OMRON’s Business and Fiscal 2019 Results

OMRON manufactures and sells market-leading sensing and control products in around 120 countries/regions around the world. Our products include control equipment, electronic components, social systems, and healthcare items.

Consolidated Sales Composition Ratio

- **Healthcare Business (HCB):** Providing a comprehensive lineup of healthcare products for home and hospital use
- **Social Systems, Solutions and Service Business (SSB):** Offering social infrastructure systems for a safer, more comfortable society
- **Industrial Automation Business (IAB):** OMRON’s mainstay business; innovating global manufacturing through factory automation
- **Electronic and Mechanical Components Business (EMC):** Providing the market with sophisticated components that create seamless relationships between people and machines

Net Sales and Number of Employees by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Net Sales (¥ billion)</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>¥311.5</td>
<td>10,600</td>
</tr>
<tr>
<td><strong>Greater China</strong></td>
<td>¥126.1</td>
<td>8,031</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>¥108.5</td>
<td>2,320</td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td>¥67.8</td>
<td>1,798</td>
</tr>
<tr>
<td><strong>Asia Pacific</strong></td>
<td>¥62.7</td>
<td>5,257</td>
</tr>
</tbody>
</table>

(Net Sales: ¥678.0 billion, Number of Employees: 28,006) (Fiscal Year Ended March 31, 2020: Consolidated)

* Regional categories are defined as follows:
  - Americas includes North America, Central America, and South America.
  - Europe includes Europe, Russia, Africa, and Middle East.
  - Greater China includes China, Taiwan, and Hong Kong.
  - Asia Pacific includes Southeast Asia, Korea, India, and Oceania.
Financial Highlights

Gross Profit Margin

- Gross profit margin reached a record high, driven by stronger group-wide earnings capacity.

ROIC

- Our focus on ROIC management resulted in a 14.1% ROIC, far above our 6% expected cost of capital.

EPS and Dividend

- OMRON paid dividends of ¥84 per share, representing dividend on equity above our target of approximately 3%.

Cash and Cash Equivalents

- As a result of a business transfer, cash and cash equivalents increased significantly year on year.

Ratio of Overseas Sales

- OMRON’s overseas sales ratio remains over 50%.

Capital Expenditures

- OMRON made carefully selected capital investments, including increased production facilities and investment in operating sites for future growth.

* The Automotive Electronics Components Business (AEC) was transferred, and the AEC business was classified as a “discontinued business.” Accordingly, some financial data for fiscal 2017 and 2018 have been reclassified.
We are expanding the environmental contribution of OMRON products and services that reduce the impact on the environment. We also strive to reduce CO₂ emissions at our production centers through the use of our own energy saving products.

OMRON has established its new environmental target “OMRON Carbon Zero” with the goal of reducing greenhouse gas emissions to zero by 2050. OMRON has set greenhouse gas emissions as an indicator to achieve that goal.

* Environmental Contribution = Volume of CO₂ emissions reduction contributed by society’s use of the OMRON Group’s energy generation and savings products and services.

* Net sales to CO₂ emissions: Net sales per one ton of CO₂ emissions

* Since fiscal 2018, OMRON has been using the following published figures for the CO₂ emissions coefficient associated with electric power: Japan: Ministry of the Environment-By Power Company (updated annually); China: National Development and Innovation Committee – By Power Company (updated annually); Other: IEA, by country (2011) https://sustainability.omron.com/en/environ/reduce/co2/#co2

* Indicates independent verification or review performed by a third party.