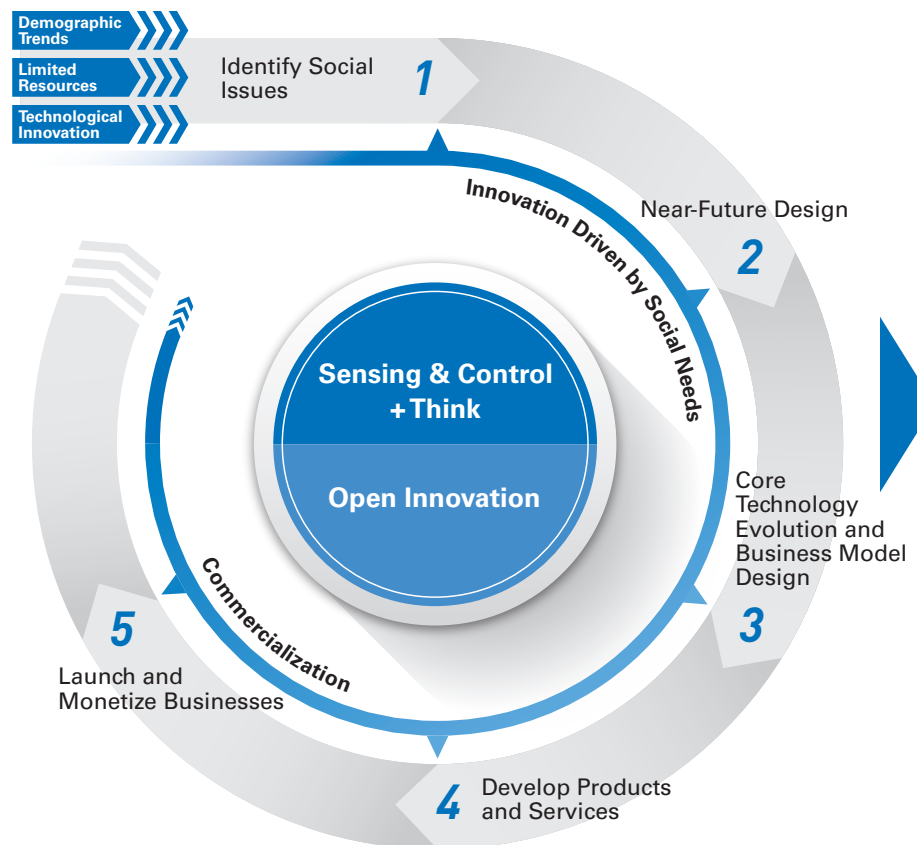


Value Creation Model

Input		
Management Capital	→	
Financial Capital	Shareholders' equity ¥728.5 billion (As of March 31, 2023) Rating AA- (R&I) A (S&P) (As of March 31, 2023)	Operating cash flow ¥250.0 billion (Plan under SF 1st Stage) Growth Investment ¥200.0 billion (including M&A) (Plan under SF 1st Stage)
Manufactured Capital	Number of production sites worldwide 26 sites (As of March 31, 2023)	Capital expenditures ¥130.0 billion (Plan under SF 1st Stage)
Intellectual Capital	Number of patents held 12,908 patents (As of March 31, 2023)	R&D expenses ¥165.0 billion (Plan under SF 1st Stage)
Human Capital	Number of employees 28,034 employees (As of March 31, 2023)	Investment in human resources development ¥6.0 billion (Plan under SF 1st Stage)
Natural Capital	Energy consumption: 249,189 MWh (As of March 31, 2023) Resources recycled in house: 591 tons of materials (As of March 31, 2023)	Water resource intake: 1,047 km ³ (As of March 31, 2023)
Social and Relationship Capital	Number of Countries where OMRON products are sold: Over 130 Countries (As of March 31, 2023) Investment in startups: Invested in 23 startups (cumulative total) (As of March 31, 2023)	Brand value (converted to financial value) USD1.5 billion (Plan under SF 1st Stage)

Business Creation Process at OMRON



The OMRON Principles

	Output		Outcome
Material Sustainability Issues	Domains	Focus Businesses	Social Value
1) Resolving Social Issues through Our Business	Industrial Automation Industrial Automation Business (IAB)	Digital, environmental mobility (NEV), food and daily goods, logistics, and medical (+ robotics and service business)	Establishment of manufacturing sites where both harmony with the global environment and worker satisfaction are achieved and that will support a sustainable future
	Healthcare Solutions Healthcare Business (HCB)	Cardiovascular, respiratory, pain management, remote patient monitoring services	Realization of healthier and more comfortable lives for people around the world, including extension of healthy life expectancy and reduction of medical expenditures
	Social Solutions Social Systems, Solutions and Service Business (SSB)	(Residential / industry / mobility) energy management and services, network protection	Realization of a better society in which people around the world can continue to live in a safer, more secure and comfortable society by expanding renewable energy and providing people-friendly next-generation systems
	Device & Module Solutions Device & Module Solutions Business (DMB)	Direct current (DC) drive equipment, DC infrastructure equipment, high-frequency devices, and remote/VR devices	Contribution to the improvement of human life on the planet and the development of society through the spread of new energy and high-speed communications
2) Maximizing the Capability to Innovate Driven by Social Needs	Innovation Exploring Initiative HQ (IXI)	Creating new businesses	Through pursuit of “automation to empower people” to resolve the three social issues, realization of the Autonomous Society that embodies our founder’s management philosophy: “People should leave what machines can do to machines and enjoy activities in more creative areas.”
	Technology and Intellectual Property HQ	Development of core technologies in 4 areas of technological focus: Robotics, Sensing, Power Electronics, and AI and Data Analysis	
	Global Corporate Venturing Office (CVC)	Acceleration of open innovation through investment in startups and co-creation	
3) Generating diverse talent taking on the challenge of value creation	<ul style="list-style-type: none"> Ratio of non-Japanese in key managerial positions overseas: 80% or more Ratio of women in managerial roles: 17.4% or higher (OMRON Group worldwide) Realize employment of persons with disabilities at 26 overseas sites and maintain the ratio of employees with disabilities at 3% in Japan VOICE SEI: 70P or higher 		Each employee practices the resolving of social issues through business
4) Achieving de-carbonization and lower environmental impact	<ul style="list-style-type: none"> Scope 1 and 2: 53% cut vs. FY2016 Scope 2: Achieve Carbon Zero at all 76 sites in Japan Scope 3, Category 11: Implement energy-saving designs for new products Implement business model transformation, environmentally friendly design, collection and recycling, and sustainable procurement in response to transition to a circular economy 		Contribution to the creation of a sustainable society by establishing a system to ensure the effectiveness of initiatives for “reducing greenhouse gas (GHG) emissions,” “transitioning to a circular economy,” and “coexisting with nature”
5) Respecting Human Rights in the Value Chain	<ul style="list-style-type: none"> Conduct human rights due diligence in line with the UNGP Establish human rights redress mechanisms into the value chain globally 		Mitigate human rights risks throughout the value chain. Ensure that a culture and system are in place that do not permit or cause human rights violations