

**Q&A Session Summary,
FY2022 ESG Meeting OMRON Corporation
March 8, 2023**

Initiatives undertaken during CEO Yamada's term as president

Q. What did you take into consideration when implementing measures to improve corporate value?

A. I always consciously took a medium- to long-term perspective. In managing the company, I focused on undertaking investments necessary for where we want to be in ten years' time now.

However, it is also necessary to be mindful of our diverse stakeholder base and the need to maintain a good balance in raising corporate value and distributions. It is important to be a company that solidly creates value for the long term; OMRON will continue to maintain a medium- to long-term perspective.

Q. What are the challenges that will be handed on to the incoming CEO?

A. The key challenge is high cycle management, in which decision-making, execution, feedback and further execution must be done with speed. I would like to see OMRON adopt a system where small challenges are dealt with swiftly which will tie into accelerating the resolution of larger challenges. It is important to lay the foundations for progressing through the cycle with speed in order to achieve our vision. I believe the new CEO will be able to fully implement this.

Solutions Business

Q. Please talk about OMRON's direction going forward.

A. We are transitioning our business from a focus on products to a focus on solutions. What our customers really want is not the hardware, such as sensors, controllers or BPMs, but the solutions that can be achieved using these products. Success will hinge on whether we can deliver solutions for the 3 social issues we have identified as targets. The key element for this is data. OMRON will focus on advancing the development of solutions that leverage data.

Human Creativity

Q. Please share some examples that have led to advances in developing human creativity or enhanced added value.

A. The progress on human creativity for this fiscal year is forecast at 2%; we are making good progress relative to plan. However, it is important to remember that it will take time before investments in human capital lead to an increase in added value. This fiscal year, we focused on securing the necessary human resources to enable the transition of our businesses from a product-centric approach to a solutions-driven approach. We hired human resources that are able to act as the architects for shaping our business, and data scientists.

Energy Productivity Solutions

Q. What sort of demand are you seeing for energy productivity solutions? What do you view as the strength of these solutions?

A. Manufacturers are being asked to tackle decarbonization for the entire value chain. Europe, in particular, now views this as the minimum criteria for conducting business. For that reason, many companies have expressed a keen interest in the energy productivity solution.

In addition, we have a track record of achieving a 1.6-fold improvement in energy productivity in our own plants through the application of this solution. The energy control technology and know-how accumulated through initiatives implemented over more than 10 years, combined with our abundant product lineup which enables total solutions is unique to OMRON. This is a major strength.