



Healthcare Business (HCB)

Market Environment

There are estimated to be 1.28 billion hypertensive patients and 46 million atrial fibrillation (AFib) patients worldwide. As these numbers are increasing globally in the context of accelerating population aging in developed countries and a growing middle class in developing ones, demand for healthcare products is destined to grow. We believe growth potential is high in developing countries such as India and other nations in Asia, where the penetration rate of blood pressure monitors is low.

In addition, we believe digital technology and AI will become increasingly prevalent, and will be introduced not only for personal health management but also as new medical infrastructure for treatment and diagnostic support. Meanwhile, as consumer purchasing behavior shifts online globally, the market environment is changing faster with the emergence of new ecosystems as well as the new entrants from different industries and startups.

Our Strengths

One of our strengths is the trust of medical professionals, patients, and consumers that we have cultivated through the market penetration of blood pressure monitors. This is also reflected in our new initiative, “to develop an at-home electrocardiogram (ECG) recording culture.” Though it is yet not widely known that AFib is a risk factor for stroke or that an ECG can be obtained at home, we are participating in related academic conferences, raising consumer and media awareness of the disease and of ECG. We conducted joint research with Kyoto Prefectural University of Medicine on

the effectiveness of home ECG recording in early detection of AFib and prevention of its recurrence. Of 94 patients with AFib, we detected recurrence of AFib in 31 patients. Our blood pressure monitors satisfy the safety and accuracy standards required for medical devices and they are available in more than 130 countries and regions. We are advocating deregulation to promote the devices. Provision of product information on ECGs to general consumers was previously prohibited in Japan. However, leveraging relationships with governmental and other organizations that we have cultivated through our activities to obtain regulatory approval, OMRON was involved in drafting the Guidelines for Appropriate Advertising and Labeling of Cardiac Activity Recording Devices and Programs for Cardiac Activity Recording Devices during Events. The introduction of the Guidelines means it is now allowed to provide information on blood pressure monitors with ECG and portable ECGs directly to consumers.

Growth Strategy to Achieve SF2030

Inspired by our vision, “Going for ZERO, Preventive Care for the Health of Society,” we aim to resolve health issues concerning cardiovascular diseases, respiratory diseases, and pain management.

In the device business, we will work to further strengthen sales channels both offline and online, so that customers can purchase products at their preferred timing and place. In the new business, we are focusing on promoting ECGs. In Europe, we visited more than 1,500 cardiologists and developed some 1,600 sales outlets in a year. Moreover, we launched a global campaign to raise awareness of AFib in February 2024 and produced a movie featuring an AFib sufferer who comments on her experience, commentary by a cardiologist, and a piece of music expressing the

irregular heartbeat to highlight the risk of AFib.

In April 2024, OMRON made Luscii Healthtech B.V., a Dutch company that provides remote patient monitoring services, a wholly owned subsidiary. Luscii offers care at home programs for over 150 conditions to healthcare institutions, many of which have proven to be effective. Luscii has a flat “holacracy organizational structure,” which we will refer to when considering future organizational reform. In the digital health domain, we will strengthen our health management service “OMRON connect,” which is currently distributed in more than 130 countries and regions worldwide. In Japan, data linkage of OMRON connect with JMDC Inc.’s lifestyle modification solution service for corporate health insurance associations has started.

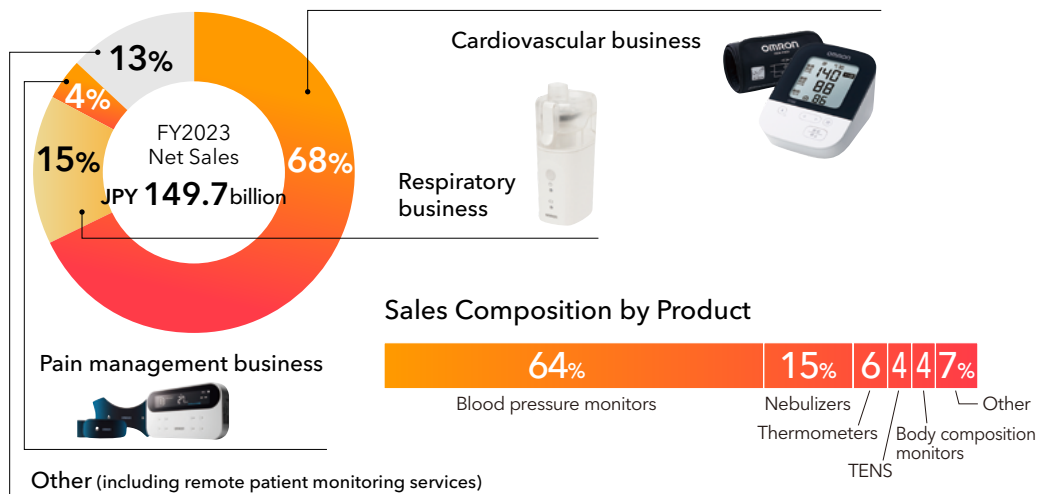
To quickly identify customer needs in the digital health domain and accelerate the pace of business, we consolidated planning and development functions of digital health services into a single organization, which has started operation, based in North America. We will continue evolving our services from a global perspective.

To achieve carbon neutrality, an energy consumption visualization system and air conditioning and lighting control systems were installed in the office space and on the production lines at the Matsusaka Factory in April 2023. Energy control according to the operating conditions of each space is implemented through DX.

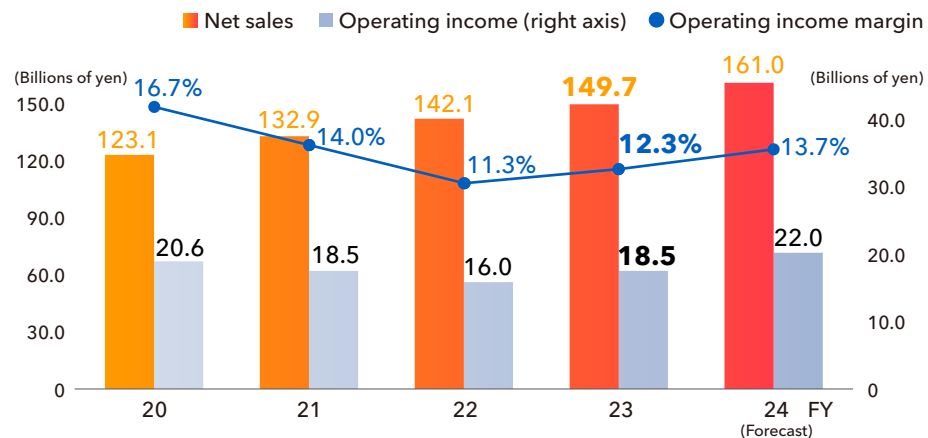
➔ [SF2030 Topics “Achievement of Carbon Neutrality”](#)

In January 2024, we launched Vision Link Meeting, a forum for the management team and employees to freely exchange opinions. We will endeavor to foster a culture geared to creation of customer value to become an organization capable of acting more quickly and flexibly. Through these initiatives, HCB will create new preventive care solutions.

Sales Composition by Business Domains



Net Sales / Operating income / Operating income Margin



Net Sales for Fiscal 2023

Demand for mainstay blood pressure monitors remained strong, particularly in Europe. In addition, demand for nebulizers increased significantly in China due to an increase in pneumonia and other respiratory diseases. As a result, sales increased year on year to JPY 149.7 billion, due in part to the depreciation of the yen.

Operating income for Fiscal 2023

Operating income significantly increased year on year to JPY 18.5 billion due to the increase in sales, as well as cost reductions for logistics and components.

INPUT

- R&D cost: JPY 8.3 billion (results for FY2023)
- Capital expenditure: JPY 3.9 billion (results for FY2023)
- Started data linkage between the OMRON connect smartphone health management app and JMDC Inc.'s Pep Up personal health record (PHR) service. (April 2023)
- Introduced an energy consumption visualization system and air conditioning and lighting control systems in the office space and on the production lines at the Matsusaka Factory. Implementation of energy control according to the operating conditions of each space to achieve carbon neutrality (April 2023)
- Launched a portable ECG in Japan that can record ECG data useful for physicians' diagnosis (April 2023)
- Began domestic procurement of parts for blood pressure monitors manufactured at the Matsusaka Factory. Aim to reduce greenhouse gas emissions and coexist with the local community (July 2023)
- New factory in Dalian, China, began operation (August 2023)
- Launched a global campaign "Listen to Your Heart" to raise awareness of AFib

OUTPUT

- Net sales: JPY 149.7 billion (+5.3% YoY)
- Operating income: JPY 18.5 billion (+15.3% YoY)
- Cumulative global sales of blood pressure monitors: 22.46 million units (FY2023)
- Number of countries where portable ECGs and blood pressure monitors + ECG are marketed: 45 countries

OUTCOME

- To advance health and empower people worldwide to live life to the fullest by creating eco-systems for preventive medicine to decrease the onset of chronic heart disease events



SDGs 3.4.1