management of supplier production area information and establishment of evaluation systems for alternative production sites
- Establishing escalation routes for emergencies and a structure to ascertain impacts

[Examples of Focused Initiatives: Emergency Simulations]
As damage estimates such as the Nankai Trough Earthquake are updated as needed, we are reinforcing our response system in the event of a crisis by continuously reviewing our business continuity plan, focusing on our priority bases.

⑦ Group Governance and Compliance

Risks As social demands for compliance, including fair trading, are high, the business environment is becoming increasingly complicated. For example, international organizations and governments are reinforcing the enforcement of laws and regulations against anti-competitive legal acts and anti-bribery activities, as well as studying regulations to respond to the advancement of IT, AI and other technologies and the promotion of innovation through alliances and other means. In Japan, there is a growing demand to promote the passing of cost increases across the entire supply chain. In addition, in some emerging countries and regions, corruption and other forms of corruption may become social problems due to weak legal governance and unstable political conditions.
In the event that appropriate measures are not adequately implemented while the Group accelerates the development and sales of new products and services globally, the following risks may arise, leading to significant administrative penalties and damage to brand value.
- Breaches of business laws and inadequacies in obtaining licenses for new businesses
- Violations of the competition law, subcontracting law, and other laws and regulations concerning fair trade
- Violation of laws and regulations concerning bribery such as entertainment and gifts

System The response policy for internal control including corporate ethics and compliance is discussed and determined by the Board of Directors. Under the OMRON Group Management Policy, we have established and operate a governance system for its group companies pursuant to the OGR, and the Corporate Ethics & Risk Management Committee carries out activities.

- Related OGR: Corporate Administration Rules, Ethical Conduct Rules, Internal Audits Rules, and Procurement Rules

Initiatives Specifically, we are promoting the following measures:

- Global checks and monitoring by division in charge of each function
- Risk management at each regional headquarters to address key risks according to the characteristics of each area
- Regular compliance education through Global Corporate Ethics Month in October of each year, etc.
- Operating whistleblower hotlines worldwide
- Internal audit and guidance for improvement based on risk-based approach
- Monitoring and training on the Subcontract Act for relevant business sites by the purchasing division

[Examples of Focused Initiatives: Compliance Education]

In addition to providing education on compliance issues that may arise amid major changes in the business environment during structural reforms, we have reaffirmed the internal reporting system so that employees can consult with a sense of security.

⑧ Human Rights

Risks Remedying forced labor, child labor, low or unpaid wages, long working hours, working environments with inadequate safety and hygiene, and harassment has become a business license for companies. In addition, efforts are underway to ensure respect for human rights through legal regulations, such as identifying, preventing, mitigating, and rectifying the negative impact of due diligence on human rights in the supply chain and banning imports from countries and regions with human rights concerns. Furthermore, human rights issues arise due to technological innovation, such as the use of AI, and regulations concerning AI in various countries are accelerating.

While the Group is developing our business globally, including in China and Asia, as we promote the use of AI in our business, if appropriate measures are not adequately implemented, the following risks may arise that could lead to the suspension of transactions, discontinuation of product development, revision of strategies, and damage to brand value.

- Occurrence of harassment, labor standards violations, and occupational safety and health problems
- Emergence of human rights issues in the supply chain
- Non-compliance with AI regulations

System To address human rights issues, we carry out activities in accordance with the "OMRON Human Rights Policy" established by resolution of the Board of Directors. In terms of the concrete execution system, the Global Corporate Communications & Engagement HQ takes the lead in promoting initiatives under the responsibility of a director in charge of sustainability promotion who has been delegated authority from the President and CEO. The Senior General Manager of the Global Human Resources and Administration HQ, the Senior General Manager of the Global Procurement, Quality and Logistics HQ, the Senior General Managers of respective business companies, the Senior General Manager of Technology & Intellectual Property HQ, and the Senior General Manager of Global Risk Management and Legal HQ are responsible for measures for the internal domain, supply chain domain, business strategy domain, ethical utilization of technologies including AI, and redress mechanism, respectively.

- Related OGR: HRM Rules, Occupational Safety and Health Management Rules, and Procurement Rules

Initiatives Specifically, we are promoting the following measures to fulfill corporate responsibility to respect human human rights in alignment with the UN Guiding Principles on Business and Human Rights (UNGP):

- Risk assessment using the RBA[Note 1] Assessment Tool
- Presenting sustainable procurement guidelines to suppliers and confirming compliance status
- Collecting information on AI and developing internal rules for use of AI in businesses
- Operating a human rights redress mechanism globally

[Examples of Focus Initiatives: Building an AI Governance System]

Through the formulation of the Omron AI Policy and the start of the operation of the AI Governance Committee, which aims to support the appropriate use of AI and reduce risks, we promoted the safe and secure use of AI while minimizing the risks of accidents and human rights violations arising from the use of AI.

(Note 1) RBA: Responsible Business Alliance. Global CSR alliance focused mainly on the electronics industry.

⑨ Human Resources and Labor

Risks As the mobility of human resources increases globally, the competition for hiring scarce talent who are equipped with advanced technological skills, such as IT talent, is becoming more intense than ever. On top of that, wage levels are rising across the globe, triggered by global inflation and labor shortages. In such an environment, it is important to implement human capital management that makes us attractive to job seekers and enhance employee engagement.

With the Group's SF2030 Human Capital Stragic Vision, the following risks may arise, leading to a decline in business competitiveness and damage to brand value, if appropriate measures are not adequately implemented in the course of building a strong organization in which each individual exercises his/her ability with initiative and spares no effort and achieves sustainable growth.

- Inability to attract or retain talent possessing the requisite skills and experience essential for business development
- Deterioration in employee engagement, potentially resulting in labor-related challenges

System Important human capital strategies are discussed and decided by the Board of Directors and Executive Council. Under the Chief Human Resources Officer (CHRO), the Global Human Resources and Administration HQ is taking the lead in implementing measures.

- Related OGR: HRM Rules

Initiatives Specifically, we are promoting the following measures:

- Strengthening recruitment capabilities to attract a diverse talent pool
- Enhancing managerial skills to foster the growth and job satisfaction of a diverse workforce
- Promoting proactive employee engagement on organizational issues through the "VOICE" engagement survey

[Examples of Focused Initiatives: Establishment and Acceleration of the Cycle to Enhance People Management Skill]

Management (executive officers and managers) are working to transform leadership quality by building a system that enhances people management capabilities. This system is designed to unlock the potential of a diverse workforce and encourage proactive contributions toward creating customer value. Efforts are being made to firmly establish and energize this cycle across the organization.

⑩ Environment

Risks The number of large-scale natural disasters caused by extreme weather events around the world is accelerating global efforts to decarbonize. Destruction of ecosystems has become a social issue on a global level. In response to these environmental problems, progress has been made in the development of emission trading systems, mainly in Europe, and the establishment of due diligence regulations for transactions seeking the prevention of deforestation. In addition, disclosure requirements for companies' efforts to address environmental issues are increasing year by year, and moves are underway to regulate third-party guarantees of the content.

In the Group, we have established the key sustainability issue of "Achieving decarbonization and reduction of environmental impact." In order to practice our social responsibility as a company and build a further competitive advantage in each business, if appropriate measures are not taken adequately, the following risks may arise, leading to a review of our strategy and damage to brand value.

- Non-compliance with new environment-related trade and disclosure regulations, increased costs for response, and inadequate response to customer requests
- Inappropriate advertising disclosures referred to as "green washing" in sales promotion activities

System To address environmental issues, we carry out activities in accordance with the "OMRON Environmental Policy" established by resolution of the Board of Directors.

In terms of the concrete execution system, the Global Corporate Communications & Engagement HQ takes the lead in promoting initiatives under the responsibility of a director in charge of sustainability promotion who has been delegated authority from the President and CEO. The Senior General Manager of the Global Human Resources and Administration HQ, the Senior General Manager of the Global Procurement, Quality and Logistics HQ, and the Senior General Managers of respective business companies are responsible for measures for the internal domain, supply chain domain, and business strategy domain, respectively.

- Related OGR: Environmental Management Rules and Procurement Rules

Initiatives Specifically, we are promoting the following measures:

- Accelerating reductions in greenhouse gas emissions for which a target is set for each of Scope 1・2 and Scope 3 Category 11
- Transitioning to a circular economy through the expansion of collection and recycling efforts, circular material procurement, the maximization of the resource recycling rate, and other efforts
- Disclosure of information on risks and opportunities associated with climate change
- Promotion of biodiversity conservation activities in line with TNFD(Note 1) recommendations

[Examples of Focused Initiatives: Visualization of Environmental Performance throughout the Product Life Cycle through the Environmental Evaluation System]
We introduced an environmental assessment system that evaluates products from a life-cycle perspective and visualizes environmental performance. Through this system, we confirmed that all our products are environmentally conscious products. We also identified “environmentally conscious products” that exhibit excellent effects in specific environmental characteristics, thereby enhancing the transparency and reliability of product added value.

(Note 1) TNFD: Task Force on Disclosure of Nature-Related Financial Information. An international organization for establishing a risk management and disclosure framework for enterprises related to natural capital, etc.

⑪ Intellectual Property

Risks Intellectual property has become an important management resource as a source of international competitiveness in companies, and competition over intellectual property is intensifying among companies and countries, as well as fair trade issues in business cooperation with start-ups are pointed out. In addition, with the rapid development of the e-commerce (EC) market triggered by the corona calamity, the distribution of counterfeit goods that deceive official goods has been increasing globally year by year, mainly in emerging countries.
As the Group create new businesses that create new value through innovation through co-creation and develop diverse products globally, if appropriate measures are not adequately implemented, we may incur the following risks that lead to loss, sales decline, and damage to brand value.
- Outflow of the Group’s technology and know-how and imitation of our brand
- Occurrence of disputes concerning infringement or misuse of patents, etc.
- Inadequate use of intellectual property linked to business strategy and loss of competitiveness

System The Technology & Intellectual Property HQ is responsible for intellectual property activities based on the basic policy. Intellectual property strategies are regularly reported and discussed by the Board of Directors.
- Related OGR: Intellectual Property Management Rules

Initiatives Specifically, we are promoting the following measures:
- Initiatives to improve the accuracy of the decisions on directions of research themes and the selection of partners by utilizing the IP landscape
- Developing and implementing an intellectual property strategy linked to business and R&D, to accumulate intellectual property rights with a competitive edge
- Research of third parties’ intellectual property rights in conducting R&D and design
- Analysis and evaluation of third parties’ infringement of the OMRON Group’s intellectual property rights, and strengthening of the enforcement of rights
- Measures against counterfeiting activities, including online transactions, and preventing the acquisition of trademarks similar to the Company’s brand names with malicious intent

⑫ M&A and Investment

Risks Companies are expected to advance technologies as a means to solve social issues. Companies are expected to accelerate innovation through collaboration with companies with technological capabilities. On the other hand, there are moves to regulate investment through economic security policy.
In the course of promoting alliances, mergers and acquisitions and investments in co-creation with start-ups under portfolio management in the Group, the following risks may arise if appropriate measures are not adequately implemented, leading to losses or a review of the strategy.
- Deterioration in performance and evaluation of M&A/investment targets, failure to demonstrate anticipated synergies, and occurrence of governance issues
- Unexpectedly prolonged M&A and investment screening due to compliance with foreign investment regulations.

System The policies for and implementation of M&A and investments are discussed and determined by the Board of Directors and other executive committees with investment discipline in accordance with the responsibility authority set forth in the management rules, and each transaction is promoted by a project team comprised of the business company, headquarters units, and outside experts.

- Related OGR: Management Rules

Initiatives Specifically, we are promoting the following measures:

- Exploring and assessing M&A and investment candidates based on business strategy
- Detailed prior review and due diligence such as confirmation of the financial condition and contract details of the target company
- Review of specific target progress for post-acquisition or post-investment economic impact by the Board of Directors (at least once a year)

4. Management Analysis of Financial Condition, Operating Results and Cash Flows

The forward-looking statements contained herein are based on judgments made as of the end of the current fiscal year.

(1) Status, Analysis and Considerations of Business Environment, Operating Results, etc.

(i) Results and Outlook of Operating Results of the OMRON Group

Results for fiscal 2024

OMRON Group financial performance for the fiscal year ended March 31, 2025, saw a decrease in net sales year on year and an increase in operating income. Net sales decreased overall year on year, despite an increase in net sales in the Social Systems, Solutions and Service Business. This result was due largely to general weakness in demand for capital investment in the Industrial Automation Business and Devices & Module Solutions Business and lower demand in the Chinese market of our Healthcare Business. In addition, net sales in the first half of the previous fiscal year for the Industrial Automation Business were supported by an order backlog, which was lacking this year.

Operating income increased 57.4% year on year due to the impact of improved gross profit margin and steady profitability improvements stemming from the impact of Structural Reform Program NEXT2025 announced February 26, 2024.

While operating income increased year on year, income before income taxes was lower year on year due to one-time expenses of JPY22.0 billion incurred to optimize the number and capacity of our workforce related to Structural Reform Program NEXT2025. One-time expenses and income under other income, net included a write-down of goodwill of JPY11.7 billion related to the Data Solution Business and a JPY12.3 billion in gain on valuation of investment securities.

Net income attributable to OMRON shareholders increased a significant 100.7% year on year, even amid ongoing structural reforms.

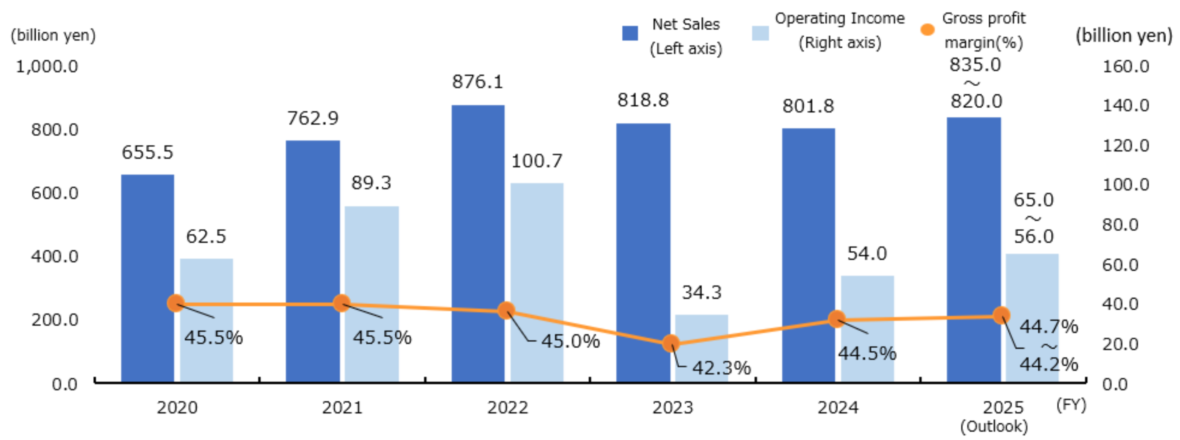
Outlook for fiscal 2025

The business environment surrounding the OMRON Group over the next fiscal year (ending March 31, 2026) will likely see a weakness in demand recovery in the factory automation industry. However, we plan to grow sales in each segment through heightened customer-driven initiatives and by completing the restructuring in our earnings and growth foundation under NEXT2025, which we began in the fiscal year ended March 31, 2025. We will also accelerate investments toward medium- to long-term growth, particularly in the Industrial Automation Business.

Meanwhile, the business environment will likely remain extremely uncertain, with the global economy affected by movement toward tariffs in the United States. Depending on the impact of the tariffs imposed by the U.S., we expect the risk of negative impacts on OMRON Group performance forecasts to be up to JPY15 billion in net sales and JPY9 billion in operating income. In response to U.S. tariff measures, we will demonstrate our ability to respond to change and implement tactics that include selling price adjustments and moves toward a more resilient supply chain management.

Given the preceding, we plan to raise sales and profit in the next fiscal year compared to the fiscal year under review. However, we have decided to adopt a range of figures for sales and profit line items, considering the possibility of performance fluctuations due to tariff measures in the U.S. The range risk of the outlook is not reflected in each segment but is included in the company-wide segment.

<Net sales, operating income and gross profit margin>



Management Policy and Priority Initiatives for Fiscal 2025

We intend to complete Structural Reform Program NEXT 2025 under a company-wide policy of All for Creating Customer Value: Identify Changes in Demand and Take Agile Action to Maximize Sales. We plan to deliver the results of our actions in the form of business performance. We aim to achieve between JPY820.0 billion and JPY835.0 billion in net sales, with gross profit margin of between 44.2% and 44.7%, and operating income between JPY56.0 billion and JPY65.0 billion.

The initiatives in the non-financial targets set for FY2024 will continue to be implemented in the next fiscal year, but specific targets have not been set because we are considering revising the non-financial targets for the next medium-term management plan and we are still in the structural reform period until September 2025.

< Financial Targets>

Financial Targets	FY2024 (Plan)	FY2024 (Results)	FY2025 (Plan)
Net sales	JPY825.0 billion	JPY801.8 billion	JPY835.0 ~ 820.0 billion
Operating income	JPY49.0 billion	JPY54.0 billion	JPY65.0 ~ 56.0 billion
ROIC	around 1%	1.8%	around 4 ~ 3%
ROE	around 1%	2.1%	around 4 ~ 3%
EPS	JPY43	JPY83	JPY180 ~ 147

< Non-financial Targets>

	FY2024 (Plan) (Note 1)	FY2024 (Results)
1) Increase sustainability sales (Note 2) 45% vs. FY2021 (reflects contribution to solving 3 social issues)	+35% (vs. FY2021)	+29% (vs. FY2021)
2) Raise the ratio of women in management roles above 18% on a global basis	19.2%	20.5%
3) Hire disabled individuals at 28 overseas bases; maintain 3% level achieved in Japan	Continue overseas monitoring Japan: 3% or more	Continue overseas monitoring More than 3.5% in Japan
4) Reduce Scope 1 and 2 GHG emissions by 53% versus FY2016	68% reduction (vs. FY2016)	74% reduction (vs. FY2016)
5) Achieve Carbon Zero at all 76 domestic locations	76 locations	75 locations (Decrease in number of locations)
6) Implement human rights due diligence in alignment with UNGP and develop mechanisms for remedying abuses in the value chain	Implement human rights due diligence, establish and operate redress mechanisms	Establish PDCA cycle system and conduct human rights DD
7) Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World	Selected to DJSI World	Selected to DJSI World
8) 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	More than 80% of managers with subordinates in Japan	Japan 91%
9) In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others	Training continuing in all areas except Japan	Training continuing in all areas except Japan
10) Make full use of digital tools to reduce use of paper	54% reduction (vs. FY2019)	58% reduction or more (vs. FY2019)
+1 Top management of each region to declare their commitment to contribute to local communities in alignment with the OMRON Sustainability Policy	Declaration/execution ongoing in all areas	Declaration/execution in all areas

Notes:

1. Targets set in fiscal 2024.
2. Net sales of focus domains related to “achievement of carbon neutrality,” “realization of a digital society” and “extension of healthy life expectancies.”
3. Non-financial targets (8) through (10) were determined by employee vote.
4. Figures presented in the non-financial targets are the initial SF 1st Stage targets set in fiscal 2022.

(ii) Results and Outlook for Each Business Segment

(IAB)

Industrial Automation Business

Sales Composition Ratio (FY2024)

45%

<Value creation initiatives under "SF2030">

In the Industrial Automation Business, we have established a business vision of "Enriching the Future for People, Industries and the Globe by Innovative-Automation." Through automation, we aim to achieve sustainable industrial development that supports a rich medical, food, and living infrastructure, while ensuring the happiness of workers and protecting the global environment.

In setting the business vision, we envisioned the social changes we would face over the next decade. We forecast an era in which changes take place at a dizzying pace and various social issues are coming to the fore. Against this market backdrop, we have identified two aspects of social issues that we should address: "working people" and "advancement of industries."

By "working people," we mean the changing values espoused particularly by Millennials and Generation Z, the changing mindset of workers as technology evolves, and the changing world of work. By "advancement of industries," we mean not only innovation in manufacturing in secondary industry through cutting-edge technologies that are created one after another, but also major transformation that extends to primary and tertiary industries. The social issue we must address is how best to realize the balance of high engagement of working people and the advancement of industries, which is the strength of the Industrial Automation Business, and to contribute to the protection of the global environment, which is also a social requirement. Our goal is to contribute to the creation of a society with a rich medical, food, and living environment desired by people around the world through sustainable industrial evolution. This is a challenge only possible for us as we have supported "Monozukuri (manufacturing)" at the upstream for many years. Our ideas and insights are shaping the business vision.

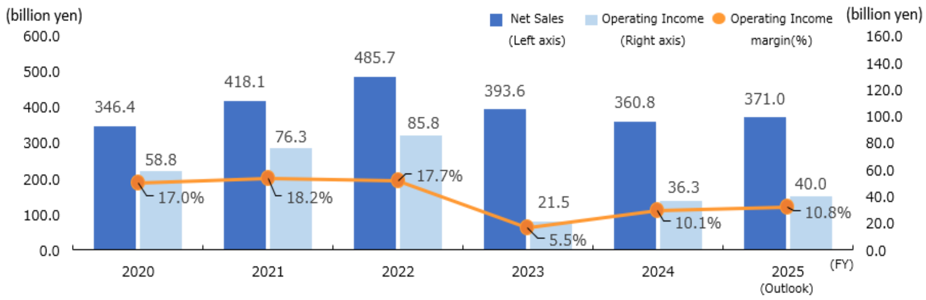
To achieve the business vision, we will evolve our unique "innovative-Automation" manufacturing concept, which we proposed in 2016. By offering the industry's broadest lineup of control devices and technologies and solutions and creating a stream of innovation to resolve social issues, we will contribute to the sophistication of manufacturing that supports a sustainable society.

Results for fiscal 2024 and outlook for fiscal 2025

Results for fiscal 2024	
Status of sales	Capital investment demand in the manufacturing sector for the Japanese semiconductor market remained strong. At the same time, in China, demand for solar power generation investment and rechargeable battery investment remained stagnant, while in Europe and Southeast Asia, investment demand slowed for electric vehicles. Consequently, demand overall remains sluggish. As a result, sales were significantly lower year on year, impacted in part by the support of order backlogs in the first half of the previous fiscal year.
Status of operating income	Operating income improved significantly year on year, despite the decrease in sales, reflecting improved gross profit margin and efforts to reduce fixed costs through structural reform.

Outlook for fiscal 2025	
Outlook for sales	We expect AI-related demand to continue rising in connection with semiconductor-related investment demand. However, investments in China will likely move into an adjustment phase. We expect strong domestic demand for electric vehicle (EV) investment in China as EVs become more popular. At the same time, we project investment to remain weak outside of China. Given the circumstances, we intend to engage in stronger customer-focused measures to grow sales, expecting overall performance to grow year on year.
Outlook for operating income	Even as we accelerate investments for future growth, we still expect operating income in the next fiscal year to be higher than in the previous year, supported by increased sales and more efficient fixed cost management.

Net sales, operating income and operating income margin



Progress in KPIs for social value creation

Social Value KPI (FY2024 Results)

No. of companies that have adopted innovative-Automation

4,290

Note: 1. As a result of a revision of classification for management operation, from fiscal 2022 a portion of IAB is included in DMB. As a result, fiscal 2021 is reclassified based on the new classification for management operation.
2. The range risk of the outlook for fiscal 2025 is not reflected in each segment but is included in the company-wide segment.

(HCB)
Healthcare Business

Sales Composition Ratio (FY2024)

18%

<Value creation initiatives under "SF2030">

In the Healthcare Business, we have been promoting home blood pressure monitoring believing that measuring blood pressure at home is beneficial to people's health. Nowadays, blood pressure data measured at home is being used in the treatment of hypertension, and home blood pressure monitoring has a positive impact on the blood pressure control of hypertensive patients. However, as the population ages, the number of hypertensive patients is increasing globally, and onsets of cerebral and cardiovascular diseases attributable to hypertension are also on the rise. In addition, the number of patients with respiratory diseases is rising, especially in emerging countries. Chronic pain in the knees, low backs, and shoulders imposes a heavy burden on people in their daily lives, significantly reducing the quality of life (QOL).

Our SF2030 vision, "Going for ZERO, Preventive Care for Health of Society," expresses our strong determination to create a society in which people around the world can live healthy and comfortable lives.

By leveraging the technologies and insights we have cultivated so far, we address three business domains: Cardiovascular, Respiratory, and Pain Management and aim to achieve 3 Zeros within these domains: "Zero cerebrovascular and cardiovascular events," including stroke and heart failure; "Zero aggravation of respiratory diseases," such as asthma and chronic obstructive pulmonary disease (COPD); and "Zero restrictions on daily activities due to chronic pain," regarding the knees and low back pains. In addition, we will introduce Preventive Care to prevent disease and the development of serious illness, thereby offering new value fulfilling the desire of people around the world to "stay healthy."

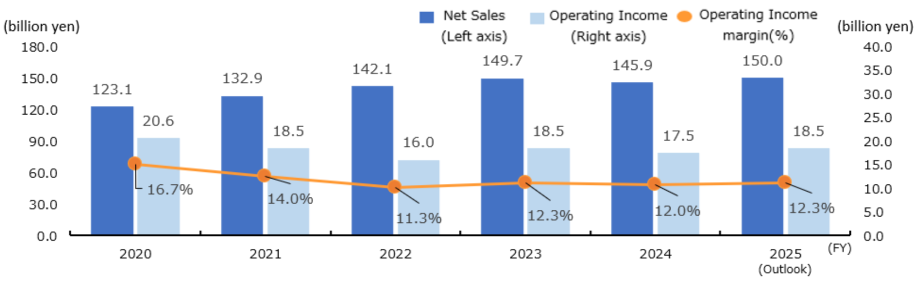
It is estimated that there are 1.28 billion people with hypertension and 46 million people with atrial fibrillation worldwide. The number of these patients is on the rise globally due to the accelerating aging of the population in developed countries and the expansion of the middle class in developing countries, and the demand for healthcare devices is expected to grow. Among these, developing countries such as India and other Asian countries have low penetration rates of blood pressure monitors and we believe that there is high growth potential. We will continue to focus on areas where markets are expected to grow in the future, and strengthen our core businesses.

Results for fiscal 2024 and outlook for fiscal 2025

Results for fiscal 2024	
Status of sales	Market demand remained strong for our mainstay blood pressure monitors in certain regions, particularly in Japan and Europe. However, demand was stagnant in China due to a decline in consumer sentiment, leading to overall weakness. In addition, decreasing demand for nebulizers and oxygen concentrators stemming from a negative rebound from special demand related to respiratory diseases in the previous fiscal year resulted in lower net sales year on year.
Status of operating income	Despite our efforts in managing fixed costs, operating income declined year on year due to the impact of lower sales and increased logistics costs.

Outlook for fiscal 2025	
Outlook for sales	We expect global blood pressure meter demand to grow at a steady, but decelerating pace. Personal consumption in China has shown no sign of recovery, and we expect the outlook for demand to remain uncertain. In response, we intend to boost sales through growing online channels globally and continue to capture expanding demand in emerging countries. These developments should result in higher year-on-year net sales in the next fiscal year.
Outlook for operating income	We expect operating income for the next fiscal year to increase over the current fiscal year through efforts to increase sales, accelerate manufacturing cost reductions, and manage fixed costs prudently.

Net sales, operating income and operating income margin



Progress in KPIs for social value creation

Social Value KPI (FY2024 Results)

Global BPM Units Sold

68.18mn

(3-year total)

Note: The range risk of the outlook for fiscal 2025 is not reflected in each segment but is included in the company-wide segment.

(SSB) Social Systems, Solutions and Service Business

Sales Composition Ratio (FY2024)

18%

<Value creation initiatives under "SF2030">

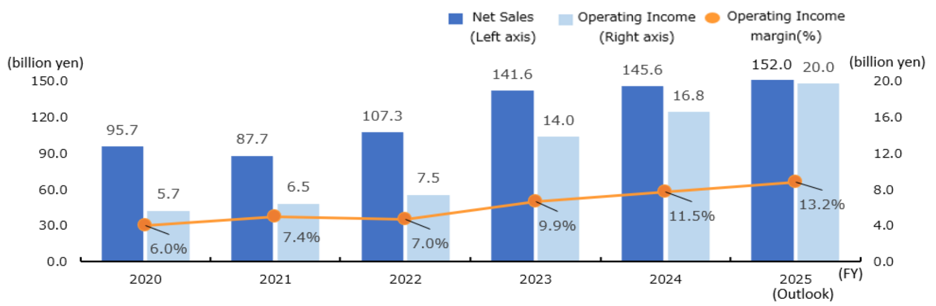
As we head toward the year 2030, new social issues will emerge, posing a threat to the security, safety, and comfort of our daily lives, such as more frequent natural disasters in view of global warming and an insufficient labor force owing to the declining birthrate and population aging. The values of people living in such times will continue to diversify. In addition to responding to our customers' needs, in light of emerging social issues we will consider how social systems should be reset and seek solutions. Together with stakeholders who share our perspectives, we will endeavor to create "next-generation social systems." Our ideas and insights as well as the processes corresponding to them are expressed by the word "Design" in our SF2030 business vision. We are committed to creating "social good" in the form of aspirational lifestyles and a bright future full of smiles.
Under SF2030, the social issues we will address are "achievement of carbon neutrality" and "realization of a digital society." Social issues such as increasing CO2 emissions, accelerating climate change and lack of labor force due to the accelerating decline in the birthrate and population aging could cause various inconveniences and concerns in our daily life. For companies, management issues are becoming more complex in view of the need for business continuity and decisive action on the environmental front. We need to resolve not only on-site issues by providing existing devices and services but also to work with customers, helping them resolve their management issues. We will contribute to the creation of a future society that is safer, securer, and more comfortable. We will aim to realize next-generation social systems through social automation cultivated in the Social Systems, Solutions and Service Business.

Results for fiscal 2024 and outlook for fiscal 2025

Results for fiscal 2024	
Status of sales	The storage battery systems and other businesses within the Energy Solutions Business performed well as a result of an increase in needs for captive consumption of renewable energy and subsidy programs, as well as increased investments in the industrial and commercial domains as part of accelerated efforts toward carbon neutrality. The Public Transportation System Business saw strong demand for capital investment amid strong performance among railway companies in response to a recovery in passengers and fare revisions. As a result, sales increased year on year.
Status of operating income	Operating income increased significantly year on year, mainly due to the increase in sales.

Outlook for fiscal 2025	
Outlook for sales	We expect demand for renewable energy-related products in the residential and industrial domains in our Energy Solutions Business to remain firm given soaring energy prices and ongoing efforts toward carbon neutrality. Our Public Transportation System Business should see ongoing and firm capital investment among customers. These developments should result in higher year-on-year net sales in the next fiscal year.
Outlook for operating income	We expect operating income for the next fiscal year to increase significantly over the current fiscal year through efforts to increase sales and raise productivity.

Net sales, operating income and operating income margin



Note: The range risk of the outlook for fiscal 2025 is not reflected in each segment but is included in the company-wide segment.

Progress in KPIs for social value creation

Social Value KPI (FY2024 Results)

Connected Energy Management Devices

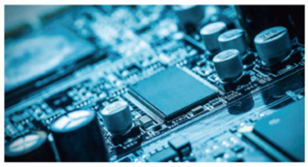
41K

(DMB)

Devices & Module Solutions Business

Sales Composition Ratio (FY2024)

13%



<Value creation initiatives under “SF2030”>

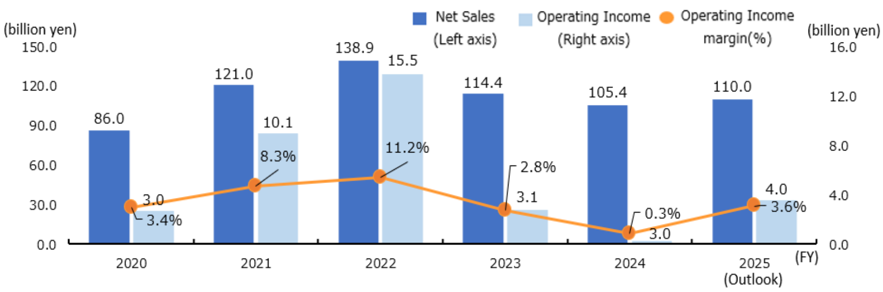
The Device & Module Solutions Business will realize three transformations under SF2030.
Firstly, we will pursue business transformation. As one of OMRON’s core businesses, the Device & Module Solutions Business aims to address social issues, namely, “achievement of carbon neutrality” and “realization of a digital society.” By combining our core technologies and diverse functions, we will enhance the value of our products and provide customers with device- and module-based solutions that give them the functions they need while addressing societal challenges. Ever since our foundation, we have been a source of sophisticated, high-quality devices and modules, including relays, switches, connectors, and sensors. And our core “connecting” and “switching” technologies are indispensable for turning equipment on and off the flow of electricity in addition to our sensing technology. Leveraging our expertise, we will create new social value that contributes to the “spread of new energy and high-speed communication.”
Secondly, we are resetting our focus domains. We will focus on four business fields where the strengths of the Device & Module Solutions Business centering on its core technologies can be brought into full play and where further growth opportunities are expected. Focus domains are DC(direct current) drive equipment, DC infrastructure equipment, high-frequency devices, and remote/VR devices. Regarding DC drive equipment and DC infrastructure equipment, the shift to DC and higher-capacity power supply and the electrification of infrastructure will progress as measures to minimize the environmental burden. In promoting widespread use of these products, the need for safety measures will increase to ensure electric shocks and combustion are prevented. Regarding high-frequency devices and remote/VR devices, the rapid digital shift requires technologies and devices that enable high-speed communication and large data capacity. With our “connecting” and “switching” technologies, we will deliver solutions for these issues.
Thirdly, we will evolve our value proposition model. In addition to the existing value, we will offer new value corresponding to “green, digital, and speed.” We will accelerate value proposition through the creation of devices that contribute to the realization of a decarbonized society, provision of digital value, and concurrent activities in which sales, development, and production work together to respond to changes in society in a flexible and timely manner.

Results for fiscal 2024 and outlook for fiscal 2025

Results for fiscal 2024	
Status of sales	Demand in the consumer industry remained sluggish, even as certain areas of China and elsewhere, as well as certain semiconductor-related markets, showed signs of recovery. Slow inventory turnover and production plan revisions among customers, mainly in Europe and Japan, impacted demand negatively. Despite rising demand in China, overall demand in the automobile industry was sluggish due to the curtailment of preferential measures for electric vehicles in Europe. As a result, sales were lower year on year.
Status of operating income	Operating income declined significantly year on year due to the impact of the decrease in sales and soaring raw materials costs.

Outlook for fiscal 2025	
Outlook for sales	Demand in the consumer industry will likely remain flat in general. However, we expect demand to be strong in the energy-related and semiconductor-related industries, where we have placed our focus. This demand will likely be driven by increased investment in AI, and we intend to capture growing demand through new applications that meet customer needs, as well as other means. These developments should result in higher year-on-year net sales in the next fiscal year.
Outlook for operating income	Soaring raw material prices and other factors continue to have a negative impact on profit. However, we expect operating income to increase in the next fiscal year compared with the current fiscal year, mainly due to increased sales, efforts to optimize prices, and profit improvement measures.

Net sales, operating income and operating income margin



Progress in KPIs for social value creation

Social Value KPI (FY2024 Results)

Sales volume for products contributing to adoption of renewable energy and highspeed communication (3-year total)

Products for DC equipment 124mn

Products for microwave devices 167mn

Note: 1. As a result of a revision of classification for management operation, from fiscal 2022 a portion of IAB is included in DMB. As a result, fiscal 2021 is reclassified based on the new classification for management operation.
2. The range risk of the outlook for fiscal 2025 is not reflected in each segment but is included in the company-wide segment.

(DSB)

Data Solution Business

Sales Composition Ratio (FY2024)

6%

<Value creation initiatives under "SF2030">

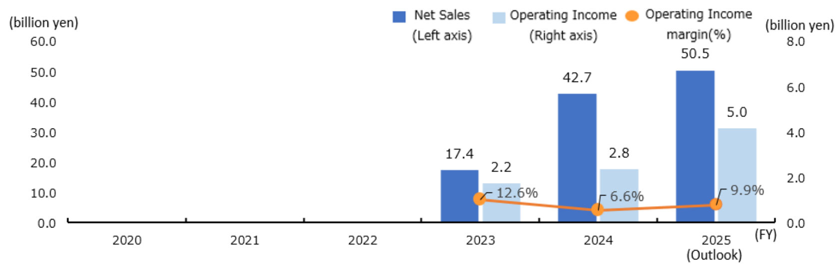
The Data Solution Business Headquarters utilizes data collected from various devices used in diverse industrial settings and daily life, creating and providing solution services that address the essential issues of customers.
We take the lead in reforming the OMRON Group's business model by taking full advantage of our collaboration with JMDC Inc. (hereinafter "JMDC"), which became a consolidated subsidiary in October 2023, and focusing on (1) accelerating JMDC's business growth; (2) OMRON's healthcare business growth; and (3) expanding OMRON's data solutions business outside the healthcare field.
JMDC's business growth will be further accelerated by combining OMRON's brand and customer base with JMDC, which already has a high business growth rate of 20%. JMDC operates its business based primarily on a healthcare data platform that connects insurers, medical institutions, pharmaceutical companies, and individuals, but is expanding its service coverage by, among other things, catering to corporate customers through the Health & Productivity Management Alliance.
As part of the growth of OMRON's healthcare business, we are working to expand the Proactive Health Business by integrating JMDC's medical data analytics and OMRON's vital sensing technologies, with the goal of preventing lifestyle-related diseases. In addition, OMRON is developing and expanding the Corporate Health Business, which supports corporate HR, general affairs, and management divisions by promoting organizational vitality through employee health enhancement and promoting health management / well-being management.
As Omron expands its Data Solution Business, it provides one-stop support for customers with on-site, management, and business challenges at their offices/facilities/stores, by integrating its field engineering services (including design, operation, maintenance, and BPO) with digital services that support digital transformation (DX). We will develop and expand concrete solutions tailored to industry-specific challenges, such as labor shortages and rising store operation costs in retail and distribution, as well as increased environmental compliance demands and energy costs in manufacturing.
Through these initiatives, not limited to the healthcare field, the OMRON Group leverages its diverse products, extensive customer network, field implementation expertise, and the data derived from them, in combination with JMDC's data management and solution development strengths, to provide optimal solutions to the increasingly complex challenges facing its customers.

Results for fiscal 2024 and outlook for fiscal 2025

Results for fiscal 2024	
Status of sales	Sales increased due to the number of contract health insurance associations in JMDC, the annual volume of transactions with pharmaceutical companies and insurance companies that use data, and the expansion of the number of medical institutions that use remote reading services.
Status of operating income	While we steadily invested in the creation of the solutions businesses, the increase in JMDC sales led to a steady increase in operating income.

Outlook for fiscal 2025	
Outlook for sales	We expect the trend of medical data use, mainly by pharmaceutical companies, to continue to grow as part of the JMDC business. We also expect demand for services for insurers and consumers to grow further as individuals become more conscious of health and prevention. Based on the above, sales for the next fiscal year are expected to increase compared to the current fiscal year.
Outlook for operating income	We forecast operating income to increase year on year in answer to our efforts to increase net sales.

Net sales, operating income and operating income margin



Note: The range risk of the outlook for fiscal 2025 is not reflected in each segment but is included in the company-wide segment.

(2) Status, Analysis and Considerations of Financial Condition and Cash Flows

(i) Financial Condition

Total assets at of the end of the fiscal year amounted to JPY1,361.8 billion, essentially level with the end of the previous fiscal year. Total liabilities amounted to JPY427.4 billion, an increase of JPY23.6 billion compared to the end of the previous fiscal year. This result reflected our efforts at external financing, including bonds, to secure funds for business operations. Total net assets amounted to JPY934.4 billion, a decrease of JPY16.6 billion compared to the end of the previous consolidated fiscal year. This result was mainly due to decreases in foreign current translation adjustments and Pension liability adjustments. The OMRON Group maintained a strong financial foundation, even though the shareholders' equity ratio decreased 1.4pt to 56.7%.

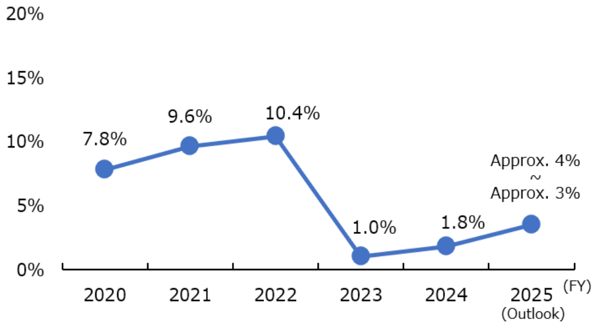
In terms of liquidity, cash on hand as of the end of the fiscal year amounted to JPY149.0 billion. Further, OMRON has signed commitment line agreements with financial institutions in the amount of JPY30.0 billion, ensuring a high level of funds available. To secure funds for growth investments, we intend to maintain high credit ratings from ratings agencies as a long-term issuer, while encouraging good relationships with financial institutions on a global basis. In this way, we believe we will ensure our ability to raise funds.

(JPY billions)

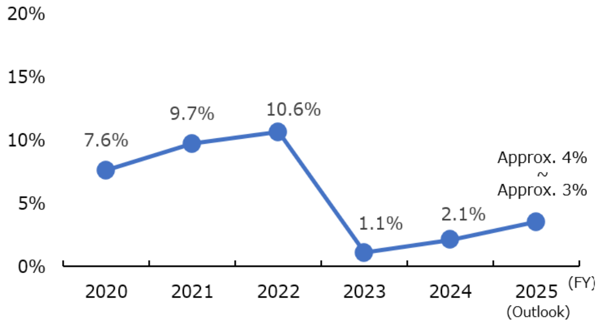
	As of March 31, 2024	As of March31, 2025	Change
Total assets	1,354.7	1,361.8	+7.1
Total liabilities	403.7	427.4	+23.6
Shareholders' equity	786.7	771.9	(14.8)
Non-controlling interests	164.3	162.5	(1.8)
Total net assets	951.0	934.4	(16.6)
Total liabilities and net assets	1,354.7	1,361.8	+7.1

Return on equity (ROE) and return on invested capital (ROIC) in fiscal 2024 improved from the previous fiscal year, but remained well below our group's cost of capital (The Company's estimate of 8%). In order to achieve further enhancement of corporate value, we are aware of the need to reinvest accumulated cash and future generated cash into strengthening existing businesses and capturing new growth opportunities and to accelerate growth. By continuing to allocate management capital appropriately, we will continue to realize corporate value enhancement by increasing our ability to generate future cash flows and improving capital efficiency as we take efforts to meet the expectations of all shareholders.

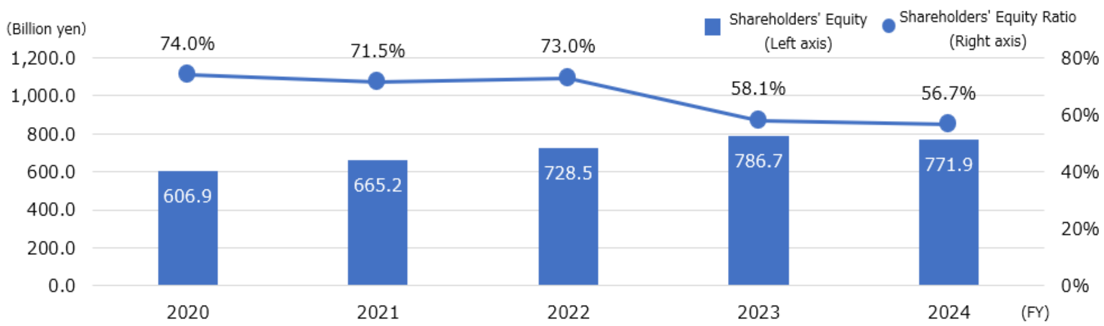
ROIC



ROE



Shareholders' equity and shareholders' equity ratio



(ii) Status of Cash Flows

Policies for cash allocation and trend

The OMRON Group sets the following cash allocation policy and shareholder return policy.

<Cash allocation policy>

i) Aiming to maximize corporate value through the realization of the long-term vision, OMRON prioritizes the necessary investment to create new value from a medium- and long-term perspective. During our restructuring period (April 1, 2024 through September 30, 2025), we intend to concentrate group resources on NEXT2025, giving top priority to the investments necessary to restore business performance and restructure our foundation for earnings and growth. On this basis, OMRON will return profits to shareholders in a stable and sustainable manner.

ii) In principle, we will source the funds for these value-creating investments and shareholder returns through retained earnings and the sustained creation of operating cash flows. We will allocate funds as needed, maintaining a degree of financial soundness to facilitate capital-raising regardless of financial market conditions.

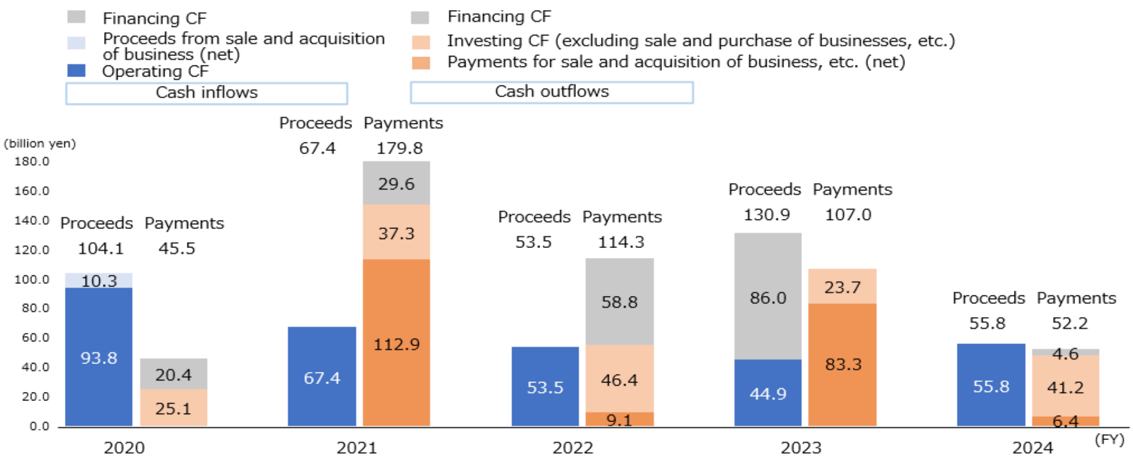
<Shareholder returns policy>

i) We will prioritize investments necessary for value creation from a medium- to long-term perspective, establishing a dividend on equity (DOE) target of approximately 3% as a standard for annual dividends. Taking past dividend payments also into account, we intend to ensure stable and continuing shareholder returns.

ii) Having engaged in the investments and allocation of profits described above, we will distribute retained earnings accumulated over the long term to shareholders through opportunistic share buybacks and other measures.

The Group's cash allocation is as follows.

<Trend in cash flows>



Notes: 1. Figures presented exclude impacts of foreign exchange rates.
2. Figures for cash flows from investing activities are presented separate from impacts due to the sale and acquisition of business, etc. Proceeds and payments from the sale and acquisition of business, etc. include “Proceeds from sale of business, net of cash paid,” “Payments for acquisition of business, net of cash received” and “Increase in investment in affiliates” appearing in the consolidated statements of cash flows.

Status of cash flows for fiscal 2024

Net cash provided by operating activities amounted to JPY55.8 billion, an increase of JPY10.9 billion compared to the previous fiscal year. This result was mainly due to an increase in net income and accounts payables.

Net cash used in investing activities amounted to JPY47.9 billion, mainly due to capital expenditures. This result was a decrease of JPY59.2 billion compared to the previous fiscal year. Free cash flow, which is the sum of net cash provided by operating activities and net cash used in investing activities, amounted to net cash proceeds of JPY7.9 billion, an increase of JPY70.1 billion compared to the previous fiscal year.

Net cash used in financing activities amounted to JPY4.6 billion, an increase of JPY90.6 billion compared to the previous fiscal year. This result was mainly due to external financing, including bonds, and dividend payments.

As a result, cash and cash equivalents at the end of the fiscal year amounted to JPY149.0 billion, an increase of JPY5.9 billion yen compared with the end of the previous fiscal year.

<Summary of cash flows for fiscal 2024> (JPY billions)

	Year ended March 31, 2024	Year ended March 31, 2025	Change
Cash flow from operating activities	44.9	55.8	+10.9
Cash flow from investing activities	(107.1)	(47.9)	+59.2
Free cash flow	(62.2)	7.9	+70.1
Cash flow from financing activities	86.0	(4.6)	(90.6)

Outlook of fiscal 2025 cash flows

In the next fiscal year (fiscal 2025), we will improve profitability through the implementation of NEXT2025, and increase the efficiency of working capital, focusing on inventory.

Turning to investment activities, we will maintain disciplined investment and carefully select and implement capital investment and investment and financing projects. Capital expenditure in 2025 is expected to increase by JPY 8 billion compared to fiscal 2024 due to factors such as updating IT systems.

In financing activities, we will continue to efficiently allocate capital across the OMRON Group, and conduct flexible procurement and financial operations in light of financial circumstances.

<Items related to cash flows for fiscal 2025>

	FY2024 (Results)	FY2025 (Outlook)	Change
Depreciation and amortization	JPY 33.5 billion	JPY 37.0 billion	+JPY 3.5 billion
Capital expenditures (capital investment)	JPY 49.0 billion	JPY 57.0 billion	+JPY 8.0 billion

Note: Capital expenditures represent the amount from the consolidated statement of cash flows

Financing and capital policy

The OMRON Group maintains a basic policy to secure liquidity required for business operation and diverse financing facilities, while enhancing capital efficiency, in order to execute growth investments and achieve stable business operation. As such, we maintain the following capital policy, including financing.

i) To maintain and improve shareholder value, the OMRON Group will implement management practices by taking into consideration the adequate target levels for return on invested capital (ROIC), return on equity (ROE), and earnings per share (EPS). To prepare for rapid fluctuations in economic conditions, we will also set the equity ratio target at a level sufficient for maintaining a corporate credit rating that enables raising of funds without regard to monetary market conditions.

ii) With respect to capital policy that results in a change of control or in significant dilution, the Board of Directors will make a rational decision by fully taking into consideration the effects it would have on the aforementioned ROIC, ROE, and EPS.

iii) If we implement a fund raising program that will result in significant dilution, the use of the funds and its recovery plan will be fully examined and deliberated at a meeting of the Board of Directors before making a resolution, and sufficient explanation will be given to investors and shareholders.

<Rating information>

We have obtained following rating from Rating and Investment Information, Inc. at the time of submitting this report.

	Rating	
	Long-term	Short Term
Rating and Investment Information, Inc.	AA-	a-1+

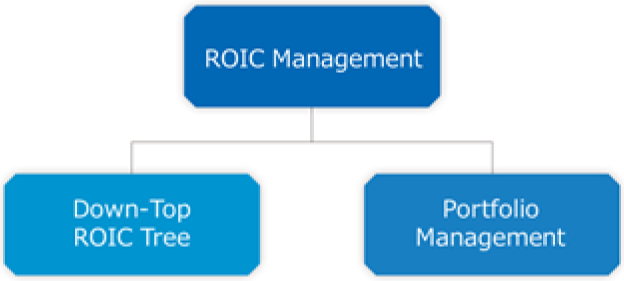
<Corporate bond information>

For the balance of bonds, please refer to “5. Accounting 1. Consolidated Financial Statements, etc. (1) Notes to Consolidated Financial Statements II. Descriptions and Breakdowns of Major Accounts I. Borrowings and Bonds.”

(Reference) Initiatives for ROIC Management

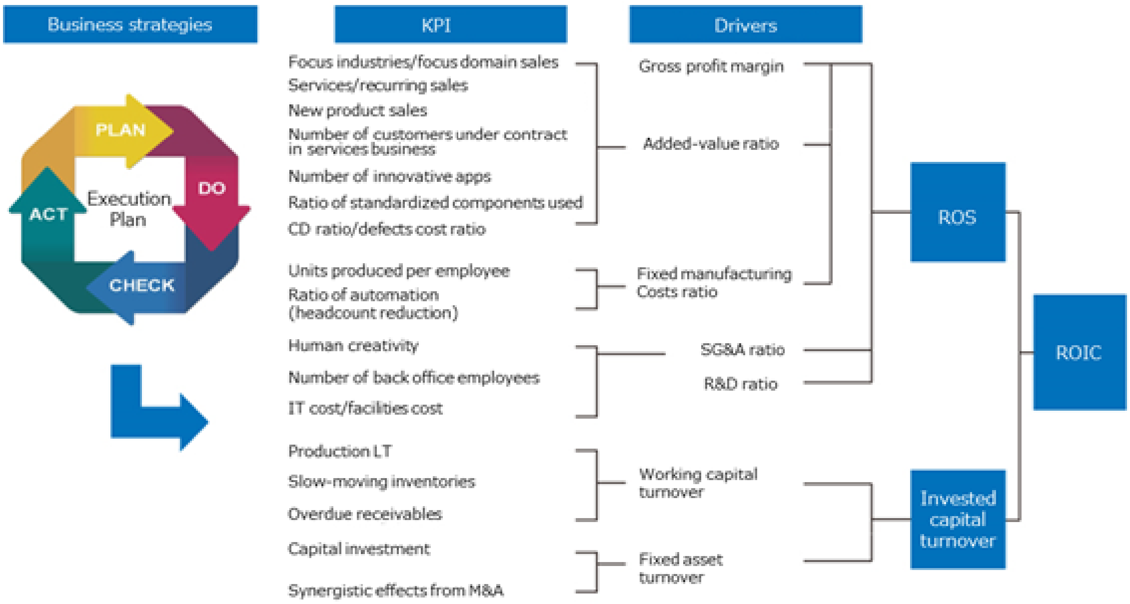
The OMRON Group has established ROIC as an important management indicator. The group as a whole is united in our efforts to have ROIC Management widely embraced throughout the OMRON Group as a way of ensuring that we can continuously improve this indicator. We will continue to promote ROIC Management in the Long-term Vision SF2030. We expect it will allow us to continue to achieve dramatic growth going forward.

For the OMRON Group, which encompasses a number of business divisions with varied characteristics, we believe ROIC is an excellent measure for assessing business performance fairly for each business. Using operating income or operating income margin as an indicator doesn't account for variances due to the nature or scope of a business. ROIC, on the other hand, measures return on invested capital, providing a fair assessment. ROIC is an essential indicator to the OMRON Group in operating our unique business portfolio. ROIC Management of the OMRON Group is comprised of two elements, Down-Top ROIC Tree and Portfolio Management.



<Down-Top ROIC Tree>

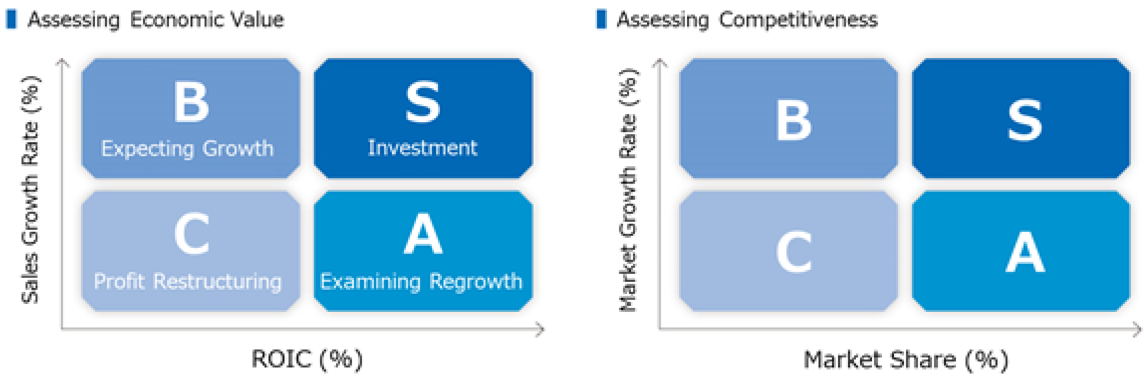
Down-Top ROIC Tree breaks ROIC into key performance indicators for each department, taking business strategies as the starting point, allowing us to improve ROIC at the most basic operating level. Using simple ROS or invested capital turnover as ROIC indicators are ineffective, since they do not relate directly to front-line operations. On-site managers would have trouble thinking of ways to improve ROIC using these indicators. However, we can break ROIC down into automation ratio or facilities turnover as KPIs of manufacturing departments. With these indicators, managers can finally see how their goals tie directly to ROIC improvement initiatives. At the OMRON Group, one of our greatest strengths is our unified approach to improving ROIC from the ground level up.



<Portfolio Management>

We break down OMRON into approximately 60 business units, each subject to a portfolio management system that assesses the economic value of the unit according to ROIC and sales growth rate. In this way, management can make proper and timely decisions related to new business entry, growth acceleration, restructuring, or divestiture to drive improvements in the OMRON Group value.

We consider both the economic value and the market competitiveness of a business in allocating limited resources in an optimal manner. This assessment system allows us to identify the growth potential of each business unit, making an optimal allocation of our resources.



(3) Significant Accounting Estimates and Assumptions Used in Estimates

Consolidated financial statements provided in this Annual Securities Report are prepared in accordance with accounting principles generally accepted in the United States of America. In the preparation of consolidated financial statements, we use various estimates and assumptions that may impact the amounts of assets and liabilities at the end of the fiscal year, the disclosure of contingent assets and liabilities, and income and expenses during the reporting period. Actual results may differ from these estimates. For impairment of long-term assets, impairment of goodwill and unamortized intangible assets, and recoverability of deferred income tax assets, the Company makes estimates and subjective judgments in response to changes in the business environment.

Details are described in “V. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements, Notes on Consolidated Financial Statements, I Overview of Significant Accounting Policies, F Accounting Standards.” However, the significant impact on management strategy and consolidated financial statements are as follows.

Valuation of goodwill, etc. associated with strategic investments, etc.

The Company is proactively conducting strategic investments as part of an effort to strengthen future business growth.
In Industrial Automation Business (IAB,) in order to strengthen innovative applications to address issues in manufacturing sites through “innovative-Automation”, we acquired, in the U.S., a motion controller manufacturer, Delta Tau Data Systems, Inc. and a robot manufacturer, Adept Technology, Inc. in 2015, and a code reader manufacturer, Microscan Systems, Inc. in 2017.
In Healthcare Business (HCB,) in February 2020, we made a capital investment in AliveCor, Inc., which focuses on support services and products for the diagnosis and treatment of cardiovascular conditions primarily in the U.S., with the objective of collaborating in a business to prevent the progression of serious neuro- and cardiovascular diseases and to support treatment.
In addition, under Long-term Vision SF2030, we believe it will be important to shift the profit structure to reflect a shift toward data-driven value creation. Reflecting this, we engaged in a capital and business alliance with a medical data services company, JMDC, purchasing stocks of JMDC in February 2022. In October 2023, the Company acquired the additional shares of JMDC and made it a consolidated subsidiary.

(i) Valuation of Goodwill

For valuation of goodwill, goodwill is not amortized, but instead tested for impairment at least once a year or when an indication of impairment is identified.

For the goodwill of businesses acquired by IAB, we have determined that IAB is the reporting unit for such goodwill, excluding the inspection equipment business. This is because we anticipate synergistic benefits will accrue from this business as the acquired business is an integral part of the innovative-Automation strategy.

For the goodwill of businesses acquired upon having made JMDC a consolidated subsidiary, we have determined that the Data Solution Business Headquarters (DSB) is the reporting unit for such goodwill as DSB was established on December 21, 2023 to promote the solutions business with the partnership between the Company’s existing businesses and JMDC.

For impairment tests, fair value of the reporting units are calculated based on the valuation calculated using the discounted cash flow method and the valuation based on the market price method with a control premium added to the market price, then evaluated by comparing such value with the corresponding carrying amount. Fair value by discounted cash flow method is calculated by discounting the estimated future cash flows based on the five-year business plan in principle that has been approved by management to the present value using a discount rate calculated based on the weighted average cost of capital. For the formulation of the business plan, we use assumptions such as macroeconomic conditions, market growth rates, profit margins, and equipment plans. The cash flows after the forecast period in the business plan are calculated based on the assumption that they grow permanently at the inflation rate of the country where each business is located, and the reference to public market valuations of comparable companies, and furthermore encompass numerous significant estimates.

Weighted average cost of capital is calculated using various estimates, such as the risk-free rate, risk premium reflecting the economic and market conditions in the country where the business is located, inflation rates, liabilities costs, selection of comparable companies, and judgment on whether or not to apply premium or discount rates applicable to comparable companies.

The impairment loss on goodwill was recorded because the fair value of the goodwill of DSB was less than its carrying amount. For other goodwill, the fair value exceeds the carrying amount.

Details on goodwill balances of each operating segment in the consolidated balance sheet as of March 31, 2024, and impairment testing methods are stated in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes on Consolidated Financial Statements, II Descriptions and Breakdowns of Major Accounts, G GOODWILL AND OTHER INTANGIBLE ASSETS.”

(ii) Evaluation of Investments in Affiliates

Investments in and advances to affiliates recorded on the consolidated balance sheet as of March 31, 2025 included JPY9,721 million of equity-method investments for AliveCor, Inc. in the Healthcare Business. The amount exceeded the Company’s proportionate share in the underlying net assets of AliveCor, Inc. by JPY9,349 million, mainly due to equity method goodwill recognized when applying equity method.

The Company evaluates the fair value of investments in affiliates based on the excess earning power of the affiliates. If the decrease in value is other than a temporary decline, a loss in value of an investment is recognized for the excess of the carrying amount of the equity over the proportional fair value of the affiliate. Because AliveCor, Inc. is a start-up company, the fair value was calculated based on the same method as evaluating goodwill, considering uncertainties on the achievement of the future business plan and the importance as the goodwill equivalent amount. As a result of the calculation, loss on valuation is not necessary as the fair value exceeded the carrying amount of the investment.

(4) Production, Ordering, and Sales Results

The sales results by segment in the fiscal year are described in “(1) Status, Analysis and Considerations of Business Environment, Operating Results, etc.” Production and sales items of the OMRON Group are wide-ranging and diverse. Even the same type of products may not have the same capacity, structure, shape, etc. There are also many products that do not adopt the made-to-order production method. As such, we do not provide amounts for production and orders by segment.

(5) Factors That Have a Significant Impact on Operating Results

Factors that have a significant impact on operating results are described in “II. Business Conditions, 3. Risks of Business, etc.”

5. Important Agreements, etc.

Based on the resolution at the Board of Directors meeting on September 8, 2023, the Company entered into an amendment agreement to the capital and business alliance agreement with JMDC Inc. (hereinafter, “JMDC”) as of the said date, as follows.

OMRON Corporation (hereinafter, “OMRON”) purchased additional shares of JDMC and agreed to the amendment to the capital and business alliance agreement with JMDC dated September 8, 2023 with the aim of strengthening the capital and business alliance relationship with JMDC to further resolve social issues and increase business value. Below is an outline of the amendment to the capital and business alliance agreement (including an outline, etc. of the provisions that have not been changed by the amendment to the capital and business alliance agreement in the capital and business alliance agreement dated February 22, 2022) and other related matters.

(A) Areas of business alliance based on the capital and business alliance

(a) Strengthening the health data platform

- Building a health data platform linking the OMRON Group’s data to the JMDC Group
- Sales cooperation for the JMDC Group’s products and services to collect data

(b) Development of preventive solutions

- Development of innovative preventive solutions leveraging devices and data, including joint development and social implementation of lifestyle change support services for patients and others in primary through tertiary preventive medicine and nursing care prevention domains, as well as treatment support and guidance for healthcare professionals.
- Development of devices for insurers and supply to the JMDC Group by the OMRON Group

(c) Acceleration of global expansion of the JMDC Group’s business

- Sales support for the JMDC Group’s products and services in overseas
- JMDC Group’s use of the OMRON Group’s overseas business sites

(d) Cross-selling of device services

- Deployment of solutions which link personal health records and devices to healthcare providers, insurers, local governments, companies, etc.
- Mutual transactions between the OMRON Group and the JMDC Group concerning products, services and solutions

(e) Development and social implementation of the OMRON Group’s data solution business

- Establishment and promotion of collaboration themes in the areas of industrial automation and social solutions
- Dispatch of human resources from the JMDC Group to the OMRON Group, and outsourcing from the OMRON Group to the JMDC Group

(B) Secondment of employees between two companies

With a view to facilitating the capital and business alliance, OMRON and JMDC have agreed under the amendment to the capital and business alliance agreement, that in the case where the other party makes a proposal with respect to the acceptance of secondment of OMRON’s employees to JMDC and JMDC’s employees to OMRON (more than one person is expected for each company), the parties will consult in good faith with each other and will decide on the details of the timing and treatment of the secondment (including the number and selection of employees) after consultation in consideration of the intention of the employees.

(C) Dispatch of officers

OMRON and JMDC have agreed under the capital and business alliance agreement dated February 22, 2022 that OMRON may nominate one director candidate who is not an executive director of JMDC (hereinafter, “Director Nominated by OMRON”) to the nomination and compensation committee of JMDC, and the nomination and compensation committee of JMDC will designate the Director Nominated by OMRON as a candidate for director.

(D) Issuance or disposition of shares, etc.

OMRON and JMDC have agreed under the amendment to the capital and business alliance agreement that JMDC may, at its discretion, issue or dispose of the shares, etc. (meaning, collectively, shares, share options, bonds with share options and other rights to acquire shares; the same shall apply hereinafter in this paragraph) in connection with the raising of funds, M&A, etc. and that, in the case where (i) JMDC ceases to be a consolidated subsidiary of OMRON, or (ii) 10% or more dilution occurs due to such issuance or disposition of shares, etc., JMDC shall provide OMRON, in advance or at a reasonable time ex post (provided that JMDC notifies OMRON at least one month prior to the announcement of the issuance or disposition of subscription shares), with the opportunity to acquire additional shares, etc. of JMDC (details of which are reasonably determined by JMDC) to the extent necessary (in the case of (i)) for OMRON to make JMDC a consolidated subsidiary, or (in the case of (ii)) to reinstate the dilution mentioned in (ii) (provided, however, that such obligation to provide such opportunity is subject to OMRON not selling or disposing in any other way any part of the shares of JMDC.)

(E) Handling of shares of JMDC

OMRON and JMDC have agreed under the capital and business alliance agreement dated February 22, 2022 that in the case where OMRON acquires additional shares, etc. of JMDC, OMRON shall notify JMDC in writing no later than one month prior to the expected final determination date of such additional acquisition, that in case where OMRON wishes to dispose of the shares of JMDC held by OMRON (limited to the case where the ratio of voting rights pertaining to the shares subject to such disposition is more than 5%), OMRON shall notify JMDC in writing no later than three months prior to the expected final determination date of such disposition, and that in the case where JMDC indicates its intention concerning the party to whom the shares of JMDC held by OMRON are disposed of within two months from the date of receipt of such notice, OMRON shall respect such intention to the fullest extent as long as it is broadly equivalent economically.

6. R&D Activities

The Group conducts R & D based on mid- to long-term technology strategies with the aim of creating customer value. With our core technology "Sensing & Control + Think" as the core of technology strategy, the Technology & Intellectual Property HQ, in the R&D Division, is responsible for fundamental technology development, and each business division is implementing applied technology development and product development. In addition, we are promoting intellectual property activities tied to our business and technology strategies to ensure that the results of R&D activities are linked to business competitiveness.

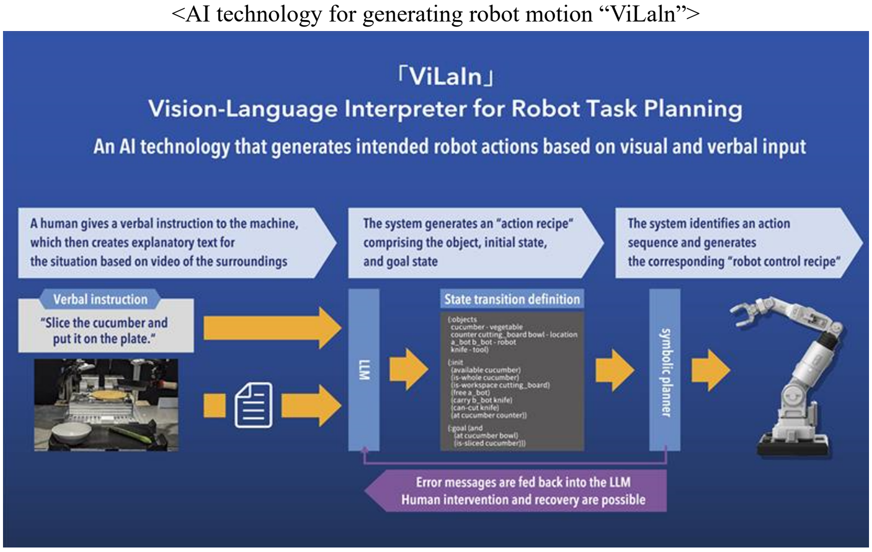
(1) R&D Initiatives of the OMRON Group

In July 2024, OMRON began building a company-wide technology governance system to further strengthen its technological management, which is Omron's strength, and to continuously improve business competitiveness and development productivity. In this activity, the Technology & Intellectual Property HQ, which is the research and development division of the corporate group, and the development department of the business division work together to formulate a company-wide technology strategy that consolidates business and technology strategies, and to manage portfolios based on the company-wide technology strategy. We are also working to formulate indicators that show the effectiveness of development productivity and technology strategies, and to create a framework for continuous monitoring from a management perspective.

One example of this is the establishment of a competitive advantage in the power electronics domain by linking business and product strategies with technology strategies. The Technology & Intellectual Property HQ utilizes GaN (gallium nitride), one of the next-generation power semiconductor devices that have been pursuing advanced research and technology development in the energy solutions business domain, and is expanding beyond the Social Systems, Solutions and Service Business to other business domains, such as the factory automation (FA) business. Through these initiatives, we are expanding our business horizontally as a differentiation technology that realizes customer value.

In parallel, OMRON is actively working to create next-generation innovative technologies. For example, at SEMICON Japan held in December 2024, we unveiled the latest ninth generation of FORPHEUS, a table tennis robot that is a symbol of our core technology. With ViLaIn (Vilan) developed by OMRON SINIC X Corporation (OSX) as an AI technology that generates robotic motion from multimodal sources such as language and moving images, we have evolved our unidirectional communication between humans and machines in both directions.

<AI technology for generating robot motion "ViLaln">



In addition, the Technology & Intellectual Property HQ and OSX actively engaged in R&D activities aimed at the creation of next-generation innovative technologies, including the presentation of eight new research results at IROS2024 (The 2024 IEEE/RSJ International Conference on Intelligent Robots and Systems), one of the world's largest and most influential conferences in the field of robotics.

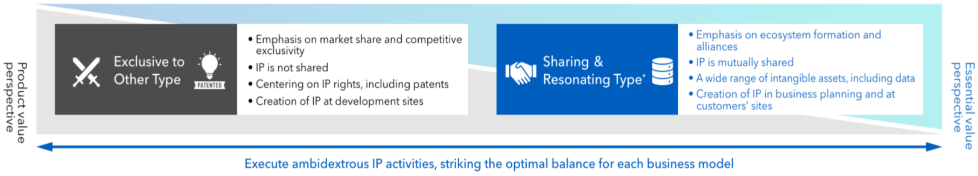
Total Group-wide R&D expenses were ¥50,144 million for the previous fiscal year and ¥44,339 million for the current fiscal year. Research and development expenses include ¥5,358 million for technology development at the Technology & Intellectual Property HQ.

(2) Activities for value-creating intellectual property and intangible assets

The Group continues to evolve its intellectual property and intangible assets activities to achieve sustainable growth by creating and delivering new value centered on intellectual property.

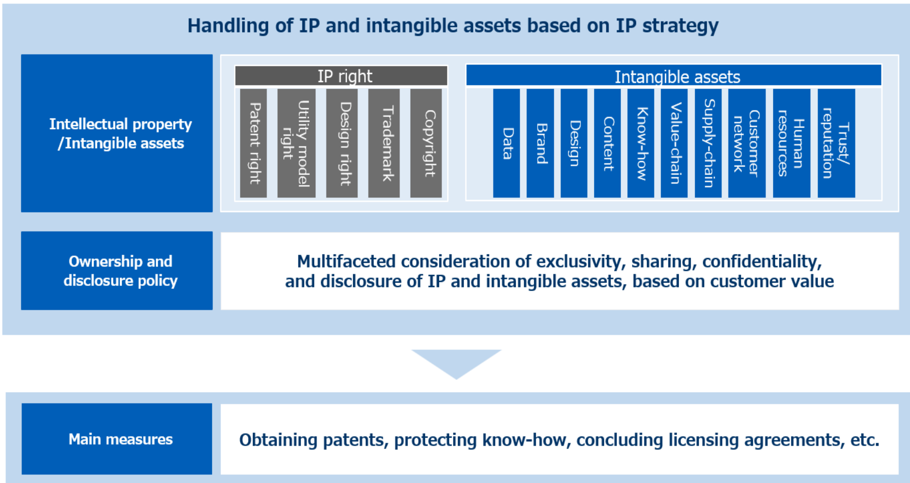
With the aim of increasing sales and market share of our own products, OMRON’s policy on intellectual property activities upholds “Ambidextrous IP Activities” by combining “Exclusive to Other Type” and “Sharing & Resonating Type” in an optimal balance. In Exclusive to Other Type, IP is used only by the company in principle for the purpose of increasing sales and market shares of the company’s products, whereas in Sharing & Resonating Type, necessary IP is mutually shared while emphasizing alliances with partners.

<Ambidextrous IP Activities>



In particular, in Sharing & Resonating Type IP activities, we cover not only individual IP rights, which have been the focus of our activities so far but also intangible assets. We are working to manage IP and intangible assets with a view to maximizing customer value.

<Management of Intellectual Property and Intangible Assets>



Improvement of the efficiency of companywide utilization of IP and intangible assets will become increasingly important for obtaining the maximum advantage from investment in terms of business competitiveness. All employees need to recognize the IP and intangible assets that exist within the OMRON Group and be able to utilize them. Accordingly, we are working to systematically visualize intellectual and intangible assets accumulated in each of our individual businesses, and human resources, centered on the core technologies needed to realize customer value. Through these efforts, we aim to improve the efficiency of the use of intellectual and intangible assets.

In addition, we incorporate the IP landscaping, which uses intellectual property information to analyze the customer and business environment, into marketing and other business decision-making processes. For example, at the stage of materializing the business hypothesis and establishing the development theme, the cycle of the hypothesis verification is efficiently carried out to “grasp customer needs,” “create a story to win in the business,” and “improve investment effectiveness in the business.” By implementing these activities from the upstream of business processes, we are enhancing the quality of management strategies, business strategies, and technology strategies, and building a portfolio of intellectual property in line with our company-wide policies.

In addition, we are focusing on the use of AI to accelerate value-creating intellectual property activities. For example, we aim to dramatically improve operational efficiency by actively utilizing generated AI for the creation of ideas that were believed to be possible only to humans, and to further improve the quality and high cycle of hypothesis testing in IP landscaping. To achieve this goal, we are implementing systematic and continuous education programs.

In recognition of these intellectual property activities, OMRON has been selected for the ninth consecutive year as one of the Top 100 Global Innovators (Clarivate), an organization that selects the world’s most innovative companies and research

institutions.
In this way, the Technology & Intellectual Property HQ will contribute to the creation of social needs through the evolution of core technologies and value-creating intellectual property and intangible assets activities, based on technological strategies from a company-wide perspective.

(3) R&D activities by business segment

Segment Name	Current fiscal year (From April 1, 2024, to March 31, 2025)
	Amount (JPY millions)
Industrial Automation Business	21,553
Healthcare Business	8,123
Social Systems, Solutions and Service Business	4,692
Device & Module Solutions Business	4,467
Data Solution Business	146
Eliminations & Corporate	5,358
Total	44,339

(i) Industrial Automation Business

In this segment, we are engaging in research and development based on the following manufacturing concepts: "1) Automation that goes beyond humans," which frees people from heavy labor and combines it with energy control; "2) Advanced collaboration between humans and machines," in which machines work alongside people to bring out their potential and allow both people and machines to grow together; and "3) Digital engineering innovation," which supports the two aforementioned concepts by linking on-site products, human knowledge, and data and blending them into something valuable.
Based on these three concepts, we are promoting customer-centric value creation and value communication to global customers in five industries: digital devices, environmental mobility, food and daily necessities, medical care, and logistics. We are shifting from the traditional perspective of things to a bird's-eye view of customer issues and working to create and provide these as "solutions." Starting from various advanced core technologies and OMRON's wide range of FA products, we are strengthening technology and product development so that we can systematically configure functional modules, software, applications, and services to suit customers and processes in each industry. The Company has also strengthened its efforts to proactively apply for and utilize patents, and has been awarded the "Top 100 Global Innovators" award for nine consecutive years.
In addition, to acquire new technologies that are lacking within the Company, we are proactively promoting open innovation with global start-up companies, universities, and other partners in industry, government, and academia.

(ii) Healthcare Business

In this segment, the Marketing Division and the R&D Division work together to realize personalized medical care, understand and create true user needs, and further speed up development. For everyone to live healthy and fulfilling lives, the R&D division aims to create new products that can provide new value in the three business areas: the cardiovascular business, which aims to reduce the incidence of neuro- and cardiovascular diseases to zero; the respiratory business, which aims to reduce the progression of serious asthma and COPD patients to zero; the pain management business, which aims to reduce daily activity

constraints due to chronic pain to zero.
As a major development theme in the fiscal year, the cardiovascular business continued to work to develop new blood pressure monitors (BPMs) that can flag declining heart function using blood pressure, pulse, pulse wave, and ECG monitors with the aim of helping to detect and treat diseases early, as well as developing and improving systems for remote medical services.
The respiratory business works with partners to develop equipment that measures symptoms and signs of exacerbation for patients with asthma and chronic obstructive pulmonary disease (COPD).
In the pain management business, in addition to conventional care for shoulder stiffness and lower back pain, we worked on the development of a low-frequency therapeutic device equipped with a new function to care for muscle fatigue after sports.

(iii) Social Systems, Solutions and Service Business

This segment works to develop products that respond to customer needs in a wide range of terminals and systems, including PV inverters, storage batteries, railway station systems such as automated ticket gates and ticket vending machines, traffic and road management systems, payment systems, and UPS that protect networks.
The Energy Solutions Business continues to work to create products that respond to consumer needs for household electricity and technology development, such as improving efficiency and making products more compact and lightweight, primarily for battery systems and solar power generation power conditioners, in order to respond to the rising interest in renewable energy.
The Railway Station Service Systems Business and the Public Transportation Management Systems Business work to develop sensor systems that detect the movement of people and vehicles and incorporate AI and IoT technologies as a product that contributes to the safety, comfort, and security of users in public areas, such as railway stations and roads.
This business is also strengthening data science technological capabilities as demand rises for technology that enhances labor productivity in social infrastructure in response to the decline in the labor force, a major social issue in recent years.

(iv) Device & Module Solutions Business

This segment works to develop electro-mechanical components (mainly relays, switches and connectors) and sensing components, using imaging software technology such as facial recognition, optical technology, etc. The segment also works to develop new products that respond to customer needs based on strengths in high-performance functionality through modularization.
Due to environmental concerns such as “decarbonization” and rising energy costs, the world is now accelerating its shift from fossil fuels to renewable energy.
Renewable energy sources such as solar and wind power are highly unstable due to their dependence on weather conditions, making batteries (energy storage) essential for effectively utilizing this energy.
To meet the needs for energy storage, such as “storing large amounts of electricity and using it stably and efficiently,” we have focused on developing new high-capacity power relays, and released the G9KB-E as one such product in June 2024.
The G9KB-E is a high-capacity model in the G9KB series, offering the same size and weight as existing models while expanding the maximum switching voltage to DC 800 V and the maximum current rating to 100 A. It is suitable for storage battery-related applications in the 15–45 kW class, such as storage battery systems and EV chargers.
Going forward, we will continue to take the lead in the industry in creating products and providing value that reduce environmental impact, thereby contributing to the realization of a decarbonized society.

(v) Data Solution Business

This segment will continue to invest proactively in human resources and technology and will continue to take on the challenge of developing new initiatives and services that utilize medical big data. We are conducting research and development activities, including collaboration with academia, with the aim of developing services for collecting healthcare data and developing methods for utilizing healthcare data. We are also working on developing a diagnostic assistance platform called "AI-RAD" that will enable the use of a diagnostic assistance engine using AI technology centered on deep learning in daily image reading.

III. Status of Facilities

1. Overview of Capital Investments, etc.

The Group has selectively strengthened production facilities aimed at future growth, invested in business sites and made the necessary capital investment in IT infrastructure renewal, etc. As a result, capital expenditure was JPY50.387 billion (up 12.2% year on year).

Capital expenditure by division was as follows.

Segment	Amount (JPY millions)	Year-on-year change (%)
Industrial Automation Business	6,057	(16.5)
Healthcare Business	5,144	30.3
Social Systems, Solutions and Service Business	4,693	(15.6)
Device & Module Solutions Business	6,754	11.2
Data Solution Business	3,870	-
Eliminations and Others	23,869	14.2
Total	50,387	12.2

Note: 1. Data Solution Business is a new segment established in the third quarter of the fiscal year ended March 31, 2024, and the percentage change is not shown because it is not valid as a comparative ratio.

2. "Eliminations and Others" includes the head office divisions and subsidiaries that do not belong to the above segments.

2. Status of Major Facilities

The major facilities in the Group are as follows. Note that the carrying amount is shown as listed on the financial statements of the Reporting Company and subsidiaries.

(1) Reporting Company

As of March 31, 2025

Name of business site (Principal location)	Segment	Facility details	Carrying amount (JPY millions)					Emp-loyees (people)
			Land (thousand m^2)	Buildings and structures	Machinery, equipment and vehicles	Other	Total	
Kusatsu Factory (Kusatsu-shi, Shiga)	Industrial Automation Business	Production of control equipment and R&D facilities	2,817 (69)	3,841	1,974	1,393	10,025	864
Ayabe Factory (Ayabe-shi, Kyoto)	Industrial Automation Business	Production of control equipment	1,417 (163)	1,362	753	319	3,851	176
Kyoto Office (Head Office) (Shimogyo-ku, Kyoto-shi)	Head Office	Facilities for companywide management operations	—	898	114	1,357	2,369	1,101
Keihanna Open Innovation Center (Kizugawa-shi, Kyoto)	Head Office	Facilities related to development, patents and technical information on new technologies and new products	3,789 (72)	3,067	248	285	7,389	239
Katsura Factory (Muko-shi, Kyoto)	Head Office	Facilities for companywide management operations	—	2,945	1	186	3,132	79

Notes: 1. Other in the carrying amount is the total of tools, furniture and fixtures, and construction in progress.

2. Land within the carrying amount is the amount revaluated by application of the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998) and the “Partial Amendment to the Act on Revaluation of Land” (Act No. 94 of June 29, 2001).
3. The area of land in the carrying amount shown in parentheses is the portion owned by the Company.
4. Segment titles state principal operating segments.
5. Employees are the number of workers.
6. In addition to the above table, the details of principal leased facilities from other than consolidated companies are as follows.

Name of business site (Address)	Segment	Facility details	Lease period	Annual lease fee (JPY millions)
Kyoto Office (Head Office) (Shimogyo-ku, Kyoto-shi)	Head Office	Buildings	Until March 2027	1,080
Tokyo Office (Minato-ku, Tokyo)	Head Office	Buildings	Until December 2030	967

(2) Domestic Subsidiaries

As of March 31, 2025

Company name	Name of business site (Principal location)	Segment	Facility details	Carrying amount (JPY millions)					Employees (people)
				Land (thousand m^2)	Buildings and structures	Machinery, equipment and vehicles	Other	Total	
OMRON RELAY & DEVICES Corporation	(Yamaga-shi, Kumamoto)	Device & Module Solutions Business	Electronic component production facilities	1,534 (254)	1,872	3,093	2,472	8,971	589
OMRON HEALTHCARE Co., Ltd.	(Muko-shi, Kyoto)	Healthcare Business	Health equipment R&D and sales and management facilities, and production facilities	2,194 (34)	3,817	693	217	6,921	600
OMRON ASO Co., Ltd.	(Aso-shi, Kumamoto)	Social Systems Solutions and Service Business	Manufacture, sale and development of energy generation and energy saving equipment	218 (60)	463	520	276	1,477	217

Notes: 1. Other in the carrying amount is the total of dies and construction in progress.
2. The area of land in the carrying amount shown in parentheses is the portion owned by the Company.
3. Segment titles state principal operating segments.
4. Employees are the number of workers.

(3) Overseas Subsidiaries

As of March 31, 2025

Company name	Name of business site (Principal location)	Segment	Facility details	Carrying amount (JPY millions)					Employees (people)
				Land (thousand m^2)	Buildings and structures	Machinery, equipment and vehicles	Other	Total	
OMRON (SHANGHAI) CO., LTD.	(Shanghai, China)	Industrial Automation Business	Control equipment production facilities	— [54]	2,038	2,412	1,182	5,632	1,195
OMRON ELECTRONIC COMPONENTS (SHENZHEN) LTD.	(Shenzhen, China)	Device & Module Solutions Business	Electronic component production facilities	— [124]	1,609	11,926	987	14,522	1,965
OMRON DALIAN CO., LTD.	(Dalian, China)	Healthcare Business	Health equipment production facilities	— [34]	5,296	966	305	6,567	1,321

Notes: 1. Other in the carrying amount is the total of dies and construction in progress.
2. The area of land in the carrying amount shown in parentheses is the portion leased by the Company.
3. Segment titles state principal operating segments.
4. Employees are the number of workers.

3. Plans for Installation, Retirement, etc. of Facilities

The principal plans for facilities as of March 31,2025 are as follows.

(1) New Facilities

The Group's capital investments are planned with comprehensive consideration of economic conditions, demand trends and investment efficiency, etc. for the purpose of enhancing future competitiveness.

The amount of capital investment scheduled for the coming fiscal year is JPY56,900 million, and the Company plans to allocate the funds to its own funds with external funds if necessary.

(2) Retirement of Material Facilities

Nothing to report.

IV. Information about the Reporting Company

1. Company's Shares, etc.

(1) Total Number of Shares, etc.

(i) Total Number of Shares

Class	Total number of authorized shares
Common shares	487,000,000
Total	487,000,000

(ii) Issued Shares

Class	Number of issued shares as of the end of the fiscal year (March 31, 2025)	Number of current issues as of the submission date (June 23, 2025)	Listing financial instruments and exchange, or name of registerable financial or commercial trade collaboration organization	Content
Common shares	206,244,872	206,244,872	Tokyo Stock Exchange Prime Market	These are shares with full voting rights and are standard shares of the Company with no restrictions on rights. Number of shares per unit: 100
Total	206,244,872	206,244,872	–	–

(2) Status of Share Options

(i) Stock Option Plans

Not applicable.

(ii) Rights Plans

Not applicable.

(iii) Status of Other Share Options

Not applicable.

(3) Status of Corporate Bond Certificates, etc. with Share Options Subject to Exercise Value Change

Not applicable.

(4) Changes in Number of Issued Shares, Common Stock, etc.

Date	Changes in total number of issued shares (Thousand shares)	Balance of total number of issued shares (Thousand shares)	Changes in share capital (JPY millions)	Balance of share capital (JPY millions)	Changes in legal capital surplus (JPY millions)	Balance of legal capital surplus (JPY millions)
November 29, 2019 (Note)	(7,713)	206,245	–	64,100	–	88,771

Note: Decrease due to cancellation of treasury shares.

(5) Status of Shareholders

As of March 31, 2025

Classification	Status of shares (number of shares per unit: 100)								Status of shares below unit
	National government and local governments	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Not individuals	Individuals			
Number of shareholders (persons)	—	73	55	422	738	92	37,547	38,927	—
Number of shares held (units)	—	938,375	55,517	89,872	636,377	254	339,408	2,059,803	264,572
Percentage of shares held (%)	—	45.55	2.70	4.36	30.90	0.01	16.48	100.00	—

Notes: 1. Of the balance of 8,831,975 treasury shares on the shareholder registry as of March 31, 2025, 88,319 units are included in the “Individuals and others” column and 75 shares are included in “Status of shares below unit.”

2. The “Other corporations” column above includes 2 units of shares in the name of Japan Securities Depository Center, Incorporated.

(6) Major Shareholders

As of March 31, 2025

Name	Address	Number of shares held (Thousand shares)	Percentage of shares held to the total number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR,1-8-1 Akasaka, Minato-ku, Tokyo	44,717	22.65
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	20,883	10.58
The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	700 Yakushimae-cho, Karasuma-dori, Matsubara-agaru, Shimogyo-ku, Kyoto-shi, Kyoto (1-8-12 Harumi, Chuo-ku, Tokyo)	7,069	3.58
MUFG Bank, Ltd.	1-4-5 Marunouchi, Chiyoda-ku, Tokyo	5,143	2.61
MOXLEY AND CO LLC (Standing proxy: MUFG Bank, Ltd.)	383 MADISON AVENUE, FLOOR 11 NEW YORK, NEW YORK 10179 U.S.A. (Transaction Services Division, 1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	4,421	2.24
OMRON Employee Stockholding Association	801, Minami Fudondocho, Shiokoji-dori, Horikawa Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan	3,656	1.85
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	Within Securities Operations Department, 1-6-6 Marunouchi, Chiyoda-ku, Tokyo (Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo)	3,640	1.84
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo)	3,553	1.80
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo)	3,308	1.68
BNYM AS AGT/CLTS 10 PERCENT (Standing proxy: MUFG Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NEW YORK 10286 U.S.A. (Transaction Services Division, 1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	2,727	1.38
Total	–	99,117	50.21

Notes: 1. The Company holds 8,832,000 treasury shares (4.28% of total number of issued shares), but has been excluded from the above major shareholders.

2. On July 20, 2020, Nomura Securities Co., Ltd. filed an amendment to the major shareholding status report, which is open to public, stating that its one group company held 16,272 thousand shares of the Company (representing 7.89% of the total number of shares issued) as of July 15, 2020. However, the Company has not been able to confirm the number of shares substantially possessed by the group company, and therefore it is not included in the above list of major shareholders.

3. On July 29, 2024, Mitsubishi UFJ Financial Group, Inc. filed an amendment to the major shareholding status report, which is open to public, stating that its four group companies held 14,046 thousand shares of the Company (representing 6.81% of the total number of shares issued) as of July 22, 2024. However, the Company has not been able to confirm the number of shares substantially possessed by the four group companies, and therefore, they are not included in the above list of major shareholders.

4. On November 6, 2024, BlackRock Japan Co., Ltd. filed an amendment to the major shareholding status report, which is open to public, stating that its 10 group companies held 16,697 thousand shares of the Company (representing 8.10% of the total number of shares issued) as of October 31, 2024. However, the Company has not been able to confirm the number of shares substantially possessed by the 10 group companies, and therefore they are not included in the above list of major shareholders.

5. On April 4, 2025, Sumitomo Mitsui Trust Bank, Limited filed an amendment to the major shareholding status report, which is open to public, stating that its two group companies held 14,905 thousand shares of the Company (representing 7.23% of

the total number of shares issued) as of March 31, 2025. However, the Company has not been able to confirm the number of shares substantially possessed by the two group companies, and therefore, they are not included in the above list of major shareholders.

(7) Status of Voting Rights

(i) Issued Shares

As of March 31, 2025

Classification	Number of shares	Number of voting rights	Content
Non-voting shares	–	–	–
Shares with restricted voting rights (treasury shares, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares, etc.)	Common shares 8,831,900	–	Standard shares of the Company with no restrictions on rights
Shares with full voting rights (other)	Common shares 197,148,400	1,971,484	Same as above
Shares less than one unit	Common shares 264,572	—	Same as above
Total number of issued shares	206,244,872	—	–
Voting rights of all shareholders	–	1,971,484	–

Notes: 1. "Number of shares" and "Number of voting rights" under "Shares with full voting rights (other)" include 200 shares and 2 voting rights in the name of Japan Securities Depository Center, Incorporated.

2. "Number of shares" and "Number of voting rights" under "Shares with full voting rights (other)" include 518,300 shares and 5,183 units of the Company's shares held in the BIP Trust and ESOP Trust.

(ii) Treasury Shares, etc.

As of March 31, 2025

Name of owner	Address of owner	Number of shares held in own name	Number of shares held in other party's name	Total number of shares held	Percentage of number of shares held to total number of issued shares (%)
(Treasury shares) OMRON Corporation	801, Minami Fudondocho, Shiokoji Horikawa Higashi-iru, Shimogyo-ku, Kyoto-shi, Japan	8,831,900	—	8,831,900	4.28
Total	–	8,831,900	—	8,831,900	4.28

(8) Details of Officer and Employee Share Ownership Plans

(i) Performance-Linked Share Compensation Plan for Directors, etc.

At the Board of Directors meeting held on May 8, 2025, the Company resolved to continue and partially revise the performance-linked and share-based incentive plan, which had initially been adopted in fiscal 2017 (hereinafter referred to as the "Plan") for the Company's Directors, the Company's Executive Officers, and the Company's subsidiaries' Directors with the status of an Executive Officer of the Company (hereinafter collectively referred to as "Directors, etc.").
Accordingly, the Company resolved to submit a proposal regarding the partial revision of the Plan, seeking approval at the 88th Ordinary General Meeting of Shareholders to be held in June 24, 2025 (hereinafter referred to as "the Shareholders Meeting").
The Company will continue adopting and partially revising the Plan as an incentive plan for Directors, etc. as a way of clarifying the link between the remuneration, etc. of Directors, etc. and the value of its shares. The objective of the incentive plan is to heighten the motivation of Directors, etc. to both achieve the performance targets and contribute to the continuous enhancement of corporate value (value of the shares) through the ownership of shares.

1. Outline of the revision

① The Company's outside directors will be added to the eligible persons of the Plan. (Only the nonperformance-linked portion will be granted to outside directors.)
② The upper limit of money that the Company will contribute to acquire the Company's shares to be granted to the Company's directors will be changed from 600 million yen to 800 million yen (including 30 million yen for outside directors) per year, and the upper limit of the number of the Company's shares to be granted to directors will be changed from 150,000 shares to 267,000 shares (including 10,000 shares for outside directors) per year.
③ The period covered by the continued Plan will be two fiscal years. (The current period is from fiscal 2025 to fiscal 2026.)
④ The indicators to be used to assess the degree of achievement of performance targets, etc. will be the Company's relative TSR and sustainability indicators for the covered period.
⑤ The timing of granting the Company's shares, etc. to Directors, etc. will be after their retirement.
⑥ Surplus dividends on the Company's shares under the Trust will be allocated to trust fees and trust expenses of the Trust. In addition, according to the cumulative total number of the share granting points of Directors, etc. on each dividend record date during the covered period, the amount equivalent to the number of shares calculated on a one share per point basis will be retained and paid to Directors, etc. (Such money to be paid shall be referred to as "cash dividends.")

2. BIP Trust

1) Outline of the plan

The Plan targeting directors of the Company and those of the Company's subsidiaries who assume the positions of executive officers of the Company (hereinafter collectively referred to as "Directors covered by the Plan") employs a compensation structure called a "Board Incentive Plan Trust" (hereinafter referred to as "BIP Trust"). A BIP Trust is an executive incentive plan based on the performance share and restricted stock plans in the U.S. and Europe. It is designed to grant the Company's shares acquired by the BIP Trust and cash in the amount of the converted value of such shares (hereinafter referred to as "the Company's shares, etc.") to Directors, etc. according to executive position and their degree of achievement of performance targets, etc. The Company will establish two BIP Trusts to use depending on the eligible persons for each plan.
BIP Trust I: Directors of the Company
BIP Trust II: Directors of the Company's subsidiaries who also assume positions of executive officers of the Company
The Trust is a share-based compensation system covering two years from fiscal 2025 to fiscal 2026 (hereinafter referred to as "the covered period") by which the Company's shares, etc. are granted as compensation for Directors covered by the Plan depending on their executive position and the degree of achievement of performance targets, etc. The Trust consists of the performance-linked portion and the nonperformance-linked portion. The performance-linked portion is aimed at motivating the Directors, etc. to achieve the performance targets for the covered period and strengthening the linkage of the compensation for Directors, etc. with the medium- to long-term corporate performance. The non-performance-linked portion in turn is intended to promote alignment of interests of the Directors covered by the Plan with those of other shareholders of the Company through ownership of the Company's shares. The performance-linked portion and the non-performance-linked portion account for 60% and 40%, respectively. Outside directors will be eligible for only the non-performance-linked portion.

2) Details of the trust agreement

・Trust type	Monetary trust other than an individually operated designated money trust (third-party benefit trust)
・Purpose of trust	Provide Directors covered by the Plan with incentives
・Settlor	The Company
・Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
・Beneficiaries	Directors covered by the Plan who meet the beneficiary requirements
・Trust administrator	A third party who has no interest in the Company (e.g., certified public accountant)
・Date of trust agreement	August 1, 2017 (The amended Trust Agreement to be concluded in August 2025 (tentative))
・Trust period	August 1, 2017 through August 31, 2025 (To be extended up to August 31, 2027 by the amended Trust Agreement) (tentative)
・Commencement date of the Plan	August 1, 2017
・Exercise of voting rights	No voting rights will be exercised during the trust period.
・Type of shares to be acquired	Common stock of the Company
・Amount of additional trust money	BIP Trust I: 1,030 million yen (tentative) (including trust fees and trust expenses) BIP Trust II: 150 million yen (tentative) (including trust fees and trust expenses)
・Time period for acquiring shares	August 2025 (tentative)
・Method of share acquisition	To be acquired from the stock market
・Rights holder	The Company
・Residual assets	The Company, as the rights holder, may receive residual assets within the extent of the reserve for trust expenses, which is calculated by deducting funds to acquire the Company's shares from trust money.

Note: The tentative dates given above are subject to change as necessary to conform to applicable laws and regulations.

3) Total upper limit of shares that can be acquired by eligible Directors

BIP Trust I: 534,000 shares (including 20,000 shares for outside directors)

BIP Trust II: 100,000 shares

If the Trust is extended, the upper limit for the total number of the Company's shares, etc. to be granted from BIP Trust I will be 267,000 shares (including 10,000 shares for outside directors) multiplied by the number of years of the new trust period, and the upper limit of the Company's shares, etc. to be granted from BIP Trust II will be 50,000 shares multiplied by the number of years of the new trust period.

4) Scope of beneficiaries

BIP Trust I: The Company's Directors who meet beneficiary requirements

BIP Trust II: Directors of the Company's subsidiaries with the status of an Executive Officer of the Company who meet beneficiary requirements

3. ESOP Trust

1) Outline of the plan

The Plan covering the executive officers of the Company (excluding those who are covered by BIP Trust I or II, hereinafter referred to as "Executive Officers covered by the Plan") employs a structure called an "Employee Stock Ownership Plan Trust" (hereinafter referred to as "ESOP Trust"). An ESOP Trust is an employee incentive plan using a trust fund based on the Employee Stock Ownership Plan employed in the U.S.

Subject to approval for the proposal regarding partial revision of the Plan by a resolution of the Shareholders Meeting, the Company will extend the ESOP Trust, wherein Executive Officers covered by the Plan who meet beneficiary requirements are beneficiaries, to cover two fiscal years from fiscal 2025 to fiscal 2026. The ESOP Trust acquires an estimated number of the Company's shares to be granted to Executive Officers covered by the Plan from the stock market in accordance with the share granting rules established in advance. In accordance with the share granting rules, the ESOP Trust grants the Company's shares, etc. to Executive Officers covered by the Plan according to executive position and the status of achievement of performance targets, etc. Similar to BIP Trusts I and II, the ESOP Trust consists of a performance-linked portion and a non-performance-linked portion. The performance-linked portion is aimed at motivating the Executive Officers covered by the Plan to achieve the performance targets for the covered period and strengthening the linkage of economic benefits with medium- to long-term performance. The non-performance-linked portion is intended to promote alignment of interests of the Executive Officers covered by the Plan with those of other shareholders of the Company through ownership of the Company's shares. The performance-linked portion and the non-performance-linked portion account for 60% and 40%, respectively.

2) Details of the trust agreement

・Trust type	Monetary trust other than an individually operated designated money trust (third-party-benefit trust)
・Purpose of trust	Provide Executive Officers covered by the Plan with incentives
・Settlor	The Company
・Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
・Beneficiaries	Executive Officers covered by the Plan who meet the beneficiary requirements
・Trust administrator	A third party who has no interest in the Company (e.g., certified public accountant)
・Date of trust agreement	August 1, 2017 (The amended Trust Agreement to be concluded in August 2025 (tentative))
・Trust period	August 1, 2017 to August 31, 2025 (To be extended up to August 31, 2027 by the amended Trust Agreement) (tentative)
・Commencement date of the Plan	August 1, 2017
・Exercise of voting rights	No voting rights will be exercised during the trust period.
・Type of shares to be acquired	Common stock of The Company
・Amount of additional trust money	270 million yen (tentative) (includes trust fees and trust expenses)
・Time period for acquiring share	August 2025 (tentative)
・Method of share acquisition	To be acquired from the stock market
・Rights holder	The Company
・Residual assets	The Company, as the rights holder, may receive residual assets within the extent of the reserve for trust expenses, which is calculated by deducting funds to acquire the Company's shares from trust money.

Note: The tentative dates given above are subject to change as necessary to conform to applicable laws and regulations.

3) Scope of beneficiaries

Eligible Executive Officers who meet beneficiary requirements

(ii) Share Granting Plan for Employees

1. Medium-term Incentive Plan using ESOP Trust

1) Outline of the plan

At a meeting of Board of Directors held on February 28, 2023, the Company resolved to introduce a medium-term incentive plan (hereinafter referred to as the "Plan") using an Employee Stock Ownership Plan (ESOP) trust, targeting manager class employees of the Company's overseas subsidiaries.

Based on the long-term vision "SF2030", which was announced on March 1, 2022, the company will conduct business management in which management and employees will join hands with shareholders to improve corporate value toward realizing the "maximization of corporate value (financial value + non-financial value)" and share the achievements among one another. As part of such efforts, the Company resolved to adopt the Plan to provide the manager class employees of overseas subsidiaries who are subject to the Plan (hereinafter referred to as the "Eligible Employees") with opportunities for acquiring the Plan's shares (the Company's common stock) so as to heighten their willingness to achieve performance targets of the medium-term management plan and to raise their motivation toward contributing to the continuous improvement of corporate value (share value) of the OMRON Group by encouraging the Eligible Employees to hold the Company's shares.

The Plan adopts the scheme of an Employee Stock Ownership Plan (ESOP) trust (hereinafter referred to as the "ESOP Trust"). An ESOP Trust is a trust-based incentive plan based on the ESOP program of the U.S.

2) Details of the Trust Agreement

・Trust type	Money trust other than specific money trust individually managed (third-party-benefit trust)

・Purpose of trust	To provide incentive to Eligible Employees
・Settlor	The Company
・Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
・Beneficiaries	Employees covered by the Plan who meet the beneficiary requirements
・Trust administrator	A third party who has no interest in the Company (e.g., certified public accountant)
・Date of trust agreement	May 26, 2023
・Trust period	May 26, 2023 through August 31, 2025
・Commencement date of the Plan	May 26, 2023
・Exercise of voting rights	No voting rights will be exercised during the trust period.
・Type of shares to be acquired	Common stock of the Company
・Amount of trust fund	JPY50 million (includes trust fees and trust expenses)
・Time period for acquiring share	May 31, 2023
・Method of share acquisition	Disposal of treasury stock by the Company by way of third-party allotment
・Rights holder	The Company
・Residual assets	The Company, as the rights holder, may receive residual assets within the extent of the reserve for trust expenses, which is calculated by deducting funds to acquire the Company’s shares from trust money.

3) Scope of beneficiaries

Eligible manager class employees of overseas subsidiaries of the Company who meet beneficiary requirements

2. Acquisition and Disposal of Treasury Shares

[Class of shares, etc.] Acquisition of common shares pursuant to Article 155-7 of the Companies Act

(1) Status of Acquisition by Resolution of the General Meeting of Shareholders

Not applicable.

(2) Status of Acquisition by Resolution of the Board of Directors Meeting

Not applicable.

(3) Content of Those Not Based on a Resolution of the General Meeting of Shareholders or a Resolution of the Board of Directors Meeting

Acquisition pursuant to Article 155-7 of the Companies Act

Classification	Number of shares	Total value (JPY)
Treasury shares acquired in current fiscal year	23,105	9,330,894
Treasury shares acquired during the acquisition period (Acquisition period: April 1,2025 through June 23,2025)	557	1,042,282

Note: The treasury shares acquired during the acquisition period do not include treasury shares acquired due to the purchase of shares of less than one unit from June 1, 2025 until the submission date of the Annual Securities Report.

(4) Status of Disposition and Status of Holding of Acquired Treasury Shares

Classification	Fiscal year ended March 31, 2025		Acquisition period	
	Number of shares	Total value of disposition (JPY)	Number of shares	Total value of disposition (JPY)
Acquired treasury shares subject to solicitation to subscribe	—	—	—	—
Acquired treasury shares subject to cancellation	—	—	—	—
Acquired treasury shares subject to transfer due to merger, share exchange, share delivery or company split	—	—	—	—
Other	—	—	—	—
Number of treasury shares held	8,831,975	—	8,832,532	—

Notes: 1. The number of treasury shares held during the acquisition period do not include treasury shares disposed of or held due to the purchase or sale of shares less than one unit from June 1, 2025 until the submission date of the Annual Securities Report.

2. The number of treasury shares held do not include the shares held by the BIP Trust and the ESOP Trust.

3. Dividend Policy

The Company seeks approval of the General Meeting of Shareholders for decisions on dividends of surplus, etc. except for interim dividends resolved by the Board of Directors meeting pursuant to the provisions of the articles of incorporation.
The Company applies the following basic policy to profit distribution including returns to shareholders.

Cash Allocation Policy

(1) Aiming to maximize corporate value through the realization of the long-term vision, OMRON prioritizes the necessary investment to create new value from a medium- and long-term perspective. During our restructuring period (April 1, 2024 through September 30, 2025), we intend to concentrate group resources on Structural Reform Program NEXT2025, giving top priority to the investments necessary to restore business performance and restructure our foundation for earnings and growth. On this basis, OMRON will return profits to shareholders in a stable and sustainable manner.

(2) In principle, we will source the funds for these value-creating investments and shareholder returns through retained earnings and the sustained creation of operating cash flows. We will raise funds as needed, maintaining a degree of financial soundness to facilitate fund-raising regardless of financial market conditions.

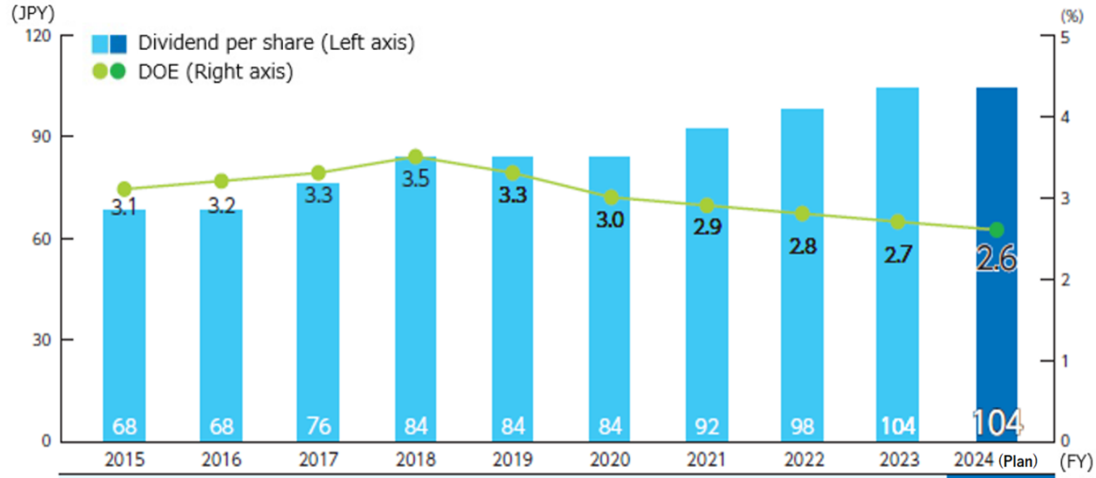
Shareholder Returns Policy

(1) We will prioritize investments necessary for value creation from a medium- to long-term perspective, establishing a dividend on equity (DOE) target of approximately 3% as a standard for annual dividends. Taking past dividend payments also into account, we intend to ensure stable and continuing shareholder returns.

(2) Having engaged in the investments and allocation of profits described above, we will distribute retained earnings accumulated over the long term to shareholders through opportunistic share buybacks and other measures.

Based on the earnings performance, after considering the DOE standard and past dividend levels, the year-end dividend per share for the fiscal year ended March 31, 2025, was set at JPY52, reflecting OMRON's approach to maintain a stable and sustainable dividend level. Combined with the interim dividend per share of JPY52 implemented on December 3, 2024, the total annual dividend per share is JPY104.
By applying the DOE standard in line with the above policy, we intend to pay JPY104 as the annual dividend per share for the next fiscal year. The interim dividend per share and year-end dividend per share for the next fiscal year are to be determined.

＜Shareholder returns＞



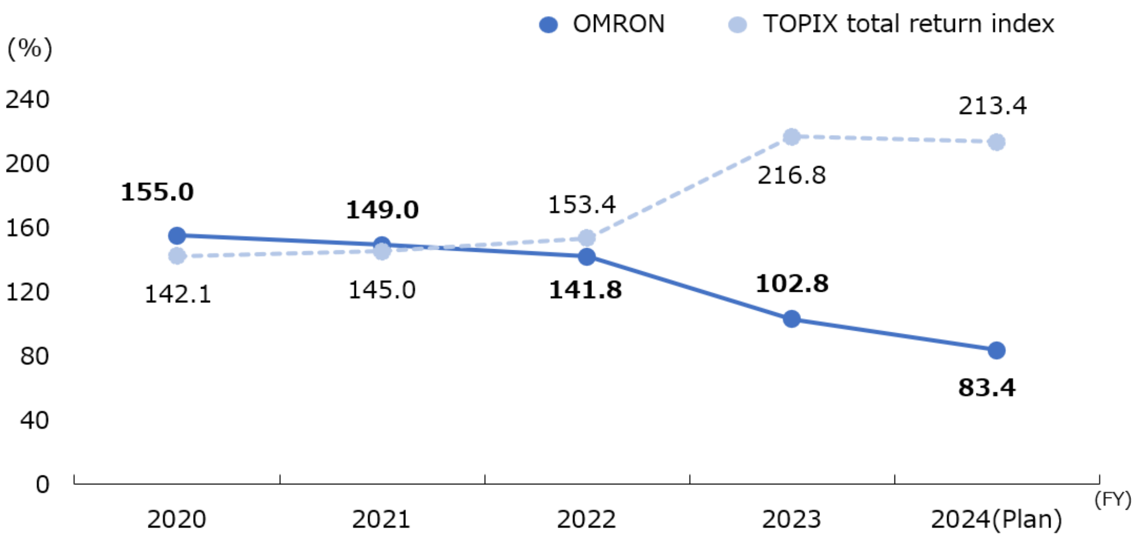
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Plan)
Dividend payout ratio	31.1%	31.6%	25.6%	32.2%	23.0%	39.1%	30.1%	26.3%	253.3%	126.2%
Total amount of share buybacks	JPY15.0b	—	JPY14.3b	JPY25.7b	JPY18.6b	JPY1.4b	JPY30.0b	JPY20.0b	—	—
Total Payout Ratio	62.7%	31.6%	48.2%	79.5%	47.7%	42.6%	79.0%	53.4%	253.3%	126.2%

Notes: 1. The Company basically pays two dividends per year as an interim dividend and a year-end dividend.
2. The organization for determining the dividends of surplus is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.
3. The Company has specified in its articles of incorporation that "An interim dividend with September 30 as the reference date may be paid every year by resolution of the Board of Directors."
4. The formula for calculating the Total Payout Ratio is as follows
Total Payout Ratio = (cash dividends paid + amount of treasury stock repurchased) / net income (loss) attributable to shareholders of the Company (not including the purchase of odd-lot shares).

5. The dividends of surplus for the fiscal year ended March 31, 2025, are as follows.

Resolution date	Total amount of dividends (JPY millions)	Dividend per share (JPY)
November 6, 2024 Resolution of the Board of Directors	10,266	52.00
June 24, 2025 Resolution of the Ordinary General Meeting of Shareholders (Plan)	10,265	52.00

<Total shareholder Return (TSR) trends>



Note: TSR is calculated based on stock prices as of the end of fiscal 2019.

4. Corporate Governance, etc.

(1) Outline of Corporate Governance

(i) Basic Stance for Corporate Governance of the Company

At the OMRON Group, corporate governance is defined as the system of processes and practices based on the Omron Principles and the Omron Management Philosophy. The system is intended to ensure transparency and fairness in business and speed up management decisions and practices. This is done by connecting the entire process from oversight and supervision all the way to business execution in order to boost the OMRON Group's competitive edge. OMRON's corporate governance also involves building such a system and maintaining its proper function. The ultimate objective is to achieve sustainable enhancement of corporate value by earning the support of all stakeholders.

In accordance with this basic stance, the OMRON Group has set forth the following corporate governance policies as the foundation for the Group's pursuit of continuous enhancement of its corporate governance.

See the following URL for the OMRON Corporate Governance Policies

URL: https://www.omron.com/global/en/assets/file/about/corporate/governance/policy/20250624_governance_policies_e.pdf

<OMRON Principles>

See "II. Business Conditions 1. Management Policy, Management Environment, and Issues to be Addressed" for details on the OMRON Principles and the OMRON Management Philosophy.

(ii)Corporate Governance System

<Outline of Corporate Governance System>

The Company has chosen to adopt the organizational structure of "Company with an Audit & Supervisory Board" as stipulated by the Companies Act. To enhance the functions of the Board of Directors, four advisory committees are in place, namely the CEO Selection Advisory Committee, the Personnel Advisory Committee, the Compensation Advisory Committee, and the Corporate Governance Committee. By incorporating the best aspects of the governance system of a "Company with Committees (Nomination, etc.)" as well, the OMRON Group has established and adopted a hybrid type governance structure.

The Board of Directors consists of eight Directors and ensures fairness and transparency of management by exercising oversight functions over the overall management through the election of Directors, Audit & Supervisory Board Members and Executive Officers; the determination of compensation for Directors and Executive Officers; and making important operational decisions. Furthermore, in order to strengthen oversight functions, at the Company, management oversight and business execution are kept separate, and a majority of the Board of Directors shall consist of Directors who are not involved with business execution, and one-third shall consist of Outside Directors. The Chairman of the Board who does not have representative authority serves as Chair of the Board of Directors and performs supervision as the representative of stakeholders without performing execution. Outside Directors do not have dedicated staff, but the staff of the Board of Directors Office and the Global Strategy HQ respond as needed.

The Audit & Supervisory Board consists of four Audit & Supervisory Board Members, and efforts are being made to establish a system for ensuring the effectiveness of supervision by each Audit & Supervisory Board Member. Audit & Supervisory Board Members conduct audits on legality and appropriateness of Directors' duties, and the fulfillment of the Board of Directors' oversight obligations. Outside Audit & Supervisory Board Members do not have dedicated staff, but the staff of the Audit & Supervisory Board Office respond as needed.

The CEO Selection Advisory Committee, the Personnel Advisory Committee and the Compensation Advisory Committee are chaired by an Outside Director, and the majority of each committee should be composed of Outside Directors. The Corporate Governance Committee is chaired by an Outside Director and comprises Outside Directors, Outside Audit & Supervisory Board Members and non-executive internal Directors. The President and CEO does not sit on any of the committees.

The CEO Selection Advisory Committee is dedicated to selection of the CEO and deliberates about candidates for the CEO for the succeeding fiscal year, contingency succession planning to take over the position in emergency situations, and the succession plan. The Personnel Advisory Committee sets criteria and policies for the selection of personnel for Directors, Audit & Supervisory Board Members, and Executive Officers, and deliberates about the candidates. The Compensation Advisory Committee sets compensation policies for Directors and Executive Officers and deliberates about compensation levels and amounts. The Corporate Governance Committee discusses measures to continuously enhance corporate governance from a medium- to long-term perspective and to increase management transparency and fairness.

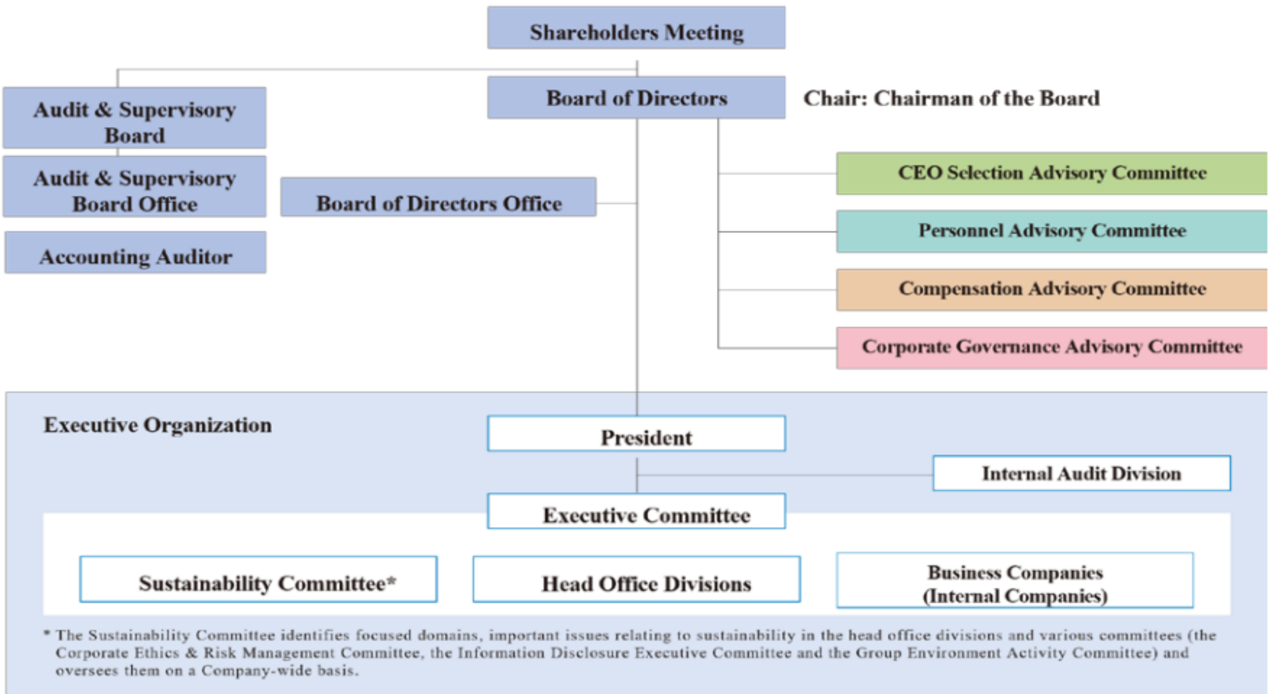
<Reasons for OMRON's Selection of its Current Corporate Governance System>
The Company has chosen to adopt the organizational structure of a "Company with Audit & Supervisory Board."
The Board of Directors strives toward sustained improvements in the OMRON's Group corporate value by exercising oversight functions over the overall management through the election of Directors, Audit & Supervisory Board Members and Executive Officers; the determination of compensation for Directors and Executive Officers; and making important operational decisions.

The Audit & Supervisory Board and the Audit & Supervisory Board Members work to secure the integrity of the OMRON Group and the sustained improvement of corporate value by conducting audits on legality and appropriateness of Directors' duties, and the fulfillment of the Board of Directors' oversight obligations. In addition, each Audit & Supervisory Board Member can exercise his/her authority on his/her own as a single-person organ in which the power of final decision-making is given to one person. This allows them to play a crucial role in strengthening internal controls.

Furthermore, to enhance the oversight functions of the Board of Directors, four voluntary advisory committees are attached to the Board of Directors. The CEO Selection Advisory Committee, the Personnel Advisory Committee and the Compensation Advisory Committee are chaired by an Outside Director, and the majority of each committee should be composed of Outside Directors. The CEO Selection Advisory Committee, in particular, is dedicated to the deliberation and nomination of candidates for CEO, which is the top-priority matter in management oversight. In addition, the Corporate Governance Committee, established for the purpose of enhancing corporate governance, is also chaired by an Outside Director, and comprises Outside Directors, Outside Audit & Supervisory Board Members and non-executive internal Directors. Through these unique initiatives, the Company has established and adopted a system that enhances the transparency and objectivity of management's decision-making process.

By incorporating the best aspects of the corporate governance system of a so-called "Company with Committees (Nomination, etc.)" in this way, we have created the kind of hybrid corporate governance structure that we feel is most appropriate for OMRON as a Company with Audit & Supervisory Board.

＜Omron's Corporate Governance Structure＞



(iii)Board of Directors

1)Policy regarding Composition of the Board of Directors

In order to strengthen the supervision function of the Board of Directors, at the Company, management oversight and business execution are kept separate, and a majority of the Board of Directors shall consist of Directors who are not involved with business execution. In addition, at least one-third of the Board of Directors shall consist of Outside Directors. Regarding Outside Directors and Outside Audit & Supervisory Board Members, from the perspective of ensuring their independence, they are elected in accordance with the Company's "Independence Requirements for Outside Executives." Based on the above, the Board of Directors shall consist of diverse members who possess the experience, specialized knowledge, and insights necessary to realize the OMRON Group's management vision and shall ensure diversity without distinction as to gender, nationality, international experience, or age.

2)Policy regarding Appointment of Directors and Audit & Supervisory Board Members

・Directors, Audit & Supervisory Board Members, and Executive Officers are composed of diverse members who possess the experience, specialized knowledge and insights necessary to realize the OMRON Group's management vision and shall ensure diversity without distinction as to gender, nationality, international experience, or age.

・To swiftly respond to the need for global-scale growth and greater competitive strength, as well as significant changes in the business environment, the Personnel Advisory Committee shall work to ensure diversity in the Board of Directors, Audit & Supervisory Board, and among Executive Officers in terms including work experience, specialized knowledge, insights, gender, nationality, international experience, and age.

・The experience, specialized knowledge, and insight necessary for the realization of the OMRON Group's management vision related to Directors and Audit & Supervisory Board Members is presented in the skill matrix.

[Criteria for Appointment of Outside Directors]

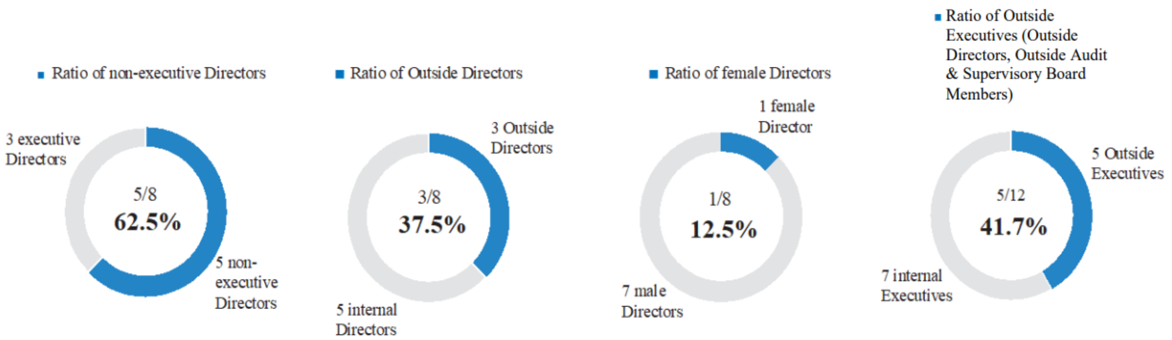
・Outside Directors are deeply involved in the CEO Selection Advisory Committee, which specializes in matters such as the appointment of the President, which is the top-priority matter in management oversight. In order to establish a highly transparent and objective system for appointing a President and CEO, Outside Directors must have management experience or equivalent experience.

[Criteria for Appointment of Outside Audit & Supervisory Board Members]

・Audit & Supervisory Board Members must possess the necessary insight, high ethical standards, fairness, and integrity as an Audit & Supervisory Board Member, as well as specialized knowledge in law, finance, accounting, management, or other areas.

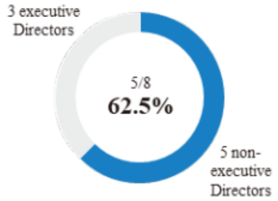
3)Composition of the Board of Directors

・The composition of the Board of Directors as of the filing date of the Annual Securities Report (June 23, 2025) is as follows.

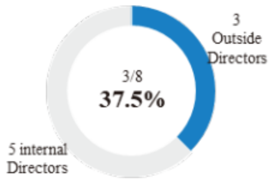


・As a proposal (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 24, 2025, the Company proposes "Election of Eight Directors" and "Election of two Audit & Supervisory Board Members." When the proposal is approved and passed, the composition of the Board of Directors becomes as follows.

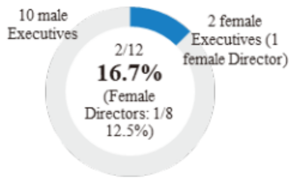
■ Ratio of non-executive Directors



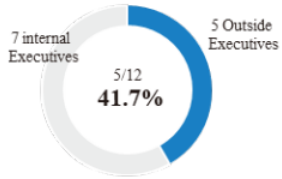
■ Ratio of Outside Directors



■ Ratio of female executives (Directors, Audit & Supervisory Board Members)



■ Ratio of Outside Executives (Outside Directors, Outside Audit & Supervisory Board Members)



4)Main Areas of Expertise and Specialization of Directors and Audit & Supervisory Board Members (Skill Matrix)

・Areas of expertise and specialization (skills) required for Directors and Audit & Supervisory Board Members for the realization of the long-term vision “SF2030” are as follows.

Areas of expertise and specialization (skills)	Definitions of skills
Corporate Management	Experience as Chairman/President or equivalent experience (experience as Representative Director, etc.)
Sustainability, ESG	Possesses business, management experience, and specialized knowledge related to sustainability and ESG
New business creation, innovation	Possesses business, management experience, and specialized knowledge related to new business and innovation
Technology, production, quality	Possesses business, management experience, and specialized knowledge related to technology, production, and quality
DX, IT	Possesses business, management experience, and specialized knowledge related to DX and IT
Human resource development, diversity, human resource management	Possesses business, management experience, and specialized knowledge related human resource development, diversity, and human resource management
Financial accounting	Qualified as a CPA, CFO experience, business experience in financial institutions and accounting departments, and listed company management experience
Legal affairs, compliance, internal control	Qualified as an attorney, experience as an auditor, work experience in legal and internal audit departments
Global experience	Global experience, overseas business experience

*Three years of experience or more is required in principle.

・The Skill Matrix of Directors and Audit & Supervisory Board Members as of the filing date of the Annual Securities Report (June 23, 2025) is as follows.

Position and name		Corporate management	Sustainability ESG	New business creation innovation	Technology production quality	DX IT	Human resource development, diversity, human resource management	Financial accounting	Legal affairs, compliance, internal control	Global experience	Background and Qualifications
Chairman of the Board	Yoshihito Yamada	●	●					●		●	
Representative Director, President and CEO	Junta Tsujinaga	●			●	●				●	
Representative Director, Executive Officer and Executive Vice President, CTO	Kiichiro Miyata	●		●	●	●				●	
Director, Senior Managing Executive Officer, CHRO	Masahiko Tomita		●				●			●	
Director	Shizuto Yukumoto					●				●	
Outside Director	Takehiro Kamigama	●	●	●	●	●		●		●	Manufacturing industry
Outside Director	Izumi Kobayashi	●	●	●			●	●		●	Finance and international organization
Outside Director	Yoshihisa Suzuki	●	●	●	●	●		●		●	General trading company
Audit & Supervisory Board Member	Shuji Tamaki								●	●	International lawyer
Audit & Supervisory Board Member	Toshio Hosoi			●		●					
Outside Audit & Supervisory Board Member	Tadashi Kunihiro	●	●						●	●	Lawyer
Outside Audit & Supervisory Board Member	Hiroshi Miura	●						●	●	●	Certified Public Accountant

・ As a proposal (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 24, 2025, the Company proposes “Election of Eight Directors” and “Election of two Audit & Supervisory Board Members.” When the proposal is approved and passed, the Skill Matrix of Directors and Audit & Supervisory Board Members will be as follows.

Position	Name	Corporate management	Sustainability ESG	New business creation Innovation	Technology Production Quality	DX IT	Human resource development, diversity, human resource management	Financial accounting	Legal affairs, compliance, internal control	Global experience	Background and Qualifications
Chairman of the Board	Yoshihito Yamada	●	●					●		●	
Representative Director, President and CEO	Junta Tsujinaga	●			●	●				●	
Representative Director, Executive Officer and Executive Vice President, CTO	Kiichiro Miyata	●		●	●	●				●	
Director, Senior Managing Executive Officer, CHRO	Masahiko Tomita		●				●			●	
Director	Shizuto Yukumoto			●		●				●	
Outside Director	Takehiro Kamigama	●	●	●	●	●		●		●	Manufacturing industry
Outside Director	Izumi Kobayashi	●	●	●			●	●		●	Finance and international organization
Outside Director	Yoshihisa Suzuki	●	●	●	●	●		●		●	General trading company
Audit & Supervisory Board Member	Toshio Hosoi			●		●			●		
Audit & Supervisory Board Member	Hiroto Iwasa		●				●			●	
Outside Audit & Supervisory Board Member	Hiroshi Miura	●						●	●	●	Certified Public Accountant
Outside Audit & Supervisory Board Member	Yumiko Ichige		●				●		●		Lawyer

5)Activities of the Board of Directors in Fiscal 2024

During fiscal 2024, the Board of Directors was operated under the following Board of Directors Operation Policy and focus themes, and fully exercised its oversight functions by discussing, for each theme, issues that arose and the ideal direction to take, among other matters.

<Board of Directors Operation Policy for Fiscal 2024>

The Board of Directors will exercise its oversight functions from a medium- to long-term perspective as we move forward to achieving the OMRON Group’s long-term vision, SF2030, and accomplish the Structural Reform Program NEXT 2025. This will be done by recognizing the link between the following focus themes and issues subject to oversight.

<Focus Themes>

1) Progress monitoring toward accomplishing the structural reform program (NEXT2025)

< Points of oversight>

・Business/regional portfolio optimization

・Organizational capability to realize the above

2) Progress monitoring toward realizing the long-term vision

< Points of oversight>

・Issues in achieving growth for the data solution business and countermeasures.

・Global Human Resources strategy

The results of the Corporate Governance Committee's evaluation of the Board of Directors for fiscal year 2024 are as follows:

Results of evaluation of the Board of Directors’ effectiveness for fiscal 2024

Given the downward revisions to the financial results made twice in fiscal 2023, the Board of Directors in fiscal 2024 considered monitoring of the progress toward accomplishing Structural Reform Program NEXT2025 to be the most important theme, and strengthened oversight and supervision over the progress of the five Structural Reform measures. In addition, the Board emphasized early information sharing and discussion regarding the status of operations and business environment, to help resolve the following issues identified in fiscal 2023 and to increase predictability in the performance. Moreover, to achieve greater effectiveness of the Board of Directors’ activities as a whole, various new initiatives have been introduced. Specifically, we enhanced Informal Meeting and opinion exchanges between Directors and management executives, and increased opportunities for multifaceted discussion with business execution divisions, in order to allow for early deliberation on strategies and issues of each business. As a result, the Corporate Governance Committee commended the Board of Directors for having increased effectiveness in its overall activities, reflecting enhanced related activities other than the Board of Directors meetings.

[Issues identified in fiscal 2023]
- The Board of Directors considered insufficient discussions about downward revisions to be an issue. The Board also recognized that it is essential to increase predictability in the performance and make discussions proactively.
- Some agenda items submitted to the Board of Directors meetings lacked pursuit of the root causes of problems.
- Discussions shall be held among members of the Board of Directors (many-to-many discussion), instead of discussions held between an explainer and members of the Board of Directors (one-to-many discussion), to further vitalize discussions.
- In discussions about strategies of each business, there is a need for presenting data clearer than ever, including clarifying the Company's competitive advantages over competitors or achieving uniformity in market analysis data.

<u>Issues in fiscal 2024 and countermeasures</u>

[Points commended]
- Informal Meeting, as well as early sharing of business performance, such as quarterly performance reporting accelerated by one month, functioned effectively and enabled multifaceted discussions at an early phase.
- The Chairman operated the Board of Directors meetings with many-to-many discussion in mind, which vitalized discussions and resulted in business execution divisions explaining points of discussion more clearly than ever. A basis for objective discussion is now ready based on the present state and figures gained through market and competitive analysis.

[Issues]
- To evolve the monitoring function under the scheme of a Company with Audit & Supervisory Board, we must reconsider agenda items and viewpoints (levels) to be discussed by the Board of Directors, so as to enhance discussions on growth strategies toward corporate value enhancement from a medium- to long-term perspective.

[Points requested]

Toward resolving the issues, the Corporate Governance Committee requested to the Board of Directors the following points.
- Discussions on growth strategies shall be strengthened further to increase corporate value.
- Discussions shall be held from a medium- to long-term perspective, on such themes as enhancement of organizational capabilities and sophistication of risk management, instead of being biased toward pursuing causes for individual issues in detail.
- To respond to changes in the operating environment, the Company shall evolve internal controls, and strengthen systems to execute and maintain internal controls. To that end, agenda items submitted to the Board of Directors meetings shall be examined, to determine new items to be discussed and those to be removed.

In addition, the Board of Directors Operation Policy for Fiscal 2025 and focus themes were determined after discussion of the based on the Results of the evaluation of the effectiveness of the Board of Directors in fiscal 2024. In fiscal 2025, the Board of Directors will be operated in accordance with the following Board of Directors Operation Policy and focus themes.

＜Board of Directors Operational Policy for Fiscal 2025＞

The Board of Directors will intensify discussions regarding OMRON's growth strategy, aiming to enhance corporate value from a medium-to-long term perspective.

<Focus Themes>

・Drawing a roadmap leading to realizing the long-term vision and enhancing execution ability
・Strengthening the ability to respond to change associated with geopolitical risks and opportunities
・Accomplishing structural reforms

<Reference: Overview of initiatives towards improving the Board of Directors’ effectiveness>

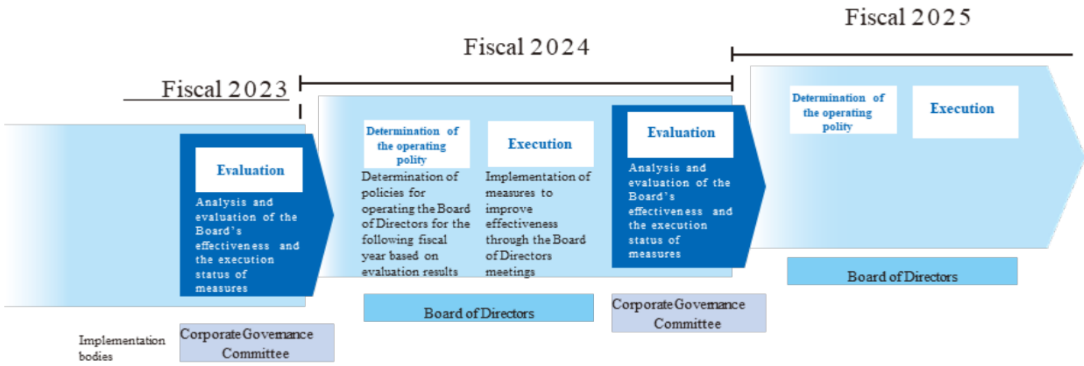
The Company ensures transparency and fairness in business management, speeds up management decisions and practices, and strives to boost the OMRON Group’s competitive edge. The ultimate objective is to achieve sustained enhancement of corporate value. To this end, the Company reinforces the supervisory functions of the Board of Directors through initiatives for improving its effectiveness.

The Company performs the evaluation of the Board of Directors’ effectiveness for the purpose of examining actual contribution made by the Board of Directors, identifying issues, devising countermeasures and promoting improvement, in order to ensure that corporate governance effectively functions. This evaluation is conducted by the Corporate Governance Committee chaired by an Outside Director and comprising Outside Directors and Outside Audit & Supervisory Board Members (hereinafter “Outside Executives”), as well as non-executive internal Directors. Outside Executives act as members of the Board of Directors while having the perspectives of all stakeholders including the shareholders. The Corporate Governance Committee, which is composed of Outside Executives and non-executive internal Directors, performs evaluations in order to ensure that evaluations are both objective and effective. Based on the evaluation results by the Corporate Governance Committee and the business environment, etc., the Board of Directors determines the policy for the operation and focus themes of the Board of Directors for the next fiscal year, and formulates and implements annual plans based on this operation policy.

For details on the discussion of each key topic at the Board of Directors meetings and efforts to improve effectiveness, please refer to the "FY2024 Initiatives towards improving Board of Directors’ effectiveness." below.

https://www.omron.com/global/en/assets/file/about/corporate/governance/chart/20250602_governance_effectiveness_e.pdf

<Initiatives towards improving the Board of Directors’ effectiveness>



<Attendance at the Board of Directors Meetings During Fiscal 2024>

Position	Name	Attendance
Chairman of the Board	Yoshihito Yamada	100% (12/12 times)
Representative Director	Junta Tsujinaga	100% (12/12 times)
Representative Director	Kiichiro Miyata	100% (12/12 times)
Director	Masahiko Tomita	100% (12/12 times)
Director	Shizuto Yukumoto	100% (12/12 times)
Outside Director	Takehiro Kamigama	100% (12/12 times)
Outside Director	Izumi Kobayashi	91.7% (11/12 times)
Outside Director	Yoshihisa Suzuki	100% (12/12 times)
Audit & Supervisory Board Member	Shuji Tamaki	100% (12/12 times)
Audit & Supervisory Board Member	Toshio Hosoi	100% (12/12 times)
Outside Audit & Supervisory Board Member	Tadashi Kunihiro	100% (12/12 times)
Outside Audit & Supervisory Board Member	Hiroshi Miura	100% (9/9 times)
Outside Audit & Supervisory Board Member	Hideyo Uchiyama	100% (3/3 times)

(Note) Mr. Hideyo Uchiyama resigned as Audit & Supervisory Board Members at the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 20, 2024. Mr. Hiroshi Miura was newly appointed as an Audit & Supervisory Board Member at the Ordinary General Meeting of Shareholders.

(iv)Audit & Supervisory Board

Activities of the Audit & Supervisory Board are as described in "IV. Information about the Reporting Company 4. Corporate Governance, etc. (3) Status of Auditing."

(v)Advisory Committees, etc.

1)Advisory Committee Members

• The composition of the Advisory Committee, etc., as of the filing date of the Annual Securities Report (June 23, 2025) is as follows.

Title	Name	CEO Selection Advisory Committee	Personnel Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee
Chairman of the Board	Yoshihito Yamada	□			○
Representative Director	Junta Tsujinaga				
Representative Director	Kiichiro Miyata			□	
Director	Masahiko Tomita (Note 2)		□		
Director	Shizuto Yukumoto (Note 2)	○	○	○	□
Outside Director	Takehiro Kamigama ◆	◎	□	□	◎
Outside Director	Izumi Kobayashi ◆	□	◎	□	□
Outside Director	Yoshihisa Suzuki ◆	□	□	◎	□
Audit & Supervisory Board Member	Shuji Tamaki				
Audit & Supervisory Board Member	Toshio Hosoi				
Outside Audit & Supervisory Board Member	Tadashi Kunihiro ◆				□
Outside Audit & Supervisory Board Member	Hiroshi Miura ◆				□

Notes : 1 ◎ Chairperson ○ Vice-Chairperson □ Committee Member ◆ Independent under Tokyo Stock Exchange rules

2 Director Masahiko Tomita is appointed as Director in charge of human rights and Director Shizuto Yukumoto as Director in charge of environment.

• As a proposal (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 24, 2025, the Company proposes "Election of Eight Directors" and "Election of two Audit & Supervisory Board Members." When the proposal is approved and passed, the composition of the Advisory Committee, etc., becomes as follows. In addition, details of the resolutions to be adopted at the Board of Directors meeting scheduled to be held immediately after the ordinary general meeting of shareholders (including the positions and members of each advisory committee) are also included.

Title	Name	Ceo selection advisory committee	Personnel Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee
Chairman of the Board	Yoshihito Yamada	□			○
Representative Director	Junta Tsujinaga				
Representative Director	Kiichiro Miyata			□	
Director	Masahiko Tomita (Note 2)		□		
Director	Shizuto Yukumoto (Note 2)	○	○	○	□
Outside Director	Takehiro Kamigama ◆	◎	□	□	◎
Outside Director	Izumi Kobayashi ◆	□	◎	□	□
Outside Director	Yoshihisa Suzuki ◆	□	□	◎	□
Audit & Supervisory Board Member	Toshio Hosoi				
Audit & Supervisory Board Member	Hiroto Iwasa				
Outside Audit & Supervisory Board Member	Hiroshi Miura ◆				□
Outside Audit & Supervisory Board Member	Yumiko Ichige ◆				□

Notes: 1 ◎ Chairperson ○ Vice-Chairperson □ Committee Member ◆ Independent under Tokyo Stock Exchange rules

2 Mr. Masahiko Tomita is planned to be appointed as Director in charge of human rights and Mr. Shizuto Yukimoto as Director in charge of environment.

2)Activities of the Advisory Committees in Fiscal 2024

・Activities of the Advisory Committees in Fiscal 2024 are as follows.

CEO Selection Advisory Committee	
Members	Five members (three Outside Directors and two internal Directors)
Chairman	Mr. Takehiro Kamigama, the lead Outside Director
Committee composition	-The majority shall be Outside Directors -The two internal Directors shall be non-executive Directors (the President and CEO is not a member of the committee)
Number of meetings held	1 time (Attendance rate: 100%)
Matters deliberated and matters reported	-Deliberation on candidates for CEO -Deliberation on a CEO successor candidate in the event of a crisis in fiscal 2025
Evaluation	- The Committee evaluated the performance of the President and CEO in an appropriate process. - Regarding President and CEO succession planning, the Committee selected and evaluated candidates from a medium- and long-term perspective, and monitored the progress of a development plan on an ongoing basis.
Comments from the chair	In the second year in office as the President, Mr. Tsujinaga is in a difficult period of the structural reform, but we would like to ask him for continued efforts. We performed evaluation on the performance of the President and CEO and also held fruitful discussions on succession planning for the future.

Personnel Advisory Committee	
Members	Five members (three Outside Directors and two internal Directors)
Chairman	Ms. Izumi Kobayashi, Outside Director
Committee composition	-The majority shall be Outside Directors -The Chairman of the Board of Directors and the President and CEO are not members of the committee
Number of meetings held	6 times (Attendance rate: 100%)
Matters deliberated and matters reported	- Deliberation on appointment/dismissal of Senior Executive Officers and reporting on selection of Executive Officers - Deliberation on Director candidates, Audit & Supervisory Board Member candidates, and Executive Officer candidates - Reporting on succession planning for management executives

	- Reporting on the list of candidates for Outside Director and Outside Audit & Supervisory Board Member - Determination of the members of each Advisory Committee
Evaluation	- Regarding development of management executives, the Committee engaged in appropriate and continuous discussion with reference to the report on succession planning based on Core Position Strategy and the status of human resource pipelines. - The Committee deliberated the composition of the Board of Directors, in light of the mid- to long-term business portfolios, and reflected them in the talent pool.
Comments from the chair	In the fiscal year under review, incorporating the opinions of Committee members, we had discussions and made decisions that would contribute to enhancing effectiveness of the Board of Directors in the future, such as the partial delegation of authorities to CEO, a policy making regarding the composition of the Board of Directors based on business portfolios, and creation of a talent pool in line with that policy.

Compensation Advisory Committee	
Members	Five members (three Outside Directors and two internal Directors)
Chairman	Mr. Yoshihisa Suzuki, Outside Director
Committee composition	-The majority shall be Outside Directors -The Chairman of the Board of Directors and the President and CEO are not members of the committee
Number of meetings held	7 times (Attendance rate: 97.1%)
Matters deliberated and matters reported	- Discussion and deliberation on a new compensation plan - Deliberation of compensation levels and tables for Directors and Executive Officers - Deliberation of compensation for foreign Executive Officers -Deliberation of evaluation criteria and payment amounts for Director bonuses and stock compensation - Determination of evaluation criteria and payment amounts for Executive Officer bonuses and stock compensation - Determination of a stock compensation plan for Directors and Executive Officers
Evaluation	- Upon the expiration of the current stock compensation plan, the Committee advanced active discussions on how an entire compensation scheme should be to increase corporate value over the medium to long term. - Taking into account the period of Structural Reform, the Committee appropriately analyzed issues of the current scheme and made improvement. In light of the latest market trends and benchmarking results from other companies, the Committee built a new compensation system through an appropriate process
Comments from the chair	In designing a transitional compensation plan suitable for the Structural Reform period, we discussed a constructive scheme from the perspectives of keeping executives motivated and giving them a long-term incentive. Going forward, we intend to discuss the design of a new compensation plan toward further increasing OMRON's corporate value.

Corporate Governance Committee	
Members	Seven members (three Outside Directors, two Outside Audit & Supervisory Board Members and two non-executive internal Directors)
Chairman	Mr. Takehiro Kamigama, the lead Outside Director
Committee composition	-The majority shall be Outside Directors and Outside Audit & Supervisory Board Members. -Directors engaged in business executions are not members of the committee.
Number of meetings held	7 times (Attendance rate: 98%)
Matters deliberated	- Discussion on the roles of each Director - Report on actions taken against matters pointed out at Board of Directors meetings - Discussion on Directors' self-evaluation, mutual evaluation, and third-party evaluation

	- Deliberation of evaluation of the Board of Directors' effectiveness in fiscal 2024 - Discussion on the compilation of a fact book on the Board of Directors
Evaluation	In order for each Director to demonstrate higher effectiveness, the Committee explicitly defined the roles of each Director and started self-evaluation of each Director from the fiscal year under review, to strengthen governance.
Comments from the chair	We deepened discussions on how to sophisticate the method for evaluating effectiveness of the Board of Directors during the fiscal year under review, and introduced self-evaluation of each Director. In the next fiscal year, we continue discussions on an optimal governance system for the Company, taking into account the mid- to long-term growth strategies and changes in the business environment.

・Attendance at the Advisory Committees during fiscal 2024 are as follows.

CEO Selection Advisory Committee

	Position	Name	Attendance
Chairperson	Outside Director	Takehiro Kamigama	100% (1/1 time)
Vice-Chairperson	Director	Shizuto Yukumoto	100% (1/1 time)
Committee Member	Chairman of the Board	Yoshihito Yamada	100% (1/1 time)
Committee Member	Outside Director	Izumi Kobayashi	100% (1/1 time)
Committee Member	Outside Director	Yoshihisa Suzuki	100% (1/1 time)

Personnel Advisory Committee

	Position	Name	Attendance
Chairperson	Outside Director	Izumi Kobayashi	100% (6/6 times)
Vice-Chairperson	Director	Shizuto Yukumoto	100% (6/6 times)
Committee Member	Director	Masahiko Tomita	100% (6/6 times)
Committee Member	Outside Director	Takehiro Kamigama	100% (6/6 times)
Committee Member	Outside Director	Yoshihisa Suzuki	100% (6/6 times)

Compensation Advisory Committee

	Position	Name	Attendance
Chairperson	Outside Director	Yoshihisa Suzuki	100% (7/7 times)
Vice-Chairperson	Director	Shizuto Yukumoto	100% (7/7 times)
Committee Member	Representative Director	Kiichiro Miyata	100% (7/7 times)
Committee Member	Outside Director	Takehiro Kamigama	100% (7/7 times)
Committee Member	Outside Director	Izumi Kobayashi	85.7% (6/7 times)

Corporate Governance Committee

	Position	Name	Attendance
Chairperson	Outside Director	Takehiro Kamigama	100% (7/7 times)
Vice-Chairperson	Chairman of the Board	Yoshihito Yamada	100% (7/7 times)
Committee Member	Director	Shizuto Yukumoto	100% (7/7 times)
Committee Member	Outside Director	Izumi Kobayashi	85.7% (6/7 times)
Committee Member	Outside Director	Yoshihisa Suzuki	100% (7/7 times)
Committee Member	Outside Audit & Supervisory Board Member	Tadashi Kunihiro	100% (7/7 times)
Committee Member	Outside Audit & Supervisory Board Member	Hiroshi Miura	100% (5/5 times)
Committee Member	Outside Audit & Supervisory Board Member	Hideyo Uchiyama	100% (2/2 times)

(Note) Mr. Hiroshi Miura was appointed to the Committee on June 20, 2024.
Mr. Hideyo Uchiyama was retired from the Committee on June 20, 2024.

(vi) Status of Establishment of Internal Control Systems

The Company has established an internal control system and takes precise action by constantly clarifying a variety of internal and external risks that may impede sustained enhancement of corporate value. As an internal auditing function, the Global Internal Auditing Headquarters directly reporting to the President periodically conducts internal audits of the accounting, operations, business risks, compliance, etc. of each head office division and each business company, and provides specific advice aimed at operational improvements.

A diagram of system for monitoring business execution and management, and the status of establishment of the internal control system is shown in Omron’s Corporate Governance Structure.

(vii) Status of Compliance and Risk Management Initiatives

The OMRON Group has promoted integrated compliance and risk management activities through the Corporate Ethics & Risk Management Committee. The OMRON Group has reinforced its capabilities to respond to change through a department directly under the President that promotes and thoroughly enforces such activities.

a. Compliance

The OMRON Group has familiarized its officers and employees with the OMRON Group Rules, which are the common management basis for the Group, and conducted the necessary trainings. In particular, the month of October was designated Corporate Ethics Month, and various initiatives have been implemented including sending messages from the President to the officers and employees in Japan and overseas, offering compliance training for such things as cartel prevention and bribery prevention, and familiarizing officers and employees with the whistle-blower system. Whistle-blower hotlines have been established and are in operation at the major bases in Japan and overseas. Additionally, the Information Disclosure Executive Committee convened regular meetings in order to ensure the accuracy, timeliness and completeness of disclosures, while trainings were held for the prevention of insider trading. Furthermore, the internal audit department conducted operational audits on the divisions of the OMRON Group on a risk basis.

b. Risk management

Based on the OMRON Group Rules for Integrated Risk Management, risks influencing the OMRON Group are identified each year from a global perspective, and upon analyzing such risks, critical risks for the OMRON Group are designated by the Executive Committee. The OMRON Group confirmed the progress made on risk countermeasures with the Corporate Ethics & Risk Management Committee on a quarterly basis and systematically promoted its risk management initiatives. Additionally, concerted efforts were made by the field and management in order to implement measures to respond to changes in the internal and external environments, namely the appointment of risk managers at the Group companies in Japan and overseas, who utilized the global network to share daily risk information and to quickly organize response to risks.

During the fiscal year under review, we intensively monitored compliance-related issues and risks that may arise due to major changes in circumstances caused by the ongoing Structural Reform Program NEXT2025. We also familiarized employees with the whistleblower system again to ensure that they can consult with a sense of security, thereby working to detect and addressing issues at an early point.

(viii)Outline of Agreements Limiting Liability

In order to enable Outside Directors and Outside Audit & Supervisory Board Members to fulfill their expected roles, the Company has established provisions in the articles of incorporation on agreements limiting liability with Outside Directors and Outside Audit & Supervisory Board Members. The outline of the content of the agreements limiting liability concluded with all Outside Directors and Outside Audit & Supervisory Board Members pursuant to the provisions of the articles of incorporation are as follows.

a. Agreements limiting liability of Outside Directors

Outside Directors are liable for compensation of damages up to the higher of JPY10 million or the minimum lability amount specified in Article 425-1 of the Companies Act for liability under Article 423-1 of the Companies Act if performing duties in good faith and without gross negligence.

b. Agreements limiting liability of Outside Audit & Supervisory Board Members

Outside Audit & Supervisory Board Members are liable for compensation of damages up to the higher of JPY10 million or the minimum lability amount specified in Article 425-1 of the Companies Act for liability under Article 423-1 of the Companies Act if performing duties in good faith and without gross negligence.

(ix)Outline of Indemnity Agreements

In order to enable Directors and Audit & Supervisory Board Members to fulfill their expected roles, the Company has concluded indemnity agreements with them indemnifying the expenses under Article 430-2, paragraph 1, item 1 and losses under item 2 of the same paragraph within the scope specified by laws and regulations. However, there are certain exemptions such as not indemnifying losses arising as a result of an act performed with the knowledge that it is an illegal act.

(x)Outline of Directors and Officers Liability Insurance Contracts

The Company has concluded a Directors and Officers Liability Insurance Contracts pursuant to Article 430-3, paragraph 1 insuring all Directors, Audit & Supervisory Board Members and Executive Officers of the Company and subsidiaries; the Company and some of its subsidiaries pays all insurance premiums. The insurance policy covers compensation for damages and litigation expenses borne by the insured in cases where the insured is subject to a claim for compensation for damages from a shareholder or a third party. As a measure to ensure the appropriate execution of duties of the insured is not impaired, compensation for damages arising as a result of an intentional or criminal act by the insured is excluded from insurance claims.

(xi)Number of Directors, etc.

The Company has specified the number of Directors in the articles of incorporation. Furthermore, the quorum for appointment resolutions has been lowered in the articles of incorporation for the appointment of Directors. The content of the articles of incorporation is as follows.

a. Number of Directors

The number of Directors of the Company shall be ten (10) or less.

b. Method of election of Directors

・The directors of the Company shall be elected at a General Meeting of Shareholders.
・A resolution electing directors shall be adopted by a majority of votes of the shareholders present at a General Meeting of Shareholders at which shareholders representing not less than one-third of the voting rights of shareholders entitled to exercise voting rights are present.
・A resolution to elect directors of the Company shall not be made by cumulative voting.

(xii)Organ Determining Acquisition of Treasury Shares

The Company stipulates in the articles of incorporation that it may acquire treasury shares through market transactions and the like pursuant to the provisions of Article 165, paragraph 2 of the Companies Act, in order to enable the flexible execution of management according to changes in economic conditions.

(xiii)Organ Determining Interim Dividends

The Company stipulates in the articles of incorporation that interim dividends may be paid by resolution of the Board of Directors with September 30 as the reference date pursuant to the provision of Article 454, paragraph 5 of the Companies Act to flexibly return profits to shareholders.

(xiv) Requirements for Special Resolutions of the General Meeting of Shareholders

In order to be able to flexibly pass special resolutions, the Company stipulates in its articles of incorporation that resolutions of the General Meeting of Shareholders specified in Article 309, paragraph 2 of the Companies Act shall be passed with one-third or more of the votes of shareholders eligible to vote present and two-thirds or more of those votes cast in favor.

(2) Officers

(i) List of Officers

・The status of Directors and Audit & Supervisory Board Members as of the filing date of the Annual Securities Report (June 23, 2025) is as follows: 11 male, 1 female (8.3% of officers are female)

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares) (Note 7)
Chairman of the Board	Yoshihito Yamada	November 30, 1961	April 1984 June 2008 March 2010 June 2010 June 2011 June 2013 June 2023	Joined the Company Appointed Executive Officer, and President and CEO of OMRON HEALTHCARE Co., Ltd. Appointed Senior General Manager of Corporate Strategic Planning HQ Appointed Managing Executive Officer Appointed Representative Director and President Appointed CEO Appointed Chairman of the Board (to present)	(Note 4)	56
Representative Director, President and CEO	Junta Tsujinaga	April 5, 1966	April 1989 March 2016 April 2017 April 2019 March 2021 April 2023 June 2023	Joined the Company Appointed Senior General Manager of Product Business Division HQ, Industrial Automation Company Appointed Executive Officer Appointed Managing Executive Officer Appointed Company President of Industrial Automation Company Appointed President and CEO (to present) Appointed Representative Director (to present)	(Note 4)	7
Representative Director, Executive Officer and Executive Vice President, CTO	Kiichiro Miyata	July 24, 1960	April 1985 March 2010 June 2010 June 2012 April 2015 April 2017 June 2017 March 2018 April 2023	Joined Tateisi Institute of Life Science, Inc. (currently OMRON HEALTHCARE Co., Ltd) Appointed President and CEO of OMRON HEALTHCARE Co., Ltd. (Retired in March 2015) Appointed Executive Officer of the Company Appointed Managing Executive Officer Appointed Chief Technology Officer (CTO) (to present) Appointed Senior General Manager of Technology & Intellectual Property HQ Appointed Senior Managing Director Appointed Representative Director (to present) Appointed Senior General Manager of Innovation Exploring Initiative HQ Appointed Executive Officer and Executive Vice President (to present)	(Note 4)	25
Director, Senior Managing Executive Officer and CHRO	Masahiko Tomita	August 20, 1966	April 1989 March 2012 April 2014 March 2017 April 2019 April 2023 June 2023	Joined the Company Appointed General Manager of Corporate Planning Department, Global Strategy HQ Appointed Executive Officer Appointed Senior General Manager of Global Human Resources and Administration HQ Appointed Managing Executive Officer Appointed Senior Managing Executive Officer and CHRO (to present) Appointed Director (to present)	(Note 4)	12

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares) (Note 7)
Director	Shizuto Yukumoto	December 25, 1961	April 1985 April 2009 June 2010 March 2012 March 2014 April 2014 February 2017 June 2023	Joined the Company Appointed President & CEO of OMRON EUROPE B.V. Appointed Executive Officer Appointed Senior General Manager of Environmental Solutions Business HQ Appointed Senior General Manager of Environmental Business HQ Appointed Managing Executive Officer Appointed Company President of Electronic and Mechanical Components Company (currently Device & Module Solutions Company) Appointed Director (to present)	(Note 4)	16
Outside Director	Takehiro Kamigama	January 12, 1958	April 1981 June 2002 June 2003 June 2004 June 2006 June 2016 June 2017 June 2018 July 2021	Joined TDK Corporation Appointed Corporate Officer of TDK Corporation Appointed Senior Vice President of TDK Corporation Appointed Director & Executive Vice President of TDK Corporation Appointed President & Representative Director of TDK Corporation Appointed Chairman & Representative Director of TDK Corporation Appointed Outside Director of the Company (to present) Appointed Mission Executive of TDK Corporation Appointed Chief Consultant, Contemporary Amperex Technology Japan KK (to present)	(Note 4)	—
Outside Director	Izumi Kobayashi	January 18, 1959	April 1981 June 1985 December 2001 November 2008 April 2015 June 2016 June 2020	Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation) Joined Merrill Lynch Futures Japan Inc. Appointed President and Representative Director of Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Led.) Appointed Executive Vice President of Multilateral Investment Guarantee Agency, The World Bank Group Appointed Vice Chairperson of Japan Association of Corporate Executives Appointed Governor of Japan Broadcasting Corporation Appointed Outside Director of the Company (to present)	(Note 4)	3

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares) (Note 7)
Outside Director	Yoshihisa Suzuki	June 21, 1955	April 1979	Joined ITOCHU Corporation	(Note 4)	2
			June 2003	Appointed Executive Officer of ITOCHU Corporation		
			April 2006	Appointed Managing Executive Officer of ITOCHU Corporation		
			April 2007	Appointed President (CEO) of ITOCHU International Inc.		
			June 2012	Appointed Representative Director, President & CEO of JAMCO CORPORATION		
			June 2016	Appointed Representative Director and Senior Managing Executive Officer of ITOCHU Corporation		
			April 2018	Appointed President & Chief Operating Officer of ITOCHU Corporation		
			April 2020	Appointed President & Chief Operating Officer and CDO・CIO of ITOCHU Corporation		
			April 2021	Appointed Member of the Board and Vice Chairman of ITOCHU Corporation		
			April 2022	Appointed Vice Chairman of ITOCHU Corporation		
			June 2022	Appointed Outside Director of the Company (to present)		
			April 2023	Appointed Senior Vice Representative for External Affairs, ITOCHU Corporation		
			April 2024	Appointed Advisory Member of ITOCHU Corporation (to present)		
Audit & Supervisory Board Member	Shuji Tamaki	December 3, 1961	April 1985	Joined the Company	(Note 3)	8
			March 2008	Appointed General Manager of the Legal Center, Management Resources Innovation HQ		
			March 2015	Appointed Senior General Manager of Global Risk Management and Legal HQ		
			April 2015	Appointed Executive Officer		
			June 2021	Appointed Audit & Supervisory Board Member (to present)		
Audit & Supervisory Board Member	Toshio Hosoi	December 25, 1961	April 1984	Joined the Company	(Note 5)	20
			April 2011	Appointed Managing Director and Senior General Manager of Solutions Business HQ of OMRON SOCIAL SOLUTIONS Co., Ltd.		
			June 2011	Appointed Executive Officer of the Company		
			March 2015	Appointed President and CEO of OMRON SOCIAL SOLUTIONS Co., Ltd.		
			April 2015	Appointed Managing Executive Officer		
			June 2023	Appointed Audit & Supervisory Board Member (to present)		

Position	Name	Date of birth	Career summary	Term of office	Number of shares of the Company owned (thousands of shares)
Outside Audit & Supervisory Board Member	Tadashi Kunihiro	November 29. 1955	April 1986 Registered as attorney with the Daini Tokyo Bar Association Joined Nasu & Iguchi Law Office January 1994 Established Kunihiro Law Office (currently T. Kunihiro & Co., Attorneys-at-Law) June 2017 Appointed Outside Audit & Supervisory Board Member of the Company (to present)	(Note 3)	–
Outside Audit & Supervisory Board Member	Hiroshi Miura	April 16, 1959	April 1985 Joined Eiwa Audit Corporation (currently KPMG AZSA LLC) August 1989 Registered as Certified Public Accountant June 2006 Appointed Representative Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC) July 2009 Seconded to KPMG London Office (Head of EMA Global Japanese Practice (GJP)) October 2013 Appointed Executive Board Member of KPMG AZSA LLC July 2021 Appointed Representative CPA of Global Management Advisory Office (to present) June 2024 Appointed Outside Audit & Supervisory Board Member of the Company (to present)	(Note 6)	–
Total					149

Notes: 1. Directors Takehiro Kamigama, Izumi Kobayashi and Yoshihisa Suzuki are Outside Directors.

2. Audit & Supervisory Board Members Tadashi Kunihiro and Hiroshi Miura are Outside Audit & Supervisory Board Members.

3. The term of office is from the time of the conclusion of the 84th Ordinary General Meeting of Shareholders until the time of the conclusion of the 88th Ordinary General Meeting of Shareholders.

4. The term of office is from the time of the conclusion of the 87th Ordinary General Meeting of Shareholders until the time of the conclusion of the 88th Ordinary General Meeting of Shareholders.

5. The term of office is from the time of the conclusion of the 86th Ordinary General Meeting of Shareholders until the time of the conclusion of the 90th Ordinary General Meeting of Shareholders.

6. The term of office is from the time of the conclusion of the 87th Ordinary General Meeting of Shareholders until the time of the conclusion of the 91st Ordinary General Meeting of Shareholders.

7. The above numbers of shares held include the effective number of shares held in the name of the OMRON Officers' Stock Ownership Plan.
The effective number of shares owned as of May 31, 2025 is shown because the number of shares acquired by the OMRON Officers' Stock Ownership Plan for June 2025 cannot be confirmed as of the submission date (June 23, 2025).

8. The Company elects one Alternate Audit & Supervisory Board Member as prescribed in Article 329, paragraph (3) of the Companies Act in case of a vacancy in the number of Audit & Supervisory Board Members prescribed by law. The career summary of the Alternate Audit & Supervisory Board Member is as follows.

Name	Date of birth	Career summary	Number of shares of the Company owned (thousands of shares)
Toru Watanabe	February 2, 1966	April 1993 Registered as attorney with the Osaka Bar Association Joined Kitahama Partners (currently Kitahama Partners - Foreign Law Joint Enterprise) January 1998 Appointed Partner of Kitahama Partners (to present) January 2020 Appointed Representative of Kitahama Partners (Legal professional corporation) (to present) April 2025 Appointed Representative Partner of Kitahama Partners (to present)	–

・As a proposal (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 24, 2025, the Company proposes “Election of Eight Directors,” “Election of two Audit & Supervisory Board Members,” and “Election of One (1) Alternate Audit & Supervisory Board Member.” When the proposal is approved and passed, the status of the Directors and Audit & Supervisory Board Members and their tenures will be as follows. In addition, details of the resolutions to be adopted at the Board of Directors meeting scheduled to be held immediately after the ordinary general meeting of shareholders (including positions) are also included.

10 male, 2 female (16.7% of officers are female)

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares) (Note 7)
Chairman of the Board	Yoshihito Yamada	November 30, 1961	April 1984 June 2008 March 2010 June 2010 June 2011 June 2013 June 2023	Joined the Company Appointed Executive Officer, and President and CEO of OMRON HEALTHCARE Co., Ltd. Appointed Senior General Manager of Corporate Strategic Planning HQ Appointed Managing Executive Officer Appointed Representative Director and President Appointed CEO Appointed Chairman of the Board (to present)	(Note 3)	56
Representative Director, President and CEO	Junta Tsujinaga	April 5, 1966	April 1989 March 2016 April 2017 April 2019 March 2021 April 2023 June 2023	Joined the Company Appointed Senior General Manager of Product Business Division HQ, Industrial Automation Company Appointed Executive Officer Appointed Managing Executive Officer Appointed Company President of Industrial Automation Company Appointed President and CEO (to present) Appointed Representative Director (to present)	(Note 3)	7
Representative Director, Executive Officer and Executive Vice President, CTO	Kiichiro Miyata	July 24, 1960	April 1985 March 2010 June 2010 June 2012 April 2015 April 2017 June 2017 March 2018 April 2023	Joined Tateisi Institute of Life Science, Inc. (currently OMRON HEALTHCARE Co., Ltd) Appointed President and CEO of OMRON HEALTHCARE Co., Ltd. (Retired in March 2015) Appointed Executive Officer of the Company Appointed Managing Executive Officer Appointed Chief Technology Officer (CTO) (to present) Appointed Senior General Manager of Technology & Intellectual Property HQ Appointed Senior Managing Director Appointed Representative Director (to present) Appointed Senior General Manager of Innovation Exploring Initiative HQ Appointed Executive Officer and Executive Vice President (to present)	(Note 3)	25

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares) (Note 7)
Director, Senior Managing Executive Officer and CHRO	Masahiko Tomita	August 20, 1966	April 1989 March 2012 April 2014 March 2017 April 2019 April 2023 June 2023	Joined the Company Appointed General Manager of Corporate Planning Department, Global Strategy HQ Appointed Executive Officer Appointed Senior General Manager of Global Human Resources and Administration HQ Appointed Managing Executive Officer Appointed Senior Managing Executive Officer and CHRO (to present) Appointed Director (to present)	(Note 3)	12
Director	Shizuto Yukumoto	December 25, 1961	April 1985 April 2009 June 2010 March 2012 March 2014 April 2014 February 2017 June 2023	Joined the Company Appointed President & CEO of OMRON EUROPE B.V. Appointed Executive Officer Appointed Senior General Manager of Environmental Solutions Business HQ Appointed Senior General Manager of Environmental Business HQ Appointed Managing Executive Officer Appointed Company President of Electronic and Mechanical Components Company (currently Device & Module Solutions Company) Appointed Director (to present)	(Note 3)	16
Outside Director	Takehiro Kamigama	January 12, 1958	April 1981 June 2002 June 2003 June 2004 June 2006 June 2016 June 2017 June 2018 July 2021	Joined TDK Corporation Appointed Corporate Officer of TDK Corporation Appointed Senior Vice President of TDK Corporation Appointed Director & Executive Vice President of TDK Corporation Appointed President & Representative Director of TDK Corporation Appointed Chairman & Representative Director of TDK Corporation Appointed Outside Director of the Company (to present) Appointed Mission Executive of TDK Corporation Appointed Chief Consultant, Contemporary Amperex Technology Japan KK (to present)	(Note 3)	—
Outside Director	Izumi Kobayashi	January 18, 1959	April 1981 June 1985 December 2001 November 2008 April 2015 June 2016 June 2020	Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation) Joined Merrill Lynch Futures Japan Inc. Appointed President and Representative Director of Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Led.) Appointed Executive Vice President of Multilateral Investment Guarantee Agency, The World Bank Group Appointed Vice Chairperson of Japan Association of Corporate Executives Appointed Governor of Japan Broadcasting Corporation Appointed Outside Director of the Company (to present)	(Note 3)	3

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares) (Note 7)
Outside Director	Yoshihisa Suzuki	June 21, 1955	April 1979	Joined ITOCHU Corporation	(Note 3)	2
			June 2003	Appointed Executive Officer of ITOCHU Corporation		
			April 2006	Appointed Managing Executive Officer of ITOCHU Corporation		
			April 2007	Appointed President (CEO) of ITOCHU International Inc.		
			June 2012	Appointed Representative Director, President & CEO of JAMCO CORPORATION		
			June 2016	Appointed Representative Director and Senior Managing Executive Officer of ITOCHU Corporation		
			April 2018	Appointed President & Chief Operating Officer of ITOCHU Corporation		
			April 2020	Appointed President & Chief Operating Officer and CDO・CIO of ITOCHU Corporation		
			April 2021	Appointed Member of the Board and Vice Chairman of ITOCHU Corporation		
			April 2022	Appointed Vice Chairman of ITOCHU Corporation		
			June 2022	Appointed Outside Director of the Company (to present)		
			April 2023	Appointed Senior Vice Representative for External Affairs, ITOCHU Corporation		
			April 2024	Appointed Advisory Member of ITOCHU Corporation (to present)		
Audit & Supervisory Board Member	Toshio Hosoi	December 25, 1961	April 1984	Joined the Company	(Note 4)	20
			April 2011	Appointed Managing Director and Senior General Manager of Solutions Business HQ of OMRON SOCIAL SOLUTIONS Co., Ltd.		
			June 2011	Appointed Executive Officer of the Company		
			March 2015	Appointed President and CEO of OMRON SOCIAL SOLUTIONS Co., Ltd.		
			April 2015	Appointed Managing Executive Officer		
			June 2023	Appointed Audit & Supervisory Board Member (to present)		
Audit & Supervisory Board Member	Hiroto Iwasa	January 27, 1966	April 1991	Joined the Company	(Note 6)	6
			March 2013	Appointed CEO of Omron Healthcare (China)		
			March 2017	Appointed General Manager, Global HR Development Department of Global Human Resources and Administration HQ		
			March 2021	Appointed Senior General Manager, Board of Directors Office (to present)		
			April 2023	Appointed Executive Officer (to present)		
			June 2025	Appoineted Audit & Supervisory Board Member (plan)		

Position	Name	Date of birth	Career summary		Term of office	Number of shares of the Company owned (thousands of shares)
Outside Audit & Supervisory Board Member	Hiroshi Miura	April 16, 1959	April 1985 August 1989 June 2006 July 2009 October 2013 July 2021 June 2024	Joined Eiwa Audit Corporation (currently KPMG AZSA LLC) Registered as Certified Public Accountant Appointed Representative Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC) Seconded to KPMG London Office (Head of EMA Global Japanese Practice (GJP)) Appointed Executive Board Member of KPMG AZSA LLC Appointed Representative CPA of Global Management Advisory Office (to present) Appointed Outside Audit & Supervisory Board Member of the Company (to present)	(Note 5)	—
Outside Audit & Supervisory Board Member	Yumiko Ichige	March 13, 1961	April 1989 Dec. 2007 April 2009 April 2014 June 2025	Registered as attorney with Daini Tokyo Bar Association Joined IBM Japan, Ltd Appointed Partner, Nozomi Sogo Attorneys at Law (to present) Appointed Vice Chairman of Daini Tokyo Bar Association Appointed Executive Director of Japan Federation of Bar Associations Appointed Outside Audit & Supervisory Board Member of the Company (plan)	(Note 6)	—
Total						147

Notes: 1. Directors Takehiro Kamigama, Izumi Kobayashi and Yoshihisa Suzuki are Outside Directors.

2. Audit & Supervisory Board Members Hiroshi Miura and Yumiko Ichige are Outside Audit & Supervisory Board Members.
3. The term of office is from the time of the conclusion of the 88th Ordinary General Meeting of Shareholders until the time of the conclusion of the 89th Ordinary General Meeting of Shareholders.
4. The term of office is from the time of the conclusion of the 86th Ordinary General Meeting of Shareholders until the time of the conclusion of the 90th Ordinary General Meeting of Shareholders.
5. The term of office is from the time of the conclusion of the 87th Ordinary General Meeting of Shareholders until the time of the conclusion of the 91st Ordinary General Meeting of Shareholders.
6. The term of office is from the time of the conclusion of the 88th Ordinary General Meeting of Shareholders until the time of the conclusion of the 92nd Ordinary General Meeting of Shareholders.
7. The above numbers of shares held include the effective number of shares held in the name of the OMRON Officers' Stock Ownership Plan.
   The effective number of shares owned as of May 31, 2025 is shown because the number of shares acquired by the OMRON Officers' Stock Ownership Plan for June 2025 cannot be confirmed as of the submission date (June 23, 2025).
8. The Company elects one Alternate Audit & Supervisory Board Member as prescribed in Article 329, paragraph (3) of the Companies Act in case of a vacancy in the number of Audit & Supervisory Board Members prescribed by law. The career summary of the Alternate Audit & Supervisory Board Member is as follows.

Name	Date of birth	Career summary		Number of shares of the Company owned (thousands of shares)
Toru Watanabe	February 2, 1966	April 1993 January 1998 January 2020 April 2025	Registered as attorney with the Osaka Bar Association Joined Kitahama Partners (currently Kitahama Partners - Foreign Law Joint Enterprise) Appointed Partner of Kitahama Partners (to present) Appointed Representative of Kitahama Partners (Legal professional corporation) (to present) Appointed Representative Partner of Kitahama Partners (to present)	–

(ii) Outside Officers

Outside Directors comprise one-third or more of the Board of Directors to strengthen oversight functions.

The Company currently has three Outside Directors and two Outside Audit & Supervisory Board Members.

1. Personal Relationships, Capital Relationships and Business Relationships Outside Directors and Audit & Supervisory Board Members Have with the Company

Mr. Yoshihisa Suzuki is the Advisory Member of ITOCHU Corporation. Although the OMRON Group and the ITOCHU Group have business relationships such as the sale of products, the percentage of the value of transactions was less than 1% of consolidated net sales for both the OMRON Group and the ITOCHU Group, and, as such, there are no issues with his independence. There are no other notable relationships between companies where Outside Executives hold significant concurrent positions and the Company.

The Outside Executives of the Company satisfy the "Independence Requirements for Outside Executives" (Note) specified by the Company, and all Outside Executives have been registered as Independent Officers because there is no risk of the occurrence of a conflict of interests with general shareholders.

Note: The Company's "Independence Requirements for Outside Executives" are stated in "3. OMRON's Independence Requirements for Outside Directors and Audit & Supervisory Board Members and Approach to the State of Election"

2. Functions and Roles of Outside Directors and Audit & Supervisory Board Members in OMRON's Corporate Governance

Functions and Roles of Independent Outside Directors

- Independent Outside Directors perform the function of supervising execution, advisory functions and the function of supervising conflicts of interest based on their independent positions, in addition to reflecting the opinions of stakeholders in the Board of Directors.
- Independent Outside Directors exchange opinions on the Company's management with the Audit & Supervisory Board.
- Independent Outside Directors demand information to the Company as needed to fulfill their roles.

Functions and Roles of Independent Outside Audit & Supervisory Board Member

- Independent Outside Audit & Supervisory Board Members provide appropriate opinions to the President and the Board of Directors based on their independent positions.
- Independent Outside Audit & Supervisory Board Members endeavor to actively establish an auditing environment including exercising their auditing authority pursuant to laws and regulations.

3. OMRON's Independence Requirements for Outside Directors and Audit & Supervisory Board Members and Approach to the State of Election

Independence Requirements for Outside Directors and Audit & Supervisory Board Members

In addition to the requirements of Japan's Companies Act, the Company has formulated its own "Independence Requirements for Outside Executives" and as we select all Outside Executives using these requirements as our standard, we judge them to be sufficiently independent, and register all of our Outside Executives as Independent Officers. When determining that all Outside Executives are Independent Officers, we consult with our Corporate Governance Committee (which is composed of Outside Executives) and confirm that the "Independence Requirements for Outside Executives" are appropriate as independence criteria for Outside Executives before they are resolved by the Board of Directors.

"Independence Requirements for Outside Executives" (Revised on December 25, 2014)

In selecting new Outside Executive nominees, the Company has set the following independence requirements to define relations between the OMRON Group and the nominees as well as companies or organizations to which they belong. Outside Executives shall maintain the following independence requirements after appointment as well, and if there is an appointment to a principal position, independence shall be reviewed based on these independence requirements by the Personnel Advisory Committee.

a. Nominees for Outside Executives shall not be Directors (excluding Outside Directors), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members, Executive Officers or employees of the OMRON Group (see Note) and they shall not have been Directors (excluding Outside Directors), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), Executive Officers or employees of the OMRON Group in the past.

b. They shall not have been large shareholders of the OMRON Group (*), or Directors, Audit & Supervisory Board Members, Executive Officers or employees of a company in which the OMRON Group is a large shareholder in any of the past five fiscal years.
   (*) A large shareholder refers to a company, etc. with a shareholding ratio exceeding 10% of total voting rights.

c. They shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees at significant transaction partners (*) of the OMRON Group.
   (*) A significant transaction partner refers to a company whose payments or received transaction amount in business with the OMRON Group in the previous fiscal year and the past three fiscal years represent more than 2% of the consolidated net sales of the Group or the transaction partner (including its parent company and significant subsidiaries).

d. They shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees of a corporation, organization, etc. receiving large donations (*) from the OMRON Group.
   (*) Large donations refer to donations of JPY 10 million per year or donations that represent more than 2% of the consolidated net sales or total income of the donation recipient, whichever amount is larger, based on the average for the past three fiscal years.

e. Companies or organizations to which the nominee belongs must not have appointed designated Directors, Audit & Supervisory Board Members, or Executive Officers to the OMRON Group or vice versa.

f. They shall not have been representative partners, staff members, partners or employees at the Accounting Auditors serving the OMRON Group in any of the past five fiscal years.

g. They shall not be legal specialists, certified public accountants, consultants, etc., that receive large amounts of money (*) or other assets from the OMRON Group besides compensation of Directors or Audit & Supervisory Board Members.
   (*) Large amounts of money refer to JPY 10 million per year in the cases of an individual or an amount that represents more than 2% of the consolidated net sales in the case of an organization based on the average for the past three fiscal years.

h. They shall not be a spouse, family member within the second degree of relationship, family member that lives in the same residence, or a dependent of any of the following parties.
   (1) Directors, Audit & Supervisory Board Members, Executive Officers or principal employees (*) of the OMRON Group
   (2) Parties that were Directors, Audit & Supervisory Board Members, Executive Officers or principal employees of the OMRON Group in any of the past five fiscal years
   (3) Parties that are restricted from appointment based on items b. through g. above
   (*) Principal employees refer to employees at the Senior General Manager level or above.

i. In addition, there shall be nothing questionable regarding the independence in performing duties as an Outside Executive.

Note: The above term ‘OMRON Group’ means OMRON Corporation and its subsidiaries.

Status of Election and Reasons for Election of Outside Directors and Outside Audit & Supervisory Board Members

・The reasons for the election of Outside Directors and Outside Audit & Supervisory Board Members as of the filing date of the Annual Securities Report (June 23, 2025) are as follows.

	Name	Reasons for election
Outside Director	Takehiro Kamigama	Having served in management positions at a global company, Outside Director Takehiro Kamigama has a considerable track record of management achievements and superior insight into innovation, technology, DX and IT, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision “SF2030” and accomplishing Structural Reform Program NEXT2025. In addition, Mr. Kamigama shares his experience and insight as management expert, and actively comments as Chairman of the CEO Selection Advisory Committee and Corporate Governance Committee, and as a member of the Personnel Advisory Committee and Compensation Advisory Committee, to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company believes that he is a suitable person for supervising management for sustained improvements in corporate value and has therefore selected him as an Outside Director.
	Izumi Kobayashi	Outside Director Izumi Kobayashi has abundant experience and international insight cultivated through her service as a representative for private financial institutions and an international development financial institution. Furthermore, she has expertise in sustainability, ESG and diversity, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision “SF2030” and accomplishing Structural Reform Program NEXT2025. In addition, Ms. Kobayashi shares her experience and insight as management expert, and actively comments as Chairman of the Personnel Advisory Committee, and as a member of the CEO Selection Advisory Committee, Corporate Governance Committee, and Compensation Advisory Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company believes that she is a suitable person for supervising management for sustained improvements in corporate value and has therefore selected her as an Outside Director.
	Yoshihisa Suzuki	Having served in management positions at a global general trading company, Outside Director Yoshihisa Suzuki has a considerable track record of international management achievements and superior insight into innovation, technology, DX and IT, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision “SF2030” and accomplishing Structural Reform Program NEXT2025. In addition, Mr. Suzuki shares his experience and insight as management expert, and actively comments as Chairman of the Compensation Advisory Committee and as a member of the CEO Selection Advisory Committee, Personnel Advisory Committee and Corporate Governance Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company believes that he is a suitable person for supervising management for sustained improvements in corporate value and has therefore selected him as an Outside Director.

	Name	Reasons for election
Outside Audit & Supervisory Board Member	Tadashi Kunihiro	Outside Audit & Supervisory Board Member Tadashi Kunihiro is an attorney principally specializing in corporate governance, compliance and the Companies Act. He is an expert in corporate crisis management and has been appointed to important positions including advisory roles in the Cabinet Office and the Consumer Affairs Agency. As an Outside Audit & Supervisory Board Member, he attends Board of Directors meetings and other important meetings, at which he proactively comments from the standpoint of audit on legality and appropriateness, and he duly fulfills his role of auditing the performance of duties by Directors. In addition, Mr. Kunihiro actively comments as a member of Corporate Governance Committee to contribute to increasing transparency and fairness in the Company's management. Based on these accomplishments and considerable amount of experience, the Company believes that he is a suitable person for an Audit & Supervisory Board Member and has therefore selected him as an Outside Audit & Supervisory Board Member.
	Hiroshi Miura	Outside Audit & Supervisory Board Member Hiroshi Miura has years of international work experience both in Japan and overseas as a certified public accountant at auditing firms and has considerable knowledge regarding finance and accounting. He has expertise in international accounting standards, such as IFRS, and superior insight into governance and risk management. Based on these achievements and extensive experience, the Company believes that he is a suitable person for an Outside Audit & Supervisory Board Member and has therefore selected him as an Outside Audit & Supervisory Board Member.

・As a proposal (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 24, 2025, the Company proposes "Election of Eight Directors" and "Election of two Audit & Supervisory Board Members." When the proposal is approved and passed, the Outside Directors and Outside Audit & Supervisory Board Members will be as follows.

	Name	Reasons for election
Outside Director	Takehiro Kamigama	Having served in management positions at a global company, Outside Director Takehiro Kamigama has a considerable track record of management achievements and superior insight into innovation, technology, DX and IT, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision "SF2030" and accomplishing Structural Reform Program NEXT2025. In addition, Mr. Kamigama shares his experience and insight as management expert, and actively comments as Chairman of the CEO Selection Advisory Committee and Corporate Governance Committee, and as a member of the Personnel Advisory Committee and Compensation Advisory Committee, to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company believes that he is a suitable person for supervising management for sustained improvements in corporate value and has therefore selected him as an Outside Director.
	Izumi Kobayashi	Outside Director Izumi Kobayashi has abundant experience and international insight cultivated through her service as a representative for private financial institutions and an international development financial institution. Furthermore, she has expertise in sustainability, ESG and diversity, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision "SF2030" and accomplishing Structural Reform Program NEXT2025. In addition, Ms. Kobayashi shares her experience and insight as management expert, and actively comments as Chairman of the Personnel Advisory Committee, and as a member of the CEO Selection Advisory Committee, Corporate Governance Committee, and Compensation Advisory Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company believes that she is a suitable person for supervising management for sustained improvements in corporate value and has therefore selected her as an Outside Director.

<table>
<tr><th></th><th>Name</th><th>Reasons for election</th></tr>
<tr><td>Outside Director</td><td>Yoshihisa Suzuki</td><td>Having served in management positions at a global general trading company, Outside Director Yoshihisa Suzuki has a considerable track record of international management achievements and superior insight into innovation, technology, DX and IT, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision “SF2030” and accomplishing Structural Reform Program NEXT2025. In addition, Mr. Suzuki shares his experience and insight as management expert, and actively comments as Chairman of the Compensation Advisory Committee and as a member of the CEO Selection Advisory Committee, Personnel Advisory Committee and Corporate Governance Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company believes that he is a suitable person for supervising management for sustained improvements in corporate value and has therefore selected him as an Outside Director.</td></tr>
<tr><td rowspan="2">Outside Audit & Supervisory Board Member</td><td>Hiroshi Miura</td><td>Outside Audit & Supervisory Board Member Hiroshi Miura has years of international work experience both in Japan and overseas as a certified public accountant at auditing firms and has considerable knowledge regarding finance and accounting. He has expertise in international accounting standards, such as IFRS, and superior insight into governance and risk management. Based on these achievements and extensive experience, the Company believes that he is a suitable person for an Outside Audit & Supervisory Board Member and has therefore selected him as an Outside Audit & Supervisory Board Member.</td></tr>
<tr><td>Yumiko Ichige</td><td>Outside Audit & Supervisory Board Member Yumiko Ichige started out her career as a corporate attorney and possesses highly specialized expertise and work experience in the fields of corporate governance, including group governance, compliance, diversity, and intellectual property, which she gained through her experience as a lawyer. She has served as Outside Director and Outside Audit & Supervisory Board Member at multiple entities, including listed companies, and has served in various important positions at a bar association, a federation of bar associations, and public-interest corporations in the past. Based on these achievements and extensive experience, the Company believes that she is a suitable person for an Outside Audit & Supervisory Board Member and has therefore selected her as an Outside Audit & Supervisory Board Member.</td></tr>
</table>

(iii) Mutual Coordination between Supervision and Audits by Outside Directors and Audit & Supervisory Board Members and Internal Audits, Audits by Audit & Supervisory Board Members and Audits by the Accounting Auditor, and the Relationship with Internal Audit Divisions

As mentioned above, Outside Directors attend monthly meetings of the Board of Directors, are present at committee meetings, and supervise management, in addition to entering into annual dialogues with the Audit & Supervisory Board in order to exchange opinions on the Company’s management. The internal audit department reports annually to Outside Directors with an annual summary of the fiscal year. In addition, Outside Directors hold a biannual meeting with the Accounting Auditor to exchange opinions, where they share their viewpoints and directly exchange risk information with the Company.

The situation with regard to Outside Audit & Supervisory Board Members is as described in “IV. Information about the Reporting Company 4. Corporate Governance, etc. (3) Status of Auditing.”

(3) Status of Auditing

(i)Status of Auditing by Audit & Supervisory Board Members

1. Organization and Personnel

As of the filing date of the Annual Securities Report, the Audit & Supervisory Board of the Company consists of four members, namely two Audit & Supervisory Board Members and two Outside Audit & Supervisory Board Members. Audit & Supervisory Board Members are selected from candidates with appropriate experience and abilities, as well as the necessary experience in areas related to finance, accounting, and legal affairs. One criterion is that there be at least one person with considerable knowledge of finance and accounting in particular.

The Audit & Supervisory Board Office is staffed by employees with the necessary knowledge and abilities to assist the Audit & Supervisory Board Members in the performance of their duties. Personnel matters related to Audit & Supervisory Board Office staff require the consent of the Audit & Supervisory Board Members.

The composition of the Audit & Supervisory Board as of the filing date of the Annual Securities Report (June 23, 2025) is as follows.

Name	Position	Appointed	Expert Knowledge
Shuji Tamaki	Audit & Supervisory Board Member / Chairman	2021	Legal affairs, compliance, internal control, risk management
Toshio Hosoi	Audit & Supervisory Board Member	2023	Business experience related to New Business, innovation, DX and internal control
Tadashi Kunihiro	Outside Audit & Supervisory Board Member	2017	Corporate governance, internal control, corporate risk management, etc.
Hiroshi Miura	Outside Audit & Supervisory Board Member	2024	Finance and accounting, corporate management, governance & risk management

Note: The career summaries of Audit & Supervisory Board Members as of the submission date of the Annual Securities Report are shown in the "IV. Information about the Reporting Company 4. Corporate Governance, etc. (2) Officers (i) List of Officers" item.

As a proposal (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 24, 2025, the Company proposes "Election of two Audit & Supervisory Board Members." When the proposal is approved and passed, the composition of the Audit & Supervisory Board becomes as follows.

Name	Position	Appointed	Expert Knowledge
Toshio Hosoi	Audit & Supervisory Board Member	2023	Business experience related to New Business, innovation, DX and internal control
Hiroto Iwasa	Audit & Supervisory Board Member	2025	Corporate governance and personal development
Hiroshi Miura	Outside Audit & Supervisory Board Member	2024	Finance and accounting, corporate management, governance & risk management
Yumiko Ichige	Outside Audit & Supervisory Board Member	2025	Legal, compliance and diversity

2. Operations of the Audit & Supervisory Board

The Audit & Supervisory Board resolves, deliberates, reports, and discusses important matters related to audits in accordance with the provisions of laws and regulations, the Articles of Incorporation, and the Regulations of the Audit & Supervisory Board. During the fiscal year under review, the Audit & Supervisory Board operated as follows. In addition to the Audit & Supervisory Board, we have set up a free discussion time to promote free and open discussions and improve the effectiveness of the Audit & Supervisory Board.

Frequency	13 times. Prior to the meeting of the Board of Directors, it is held on a monthly basis and as needed		
FY2024 Attendance rate at meetings of the Audit & Supervisory Board	Position	Name	Attendance rate for the current fiscal year
	Audit & Supervisory Board Member	Shuji Tamaki	100% (13 times/13 times)
	Audit & Supervisory Board Member	Toshio Hosoi	100% (13 times/13 times)
	Outside Audit & Supervisory Board Member	Tadashi Kunihiro	100% (13 times/13 times)
	Outside Audit & Supervisory Board Member	Hiroshi Miura	100% (9 times/9 times)(*)
	Outside Audit & Supervisory Board Member	Hideyo Uchiyama	100% (4 times/4 times)(*)
Main matters discussed	Resolutions: 15 (Audit Implementation Report, Audit Policy and Plan, Audit Report of the Audit & Supervisory Board, Disclosure to Business Reports, Consent to the Appointment of Audit & Supervisory Board members, Evaluation of the Accounting Auditor and Consent to Audit Remuneration, etc.) Deliberations: 7 (Audit & Supervisory Board's Evaluation of Effectiveness, Audit Implementation Report, Audit Policy and Plan, etc.) Discussions: 1 (Distribution of remuneration for Audit & Supervisory Board Members) Reports: 48 (Status of job execution by Audit & Supervisory Board Members, reports on the Executive Council meetings (**), Report from Head of Global Internal Audit HQ, Periodic reporting of internal whistleblowing, Evaluation of Corporate Value Contribution, Annual Securities Report, etc.)		
Major themes of free discussion	・ Towards the Evolution of the Internal Control System - How Internal Audits Should Be ・ Evolution of Audit & Supervisory Board Member's Audit - Challenge to 4.0 beyond Audit 1.0 to 3.0 - ・ Current status and issues of the fundamental aspects (operating systems) of the company, including the organizational culture		
Time spent	Audit & Supervisory Board Meeting: 18.8 hours, Free discussion: 12.7 hours		

(*) Mr. Hideyo Uchiyama resigned and Mr. Hiroshi Miura was appointed at the 87th Ordinary General Meeting of Shareholders held on June 20, 2024. Mr. Uchiyama's attendance at the Audit & Supervisory Board meetings is prior to the 87th Ordinary General Meeting of Shareholders, and Mr. Miura's attendance at the 87th Ordinary General Meeting of Shareholders.

(**) Executive Committee: Management Committee chaired by the president and attended by Executive Officers

3. Activities of Audit & Supervisory Board Members

The following is an overview of the main activities and audit activities for priority audit items during the current fiscal year.

(■ Attendance based on role ○ Attendance as observer △ Voluntary attendance)

	Main activities	Frequency	Audit & Super-visory Board Member	Outside Audit & Super-visory Board Member
(i)	Attendance at Board of Directors meetings	13 times	■	■
(ii)	Exchanged opinions with Directors	13 times	■	■
(iii)	Attendance at committees (Corporate Governance Committee, Remuneration Advisory Committee, etc.)	11 times	○	■
(iv)	Attendance at important company-wide meetings, including Executive Council meetings, Budget meetings	12 times	○	△
(v)	Dialogue with the General Managers of BC (Business Companies) and the Heads of Major Divisions	19 times	■	■
(vi)	Visits by Audit & Supervisory Board Members (5 domestic companies, 14 overseas companies, 12 external companies)	31 companies	■	△
(vii)	Discussion and sharing of information with Global Internal Auditing Headquarters	17 times	■	△
(viii)	Discussion and sharing information with Accounting Auditor	6 times	■	△

<table>
<tr><th>Priority Audit Matters</th><th>Overview of Audit Activities</th></tr>
<tr><td>Progress of structural reforms and response to risks</td><td rowspan="2">We have monitored the progress of the structural reform program and recognized the need to accelerate “customer-driven” activities for future growth.
We will continue to check the aspect of stopping (waste) and changing (quickly) and how well the activities are taking hold.</td></tr>
<tr><td>Addressing Medium- to Long-Term Management Issues</td></tr>
<tr><td>Global Groups Governance</td><td>Audit & Supervisory Board reviewed the Group’s risk management initiatives, including the Group’s material risks, and discussed the issues with the Board of Supervisors.
In addition, we had a series of discussions with the President and CEO on the state of the internal control system and the challenges it faces.
We confirmed that the issues are being considered in the executive departments and that progress is being made in addressing them.</td></tr>
</table>

4. Status of Coordination with Global Internal Auditing Headquarters

Global Internal Auditing Headquarters verifies the development and operation status of the OMRON Group’s internal controls from the following perspectives: “Effectiveness and efficiency of operations,” “Reliability of financial reporting,” “Compliance with laws and regulations related to business activities,” and “Preservation of assets,” evaluates the validity and effectiveness of risk management and provides advice and recommendations for improvement.

The Audit & Supervisory Board invite the head of Global Internal Auditing Headquarters to the monthly meeting to check the status of company-wide operational audits and internal control audits and exchange opinions. In the year under review, the auditors of each domestic subsidiary (who are also members of the Global Internal Auditing Headquarters) reported on the status of internal controls and on-site conditions at their respective companies, so that they could identify management issues and risks throughout the company, which were then shared with the Board of Auditors.

5. Status of Coordination with the Accounting Auditor

The Audit & Supervisory Board meets regularly with the accounting auditors to be informed on the status of priority areas for auditing, procedures for dealing with risks, and the status of group audits, as well as matters discovered during the period. Finance and accounting manager and internal audit manager also participate in the regular meetings, which allow time for open discussion and a dynamic exchange of ideas.

Key Audit Matters (KAMs) were thoroughly reviewed by the accounting auditors, and Audit & Supervisory Board Members also discussed their findings in detail with the accounting auditor.

In addition to regular meetings, the Audit & Supervisory Board Members also maintain a timely information link with the accounting auditors to understand the situation and issues on the ground.

The main reports and considerations in the audit of financial statements for the current fiscal year are as follows.

Main Reports and Considerations	Month											
	7	8	9	10	11	12	1	2	3	4	5	6
Basic Audit Policy and Audit Plan		■						■		■		
Priority Audit Domains and KAM		■			■			■		■	■	■
Interim Report, Interim Review, Audit Results and Opinions		■			■			■			■	■
J-SOX audits and internal control audits				■				■			■	■
Group Audits (Issues and Findings)					■			■			■	■
Independence of Auditors (including non-assurance work)		■			■			■		■	■	■
Matters Concerning the Execution of Duties by the Accounting Auditor		■						■			■	
Matters Concerning Disclosure of Non-Financial Information		■		■								■

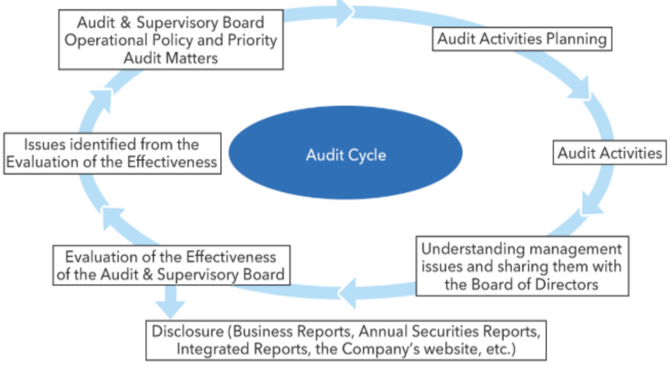
6. Evaluation of Effectiveness of the Audit & Supervisory Board

■ Cycle of Audit Activities and Evaluation of Effectiveness

The Audit & Supervisory Board is working to enhance the effectiveness of the Audit & Supervisory Board Members by sharing and discussing management issues that each Audit & Supervisory Board member has identified through its annual activities and making recommendations to the Board of Directors. The effectiveness of these measures is evaluated at the end of the fiscal year.

Based on the evaluation results, the Audit & Supervisory Board formulates policies, priority audit items, and audit plans for the next fiscal year. In addition to the annual securities report, the evaluation results are also actively disclosed, such as in business reports, integrated reports, and on the Company's website.

<Cycle of Audit Activities>



■ Results of the Audit & Supervisory Board's Effectiveness Evaluation

The Audit & Supervisory Board deepened compliance audits (Audit 1.0) and risk-based internal control audits (Audit 2.0), as well as actively audited areas of management issues (Audit 3.0) to evaluate the effectiveness of its activities from a more multifaceted and objective perspective.

The evaluation was conducted using the "Questionnaire for Audit & Supervisory Board Members," the "Evaluation Sheet for Contribution to Improving Corporate Value," and the "Audit Implementation Report for 2024." In addition, as in the previous fiscal year, the Audit & Supervisory Board Members received opinions from Directors and used them as references.

The "Evaluation Sheet for Contribution to Improving Corporate Value" is an original initiative of the Audit & Supervisory Board, which qualitatively analyzes statements made by Audit & Supervisory Board Members and determines the degree of contribution to the improvement of corporate value through the activities of the Audit & Supervisory Board. Specifically, we confirmed whether the activities of the Audit & Supervisory Board are contributing to the enhancement of corporate value in the following five stages for priority audit items.

(1) Grasp the facts and data (2) Opinion of the Audit & Supervisory Board (3) Hypothesis development by the Audit & Supervisory Board (4) Discussion and recognition sharing at the Board of Directors meetings (5) Confirmation of the status of execution.

The results of the Audit & Supervisory Board's effectiveness evaluation and issues for the fiscal year under review are as follows.

Issues for the Audit & Supervisory Board in fiscal 2024	Effectiveness evaluation results of the Audit & Supervisory Board for fiscal 2024	Issues for the Audit & Supervisory Board in fiscal 2025
Follow up the progress of actions taken by executive divisions against the management issues suggested in fiscal 2023 and share this information with the Board of Directors.	Actions taken by executive divisions against the management issues were confirmed. Toward resolving the issues, discussed and deepened at meetings of the Board of Directors to share the same awareness.	As the Company is implementing a structural reform and mid- to long-term growth strategies, confirm the status of on-site reforms (especially, a customer oriented organizational culture) from the perspectives of “avoiding (wastes)” and “deciding (promptly).”
Deepen discussion between the Audit & Supervisory Board Members and CEO and make suggestions on how ideal internal audits should be for OMRON that is undergoing a management structural reform.	Discussions were held with the CEO on how an internal control system should be, including internal audits, and reached an understanding that it is important to enhance on- site internal controls.	Confirm the progress of organizational enhancement, such as clarification of the roles and responsibilities of executive divisions involved in the internal control system, an implementation status by executive divisions, and the effectiveness of the internal control system.

(ii) Status of Internal Auditing

The Company's internal audit functions are handled by the head office Global Internal Auditing Headquarters (with a staff of 15 as of the submission date) under the guidance of the President, supervising Internal Audit offices established in each region of North America, Europe, Greater China and Asia-Pacific, and periodically implementing internal audits on accounting, operations and compliance from a risk management perspective. Internal audits are implemented at the departmental level, and the results are reported to the President and to the Audit & Supervisory Board periodically, with an annual summary report being submitted to the Board of Directors.

With regard to mutual coordination between internal audits, audits by Audit & Supervisory Board Members, and accounting audits, the head of the Global Internal Auditing Headquarters attends monthly meetings of the Audit & Supervisory Board to report audit results and exchange opinions on strengthening internal audits, and regular meetings with the Accounting Auditor are held to share information on each other's activities. The Global Internal Auditing Headquarters also coordinates on a regular basis with internal control divisions such as legal, accounting, and finance, sharing information on risk assessments and other matters, as appropriate.

The Global Internal Auditing Headquarters also lists countermeasures, monitoring, and other activities in relation to the "significant Group risks" drawn up by the Corporate Ethics & Risk Management Committee, visualizing residual risks for the Company as a whole, and conducting theme audits centered on the status of governance by the head office for the material risks selected from the list.

In order to improve the completeness of internal audits, we make use of CAAT (Computer Assisted Audit Techniques) and periodically analyze global companywide accounting data and domestic decision making document data to identify deficiencies and risks and encourage improvement to each department.

Members of the Global Internal Auditing Headquarters are appointed as Audit & Supervisory Board Members of domestic subsidiaries, offering advice and opinions in relation to governance and the internal control system by conducting financial auditing, attending meetings of the Board of Directors, and participating in various other meetings.

Management candidates are seconded from divisions to the Global Internal Auditing Headquarters, and through audit activities they acquire a management perspective and sensitivity to risk in the expectation that they will make further contributions in future in their original divisions after these assignments end. This development program is implemented on an ongoing basis.

(iii) Status of Accounting Audit

1. Name of Audit Firm
   Deloitte Touche Tohmatsu LLC

   The Company has requested Deloitte Touche Tohmatsu LLC to perform accounting audits pursuant to the Companies Act and accounting audits pursuant to the Financial Instruments and Exchange Act, but there are no special interests between the Company and the audit firm or the engagement partners of the audit firm engaged in the audit. Furthermore, steps are taken to ensure engagement partners of the audit firm are not involved in the Company's accounting audits for more than a specific period. The Company has concluded an audit agreement with the audit firm for auditing under the Companies Act and auditing under the Financial Instruments and Exchange Act, and pays compensation pursuant to this.

2. Continuous Audit Period
   57 years

3. Names of Certified Public Accountants Engaged in Operations
   Designated Limited Liability Partners, Engagement Partners: Yasuhiko Haga, Takeshi Kawazoi, Tomomi Tsuji

4. Composition of Assistants Involved in Audit Activities
   35 certified public accountants, 12 persons who have passed the certified public accountant examination, and 44 others

5. Policy and Reason for Selection of the Audit Firm
   The current Accounting Auditor was appointed because it was determined that it has the expertise, independence and internal management systems required as the Accounting Auditor of the Company, and also a system enabling an integrated audit of the Company's global activities.

   The Audit & Supervisory Board determines the content of proposals on the dismissal or refusal of reappointment of the Accounting Auditor that are submitted to the General Meeting of Shareholders as necessary such as when the execution of duties of the Accounting Auditor is impeded. Furthermore, the Audit & Supervisory Board may dismiss the Accounting Auditor with the consent of all Audit & Supervisory Board Members if it is found that the Accounting Auditor falls under any of the items of Article 340, paragraph (1) of the Companies Act.

6. Evaluation of the Audit Firm by Audit & Supervisory Board Members and the Audit & Supervisory Board
   The Audit & Supervisory Board monitors the independence and appropriateness of audits by the Accounting Auditor, receives audit plans and reports on the results, and works closely with the Audit & Supervisory Board to exchange information and opinions. The Audit & Supervisory Board conducts a questionnaire to the Audit & Supervisory Board Members at its regular quarterly meeting to evaluate and provide feedback to the Accounting Auditor. In addition, at the end of the fiscal year, we look back on each fiscal year in detail and comprehensively evaluate it with reference to the opinions of the internal audit and accounting departments. The advice received from the Accounting Auditor is reflected in the audit plan for the next fiscal year.

(iv) Content of Audit Fees, etc.

1. Audit fees for Certified Public Accountant, etc.

(JPY millions)

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit services	Fees for non-audit services	Fees for audit services	Fees for non-audit services
Reporting company	306	36	301	44
Consolidated subsidiaries	61	–	63	–
Total	367	36	364	44

The content of non-auditing services in the Reporting Company is primarily advisory services related to financial reporting. To ensure the independence of the Accounting Auditor, certain restrictions are placed on compensation for non-auditing services pursuant to the Company's own provisions.

2. Audit fees for the Same Network as the Certified Public Accountant, etc. (Deloitte Touche Tohmatsu and Its Member Firms) (Excluding 1.)

(JPY millions)

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit services	Fees for non-audit services	Fees for audit services	Fees for non-audit services
Reporting company	–	1	–	–
Consolidated subsidiaries	558	1	594	6
Total	558	2	594	6

The content of non-auditing services in consolidated subsidiaries is primarily tax-related services. To ensure the independence of the Accounting Auditor, certain restrictions are placed on compensation for non-auditing services pursuant to the Company's own provisions.

3. Content of Other Significant Audit Fees
Not applicable.

4. Policy for Determining Audit Fees
The Company's audit fees for the certified public accountant, etc. for audits is negotiated with the certified public accountant, etc. for audits based on the content of the audit such as the audit team, on-site audit content, number of audit days, etc. included in the annual audit plan, and determined with the consent of the Audit & Supervisory Board in accordance with the provisions of Article 399 of the Companies Act.

5. Reason for the Audit & Supervisory Board Consenting to the Compensation etc. for the Accounting Auditor
As a result of confirming and deliberating on the accounting audit plan for the fiscal year under review explained by the Accounting Auditor and relevant internal divisions, audit performance of the previous fiscal year, the status of execution of auditing by the Accounting Auditor and the grounds for calculation of compensation estimates, the Audit & Supervisory Board determined them to be appropriate, and consented to the amount of compensation, etc. of the Accounting Auditor.

(4) Officer Compensation

(i) Content of Officer Compensation.

The content of officer compensation, etc. for the fiscal year ended March 31, 2025 is as follows.

a. Total amount of compensation by officer type, total amount by type of compensation, and number of eligible officers

Officer type	Total amount of compensation, etc. (JPY millions)	Total amount by type of compensation (JPY millions)			Number of eligible officers
		Base salary	Short-term performance-linked compensation (bonuses)	Medium-to-long-term, performance-linked compensation (stock compensation)	
Directors (Excluding Outside Directors)	786 [201]	283	301	201 [201]	5
Audit & Supervisory Board Members (Excluding Audit & Supervisory Board Members (Independent))	68	68	–	–	2
Outside Directors	56	56	–	–	3
Audit & Supervisory Board Members (Independent)	36	36	–	–	3

Notes:The figures in brackets indicate the amounts of non-monetary compensation included in total compensation.

1. Base salary

   The maximum limit of the aggregate base salary of Directors was set at JPY35 million per month (by resolution of the 63rd Ordinary General Meeting of Shareholders held on June 27, 2000; the said resolution pertained to seven (7) Directors). The amounts of base salaries for Directors are determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. The maximum limit of the aggregate base salary of Audit & Supervisory Board Members was set at JPY11 million per month (by resolution of the 81st Ordinary General Meeting of Shareholders held on June 19, 2018; the said resolution pertained to four (4) Audit & Supervisory Board Members). The amount of base salary for Audit & Supervisory Board Members is determined by discussions among Audit & Supervisory Board Members.

2. Bonuses

   The maximum limit of Directors' bonuses was set at JPY600 million per year (by resolution of the 81st Ordinary General Meeting of Shareholders held on June 19, 2018; the said resolution pertained to five (5) Directors). The amount of bonus for each Director is calculated based on the targets and actual results of operating income, net income from continuing operations attributable to shareholders, and ROIC for the 88th term (fiscal year ended March 31, 2025), and determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. See the table below for the targets and actual results for each indicator.

	Target	Actual
Operating income (JPY billions)	49.0	54.0
Net income from continuing operations attributable to shareholders (JPY billions)	8.5	16.3
Return on invested capital (ROIC) (%)	1.0	1.8

3. Stock compensation

The 84th Ordinary General Meeting of Shareholders held on June 24, 2021 made a resolution to introduce stock compensation. Based on the resolution, the maximum limit of money to be contributed by the Company is JPY2.4 billion, and the maximum limit of the number of the Company's shares to be granted and delivered as sales proceeds ("grant(ing), etc.") is 600,000 shares during the four fiscal years from fiscal 2021 to fiscal 2024. The said resolution pertained to five (5) Directors. Regarding stock compensation, the Company shall award points to Directors calculated according to a prescribed formula, and the trust shall grant, etc. the Company's shares corresponding to the points awarded during a certain period to the Directors, but the expenses of stock compensation, as indicated above, are associated with the points granted during the fiscal year under review. The amount of stock compensation for each Director is calculated based on the financial targets evaluation (EPS, ROE) from fiscal 2021 to fiscal 2024, the sustainability evaluation (reduction of greenhouse gas emissions, score of Sustainable Engagement Index (SEI) in engagement survey and Dow Jones Sustainability Indices) targets and achievements, as well as the corporate value evaluation (relative TSR), and determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. See the table below for the target and actual values of each indicator.

	Evaluation weight	Performance indicator	Target	Actual
Financial targets evaluation	60%	Basic net income from continuing operations per share attributable to shareholders (EPS)	JPY400	JPY270
		Net income attributable to shareholders on shareholders' equity (ROE)	10%	5.9%
Corporate value evaluation	20%	Relative TSR (Note 1)	100%	36.3%
Sustainability evaluation	20%	Reduction of greenhouse gas emissions (Scope 1 and 2)	Down 53% from FY2016	Down 74% from FY2016
		Engagement survey (Note 2) Sustainable Engagement Index (SEI) (Note 3) score	70 points	69.5points
		Dow Jones Sustainability Indices	DJSI World	DJSI World 4 times selected

Notes: 1. Indicator that compares total shareholder return (TSR) of OMRON in the covered period to the percentage change of TOPIX, dividends included (Relative TSR = TSR ÷ Percentage change of TOPIX, dividends included)

2. Survey measuring employees' voluntary motivation to contribute to targets of the organization

3. Indicator that measures the presence of a high level of motivation to contribute to the achievement of targets, maintained through good mental and physical health, or a strong sense of belonging to the organization, or a productive work environment

b. Total amount of compensation, etc. for persons whose total compensation, etc. is JPY100 million or more

(JPY millions)

Name (Officer type)	Total amount of compensation, etc.	Company	Total amount by type of compensation		
			Base salary	Short-term performance-linked compensation (bonuses)	Medium-to-long-term, performance linked compensation (stock compensation)
Yoshihito Yamada (Director)	171 [47]	Omron Corporation	75	50	47 [47]
Junta Tsujinaga (Director)	288 [75]	Omron Corporation	80	133	75 [75]
Kiichiro Miyata (Director)	143 [34]	Omron Corporation	55	55	34 [34]
Masahiko Tomita (Director)	107 [25]	Omron Corporation	41	41	25 [25]

Notes: 1. The amounts of medium-to-long-term, performance-linked stock compensation are the amounts of expenses recorded for points granted in the fiscal year ended March 31, 2025.

2. Amounts of compensation, etc. in brackets are non-monetary compensation, etc.

(ii) Policy on Determination of Amounts of Compensation of Officers or the Method of Calculation Thereof

The Company has a Compensation Advisory Committee to increase objectivity and transparency with respect to the compensation of Directors. The Compensation Advisory Committee is composed of members the majority of whom are Outside Directors, and is chaired by an Outside Director. The Company determines the Compensation Policy for Directors by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. The amount of compensation for each Director is determined by resolution of the Board of Directors, within the scope of the aggregate amount of compensation, etc. for Directors set by resolution of the General Meeting of Shareholders, in light of discussions by and recommendations from the Compensation Advisory Committee based on the above policy. In addition, the amount of compensation for each Audit & Supervisory Board Member is determined by discussions among Audit & Supervisory Board Members, based on the Compensation Policy for Audit & Supervisory Board Members, which has been set forth through discussions among Audit & Supervisory Board Members, within the scope of the aggregate amount of compensation, etc. for Audit & Supervisory Board Members set by resolution of the General Meeting of Shareholders. The Company’s Compensation Policy for Directors, Overview of Compensation Structure for Directors, and Compensation Policy for Audit & Supervisory Board Members is as follows.

Compensation Policy for Directors

1) Basic policy

・The Company shall provide compensation sufficient to recruit as directors exceptional people who are capable of putting the OMRON Principles into practice.

・The compensation structure shall be sufficient to motivate directors to contribute to sustainable enhancement of corporate value.

・The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders.

2) Structure of Compensation

- Compensation for directors shall consist of a base salary, which is fixed compensation, and performance-linked compensation, which varies depending on the Company's performance.
- The compensation composition ratio of performance-linked compensation to base salary shall be determined according to each Director's role and responsibility.
- Compensation for outside directors shall consist of a base salary only, reflecting their roles and the need for maintaining independence.

3) Base salary

- The amount of base salary, paid monthly, shall be determined according to the person's role while taking into account the salary levels of other companies, as surveyed by a specialized outside organization.

4) Performance-linked compensation

- As short-term performance-linked compensation, the Company shall provide bonuses linked to yearly performance indicators, and to the degree of achievement of performance targets. Bonuses shall be paid as a lump sum after the conclusion of the fiscal year.
- As medium- to long-term performance-linked compensation, the Company shall grant stock compensation linked to the degree of achievement of the goals of the medium-term management plan, and to the improvement in corporate value (value of stock).
- The performance-linked component of stock compensation shall be paid after the medium-term management plan concludes, while the non-performance-linked component shall be paid after the Director retires.
- The Company shall determine the target amounts for short-term performance-linked compensation and medium- to long-term performance-linked compensation based on the target pay mix specified according to each director's role and responsibility.

5) Compensation governance

- The compensation composition, compensation composition ratio, level of the base salary, as well as performance indicators and evaluation methods of performance-linked compensation shall be determined based on the deliberations and recommendations of the Compensation Advisory Committee.
- The amount of each Director's compensation shall be determined by a resolution of the Board of Directors based on the deliberations and recommendations of the Compensation Advisory Committee.

Overview of Compensation Structure for Directors

(1) Compensation composition ratio

Compensation for Directors and Executive Officers consists of a base salary (fixed compensation) and compensation according to Company performance, namely short-term performance-linked compensation (bonuses) and medium-to-long-term, performance-linked compensation (stock compensation). The ratio of compensation consisting of performance-linked compensation compared to base salary has been determined for each role:

Base salary : Short-term performance-linked compensation (bonuses) : Medium-to-long-term, performance-linked compensation (stock compensation) = 1 : 1 : 1.5*

* Referring to President and CEO, the ratio is based on the assumption that the performance targets are set as 100% for each performance-linked compensation

(2) Base salary

A base salary is paid monthly to Directors and Executive Officers as fixed compensation. Base salaries are determined for each role by taking into account the salary levels of officers at other companies (benchmarked companies of the same industry and scope selected by the Compensation Advisory Committee), as surveyed by a specialized outside organization.

(3) Short-term performance-linked compensation (bonuses)

Bonuses are paid as a lump sum after the fiscal year concludes to Executive Officers and Directors excluding Outside Directors as short-term performance- linked compensation, which is linked to yearly performance indicators and the degree of achievement of performance targets. Director bonuses vary between 0% and 200% according to the achievement of operating income, net income, and ROIC targets defined in the annual operating plan.

Base amount for each position × Performance score (Operating income 50%, net income 50%) × ROIC score = Short-term performance-linked compensation (bonuses)

(4) Medium-to-long-term, performance-linked compensation (stock compensation)

Stock compensation is paid as medium-to-long-term, performance-linked compensation to Executive Officers and Directors excluding Outside Directors. Stock compensation comprises the performance-linked component (60%), which is linked to the degree of achievement of the medium-term management plan, and the nonperformance-linked component (40%), which aims for retention and motivation to improve share prices over the medium- to long-term, and is paid under the condition of a certain term of service. The performance-linked component of stock compensation is paid after the medium-term management plan concludes, while the non-performance-linked component is paid after the Director retires. The performance-linked component will fluctuate in the range of 0% to 200% depending on the degree of achievement of performance targets in the medium-term management plan.

Base amount for each position × (Financial targets evaluation: 60% + Corporate value evaluation: 20% + Sustainability evaluation: 20%) = Performance-linked component

Note: Information on targets and indicators regarding financial, corporate value, and sustainability evaluations is available in (i) Content of Officer Compensation, etc.; a. Total amount of compensation by officer type, total amount by type of compensation, and number of eligible officers; Note 3. Stock compensation.

(5) Performance indicators of performance-linked compensation

・The performance indicators for short-term performance-linked compensation (bonuses) were set from the short-term management plan's indicators for financial targets towards the realization of the short-term management plan based on "SF 1st Stage" (fiscal 2022 to fiscal 2024).

・The performance indicators for medium- to long-term performance-linked compensation (stock compensation) were set from the indicators in SF 1st Stage for financial targets, non-financial targets and strategic targets towards the realization of "SF 1st Stage" (fiscal 2022 to fiscal 2024). In addition, the long-term vision for 2030 "SF2030" aims to maximize corporate value, and indicators for directly evaluating corporate value have been set.

*Upon the execution of Structural Reform Program NEXT2025, the Company withdrew the targets under the medium-term management plan (SF 1st Stage), originally scheduled to run through the fiscal year ending March 31, 2025. However, the contents of the medium-to-long-term, performance-linked compensation (stock compensation) for the covered period (four fiscal years from fiscal 2021 to fiscal 2024) are kept unchanged from those approved at the 84th Ordinary General Meeting of Shareholders held on June 24, 2021. The degree of achievement of the performance indicators is also measured using the previous target values.

Compensation Policy for Audit & Supervisory Board Members

1) Basic policy

・Compensation shall be sufficient to recruit exceptional people who are capable of performing the duties of Audit & Supervisory Board Members entrusted by shareholders.

・The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders.

2) Structure of compensation

・Compensation for Audit & Supervisory Board Members shall consist of a base salary only, reflecting their roles and the need for maintaining independence.

3) Base salary

・The amount of a base salary, paid monthly, shall be determined by taking into account the salary levels of other companies, as surveyed by a specialized outside organization.

4) Governance of compensation

・The amount of compensation for each Audit & Supervisory Board Member shall be determined through discussions by Audit & Supervisory Board Members.

On May 8, 2025, the Board of Directors resolved to revise the standards for calculating short-term performance-linked compensation (bonuses) for Directors and partially revise the Performance-linked and Share-based Incentive Plan for Directors, and to submit a proposal on this revision to the 88th Ordinary General Meeting of Shareholders (hereinafter referred to as the "General Meeting") to be held on June 24, 2025. The outline of the agenda is as follows.

Outline of the proposal "Revision of the criteria for calculating the amount of short-term performance-linked compensation (bonuses) for Directors"

The reason for the proposal, the reason for making the revision, and the details of the revision

The Company's directors (excluding Outside Directors. The same applies hereafter). The compensation of the Company's Directors (excluding Outside Directors) consists of "basic compensation", "short-term performance-linked compensation (bonuses)" and "medium- to long-term performance-linked compensation (share-based compensation)".

Of these, short-term performance-linked compensation (bonuses) was approved at the 81st Ordinary General Meeting of Shareholders held on June 19, 2018, with regard to "1. Maximum Annual Amount" (600 million yen (total amount)) and "2. Standard for Calculation of Amount", and it has been up to the present, and "Short-term performance-linked compensation (bonuses)" from the 82nd term onward has been resolved by the Board of Directors after deliberation and report by the Compensation Advisory Committee based on the upper limit and standard approved.

With regard to the "2. Calculation criteria" approved above, this proposal is intended to further strengthen the linkage with business performance in order to further enhance the motivation of the Directors to achieve their performance and goals for a single year. In addition, in order to respond flexibly to the external environment, we would like to request approval from the 89th fiscal year onward as follows. The above "1. Maximum Amount" is unchanged.

Method of determining the basis for calculating the amount

The criteria for calculating the amount of short-term performance-linked compensation (bonuses) shall be discussed and reported by the Compensation Advisory Committee and resolved by the Board of Directors every fiscal year, including the setting of target values based on the annual plan and the formula for calculating remuneration.

[Reference]

If this proposal is approved as originally proposed, the standards for calculating the amount of the short-term performance-linked compensation (bonuses) scheduled for the next term (the 89th term) are as follows. The amount of payment varies according to the achievement of operating income, net income, and ROIC targets defined in the annual operating plan; however, the maximum aggregate amount per year shall be JPY 600 million, as approved at the 81st Ordinary General Meeting of Shareholders held on June 19, 2018.

Base amount for each position × Performance score (Operating income 50%, net income 50%) × ROIC score = Short-term performance-linked compensation (bonuses)

Outline of Proposal for Partial Revision of the Performance-linked and Share-based Incentive Plan for Directors

Compensation for Directors of the Company consists of a "base salary," "short-term performance-linked compensation (bonuses)," and "medium-to long-term, performance-linked compensation (stock-based compensation)."

Of these, medium- to long-term performance-linked compensation (stock-based compensation) has been approved at the 80th Ordinary General Meeting of Shareholders held on June 22, 2017 (hereinafter, the "Plan"), and has been partially revised at the 84th Ordinary General Meeting of Shareholders held on June 24, 2021. Since then, the Plan remains unchanged up until the present day. This proposal is for the purpose of further enhancing the willingness to contribute to sustainable enhancement of corporate value, and for the purpose of continuing to revise the plan.

1. Reasons for the Proposal and such Compensation Deemed as Appropriate

The Plan is aimed at the Company's Directors (excluding Outside Directors). The Plan is intended to clarify the linkage between compensation for Directors and the Company's stock value to heighten their motivation to attain performance targets specified in the medium-term management plan and to contribute to sustained improvements in corporate value (stock value) through Directors' ownership of the Company's shares. The Plan was approved and adopted at the 80th Ordinary General Meeting of Shareholders held on June 22, 2017, and partial revisions thereto were approved at the 84th Ordinary General Meeting of Shareholders held on June 24, 2021. Since then, the Plan remains unchanged up until the present day.

As the four-year period from FY2021 to FY2024, which was covered by the Post-Continuation Plan, has ended, two fiscal years are now covered by the Plan (hereinafter referred to as the "Covered Period"). The current Target Period is the two-year period from FY2025 to FY2026.) The Company proposes to continue the Plan as a two-year period from FY2025 to FY2026, add the Company's Outside Directors as those eligible under the Plan and partially revise the performance achievement conditions and other details. However, only the non-performance-linked portion will be granted for Outside Directors in consideration of their expected roles.

2. Amount and Details of Compensation under the Plan

1) Outline of the plan

Under the Plan, the Trust acquires the Company's shares from the amount of Directors' remuneration contributed by the Company and, through the Trust, delivers the Company's shares and an amount of money equivalent to the cash conversion value of the Company's shares ("the Company's shares etc.") to the Directors. The Trust acquires the Company's shares and, through the Trust, delivers and provides Directors with the Company's shares and an amount of money equivalent to the cash proceeds from the conversion of the Company's shares (hereinafter referred to as "delivery etc.") (An overview of the scheme as a whole is given in the table below.)

The Plan is made up of a "performance-linked component" and a "non-performance-linked component." The purpose of the "performance-linked component" is to motivate the Directors to achieve the performance target and strengthen the linkage between medium- to long term performance and director remuneration, and the purpose of "non-performance-linked component" is the strengthening of shared interests through holding of shares by the Directors. The respective percentages of the "performance-linked component" and the "non-performance-linked component" are 60% and 40%. However, Outside Directors are only eligible for the non-performance-linked component (100%).

<Outline of the Plan>

1) Persons eligible for the grant, etc., of the Company's shares, etc., under this proposal	Performance-linked component (Composition ratio: 60%)	The Directors (excluding Outside Directors) of the Company
	Non-performance-linked component (Composition ratio: 40%; 100% for Outside Directors)	The Directors of the Company

2) Impact of the Company's shares under this proposal on the total number of shares issued	
Maximum limit of money to be contributed by the Company for the acquisition of the Company's shares subject to granting, etc. to Directors (as described in (3) below)	・ Amount calculated by multiplying JPY 800 million (of which, JPY 30 million for Outside Directors) by the number of years of the covered period, and the maximum limit for two fiscal years of the covered period will be JPY 1,600 million, including JPY 60 million for Outside Directors. The covered period shall be two fiscal years from fiscal 2025 to fiscal 2026.
Method of acquisition of the Company's shares (as described in (3) below) and the maximum limit of the number of the Company's shares, etc. subject to granting, etc. to Directors (as described in (4) below)	・ The number of shares calculated by multiplying 267,000 shares (of which, 10,000 shares for Outside Directors) by the number of years of the covered period, and the maximum limit of the total number of the Company's shares, etc., subject to granting, etc. to Directors for two fiscal years of the covered period is 534,000 shares (of which, 20,000 shares for Outside Directors). ・ The average number of above maximum limit of the Company's shares, etc. to be granted per fiscal year, 267,000 shares, accounts for about 0.14% of the Company's total number of shares issued (after deducting treasury stock as of March 31, 2025). ・ The Trust will acquire the Company's shares from the stock market.

3) Details of performance achievement conditions (as described in (4) below)	The performance-linked component varies depending on the level of achievement of the Company's relative TSR[*1] and sustainability indicators[*2] in the covered period *1. Indicator that compares total shareholder return (TSR) of OMRON in the covered period to the percentage change of TOPIX, dividends included (Relative TSR = TSR ÷ Percentage change of TOPIX, dividends included) *2. As presented in page 35.

4) Timing of the granting, etc., of the Company's shares, etc., to Directors (as described in (5) below)	After the Director's retirement

(Reference) Policy on Director Compensation for this proposal
Subject to the approval of this proposal at this general meeting, we have resolved to revise the Company's policy on Director's compensation as follows. The revision of this policy was decided by a resolution of the Board of Directors after deliberation by the Compensation Advisory Committee.

Compensation Policy for Directors

1) Basic policy
- The Company shall provide compensation sufficient to recruit as Directors exceptional people who are capable of putting the OMRON Principles into practice.
- The compensation structure shall be sufficient to motivate Directors to contribute to sustainable enhancement of corporate value.
- The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders.

2) Structure of compensation
- Compensation for Directors shall consist of a base salary, which is fixed compensation, and performance-linked compensation, which varies depending on the Company's performance.
- The compensation composition ratio of performance-linked compensation to base salary shall be determined according to each Director's role and responsibility.
- Compensation for Outside Directors shall consist of a base salary and non-performance-linked stock compensation, reflecting their roles and the need for maintaining independence.

3) Base salary
- The amount of a base salary, paid monthly, shall be determined by taking into account the salary levels of other companies, as surveyed by a specialized outside organization.

4) Performance-linked compensation
- As short-term performance-linked compensation, the Company shall provide bonuses linked to yearly performance indicators, and to the degree of achievement of performance targets. Bonuses shall be paid as a lump sum after the conclusion of the fiscal year.
- As medium- to long-term performance-linked compensation, the Company shall grant stock compensation linked to the improvement in corporate value (value of stock).The stock compensation shall be paid after the Director retires.
- The Company shall determine the target amounts for short-term performance-linked compensation and medium-to-long-term, performance-linked compensation based on the target pay mix specified according to each Director's role and responsibility.

5) Governance of compensation
- The compensation composition, compensation composition ratio, level of the base salary, as well as performance indicators and evaluation methods of performance-linked compensation shall be determined based on the deliberations and recommendations of the Compensation Advisory Committee.
- The amount of compensation for each Director shall be determined by a resolution of the Board of Directors reflecting the deliberations and recommendations of the Compensation Advisory Committee.

[Reference]
If this proposal is approved as originally proposed, indicators of medium-to-long-term, performance-linked compensation (stock compensation) for the period from fiscal 2025 to fiscal 2026 are as follows. Stock compensation is paid as medium-to-long-term, performance-linked compensation to Directors. Stock compensation comprises the performance-linked component (60%), which is linked to the relative evaluation results of a total shareholder return (TSR) as corporate value evaluation, and to sustainability evaluation, and the non-performance-linked component (40%), which aims for retention and motivation to improve share prices over the medium- to long-term, and is paid under the condition of a certain term of service. (For Outside Directors, the non-performance-linked component accounts for 100%.) The performance-linked component varies within a certain range depending on the level of achievement of corporate value evaluation and sustainability evaluation.

Performance-linked portion = Base amount for each position × (Corporate value evaluation 80% + Sustainability evaluation 20%)

	Evaluation weight	Indicators
Corporate value evaluation	80%	Relative TSR*
Sustainability evaluation	20%	Specific indicators will be determined after deliberations of the Compensation Advisory Committee, in light of the medium-term management plan.

* Indicator that compares total shareholder return (TSR) of OMRON in the covered period to the percentage change of TOPIX, dividends included (Relative TSR = TSR ÷ Percentage change of TOPIX, dividends included)

(5) Status of Shareholdings

(i) Standard and Approach for the Classification of Investment Shares

The Company does not hold shares for pure investment purposes and all shares are classified as equity investments for purposes other than pure investment. “Pure investment” means that the sole purpose is to earn profit from fluctuations in the value of stocks or dividends related to stocks. All other shares are deemed as being held for purposes other than pure investment.

(ii) Investment Shares Held for Any Purpose Other Than Pure Investment

1. Method of examining shareholding policies and the rationale of shareholdings, and details related to verifying the appropriateness of holdings of specific shares by the Board of Directors

   The Company will only hold shares for the purpose of further collaboration to create social value, thereby sustainably enhancing the Company’s corporate value.

   Moreover, specific investment shares that are held for purposes other than pure investment shall be examined from a medium- to long-term perspective regarding their purpose and the rationale for holding them. The Board of Directors will annually review the appropriateness of holding these shares. In verifying the appropriateness of holding the shares, the Company will consider the status of collaboration with the investee company, the impact on the business, the ROE of the investee company, and the contribution of transactions to Company profits. Upon review, the Company will proceed with the sale of shares for which the purpose and rationale of holding them is weak, while considering the impact on the business and the market. With regard to the exercise of voting rights, the Committee for Exercising Voting Rights, chaired by the CFO, shall comprehensively assess the pros and cons of the voting rights from the viewpoint of improving the corporate value of the investee company over the medium to long term, and engage in dialogue with the investee company as necessary.

   The ratio of investment shares held for purposes other than net investment to net assets on the consolidated balance sheet decreased significantly from 10.2% as of March 31, 2015 to 0.2% as of March 31, 2025.

2. Number of issues and the amount recorded on the balance sheet

	Number of issues (issues)	Total amount recorded on the balance sheet (JPY millions)
Unlisted shares	39	2,059
Shares other than unlisted shares	1	43

(Issues whose number of shares increased in the current fiscal year)

	Number of issues (issues)	Total amount of acquisition value related to increase in number of shares (JPY millions)	Reason for increase in number of shares
Unlisted shares	–	–	Not applicable
Shares other than unlisted shares	–	–	Not applicable

(Issues whose number of shares decreased in the current fiscal year)

	Number of issues (issues)	Total amount of sale value related to decrease in number of shares (JPY millions)
Unlisted shares	1	50
Shares other than unlisted shares	3	1,235

3. Information on the number and balance sheet figures of specific investment shares and deemed shares held for each issue

Issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, quantitative effect of holding and reasons for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Amount recorded on the balance sheet (JPY millions)	Amount recorded on the balance sheet (JPY millions)		
Mental Health Technologies Co., Ltd.	49,200	49,200	・Held with the objective of co-creating solutions, in the healthcare data business, for the area of mental health care. ・Quantitative effect of holding (Note 3) ・Acquired with the objective of co-creating solutions, in the healthcare data business, for the area of mental health care.	No
	43	47		
Daikin Industries, Ltd.	—	236,200	・Primarily held for the purpose of collaborating to enhance social value in the device & module solutions business. All stocks were sold.	No
	—	4,866		
Suzuden Corporation	—	415,200	・Held for the purpose of expanding the value provided to customers as a major distributor of the industrial automation business. All stocks were sold.	Yes
	—	897		
Sun-Wa Technos Corporation	—	355,080	・Held for the purpose of expanding the value provided to customers as a major distributor of the industrial automation business. All stocks were sold.	Yes
	—	849		

Deemed Shares Held

Issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, quantitative effect of holding and reasons for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Amount recorded on the balance sheet (JPY millions)	Amount recorded on the balance sheet (JPY millions)		
Kyoto Financial Group, Inc.	6,112,368	6,112,368	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. ・Quantitative effect of holding (Note 4)	Yes
	13,909	16,876		
Mitsubishi UFJ Financial Group, Inc.	3,349,000	3,349,000	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. ・Quantitative effect of holding (Note 4)	Yes
	6,735	5,214		
SCREEN Holdings Co., Ltd.	341,434	426,834	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. ・Quantitative effect of holding (Note 4)	Yes
	3,276	8,522		
ROHM Co., Ltd.	1,872,000	1,872,000	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. ・Quantitative effect of holding (Note 4)	Yes
	2,674	4,546		
Sumitomo Mitsui Financial Group, Inc.	205,800	68,600	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. ・Quantitative effect of holding (Note 4) ・Increase due to stock splits	Yes
	781	611		
Konica Minolta, Inc.	621,000	621,000	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. ・Quantitative effect of holding (Note 4)	No
	312	308		
Murata Manufacturing Co., Ltd.	—	3,939,165	・The Company contributed shares to a retirement benefit trust and has the right to direct the exercise of voting rights. All stocks were sold.	No
	—	11,124		

Notes: 1. When calculating the largest equity holdings in value terms as recorded on the balance sheet, specific investment shares and deemed shares are not included.

2. As the total number of specific investment shares and deemed shares is less than 60 issues, all holdings are shown here.

3. For reasons pertaining to business, the quantitative effects of the holding of specific investment shares are not disclosed. However, the rationale behind the holdings has been reviewed according to the method described in "1." above, and it has been determined to be sufficient.

4. For reasons pertaining to business, the quantitative effects of the deemed shares held are not disclosed. However, the rationale behind the holdings has been reviewed in a similar manner to that of specific investment shares, and it has been determined to be sufficient.

(iii) Investment Shares Owned for Pure Investment Purposes

Not applicable.

(Reference) The status of specific investment shares and deemed shares of the Group as of the end of the current fiscal year is as follows.

・Specific investment shares and deemed shares (Consolidated)

	Number of issues (issues)	Total amount recorded on the balance sheet (JPY millions)
Specific investment shares	4	2,402
Deemed shares	12	29,840

V. Financial Information

1. Methods for Preparation of Consolidated and Non-consolidated Financial Statements

(i) The Company's consolidated financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America, pursuant to Paragraph 3, Supplementary Provisions of the "Cabinet Office Ordinance for Partial Revision of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements", the Ordinance of the Cabinet Office No. 11 of 2002.

(ii) The Company's non-consolidated financial statements are prepared under the "Regulations Concerning Terminology, Forms and Preparation Method of Financial Statements" (Ministerial Ordinance No. 59 of the Ministry of Finance of 1963; hereinafter referred to as "Financial Statements Regulations").
In addition, the Company falls under the category that requires it to submit special financial statements. As such, it prepares financial statements in accordance with the provisions of Article 127 of the Financial Statements Regulations.

2. Audit Certification

Under the provision of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Law, the Company received an audit of consolidated financial statements for the consolidated fiscal year (from April 1, 2024 to March 31, 2025) and the non-consolidated financial statements for the fiscal year (from April 1, 2024 to March 31, 2025) by Deloitte Touche Tohmatsu LLC.

3. Special Efforts to Ensure the Appropriateness of Consolidated Financial Statements

The Company makes special efforts to ensure the appropriateness of its consolidated financial statements. To be specific, in order to gain a proper understanding of accounting standards and maintain a system to ensure the appropriateness of consolidated financial statements, the Company has joined the Financial Accounting Standards Foundation and attends trainings provided by the Accounting Standards Board of Japan.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

ASSETS	Note Number	JPY millions March 31, 2024	%	2025	%
CURRENT ASSETS:					
Cash and cash equivalents	(Note I-C, F, II-Y)	143,086		149,023	
Notes and accounts receivable – trade	(Note II-A, E)	172,268		172,967	
Allowance for doubtful receivables	(Note I-F)	(1,058)		(1,263)	
Inventories	(Note I-F, II-B)	174,034		172,953	
Other current assets	(Note II-A, S, T, U)	59,273		45,656	
Total current assets		547,603	40.4	539,336	39.6
PROPERTY, PLANT, AND EQUIPMENT, NET:	(Note I-B, F, II-F, H, U)	136,775	10.1	135,077	9.9
INVESTMENTS AND OTHER ASSETS:					
Right-of-use assets under operating leases	(Note I-F, II-J)	54,383		47,023	
Goodwill	(Note I-B, F, II-G, U, Y)	361,783		361,181	
Other intangible assets	(Note I-B, F, II-G, Y)	108,881		115,236	
Investments in and advances to affiliates	(Note I-D, II-D)	13,931		15,799	
Investment securities	(Note I-B, F, II-C, U)	33,897		41,114	
Leasehold deposits		7,883		7,472	
Prepaid pension costs	(Note I-B, F, II- K)	65,267		63,578	
Deferred income taxes	(Note I-F, II-O)	19,382		27,503	
Other assets		4,944		8,471	
Total investments and other assets		670,351	49.5	687,377	50.5
TOTAL		1,354,729	100.0	1,361,790	100.0

LIABILITIES AND NET ASSETS	Note Number	JPY millions March 31, 2024	%	2025	%
CURRENT LIABILITIES:					
Notes and accounts payable – trade		82,548		91,620	
Short–term borrowings	(Note II-I)	22,548		16,276	
Current portion of long-term borrowings	(Note II-I)	6,451		4,096	
Accrued expenses		47,345		45,270	
Income taxes payable		6,457		6,705	
Short–term operating lease liabilities	(Note I-F, II-J)	13,385		12,807	
Other current liabilities	(Note I-B, F, II-A, K, N, O, S, T, U, V)	52,426		56,509	
Total current liabilities		231,160	17.1	233,283	17.1
DEFERRED INCOME TAXES	(Note I-F, II-O)	16,419	1.2	16,273	1.2
TERMINATION AND RETIREMENT BENEFITS	(Note I-B, F, II-K)	8,310	0.6	8,279	0.6
LONG-TERM BORROWINGS	(Note II-I)	92,075	6.8	79,199	5.8
BONDS PAYABLE	(Note II-I, S)	—	—	39,889	2.9
LONG–TERM OPERATING LEASE LIABILITIES	(Note I-F, II-J)	38,299	2.8	31,936	2.4
OTHER LONG–TERM LIABILITIES	(Note II-A, N, V)	17,473	1.3	18,499	1.4
Total liabilities		403,736	29.8	427,358	31.4
NET ASSETS:	(Note I-B, F, II-L)				
Common stock, no par value: authorized, 487,000,000 shares in 2024 and 2025; issued, 206,244,872 shares in 2024 and 2025		64,100	4.7	64,100	4.7
Capital surplus		98,997	7.3	100,161	7.4
Legal reserve		27,457	2.0	29,471	2.2
Retained earnings		556,705	41.1	550,485	40.4
Accumulated other comprehensive income	(Note I-F, II-R)	109,396	8.1	97,632	7.2
Treasury stock, at cost, 9,329,283 shares and 9,350,366 shares in 2024 and 2025, respectively (Note)	(Note I-C)	(69,969)	(5.1)	(69,964)	(5.2)
Total		786,686	58.1	771,885	56.7
Noncontrolling interests		164,307	12.1	162,547	11.9
Total net assets		950,993	70.2	934,432	68.6
TOTAL		1,354,729	100.0	1,361,790	100.0

Note: The number of treasury stocks includes 520,413 shares and 518,391 shares of the Company's shares held as BIP Trust or an ESOP Trust at the end of March 31, 2024 and 2025, respectively.

(ii) Consolidated Statements of Income

	Note Number	JPY millions Year Ended March 31, 2024	%	2025	%
NET SALES	(Note I-F, II-A)	818,761	100.0	801,753	100.0
COSTS AND EXPENSES:	(Note II-J, P)				
Cost of sales	(Note II-R)	472,297		444,611	
Selling, general and administrative expenses	(Note I-F, II-Y)	261,978		258,765	
Research and development expenses	(Note II-N)	50,144		44,339	
Restructuring expenses	(Note II-H, K, R, W)	―		27,781	
Loss on impairment of goodwill	(Note II-G)	―		11,725	
Other income, net	(Note I-F, II-C, H, K, M, N, R, T)	(611)		(14,469)	
Total		783,808	95.7	772,752	96.4
INCOME BEFORE INCOME TAXES AND EQUITY IN LOSS OF AFFLIATES		34,953	4.3	29,001	3.6
INCOME TAXES	(Note I-F, II-O, R)	10,485	1.3	13,449	1.6
SHARE OF LOSS OF ENTITIES ACCOUNTED FOR USING EQUITY METHOD	(Note I-D, II-Y)	14,519	1.8	679	0.1
NET INCOME		9,949	1.2	14,873	1.9
NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS		1,844	0.2	(1,398)	(0.1)
NET INCOME ATTRIBUTABLE TO OMRON SHAREHOLDERS		8,105	1.0	16,271	2.0

		JPY 2024	2025
PER SHARE DATA:	(Note II-Q)		
Basic:			
Net income attributable to OMRON Corporation shareholders		41.17	82.63
Diluted:			
Net income attributable to OMRON Corporation shareholders		–	–

(iii) Consolidated Statements of Comprehensive Income

	Note Number	JPY millions Year Ended March 31, 2024	2025
NET INCOME		9,949	14,873
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:	(Note II-R)		
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during the year		44,771	(7,621)
Reclassification adjustment for the portion realized in net income		0	—
Net unrealized gain (loss)		44,771	(7,621)
Pension liability adjustments:			
Pension liability adjustments arising during the year		23,257	(4,665)
Reclassification adjustment for the portion realized in net income		1,577	503
Net unrealized gain (loss)		24,834	(4,162)
Net gains on derivative instruments:			
Unrealized holding losses arising during the year		(1,019)	—
Reclassification adjustment for the portion realized in net income		1,211	(21)
Net unrealized gain (loss)		192	(21)
OTHER COMPREHENSIVE INCOME (LOSS)		69,797	(11,804)
COMPREHENSIVE INCOME	(Note I-F)	79,746	3,069
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS		2,192	(1,438)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OMRON SHAREHOLDERS		77,554	4,507

(iv) Consolidated Statements of Equity

JPY millions

	Number of Common Shares Issued	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings	Accumulated Other Compre-hensive Income	Treasury Stock	Total	Noncon-trolling Interests	Total Net Assets
BALANCE, MARCH 31, 2023	206,244,872	64,100	98,506	24,729	571,807	39,947	(70,616)	728,473	2,754	731,227
Net income					8,105			8,105	1,844	9,949
Cash dividends paid to OMRON Corporation shareholders (Note)					(20,479)			(20,479)		(20,479)
Cash dividends paid to noncontrolling interests								—	(581)	(581)
Equity transactions with noncontrolling interests and other			(54)					(54)	65	11
Increase in consolidated subsidiaries - noncontrolling interests								—	159,877	159,877
Share-based compensation			619				666	1,285		1,285
Transfer to legal reserve				2,728	(2,728)			—		—
Other comprehensive income						69,449		69,449	348	69,797
Acquisition of treasury stock and other			(74)				(19)	(93)		(93)
BALANCE, MARCH 31, 2024	206,244,872	64,100	98,997	27,457	556,705	109,396	(69,969)	786,686	164,307	950,993
Net income					16,271			16,271	(1,398)	14,873
Cash dividends paid to OMRON Corporation shareholders (Note)					(20,477)			(20,477)		(20,477)
Cash dividends paid to noncontrolling interests								—	(1,466)	(1,466)
Equity transactions with noncontrolling interests and other			(197)					(197)	162	(35)
Increase in consolidated subsidiaries - noncontrolling interests								—	982	982
Share-based compensation			1,376				13	1,389		1,389
Transfer to legal reserve				2,014	(2,014)			—		—
Other comprehensive income (loss)						(11,764)		(11,764)	(40)	(11,804)
Acquisition of treasury stock and other			(15)				(8)	(23)		(23)
BALANCE, MARCH 31, 2025	206,244,872	64,100	100,161	29,471	550,485	97,632	(69,964)	771,885	162,547	934,432

Note: Cash dividends per share is JPY 104 and JPY 104 for the years ended March 31, 2024 and 2025, respectively.

(v) Consolidated Statements of Cash Flows

	JPY millions Year Ended March 31, 2024	JPY millions Year Ended March 31, 2025
OPERATING ACTIVITIES:		
Net income	9,949	14,873
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,816	33,450
Share-based compensation expense	1,237	1,376
Net loss on sales and disposals of property, plant, and equipment	1,517	1,293
Net gain on valuation of investment securities	(6,731)	(12,313)
Loss on impairment of goodwill	―	11,725
Impairment losses on long–lived assets	1,285	1,292
Gain related to sale of business	(328)	(2,956)
Termination and retirement benefits and prepaid pension costs	(2,080)	(4,414)
Deferred income taxes	(6,791)	(5,325)
Share of loss of entities accounted for using equity method	14,519	679
Changes in assets and liabilities:		
Decrease (increase) in notes and accounts receivable – trade	27,341	(1,542)
Decrease (increase) in inventories	12,054	(449)
Decrease (increase) in other assets	(13,366)	5,265
Increase (decrease) in notes and accounts payable – trade	(17,918)	7,835
Increase (decrease) in income taxes payable	(5,403)	362
Increase (decrease) in accrued expenses and other current liabilities	(1,120)	4,397
Other, net	(106)	236
Total adjustments	34,926	40,911
Net cash provided by operating activities	44,875	55,784
INVESTING ACTIVITIES:		
Proceeds from sale or maturities of investment securities	24,774	6,258
Purchase of investment securities	(3,299)	(2,042)
Capital expenditures	(45,378)	(48,993)
Decrease in leasehold deposits, net	756	233
Business and company acquisitions (net of cash acquired)	(82,173)	(6,316)
Proceeds from sales of property, plant, and equipment	539	1,497
Payments for loans receivable	(1,378)	(753)
Collection of loans receivable	39	2,206
Increase in investment in and loans to affiliates, net	(1,121)	(2,617)
Proceeds from sales of businesses, net of cash paid	0	2,410
Other, net	145	228
Net cash used in investing activities	(107,096)	(47,889)
FINANCING ACTIVITIES:		
Net increase in short–term debt	3,228	9,209
Proceeds from short-term borrowings	101,281	1,500
Repayments of short-term borrowings	(85,500)	(17,083)
Proceeds from long-term borrowings	88,000	32,195
Repayments of long-term borrowings	(485)	(48,089)
Proceeds from issuance of bonds	―	40,000
Dividends paid by OMRON Corporation	(19,885)	(20,474)
Dividends paid to noncontrolling interests	(581)	(1,466)
Acquisition of treasury stock	(18)	(9)
Other, net	(53)	(391)
Net cash provided by (used in) financing activities	85,987	(4,608)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	14,041	2,650
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,807	5,937
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	105,279	143,086
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	143,086	149,023
ADDITIONAL CASH FLOWS INFORMATION FROM OPERATING ACTIVITIES		
Interest expense payable	1,024	1,660
Taxes payable for current fiscal period	29,440	13,102
ADDITIONAL NON-CASH FLOW INFORMATION FROM INVESTMENT AND FINANCING ACTIVITIES		
Liabilities related to capital expenditures	4,108	5,305

Notes on Consolidated Financial Statements

I Overview of Significant Accounting Policies

A Nature of Operations and Preparation Standards for Consolidated Financial Statements

1 Nature of Operations

The Company is a multinational manufacturer of automation components, equipment and systems with advanced computer, communications, and control technologies. The Company conducts business in more than 130 countries around the world and strategically manages its worldwide operations through five regional management centers in the United States, Netherlands, China, Singapore, and South Korea.

Products, classified by type and market, are organized into operating segments as described below.

Industrial Automation Business (IAB) manufactures and sells programmable controllers, motion controllers, sensing devices, industrial camera/code reader devices, inspection systems, safety devices and industrial robots. With the vision of “Enriching the Future for People, Industries and the Globe by Innovative-Automation,” IAB has contributed to the development of industry by innovating the manufacturing industry around the world with advanced automation, based on the core technology of “Sensing & Control + Think” that OMRON has cultivated thus far. Setting our unique “Innovative-Automation” value creation concept, our aim is to solve rapidly changing social issues mainly in the manufacturing industry with innovative solutions, based on the widest range of control devices in the industrial market, and create social value that contributes to the realization of happiness for working people along with the sophistication of industry.

Healthcare Business (HCB) products such as Digital blood pressure monitors, nebulizers, low-frequency therapy equipment, ECGs, oxygen generators, digital thermometers, body composition monitors, pedometers and activity meters, electric toothbrushes, massagers, blood glucose monitors, vascular screening devices, visceral fat monitors and remote patient monitoring systems and telemedicine services. The mission of HCB is “To help realize healthy and comfortable lives for people around the world.” By living up to this mission, we have developed healthcare products and services with a focus on usability and accuracy of readings. This is intended to allow anyone to take measurements easily and correctly, with accuracy that ensures reliability for medical use. In terms of products, OMRON sells devices that have achieved certification for medical use in various countries, including blood pressure monitors, digital thermometers, and nebulizers (devices that deliver asthma medication through inhalation by patients), in more than 130 countries across the world. In terms of services, OMRON is promoting the provision of telemedicine services from major countries, which is a service where doctors can remotely monitor patients and provide prescription and treatment support.

Social Systems, Solutions and Service Business (SSB) provides products such as energy business (solar power generation, storage battery systems), railway station service systems, traffic and road management systems, card payment services, IoT (power protection, data protection) solutions, software development and comprehensive maintenance service business. The mission of SSB is “Creating a society in which the people of the world live in safety, security, and comfort.” We provide a wide range of terminals and systems, including PV inverters, storage battery systems, railway station systems such as automated ticket gates and ticket vending machines, traffic and road management systems, payment systems, and UPS that protect equipment from unexpected power disruption which cause data loss. We also provide total solutions ranging from software development to comprehensive maintenance services to support the social infrastructure.

Device & Module Solutions Business (DMB) manufactures and sells relays, switches, connectors, IoT communication modules, general sensors, amusement components and units, face recognition software, image sensing component and MEMS sensors. The mission of DMB: “With our devices and modules, create customer value, and contribute to society.” DMB is OMRON’s core business unit as a global component supplier of relays, switches, connectors and sensors that act as eyes and ears for wide variety of products playing a vital role in connecting and switching devices, for customers across various industries including EVs and mobility, energy infrastructure, home appliances and industrial equipment.

Data Solution Business (DSB) provides products such as data healthcare business, corporate health business, smart M&S (management service solutions) business, carbon neutral solutions business, data-based solutions business, and self-reliance support business. DSB will transform the OMRON Group’s value creation away from manufacturing to data-driven solutions. Towards resolving the three social issues addressed in SF2030 (Achieving carbon neutrality, Realizing a digital society, and Extending healthy life expectancy), utilization of data is essential. In collaboration with JMDC that became a group company in October 2023, we will not only expand business in the healthcare domain, but also combine large amounts of data we obtain from devices and components of other businesses with JMDC’s data management technology and solution development expertise, and create growing businesses that help resolve social issues.

2 Basis of Consolidated Financial Statements

The Company's consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The Company conducted capital increases through public offerings at market value on February 7, 1970 in Europe, and on October 13, 1973 in Hong Kong. On March 30, 1978, the Company submitted to the Minister of Finance an "Application for Approval in Accordance with Regulation 86 of the Consolidated Financial Statement Regulations" on the grounds that the Company had prepared its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America from the consolidated fiscal year ended March 31, 1967, in line with deposit agreements of the time. The Company received approval pursuant to Ministry Certification No. 496 dated March 31, 1978 to prepare consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, the Company's consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America since the consolidated fiscal year ended March 31, 1978.

The Company is not registered with the US Securities and Exchange Commission.

B Significant differences between Financial Statements are prepared in accordance with the accounting standards generally accepted in the US and that in Japan

1 Investments

The Company adopt “Accounting Standard for Financial Instruments” to the valuation of securities in the financial statement. The Company conform with the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standard Codification (ASC) No. 321: Investments - Equity Securities in the consolidated financial statements. The impact on income before income taxes and equity in loss (earnings) of affiliates was JPY13,951 million loss and JPY7,606 million gain for the years ended March 31, 2024 and 2025, respectively.

2 Termination and retirement benefits

The Company apply the “Accounting Standards for Retirement Benefits” in the financial statement. The Company record compensation in accordance with the provisions of FASB ASC 715: “Compensation - Retirement Benefits” in the consolidated financial statements. The impact on income before income taxes and equity in loss (earnings) of affiliates was JPY2,863 million loss and JPY4,411 million loss for the years ended March 31, 2024 and 2025, respectively.

3 Liabilities of compensated absences

The Company accrue personnel costs for employees’ unused paid vacation in accordance with FASB ASC 710-10-25: “Compensation - Compensated Absence.” in the consolidated financial statements. The impact on income before income taxes and equity in loss (earnings) of affiliates was JPY1,913 million loss and JPY55 million loss for the years ended March 31, 2024 and 2025, respectively.

4 Goodwill and other intangible assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year in place of amortization, as recorded in the Company’s consolidated financial statements, in accordance with FASB ASC 350: “Intangible Assets - Goodwill and Others.” In accordance with Japan’s consolidated financial statements principles and Consolidated Financial Statement Regulations, given a goodwill amortization period of five years, the impact on income before income taxes and equity in loss (earnings) of affiliates was JPY31,037 million gain and JPY52,828 million gain for the years ended March 31, 2024 and 2025, respectively.

5 Long-lived assets

The Company conform with the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998) and the “Partial Amendment to the Act on Revaluation of Land” (Act No. 94 of June 29, 2001). Regarding the impairment of fixed assets in the financial statements, the Company conform with the “Accounting Standard for Impairment of Fixed Assets” (Opinion Regarding Accounting Standard for Impairment of Fixed Assets (Accounting Standards Board of Japan, August 9, 2002)) and the “Guidelines for the Application of Accounting Standards Pertaining to the Impairment of Fixed Assets” (Accounting Standards Board of Japan, Guidance No. 6, October 31, 2003) in the financial statements. The Company’s consolidated financial statements have been prepared in accordance with FASB ASC 360: “Tangible Fixed Assets.” If events or changes in circumstances occur that threaten to prevent the recovery of the carrying amount of long-lived assets and certain identifiable intangible assets, a review for impairment shall be conducted. If the Company determines that an impairment has occurred, the amount by which the carrying amount exceeds the fair value shall be recognized as an impairment. There is no impact to income before income taxes and equity in loss (earnings) of affiliates for the years ended March 31, 2024 and 2025.

6 Stock compensation

The Company conform with the “Practical Handling of Transactions Where Company Shares are Issued to Employees, Etc., Through a Trust” (Practical Solutions Report No. 30 of December 25, 2013, revised March 26, 2015) in the financial statements.

The Company apply the provisions of FASB ASC 718: “Compensation - Stock Compensation” in the consolidated financial statements. The impact on income before income taxes and equity in loss (earnings) of affiliates was JPY74 million gain and JPY31 million loss for the years ended March 31, 2024 and 2025, respectively.

7 Shareholders’ equity per share

Shareholders’ equity per share is required to be disclosed under Japan’s Consolidated Financial Statement Regulations, although not required by generally accepted accounting standards in the United States of America. It amounted to JPY3,995.04 and JPY3920.30 as of March 31, 2024 and 2025, respectively.

8 Unrecognized tax benefits

Pursuant to FASB ASC 740: “Corporate Tax,” the Company recognize that the impact of tax benefits greater than 50% are likely to be disallowed and subject to a tax audit in the consolidated financial statements. Further, the Company recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes in the consolidated statements of income.

9 Corporate bond issuance costs

The Company conform with the “Tentative Solution on Accounting for Deferred Assets” (Practical Solutions Report No. 19 of August 11, 2006, revised February 19, 2010) in the financial statements.

The Company deduct costs incurred in relation to issuance of corporate bonds directly from the face value of the bonds and amortize the costs over their remaining life in accordance with FASB ASC 835: “Interest” in the consolidated financial statements. The impact on income before income taxes and equity in loss (earnings) of affiliates was nil and JPY111 million gain for the years ended March 31, 2024 and 2025, respectively.

10 Capitalization of interest

The Company capitalize borrowing costs incurred in relation to acquisition of qualifying assets in accordance with FASB ASC 835: “Interest” in the consolidated financial statements. The impact on income before income taxes and equity in loss (earnings) of affiliates was nil and JPY62 million gain for the years ended March 31, 2024 and 2025, respectively.

C Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Investments in which the Companies do not exert control but have a 20% to 50% interest (affiliates) are accounted for using the equity method.

The consolidated financial statements include all of the Company’s subsidiaries.

Subsidiaries	March 31, 2024	OMRON HEALTHCARE Co., Ltd., OMRON EUROPE B.V. and others.	Total:156 companies
	March 31, 2025	OMRON HEALTHCARE Co., Ltd., OMRON EUROPE B.V. and others.	Total:154 companies

The Companies have introduced a performance-based share compensation plan using structures called a BIP Trust and an ESOP Trust starting from the fiscal year ended March 31, 2018. The Companies acquired the Company’s shares from the stock market and grant the Company’s shares and cash in the amount of the converted value of such shares to the members of the Board of Directors and Executive Officers according to their executive position and degree of achievement of performance targets.

The Companies have the power to direct the activities that most significantly impact the trusts’ economic performance through the establishment of their plans. The Companies have the potential obligation since the Companies may entrust additional money to the trusts for use in acquisition of additional shares of the Company. As a result, the Companies are considered to be the primary beneficiaries of the trusts and therefore consolidate the trusts as variable interest entities; however, the trusts are not included in the number of the Company’s subsidiaries.

The carrying amounts of assets and net assets of the trusts which are included in the consolidated balance sheet as of March 31, 2024 and 2025 were JPY164 million and JPY205 million of cash and cash equivalents and JPY3,369 million and JPY3,356 million of treasury stock, respectively.

The names of major consolidated subsidiaries, their main business activities, and ownership percentages of voting rights are listed in “4. Information about the Affiliates” in “Part I Overview of the Company.”

D Application of Equity Method

Investments in the Company's all affiliates and limited partnerships, etc. in which the Company holds a 3% or more equity are accounted for using the equity method. From the third quarter of the fiscal year ended March 31, 2024, JMDC Inc. ("JMDC") has been excluded from the scope of the equity method, since it became a consolidated subsidiary from an equity method affiliate.

Equity method affiliates	March 31, 2024	AliveCor, Inc. and others.
	March 31, 2025	AliveCor, Inc. and others.

The names of major affiliates that are accounted for using the equity method, their main business activities, and ownership percentages of voting rights are listed in "4. Information about the Affiliates" in "I Overview of the Company."

The excess of the cost of an investment over the amount of underlying equity of the fair value of the net assets including contingent liabilities on the acquisition date of the affiliates is recorded as equity method goodwill and intangible assets, and is included in the carrying amount of investment.

As for investments in affiliates, the Company comprehensively takes into account qualitative factors including progress of business plans and the business environment, and quantitative factors such as comparison between the value of the investments calculated using the discounted cash flow method based on the excess earning power of the affiliates or from the market price in the stock market and the carrying amount. If there is a loss in value that is other than temporary, a loss in value of an investment is recognized for the excess of the carrying amount of the equity over the proportional fair value of the affiliates.

If the main assumptions used to calculate the amount recorded in the consolidated balance sheet for the year ended March 31, 2024 deviate significantly from the situation as of March 31, 2024, and the carrying amount of the investment in the affiliate exceeds its valuation using the discounted cash flow method or if a decline in market prices that was judged to be temporary becomes other than temporary, the situation may have a significant impact on the amount of investment in affiliates.

In the fiscal year ended March 31, 2024, JPY10,187 million of loss due to revaluation of shares of JMDC at the market price as at the end of the second quarter of the fiscal year ended March 31, 2024 was recorded. In addition, because JMDC became a consolidated subsidiary from an equity method affiliate in the third quarter of the fiscal year ended March 31, 2024, revaluation was conducted at the market price as of the acquisition date. The details are described in (Note II - Y). In the fiscal year ended March 31, 2024, other than the above, no valuation loss was recorded.

In the fiscal year ended March 31, 2025, no valuation loss was recorded.

E Differing Fiscal Year-Ends

There are 18 and 18 subsidiaries as of March 31, 2024 and 2025, respectively, which have different fiscal year-ends from that of the Company.

All subsidiaries used the March 31 year-end financial statements for the purpose of the Company's consolidation as of March 31, 2025. No subsidiary was consolidated based on its respective year end.

F Accounting Standards

1 Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are made with respect to impairment of long-lived assets, goodwill and non-amortizable intangible assets, and the recoverability of deferred tax assets, taking into account the impact of rising raw material prices and the U.S. tariff policy.

In making estimates, we considered the impact of the estimated economic implications will continue to have a certain impact for the current fiscal year, and from the next fiscal year on. For more information about these balances as of current fiscal year, see Consolidated Financial Statements and Related Notes to Consolidated Financial statements.

2 Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less, including time deposits, commercial paper, securities purchased with resale agreements and money market instruments.

3 Allowance for Doubtful Receivables

An allowance for doubtful receivables is established in amounts considered to be appropriate based primarily upon the Companies’ past credit loss experience and an evaluation of potential losses within the outstanding receivables.

4 Investments

The Companies measure equity securities listed on active markets at fair values with changes recognized in “Other income, net” in the income statement. Equity securities traded on markets that are not active are measured using quoted market prices for identical assets with changes recognized in “Other income, net” in the income statement. Equity securities without readily determinable fair values are accounted for at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer or at other reasonable methods with changes recognized in “Other income, net”. Realized gains and losses are determined by the average cost method.

5 Inventories

Inventories are mainly stated at the lower of cost, determined by the moving-average method, or net realizable value.

6 Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Depreciation of property, plant, and equipment is computed principally by the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives primarily range from 3 to 50 years for buildings and from 2 to 15 years for machinery and equipment. Depreciation expense was JPY19,960 million and JPY 20,000 million for the years ended March 31, 2024 and 2025, respectively.

7 Goodwill and Other Intangible Assets

The Companies account for goodwill and other intangible assets in accordance with the FASB ASC 350, "Intangibles - Goodwill and Other," which requires that goodwill is not to be amortized, but instead tested for impairment annually during the fourth quarter of the fiscal year and between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. Impairment testing for goodwill is done at the reporting unit level. Reporting units are operating segments or one level below the operating segments. Impairment testing for goodwill is comparing the fair value of reporting units with the book value including goodwill. The fair value is calculated by discounting the estimated future cash flow based on a business plan that has been approved by the management to the present value using a discount rate calculated based on the weighted-average cost of capital. If the main assumptions used to calculate the fair value for the year ended March 31, 2025 deviate significantly from the situation as of March 31, 2025, and the carrying amount of a reporting unit exceeds its fair value, the situation may have a significant impact on the amount of goodwill. If the carrying amount of a reporting unit exceeds its fair value, a loss on impairment of goodwill is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. Intangible assets with finite lives are amortized over their respective estimated useful lives.

8 Long-Lived Assets

Property, plant, and equipment, right-of-use and intangible assets which are amortized ("long-lived assets") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might be unrecoverable. Long-lived Assets are reviewed for impairment for each asset group. An asset group is the unit of accounting for a long-lived asset or assets to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted cash flows expected to be generated by the asset. If such assets are considered to be potentially impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. The Companies use present values of the expected future cash flows which is based on forecasts of the respective assets or observable market prices to estimate the fair value of these assets. Estimates of future cash flows are based on the remaining useful life of the primary asset of the group. Assets to be disposed of other than by sale are considered held and used until disposed. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value, less selling costs.

9 Leases

The Companies have various operating and finance leases for right of land, buildings, warehouses, corporate housings, and cars. Right-of-use assets and lease liabilities are recognized at the start of the lease contracts.

The Companies determine if a contract is, or contains, a lease at the inception of each contract. The Companies determine the contract is, or contains a lease if the identified asset exists and having the right to control the use of asset. Some of the contracts include options to extend or to terminate the lease. The Companies take such options into account to determine the lease term when it is reasonably certain that it will exercise these options. The Companies' lease arrangements do not contain material residual value guarantees or material restrictive covenants. As the rate implicit in the majority of the Companies' leases cannot be determined, the Companies use their incremental borrowing rate based on the information available at commencement to determine the present values of lease payments. The Companies have lease contracts with lease and non-lease components, which are accounted for separately. The Companies allocate the consideration in the lease contract to the lease and non-lease components based upon the estimated standalone prices. The Companies elect not to recognize right-of-use assets and lease liabilities for short-term leases of which the lease term is 12 months or less. Lease expenses for lease payments are recognized on a straight-line basis over the term of the lease. The Companies do not have any material finance lease agreements for the year ended March 31, 2024 and the year ended March 31, 2025.

10 Termination and Retirement Benefits

Termination and retirement benefits are accounted for and are disclosed in accordance with ASC 715, "Compensation - Retirement Benefits," based on the fiscal year end fair value of plan assets and the projected benefit obligations of employees. The provision for termination and retirement benefits includes amounts for directors and corporate auditors of subsidiaries.

11 Revenue Recognition

Revenue from contracts with customers is recognized when, or as, control of promised goods or services transfers to customers in an amount that reflects the consideration to which the Companies expects to be entitled in exchange for transferring these goods or services by applying the following five steps model:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when, or as, the entity satisfies a performance obligation
The transaction price is the amount of consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, less any discounts, rebates or other similar items. The Companies consider all the information (historical, current, and forecast) that is reasonably available to estimate the amount of variable consideration.

As a practical expedient which is provided in ASC 606, "Revenue recognition," the Companies do not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

12 Advertising Costs

Advertising costs are charged as incurred and included in "Selling, general and administrative expenses." Advertising expense was JPY12,456 million, and JPY11,404 million for the years ended March 31, 2024, and 2025 respectively.

13 Shipping and Handling Charges

Shipping and handling charges are included in "Selling, general and administrative expenses." Shipping and handling charges were JPY15,051 million, and JPY14,699 million for the years ended March 31, 2024, and 2025 respectively.

14 Income Taxes

Deferred income taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their financial reporting amounts, operating loss carryforwards, and tax credit carryforwards. Carrying amounts of deferred tax assets require a reduction by a valuation allowance if, based on available evidence, it is more likely than not that such assets will not be realized prior to expiration. Accordingly, the need to establish a valuation allowance for deferred tax assets is assessed periodically with appropriate consideration given to all positive and negative evidence related to the realization of the deferred tax assets. Management's judgments related to this assessment consider, among other matters, the nature, frequency and severity of current and cumulative losses on an individual tax jurisdiction basis, forecasts of future profitability, excess of appreciated asset value over the tax basis of net assets, the duration of statutory carryforward periods, the future availability of net operating loss carryforwards and tax credits carryforwards. The Companies believe that it is highly likely that the currently recorded deferred tax assets will be recovered based on past taxable income levels and forecasts of future taxable income during the deductible period of deferred tax assets. However, if factors that affect the forecast of taxable income change, such as market trends and exchange fluctuations surrounding the Companies, and the uncertainty of the forecast of taxable income increases, it might affect the recoverability of estimates of deferred tax assets. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Companies apply the guidance ASC 740, "Accounting for Uncertainty in Income Taxes." In evaluating the tax benefits based on available information at the reporting date, the Company records a tax benefit using a more likely than not threshold.

The Company and certain domestic subsidiaries have applied Japanese Group Relief System as permitted by Japanese tax regulations.

15 Product Warranties

A liability for estimated warranty-related costs is included in “Other current liabilities.” The liability is established using historical information, including the nature, frequency, and average cost of past warranty claims.

16 Derivatives

Derivative instruments and hedging activities are accounted for in accordance with ASC 815, “Derivatives and Hedging.” This standard establishes accounting and reporting standards for derivative instruments and for hedging activities and requires that an entity recognize all derivatives as either assets or liabilities in the consolidated balance sheets and measure those instruments at fair value.

For certain forward exchange contracts and commodity swap contracts, on the date the derivative contract is entered into, the Companies designate the derivative as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). The Companies formally document all relationships between hedging instruments and hedged items, as well as their risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to specific assets and liabilities in the consolidated balance sheet or to specific firm commitments or forecasted transactions. The Companies assess whether or not derivative instruments designated as hedges are highly effective in offsetting changes in cash flows of hedged items at the inception of the hedge, and subsequently on a regular basis.

Changes in fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge are recorded in “Other comprehensive income” until earnings are affected by the variability in cash flows of the designated hedged item. These amounts are transferred to the same profit or loss category as the hedged item in the period in which it is recognized as revenue or expense. In addition, changes in fair value of derivative instruments that are not designated as hedges are recorded immediately in revenue or expense.

17 Cash Dividends

Cash dividends are reflected in the consolidated financial statements at proposed amounts in the year to which they are applicable, even though payment is not approved by shareholders until the annual general meeting of shareholders held early in the following fiscal year. Corresponding dividends payable are included in other current liabilities in the consolidated balance sheets.

18 Share-Based Compensation

The Companies apply ASC 718, “Compensation - Stock Compensation,” and measure stock-based compensation costs based on the fair value at the grant date and recognize the costs over the vesting period.

19 Translation of Financial Statement Items of the Company’s Subsidiaries Located Outside of Japan into Japanese yen

Financial statements of the Company’s subsidiaries located outside of Japan are translated in accordance with ASC 830, “Foreign Currency Matters.” Assets and liabilities of the subsidiaries are translated into Japanese yen at the rate of exchange in effect at the balance sheet date. Income and expense items are translated at the average exchange rates prevailing during the year. Gains and losses resulting from translation of financial statements are reported in accumulated other comprehensive income as foreign currency translation adjustments. However, financial statements of subsidiaries located outside of Japan that are in the hyperinflationary economy are included in the Company’s financial statements after they are remeasured as if the functional currency were the reporting currency, and monetary assets and liabilities are remeasured at the new functional currency for each reporting period with changes in the value recorded in the consolidated statements of income.

20 Comprehensive Income

The Companies apply ASC 220, “Comprehensive Income.” Comprehensive income is composed of net income, changes in foreign currency translation adjustments, changes in pension liability adjustments and changes in net gains (losses) on derivative instruments and disclosed within the consolidated statements of comprehensive income.

21 Reclassifications

Certain reclassifications have been made to the prior years' consolidated financial statements to make a consistent with the current year's presentation.

G New Accounting Standards

Newly adopted accounting standards

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to expand reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The amendments will require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker and included within segment profit and loss. The Company has retrospectively applied this standard for the fiscal year beginning April 1, 2024 and all the periods presented. Disclosure requirements for interim periods of the fiscal year in the standard are applied to the fiscal year beginning on or after April 1, 2025. There is no impact of the adoption of the standard on the Company’s operating results and financial position.

Recently issued unapplied accounting standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for the Company’s fiscal years beginning on or after April 1, 2025. The Company is currently evaluating the ASU to determine its impact on the Company’s disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments will require disclosure in a tabular format of the costs and expenses included in certain expense items in the Income Statement. The amendments are effective for the Company's fiscal years beginning on or after April 1, 2027, and interim periods within fiscal years on or after April 1, 2028. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

II Descriptions and Breakdowns of Major Accounts

A REVENUE

1. Disaggregation of Revenue

The Company previously had four operating segments. However, the Company has five operating segments by adding DSB from the third quarter of the fiscal year ended March 31, 2024. Disclosures for this operating segment began from this fiscal period.

Sales for the fiscal years ended March 31, 2024 and 2025 consisted of the following:

FY2023 (JPY millions)

Segments	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales:								
Sales to external customers	393,572	149,726	141,600	114,357	17,370	816,625	2,136	818,761
Intersegment sales	5,207	238	13,276	37,500	115	56,336	(56,336)	—
Total	398,779	149,964	154,876	151,857	17,485	872,961	(54,200)	818,761
Major regional market (External customers):								
Japan	127,162	24,500	140,572	37,832	16,796	346,862	2,136	348,998
Americas	41,772	28,205	—	16,172	—	86,149	—	86,149
Europe	84,244	27,996	—	16,689	—	128,929	—	128,929
Greater China	92,372	51,283	213	28,063	1	171,932	—	171,932
Southern Asia and Others	48,018	17,228	—	15,429	—	80,675	—	80,675
Direct Exports	4	514	815	172	573	2,078	—	2,078
Total	393,572	149,726	141,600	114,357	17,370	816,625	2,136	818,761

Note: Major countries or regions belonging to segments other than Japan are as follows:

(1) Americas: ……… The United States of America, Canada, Brazil

(2) Europe: ………… The Netherlands, Great Britain, Germany, France, Italy, Spain

(3) Greater China: … China, Hong Kong, Taiwan

(4) Southeast Asia and Others: Singapore, South Korea, India, Australia

(5) Direct Exports: … Direct delivery exports

FY2024 (JPY millions)

Segments	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales:								
Sales to external customers	360,799	145,866	145,631	105,441	42,738	800,475	1,278	801,753
Intersegment sales	4,722	333	12,402	37,299	439	55,195	(55,195)	—
Total	365,521	146,199	158,033	142,740	43,177	855,670	(53,917)	801,753
Major regional market (External customers):								
Japan	113,969	24,743	144,989	28,173	41,952	353,826	1,278	355,104
Americas	40,052	28,175	—	16,518	—	84,745	—	84,745
Europe	74,649	31,971	—	12,767	—	119,387	—	119,387
Greater China	85,360	42,242	30	32,331	4	159,967	—	159,967
Southern Asia and Others	46,769	18,223	—	15,536	—	80,528	—	80,528
Direct Exports	0	512	612	116	782	2,022	—	2,022
Total	360,799	145,866	145,631	105,441	42,738	800,475	1,278	801,753

Note: Major countries or regions belonging to segments other than Japan are as follows:

(1) Americas: ……… The United States of America, Canada, Brazil

(2) Europe: ………… The Netherlands, Great Britain, Germany, France, Italy, Spain

(3) Greater China: … China, Hong Kong, Taiwan

(4) Southeast Asia and Others: Singapore, South Korea, India, Australia

(5) Direct Exports: … Direct delivery exports

2. Sufficient Information to Enable Users to Understand the Relationship of Disaggregated Revenue

In IAB, HCB and DMB, the Companies recognize revenue from domestic sales of goods when goods are delivered at customer's sites, unless stated otherwise in a contract. The revenue from export sales for such businesses is recognized when the transfer of the risk of loss to customer is complete based on the trade terms and conditions such as incoterms.

In the provision of products and services involving installation and on-site adjustment work, the Companies identifies the delivery of the products and the installation and on-site adjustment work of these products as a single performance obligation, which is deemed to be satisfied at the time when the Companies completed installation and on-site adjustment work of the products. Accordingly, revenues are recognized at the time when the performance obligation is satisfied.

In addition, the Companies provide for an estimate of rebates for customers based on the quantities sold to promote the sales of its products. As the amount of the rebate is included in variable consideration and can be reasonably estimated, it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the estimate of variable consideration is not constrained. The product of the Company or subsidiaries does not include any right of return.

In SSB, performance obligations are deemed to be satisfied largely at the time when inspection is performed by customers. Accordingly, revenues are recognized at the time when the performance obligation is satisfied. In some transactions, performance obligations are deemed to be satisfied at the time when products reach the customer. Accordingly, revenues are recognized at the time when the performance obligation is satisfied.

Certain trades include long-term service for which revenue is recognized over a certain period. Consideration for such service rendered is received in approximately three months. There are some contracts where the Companies receive an advance payment for future products or services from a customer, in which case a contract liability is recorded in other current liabilities or other long-term liabilities. In addition, for some long-term contracts for construction work, etc., the Companies estimate the progress toward fulfilling its performance obligations and recognize revenue over a certain period based on the progress. Contract assets are the Companies' right, excluding any amounts presented as a receivable, to consideration in exchange for goods that the Companies have transferred to a customer based on contracts in which performance obligations are satisfied over time and are recorded as other current assets.

Promised consideration for transactions is largely received within three months after the satisfaction of performance obligations. No significant financing component is included in the amount of consideration.

In DSB, revenue is recognized at a point in time or over time in accordance with a contract for each transaction. As for revenue recognition at a point in time, revenue is recognized at the time when control of a good or service is transferred to a customer and a performance obligation is satisfied through completion of the service or customer's inspection for the good or service. As for revenue recognition over time, revenue is recognized over a contract period as a customer receives benefits from a service over the contract period and a performance obligation for the service is satisfied over the passage of time.

Consideration is largely received within two months after the satisfaction of performance obligations in general, and includes no material financial component, significant variability of consideration, significant estimate of variable consideration, etc.

3. Information Relevant to Understanding Revenue Figures for the Current and Subsequent Consolidated Fiscal Years

(1) Contract Balances

The beginning and the ending balances of contract assets and contract liabilities for the fiscal year ended March 31, 2024 were as follows:

(JPY millions)

	Notes and Accounts Receivable	Contract Assets	Contract Liabilities		
		Other Current Assets	Other Current Liabilities	Other Long-Term Liabilities	Total
Balance at beginning of year	180,074	403	3,917	8,506	12,423
Balance at ending of year	172,268	1,008	5,131	11,596	16,727

For the year ended March 31, 2024, revenue of JPY3,709 million was recognized from contract liabilities at the beginning of the year.

The beginning and the ending balances of contract assets and contract liabilities for the fiscal year ended March 31, 2025 were as follows:

(JPY millions)

	Notes and Accounts Receivable	Contract Assets	Contract Liabilities		
		Other Current Assets	Other Current Assets	Other Long-Term Liabilities	Total
Balance at beginning of year	172,268	1,008	5,131	11,596	16,727
Balance at ending of year	172,967	365	7,925	12,304	20,229

For the year ended March 31, 2025, revenue of JPY4,397 million was recognized from contract liabilities at the beginning of the year.

(2) Transaction Price Allocated to Remaining Performance Obligations

As of March 31, 2025, the aggregate amount of the transaction price allocated to the remaining performance obligation was JPY14,596 million and are mainly relevant to SSB. These are mainly expected to be recognized as revenue within 1 to 15 years and approximately 70% of the balance is expected to be satisfied within five years and approximately 20% of the balance is expected to be satisfied after five years but no more than ten years and approximately 10% of the balance is expected to be satisfied after ten years but no more than fifteen years. We have not disclosed information about transaction price allocated to remaining performance obligations that have original expected durations of one year or less.

B INVENTORIES

Inventories at March 31, 2024 and 2025 consisted of:

(JPY millions)

	FY2023	FY2024
Finished products	85,005	90,160
Work in process	15,479	14,553
Materials and supplies	73,550	68,240
Total	174,034	172,953

C INVESTMENTS

The unrealized holding gains or losses and realized gains or losses on equity securities for the years ended March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Net gains recognized during the period on equity securities	(6,731)	(12,313)
Net losses (gains) realized during the period on equity securities sold during the period	(6,433)	961
Unrealized gains recognized during the period on equity securities held at March 31	(298)	(13,274)

A part of equity securities without readily determinable fair values are accounted for at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

The Companies recorded impairment loss of JPY330 million based on unobservable inputs obtained from issuer, and no other adjustments are recorded during the year ended March 31, 2024.

The Companies did not record impairment loss based on unobservable inputs obtained from issuer, and a gain of JPY76 million and a loss of JPY211 million as other adjustments resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer during the year ended March 31, 2025.

The aggregate amount of these investments at March 31, 2024 and 2025 was JPY8,082 million and JPY5,577 million, respectively.

D INVESTMENTS IN AFFILIATES

Investments in and advances to affiliates recorded on the consolidated balance sheet as of March 31, 2024 included the equity method investments for AliveCor, Inc. in the Healthcare Business of JPY10,265 million.

The equity method investments for AliveCor, Inc. in the Healthcare Business of JPY10,265 million exceeded its proportionate share in the underlying net assets of AliveCor, Inc. by JPY9,173 million and the amount is primarily related to the balance of equity-method goodwill.

As a result of comprehensively taking into account qualitative and quantitative factors, no loss in value that is other than temporary occurred, and the Company has judged that it is not necessary to record a valuation loss. This consideration includes assessment of the investee’s operating results and the environment surrounding it as well as comparison between the value amount calculated using the discounted cash flow method and the carrying amount.

Investments in and advances to affiliates recorded on the consolidated balance sheet as of March 31, 2025 included the equity method investments for AliveCor, Inc. in the Healthcare Business of JPY9,721 million.

The equity method investments for AliveCor, Inc. in the Healthcare Business of JPY9,721 million exceeded its proportionate share in the underlying net assets of AliveCor, Inc. by JPY9,349 million and the amount is primarily related to the balance of equity-method goodwill.

As a result of comprehensively taking into account qualitative and quantitative factors, no loss in value that is other than temporary occurred, and the Company has judged that it is not necessary to record a valuation loss. This consideration includes assessment of the investee’s operating results and the environment surrounding it as well as comparison between the value amount calculated using the discounted cash flow method and the carrying amount.

For the fiscal years ended March 31, 2024 and 2025, the summarized combined financial information of equity method affiliates is omitted as it is immaterial.

E NOTES AND ACCOUNTS RECEIVABLE

The Companies have entered into different types of transactions with affiliates through the ordinary course of business. There are no significant amount of accounts receivable with affiliates resulting from these transactions for the year ended March 31, 2024 and the year ended March 31, 2025.

F PROPERTY, PLANT, AND EQUIPMENT

Property, Plant, and Equipment at March 31, 2024 and 2025 consisted of:

(JPY millions)

	FY2023	FY2024
Land	21,280	21,538
Buildings	145,708	148,507
Machinery and equipment	200,947	206,107
Construction in progress	9,662	6,989
Total acquisition cost	377,597	383,141
Accumulated depreciation	(240,822)	(248,064)
Total	136,775	135,077

G GOODWILL AND OTHER INTANGIBLE ASSETS

The components of acquired intangible assets, excluding goodwill, at March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023		FY2024	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Intangible assets subject to amortization:				
Software	93,487	72,099	103,463	80,245
Customer-related asset	12,256	3,677	17,122	4,450
Technology-based asset	49,384	6,936	37,090	11,065
Other	5,796	4,711	5,644	4,524
Total	160,923	87,423	163,319	100,284

Major intangible assets subject to amortization acquired during the fiscal year ended March 31, 2025 were software of JPY11,019 million, and the weighted-average amortization period is approximately 6 years. There were no material Intangible assets subject to amortization acquired the fiscal year ended March 31, 2025 other than Software.

Aggregation of amortization expense related to intangible assets was JPY10,856 million and JPY13,450million, for the years ended March 31, 2024 and 2025, respectively. Estimated amortization expenses for the next five years ending March 31 are as follows:

Years Ending March 31	JPY millions
2026	11,847
2027	10,489
2028	9,303
2029	8,095
2030	6,755

Intangible assets not subject to amortization recognized as of March 31, 2025 mainly consist of Software in progress amounted to JPY52,054 million.

The carrying amounts of goodwill in each segment at March 31, 2024, and changes in their carrying amounts for the year ended March 31, 2024 were as follows:

(JPY millions)

	IAB	HCB	SSB	DMB	DSB	Eliminations and Others	Total
Balance at beginning of year:							
Goodwill	46,505	5,633	―	442	―	1,475	54,055
Accumulated impairment losses	(5,739)	(3,384)	―	(332)	―	(1,475)	(10,930)
Total	40,766	2,249	―	110	―	―	43,125
Acquisition	410	―	―	―	312,634	―	313,044
Foreign currency translation adjustments and other	5,361	245	―	8	―	―	5,614
Balance at end of year:							
Goodwill	52,276	5,878	―	450	312,634	1,475	372,713
Accumulated impairment losses	(5,739)	(3,384)	―	(332)	―	(1,475)	(10,930)
Total	46,537	2,494	―	118	312,634	―	361,783

The carrying amounts of goodwill in each segment at March 31, 2025, and changes in their carrying amounts for the year ended March 31, 2025 were as follows:

(JPY millions)

	IAB	HCB	SSB	DMB	DSB	Eliminations and Others	Total
Balance at beginning of year:							
Goodwill	52,276	5,878	－	450	312,634	1,475	372,713
Accumulated impairment losses	(5,739)	(3,384)	－	(332)	－	(1,475)	(10,930)
Total	46,537	2,494	－	118	312,634	－	361,783
Acquisition	－	2,896	－	－	3,924	－	6,820
Completion of allocation of acquisition cost	－	－	－	－	5,411	－	5,411
Impairment	－	－	－	－	(11,725)	－	(11,725)
Sales of businesses	－	－	－	－	(468)	－	(468)
Foreign currency translation adjustments and other	(593)	(45)	－	(2)	－	－	(640)
Balance at end of year:							
Goodwill	51,683	8,729	－	190	321,501	－	382,103
Accumulated impairment losses	(5,739)	(3,384)	－	(74)	(11,725)	－	(20,922)
Total	45,944	5,345	－	116	309,776	－	361,181

The fair value calculation for the impairment test for major goodwill is as follows:
IAB Goodwill

The fair value is calculated by discounting the estimated future cash flows, which are based on the business plan approved by management and based on the assumption of perpetual growth at an inflationary rate from the projected business plan period onwards, to their present value using a discount rate calculated based on the weighted average cost of capital.

DSB Goodwill

The fair value is calculated using the market price method, which is based on the average market share price over a period of time plus a control premium, and an estimate of future cash flows based on the business plan approved by management and calculated using multiples calculated from the financial statements of similar listed companies for the forecast period of the business plan and beyond. The amount is calculated based on a valuation calculated by discounting the amount to present value using a discount rate calculated based on the weighted average cost.

The business plan is based on assumptions regarding the increase in added value in the health big data business and the increase in sales in the expansion of data types.

There was no impairment loss in the fiscal year ended March 31, 2024.

In the fiscal year ended March 31, 2025, impairment losses of JPY11,725 million was recognized as a result of measuring goodwill related to DSB at fair value, taking into account the most recent changes in the market price of JMDC Inc. These impairment losses are presented as “Loss on impairment of goodwill” within the consolidated statements of income.

H IMPAIRMENT LOSSES ON LONG-LIVED ASSETS

The Companies recognized impairment losses on long-lived assets for the fiscal year ended March 31, 2024. Of these, JPY799 million was due to decreasing profitability of certain business assets in the Industrial Automation Business and JPY54 million was due to the use of the assets being no longer expected as a result of relocation of the head office of a subsidiary. In addition, the Companies recognized impairment losses of JPY419 million due to decreasing profitability of business assets related to some service businesses in the Healthcare Business and of JPY13 million due to decreasing profitability of certain business assets under Eliminations and Others. The fair values were estimated using the present value of expected future cash flows.

The Companies recognized impairment losses on long-lived assets for the fiscal year ended March 31, 2025. Of these, JPY830 million was due to decreasing profitability of business assets related to some service businesses in the Healthcare Business and JPY244 million was due to decreasing profitability of certain business assets in the Social Systems, Solutions and Service Business. In addition, the Companies recognized impairment losses of JPY153 million due to the closure of facilities as a result of structural reform and JPY65 million due to decreasing profitability of certain business assets in the Industrial Automation Business. The fair values were estimated using the present value of expected future cash flows.

For the fiscal year ended March 31, 2024, these impairment losses are included in “Other income, net” within the consolidated statements of income.

For the fiscal year ended March 31, 2025, these impairment losses are included JPY397 million in "Restructuring expenses" and JPY895 million in "Other income, net" within the consolidated statements of income.

I BORROWINGS AND CORPORATE BONDS

The amounts and weighted-average interest rate of short-term borrowings on March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Short-term borrowings	22,548	16,276
(Weighted-average interest rate)	(0.30%)	(0.61%)

The amounts and interest rate of long-term borrowings and corporate bonds on March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Long-term borrowings	98,526	83,295
Current portion of long-term borrowings	6,451	4,096
(Interest rate)	(0.27%～1.70%)	(0.30%～1.70%)
Corporate bonds		
Unsecured Straight Bonds due 2028 (0.94%)	—	19,944
Unsecured Straight Bonds due 2030 (1.096%)	—	19,945
Total of corporate bonds	—	39,889

For major short-term borrowings and long-term borrowings, a general agreement such as the following is made with banks that are the lenders. That is, it is stipulated that at the bank’s request, a collateral or guarantor shall be provided with regard to current or future borrowings, and banks shall have the right to offset bank deposits with borrowings that have become due, or in case of default of the agreement, all the borrowings.

The repayment schedule for long-term borrowings and redemption schedule for corporate bonds as of March 31, 2025 were as follows.

(JPY millions)

FY	Long-term borrowings	Corporate bonds
2025	4,096	—
2026	49,767	—
2027	4,596	20,000
2028	4,958	—
2029	19,020	20,000
Thereafter	858	—
Total	83,295	40,000

The amounts of assets used as collateral for borrowings on March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Cash and cash equivalents	286	437
Land	709	710
Buildings	569	556
Investment in Subsidiary (Before consolidated elimination adjustment)	10	10
Total	1,574	1,713

The amounts of secured debt for borrowings on March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Current portion of long-term borrowings	42	42
Long-term borrowings	1,113	1,071
Total	1,155	1,113

The amounts of assets pledged as collateral for third-party borrowings on March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Investment securities	200	200

J LEASES

Lessee

Supplemental income statement information for the fiscal years ended March 31, 2024 and 2025 is as follows:

Lease costs are included in cost of sales or selling, general and administrative expenses in the consolidated statement of income.

(JPY millions)

	FY2023	FY2024
Finance lease cost: Amortization of right-of-use assets	618	252
Operating lease cost	13,672	14,782
Short-term lease cost	976	654
Other lease cost	947	385
Total lease cost	16,213	16,073

Operating Lease Cash Flow

Supplemental cash flow information for the fiscal years ended March 31, 2024 and 2025 is as follows:

(JPY millions)

	FY2023	FY2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	14,331	15,135
Noncash activity - Right-of-use assets obtained in exchange for operating lease liabilities:		
Operating leases	11,841	8,575

Maturity Analysis

The following is a schedule by year of the future minimum lease payments under operating leases at March 31, 2025:

	FY2024 (JPY millions)
FY2025	12,968
FY2026	9,268
FY2027	6,086
FY2028	4,646
FY2029	3,952
Thereafter	9,483
Total future minimum lease payments	46,403
Less imputed interest	(1,660)
Total lease liabilities	44,743

Remaining Lease Term and Discount Rate

The following is remaining lease term and discount rate under operating leases at March 31, 2024 and 2025:

	FY2023	FY2024
Weighted-average remaining lease term – operating leases	80 months	78 months
Weighted-average discount rate – operating leases	1.4%	1.6%

Lessor

As there are no significant contracts to disclose, their disclosure has been omitted.

K TERMINATION AND RETIREMENT BENEFITS

In the first quarter of March 31, 2020, the Company and certain domestic subsidiaries decided to switch from the defined benefit pension plan and lump-sum payment plan (the “Plans”) to the defined contribution pension plan (the “DC”) for future service rendered on or after July 1, 2019. The Company also decided to amend the Plans and switch certain parts of the Plans for service rendered prior to June 30, 2019 to the DC over a period required by the regulation.

The Companies recognized the decrease in PBO from the payment to the DC as a result of the switch to the DC was included in “Settlements,” and the difference between the PBO decrease and the payment to the DC was included in “Settlements loss”.

The Company and its domestic subsidiaries had sponsored termination and retirement benefit plans which cover substantially all domestic employees (the “funded contributory termination and retirement plan in Japan”) until the switch to the DC was decided. Benefits had been based on a point-based benefits system, under which benefits are calculated mainly based on accumulated points awarded to employees each year according to their job classification and performance. If termination is involuntary, employees are usually entitled to greater payments than in the case of voluntary termination.

The Company and its domestic subsidiaries fund a portion of the obligation under these plans. The general funding policy is to contribute amounts computed in accordance with actuarial methods acceptable under Japanese tax law.

1. Funded contributory termination and retirement plan in Japan

(1) Obligations and Funded Status

The reconciliation of beginning and ending balances of the benefit obligations and the fair value of the plan assets at March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Change in benefit obligation:		
Benefit obligation at beginning of year	166,050	150,181
Interest cost	1,860	2,450
Actuarial gain	(4,944)	(6,338)
Benefits paid	(8,892)	(10,696)
Settlements	(3,893)	(8,959)
Benefit obligation at end of year	150,181	126,638
Change in plan assets:		
Fair value of plan assets at beginning of year	149,027	153,155
Actual return (loss) on plan assets	14,332	563
Contributions from assets in retirement benefit trust	452	—
Benefits paid	(7,490)	(7,781)
Settlements	(3,166)	(8,133)
Fair value of plan assets at end of year	153,155	137,804
Fair value of assets in retirement benefit trust at beginning of year	40,178	57,419
Actual return on assets in retirement benefit trust	17,693	(8,190)
Contributions to plan assets	(452)	—
Fair value of assets in retirement benefit trust at end of year	57,419	49,229
Status at end of year	60,393	60,395

Amounts recognized in the consolidated balance sheets at March 31, 2024 and 2025, consisted of:

(JPY millions)

	FY2023	FY2024
Prepaid pension costs	65,090	63,442
Other current liability	(657)	(611)
Termination and retirement benefit	(4,040)	(2,436)
Total	60,393	60,395

Amounts recognized in accumulated other comprehensive income at March 31, 2024 and 2025, before tax, consisted of:

(JPY millions)

	FY2023	FY2024
Net actuarial loss	5,076	8,365
Prior service benefit	(13,425)	(13,006)
Total	(8,349)	(4,641)

The accumulated benefit obligation at March 31, 2024 and 2025 was as follows:

(JPY millions)

	FY2023	FY2024
Accumulated benefit obligation	150,181	126,638

The accumulated benefit obligation and fair value of plan assets for plans with accumulated benefit obligations in excess of plan assets, and the projected benefit obligation and fair value of plan assets for plans with projected benefit obligations in excess of plan assets at March 31, 2024 and 2025 was as follows:

(JPY millions)

	FY2023	FY2024
Plans with accumulated benefit obligations in excess of plan assets		
Accumulated benefit obligations	(4,697)	(3,047)
Fair value of plan assets	—	—
Plans with projected benefit obligations in excess of plan assets		
Projected benefit obligations	(4,697)	(3,047)
Fair value of plan assets	—	—

(2) Components of Net Periodic Benefit Cost

The cost recorded for the contributory termination and retirement benefit plans for the years ended March 31, 2024 and 2025 included the following components:

(JPY millions)

	FY2023	FY2024
Interest cost on projected benefit obligation	1,860	2,450
Expected return on plan assets	(3,280)	(3,143)
Amortization	2,275	724
Settlements loss	907	1,061
Net periodic benefit cost	1,762	1,092

Note 1 In accordance with ASC 715, "Compensation - Retirement Benefits," the unrecognized prior service benefit occurred in the fiscal year ended March 31, 2020 is amortized on a straight-line basis over the average remaining life expectancy years of 37 years. The unrecognized actuarial gains and losses are amortized on a straight-line basis of 15 years, within the average remaining life expectancy years, that exceed 10% of the larger of the projected benefit obligation or plan assets.

Note 2 Retirement benefit costs for the fiscal year ended March 31, 2024 were recorded in "Other income, net."Retirement benefit costs for the fiscal year ended March 31, 2025 were recorded at JPY (28) million in "Restructuring expenses" and at JPY1,120 million in "Other income, net."

(3) Measurement Date

The Company and some of its domestic subsidiaries which cover the majority of the projected benefit obligation and plan assets of the termination and retirement benefits use March 31 as the measurement date.

(4) Assumptions

Weighted-average assumptions used to determine the benefit obligations at March 31, 2024 and 2025 were as follows:

	FY2023	FY2024
Discount rate	1.46%	2.08%

Weighted-average assumptions used to determine termination and retirement benefit costs for the years ended March 31, 2024 and 2025 were as follows:

	FY2023	FY2024
Discount rate	1.12%	1.69%
Expected long-term rate of return on plan assets	2.20%	2.20%

The expected return on plan assets is determined by estimating the future rate of return on each category of plan assets considering actual historical returns and current economic trends and conditions.

Since the Company and certain domestic subsidiaries decided to switch from the existing the Plans to the DC for future service rendered on or after July 1, 2019, compensation increase rate is no longer required.

(5) Plan Assets

The Company's investment policies are designed to ensure that adequate plan assets are available to provide future payments of pension benefits to eligible participants. Taking into account the expected long-term rate of return on plan assets, the Company formulates a model portfolio composed of the optimal combination of equity, debt securities, life insurance general account assets, and other assets in order to yield a total return that will match the expected return on a mid-term to long-term basis.

The Company evaluates the gap between long-term expected return and actual return of invested plan assets to determine if such differences necessitate a revision in the formulation of the model portfolio. In the event that the Company determines the need for a revision of the model portfolio to accomplish the expected long-term rate of return on plan assets, the Company revises the model portfolio to the extent necessary.

The target allocation of plan assets is 20.0% equity securities, 51.0% debt securities and life insurance general account assets, and 29.0% other. The plan assets include joint trusts which invest in equity, debt securities, and other assets.

Equity securities are mainly composed of stocks that are listed on various securities exchanges. The Company has investigated the business condition of investee companies and appropriately diversified the equity investments by type of industry, brand, and other relevant factors. Debt securities are primarily composed of government bonds, public debt instruments, and corporate bonds. The Company has investigated the quality of the debt issued, including credit rating, interest rate, and repayment dates and appropriately diversified the debt investments. For investments in life insurance general account assets, contracts with the insurance companies include a guaranteed interest and return of capital. Other assets are mainly joint trusts composed of alternative and appropriately diversified.

The fair values of the Company's pension plan assets by asset category as of March 31, 2024 were as follows:

(JPY millions)

	Amount of Fair Value Measurements (Notes:3)			
	Level 1	Level 2	Level 3	Total
Equity securities (Notes:1)	49,922	–	–	49,922
Life insurance general account assets	–	28,144	–	28,144
Other assets (Notes:2)	1,095	6	–	1,101
Investments measured at NAV (Notes:3)	–	–	–	131,407
Total	51,017	28,150	–	210,574

(Notes) 1. Equity securities are domestic stocks that by retirement benefit trusts hold. No common stock of the Company is included in Domestic stocks.

2. Other assets are mainly cash deposits hold by retirement benefit trusts.

3. Investments measured at NAV include JPY125,011 million of joint trusts and JPY6,396million of Security investment trust beneficiary securities. Investments measured at NAV are joint trusts. Certain assets evaluated by net asset value per share (or its equivalent) are not categorized in the fair value hierarchy. Total amounts in the above table are presented to reconcile the amounts in the fair value hierarchy to the amounts stated on the consolidated balance sheets.

Equity securities included in joint trusts invest in listed equity securities at a ratio of 40% Japanese companies and 60% foreign companies for the fiscal year ended March 31, 2024.

Debt securities included in joint trusts invested at a ratio of approximately 30% in domestic bonds and 70% in foreign bonds for the fiscal year ended March 31, 2024.

Level 1 assets are composed principally of cash in bank and equity securities which are valued using unadjusted quoted market prices in active markets with sufficient volume and frequency of transactions.

Level 2 assets are composed principally of life insurance general account assets. Life insurance general account assets are valued based on the sum of original value and return.

The fair values of the Company's pension plan assets by asset category as of March 31, 2025 were as follows:

(JPY millions)

	Amount of Fair Value Measurements (Notes:3)			
	Level 1	Level 2	Level 3	Total
Equity securities (Notes:1)	29,839	—	—	29,839
Life insurance general account assets	—	26,793	—	26,793
Other assets (Notes:2)	11,489	1,525	—	13,014
Investments measured at NAV (Notes:3)	—	—	—	117,387
Total	41,328	28,318	—	187,033

(Notes) 1. Equity securities are domestic stocks that by retirement benefit trusts hold. No common stock of the Company is included in Domestic stocks.

2. Other assets are mainly cash deposits hold by retirement benefit trusts.

3. Investments measured at NAV include JPY111,011 million of joint trusts and JPY6,376million of Security investment trust beneficiary securities. Certain assets evaluated by net asset value per share (or its equivalent) are not categorized in the fair value hierarchy. Total amounts in the above table are presented to reconcile the amounts in the fair value hierarchy to the amounts stated on the consolidated balance sheets.
Equity securities included in joint trusts invest in listed equity securities at a ratio of approximately 30% Japanese companies and 70% foreign companies for the fiscal year ended March 31, 2025.
Debt securities included in joint trusts invested at a ratio of approximately 30% in domestic bonds and 70% in foreign bonds for the fiscal year ended March 31, 2025.

Level 1 assets are composed principally of cash in bank and equity securities which are valued using unadjusted quoted market prices in active markets with sufficient volume and frequency of transactions.

Level 2 assets are composed principally of life insurance general account assets. Life insurance general account assets are valued based on the sum of original value and return.

(6) Cash Flows

Contributions

The Companies do not expect to contribute to their domestic termination and retirement benefit plans in the year ending March 31, 2026.

Benefit payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

FY	JPY millions
2025	7,831
2026	8,900
2027	8,567
2028	7,844
2029	6,806
2030 – 2034	28,636

2. Termination plans excluding the funded contributory termination and retirement plan in Japan

The aggregate liability for the termination plans, excluding the funded contributory termination and retirement plan in Japan, as of March 31, 2024 and 2025 was JPY 4,270 million and JPY 5,843 million, respectively. The aggregate net periodic benefit cost for such plans for the fiscal years ended March 31, 2024 and 2025 was JPY 315 million and JPY 300 million, respectively.

The termination plans excluding the funded contributory termination and retirement plan in Japan, include the lump-sum retirement benefit plan to support second career development outside the Companies at Omron and certain domestic subsidiaries (Next Challenge Program), the termination and retirement benefit plans in European subsidiaries, and the Companies' other termination and retirement benefit plans. For the Next Challenge Program, the projected benefit obligation was JPY1,962 million as of March 31, 2025, and there are no plan assets. Certain employees of European subsidiaries are covered by a defined benefit pension plan. The projected benefit obligation for the plan and related fair value of plan assets in European subsidiaries were JPY 9,658 million and JPY 9,190 million, respectively, at March 31, 2024, and JPY 8,896million and JPY 8,594million, respectively, at March 31, 2025. The projected benefit obligation and related fair value of the Companies' other termination and retirement benefit plans, which provide lump-sum termination payment at the employee's termination, were not material at March 31, 2024 and 2025. Other termination and retirement benefit plans primarily provide lump-sum retirement benefits upon employee retirement.

3. Defined contribution plans

The defined contribution expenses for the years ended March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Defined contribution expenses	7,898	8,213

L EQUITY

The Companies Act requires that all shares of common stock be issued with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock, while the remaining net proceeds are required to be presented as additional paid-in capital, which is included in capital surplus. The Companies Act permits Japanese companies, upon approval of the board of directors, to issue shares to existing shareholders without consideration by way of a stock split. Such issuance of shares generally does not give rise to changes within equity.

The Companies Act also requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation of such threshold. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the board of directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria, such as: (1) having a board of directors; (2) having independent auditors; (3) having a Board of Corporate Auditors; and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the board of directors may declare dividends (except for dividends in kind) if the Company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends in kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution of the board of directors if it is stipulated by the articles of incorporation of the Company. Under the Companies Act, certain limitations are imposed on the amount of capital surplus and retained earnings available for dividends. The Companies Act also provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than JPY3 million. Such amount available for dividends under the Companies Act was JPY87,525 million at March 31, 2025, based on the amount recorded in the Company's general books of account.

M OTHER INCOME, NET

Other income, net, for the years ended March 31, 2024 and 2025 consisted of the following:

(JPY millions)

	FY2023	FY2024
Net loss on sales and disposals of property, plant, and equipment	1,517	1,175
Impairment losses on long-lived assets	1,285	895
The costs associated with product quality	339	771
Net gain on valuation of investment securities	(6,731)	(12,313)
Gain related to sale of business	(328)	(2,956)
Interest income, net	(2,122)	(2,189)
Foreign exchange loss, net	4,599	1,732
Foreign exchange loss due to liquidation of foreign investments	0	—
Dividend income	(965)	(239)
Net periodic benefit costs	1,762	1,120
Government grants	(1,357)	(1,300)
Compensation income	(903)	(480)
Litigation expenses	1,939	92
Other, net	354	(777)
Total	(611)	(14,469)

N GOVERNMENT GRANTS

Government grants are mainly grants provided by Chinese government (based on the provisions of the 14th Five-Year Plan) and grants for acquisition of property, plant, and equipment.

Grants related to revenue are recognized as net income or loss over the coverage period of the grants. Grants recognized as net income or loss are mainly deducted from the related expenses. In addition, grants for the acquisition of assets are recognized as deferred revenue and in net income or loss over the useful life of facilities that are subject to the grants.

The balances of deferred revenue at March 31, 2024 and 2025 are JPY466 million and JPY909 million, respectively, and are included in “Other current liabilities” and “Other long-term liabilities” in the consolidated balance sheet.

Government grants of JPY (1,789) million and JPY (1,958) million were recognized for fiscal years ended March 31, 2024 and 2025, respectively, and mostly included in “Other income, net” and “Research and development expenses” in the consolidated statements of income.

O INCOME TAXES

The provision for income taxes for the years ended March 31, 2024 and 2025 consisted of the following:

(JPY millions)

	FY2023	FY2024
Current income tax expense	16,818	18,774
Deferred income tax expenses, exclusive of the following	(11,503)	(8,136)
Change in the valuation allowance	5,170	2,811
Total	10,485	13,449

The Company and its domestic subsidiaries are subject to a number of taxes based on income. The statutory effective tax rate is 30.5% for the fiscal years ended March 31, 2024 and 2025.

Following the enactment of the “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) by the Diet on March 31, 2025, “special corporate tax for defense” will be imposed from the fiscal year beginning on or after April 1, 2026. In association with this tax imposition, the statutory effective tax rate of the Company and its main domestic subsidiaries was changed from 30.5% to 31.4% to calculate deferred tax assets and deferred tax liabilities related to temporary differences, etc. that are expected to be reversed on or after the Consolidated fiscal year beginning April 1, 2026.
The impact of this change on the consolidated financial statements is immaterial.

The effective income tax rates of the Companies differ from the Japanese statutory effective tax rates for the years ended March 31, 2024 and 2025, as follows:

(%)

	FY2023	FY2024
Japanese statutory effective tax rates	30.5	30.5
Reason for increase (decrease)		
Increase in taxes resulting from permanently nondeductible items	1.3	6.5
Tax credit for research and development expenses	(12.5)	(9.9)
Losses of subsidiaries for which no tax benefit was provided	4.8	2.0
Difference in subsidiaries’ tax rates	(13.0)	(18.0)
Change in the valuation allowance	20.5	7.9
Taxes on undistributed earnings	10.8	12.9
Unrecognized tax benefits	0.8	(0.1)
Share of loss (profit) of entities accounted for using equity method	18.0	0.3
Effect of liquidation of subsidiaries	(8.2)	―
Impairment losses on goodwill	―	12.6
Other, net	(1.7)	2.8
Effective income tax rates	51.3	47.5

The approximate effect of temporary differences and tax credit and loss carryforwards that gave rise to deferred tax balances at March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023		FY2024	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Inventory valuation	9,912	–	8,804	―
Accrued bonuses and compensated absences	8,302	–	8,457	―
Termination and retirement benefits	454	11,147	594	8,402
Investment securities	–	1,911	―	3,003
Property, plant, and equipment and intangible assets	2,269	17,787	4,891	14,795
Taxes on undistributed earnings	–	6,735	―	7,667
Unearned revenue	3,977	–	4,038	―
Research and development tax credit	4,735	–	5,160	―
Research and development cost - IRC Section 174	2,921	–	3,524	―
Other temporary differences	11,468	637	13,770	345
Net operating loss carryforwards	6,847	–	8,544	―
Total	50,885	38,217	57,782	34,212
Valuation allowance	(9,705)	–	(12,340)	―
Total	41,180	38,217	45,442	34,212

The total valuation allowance increased by JPY5,047 million in 2024 and increased by JPY2,635 million in 2025.

Research and development tax credit will expire by 2045, except for those that can be carried forward indefinitely.

As of March 31, 2025, the Companies had net operating loss carryforwards for corporate income taxes JPY78,122 million in Japan and JPY14,265 million in overseas. Most of which will expire in Japan by 2034. In overseas, the deduction expires will be due in 2045, except for those that can be carried forward indefinitely.

The Company has not provided deferred tax liabilities on unremitted earnings of certain foreign subsidiaries to the extent that they are believed to be indefinitely reinvested. The Company has not recognized deferred tax liabilities of JPY12,226 million and JPY11,587 million for portions of unremitted earnings of the foreign subsidiaries of JPY46,441 million and JPY36,366 million at March 31, 2024 and 2025, respectively. Dividends received from domestic subsidiaries are expected to be substantially free of tax.

A reconciliation of beginning and ending amounts of unrecognized tax benefits was as follows:

(JPY millions)

	FY2023	FY2024
Balance at beginning of year	276	437
Additions based on tax positions related to the current year	124	–
Additions based on tax positions related to the prior year	37	1,075
Subtractions based on tax positions related to the prior year	–	(5)
Balance at end of year	437	1,507

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was JPY437 million and JPY488 million for the years ended March 31, 2024 and 2025, respectively.

Based on the information available as of March 31, 2025, a change to the unrecognized tax benefits within the next 12 months will not have a material effect on the Companies' financial condition and operating results.

The Companies recognize interest and penalties accrued related to unrecognized tax benefits in income taxes in the consolidated statements of income.

The Companies file income tax returns in Japan and foreign jurisdictions. With few exceptions, tax examinations in Japan and in foreign countries for years on or prior to March 31, 2022 and 2014, respectively, have been completed.

P SHARE-BASED PAYMENTS

(1)Share-based payment plan for the board of directors and executive officers

The Companies introduced a performance share plan (hereinafter the "Plan") for the members of the board of directors and executive officers in the fiscal year ended March 31, 2018.

The Plan is consisted of two structures, a BIP Trust and an ESOP Trust. The BIP Trust is established for an executive incentive program similar to the performance share and restricted stock plans in the U.S. and Europe. It is designed to grant the Company's shares acquired by the BIP Trust and cash in the amount of the converted value of such shares to directors and executive officers according to executive position and their degree of achievement of performance targets. The ESOP Trust is used for an employee incentive program using a trust fund based on the Employee Stock Ownership Plan in the U.S. The shares held by the BIP Trust and the ESOP Trust are accounted for as treasury stock.

Vesting conditions are subject to individuals holding the position of directors and executive officers and meeting other specific requirements. The rights of granted points (1 point = 1 share) will be awarded to directors and executive officers on the last day of each fiscal year during the term of a new medium-term management plan according to their positions and the degree of achievement of performance targets. The number of performance-linked points due to directors and executive officers will be awarded after the term of the Plan, and non-performance-linked points will be awarded over a specified period each year during the term of the Plan. Directors and executive officers will receive the Company's shares and cash, which are awarded based on their points upon completion of certain settlement procedures.

The following table summarizes the unvested points activity in 2024 and 2025:

	FY2023		FY2024	
	Number of Points	Weighted-Average Grant-Date Fair Value (JPY)	Number of Points	Weighted-Average Grant-Date Fair Value (JPY)
Outstanding at beginning of year	125,032	8,736	162,881	8,923
Granted	66,457	8,643	63,300	8,521
Change in accounting estimate	(28,608)	7,452	—	—
Outstanding at ending of year	162,881	8,923	226,181	8,811

Note: The Weighted-Average Grant-Date Fair Value is calculated by using the market value of the Company's shares with adjustment considering expected dividend.

Share-based payment expense recognized in the consolidated statement of income was JPY361 million, JPY539 million for the fiscal years ended March 31, 2024 and 2025, respectively.

(2) Share-based payment plan for employees

Restricted stock plan through the Employee Stockholding Association

The Company resolved in the fiscal year ended March 31, 2022 to introduce the plan, and has introduced a restricted stock plan for employees of the Company and the Company's domestic subsidiaries.

Based on the long-term vision "SF2030," this plan is to pay monetary claims as a special incentive for granting restricted stock (hereinafter referred to as "Special Incentive") to employees of the Company and the Company's subsidiaries who consent to the plan (hereinafter referred to as "eligible employees") in order to realize the "Maximization of corporate value (financial and non-financial value)," with the aim to bring management and employees together to work as one to enhance corporate value and to allow all to share in the results. The eligible employees contribute the Special Incentive to the Employee Stockholding Association, and the Employee Stockholding Association receives the issuance or disposal of the Company's common shares as restricted stock by using the Special Incentive contributed by eligible employees to make a contribution the Company.

On the condition that eligible employees would remained a member of the Employee Stockholding Association during the transfer restriction period, their restriction on transfer is lifted on the business day following the day when the transfer restriction period expires, for all the allotted shares in the number corresponding to the share of restricted stock held by eligible employees, according to the level of achievement of the Company's performance targets and changes of their employee category. In the case where certain events occur, the Company acquires the allotted shares without compensation.

Changes in the number of shares of restricted stock and weighted-average grant-date fair value are as follows.

	FY2023		FY2024	
	Number of shares	Weighted-average grant-date fair value (JPY)	Number of shares	Weighted-average grant-date fair value (JPY)
Outstanding at beginning of the fiscal year	286,107	7,760	180,606	7,744
Granted	14,496	7,213	―	―
Vested	(110,873)	7,716	(102,259)	7,936
Acquired by the Company	(9,124)	7,733	(21,361)	7,744
Change in accounting estimate	―	―	(33,360)	7,744
Outstanding at ending of the fiscal year	180,606	7,744	23,626	6,916

Note: The weighted-average grant-date fair value is calculated based on the market value of the Company's shares.

Share-based payment expense recognized in the consolidated statement of income was JPY813 million and JPY747 million for the fiscal years ended March 31, 2024, and 2025, respectively. There are JPY163 million in unrecognized compensation costs at the fiscal year ended March 31, 2025, which will be recognized over a weighted-average period of 0.2 years.

Q PER SHARE DATA

The Company calculates its net income per share in accordance with ASC 260, “Earnings Per Share.”
The Company introduced a Medium-term Incentive Plan using restricted stock for the Employee Stockholding Association for manager-level employees of the Company and domestic subsidiaries of the Company. In addition, the Company introduced a Stockholding Association Stimulation Plan using restricted stock for the Employee Stockholding Association for general-level employees of the Company and domestic subsidiaries of the Company. Among the shares related to these plans, the shares that are not yet vested are distinguished from common shares as participation certificates. The common shares and participation certificates have equal rights with respect to net income attributable to shareholders.

The numerators and denominators of the computations for net income attributable to shareholders per share are each shown below.
The diluted net income attributable to shareholders and the diluted average number of issued shares during the period were not stated since there were no potentially dilutive securities as of March 31, 2024 and 2025.

Numerator

(JPY millions)

	FY2023	FY2024
Net income attributable to shareholders	8,105	16,271
Net income attributable to participating securities	10	10
Net income attributable to common shareholders	8,095	16,261

Denominator

	FY2023	FY2024
Weighted-average common shares outstanding	196,885,094	196,900,793
Weighted-average participation securities outstanding	245,940	122,097
Weighted-average common shares outstanding	196,639,153	196,778,696

Note: The Company’s shares held through the BIP Trust and the ESOP Trust are included in the number of treasury stock shares to be deducted in calculation of the weighted-average shares for the earnings per share computation (520,413 shares and 519,791 shares as of March 31, 2024 and 2025, respectively.).

R OTHER COMPREHENSIVE INCOME(LOSS)

Tax effects allocated to each component of other comprehensive income, including other comprehensive income attributable to noncontrolling interests and reclassification adjustments for the years ended March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023			FY2024		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Foreign currency translation adjustments:						
Beginning balance	52,162	(818)	51,344	97,263	(1,496)	95,767
Foreign currency translation adjustments arising during the year	45,449	(678)	44,771	(7,486)	(135)	(7,621)
Reclassification adjustment for the portion realized in net income	0	—	0	—	—	—
Net unrealized gain (loss)	45,449	(678)	44,771	(7,486)	(135)	(7,621)
Less: Other comprehensive income(loss) attributable to noncontrolling interests	348	—	348	(40)	—	(40)
Ending balance	97,263	(1,496)	95,767	89,817	(1,631)	88,186
Pension liability adjustments:						
Beginning balance	(28,441)	17,215	(11,226)	7,307	6,301	13,608
Pension liability adjustments arising during the year	33,479	(10,222)	23,257	(6,728)	2,063	(4,665)
Reclassification adjustment for the portion realized in net income	2,269	(692)	1,577	724	(221)	503
Net unrealized gain (loss)	35,748	(10,914)	24,834	(6,004)	1,842	(4,162)
Ending balance	7,307	6,301	13,608	1,303	8,143	9,446
Net gains on derivative instruments:						
Beginning balance	(230)	59	(171)	46	(25)	21
Unrealized holding loss arising during the year	(1,466)	447	(1,019)	—	—	—
Reclassification adjustment for the portion realized in net income	1,742	(531)	1,211	(46)	25	(21)
Net unrealized gain (loss)	276	(84)	192	(46)	25	(21)
Ending balance	46	(25)	21	—	—	—
Total -Accumulated other comprehensive income:						
Beginning balance	23,491	16,456	39,947	104,616	4,780	109,396
Unrealized holding gain arising during the year	77,462	(10,453)	67,009	(14,214)	1,928	(12,286)
Reclassification adjustment for the portion realized in net income	4,011	(1,223)	2,788	678	(196)	482
Net unrealized gain (loss)	81,473	(11,676)	69,797	(13,536)	1,732	(11,804)
Less: Other comprehensive income(loss) attributable to noncontrolling interests	348	—	348	(40)	—	(40)
Ending balance	104,616	4,780	109,396	91,120	6,512	97,632

The reclassification adjustment related to foreign currency translation adjustments for the portion realized in net income is included in “Other income, net”. The reclassification adjustment related to pension liability adjustments for the portion realized in net income is included in “Restructuring expenses” and “Other income, net”. The reclassification adjustment related to net gains on derivative instruments for the portion realized in net income is included in “Cost of sales” and “Other income, net”. The tax effect is included in “Income taxes”.

S FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

The carrying amounts and estimated fair values as of March 31, 2024 and 2025 of the Companies' financial instruments were as follows:

(JPY millions)

	FY2023		FY2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Except derivatives)				
Bonds payable	—	—	(39,889)	(39,608)
(Derivatives)				
Forward exchange contracts:				
Other current assets	6,430	6,430	669	669
Other current liabilities	(1,816)	(1,816)	(1,988)	(1,988)
Commodity swap contracts:				
Other current assets	9	9	104	104
Other current liabilities	(13)	(13)	(80)	(80)

The following methods and assumptions were used to estimate the fair values of each class of financial instrument for which it is practicable to estimate its value.
The definitions of Level 1, Level 2, and Level 3, which are hierarchical classifications of fair value, are described in Note II-U. FAIR VALUE MEASUREMENTS.

Derivatives

The fair value of derivatives generally reflects the estimated amounts that the Companies would receive or pay to terminate the contracts at the reporting date, thereby taking into account the current unrealized gains or losses on open contracts. Dealer quotes are available for most of the Companies' derivatives. For the rest of the Companies' derivatives, valuation models are applied to estimate fair value.

The Companies do not use derivatives for trading purposes.

In addition, information on the fair value of derivative transactions by level is described in Note II-U. FAIR VALUE MEASUREMENTS.

Nonderivatives

(1) Cash and cash equivalents, notes and accounts receivable, leasehold deposits, notes and accounts payable, short-term borrowings, current portion of long-term borrowings, long-term borrowings:
The carrying amounts approximate fair value. Cash and cash equivalents are classified as Level 1, while others are classified as Level 2.

(2) Investment securities:
Fair values of equity securities listed on active markets are principally valued using quoted market prices. Fair values of equity securities traded on markets that are not active are principally valued using quoted market prices. In addition, equity securities without readily determinable fair values, those which are accounted for at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer, or using other reasonable methods are included in "Investment securities." (See Note II-U. about equity securities measured at fair value on a recurring basis.)

(3) Corporate bonds:
Since fair values of corporate bonds are valued using publicly disclosed quoted market prices, they are classified as Level 2.

T DERIVATIVES AND HEDGING ACTIVITIES

The Companies enter into forward exchange contracts to hedge changes in foreign currency exchange rates (primarily the U.S. dollar, the Euro, and the Chinese yuan). The Companies enter into commodity swap contracts to hedge changes in prices of commodities, including copper and silver used in the manufacturing of various products. The Companies do not use derivatives for trading purposes. The Companies are exposed to credit risk in the event of nonperformance by counterparties to derivatives, but the Company considers the exposure to such risk to be minimal since the counterparties maintain good credit ratings.

Changes in the fair value of certain forward exchange contracts and commodity swap contracts designated and qualifying as cash flow hedges are reported in accumulated “Other comprehensive income”. Gains and losses on forward exchange contracts are subsequently reclassified into “Other income, net”, and gains and losses on commodity swap contracts are subsequently reclassified into “Cost of sales”, in the same period as and when the hedged items affect earnings. Furthermore, forward exchange contracts that have not been designated as hedges are also considered effective as hedges from an economic perspective. Changes in fair value of these forward exchange contracts are immediately recorded in “Other income, net.”

The notional amounts of outstanding contracts to forward exchange and commodity swap at March 31, 2024 and 2025 were as follows:

(JPY millions)

	FY2023	FY2024
Forward exchange contracts	159,150	108,791
Commodity swap contracts	63	2,080

The fair values of derivatives at March 31, 2024 and 2025 were as follows:

Derivatives designated as hedges

Assets

(JPY millions)

	Account	FY2023	FY2024
Forward exchange contracts	Other current assets	4,567	—
Commodity swap contracts	Other current assets	9	—

Liabilities

(JPY millions)

	Account	FY2023	FY2024
Forward exchange contracts	Other current liabilities	(951)	—
Commodity swap contracts	Other current liabilities	(13)	—

Derivatives not designated as hedges

Assets

(JPY millions)

	Account	FY2023	FY2024
Forward exchange contracts	Other current assets	1,863	669
Commodity swap contracts	Other current assets	—	104

Liabilities

(JPY millions)

	Account	FY2023	FY2024
Forward exchange contracts	Other current liabilities	(865)	(1,988)
Commodity swap contracts	Other current liabilities	—	(80)

The effects on the consolidated statements of income for the year ended March 31, 2024 were as follows:

Derivatives designated as hedges

Cash flow hedge

(JPY millions)

	Unrealized Gain (Losses) in Other Comprehensive Income (Hedge Effective Portion)	Transfer from Other Comprehensive Income to Profit (Hedge Effective Portion)
Forward exchange contracts	(1,067)	1,274
Commodity swap contracts	48	(63)

The amount of hedge effectiveness was immaterial.

Derivatives not designated as hedges

(JPY millions)

	Income recognized from derivatives
Forward exchange contracts	1,214

The effects on the consolidated statements of income for the year ended March 31, 2025 were as follows:

Derivatives designated as hedges

Cash flow hedge

(JPY millions)

	Unrealized Gain (Losses) in Other Comprehensive Income (Hedge Effective Portion)	Transfer from Other Comprehensive Income to Profit and Loss (Hedge Effective Portion)
Forward exchange contracts	—	(1)
Commodity swap contracts	—	(20)

The amount of hedge effectiveness was immaterial.

Derivatives not designated as hedges

(JPY millions)

	Income (Losses) recognized from derivatives
Forward exchange contracts	(1,578)
Commodity swap contracts	25

U FAIR VALUE MEASUREMENTS

ASC 820, "Fair Value Measurements and Disclosures," defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

Level 1 ……… Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 ……… Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 ……… Inputs are significant to measure fair value of assets or liabilities and unobservable.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The assets and liabilities that are measured at fair value on a recurring basis at March 31, 2024 were as follows:

(JPY millions)

	Amount of Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Equity securities	9,290	—	5,666	14,956
Derivatives				
Forward exchange contracts	—	6,430	—	6,430
Commodity swap contracts	—	9	—	9
Liabilities				
Derivatives				
Forward exchange contracts	—	1,816	—	1,816
Commodity swap contracts	—	13	—	13

Investment Securities

Investment securities consist of stocks. Since fair values of marketable securities are valued using quoted market prices in active markets for identical assets and can be observed, these are classified as Level 1. Since fair values of nonmarketable securities without readily determinable fair values are estimated using information mainly obtained from the investee companies, and considering its illiquidity, such securities are classified as Level 3 because unobservable inputs are used in their measurement.

Derivatives

Derivatives consist of forward exchange contracts and commodity swap contracts. Since fair value of derivatives is determined using the observable market data, such as foreign exchange rates, these are classified as Level 2.

A reconciliation of Level 3 assets measured at fair value on a recurring basis for the years ended March 31, 2024 was as follows:

(JPY millions)

	Investment Security
Balance at beginning of year	2,486
Amount included in net income:	
Other income, net	(34)
Purchases	2,546
Sales	(27)
Other	695
Balance at end of year	5,666

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The assets and liabilities that are measured at fair value on a nonrecurring basis at March 31, 2024 were as follows:

(JPY millions)

	Total Amount of Loss	Amount of Fair Value Measurements			
		Level 1	Level 2	Level 3	Total Amount of Fair Value
Assets					
Investment securities	(330)	—	—	—	—
Long-lived assets	(1,285)	—	—	0	0

Investment securities measured by observable price in the orderly transactions of an identical or similar investment of the same issuer are classified as Level 2, and investment securities measured based on unobservable inputs obtained from issuers are classified as Level 3.

Long-lived assets listed above are classified as Level 3, as most of these assets are measured based on unobservable inputs resulting recognition of impairment. The fair value for the major assets was measured using the discounted future cash flows method.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The assets and liabilities that are measured at fair value on a recurring basis at March 31, 2025 were as follows:

(JPY millions)

	Amount of Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Equity securities	3,414	13,983	7,459	24,856
Derivative:				
Forward exchange contracts	—	669	—	669
Commodity swap contracts	—	104	—	104
Liabilities				
Derivatives				
Forward exchange contracts	—	1,988	—	1,988
Commodity swap contracts	—	80	—	80

Investment Securities

Investment securities consist of stocks. Since fair values of marketable securities are valued using quoted market prices in active markets for identical assets and can be observed, these are classified as Level 1. Since fair values of marketable securities traded in an inactive market are valued using quoted market prices for identical assets and can be observed, these are classified as Level 2. Since fair values of nonmarketable securities without readily determinable fair values are estimated using information mainly obtained from the investee companies, and considering its non-liquidity, such securities are classified as Level 3 because unobservable inputs are used in their measurement.

Derivatives

Derivatives consist of forward exchange contracts and commodity swap contracts. Since fair value of derivatives is determined using the observable market data, such as foreign exchange rates, these are classified as Level 2.

A reconciliation of Level 3 assets measured at fair value on a recurring basis for the years ended March 31, 2025 was as follows:

(JPY millions)

	Investment Security
Balance at beginning of year	5,666
Amount included in net income:	
Other expenses(income), net	1,565
Purchases	857
Sales	(309)
Transfer to Level 1 (Note)	(303)
Other	(17)
Balance at end of year	7,459

Note: Due to the transfer of holdings to Level 1 due to the initial listing of stocks.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The assets and liabilities that are measured at fair value on a nonrecurring basis at March 31, 2025 were as follows:

(JPY millions)

	Total Amount of Loss	Amount of Fair Value Measurements			
		Level 1	Level 2	Level 3	Total Amount of Fair Value
Assets					
Investment securities	(135)	―	526	―	526
Long-lived assets	(1,292)	―	―	0	0
Goodwill	(11,725)	―	―	309,776	309,776

Investment securities measured by observable price in the orderly transactions of an identical or similar investment of the same issuer are classified as Level 2.

Long-lived assets listed above are classified as Level 3, as most of these assets are measured based on unobservable inputs resulting recognition of impairment. The fair value for the major assets was measured using the discounted future cash flows method.

The goodwill is goodwill involved in the Data Solution Business. Since the goodwill is measured based on unobservable inputs, this asset is classified as Level 3. The fair value of the reporting unit is determined based on two valuation methods. One is the discounted cash flow method, in which the estimated future cash flows, based on the business plan approved by management, are discounted to present value using a discount rate calculated based on the weighted average cost of capital. The other is the market price method, which reflects market prices adjusted by a control premium.

V COMMITMENTS AND CONTINGENT LIABILITIES

Commitment

The Companies have non-cancelable contracts mainly for certain information technology-related services and materials. The amounts of outstanding contracts as of March 31, 2024 and 2025 was JPY3,315 million and JPY9,492 million, respectively.

Concentrations of Credit Risk

Financial instruments that potentially subject the Companies to concentrations of credit risk consist principally of short-term cash investments and notes and accounts receivable. The Companies place their short-term cash investments with high credit quality financial institutions. As approximately 45% of total sales are concentrated in Japan, concentrations of credit risk with respect to notes and accounts receivable are limited due to the large number of well-established customers and their dispersion across many industries.

Product Warranties

The Companies issue contractual product warranties under which they generally guarantee the performance of products delivered and services rendered for a certain period or term. Changes in accrued product warranty cost for the years ended March 31, 2024 and 2025 was summarized as follows:

(JPY millions)

	FY2023	FY2024
Balance at beginning of year	1,186	1,600
Additions	1,373	1,781
Utilizations	(959)	(1,350)
Balance at end of year	1,600	2,031

Unused Committed Lines

The Companies have a total of JPY30,000 million in unused committed lines of credit at March 31, 2024 and 2025.

Deferred Revenue

The Companies provide extended warranties for certain products, and the revenue is recognized using the straight-line method over the warranty term. The costs from the extended warranties are charged to earnings as incurred. The deferred revenue for the years ended March 31, 2024 and 2025 was JPY12,583 million and JPY13,837 million, respectively, and recorded in other current liabilities and other long-term liabilities.

Lawsuits

The Company and some of its subsidiaries are facing several petitions and lawsuits arising from the normal course its business and appropriate accounting is performed according to the progress. However, based upon the information currently available to both the Company and its legal counsel, management of the Company believes that damages from such petitions and lawsuits, if any, would not have a material effect on the consolidated financial statements.

W RESTRUCTURING EXPENSES

The Company has designated the period from April 2024 to September 2025 as a period to focus on restoring business performance and restructuring its foundation for earnings and growth. To work on more fundamental solutions to our essential issues, we are implementing the Structural Reform Program NEXT2025.

The Structural Reform Program NEXT 2025 includes activities such as rebuilding of the Industrial Automation Business, portfolio optimization, headcount and capacity optimization, fixed cost productivity improvement, and introduction and operation of customer-driven management system.

Changes in obligations related to the structural reforms for the fiscal year ended March 31, 2025 were as follows.

Classification	Fiscal year ended March 31, 2025 (JPY millions)			
	Retirement-related costs	Non-cash impairment and amortization, and net losses on disposal	Other related expenses	Total
Balance at beginning of year	—	—	—	—
Incurred restructuring expenses	22,007	3,145	2,629	27,781
Payment/settlement made through cash payments	(20,363)	—	(2,221)	(22,584)
Non-cash expenses	—	(3,145)	—	(3,145)
Changes in pension liability adjustments	28	—	—	28
Foreign currency translation adjustments	(91)	—	(7)	(98)
Balance at ending of year	1,581	—	401	1,982

Restructuring expenses by segment for the fiscal year ended March 31, 2025 were as follows.

Classification	Fiscal year ended March 31, 2025 (JPY millions)			
	Retirement-related costs	Non-cash impairment and amortization, and net losses on disposal	Other related expenses	Total
IAB	11,890	1,366	1,893	15,149
HCB	997	—	45	1,042
SSB	2,602	1,776	136	4,514
DMB	3,772	0	310	4,082
DSB	46	—	1	47
Head Office Divisions, etc.	2,700	3	244	2,947
Consolidated total	22,007	3,145	2,629	27,781

Retirement-related costs for each segment in the above table are mainly non-recurring costs associated with headcount and capacity optimization, one of the management measures of the Structural Reform Program NEXT 2025.

In IAB, the Company implemented various structural reform activities, including the IAB Revival Plan “IAB Future Reboot Project” (abbreviated name: IFR). As a result, restructuring expenses of JPY15,149 million were recorded in the fiscal year ended March 31, 2025, including costs related to headcount and capacity optimization and site consolidation.

X SEGMENT INFORMATION

Operating Segment Information

ASC 280, "Segment Reporting," establishes the disclosure of information about operating segments in financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the President and CEO, the Company's chief operating decision maker (CODM), in deciding how to allocate resources and in assessing performance. The CODM uses segment profit and loss to allocate resources to each segment and to assess comparison between plans and actual results in evaluating business performance of segments.

The Company discloses operating segment information in five operating segments: "IAB," "HCB," "SSB," "DMB," and "DSB". These segments are mainly separated based on the Companies' consideration of their nature of the products and the business standing in the group.

The Company previously had four operating segments. However, the Company has five operating segments by adding DSB from the third quarter of the previous consolidated fiscal year.

The primary products included in each segment are as follows:

(1) IAB:

……Programmable controllers, motion controllers, sensing devices, industrial camera/code reader devices, inspection systems, safety devices and industrial robots

(2) HCB:

……Digital blood pressure monitors, nebulizers, low-frequency therapy equipment, ECGs, oxygen generators, digital thermometers, body composition monitors, pedometers and activity meters, electric toothbrushes, massagers, blood glucose monitors, vascular screening devices, visceral fat monitors, remote patient monitoring systems and telemedicine service

(3) SSB:

……Energy business (solar power generation, storage battery systems), railway station service systems, traffic and road management systems, card payment services, IoT (power protection, data protection) solutions, software development and comprehensive maintenance service business

(4) DMB:

……Relays, switches, connectors, IoT communication modules, general sensors, amusement components and units, face recognition software, image sensing component and MEMS sensors

Note: MEMS: Micro Electro Mechanical Systems

(5) DSB:

……Data healthcare business, corporate health business, smart M&S (management service solutions) business, carbon neutral solutions business, data-based solutions business, and self-reliance support business

The segment information is presented in accordance with accounting principles generally accepted in the United States of America.

Revenues and expenses directly associated with specific segments are disclosed in the figures of each segment's operating results. Based on the Company's allocation method used by management to evaluate results of each segment, revenues and expenses not directly associated with specific segments are allocated to each segment or included in "Eliminations and Others."

"Segment profit" is presented by subtracting "Selling, general and administrative expenses", "Research and development expenses" from "Gross profit." We do not deduct "Restructuring expenses", "Loss on impairment of goodwill", "Other income, net", "income taxes", and "Share of loss of entities accounted for using equity method".

Operating segment information as of and for the year ended March 31, 2024 was as follows:

(JPY millions)

	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales								
1. Sales to external customers	393,572	149,726	141,600	114,357	17,370	816,625	2,136	818,761
2. Intersegment sales	5,207	238	13,276	37,500	115	56,336	(56,336)	－
Total	398,779	149,964	154,876	151,857	17,485	872,961	(54,200)	818,761
Materials costs	62,406	57,250	34,297	52,585	182	206,720	2,769	209,489
Labor costs	108,393	26,156	33,500	38,665	6,151	212,865	23,304	236,169
Other operating expenses	206,517	48,095	73,058	57,459	8,968	394,097	(55,336)	338,761
Segment profit	21,463	18,463	14,021	3,148	2,184	59,279	(24,937)	34,342
Assets	547,440	157,220	146,263	165,511	421,363	1,437,797	(83,068)	1,354,729
Depreciation and amortization	7,087	3,826	3,079	7,739	2,849	24,580	6,236	30,816
Capital expenditures	7,255	3,948	5,558	6,073	1,164	23,998	20,896	44,894

Notes: 1. The value of intersegment transactions is in accordance with the value of transactions with external customers.
2. “Eliminations and Others” include not allocated expenses and eliminations of intersegment transactions and the head office divisions and others.
3. “Other operating expenses” include expenses included in “Selling, general and administrative expenses” and “Research and development expenses,” and expenses other than “Materials costs” and “Labor costs” included in “Cost of sales.”

Operating segment information as of and for the year ended March 31, 2025 was as follows:

(JPY millions)

	IAB	HCB	SSB	DMB	DSB	Total	Eliminations and Others	Consolidated
Sales								
1. Sales to external customers	360,799	145,866	145,631	105,441	42,738	800,475	1,278	801,753
2. Intersegment sales	4,722	333	12,402	37,299	439	55,195	(55,195)	－
Total	365,521	146,199	158,033	142,740	43,177	855,670	(53,917)	801,753
Materials costs	48,030	58,215	36,302	57,157	957	200,661	1,378	202,039
Labor costs	97,232	25,898	33,269	36,245	17,152	209,796	20,045	229,841
Other operating expenses	183,983	44,604	71,676	49,032	22,240	371,535	(55,700)	315,835
Segment profit	36,276	17,482	16,786	306	2,828	73,678	(19,640)	54,038
Assets	567,267	158,990	150,522	163,089	428,130	1,467,998	(106,208)	1,361,790
Depreciation and amortization	7,193	3,879	3,314	7,390	5,621	27,397	6,053	33,450
Capital expenditures	6,057	5,144	4,693	6,754	3,870	26,518	23,869	50,387

Notes: 1. The value of intersegment transactions is in accordance with the value of transactions with external customers.
2. “Eliminations and Others” include not allocated expenses and eliminations of intersegment transactions and the head office divisions and others.
3. “Other operating expenses” include expenses included in “Selling, general and administrative expenses” and “Research and development expenses,” and expenses other than “Materials costs” and “Labor costs” included in “Cost of sales.”

A reconciliation between segment profit and income before income taxes and equity in loss (earnings) of affiliates for the years ended March 31, 2024 and 2025 was as follows:

(JPY millions)

	FY2023	FY2024
Total amount of segment profit	59,279	73,678
Restructuring expenses (Note 1)	—	27,781
Loss on impairment of goodwill (Note 2)	—	11,725
Other income, net	(611)	(14,469)
Eliminations and Others	(24,937)	(19,640)
Income before income taxes and equity in loss (earnings) of affiliates	34,953	29,001

(Note 1) Restructuring expenses by segment are described in Note II-W.

(Note 2) Impairment losses on goodwill for the fiscal year ended March 31, 2025 is impairment losses on goodwill related to JMDC Inc. which was acquired in the Data Solution Business.

Geographic Information

Information on the Companies' sales to external customers and property, plant, and equipment by major geographic areas as of and for the years ended March 31, 2024 and 2025 was as follows:

FY2023

(JPY millions)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Direct Exports	Consolidated
Sales to external customers	348,998	86,149	128,929	171,932	80,675	2,078	818,761
Property, plant, and equipment	78,382	5,996	4,117	38,865	9,415	—	136,775

FY2024

(JPY millions)

	Japan	Americas	Europe	Greater China	Southeast Asia and Others	Direct Exports	Consolidated
Sales to external customers	355,104	84,745	119,387	159,967	80,528	2,022	801,753
Property, plant, and equipment	80,656	5,665	3,935	34,512	10,309	—	135,077

Notes:
1. Classification of countries or areas is based upon physical geographic proximity.
2. Major countries or areas belonging to segments other than Japan are as follows:
   (1) Americas: ………… The United States of America, Canada, Brazil
   (2) Europe: ………… The Netherlands, Great Britain, Germany, France, Italy and Spain
   (3) Greater China: … China, Hong Kong and Taiwan
   (4) Southeast Asia and Others: …… Singapore, South Korea, India and Australia
   (5) Direct Exports: …… Direct delivery exports
3. For sales and property, plant, and equipment, there were no material amounts specific to a particular country, except for Japan and China that require separate disclosure as of and for the years ended March 31, 2024 and 2025. Sales in China was JPY148,091 million, and JPY134,711 million. Property, plant, and equipment in China was JPY38,718 million, and JPY34,320 million for the years ended March 31, 2024 and 2025.
4. For sales to external customers, there were no amounts specific to particular customers that require separate disclosure for the years ended March 31, 2024 and 2025.

Y BUSINESS COMBINATIONS

Business combinations occurred in previous fiscal year

(The Acquisition of JMDC Inc.)

On October 16, 2023, the Company acquired 23.0% of the voting shares of JMDC Inc. (“JMDC”) through a tender offer under the Financial Instruments and Exchange Act ("the Tender Offer"), making JMDC and its 35 subsidiaries consolidated subsidiaries of the Company.

Fair values of assets acquired and liabilities assumed through the business combination as of the date of acquisition were recorded at provisional amounts as the allocation of the acquisition cost to the assets acquired and liabilities assumed had not been completed by the end of the previous fiscal year. Subsequently, the allocation was completed in the current fiscal year.

(1) Overview of the business combination

(a) Name and description of the acquiree

Name of the acquiree	JMDC Inc.
Description of the acquiree	Medical statistics data services

(b) Acquisition date

October 16, 2023

(c) Percentage of voting equity interests acquired

Percentage of voting equity interests held immediately before the Tender Offer	Approximately 31.3%
Percentage of voting equity interests acquired through the Tender Offer	Approximately 23.0%
Percentage of voting equity interests after acquisition	Approximately 54.3%

(2) Consideration for acquisition and noncontrolling interests

	(JPY millions)
Consideration for acquisition through the Tender Offer (Note 1)	85,500
Fair value of equity held immediately before the business combination (Notes 2 and 3)	109,435
Total consideration for acquisition	194,935
Fair value of noncontrolling interests (Note 3)	159,709
Total	354,644

(Note 1) The full amount was raised through borrowings from Sumitomo Mitsui Banking Corporation on October 13, 2023. Expenses arising in relation to the acquisition of shares were JPY476 million in the fiscal year ended March 31, 2024, and are included in “Selling, general and administrative expenses” in the consolidated statements of income.

(Note 2) By remeasuring the equity interest in JMDC, which the Company already held at the acquisition date, to fair value at the acquisition date, the Company recognized a loss of JPY1,841 million in the fiscal year ended March 31, 2024, and included the loss in “Share of loss of entities accounted for using equity method” in the consolidated statements of income. “Share of loss of entities accounted for using equity method” in the consolidated statements of income for the fiscal year ended March 31, 2024 includes a loss of JPY10,187 million which was recorded due to revaluation at fair value as at the end of the second quarter of the fiscal year ended March 31, 2024, and a loss in aggregate of JPY12,028 million. Tax expense and deferred tax assets for these valuation losses were not recorded.

(Note 3) Fair value of the equity was measured using the market price of the same asset in an active market and classified as Level 1.

(3) Fair value recognized at the acquisition date of the main categories of assets acquired and liabilities assumed

The amounts of assets acquired and liabilities assumed on the date of obtaining control after the completion of allocation of acquisition cost were as follows.

(JPY millions)

Classification	Provisional valuation in the previous fiscal year	Adjustments	Final valuation in the current fiscal year
Cash and cash equivalents	20,428	－	20,428
Current assets other than cash and cash equivalents	15,370	－	15,370
Goodwill	298,540	5,411	303,951
Other intangible assets	49,615	(7,900)	41,715
Other assets acquired	16,402	－	16,402
Total assets acquired	400,355	(2,489)	397,866
Current liabilities	13,845	－	13,845
Other liabilities assumed	31,866	(2,489)	29,377
Total liabilities assumed	45,711	(2,489)	43,222
Total net assets acquired	354,644	－	354,644

Goodwill mainly consists of expected future earning capacity and synergy effects of the business integration with the Company. The recognized goodwill is fully attributable to the Data Solution Business and cannot be deducted for tax purposes. Intangible assets include customer-related assets and technology-related assets.

(4) Others

Operating results of JMDC on and after the acquisition date are included in the consolidated financial statements of the Company, and the amounts are immaterial.

As for pro forma information on the above business combination, the amounts are immaterial, except for gains or losses related to the Tender Offer and the business combination which arose through the remeasurement of equity in JMDC at fair value.

（The Acquisition of Cancerscan Inc.）

On January 26, 2024, the Company acquired 100% of the voting shares of Cancerscan Inc. (“Cancerscan”), making Cancerscan consolidated subsidiaries of the Company.

Fair values of assets acquired and liabilities assumed through the business combination as of the date of acquisition were recorded at provisional amounts as the allocation of the acquisition cost to the assets acquired and liabilities assumed had not been completed by the end of the previous fiscal year. Subsequently, the allocation was completed in the current fiscal year.

There were no material revisions due to a review of the allocation of acquisition costs in the current fiscal year.

(1) Overview of the business combination

(a) Name and description of the acquiree

Name of the acquiree	Cancerscan Inc.
Description of the acquiree	Specific health checkup business for national health insurance (notification and consultation encouragement business), etc.

(b) Acquisition date

January 26, 2024

(c) Percentage of voting equity interests acquired

100%

(d) Primary reasons for the business combination and description of how the acquirer obtained control of the acquiree

At the meeting of the Board of Directors of JMDC held on December 28, 2023, it was resolved to acquire shares of Cancerscan and make it a subsidiary with the aim of offering service solutions developed by JMDC in transactions with health insurance societies through the solid customer base in municipalities possessed by Cancerscan, and accelerating further expansion of the business scale in the insurer/consumer domain of JMDC’s group by providing solutions, such as lifestyle-related disease care program, developed by applying know-how on behavior change, which is a strength of Cancerscan, to health insurance societies, companies, etc. that are JMDC’s customers.

After that, JMDC acquired shares of Cancerscan. in exchange for cash on January 26, 2024, and Cancerscan. became a consolidated subsidiary of the Company.

(2) Consideration for acquisition

(JPY millions)

Consideration for acquisition (Cash)	14,200

Expenses arising in relation to the acquisition of shares were JPY14 million in the fiscal year ended March, 31, 2024, and are included in “Selling, general and administrative expenses” in the consolidated statements of income.

(3) Fair value recognized at the acquisition date of the main categories of assets acquired and liabilities assumed

The amounts of assets acquired and liabilities assumed on the date of obtaining control after the completion of allocation of acquisition cost were as follows.

(JPY millions)

Classification	Amount
Cash and cash equivalents	98
Current assets other than cash and cash equivalents	4,269
Goodwill	11,496
Other assets acquired	1,191
Total assets acquired	17,054
Current liabilities	1,908
Other liabilities assumed	946
Total liabilities assumed	2,854
Total net assets acquired	14,200

Goodwill mainly consists of expected future earning capacity and synergy effects of the business integration with the Company. The recognized goodwill is fully attributable to the Data Solution Business and cannot be deducted for tax purposes.

(4) Others

Operating results of Cancerscan on and after the acquisition date are included in the consolidated financial statements of the Company, and the amounts are immaterial.

As for pro forma information on the above business combination, the amounts are immaterial.

Business combinations occurred in the current fiscal year
No significant business combinations took place in current fiscal year.

Z SUBSEQUENT EVENTS

The Companies have evaluated subsequent events in accordance with ASC 855, “Subsequent Events.”

No significant subsequent events took place at June 23, 2025, the date when Annual Securities Report for the year ended March 31, 2025 was available to be issued in Japan

(vi) Consolidated Supplementary Schedule

Schedule of Bonds

This information is presented in the notes to the consolidated financial statements under “II: Descriptions and Breakdowns of Major Accounts, I: Borrowings and corporate bonds.”

Schedule of Borrowings

This information is presented in the notes to the consolidated financial statements under “II: Descriptions and Breakdowns of Major Accounts, I: Borrowings and corporate bonds.”

Schedule of Asset Retirement Obligations

As the amount of asset retirement obligations at the beginning and end of the current fiscal period are a hundredth or less of the sum of liabilities and net assets each of the said period, it has been omitted in accordance with the provisions of Article 92-2 of the Regulations for Consolidated Financial Statements.

(2) Other

Interim information for the fiscal year ended March 31, 2025

(Cumulative)	Six months ended September 30, 2024	Fiscal year ended March 31, 2025
Net sales (JPY millions)	374,638	801,753
Income (loss) before income taxes and equity in loss (earnings) of affiliates (JPY millions)	(336)	29,001
Net income (loss) attributable to shareholders (JPY millions)	(3,318)	16,271
Basic net income (loss) attributable to shareholders (JPY)	(16.86)	82.63

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

(i) Non-consolidated Balance Sheets

(JPY millions)

		FY2023 (as of March 31, 2024)		FY2024 (as of March 31, 2025)
Assets				
Current assets				
Cash and deposits		28,347		25,996
Notes receivable - trade		317		389
Accounts receivable - trade	*1	41,146	*1	46,007
Merchandise and finished goods		13,683		14,504
Raw materials		16,750		15,312
Work in process		3,489		3,802
Supplies		283		291
Short-term loans receivable to subsidiaries and affiliates	*1	8,406	*1	4,651
Accounts receivable - other	*1	15,735	*1	17,507
Income taxes refund receivable		6,109		807
Other accounts receivable	*1	4,593	*1	6,118
Other		11,995	*1	8,206
Allowance for doubtful accounts		(0)		(3)
Total current assets		150,853		143,587
Non-current assets				
Property, plant and equipment				
Buildings		22,829		21,685
Structures		911		830
Machinery and equipment		5,846		5,074
Vehicles		2		2
Tools, furniture and fixtures		5,376		4,906
Land		11,892		11,892
Leased assets		734		569
Construction in progress		1,098		1,219
Total property, plant and equipment		48,688		46,177
Intangible assets				
Leasehold interests in land		480		480
Software		6,489		8,073
Right to use facilities		63		46
Technological asset		4,803		4,129
Software in progress		33,205		49,537
Other		115		91
Total intangible assets		45,155		62,356
Investments and other assets				
Investment securities	*2	14,038	*2	7,081
Shares of subsidiaries and affiliates		353,547		245,833
Investments in other securities of subsidiaries and affiliates		1,241		1,906
Investments in capital of subsidiaries and affiliates		22,837		22,837
Long-term loans receivable from subsidiaries and affiliates	*1	4,666	*1	7,428
Leasehold and guarantee deposits		4,368		4,363
Prepaid pension costs		19,575		25,709
Deferred tax assets		11,660		17,388
Other	*1	4,054		5,309
Allowance for doubtful accounts		(14)		(6)
Total investments and other assets		435,972		337,848
Total non-current assets		529,815		446,381
Total assets		680,668		589,968

(JPY millions)

	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Liabilities and equity		
Current liabilities		
Notes payable - trade	*1 6,238	*1 6,956
Accounts payable - trade	*1 30,900	*1 30,600
Short-term borrowings	5,567	14,776
Short-term borrowings from subsidiaries and affiliates	*1 196,380	*1 155,187
Lease liabilities	151	152
Accounts payable - other	*1 9,019	*1 10,794
Accrued expenses	10,960	9,497
Income taxes payable	38	484
Advances received	2,733	2,909
Deposits received	*1 1,339	*1 1,278
Provision for bonuses for directors (and other officers)	10	228
Provision for share awards	—	733
Other	5,977	8,055
Total current liabilities	269,312	241,649
Non-current liabilities		
Bonds payable	—	40,000
Long-term borrowings	85,500	45,315
Lease liabilities	512	365
Provision for share awards	1,316	943
Deferred tax liabilities for land revaluation	957	985
Other	3,526	2,575
Total non-current liabilities	91,811	90,183
Total liabilities	361,123	331,832
Net assets		
Shareholders’ equity		
Share capital	64,100	64,100
Capital surplus		
Legal capital surplus	88,771	88,771
Total capital surplus	88,771	88,771
Retained earnings		
Legal retained earnings	6,774	6,774
Other retained earnings		
Reserve for dividends	3,400	3,400
Reserve for special account	1,252	1,252
General reserve	73,500	73,500
Retained earnings brought forward	151,561	93,918
Total retained earnings	236,487	178,844
Treasury shares	(69,968)	(69,964)
Total shareholders’ equity	319,390	261,751
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,469	727
Revaluation reserve for land	(4,314)	(4,342)
Total valuation and translation adjustments	155	(3,615)
Total net assets	319,545	258,136
Total liabilities and net assets	680,668	589,968

(ii) Non-consolidated Statements of Income

(JPY millions)

		FY2023 (April 1, 2023 to March 31, 2024)		FY2024 (April 1, 2024 to March 31, 2025)
Net sales	*1, *2	259,328	*1, *2	254,027
Cost of sales	*2	177,808	*2	178,767
Gross profit		81,520		75,260
Selling, general and administrative expenses	*2, *3	113,430	*2, *3	99,436
Operating loss		(31,910)		(24,176)
Non-operating income				
Interest and dividend income	*2	27,498	*2	102,095
Foreign exchange gains		—		898
Other	*2	3,414	*2	2,963
Total non-operating income		30,912		105,956
Non-operating expenses				
Interest expenses	*2	5,222	*2	5,346
Commission expenses		100		27
Foreign exchange losses		919		—
Loss on investments in partnerships		669		614
Quality handling expenses		—		769
Transfer pricing taxation adjustment		—		1,810
Other	*2	352	*2	296
Total non-operating expenses		7,262		8,862
Ordinary profit (loss)		(8,260)		72,918
Extraordinary income				
Gain on sale of non-current assets	*4	2	*4	59
Gain on sale of investment securities		20,981		4,195
Total extraordinary income		20,983		4,254
Extraordinary losses				
Loss on sale and retirement of non-current assets	*5, *6	727	*6	1,160
Loss on valuation of investment securities		330		210
Restructuring expenses		—	*7	9,981
Loss on valuation of shares of subsidiaries and affiliates		—	*8	110,322
Other		128		0
Total extraordinary losses		1,185		121,673
Profit (loss) before income taxes		11,538		(44,501)
Income taxes - current		(4,176)		(3,292)
Income taxes - deferred		(78)		(4,100)
Total income taxes		(4,254)		(7,392)
Net income (loss)		15,792		(37,109)

(iii) Non-consolidated Statements of Changes in Net Assets

FY2023 (April 1, 2023 to March 31, 2024)

(JPY millions)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings					
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Reserve for dividends	Other retained earnings: Reserve for special account	Other retained earnings: General reserve	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at beginning of period	64,100	88,771	88,771	6,774	3,400	1,252	73,500	155,776	240,702
Changes during period									
Dividends of surplus			—					(19,941)	(19,941)
Net income			—					15,792	15,792
Purchase of treasury shares			—						—
Disposal of treasury shares			—					(66)	(66)
Net changes in items other than shareholders' equity			—						—
Total changes during period	—	—	—	—	—	—	—	(4,215)	(4,215)
Balance at end of period	64,100	88,771	88,771	6,774	3,400	1,252	73,500	151,561	236,487

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(70,615)	322,958	14,801	(180)	(4,314)	10,307	333,265
Changes during period							
Dividends of surplus		(19,941)				—	(19,941)
Net income		15,792				—	15,792
Purchase of treasury shares	(61)	(61)				—	(61)
Disposal of treasury shares	708	642				—	642
Net changes in items other than shareholders' equity		—	(10,332)	180		(10,152)	(10,152)
Total changes during period	647	(3,568)	(10,332)	180	—	(10,152)	(13,720)
Balance at end of period	(69,968)	319,390	4,469	—	(4,314)	155	319,545

FY2024 (April 1, 2024 to March 31, 2025)

(JPY millions)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings					
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
					Reserve for dividends	Reserve for special account	General reserve	Retained earnings brought forward	
Balance at beginning of period	64,100	88,771	88,771	6,774	3,400	1,252	73,500	151,561	236,487
Changes during period									
Dividends of surplus			—					(20,532)	(20,532)
Net loss			—					(37,109)	(37,109)
Purchase of treasury shares			—						—
Disposal of treasury shares			—					(2)	(2)
Net changes in items other than shareholders' equity			—						—
Total changes during period	—	—	—	—	—	—	—	(57,643)	(57,643)
Balance at end of period	64,100	88,771	88,771	6,774	3,400	1,252	73,500	93,918	178,844

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(69,968)	319,390	4,469	(4,314)	155	319,545
Changes during period						
Dividends of surplus		(20,532)			—	(20,532)
Net loss		(37,109)			—	(37,109)
Purchase of treasury shares	(9)	(9)			—	(9)
Disposal of treasury shares	13	11			—	11
Net changes in items other than shareholders' equity		—	(3,742)	(28)	(3,770)	(3,770)
Total changes during period	4	(57,639)	(3,742)	(28)	(3,770)	(61,409)
Balance at end of period	(69,964)	261,751	727	(4,342)	(3,615)	258,136

Notes

(Significant Accounting Policies)

1 Valuation standards for securities are as follows.

Shares of subsidiaries and affiliates

・・・Cost accounting method using the moving average method

Investments in other securities of subsidiaries and affiliates

・・・For Investment Limited Liability Partnerships, the net value of equities is given based on the most recent financial statements available prepared in accord with the reporting dates stipulated in the respective partnership agreements

Other securities

Shares, etc. other than those without market value

・・・Market value method based on the market value, etc. at the end of the fiscal year (Valuation differences are directly charged or credited to shareholders' equity, and the cost of securities sold is calculated using the moving-average method)

Shares, etc. without market value

・・・Cost accounting method using the moving average method

2 Derivatives are valued using the market value method.

3 Valuation standard and method for inventories are as follows.

Finished goods

・・・The weighted average method or the moving average method (The values in the non-consolidated balance sheet were calculated using the book-value write-down method based on the decline of profitability)

Work in process and Raw materials

・・・The weighted average method (The values in the non-consolidated balance sheet were calculated using the book-value write-down method based on the decline of profitability)

4 The depreciation method for fixed assets is as follows.

Property, plant and equipment (Excluding leased assets)

・・・Straight-line method (Useful lives of buildings is generally 15 to 50 years)

Intangible fixed assets (Excluding leased assets)

・・・Straight-line method (Useful life of software estimated at 3 to 10 years)

Leased assets

Lease assets from finance lease trade other than ownership transfer

・・・Straight-line method depreciation over the lease period, assuming the residual value is zero

5 Deferred assets are treated in full as expenses when incurred or paid.

6 Allowance for doubtful accounts is recorded based on the estimated historical default rate for normal loans, as well as individually assessed amounts for doubtful accounts, bankruptcy claims, reorganization claims, etc.

7 Provision for bonuses for directors (and other officers) is recognized based on the amount estimated to be paid at the end of the fiscal period.

8 Provision for retirement benefits are recognized based on the estimated amount of the benefit obligation and the plan assets at the year-end.

Prior service costs are amortized by the straight-line method over a period within the average remaining service period for employees (11.0 years) at the time of recognition.

Actuarial gains and losses are amortized over the average remaining service period of the employees (11.0 years), using the straight-line method, from the following term when the difference is recognized.

As the estimated value of pension assets at the end of the current fiscal year then exceeds the amount of retirement benefit obligation after adjustment based on unrecognized past service costs and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension costs on the non-consolidated balance sheet.

9 Provision for share awards is recorded based on the expected amount of payment at the end of the current fiscal year in order to prepare for the issuance of Company’s shares to directors and executive officers in line with share granting regulations, etc.

10 Revenue and expenses are recognized as follows.

Revenue arising from contracts with customers is recognized based on the following five-step approach, when, or as, the control of a product or service is transferred to the customer.

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when, or as, the entity satisfies a performance obligation

Revenue is recognized from domestic sales of goods when goods are delivered at a customer’s site, unless stated otherwise in a contract. The revenue from export sales for such businesses is recognized when the transfer of the risk of loss to customer is complete based on the trade terms and conditions such as Incoterms.

In the provision of products and services involving installation and on-site adjustment work, the Company identifies the delivery of the products and the installation and on-site adjustment work of these products as a single performance obligation, which is deemed to be satisfied at the time when the Company completes installation and on-site adjustment work of the products. Accordingly, revenues are recognized at the time when the performance obligation is satisfied.

In addition, the Company provides for an estimate of rebates for customers based on the quantities sold to promote the sales of its products. The amount of rebates is included in variable consideration. As it can be reasonably estimated, a significant reversal in the amount of cumulative revenue recognized is unlikely to occur. Therefore, the estimate of variable consideration will not be constrained. The products of the Company do not include any right of return.

Promised consideration for transactions is largely received within three months after the satisfaction of performance obligations. No significant financing component is included in the amount of consideration.

11 Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the end of the fiscal period.

12 The Company uses the deferral accounting method when accounting for hedging transactions.

13 The group tax sharing system is being applied. Also, in accordance with ASBJ Practical Issues Task Force Report No. 42, 'Treatment of Accounting and Disclosure for Applying the Group Tax Sharing System' (August 12, 2021), the Company is conducting accounting and disclosure for corporate and municipal taxes as well as the accounting treatment for tax-effect accounting related to these taxes.

(Significant Accounting Estimates)

(Valuation of Shares of subsidiaries and affiliates)

1 Amount recorded in financial statements for the fiscal year ended March 31, 2025

(JPY millions)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Shares of subsidiaries and affiliates (Of which, shares with market value)	353,547 [208,189]	245,833 [97,867]

2 Information on significant accounting estimates related to identified items

(i) Method of calculating amount recorded in financial statements for the fiscal year ended March 31, 2025

Shares and investments in affiliates without market value are recorded as the acquisition cost on the balance sheet. In the valuation of these shares, if the substantial value drops significantly due to the deterioration of the issuing company's financial position, a corresponding reduction in value will be made, and the difference will be treated as a loss for the current period.

A deterioration in financial position is defined, in principle, as a decline of 50% or more in the value of net assets per share compared to the value at the time of the acquisition. However, if the substantial value of shares and investments without market value is substantiated by sufficient evidence of recoverability, the valuation difference shall not be treated as a loss for the period. Further, as part of the Company's strategic investment in healthcare business growth during the VG2020 period, it invested in AliveCor, Inc., which provides definitive diagnosis and monitoring services for atrial fibrillation in the United States. The investment is valuated as its real value, reflecting factors like the excess earning capacity of the company. In this case, the deterioration of financial condition is defined as when the real value falls by 50% or more compared to the value at the time of acquisition.

(ii) Key assumptions used in calculating the amounts recorded in financial statements for the fiscal year ended March 31, 2025

The real value of investment in AliveCor, Inc., which does not have a market price, was calculated by discounting the estimated future cash flow based on the business plans that have been approved by management to the present value using a discount rate calculated based on the weighted-average cost of capital. The business plans are formulated using assumptions such as macroeconomic conditions, market growth rates, profit margins, and capital expenditures plans. Cash flows in business plans are calculated based on the growth rate estimated within the range of the long-term average growth rate of the market to which the affiliate belongs.

(iii)Impact on financial statements for the following fiscal year

If key assumptions used in calculating the amounts recorded in the financial statements for the current fiscal year deviate significantly from the situation at the end of said fiscal year, it may affect their valuation and have a significant impact on share-related values.

Changes in Accounting Estimates

(Change in amortization period of actuarial gains and losses and past service costs)

When accounting for retirement benefits, the Company previously amortized actuarial gains and losses and past service costs over a period of 11.4 years within the average remaining service period of employees; since it has become shorter in this fiscal year, the Company amortizes them over a period of 11.0 years from this fiscal year.

In addition, the impact of this change on the non-consolidated financial statements is immaterial.

(Additional Information)

(Matters Related to Shares)

1 Overview of Transactions

The Company has implemented a performance-linked share compensation plan as a part of directors and manager-level employees of overseas subsidiaries of the Company (hereinafter referred to as “Directors, etc.”) compensation.

Under this system, points are granted to Directors, etc. according to the Company’s prescribed standards. After the conclusion of the medium-term management plan and upon retirement, shares of the Company shares corresponding to the points, as well as cash equivalent to the value of the shares, are issued and paid through the Officer Compensation BIP Trust and the Stock-granting ESOP Trust.

The accounting treatment for such trusts is subject to the application of the gross price method, in accordance with “Practical Handling of Transactions Where Company Shares are Issued to Employees, Etc., Through a Trust” (Practical Solutions Report No. 30 of December 25, 2013, revised March 26, 2015).

2 Own Shares Remaining Officer Compensation BIP Trust and Stock-granting ESOP Trust

The shares of the Company remaining in the Officer Compensation BIP Trust and the Stock-granting ESOP Trust are accounted for as treasury stock in the net assets section. The number and carrying amount of such shares, as of the end of the preceding fiscal year, were 520,413 shares and JPY3,369 million, and at the end of the current fiscal year were 518,391 shares and JPY3,356 million; this fiscal years 2,022 shares of the Company are being paid to Directors, etc. In addition, the dividends for own shares held by the Officer Compensation BIP Trust and the Stock-granting ESOP Trust were JPY56 million in the previous fiscal year and JPY54 million in the current fiscal year.

(Balance Sheet-related)

*1 Monetary claims and monetary debts with subsidiaries and affiliates

(JPY millions)

	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Short term monetary claims held against subsidiaries and affiliates	54,200	60,992
Long term monetary claims held against subsidiaries and affiliates	6,388	7,428
Short term monetary debts owed to transactions with subsidiaries	220,697	180,017

*2 Pledged assets

(JPY millions)

	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Investment securities	200	200

Note: Investment securities are pledged in accordance with the debt of investee.

3 Guaranteed debt

(JPY millions)

Main guaranteed party	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
OMRON ELETRONICA DO BRASIL LTDA.	40	11
OMRON MEXICO, S.A. DE C.V.	173	133
OMRON AUTOMATION PVT LTD.	―	3
Total	213	147

(Statements of Income-related)

*1 Indication of sales classifications

FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Sales items of the Company include products and goods of the same type, and due to the difficulty in classifying them, the sale of goods has been included in sales.	Sales items of the Company include products and goods of the same type, and due to the difficulty in classifying them, the sale of goods has been included in sales.

*2 Volume of transactions with subsidiaries and affiliates

(JPY millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Sales	167,562	176,115
Amount purchased	122,110	139,264
Volume of other sales transactions	12,293	10,767
Volume of transactions other than sales transactions	33,734	109,953

*3 The approximate ratio of expenses attributable as selling expenses was 15% in the previous fiscal year and 14% this fiscal year; the approximately ratio of expenses attributable as general and administrative expenses was 85% in the previous fiscal year and 86% this fiscal year.

The major items and amount of SG&A expenses are as shown below.

(JPY millions)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Commission expenses	26,037	25,582
Salaries, allowances and bonuses	28,477	25,013
Depreciation	5,021	5,038
Retirement benefit expenses	(692)	(2,966)
Research and development expenses	33,648	27,875

*4 Main breakdown of gain on sale of non-current assets

(JPY millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Buildings	—	0
Machinery and equipment	2	21
Tools, furniture and fixtures	0	31
Vehicles	—	0
Software	0	1
Construction in progress	—	6

*5 Main breakdown of loss on sale of non-current assets

(JPY millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Machinery and equipment	3	—
Tools, furniture and fixtures	1	—
Land	0	—

*6 Main breakdown of loss on disposal of non-current assets

(JPY millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Buildings	88	19
Structures	—	1
Machinery and equipment	162	173
Tools, furniture and fixtures	26	49
Construction in progress	126	69
Software	42	834
Facility usage rights	8	11
Technological asset	0	—
Telephone subscription right	5	4
Software in progress	266	—

*7 Restructuring expenses

Restructuring expenses are mainly JPY7,746 million of special retirement payments in association with a voluntary retirement offer.

*8 Loss on valuation of shares of subsidiaries and affiliates

In the valuation of shares of affiliates with market value, when the valuation based on the market price has declined significantly, such valuation based on the market price is deemed to be the carrying amount and the valuation difference is recognized as an impairment loss on the investment, unless the valuation is expected to recover. In principle, "declined significantly" is defined as a decline of 50% or more compared to the carrying value in the balance sheet. However, in the case where the valuation has declined by roughly 30% or more compared to the carrying value in the balance sheet and it is considered to have declined significantly based on objective information available, the valuation difference shall be treated as a loss for the current period.

As for investment in JMDC Inc., since the market value has declined more than 50% compared to the carrying amount on the non-consolidated balance sheet, this was deemed a "declined significantly," and the Company also reasonably assessed the possibility of recovery to around the acquisition cost within roughly one year after the fiscal year-end, using objective information such as the closing price as of the balance sheet date, operating results, and analyst reports. As a result, a loss on valuation of shares of subsidiaries and affiliates of JPY110,322 million was recorded in the current fiscal year, using the share price of JMDC Inc. as the market value.

(Securities-related)

FY2023 (as of March 31, 2024)

Shares of subsidiaries and affiliates, etc.

(JPY millions)

	Amount recorded on the non-consolidated balance sheet	Market value	Difference
Shares of subsidiaries	208,189	127,972	(80,217)
Total	208,189	127,972	(80,217)

Note: Carrying amounts of shares of subsidiaries and affiliates, etc., which have no quoted market price and are not included in the above, are as shown below.

(JPY millions)

	Amount recorded on the non-consolidated balance sheet
Shares of subsidiaries	133,272
Shares of affiliates	12,086
Investments in other securities of subsidiaries and affiliates	1,241
Total	146,599

FY2024 (as of March 31, 2025)

Shares of subsidiaries and affiliates, etc.

(JPY millions)

	Amount recorded on the non-consolidated balance sheet	Market value	Difference
Shares of subsidiaries	97,867	97,867	—
Total	97,867	97,867	—

Note: Carrying amounts of shares of subsidiaries and affiliates, etc., which have no quoted market price and are not included in the above, are as shown below.

(JPY millions)

	Amount recorded on the non-consolidated balance sheet
Shares of subsidiaries	133,287
Shares of affiliates	14,679
Investments in other securities of subsidiaries and affiliates	1,906
Total	149,872

(Tax Effect Accounting-related)

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

(JPY millions)

	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Deferred tax assets		
Allowance for doubtful receivables	4	3
Inventories	2,155	1,298
Unpaid bonuses	1,903	1,824
Retirement benefit trusts	6,534	9,456
Investment securities	1,464	1,691
Shares of subsidiaries and affiliates, etc.	8,901	43,594
Contingent debt	1,510	1,438
Depreciation and amortization assets	1,690	2,806
Tax loss carryforwards	2,161	3,566
Other	2,691	5,161
Deferred tax assets, Subtotal	29,013	70,837
Valuation allowance	(8,901)	(44,808)
Deferred tax assets, Total	20,112	26,029
Deferred tax liabilities		
Valuation difference on other securities	1,961	345
Prepaid pension costs	5,970	8,072
Other	521	224
Deferred tax liabilities, Total	8,452	8,641
Net deferred tax assets	11,660	17,388

2. Breakdown of major items causing a difference between the income tax rates and effective income tax rates

	FY2023 (as of March 31, 2024)	FY2024 (as of March 31, 2025)
Statutory effective tax rates	30.5%	－%
(Adjusted)		
Dividend income amount	(71.5)	－
Valuation allowance	15.6	－
Outflows such as entertainment expenses	1.0	－
Tax credits, etc., for testing and research expenses	(4.2)	－
Foreign withholding tax	11.2	－
Takeover of tax loss carryforwards due to liquidation of subsidiary	(9.6)	－
Foreign tax credit	(6.0)	－
Other	(3.9)	－
Effective income tax rates	(36.9)	－

Note: Information of current fiscal year is not provided due to the recording of a loss before income taxes for the year.

3. Adjustments of deferred tax assets and deferred tax liabilities due to changes in tax rate of income taxes

Following the enactment of the “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) by the Diet on March 31, 2025, “special corporate tax for defense” will be imposed from the fiscal year beginning on or after April 1, 2026. In association with this tax imposition, the statutory effective tax rate was changed from 30.5% to 31.4% to calculate deferred tax assets and deferred tax liabilities related to temporary differences, etc. that are expected to be reversed on or after the fiscal year beginning April 1, 2026.

Due to this change, the amount of deferred tax assets (net of deferred tax liabilities) for the current fiscal year increased by JPY198 million, and income taxes - deferred and valuation difference on available-for-sale securities decreased by JPY208 million and JPY10 million, respectively.

In addition, deferred tax liabilities for land revaluation increased by JPY28 million, and revaluation reserve for land decreased by the same amount.

(Revenue Recognition-related)
For sufficient information to enable users to understand the relationship of disaggregated revenue, notes have been omitted as the same information is given under “Notes on Consolidated Financial Statements II Descriptions and Breakdowns of Major Accounts - A. REVENUE 2. Sufficient Information to Enable Users to Understand the Relationship of Disaggregated Revenue.”

(Subsequent Events)
Not applicable.

(iv) Supplementary Schedule

Property, Plant and Equipment, Etc., Schedule

(JPY millions)

Classification	Type of asset	Balance at beginning of this year	Amount of increase this year	Amount of decrease this year	Balance at end of this year	Cumulative depreciation	Amortization this year	Deduction balance at end of this year
Property, plant and equipment	Buildings	64,851	933	325 (149)	65,459	43,774	1,842	21,685
	Structures	5,234	20	4	5,250	4,420	101	830
	Machinery and equipment	13,729	1,022	1,347	13,404	8,330	1,112	5,074
	Vehicles	10	—	0	10	8	1	2
	Tools, furniture and fixtures	15,742	976	1,249 (4)	15,469	10,563	1,261	4,906
	Land	[3,357] 11,892	—	—	[3,357] 11,892	—	—	[3,357] 11,892
	Leased assets	1,005	6	—	1,011	442	170	569
	Construction in progress	1,098	1,278	1,157	1,219	—	—	1,219
	Total	113,561	4,235	4,082 (153)	113,714	67,537	4,487	46,177
Intangible fixed assets	Leasehold interests in land	480	—	—	480	—	—	480
	Software	36,999	3,919	623	40,295	32,222	2,192	8,073
	Right to use facilities	330	14	35	309	263	19	46
	Technological asset	7,887	14	114	7,787	3,658	689	4,129
	Software in progress	33,205	19,383	3,051	49,537	—	—	49,537
	Other	224	—	5	219	128	20	91
	Total	79,125	23,330	3,828	98,627	36,271	2,920	62,356

Notes: 1. The amount within parenthesis ( ) on the ”Amount of decrease this year” section is the recorded amount of impairment loss.
2. The amount within parenthesis [ ] is the difference with the carrying amount prior to the land reevaluation that was conducted pursuant to the Act on Revaluation of Land (Act No. 34 of 1998).
3. The amount of increase this year in software and software in progress is mainly due to the development, etc., of core corporate systems.

Statement of Reserves

(JPY millions)

Account	Balance at beginning of this year	Amount of increase this year	Amount of decrease this year	Balance at end of this year
Allowance for doubtful accounts (current)	0	3	—	3
Allowance for doubtful accounts (fixed)	14	—	8	6
Provision for bonuses for directors (and other officers) (current)	10	228	10	228
Provision for share awards (current)	—	733	—	733
Provision for share awards (fixed)	1,316	370	743	943

(2) Content of Main Assets and Liabilities

Description has been omitted because the consolidated financial statements have been prepared.

(3) Other

Not applicable.

VI. Outline of Share-Related Administration of the Reporting Company

Fiscal year	April 1 to March 31
Ordinary General Meeting of Shareholders	During June
Record date	March 31
Record date for dividends of surplus	March 31, September 30
Number of shares per unit	100 shares
Purchase and sale of shares below one unit	
Handling office	(Special Account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation
Shareholder registry administrator	(Special Account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Handling location	-
Purchasing / selling fee	Free of charge
Method of public notice	The Company uses the method of electronic publication for publications. However, in the event of it not being possible to make a publication electronically due to accident or other unavoidable reason, a notification shall be published in the Nihon Keizai Shimbun and the Kyoto Shimbun, which is issued in Kyoto. It should be noted that the address (URL) of the website containing publications is https://www.omron.com/jp/ja/.
Shareholder benefits	Not applicable

Note: In accordance with the provisions of the Company's articles of incorporation, the shareholders with shares below one unit are not entitled to other than the following rights: the rights stipulated in each item of Article 189-2 of the Companies Act of Japan; the right to demand what is stipulated under Article 166-1 of the Companies Act of Japan; the right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held; and the right to demand the Company should sell shares below one unit.

VII. Reference Information about the Reporting Company

1. Information about the Parent Company, etc. of the Reporting Company

The Company does not have a parent company, etc.

2. Other Reference Information

The following documents were submitted in the period from the start date of the current fiscal year through to the submission date of the Annual Securities Report.

(1)	Securities report, attached documents, and confirmation letter	Fiscal year FY2023	(April 1, 2023 to March 31, 2024)	June 21, 2024 Reported to Director of Kanto Local Finance Bureau
(2)	Internal control report and attached documents			June 21, 2024 Reported to Director of Kanto Local Finance Bureau
(3)	Semiannual securities report and confirmation letter	Fiscal year (In the middle of FY2024)	April 1, 2024 to September 30, 2024	November 14, 2024 Reported to Director of Kanto Local Finance Bureau
(4)	Extraordinary report	An extraordinary report based on Article 19, paragraph (2), item (ix-ii) (Results of the Exercising of Voting Rights at Meeting of Shareholders) of the Cabinet Office Ordinance on the Disclosure of Corporate Information, Etc.		June 21, 2024 Reported to Director of Kanto Local Finance Bureau
		An extraordinary report based on Article 19, paragraph (2), item (iii) (Change in Specified Subsidiary) of the Cabinet Office Ordinance on the Disclosure of Corporate Information, Etc.		October 7, 2024 Reported to Director of Kanto Local Finance Bureau
		An extraordinary report based on Article 19, paragraph (2), item (xii) and (xix) (event with potentially serious effects on the finance, business results and cash flow of the reporting company and consolidated subsidiary companies) of the Cabinet Office Ordinance on the Disclosure of Corporate Information, Etc.		May 8, 2025 Reported to Director of Kanto Local Finance Bureau
(5)	Shelf registration statement (share certificates, bonds, etc.) and attached documents			December 19, 2024 Reported to Director of Kanto Local Finance Bureau
(6)	Shelf registration supplements (share certificates, bonds, etc.) and attached documents			January 22, 2025 Reported to Director of Kinki Local Finance Bureau

Part II Information about the Reporting Company's Guarantor, etc.

Not applicable.

NOTE TO READERS:

Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. Readers should be aware that this report is presented merely as supplemental information.

Readers should be particularly aware of the differences between an audit of internal control over financial reporting ("ICFR") under the Financial Instruments and Exchange Act ("ICFR under FIEA") and one conducted under the standards of the Public Company Accounting Oversight Board (the United States of America) ("ICFR under PCAOB");

- In an audit of ICFR under FIEA, the auditors express an opinion on management's report on ICFR, and do not express an opinion on the Company's ICFR directly. In an audit of ICFR under PCAOB, the auditors express an opinion on the Company's ICFR directly.
- In an audit of ICFR under FIEA, there is detailed guidance on the scope of an audit of ICFR, such as quantitative guidance on business location selection and/or account selection. In an audit of ICFR under PCAOB, there is no such detailed guidance. Accordingly, regarding the scope of assessment of internal control over business processes, the Company selected locations and business units to be tested, and the companies whose combined sales and other balances reaches two thirds of total sales and other balances for the prior year on a consolidation basis were selected as "significant locations and/or business units."

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 23, 2025

To the Board of Directors of
OMRON Corporation:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Yasuhiko Haga

Designated Engagement Partner,
Certified Public Accountant:

Takeshi Kawazoi

Designated Engagement Partner,
Certified Public Accountant:

Tomomi Tsuji

<Audit of Consolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of OMRON Corporation and its consolidated subsidiaries (the "Company") included in the Financial Section, namely, the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes, and consolidated supplementary schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025, and its consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America pursuant to the third paragraph of the Supplementary Provisions of the Cabinet Office Ordinance for Partial Amendment of the Ordinance for Terminology, Forms and Preparation Methods of Consolidated Financial Statements (No.11 of the Cabinet Office Ordinance in 2002).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The Company aims to create a better society by solving social issues through its business activities, and in the midst of the demand for technological advancements, is accelerating innovation through alliances, mergers and acquisitions, and investments with technologically capable companies, including startup companies.

The Company has been implementing the structural reform program "NEXT2025" since April 1, 2024. This program aims to ensure sustainable sales growth accompanied by profitability and achieve continuous enhancement of corporate value. To achieve these things, the Company has been addressing two key management challenges: rebuilding of the Industrial Automation Business and the reconstruction of the profit and growth foundation and restructuring its foundation for earnings and growth.

Also, in the previous fiscal year, the Company made JMDC Inc. ("JMDC") a consolidated subsidiary and established a new business division, the Data Solution Business Headquarters (“DSB”), which includes JMDC, on December 21, 2023. Collaboration with JMDC within DSB has been progressing.

The key audit mater of the consolidated financial statements in the current period is a matter related to goodwill in the Data Solution Business Headquarters, taking into account changes in the relative risks and quantitative importance considering the changes in the Company's business.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Impairment of goodwill in the Data Solution Business Headquarters		○
Evaluation of goodwill of the Data Solution Business Headquarters	○	

Impairment of goodwill in the Data Solution Business Headquarters	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As disclosed in Note II.G "Goodwill and Other Intangible Assets" of the consolidated financial statements, the balance of goodwill allocated to DSB is JPY 309,776 million (after impairment losses recorded in the current consolidated fiscal year), which represents 22.7% of total assets, and an impairment loss on goodwill in DSB of JPY 11,725 million was recognized in the fiscal year ended March 31, 2025. The Company performs an impairment test at least once a year or when impairment indicators are identified for the evaluation of goodwill. As a result of the impairment test, if the carrying amount of the reporting unit, including goodwill, exceeds its fair value, any excess is recognized as impairment loss, which is limited to the amount of allocated goodwill to the reporting unit. During the current fiscal year, a decline in the fair value of the reporting unit was indicated due to primarily driven by the drop in the stock price of JMDC, a listed company included in the DSB. The Company performed the impairment test. As the result of the impairment test, the fair value of the reporting unit was lower than its carrying amount and an impairment loss was recognized accordingly. For the evaluation of fair value in the impairment test, as disclosed in Note II.G " Goodwill and Other Intangible Assets" of the consolidated financial statements the Company determines fair value using two valuation techniques, market approach and discounted cash flow approach. Under the market approach, the fair value is measured by adjusting the stock price of JMDC, a listed company included in DSB, with a control premium. The evaluation method includes the following significant judgments made by management based on assumptions used in accounting estimates. 1.The period used for the average stock price, determined in consideration of the high volatility of the stock price of JMDC. 2.The valuation amount of the control premium. Under the discounted cash flow approach, the fair value is measured by the five-year future business plan approved by the management. The evaluation method includes the following significant judgments made by management based on assumptions used in accounting estimates. 1. Revenue growth from data expansion and value	In testing the reasonableness of the fair value measured by the Company's for evaluation of goodwill related to DSB, we performed the following, among others. We evaluated the design and operating effectiveness of the internal controls related to the Company's impairment test, which are mainly related to testing reasonableness of the period used for the average stock price, the valuation amount of the control premium and assumptions and significant judgments made by management in the discounted cash flow approach. We performed the following procedures for testing on significant judgments and decisions made by management in the market approach with the assistance of the experts of our audit firm's network firm. 1.Performed a volatility analysis of market prices over a certain period in the past and tested reasonableness of using the recent average stock price and the period used for the average stock price. 2.Evaluated the consistency of the control premium selected by the Company as of the acquisition date and for the past Takeover Bid ("TOB") cases. We performed the following procedures in testing the significant judgments made by management in discounted cash flow approach: 1.Inquired with management and obtained external market data, and considered the market's growth, competitor's situation, and past performance growth rate, in testing the reasonableness of revenue growth. 2.With the assistance of the experts of our audit firm's network firm, tested the reasonableness of using the exit multiple method based on the size of JMDC and the market environment at the end of the business plan and the similarity between the comparable companies used and JMDC. 3.With the assistance of the experts of our audit firm's network firm, compared data with available external data for the testing the reasonableness of the discount rate used. We assessed if there is significant inconsistency between the valuation results measured by the market approach and discounted cash flow approach for testing on the fair value evaluation. Through the procedures described above, we compared the fair value with the carrying amount of the reporting unit and confirmed whether the excess of the carrying amount over the fair value was appropriately recognized

enhancement in Healthcare Big Data business and the expansion of the transaction market that included in the future business plan. 2. Adoption of the "exit multiple method" for calculating the terminal exit value after the business plan ends, and selection of comparable companies as the underlying calculation. 3. A discount rate calculated based on a weighted average cost of capital. We determined the valuation of goodwill is as a key audit matter, considering that the uncertainty and subjectivity in assumptions used in the accounting estimates and judgments made by management on the underlying accounting estimates and the quantitative importance of goodwill related to DSB.	as the impairment loss.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in the United States of America.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in the United States of America , as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of OMRON Corporation as of March 31, 2025.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of OMRON Corporation as of March 31, 2025, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management’s report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.

• Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

• Plan and perform the internal control audit to obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and review of the audit work performed for purposes of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to the OMRON Corporation and its subsidiaries are disclosed in (3) Status of Auditing of Corporate Governance, etc, which is included in the Information about the Reporting Company of the Annual Securities Report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

NOTE TO READERS:
Following is an English translation of the Independent Auditor’s Report filed under the Financial Instruments and Exchange Act of Japan. Readers should be aware that this report is presented merely as supplemental information.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 23, 2025

To the Board of Directors of
OMRON Corporation:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Yasuhiko Haga

Designated Engagement Partner,
Certified Public Accountant:

Takeshi Kawazoi

Designated Engagement Partner,
Certified Public Accountant:

Tomomi Tsuji

<Audit of Nonconsolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the nonconsolidated financial statements of OMRON Corporation (the "Company") included in the Financial Section, namely, the nonconsolidated balance sheet as of March 31, 2025, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 88th fiscal year from April 1, 2024 to March 31, 2025, and a summary of significant accounting policies and other explanatory information, and the supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the nonconsolidated financial statements of the current period. The matter was addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The Company aims to create a better society by solving social issues through its business activities, and in the midst of the demand for technological advancements, is accelerating innovation through alliances, mergers and acquisitions, and investments with technologically capable companies, including startup companies.

The Company has been implementing the structural reform program "NEXT2025" since April 1, 2024. This program aims to ensure sustainable sales growth accompanied by profitability and achieve continuous enhancement of corporate value. To achieve these things, the Company has been addressing two key management challenges: rebuilding of the Industrial Automation Business and the reconstruction of the profit and growth foundation and restructuring its foundation for earnings and growth.

Also, in the previous fiscal year, the Company made JMDC Inc. ("JMDC") a consolidated subsidiary and established a new business division, the Data Solution Business Headquarters (“DSB”), which includes JMDC, on December 21, 2023. Collaboration with JMDC within DSB has been progressing.

The key audit matter of the nonconsolidated financial statements in the current period is a matter related to subsidiaries and affiliates related to the shares of JMDC's subsidiaries with market value, taking into account changes in the relative risks and quantitative importance considering the changes in the Company's business.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss on valuation of subsidiaries and affiliates related to the shares of JMDC's subsidiaries with market value		○
Evaluation of shares of subsidiaries of JMDC with market value	○	

Loss on valuation of subsidiaries and affiliates related to the shares of JMDC with market value	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As disclosed in Note “Statements of Income-related" to the nonconsolidated financial statements, loss on valuation of subsidiaries and affiliates related to the shares of JMDC of JPY 110,322 million was recognized in the fiscal year ended March 31, 2025. For the shares of subsidiaries with market value, when the market value decline significantly, except when recovery is expected, the amount recorded on the balance sheet is based on the market value and the valuation difference is accounted as a loss on valuation for the current fiscal period. In principle, “decline significantly” is defined as a decline of 50% or more compared to the carrying value in the balance sheet. As of the end of the fiscal year, the market value of	To evaluate the appropriateness of the Company's judgment that the market value of shares related to JMDC declined significantly and that the market value is unlikely to recover to its acquisition cost within approximately one year after the fiscal year end, we primarily performed the following audit procedures. We assessed the effectiveness of internal controls related to the valuation of the share of subsidiaries and affiliates, including whether the fair value of securities with market value significantly declined compared to the carrying value in the balance sheet and whether there is reasonable evidence to predict the possibility of the market value recovering to its acquisition cost within approximately one year after the fiscal year end. We verified that the stock price of JMDC used in the

shares related to JMDC declined by more than 50% of its carrying value on the balance sheet, and it was, therefore, determined that the market value declined significantly. Additionally, based on objective information such as the closing price at the fiscal year end, JMDC's business performance, and analyst reports, it was reasonably concluded that the market value is unlikely to recover to its acquisition cost within approximately one year after the fiscal year end. Therefore, the loss on valuation was recognized in the current fiscal year. Loss on valuation of subsidiaries and affiliates related to the shares of JMDC with market value was quantitatively significant. Therefore, we determined the loss on valuation of subsidiaries and affiliates related to the shares of JMDC as a key audit matter.	valuation aligns with external data and confirmed the appropriateness of the determination of significant decline as well as the calculation of the loss on valuation of subsidiaries and affiliates. We involved valuation experts from our network firm to test the Company's analysis of companies' performance and stock price movements in the healthcare industry and stock price trends of JMDC, which analyst reports are considered to evaluate the appropriateness of the Company's judgment that the market value is unlikely to recover to its acquisition cost within approximately one year after the fiscal year end.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the nonconsolidated financial statements and our auditor's report thereon.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the nonconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fee-related information is disclosed in independent auditor's report on the nonconsolidated financial statements as of and for the year ended March 31, 2025.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.