Value Creation Model Input **Business Creation Process at OMRON** Demographic Trends Management Capital Identify Social imited Resource Issues Shareholders' equity JPY 786.7 billion Operating cash flow JPY 250.0 billion Technological Innovation Driven by Social Meeds (As of March 31, 2024) (Plan under SF 1st Stage) Financial Capital Rating AA- (R&I) Growth Investment JPY 200.0 billion **Near-Future Design** (including M&A) (As of March 31, 2023) (Plan under SF 1st Stage) Number of production sites **Capital expenditures** Manufactured worldwide 26 sites JPY 130.0 billion Output **Sensing & Control** Capital (As of March 31, 2024) (Plan under SF 1st Stage) + Think Core Number of patents held **R&D** expenses Intellectual **Open Innovation** Technology 13,334 patents JPY 165.0 billion Capital Evolution and (As of March 31, 2024) (Plan under SF 1st Stage) **Business Model** Connnercialization Design 3 5 Number of employees Investment in human resources Human 28,450 employees development JPY 6.0 billion Capital Launch and (As of March 31, 2024) (Plan under SF 1st Stage) Monetize Businesses **Develop Products** Energy consumption: Water resource intake: Natural 4 and Services 225,418 MWh 1,000 km³ Capital (As of March 31, 2024) (As of March 31, 2024) Number of Countries where OMRON Brand value (converted to financial value) products are sold: Over 130 Countries **USD1.5** billion **The OMRON Principles** Social and (As of March 31, 2024) (Plan under SF 1st Stage) Relationship Capital Investment in startups: Invested in 25* startups (cumulative total) (As of March 31, 2024) *Cumulative investment by OMRON VENTURES CO., LTD. only



Value Creation Model

	Output		Outcome	
Naterial Sustainability Issues	Domains	Focus Businesses	Social Value	
1) Resolving Social Issues through Our Business	Industrial Automation Industrial Automation Business (IAB)	Digital, environmental mobility (NEV), food and daily goods, logistics, and medical (+ robotics and service business)	Establishment of manufacturing sites where both harmony with the global environment and worker satisfaction are achieved and that will support a sustainable future	➡ P29
	Healthcare Solutions Healthcare Business (HCB)	Cardiovascular, respiratory, pain management, remote patient monitoring services	Realization of healthier and more comfortable lives for people around the world, including extension of healthy life expectancy and reduction of medical expenditures	➡ P33
	Social Solutions Social Systems, Solutions and Service Business (SSB)	(Residential / industry / mobility) energy management and services, network protection	Realization of a better society in which people around the world can continue to live in a safer, more secure and comfortable society by expanding renewable energy and providing people-friendly next-generation systems	➡ P30
	Device & Module Solutions Device & Module Solutions Business (DMB)	DC equipment, high-frequency devices,	Contribution to the improvement of human life on the planet and the development of society through the spread of new energy and high-speed communications	➡ P38
	Data solutions Data solution Business (DSB)	Data solution business integrating on-site data owned by four business companies with JMDC's capabilities	Evolve the OMRON Group's overall business model through data solutions and create growth businesses that help solve social issues	➡ P4(
2) Maximizing the Capability to Innovate Driven by Social Needs	Innovation Exploring Initiative HQ (IXI)	Creating new businesses	leave what machines can do to machines and enjoy activities in	e
	Technology and Intellectual Property HQ	Development of core technologies in 4 areas of technological focus: Robotics, Sensing, Power Electronics, and AI and Data Analysis		→ P50
3) Generating diverse talent taking on the challenge of value creat	 Realize employment of persons with 	17.4% or higher (OMRON Group worldwide) disabilities at 26 overseas sites and maintain the ratio of	Each employee practices the resolving of social issues through business	➡ P58
 4) Achieving de-carbonization and lower environmental impact Scope 1 and 2: 68% cut vs. FY2016 Scope 2: Achieve Carbon Zero at all 76 sites in Japan Scope 3, Category 11: Implement energy-saving designs for new products Implement business model transformation, environmentally friendly design, collection and recycling, and sustainable procurement in response to transition to a circular economy 			Contribution to the creation of a sustainable society by establishing a system to ensure the effectiveness of initiatives for "reducing greenhouse gas (GHG) emissions," "transitioning to a circular economy," and "coexisting with nature"	➡ P63
5) Respecting Human Rights in the Value Chai	 Conduct human rights due diligence Establish human rights redress mech 		human rights risks throughout the value chain. Ensure that a culture and system ar that do not permit or cause human rights violations	re ➡ P74

Input