

## Progress of and Changes to the Medium-term Management Plan “SF 1st Stage”

Having positioned fiscal 2022 to fiscal 2024 as the “transformation acceleration phase” to accelerate the shift to value creation and sustainable growth in response to social issues, in order to achieve the vision of SF2030, we aimed to achieve strong growth by seizing growth opportunities arising from changes in the social structure and by leveraging the competitiveness we have cultivated to date. In fiscal 2023, however, the business environment deteriorated more than expected, owing to the slowdown of the Chinese economy and supply chain disruptions. Since OMRON was unable to respond to this rapid change because of overdependence on certain businesses and areas as OMRON’s growth drivers, the financial performance deteriorated significantly. In light of these circumstances, we withdrew SF 1st Stage, which was originally scheduled to run through fiscal 2024, and designated April 1, 2024 to September 30, 2025 as a structural reform period for implementing the Structural Reform Program NEXT 2025. Plans call for the next medium-term management plan “SF 2nd Stage” to run from fiscal 2026 to fiscal 2030. Under SF 1st Stage, we pursued “taking on the challenge of value creation by accelerating transformation” and set three

Group strategies to achieve this goal. The first Group strategy is transformation of business. Specifically, we promoted evolution of four core businesses (Industrial Automation Business, Healthcare Business, Social Systems, Solutions and Service Business, Device & Module Solutions Business), expansion of customer asset-type service businesses, and creation of new businesses sparked by social issues.

To evolve four core businesses, we identified the growth field in each of the core businesses, set focus domains, and aimed at driving sales growth by achieving new value creation. The second Group strategy is transformation of corporate management and organizational capabilities. In order to keep creating value while adapting to change in the business environment, we implemented initiatives for acceleration of diversity and inclusion, data-driven enterprise operations through digital transformation (DX), and enhancement of supply chain resilience.

The third Group strategy is strengthening of sustainability initiatives. Specifically, we pursued reduction of greenhouse gas (GHG) emissions for decarbonization and minimizing environmental impacts, and strove to ensure thorough

respect for human rights throughout the value chain. Based on the above strategies, under the SF 1st Stage, we have set financial targets and non-financial targets that integrate business strategies with sustainability. In fiscal 2022, despite significant impacts, such as the lockdowns in Shanghai, rising inflation worldwide, and tight supply of parts and materials, both net sales and operating income set new records and return on invested capital (ROIC) and return on equity (ROE) both exceeded the 10% level. This was mainly due to the rapid ramp-up of supply capacity to respond to the heavy order backlog and the ongoing companywide efforts to improve value added ratios through price optimization and other measures. In fiscal 2023, however, financial performance deteriorated significantly and indicators we set as financial targets also significantly declined compared to fiscal 2022. On the other hand, the initiatives for non-financial targets continue to be generally favorable. GHG emissions achieved the initial target, and the progress of human rights initiatives was as planned. With these initiatives recognized, we continued to be included in the Dow Jones Sustainability World Index (DJSI World) for fiscal 2023.

### SF 1st Stage Financial Targets and Progress

Financial Targets	FY2022 (Results)	FY2023 (Results)	FY2024 (Plan)	[Reference] FY2024 (Initial Targets)
Net Sales	JPY 876.1 billion	JPY 818.8 billion	JPY 825.0 billion	JPY 930.0 billion
Operating Income	JPY 100.7 billion	JPY 34.3 billion	JPY 49.0 billion	JPY 120.0 billion
ROIC	10.40%	1.0%	around 1%	>10%
ROE	10.60%	1.1%	around 1%	>10%
EPS	JPY 372	JPY 41	JPY 43	>JPY 400

SF 1st Stage Non-financial Targets and Progress

Non-financial targets <sup>(Note 1)</sup>		FY2022 (Results)	FY2023 (Results)
1	Increase sustainability-related sales <sup>(Note 2)</sup> , an indicator of contributions to the resolution of the three social issues, by 45% vs. FY2021	Sustainability Sales: JPY 417.8 billion +28% (vs. FY2021)	Sustainability Sales: JPY 433.8 billion +33%* (vs. FY2021)
2	Increase the ratio of women in managerial roles to 18% or higher (OMRON Group worldwide)	16.6% <sup>(Note 5)</sup>	19.1% <sup>(Note 7)*</sup>
3	Realize employment of persons with disabilities at 28 overseas sites and maintain the ratio of employees with disabilities at 3% in Japan	Overseas: 27 sites, Japan: 3.1%	Overseas: 28 sites, Japan: 3.5%
4	Reduce Scope 1 & 2 GHG <sup>(Note 3)</sup> emissions by 53% vs. FY2016	62% reduction <sup>(Note 6)</sup> (vs. FY2016)	68% reduction (vs. FY2016)
5	Achieve Carbon Zero at all 76 sites in Japan	10 sites	39 sites (cumulative)
6	Conduct human rights due diligence in line with the UNGP and build a human rights remedy mechanism into the value chain	- Identified human rights issues - Developed and piloted a primary human rights redress mechanism	- Formulated measures to resolve identified human rights issues - Operated and monitored redress mechanism
7	Continue implementing sustainability initiatives steadily to maintain our listing in the Dow Jones Sustainability World Index (DJSI World)	Selected for DJSI World	Selected for DJSI World
8	100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	46%	70%
9	In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others	Began pilot operation of a training program in Europe	Began training in all areas except Japan
10	Make full use of digital tools to reduce use of paper	44% reduction (vs. FY2019)	54% reduction (vs. FY2019)
+1	Top management of each region <sup>(Note 4)</sup> declares their commitment to their host community in accordance with the OMRON Sustainability Policy	Declared in each region and continued implementation	Declared in each region and continued implementation

Notes:  
 1. Figures presented for the non-financial targets are the initial SF 1st Stage targets set in fiscal 2022.  
 2. Net sales of focus domains that lead to "achievement of carbon neutrality," "realization of a digital society," and "extension of healthy life expectancy."  
 3. GHG: Greenhouse gas  
 4. Regions: Americas, Europe, Asia, Greater China, South Korea, and Japan  
 5. Aggregated figure for the Company and its consolidated subsidiaries as of April 20, 2023, including OMRON KIRIN TECHNO-SYSTEM CO., LTD., in which investment was completed on April 3, 2023.  
 6. Figures for fiscal 2022 GHG emissions reflect the temporary impact of the Shanghai lockdowns, etc.  
 7. Aggregated figure for the Company and its consolidated subsidiaries as of April 20, 2024  
 8. Non-financial targets (8) to (10) were decided by employee vote.  
 9. Figures with \* include JMDC Inc.

SF 1st Stage Strategic Objectives and Progress

<b>Industrial Automation Business (IAB)</b> Number of customers using innovative-Automation <b>4315 companies</b> (Target: 5000 companies)	<b>Healthcare Business (HCB)</b> Global blood pressure monitor sales <b>44.69 million units</b> (Target: 94 million units) Number of telemedicine service users <b>165000 users</b> (Target: 600000 users)	<b>Expanding Customer* Asset-type Service Businesses</b> Ratio of service business sales <b>10.3%</b> (Target: >10%) <small>*Businesses based on combination of products and services utilizing customer assets</small>	<b>Creating New Businesses</b> New businesses created <b>31</b> (Target: 3 or more businesses)
<b>Social Systems, Solutions and Service Business (SSB)</b> Connected energy management devices <b>40000 units</b> (Target: 50,000 units)	<b>Device &amp; Module Solutions Business (DMB)</b> Sales volume for products contributing to the spread of new energy and high-speed communications Products for DC equipment <b>30 million units</b> (Target: 60 million units) Products for high-frequency devices <b>120 million units</b> (Target: 170 million units)	<b>Diversity &amp; Inclusion</b> Investment in human resources development <b>JPY 3.0 billion</b> (Target: JPY 6.0 billion) VOICE SEI <b>76P</b> (Target: >70 points)	<b>Enhancing Profit Generating Capability</b> Gross Profit Margin <b>42.3%</b> (Target: >47.0%)