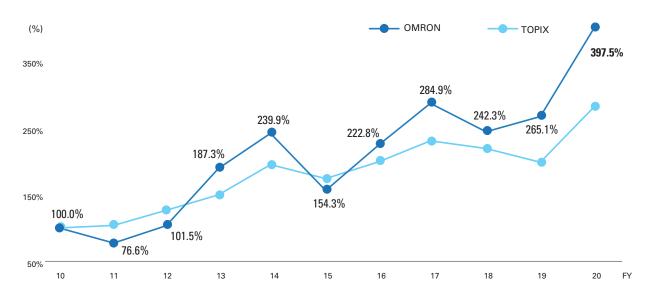
Review of Long-Term Vision: Value Generation 2020

OMRON has conducted business from a long-term perspective under its 10-year long-term vision, Value Generation 2020 (VG2020), from fiscal 2011 to fiscal 2020. During the effective period of VG2020, we endeavored to enhance financial value by strengthening our three abilities of growth power, earning capacity and responsiveness to changes, and non-financial value by engaging in sustainability initiatives. As a result of our efforts, total shareholder return (TSR), which is an indicator of corporate value creation, roughly quadrupled over the past ten years, proving a significant increase in corporate value.

■ Total Shareholder Return (TSR)



Improved Financial Value through the Enhancement of Growing Power, Earning Capacity, and Responsiveness to Changes.

- Enhancing Growing Power

By actively engaging in investment in order to achieve growth throughout the effective period of VG2020, we have built up three assets which will sustain future growth. The first is a strengthened ability to provide solutions. In our mainstay Industrial Automation Business, we have developed competitive and innovative products and applications, while strengthening our front-line human resources (sales and sales engineers) to communicate the value of these products and applications. The second is the formation of new business models. We invested in commercializing services that we expect to grow significantly in the future. These services include i-BELT, a manufacturing site data utilization service in our Industrial Automation Business, and remote medical consultation services in our Healthcare Business. The third is the acquisition of new products and new technologies. Focusing on fields such as robotics and AI, we have implemented M&As and created alliances in order to acquire innovative technologies and products which OMRON is lacking. We have acquired businesses in fields such as robotics and motion controllers for our Industrial Automation

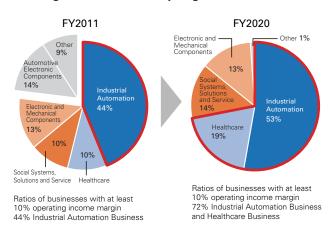
Business, enhancing our product lineup and technological capabilities. In addition, we have strengthened the competitiveness of our Healthcare Business through means such as acquiring nebulizer businesses and investing in a partner companies possessing electrocardiogram analysis technology. Through these approaches, we have been able to build a foundation for further growth.

— Increasing Earning Capacity

We have been strengthening our earning capacity steadily by improving our gross profit margin and optimizing our business portfolio through ROIC management. We transferred the Automotive Electronic Components Business and wrapped up low- profit businesses, narrowing our business portfolio to businesses with higher profits and market shares, while concentrating our management resources. In fiscal 2011, our only business with an operating income margin of more than 10% was the Industrial Automation Business, which accounted for about 40% of total net sales. In fiscal 2020, our Healthcare

Business' operating income margin also exceeded 10%. Combined with the Industrial Automation Business, these two businesses have grown to account for approximately 70% of total net sales. In addition to these portfolio management actions, we have continued to improve our earnings power through efforts conducted jointly among manufacturing, sales, development and planning, including expanding sales of high-value-added products, strengthening our ability to provide solutions, and reducing variable costs and manufacturing costs. As a result, we improved gross profit margin, our focus for the past ten years, from 36.8% in fiscal 2011 to 45.5% in fiscal 2020.

Changes in Sales Ratio by Segment



— Strengthening Responsiveness to Changes

Since 2011, we have engaged in integrated risk management to support global business expansion, improving our responsiveness to changes. Aiming to further increase productivity and build resilience which will enable us to weather change, we are working to optimize our production locations and supply chain. In addition to M&A activities to acquire new businesses in our Industrial Automation Business, we doubled the number of production centers from four in fiscal 2011 to eight, responding to the global expansion of our customers. In our Healthcare Business, we have utilized M&As to acquire production locations in Brazil and Italy in order to position production close to consumers. In fiscal 2011, we had three production locations; this has now grown to five. This increase in production has enabled us to quickly respond to demand fluctuations in the major markets of the Americas and Europe. At the same time, we consolidated 11 production centers to seven in our Electronic and Mechanical Components Business. We were able to improve our productivity by consolidating and eliminating small production centers.

— Future Challenges

During the effective period of VG2020, operating income went from ¥40.1 billion in fiscal 2011 to ¥62.5 billion in fiscal 2020. At the same time, establishing a sound self-driven growth structure that will help us fight against headwinds and grow profits solely through our own capabilities remains a challenge.

As part of our next long-term vision, we will continue to polish our existing businesses and strive to create further value in order to acquire the power to achieve

polish our existing businesses and strive to create further value in order to acquire the power to achieve self-driven growth. Moreover, we will also work to evolve our business model into one combining goods and services and, through joint development with our partners, accelerate our challenge to shift to new value generation, achieving self-driven growth.

Net Sales, Operating Income, Gross Profit Margin Results (FY2011–2020)



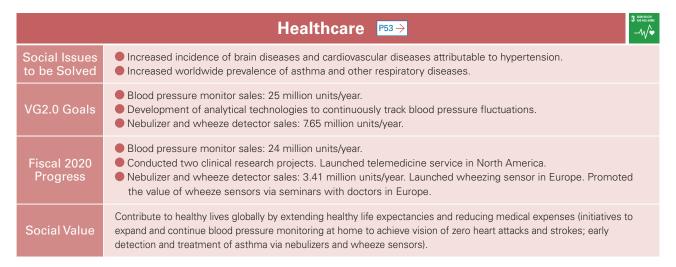
Improving Non-Financial Value through Sustainability Initiatives

As part of VG2.0, our medium-term management plan launched in fiscal 2017, we established material sustainability issues (materialities) and worked to improve corporate value. These material sustainability issues are comprised of two key points: social issues to be solved through our business, and issues responding to stakeholder expectations. We have set VG2.0 targets for social issues to be solved in our mainline business domains and are taking action to achieve them. In addition, through the achievement of goals in the fields of human resources management, manufacturing and the environment, and risk management, we have strengthened our business foundation, built a relationship of trust with society, and fulfilled our corporate responsibility to society.

Goals for Social Issues to be Solved through Business



^{*} innovative-Automation is the unique OMRON concept to bring innovations to production floors.





Solving Issues Responding to Stakeholder Expectations

Human Resources Management

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.

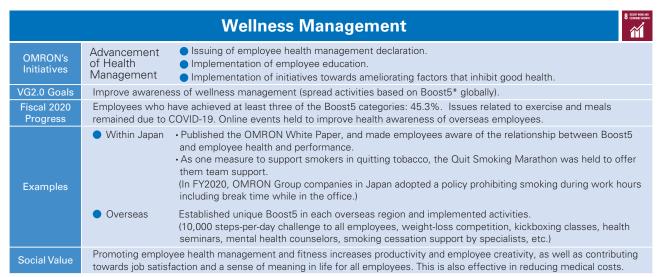
Talent Attraction and Development P65→ Securing and training of next-generation leaders (candidates for important positions). Human OMRON's • Providing of a workplace environment that can attract and empower the diverse talent necessary for business growth. Resources Initiatives Fostering of self-motivated employees who can achieve self-transformation and development. 1 Continued evolution of TOGA*1 towards meeting OMRON Principles. VG2.0 Goals Ratio of non-Japanese in key managerial positions overseas: Two-thirds (66%). 3 Accelerate PDCA implementation through VOICE*2 employee engagement surveys. 1 Participation in the 8th (FY2019) TOGA Global Conference: A record 16,000 people, including 200 guests from outside Fiscal 2020 OMRON. Steadily accelerated the expansion of the circle of empathy and resonance. **Progress** Ratio of non-Japanese in key managerial positions overseas: Three-fourths (75%). 3 Response rate: 90% (established consistent cycle of listening to and implementing employee feedback). For the 9th (FY2020) TOGA, a total of 51,033 employees (1.8 times entire employee base) engaged in 6,461 projects. Used periodic talent reviews in the selection of successors, and in localized positions. Systematic provision of opportunities for rotating roles and responsibilities as well as training aimed at the appointment of selected successors. To create a work environment in which employees can fully express their abilities, we strengthened workplace communications between superiors and subordinates, simplified rules, adopted systems for more flexible work styles, and leveraged IT infrastructure. OMRON is creating leaders who can drive innovation and employees who possess and express diverse abilities to solve social Social Value issues through our businesses

^{*1} TOGA: An abbreviation for The OMRON Global Awards, a participation-type approach for employees worldwide to foster a challenge-oriented corporate culture that uses our business activities to put into practice the OMRON Principles. Through these activities, each and every employee seeks to voluntarily take on the challenges of solving social issues, and of creating value.

*2 VOICE: VG OMRON Interactive Communication with Employee.

	Diversity and Inclusion P65→
OMRON's Initiatives	Advancement Promoting career advancement for women (OMRON Group in Japan). of Diversity Promoting career advancement for persons with disabilities.
VG2.0 Goals	 1 Ratio of women in managerial roles: 8%*1 (OMRON Group in Japan). 2 Ratio of employees with disabilities: Increase number of such employees to above the legally-mandated ratio (OMRON Group in Japan).
Fiscal 2020 Results ²	 1 Ratio of women in managerial roles: 6.7% (OMRON Group in Japan) 2 Ratio of employees with disabilities: 3.0% (OMRON Group in Japan) (legally mandated ratio: 2.2%)
Examples	 Promoting career Provided leadership training, career training, and networking opportunities for female employees. Trained managers in employee development skills. Female management mid-career hires. Enhanced systems that enable flexible work styles.
	 Employment of employees with disabilities Empowerment support and verification of reasonable accommodations at all OMRON Group companies. Established a consultation system and support for activities using professional counselors. Expanded duties aimed at increasing employment opportunities. Implemented heart barrier-free training—an awareness amongst everyone of accessibility issues.
Social Value	Achieving a workplace in which diverse human resources can play an active role, regardless of the presence of limitations such as gender or disabilities.

^{*1:} Ratio of women in managerial roles—April 2022 Goal/KPI. *2: ① is for April 2021, ② is for June 2020.



^{*}Boost5: We selected and created guidelines for five key themes for evaluating the health of mind and body (exercise, sleep, mental health, nutrition, and smoking).

Occupational Health and Safety Promote the acquisition of international health and safety standards at major production Health and Safety-related OMRON's centers. Management System and Initiatives Improvement Activities Ensure personnel for promotion, and carry out education. • Number of major production centers acquiring international health and safety standards: Acquisition at centers comprising VG2.0 Goals 80% of production. 2 Continue assignments of promotion personnel: All covered sites. Fiscal 2020 Ocompleted certification for sites representing more than 80% of production capacity 2 Maintained assignments of occupational health and safety managers Introduced an OSH management system to investigate occupational risks; pursuing measures to improve processes for Examples self-directed recurrence prevention at each location. Identified and prioritized regions/facilities requiring more personnel; implemented appropriate personnel assignments. While ensuring compliance with laws and regulations concerning workplace occupational health and safety, we are creating a Social Value work environment to ensure the wellbeing of all employees at the OMRON Group and to maximize their abilities, by striving to create workplaces at which employees can work safely and healthfully — both physically and mentally.

Respect for Human Rights and Labor Practices P71 →			
OMRON's Initiatives	Human Rights-related Management System and Improvement Activities Establishment of management system (human rights policy and organizational structure). Human rights risk analysis and corrective actions at production sites.		
VG2.0 Goals	 Define and adopt due diligence process. Implement analyses and corrective actions regarding human rights risks at all production sites. 		
Fiscal 2020 Results	 In addition to our own employees, we expanded the scope for employees of temporary staffing companies and contractors, both in Japan and at targeted overseas sites. Conducted risk analyses and implemented corrective measures at all 25 manufacturing sites.* 		
Examples	 Developed training content for employees of contractors working at our locations; implemented human rights training for representatives of the said employees; provided access to relief measures for employees of contractors. Communicated our policies to employee dispatch companies and contractors. Implemented risk assessments at 19 production locations using RBA SAQ (self-assessment questionnaire); confirmed all locations qualified as Low Risk. In the Labor section, as well, sites qualified as Low Risk expanded to 16 (6 additional sites over the previous year). 		
Social Value	Achieving a better work environment in which the human rights of all people working in the OMRON Group are respected.		

^{*} Production sites accounting for 80% or more of Group production (excludes minor production).

Manufacturing, Environment

By putting the OMRON Principles into practice in a way that complies with its Manufacturing Policy,* OMRON will create social value and strives to contribute to sustainable manufacturing. In conformance with OMRON's Purchasing Policy, OMRON also seeks to achieve sustainable procurement together with suppliers through purchasing practices that conform to our guidelines.

Product Safety and Quality OMRON's Conducting group-wide product quality management reform. Advancement of Groupwide Initiatives Product Quality Management Reducing product safety risk. 1 Ratio of newly developed products undergoing safety assessment: 100%. VG2.0 Goals 2 Improve product safety assessments. Fiscal 2020 1 Product safety assessments for newly developed products: 100%. Results Confirmed regular application to 101 newly developed products. Expanded assessment details for the application of latest safety standards, laws, and regulations and to improve market and Examples customer usability, and applied this to assessment processes in each business. Incorporating quality, safety, environmental, and human rights into products and services, to bring about sustainable manufacturing.

Supply Chain Management OMRON's Promotion of sustainability self-assessment for important suppliers.*1 Engagement with Partners Introduction of management compliant with RBA,*2 and initiatives to maintain and improve this Sustainability self- assessment for important suppliers (Partner Suppliers): 100% implementation ratio VG2.0 Goals 2 Sustainability self- assessment: Achieve RBA score of 85 or more Self-checks: 100% of critical suppliers. **Progress** 2 All critical suppliers achieved at least 85 points (low risk) in RBA standard score. Used individual meetings to dialogue with these suppliers, and to further communicate that sustainability self-assessment is an issue for business. Visited suppliers who have not implemented sustainability self-assessment, and requested their cooperation. Examples Onducted individual dialogues with suppliers with less than 85 points, and conducted follow-up to improve understanding (Based on the improvement plans, we verified the consistency of initiatives between the person in charge at the critical supplier and our CSR manager, completing the self-check.). By solving social issues in the supply chain in cooperation with suppliers, achieving a society capable of sustainable production and consumption.

OMRON's manufacturing policy comprises three principles: Quality First; 3F (Front-loading, Flowing & Flexible), and H&E (Human-oriented & Eco-manufacturing). The 3F policy refers to the creation of value upstream in the development process and delivering that which is required in the needed quantities and at the needed times. The H&E policy refers to achieving the best match between people and machines and promoting humanity-focused, environmentally friendly manufacturing.

^{*1} Sustainability self-assessment: Supplier self-evaluation of their own labor, safety, health, and environment, etc. initiatives using a questionnaire. 85 points or above is considered low risk, whereas 65 points or less is considered high risk. Compliant with RBA (Responsible Business Alliance).

^{*2} RBA: abbreviation of Responsible Business Alliance. Global CSR alliance centered around the electronics industry.

Reduction of Greenhouse Gas Emissions P72 → Reduction in greenhouse gas emissions by improving the efficiency of power usage, and by OMRON's Advancement of introducing renewable energy. Initiatives Green OMRON 2020 Provision of products and services that contribute to the spread of clean energy. 1 Reduce total GHG emissions by 4% (vs. fiscal 2016). VG2.0 Goals 2 Environmental contribution to exceed CO2 emissions from production centers Fiscal 2020 Reduced total GHG emissions by 50% (vs. fiscal 2016). Environmental contribution of 826kt-CO2 > Production location CO2 emissions: 106kt-CO2 Examples of Greenhouse Gas Reduction Solar power generation system installations: 3 locations in Japan, 1 overseas Renewable energy procurement: 6 locations in Japan, 1 overseas. Energy reduction through equipment upgrades and optimized operations (production site in Shenzhen, China). Potential assessment by professionals to plan mid-term measures for energy conservation and use of renewable energy at production site in Indonesia. Social Value Making sustainable manufacturing a reality by reducing greenhouse gas emissions, and bringing about decarbonized society.

	Appropriate Management and Reduction of Hazardous Substances
OMRON's Initiatives	Advancement of Green OMRON 2020 Build a framework for the management of the chemical substances used in production processes. Stop use or reduce the use of harmful chemical substances, responding to high social demand.
VG2.0 Goals	 Reduce mercury through prevalent usage of digital thermometers and blood pressure monitors: 69 tons/years. Stop use of equipment using CFCs in FY2018. Also stop use of equipment using HCFCs and mercury (fluorescent lamps) in FY2020.
Fiscal 2020 Results	 Mercury reduction: 70 tons/years. Eliminated the use of equipment using CFCs in fiscal 2018, and equipment using HCFCs and mercury (fluorescent lamps) one year ahead of schedule.
Examples	Exhibits at trade shows and academic societies for ongoing educational activities for doctors.
Social Value	Realization of decarbonized society that is in harmony with nature, by reducing negative impacts of chemical substances on people, organisms, and the environment.

Risk Management

OMRON promotes risk management that integrates all risk-related activities at the global level, in order to ensure business continuity and the achievement of goals, while also fulfilling its social responsibilities. By disseminating the policies and rules established in-house, OMRON seeks to build long-term relationships of trust with stakeholders while helping employees engage in work and business with pride and a sense of security.

Fair Business Practices P30 →		
OMRON's Initiatives	 Enhanced Compliance Program Periodic reviews of OMRON Group Rules for Ethical Conduct in order to reflect laws and regulations, and social demand of countries around the world. Offer continuous, periodic and necessary training and education in order to maintain awareness of compliance and instill matters stipulated in rules. Assess issues using the whistle-blower system and promptly take corrective actions. 	
VG2.0 Goals	Dramatic evolution of group governance.	
Fiscal 2020 Results	Completed OMRON Group Rules (OGR)* development and mechanism for global rollout.	
Examples	 CEO message (translated into 25 languages; delivered to all global company employees). E-learning for all employees during Global Corporate Ethics Month (bribery prevention, etc.). Use promotion videos and posters, etc., to encourage understanding of the internal whistleblowing system (Europe). 	
Social Value	Implementing appropriate anti-corruption measures taking into account the political, economic, and cultural circumstances of each country, and contributing to the maintenance of an orderly and healthy society based upon the rule of law. Ensuring fair business practices in conformance with applicable laws of respective countries and global rules, thereby contributing to the realization of the society that allows fair and free competition.	

* OMRON Group Rules (OGR): Internal rules established as a foundation for management in order to ensure transparency, fairness, and globality of management, and to ensure appropriate and prompt decision-making. These encompass 23 globally shared topics, including ethical conduct, risk management, unauthorized control, information security, safety assurance business management, IT controls, accounting and funding, labor and occupational health, environmental management, procurement, and brand logo management.

	Privacy and Data Security P30→
OMRON's Initiatives	Rebuilding an Information Security Management System Support for revised and newly enacted laws worldwide concerning the protection of personal information. Strengthened technical measures to counter the sharply increasing cyber attacks.
VG2.0 Goals	Build a new information security system.
Fiscal 2020 Results	Consistent engagement in activities based on clearly defined responsibilities, including the promotion of measures by specialized departments such as legal and IT, as well as regular activities by the Information Security Management Committee.
Examples	 Survey into personal information protection laws in each country, and updated OMRON Group Rules.* Improved training of employees in personal information security and dealing with targeted emails. Globally conducted website vulnerability assessment and management monitoring.
Social Value	Enable appropriate management of confidential data and personal information to help conduct business safely and securely in a digitized society.

^{*} OMRON Group Rules (OGR): Internal rules established as a foundation for management in order to ensure transparency, fairness, and globality of management, and to ensure appropriate and prompt decision-making. These encompass 23 globally shared topics, including ethical conduct, risk management, unauthorized control, information security, safety assurance business management, IT controls, accounting and funding, labor and occupational health, environmental management, procurement, and brand logo management.