

VG2.0 Medium-Term Management Plan

A Road Map Anchored in the Future

In 2011, OMRON started Value Generation 2020 (VG2020), a plan that outlines a 10-year vision for our company. VG2.0, our medium-term management plan launched in fiscal 2017, is the last stage of VG2020. Spanning four fiscal years, VG2.0 also defines our long-term strategy to respond to social change beyond the timeframe.

In drafting VG2.0, we forecast future world trends and social changes, incorporating these projections of the future into our strategies. VG2.0 also reflects considerations of the SINIC theory (OMRON's unique future predictive model) and Sustainable Development Goals*.

Innovation driven by social needs. It is the core tenet of the OMRON Principles and a concept driving us to solve social issues through leveraging open innovation with customers and partners. To achieve this, we have set the following three focused domains in growing market where we can exhibit our strength: Factory Automation (FA), Healthcare, and Social Solutions.

Given the spread of COVID-19, OMRON puts the highest priority on crisis response for ensuring business continuity and profitability for the 2 years between fiscal 2020 and fiscal 2021, assuming that the "with COVID-19" situation will remain during the period. Aiming for sustainable growth in a new normal era, we specified the 2 years as the period of transformation, which will lead to our next long-term vision, to accelerate business structure shift and strengthen profitability by maximizing the ability to respond to change. The next long-term vision period will begin in fiscal 2022.

Growing Concern for Social Issues



Labor shortages
Adapting to changes in manufacturing



Frequent traffic accidents, congestion
Deteriorating urban environment



Aging society
Soaring medical costs



Advancing climate change

Rapid Technological Innovation



AI



IoT



Robotics

OMRON

Sustainability

VG2.0

Business Strategies

1. Redefine focus domains and maximize the strength of businesses
2. Evolve business models
3. Reinforce core technologies

Collaborative Creation with Partners

Operations/Functional Strategies

Human Resource Management,
Manufacturing/Environment and
Risk Management

* Goals for sustainable development adopted by the United Nations.

VG2.0 and Sustainability Initiatives

OMRON has aligned sustainability targets with our VG2.0 goals to pursue sustainable corporate value through the generation of social value. Based on the OMRON Sustainability Policy, we identified social issues in VG2.0 to be solved through focus domains, while selecting core sustainability issues to support our execution of VG2.0 as well as answer the expectations of our stakeholders. We set goals in these areas to achieve by fiscal 2020, and began working toward these goals in fiscal 2017. In the same year, we added progress toward VG2.0 and sustainability indicators* evaluated by third parties into the medium- and long-term performance-linked stock based compensation system for our officers and directors. [P31 →](#)

Principles

Policy

Sustainability Initiatives

Social Issues to be solved through our Business [P33 →](#)



Collaborative Creation with Partners

Issues Responding to Stakeholder Expectations [P31 →](#)



2020-2021

Period of transformation for the next long-term vision

- Crisis Response for Ensuring Business Continuity
- Accelerate Business Transformation for Sustainable Growth

2030 Shared Goals (SDGs) Among International Society



<https://www.un.org/sustainabledevelopment/>

* An evaluation based on the Dow Jones Sustainability Index (DJSI).