

# **OMRON**

# **Basic Information**

**May 2022**

**OMRON Corporation**

# About OMRON

# Corporate Profile

**Established**

May 10, 1933

**Head Office**

Shiokoji Horikawa, Shimogyo-ku, Kyoto 600-8530 Japan

**Capital**

¥64.1bn

**Net Sales**

¥762.9 bn (Year ended Mar 31, 2022)

**Number of  
Employees**

29,020 \*

**Stock Listing**

Tokyo (Ticker symbol: 6645)

**Number of  
Shares Issued**

206,245 thousand shares \*

\* As of March 31, 2022

# Established in 1933 as "Tateishi Electric Manufacturing Co."

**Kazuma Tateishi established "Tateishi Electric Manufacturing Co." in Higashi-Osaka in 1933.**

**The first launched product which led to the foundation of OMRON was X-ray timers. With accurate shooting in 1/20 second, it was a revolutionary product at the time.**

**In 1945, moved the head office to Omuro in Kyoto to escape war damage.**

**In 1990, changed the company name to "OMRON Corporation"**



Founder Kazuma Tateishi  
(1900~1991)



At the time of  
establishment



X-ray timer

# Our DNA: Contributing to the Society Through Business

In 1959, publicly announced the OMRON's Corporate Motto



Handwritten Sketch by Our Founder

【Corporate Motto】  
*To improve lives and contribute to  
a better society.*

# Corporate Principles (Revised in 2015)

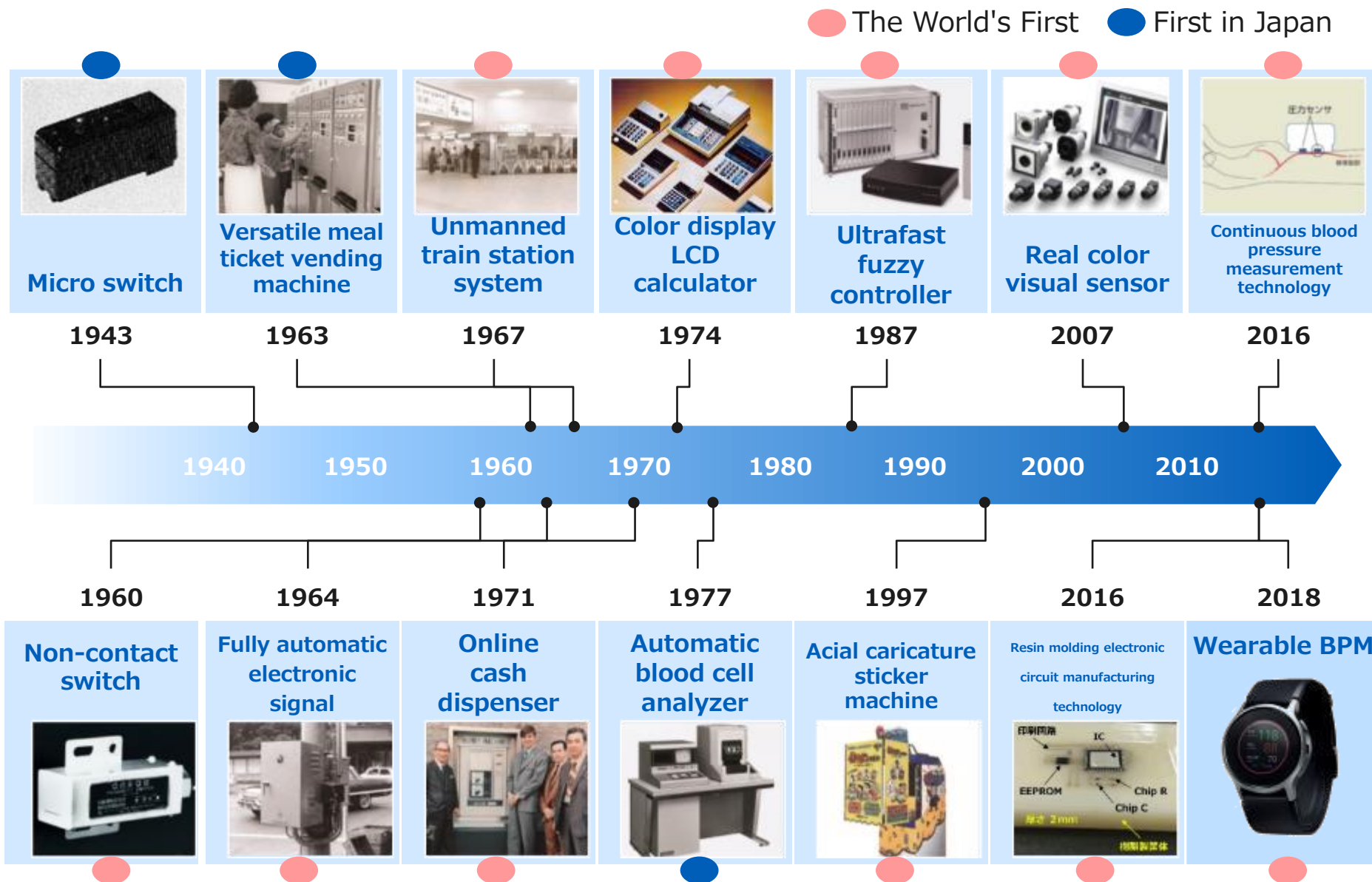
## Our Mission

To improve lives and contribute to a better society

## Our Values

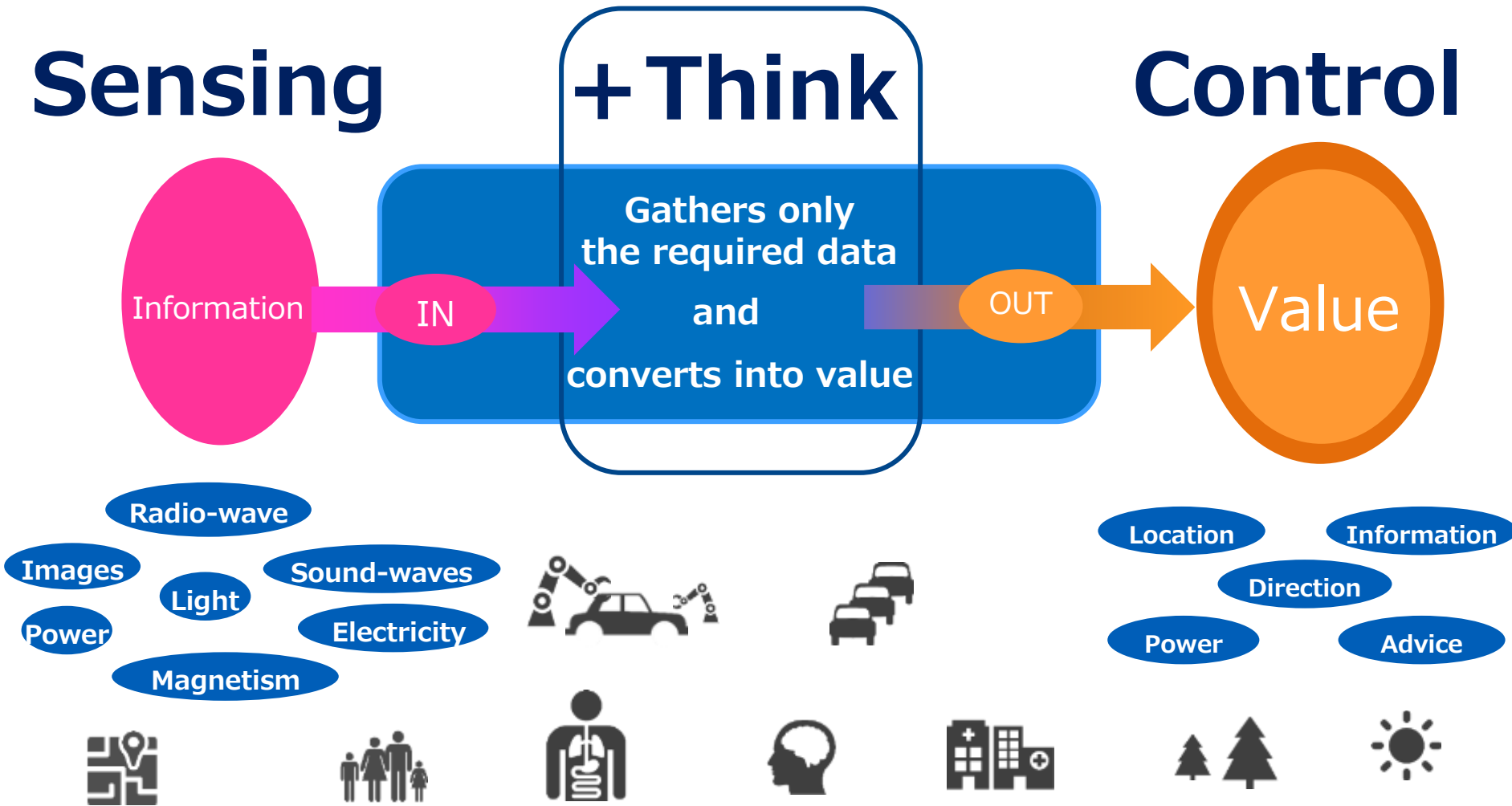
- **Innovation Driven by Social Needs**  
Be a pioneer in creating inspired solutions for the future.
- **Challenging Ourselves**  
Pursue new challenges with passion and courage.
- **Respect for All**  
Act with integrity and encourage everyone's potential.

# OMRON's History: Innovation Driven by Social Needs



# OMRON's Core Technology

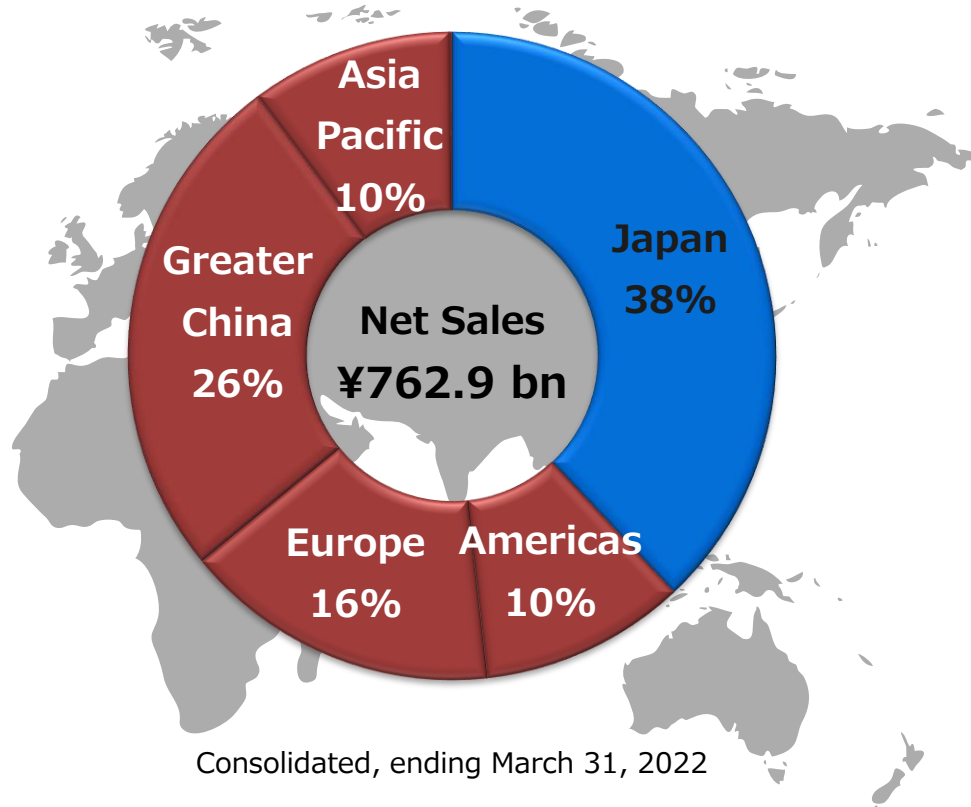
“Sensing & Control + Think” is OMRON's core technology, which converts information into value through our original algorithm



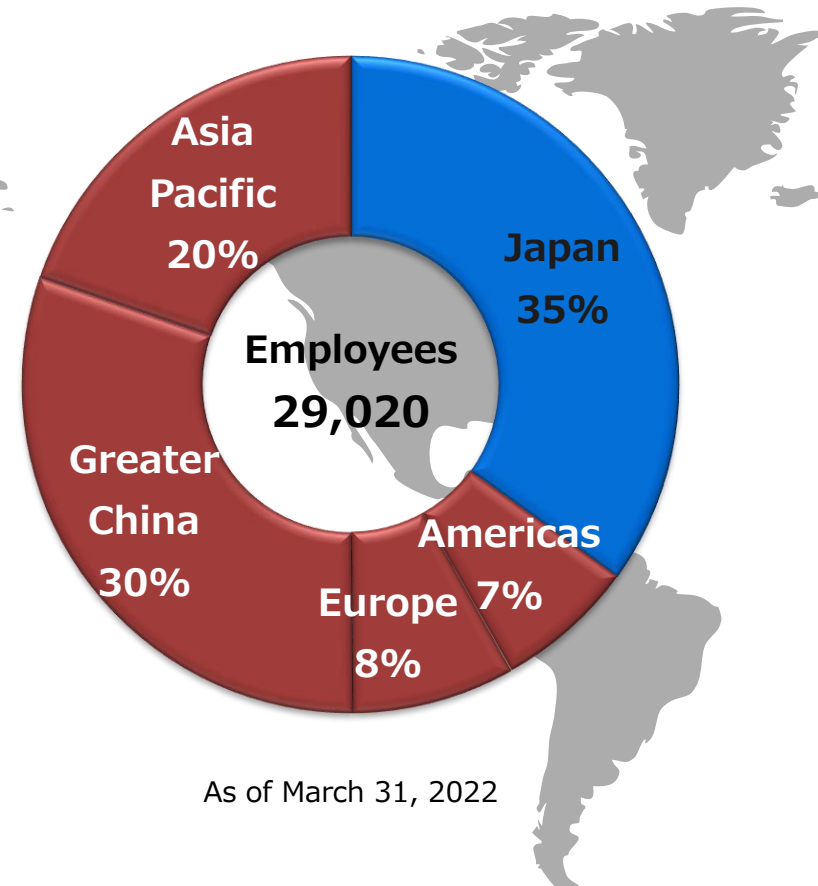


# Business Develops in about 120 Countries and Areas

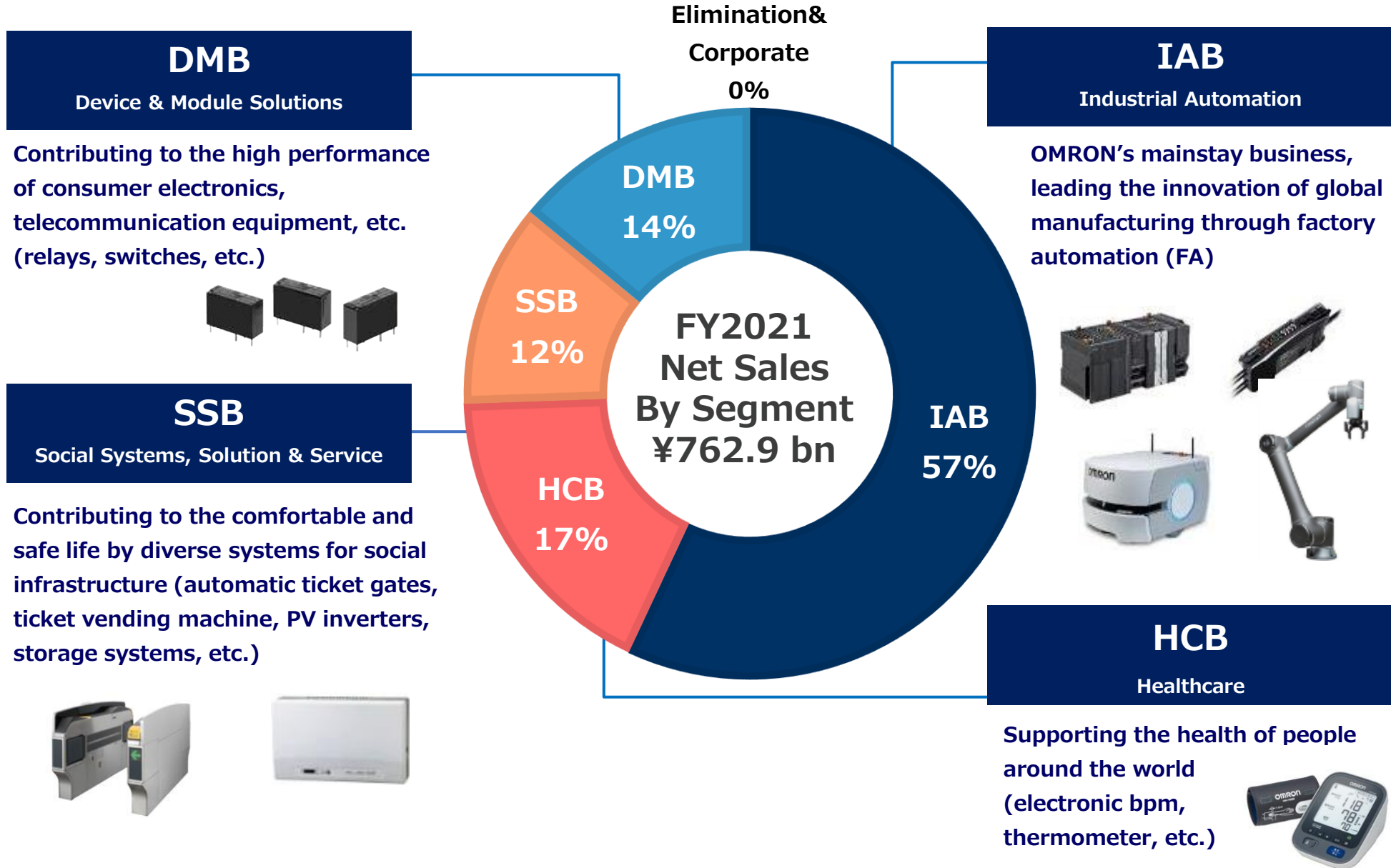
Over 60% is overseas' sales



Over 60% are non-Japanese

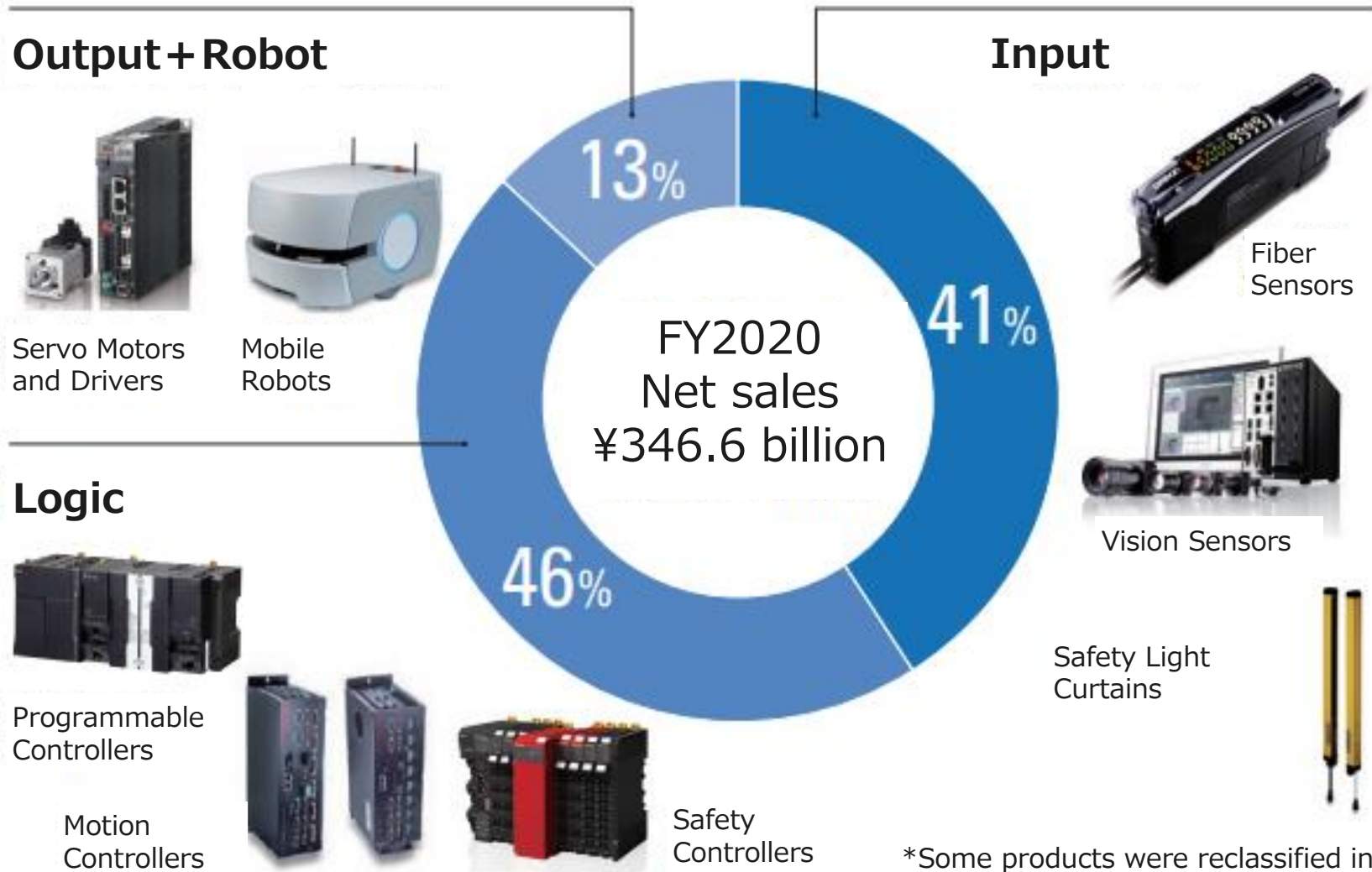


# OMRON's Diverse Business Portfolio



# Industrial Automation (IAB)

## Sales by Product



\*Some products were reclassified in fiscal 2020 from fiscal 2019

# Full Coverage of Products

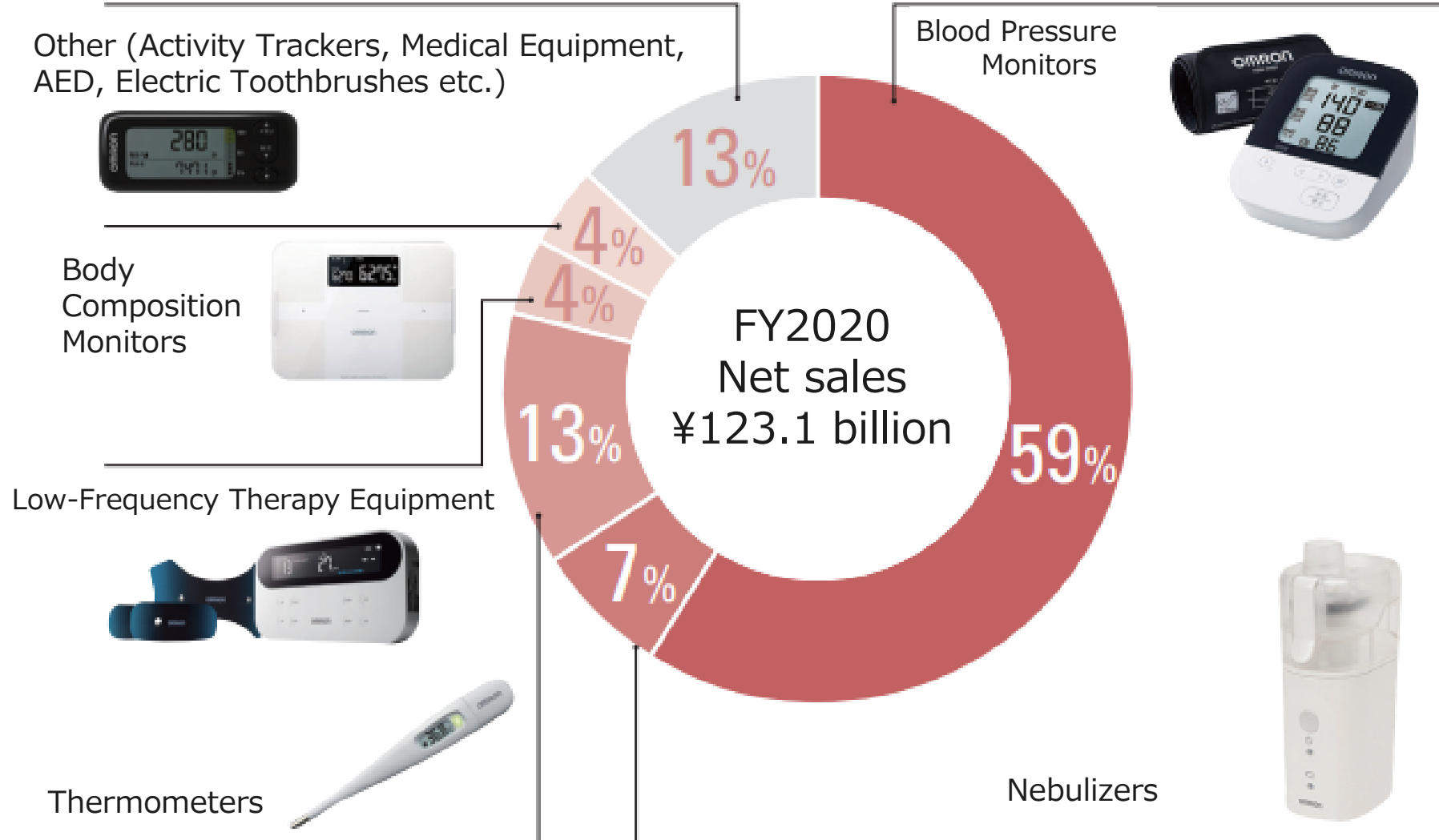
Broad lineup of over 200,000 products

× as many as 250 innovative applications software generation



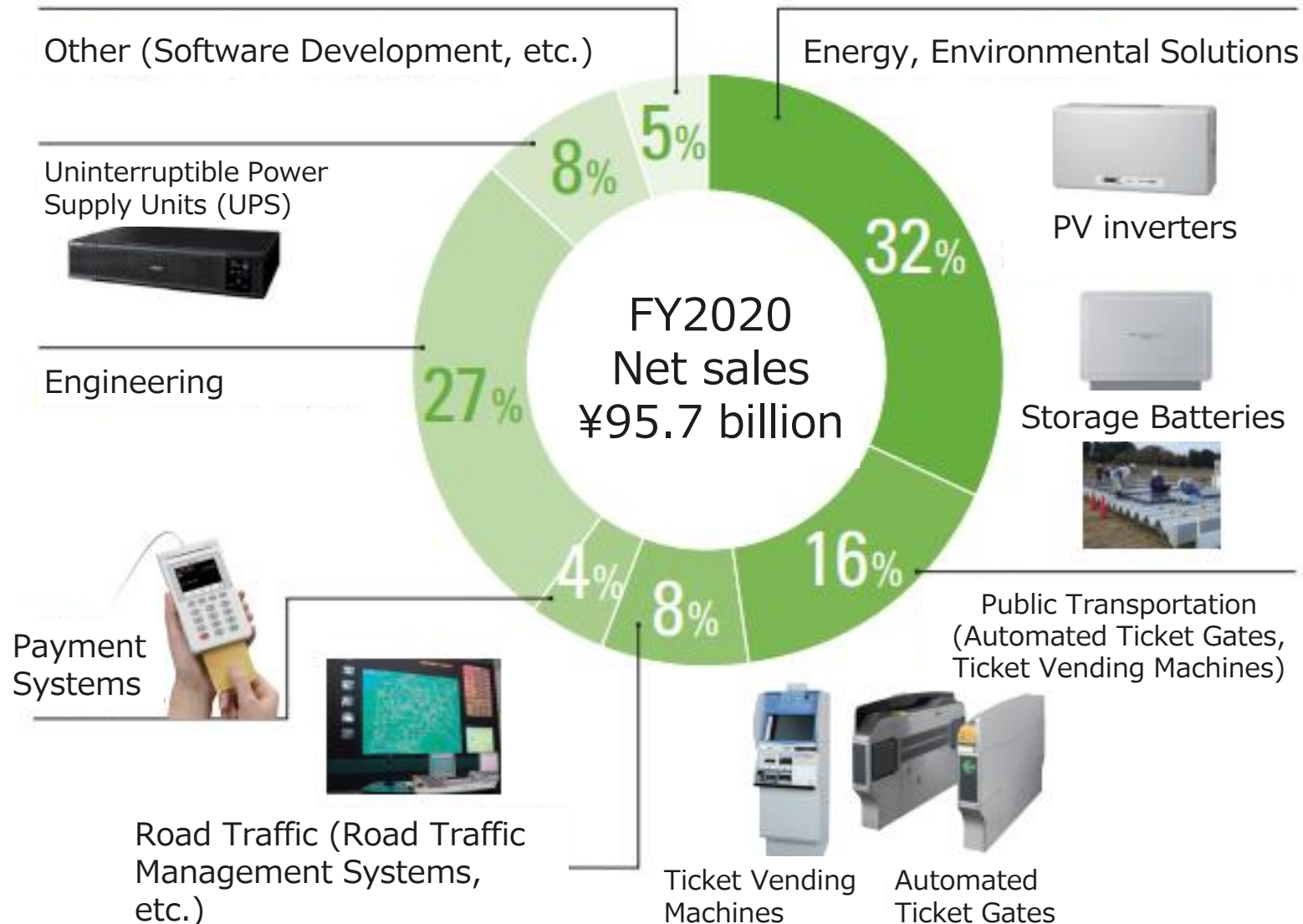
# Healthcare (HCB)

## Sales by Product



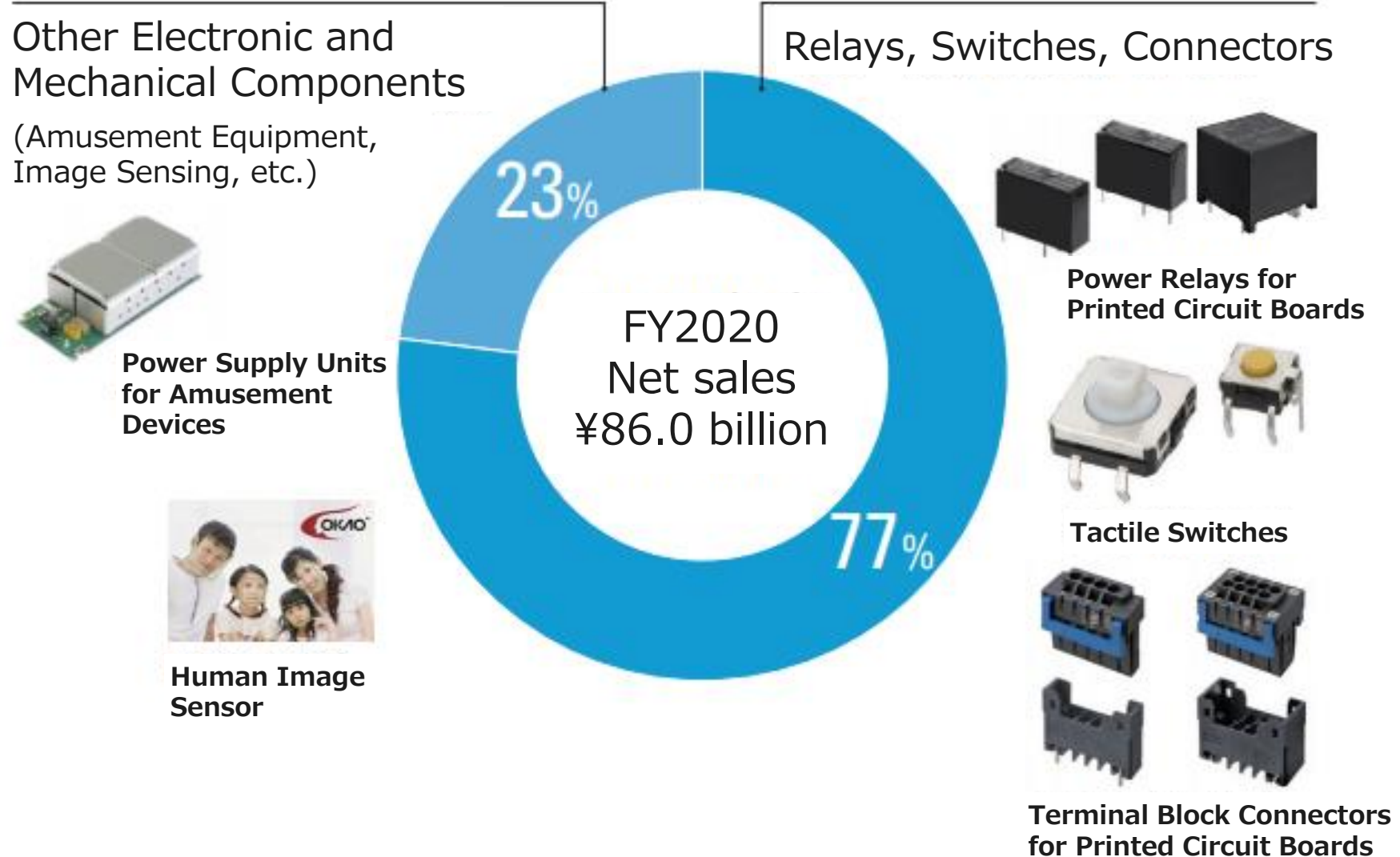
# Social Systems, Solution & Service (SSB)

## Sales by Product



# Device & Module Solutions (DMB)

## Sales by Product



# Enhancement of Corporate Value



# OMRON Included in Major ESG Indices (As of April 2022)

## ESG Indices which include OMRON

- ✓ DJSI – World **5<sup>th</sup> consecutive year**
- ✓ FTSE4Good Index Series **6<sup>th</sup> consecutive year**
- ✓ MSCI ESG Leaders Indexes **7<sup>th</sup> consecutive year**
- ✓ MSCI SRI Indexes **5<sup>th</sup> consecutive year**
- ✓ STOXX Global ESG Leaders Indices **6<sup>th</sup> consecutive year**
- ✓ FTSE Blossom Japan Index **5<sup>th</sup> consecutive year**
- ✓ FTSE Blossom Japan Sector Relative Index **1<sup>st</sup> time selected**
- ✓ MSCI Japan ESG Select Leaders Index **5<sup>th</sup> consecutive year**
- ✓ MSCI Japan Empowering Women Index **5<sup>th</sup> consecutive year**
- ✓ S&P/JPX Carbon Efficient Index **4<sup>th</sup> consecutive year**

\* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.  
FY2021 Assessment: Climate Change 'A-', Water Security 'A-'

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

2021 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



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# External Recognition (As of April 2022)

## Domestic ESG awards, selection for inclusion

### S&P Global Sustainability Award

- ✓ S&P Sustainability Award Silver Class

### EcoVadis

- ✓ Sustainability Assessment Gold Rating

### Japan Association of Corporate Directors

- ✓ Corporate Governance of the Year 2018  
METI Minister's Award for Corporate Governance of the Year **FY2018**

### Ministry of the Environment

- ✓ FY2018 Minister's Award for Global Warming Prevention Activity  
'Implementation of Countermeasures and Dissemination Category' **FY2018**

### Sponsored by Nikkei Inc

- ✓ Nikkei SDGs Management Grand Prix SDGs Strategy/Economic Value Award **December 2019**

### Selected by METI, TSE

- ✓ TSE 2014 Corporate Value Improvement Award, Grand Prix. **FY2014**
- ✓ Nadeshiko Brand **5<sup>th</sup> consecutive year from FY2017**
- ✓ Health & Productivity Stock **4<sup>th</sup> consecutive year from FY2018**
- ✓ Health & Productivity: White 500 **6<sup>th</sup> consecutive year from FY2016**

### Selected by Nikkei Inc.

- ✓ Nikkei 225 **March 2019, 1<sup>st</sup> time**

Sustainability Award  
Silver Class 2022

S&P Global



# Cash Allocation and Shareholder Returns Policies

## Cash Allocation Policy

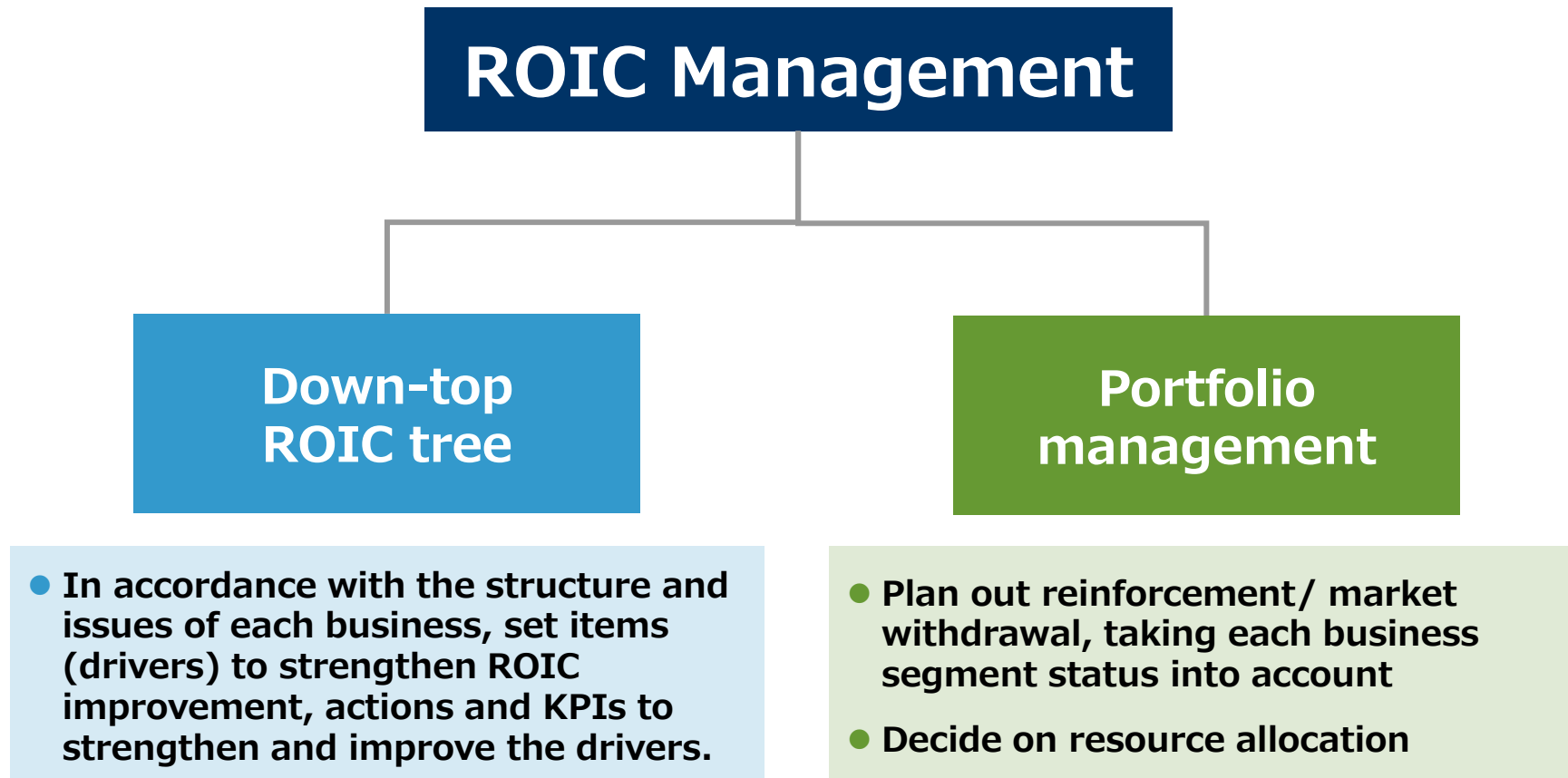
1. Aim to maximize corporate value by realizing OMRON's LT vision. Prioritizing investments that will create new value from a medium- to long-term perspective. In SF 1st Stage, will prioritize investments in human capital and R&D to address social issues and create social needs, capex to increase production capacity and to advance DX, growth investments such as M&A & A(Iliances) and sustainability initiatives such as decarbonization, reducing environmental impact and respecting human rights in the supply chain. Beyond this, OMRON will maintain stable and consistent shareholder returns
2. Basic policy for funding the above value creation investments and shareholder returns: funds to come from retained earnings and operating cash flow generated. If necessary, OMRON will tap into appropriate fund raising alternatives. Given its ability to raise funds without being unduly impacted by financial market conditions OMRON will continue to focus on maintaining financial soundness

## Shareholder Returns Policy

1. After prioritizing necessary investments for medium- to long-term value creation, OMRON's annual dividend payout policy will be a DOE of 3%. Beyond this, OMRON will take into account previous DPS levels in order to maintain stable and consistent shareholder returns
2. In the event where excess levels of cash are maintained over the long term after making the above investments and profit distributions, OMRON may reward shareholders by undertaking share buybacks from time to time

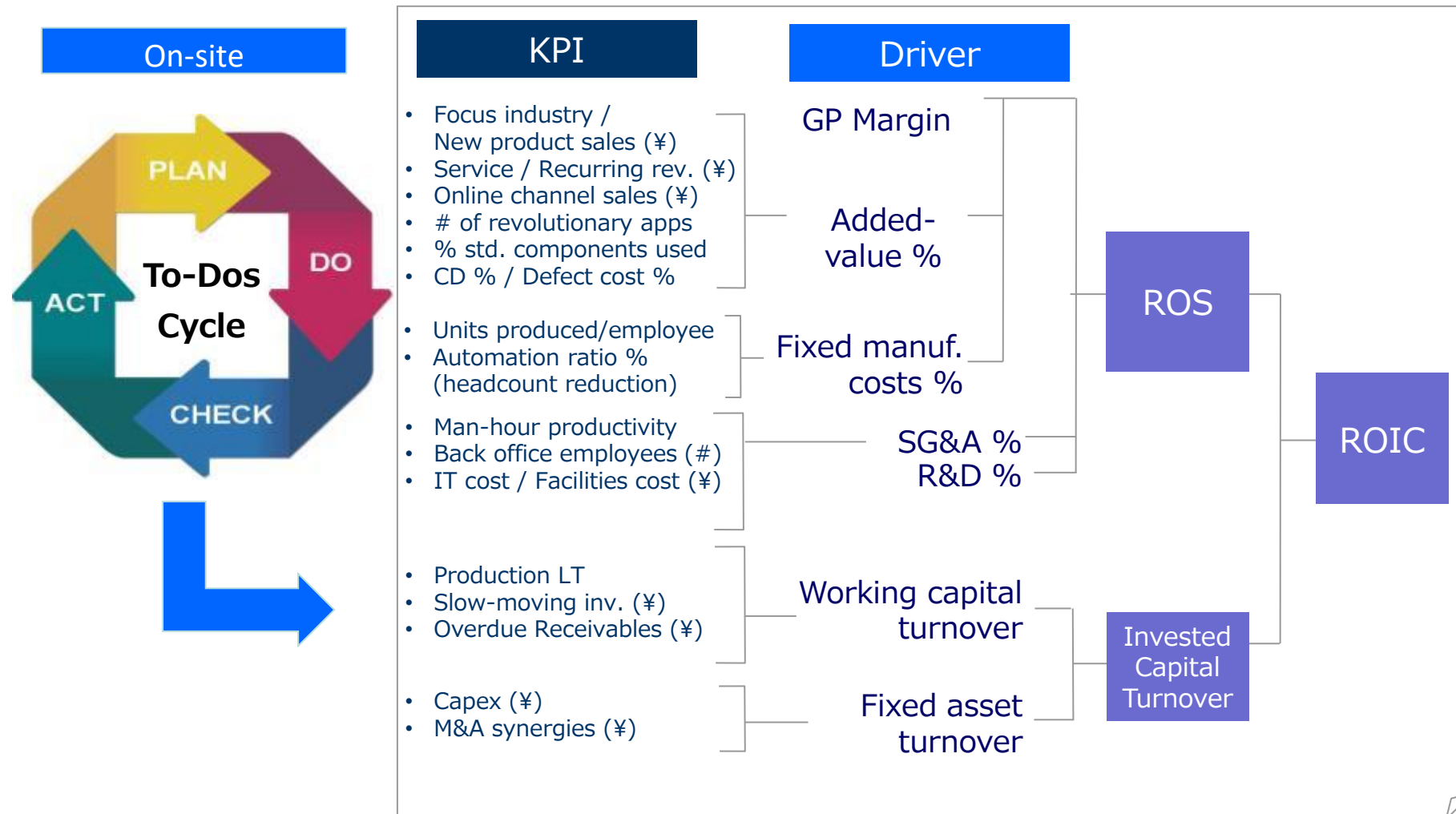
# ROIC Management

Set ROIC management as medium- to long-term management decision making tools



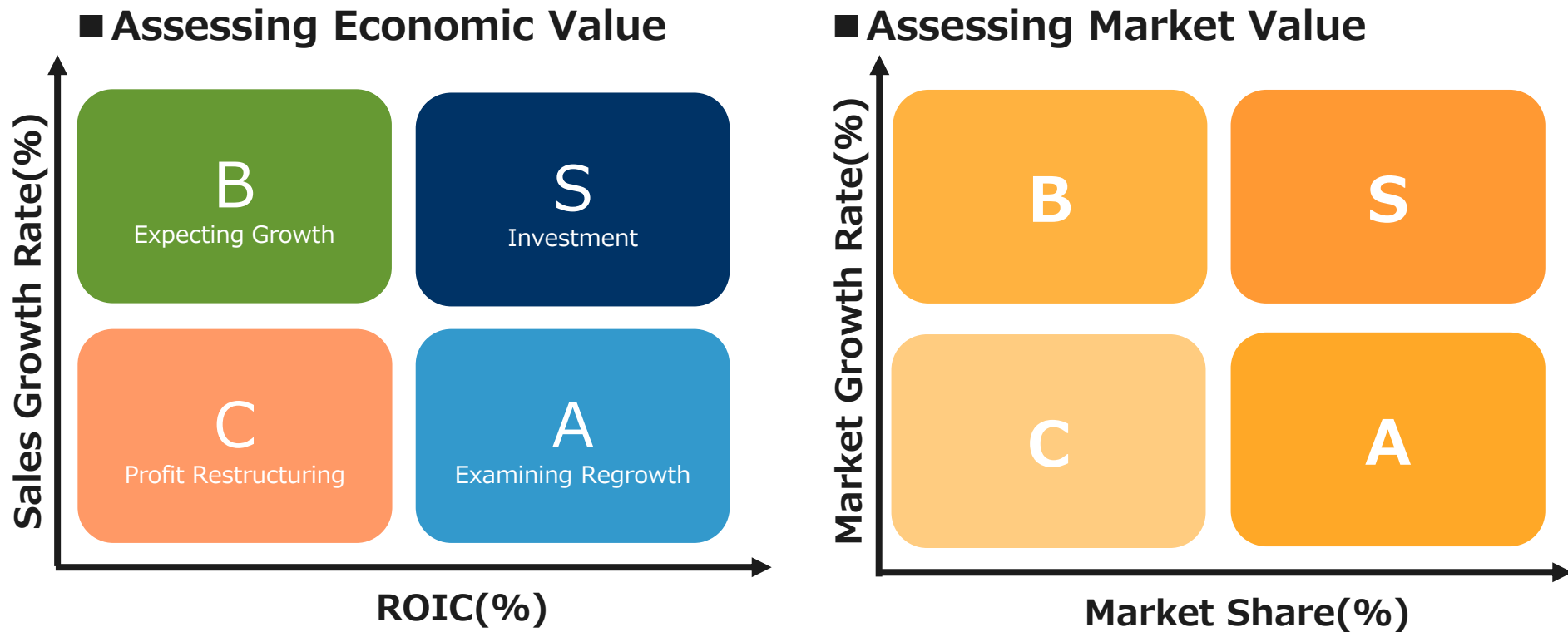
# Down-Top ROIC Tree (2.0)

Through Down-Top tree, execute on KPI/PDCA at all levels down to on-site staff



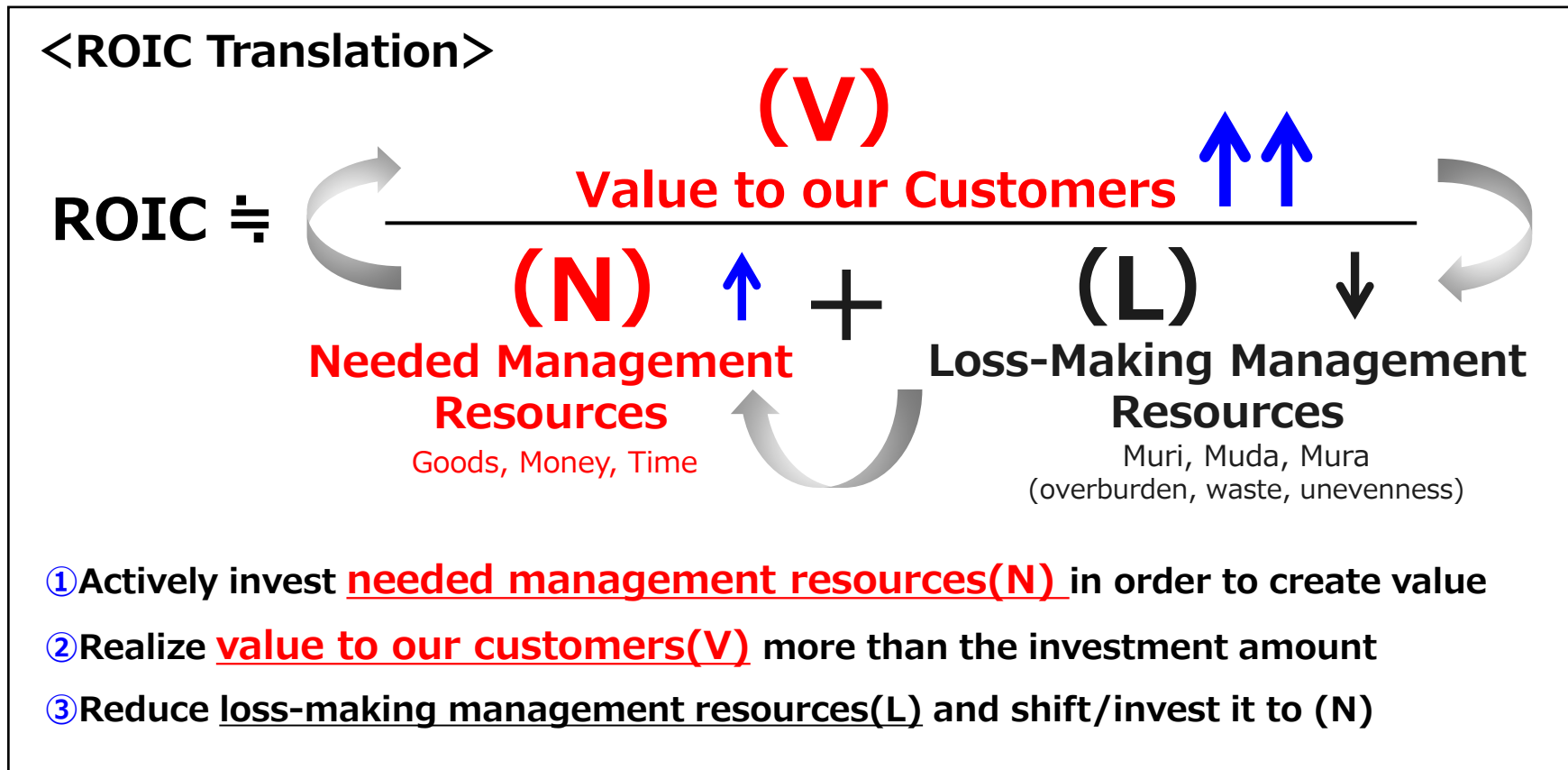
# Portfolio Management

After assessing economic and market value,  
allocate investment resources in an optimal manner



# ROIC Management Upgrading (ROIC 2.0)

Upgrading ROIC management to encourage an awareness and better understanding on ROIC



# Corporate Governance

## Highly transparent and effective corporate governance structure as a basis for sustainable value creation

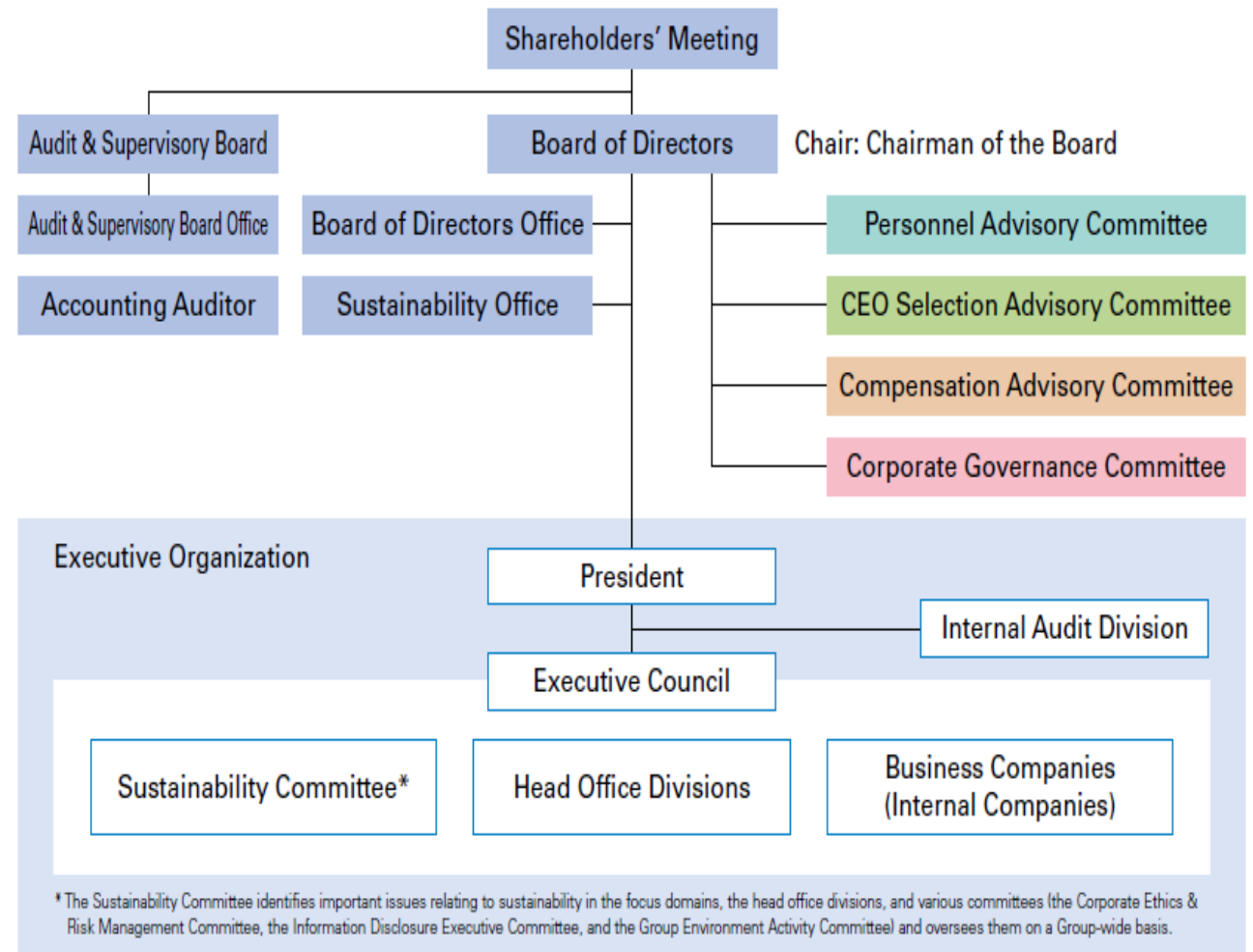
### ✓ Separation of management oversight and business execution

- Separate position: Chairperson of the BoD and CEO
- Of 8 directors, 3 are independent, with majority being non-executive
- Larger authority given to business company presidents for swifter decision-making

### ✓ Personnel/ CEO selection/ compensation advisory committees and corporate governance committee

- While OMRON is a company with an audit & supervisory board under Japan's Companies Act, it has 3 advisory committees and 1 committee
- The four chaired by independent directors
- President does not belong to any of the committees

Fiscal 2021 OMRON's Corporate Governance Structure

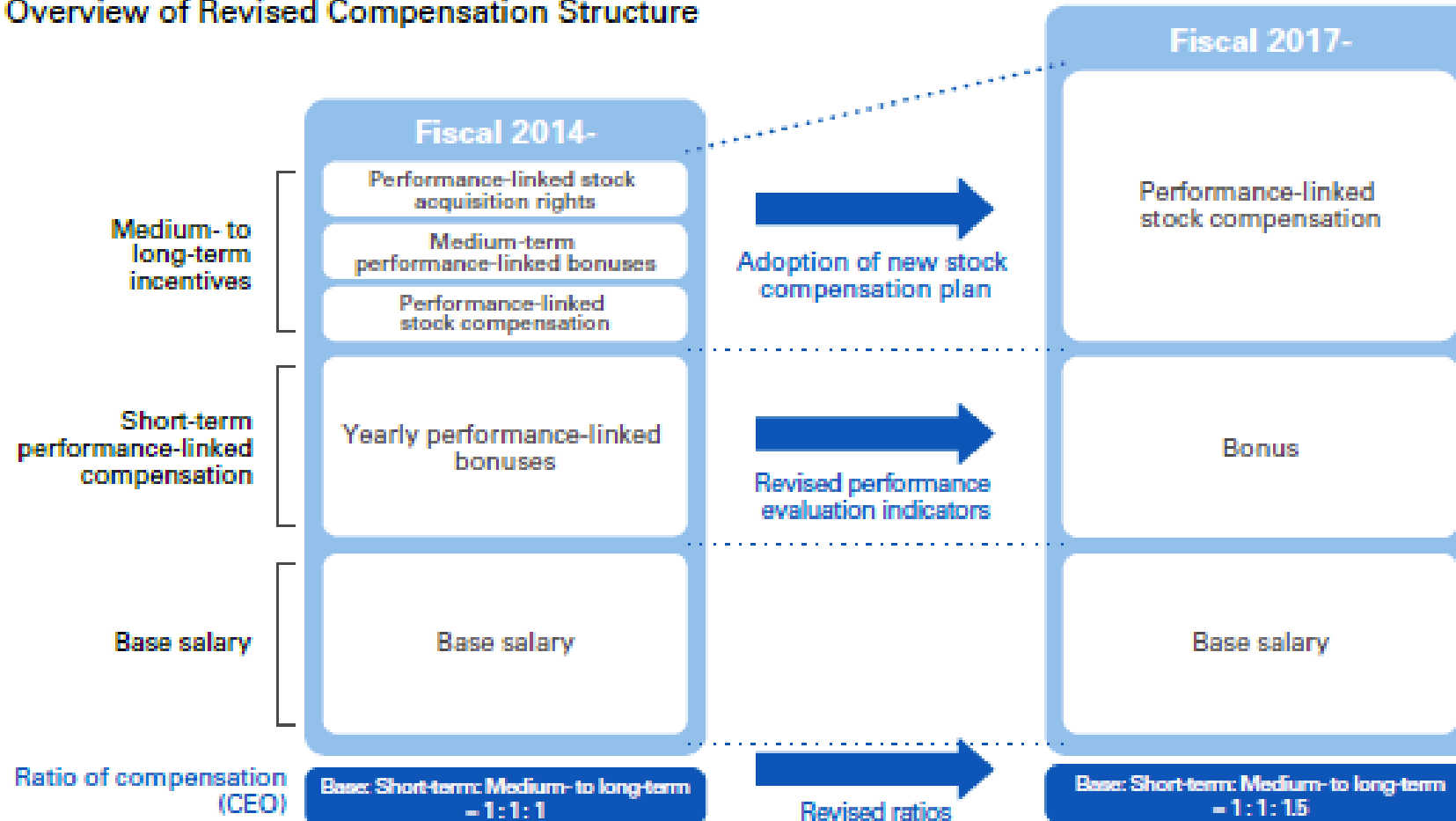




# Compensation Scheme

## Increased ratio of medium- to long-term performance-lined compensation

### Overview of Revised Compensation Structure





**OMRON**