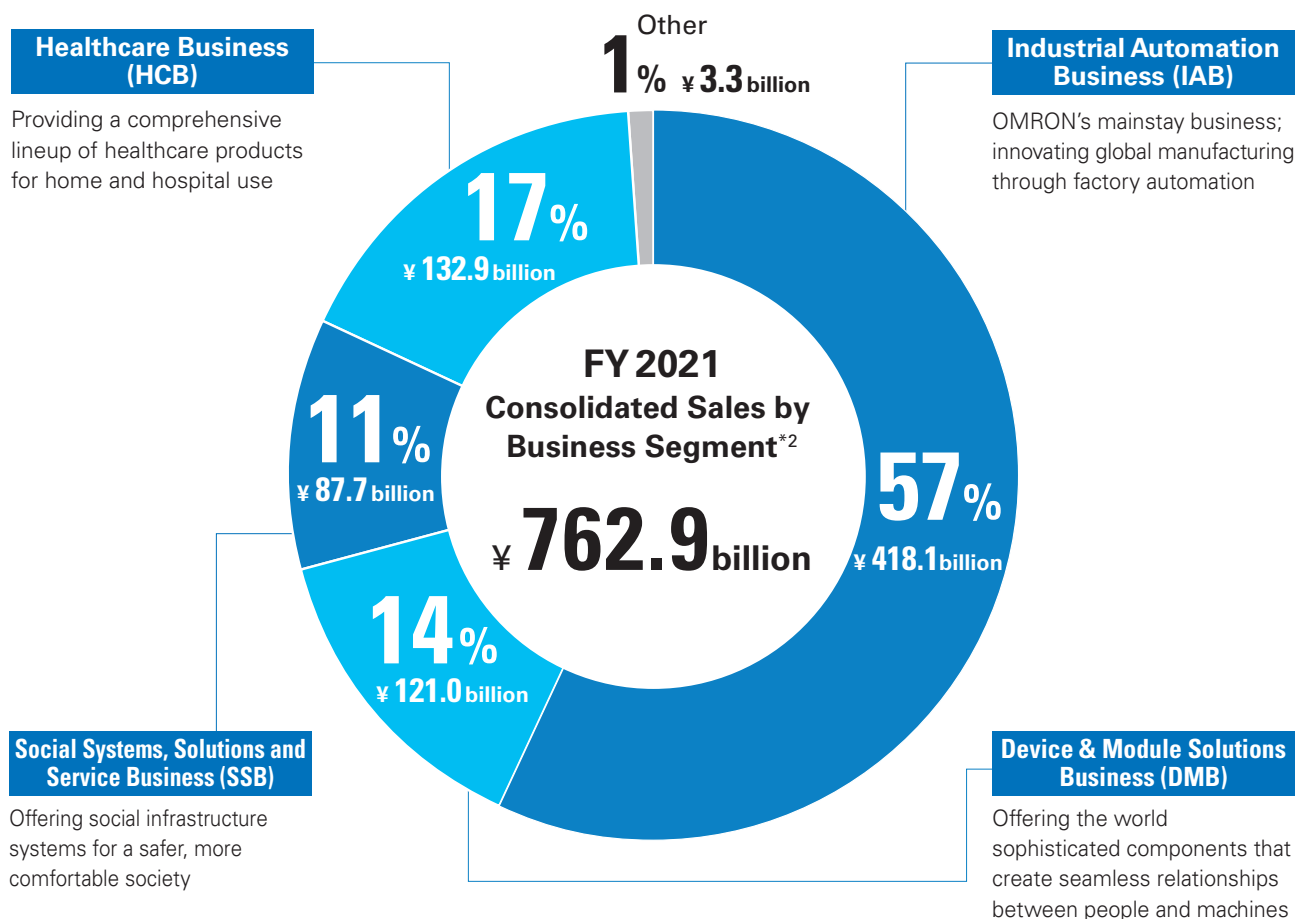


# OMRON's Business and Fiscal 2021 Results

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

## Consolidated Sales Composition Ratio



## Net Sales, Operating Income, and Operating Income Margins by Business Segment

(Billions of yen, %)

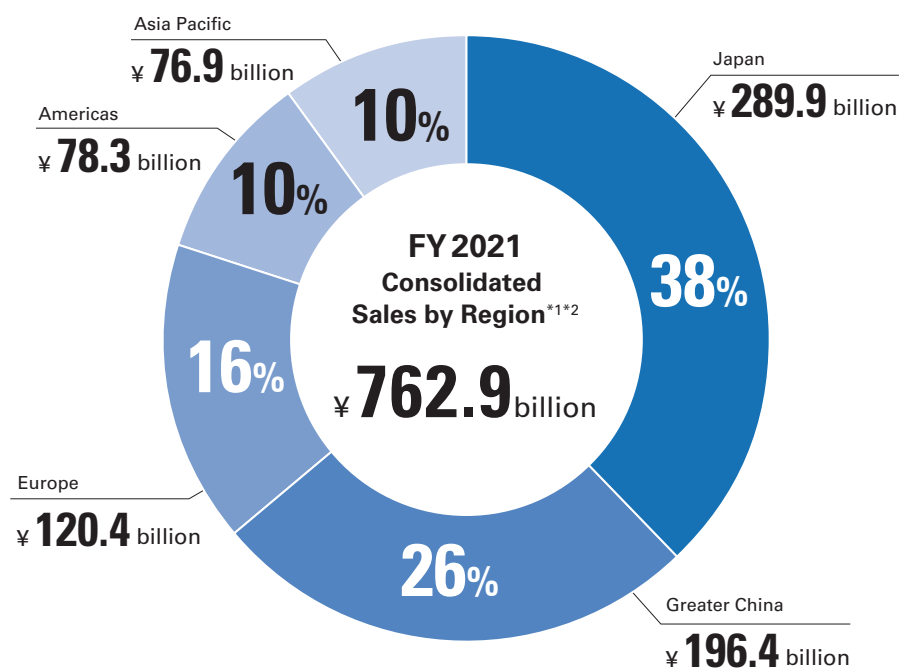
Business Segment	Net Sales*2	Operating Income*2 (Loss)	Operating Income Margin*2
Industrial Automation Business (IAB)	¥418.1*1	¥76.3	18.2%
Healthcare Business (HCB)	¥132.9	¥18.5	14.0%
Social Systems, Solutions and Service Business (SSB)	¥87.7	¥6.5	7.4%
Device & Module Solutions Business (DMB)	¥121.0*1	¥10.1	8.3%
Eliminations and Corporate	¥3.3	¥(22.1)	—
<b>Total</b>	<b>¥762.9</b>	<b>¥89.3</b>	<b>11.7%</b>

\*1 Some products in the Industrial Automation Business have been reclassified to the Device & Module Solutions Business.

\*2 As of March 31, 2022.

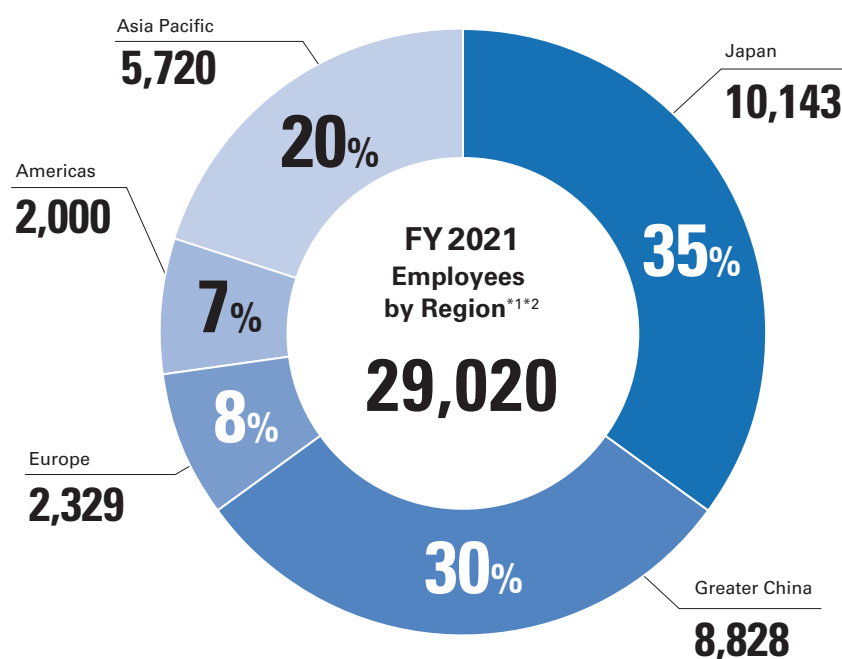
## Net Sales by Region

Ratio of Overseas Sales  
Approx.  
**62%**



## Number of Employees by Region

Ratio of Overseas Employees to Total Employees  
Approx.  
**65%**

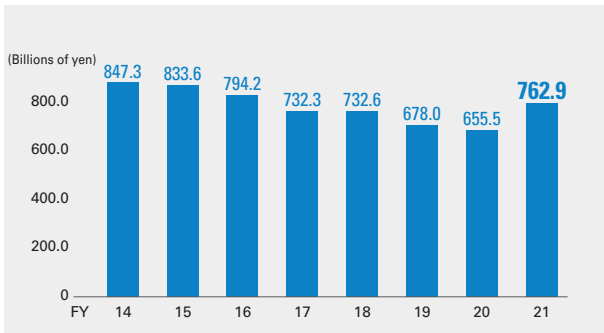


\*1 Regional categories are defined as follows:  
Americas includes North America, Central America, and South America.  
Europe includes Europe, Russia, Africa, and Middle East.  
Greater China includes China, Taiwan, and Hong Kong.  
Asia Pacific includes Southeast Asia, Korea, India, and Oceania.

\*2 As of March 31, 2022.

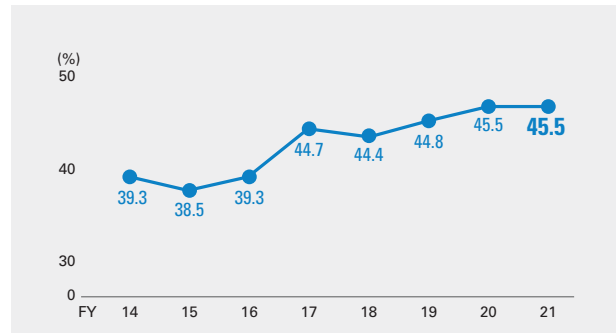
# Financial Highlights

## Net Sales



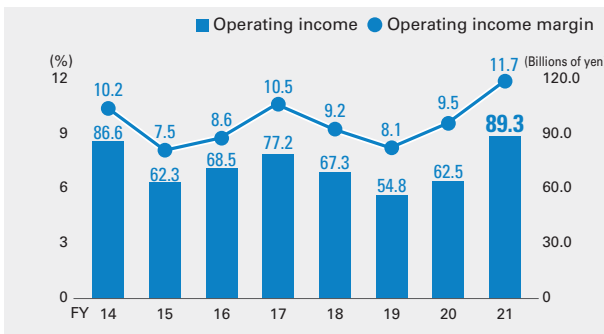
Consolidated net sales increased significantly from the previous year, as the Industrial Automation Business and the Healthcare Business captured demand amid continued uncertainty in the business environment.

## Gross Profit Margin



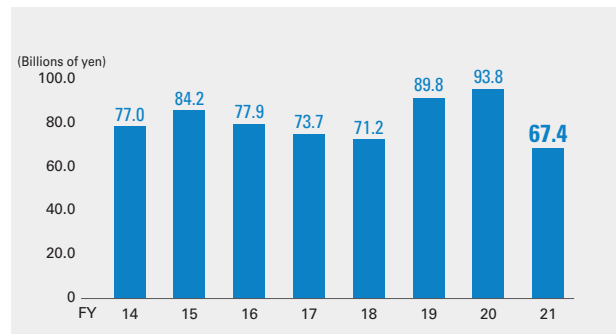
The gross profit margin on a consolidated basis remained high, despite the impact of inflation, owing to price optimization and ongoing cost reduction and other measures.

## Operating Income / Operating Income Margin



Consolidated operating income reached a record high thanks to increased net sales and as a result of strengthened initiatives to improve profitability centering on the gross profit margin.

## Operating Cash Flow



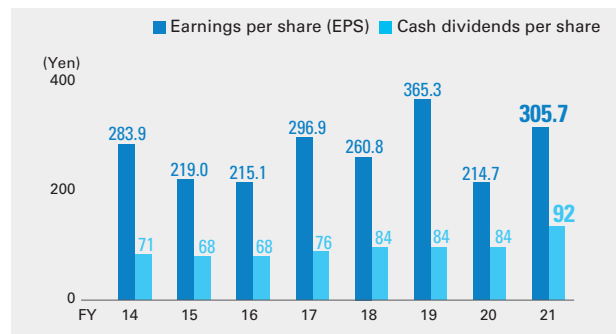
Cash has temporarily decreased due to an increase in working capital resulting from a significant increase in net sales from the previous year. However, OMRON's ability to generate cash is stable and at a high level.

## Return on Invested Capital (ROIC)



OMRON's focus on ROIC management led to enhancement of ROIC of each business and resulted in a 9.6% ROIC on a consolidated basis, which exceeded the weighted average cost of capital (WACC) of 5.5%.

## EPS and Cash Dividends

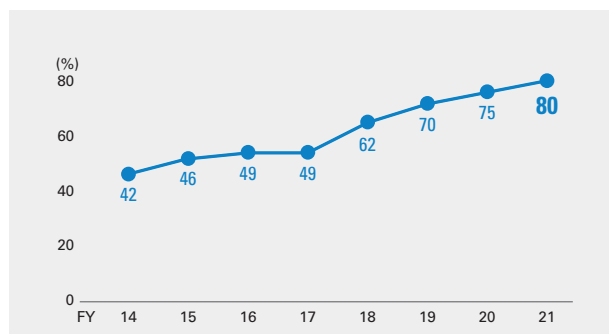


EPS increased due to profit growth in fiscal 2021. Stable and continuous dividend payments were maintained in accordance with the shareholder return policy with a target DOE of 3%.

\* 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.

# Non-Financial Highlights

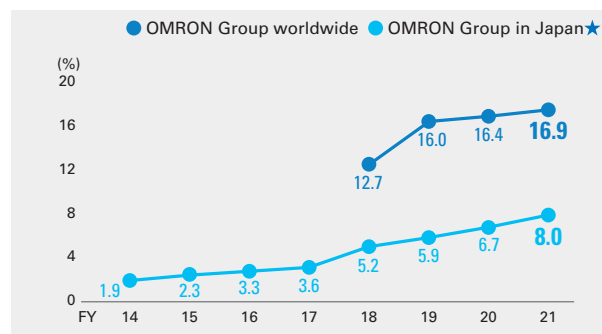
## Ratio of Non-Japanese in Key Managerial Positions Overseas★



The ratio of non-Japanese in key managerial positions overseas has been increasing year by year and has reached 80% in fiscal 2021.

\* From fiscal 2018, concurrent positions for governance and development positions are excluded.

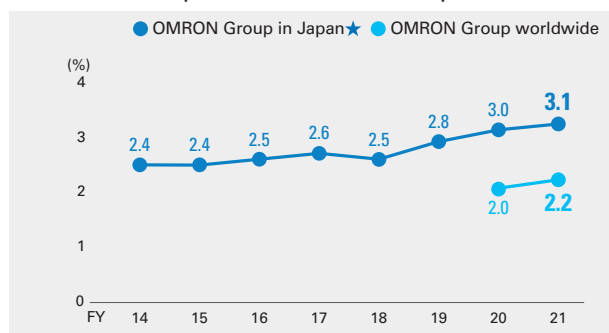
## Ratio of Women in Managerial Roles



The ratio of women in managerial roles has been increasing steadily to achieve the OMRON Group worldwide goal of 18% or more in fiscal 2024. On the other hand, securing the number of candidates for a medium to long term is a challenge.

\* The ratio of women in managerial roles (OMRON Group worldwide) has been calculated since fiscal 2018.

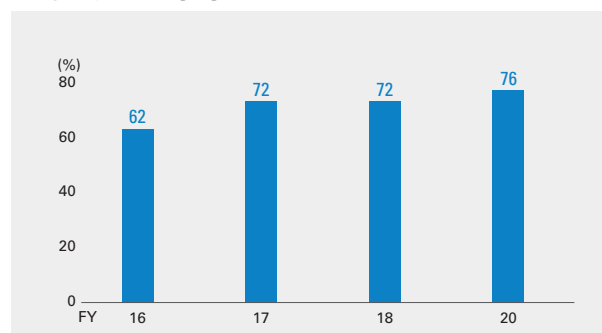
## Ratio of Employees with Disabilities (OMRON Group Worldwide and in Japan)



OMRON strove to create and expand employment opportunities for people with disabilities. As a result, the ratio of employees with disabilities reached 3.1% for the OMRON Group in Japan, exceeding Japan's legally mandated ratio of 2.3%.

\* Figures represent results as of June 20. For companies subject to the Act on Employment Promotion etc. of Persons with Disabilities, employment rate calculation is based on the Act on Employment Promotion etc. of Persons with Disabilities.  
 \* For the ratio of employees with disabilities (OMRON Group worldwide), applicable sites in countries with legally mandated employment rates are within the scope. The ratio is calculated based on the calculation method stipulated by laws and regulations of each country.

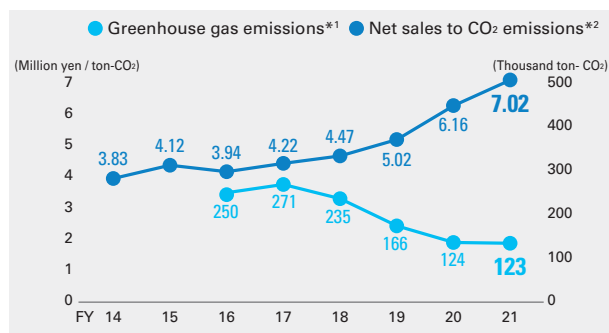
## Employee Engagement



As a result of promotion of diversity and inclusion at our workplaces and strengthening of human resources measures to enable employees to fully demonstrate their capabilities, the engagement rate has been at a high level.

\* The rate for fiscal 2015 is not presented because we did not conduct a survey. The figures for fiscal 2017 onward are based on the score of Sustainable Engagement Index (SEI) in the VOICE employee engagement survey.  
 \* The VOICE employee engagement survey has been conducted every other year since fiscal 2018.

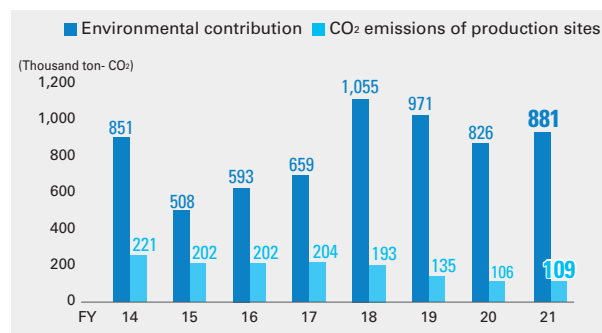
## Greenhouse Gas Emissions★



OMRON has set greenhouse gas emissions as an indicator to achieve the OMRON Carbon Zero target of reducing greenhouse gas emissions to zero by 2050. In fiscal 2021, we achieved a 50% reduction compared to fiscal 2016.

\*1 Greenhouse gas emissions: Scope 1 and 2  
 \*2 Net sales to CO<sub>2</sub> emissions: Net sales per ton of CO<sub>2</sub> emissions

## Environmental Contribution☆



We are expanding the environmental contribution of OMRON products and services that reduce the impact on the environment. We also strive to reduce CO<sub>2</sub> emissions at our production centers through the use of our own energy saving products.

\* Environmental Contribution = Volume of CO<sub>2</sub> emissions reduction contributed by society's use of the OMRON Group's energy generation and savings products and services.  
[https://sustainability.omron.com/en/enviroin/climate\\_change/contribution/](https://sustainability.omron.com/en/enviroin/climate_change/contribution/)

★ Indicates assurance performed by Bureau Veritas Japan Co., Ltd. ☆ Indicates independent verification or review performed by Bureau Veritas Japan Co., Ltd.  
 ★ Indicates assurance performed by KPMG AZSA Sustainability Co., Ltd.

## FY2021 Sustainability Targets and Results

Based on its Sustainability Policy, OMRON identified “social issues to solve through business” and “issues to respond to stakeholder expectations” as material sustainability issues.

Viewing fiscal 2021 as a period of change in the runup to the launch of SF2030, we set single-year targets in line with the material sustainability issues set in the previous medium-term management plan “VG2.0” and pursued various initiatives.

### Targets for Social Issues to Solve through Business

Factory Automation <a href="#">P37</a> →	
Social Issues	<ul style="list-style-type: none"> <li>● Increasing sophistication and functionality of products in line with changes in industry as represented by CASE*<sup>1</sup> and 5G, etc.</li> <li>● Progress in high-mix low-volume production in response to the diversification of consumer needs</li> <li>● Accelerating trends toward local production for local consumption in response to trade frictions</li> <li>● Aging demographics and shortage of skilled workers, particularly in developed countries; and soaring labor costs in emerging economies</li> </ul>
FY2021 Targets	Create applications that embody innovative-Automation* <sup>2</sup> , establish control technologies that make these applications possible, and create new products based on these applications.
FY2021 Progress	<ul style="list-style-type: none"> <li>● Expanded software products that accelerate digital transformation at manufacturing sites and provide remote engineering that integrates real and virtual applications.</li> <li>● Contributed to significant efficiency gains at manufacturing sites by achieving harmony between humans and machines through expanded robot-related areas to achieve safety assurance and productivity.</li> <li>● Applications created increased by 77 in FY2021, reaching 247 on a cumulative basis</li> </ul>
Social Value Created	Contribute to economic development by improving social productivity.

\*1 CASE: General term for connected, autonomous, shared, electric technologies

\*2 innovative-Automation: The unique OMRON concept to bring innovations to production floors. This comprises three concepts: (1) Evolution in control (integrated); (2) Intelligence developed through ICT (intelligent); and (3) New harmonization between humans and machines (interactive).

Healthcare <a href="#">P43</a> →	
Social Issues	<ul style="list-style-type: none"> <li>● Increased incidence of brain and cardiovascular diseases attributable to high blood pressure</li> <li>● Increased worldwide prevalence of asthma and other respiratory diseases</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>① Created a remote hypertension monitoring service and proposed a new way of hypertension treatment to society</li> <li>② Accelerated the wider use of home blood pressure measurement globally and achieved a cumulative sales volume of 300 million blood pressure monitor units</li> <li>③ Expanded related products to create remote care and other respiratory disease service businesses</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>① Focused on strengthening the content of hypertension remote monitoring services in North America, Europe, and Asia-Pacific, increasing the number of registered patients and hospitals</li> <li>② Achieved 300 million units in cumulative sales of blood pressure monitors. Continued to communicate efforts to achieve zero events through online and other channels</li> <li>③ Completed validation tests for respiratory remote monitoring business model based on wheeze sensors</li> </ol>
Social Value Created	Contribute to healthy lives by extending healthy life expectancies and reducing medical expenses (initiatives to expand blood pressure monitoring at home and achieve vision of zero heart attacks and strokes; early detection and treatment of asthma via nebulizers and wheeze sensors)

Social Solutions <a href="#">P49</a> →	
Social Issues	Global warming from CO <sub>2</sub> emissions
FY2021 Targets	<p>Created electric power infrastructure of distributed electricity sources to spread renewable energy and provide stable operations.</p> <ol style="list-style-type: none"> <li>① Cumulative shipped capacity of solar power systems: 10.7 GW</li> <li>② Cumulative shipped capacity of storage battery systems: 900 MWh</li> </ol>
FY2021 Progress	<p>Expanded our lineup of storage battery systems that, in combination with solar power systems, provide efficient captive consumption and emergency power supply in the event of a disaster</p> <ol style="list-style-type: none"> <li>① Solar power systems: 10.8 GW</li> <li>② Storage battery systems: 900 MWh</li> </ol>
Social Value Created	<ul style="list-style-type: none"> <li>● Contribute to a safe, secure, comfortable, and clean society for all</li> <li>● Contribute to build a sustainable society by prevailing renewable energy</li> </ul>

## Targets for Issues to Respond to Stakeholder Expectations

### Human Resource Management

#### Talent Attraction and Development P69 →

OMRON's Initiatives	<p>&lt;Human Resources Strategy&gt;</p> <ul style="list-style-type: none"> <li>● Expand the circle of empathy and resonance by practicing the OMRON Principles</li> <li>● Securing and training of next-generation leaders (candidates for important positions)</li> <li>● Providing of a workplace environment that can attract and empower the diverse talent necessary for business growth</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>1 Continued evolution of TOGA* towards meeting OMRON Principles</li> <li>2 Ratio of non-Japanese in key managerial positions overseas: 75%</li> <li>3 Pursue resolution actions to solve issues based on engagement surveys</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>1 The 9th (FY2020) TOGA Global Meet was a hybrid of in-person and digital attendance, reaching record levels of viewership (including on-demand viewing).</li> <li>2 Ratio of non-Japanese in key managerial positions overseas: 80%</li> <li>3 Developed and implemented over 230 issue resolution actions globally</li> </ol>
Social Value Created	OMRON is creating leaders who can drive innovation and both acquire and train diversely talented employees to solve social issues through our businesses

\* 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.

#### Diversity and Inclusion P69 →

OMRON's Initiatives	<p>&lt;Diversity and Inclusion&gt;</p> <ul style="list-style-type: none"> <li>● Promoting career advancement for women</li> <li>● Promoting career advancement for the disabled</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>1 Ratio of women in managerial roles: 8% (OMRON Group in Japan)</li> <li>2 Ratio of employees with disabilities: Increase number of such employees to above the legally-mandated ratio (OMRON Group in Japan)</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>1 Ratio of women in managerial roles: Achieved 8%*<sup>1</sup> (OMRON Group in Japan)</li> <li>2 Ratio of employees with disabilities (OMRON Group in Japan): 3.1%*<sup>2</sup> (legally mandated ratio: 2.3%)</li> </ol>
Social Value Created	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 As of April 2022 \*2 As of June 2021

#### Wellness Management

OMRON's Initiatives	<p>&lt;Wellness Management &gt;</p> <ul style="list-style-type: none"> <li>● Issuing of employee health management declaration</li> <li>● Implementation of employee education</li> <li>● Implementation of initiatives towards ameliorating factors that inhibit good health</li> </ul>
FY2021 Targets	Improve health management recognition and achieve three of the Boost5* <sup>1</sup> targets (Japan)
FY2021 Progress	<ul style="list-style-type: none"> <li>● Health management recognition rate: 89.2% (+4.4P year on year)</li> <li>● Achievement of three of the Boost 5 targets: 49.4% (+4.1P year on year)</li> </ul>
Social Value Created	Improve "human creativity"* <sup>2</sup> by maintaining and improving the health of every employee and by providing opportunities for employees to exercise their creativity

\*1 Boost5: Five key areas (exercise, sleep, mental health, food, and stop smoking) selected as factors related directly to the ability to concentrate at work and to lead a fulfilling life; indicators have been established for each of these key areas.

\*2 Human creativity: Value added per unit of personnel expense (manufacturing + SG&A + development)

#### Occupational Health and Safety

OMRON's Initiatives	<p>&lt;Health and Safety related Management System and Improvement Activities&gt;</p> <ul style="list-style-type: none"> <li>● Promote the acquisition of international health and safety standards at major production centers</li> <li>● Ensure personnel for promotion, and carry out education</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>1 Number of production centers certified to OSH international standards: Maintain achievement at sites representing 80% of production volume</li> <li>2 Continue assignments of promotion personnel: All covered sites</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>1 Number of manufacturing sites certified to OSH international standards: Maintained achievement at sites representing 87% of production volume</li> <li>2 Maintained assignments of occupational health and safety managers</li> </ol>
Social Value Created	While ensuring compliance with laws and regulations concerning workplace occupational health and safety, we are creating a 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 P75 →

OMRON's Initiatives	<p>&lt;Human Rights related Management System and Improvement Activities&gt;</p> <ul style="list-style-type: none"> <li>● Establishment of management system</li> <li>● Human rights risk analysis and corrective actions at production sites</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>1 Perform human rights risk analysis for production centers; implement remediation measures.</li> <li>2 Extend the scope of human rights risk management processes to cover employees of on-site contractors and temporary staffing companies</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>1 Conducted risk analysis and remediation at 19 global production centers</li> <li>2 Extended human rights risk management processes to employees of domestic outsourcing partners; revised outsourcing contracts to include code of conduct compliance clauses overseas</li> </ol>
Social Value Created	Achieving a better work environment in which the human rights of all people working in the OMRON Group are respected

## Manufacturing

### Product Safety and Quality

OMRON's Initiatives	<Advancing Group-Wide Product Quality Management> <ul style="list-style-type: none"> <li>● Conducting group-wide product quality management reform</li> <li>● Reducing product safety risk</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>① Ratio of newly developed products undergoing safety assessment: 100%</li> <li>② Improve product safety assessments</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>① Product safety assessments for newly developed products: 100%</li> <li>② Completed 84 applications for newly developed products and updated product safety assessment categories in conform with the intended use of the products</li> </ol>
Social Value Created	Incorporating quality, safety, environmental, and human rights into products and services, to bring about sustainable manufacturing

### Supply Chain Management

OMRON's Initiatives	<Engagement with Partners> <ul style="list-style-type: none"> <li>● Maintain and improve sustainability levels through sustainability self-assessment*1 for important suppliers in accordance with the RBA*2</li> <li>● Collaborate with suppliers for resource recycling</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>① Achieve a sustainability check score of 85 or higher (RBA Code of Conduct V7.0) for 50 major suppliers of commercial products</li> <li>② Reduce disposal of reusable plastic molding materials by 15% (compared to FY2019)</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>① Achieved 85 or more points for the Sustainability Self-Checks at all major suppliers of commercial products (low risk)</li> <li>② Plastic molding material waste: 16.7% reduction</li> </ol>
Social Value Created	By solving social issues in the supply chain in cooperation with suppliers, achieving a society capable of sustainable production and consumption

\*1 Sustainability self-assessment: Supplier self-evaluation of their own initiatives into labor, safety, health, the environment, etc. using a questionnaire. 85 points or above is considered low risk, whereas 65 points or less is considered high risk.

\*2 RBA: Abbreviation of Responsible Business Alliance. Global CSR alliance centered around the electronics industry.

### Reduction of Greenhouse Gas Emissions P77 →

OMRON's Initiatives	<Promotion of Green OMRON> <ul style="list-style-type: none"> <li>● Reduction in greenhouse gas emissions by improving the efficiency of power usage, and by introducing renewable energy</li> <li>● Provision of products and services that contribute to the spread of clean energy</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>① Reduce total GHG emissions* by 47% (vs. fiscal 2016; 1.5°C scenario)</li> <li>② Environmental contribution exceeds CO<sub>2</sub> emissions from production centers</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>① Reduce total GHG emissions* by 50% (vs. fiscal 2016)</li> <li>② Environmental contribution: 881kt-CO<sub>2</sub> &gt; Production location CO<sub>2</sub> emissions: 109(kt-CO<sub>2</sub>)</li> </ol>
Social Value Created	Making sustainable manufacturing a reality by reducing greenhouse gas emissions, and bringing about a decarbonized society

\* Direct greenhouse gas emissions by the company itself and indirect emissions from the use of electricity, heat, and steam supplied by other companies

### Appropriate Management and Reduction of Hazardous Substances P77 →

OMRON's Initiatives	<Promotion of Green OMRON> <ul style="list-style-type: none"> <li>● Build a framework for chemical substance management used in production processes</li> <li>● Stop use or reduce the use of harmful chemical substances, responding to high social demand</li> </ul>
FY2021 Targets	<ol style="list-style-type: none"> <li>① Reduce mercury through prevalent usage of digital thermometers and blood pressure monitors: 65 tons/year</li> <li>② Determination of volatile organic compound (VOC) usage</li> </ol>
FY2021 Progress	<ol style="list-style-type: none"> <li>① Mercury reduction: 66 tons/year</li> <li>② Completed identification of volatile organic compounds (VOCs) volume and set medium-term reduction targets</li> </ol>
Social Value Created	Realization of a decarbonized society that is in harmony with nature, by reducing negative impacts of chemical substances on people, organisms, and the environment

## Risk Management

### Fair Business Practices P82 →

OMRON's Initiatives	<Enhanced Compliance Program> <ul style="list-style-type: none"> <li>● Periodic reviews of OMRON Group Rules for Ethical Conduct on a regular basis in order to reflect laws and regulations, and social demand of countries around the world</li> <li>● Offer continuous, periodic and necessary training and education in order to maintain awareness of compliance and instill stipulated in rules</li> <li>● Assess issues using the whistle-blower system and promptly take corrective actions</li> </ul>
FY2021 Targets	Penetration of OMRON Group Rules* at global locations
FY2021 Progress	Completed penetration of OMRON Group Rules and updates
Social Value Created	<ul style="list-style-type: none"> <li>● 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</li> <li>● 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</li> </ul>

\* 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 separate 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 P82 →

OMRON's Initiatives	<Rebuilding an Information Security Management System> <ul style="list-style-type: none"> <li>● Support for revised and newly enacted laws worldwide concerning the protection of personal information</li> <li>● Strengthened technical measures to counter the sharply increasing cyber attacks</li> <li>● Review information security education and continue education</li> </ul>
FY2021 Targets	Formulate and begin implementation of a medium- to long-term plan for upgrading information security in response to changes in the environment
FY2021 Progress	<ul style="list-style-type: none"> <li>● Selected management measures to strengthen as a priority for the OMRON Group in accordance with global standards (NIST CSF*); completed the formulation of a medium-term plan for information security</li> <li>● Introduced and began operations of attack detection tools in advance of other entities (Japan)</li> </ul>
Social Value Created	Enable appropriate management of confidential data and personal information to help conduct business safely and securely in a digitized society

\* NIST CSF: Cyber Security Framework developed by the National Institute of Standards and Technology (U.S.)