



Data Solutions Briefing

October 3rd, 2024

OMRON Corporation

1. Group Growth Through Data Solutions

2. Progress in Creating Data Solutions

3. Future Earnings Outlook

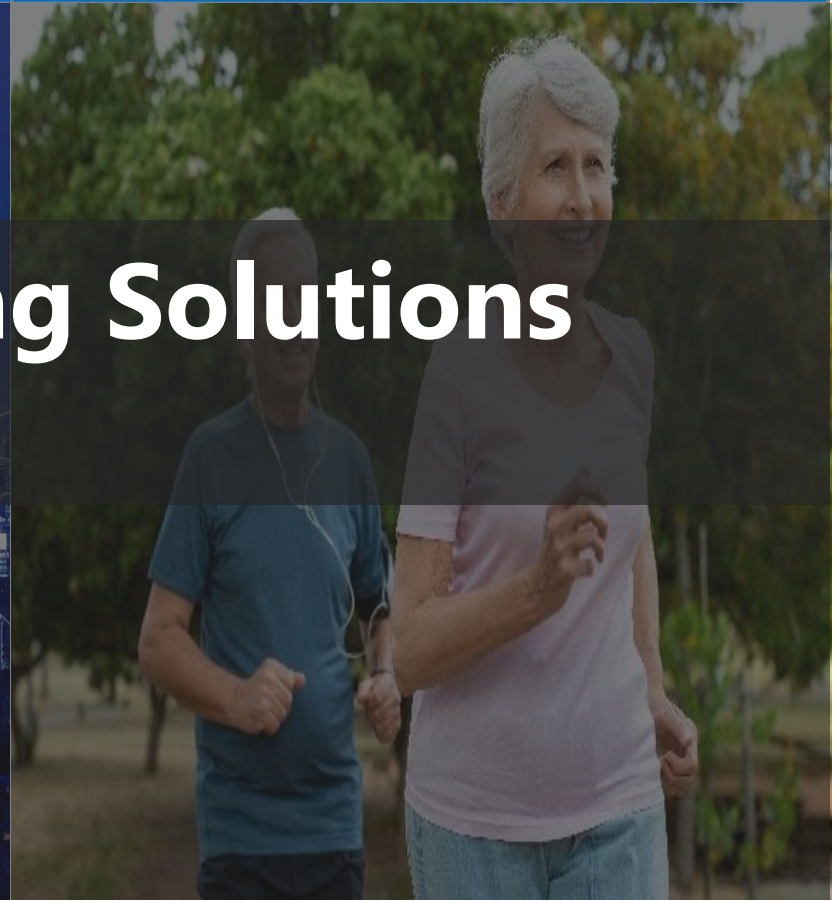
1. Group Growth Through Data Solutions

**Achieving Carbon
Neutrality**

**Realizing a Digital
Society**

**Extending Healthy
Life Expectancy**

**Growth Through Developing Solutions
to Social Issues**



Creation of Data Solutions

Leverage the strengths of both OMRON and JMDC to create new value

Healthcare

【HCB】

Product Lineup
with Global Share No.1



Personal vital data



Social Solution

【SSB】

Service Network Covering
Entire Country / No.1 Share



Store and IoT device data



Industrial Automation

【IAB】

FA Equipment Provided
to Over 100K Customers



Manufacturing site data



OMRON

JMDC
● + x ◀

“Data management capabilities” & “Solution development capabilities”

New Data Solutions

Budding Data Solutions Business & Business Model Transformation

Progress in creating new data solutions.
Future growth businesses are beginning to emerge

Provided through	Healthcare	Social Solution	Industrial Automation
	<HCB>	<SSB>	<IAB>
Devices	Healthcare Equipment (BPM/Nebulizer)	Railroad/Energy (Passenger Gate/ PV/Storage Battery)	Control devices (Sensor, PLC, Servo, etc.)
	<ul style="list-style-type: none"> ● Remote Patient Monitoring Business 	<ul style="list-style-type: none"> ● Operation & Management Business 	<ul style="list-style-type: none"> ● Service Business (Introduction, maintenance, training)
Service	<ul style="list-style-type: none"> ● Health Big Data Business ● Prevention/Health Promotion Business (PHR) 	<ul style="list-style-type: none"> ● Management/Service Business (Smart M&S) ● Carbon Neutral Business 	<ul style="list-style-type: none"> ● On-site Data Utilization Service Business (i-BELT)

2. Progress in Creating Data Solutions

Healthcare Solution



J M D C

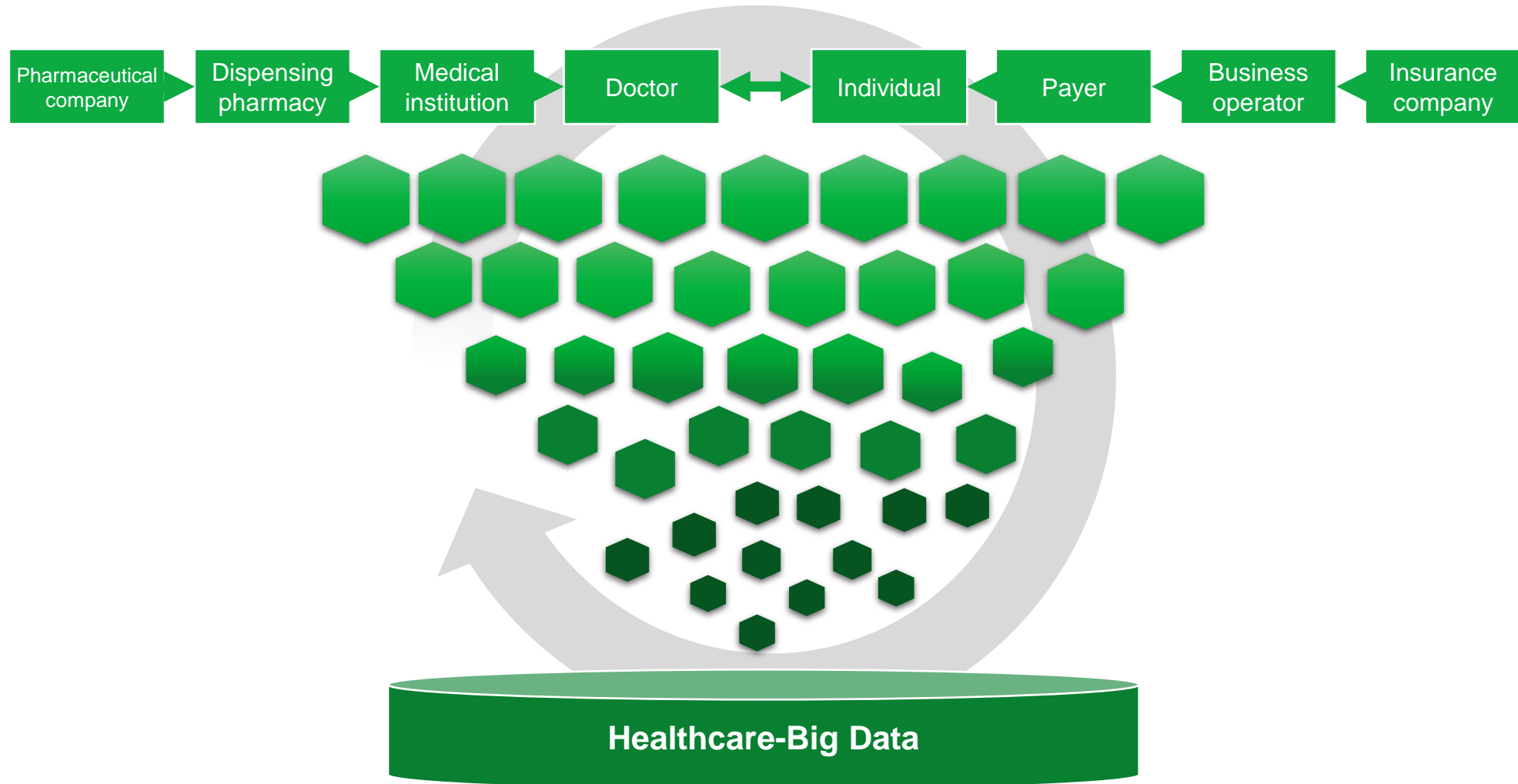


"Providing a Healthy and Rich Life for All Individuals"

Leveraging data and ICT solutions
to create a sustainable healthcare system

Ambition for Healthcare-Big Data

JMDC will support the evolution of medical care by gathering various data on healthcare in Japan and creating an environment where all healthcare players can utilize the data.

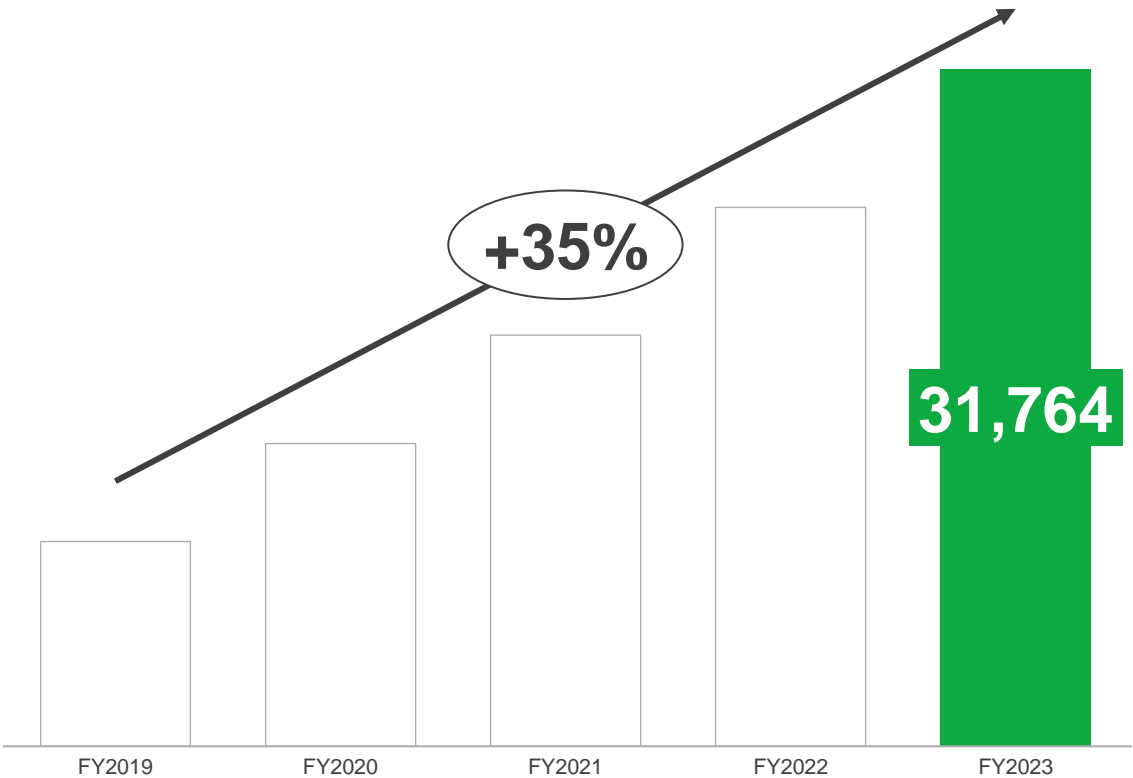


JMDC's Growth Path: Strong Growth Potential

We have achieved strong growth in the five years since our listing.

Consolidated Revenue Trends (Yearly)

(Unit: Million JPY)



In the five years after listing...

Revenue
expansion

over
3x

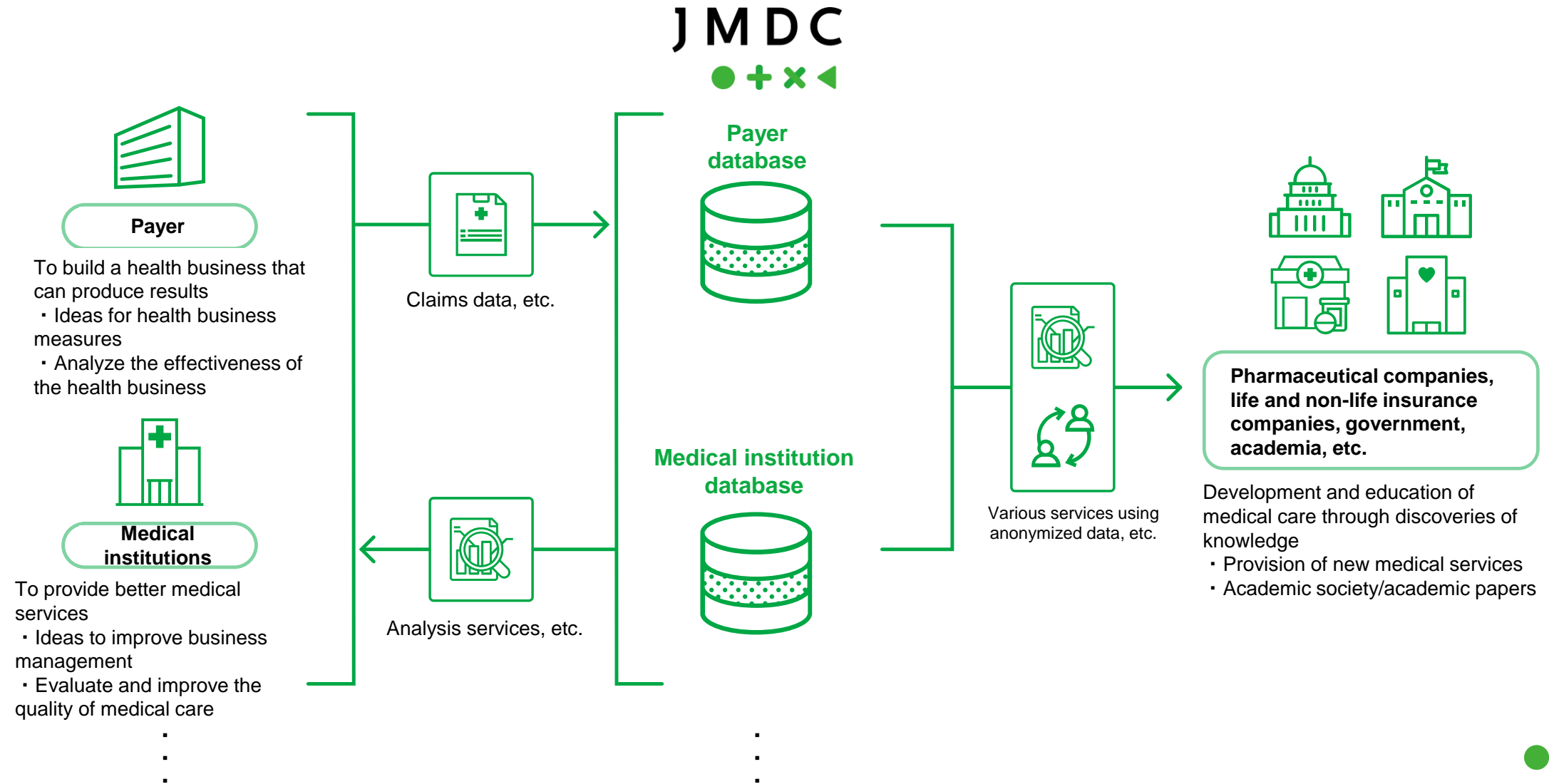
annual
average
growth rate

35%

Note: IFRS-based
The above revenue does not include the contribution the performance of subsidiaries transferred in FY2023.

JMDC's Healthcare-Big Data Business Model

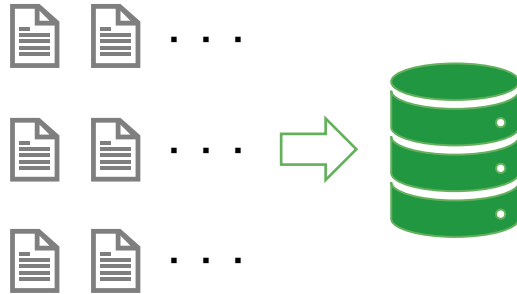
We accumulate data through the provision of services that utilize data to payers, medical institutions, etc., and then, after anonymizing the data, we provide various data utilization services to the industry, including pharmaceutical companies and life and non-life insurance companies, etc.



[Reference] Example of Support for Payers: Promoting Health Business Using Data

We comprehensively support the building of databases for claims and health checkup data, as well as subsequent analysis and the promotion of health improvement.

Building Databases



Digitize, anonymize, standardize and store in a database in an analyzable format under a thorough security system.

Analysis



Provide health insurance unions with an analysis platform that can be used to freely perform a variety of analyses, and support them in identifying issues.

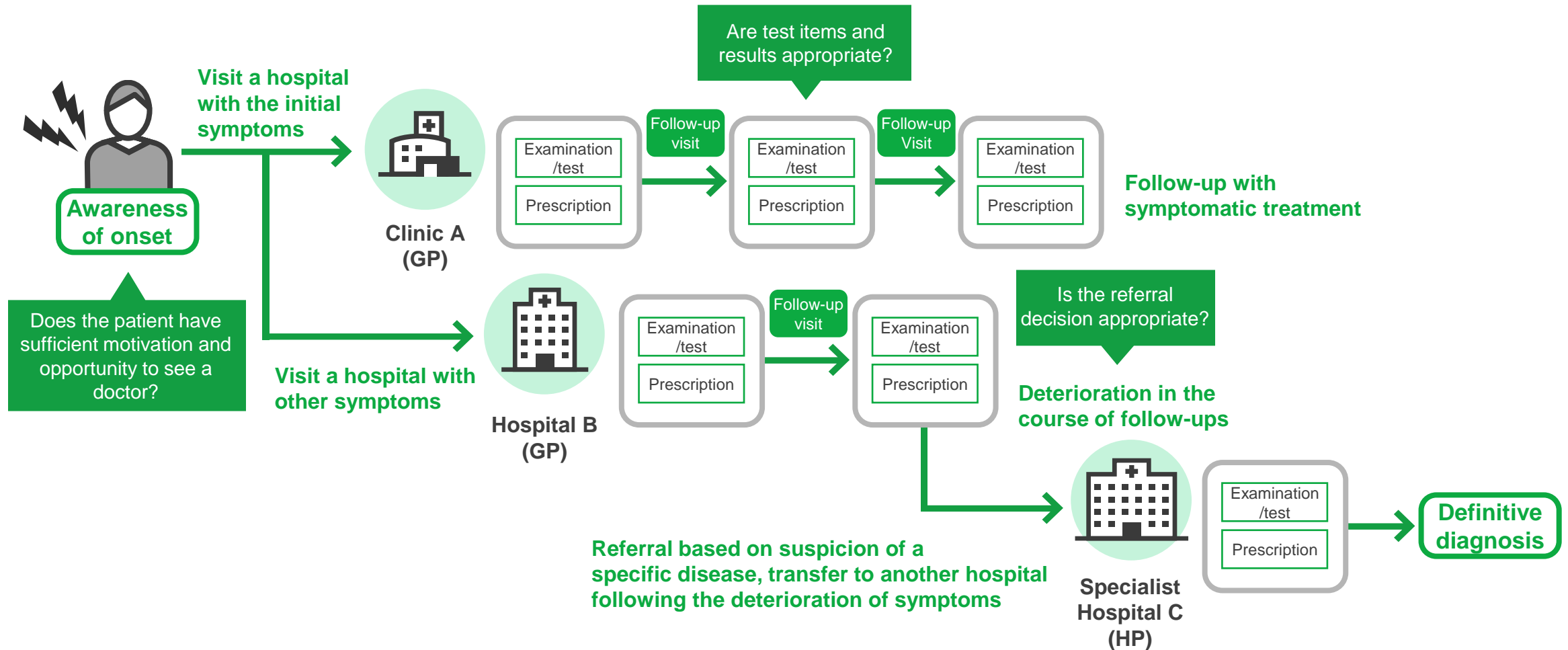
Health Promotion



To resolve issues, provide solutions such as PHR services, health promotion programs, and various notifications services.

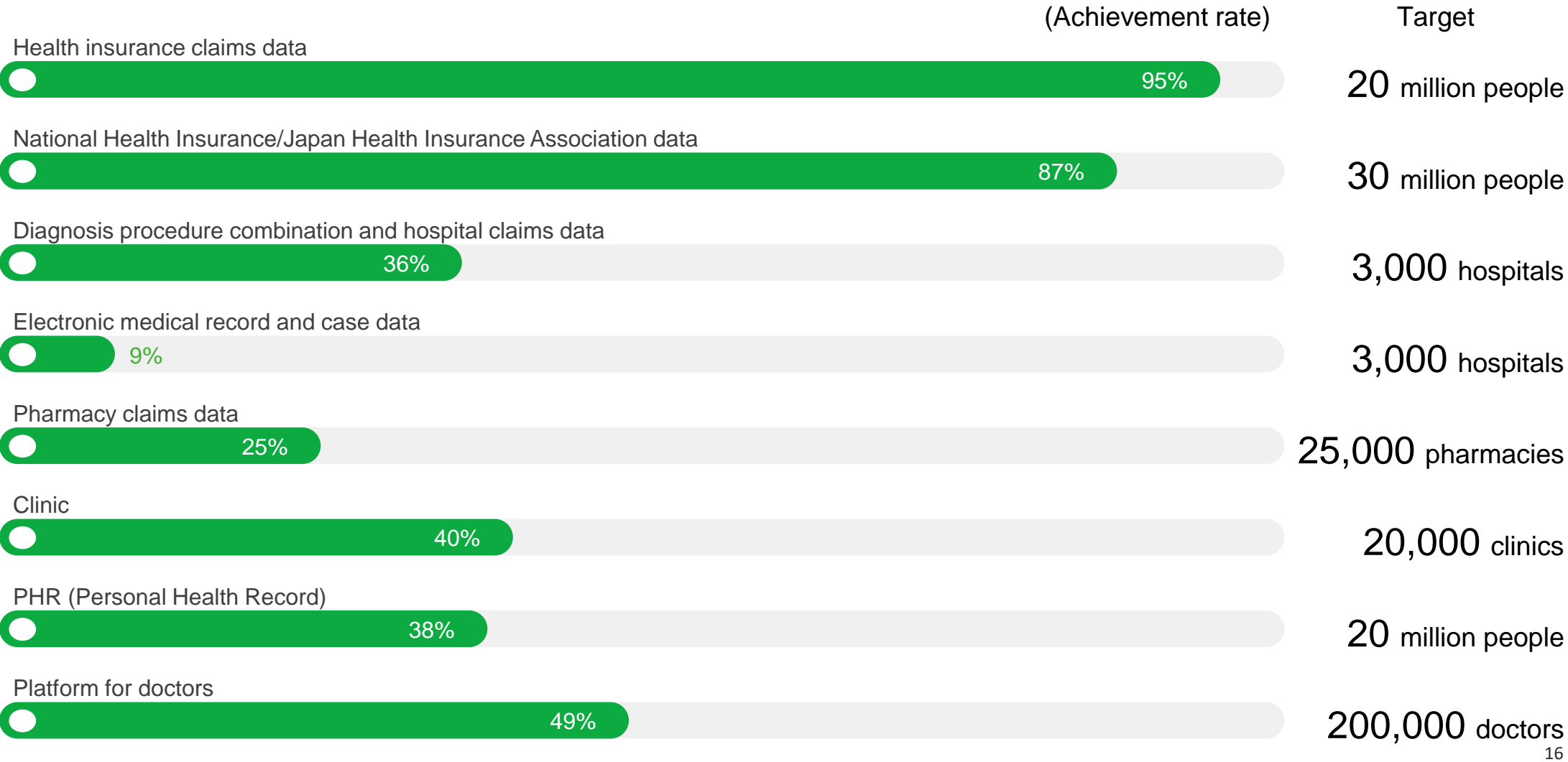
[Reference] Example of Support for Pharmaceutical Companies: Understanding the Patient Perspective Using Data (Patient Journey)

For diseases with low diagnosis rates, we use data to understand the actual state of medical care from the patient's perspective, and support the identification of issues and the consideration of measures.



JMDC's Source of Growth: Diverse Data Assets

We are accumulating a wide variety of data assets related to healthcare in Japan, with a focus on health insurance claims data.



JMDC's Source of Growth: Human Resources Who Can Handle Data Correctly, Know-how and Technology that Supports Data Strength

In addition to the volume of data, the human resources who can handle that data correctly, and the know-how and technology to ensure the quality of the database that has been accumulated over a long period of time, are leading to high entry barriers and competitive advantages in the field of data utilization.

Human resources who can handle data correctly



Data cleansing: approx. 50 people



Database Engineer: approx. 50 people



Data Scientist: approx. 30 people



Doctors, nurses, and other medical professionals: approx. 130 people



Data Consultant: approx. 50 people

Know-how and technology that support the strength of the data



Act on the Protection of Personal Information

Always up-to-date in responding to the latest personal information protection laws and regulations, while building an optimized business model.



Data cleansing/standardization

Construct DBs through our proprietary and large-scale processes that we have been building up through more than 15 years of DB utilization.



Data security

Safely manage and store sensitive personal data entrusted to us.



Analytics/data science

Data utilization technology that is powered by both technologies and healthcare knowledge



Anonymization

Keep an appropriate balance between protecting the privacy of individuals and the use of data while complying with applicable laws and regulations.



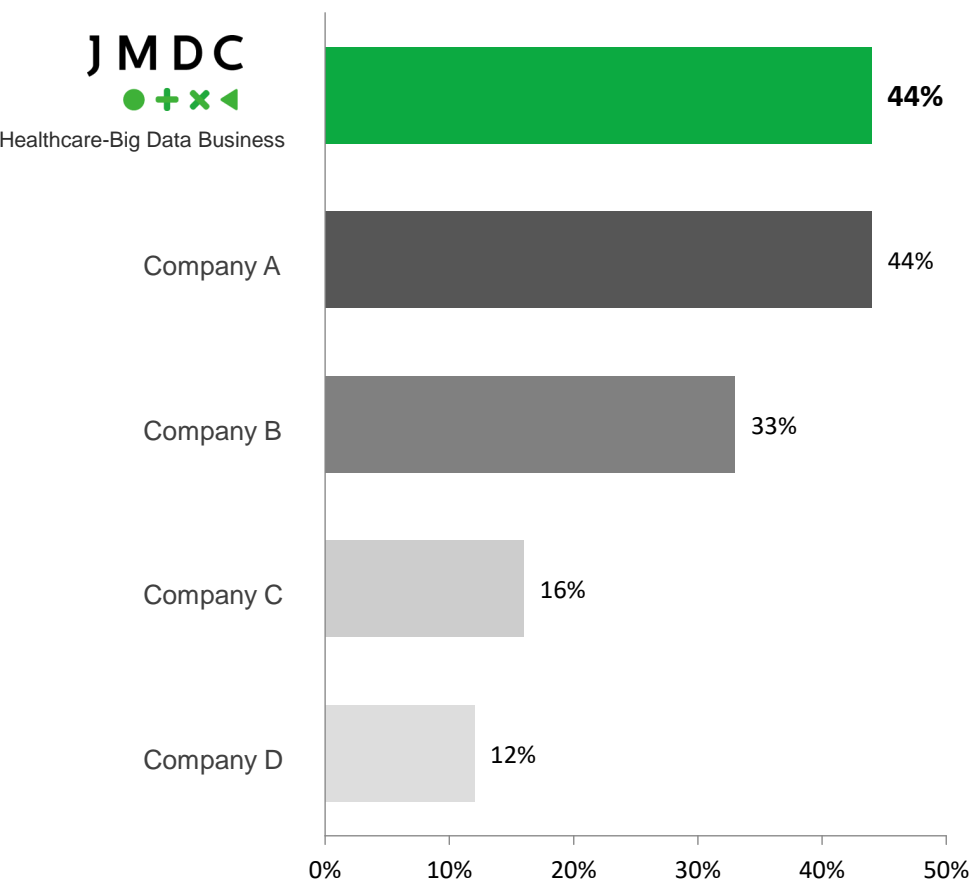
Service/solution development

Design services and solutions to meet the needs of data providers by leveraging our in-depth knowledge of data characteristics

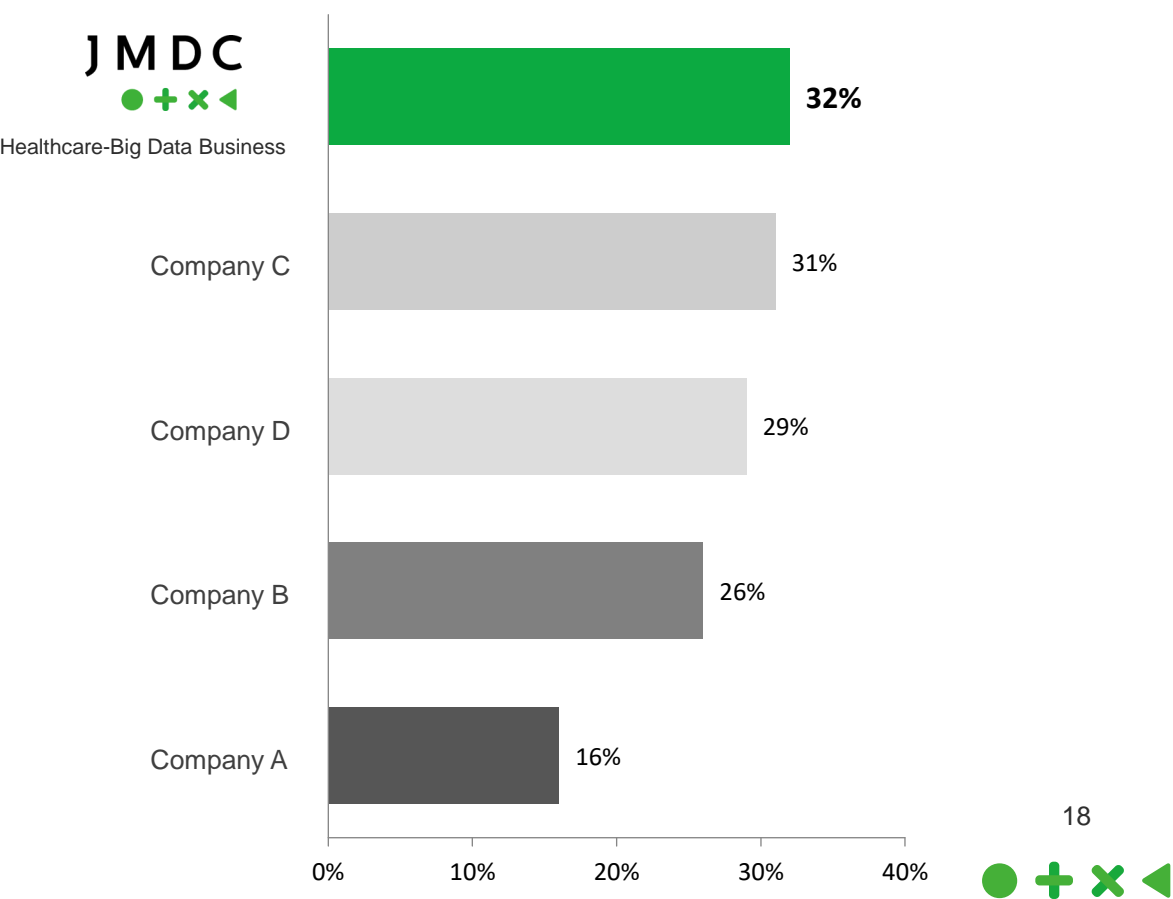
JMDC's Overwhelming Presence in Japanese Healthcare Tech

We have achieved both growth potential and profitability, which are balanced at a high level compared to other companies.

Annual Average Growth Rate (past 5 years)



EBITDA margin (most recent fiscal year)



The Scale of Social Impact and the Current Situation: Room for Growth is Expanding

Data-driven, high-value-added services are still marginal compared to potential. The room for growth is large.

...JMDC's penetration is still in its infancy.

Current status of JMDC monetization



JPY **358 thousand**
per capita medical expenditure

● **JPY100**
(0.03% of total financial resources)
Sales per individual



JPY **3-4 trillion**
Pharmaceutical marketing +
R&D expenses

● **JPY10 billion**
(0.3% of total financial resources)
Sales for pharmaceutical companies



JPY **2-3 trillion**
Market for services for
medical institutions

● **JPY9 billion**
(0.4% of total financial resources)
Sales for Medical Service Providers¹⁹

While data is an essential asset in transforming the situation in healthcare...

Clinical
Trial Dx

AI Drug
Discovery

Marketing
Automation

Online
Consultation

Medical
Institution
Dx

PHR

Potential Sizing of the Market that JMDC Could Capture in Five Years

By maximizing the power of data, the scale of monetization is JPY250 billion. We will make every effort to deepen penetration.



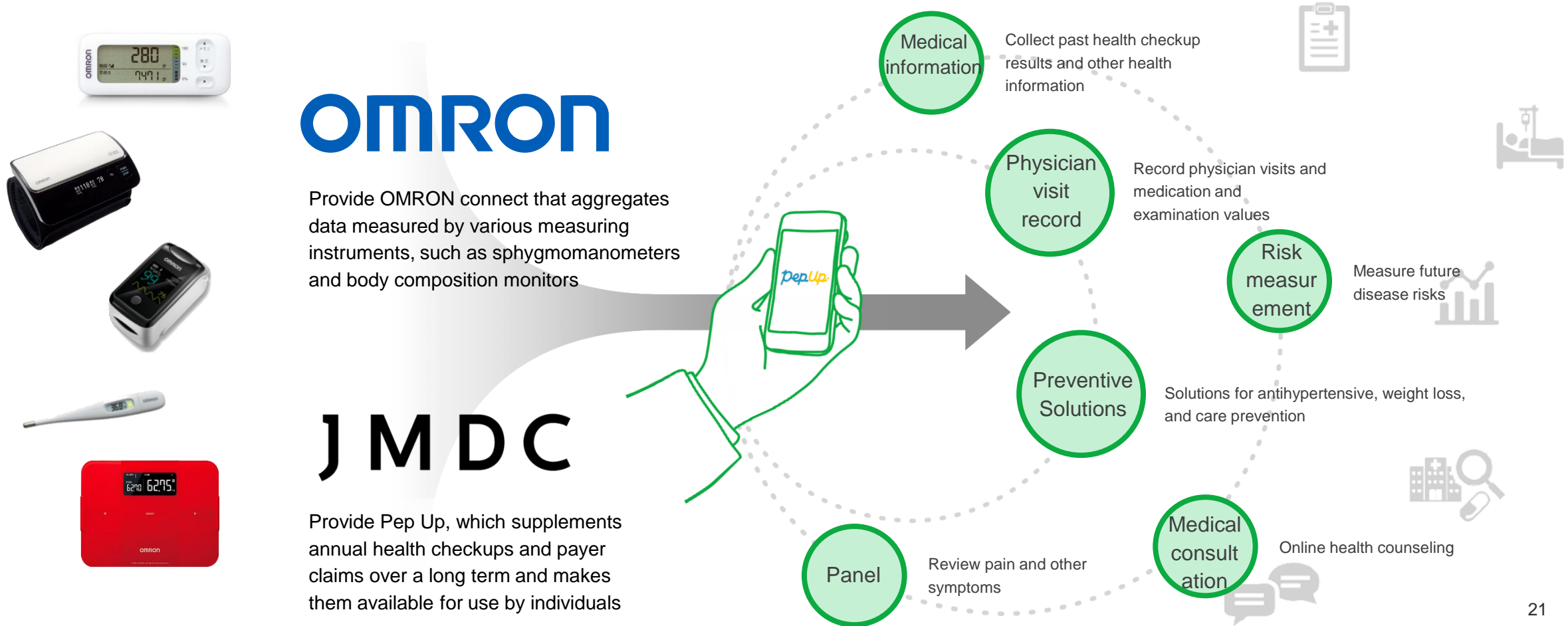
For Payers/Individuals
JPY80-100 billion

For Industry
JPY40-50 billion

**For Medical Service
Providers**
JPY80-100 billion

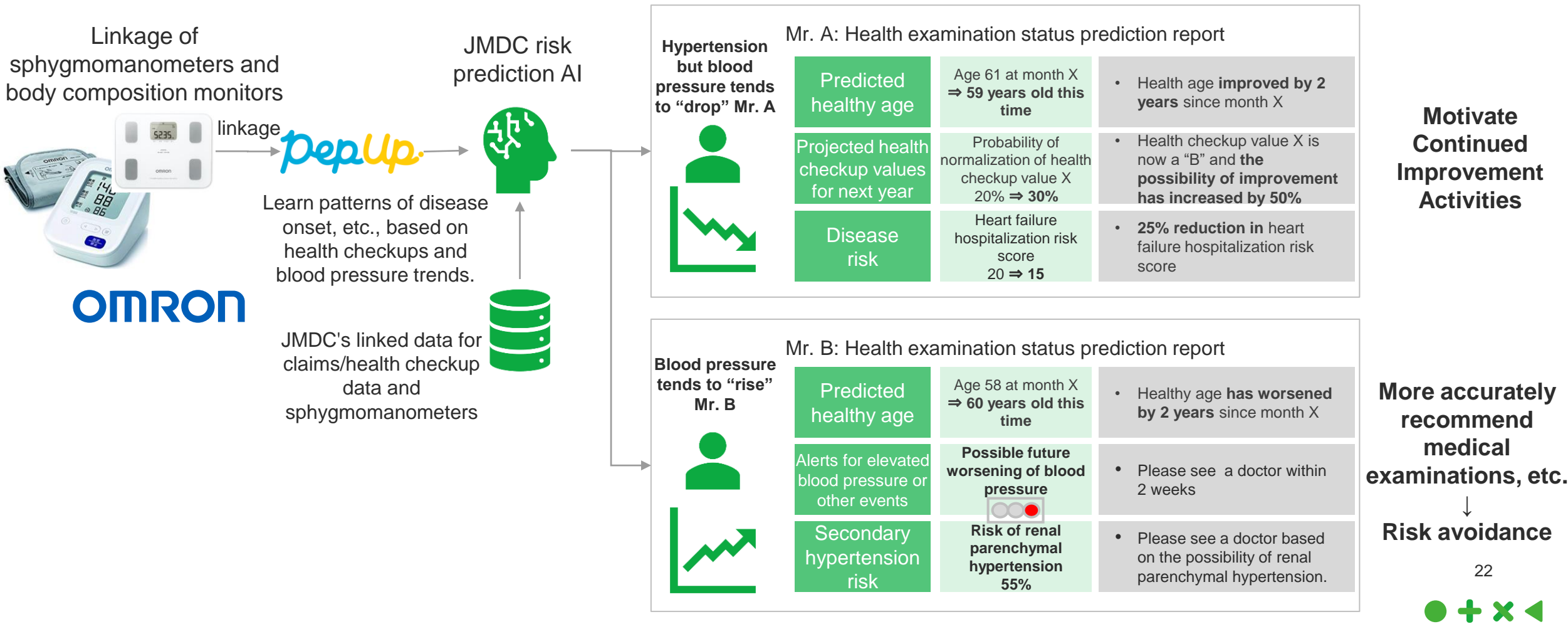
Business Opportunity Expanded through Co-Creation with OMRON (1): Promoting Health Promotion and Optimization of Medical Expenses by Evolving into a Nationwide PHR

Through the evolution of PHR, we will promote individual medical cost appropriateness initiatives in health insurance unions and companies.



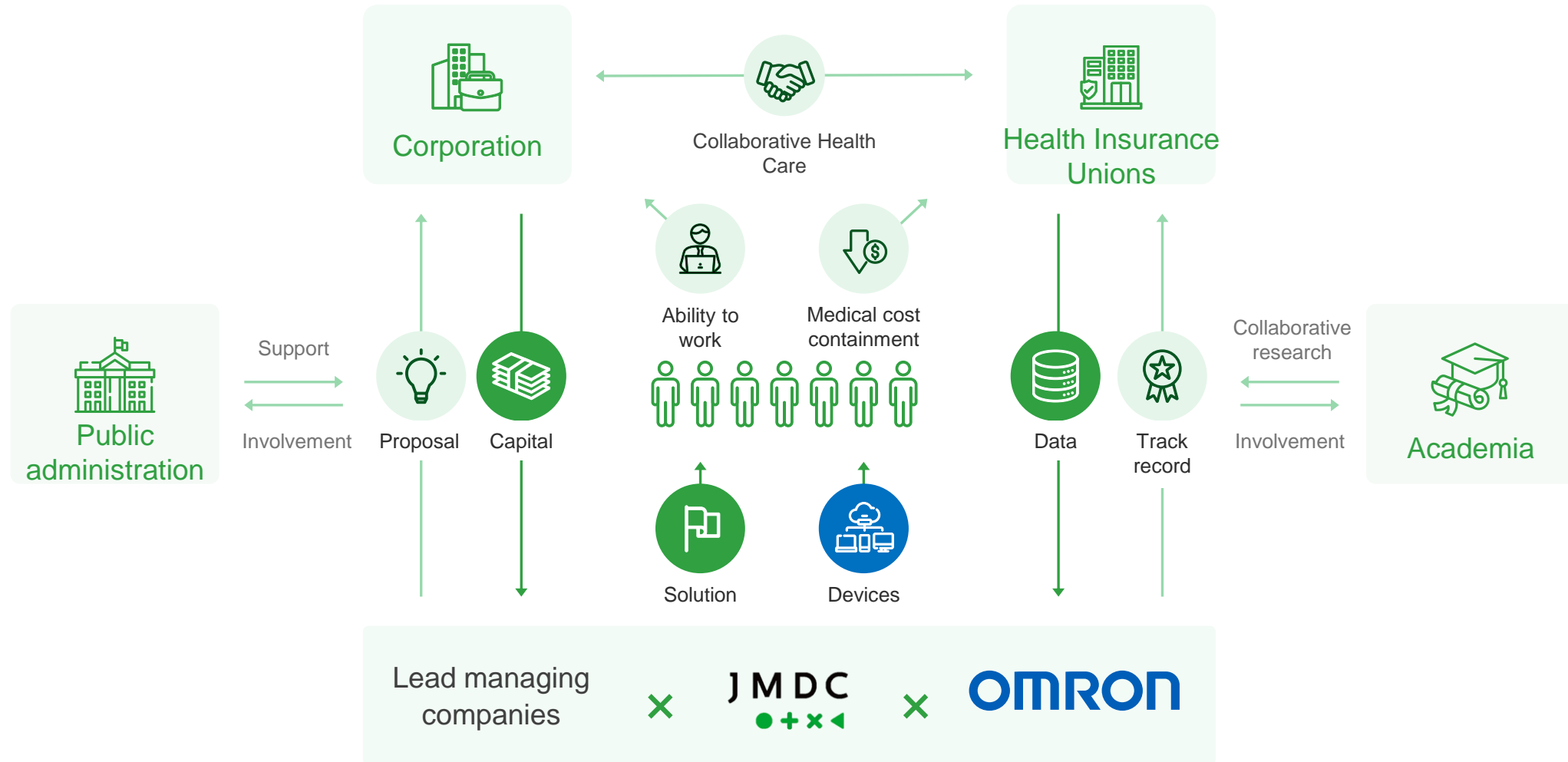
[Reference] Examples of solutions in collaboration with OMRON

Efforts are underway to develop new data solutions by linking vital data obtained from OMRON devices with JMDC's claims and health checkup data, and to return the data to individuals.



Business Opportunity Expanded through Co-Creation with OMRON (2): Launch of Health & Productivity Management Alliance

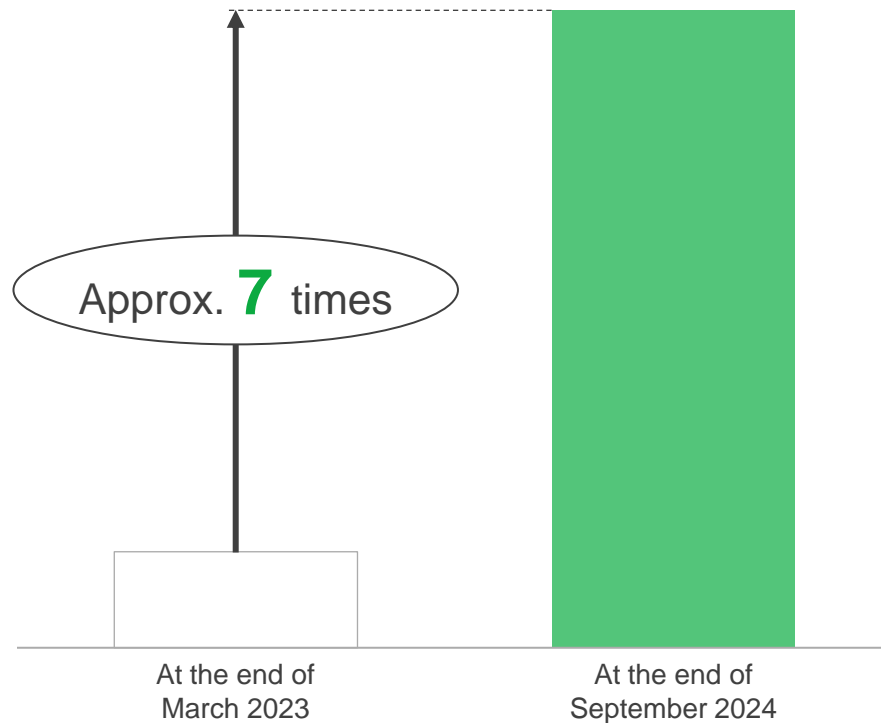
Omron and JMDC initiated the Health & Productivity Management Alliance. The Alliance is an organization for companies to share their expertise in utilizing data and implementing specific initiatives to improve the health of their employees. More than 400 companies and organizations have already joined the Alliance, which has become a major movement toward extending healthy life expectancy.



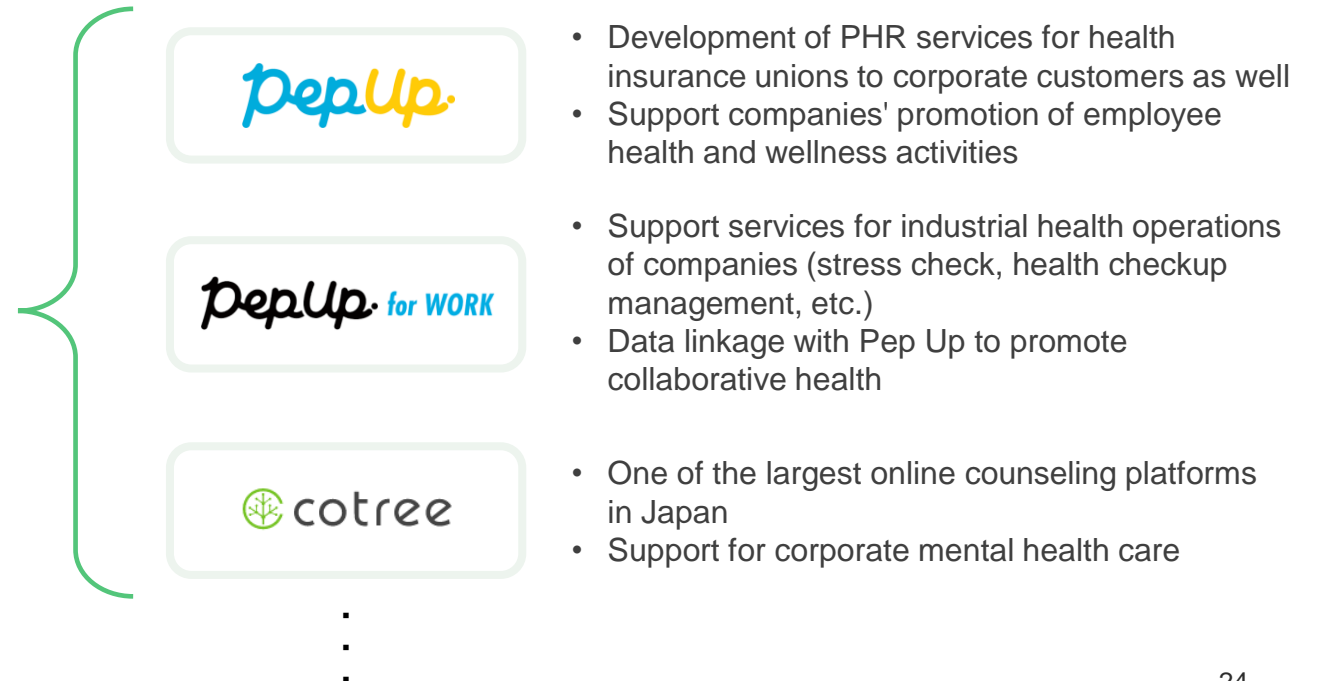
Business Opportunity Expanded through Co-Creation with OMRON (2): Not only health insurance unions, but also companies are now targeted to provide our services

Since the launch of the Health & Productivity Management Alliance, our transactions in the domain of corporate health have expanded significantly in order to promote health management and increase working life expectancy.

Number of companies introducing our services in the corporate health domain (based on number of companies)



Services for corporate health domain



An aerial photograph of a city skyline, likely Tokyo, featuring a dense cluster of skyscrapers and a wide highway. Overlaid on the image is a network of glowing blue lines connecting various circular icons. These icons include a Bitcoin symbol, an IoT symbol, a shopping cart, a location pin, a lightbulb, an envelope, and a cloud with an upload arrow. The text "Social Solution" is centered in a large, white, sans-serif font.

Social Solution

Strengths of Social Solutions

OMRON is engaged in various businesses that support social infrastructure.
We have the maintenance networks that cover the entire country

SSB Business Lines with No.1 Market shares in Japan

Railroad
Business



Automated Passenger gate/
Ticket Vending Machine

50%
Market Share

Traffic Control
Business



Traffic Control
System

40%
Market Share

Energy Business



Power Conditioner/
Energy Storage System

27%*
Market Share

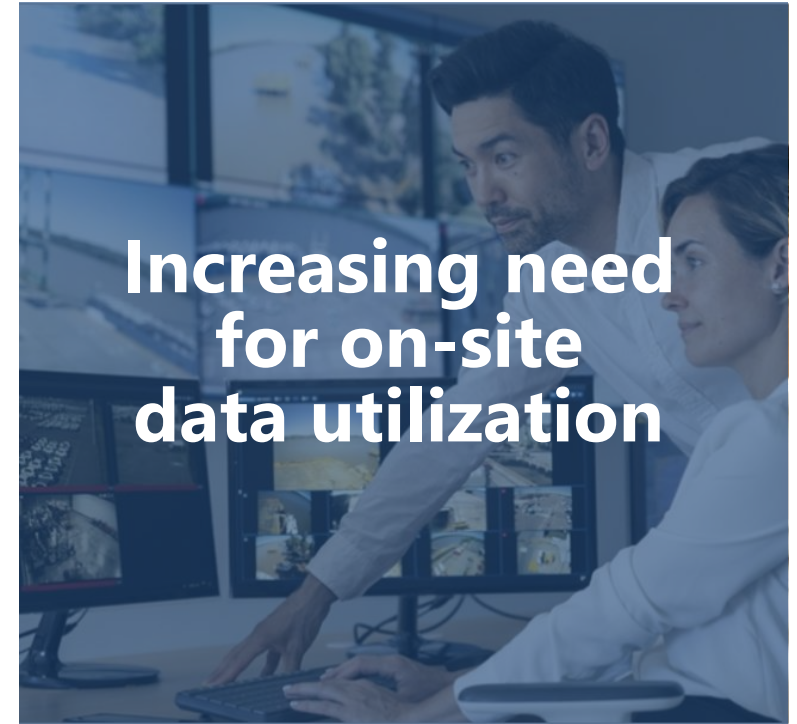
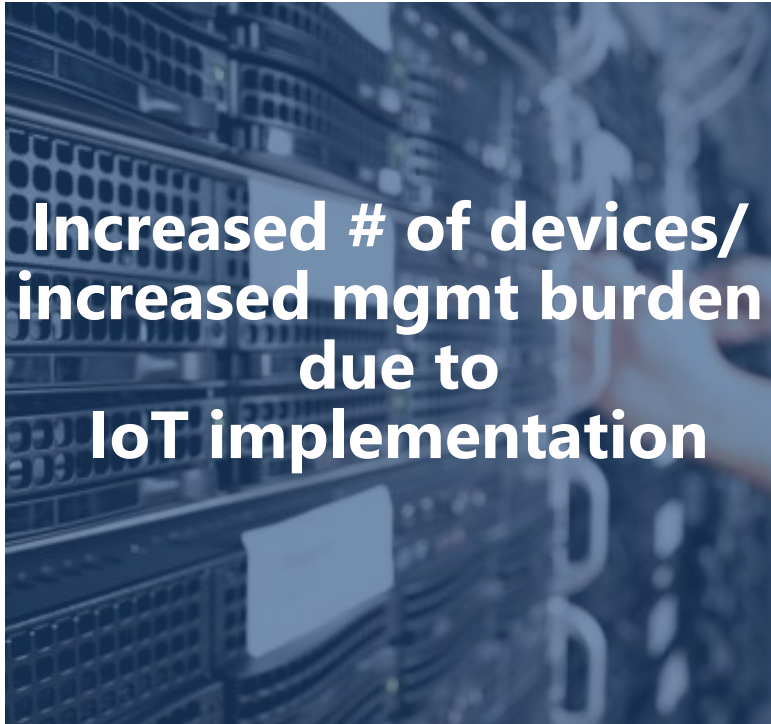
+

Leveraging the nationwide network of
approx. 130 locations & 1,200 maintenance staff,
we perform maintenance on a wide range of equipment



*Energy storage systems for home use

Changes in the Environment Surrounding the Maintenance Business



Expansion of maintenance business opportunities

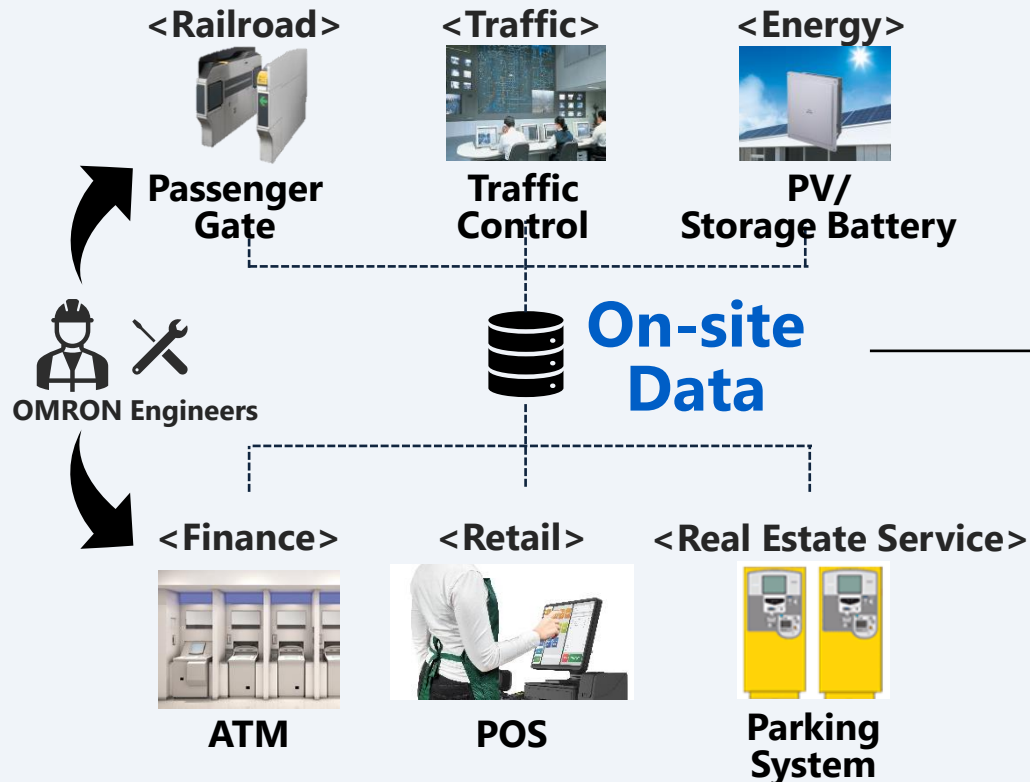
Evolution of the Maintenance Business

Combining on-site data obtained from devices with JMDC's strengths to create new data solutions

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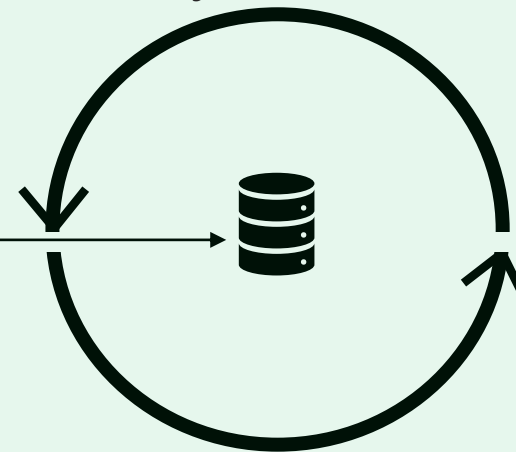
JMDC
● + × ◀

Manage IoT devices provided by both OMRON & other companies, in various industries



Data Management Capabilities

- Standardization of a wide variety of data
- Data analysis



Solution Development Capabilities

- Build services utilizing data
- Establish monetization methods

New Solutions

Smart M&S*

Mechanizing on-site operations through data utilization

Optimizing and streamlining the field "instead of people"

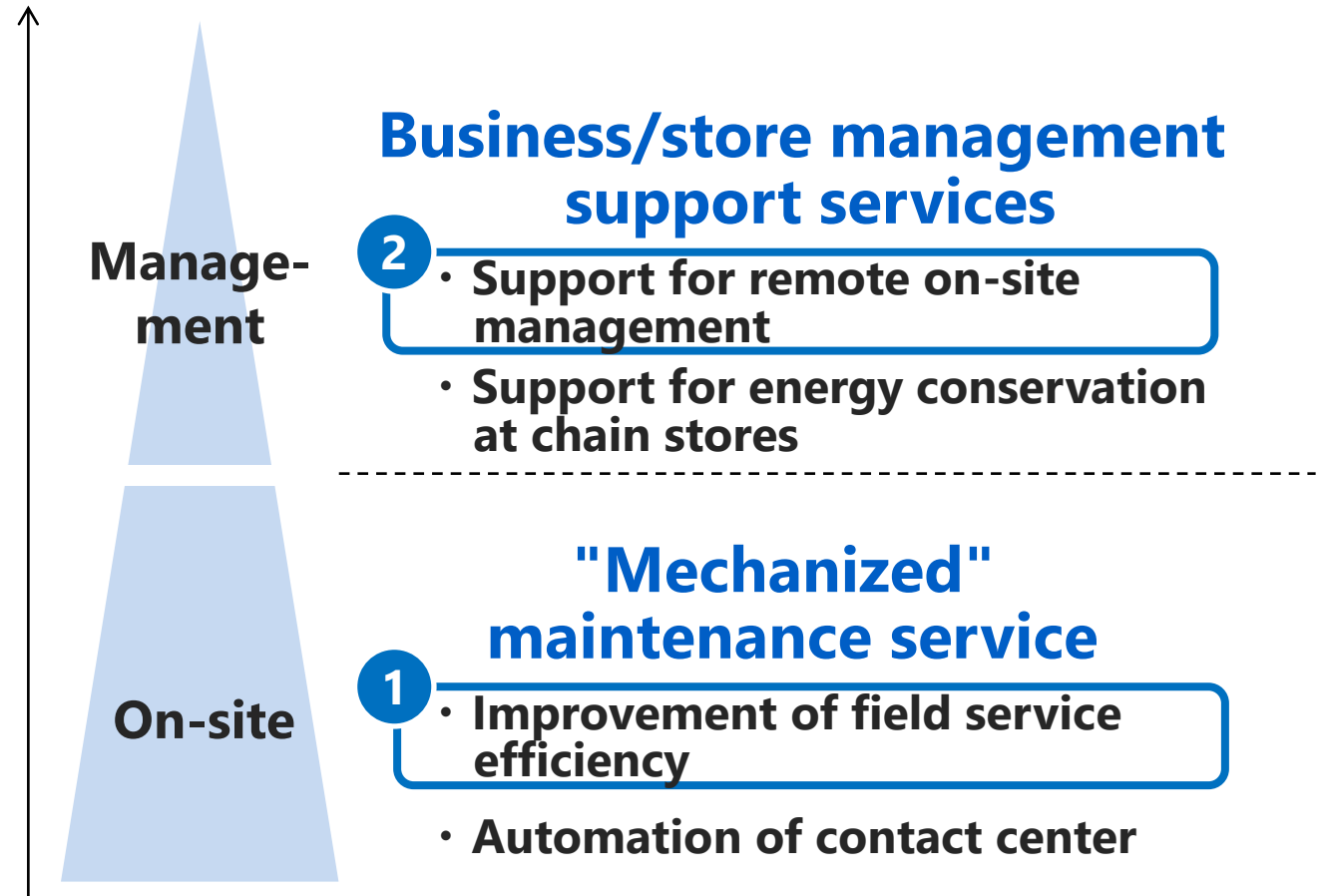
Smart M&S

Solving the challenges facing the retail and distribution industry with new solutions

Market to Capture



Solutions to Provide



Case 1: Field Service Efficiency Solutions

Customer Issues in Maintenance

Improvement of efficiency in troubleshooting



- Since the only option is to have maintenance staff resolve the problem on-site, we want to find a new option to reduce costs
- In the event of an emergency, we want to minimize the time lost until maintenance staff arrive

Prevention of breakdowns

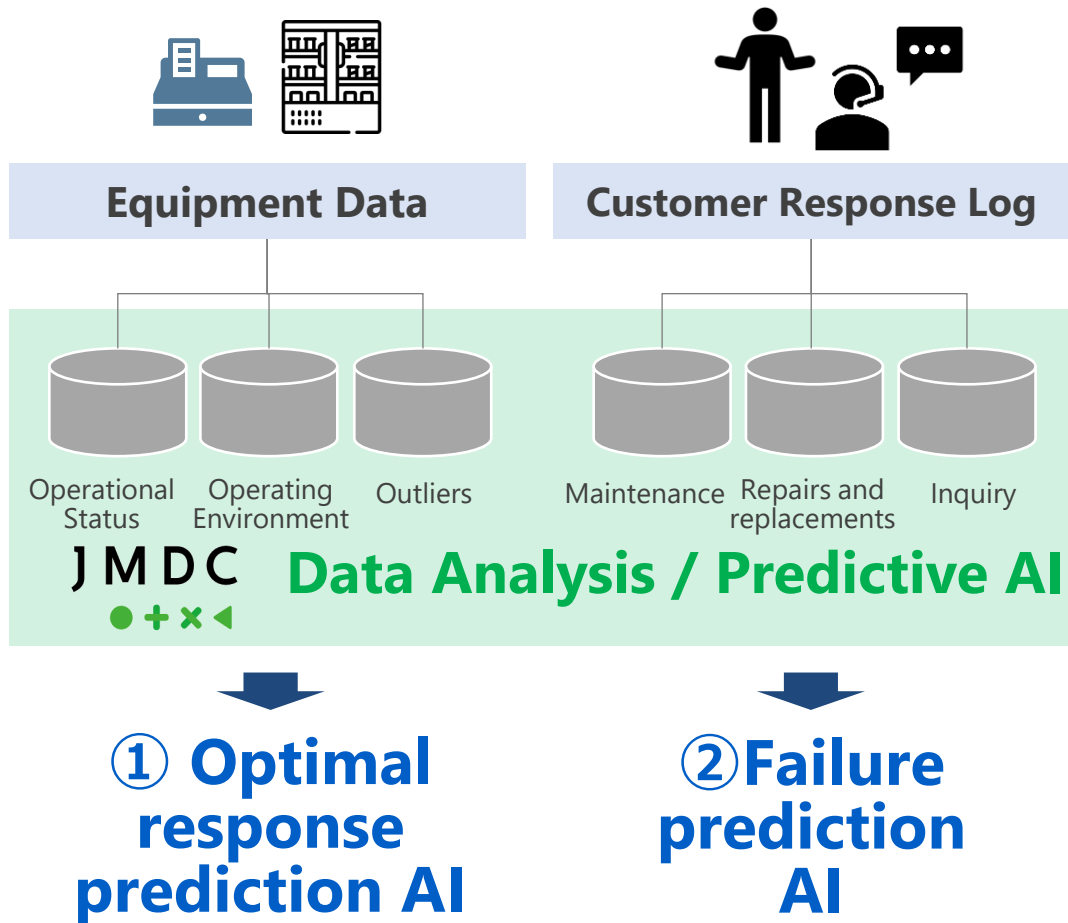


- In the first place, we want to be alerted in advance to prevent breakdowns from occurring

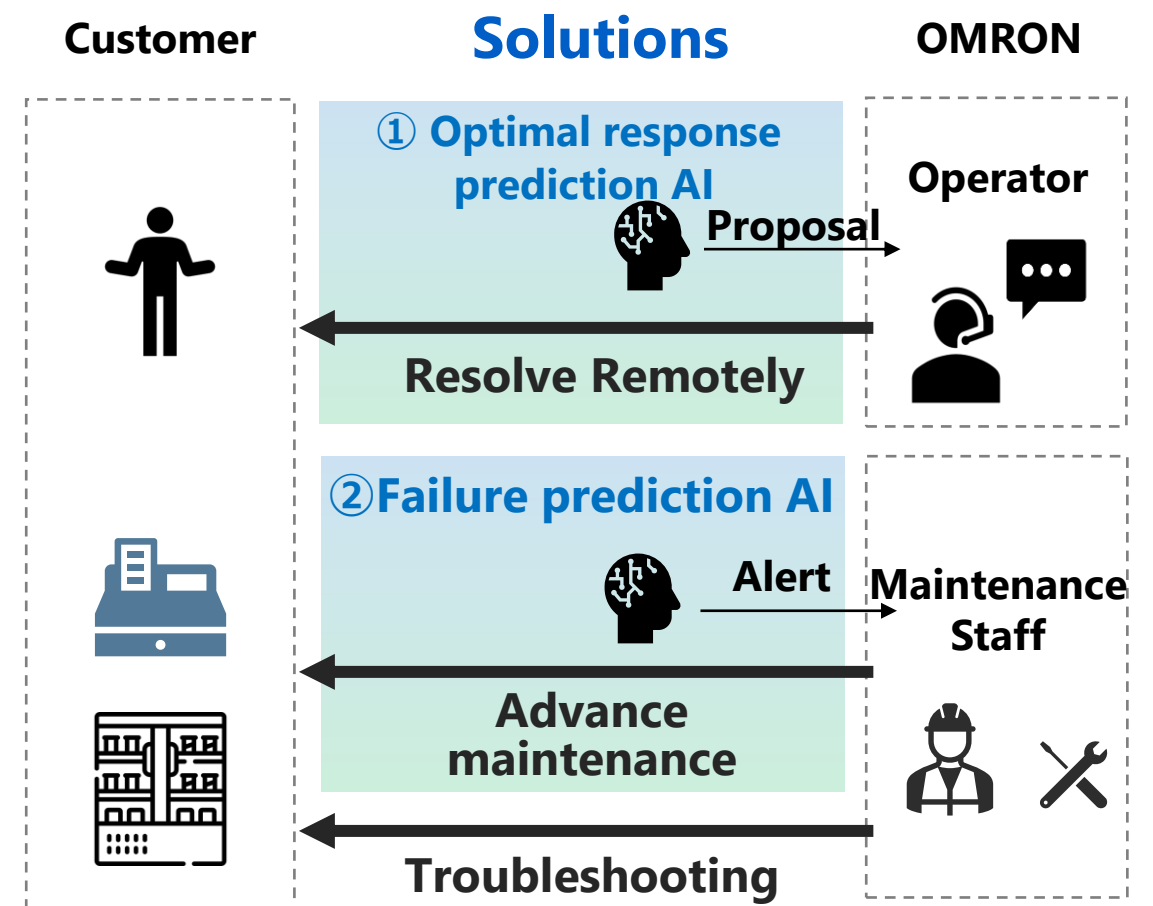
Case 1: Field Service Efficiency Solutions

Using on-site data and AI to streamline and optimize responses when malfunctions occur

Solutions utilizing on-site data



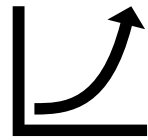
Post-implementation field service



Case 2: Remote On-site Management Support Solutions

Customer Issues in Retail / Distribution Store Operations

Increase of sales/profits per store



Sales and profits are plateauing and there is little room for improvement



- We want to understand the bottlenecks in expanding sales and improve store performance through operational improvements
- We want to find new ways to reduce operational costs

Improvement of store mgmt efficiency



As the number of stores increases, it becomes difficult to keep up with management. Operation also depends on the skills of the area manager

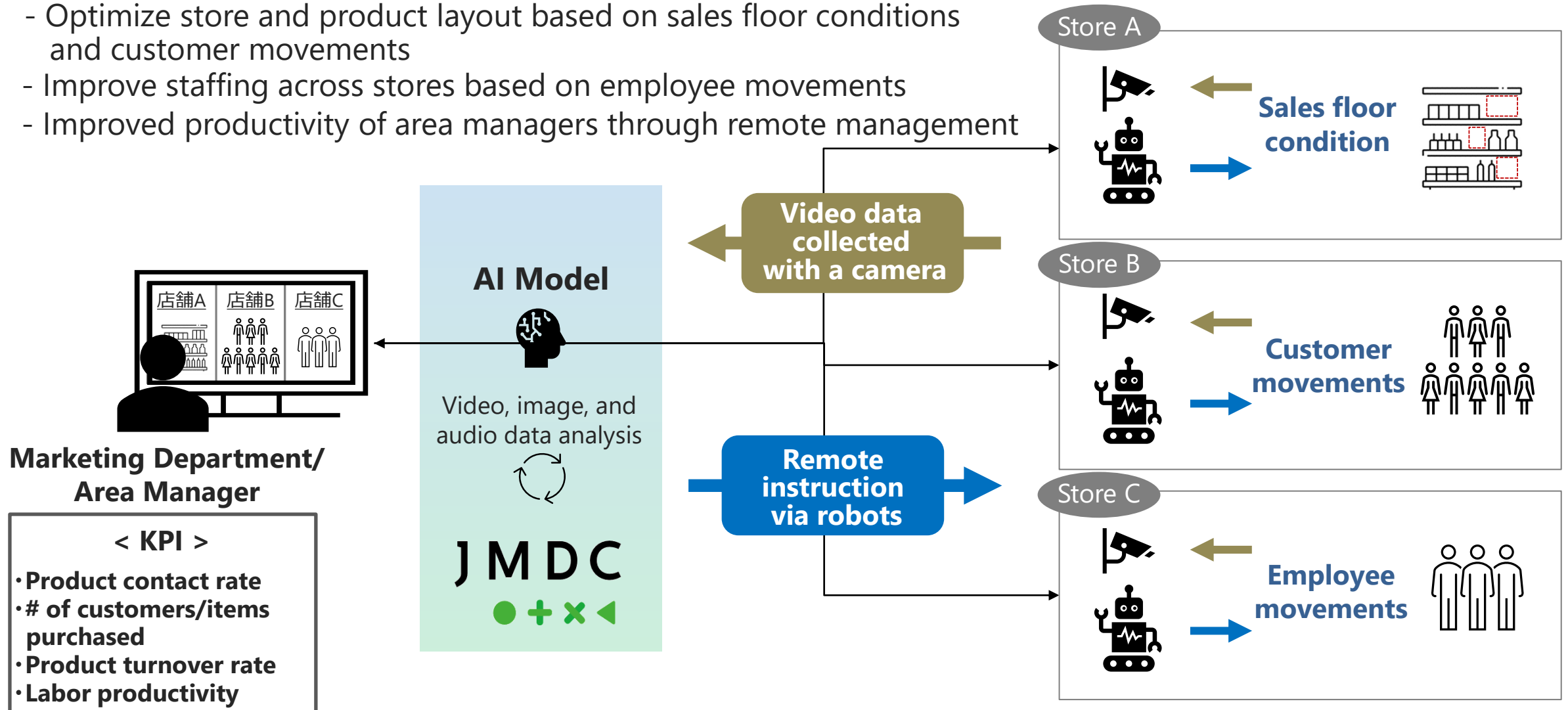


- We want to reduce the amount of work required for store management
- Want to improve and standardize store performance regardless of the skills of the area manager

Case 2: Remote On-site Management Support Solutions

Utilizing store video and image data to remotely manage stores and optimize store operations

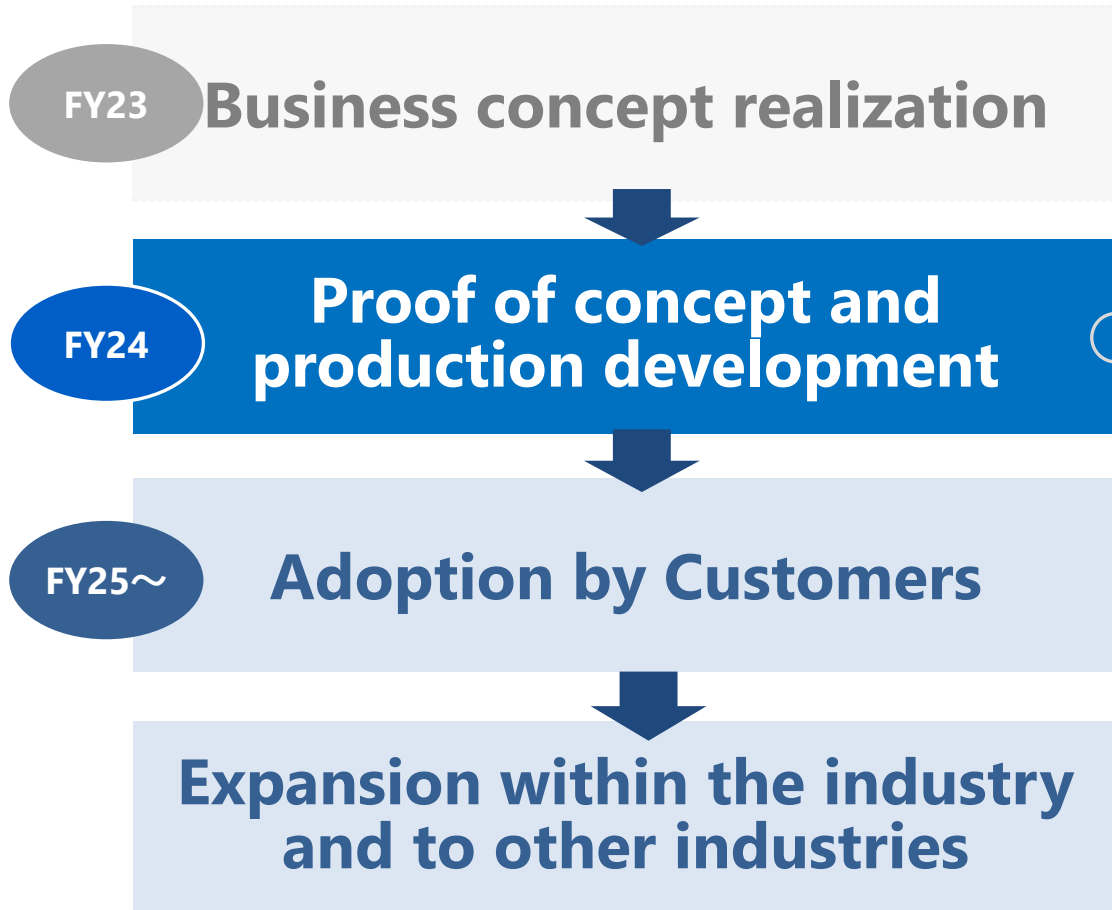
- Optimize store and product layout based on sales floor conditions and customer movements
- Improve staffing across stores based on employee movements
- Improved productivity of area managers through remote management



Current Progress for Business Expansion

Currently working on proof of concept and production development, and will commercialize the project sequentially from next year onwards

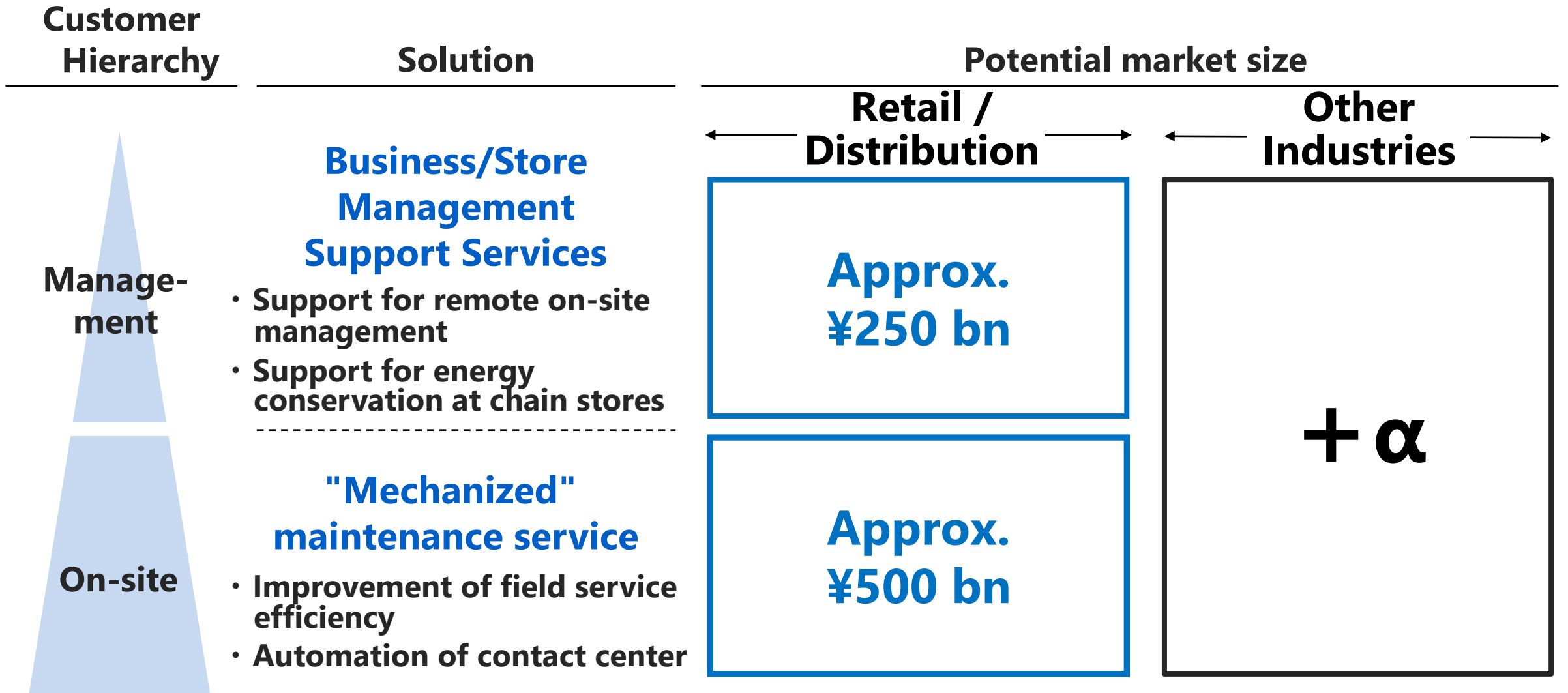
Retail and Distribution



Results and Plans

Field Service Efficiency	Remote Site Mgmt Support
<div>Result</div> <div>1 co</div>	<div>Result</div> <div>1 co</div>
<div>Plan for this year</div> <div>+6 cos</div>	<div>Plan for this year</div> <div>+7 cos</div>

Business Growth Potential



Industrial Automation

"i-BELT": Service Utilizing On-site Data to Revolutionize Manufacturing Sites

Consulting Service

**System Deployment
Services**

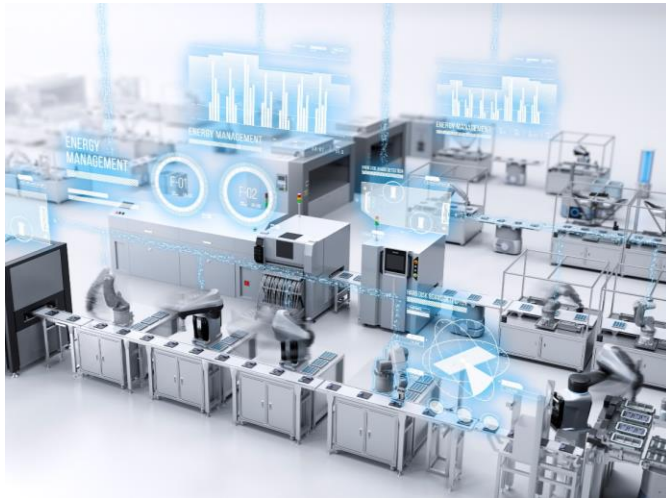
**Operational Support/
Improvement support services**

Define the ideal state

**Identify issues, solve problems, and
achieve results**



**Maintain and evolve
effectiveness**



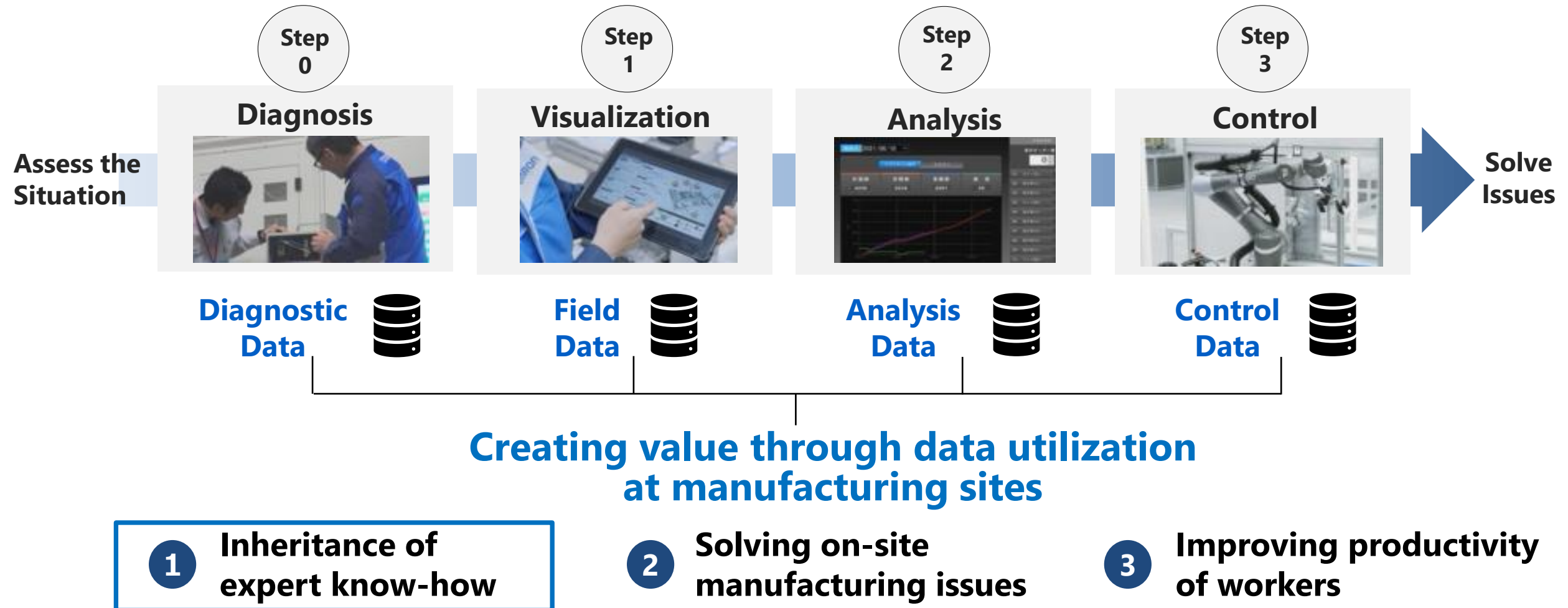
Installed in over 200 cos

Major automobile/automotive parts manufacturers, major electronics manufacturers, etc.

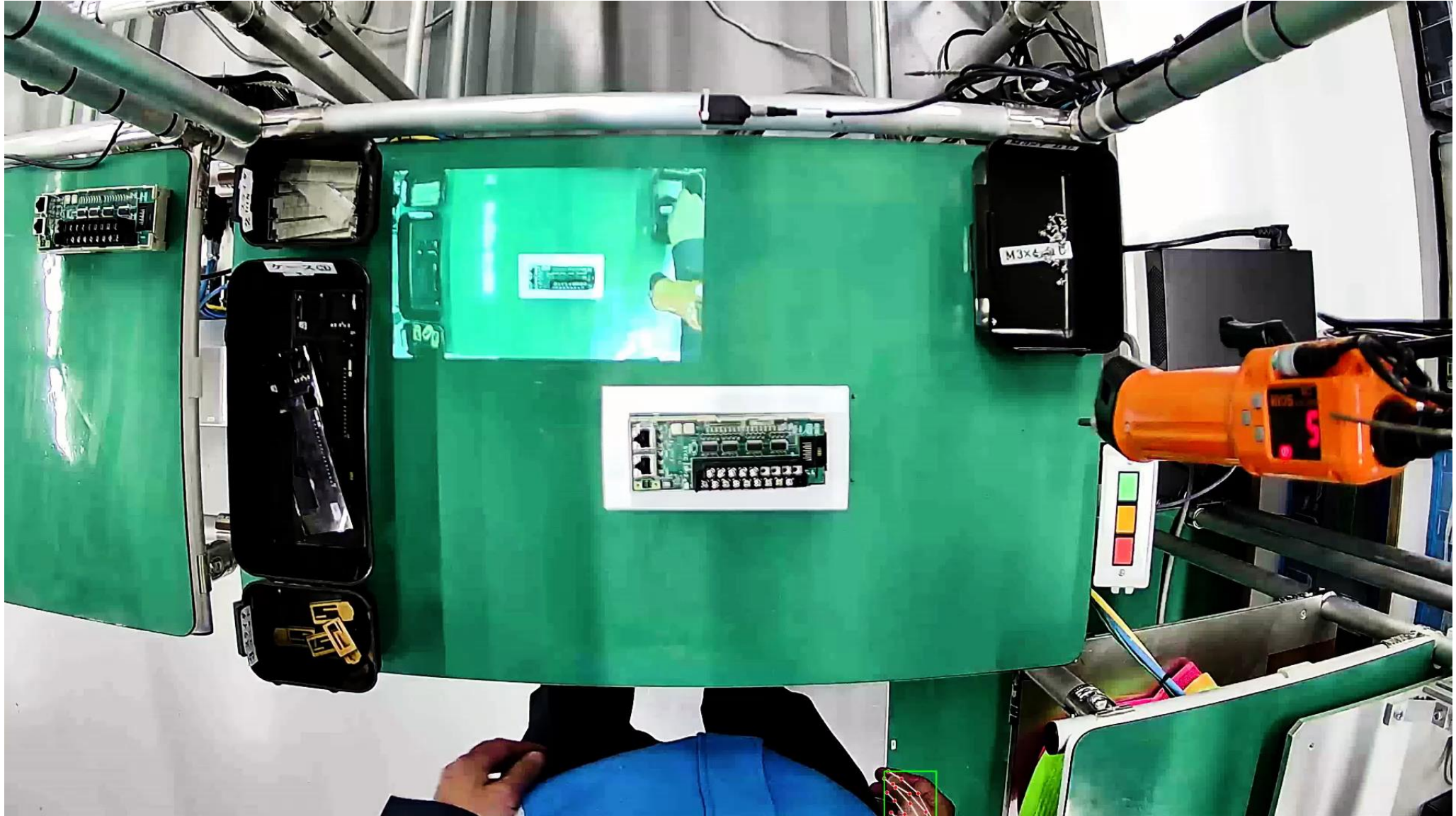
i-BELT Services & Data Utilization

Creating value by solving on-site issues using various manufacturing site data

i-BELT Service & Manufacturing Site Data



Human Task Support Using Generative AI

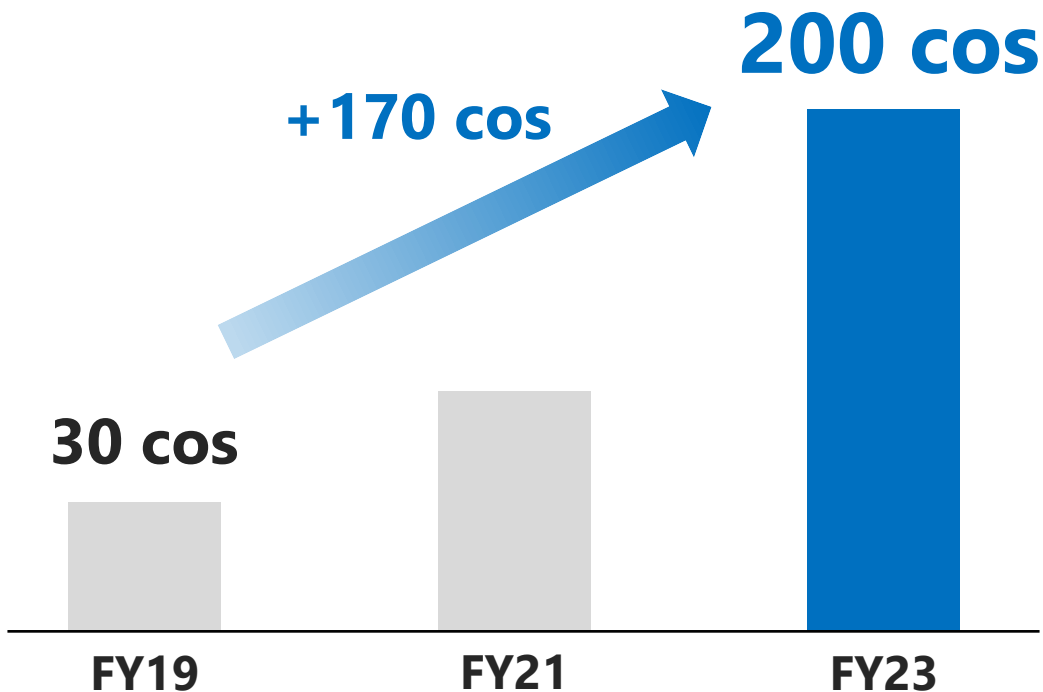


i-BELT Challenges

Adoption of i-BELT continues to expand. However, standardization of non-standardized data is necessary to expand the capabilities.

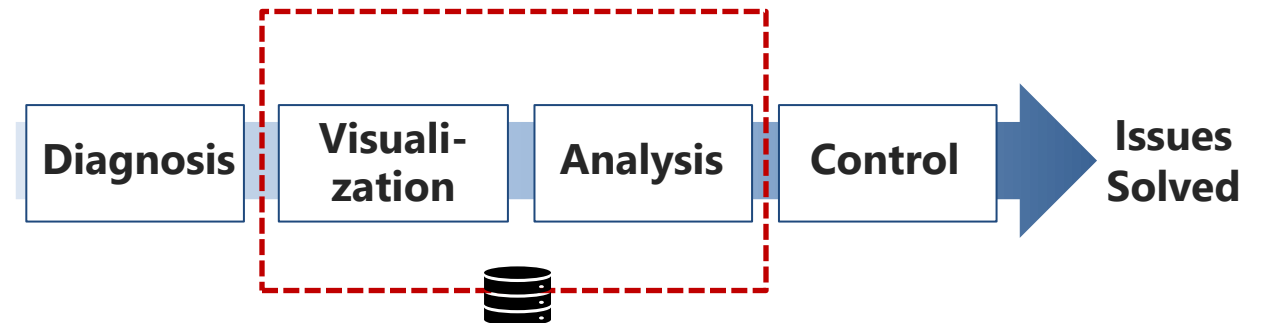
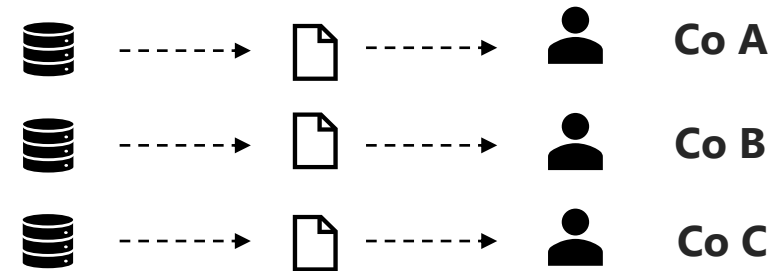
of i-BELT adoptions

**Need for data utilization
in FA industry is expanding**



Challenges in deploying i-BELT

**Lack of horizontal expansion
due to one-of-a-kind solutions**

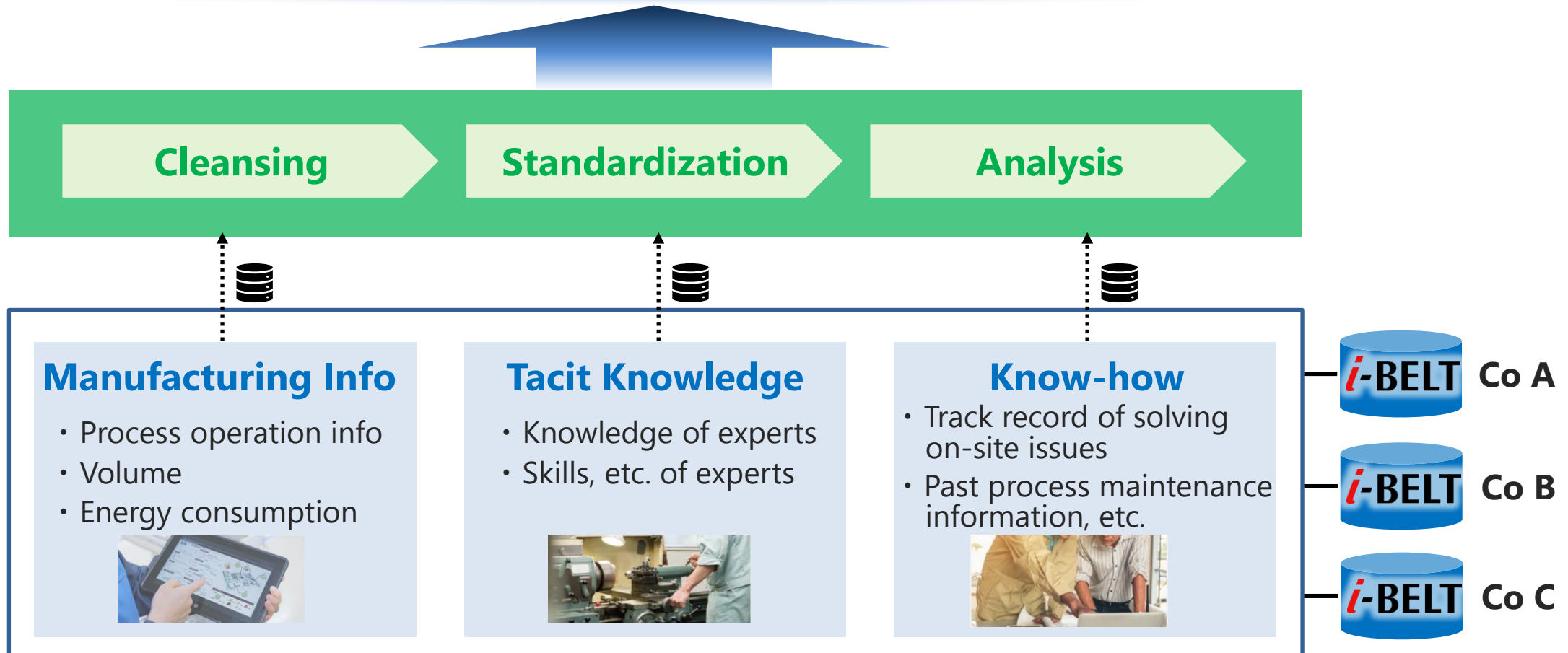


**Wide variety of manufacturing data
with complexly different assumptions
for each industry and customer**
(Manufacturing equipment, manufacturing processes, etc.)

Building Knowledge Base to Drive Evolution of i-BELT

Knowledge Base for "Digitalized" Manufacturing Site (Commonality/correlation among on-site data that leads to solving customer issues)

J M D C
● + × ◀



OMRON

Building Knowledge Base to Drive Evolution of i-BELT

i-BELT services evolved with knowledge base will strengthen competitiveness and contribute to sales and profits

Strengthening Competitiveness

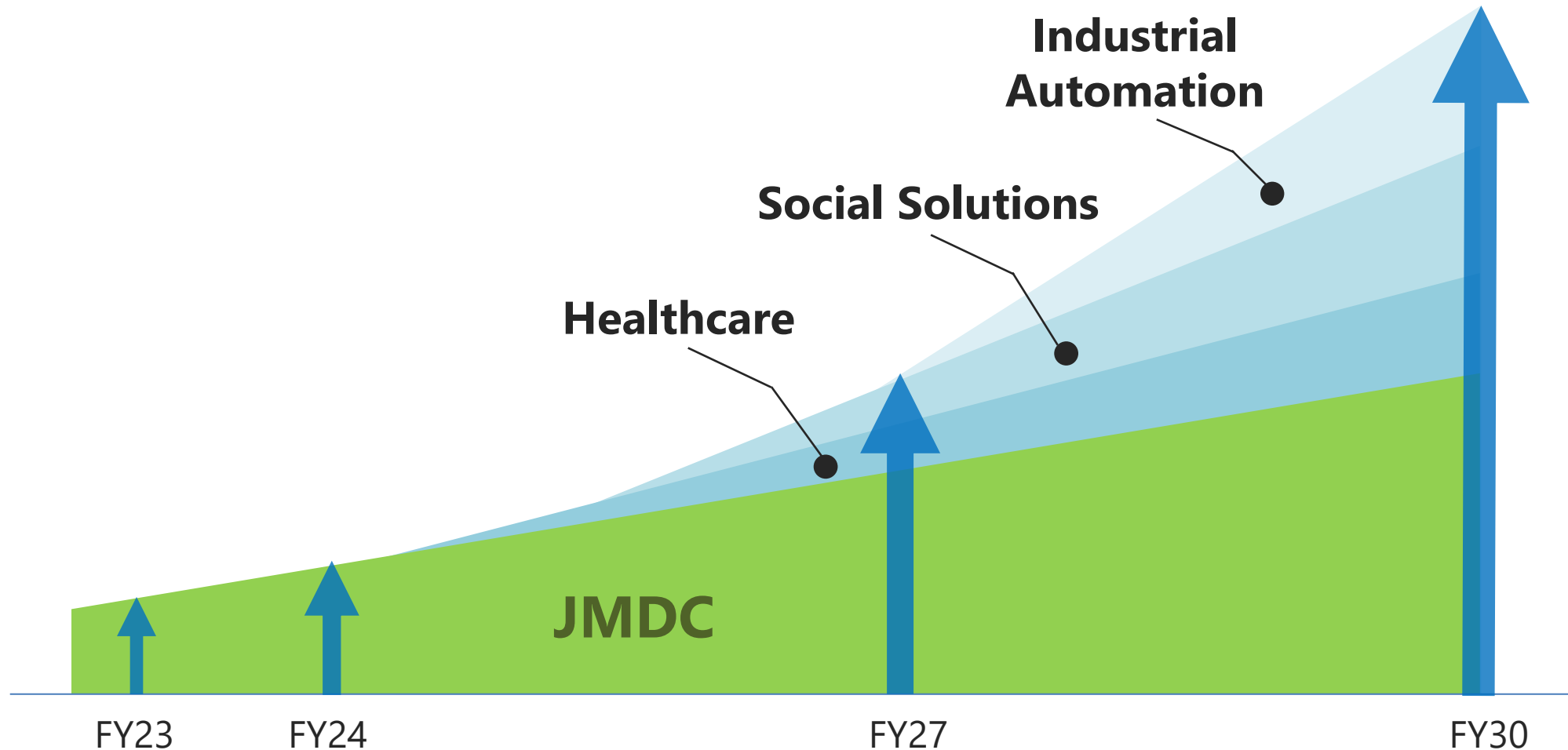
The logo for i-BELT, featuring a stylized red 'i' followed by the word 'BELT' in bold black capital letters.The logo for the partnership between OMRON and J M D C. It features the word 'OMRON' in blue, followed by a blue 'x' symbol, and then the letters 'J M D C' in black. Below 'J M D C' are four green icons: a circle, a plus sign, a cross, and a triangle.

- Expansion of solutions business
- Expansion/speed up of customer coverage
- Strong relationships that continue to connect

3. Future Earnings Outlook

Growth Timeline

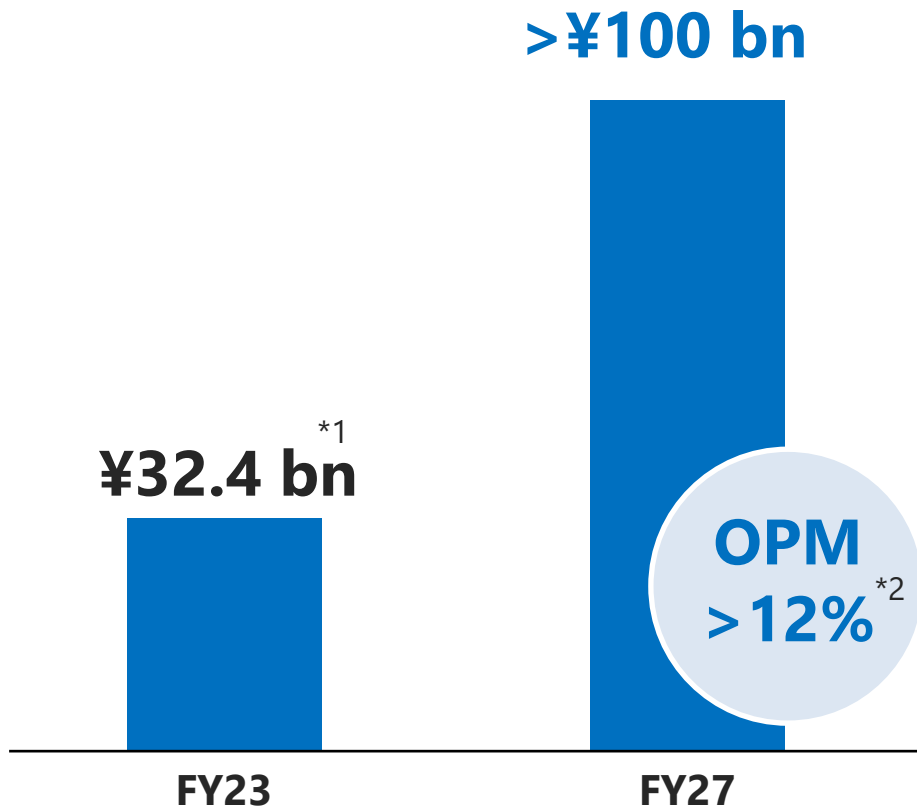
JMDC continues to grow at a high rate.
In addition, data solutions will be launched in stages in each domain



FY27 Earnings Outlook

Aim to create a business with sales of over 100 billion yen and OPM of over 12% in FY27

Data Solution Business Sales



Target performance levels for each domain in FY27

Business Domains	Sales/OPM	
Healthcare Solutions	Sales	>¥80 bn ^{*3}
	OPM	>18%
Social Solutions	Sales	>¥20 bn
	OPM	>8%
Industrial Automation	To be announced after formulating growth strategy	

* 1. JMDC's FY23 full-year results (OMRON's consolidated impact is ¥17.4 bn)

* 2. Includes approx. -¥4 bn for amortization of intangible assets associated with the consolidation

* 3. Includes JMDC

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