



**INTEGRATED REPORT 2025**

Empowering  
People  
Through  
Automation

## About Integrated Report 2025

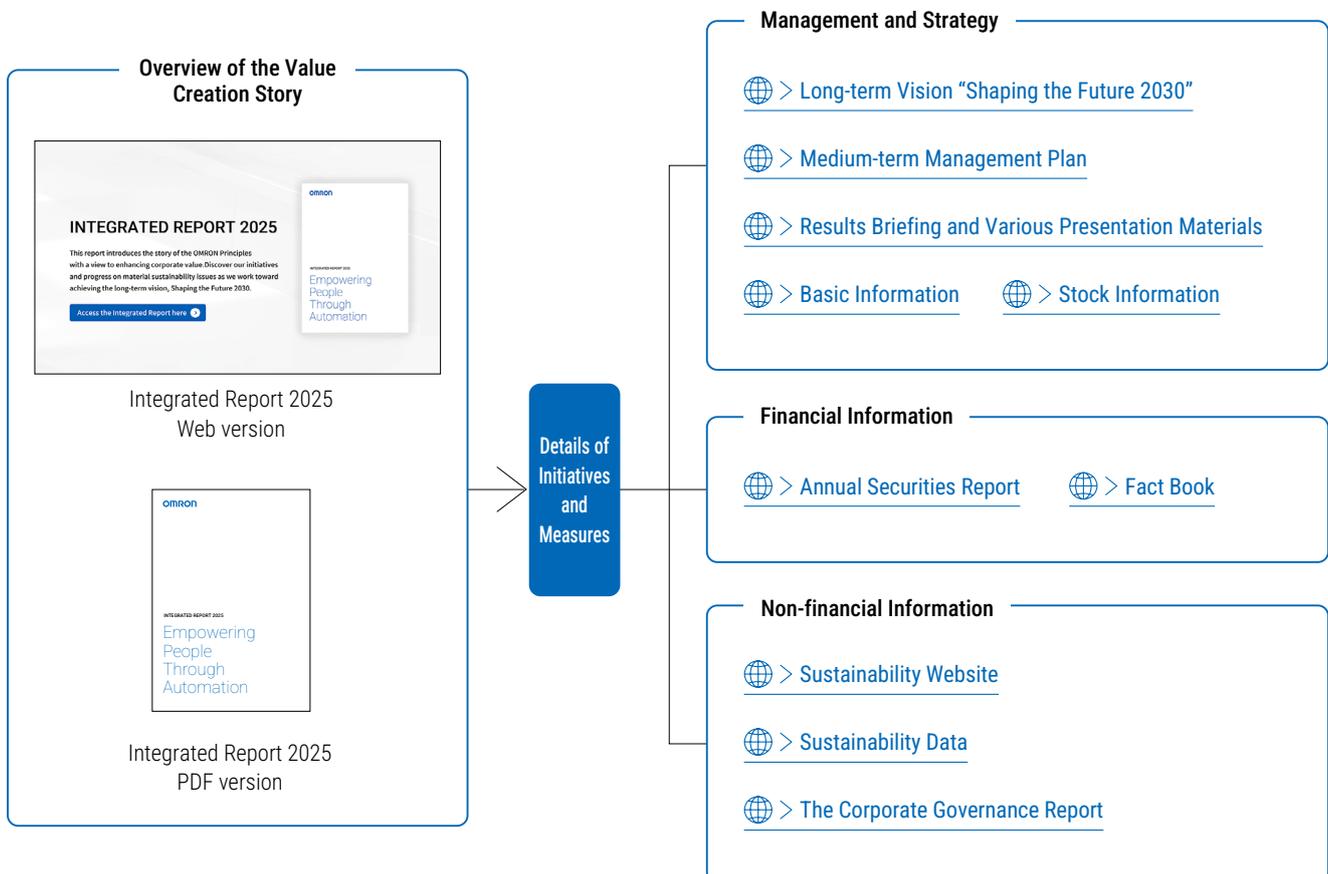
In producing and editing this year's Integrated Report 2025 (hereinafter referred to as "this issue"), we paid particular attention to highlighting **"management issues and the value creation story"** and to responding to **"expectations for the production and editing of the integrated report."** To highlight "management issues and the value creation story," we emphasized three items throughout the report. To start, the results and issues of Structural Reform Program NEXT 2025. In particular, we focused on describing, based on integrated thinking, the initiatives in fiscal 2025, which marks a turning point toward the next medium-term management plan. Secondly, highlighting a growth story from a medium- to long-term perspective that looks beyond structural reforms. This issue is structured according to the five material sustainability issues so that our value creation story synchronizes social sustainability with OMRON's sustainability. Thirdly, ongoing initiatives to further enhance effectiveness in the area of corporate governance. In this issue as well, we aimed to clearly communicate initiatives by the Board of Directors, focusing on interviews with the Chairman of the Board of Directors and Outside Directors.

We also address three points with regard to **"expectations for**

**the production and editing of the integrated report."** To start, significant reduction in the number of pages of the printed version. Based on feedback from our readers, we reviewed the content and structure of the report and reduced the number of pages to less than half of last year's (from 126 pages to 58 pages). Secondly, along with the reduction in the number of pages of the printed version, we redefined the role of the web version and redesigned its relationship with other disclosure information (see table below). Specifically, we enhanced the website content with supplementary information to the key points presented in the printed version so as to meet the needs of readers seeking more details and concrete information. Thirdly, as a measure to facilitate AI crawling, in addition to adopting HTML structures that enhance the readability of web information by machines, we minimized the use of charts and illustrations in an effort to describe information as much as possible in text.

We will continue according great value to our dialogue with you. It is our earnest desire that this issue will facilitate your deeper understanding of OMRON.

## Disclosure Framework



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### Editorial Policy

OMRON's Integrated Report aims to create a virtuous cycle of "fostering mutual understanding" and "enhancing our management" through dialogue with all stakeholders. In editing, we refer to the "International Integrated Reporting Framework" of the International Financial Reporting Standards Foundation (IFRS), the "Guidance for Collaborative Value Creation 2.0" of the Ministry of Economy, Trade and Industry (METI), the Guidelines for Governance of Intellectual Property and Intangible Assets Ver. 2.0 of the Cabinet Office, and the resources of The World Intellectual Capital/Assets Initiative (WICI). We are striving to strengthen communication of OMRON's value creation story in an integrated manner encompassing all corporate reporting, centering on the Integrated Report, while also endeavoring to enhance the quality of dialogue.

### Covered Organizations

As a general rule, this report covers 164 companies in the OMRON Group, consisting of OMRON Corporation, 154 subsidiaries, and 10 affiliates (as of March 31, 2025).

### Calculation Period:

Fiscal 2024 (April 1, 2024 through March 31, 2025). However, this report includes some disclosure items and business activities that were initiated after April 2025.

### Caution Concerning Performance Forecasts and Statements

Performance forecasts and other forward-looking statements are based on information available at the time, as well as on certain assumptions deemed reasonable by OMRON Group management. Actual results may vary materially depending on a variety of factors. Please see "FY2025 Plan" for the conditions assumed in the performance forecasts, as well as for cautions regarding use of the performance results.



## VISION | Our Values and Progress of OMRON's Long-term Vision

### Our Journey of Value Creation Rooted in the OMRON Principles

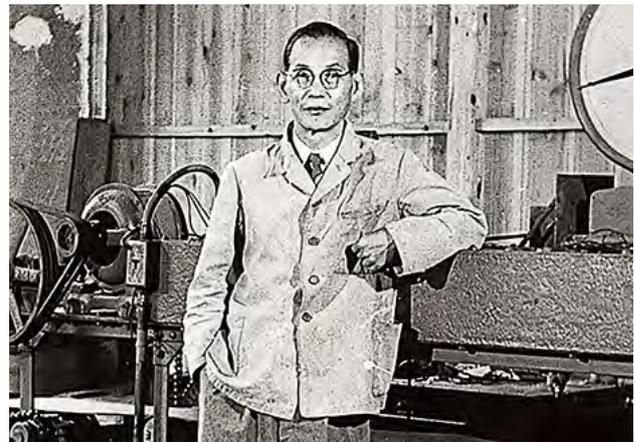
#### Establishing the Corporate Mission as the Source of Inspiration and the Driving Force for Growth

OMRON's history began with its founder, Kazuma Tateishi, an entrepreneur full of passion and ambition. In 1933, he established Tateisi Electric Manufacturing Co. in Osaka, launching the manufacturing and sales of relays and automatic control devices, which laid the cornerstone for what is now OMRON. Since relocating the company's headquarters to Kyoto in 1945 to avoid war damage, he overcame the postwar turmoil and expanded the business by pioneering the automation market and other initiatives.

Believing that the most important aspect in corporate management was to have a corporate philosophy that would serve as the backbone of the company, Mr. Tateishi attended the general meeting of the Japan Association of Corporate Executives (KEIZAI DOYUKAI) in 1956. There, he was inspired by an address titled "Awareness and Practice of Corporate Social Responsibility," which led him to the realization that a company exists to serve society. Building on this realization, he came to believe that the concept of a company serving as a public institution should form the backbone of management, and in 1959, he established the Corporate Mission: **"To improve lives and contribute to a better society."**

Mr. Tateishi incorporated two aspirations he had into the

Corporate Mission. One is the conviction that **"a business should create value for society through its key practices."** The other is **"to take the initiative as pioneer."** The establishment of the Corporate Mission fostered a sense of unity throughout the Company, which led to OMRON's subsequent dramatic growth.



Kazuma Tateishi (1900–1991)

#### SINIC Theory: The Management Compass to Navigate the Future

Mr. Tateishi believed that in order for OMRON to solve social issues through business and create a better society as a venture business, it would be essential to create social needs ahead of other actors in society. Believing that this would, in turn, require a compass to navigate the future, Mr. Tateishi pursued futurology research and constructed a theory himself. Building on this, in 1970, Mr. Tateishi presented this original future predictive theory, **the SINIC Theory**, at the 2nd International Future Research World Conference. SINIC stands for Seed-Innovation and Need-Impetus Cyclic Evolution, expressing the concept of innovation evolving in a circular pattern.

Presented in the midst of Japan's rapid economic growth prior to the advent of PCs and the Internet, this theory predicted the appearance of an information society in the near future, and drew a picture of society up to the middle of the 21st century.

Based on this theory, OMRON has continually made forward-looking proposals to society. Even today, the Company continues to use the SINIC Theory as a management compass, utilizing it for forecasting future society and for purposes such as formulating its long-term visions.

#### Evolution of management to remain an ever-enterprising company

OMRON achieved growth over the years by creating a series of world- and Japan-first innovations. However, around the 1980s, the Company began facing challenges associated with its expanding business scale and the spread of globalization. To address these challenges, the management that succeeded Mr. Tateishi returned to OMRON's founding spirit and steered the Company toward building a framework to demonstrate its venture spirit and continue achieving sustainable global growth.

Firstly, the establishment of the OMRON Principles. In 1990, the Company introduced the OMRON Principles framework based on the Corporate Mission as a spiritual cornerstone to enable all employees to act autonomously and embody the founding DNA of "Innovation Driven by Social Needs" and "a Challenging Spirit." Since the establishment of the OMRON Principles, the Company has continued

to revise and optimize them in line with the changing times so that it can keep growing as an innovative company, while strengthening the sense of unity that serves as a shared foundation for employees worldwide.

Secondly, the formulation of the Long-term Vision. Placing the SINIC Theory presented by Mr. Tateishi as a management compass, the Company fully introduced the backcasting approach of "looking at the present from the perspective of the future," and formulated its first Long-term Vision in 1990. This was an innovative concept that defined present actions by working backward from the desired future society, enabling future-oriented management that goes beyond short-term problem solving.

Thirdly, the evolution of governance that supports future-oriented team management based on the OMRON Principles. Since the 1990s,

OMRON has continued to build its governance framework in stages, in line with changes in the times and the evolution of management. Today, under the Management Philosophy established together with the OMRON Principles revised in 2015, the Company is committed to "upholding a long-term vision and solving social issues through our business," "operating as a truly global company through fair and

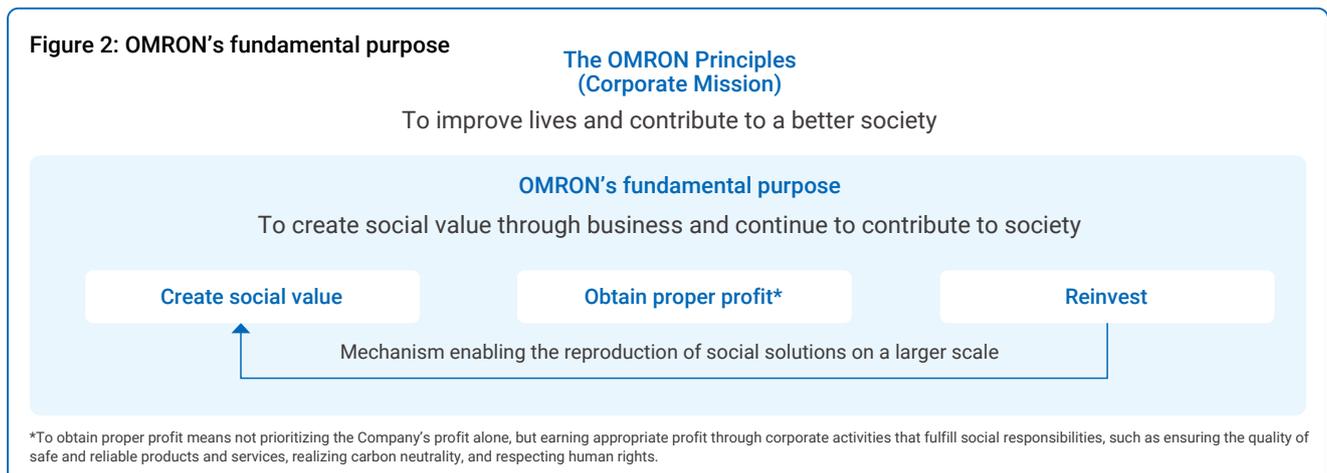
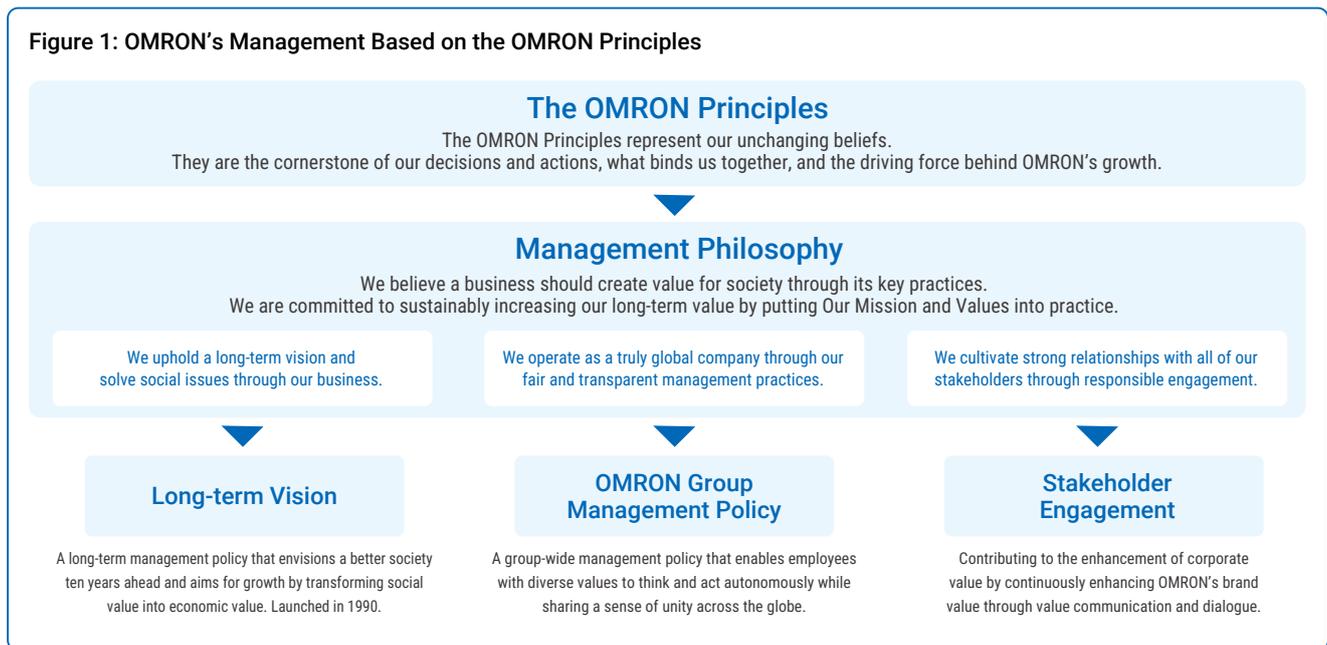
transparent management practices," and "cultivating strong relationships with all of our stakeholders through responsible engagement." Guided by these commitments, OMRON aims to sustainably enhance its corporate value through the practical implementation of the OMRON Principles (see Figure 1).

## Becoming a company that pioneers the future envisioned by our founder

According to the scenario outlined in the SINIC Theory, we are now at a major turning point in history, transitioning from an "Optimization Society" to an "Autonomous Society." The world is currently facing an unprecedented array of social changes, including the increasing frequency and severity of natural disasters, the entry into a super-aging society, widening economic disparities, and rising geopolitical risks, all of which have created a state of uncertainty never experienced before. Meanwhile, social, scientific, and technological change is accelerating at an unprecedented pace, and complexity continues to grow.

Amid such circumstances, in 2021, OMRON redefined its fundamental purpose as "to create social value through businesses and continue to contribute to society," in order to ensure that the Company remains true to what makes OMRON unique (See Figure 2).

OMRON aims to maximize its corporate value in order to continue fulfilling its purpose, by remaining flexible in adapting to change, accurately identifying social issues, and creating social value while transforming that social value into economic value, all based on the OMRON Principles.



## History of the Revision of the OMRON Principles

OMRON has advanced its management ahead of the social conditions of each era, including responses to the globalization of its business and increasingly competitive markets, as well as changes in the business environment and other external factors. In tandem with this evolution of management, it has also revised the OMRON Principles.

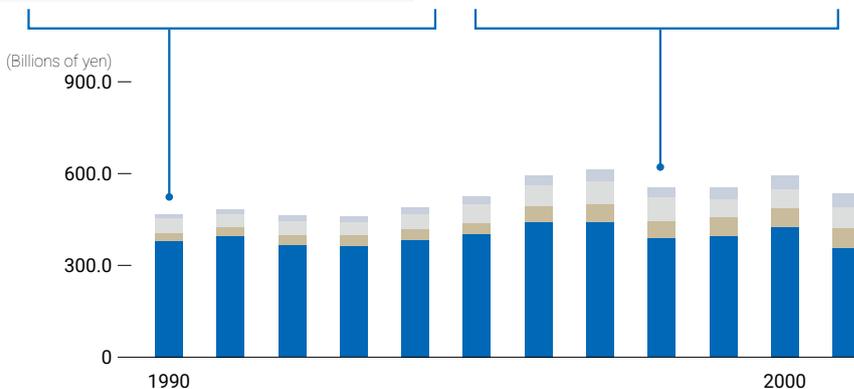
This section presents the history of the revisions to the OMRON Principles in the following order: "the background leading to each revision," "the management issues at the time and the directions for evolution to overcome those challenges," and "the initiatives in management, organizational culture, and corporate governance" implemented in accordance with those directions.



\*Regional classification of net sales is shown for the Americas, Europe, and Asia Pacific from 1990, and for the Greater China region from 2004.

	<p>1990</p> <h3>Establishing the OMRON Principles based on the Corporate Mission</h3> <p>To support the concept of the Company's first Long-term Vision, the various messages that had been communicated internally to express the Company's management philosophy and direction, as well as the attitude and conduct expected of employees, were organized and systematized into three levels: the OMRON Principles, the Management Philosophy, and the Behavioral Guidelines.</p>	<p>1998</p> <h3>Establishing a new philosophy system optimized for the times</h3> <p>To respond to rapid changes in the social and business environment, the Company reorganized and integrated its existing OMRON Principles framework into the Corporate Mission, the Management Philosophy, and the Special Declaration.</p>
<p><b>Background and history of the revision of the OMRON Principles</b></p>	<p>In 1987, Yoshio Tateishi became the third President of the Company. Returning to the entrepreneurial spirit at the origin of OMRON, he recognized the need to instill throughout the Company the founding DNA of "Innovation Driven by Social Needs" and "a Challenging Spirit." To this end, he advanced a true understanding and sharing of the corporate philosophy as a driving force for further growth by introducing a philosophy system based on the Corporate Mission, which had previously been positioned as a spiritual guide.</p>	<p>The Company launched its initiative to "transform into a startup-style large corporation" to further promote the creation of a corporate culture and framework filled with a challenging spirit and to realize a growth structure for the 21st century. In conjunction with the 65th anniversary of its founding, the Company reorganized the OMRON Principles framework to focus on elements essential for the coming era, with the aim of deepening understanding and promoting widespread awareness among all executives and employees. Based on the Corporate Mission, the new OMRON Principles framework comprised the Management Philosophy, consisting of six Fundamental Principles, and three Special Declarations.</p>
<p><b>Management issues and solutions</b></p>	<p>Throughout the 1980s, changes in the market environment and the emergence of competitors became increasingly apparent. As a result, the Company's domestic market share declined due to delays in product development and customer service responses. To break through this situation, the Company began building a framework that would enable on-site personnel to make their own decisions and respond swiftly to customer needs. The Company promoted a mindset reform with three pillars: Autonomous Management for prompt decision-making, Autonomous Business for strengthening governance, and Autonomous Individual for encouraging proactive behavior, aiming to become a vibrant company filled with a challenging spirit.</p>	<p>To respond to the sharp decline in profits following the collapse of Japan's economic bubble and the economic stagnation in Japan, the Company implemented management structural reforms centered on the new OMRON Principles. The management and business execution functions were separated to speed up decision-making, improve flexibility, further strengthen business operations, and enhance management transparency for shareholders. In addition, the Company introduced an internal company system, aiming to become a multi-business enterprise with the strengths of a specialized manufacturer. It also advanced reforms of the Board of Directors, including the establishment of the Management Personnel Advisory Committee, to promote initiatives toward becoming a company open to society.</p>
<p><b>Evolution of management, organizational culture, and governance</b></p>	<ul style="list-style-type: none"> <li>• 1988 Regional headquarters established in the Netherlands and Singapore</li> <li>• 1989 Regional headquarters established in the U.S.</li> <li>• 1990 First 10-year long-term management plan formulated based on the SINIC Theory, a compass for management</li> <li>• 1990 Corporate identity (CI) activities promoted to renew corporate culture for realizing the OMRON Principles</li> <li>• 1991 Corporate Citizen Charter established</li> <li>• 1994 OMRON Environmental Principles established</li> <li>• 1994 Regional headquarters established in China</li> <li>• 1996 Management Personnel Advisory Committee established</li> </ul>	<ul style="list-style-type: none"> <li>• 1998 Corporate Citizen Declaration formulated, developing from the Corporate Citizen Charter</li> <li>• 1999 Internal company system and executive officer system introduced</li> <li>• 1999 Advisory Board established</li> <li>• 2000 Personnel Advisory Committee established</li> <li>• 2001 Second long-term management plan launched, anticipating industrial transformation driven by globalization and the IT revolution and envisioning the ideal state for 2010</li> <li>• 2003 Compensation Advisory Committee established</li> <li>• 2003 Healthcare Business (HCB) split off</li> <li>• 2005 ROIC adopted as a performance evaluation indicator for Executive Officers</li> </ul>

Net Sales



Long-term Vision



2006

### Revising the OMRON Principles framework with a focus on the public nature of the company

To make the public nature of the company the driving force for growth and to pursue a balance between economic value and social value, the OMRON Principles framework was revised. By creating a structure that links the OMRON Principles with individual behavioral standards, the revision encouraged greater autonomy among employees.

2015

### Revising the OMRON Principles to pursue growth with a venture spirit

To ensure that all employees understand and act upon OMRON's fundamental purpose and values, the Company revised the OMRON Principles by inheriting the Corporate Mission as "Our Mission" and organizing three core values as "Our Values," thereby promoting a shared global understanding.

2022

### Strengthening implementation of the OMRON Principles by incorporating them into the Articles of Incorporation

To demonstrate that the OMRON Principles remain the unwavering foundation of the Company's management, the Principles were incorporated into the Articles of Incorporation.

Amid the global recession caused by the collapse of the dot-com bubble, OMRON recorded its first net loss in 26 years in fiscal 2001. After completing an 18-month structural reform program that began in October of that year, Hisao Sakuta was appointed as OMRON's fourth President in June 2003. Determining that his mission was to enhance corporate value, he drove the expansion of business domains and organizational reforms. Believing that only companies that are needed and trusted by society can survive, he positioned the public nature of the company as the driving force for growth and decided to revise the OMRON Principles.

Yoshihito Yamada, who became President of OMRON in 2011, and the management team at the time were concerned that the true meaning embodied in the Corporate Mission was not being properly understood, and that the venture spirit and culture of challenge that had characterized OMRON since its founding were fading within the organization. To address this, they decided to revise the OMRON Principles for the third time, encouraging employees to change their behavior by redefining the Principles as something that liberates each individual's passion and ambition for their work and expands their potential.

To make it clear that the foundation of OMRON's management, which lies in continuing to practice the OMRON Principles to contribute to social progress and enhance corporate value, remains unchanged, the Company included the practice of the OMRON Principles in its Articles of Incorporation in 2022. By stipulating the practice of the OMRON Principles in the Articles of Incorporation, OMRON demonstrated that the Principles are not merely guidelines or slogans, but are to be implemented as an integral part of management. In 2023, Junta Tsujinaga was appointed as the Company's sixth President.

Based on the SINIC Theory, OMRON defined 2005 as the first year of the era of optimization, when a cooperative network based on autonomous decentralization had almost been established as part of social infrastructure. The Company pursued corporate management and business development based on the concept of an optimized society. To help realize this new society, OMRON defined its core competence as its sensing and control technology and aimed to contribute to the advancement of society through creating optimal humans-machine synergy.

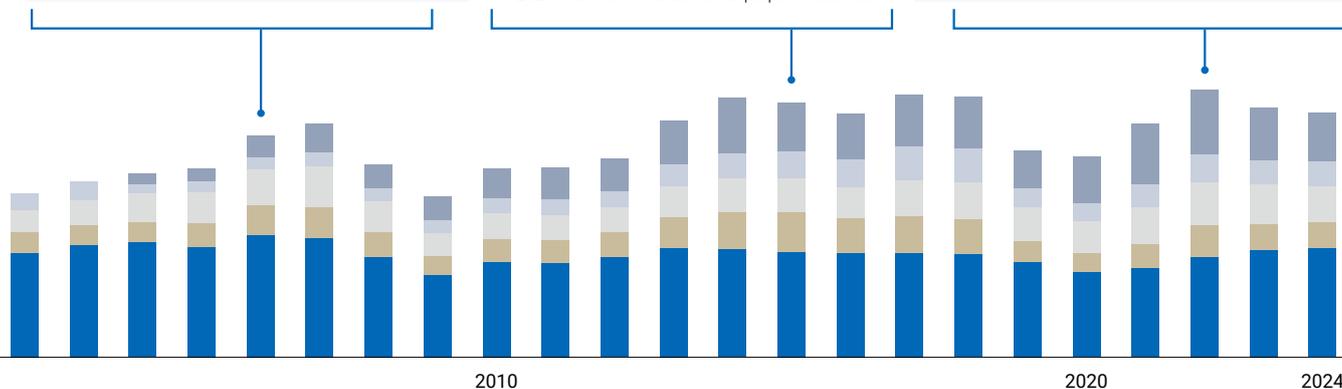
Returning to the OMRON Principles, and based on the belief that businesses that contribute to society must also be highly profitable, the Company began full-scale implementation of ROIC management in 2013 with the aim of evaluating each business from an impartial perspective. By continuously optimizing its business portfolio, the Company sought to build a strong profit base and maximize corporate value. In addition, the CEO Selection Advisory Committee, primarily composed of Outside Directors, was established to ensure transparency and objectivity.

The Company faced challenges such as shortages of components caused by the deteriorating situation between Russia and Ukraine and China's zero-COVID policy. In 2024, to address the decline in business performance, the Company launched the Structural Reform Program "NEXT 2025" to ensure sustainable sales growth with profitability and realize continuous enhancement of corporate value. As a key management issue, OMRON began rebuilding its profit and growth foundation, including the swift revitalization of the Industrial Automation Business. Following the structural reforms, the Company plans to announce a new medium-term management plan outlining its post-reform growth strategy in the fall of 2025.

- 2006 CEO Selection Advisory Committee established
- 2007 Overseas sales ratio exceeded 50% for the first time
- 2008 Corporate Governance Committee established
- 2010 Third long-term management plan introduced, setting "To become a quantitatively and qualitatively superior global value-creating group" as the ideal state for 2020
- 2011 Social Systems, Solutions and Service Business (SSB) split off
- 2011 Third long-term management plan launched, setting "To become a quantitatively and qualitatively superior global value-creating group" as the ideal state for 2020
- 2012 The OMRON Global Awards (TOGA) established

- 2015 Evaluation of the Board of Directors introduced
- 2016 Employee engagement survey "VOICE" launched
- 2016 First medium-term management plan formulated aligning business strategy with sustainability strategy
- 2017 Regional headquarters established in South Korea
- 2017 Sustainability evaluation introduced in compensation for Directors
- 2019 Automotive Electronic Components Business (AEB) transferred
- 2021 First long-term management plan integrating business strategy and sustainability strategy formulated
- 2021 OMRON's fundamental purpose redefined

- 2022 First long-term management plan integrating business strategy and sustainability strategy launched
- 2023 With the addition of JMDC Inc. to the Group, Data Solution Business HQ established
- 2024 Structural Reform Program NEXT 2025 launched
- 2025 Regional headquarters for the Americas, Asia Pacific, and South Korea dissolved
- 2025 Review started on spinning off Device & Module Solutions Business (DMB)



Grand Design 2010 (2001–2010)

Value Generation 2020 (2011–2020)

Shaping the Future 2030 (2022–2030)

Business Transformation Phase (2020–2021)

## Long-term Vision “Shaping the Future 2030”

In light of OMRON’s fundamental purpose and the changes in society toward the year 2030, OMRON launched a long-term vision, “Shaping the Future 2030 (SF2030),” in fiscal 2022. SF2030 expresses OMRON’s desire for all OMRON employees to put the OMRON Principles into

practice as they work together with stakeholders to create a sustainable society by applying OMRON’s core technologies, “Sensing & Control + Think.”

## Society in 2030 Envisioned by OMRON

We have attained material wealth through an “Industrial Society” that values and pursues efficiency and productivity. However, people’s sense of value is shifting dramatically from material wealth to spiritual wealth. For example, people’s awareness of environmental issues and the values shaping their attitude to work have changed dramatically. As well as choosing sustainable products and lifestyles, people are increasingly rethinking their work-life balance as they seek work that allows them to

demonstrate their abilities. OMRON believes that the transition to a new social and economic system toward 2030 will inevitably lead to clashes between old and new values, strain the current social and economic systems, and lead to the emergence of new social issues. OMRON will continue to create social value by resolving these social issues and contribute to the realization of a society where individual fulfillment is compatible with the society’s affluence.

## Social Value to be Created by OMRON

In formulating the long-term vision, OMRON views the coming decade, in which existing social issues will become more pressing and new ones will arise, as a great opportunity to create new markets and businesses. Under SF2030, in order to be sure to seize this opportunity, we have identified three priority change factors: “The Aging of Population,” “Climate Change,” and “Increasing Economic Disparities among Individuals.” Based on these three change factors, we have identified three social issues that OMRON should address, namely, “Achievement of Carbon Neutrality,” “Realization of a Digital Society,” and “Extension of Healthy Life Expectancy.” We selected these three issues in view of their huge impact on society and from the perspective of leveraging OMRON’s strengths in automation, our customer assets, and business assets.

For the achievement of carbon neutrality, we will contribute to the creation of energy systems that strike a balance between safety, security, convenience, and the natural environment. For the realization of a digital society, we will contribute to manufacturing and infrastructure that will free

people from all restrictions, regardless of age or wealth, and realize an enjoyable, creative, and sustainable society. And for the extension of healthy life expectancy, we are tackling the problems of the aging society by building healthcare systems that enable people to lead healthy, prosperous, and independent lives.

To address these three social issues, we revised the OMRON Group’s business domains and set four domains, namely, “Industrial Automation,” “Healthcare Solutions,” “Social Solutions,” and “Device & Module Solutions,” defining social value corresponding to these domains. Through Industrial Automation, we aim to contribute to the advancement of manufacturing that will support a sustainable society. Through Healthcare Solutions, we aim to contribute to the achievement of “Zero Events” for cardiovascular diseases. Through Social Solutions, we aim to contribute to the spread and efficient use of renewable energy and the sustainability of the infrastructure supporting a digital society. In addition, through Device & Module Solutions, we aim to contribute to the spread of new energy and high-speed communications.

## Direction of OMRON’s Evolution

OMRON is changing the way it perceives value creation, shifting its emphasis from “products” to “products and services” in order to create social value. We pursue realization of value not only through products and other goods but also through combinations of products and services that help solve the fundamental problems confronting society. When society and markets are at a turning point, intrinsic value is not limited to products but can be in services,

such as consulting services, operation support services, and upgrading services of i-BELT in the Industrial Automation Business. In addition, we will promote co-creation with partners, rather than relying exclusively on our own resources, to enhance the speed of execution and feasibility. To deliver value through the combination of products and services and co-creation with partners, establishment of a data platform to serve as a base is necessary. We

will develop a data platform that links data generated by OMRON devices and services with our partners' data and leverage the data in development of new solutions through the combination of products and services. Based on this

concept, the OMRON Group will transform its business structure over the medium to long term, transitioning to a revenue structure that includes a recurring service model in addition to a business model centering on products.

## Material Sustainability Issues

Under SF2030, our aim is to maximize corporate value by creating social value and economic value through business. In order to remain true to this purpose, material sustainability issues are fully reflected in SF2030 and the medium-term management plan "SF 1st Stage." In identifying material sustainability issues, we adopted three viewpoints: "the OMRON Principles

and fundamental purpose," "backcasting from a society envisioned for 2030 and beyond," and "calls on companies to contribute to environmental and social sustainability." Five material issues were identified as a result of a series of management discussions, reflecting suggestions gained through internal discussion and dialogues with external experts.

### Material Sustainability Issues under SF2030

### SF2030 Goals (ideal configuration)

<b>1</b>	<p><b>Resolving Social Issues through Our Business</b></p> <p>Creating social value and driving OMRON's sustainable growth by resolving social issues through our business</p>	<p>The state of contributing to the sustainable development of society by resolving the social issues tackled Group-wide, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy from the social change factors focused on in SF2030: an aging population, climate change, and economic disparity among individuals</p>	<b>P.21</b>
<b>2</b>	<p><b>Maximizing the Capability to Innovate Driven by Social Needs</b></p> <p>Evolving business models, endowing OMRON with the competitiveness required for achieving sustainable growth, and expanding new business generation efforts</p>	<p>The state of continuously generating new businesses by demonstrating our capability to innovate driven by social needs in both existing and new business domains, through actions such as evolving essential core technology development and incorporating it into business models</p>	<b>P.33</b>
<b>3</b>	<p><b>Generating Diverse Talent Taking on the Challenge of Value Creation</b></p> <p>Evolving human resources management to bring out the capabilities and skills of OMRON's diverse talent, who will be the source of OMRON's sustainable growth</p>	<p>The state of bringing diverse talent together where everyone can succeed, regardless of nationality, gender, or work style, where OMRON provides opportunities for its diverse talent to grow and evolves its human resources management to maximize their capabilities and skills</p>	<b>P.37</b>
<b>4</b>	<p><b>Achieving Decarbonization and Lower Environmental Impact</b></p> <p>By viewing climate change from the two aspects of opportunities and risks, practicing corporate social responsibility and building further competitive advantage</p>	<p>The state of building further competitive advantage while solving social issues through reducing greenhouse gas (GHG) emissions in the value chain and establishing a resource recycling model</p> <ul style="list-style-type: none"> <li>• Scope 1 and 2*1 : 65% cut vs. FY2016</li> <li>• Scope 3, Category 11*2 : 18% cut vs. FY2016</li> </ul>	<b>P.43</b>
<b>5</b>	<p><b>Respecting Human Rights in the Value Chain</b></p> <p>As part of our corporate social responsibility, exerting our influence for the respect of human rights for workers in the value chain and at OMRON</p>	<p>In line with the UN Guiding Principles on Business and Human Rights, the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not permit or cause human rights violations</p>	<b>P.47</b>

\*1 Scope 1 and 2: Direct and indirect GHG emissions from the company

\*2 Scope 3, Category 11: Scope 3 corresponds to GHG emissions from the company's value chain. Category 11 of Scope 3 corresponds to emissions from use of manufactured/sold products, services, etc.

## CEO Message

# Shift to an “Aggressive Management” Phase Aimed at the Next Stage of Growth



President and CEO

**Junta Tsujinaga**

### Recovery of Earning Power through Progress in Structural Reforms

In fiscal 2024, we established the companywide policy of **“All for Creating Customer Value: Focus all actions on creating value for customers and restructure the foundation for earnings and growth.”** Guided by this principle, we focused our resources on initiatives that generate customer value, thereby improving investment efficiency. At the same time, we worked on rebuilding performance emphasizing sales while also restructuring the foundation for earnings and growth.

In terms of rebuilding performance emphasizing sales, we devoted the entire company’s efforts to maximizing sales through a customer-driven approach. For example, in the Industrial Automation Business (IAB), we steadily reinforced our business foundation while developing and launching new products. These initiatives allowed us to capture the gradual market recovery in the second half of the fiscal year. As a result, IAB achieved a recovery in sales and a significant increase in operating income, driving overall company financial performance. Over the course of this fiscal year, we established a clear path to revitalize IAB and achieved profit growth in terms of companywide financial performance.

With respect to restructuring of the foundation for earnings and growth, we advanced the four management measures set forth in the Structural Reform Program NEXT 2025, which was launched in April 2024, as planned and without delay. For instance, under the initiative of “fixed cost productivity improvement,” we realized approximately JPY 26.0 billion in fixed cost reductions during fiscal 2024 alone, ensuring achievement of the JPY 30.0 billion reduction target by fiscal 2025. The initiative of “headcount and capacity optimization” was fully completed by the end of fiscal 2024. Preparations for “portfolio optimization” and the “introduction and operation of customer-driven management system” progressed according to plan, setting the stage for delivering results from fiscal 2025 onward. As CEO, I am convinced that we have successfully restored the company’s earning power through these efforts, and I am more confident than ever in our ability to return to a growth trajectory.

Fiscal 2024 companywide financial performance (including NEXT 2025 financial performance) ▶ P.16

STRATEGY & BUSINESS ▶ P.21

### Transforming Our Corporate Culture to Realize a Customer-driven Approach

In advancing these initiatives, my greatest focus has been on one point, **“how much we can shift our activities toward the customer, and how we can sustain this change.”** Over the past year and a half, as CEO, I have devoted myself to this simple principle, taking the lead in transforming the mindset and actions of all employees.

For example, to promote employees’ correct understanding and acceptance of the purpose and significance of the policy of “emphasizing sales through a customer-driven approach,” we have strengthened dialogue between the executive team and employees since the very beginning of our structural reforms. I personally held 65 small-group meetings during fiscal 2024, where employees volunteered to participate from each department. In total, I had in-depth, direct discussions with a total of approximately 430 employees. In addition, through our internal social media, messages I posted attracted many questions and opinions from employees worldwide. I read every comment, and in principle, ensured that either I or the executive member in charge responded directly within the same day.

At the same time, we thoroughly reviewed our internal business processes through a customer-driven approach. Specifically, we reduced internal reporting tasks, preparation, and meetings that do not directly contribute to creating value for customers. We also reviewed reporting lines and authority regulations at the management level to accelerate decision-making on the front lines. Furthermore, we advanced digital transformation, including the use of generative AI, to improve efficiency and automation and drive changes in the way we work.

Through these efforts, I feel tangible progress in employees’ **understanding of a customer-driven approach and in their proactive actions with this principle in mind. A change in mindset and behavior is beginning to take root.** At the same time, there is no end to initiatives aimed at improving business processes and reforming

corporate culture based on a customer-driven approach. I will continue engaging in direct dialogue with employees. Looking ahead, we remain firmly committed to expanding sales, which represent the value received from customers, while leading the way in driving customer-driven process improvements and organizational cultural transformation.

PEOPLE ▶ P.37

#### Scene from a small-group meeting with employees



#### Fiscal 2025 Plan:

##### Shifting to a “Counteroffensive” Phase

Building on the achievements and challenges of fiscal 2024, including progress under NEXT 2025, we have established our companywide policy for fiscal 2025 as, **“All for Creating Customer Value: Identify changes in demand and take agile action to maximize sales.”** This policy reflects our unwavering commitment to remain thoroughly focused on engaging with customers and driving sales growth throughout fiscal 2025.

For the full year of fiscal 2025, the companywide consolidated outlook incorporates a range of downside risks stemming from uncertainties in U.S. tariff policies and their impact on the market. Specifically, we project net sales of JPY 835.0–820.0 billion, operating income of JPY 65.0–56.0 billion, and net income of JPY 35.5–29.0 billion. As of the first-quarter earnings announcement in August 2025, we estimate the annual cost impact of tariffs on our business at JPY 11.5 billion. While our plan aims to fully offset this impact through price adjustments, we have factored in two key downside risks: potential demand fluctuations exceeding expectations due to tariff impacts (sales impact: JPY -15.0 billion; profit impact: JPY -5.0 billion), and the risk of not fully offsetting the cost burden through price adjustments within fiscal 2025 (profit impact: JPY -4.0 billion). Even in the event these risks materialize, we will strive to achieve both higher sales and higher profits.

The Industrial Automation Business (IAB), which has laid the foundation for growth, will remain the primary driver of companywide performance. In fiscal 2025, IAB will focus particularly on capturing

recovering demand, including robust semiconductor investments centered in Greater China and Korea, as well as equipment investments by leading Chinese manufacturers in the secondary battery industry both domestically and overseas. At the same time, by strengthening collaboration with distributors to further solidify our customer base, we aim to expand business opportunities. IAB already achieved year-on-year increases in both sales and profit in the first quarter, delivering results above plan and making a strong start to the year.

Meanwhile, the Healthcare Business (HCB) continues to be affected by the challenging market environment in China, particularly in its core blood pressure monitor business. However, we will work to offset HCB’s weakness at the Group level to ensure achievement of companywide targets. To this end, the whole company **remains committed to a customer-driven approach, continuing to pursue sales maximization and thereby achieving our operating income targets.**

FY2025 Plan ▶ P.20

#### Business Model Transformation toward Realizing the SF2030 Vision

The growth story we envision beyond structural reforms remains unchanged: it is grounded in the basic strategies outlined in our long-term vision, “SF2030.” OMRON will continue to address three social issues, namely, “achievement of carbon neutrality,” “realization of a digital society,” and “extension of healthy life expectancy.” These challenges will be tackled through our business operations to drive continuous growth. To achieve this vision, **we will leverage our competitive advantage in “robust products (hardware)” and, at the same time, expand solutions and services (products + services) that utilize the data generated by this hardware. These two pillars will serve as our growth drivers, ensuring a clear path toward enhancing corporate value into 2030.** OMRON, as represented by HCB’s blood pressure monitors and SSB’s storage systems, has globally deployed groups of products (hardware) with overwhelming competitive superiority and top market share in the business domains we address. These customer assets amount to, for example, approximately 200,000 companies worldwide in IAB, and in HCB, more than 20 million blood pressure monitors delivered to users worldwide annually. These hardware products generate enormous volumes of data at sites worldwide every day, and linking the on-site data generated by our own products to solutions is a business model unique to OMRON.

In fiscal 2025, based on OMRON’s strength in **“Sensing & Control + Think” technologies, we will bring to market competitive products (hardware).”** For example, in IAB, we will invest a record amount in R&D, increasing it by JPY 5.0 billion year on year, in fiscal 2025, and in the three years between fiscal 2024 and fiscal 2026, we will launch 42 new products (11 launched in fiscal 2024, 22 planned for fiscal 2025, and nine planned for fiscal 2026). In fiscal 2025, we plan to launch a wide range of products responding to customer needs, such as groups

of controllers that realize the advancement of production lines and equipment and the visualization/IoT of on-site information, and groups of sensors that realize improved inspection accuracy. In HCB, for blood pressure monitors, which form the foundation of earnings, we will launch new models equipped with a proprietary next-generation algorithm capable of detecting the possibility of atrial fibrillation, promoting global adoption. For ECGs, we will strengthen the lineup of portable ECGs and blood pressure monitors with ECG, accelerating the creation of new growth areas following blood pressure monitors. In SSB, we will further solidify our position as a domestic market leader in storage systems by launching new storage systems equipped with functions that can flexibly respond to user needs and living environments.

At the same time, **toward strengthening future products, we will invest in companywide common technology development.**

Specifically, in October 2025 we will establish the "Power Electronics Center" in Katsuragawa, Kyoto, to strengthen **power electronics technology**, which broadly supports solutions to the three social issues set forth in SF2030, such as power conditioners and energy storage systems (SSB) used in solar power generation, and power supplies and servo drives (IAB) that are essential in factory automation. At this Center, from R&D to product development for social implementation, we plan to conduct activities consistently and across business domains, focusing on the utilization of next-generation devices that contribute to miniaturization and higher efficiency of power electronics equipment, and the development of energy control technology for the adoption of renewable energy. In the power electronics domain, in addition to establishing this Center, we will make additional investments of approximately JPY 5.0 billion over the three years from fiscal 2025, as well as hire about 100 engineers, thereby strengthening hardware through improved technology development capabilities. And **by 2030, we aim to achieve sales of JPY 200.0 billion in related businesses.**

We will also **take on new challenges in the products + services business.** For example, in IAB, by utilizing the business assets we have cultivated since launching the solutions business in 2016, we aim to establish further competitive superiority. Our initiatives include efforts to fully advance the construction of advanced digital twin environments in production sites through our technology partnership with NVIDIA Corporation, and the creation of data solutions through a strategic partnership with Cognizant. In HCB, we are globally promoting health solutions utilizing daily vital data recorded through the OMRON connect smartphone app, and in collaboration with Luscii Healthtech B.V., a Dutch company we made a wholly owned subsidiary in April 2024, we are focusing efforts on strengthening our remote patient monitoring service.

**The key to accelerating the shift to the products + services business lies in co-creation with JMDC Inc.** Since JMDC Inc. joined

the OMRON Group in October 2023, co-creation between JMDC Inc. and OMRON's existing businesses has steadily evolved. At present, in the healthcare field, we are working on Proactive health solutions and Corporate health solutions. In Proactive health solutions, since August 2024, we have begun linking home-use data from HCB devices with medical data held by JMDC Inc., aiming to prevent the onset of serious diseases including cerebrovascular and cardiovascular diseases. Since entering fiscal 2025, the number of linked users has reached 160% of the previous fiscal year-end, and in just one year, a large volume of data has been connected with personal IDs, accelerating algorithm development to predict the risk of disease onset. In Corporate health solutions, based on the Health & Productivity Management Alliance, which since its launch in June 2023 has expanded to approximately 500 corporate and organizational members in total, we are working to create data-driven business opportunities. Examples have already been provided to member companies, such as cases where OMRON has used lifestyle disease risk data for employees analyzed by JMDC Inc., and in the case of one member company, a concept is being advanced in which blood pressure monitors from OMRON are distributed to executive employees, and JMDC's data analysis manages individual health risks, linking to appropriate health management. Going forward, for members of the Health & Productivity Management Alliance, we plan to provide health management services based on proprietary OMRON Group data combined with medical professional services (occupational physicians, public health nurses) provided by iCARE Co., Ltd., which joined the OMRON Group in October 2025, thereby accelerating the social implementation of health management through this Alliance.

Even outside the healthcare domain, our co-creation efforts are bearing fruit. In the social systems domain, in the implementation of the smart management and service solutions (M&S) business, centered on digital transformation of maintenance and engineering services aimed at resolving the social issue of labor shortages in the distribution and retail industries, multiple proof-of-concept projects (PoC) began from fiscal 2024 on several themes and are progressing smoothly. Furthermore, we launched a business to support the realization of carbon neutrality in manufacturing sites, utilizing JMDC Inc.'s data management and solution development capabilities, and have begun data analysis and feedback to extract customer on-site issues and propose solutions. Negotiations worth JPY 4.0 billion across 20 projects are already in progress, leading to a steady accumulation of results in improving customers' energy productivity.

In this way, results of co-creation with JMDC have been steadily building up at an accelerating pace, and we are gaining increasing confidence in achieving our goal of creating a data solution business with net sales exceeding JPY 100.0 billion and an operating income margin of over 12% by fiscal 2027.

[STRATEGY & BUSINESS ► P.21](#)

[INNOVATION & TECHNOLOGY ► P.33](#)

### Toward Building a Group Structure that Drives Data Solutions

By welcoming JMDC Inc. into the OMRON Group in this way, our capabilities in database construction, data analysis, and solution development, all essential for the Data Solution Business, have been steadily strengthened within the Group. Recognizing the challenge that, in order to carry out data solution development led by JMDC Inc. within the Group with even greater speed and agility, it is necessary to both strengthen OMRON's system engineering capabilities and utilize those functions from a companywide management perspective, we newly established OMRON DIGITAL Co., Ltd. (ODC) on October 1, 2025, as an organization under the direct control of the President. ODC is a reorganized body based on OMRON SOFTWARE Co., Ltd. (OSK), which was previously responsible for software development under SSB. Since its founding approximately 50 years ago, OSK has borne responsibility for software development within the OMRON Group and has acquired extensive capabilities in product-embedded development. Going forward, ODC will, by developing OSK's organizational capabilities, take on the function of promoting and supervising across the company the system engineering necessary for data solution development.

Furthermore, as part of our efforts to evolve the OMRON Group's overall business portfolio into one addressing growth fields with high affinity to data solutions, we announced on September 19, 2025, that we had begun considering spinning off the Device & Module Solutions Business (DMB) with a target date of April 1, 2026.

Since its founding, DMB's core products have been electronic components such as relays, switches, and connectors. By leveraging quality as its strength, it has earned customer trust and for many years supported OMRON's growth. In recent years, while market growth is expected in areas such as expanding demand for high-capacity relays for EVs, the competitive environment has become increasingly challenging due to the entry of emerging companies possessing business speed and cost competitiveness. In such a business environment, in order to establish sustainable and highly profitable growth, it is crucial to build optimal business processes and decision-making processes while maintaining DMB's strength in quality, and to further strengthen business speed and cost competitiveness. Moreover, for the development and production of new products and the strengthening of the global sales system, further expansion of investment is required beyond previous levels, and in implementing this, it will be necessary to consider a wide range of partnership possibilities, including co-creation with other companies and utilization of external resources.

In order to steadily execute these initiatives and establish a foundation for earnings and growth of the business, we have determined that the most effective way is to establish an autonomous management structure, and thus decided to explore spinning-off of

DMB. Going forward, we will advance the identification of issues and the study of options by region in preparation for the spin-off, with the aim of completing the spin-off by April 1, 2026. This spin-off represents an important step for moving our business to the next stage and connecting it to further growth of the Group as a whole.

### Toward the Maximization of Corporate Value

We are fully aware of the concern we are causing our shareholders with regard to the current trend in OMRON's share price. While the capital market's view of OMRON at present recognizes that profitability has greatly improved through structural reforms, we believe that a lingering lack of sufficient confidence regarding our future growth is influencing the current valuation. First, we will thoroughly refine our competitive products, and by combining those products with services generated through data solutions as a new business model and using this as the driver of growth, we will ensure our path to enhancing corporate value into 2030.

**In order to successfully implement this counteroffensive phase, it is vital to establish a corporate culture in which all of us, from management to employees, consistently engage with customers with the entrepreneurial spirit that has defined us since our founding, and thoroughly commit to sales and profits from a customer-driven approach. Now that we have carried through with structural reforms, by returning to OMRON's purpose, we will accomplish the transformation into a company that is recognized as growing robustly through addressing social issues.** We will continue to advance as a united team to meet the expectations of shareholders, and we ask for your continued support.



## CFO Message

# Aim to Establish a Growth Model That Is Both Sustainable and Highly Capital-Efficient.

Senior Managing Executive Officer,  
CFO and Senior General Manager,  
Global Strategy HQ

**Seiji Takeda**



### Structural Reform and Strengthening of the Foundation for Earnings

In fiscal 2024, OMRON embarked on the first year of structural reform, focusing on strengthening the foundation for earnings and driving the regrowth of IAB, with the goal of achieving an early recovery of financial performance.

First, let me address the strengthening of the foundation for earnings. The main measures are: 1) Optimization of headcount and labor cost through voluntary retirements on a global scale, 2) Rationalization of indirect costs by dissolving the Asia Pacific and North America regional headquarters, and 3) Incorporation of a joint venture with transcosmos inc. to enhance the efficiency and quality of domestic back-office operations. Through these initiatives, we expect cumulative cost reductions of JPY 35.4 billion over two years. This is not merely a short-term cost-cutting measure, but a fundamental structural reform aimed at sustaining our competitiveness into the future.

Next, the regrowth of IAB. In the first quarter of fiscal 2025, IAB's net sales rose 10.5% year on year, and operating income margin improved by 3.2 percentage points, showing signs of recovery. However, this is only the first step toward regrowth. While the benefits of strengthening partnerships with distributors and launching new

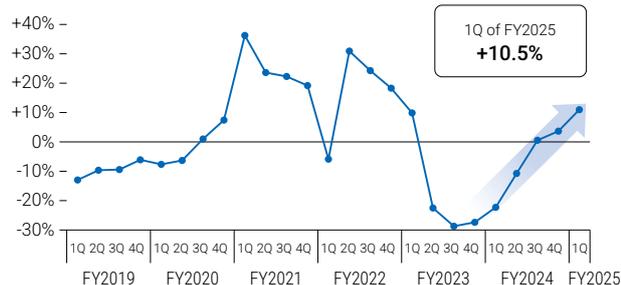
products have begun to appear, results have yet to reach past levels. We recognize that in order to achieve sustainable profit growth, it is essential to further strengthen our competitive advantages to overcome an uncertain and unpredictable external environment. (See Figure 1)

### Recognition of Market Evaluation

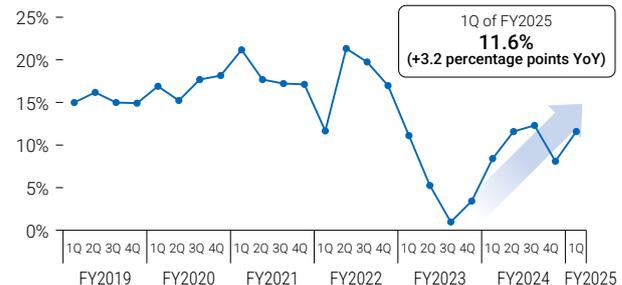
Currently, OMRON's share price is sluggish, and PBR at the end of fiscal 2024 remains at a low level of 1.07x. I take this fact very seriously. I understand that the major reason for this is not that the results of our earnings structural reforms have not been recognized, but that we have not been able to fully demonstrate sustainable growth beyond them. Furthermore, while some improvement in ROE, which is a component of PER, is expected due to the elimination of structural reform costs and improvements in the GP and SGA ratios, it still has not reached past levels. The fundamental cause of this is the stagnation of our sales, particularly the insufficient growth of the Industrial Automation Business, which is the growth driver for the OMRON Group. We have continued to invest in strengthening the Industrial Automation Business in the past, but our investments were insufficient in developing the devices that are the foundation of our competitive advantage and in IT towards strengthening our sales

**Figure 1: IAB quarterly sales growth rate and OPM**

#### IAB sales growth rate (YoY)



#### IAB operating income margin



capabilities to deliver products according to customer needs. In other words, our investments in the solutions domain were relatively large, leading to a lack of balance. Currently, we are thoroughly focusing on the fundamentals: refining the devices that are the source of our competitive advantage and responding quickly to customer needs. It has also been pointed out that ROE and ROIC have temporarily declined due to the acquisition of JMDC. However, we believe that in this business domain, we should prioritize market creation and position establishment through upfront investment. By steadily achieving our initial milestones from this fiscal year onward, we will achieve improved capital efficiency and greater shareholder value over the medium to long term (See Figure 2).

### Promoting Growth Through Portfolio Management

Now that we have gone through structural reform, in order for OMRON to realize the returns demanded by the market, we must directly address the fundamental challenge of growth through value creation. The key to this is the advancement of business portfolio management.

OMRON currently has five segments, and we believe that it is essential to further enhance our portfolio management to maximize growth across the Group. As before, we will continue to identify businesses with challenges from the perspective of profitability and capital efficiency, and take the necessary actions. Even during the process of structural reform, we have conducted multifaceted reviews of multiple businesses and are already proceeding with decision-making and implementation. We will provide details when they can be disclosed.

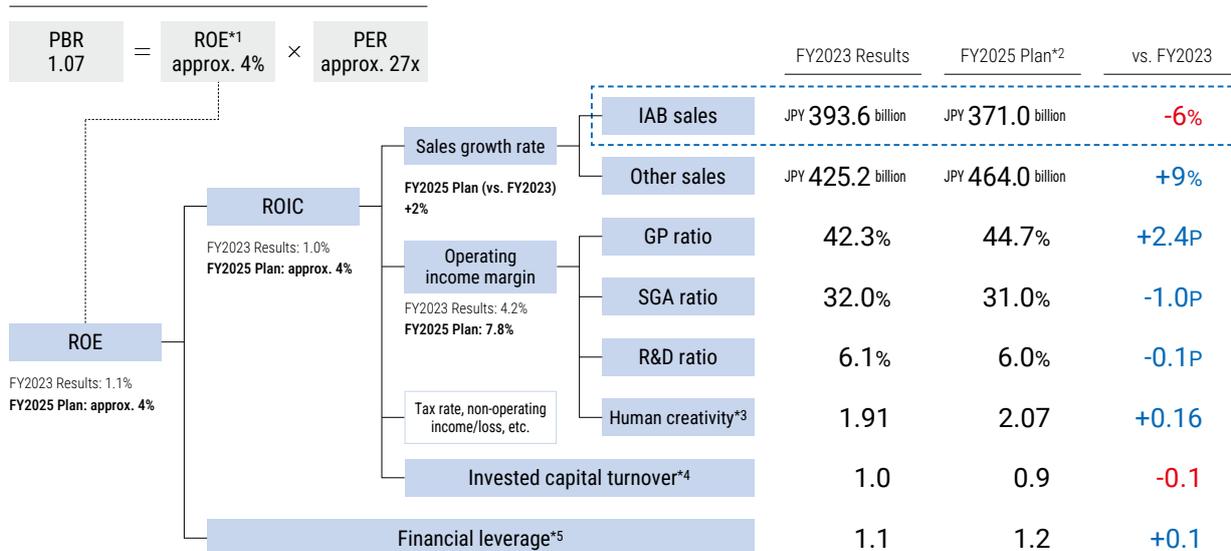
On the other hand, for growth, we will engage in management that pursues growth by implementing a more targeted capital allocation strategy, centered on market growth potential, earnings growth potential, and compatibility with the companywide strategy (expansion of the data business domain). As mentioned previously, we have positioned the Industrial Automation Business as the Group's growth driver and are placing the highest priority on establishing a companywide system and investment allocation, but for sustainable growth, we must also strengthen device businesses with competitiveness and profitability in other segments, as well as make timely investments in the data business, which will be a future pillar.

OMRON has businesses at various stages, from those that have reached maturity and generate stable earnings to those in the nascent stage with expected future growth. Rather than evaluating each using a single metric, we need to establish flexible standards according to their stage and role. For the mature device business, we will continue investing efficiently and strengthening competitiveness while placing importance on capital efficiency and maintaining profitability, using indicators such as ROIC. On the other hand, new businesses such as data services and manufacturing DX with Cognizant should not be evaluated using the same metric as existing businesses; we will adopt standards that correctly measure long-term growth potential, such as EBITDA growth and strategic KPI achievement.

OMRON's fundamental approach to portfolio management is to integrally manage businesses at different stages and optimally allocate resources. We will achieve long-term enhancement of

Figure 2: PBR Decomposition Formula and ROE Tree

PBR Decomposition Formula



\*1: ROE is the FY2025 planned value \*2: The FY2025 plan applies the upper-end values of the financial performance range  
 \*3: Calculated by: value added ÷ labor cost  
 \*4: Calculated by: net sales ÷ (total shareholders' equity + borrowings). Total shareholders' equity and borrowings are the average of the beginning and end of the period  
 \*5: Calculated by: (total shareholders' equity + borrowings) ÷ total shareholders' equity. Total shareholders' equity and borrowings are the average of the beginning and end of the period

corporate value by striking a balance between stability and growth. To enhance its effectiveness, in addition to establishing an evaluation system, we will place importance on the ability to assess the practicality of strategies and on strengthening the capabilities of our organization and human resources. Based on the new framework we have established through structural reform, we will move to the implementation stage from the next fiscal year onward and accelerate our growth strategy.

### Capital Strategy and Capital Allocation

For fiscal 2024, by eliminating one-time structural reform costs and thoroughly managing inventory, we plan for approximately JPY 80.0 billion in operating cash flow, and expect it to recover to near previous levels. We appropriately manage our balance sheet to ensure its soundness, with a D/E ratio of 0.2x and a net interest-bearing debt to EBITDA ratio of 0.4x at the end of fiscal 2024. In the future, to balance further strengthening growth and expanding shareholder returns, in addition to continuous earnings improvement, we will thoroughly improve asset efficiency, such as by shortening the cash conversion cycle, and further enhancing our cash-generating capability (See Figure 3).

This fiscal year's capital allocation will be executed in accordance with our conventional policy, with top priority given to focused investment in growth businesses, including IAB. Shareholder returns will be implemented with an emphasis on stability and continuity, based on a DOE of approximately 3%. Furthermore, we have recorded JPY 185.0 billion in interest-bearing debt at the end of fiscal 2024, but we will continue to maintain a sound financial foundation while proceeding with financial management that utilizes leverage. Even in cases where invested capital increases in the short term with M&A opportunities in view, we will position ROE in addition to ROIC as a performance indicator, and will pursue the maximization of

shareholder value. We will also continue to thoroughly implement management based on the down-top ROIC tree and PPM, and aim for the early achievement of our WACC level by improving margins and asset efficiency.

### Dialogues with the Market

Last fiscal year, OMRON positioned its IR activities as "deepening dialogue," and the management team themselves conducted IR tours and analyst meetings in Japan, the U.S., Europe, and Asia. Being able to directly discuss the progress of structural reform and the path to enhancing corporate value with market participants was extremely beneficial in honing our execution capabilities.

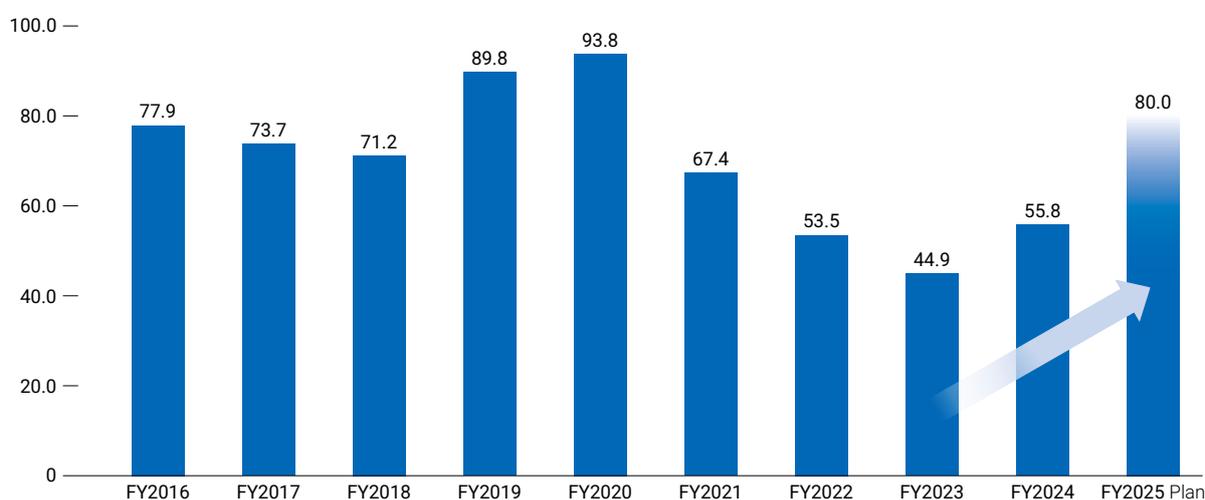
In July of this year, we concluded a partnership agreement with Japan Activation Capital, Inc. (JAC). Sharing the common goal of enhancing corporate value, JAC is providing focused support, especially for the Industrial Automation Business, by leveraging its strengths in hands-on involvement in execution. The transformation of the Industrial Automation Business is not easy due to the influence of past business practices and other factors, but by adopting a market perspective and through disciplined management based on return on investment, we will accelerate the pace of change.

### In Conclusion

Lastly, OMRON is currently formulating a new equity story, which we plan to announce this autumn, and we would like to share our vision beyond structural reform and the path to its realization. We are not aiming for a one-time recovery, but for the establishment of a sustainable and capital-efficient growth model. By reliably demonstrating our achievements, we will regain trust from the market and steadily pave the way to enhancing shareholder value. We look forward to sharing our future developments.

**Figure 3: Company-wide operating cash flow**

(Billions of yen)



## Financial and Non-financial Performance Highlights

### FY2024 Results

#### Consolidated Results

Net sales decreased; however, operating income increased, driven by the improvement in gross profit margin and the effects of the Structural Reform Program NEXT 2025. Net income attributable to OMRON shareholders increased, reflecting one-time expenses of JPY 22.0 billion incurred to optimize the number and capacity of our workforce, loss on impairment of goodwill of JPY 11.7 billion related to the Data Solution Business, and a JPY 12.3 billion in gain on valuation of investment securities.

#### Net Sales

**801.8** (-2.1%)

#### Gross Profit Margin

**44.5%** (+2.2P)

#### Operating Income

**54.0** (+57.4%)

#### Net Income Attributable to OMRON Shareholders

**16.3** (+100.7%)

\*Unit: Billions of yen

\*Figures in parentheses represent changes from the previous fiscal year

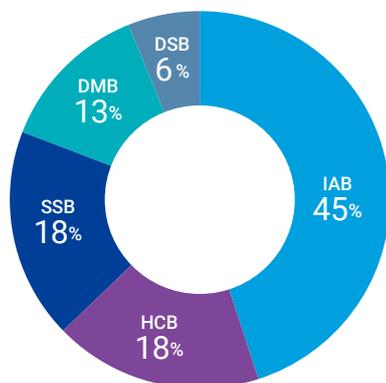
#### Average exchange rates during the period

USD  
JPY **152.6** (+JPY 8.7)

EUR  
JPY **163.7** (+JPY 7.4)

RMB  
JPY **21.1** (+JPY 1.0)

#### Consolidated Results by Business Segment

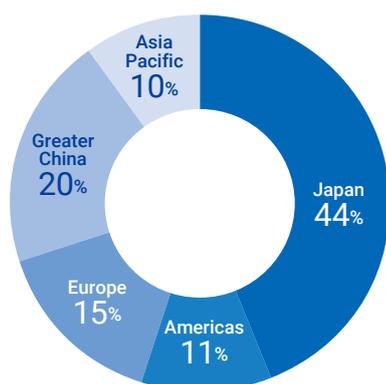


(Billions of yen)	Net Sales		Operating Income		Operating Income Margin	
IAB	360.8	(-8.3%)	36.3	(+69.0%)	10.1%	(+4.6P)
HCB	145.9	(-2.6%)	17.5	(-5.3%)	12.0%	(-0.3P)
SSB	145.6	(+2.8%)	16.8	(+19.7%)	11.5%	(+1.6P)
DMB	105.4	(-7.8%)	0.3	(-90.3%)	0.3%	(-2.5P)
DSB	42.7	(-)	2.8	(-)	6.6%	(-)

\*Figures in parentheses represent changes from the previous fiscal year

\*Percentage changes are not presented for the Data Solution Business (DSB), as JMDC Inc. became a consolidated subsidiary on October 16, 2023, and such changes do not provide valid ratios for comparative purposes.

#### Consolidated Net Sales by Region



(Billions of yen)	Net Sales	
Japan	357.1	(+1.7%)
Americas	84.7	(-1.6%)
Europe	119.4	(-7.4%)
Greater China	160.0	(-7.0%)
Asia Pacific	80.5	(-0.2%)

\*Figures in parentheses represent changes from the previous fiscal year

\*Including direct exports to Japan

## Return on Invested Capital (ROIC), Return on Equity (ROE), and Dividend Results

### ROIC

1.8% (+0.8P)

### Dividend per share

JPY 104 (unchanged from the previous year)

### ROE

2.1% (+1.0P)

### DOE

2.6% (-0.1P)

## Rating

Rating and Investment Information, Inc. (as of March 31, 2025)

Long-term: **AA-** | Short-term: **a-1+**

## Overview of Financial Position

(Billions of yen)	FY2024	Change	Notable Items in FY2024
Total Assets	1,361.8	(+7.1)	Remained nearly flat compared with the previous fiscal year-end
Total Liabilities	427.4	(+23.6)	Mainly due to external financing, including bonds
Shareholders' Equity	771.9	(-14.8)	Shareholders' equity ratio was 56.7%, down 1.4 percentage points from the previous fiscal year-end (maintaining a solid financial base)
Noncontrolling Interests	162.5	(-1.8)	Remained nearly flat compared with the previous fiscal year-end
Total Net Assets	934.4	(-16.6)	Mainly due to decreases in foreign current translation adjustments and pension liability adjustments
Total Liabilities and Net Assets	1,361.8	(+7.1)	—

## Overview of Cash Flows

(Billions of yen)	FY2024	Change	Notable Items in FY2024
Cash flows from operating activities	55.8	(+10.9)	Mainly due to increases in net income attributable to OMRON shareholders and trade payables
Cash flows from investing activities	-47.9	(+59.2)	Mainly due to capital expenditures
Free cash flow	7.9	(+70.1)	—
Cash flows from financing activities	-4.6	(-90.6)	Mainly due to external financing, including bonds, and dividend payments

## Five Management Measures and Progress of Structural Reform Program NEXT 2025

Under NEXT 2025, which runs from April 2024 through September 2025, we are steadily making progress in implementing five management measures.

### ■ Rapid rebuilding of the Industrial Automation Business

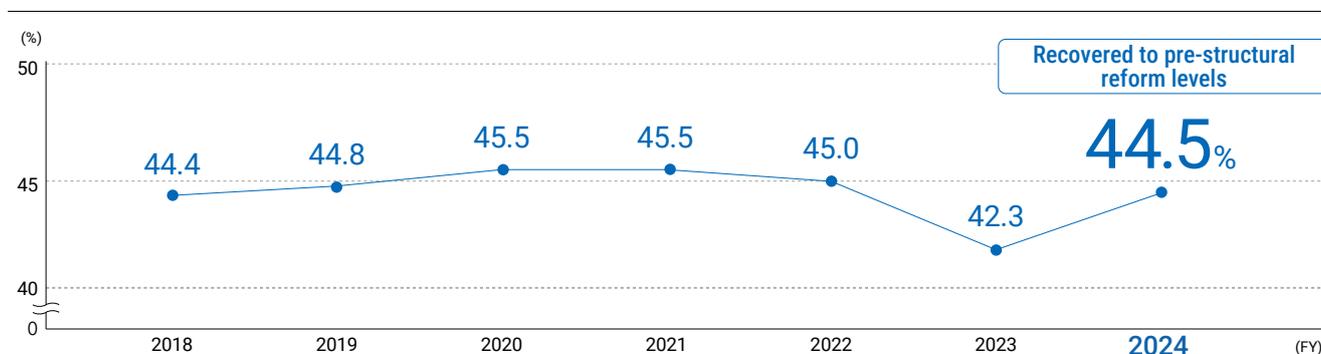
	FY2024 Plan	FY2024 Results
Initiatives to resume growth of the Industrial Automation Business	To resume growth of the Industrial Automation Business, its current strategy and plan will be revamped from the perspectives of a customer-driven approach and effectiveness. Specifically, we will review resource allocation and accelerate the implementation of measures during the structural reform period to maximize the operating income margin of the Industrial Automation Business and establish a growth foundation to achieve the growth envisaged under SF2030.	Following completion of the analysis of the root causes of poor performance and the formulation of a structural reform plan, we established 10 task forces to complete the structural reform. Progress has been generally in line with the plan toward completion in September 2025.

### ■ Restructuring of the foundation for earnings and growth

	FY2024 Plan	FY2024 Results
1 Portfolio optimization	We will strengthen the resilience of each business to changes in the business environment and optimize each portfolio of businesses, products, and areas to achieve sustainable profitable growth. At the same time, led by the Data Solution Business HQ, we will accelerate the creation of the data solution business in the industrial automation, healthcare, and social systems, solutions and service business domains by leveraging JMDC Inc.'s capabilities.	We completed the reassessment of all businesses and executed initiatives such as prioritizing investment in growth businesses and areas, pursuing profitability improvement in low-profit businesses, and considering the termination of such businesses. In addition, to generate synergies with JMDC Inc. across all business companies, we accelerated the study and implementation of co-creation in the Industrial Automation Business, the Healthcare Business, and the Social Systems, Solutions and Service Business.
2 Headcount and capacity optimization	In order to establish a workforce and labor cost structure that will enable us to expand customer value and achieve profitable growth, we will promote headcount and capacity optimization globally.	A total of 2,526 employees in Japan and overseas retired or agreed to retire, completing the optimization of workforce size. In addition, we implemented optimal placement of management personnel and measures to strengthen their capabilities.
3 Fixed cost productivity improvement	We will pursue maximization of fixed cost productivity throughout the Group. Specifically, by introducing and thoroughly implementing fixed cost discipline, we intend to achieve a ratio of selling, general and administrative expenses to net sales of less than 30% over the medium term (less than 28% when excluding the impact of inclusion of JMDC Inc. within the scope of consolidation; the actual result for fiscal 2023 was 32.0%).	As a result of thoroughly implementing fixed cost management based on the new fixed cost discipline, as well as promoting new initiatives to improve fixed cost productivity, such as consolidation of purchasing of indirect materials and consolidation of sites, we achieved a reduction in fixed costs of approximately JPY 26.0 billion in fiscal 2024.
4 Introduction and operation of customer-driven management system	The Company intends to introduce and execute measures to orient management, business, and headquarters management toward customer-driven thinking and behavior.	After setting the customer-driven approach as the companywide guideline, KPIs to embody customer-driven thinking and actions were set and introduced in all divisions. In addition, we developed and began implementing new human resource policies to enable management to embody customer-driven thinking and behavior.

### ■ Main results

#### Improvement in Gross Profit Margin



#### Fixed Cost Reduction

Approx. **26.0**

\*Unit: Billions of yen

#### Rapid Rebuilding of the Industrial Automation Business

Implemented **10** task forces

### Non-financial Targets and Progress in FY2024

Non-financial targets*1 *2		FY2024 (Results)
1	Increase sustainability-related sales*3, an indicator of contributions to the resolution of the three social issues, by 45% vs. FY2021	+29% (vs. FY2021)
2	Increase the ratio of women in managerial roles to 18% or higher (OMRON Group worldwide)	20.5%
3	Employ persons with disabilities at 28 overseas sites and maintain the ratio of employees with disabilities at 3% in Japan	Executed overseas monitoring; Japan: 3.5%
4	Reduce Scope 1 & 2 GHG emissions by 53% vs. FY2016	74% reduction (vs. FY2016)
5	Achieve Carbon Zero at all 76 sites in Japan	Achieved at all sites
6	Conduct human rights due diligence in line with the UNGP and build a human rights remedy mechanism into the value chain	Established a PDCA cycle framework for human rights due diligence and embedded its operation
7	Continue implementing sustainability initiatives steadily to maintain our listing in the Dow Jones Best-in-Class World Index*4	Selected for Dow Jones Best-in-Class World Index
8	100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	Japan: 91%
9	In all regions, introduce a training program covering the basic knowledge required for digital transformation: statistics, data analytics, AI, and others	Introduced in all areas
10	Make full use of digital tools to reduce use of paper	58% reduction (vs. FY2019)
+1	Top management of each region declares their commitment to their host community in accordance with the OMRON Sustainability Policy	Declared in each region and implemented

\*1 Non-financial targets (8) to (10) were decided by employee vote.

\*2 Figures presented for the non-financial targets are the initial SF 1st Stage targets set in fiscal 2022.

\*3 Net sales of focus domains that lead to "achievement of carbon neutrality," "realization of a digital society," and "extension of healthy life expectancy."

\*4 Renamed from "Dow Jones Sustainability World Index (DJSI World)" on February 10, 2025

### Evaluation of OMRON's Sustainability by External Parties (as of March 31, 2025)

OMRON has been highly evaluated by ESG ratings organizations throughout the world, as evidenced by its inclusion in six ESG indices adopted by the Government Pension Investment Fund (GPIF) for ESG investment.

#### For Customers and Business Partners (Global)



Rated "A -" for "Climate Change" and "B" for "Water Security" by CDP



Selected as a member in "S&P Global Sustainability Yearbook 2025" for the fifth consecutive year



Earned a Gold rating from EcoVadis SAS, placing it in the top 5% for sustainability performance

#### For Institutional Investors (Global)



**Dow Jones Best-in-Class World Index**  
Has been a component of the world-renowned Dow Jones Best-in-Class World Index for the eighth consecutive year since 2017 (also a component of the Dow Jones Best-in-Class Asia Pacific Index for 15 consecutive years since 2010)



**FTSE4Good Index Series\*5**  
Selected for the ninth consecutive year since 2016



**MSCI Selection Indexes\*6**  
Selected for 10 consecutive years since 2015

\*5 FTSE Russell (Registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that OMRON CORPORATION has qualified for inclusion in the FTSE Blossom Japan Sector Relative Index as a result of independent research. The FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products.

\*6 Renamed from "MSCI ESG Leaders Indexes" in February 2025. THE INCLUSION OF OMRON CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF OMRON CORPORATION BY MSCI OR ANY OF ITS AFFILIATES.

## Plan for FY2025

### Consolidated Results (Plan)

We plan to complete Structural Reform Program NEXT 2025 and achieve increased revenue and profit. In addition, taking into account the potential business impact of U.S. trade policy, we have incorporated into our plan a risk range of up to JPY 15.0 billion in net sales and up to JPY 9.0 billion in operating income for our main businesses.

#### Net Sales

**835.0 – 820.0**  
(+4.1%) – (+2.3%)

#### Gross Profit Margin

**44.7% – 44.2%**  
(+0.2P) – (-0.3P)

#### Operating Income

**65.0 – 56.0**  
(+20.3%) – (+3.6%)

#### Net Income Attributable to OMRON Shareholders

**35.5 – 29.0**  
(+118.2%) – (+78.2%)

\*Unit: Billions of yen

\*Figures in parentheses represent changes from the previous fiscal year

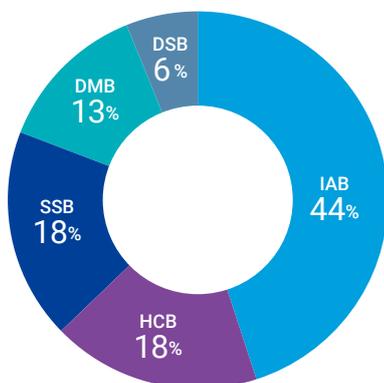
#### Average exchange rates during the period

USD  
JPY **140.0** (-JPY 12.6)

EUR  
JPY **160.0** (-JPY 3.7)

RMB  
JPY **20.0** (-JPY 1.1)

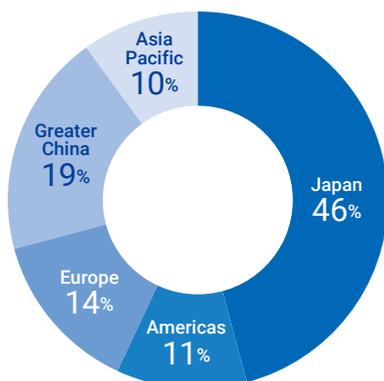
### Consolidated Results by Business Segment (Plan)



(Billions of yen)	Net Sales		Operating Income		Operating Income Margin	
IAB	371.0	(+2.8%)	40.0	(+10.3%)	10.8%	(+0.7P)
HCB	150.0	(+2.8%)	18.5	(+5.8%)	12.3%	(+0.3P)
SSB	152.0	(+4.4%)	20.0	(+19.1%)	13.2%	(+1.6P)
DMB	110.0	(+4.3%)	4.0	(-)	3.6%	(+3.3P)
DSB	50.5	(+18.2%)	5.0	(+76.8%)	9.9%	(+3.3P)

\*Figures in parentheses represent changes from the previous fiscal year

### Consolidated Net Sales by Region (Plan)



(Billions of yen)	Net Sales	
Japan	382.5	(+7.1%)
Americas	91.0	(+7.4%)
Europe	119.5	(+0.1%)
Greater China	161.0	(+0.6%)
Asia Pacific	81.0	(+0.6%)

\*Figures in parentheses represent changes from the previous fiscal year  
\*Including direct exports to Japan

## Resolving Social Issues through Our Business

Creating social value and driving OMRON's sustainable growth by resolving social issues through our business

### Industrial Automation Business(IAB)

#### Market Environment

In the manufacturing industry, companies are facing a variety of challenges, such as rebuilding product competitiveness to win in global competition, reviewing production sites to prepare for changes in national policies and geopolitical risks, and shortages of skilled workers. In response to these challenges, the need for factory automation (FA) is increasing more than ever.

In the markets accessed by IAB, although investment in China is entering a correction phase, we expect steady growth to continue beyond fiscal 2025 for the following reasons. These include

investment in semiconductor-related markets driven by growing demand for AI and data centers, and expansion of investment in environmental mobility such as secondary batteries, spurred by the increasing adoption of EVs. We will firmly capture business opportunities not only in China but also in Europe, the U.S., and China Plus One markets through IAB, and build a stable customer base for the medium- to long-term growth of the business. In addition, by developing and providing solutions that address challenges in manufacturing, we aim to outpace market growth.

#### Our Strengths

We have a threefold value proposition through IAB that can resolve issues at our customers' manufacturing sites. To start, our extensive product lineup. We are strengthening our core products, such as various sensors for monitoring equipment status and collecting other information, and controllers that enable high-speed, high-precision control of equipment. Going forward, drawing on the wealth of knowledge that OMRON has cultivated at manufacturing sites, we will further enhance our product lineup to contribute to the progress of manufacturing. Secondly, control applications that are a sophisticated solution for advanced control. At manufacturing sites, advanced production technology is required, such as in semiconductor manufacturing that is characterized by constant technological innovation, as typified by three-dimensional device structures including chipllets, and in the manufacture of rechargeable batteries, which are a key enabler of a decarbonized society. In such environments, we

provide control applications created through the combination of OMRON's product lineup and software technology, which are widely used to help address customer issues. In addition, we have globally deployed experienced application engineers who provide field technical services to implement solutions at manufacturing sites. Together with our customers, we will continue to resolve new issues by leveraging OMRON's automation technology. Thirdly, the provision of services that utilize on-site data to help resolve management issues. Notable examples are i-BELT and data solutions that integrate Information Technology (IT) and Operational Technology (OT) (see page 23). i-BELT is a service that utilizes on-site data while leveraging customers' knowledge. i-BELT is highly regarded for its ability to facilitate identification of on-site issues and systematic implementation of improvement activities through consulting.

#### Growth Strategy to Achieve SF2030

Under the business vision of "Enriching the Future for People, Industries and the Globe by Innovative-Automation," IAB aims to pursue both the advancement of industries and the well-being of people at work, thereby contributing to the evolution toward sustainable industries. To this end, we are advancing two major initiatives: reinforcement of the products (components) that underpin our solutions, and co-creation with partners to generate new solutions.

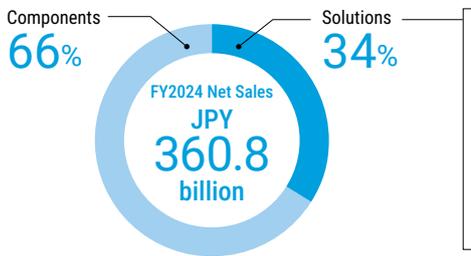
To start, to reinforce our products, we are intensively allocating development resources from across the company to the creation of highly competitive products. In fiscal 2025, we plan to launch 22 models, including sensors and controllers, and in fiscal 2026, a large number of models such as relays. Secondly, we are enhancing our control applications that enable the evolution of manufacturing technology, in line with the needs of industries and customers. OMRON's field engineers deployed around the world will work at customer sites in advanced technology fields such as semiconductors

and EVs, where high-precision control technology is required, resolving issues together with them as our applications continue to evolve. For example, we are collaborating with NVIDIA Corporation on digital twin technology that enables high-precision replication and verification of equipment operation in virtual space, aiming to contribute to improved productivity at manufacturing sites.

In addition to the i-BELT services that utilize on-site data to address issues on a line and plant basis, such as predictive maintenance, zero-defect manufacturing, and energy-saving production, we are creating new IT-OT solutions through a strategic partnership with Cognizant, an IT company with extensive expertise in manufacturing, to serve as a pillar of future growth. OMRON will leverage its extensive lineup of components together with new solutions to resolve customers' issues, and contribute to the advancement of manufacturing that will support a sustainable society.

## Business Highlights

### Sales Composition by Business Domains



Decarbonization of manufacturing industry

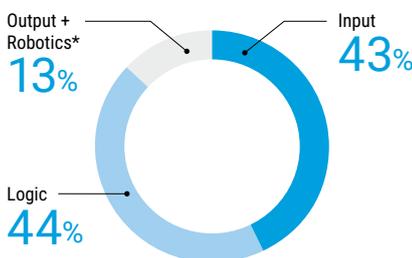


Digital transformation (DX) of manufacturing industry



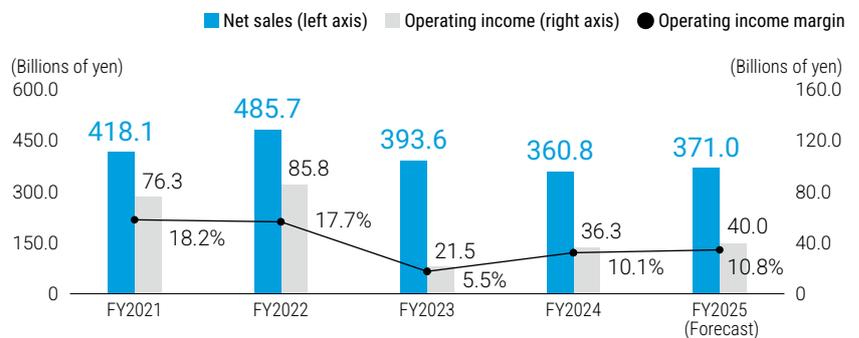
Contribution to evolution of cutting-edge technologies, such as semiconductors and AI

### Sales Composition by Product



\*Includes safety devices

### Trends in Net Sales / Operating Income / Operating Income Margin



#### Net Sales for Fiscal 2024

Demand for capital investment in the manufacturing industry was strong in Japan, supported by the semiconductor market, which benefited from investment demand driven by China's policy to promote domestic semiconductor production. In contrast, demand remained stagnant in China due to sluggish investment in solar power generation and rechargeable batteries, while in Europe and Southeast Asia, investment demand for EVs decelerated. As a result, overall demand showed a sluggish trend. As a result, net sales decreased year on year, partly due to the fact that net sales in the first half of the previous fiscal year had been supported by order backlogs.

#### Operating Income for Fiscal 2024

Operating income significantly exceeded the previous year's level, supported by improvements in gross profit margin and the effects of reducing fixed costs through structural reforms, despite lower net sales.

## INPUT: Investments and Key Activities

- R&D costs: JPY **21.6** billion (results for FY2024)
- Capital expenditure: JPY **6.1** billion (results for FY2024)

- Launched 11 new products, including image sensors (results for FY2024)
- Launched the VT-X950 automatic CT-type X-ray inspection system (December 2024)
- Signed a strategic partnership with Cognizant (April 2025)

## OUTPUT: Results

- Net sales: JPY **360.8** billion (-8.3% YoY)
- Operating income: JPY **36.3** billion (+68.8% YoY)
- Number of customers using innovative-Automation: **4,290** companies

- Solutions business sales as a proportion of total sales of IAB: **34%** (-2 percentage points YoY)
- Received the Top 100 Global Innovators award for the **9**th consecutive year through patent applications for advanced technologies (March 2025)

## OUTCOME: Social Value Created and Corresponding SDGs

- Establishment of manufacturing sites that will support a sustainable future by achieving harmony with the global environment and ensuring worker satisfaction
- Contributed to the advancement of manufacturing that will support a sustainable society by combining products and services to resolve fundamental social issues



## Industrial Automation Business (IAB) TOPICS

### 1. Components (Products) Topics

#### ■ Launch of the “ZP-L Series”

Laser Displacement Sensor in High Demand with Customers Based on the concept of “For all engineers who don’t have time for the hassle” we launched a series of multi-function sensors in December 2024. Its purpose is to help solve the labor shortage in the manufacturing industry and boost engineers’ work efficiency. The sensors can achieve stable detection using just their initial settings and are broadly compatible with a variety of identification applications, including height measurement, tilt detection, and positioning. The sensors offer significant improvements in stable detection, user interface, and overall usability. They are offered at a low price, yet they are packed with innovative features designed to save time and effort for engineers engaged in equipment design, manufacturing, startup, and maintenance.

Moving forward, we will continue to contribute to improved productivity in manufacturing by launching more products like this that meet strong customer demand.



The “ZP-L” sensor  
launched in December 2024

#### ■ Launch of the “Data Flow Controller” that Innovates Manufacturing DX

To ease labor shortages facing many manufacturers, we launched the “Data Flow Controller” in September 2025 to promote the utilization of on-site data. Through repeated dialogue with our customers, we identified that one of the key barriers to advancing DX is the burden of initial investment costs and the increased workload it entails. For this reason, we developed the product with a focus on effortless connectivity and use. This controller can connect various devices within a factory, including those from other companies, on-site and collect data without the need for programming. The acquired data enables the visualization of factory equipment and conditions, and allows for purpose-driven analysis, such as monitoring. It also facilitates timely reporting to decision-makers, contributing to speedy management decisions. Going forward, we plan to offer the product primarily to factories with fully operational existing equipment and to companies for whom large-scale investment in DX is difficult.



The “Data Flow Controller”  
simultaneously released globally  
in September 2025

#### ■ Contributing to Easing Labor Shortages through the Development of Automated Visual Inspection Equipment

In collaboration with DENSO CORPORATION (DENSO), which aims to create next-generation factories, we jointly developed an AI-equipped visual device and, in fiscal 2024, an algorithm that replicates the high-precision inspections performed by humans. OMRON developed and provided a controller that can sequentially install 15 types of AI with different learning methods and is equipped with 134 new functions. By contributing to the automation of visual inspection, this technology helps improve yield. As a result of the joint development efforts involving extensive discussions between the two companies since the project’s launch in 2022, this initiative was recognized in June 2025 by DENSO with the “Advanced Performance Award ” for its significant contribution to new technologies and products for the future.

#### Customer testimonial

##### DENSO CORPORATION

Through the joint development of a vision system equipped with an in-house AI developed by DENSO, we succeeded in creating an inspection algorithm comparable to that of human inspectors. As a result, this contributed to alleviating the shortage of skilled technicians and reducing the number of inspection personnel required. To accommodate a wide variety of products and processes, as many as 134 new functions were developed for this system, significantly improving its usability on production sites.

### 2. Solutions Topics

#### ■ Collaboration with NVIDIA Corporation on Digital Twin Technology

One example of our efforts to cultivate new customer demand is our collaboration with NVIDIA Corporation. To address the needs of the manufacturing industry, where variable-mix, variable-volume production is required, OMRON is working to improve the efficiency of equipment development by leveraging digital twin technology. By linking OMRON’s control design tools with NVIDIA Corporation’s “NVIDIA Omniverse” platform, which enables workflow and application development in 3D, we have established a system that allows high-precision reproduction and verification of equipment and machinery internals in a virtual space, as well as optimization of settings through the use of AI. This digital twin technology makes it possible to support improvements in productivity at manufacturing sites, including equipment start-up, troubleshooting, and other operational efficiency enhancements.

### 3. Data Solution Topics

#### ■ Strategic Partnership with Cognizant

In April 2025, OMRON announced that it had entered into a strategic partnership agreement with Cognizant, a leading U.S.-based IT company, aiming to enhance data processing capabilities and productivity across the entire manufacturing process, thereby strengthening competitiveness. Despite the rapid evolution of IT in recent years, many

manufacturing sites have been unable to fully leverage data due to the division between information technology (IT) and operational technology (OT). Factors contributing to this include the siloing of on-site data within individual departments or factories, as well as the technical challenges of linking IT and OT systems. To address these issues, OMRON and Cognizant have jointly developed a platform that integrates OMRON's control devices, such as sensors, controllers, servo motors, and robots, with Cognizant's IT technologies (including cloud, AI, and IoT). This enables the provision of end-to-end solutions, from on-site implementation to consulting, for customers across industries such as automotive, semiconductors, electronics, and consumer goods. Through this partnership, we will combine Cognizant's strong IT solution capabilities with OMRON's high-quality control devices and on-site data collection expertise to enable the utilization of on-site data not only in manufacturing operations but also in management (See Figure 1).

**Customer testimonial** 

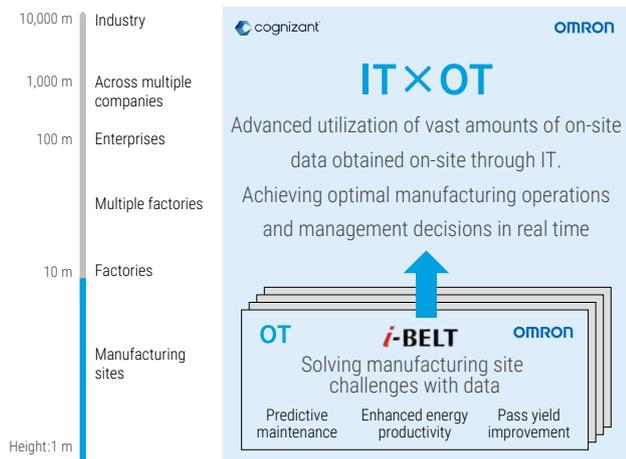
**Global Automotive Company**

In realizing high-mix, low-volume production at automotive plants, the conventional approach to keep using existing manufacturing equipment and devices has challenges, making it difficult to freely add or modify necessary functions. As a solution for the challenges, we decided to adopt the virtual control platform jointly developed by OMRON and Cognizant. By achieving data aggregation and centralized management from various controller functions used in the existing production processes, the platform enables easy addition of required functions, thereby allowing the construction of systems suited to high-mix, low-volume production. In addition, reducing wiring and additional components leads to cost reductions and improved reliability. We highly value OMRON's deep understanding of manufacturing sites and its broad lineup of control devices and systems, which made the development of this platform possible. Looking ahead, we expect to expand this mechanism across entire production processes and to benefit from strong global support through collaboration with Cognizant.

**Figure 1: End-to-end IT-OT solutions**

By combining the strengths of OMRON and Cognizant, we are bridging the division between IT and OT.

Together, we are creating solutions to be quickly implemented at the production floor from management decisions based on on-site data.



**4. Strengthening Our Ability to Provide Effective Responses at Frontlines**

**■ Established Automation Center Stuttgart and Automation Center Bengaluru**

In response to the ongoing transformation in the manufacturing industry—driven by DX initiatives for future manufacturing and the global optimization of production facilities—OMRON is expanding its Automation Centers to address emerging customer needs. In Europe, we established a new Automation Centers in April in Stuttgart, Germany, where numerous global manufacturing companies are concentrated. This facility functions as a value co-creation hub, where customers can experience and validate solutions tailored to their on-site challenges, leveraging OMRON's advanced technology and applications that combine expertise in a wide range of control devices. In the Proof of Concept (POC) laboratory, customers can conduct verification using various types of robots and demonstration tests under conditions that replicate their actual production environments. In addition, a new Automation Centers is scheduled to open in Bengaluru, India, in October. Through these Automation Centers, OMRON aims to collaborate with customers in identifying manufacturing issues and developing concrete solutions to them toward realizing future visions.

**Automation Centers Stuttgart established in April 2025**



## Healthcare Business (HCB)

### Market Environment

Cardiovascular disease (CVD) remains a leading cause of death worldwide. In 2022, approximately 20.4 million people died from CVD, accounting for about one-third of all deaths\*1. The number of patients with CVD has exceeded 600 million, with the majority concentrated in low- and middle-income countries. In developed countries as well, the number is expected to increase further due to population aging. As a result, challenges such as rising medical costs, shortages of physicians, and disparities in access

to healthcare are becoming increasingly evident. On the other hand, advances in digital technology and AI, the spread of innovative devices, and the entry of new startups are significantly transforming treatment and chronic disease management. Among these, remote patient monitoring is expected to grow at an average annual rate of about 23% through 2032\*2, and it is anticipated to continue driving market expansion as an important solution for the establishment of preventive care.

\*1 Source: World Health Organization (WHO), "World Heart Report 2023"

\*2 Source: Fortune Business Insights

### Our Strengths

OMRON's strengths lie in the technological expertise and know-how we have accumulated through more than 50 years in the home-use healthcare device business since launching the first electronic blood pressure monitor in 1973, the brand power trusted by both the medical community and consumers, and our distribution network that spans more than 130 countries and regions. Building on these strengths, under SF2030 we are working to promote at-home electrocardiogram (ECG) recording and to strengthen our digital health business.

AFib screening in the prevention and early detection of stroke and heart failure, as well as its applications in monitoring after AFib detection.

#### Promotion of at-home ECG recording

Atrial fibrillation (AFib), an arrhythmia that is a risk factor for heart failure and stroke, is said to be asymptomatic in about 40% of patients. To support its early detection and treatment, we have been globally marketing blood pressure monitors with ECG and portable ECG devices since 2020, and as of the end of fiscal 2024, these products are available in about 50 countries and regions. Furthermore, to expand the scope of use in cardiac disease treatment and to gain endorsement from healthcare professionals, we convened an advisory board in March 2025, bringing together key opinion leaders in arrhythmia and hypertension treatment. We gained practical insights into the clinical value of at-home

#### Building the foundation of our digital health business

In April 2024, we made Luscii Healthtech B.V. a wholly owned subsidiary to further strengthen our remote patient monitoring services. Luscii's services are used in more than 70% of hospitals in the Netherlands, with over 150 programs covering conditions such as hypertension, diabetes, pneumonia, and renal failure. These programs have produced results such as reducing unexpected hospitalizations for heart failure and pregnancy-induced hypertension, and lowering medical costs for patients with COPD\*3. In the B2C domain, we have fully launched a verification project that combines daily blood pressure data accumulated in the health management app "OMRON connect" with JMDC Inc.'s health checkup and medical claims data to predict individual disease risks. This initiative enables us to provide each individual with optimal advice and support lifestyle improvements.

We are working to build a new healthcare model that connects medical care and users, covering from prevention to treatment.

\*3 Chronic obstructive pulmonary disease (COPD)

### Growth Strategy to Achieve SF2030

#### Creation of innovative devices

In 2024, leveraging over 50 years expertise in Pressure Pulse Wave (PPW)\*4 and AI, we launched a blood pressure monitor equipped with OMRON's proprietary next-generation algorithm "Intellisense AFib," in Europe, the United States, and China. The device can detect the potential AFib simply by measuring blood pressure. This unprecedented technology analyzes the PPW data obtained during blood pressure measurement to determine the likelihood of AFib. In China, we are working with major pharmacy chains to increase opportunities for customers to experience the value of this technology, such as by establishing "AFib risk screening areas" in their stores.

We will globally expand initiatives that contribute to the early detection and treatment of AFib, a cause of stroke.

\*4 The pressure exerted on the arterial walls as the heart beats and blood flows through the arteries



Blood pressure monitor with Intellisense AFib

#### Acceleration of the digital health business

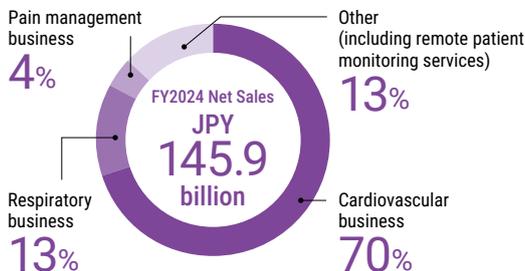
Launched in Japan in 2016, the health companion App "OMRON connect" has now been downloaded more than 15 million times across over 130 countries and regions. Going forward, we will further strengthen OMRON connect globally by leveraging Luscii's technology and expertise. In addition to strengthening our user base by promoting the spread of connected devices, we will expand collaboration with healthcare professionals to provide personalized health management programs, as well as partnerships with external services.

Furthermore, through initiatives with external organizations, we are advancing the development of algorithms that utilize AI to support diagnosis and treatment. By analyzing vital data collected at home, medical institutions, and health checkups, and through collaboration with institutions such as Kyoto University and Kyoto Prefectural University of Medicine, we aim to develop and provide personalized programs that detect early signs of life-threatening cerebrovascular and cardiovascular diseases and offer tailored lifestyle improvement recommendations.

Through these initiatives, we will implement innovative preventive care frameworks in society and contribute to the extension of healthy life expectancy for people around the world.

## Business Highlights

### Sales Composition by Business Domains



Cardiovascular business

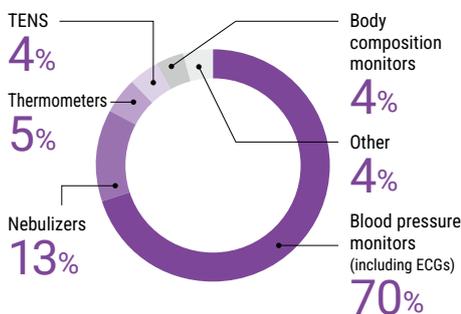


Respiratory business

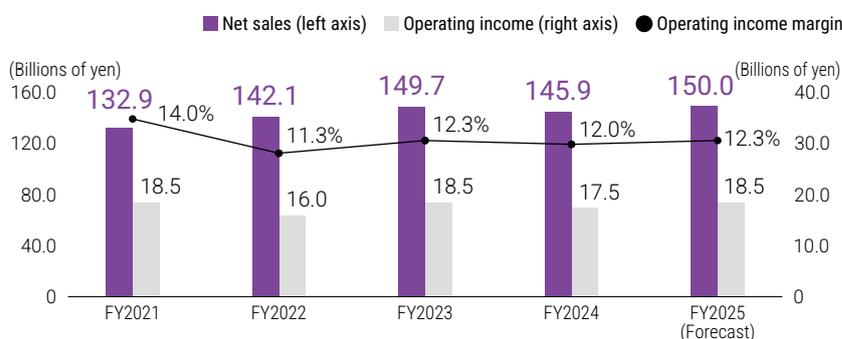


Pain management business

### Sales Composition by Product



### Trends in Net Sales / Operating Income / Operating Income Margin



#### Net Sales for Fiscal 2024

In the market for our mainstay product, blood pressure monitors, demand remained steady in regions such as Japan and Europe. On the other hand, demand in China continued to stagnate due to sluggish personal consumption. In addition, sales of nebulizers and oxygen concentrators decreased year on year, reflecting a reactionary decline following the special demand for respiratory disease-related devices in the previous year.

#### Operating Income for Fiscal 2024

Although we exercised careful control of fixed costs in response to lower sales and higher logistics costs, operating income decreased year on year.

## INPUT: Investments and Key Activities

- R&D cost: JPY **8.1** billion (results for FY2024)
- Capital expenditure: JPY **5.1** billion (results for FY2024)
- Made Luscii Healthtech, a Dutch remote patient monitoring services company, a wholly owned subsidiary (April 2024)
- Developed "Intellisense AFib," a next-generation algorithm that detects the potential AFib during blood pressure measurement (September 2024)

- Obtained approval from the U.S. Food and Drug Administration (FDA), for blood pressure monitors equipped with "Intellisense AFib" as a new category of medical device that detects AFib during blood pressure measurement (September 2024)
- Established a Medical Advisory Board consisting of key opinion leaders in arrhythmia and hypertension (March 2025)
- Strengthened product development tailored to individual regions to drive growth of core businesses such as blood pressure monitors and nebulizers

## OUTPUT: Results

- Net sales: JPY **145.9** billion (-2.5% YoY)
- Operating income: JPY **17.5** billion (-5.4% YoY)

- Cumulative global sales of blood pressure monitors: **23.15** million units (FY2024)
- Number of countries where portable ECGs and blood pressure monitors with ECG are available: **47**

## OUTCOME: Social Value Created and Corresponding SDGs

- Realized healthier and more comfortable lives for people around the world, including extension of healthy life expectancy and reduction of medical expenditures
- To advance health and empower people worldwide to live life to the fullest by creating eco-systems for preventive medicine to reduce the occurrence of chronic heart disease events



SDGs 3.4.1

## Social Systems, Solutions and Service Business (SSB)

### Market Environment

Japan's industrial sector is facing increasingly serious labor shortages caused by the declining birthrate and population aging, which are creating the need for stable operations with limited resources through greater efficiency. In particular, in the distribution and retail industries, labor shortages are compounded by the growing complexity of store operations due to diversifying consumer needs, and demand for solutions to address these challenges is expected to continue.

On the environmental front, the global average temperature in 2024 reached 1.5°C above pre-industrial levels, and the probability that this threshold will be exceeded within the next five years is forecast at 47%<sup>\*1</sup>. Against the backdrop of such climate change, social demand for the introduction of renewable energy continues to grow. The Ministry of the Environment has set a target of reducing greenhouse gas emissions from the residential sector by 66% in fiscal 2030

compared with fiscal 2013, and intends to promote improvements in residential energy efficiency, the introduction of renewable energy, energy-saving measures, and thorough energy management<sup>\*2</sup>. Approximately 67.6% of CO<sub>2</sub> emissions from the residential sector come from electricity use, and with the impact of soaring electricity prices, the introduction of solar power generation is attracting attention. Since the installation rate of residential solar power systems remains at only 6.3%, demand for solar power generation and energy storage systems for residential use in Japan, where SSB holds the top market share, is expected to grow<sup>\*3</sup>. The social infrastructure market as a whole is expected to show steady growth in fiscal 2025.

<sup>\*1</sup> Source: World Meteorological Organization (WMO), State of the Global Climate 2024

<sup>\*2</sup> Source: Ministry of the Environment, Plan for Global Warming Countermeasures (approved by the Cabinet of Japan on October 22, 2021)

<sup>\*3</sup> Source: Ministry of the Environment, Survey on Actual CO<sub>2</sub> Emissions from the Residential Sector (final results for fiscal 2023)

### Our Strengths

SSB's strength lies in the extensive knowledge it has cultivated across a wide range of industries in the social infrastructure domain, as well as in its ability to provide value by combining products and systems, which are OMRON's core strengths, with services. In each industry that supports social infrastructure, we have acted as a one-stop provider, offering proposals to address customers' issues, installation, and after-sales services such as maintenance and operation support. In this way, we have stayed close to customers' value chains and built relationships of trust. As a result, we have secured the top share in the domestic infrastructure market. Going forward, we will continue to leverage this strength and focus on providing value by combining products and services. For example, in energy solutions, in addition to supplying storage battery systems for residential use, where we have a strong presence, we are promoting the introduction of a service model known as a power purchase agreement (PPA), which eliminates the

initial costs that had previously been a burden for customers. Through proposals tailored to each customer's circumstances, we are working to resolve the challenges associated with renewable energy adoption. In management and service solutions (M&S), we support customers in industries such as distribution and retail that operate nationwide by assisting with the introduction of equipment at their sites. In addition, we provide comprehensive services that cover the maintenance and operation of various equipment installed, as well as inventory management and other tasks required for site operations. In this way, we are addressing issues such as improving operational efficiency at both the on-site and management levels and reducing equipment maintenance and operation costs. SSB will accelerate the resolution of customer issues by delivering solutions that combine products and services to diverse sites.

### Growth Strategy to Achieve SF2030

SSB's vision under SF2030 is "Design Next Social Structure – Creating Social Good by Organically Linking People and Society through Social Automation." This vision reflects our determination to continue designing next-generation social systems by responding to customer needs from the customer's perspective and keeping a close eye on social issues. As initiatives for business growth, we are focusing on "Energy" and "Management and Services (M&S)," where the market is showing steady growth, as SSB's medium- to long-term growth drivers, and will accelerate the provision of new solutions. In energy solutions, in addition to maintaining our top share in storage battery systems, we aim to achieve business growth exceeding market growth by enhancing added value through the creation of services and expanding the addressable market. Specifically, in addition to expanding the product lineup of storage battery systems, we are promoting offerings that combine them with services such as AI-based solutions that

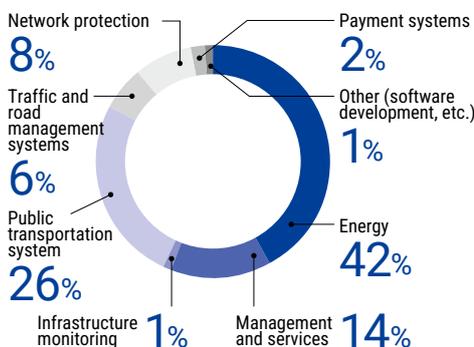
optimally control fluctuations in solar power generation and electricity consumption according to individual lifestyles. In M&S solutions, in addition to providing swift and uniform services by leveraging our nationwide maintenance network and offering multivendor support to customers regardless of their equipment manufacturer, we collect various data such as equipment operating status, inventory management, and customer behavior at the individual sites of customers operating across multiple locations. By utilizing this data to address issues not only in store operations but also in overall business operations, we aim to expand our business. While establishing the foundation for business growth, SSB will contribute to the spread and efficient use of renewable energy and to the sustainability of social infrastructure. By continuously designing next-generation social systems, we aim to create a brighter future through social good.

## Business Highlights

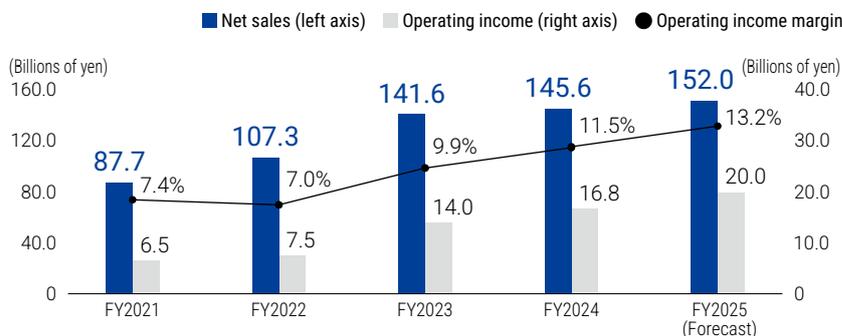
### Sales Composition by Business Domains



### Sales Composition by Solution



### Trends in Net Sales / Operating Income / Operating Income Margin



#### Net Sales for Fiscal 2024

The storage battery systems and other businesses within the energy solutions business performed well as a result of growing needs for captive consumption of renewable energy, utilization of subsidy programs, and continued progress in initiatives toward carbon neutrality in the industrial and commercial domains. The public transportation system business saw robust demand for capital investment by railway companies amid an increase in passenger numbers. As a result, sales increased year on year.

#### Operating Income for Fiscal 2024

Operating income increased significantly year on year, mainly due to the increase in sales.

## INPUT: Investments and Key Activities

- R&D cost: JPY **4.7** billion (results for FY2024)
- Capital expenditure: JPY **4.7** billion (results for FY2024)
- Launched the multi-V2X system "KPEP-A-2 Series" (February 2025)
- Conducted a public ride-sharing demonstration experiment in Komagane, Nagano Prefecture (November 2024)
- Introduced the "FIT (Feed-in Tariff) Sale of Electricity Guarantee Service," which compensates for losses from the sale of electricity under FIT with zero initial and running costs (November 2024)
- Began a demonstration experiment of a fare payment service utilizing contactless payment and QR code authentication at all Keio Line stations (October 2024)
- Launched the low-voltage Power Purchase Agreement (PPA) service "Ouchi de Solar" (September 2024)
- Began a demonstration experiment of a fare payment service utilizing contactless payment on the Toei Subway (May 2024)

## OUTPUT: Results

- Net sales: JPY **145.6** billion (+2.8% YoY)
- Operating income: JPY **16.8** billion (+20.0% YoY)
- Connected energy management devices: **123,000** units (cumulative total as of the end of fiscal 2024)
- Cumulative shipped capacity of solar power systems: **13.3** GW
- Cumulative shipped capacity of storage battery systems: **3.2** GWh
- Cumulative total of carbon offset volume certified under J-Credit Scheme: **150** GW/26,078t-CO<sub>2</sub>

## OUTCOME: Social Value Created and Corresponding SDGs

- Contributed to the realization of a prosperous society in which people worldwide can enjoy safer, more secure and more comfortable lives through expanded provision of renewable energy and people-friendly next-generation systems



## Device & Module Solutions Business (DMB)

### Market Environment

According to an announcement by the Japan Electronics and Information Technology Industries Association (JEITA), the global market size of the electronic device sector, including semiconductors and electronic components, is projected to exceed USD 1 trillion (approximately JPY 155 trillion) for the first time in 2025, driven by the broader use of AI and other factors. The energy and mobility market are also expected to continue expanding steadily, driven by investment in solar power generation systems, electric vehicles (EVs), and charging infrastructure.

In DMB's focus markets, demand in fiscal 2025 is expected to expand for device inspection equipment in the semiconductor market due to the shift toward higher frequencies, as well as for high-

frequency devices, driven by the expansion of communication infrastructure to support faster and higher-capacity communications. In the energy management market, demand is expected to increase for direct current (DC) conversion, higher capacity, and the safe interruption of large currents in solar power generation and storage systems, as well as in EV-related equipment.

Thus, reflecting the growing demand and medium- to long-term market growth in its focus businesses, DMB will continue to strengthen its approach to markets with ongoing growth potential and the creation of new products that address customer needs, aiming for business growth that outpaces the rate of market growth.

### Our Strengths

DMB has focused on enhancing functionality and improving quality of devices and modules such as relays, switches, connectors, and sensors since its founding, particularly centered on its core technologies in connecting and switching. With our proprietary microfabrication technology and the technology for enabling various functional features packed in a compact-sized product, we can create unique, highly functional and high-performance devices and modules that differ from those of specialist manufacturers. For example, the high-capacity power relay released in 2024 employs our manufacturing technologies cultivated through a wide range of electronic components, while also incorporating proprietary simulation analysis technologies. This has reduced heat generation during current conduction, which affects product life, while also raising the maximum switching voltage within the same size by approximately 30% compared with conventional products, leading to longer product life along with enhanced functionality and performance. Another strength

of DMB lies in its sales network that provides solutions globally to meet the needs of leading companies across a wide range of industries, as well as the reliability of quality and technologies that we have continued to refine over many years.

In addition to these strengths, we have also been working to provide new value based on the concepts of "green," "digital," and "speed." As part of our initiatives, in 2023 we launched the Green Project, which integrates the three areas of products, production processes, and purchase, and promotes initiatives to help customers achieve carbon neutrality across their entire value chain. In fiscal 2024, we completed the switch to renewable energy sources for electricity consumption at all DMB sites in Japan. Furthermore, starting in May 2024, we began calculating and providing carbon footprints based on global standards, mainly for products destined for Europe. DMB will continue to contribute to the realization of a decarbonized society through initiatives to lower environmental impact.

[🌐 > For details, please refer to the DMB Green Project.](#)

### Growth Strategy to Achieve SF2030

To achieve the goals of SF2030, DMB is focusing on establishing a self-driven growth structure and an earnings structure with a view to medium- to long-term business growth.

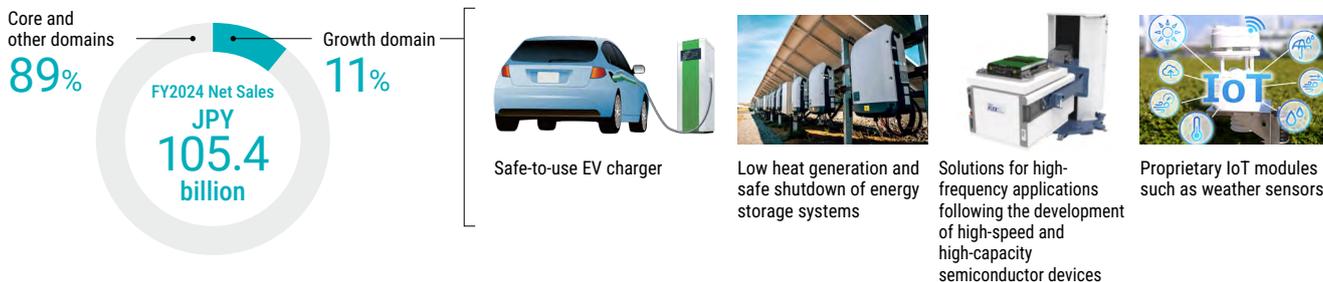
Our first focus is to create new pillars for growth. While steadily generating profits from components that serve as our earnings base, we are positioning new energy, EVs, and semiconductors as growth domains and fostering businesses that will become the next pillars of growth. Specifically, we are capturing growth in the markets driven by the shift to direct current and increased capacity in energy management systems, as well as the adaptation to higher frequencies in semiconductor and device testing equipment. To this end, we have designated six key products, including relays for DC devices and relays for high-frequency devices, and are strengthening product development. We will concentrate management resources in these domains with the aim of growing sales to JPY 50 billion, which accounts for 30% of DMB's net sales by fiscal 2027. To respond quickly to local needs and further accelerate growth, we have

strengthened our development structure for products targeting the local Chinese market. By eliminating prototype molds and repurposing dedicated equipment for general use, we have already achieved significant results, such as reducing the lead time for prototype processes to one-tenth of the previous level.

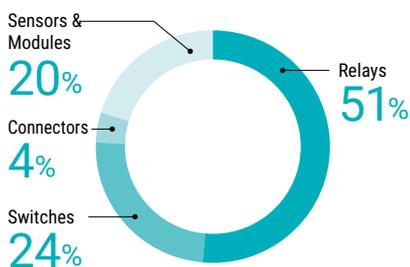
Our second focus is on the transition to a stable earnings structure that does not rely on cost control. Specifically, in addition to improving productivity through automation and labor-saving in manufacturing, we are working to improve procurement by raising the ratio of locally sourced materials and consolidating commercial logistics, and to enhance production efficiency by introducing statistical demand forecasting. Furthermore, we are strengthening our relationships with distributors, improving the supply framework by optimizing processes from production to delivery, and collaborating on the promotion of high-value-added products. Through these initiatives, we aim to rebuild a stable earnings base.

## Business Highlights

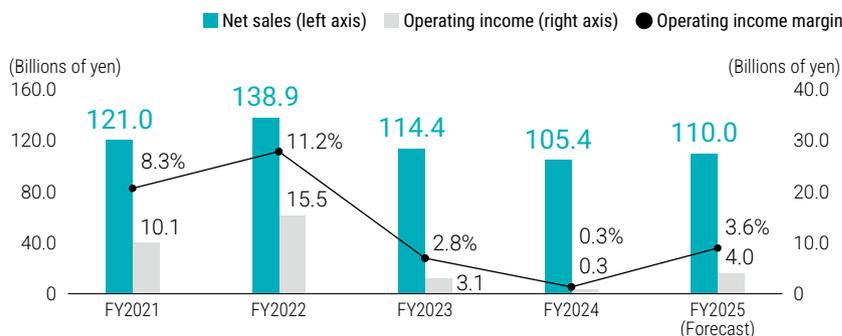
### Sales Composition by Business Domains



### Sales Composition by Product



### Trends in Net Sales / Operating Income / Operating Income Margin



#### Net Sales for Fiscal 2024

Demand for components for the consumer industry showed signs of recovery in certain regions, such as China, and in some industries, including advanced semiconductors. However, in Europe and Japan, demand remained sluggish due to factors such as stagnant inventory digestion among customers and revisions to production plans. Demand for automotive components increased in China but was sluggish in Europe, reflecting revisions to EV incentive programs. As a result, net sales decreased year on year.

#### Operating income for Fiscal 2024

Operating income declined significantly year on year due to a decrease in sales, soaring raw material prices, and other factors.

## INPUT: Investments and Key Activities

- R&D cost: JPY **4.5** billion (results for FY2024)
- Capital expenditure: JPY **6.8** billion (results for FY2024)
- Localized product design and development at the Shenzhen factory in China (November 2024)

## OUTPUT: Results

- Net sales: JPY **105.4** billion (-7.9% YoY)
- Operating income: JPY **0.3** billion (-90.3% YoY)
- Sales of newly developed local products: JPY **1.0** billion\*
- Achieved 100% renewable energy usage at all domestic sites of the DMB Group (March 2025)
- Obtained carbon footprint certification based on ISO 14067 for two additional models (April 2025)
- Completed RBA-VAP audit in accordance with the Responsible Business Alliance (RBA) Code of Conduct at the Malaysia factory, and awarded Silver rank (January 2025)
- Social value KPI: 126 million units for DC devices, 170 million units for high-frequency devices (cumulative total for FY2022–FY2024)

\*Fiscal 2024 sales of new products developed at the Shenzhen factory in China

## OUTCOME: Social Value Created and Corresponding SDGs

- Contribution to the improvement of people's lives around the world and the development of society through the adoption of new energy and high-speed communications



## Data Solution Business (DSB)

### Market Environment

The Data Solution Business HQ (DSB) aims to transform the entire OMRON Group from a manufacturing-oriented company to a solution business (combination of products and services). The market environment for DSB is essentially the same as that of OMRON's core businesses: the Industrial Automation Business, the Healthcare Business, and the Social Systems, Solutions and Service Business. As social issues such as labor shortages and the optimization of medical

resources in a super-aging society become increasingly significant, there is growing demand for data- and AI-driven solutions to these social issues, and the market is expanding rapidly. DSB regards these changes as business opportunities, and it will drive its business growth by leveraging the OMRON Group's data to develop and provide solutions. In the health big data domain of JMDC Inc., the utilization of medical data is expected to continue expanding.

### Our Strengths

DSB will lead the business growth of the entire OMRON Group by integrating the strengths of JMDC Inc., which develops data-driven solution businesses, with the assets OMRON has cultivated through manufacturing centered on control devices, including its businesses, expertise, human resources, and customer base.

What OMRON has built so far as a manufacturing company is a so-called "waterfall process," in which the steps from planning and development to manufacturing and sales are completed sequentially. On the other hand, JMDC Inc., which has achieved rapid growth in the

solution business utilizing health big data, has provided its services through a so-called "agile process," in which beta versions are released quickly and services are gradually improved. By integrating OMRON's strength in manufacturing optimized for the waterfall process with JMDC Inc.'s strength in solution development optimized for the agile process, DSB advances the digital transformation (DX) across the OMRON Group. This capability to drive digital transformation is the core strength of DSB.

### Growth Strategy to Achieve SF2030

The growth strategy of DSB is the advancement of digital transformation across the OMRON Group, namely the evolution toward a solution-oriented business model that combines products and services.

As a milestone in this evolution, the OMRON Group's DSB aims to achieve sales of JPY 100 billion in fiscal 2027. In addition to JMDC Inc.'s businesses, which are expected to maintain strong growth, DSB is promoting six businesses that achieve "on-site DX" by combining OMRON's strengths in hardware and customer base cultivated through its existing businesses with the data management and solution development capabilities of both DSB and JMDC Inc. Among them, the proactive health business provides a new framework for health management by utilizing household data obtained from the OMRON Group's healthcare devices together with JMDC Inc.'s medical data, thereby visualizing health risks based on big data. In the healthcare industry, while technological advances have led to an increase in various health-related services and products, it has so far been difficult to link annual health checkups and examinations with daily health conditions, and there are still no established means to prevent serious diseases in advance. The proactive health business enhances the value of the device experience and realizes personalized approaches to health improvement by combining OMRON's advanced technological capabilities and reliability that underpin the quality of its medical device hardware, as well as the vast scale of high-quality health data it has collected across Japan and globally, with JMDC Inc.'s data utilization capabilities.

[🌐 > For further details, please refer to the Proactive Health Business. \(Japanese Only\)](#)

The creation of new value through data solution approaches is not limited to the healthcare domain. There are ample opportunities in the

Social Systems, Solutions and Service Business and the Industrial Automation Business as well, and new markets and domains that were previously difficult for OMRON to enter on its own are now emerging as realistic business opportunities through collaboration with JMDC Inc.

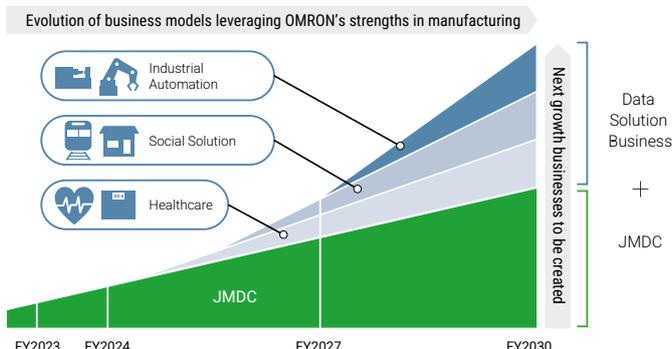
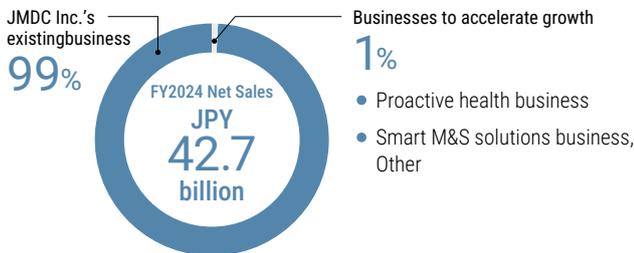
The smart management & service (M&S) solutions business is an example of a business promoted in collaboration with the Social Systems, Solutions and Service Business. In the social infrastructure business, where OMRON FIELD ENGINEERING Co., Ltd. has long been providing management services, we have extensive experience and a proven track record, on-site data, and long-term relationships of trust with customers. In the smart M&S solutions business, we are driving business transformation and expansion along three pillars. The first is the digital transformation of existing field services. By promoting the automation and optimization of maintenance and engineering operations, we will enhance the productivity of service delivery and reduce dependence on human resources. In addition, by expanding service domains to include indirect business support such as business process outsourcing (BPO), we will also work to increase customer touchpoints and revenue opportunities. Furthermore, by utilizing the data accumulated through these operations, we aim to build a new service model that supports the visualization and reengineering of business processes as well as the enhancement of decision-making.

[🌐 > For further details, please refer to the Smart M&S Solutions Business. \(Japanese Only\)](#)

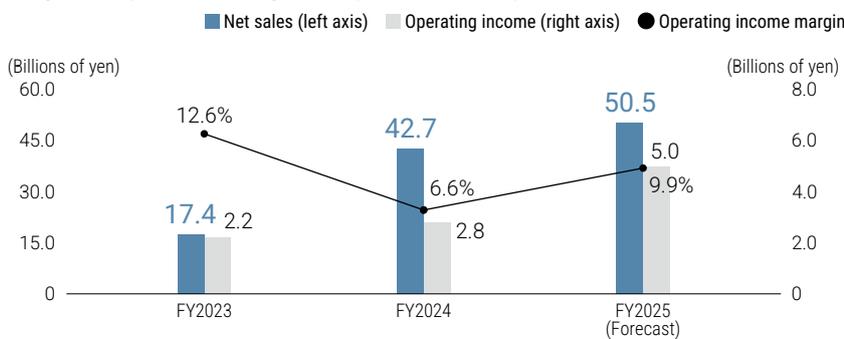
In this way, DSB leverages the vast scale of data and business assets accumulated through OMRON's long-standing manufacturing operations and evolves the business models of OMRON's existing businesses, thereby serving as one of the key growth drivers of SF2030.

## Business Highlights

### Sales Composition by Business Domains



### Trends in Net Sales / Operating Income / Operating Income Margin



#### Net Sales for Fiscal 2024

Sales increased due to growth in the number of health insurance association contracts at JMDC Inc., the annual transaction volume with pharmaceutical companies and insurance companies for whom we provide data, and the number of medical institutions utilizing remote image interpretation services.

#### Operating Income for Fiscal 2024

While steadily investing to create solution businesses, DSB maintained a stable operating income, supported by the increase in sales at JMDC Inc.

### INPUT: Investments and Key Activities

- R&D costs: JPY 0.1 billion (→\*)
- Capital expenditure: JPY 3.9 billion (→\*)
- Concluded a capital and business alliance with iCARE Co., Ltd. (July 2024)

- Healthy ageing solutions business released "Harekuru With," Japan's first information technology solution specialized in the field of preventive care (September 2024)
- Healthy ageing solutions business was entrusted with a project utilizing the Grant for the Vision for a Digital Garden City Nation, adopted by the national government for Oita Prefecture. With OMRON's application of information technology, it was confirmed that the quality of care management improved and working hours could be reduced by up to 37% (May 2025)

### OUTPUT: Results

- Net sales: JPY 42.7 billion (→\*)
- Operating income: JPY 2.8 billion (→\*)

- pengu, provided by the data utilization solution business, ranked first in the IT Trend Award 2025 - First Half Ranking for RPA tools (July 2025)
- Number of companies and organizations participating in the Health & Productivity Management Alliance: 500

\*The Data Solution Business is a new segment established in the third quarter of the fiscal year ended March 31, 2024. Therefore, we have not presented percentage changes herein, as such changes do not provide valid ratios for comparative purposes.

### OUTCOME: Social Value Created and Corresponding SDGs

- Evolve the OMRON Group's overall business model through data solutions and create growth businesses that help solve social issues
- Accelerating efforts to address OMRON's three key social issues, namely, achievement of carbon neutrality, realization of a digital society, and extension of healthy life expectancy, by focusing the OMRON Group's value creation on solutions



SDGs 3.4.1



SDGs 8.2.1



SDGs 13.2.1

# Maximizing the Capability to Innovate Driven by Social Needs

Evolving business models that give OMRON the competitiveness required for achieving sustainable growth, and expanding new business generation efforts

## Technology and Intellectual Property Highlights

### Realizing Sustainable Growth through the Reinforcement of Core Technologies

As OMRON's corporate R&D unit, the Technology and Intellectual Property HQ is promoting initiatives to evolve OMRON's core technologies, "Sensing & Control + Think," to link these technologies to the creation of innovation driven by social needs that help solve social issues. In fiscal 2024, OMRON worked to achieve the goal of addressing the three social issues set under SF2030: "achievement of carbon neutrality," "realization of a digital society," and "extension of healthy life expectancy," by strengthening collaboration with its businesses and promoting R&D initiatives. In particular, OMRON pursued technology development to drive growth in the Industrial Automation Business, including improving the accuracy of distance measurement sensors, enhancing usability in visual inspection, and supporting operational management of autonomous mobile robots (AMRs). In the Social Systems, Solutions and Service Business, we focused on developing more compact power conditioners. In the Healthcare Business, we advanced technology development to improve the accuracy of blood pressure monitors and electrocardiographs, further enhancing the strengths of our products.

Under Structural Reform Program NEXT 2025, amid the difficult reality of deteriorating business performance due to factors such as a slowdown in the Chinese economy, it has become clear that it is necessary to further evolve and accelerate technology management based on backcasting and forecasting, which OMRON has established over the years. Accordingly, led by the Technology and Intellectual Property HQ, we have launched initiatives to strengthen the linkage between our technology

strategies and business strategies. What became clear through this process is that the essential management issues in realizing innovation driven by social needs, OMRON's fundamental purpose, include returning to a customer-driven approach and improving development productivity.

To address these management issues, we launched companywide "technology governance initiatives" aimed at improving development productivity by reforming every phase of R&D, from technology exploration to product development, starting from the stage of setting challenges in OMRON Group's technology management. In these initiatives, we are also working to redefine our focus areas of core technologies that the OMRON Group should pursue over the medium to long term in order to further enhance our innovation driven by social needs. As a result of these initiatives, we have already begun to implement specific measures such as strategic R&D investments, strengthening human resources, and making upfront investments in advanced technologies. Through these technology governance initiatives, we are steadily making progress, using the growth planning approach based on backcasting and forecasting, closely linked with our business strategies, to thoroughly enhance the competitiveness of our products (hardware) and to strengthen the business that combines products and services by leveraging this strength to convert on-site data into solutions and provide those solutions.

In this section, we describe the content and progress of the technology governance initiatives that aim to achieve sustainable growth by reinforcing our core technologies.

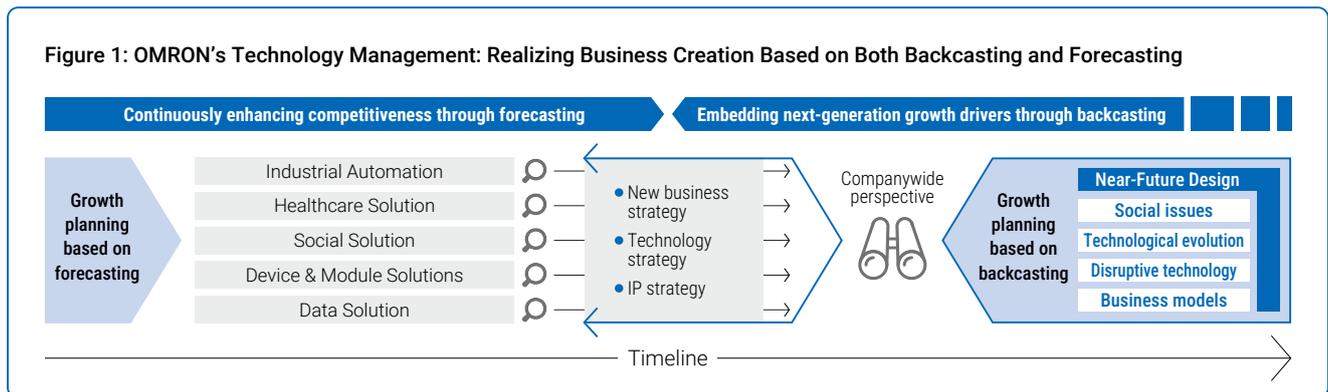
### FY2024 Initiatives: Technology Governance Initiatives for Addressing Issues in Technology Management

Through the review of the business management structure and structural reforms under NEXT 2025, we identified the following three key issues related to the OMRON Group's technology management (see Table 1).

To address these issues, we worked to further advance our technology management, which has been established as OMRON's business creation process (see Figure 1). We are promoting initiatives to realize continuous enhancement of competitiveness based on forecasting, as well as to evolve our technology management based on backcasting to establish the drivers of next-generation growth and to continuously create innovation driven by social needs. Its realization requires strong decision-making and agile responses to change, and

**Table 1: Issues**

1. Decline in business competitiveness due to fragmented R&D investments  
As R&D investments have been distributed across many businesses, the competitiveness of the businesses that support sales and profit has weakened.
2. Insufficient forward-looking investments to drive future growth  
Approximately 70% of current R&D investments are concentrated on product development for existing businesses, resulting in a lack of forward-looking investments to support future growth.
3. Insufficient strategic reinforcement of R&D human resources  
The Company has not yet established a sufficient framework to continuously enhance key companywide technology domains in coordination with its businesses, and consequently, the acquisition and development of R&D human resources have not been conducted strategically.



also calls for a companywide framework for making R&D investment decisions and the evolution of R&D activities across the OMRON Group. Accordingly, we launched group-wide technology governance initiatives to reform R&D from technology exploration to product development and to improve customer value generated through R&D investments, such as time and cost required for business creation (see Figure 2). These initiatives, closely linked with our businesses, are intended to identify technologies that leverage the business characteristics of the OMRON Group as a conglomerate that operates across multiple business domains, and to win in highly competitive markets through technological differentiation.

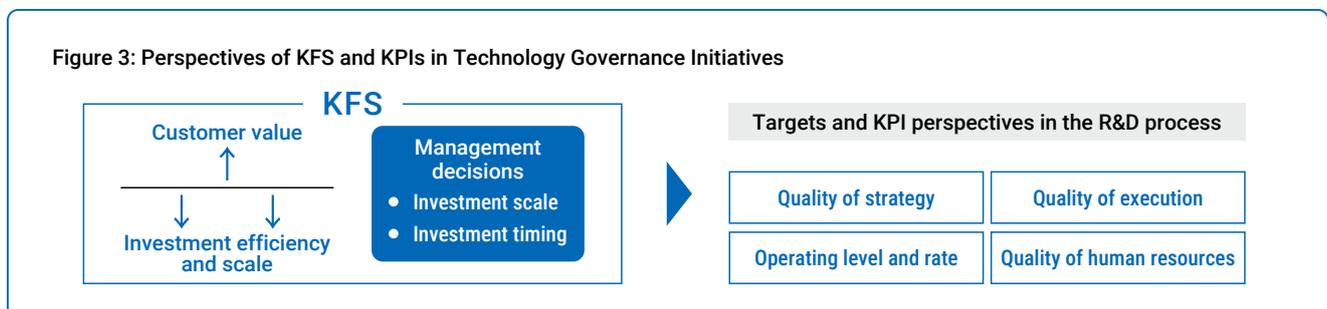
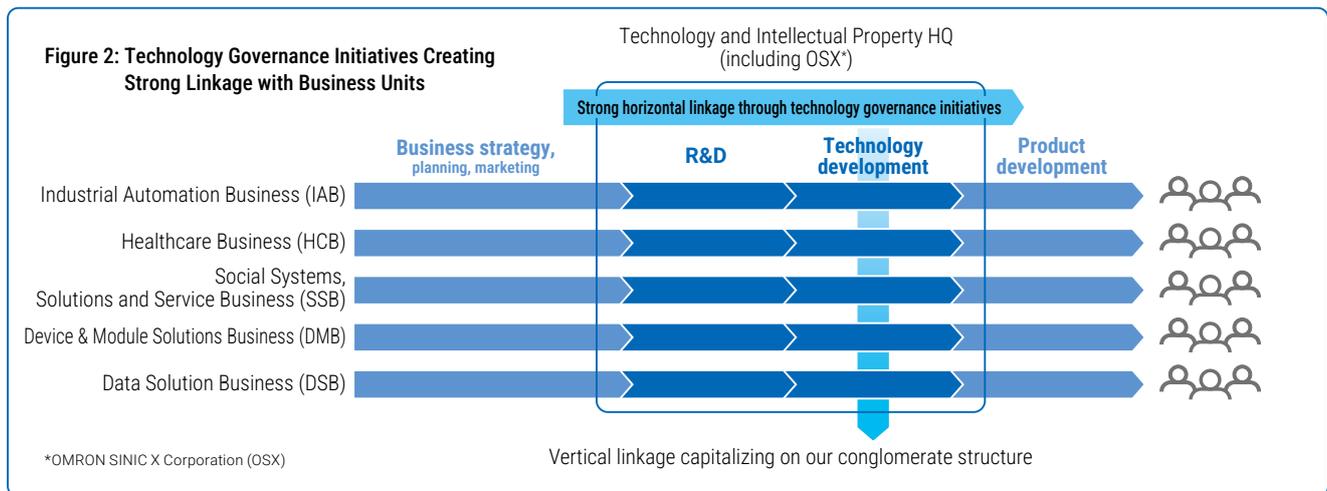
In the technology governance initiatives, the OMRON Group reforms R&D from technology exploration to product development to improve the customer value generated through R&D investments, such as time and cost required for business creation, setting an indicator representing the OMRON Group's competitiveness. We have positioned enhancing development productivity to a level that enables us to outperform competitors as a key factor for success (KFS) and are formulating key performance indicators (KPIs) to achieve this goal (see Figure 3).

In particular, to enhance R&D productivity, we have launched reforms in each phase of R&D (technology development stages). This

initiative aims to strengthen collaboration among management, business units, and the Technology and Intellectual Property HQ, and to promote efficient R&D in each phase based on a customer-value-oriented perspective.

Specifically, R&D based on both forecasting and backcasting will be promoted not separately by the business units and the Technology and Intellectual Property HQ, but collaboratively under a shared management policy. Accordingly, we restructured R&D as a consistent R&D pipeline from the phase of exploring scientific and academic value by setting future visions that reflect management's aspirations to the phase of developing products and services that deliver customer value.

This consistent R&D pipeline enables us to build processes for each phase of R&D that link both forecasting and backcasting approaches, respond quickly to market changes, and enhance competitiveness. Through these technology governance initiatives launched in fiscal 2024, the Technology and Intellectual Property HQ, taking the lead and collaborating with the business units, is accelerating the development of a foundation for R&D aimed at thoroughly enhancing the competitiveness of our products (hardware) and leveraging this strength to transform on-site data into solutions that contribute to creating a business that combines products and services.



## FY2025 Initiatives: Updates on Technology Strategy Based on Forecasting and Backcasting

In fiscal 2025, we are focusing on strengthening the linkage between strategic R&D activities and businesses, as well as implementing multiple initiatives to define the next priority areas for future investment. Specifically, based on our medium- to long-term business strategies, the business units and the

Technology and Intellectual Property HQ are working together to identify the technologies that will be required in the future and are incorporating them into respective technology strategies to accelerate technology development and business implementation. We are also examining the acquisition of new

technologies that are difficult to explore through the extension of existing businesses from the perspective of backcasting, and updating the framework of the OMRON Group's core technologies.

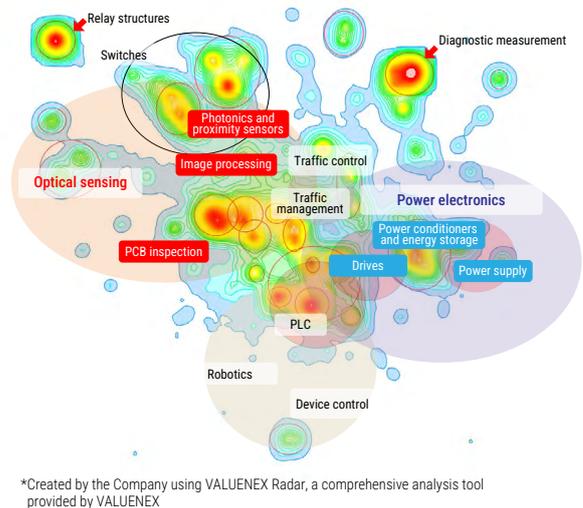
For updating the technology strategies, we are also utilizing quantitative analysis of intellectual property (IP) and intangible assets. As a result of creating many technologies, products, and services that help address social issues, OMRON has accumulated a wealth of unique intellectual property and intangible assets. Through a comprehensive analysis of OMRON's intellectual property and intangible assets, it has become clear that among the approximately 60 business units across the Company, technology domains such as power electronics and optical sensing account for 5% to 10% of the total and are concentrated, and that these have been accumulated across multiple business units (see Figure 4).

Based on these findings, we are advancing updates to the technology strategies in the core technology "Sensing & Control + Think" to create value based on both forecasting and backcasting. We will define and strategically strengthen groups of technologies that drive business growth by evolving technologies to achieve manufacturing excellence based on forecasting from existing businesses, as well as by advancing technologies such as large-scale AI and data utilization and conducting frontier research that drives disruptive innovation in products based on backcasting.

Under technology strategies based on both forecasting and backcasting, we are accelerating OMRON's sustainable value creation by promoting both

short-term competitiveness enhancement and the establishment of a foundation for medium- to long-term growth through quantitative analysis of intellectual property and intangible assets.

**Figure 4: Intellectual Property and Intangible Assets Owned by OMRON (Heat Map of Patent Filings by Technology Domain)**



### Implementation Case: Strengthening the Power Electronics Domain toward the Achievement of Carbon Neutrality

Based on this concept, we began implementing initiatives to strengthen the power electronics domain, which involves the conversion and control of electric power. OMRON is advancing the development of power conditioners for solar power generation and energy storage systems integrated with EVs, as it has positioned "achievement of carbon neutrality" as one of the social issues to be addressed under SF2030. OMRON has accumulated intellectual property and other intangible assets over many years in technologies in the power electronics domain that support the higher efficiency and miniaturization of these devices. This power electronics domain is not limited to power conditioners and energy storage systems but also involves general-purpose power supplies and servo drives in the factory automation (FA) field. It is a technological domain where OMRON leverages its technological strengths across multiple businesses that it operates. In related markets within the power electronics domain, growth is expected in areas such as energy management, smart factories, and electric mobility. In particular, the market for energy storage systems is showing an annual growth rate of approximately 10%. Furthermore, reflecting the tightening

of environmental regulations and growing environmental awareness, demand for high-efficiency power conversion technologies is expected to expand even further in the coming years.

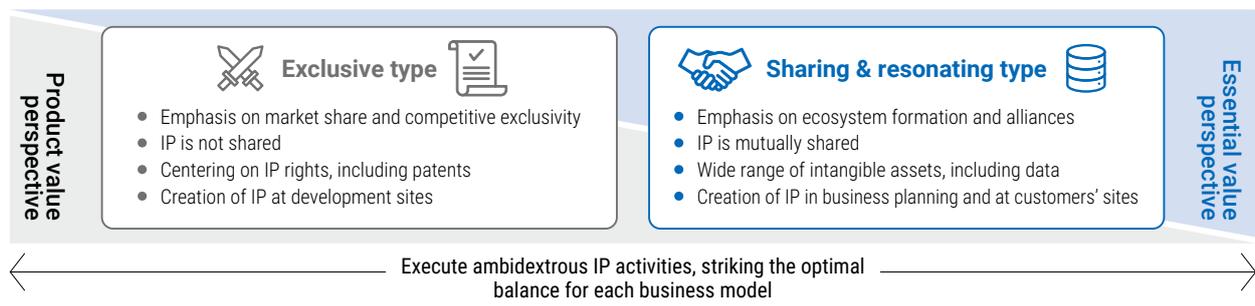
At OMRON, we aim to achieve business growth exceeding the market growth rate in our existing businesses in the power electronics domain, including solar power generation systems, power control systems, industrial power supplies, and industrial servo drives.

Based on this idea, in order to execute our strategy as early as possible, OMRON officially announced its commitment to strengthening initiatives in the power electronics domain in a release dated May 12, 2025.

CEO Message ▶ P.9

To maintain our competitive superiority, we need to demonstrate our strengths through more compact and higher-efficiency products. To this end, the development of multiple advanced technologies is essential, including the use of next-generation semiconductors for downsizing and higher efficiency, high-speed switching circuits, and thermal design technologies. In addition, in the field of energy management, it is necessary, in conjunction with data analysis using

**Figure 5: Ambidextrous IP Activities**



IoT and AI technologies, to evolve both circuit design technologies that expand compatibility with various devices and power systems and control technologies that advance decentralization and autonomy. We will implement these cutting-edge technologies and digital transformation (DX) initiatives based on close collaboration between multiple businesses. In October, OMRON established the Power Electronics Center, which oversees the research and development pipeline in the power electronics domain, enhancing development productivity consistently from technology exploration through to product and service development.

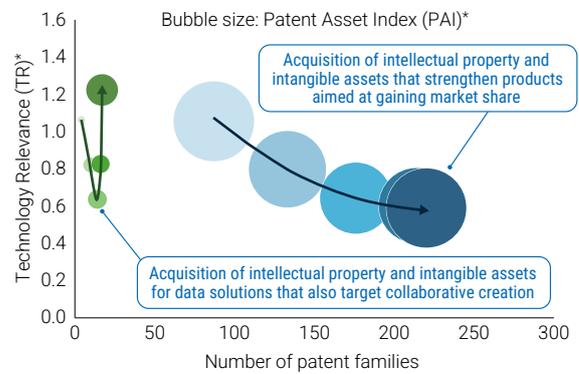
In intellectual property and intangible asset initiatives, OMRON is promoting ambidextrous IP activities by combining the "exclusive type" and "sharing & resonating type" approaches (see Figure 5). These ambidextrous IP activities combine two approaches: one that secures technologies and know-how as the Company's competitive advantages, and the other that promotes sharing and standardization in ways that contribute to the development of the entire industry.

In the power electronics domain, OMRON already holds hundreds of patents in addition to extensive know-how, and is visualizing its portfolio of intellectual property and intangible assets from the perspectives of solutions based on both products (hardware) and solutions that combine products and services, while strengthening each in accordance with the characteristics of the respective businesses (see Figure 6). On the products side, OMRON is promoting the acquisition of intellectual property rights related to the application of technologies that enhance energy efficiency and reliability, focusing on hardware product groups such as general-purpose power supplies and energy storage systems. As for solutions that combine products and services, OMRON's business units are promoting the acquisition of intellectual property rights in anticipation of future business models in areas aimed at maximizing customer value, by developing solutions

such as control algorithms, remote monitoring, and predictive maintenance using data that support these products. By leveraging these intellectual property and intangible assets, we aim to differentiate our products and solutions and clarify business value, while designing the boundary between what to share with external parties and what to keep in-house in the area of data solutions, to drive business expansion including co-creation with partners.

Through these ambidextrous IP activities, we are working to improve the investment efficiency of intellectual property and intangible assets through strategic patent applications that are closely linked to our business models, while contributing to the creation of customer value in the power electronics domain.

**Figure 6: Intellectual Property and Intangible Assets in the Power Electronics Domain**



\*Transition of OMRON's patent portfolio over the past five years, created by the Company using LexisNexis® PatentSight™, a patent analysis tool provided by LexisNexis.  
 PAI: Patent Asset Index™ – an indicator representing the competitive advantage and overall value of a patent portfolio  
 TR: Technology Relevance™ – an indicator representing the technological value of a patent family

## Toward the Realization of SF2030

Through our technology governance initiatives, we are steadily implementing our technology and intellectual property strategies to identify key focus areas within our core technologies that are closely aligned with our business strategies and to promote their growth. We aim to achieve sustainable growth through the further reinforcement

of our core technologies by thoroughly enhancing the competitiveness of our products (hardware) and leveraging these strengths to transform on-site data into solutions through the business that combines products and services.

### Topic: OMRON SINIC X's Initiatives in Exploring Scientific and Academic Value

We are also strengthening initiatives at OMRON SINIC X to explore technologies that contribute to growth from a medium- to long-term perspective. Placing the evolution of machines that contribute to "harmony between humans and machines" in an autonomous society at the core of our R&D activities, we are advancing research under the concept of "evolution of 'machines' as AI agents with a physical form and human-like senses." We actively disseminate our research outcomes to external audiences and promote co-creation through presentations at leading international and domestic conferences as well as participation in exhibitions and other events. Specifically, in fiscal 2024, we submitted approximately 40 research papers to top-tier conferences. We also launched seven new co-creation projects with universities and external research institutions, bringing the total number of co-creation themes, including ongoing ones, to around 20. Not only did we present our research at top-tier conferences, but we also made our first exhibition at TECHNO-FRONTIER 2025, held at Tokyo Big Sight in July 2025, to demonstrate the value of our research for social implementation and to identify potential co-creation partners. Building on the feedback gained through these exhibitions and presentations, we are deepening concrete dialogues aimed at identifying co-creation partners and advancing social implementation.

### Exhibition at TECHNO-FRONTIER 2025



## PEOPLE | Generating Diverse Talent Taking on the Challenge of Value Creation

Evolving human resources management to bring out the capabilities and skills of OMRON's diverse talent, who will be the source of OMRON's sustainable growth

### Human Capital Highlights

#### Recognition of Issues in Human Capital Strategy toward Achieving SF2030 and Progress of Initiatives

We at OMRON uphold the idea of "Respect for All" as one of Our Values that we live up to as we practice the OMRON Principles. Based on this value, we aim to become a corporate group that encourages a diverse assembly of people with varied thoughts and value perceptions to fully demonstrate their capabilities and bring out their unique potential. If employees challenge themselves with a shared vision and goals while living up to the OMRON Principles, it will lead to innovation born from diversity. We believe that this in turn will allow us to solve social issues through our business.

In SF2030, we set "Generating Diverse Talent Taking on the Challenge of Value Creation" as one of the five material sustainability issues. Under the human capital strategic vision, "Inspired by the corporate philosophy of 'contributing to a better society,' the company and its employees will always choose each other and continue growing together," we have been implementing a human capital strategy that will help enhance corporate value globally with a long-term perspective. Based on this human capital strategic vision, we will continue creating a "strong organization in which each employee can act autonomously and grow sustainably" by bringing out the capabilities of diverse talent.

Under this policy, in working on the Structural Reform Program "NEXT 2025" launched in fiscal 2024, we implemented specific measures to realize "staffing and labor cost structure optimization" and "shift of organizational capabilities," by recognizing three points as issues from the perspective of further advancement of human capital strategy for sustainable business growth in the future.

- 1) The staffing and labor cost structure is not resilient to drastic changes in the business environment
- 2) The shift to organizational capabilities essential to accomplish the SF2030 vision is markedly inadequate in terms of both speed and impact

- 3) Teams have not been able to sufficiently capitalize on the capabilities and motivation of diverse talent to correctly identify customer needs and deliver value continuously

#### Staffing and Labor Cost Structure Optimization

In order to make our staffing and labor cost structure resilient to drastic changes in the business environment and achieve profitable growth, we worked globally to optimize the staffing and labor cost structure. In fiscal 2024, a total of 2,526 personnel worldwide (1,206 in Japan and 1,320 overseas) selected new career outside the Omron group. As a result, labor cost as of the end of fiscal 2024 was reduced by JPY 17.2 billion compared to fiscal 2023. Going forward, we will maintain a staffing and labor cost structure that is resilient to changes. At the same time, we will prepare for the next stage of business growth by quickly achieving the transformation and enhancement of human capital capabilities and skills, as well as the transformation of organizational culture.

#### Shift of Organizational Capabilities

In order to resolve the "inadequate speed and impact for the shift to organizational capabilities essential to accomplish the SF2030 vision" and build "teams that sufficiently capitalize on capabilities and motivation of diverse talent to correctly identify customer needs and deliver value accordingly" in response to the recognized issues, we are working on the transformation and enhancement of human capital capabilities and skills, as well as the transformation of organizational culture (see Table 1).

[> Integrated Report 2024 CHRO Message](#)

[> Talent Attraction / Message from the CEO](#)

**Table 1. Main Initiatives to Promote Shift of Organizational Capabilities**

Direction of Initiatives		Main Initiatives
1. Transformation and enhancement of human capital capabilities and skills	Talent Development	(1) Transformation toward customer-driven management style (2) Acceleration of development of business leaders (3) Development of the capabilities of all employees
	Talent Acquisition	(4) Acquisition of human capital for future business growth
2. Transformation of organizational culture		(1) Resolution of organizational challenges and improvement of engagement in each organization (2) Promotion of collaboration between organizations

## Direction of Initiatives 1. Transformation and Enhancement of Human Capital Capabilities and Skills

### Initiative (1) Transformation toward Customer-driven Management Style

In order to accelerate the shift to organizational capabilities toward achieving SF2030, it is necessary to transform the management styles of leaders who lead organizations by customer-driven approaches, so that employees will be able to act autonomously at the individual organization levels. If leaders understand their organizations correctly and bring out the capabilities of diverse talent, employees will be able to identify customer needs autonomously and flexibly. We need to evolve our organizations in this way and deliver value continuously to customers.

With this issue in mind, we are requiring all managers to develop their people management skills and put them in practice, to transform their management style to one that involves people management that draws out capabilities of diverse talent, in addition to the existing requirement of performance management.

In the practice of people management, we have identified the following three important skills.

1) Storytelling to energize people

A leader should help his/her team members understand the goals and strategy of the business and how they relate to the team's operations by presenting them as a story told in his or her own words

2) Open communication with psychological safety

A leader should draw out various opinions from members and communicate with them interactively

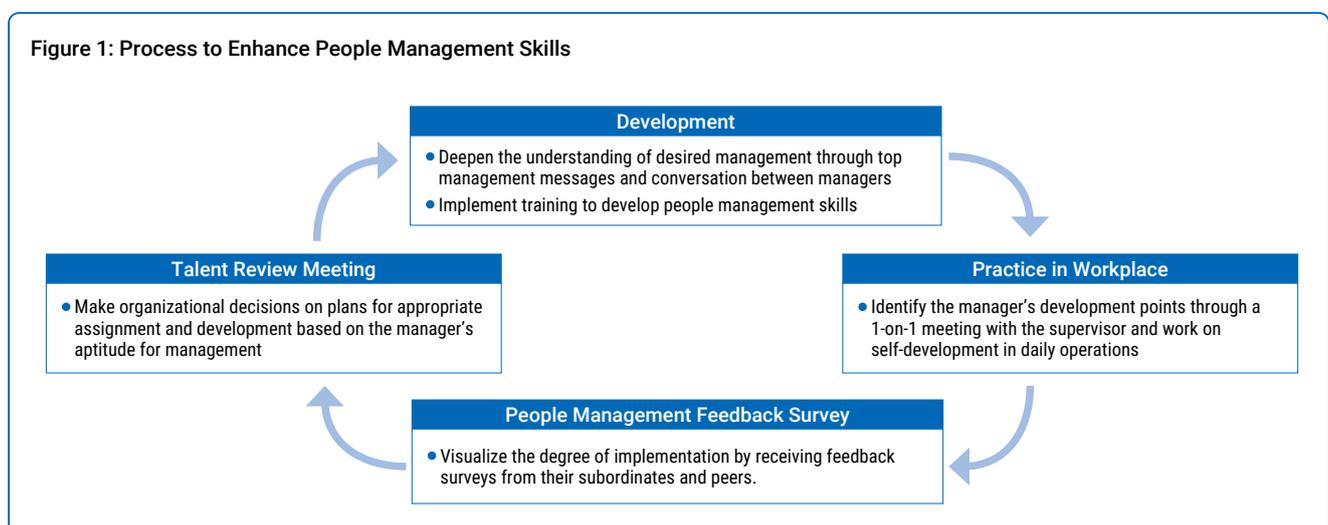
3) Empowerment for drawing out everyone's strengths

A leader should empower his/her team members for higher performance and growth by appropriately assigning responsibilities and authorities to them in accordance with their specific situations

In fiscal 2024, we introduced processes to enhance people management in Japan (see Figure 1). Firstly, we encouraged managers to have conversations with their supervisors to develop a common understanding of their desired management, and to make a self-declaration to transform and enhance their management style. Then, we provided training for managers to learn about the basics of people management skills. In fiscal 2024, 91% of managers in Japan who lead a team participated in the people management training and completed programs to learn the basic skills.

To encourage managers to practice the acquired skills in their daily operations and to make the status of the practice visible, we introduced a new survey to gather feedback from their team members and colleagues. Based on the feedback from people around them obtained from the survey, managers have conversations with their supervisors and engage in self-reflection for further behavioral changes. In addition, we launched a companywide common process called the "Talent Review Meeting," where plans for the development and appointment of managers are determined through discussions on each manager from multiple viewpoints. All managers are subject to this process. It checks whether each manager has implemented their desired management as an important confirmation item and facilitates formulation and implementation of development plans for each manager based on the divisional human capital portfolio.

In fiscal 2024, challenges of individual managers in applying the three people management skills were identified through these initiatives. In fiscal 2025, we will provide training on each skill focusing on application of the acquired skills in each organization, to enhance managers' capabilities in practical situations. Going forward, we will implement similar initiatives globally to promote transformation of management style in the OMRON Group as a whole.



## Initiative (2) Acceleration of Development of Business Leaders

In developing business leaders, we seek to secure leaders both now and into the future who will drive the business growth that the OMRON Group aims to achieve and develop a human capital foundation that supports long-term business growth. To this end, we have designated the important positions for driving management and business as the Global Core Positions and have been focused on ensuring to assign right talents for those positions, developing future candidates, and enhancing talent pipelines.

In the initiatives pursued thus far, we have secured an average of two or more successors in these core positions. In the meantime, given our aim to accelerate business model transformation and growth, the required skills and qualities for people taking on the core positions as organizational leaders are getting higher. In addition, the importance of diversity of top executives who make business decisions is further increasing. Considering these situations, we are working on early development of future leaders and women candidates for leaders as priority issues for business growth in the future.

### ■ Development of future leaders

We are implementing a program for managers who are driving business growth in each organization, to accelerate their growth into talent who are expected to take on the Global Core Positions over the medium to long term. In addition to the ability to describe and convey the visions and missions that we have focused on developing in our programs this far, we have made advancements in the program for fiscal 2024 with the following points defined as the skills required for leaders.

- 1) Improvement of decision-making skills to develop better perspectives as a business manager
- 2) Improvement of the ability to inspire the organization to bring out the capabilities of diverse members to contribute to business achievement

The program encourages participants to practice skills through real case studies based on major decisions made by OMRON in the past, dialogues with members of management team, and experience learning to plan and implement engagement improvement actions based on the results of the employee engagement survey, VOICE, in participants' organizations.

Going forward, we will continue to promote the development of future leaders capable of steering the organization toward business growth even amid significant changes in the business environment.

### ■ Development of women leaders

We have been developing women managers and women candidates for managers, under the idea that it is essential to incorporate diverse viewpoints and opinions including those of women, in all decisions including management decisions, in order to enhance corporate value. As a result, the ratio of women in managerial roles at the OMRON Group worldwide reached 20.5% as of the end of fiscal 2024. We regard the career advancement of women in positions closer to the

management ranks as our next challenge. To this end, we are implementing a program for women managers across the globe to develop women leaders who have potential to take on the Global Core Positions in future involved in important business decisions.

Under the program, we are holding dialogues with women members of management and introducing curricula that promote career advancement mindsets, with the following three main objectives.

- 1) Foster confidence and motivation for taking on executive positions
- 2) Expand perspectives to become global leaders
- 3) Develop career visions based on participants' own value perception

In fiscal 2024, participants in the program engaged in dialogue with management team members under the theme "what OMRON should do to support career advancement of women leaders." As a result of the cross-regional discussion, common issues were identified, relationships among participants were strengthened, and top management team deepened their understanding of issues unique to women. The program activities thus far are bringing positive results, such as an increase of women leaders who have will to take on top executive positions and the formation of networks of women leaders across businesses and countries. Some participants, who had an opportunity to think about their careers through the program, are taking on challenges for new roles to expand their perspectives for future career advancement. We will continue implementing and evolving the program as an important pillar of OMRON Group's women leader development.

## Initiative (3) Development of the Capabilities of All Employees – Improvement of Employees' Digital Transformation Skills –

After clearly identifying the capabilities necessary for regrowth in and after SF 2nd Stage, we are systematically promoting development of employees' capabilities.

Toward achieving SF2030, OMRON is working on promotion of data-driven corporate management and digital transformation (DX) in a focused manner. Driving DX, will help us respond to changes in the business environment and understand customers' and social issues more deeply, provide intrinsic value, and serve as a source of new business opportunities and sustainable growth. The three elements of DX that OMRON is pursuing consist of the following:

- 1) Solutions to customer needs and social issues
- 2) Transformation of products, services, and business models
- 3) Utilization of data and digital technologies

To promote these, it is essential to have human capital with DX skills and the ability to drive transformation independently. Under SF2030, we are addressing social issues and creating new value by evolving our perception of value creation from products to both products and services. To realize value through products and services, it is essential to have human capital who can develop the data platform as the foundation and utilize data. In addition, business models also need to be transformed into those based on data and digital technologies, to make DX part of the daily routine of all

employees. As a driver for this iteration of business transformation, we will implement initiatives to improve employees' DX skills systematically.

#### ■ Improvement of basic DX skills of all employees

In order for all employees to be able to utilize data and digital technologies at a certain level, we started "DX training" for the acquisition and enhancement of DX skills gradually in each area in fiscal 2023. The training is bringing positive results in areas such as operational reforms.

#### [Current and Future State of DX Talent in Japan]

Before starting DX training in Japan, we conducted an assessment for visualizing employees' DX skills to understand the current state. The assessment, which involved 92% of the employees in Japan, revealed the strengths and weaknesses at an individual level, as well as issues faced on an organizational level. For example, by ranking employees' DX skills and visualizing them for each business, we found that employees tended to have lower DX skills, with the exception of those in digital divisions (divisions where digital technologies are actively utilized in daily operations). In response, we are increasing the skill level of all employees to a certain baseline through DX training. In addition, we will work on enhancement of specialized skills by defining human capital who can lead business DX as "DX specialist talent." In addition, by promoting not only training but also opportunities for utilization and practice of the acquired skills, we will provide employees with successful experiences and thereby develop human capital who can implement DX in a practical manner. Going forward, we will work on the development of human capital, aiming to raise the ratio of DX specialist talent to employees in Japan to approximately 20%.

#### ■ Development of DX human capital through the Generative AI Utilization Promotion Project "AIZAQ"

Considering effective utilization of generative AI as a key for corporate growth, we launched "AIZAQ," a companywide project, for promoting utilization of generative AI in 2023. In the project, DX human capital are developed through verification of effective use of generative AI in operations for productivity improvement. Employees participate in the project on their own initiative, where they will acquire skills to utilize digital technologies, as well as capabilities to resolve issues in operations independently. The project has been implemented for approximately one and a half years since fiscal 2023. A total of 1,000 employees, accounting for approximately 10% of the employees in Japan, have participated, with nearly 80 themes for operational improvement being verified. The development of DX human capital and utilization of generative AI through the project have contributed to quantitative results such as time saving due to the improved operational efficiency, as well as qualitative improvement such as reduction of psychological burdens and elimination of dependency on particular members. Business process transformation through AIZAQ is leading to creation of customer value. Furthermore, this endeavor contributes to the advancement of organizational culture change, as it

facilitates communication across organizations and fosters independent mindsets for project participants through successful experiences.

From fiscal 2025, we will expand the area subject to DX from each organization-driven business process transformation to management-driven transformation of OMRON through resolution of management issues, aiming at further enhancement of customer value. Under the new initiatives, we will address issues within a predetermined budget and time by focusing on resolution of management issues and gaining the commitment of Business Company Presidents and Heads of Head Office Divisions. By driving DX at both the management and individual organization levels, we will achieve development, utilization, and capability enhancement of DX human capital across the entire OMRON Group.

### Initiative (4) Acquisition of Human Capital for Future Business Growth — Talent Acquisition in the Power Electronics Domain —

We are devoting companywide efforts toward "Achievement of Carbon Neutrality." As part of this, we are expanding specialized capabilities in the power electronics domain, which supports various growing businesses that will contribute to its achievement. In order to achieve net sales of JPY 200.0 billion in the related businesses in 2030, we have determined that we are currently short by approximately 100 engineers based on our current headcount, and are actively engaged in the recruitment of engineers. In addition, to support the long-term success of the engineers who join us, we are promoting their appropriate job assignment and growth on the job through discussions among managers and individual interviews regarding each engineer's career plan. For example, we are implementing a human capital cycle, where an engineer may transfer to a business division with a technology he or she has developed for its commercialization and social implementation, and come back to lead technology development again utilizing the practical knowledge he or she has obtained. In this way, we accelerate growth of human capital and contribute to enhancement of OMRON's capabilities for technology development. Furthermore, we are providing training programs for engineers to improve their skills in accordance with their career plans. We will implement similar initiatives in other specialized domains that support focus businesses to continue to expand their specialized capabilities.

[🌐 > OMRON Establishes New R&D Center to Focus on Power Electronics \(News release article\) \(Japanese Only\)](#)

[🌐 > OMRON's Design for Enabling a Decarbonized Society Through Power Electronics \(EDGE & LINK article\) \(Japanese Only\)](#)

## Direction of Initiatives 2. Transformation of Organizational Culture

### Initiative (1) Resolution of Organizational Challenges and Improvement of Engagement in Each Organization – Evolution of the employee engagement survey “VOICE” –

Since fiscal 2016, we have been conducting the employee engagement surveys “VOICE” as an initiative to gather frank feedback from all employees across the globe, by which members of management identify management issues to ensure sustainable growth of OMRON and contribute to actions to address the challenges.

Until now, we have focused on challenges common to the entire company. However, considering the rapidly changing business environment, we need to identify issues that are occurring in each organization on a timely basis and allow employees to address such challenges autonomously and quickly. To this end, we significantly upgraded VOICE in fiscal 2024 (See Table 2).

- 1) In response to the speed of changes in the business environment, changed the frequency to once a year to understand organizational health in a shorter cycle and address challenges quickly
- 2) To enable employees to address challenges specific to each organization, in addition to addressing companywide common initiatives led by management, changed the design to allow for a more specific understanding of the engagement issues and factors that vary from organization to organization
- 3) Accelerated organizational development led by each organization by sharing reports that visualize issues specific to each organization with all organizations and holding dialogue sessions (engagement workshops) at each organization

#### ■ OMRON's Strengths and Challenges Identified from the FY2024 VOICE Results [Strengths]

The survey in fiscal 2024 showed that “empathy for the OMRON Principles” remains the largest strength of OMRON. We regard this as an outcome of various activities in the past to support practice of the OMRON Principles. In addition, it was confirmed that “connection with

colleagues, supervisors, customers, and other people around me” served as motivation toward actions for many employees even under the structural reform, representing another strength of OMRON. [Challenges]

The engagement score\*1 of VOICE conducted in fiscal 2024 was 63 points, a decrease from 76 points in 2022. As for the factors that affect engagement, employees found that “there are factors that restrict customer-driven actions in the organization,” and that was confirmed to be a challenge common to the entire company. Since the restricting factors are different from one organization to another, each organization needs to address its own specific challenges. Accordingly, we updated the system to enable employees to identify challenges at the organization level. Challenges identified at the organization level include “insufficient collaboration across organizations” and “insufficient time secured for implementing actions for customers.” Initiatives for resolving these challenges and improving engagement are being promoted in all organizations under the lead of the respective organization heads, in parallel with companywide initiatives for management transformation.

\*1 The survey content and indicators for the employee engagement survey (VOICE) have been changed since the fiscal 2024 survey. The score after the change was 66 points. The score of 63 points referred to above is a score converted using the past calculation methods for the purpose of comparison over time.

■ Resolution of Organizational Challenges Driven by Each Organization OMRON operates various businesses, and each organization faces a variety of challenges. To improve engagement, different organizations are working on each organization-driven improvement activities. These improvement activities at the organization level are registered in a platform shared companywide, through which discussions and activities promoted by various organizations are made visible to the entire company. As of September 2025, approximately 1,000 improvement activities are registered in the OMRON Group worldwide. For example, the New Business Creation team identified the large volume of activities which are not

Table 2: Key advancements of VOICE

	VOICE (until FY22)	VOICE (from FY24)
Frequency	<p><b>Biennially</b></p> <p>Planned with a view toward execution and the timeframe needed to monitor changes.</p>	<p><b>Annually</b></p> <p>Capture the organization's condition in shorter cycles to identify emerging challenges and resolve them swiftly.</p>
Actions for improvement	<p><b>Promoting implementation led by management</b></p> <p>Implement management-led actions to address company-wide challenges and guide them to resolution.</p>	<p><b>An organization-wide collaborative effort</b></p> <p>Complementing management-driven efforts, individual teams lead initiatives to resolve their own organizational challenges.</p>

directly linked to value for customers such as reporting within the company and preparation of materials, as a factor that restrict customer-driven actions. The team discussed that creation of new businesses requires discovery of customers' intrinsic issues and new value propositions, and thus the team needs to be engaged in more activities looking outside of the organization. Based on this discussion, the team increased resources and time to engage with customers and markets as an improvement activity. Specifically, the team utilizes generative AI and other technologies that reduce internal materials and meetings to a minimal level, and endeavors to improve business efficiency. Through these initiatives, the team prioritizes securing time for activities that directly contribute to value creation, such as dialogue with customers and demonstration experiments, in a focused manner. In addition, the team is working to accelerate the creation of new businesses and customer value by promoting open communication within and outside of the organization and actively adopting knowledge and technologies from outside of the organization. As discussed above, we are working on the formulation and implementation of each organization-driven improvement activities for challenges specific to organizations. In this way, we are improving engagement and fostering an organizational culture where people can act autonomously.

**Initiative (2) Promotion of Collaboration between Organizations – Evolution of TOGA –**

OMRON has been holding The OMRON Global Awards (TOGA) for more than 10 years since 2012 as an initiative to share the examples of practice of the OMRON Principles through daily work with all employees in the OMRON Group worldwide and to expand the circle of empathy and resonance.

The employee survey about TOGA conducted in fiscal 2024 reconfirmed that TOGA has been a great driver for employees to practice the OMRON Principles daily practice, as positive comments were received from many employees, such as "practice of the OMRON Principles has been promoted through TOGA" and "the circle of resonance and empathy has been expanded." In fiscal 2025, we started a new transformation to further promote collaboration between organizations through TOGA (See Figure 2).

Evolved points of new TOGA

1) Open and real-time sharing

Previously, only themes that passed the selection process were

shared globally at qualifying competitions. However, the new TOGA process shares all themes with all employees upon their entry, providing more opportunities for employees to learn from the initiatives of others.

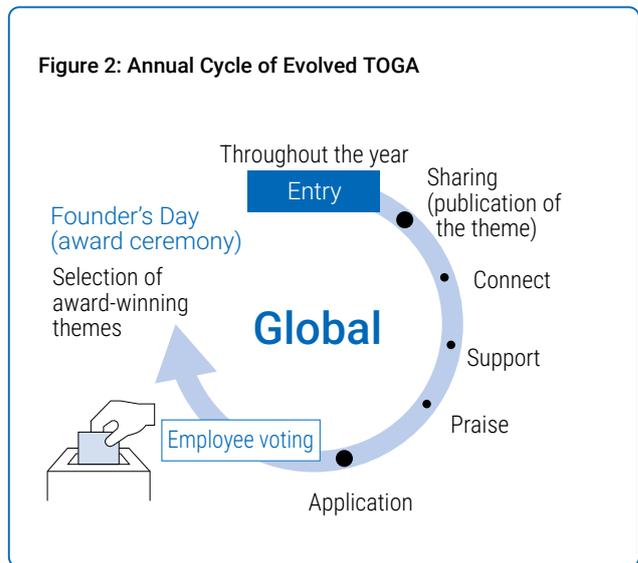
2) Formation of communities through the "TOGA app"

We have developed the "TOGA app" as a new platform. By seeing other teams' initiatives to practice the OMRON Principles on the application, employees can connect with others who have the same objectives and passions, collaborate with others, and gather members freely across divisions and countries.

3) Selection of award winners by employee voting

Award-winning themes, which were previously mainly selected by members of management, are now decided by employee voting. This helps create a greater sense of unity. In addition, the number of award-winning themes has been significantly increased to cast a spotlight on a larger number of initiatives.

Through TOGA, which was launched with a new concept, "put employers at the center, bring excitement to employees," we will foster connection among employees/organizations and promote transformation toward an organizational culture where people can take on challenges proactively.



We are continuing the initiatives on behalf of promoting the empowerment of women and people with disabilities under "OMRON unique initiatives for D&I." Furthermore, we are evolving the health & productivity management initiatives, which have been promoted companywide, from the conventional focus on "health promotion" to "creating a foundation that encourages each individual to demonstrate their abilities." For further details, please refer to the following:

[> Talent Attraction / Respect for Diversity](#)

[> Employee Health](#)

## ENVIRONMENT | Achieving Decarbonization and Lower Environmental Impact

Recognizing both the opportunities and risks associated with climate change, practicing corporate social responsibility and building further competitive advantage

### Environment Highlights

#### Recognition of Issues in Environmental Initiatives toward Achieving SF2030

OMRON believes that creating an environmentally sustainable society corresponds to the OMRON Principle of “contributing to a better society,” and is proactively working to address global issues such as climate change and resource recycling. In particular, we view reducing greenhouse gas (GHG) emissions, transitioning to a circular economy, and coexisting with nature as important environmental issues to be addressed. By ensuring effectiveness and establishing frameworks, we are committed to contributing to the creation of a sustainable society and enhancing corporate value.

##### Targets under the long-term vision SF2030

Under SF2030, we set “Achieving Decarbonization and Lower Environmental Impact” as one of the five material sustainability issues, aiming to solve social issues through the reduction of GHG emissions in our value chain and the establishment of a resource recycling model by 2030, as well as to achieve a state in which further competitive advantages are built.

##### Targets through FY2024

For the three years from the launch of SF2030 in fiscal 2022 to fiscal 2024, we set the four targets listed below and monitored the progress toward them. As we regard environmental initiatives as the foundation for business growth in the future, we continued working on them during the period under the Structural Reform Program “NEXT 2025.” Our Scope 1, 2, and 3 GHG emission targets are certified by the Science Based Targets initiative (SBTi) as 1.5°C or 2.0°C pathway targets.

- 1) 68% reduction of in-house GHG emissions (Scope 1 and 2) in absolute amount vs. FY2016 levels
- 2) Achieving Carbon Zero at all 76 sites\*1 in Japan
- 3) Implementing energy-saving designs for new products (Scope 3 Category 11)
- 4) Implementing business model transformation, environmentally friendly design, collection and recycling, and sustainable procurement in response to transition to a circular economy

#### Major FY2024 Initiatives

In fiscal 2024, we continued our efforts for reduction of GHG emissions across the entire value chain and transitioning to a circular economy.

##### Measure (1) Reduction of in-house GHG emissions (Scope 1 and 2)

For Scope 1 and 2, we focused on reduction of GHG emitted through the use of electricity supplied by other companies (Scope 2 emissions), which accounted for approximately 90% of GHG emissions from OMRON sites. We promoted comprehensive energy-saving efforts and use of renewable electricity on a global basis. As the production sites made progress exceeding the initial plans in conclusion of Power Purchase Agreements (PPAs) and additional introduction of facilities such as storage batteries, we significantly outperformed the target and achieved a 74% reduction in the absolute amount of GHG emissions (compared with fiscal 2016). Especially in sites in Japan, we continued improvement of energy efficiency, mainly by utilizing services provided by the Industrial Automation Business (IAB). In addition, we achieved Carbon Zero in Scope 2 at all 75 sites\*2 by expanding the use of the J-Credit Scheme provided by the Social Systems, Solutions and Service Business (SSB) and PPAs.

##### Measure (2) Reduction of GHG emissions (Scope 3)

For Scope 3, we focused on reduction of GHG emitted from the use of products, services, etc. manufactured or sold by our Company (Scope 3 Category 11), which account for approximately 70% of GHG emissions across the entire value chain.

We worked on assessment of our existing products by using the environmental evaluation framework developed in 2023, and developed the structure for each business to calculate emissions. In addition, each business worked on development of products that are highly energy-efficient or compact/lightweight and promoted expansion of the lineup of such products.

Although Scope 3 Category 11 GHG emissions increased by 540 kt-CO<sub>2</sub>e compared to the previous year due to the improved accuracy in calculation as a result of the revision of the calculation process, we outperformed the target by achieving a 26% reduction in absolute amount compared with fiscal 2016.

##### Achievement of Carbon Zero at OMRON sites in Japan

75 sites\*3

For further details on the services provided by IAB and SSB utilized in the achievement of Carbon Zero at OMRON sites in Japan, please refer to the following:

[Industrial Automation Business: i-BELT Data Management Platform \(i-DMP\)](#)

[Social Systems, Solutions and Service Business: Our Eco Life Circle \(Japanese Only\)](#)

[Social Systems, Solutions and Service Business: Self-consignment System](#)

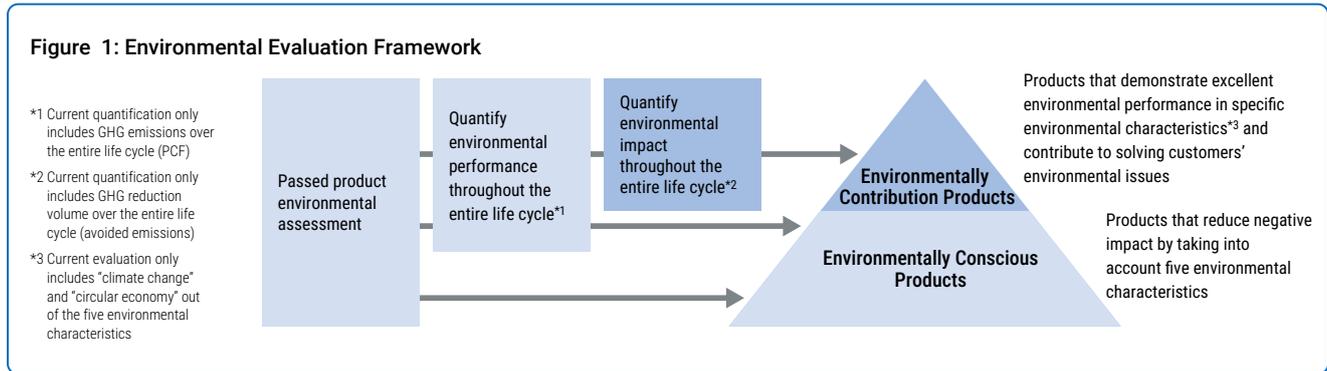
\*1, 2, 3 The number of sites in scope changed from 76 to 75 in fiscal 2024 due to the reduction of sites

### Measure (3) Environmental evaluation framework

Aiming to promote OMRON’s environmental initiatives and enhance customer value, we developed the environmental evaluation framework. The framework is a system that evaluates products from a lifecycle perspective and visualizes their environmental performance with the aim of creating a sustainable economy (See Figure 1).

Under the environmental evaluation framework, based on the EU

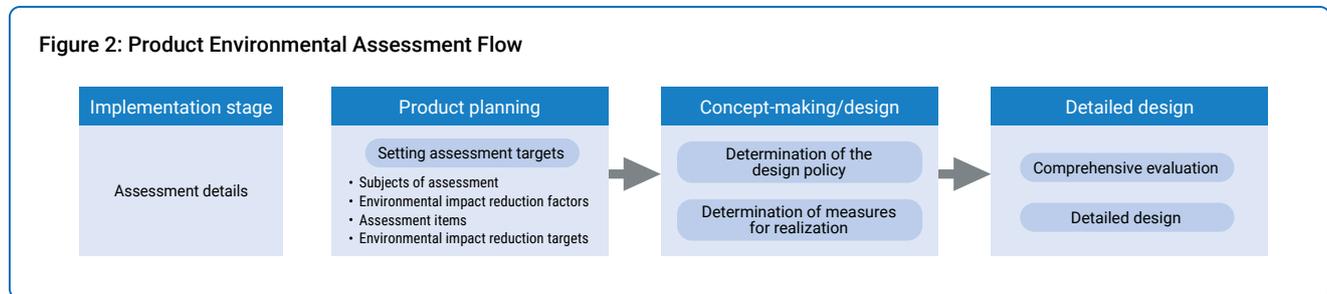
Taxonomy, “environmentally conscious products” are defined as those evaluated for each of the five environmental characteristics that need to be addressed to achieve a sustainable economy ((1) climate change, (2) circular economy, (3) pollution prevention, (4) water resources, and (5) biodiversity) . Additionally, products demonstrating outstanding effectiveness in the environmental characteristics of climate change and circular economy are defined as “environmentally contribution products.”



### Environmentally Conscious Products

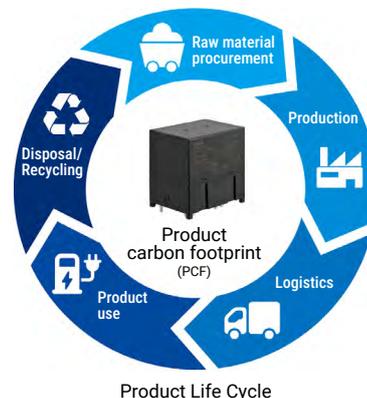
Environmentally conscious products are products that reduce negative impact by taking into account five environmental characteristics. The product environmental assessment evaluates each key environmental characteristic, designating products that meet the criteria as

environmentally conscious products. All products must pass the product environmental assessment as conducted in accordance with the defined flow before reaching market launch, ensuring that all OMRON products are inherently positioned as environmentally conscious products (See Figure 2).



### Example of Environmentally Conscious Products: G9KB Series, High-capacity Power Relays

OMRON developed its common guidelines for calculating the product carbon footprint (PCF) with support from the Sustainable Management Promotion Organization, aiming to establish a CO<sub>2</sub> data calculation method consistent with Catena-X and other international frameworks. Our calculation guideline references ISO 14067:2018 and the Pathfinder Framework for CO<sub>2</sub> data calculation and sharing, issued by the Partnership for Carbon Transparency (PACT) organized by the World Business Council for Sustainable Development (WBCSD). The Device & Module Solutions Business (DMB) calculates PCFs for the G9KB series of high-capacity power relays, which are used in new energy equipment such as power conditioners and energy storage systems, in accordance with the guidelines. In May 2024, DMB started to provide the calculated data upon customer request.



**Environmentally Contribution Products**

Environmentally contribution products are those that meet the requirements of environmentally conscious products and demonstrate superior environmental performance in key environmental aspects to help solve customers' environmental challenges. This product group adopts the amount of avoided emissions, a metric increasingly standardized internationally, as its evaluation criteria to visualize environmental values for "climate change" and "circular economy."

We completed the evaluation of the KPV series, a power conditioner for photovoltaic power generation systems provided by the Social Systems, Solutions and Service Business (SSB), and designated them as the first environmentally contribution products in December 2024.

**Example of Environmentally Contribution Products:**

**Power conditioner for photovoltaic power generation systems (KPV series)**

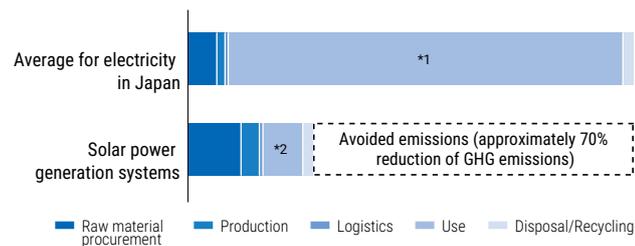
A power conditioner for photovoltaic power generation systems is a device used to convert and regulate the power generated in solar power generation systems into a form for use in homes, facilities, and on the power grid. Unlike methods that generate electricity by burning fossil fuels, solar power generation is a clean energy source that causes no GHG emissions. Use of electricity generated from such a source will reduce electricity derived from fossil fuels and help reduce GHG emissions.

Type of eligibility for environmentally contribution products:



Power conditioner for photovoltaic power generation systems (KPV series)

**Reduced GHG Emissions in Solar Power Generation Systems**



Reference scenario

**Average for electricity in Japan**

Using the Inventory Database for Environmental Analysis (IDEA) Ver. 3.3, calculated direct emissions (from energy used for power generation) and indirect emissions (other than those from energy used for power generation; emissions from power plant disposal are excluded)

Solution

**Solar power generation systems**

GHG emissions of power conditioners are calculated in-house as PCF from a perspective of life cycle assessment\*3. GHG emissions of other components are calculated by referring to a report of the Central Research Institute of Electric Power Industry\*4 and independently considering differences between the time of the report and the present time (e.g., overloading rates). Emissions from power plant disposal are calculated with reference to a report of the New Energy and Industrial Technology Development Organization (NEDO)\*5.

Common prerequisites

Time frame: Flow type (forward-looking type) Lifetime: 15 years\*6  
Cut-off: None\*7 Third-party assurances: None

\*1 Ratios for raw material procurement, production, disposal/recycling are approximate, as IDEA categorizes the life cycle into use (during power generation) and other.

\*2 The graph shows an image for reference by applying the ratio for each life cycle stage of power conditioners, not the ratio of solar power generation systems, to the total emissions.

\*3 Conservative scenarios are used when calculation using primary data is difficult. The emission coefficient of IDEA Ver. 3.3 is used.

\*4 Central Research Institute of Electric Power Industry report: Comprehensive Assessment of Life Cycle CO<sub>2</sub> Emissions from Power Generation Technologies in Japan, July 2016

\*5 NEDO report: Research on life cycle assessment of photovoltaic power generation system (March 2009)

\*6 The period for calculating avoided emissions is set at 15 years, which is a standard useful life of power conditioners. For other components of solar power generation systems, emissions for the first 15 years of their life cycle are included. The useful life of these components is assumed to be 30 years based on materials issued by the International Energy Agency and other sources.

\*7 Cut-off is not applied in quantifying differences. For the PCF of power conditioners used in calculation of the solution PCF, cut-off is applied during the calculation by excluding items below 5% for the total and 1% individually.

**Measure (4) Transitioning to a circular economy**

Aiming at effective utilization of limited resources, OMRON worked on initiatives for transitioning to a circular economy. Each business worked on measures such as reduction of metals and plastics used in

products, under the following four pillars: implementing business model transformation, environmentally friendly design, collection and recycling, and sustainable procurement.

## Direction of Environmental Initiatives from FY2025 Onward

Social demand for corporate initiatives for environmental issues is growing year by year, and there is an increasing trend for such initiatives to be legally regulated. Especially, regulators are making it obligatory for companies to formulate and implement climate transition plans for achievement of carbon neutrality and disclose details of the initiatives toward this commitment.

Considering these social developments, we will further accelerate our initiatives for reduction of GHG emissions across the entire value chain and achieving a circular economy through our business

activities. In fiscal 2025, we will conduct surveys on suppliers' status of GHG emissions and their reduction targets/plans. Based on the survey results, we will consider target levels and measures for future reduction.

Moreover, we will work on initiatives for "coexisting with nature" by promoting initiatives such as those for natural capital based on the OMRON Biodiversity Policy revised in 2024 and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), to respond to social expectations.

### Results to Date and Future Targets

Item	Area	Targets through FY2024			Results to date			Future targets	Progress Evaluation
		Item	Benchmark (FY2016)	FY2024	FY2022	FY2023	FY2024	FY2030	
Reduction of GHG Emissions	OMRON (Scope 1 and 2)	GHG emissions (kt-CO <sub>2</sub> e)	250	80	93	79	64	88	◎
		Reduction (%)	—	-68%	-62%	-68%	-74%	-65%	
		Achieving Carbon Zero at OMRON sites	—	Achieving Carbon Zero at all 76 sites in Japan (subject to Scope 2)	10 sites (13% progress)	39 sites (51% progress)	75 sites (100% progress) *The number of sites in scope changed from 76 to 75 due to the reduction of sites.	Not set	○
	Entire value chain (Scope 3)	GHG emissions (kt-CO <sub>2</sub> e)	9,102	Not set	11,965	6,205	6,674	7,464	◎
		Reduction (%)	—	Not set	+31% (Category 11)	-32% (Category 11)	-26% (Category 11)	-18%	
				Scope 3 Category 11: Implementing energy-saving designs for new products	(1) Completed replacing the calculation method for basic models of IAB, OMRON HEALTHCARE Co., Ltd. (OHQ), and OMRON SOCIAL SOLUTIONS Co., Ltd. (OSS) from catalog values to actual values (2) Completed designation of products subject to reduction of emissions and formulation of action plans for IAB, OHQ, and OSS	Completed launch, development, and verification of energy-saving and resource-saving products designated by IAB, OHQ, and OSS	Promoted power-saving design, downsizing, and weight reduction of new products, as well as replacement with low-power-consumption products in each business	—	○
Transitioning to a circular economy			Implementing business model transformation, environmentally friendly design, collection and recycling, and sustainable procurement in response to transition to a circular economy	• Revised definition of "environmental contribution" and set a new course	• Established the environmental evaluation framework. Defined "environmentally contribution products" and "environmentally conscious products" • Each business systematically addressed the priority issues • Completed development of the PCF calculation rules and methods, which serve as the basis for "environmentally conscious products." Each business started calculation and disclosure initiatives individually.	• Expanded lineup of environmentally contribution products that follow the environmental evaluation framework	—	○	

OMRON considers climate change to be one of the most important issues we need to address. Since endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in February 2019, we have been promoting the disclosure of climate-related information in accordance with the TCFD framework and other influencing factors. For further details, please refer to the following:

- [🌐 > Annual Securities Report for the 88th Term, P.33, "\(3\) Initiatives related to environment \(climate change\)"](#)
- [🌐 > Responses to Climate Change](#)
- [🌐 > Climate-related Information Disclosure](#)

## HUMAN RIGHTS | Respecting Human Rights in the Value Chain

As part of our corporate social responsibility, exerting our influence for the respect of human rights for workers in the value chain and at OMRON

### Human Rights Highlights

#### Recognition of Issues in Human Rights Initiatives toward Achieving SF2030

As declared in the OMRON Principles, Our Values include Respect for All. Respect for All is more than a basic respect for diversity, personality, and individuality. Respect for All is the core value underlying all our activities in pursuit of purposeful and promising lives and careers.

We believe that fulfilling the human rights responsibility of a corporation based on this value is an important initiative that will contribute to the creation of a sustainable society and result in sustainable enhancement of corporate value.

#### Targets under the Long-term Vision SF2030

Under SF2030, we set "Respecting Human Rights in the Value Chain" as one of the five material sustainability issues. In line with the UN Guiding Principles on Business and Human Rights (UNGPs), we aim to

achieve the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not tolerate or cause human rights violations by 2030.

#### Targets through FY2024

For the three years from the launch of SF2030 in fiscal 2022 to fiscal 2024, we set the following as targets, and monitored the progress of achieving these goals.

- 1) Execution of human rights due diligence in accordance with the UNGPs
- 2) Establishment of a human rights remediation and grievance mechanism appropriate to each country and region

#### Major FY2024 Initiatives

##### Measure (1) Execution of Human Rights Due Diligence in Accordance with the UNGPs

To address the seven "priority human rights issues (salient human rights issues): Tier 1" identified in the human rights impact assessments conducted in 2022, as well as reduce the associated risks, we have been creating the conditions for implementing a cycle of human rights due diligence. In fiscal 2024, our business companies established a structure where human rights due diligence can be executed, under the responsible departments for each of the seven priority issues and using the standards of the Responsible Business Alliance (RBA)\*1 as the management standards.

To improve working conditions and occupational health and safety at OMRON sites, we conducted the RBA Self-Assessment Questionnaire (SAQ) at 22 OMRON Group production sites in Japan, China, the Asia-Pacific, Europe, and the Americas. At one production site in Malaysia, third-party audits based on the RBA standards were conducted. The audit uncovered recruitment fees paid by foreign nationals employed through temporary staffing agencies as well as employment contracts that included disparities with local laws and regulations. To deal with the non-compliant matters, corrective measures were taken, including return of recruitment fees to the foreign national workers concerned as well as changing their employment status to full-time employees, providing an environment for them to engage in the same work as previously done. At five sites in Japan, an employment environment survey of foreign technical intern trainees working for on-site subcontractors was conducted, and all sites were confirmed to have no risk of forced labor.

In the supply chain, 60 critical suppliers and the other 389 suppliers completed self-assessments. Meeting RBA requirements is a shared goal for critical suppliers. In addition, for suppliers which have production sites in areas where the risk of human rights abuses is considered high (China: 151 suppliers, Malaysia: 5 suppliers), measures such as detailed self-checks, confirmation of disclosure information, and individual interviews were implemented. An on-site visit to assess the situation was

conducted for a high-risk supplier identified as a result of the survey (China: 1 supplier). The visit revealed a case where personnel who are trained to offer first aid to injured or sick workers were unavailable. OMRON pointed out this issue to the supplier, and improvements were made based on a corrective action plan (See Figure 1).

For products and services, in June 2024, we published the OMRON AI Policy. Based on this policy, we started operating the AI Governance Committee in cooperation with the existing risk management system, and we are working to address the risks of accidents, human rights abuses, etc. caused by the use of AI through products and services provided by OMRON.

##### Measure (2) Establishment of a Human Rights Remediation and Grievance Mechanism Appropriate to Each Country and Region

We have been establishing a human rights remediation and grievance mechanism appropriate to each country and region so that we can implement remedies through due process if we cause or recognize factors contributing to adverse human rights impacts.

By fiscal 2023, we established consultation desks for employees (including temporary workers) and suppliers in five areas in which OMRON operates its business (Japan, China, the Asia-Pacific, Europe, and the Americas). In addition, we established consultation desks to receive grievances from all stakeholders, including local communities, customers, and secondary and subsequent suppliers with whom we have no direct business relationship. In fiscal 2024, we made operational improvements to increase convenience and reliability of the remediation and grievance mechanism that has been established.

[🌐 > For further details, please refer here to the Structure for Executing Human Rights Due Diligence.](#)

\*1 A coalition of companies that pursue corporate social responsibility across the global supply chain



### Direction of Human Rights Initiatives in FY2025 and Onward

Social demand related to human rights to companies is changing year by year. OMRON will remain committed to respond to social demand, aiming to achieve the state of exerting our influence for the respect of human rights for workers not only at OMRON, but also in the value chain, and establishing a culture and system that does not tolerate or cause human rights violations.

In fiscal 2025, we will continue and enhance initiatives for the "priority human rights issues (Tier 1)" we have been especially focusing on, based on the structure for executing human rights due diligence

and the human rights remediation and grievance mechanism appropriate to each country and region we have established. In addition, for further reducing adverse impacts on human rights, we are considering expansion of the initiatives to "issues needed to be addressed (Tier 2)" by considering social trends including laws and regulations. We will consider expansion of activities after identifying risks in OMRON's value chain through detailed human rights impact assessments.

### Results to date

Area	Issue	Target	Results to date			Progress Evaluation
			FY2022	FY2023	FY2024	
Overall	—	Execution of human rights due diligence in accordance with the UNGPs	<ul style="list-style-type: none"> <li>Conducted human rights impact assessments for the entire Group. Identified 19 issues (including seven Tier 1: priority issues)</li> </ul>	<ul style="list-style-type: none"> <li>Joined the Responsible Business Alliance (RBA) (January 2024)</li> <li>Appointed a Director in charge of human rights</li> </ul>	<ul style="list-style-type: none"> <li>Completed the development of the structure for executing human rights due diligence based on the RBA management standards</li> </ul>	○
Employees	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Working conditions</li> </ul>		<ul style="list-style-type: none"> <li>Conducted RBA SAQs at major production sites: 24 sites</li> </ul>	<ul style="list-style-type: none"> <li>Conducted RBA SAQs at major production sites: 25 sites</li> <li>Conducted RBA third-party audits and corrected identified issues: 3 sites</li> <li>Introduced and implemented a labor management system that adheres to the RBA Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Conducted RBA SAQs at major production sites: 22 sites</li> <li>Conducted RBA third-party audits and corrected identified issues: 1 site</li> <li>Employment environment survey of foreign technical intern trainees working for on-site subcontractors at production sites in Japan: 5 sites</li> </ul>	○
Supply chain	<ul style="list-style-type: none"> <li>Forced labor, slavery, bonded labor</li> <li>Labor standards</li> <li>Child labor</li> </ul>		<ul style="list-style-type: none"> <li>Self-assessment by critical suppliers: 69 suppliers</li> <li>Self-assessment by all suppliers: 356 suppliers</li> <li>Conducted human rights impact assessments for the supply chain. Identified suppliers which have production sites in China and Malaysia as prioritized targets of initiatives through fiscal 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Self-assessment by critical suppliers: 60 suppliers</li> <li>Self-assessment by all suppliers: 575 suppliers</li> <li>Detailed self-assessment for suppliers which have production sites in areas where the risk of human rights abuses is considered high: 120 suppliers (China: 69 suppliers, Malaysia: 51 suppliers)</li> </ul>	<ul style="list-style-type: none"> <li>Self-assessment by critical suppliers: 60 suppliers</li> <li>Self-assessment by all suppliers: 389 suppliers</li> <li>Detailed self-assessment for suppliers which have production sites in areas where the risk of human rights violations is considered high: 156 suppliers (China: 151 suppliers, Malaysia: 5 suppliers)</li> </ul>	○
Products and services	<ul style="list-style-type: none"> <li>Ethical use of technology</li> </ul>		<ul style="list-style-type: none"> <li>Started formulation of the OMRON AI Policy</li> </ul>	<ul style="list-style-type: none"> <li>Formulated the OMRON AI Policy</li> <li>Established the AI Governance Committee</li> </ul>	<ul style="list-style-type: none"> <li>Published the OMRON AI Policy (June 2024)</li> <li>Started operation of the AI Governance Committee. Started handling of AI-related internal inquiries within the Committee.</li> </ul>	○
Entire value chain	<ul style="list-style-type: none"> <li>Grievance mechanism and access to remedy</li> </ul>		<ul style="list-style-type: none"> <li>Establishment of a human rights remediation and grievance mechanism appropriate to each country and region</li> </ul>	<ul style="list-style-type: none"> <li>Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). Started consideration of handling consultations from local communities, customers, and secondary and subsequent suppliers</li> <li>Number of reports received via the whistleblower system: 84 (Japan: 30, overseas: 54)</li> </ul>	<ul style="list-style-type: none"> <li>Completed development of the structure to receive reports from suppliers in all areas across the globe</li> <li>Started operation of the Engagement and Remedy Platform offered by JaCER</li> <li>Number of reports received via the whistleblower system: 106 (Japan: 29, overseas: 77)</li> </ul>	<ul style="list-style-type: none"> <li>Operational improvement to increase convenience and reliability of the remediation and grievance mechanism</li> <li>Number of reports received via the whistleblower system: 106 (Japan: 43, overseas: 63)</li> </ul>

\*Including reports not related to human rights

## Interview with the Chairman of the Board

We will enhance the oversight functions that support the challenges taken on by the executive team, thereby achieving sustainable growth and enhancing corporate value.

Chairman of the Board  
Chair of the Board of Directors  
Member of the CEO Selection Advisory Committee  
Vice Chairman of the Corporate Governance Committee

**Yoshihito Yamada**



### Summary of Fiscal 2024

**What themes and issues did the Board of Directors place particular emphasis on in its discussions in fiscal 2024? Looking back over the past year, how would you summarize it in your capacity as Chair?**

Fiscal 2024 was a truly pivotal year for OMRON, marking an important turning point as we simultaneously launched structural reforms and initiatives to lay the groundwork for medium- to long-term growth. In such a period of transformation, the role of the Board of Directors is of the utmost importance. At OMRON, in addition to regular Board of Directors meetings, we have created opportunities for focused discussions, such as off-site meetings and exchanges of opinions with the executive team. By expanding these opportunities, we sought to break free from conventional frameworks, offer broad and high-level perspectives, and support the challenges taken on by the executive team.

We placed particular emphasis on regaining the trust of our shareholders and meeting their expectations by strengthening the Board of Directors' monitoring functions around two key pillars: "progress of restructuring" and "progress of strategies for realizing the long-term vision." As part of our concrete discussions on medium- to long-term strategies, the Board of Directors received reports from management on the development of "strategic scenarios" looking beyond structural reforms, and deliberated on them. In doing so, we shared diverse views on topics such as the company's ideal positioning in the capital markets, investment in global talent, synergy creation in the Data Solution Business, and regional strategies focused on North America, China, and Asia.

Furthermore, with regard to the Data Solution Business, which we have positioned as a future growth driver for OMRON, we held two free-discussion sessions. Centered on the Outside Directors, we discussed medium- to long-term goals, challenges to growth, the acceleration of collaboration with JMDC, and the positioning of corporate health-related investments. Looking back over the year, I

believe the effectiveness of the Board of Directors has steadily improved, as essential dialogue encouraged contributions from each Director, raising both the quality and speed of our discussions.

### Evaluation of Discussions on Medium- to Long-Term Business Strategy Beyond Structural Reforms

**Looking beyond the structural reforms, you mentioned that off-site meetings and exchanges of opinions with the executive team were expanded. What outcomes have these initiatives produced, and how do you see them contributing to the medium- to long-term oversight functions?**

In fiscal 2024, we expanded and actively utilized forums for dialogue outside the Board of Directors in order to strengthen our oversight functions. I believe that the broad and open discussions held in off-site meetings have led to deeper deliberations on agenda items at subsequent Board of Directors meetings, thereby enhancing the effectiveness of the Board of Directors.

I have come to strongly realize that essential dialogue lies at the very core of governance. Even with differing perspectives, sharing the common goal of enhancing corporate value and engaging in forward-looking discussions serve as a powerful force in supporting sound management. Going forward, I believe it is vital that Directors continue to engage in discussions with Executive Officers on an ongoing basis, provide timely advice, and further improve management transparency and the quality of decision-making. In doing so, we will ensure sustainable growth after structural reforms and fulfill our commitment to contributing to the enhancement of corporate value.

### Board of Directors' Operating Policy for Fiscal 2025 in Anticipation of the Post-Structural Reform Phase

**In fiscal 2025, what policies and areas of focus will you place particular emphasis on in order to further enhance the effectiveness of the Board of Directors?**

The operating policy of the Board of Directors for fiscal 2025 is “to enhance corporate value from a medium- to long-term perspective by strengthening discussions on growth strategies.” To this end, we have identified three priority themes: “formulation and execution of the medium-term management plan,” “improvement of our ability to effectively respond to change,” and “completion of structural reforms.”

Specifically, we have streamlined regular reports and other agenda items to create a structure that allows us to concentrate on medium- to long-term strategic discussions. In addition, we have established mechanisms to respond swiftly to change by enabling flexible reporting from the CEO and the setting of ad-hoc agenda items. Fiscal 2025 will be the year in which OMRON embarks on a future growth trajectory following the completion of structural reforms. The Board of Directors, too, will evolve into an entity that supports both strategy and execution, with a sharper focus on medium- to long-term growth strategies. To further improve the Board of Directors’ effectiveness, we also plan to introduce third-party evaluations. By incorporating external perspectives, we aim to identify essential issues that may not be visible through self-reflection alone and link them to sustainable corporate value enhancement.

I believe that there is no such thing as a perfect form of governance. As the environment surrounding companies continues to change, governance itself must also evolve. OMRON has established four advisory committees, CEO Selection, Personnel, Compensation, and Corporate Governance, within the framework of a company with an Audit & Supervisory Board, thereby enhancing transparency and objectivity and strengthening their role as a monitoring board. At the same time, because our structure is institutionally based on the management board framework, there are inevitably certain constraints in our efforts as a monitoring board. We will continue to consider ideal forms of governance, pursuing and continuously evolving our governance framework to best suit OMRON.

### **Our Commitment Reflected in the New Executive Compensation Plan**

**Please share the aims and intentions behind the newly introduced executive compensation plan.**

The new compensation plan clearly establishes, at a structural level, each Director’s commitment to enhancing corporate value. First, for the President, we increased the weight of stock compensation within the pay structure. Initially, the President’s compensation structure was divided equally among base salary, short-term performance-linked compensation (bonus), and medium-to-long-term performance-linked compensation (stock compensation) at a ratio of 1:1:1. However, in order to reflect our commitment to enhancing corporate value in the compensation structure, we have gradually revised this ratio. The latest revision to 1:1:1.7 makes the President’s accountability and

commitment to long-term management even clearer.

Second, we introduced a stock compensation structure for Outside Directors as well. This creates a foundation on which all Directors can take on challenges together toward the common goal of enhancing corporate value. It also helps secure the caliber of talent appropriate for Directors entrusted with critical responsibilities. We regard this revision as more than just a change to the compensation plan. It is an important step that elevates the quality of OMRON’s governance to the next stage.

### **Message to Shareholders: Commitment to Enhancing Corporate Value**

**Finally, please send a message to your shareholders regarding the Board of Directors’ commitment to enhancing corporate value, as well as your expectations for the future.**

From our oversight role, the Board of Directors is committed to supporting the sustainable enhancement of corporate value by placing the highest priority on medium- to long-term strategy and its execution. It is our responsibility to believe in the growth vision championed by the executive team and to stand firmly behind their endeavors. This is because OMRON’s very reason for being is “to contribute to resolving social issues,” and the executive team’s endeavors to achieve this mission represent a future that should be shared with all stakeholders, including our shareholders.

Up to now, we have sincerely taken on board the perspectives of external stakeholders by feeding back insights gained through dialogue with shareholders and investors into Board of Directors discussions. Going forward, we will continue to actively create opportunities for such dialogue, thereby further enhancing the effectiveness of our governance and ensuring our path to corporate value enhancement.

The road to transformation is by no means a smooth one. Yet OMRON will advance step by step by drawing on its ability to turn change into opportunity and by harnessing diverse knowledge. No matter the situation, we will never cease striving for sustainable growth. We humbly ask for the continued understanding and support of our shareholders as we move forward together on this journey.

# Governance Framework to Sustainably Enhance Corporate Value over the Long Term

## Corporate Governance

### Basic Stance for Corporate Governance

OMRON's corporate governance is defined as the system of processes and practices based on the OMRON Principles and the OMRON Management Philosophy with the ultimate objective to achieve sustained enhancement of corporate value by earning the support of all stakeholders.

Through this system, OMRON ensures transparency and fairness in business and speeds up management decisions and practices. This is done by organically 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 Corporate Governance Policies

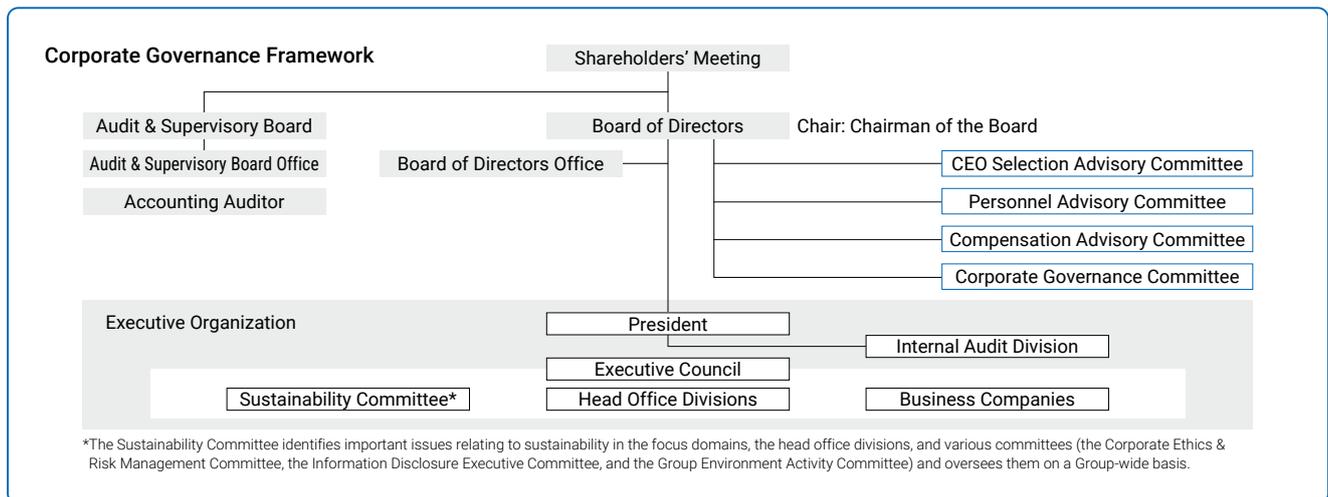
OMRON established the OMRON Corporate Governance Policies based on the Basic Stance for Corporate Governance. Since establishing the Management Personnel Advisory Committee in 1996, OMRON has spent more than 25 years formalizing and strengthening its framework of corporate governance. OMRON intends to continue our pursuit of ongoing improvement of corporate governance to achieve sustainable enhancement of corporate value.

### Corporate Governance Framework

OMRON has elected to be a company with an Audit & Supervisory Board. The OMRON Board of Directors consists of eight members to ensure substantive discussion and deliberations. To increase objectivity on behalf of the Board of Directors, the titles and roles of the Chairman of the Board and President (CEO) have been separated. The Chairman serves as chair of the Board of Directors with no direct corporate representational authority. To enhance the oversight functions of the Board of Directors, OMRON has established the following committees: the CEO Selection Advisory Committee, the Personnel Advisory Committee, the Compensation Advisory Committee, and the Corporate Governance Committee.

### Policy regarding Composition of the Board of Directors

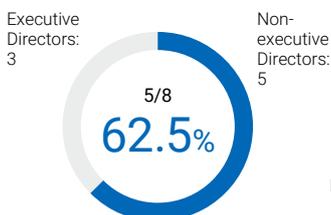
In order to strengthen the supervision function of the Board of Directors, at OMRON, management oversight and business execution are kept separate, and a majority of the Board of Directors shall consist of Directors who are not involved with business execution. In addition, at least one-third of the Board of Directors shall consist of Outside Directors. Regarding Outside Directors and Outside Audit & Supervisory Board Members, from the perspective of ensuring their independence, they are elected in accordance with OMRON's "Independence Requirements for Outside Executives." Based on the above, the Board of Directors shall consist of diverse members who possess the experience, specialized knowledge, and insights necessary to realize the OMRON Group's management vision and shall ensure diversity without distinction as to gender, nationality, international experience, or age.



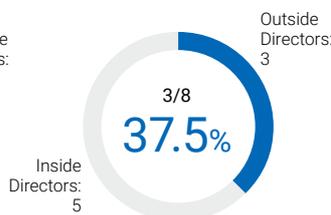
\*The Sustainability Committee identifies important issues relating to sustainability in the focus domains, the head office divisions, and various committees (the Corporate Ethics & Risk Management Committee, the Information Disclosure Executive Committee, and the Group Environment Activity Committee) and oversees them on a Group-wide basis.

### Composition of Board of Directors (as of June 24, 2025)

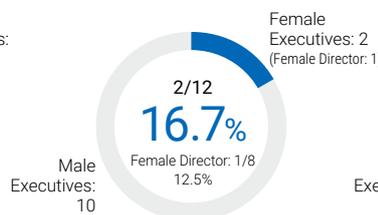
#### Ratio of Non-executive Directors



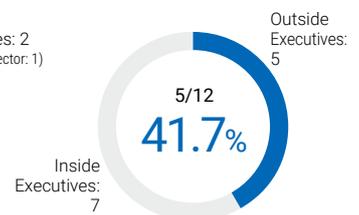
#### Ratio of Outside Directors



#### Ratio of Female Executives (Directors / Audit & Supervisory Board Members)



#### Ratio of Outside Executives (Outside Directors / Outside Audit & Supervisory Board Members)



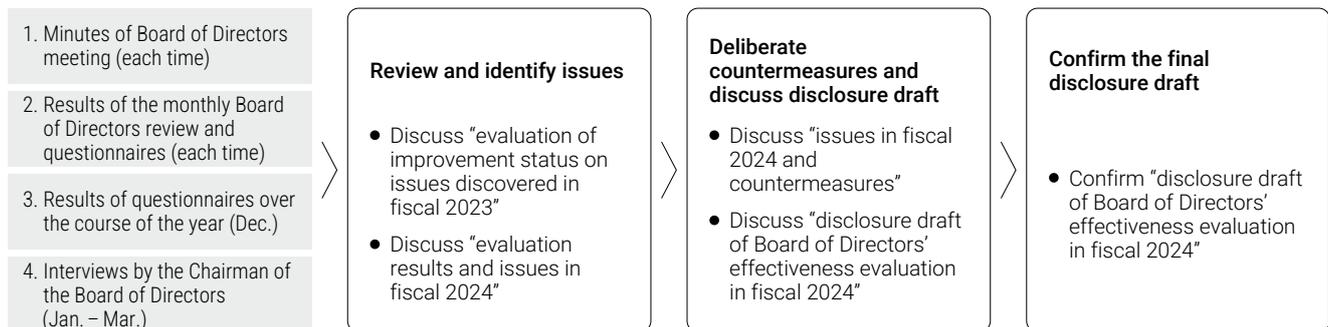
## Initiatives Towards Improving the Board of Directors' Effectiveness

The Company ensures transparency and fairness in business management, speeds up management decisions and practices, and strives to boost the OMRON Group's competitive edge. The ultimate

objective is to achieve sustained enhancement of corporate value. To this end, OMRON reinforces the supervisory functions of the Board of Directors through initiatives for improving its effectiveness.

### 1. Methods of Evaluation of the Board of Directors' effectiveness for fiscal 2024

Effectiveness of OMRON's Board of Directors is evaluated based on the results of items 1 to 4 that are performed over the course of the year, and then discussed by the Corporate Governance Committee, which evaluates the status of improvement on issues discovered in the previous fiscal year and identifies issues and countermeasures for the current fiscal year.



- Minutes of each Board of Directors meeting
- Results of the Board of Directors review conducted by Outside Executives immediately after meetings of the Board of Directors, and results of self-evaluation based on questionnaires answered by all Directors and Audit & Supervisory Board Members
- Results of self-evaluations on the operation, etc. of the Board of Directors meetings answered by all Directors and Audit & Supervisory Board Members over the course of the year
- Results of individual interviews to all Directors and Audit & Supervisory Board Members conducted by the Chairman of the Board of Directors

### 2. Results of evaluation of the Board of Directors' effectiveness for fiscal 2024

#### Summary of FY2024

Given the downward revisions to the financial results made twice in fiscal 2023, the Board of Directors in fiscal 2024 considered monitoring of the progress toward accomplishing the Structural Reform Program NEXT 2025 to be the most important theme, and strengthened oversight and supervision over the progress of the five Structural Reform measures. In addition, the Board emphasized early information sharing and discussion regarding the status of operations and the business environment, to help resolve the following issues identified in fiscal 2023\* and to enhance the predictability of business performance. Moreover, to achieve greater effectiveness of the Board of Directors' activities as a whole, various new initiatives have been introduced. Specifically, we enhanced Informal Meetings and opinion exchanges between Directors and management executives, and increased opportunities for multifaceted discussions with business execution divisions, in order to allow for early deliberation on strategies and issues of each business. As a result, the Corporate Governance Committee commended the Board of Directors for having increased effectiveness in its overall activities, reflecting enhanced related activities other than the Board of Directors meetings.

\*Issues identified in fiscal 2023

- The Board of Directors considered insufficient discussions about downward revisions to be an issue. The Board also recognized that it is essential to enhance the predictability of business performance and make discussions proactively.
- Some agenda items submitted to the Board of Directors meetings did not sufficiently address the root causes of problems.
- Discussions shall be held among members of the Board of Directors (many-to-many discussion), instead of discussions held between a presenter and members of the Board of Directors (one-to-many discussion), to further vitalize discussions.
- In discussions about strategies of each business, there is a need to present data more clearly than before, including clarifying the Company's competitive advantages over competitors or achieving uniformity in market analysis data.

### 3. Issues in fiscal 2024 and countermeasures

#### Points commended

- Informal Meetings, as well as early sharing of business performance, such as quarterly performance reporting accelerated by one month, functioned effectively and enabled multifaceted discussions at an early phase.
- The Chairman operated the Board of Directors meetings with many-to-many discussion in mind, which vitalized discussions and resulted in business execution divisions explaining points of discussion more clearly than before. A basis for objective discussion is now in place, based on the present state and figures gained through market and competitive analysis.

**Issues**

- To evolve the monitoring function under the scheme of a Company with Audit & Supervisory Board, we must reconsider agenda items and viewpoints (levels) to be discussed by the Board of Directors, so as to enhance discussions on growth strategies toward corporate value enhancement from a medium- to long-term perspective.

**Points requested**

Toward resolving the issues, the Corporate Governance Committee made requests to the Board of Directors on the following points.

- Discussions on growth strategies shall be strengthened further to increase corporate value.
- Discussions shall be held from a medium- to long-term perspective, on such themes as enhancement of organizational capabilities and sophistication of risk management, instead of being biased toward pursuing causes for individual issues in detail.
- To respond to changes in the operating environment, the Company shall evolve internal controls, and strengthen systems to execute and maintain internal controls.

To that end, agenda items submitted to the Board of Directors meetings shall be examined, to determine new items to be discussed and those to be omitted.

**4. Major agenda items discussed in fiscal 2024**

**■ Focus Theme 1**

Progress monitoring toward accomplishing the Structural Reform Program "NEXT 2025"

- IAB Revival Plan (IAB Future Reboot)
- Headcount and capacity optimization
- Progress of NEXT 2025 Portfolio Optimization
- Fixed cost productivity improvement

**■ Focus Theme 2**

Progress monitoring toward realizing the long-term vision

- Strategic scenarios under the next Medium-term Management Plan SF2030 2nd Stage
- Open discussion on Data Solution Business
- Human resource strategies

[For further details, please refer to the Initiatives Towards Improving the Board of Directors' Effectiveness for Fiscal 2024.](#)

Other major agenda items discussed in addition to the above

\*Excluding regular agenda items for resolution

**Major agenda items for resolution**

- Approval of Cash Allocation Policy / Shareholder Returns Policy
- Approval of the policy for the operation and focus themes of the Board of Directors
- Approval of transfer of sustainability promotion / supervising functions
- Approval of issuance of straight bonds

**Major agenda items for reporting**

- Summary and action plans for initiatives for sustainability priority issues
- Progress of JMDC's business plan
- Result of the evaluation of the Board of Directors' effectiveness
- Status of operations of internal control systems
- Results and plans of internal audit activities
- Reporting of the status of risk cases
- Progress of construction of the Corporate IT system
- Results and plans of audit conducted by the Audit & Audit & Supervisory Board Members
- Report on the progress of intellectual property activities

**Agenda items of Informal Meetings**

- Business strategy of each Business Company
- Geopolitical risks
- Hard law and soft law relating to takeover bids today

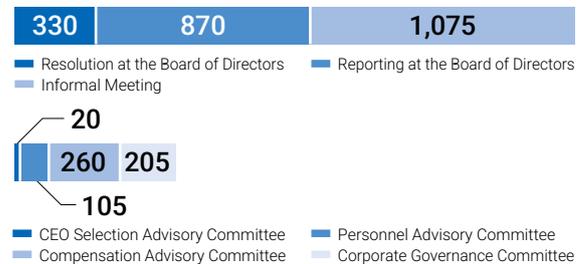
**Results of the Board of Directors meetings held in fiscal 2024**

Number of meetings held	13
Total time spent	2,865 minutes
Average meeting hours (per day)	3.7 hours/meeting
Total number of agenda items	86*

\*Including agenda items for Informal Meetings and various committee meetings

**Time spent for discussions of various meeting bodies in fiscal 2024**

Unit: minutes



**5. Results of initiatives for increasing effectiveness**

In fiscal 2024, we have actively set up an Informal Meeting, to bring active discussions between the Board of Directors and the business execution division from an early phase, over the themes of business strategies and important Structural Reform measures. We also provided to Outside Executives more opportunities for exchanging opinions with the President of each Business Company, to help them better understand the strategies and initiatives of each business.

**Major results**

Number of Informal Meetings held	6
Number of opinion exchange meetings held with the Presidents of Business Companies	10
Number of on-site visits held	2

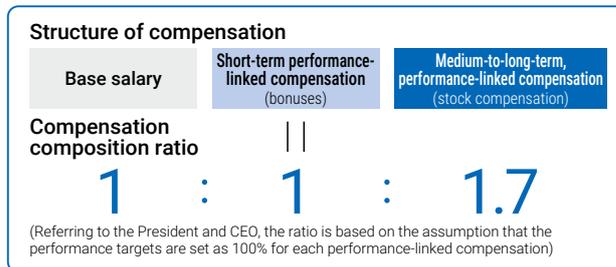
## Officer Compensation

### Overview of the Compensation Plan

OMRON's officer compensation plan, which is based on the structure introduced in fiscal 2017, has been revised for the second time after the first revision in 2021. This structure aims to reflect the perspectives of all stakeholders, including shareholders, in OMRON's management. By clarifying the linkage between officer compensation and improved corporate value (business value, shareholder value, and social value), we motivate officers to achieve the performance targets. We also maximize their motivation to contribute to the sustainable improvement of corporate value by encouraging them to hold the company's stock.

Specifically, officer compensation consists of a base salary, or fixed compensation; short-term performance-linked compensation (bonuses) that varies depending on the company's performance; and medium-to-long-term, performance-linked compensation (stock compensation). The base salary is determined at a level that ensures objectivity, based on the compensation data of over 100 major companies in Japan surveyed by a specialized outside organization. In addition, the composition ratio of each performance-linked compensation to base salary is determined according to each officer's

position, role, and responsibility. For example, the ratio for the CEO, who commits to enhancing medium- to long-term corporate value and is responsible for driving sustainable growth, is 1:1:1.7 (base salary : bonuses : stock compensation). This structure emphasizes performance-linked compensation, particularly with a relatively higher ratio allocated to the medium to long term. By having a composition focusing on medium- to long-term performance in addition to short-term performance, the structure provides stronger incentive for contributing to sustained improvements in corporate value.



### Background and Aim of the Revision

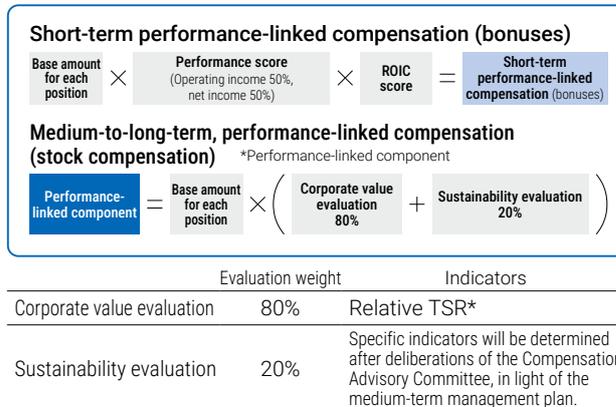
The evaluation period of the medium-to-long-term, performance-linked compensation (stock compensation) started in fiscal 2021 and ended in fiscal 2024. On this occasion, we comprehensively reviewed the compensation plan. The revision was decided upon after deliberation of the Compensation Advisory Committee, which is composed of members the majority of whom are Outside Directors, and is chaired by an Outside Director.

The basic policy for the revision is to have a "framework that is responsive to social demands and changes in the business environment, while leveraging the strength of our current structure," considering that OMRON is currently in a transitional period, in which we aim to enter a growth phase after completing the structural reform. Among other matters, we especially focused on further enhancement of shared interest with shareholders to further incentivize officers to commit to the improvement of corporate value over the medium to long term. We aimed to establish a new compensation plan that balances autonomous efforts by officers to take on challenges with sustainable corporate growth, while being responsive to changes in the external environment.

#### Main Revisions

Item	Revision
Short-term performance-linked compensation (bonuses)	<ul style="list-style-type: none"> <li>To allow for flexible response to changes in the external environment, performance indicators and other matters can be determined by resolution of the Board of Directors</li> </ul>
Medium-to-long-term, performance-linked compensation (stock compensation)	<ul style="list-style-type: none"> <li>Newly introduced stock compensation for Outside Directors to strengthen their commitment to the improvement of corporate value over the medium to long term</li> <li>Increased the evaluation weight of "relative TSR" to enhance shared perspectives with shareholders</li> <li>Reduced the evaluation period to two years to allow for responsiveness to urgent management needs</li> <li>Changed the timing of payment to after retirement to encourage Directors to have longer-term perspectives in management</li> </ul>

### Overview of the new compensation plan



\*Indicator that compares total shareholder return (TSR) of OMRON in the covered period to the percentage change of TOPIX, dividends included (Relative TSR = TSR ÷ Percentage change of TOPIX, dividends included)

#### Compensation Policy for Directors

- Basic policy** • The Company shall provide compensation sufficient to recruit exceptional individuals who are capable of putting the OMRON Principles into practice as Directors. • The compensation structure shall be sufficient to motivate Directors to contribute to sustainable enhancement of corporate value. • The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders.
- Structure of compensation** • Compensation for Directors shall consist of a base salary, which is fixed compensation, and performance-linked compensation, which varies depending on the Company's performance. • The compensation composition ratio of performance-linked compensation to base salary shall be determined according to each Director's role and responsibility. • Compensation for Outside Directors shall consist of a base salary and non-performance-linked stock compensation, reflecting their roles and the need for maintaining independence.
- Base salary** • The amount of the base salary, paid monthly, shall be determined by taking into account the salary levels of other companies, as surveyed by a specialized outside organization.
- Performance-linked compensation** • As short-term performance-linked compensation, the Company shall provide bonuses linked to yearly performance indicators, and to the degree of achievement of performance targets. Bonuses shall be paid as a lump sum after the conclusion of the fiscal year. • As medium- to long-term performance-linked compensation, the Company shall grant stock compensation linked to the improvement in corporate value (value of stock). • The stock compensation shall be paid after the Director retires. • The Company shall determine the target amounts for short-term performance-linked compensation and medium-to-long-term, performance-linked compensation based on the target pay mix specified according to each Director's role and responsibility.
- Governance of compensation** • The compensation composition, compensation composition ratio, level of the base salary, as well as performance indicators and evaluation methods of performance-linked compensation, shall be determined based on the deliberations and recommendations of the Compensation Advisory Committee. • The amount of compensation for each Director shall be determined by a resolution of the Board of Directors reflecting the deliberations and recommendations of the Compensation Advisory Committee.

## Message from Chairperson (Outside Director) of Each Advisory Committee



### Takehiro Kamigama

CEO Selection Advisory Committee  
Chairperson  
Corporate Governance Committee  
Chairperson

#### Fiscal 2024 Activities

#### CEO Selection Advisory Committee

Number of meetings held: 1

- Deliberation on candidates for CEO
- Deliberation on a CEO successor candidate in the event of a crisis in fiscal 2025

#### Corporate Governance Committee

Number of meetings held: 7

- Discussions on the roles of each Director
- Report on responses to matters pointed out by the Board of Directors
- Discussions on the implementation of self-evaluations, peer evaluations, and third-party evaluations of Directors
- Deliberation of evaluation of effectiveness of the Board of Directors in fiscal 2024
- Discussions on the development of a fact book for the Board of Directors

Since fiscal 2023, OMRON's Corporate Governance Committee has included non-executive internal Directors, enabling discussions from more diverse perspectives. In fiscal 2024, the Committee worked on initiatives to enhance the effectiveness of the Board of Directors. Notably, by clearly defining the roles of each Director, we established a foundation that can be applied to the design of future executive compensation structures and the requirements for Director appointments. In addition, our examination of the introduction of third-party evaluations serves as a cornerstone for strengthening effectiveness even further. The Committee continues to evolve as a forum for meaningful discussions that contribute to the sustainable enhancement of corporate value. Looking ahead, it will be increasingly important to deepen concrete discussions on corporate value enhancement, and to draw a clear picture of the kind of company OMRON aspires to become and the value it aims to create. The Committee remains committed to achieving OMRON's sustainable growth through the further advancement of corporate governance.

[Interview with Chairperson Takehiro Kamigama](#)



### Izumi Kobayashi

Personnel Advisory Committee  
Chairperson

#### Fiscal 2024 Activities

#### Personnel Advisory Committee

Number of meetings held: 6

- Deliberations on the appointment and dismissal of Senior Executive Officers and reports on the appointment of Executive Officers
- Deliberation on Director candidates, Audit & Supervisory Board Member candidates, and Executive Officer candidates
- Reporting on succession planning for management executives
- Reporting on the list of candidates for Outside Director and Outside Audit & Supervisory Board Member
- Deliberation on the members of Advisory Committees

One of the most important roles of the Personnel Advisory Committee is to identify the type of leadership OMRON needs to achieve sustainable corporate value enhancement. To this end, the Committee, led primarily by independent Outside Directors, ensures transparency and objectivity in executive appointments, while supporting optimal talent placement aligned with strategy through ongoing dialogue with management. As OMRON undergoes a transformative phase toward growth, it is particularly vital to appoint a diverse range of leaders equipped with expertise in digital transformation, the ability to keenly grasp social and industry trends, and the ability to take bold risks. With this perspective, the Committee has been engaging in extensive discussions aimed at strengthening oversight functions and establishing the most effective management structure. The Committee remains committed to supporting OMRON's sustainable growth through continually pursuing the optimal structure for the company.

[Interview with Chairperson Izumi Kobayashi](#)



### Yoshihisa Suzuki

Compensation Advisory Committee  
Chairperson

#### Fiscal 2024 Activities

#### Compensation Advisory Committee

Number of meetings held: 7

- Discussions and deliberations on the new compensation plan
- Deliberation of compensation levels and tables for Directors and Executive Officers
- Deliberation of compensation for foreign Executive Officers
- Deliberation of evaluation criteria and payment amounts for Director bonuses and stock compensation
- Reporting on evaluation criteria and payment amounts for Executive Officer bonuses and stock compensation
- Deliberations on stock compensation for Directors and Executive Officers

The Compensation Advisory Committee aims to maximize corporate value by "providing strong incentives to Directors and Executive Officers, who put the corporate philosophy into practice, thereby realizing the long-term vision, and contributing to sustainable growth and medium- to long-term value enhancement." It also strives to ensure the transparency and objectivity of the compensation plan, thereby fostering a deeper understanding of management among all stakeholders. The revision to the compensation plan implemented this fiscal year was made in light of the transition from structural reform to the growth phase, aimed at redesigning it into a well-balanced framework that supports both the completion of structural reforms and the acceleration of growth. Looking ahead to the launch of the next medium-term management plan, "SF2030 2nd Stage," we will continue to review and refine the compensation structure, ensuring that it remains responsive to the evolving business environment and governance requirements, while consistently contributing to the sustainable enhancement of corporate value.

[Interview with Chairperson Yoshihisa Suzuki](#)

## Risk Management

### Integrated Risk Management for Supporting Global Business Activities

OMRON implements integrated risk management under a common framework throughout the Group. To be able to swiftly adapt to the rapidly changing management and business environment, as well as rising uncertainty, we must increase our risk sensitivity and identify and address risks before they become apparent. We aim for active risk management where front-line employees and management work together to solve problems arising from changes in the environment that cannot be addressed by front-line employees alone. We are implementing a PDCA cycle globally to improve the quality of this activity. We are additionally considering how to equip ourselves with mechanisms enabling efficient, effective, and prompt risk decisions while still adhering to the OMRON Principles and relevant business rules in order to achieve our long-term vision SF2030.



### Integrated Risk Management System and Structure

Under the internal control system, the framework for integrated risk management is summarized in the OMRON Group Rules (OGR) for Integrated Risk Management, which clarify the position of the risk management framework within Group management. The Senior General Manager of the Global Risk Management and Legal HQ (GRL Manager) is in charge of its promotion. Additionally, risk managers (approximately 150 in total) have been appointed for head office divisions, business companies, overseas regional management and Group companies across the world, to help promote initiatives on a global scale through the concerted effort of management and front-line employees. The three main activities are as follows:

- 1) Identify changes in the environment in a timely manner, share this information with relevant parties, and assess the impact in a timely manner
- 2) Conduct global risk analysis to identify critical risks and establish appropriate responses
- 3) Implement crisis response measures when risks become apparent in a crisis

In order to promote ethical practices and risk management, we have established the Corporate Ethics & Risk Management Committee,

which is chaired by the GRL Manager and comprised of key risk managers, and meets four times a year, in principle, under the participation and supervision of Directors and Audit & Supervisory Board Members. The status of the integrated risk management activities is reported to the Executive Council and the Board of Directors for regular evaluation and monitoring.



### Group Critical Risks and Analysis

Under SF2030, OMRON aims to solve social issues that arise in the transition to a new social and economic system. To this end, we are working to create social value in business domains and are implementing initiatives integrating sustainability with business. We consider the key factors that must be addressed in the execution of these initiatives to be risks. In operating the OMRON Group, we have

identified the following two Group Critical Risks. S Rank: Risks of utmost importance to the operation of the Group, which may jeopardize its survival or result in severe social liability, A Rank: Risks that impede the achievement of important Group goals. In order to keep these risks at an acceptable level without letting them materialize, we monitor environmental changes and the status of implementation of measures.

### Overview of Business Risks, etc.

The themes of Group Critical Risks based on the OMRON Group's risk analysis conducted at the end of fiscal 2024 are presented in the web link below. We will continue to pay particular attention to risks associated with the execution of NEXT 2025, as well as Group governance and compliance

risks as we seek to accelerate business growth and improve profitability. For the priority themes addressed by the OMRON Group, risk scenarios and countermeasures for the risks are presented in the Annual Securities Report (pages 48-55).

[For further details, please refer to the Annual Securities Report.](#)

(As of September 2025)

## Directors / Audit & Supervisory Board Members

### Directors



**Yoshihito Yamada** ● VC  
Chairman of the Board  
Chair of the Board of Directors



**Junta Tsujinaga**  
Representative Director



**Kiichiro Miyata** ●  
Representative Director



**Masahiko Tomita** ●



**Shizuto Yukumoto** ● VC ● VC ● VC ●

### Outside Directors



**Takehiro Kamigama** ● ● ● ●



**Izumi Kobayashi** ● ● ● ●



**Yoshihisa Suzuki** ● ● ● ●



**Toshio Hosoi**



**Hiroto Iwasa**  
[Message from Newly Appointed Officer](#)

### Outside Audit & Supervisory Board Members



**Hiroshi Miura** ●



**Yumiko Ichige** ●  
[Message from Newly Appointed Officer](#)

- Member of the CEO Selection Advisory Committee
- Member of the Personnel Advisory Committee
- Member of the Compensation Advisory Committee
- Member of the Corporate Governance Committee
- Ⓢ Chairperson Ⓢ Vice Chairperson

## Main Areas of Expertise and Specialization of Directors and Audit & Supervisory Board Members (Skill Matrix)

Areas of expertise and specialization (skills) required for Directors and Audit & Supervisory Board Members for the realization of the long-term vision "SF2030"

Areas Of Expertise and Specialization (Skills)	Definitions of skills
Corporate management	Experience as Chairman/President or equivalent experience (experience as Representative Director, etc.)
Sustainability, ESG	Possesses business experience, management experience, and specialized knowledge related to sustainability and ESG
New business creation, innovation	Possesses business experience, management experience, and specialized knowledge related to new business and innovation
Technology, production, quality	Possesses business experience, management experience, and specialized knowledge related to technology, production, and quality
Digital transformation, information technology	Possesses business experience, management experience, and specialized knowledge related to digital transformation and information technology
Human resource development, diversity, human resource management	Possesses business experience, management experience, and specialized knowledge related to human resource development, diversity, and human resource management
Financial, accounting	Qualified as a CPA, experience as a CFO, business experience in financial institutions and accounting departments, and experience in managing a listed company
Legal affairs, compliance, internal control	Qualified as an attorney, experience as an auditor, work experience in legal and internal audit departments
Global experience	Global experience, overseas business experience

\*As a general rule, the required years of experience shall be three or more.

### Main areas of experience and expertise of Directors and Audit & Supervisory Board Members

Title & Name	Definitions of skills									Background and Qualifications
	Corporate management	Sustainability, ESG	New business creation, innovation	Technology, production, quality	Digital transformation, information technology	Human resource development, diversity, human resource management	Financial, accounting	Legal affairs, compliance, internal control	Global experience	
Chairman of the Board <b>Yoshihito Yamada</b>	●	●					●		●	
Representative Director President and CEO <b>Junta Tsujinaga</b>	●			●	●				●	
Representative Director Executive Officer Vice President, CTO <b>Kiichiro Miyata</b>	●		●	●	●				●	
Director Senior Managing Executive Officer, CHRO <b>Masahiko Tomita</b>		●				●			●	
Director <b>Shizuto Yukumoto</b>			●		●				●	
Outside Director <b>Takehiro Kamigama</b>	●	●	●	●	●		●		●	Manufacturing industry
Outside Director <b>Izumi Kobayashi</b>	●	●	●			●	●		●	Financial and international organization
Outside Director <b>Yoshihisa Suzuki</b>	●	●	●	●	●		●		●	General trading company
Audit & Supervisory Board Member <b>Toshio Hosoi</b>			●		●			●		
Audit & Supervisory Board Member <b>Hiroto Iwasa</b>		●				●			●	
Outside Audit & Supervisory Board Member <b>Hiroshi Miura</b>	●						●	●	●	Certified public accountant
Outside Audit & Supervisory Board Member <b>Yumiko Ichige</b>		●				●		●		Attorney

(As of September 2025)

## Executive Officers

President and CEO	Executive Officer Vice President	Senior Managing Executive Officers		
				
<b>Junta Tsujinaga</b> CEO	<b>Kiichiro Miyata</b> CEO	<b>Masahiko Tomita</b> CHRO	<b>Nigel Blakeway</b> Chairman and CEO, OMRON MANAGEMENT CENTER OF AMERICA, INC.	<b>Seiji Takeda</b> CFO and Senior General Manager, Global Strategy HQ

## Managing Executive Officers

				
<b>Seigo Kinugawa</b> Senior General Manager, Global Business Process and IT Innovation HQ	<b>Tutomu Igaki</b> Senior General Manager, Global Corporate Communications & Engagement HQ and Sustainability Executive	<b>Kenji Eda</b> Senior General Manager, Global Procurement, Quality and Logistics HQ and Senior General Manager - Americas, Industrial Automation Company	<b>Katsuhiko Shikata</b> President and CEO, OMRON SOCIAL SOLUTIONS Co., Ltd.	<b>Masahiko Ezaki</b> Company President, Device & Module Solutions Company
				
<b>Motohiro Yamanishi</b> Company President, Industrial Automation Company	<b>Ayumu Okada</b> President and CEO, OMRON HEALTHCARE Co., Ltd.	<b>Hidetaka Ishihara</b> Senior General Manager, Data Solution Business HQ		

## Executive Officers

	<b>Jian Xu</b> President and CEO, OMRON (CHINA) Co., Ltd.		<b>Taisuke Tateishi</b> President and CEO, OMRON FIELD ENGINEERING Co., Ltd.		<b>Virendra Shelar</b> Senior General Manager, Global Business Operation and Service Division HQ, Industrial Automation Company and Chairman, OMRON MANAGEMENT CENTER OF EUROPE		<b>Masayuki Yamamoto</b> Senior General Manager, Global Solution Sales Division HQ, Industrial Automation Company
	<b>Masaki Suwa</b> Senior General Manager, Technology & Intellectual Property HQ and President and CEO, OMRON SINIC X Corporation		<b>Toyoharu Tamoi</b> Senior General Manager, Global Finance and Accounting HQ		<b>Andre Van Gils</b> Senior General Manager, Global Sales and Marketing Group HQ, OMRON HEALTHCARE Co., Ltd.		<b>Yukitaka Kamio</b> Senior General Manager, Sales & Marketing Division HQ, Device & Module Solutions Company
	<b>Yoshichika Tanabe</b> Senior General Manager, Global Risk Management and Legal HQ		<b>Yusuke Muramatsu</b> Deputy Senior General Manager, Global Business Process and IT innovation HQ, and General Manager, Corporate Systems, PJ Global Office, Global Business Process and IT innovation HQ		<b>Tsunetoshi Oba</b> Senior General Manager, Product Business Division HQ, Industrial Automation Company		<b>Kotaro Suzuki</b> General Manager, Corporate Planning Department, Global Strategy HQ
	<b>Kazuki Minami</b> Senior General Manager, Global Human Resources and Administration HQ						

# Shaping the Future 2030

## **OMRON Corporation**

Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530, Japan  
Global Corporate Communications & Engagement HQ  
<https://www.omron.com/global/en/>

Please access the Inquiry Form from the QR Code on the right.

