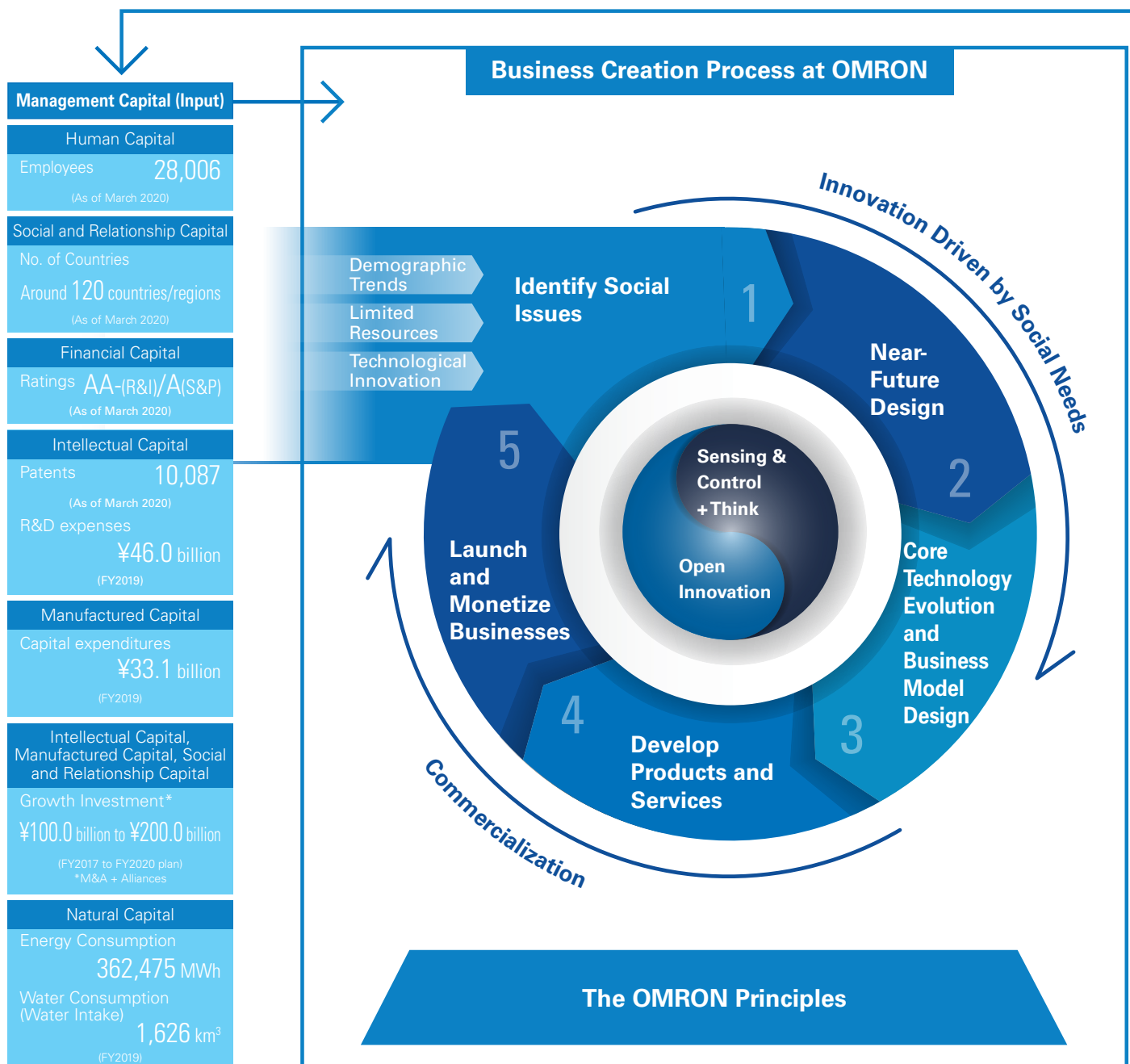


Value Creation Model

OMRON value creation is anchored to future social needs as we work toward our vision of a better society. Innovation driven by social needs means creating new value through inspired solutions to social issues. At OMRON, we base value creation on the OMRON Principles and the SINIC Theory (future predictive model). We commercialize innovations as products and services for our customers, contributing to a better society as these solutions are put into use. Our value creation model results in business growth and sustainable corporate value improvement. As we grow, we generate larger amounts of management capital for use in creating innovation driven by new social needs.



Business Creation Process at OMRON

Innovation Driven by Social Needs

① Identify Social Issues

Identify signs of change in the world and search for social issues (including customer issues) in key areas of focus.

② Near-Future Design

Develop near-future design for the next three to ten years, anchored to our future vision of social issues, technological innovation, and developments in science.

③ Core Technology Evolution and Business Model Design

Evolve core technologies and design business models necessary for achieving our vision of the near future.

Commercialization

④ Develop Products and Services

Develop products and services for customers and society.

⑤ Launch and Monetize Businesses

Incubate and grow businesses to solve social issues, while identifying new and emerging social issues.

