

Q&A Session Summary, ESG Meeting
OMRON Corporation
February 17, 2020; Tokyo

Governance

Q. How are the sustainability initiatives reflected in the remuneration of directors?

A. The remuneration of directors consists of 3 components: base salary, short-term performance-linked compensation and medium-to-long term performance-linked compensation (stock compensation). The assessment of sustainability-related performance is one element of the medium-to-long-term performance-linked compensation. Our specific target is to be selected for inclusion in DJSI World. The relative weights of the 3 components varies depending upon individual roles, but for the President the breakdown is Base/Short-term/Medium & Long-term: 1:1:1.5.

Human Capital

Q. What is your thinking with regard to appointing non-Japanese to the Board?

A. We view diversity as one of our issues. It may be challenging, given constraints related to place of residence but, we will consider it going forward. For external directors, we place emphasis on candidates that have experience and a track record in corporate management.

Q. What is your view on how to increase the proportion of female managers?

A. We have a FY2020 target of 8% for the domestic business. Currently, it is around 5%. Our first goal is to achieve 8%, but this is merely a milestone; we do not view 8% to be a satisfactory level. Globally, we would like to further raise the percentage of women in management roles over the medium-to-long-term.

Environment

Q. Your CDP score was 'A-'. Would it be difficult to raise your score to 'A'?

A. At this point, we believe it would be challenging. Given we have not been able to disclose the business risks and opportunities based on scenario analysis, we believe there are still many things we need to do.

Q. Are you considering participating in RE100?

A. We have no plans at the moment. We would like to first focus on properly following through on initiatives to reduce energy consumption and increase use of renewable energy.

Other

Q. Please describe HCB's initiatives in China in the wake of the COVID-19 outbreak.

A. In response to a request from the regional government, we partially restarted operations at our Dalian plant in China from February 4, to produce and supply thermometers and nebulizers. We moved to a full restart of operations on February 10. Our production lines have now returned to close to full capacity utilization.