

Employees are the most critical element to promote OMRON Principles Management. As employees supporting the growth of OMRON, we enjoy our work and commit to building an attractive company that accepts the challenge of creating social needs that solve social issues.

We create and evolve conditions where the company and its employees can grow together.

OMRON Principles Unleash the Passion of Employees

Our goal is to solve social issues through business by creating and evolving a working environment where the company and its employees can grow together. In an employee- or people-oriented manner, it can be put otherwise as follows: if employees can unleash and exercise their abilities and passions to the fullest, we will be able to solve more social issues and ensure that OMRON and its employees can grow together.

To this end, OMRON emphasizes “resonant management,” which focuses on how we can share the OMRON Principles with each and every employee and create resonance. It is important to work as a team to address social issues.

There are limits to what you can do alone, but a team can solve bigger social issues. Every team needs a purpose. OMRON has a clear purpose; putting the OMRON Principles into practice. Our ideal organization is a group of teams formed of individuals sympathetic to the Principles to solve social issues in a self-motivated manner.

Each team must include people with diverse specialties and experiences and a leader who bring the team together. Each team member needs to refine and increase his or her specialty skills, and the team leader is expected to combine the diverse skills of members to lead the team to success and improve the team’s ability.



Senior General Manager,
Global Human Resources and
Administration HQ

Masahiko Tomita

Progress and Issues in VG2.0 Human Resources Strategies

To achieve the goals set in the VG2.0, OMRON focused the most on fostering global leaders and empowering diverse talent in its human resources strategies.

For cultivating global leaders, we have pursued the Global Core Positions and Core Human Resources Strategies. The Global Core Positions were established as the most important position to lead OMRON’s sustainable growth and business model transformation. Qualified future leaders are assigned to this position at the right time. In addition, we have discovered talent with the potential to assume the position in the future and foster successors to enhance our pipeline. In particular, we have been focusing on the recruitment of local human resources and producing a steady flow of results. Social issues, places where we solve them, and partners with whom we work together are has globalized. With the increasing importance of local perceptions and prompt decision making, it will be our greatest strength that the local talent who have grown, learned, and worked there takes the core positions. Consequently, the ratio of non-Japanese in managerial positions overseas, which accounts for approximately one third of the Global Core Positions, has increased significantly from 49% in fiscal 2017, when VG2.0 began, to 70% in fiscal 2019.

As for the empowerment of diverse human resources, at the inception of the VG2.0, we identified requirements for human resources needed to execute the strategies and combined hiring and internal development processes to deploy a diverse range of talent with unprecedented capabilities and experience on a global basis. In Japan, the mass recruiting of new graduates has been very common. At OMRON, the number of hiring career employees exceeded that of new graduates in the 3 years from fiscal 2017 to fiscal 2019. Career employees have quite diverse capabilities and experience. The collaboration among career workers or between existing employees and other employees leads to innovation. With the OMRON Principles as the starting point of the collaboration, diverse capabilities, experiences, and views are intermingled to bring innovation and solve social issues. In this way, our Diversity & Inclusion efforts have made good progress.

However, new issues have emerged. Until now, we have focused on increasing the number of diverse employees. The next step is to further enhance the capabilities of individuals. We are taking on the challenge of visualizing and connecting diverse capabilities on a global scale.

Next Challenge Accelerated by COVID-19

We feel that COVID-19 has greatly pushed the clock forward as a driver of social change. From the perspective of human resources management, while the dualistic question is asked whether we should work from home or at office, COVID-19 provided an opportunity to think about the advantages of face-to-face communication and the role of an office. A more significant implication of COVID-19 is that leaders and specialties who are the most eligible for the purpose in each case but scattered around the globe can form the best team in a flexible combination of remote and face-to-face communications across countries and regions. We realized the possibility of creating greater value and communications timely and faster.


To this end, OMRON will remain committed to fostering global leaders and empowering diverse human resources. To build best teams with global members more quickly and flexibly, we will promote the recruitment and internal development of strong global leaders who can practice the OMRON Principles and deliver results, as well as specialists with more advanced skills and abundant experience.

In addition, we are working on introducing the Global Human Resources Management System (G-HRMS) in order to centralize and visualize human resources information. The G-HRMS will be put into operation on a step-by-step basis in fiscal 2021 and will be able to list human resources information scattered all over the world in fiscal 2022. This will enable us to assign the right people to the right positions on a global scale. Employees will be able to have an opportunity for diverse work experience across countries and regions. Visualizing their capabilities and experience gained will lead to further career advancement.

To provide a basis on which each and every employee can display their abilities to the fullest, we continue to work on ensuring the health and human rights of all people working at OMRON and the safety of workplaces. This is exactly the practice of the OMRON Principles by Human Resources division. This is also the realization of one of Our Values, "Respect for All," and is the role undertaken by human resources division.

We are responsible for promoting the advancement of OMRON's employees and organizations throughout the Group and are committed to solving social issues through our business. We will continue to create and evolve conditions where the Company and its employees can grow together.

Key Initiatives for VG2.0 Human Resources Strategies

Management		Ideal Conditions	Major Initiatives to Date
	Fostering Global Leaders	The right people with adequate qualifications and capabilities are assigned to managerial positions, and an adequate successor pipeline is in place to sustain the conditions	<ul style="list-style-type: none"> Succession plans have been developed and implemented to assign the right people to the right Global Core Positions The assignment of local human resources to the Global Core Positions has been promoted to make prompt decisions based on local perceptions (ratio of non-Japanese > 70%) Appointment to regional managerial positions has been promoted, and the effort to discover and foster next-generation management personnel on a global basis has also been accelerated
	Empowering of Diverse Human Resources	Employees with diverse skills and experience play an active role, collaborate, and create new values	<ul style="list-style-type: none"> Diverse talent has been recruited on a global scale to expand diversity (number of new hires between FY2017 and FY2019: 867 persons) Recruitment methods have been devised globally (e.g., expanding direct recruitment). Post-hire training programs have been standardized globally The empowerment of women has been promoted in Japan (ratio of women in managerial roles increased from 3.3% in 2017 to 5.9%* in April 2020*)
	Encourage Self-motivated Employees	Employees always work to increase their motivation and improve skills to achieve results that are a source of competitiveness	<ul style="list-style-type: none"> In Japan, a total of 97 employees (2017-2019) took advantage of an open recruitment and an application system intended to encourage self-motivated career development Retention and engagement have been improved by visualizing career paths and publishing and posting vacant positions Region-specific enlightening programs concerning leadership, management, skills for each job category, etc. have been provided
	Visualize Human Resources and Organization	G-HRMS is in place to visualize human resources and ensure that the right people are assigned to the right positions at the right time	<ul style="list-style-type: none"> G-HRMS has been put in place to visualize the abilities, experience, and skills of employees An employee engagement survey has been conducted to find out what employees really think and thereby visualize the state of workplace and organization To managers, 360 degree feedback has been provided
All Employees	Practice the OMRON Principles	The OMRON Principles serve as the Company's unifying and driving force	<ul style="list-style-type: none"> The circle of resonance has been expanded through the advancement of TOGA for practicing the OMRON Principles (advancement of "externalization," "walk the talk," and "resonance") The circle of resonance has been expanded outside the Company to create even greater value with external partners that cannot be achieved internally

* As of April 20, 2020. In the domestic OMRON group, the number of women in managerial positions ratio.

★ Indicates independent assurance performed by a third party.

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Global Core Positions and Core Human Resources Strategies

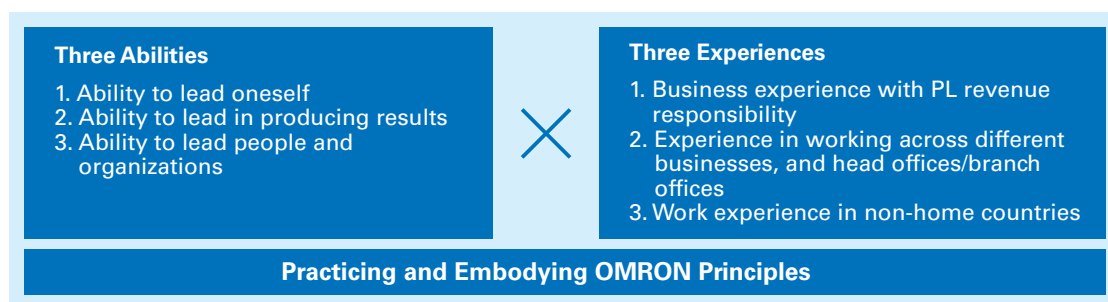
Global Core Positions

The Global Core Positions are the most important executive positions that lead the OMRON Group's management and business. Currently, approximately 200 positions are in place globally, and a person suited to the role of each position is assigned. As a rule, a person assuming the position must be a division director or higher level administrator, although it depends on the size of the organization to which such a person belongs.

Three Abilities and Three Experiences Required for All Core Human Resources

OMRON has established requirements of abilities and experiences for core human resources taking the Global Core Positions. In addition to the specialties and other requirements for each core position, three abilities and three experiences are required as common requirements to drive OMRON's management and business. The foundation for this concept is the practice and embodiment of the OMRON Principles.

Three Abilities and Three Experiences Required for All Core Human Resources



System to Assign the Right People to the Right Global Core Positions on an Ongoing Basis

In order to assign the right people to the right Global Core Positions on an ongoing basis, we operate a system to discover and foster next-generation management human resources.

● Deploy Human Resources to Global Core Positions

Led by the Global Human Resources and Administration HQ, which oversees human resources as a head office division, candidates for placement in Global Core Positions are listed through discussions with related divisions and management. The President and CEO finalizes the selection and assignment.

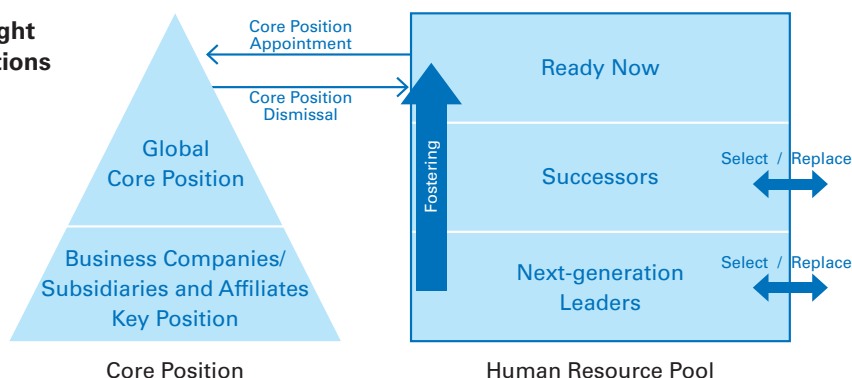
● Develop and Implement Succession Plans

A person assuming a core position is responsible for selecting and fostering his or her successor candidates. Approximately 400 successors have been selected and trained by management and core position incumbents.

● Discover and Foster Next-generation Leaders

Most of the successor candidates for next-generation leaders are selected from employees under the age of 35. This is because we believe that it is difficult for them to gain all of the three experiences after being appointed as a successor or assigned to a key position. In addition to employees meeting all of the requirements of three abilities, the next-generation leaders include individuals recommended by several core position incumbents. We have selected approximately 200 next-generation leaders and cultivate them by providing opportunities to accumulate the three experiences with a focus on stretch assignments. We intend to foster leaders who can discover and solve issues on their own. In addition, we support their growth by holding dialog sessions in which management and core position incumbents act as mentors to the future leaders and through educational programs to acquire management literacy.

Overview of System to Assign the Right People to the Right Global Core Positions on an Ongoing Basis

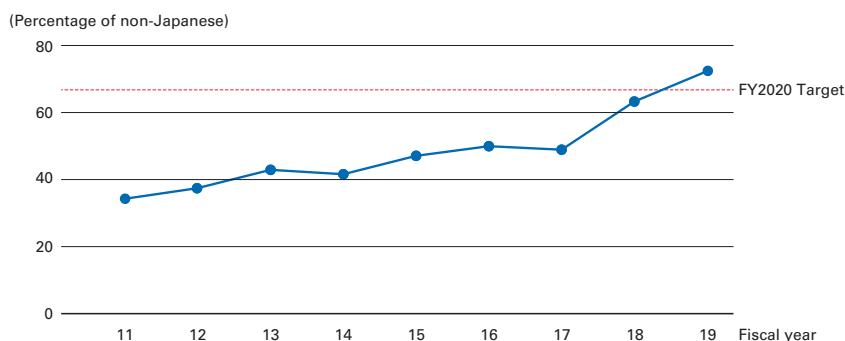


Results of Global Core Positions and Core Human Resources Strategies

The Global Core Positions and Core Human Resources Strategies has enabled us to assign the right people to approximately 200 Global Core Positions on an ongoing basis.

The ratio of non-Japanese in core positions overseas, on which we have focused since fiscal 2017, reached 70% in fiscal 2019, exceeding the fiscal 2020 target of 66% one year ahead of schedule. The number of non-Japanese Executive Officers increased from one person in April 2011 to four persons in April 2020.

Changes in the ratio of non-Japanese in core positions overseas*



FY2019 Results

70%

In 1995, I joined OMRON as a production control manager at a factory of Electronic and Mechanical Components Company (OMR) in Shanghai, China. After that, I worked on business supervision and management planning. In 2013, I became the President of OMR. In 2017, I had charge of manufacturing innovation in China at the Head Office as an Executive Officer of OMRON. In April 2020, I was appointed President of OMRON (CHINA) CO., LTD. (OMCC), the regional headquarters for the Greater China region.

This diverse experience has been a great asset for me in considering what I should do as the President of the regional headquarters for the Greater China region. In particular, I gained a broad perspective through opportunities to engage in dialogue with customers and the OMRON management team during my time as the

President of OMR and during training sessions for selected employees. Through work experience at OMR, I acquired a sense of agility and business acumen. At the Head Office, I grasped the issues in manufacturing, business management, and human resource development in China from a comprehensive perspective.

As the OMCC's first President from China, I will make use of these experiences to expand the circle of resonance of practicing the OMRON Principles among OMRON's employees and society in China. China has grown significantly over the past decade and has faced enormous social issues. In addition, the recent COVID-19 pandemic brought about a major change in the way people work. We are committed to fulfilling our functions as a regional headquarters, supporting OMRON's businesses in responding to China's speed, whereby contributing to the development of Chinese society.

We will inherit the OMRON Principles and OMRON's DNA, and develop talent for successors capable of conducting business operations rooted in China, from a comprehensive perspective encompassing not only Greater China but also the entire territory of the OMRON Group.



Executive Officer
President, OMRON (CHINA)
Jian Xu

* "Core positions overseas" is synonymous with the disclosed "managerial positions overseas."

Respect for Human Rights

As declared in the OMRON Principles, Our Values include Respect for All. In our view, Respect for All is the value that underlies all of our activities, including respect for human diversity, personality, and individuality, as well as the pursuit of a decent life and work. We believe that acting with integrity in our dealings with people at all times will lead to increased trust from society and the Company's existence.

Human Rights Policies in Line with International Norms and Guidelines

OMRON has formulated the Sustainable Conduct Policies which sets forth environmental and social issues to be addressed by OMRON and policies for dealing with the issues, with reference to international norms and guidelines such as the International Bill of Human Rights. The Sustainable Conduct Policies declares that we will respect the fundamental human rights of individuals and will not engage in discrimination or human rights violations for any reason. To this end, we respect the United Nations Guiding Principles on Business and Human Rights, establish procedures for identifying, preventing, mitigating, and rectifying negative impacts on human rights, and strengthen efforts to fulfill our corporate responsibility to respect human rights on a company-wide basis.

■ Due Diligence Process for Human Rights



Respecting Human Rights of All People Working for OMRON

OMRON works to ensure that the human rights of all people working at its business offices are always respected. In fiscal 2019, we revised our human rights policies and decided to exert an influence on business partners involved in our business.

To protect the human rights of all people working on our company premises, in fiscal 2019, we began providing the employees of contractors undertaking production, development, in-house logistics, security, food service, cleaning, and other services and working at our business sites in Japan with access equivalent to that provided to OMRON employees to human rights training opportunities as well as to an whistleblowing system and other relief measures.

Human Rights Initiatives During COVID-19 Pandemic

The spread of COVID-19 has brought about an unprecedented and growing interest in corporate initiatives for human rights issues such as the safety and health of employees, including suppliers. OMRON is addressing the negative impacts of COVID-19 on human rights.

Consultation Desk for COVID-19

We have set up a consultation desk at each business site in Japan for general consultations on concerns of individuals regarding the recent spread of COVID-19. We also provide consultation through whistleblowing system with due consideration of privacy protection. These two contact points are available not only to our full-time employees but also to temporary employees, part-time employees, and employees of contractors.

The OMRON Global Awards (TOGA)

OMRON pursues the goal of improving society by solving social issues through our business based on the OMRON Principles. TOGA initiatives are intended to share the stories of how the OMRON Principles are practiced throughout the entire Group across the world to ensure that all employees are aware of, and understand, the Principles, which are the source of OMRON's strength, and to expand the circle of empathy and resonance.

Highlights of TOGA Program

TOGA encourages employees to set their own goals for solving social issues to help them experience the connection between their work and the OMRON Principles, with the aim of fostering a culture of ongoing aspirations to put the OMRON Principles into practice. We share and publicly praise the OMRON Principles practiced in everyday work and workplaces, expanding the circle of empathy and resonance in practicing the OMRON Principles.

TOGA program is ongoing throughout the year. Thirteen teams that pass preliminary selections from our organizations around the world are invited to come to Kyoto to present their initiatives for practicing the OMRON Principles at the OMRON Global Meet on May 10th, the OMRON Group Founder's Day. These teams bring back news of how other team initiatives were received to their local workplaces, sharing their experiences with their co-workers and expanding the circle of empathy and resonance throughout the world.

TOGA Process

TOGA is designed based on the SECI* Model of knowledge management in which the tacit knowledge of an individual is drawn out to become shared knowledge throughout an organization. OMRON engages in a cycle of setting inspirational goals, taking action, and reviewing progress to share information and encourage buy-in throughout the entire year.

* SECI Model: A knowledge management mechanism produced by Hitotsubashi University professor Ikujiro Nonaka that focuses on knowledge creation activities. Through a conversion process of socialization, externalization, combination, and internalization, organizations can take the tacit knowledge of an individual and create shared knowledge throughout a group or organization.
(Source: Globis University, Graduate School of Management MBA Glossary)

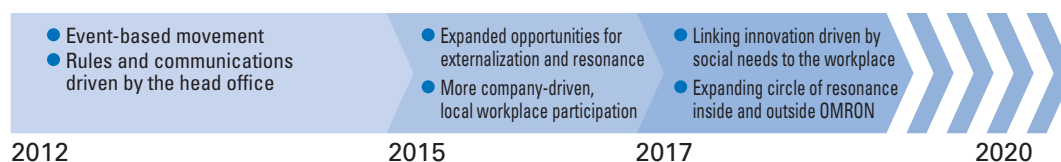


TOGA Evolution

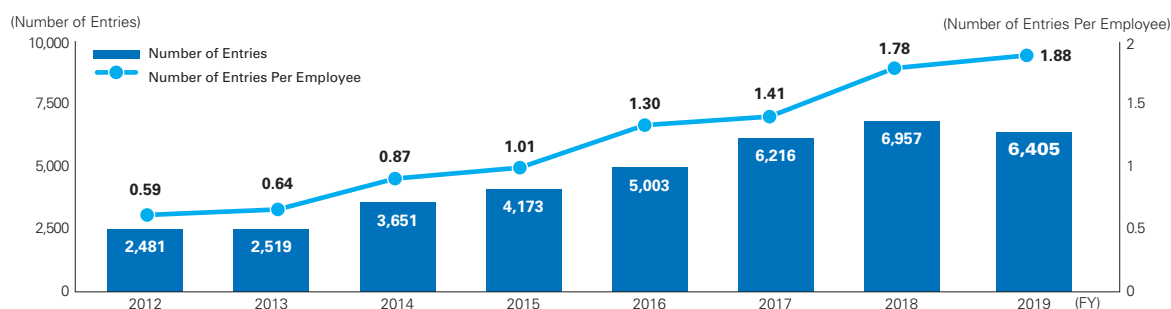
In fiscal 2019, TOGA drew a total of 6,405 entries from around the world. The total number of entries decreased due to the transfer of the Automotive Electronic Components Business, but the number of entries per employee has continued to increase each year. TOGA has taken root as a process to share and recognize voluntary employee initiatives in practicing the OMRON Principles. For further innovation driven by social needs, we continue to practice the Principles across departments and in cooperation with external partners.

The circle of empathy and resonance that originates from TOGA now involves people outside OMRON as well, and has led to new innovation driven by social needs. A typical example is the "Promoting Metabolic Management Centers (MMCs)" in China, which received the Gold Award in fiscal 2017. Details of this example are introduced on the following page.

TOGA Evolution



Number of TOGA Entries and Entries Per Employee



Example of Putting the OMRON Principles into Practice

Medical Treatment Innovation Offers Unified Patient Administration: Establishing the Metabolic Management Center (MMC) (Fiscal 2017 Gold Award, China)

In China, the number of patients with diabetes has increased rapidly as a result of improvements in living standards and is said to have exceeded 110 million. Diabetes is a serious disease that can lead to various complications such as liver diseases, neurological diseases, visual impairments, and a range of other complications. In China, patients who develop complications need to visit several different hospitals and clinical departments for each symptom. This has placed a considerable burden on patients and the lack of access to proper medical care has become a social issue.

To address this issue, a team led by Zhenjie Li of OMRON MEDICAL (BEIJING) Co., Ltd. has worked to establish the Metabolic Management Center (MMC) that enables one-stop management of patient information by doctors, so that patients can receive the optimal care for complications. However, clinical departments in China were vertically segmented so that it was difficult to even share each patient information. There was no environment to receive one-stop medical treatment.

To change this situation, Li and his team members attended almost 100 conferences in a year and explained the importance of MMC. As a result of this effort, the team gained the understanding and support for the MMC of doctors from different clinical departments attending those conferences, as well as the Chinese government, ophthalmology testing equipment companies, pharmaceutical companies, and medical IT companies, among others. In 2016, MMC equipped with blood pressure monitors, arteriosclerosis measuring devices, ophthalmologic diagnostic equipment, testing kits, and other test devices to treat complications of diabetes was introduced at a hospital for the first time.

Since then, MMC has quickly spread across China's provinces and regions. Now, a total of 484 hospitals have set up the MMC. More than 950 hospitals intend to adopt the system. The circle of resonance for the MMC has been expanding even further. The first MMC Health Convenience Store, offering easy access and a seamless connection between home and healthcare, opened at a major pharmacy chain located in the heart of Shanghai, China. The MMC Health Convenience Store is equipped with latest medical facilities such as MMC and iHEC.* It allows patients to receive advanced medical examinations including arteriosclerosis tests and fundusoscopic examinations at local pharmacies which were previously available only in hospitals. For those who continue to visit the store and register as a member, we will share each person's ID and medical data with medical institutions operating MMC or iHEC so that patients with diabetes can receive drugs prescribed based on their medical records, without visiting hospitals. This MMC Health Convenience Store is expected to open another 30 stores by the end of 2020.

The circle of resonance for OMRON's efforts to contribute to the healthy lives of people in China continues to grow. We are confident that the service will contribute to achieving our goal of "zero cerebrovascular and cardiovascular events" by getting more actively involved in the treatment of hypertension and intervening before events such as stroke occur.

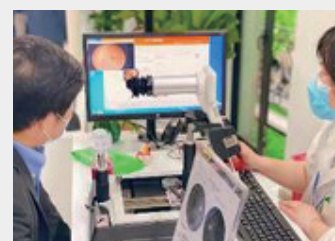
Going forward, we will continue with our challenge of expanding our collaboration to include more healthcare partners and becoming a service model that serves as a driving force for OMRON Healthcare's remote consultation service initiatives.



Zhenjie Li of OMRON MEDICAL
(BEIJING) Co., Ltd.



Major pharmacy chain in Shanghai
housing the MMC Convenience Store



Receiving medical examination at the
MMC Convenience Store

* iHEC: intelligent Hypertension Excellence Center. The Center collects and analyzes data from various healthcare devices on a cloud-based platform and uses the results to provide guidance from hypertension specialists and doctors.