

Data Solution Business (DSB)

Market Environment

The mission of the Data Solution Business HQ (DSB) is to “Go beyond the boundaries of products. Transform OMRON and create true customer value.” We will transform the OMRON Group’s value creation away from manufacturing to data-driven solutions.

Penetration and diversification of digital devices have led to a sharp increase in the number of data-driven companies and data-driven services, regardless of the industry, that utilize data owned by individuals and companies to achieve business results.

DSB is eyeing markets in three domains, namely, industrial automation, healthcare solutions, and social solutions, which are OMRON’s focus domains. These domains have plenty of social issues related to such matters as sustainability of the global environment, the super-aging society, and labor shortages. DSB sees the three social issues identified in SF2030 as business opportunities, and through its unique approach of building an ecosystem based on open innovation and developing and providing data-driven solutions, will contribute to the optimizing of social costs, which are increasing as society matures, and achieve business growth.

Our Strengths

DSB is the cornerstone of collaboration between JMDC Inc. and OMRON’s existing businesses. We will lead the business growth of the entire OMRON Group by integrating the strengths of OMRON, JMDC Inc., and DSB. OMRON’s strengths lie in the hardware installed base established by

the four existing business companies, on-site data that can be obtained from such hardware, and the customer base, which spans a wide range of industries worldwide. On the other hand, JMDC Inc. has the data management capabilities to utilize large amounts of different types data for business purposes, and the solution development capabilities to convert the data into customer value and monetize it. DSB’s strengths are the business development capabilities to create new value by integrating OMRON’s business assets and JMDC Inc.’s capabilities and the DX promotion capabilities to transform the business models of existing businesses.

DSB started with six businesses and will further accelerate collaboration with the four business companies in order to transform OMRON’s value creation from businesses centering on products to data-driven solution businesses (combination of products and services).

Growth Strategy for SF2030

There are three growth drivers for DSB. The first is to “accelerate the growth of JMDC Inc.,” the second is to “create a data solution business in the healthcare domain,” and the third is to “create a data solution business outside the healthcare domain.” The growth strategy for each item is described below.

1) Accelerate the growth of JMDC Inc.
JMDC Inc. has achieved annual growth of almost 30% in sales and profit to date. DSB will help JMDC Inc. accelerate its growth by offering OMRON’s business assets required for JMDC Inc.’s further growth. For example, the Health & Productivity Management Alliance®, which was established in June 2023 and has 424 member companies and organizations*, has adopted JMDC Inc.’s data analysis

method for its “health & productivity management assessment” service, showing the potential for wider use as a service for companies.

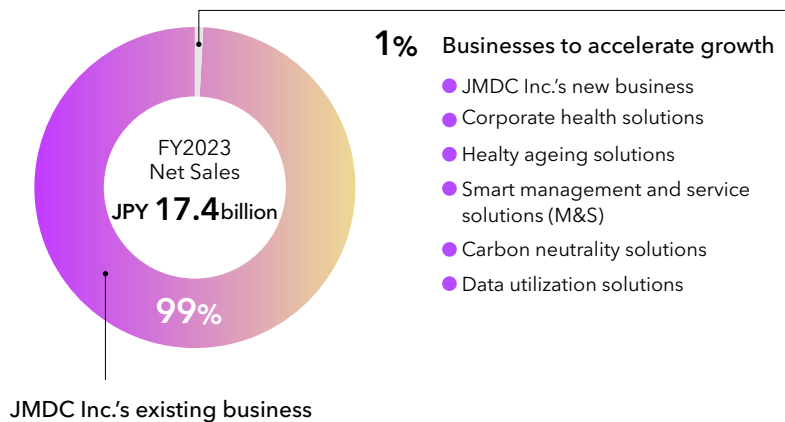
*As of August 29, 2024

2) Create a data solution business in the healthcare domain
We are promoting various themes, including the development of services that combine JMDC Inc.’s medical data with OMRON Healthcare’s vital data, and the launch of a business through collaboration among JMDC Inc., OMRON, iCARE Co., Ltd., which operates the health management cloud service “Carely.” OMRON Healthcare and iCARE formed a capital and business alliance in July 2024.

3) Create a data solution business outside the healthcare domain
We will also accelerate business development in the industrial automation and social solutions domains by leveraging JMDC Inc.’s data management capabilities. In the smart management and service solutions (M&S) business, which has already been launched, we plan to expand DX services in wide-ranging fields, starting with retail and distribution, which are suffering from significant labor shortages, and then infrastructure monitoring, railways, etc. With these three growth drivers, DSB aims to achieve data solution business sales of JPY 100 billion in fiscal 2027.

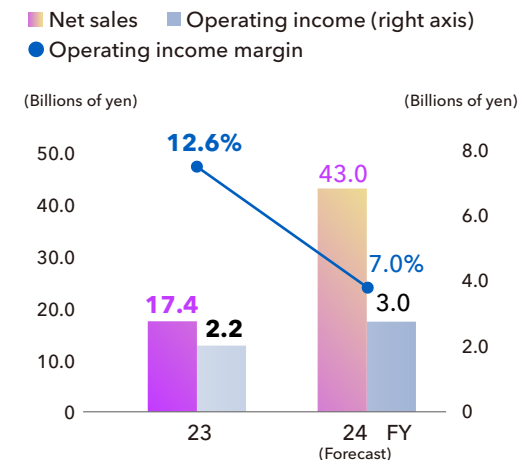
Health & Productivity Management Alliance® is a registered trademark of OMRON Corporation.

Composition of business domains



* The figures for the Data Solution Business include the financial figures of JMDc Inc. from October 16, 2023, onward, the date on which it became a consolidated subsidiary of the Company.

Net Sales / Operating income / Operating income Margin



Net Sales for Fiscal 2023

Sales continued to be firm with ongoing growth in the number of health insurance association contracts at JMDc Inc., increasing transaction volume with pharmaceutical companies and insurance companies for whom we provide data, and growing numbers of medical institutions utilizing remote image interpretation services. Sales amounted to JPY 17.4 billion.

Operating income for Fiscal 2023

Operating income was JPY 2.2 billion, remained firm, supported by sales growth.

