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(Presentation by President and CEO Yoshihito Yamada)
Since its founding, OMRON's mission has been to solve society's issues through our business. This has been in the driving force for our growth.

This dates back to the Mission set out in 1959 by OMRON's founder, Kazuma Tateisi. The Mission encapsulates two beliefs held strongly by the founder. The first is that a business should create value for society through its key practices; the second is OMRON's determination to be a pioneer in creating inspired solutions for the future.

At the time the founder set out OMRON's Mission, it was a small company of only 800 people, generating annual revenue of ¥400 million. Despite this, he set out an ambitious vision.

The Mission lives on at OMRON in the form of the OMRON Principles.
This is the current form of the OMRON Principles.

The founder's original mission lives on as Our Mission. In 2015, we set out the key values for each and every one of our employees as Our Values. Our Mission and Our Values are shared globally by all OMRON employees.
● In order to foster understanding and encourage employees to 'live' the values, we set out a Management Philosophy. Through this we express our commitment to sustainably increasing our long-term value by putting into practice Our Mission and Values.

● Our Medium-term Plan, the OMRON Group's Management Policy and stakeholder engagement initiatives all derive from this philosophy.

● OMRON's focus on stakeholder engagement, including disclosure of non-financial information, reflects the Management Philosophy which clearly states 'Cultivate strong relationships with all stakeholders through responsible engagement'.
• At OMRON, the earnings' targets and business strategies set out in the Medium-term Plan are linked to key sustainability issues, and are managed on an integrated basis.

• I, as the President, have a duty to report to the Board on our key sustainability initiatives and progress to date. As the most senior executive, I am also responsible for execution of these initiatives.
In the Medium-term Plan, we have identified the key issues to be solved in our focus domains. For example, in Factory Automation, we are focused on addressing labor shortages, and in Healthcare, reducing cerebral/cardiovascular events toward zero.
I will highlight some examples from both Factory Automation and Healthcare. I will start with Factory Automation.

Globally, manufacturing is now facing significant changes at the shop floor level. The many challenges include shortages of experienced workers, rising labor costs and the migration to high-density mounting in electronic substrates, perhaps best represented by ADAS, which poses challenges in quality control.

OMRON aims to solve social issues resulting from societal change through innovation.
On the back of rising ADAS adoption, the auto parts industry is increasingly moving toward high-density mounting for electronic substrates.

Given that quality issues in such products can have life-threatening consequences, each individual electronic substrate should be inspected. However, inspections to date have been time-consuming which has meant, in practice, it has only been possible to conduct inspections on a sampling basis. The challenge for manufacturers has been managing the trade-off between maintaining productivity and quality control.

AXI incorporates an X-ray inspection process directly into the production line, making it possible to conduct in-line inspections of all items, thus improving both productivity and quality.

OMRON's innovation supports safety and a sense of security as the era of autonomous driving approaches.
### Solving Social Issues Through Our Business

<table>
<thead>
<tr>
<th>Society (Focus Domain)</th>
<th>Key Social Issue to be Tackled</th>
<th>Business Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory Automation</td>
<td>Addressing labor shortages, a global issue for manufacturing</td>
<td>IAB</td>
</tr>
<tr>
<td></td>
<td>Addressing shortage of experienced workers on shop floor, and further progress in manufacturing miniaturization</td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>Reduce incidence of debilitating cerebral/cardiovascular events toward zero (Zero strokes/myocardial infarctions)</td>
<td>HCB</td>
</tr>
<tr>
<td></td>
<td>Achieve early detection and treatment of asthma</td>
<td></td>
</tr>
<tr>
<td>Social Solutions</td>
<td>Contribute to reducing traffic accidents, creation of stress-free urban transportation</td>
<td>SSB/Environmental Solutions HQ</td>
</tr>
<tr>
<td></td>
<td>Prevent global warming, reduce CO2 emissions by expanding use of renewable energy and enhancing efficient usage</td>
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</table>

- Next, I will highlight an example in the Healthcare domain.
- OMRON is seriously focused on fully eradicating neurovascular and cardiovascular events, such as strokes and cerebral and cardiovascular infarctions. This is an initiative shared by all OMRON employees under the concept of Zero Events.
OMRON was the pioneer in home-use BPMs, driving the global adoption of blood pressure management in the home. OMRON's global market share is 50%, and it sells 21.5 million units a year.

Despite this, the number of global fatalities or patients suffering aftereffects of health events resulting from hypertension continues to increase.

OMRON aims to reduce the number of strokes and myocardial infarctions to zero. This is not only our fervent desire but the challenge with which we have tasked ourselves.
In order to make Zero Events a reality, OMRON is engaged in innovation on a number of fronts, such as launching first-in-the-world revolutionary devices, and providing diagnostic and treatment services that leverage data.

OMRON’s wearable BPM is the only wrist-type BPM in the world which is capable of continuous readings and that has been approved by the FDA and PMDA as a medical device. With this device, we have changed the concept of what BPMs are used for, from managing to monitoring blood pressure.

Continuous monitoring of blood pressure allows patients to learn their own blood pressure patterns and enables them to detect early signs of abnormal blood pressure readings. This makes it possible to take preventative action before a potential event, such as raising the ambient temperature or taking nitroglycerin. This brings us one step closer to Zero Events.

This wearable BPM was launched in December 2018 in North America and December 2019 in Japan. Since its launch, it has been highly rated for its technology and innovativeness. In December 2019, it was selected by Time Magazine as one of The 100 Best Inventions of 2019.
- The combined EKG-BPM is the world's first BPM that can simultaneously measure both blood pressure and EKG.

- Simultaneous readings of blood pressure and EKG during daily life allows individuals with no subjective symptoms to detect arrhythmia, making early detection of cardiac conditions possible. This is also the only device of its kind that has been approved as a medical device by the FDA.

- OMRON will continue to challenge itself to innovate, identifying longer-term social issues by backcasting from the future.
The biggest challenge as the President of OMRON is how to instill a true understanding of the OMRON Principles to foster resonance, which will inspire more of these kinds of innovations.

It is not enough to allude to empathy and resonance in the OMRON Principles. In order to achieve true resonance throughout the organization, we are undertaking activities to promote understanding of the OMRON principles, to ensure that our frontline employees 'live' the values.
We undertake a number of activities to broaden the circle of resonance around embracing the OMRON Principles.

The most notable are The OMRON Global Award (TOGA) and the engagement survey VOICE.
- TOGA overview video
I will highlight a theme taken up by our China Healthcare business as a specific example of TOGA.

China is seeing a surge in diabetes patients, which are now estimated to number more than 110 million people. Diabetes can lead to complications involving sight or the nervous system. In China, there is a shortage of specialist doctors. As a result, treatment of the various aspects of diabetes had been split across different departments within hospitals, with patients being shuffled around between doctors.

The example I will highlight is a case where an individual recognized the need for change and took the initiative in leading efforts to bring about this change.
● Video showcasing HCB's theme for China.

● What is wonderful about this initiative is that it is a project that was not driven by instigation from above but instead, was developed by the team on their own.

● OMRON has BPMs and measurement equipment for arteriosclerosis but does not have ophthalmological diagnostic equipment or test kits. Therefore, MMCs cannot be outfitted by OMRON alone. But the ripple effect of others resonating with the team's objectives led ophthalmological test equipment makers and pharmaceutical companies to pledge their cooperation.

● While OMRON's China business is struggling under the impact of US-China trade tensions, HCB's China sales grew a strong 113% Y/Y. MMC project sales were a major contributor to this strong result.
Human Capital Initiatives

(Presentation by Masahiko Tomita, Managing Executive Officer, Senior General Manager, Global Human Resources and Administration HQ)
• TOGA is not simply recognition program but is an activity to support all global employees in embracing and putting the OMRON Principles into practice.

• The 3 key characteristics of TOGA are as shown on the slide.

• It consists of 5 processes. What is important is that there must be complete buy-in from each employee. As employees go through the process, they should be asking themselves 'Why are we doing this?', ‘How does this tie into a social issue?’ and ensuring they are fully satisfied with their answers. The next steps are to declare and put into practice a commitment, review and share, and learn and resonate.

• There are 3 rules.
  • Must embody the Principles
  • Must declare and register a theme in advance
  • Must be a team effort, with 2 or more people involved

We look favorably upon teams that, for instance, bring together individuals from different companies such as FA and HCB, or cross-border teams that bring together, for instance, sales people in the Netherlands and manufacturing staff in China.
● TOGA started in 2012, with cumulative participation of 20,000 people.

● There was a key breakthrough in the 3rd year. In the early stages, HQ was actively leading TOGA activities, and European and North American colleagues tended to be on the fence about participating. However, with past winners acting as evangelists, we saw a dramatic increase in participants from the 3rd year as the activities shifted to being driven by motivated employees on the ground around the world. In the 4th year, cumulative participants exceeded the total number of OMRON employees at the time.

● Currently, OMRON has approximately 35,000 employees. Last year, the 8th year of TOGA, the cumulative number of participating employees was 65,000. This is because individual employees are involved in multiple project themes. We believe it reflects the development of a culture that is constantly challenging itself to 'live' the OMRON Principles.
The 5 processes of TOGA create many opportunities for new learnings.

In particular, this is true of the 3 processes of 'Declaration', 'Taking Action' and 'Sharing and Feedback'. For each stage, the theme leader is presented with learning opportunities around the ability to set goals and articulate, to manage projects, to exhibit leadership capabilities, to see things from a management perspective and to demonstrate presentation skills.

In addition, managers acting as sounding boards for theme leaders also are presented with opportunities to revisit their understanding of the OMRON Principles as they listen and give advice. Managers also learn to delegate to the theme leaders and to appropriately praise good performance.

In this way, TOGA is not only a platform for putting the Principles into practice for all employees, but a platform for new learnings and insights for all employees.
In order to more effectively leverage this platform to accelerate human resource development, it is important to create an environment where a diverse workforce can thrive.

With the aim of creating such an environment, we initiated the VOICE engagement survey in 2016.
● The objectives of OMRON's engagement survey are as shown on the slide.

● As indicated by its name, VOICE captures how employees view management. It is a marketing tool that supports management in making OMRON more attractive. It is not simply a general survey to measure satisfaction or to analyze the organization.

● All OMRON global employees, approximately 24,000 with the exception of overseas production line workers, participate. We consider the additional comment section to be particularly important. Management has received around 8,500 proposals and comments from employees about how to make OMRON a more attractive workplace.

● President Yamada reviews all of the comments. Other executives also review the comments for their own divisions. Major items are discussed at the executive committee level; the committee then determines the actions it deems necessary.

● The research company responsible for designing and implementing this survey has said that OMRON's engagement survey is unique in terms of not only its objectives but the sheer number of additional comments, as well as the fact that executives review and discuss all of the content.
The public job postings system and application program are some examples of new initiatives created as a direct result of VOICE feedback.

At OMRON, we are firmly committed to supporting highly motivated employees ready for new challenges. The public job postings system and application program represent mechanisms to support such individuals.

The public job postings systems is designed to support recruiting employees for openings in other departments.

The application program is a system for employees to promote their own talents to departments in which they are interested, even if there are no current openings. The application program was launched in 2019 as a result of VOICE comments. The program has been through 2 cycles so far, with 102 applicants and 42 hires. The employees successful in winning new opportunities are highly motivated and have been able to fully tap into their capabilities in their new roles.

There has also been a secondary benefit from this program. Under the program, employees who are key players in their current roles have applied for new opportunities. The heads of their current teams are only informed once an employee has successfully been hired. It is tough for teams losing a key player. The program is generating a healthy tension in prompting many department heads to focus on enhancing the attractiveness of their teams in order to motivate and retain talent.

The application program is merely one example of how OMRON is creating an environment where employees' voices are heard and where they can thrive.
● TOGA and VOICE are the twin pillars that allow sustainable growth for both individuals and the organization. Through TOGA we encourage the creation of solutions to social issues and personal development. We leverage VOICE to create an environment where a diverse workforce can thrive. By continuously challenging ourselves, we create a virtuous cycle where OMRON can grow along with its employees. This is OMRON's commitment to attracting human capital and creating a diverse and inclusive workplace.
Climate Change Initiatives

(Presentation by Kashuku Hirao, Senior General Manager, Sustainability Office)
At OMRON we view the building of an environmentally sustainable society as contributing to a better society, as set out in the OMRON Principles.

In FY2011, we formulated our long-term environmental vision Green OMRON 2020 as a framework for our climate change initiatives.

Since the Paris Agreement on Climate Change, there has been a significant shift worldwide with increased demands for companies to further step up climate change initiatives.

Amidst this backdrop, OMRON made its SBTi declaration, setting out a science-based GHG reduction target in FY2018. It set out a new target 'OMRON Carbon Zero'. In 2019, OMRON declared its support for TCFD.

On the back of its initiatives, assessments of OMRON have improved. CDP recently announced that it had upgraded OMRON's score from 'B' last year to 'A-'.

OMRON's Environmental Vision is based on 2 pillars.
- Providing eco-friendly products and services
- Fully leveraging management resources to achieve a global, sustainable society
● In our current Medium-term Plan, we position achieving our sustainability targets as important as achieving our business targets.

● While aiming to solve the globally pressing issues of climate change through our business, we also seek to reduce the environmental burden of our business activities. We are simultaneously accelerating initiatives on both sides.
With regard to solving climate change issues through our business, we are working to increase eco-friendly products and services in all of our business domains.

As examples, we provide products such as PV inverters, which are necessary for solar power generation, or storage battery systems to effectively use the generated power, as well as launching energy systems and services to revitalize local communities by making them energy self-sufficient.

Examples of efforts to reduce the environmental burden of our business include the visualization of power consumption in our manufacturing bases, in order to properly control and reduce energy usage.

With regard to renewable energy sources, we are installing solar power systems in Japan and China for our own use.
**OMRON declared its support for TCFD roughly 1 year ago. Since then, we are using TCFD's disclosure framework for our overall initiatives and have been disclosing reports on our progress.**
I will explain the 4 elements of TCFD's disclosure framework.

1. Governance

With regard to climate change initiatives, the board has monitoring and oversight responsibilities for major sustainability issues within the Medium-term Business plan.

The executive shares its annual targets, specific action plans and progress updates with the Sustainability Committee and Executive Council. In the event of issues, the Committee and Council debate solutions.
2. Strategy

TCFD advocates the use of scenario analysis to identify risks and opportunities for the business, related to expected climate change in the future, as well as disclosure of current and potential impacts.

OMRON has 3 business domains. We are currently conducting scenario analysis for the Social Solutions domain which particularly contributes to maximizing our customers' energy efficiency through products and services for energy generation, energy storage and energy saving.

We plan to undertake scenario analysis for the FA and Healthcare domains going forward.
At the end of last November, we set up a project team within the Social Solutions business, to collaborate with the Sustainability Office on the scenario analysis. We have completed Step 3 and are about to commence Step 4.

In Step 1, we considered transition risk, physical risk and opportunities for the 4 business areas within Social Solutions. Given the broad range of businesses, we chose to focus first on products and services that directly contribute to solving climate change issues in the smart energy area.

In Step 2, we identified the key factors within smart energy and considered what the business might look like in 2030 under 2℃ and 4℃ scenarios.

In Step 3, we evaluated the business impact from the future business image derived in Step 2, from a quantitative perspective.

The analysis of the smart energy area will be completed at the end of March. We plan to continue our analysis of Social Solutions, focusing on the other 3 business areas. Such analysis will tie into our longer-term business strategies going forward.
3. Risk Management

- Climate change is positioned at the center of our integrated risk management process.
- In this slide, risks highly correlated to climate change are shown in dark red. The lighter red bars are risks, while not high, that relate to climate change.
- With regard to natural disaster risk management, we are reviewing our BCP and conducting drills on a regular basis.
**4. Metrics and Targets: OMRON Carbon Zero**

Committing to reducing power consumption and migration to green energy. Expect to achieve FY2019 target for expanding area where renewable energy is procured.

- **GHG reduction**
- **GHG emissions (plan)**
- **GHG emissions (Actual/Fcst)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2016 Actual</th>
<th>2019 Plan/Fcst</th>
<th>2020 Target</th>
<th>2030 Target</th>
<th>2050 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emission [10Kt-CO2]</td>
<td>25</td>
<td>24</td>
<td>24</td>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

*Currently formulating Scope3 target

- **FY2016 Actual**
- **2019 Plan/Fcst vs. plan -29%**
- **2020 Target**
- **2030 Target**
- **2050 Target**

<table>
<thead>
<tr>
<th>vs. 2016</th>
<th>-4% vs. 2016</th>
<th>-32%</th>
<th>GHG Zero Emissions</th>
</tr>
</thead>
</table>

**Carbon Zero Target**

- In July 2018, we set out a new target, 'OMRON Carbon Zero'. We aim to achieve zero GHG emissions for Scope 1 and 2 in 2050. We have set a 2030 target for reducing emissions by 32% relative to FY2016 levels.

- We are firmly focused on initiatives to reduce energy consumption and to migrate to green power sources through the use of renewable energy, in order to achieve our target. We have made solid progress in reducing emissions every year. We now expect to achieve our target in FY2019 by procuring power generated from renewable sources.
Specific initiatives toward achieving OMRON Carbon Zero have been initiated in Japan and China, which account for 70% of our power consumption. In FY2019, we have completed the analysis of potential for 27% of our major locations in Japan and have installed new PV facilities.

From FY2018, we started procuring renewable energy-based power in the Kansai area. This was expanded to the Tokyo Area in FY2019. 40% of our major domestic locations have already adopted renewable energy sources.

In China, our focus has primarily been on reducing power consumption. We have started conducting analysis of potential in Asia from this year.
We will continue to focus on solving climate change and other social issues through our businesses while simultaneously reducing the environmental burden of our businesses.
Corporation Governance

(Presentation by President and CEO Yoshihito Yamada)
OMRON's corporate governance is a mechanism for implementing management based on the OMRON Principles. Our goal is to achieve sustainable growth of long-term value by putting the OMRON Principles into practice.

Since the creation of the Management Personnel Advisory Committee in 1996, OMRON has steadily improved its corporate governance.

In line with changes in society and the growth of the company, we have separated the roles of oversight and execution, created various committees to create a unique governance structure that has evolved as OMRON put into practice our Mission and Values.

The key characteristic of this process at OMRON is our careful focus on ensuring that we prioritize the effectiveness of corporate governance above all, rather than simply implementing a standard structure. We have allowed our corporate governance to evolve gradually over time.
● OMRON is a company with an audit and supervisory board, but in order to enhance the board’s oversight function, we have created a hybrid structure that incorporates the advantages of a nomination committee.

● There are 2 key characteristics. All of the committees are chaired by external independent directors and external independent directors have a majority in all of the committees. Also, I, as the president, am not a member of any of the committees.

● The reason why OMRON has chosen not to become a company with a nomination committee is because we believe there are more benefits to being a company with an audit and supervisory board. At this juncture, we believe this hybrid structure is the best.

● The OMRON group has a diverse range of businesses and each of our business companies operate on a global basis. Each of our auditors are actively involved in on-site audits of each business on a global basis, from the perspective of monitoring and overseeing the board. For OMRON and the governance of the group, we believe the Audit and Supervisory Board functions extremely well, in executing the independent investigative rights of independent auditors.

● Given this, OMRON has chosen to be a company with an audit and supervisory board, but has created a hybrid structure by choosing to supplement the auditing function by setting up various committees that leverage the advantages of a company with a nomination committee. We believe this is the best structure for OMRON.
The first characteristic of governance at OMRON is the separation of oversight and execution. I, as the most senior executive, am not a member of any of the committees.

The second is the strengthening of the oversight function of the board. While we are a company with an audit and supervisory board, we have adopted a hybrid structure that allows us to benefit from the advantages of a company with a nomination committee.

The third is the continued evolution of corporate governance. We believe enhancing corporate governance is an unending evolutionary process. Going forward, our governance will continue to evolve in line with changes to the operating environment and our own growth. We will maintain our primary focus on effectiveness to grow long-term value.
<table>
<thead>
<tr>
<th>Growth Underpinned by the OMRON Principles</th>
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</thead>
<tbody>
<tr>
<td>We will achieve sustainable corporate value growth by continuing to generate both economic value and social value, underpinned by our focus on solving social issues through our business</td>
</tr>
</tbody>
</table>

- OMRON is highly committed to putting the OMRON Principles into practice. By solving social issues through our business, OMRON will continue to create economic value and social value.

- I believe our sustainability initiatives are a natural part of putting the Principles into practice. By continuing to implement the OMRON Principles, I believe OMRON will be recognized by society and can sustainably grow long-term value.
Basic Stance for Corporate Governance

At the OMRON Group, corporate governance is defined as the system of processes and practices based on the OMRON Principles and the OMRON Management Philosophy. The system is intended to ensure transparency and fairness in business and speed up management decisions and practices. This is done by connecting the entire process from oversight and supervision all the way to business execution in order to boost the OMRON Group’s competitive edge. OMRON’s corporate governance also involves building such a system and maintaining its proper function.

In accordance with this basic stance, the OMRON Group has set forth its Corporate Governance Policy as the foundation for the Group’s pursuit of continuous improvement of its corporate governance.

Source: Corporate Governance page, OMRON Web site
https://www.omron.com/about/corporate/governance/policy/