

Long-term Vision “Shaping the Future 2030”

In light of OMRON’s fundamental purpose and the changes in society toward the year 2030, OMRON launched a long-term vision, “Shaping the Future 2030 (SF2030),” in fiscal 2022. SF2030 expresses OMRON’s desire for all OMRON employees to put the OMRON Principles into practice as they work together with stakeholders to create a sustainable society by applying OMRON’s core technologies, “Sensing & Control + Think.”

OMRON’s fundamental purpose

OMRON’s fundamental purpose is “to create social value through business and continue to contribute to society.” This is OMRON Principles in action and we will remain true to those principles regardless of changes in society.

Society in 2030 Envisioned by OMRON

We have attained material wealth through an “Industrial Society” that values and pursues efficiency and productivity. However, people’s sense of value is shifting dramatically from material wealth to spiritual wealth. For example, people’s awareness of environmental issues and the values shaping their attitude to work have changed dramatically. As well as choosing sustainable products and lifestyles, people are increasingly rethinking their work-life balance as they seek work that allows them to demonstrate their abilities. OMRON believes that the transition to a new social and economic system toward 2030 will inevitably lead to clashes between old and new values, strain the current social and economic systems, and lead to the emergence of new social issues.

OMRON will continue to create social value by resolving these social issues and contribute to the realization of a society where individual fulfillment is compatible with the society’s affluence.

Social Value to be Created by OMRON

In formulating the long-term vision, OMRON views the coming decade, in which existing social issues will become more pressing and new ones will arise, as a great opportunity to create new markets and businesses. Under SF2030, in order to be sure to seize this opportunity, we have identified three priority change factors: “The Aging of Population,” “Climate Change,” and “Increasing Economic Disparities among Individuals.” Based on these three change factors, we have identified three social issues that OMRON should address, namely, “Achievement of Carbon Neutrality,” “Realization of a Digital Society,” and “Extension of Healthy Life Expectancy.” We selected these three issues in view of their huge impact on society and from the perspective of leveraging OMRON’s strengths in automation, our customer assets, and business assets. For the achievement of carbon neutrality, we will contribute to the creation of energy systems that strike a balance between safety, security, convenience, and the natural environment. For the realization of a digital society, we will contribute to manufacturing and infrastructure that will free people from all restrictions, regardless of age or wealth, and realize an enjoyable, creative, and sustainable society. And for the extension of healthy life expectancy, we are tackling the problems of the aging society by building healthcare systems that enable people to lead healthy, prosperous, and

independent lives.

To address these three social issues, we revised the OMRON Group’s business domains and set four domains, namely, “Industrial Automation,” “Healthcare Solutions,” “Social Solutions,” and “Device & Module Solutions,” defining social value corresponding to these domains. Through Industrial Automation, we aim to contribute to the advancement of manufacturing that will support a sustainable society. Through Healthcare Solutions, we aim to contribute to the achievement of “Zero Events” for cardiovascular diseases. Through Social Solutions, we aim to contribute to the spread and efficient use of renewable energy and the sustainability of the infrastructure supporting a digital society. In addition, through Device & Module Solutions, we aim to contribute to the spread of new energy and high-speed communications.

Direction of OMRON’s Evolution

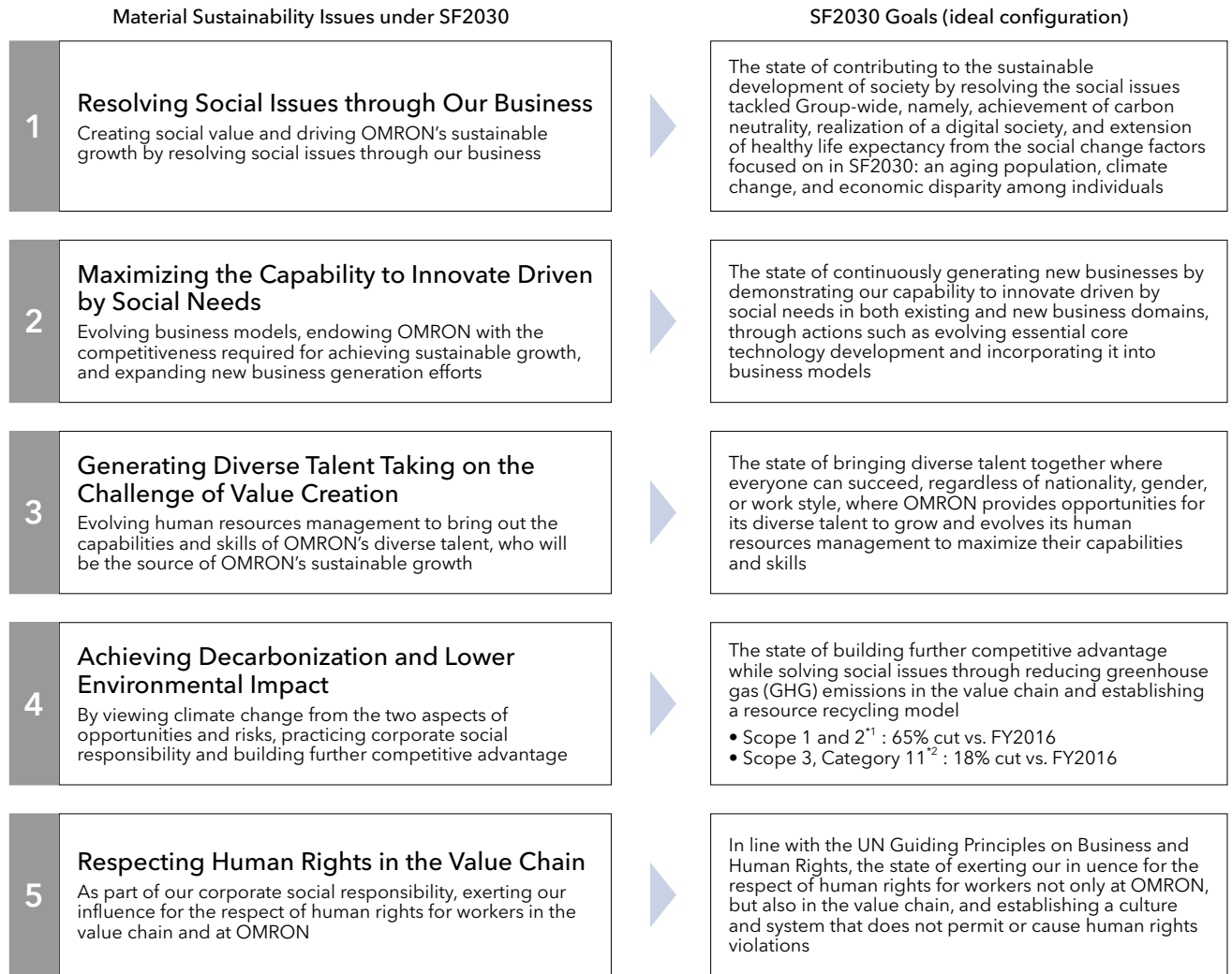
OMRON is changing the way it perceives value creation, shifting its emphasis from “products” to “products and services” in order to create social value. We pursue realization of value not only through products and other goods but also through combinations of products and services that help solve the fundamental problems confronting society. When society and markets are at a turning point, intrinsic value is not limited to products but can be in services, such as consulting services, operation support services, and upgrading services of i-BELT in the Industrial Automation Business. In addition, we will promote co-creation with partners, rather than relying exclusively on our own resources, to enhance the speed of execution and feasibility. To deliver value through the combination of

products and services and co-creation with partners, establishment of a data platform to serve as a base is necessary. We will develop a data platform that links data generated by OMRON devices and services with our partners' data and leverage the data in development of new solutions through the combination of products and services. Based on this concept, the OMRON Group will transform its business structure over the medium to long term, transitioning to a revenue structure that includes a recurring service model in addition to a business model centering on products.

Material Sustainability Issues

Under SF2030, our aim is to maximize corporate value by creating social value and economic value through business. In order to remain true to this purpose, material sustainability issues are fully reflected in SF2030 and the medium-term management plan "SF 1st Stage." In identifying material sustainability issues, we adopted three viewpoints: "the OMRON Principles and fundamental purpose," "backcasting from a society envisioned for 2030 and beyond," and "calls on companies to contribute to environmental and social sustainability." Five material issues were identified as a result of a series of management discussions, reflecting suggestions gained through internal discussion and dialogues with external experts. (See [Figure 1](#)).

Figure 1



*1 Scope 1 and 2: Direct and indirect GHG emissions from the company

*2 Scope 3, Category 11: Scope 3 corresponds to GHG emissions from the company's value chain. Category 11 of Scope 3 corresponds to emissions from use of manufactured/sold products, services, etc.