

FY2020 Q3 Earnings Ended December 31, 2020



**January 27, 2021
OMRON Corporation**

Summary

■ Q1-Q3 FY2020 Results

- Q3 (3 months) sales, OP up Y/Y. Q1-Q3 OP also rose Y/Y
- GP margin continued to improve, setting new record high for Q1-Q3
- Earnings driven by core businesses of IAB and HCB

■ Full-year Forecasts

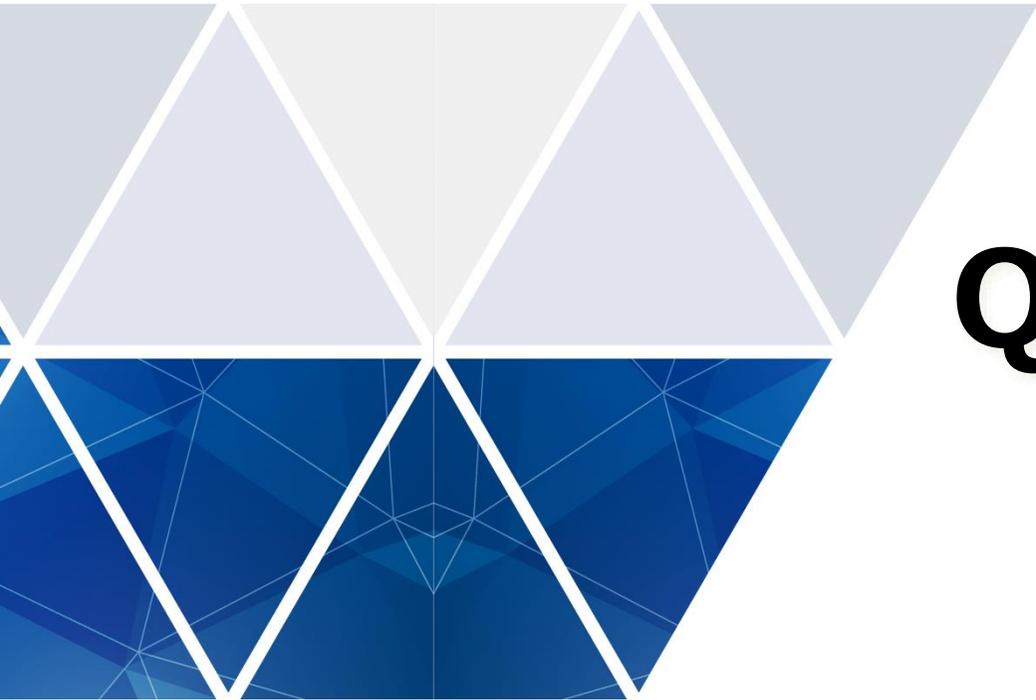
- Revised full-year forecasts. Now expect Y/Y improvement in profits. Maintain fiscal year-end DPS guidance of ¥42
- Expect continuation of Q3's firm global operating environment
- IAB, HCB to remain the main drivers of earnings

■ Growth Strategies for HCB and IAB

- HCB targeting further growth, by leveraging strengths unmatched by peers in the growing BPM market
- IAB focusing on evolution of innovative-Automation concept, centered around robotic integrated controller

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Q1-Q3 FY2020 Results

Sales by Segment: Q3 (Three Months)

**Q3 sales up Y/Y at all segments except SSB.
Change in trend from Q3**

(¥bn)

	Q3 FY2019 Actual	Q3 FY2020 Actual	Y/Y
IAB Industrial Automation	87.5	88.0	+0.5%
EMC Electronic & Mechanical Components	21.4	23.0	+7.5%
SSB Social Systems, Solutions & Service	27.2	21.2	-22.1%
HCB Healthcare	30.7	35.0	+13.9%
Eliminations & Corporate	1.2	1.1	-8.6%
Total	168.1	168.3	+0.1%

* FY2019 figures adjusted to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.

Q1-Q3 FY2020 Results

**Reduced magnitude of sales declines, profits improved Y/Y.
GP margin hits new record high**

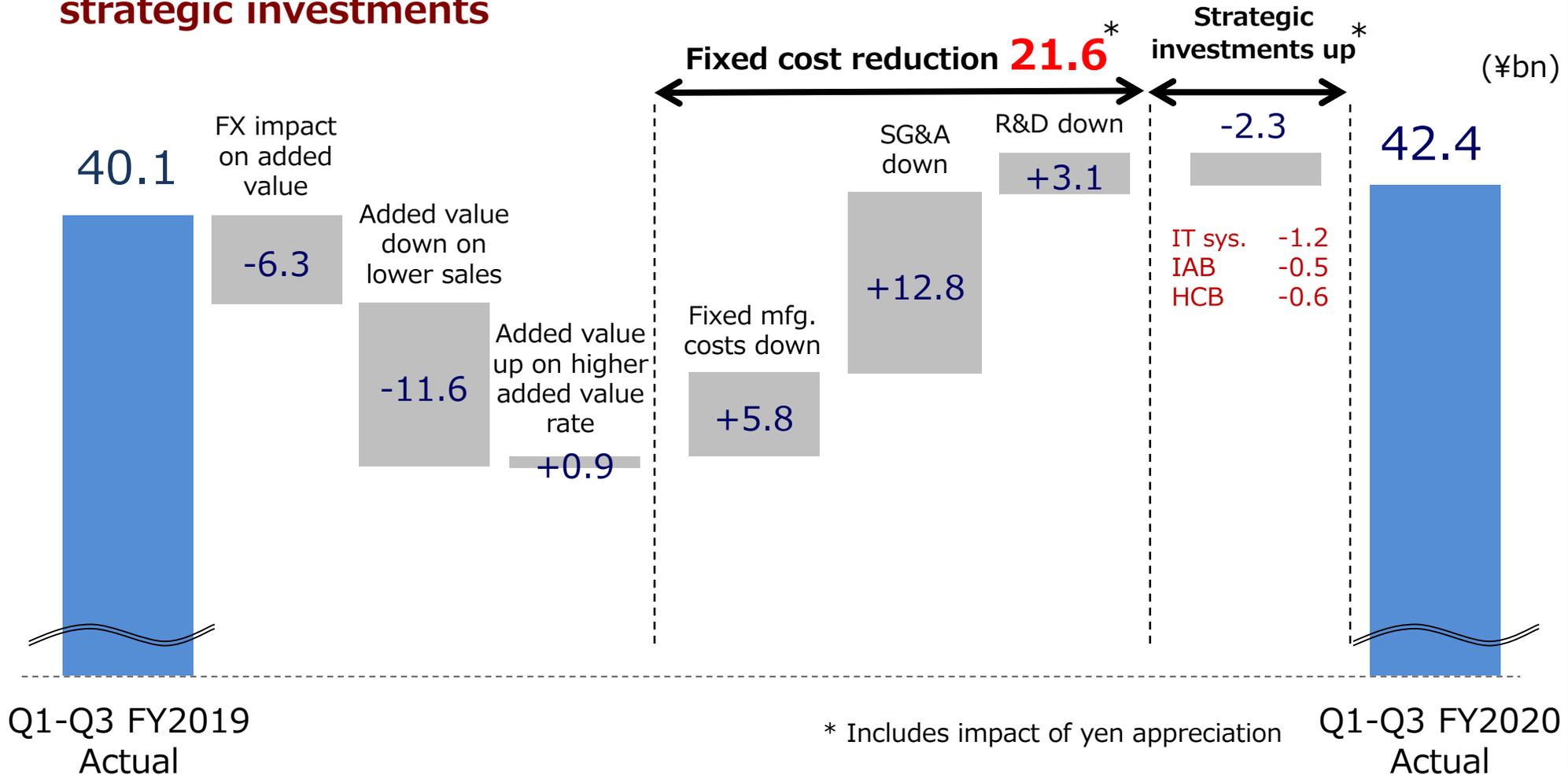
(¥bn)

	FY2019 Q1-Q3 Act.	FY2020 Q1-Q3 Act.	Y/Y
Net Sales	498.3	469.6	-5.8%
Gross Profit (%)	225.2 (45.2%)	213.9 (45.6%)	-5.0% (+0.4%pt)
Operating Income (%)	40.1 (8.0%)	42.4 (9.0%)	+5.8% (+1.0%pt)
Net Income	32.6*	33.9	+4.1%
1USD (JPY)	109.1	106.2	-2.9
1EUR (JPY)	121.3	121.8	+0.5
1RMB (JPY)	15.7	15.3	-0.4

*FY2019 Net Income excludes Net Income from Discontinued Operations. If Net Income from Discontinued Operations is included, Net Income would be ¥71.0bn

Operating Income Analysis (Y/Y)

Profit up Y/Y on sales recovery, higher GP margin and fixed cost control. Planned ¥20bn fixed cost cuts completed early, while executing on strategic investments



Sales by Segment

IAB successfully captured global demand recovery, minimizing sales decline. Continued strong HCB growth: sales up in all regions

	FY2019 Q1-Q3 Act.	FY2020 Q1-Q3 Act.	(¥bn) Y/Y
IAB Industrial Automation	265.4	252.9	-4.7%
EMC Electronic & Mechanical Components	67.3	61.8	-8.1%
SSB Social Systems, Solutions & Service	73.7	58.6	-20.4%
HCB Healthcare	85.3	92.5	+8.4%
Eliminations & Corporate	6.6	3.7	-43.4%
Total	498.3	469.6	-5.8%

*FY2019 figures adjusted to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.

IAB Q3 Sales Growth by Region

Greater China Q3 (3 months) sales up significantly. Demand recovering on global basis, declines in other regions narrowing

Q3 FY2020 (3 months) IAB Sales Growth by Region (Y/Y, local currency basis)

	Japan	Americas	Europe	Greater China	SE Asia/Other	
					Ex-S. Korea	S. Korea
	-12%	-7%	-1%	+37%	±0%	-2%
H1	(-12%)	(-12%)	(-15%)	(+19%)	(-15%)	(+17%)

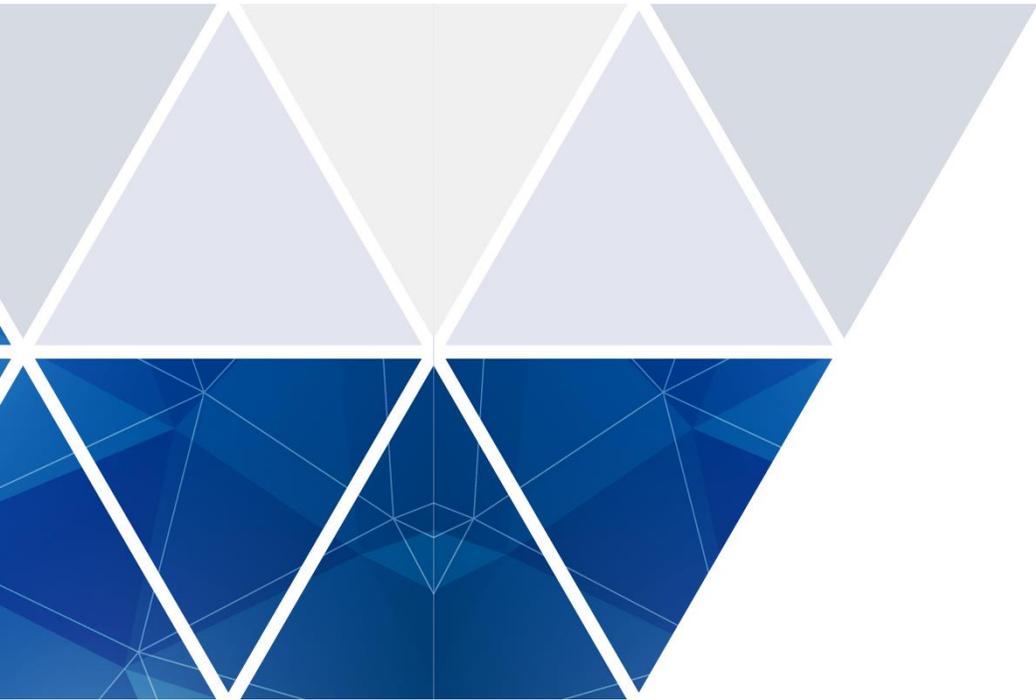
Operating Income by Segment

Profits up at IAB, EMC and HCB. In particular, HCB achieved high OPM on substantial sales growth

(¥bn, %: OPM)

	FY2019 Q1-Q3 Act.	FY2020 Q1-Q3 Act.	Y/Y
IAB Industrial Automation	40.7 (15.3%)	41.9 (16.6%)	+1.2 (+1.2%pt)
EMC Electronic & Mechanical Components	0.9 (1.4%)	1.5 (2.5%)	+0.6 (+1.1%pt)
SSB Social Systems, Solutions & Service	4.3 (5.9%)	-0.6 (-)	-5.0 (-)
HCB Healthcare	11.2 (13.2%)	16.9 (18.3%)	+5.7 (+5.1%pt)
Eliminations & Corporate	-17.0	-17.3	-0.2
Total	40.1 (8.0%)	42.4 (9.0%)	+2.3 (+1.0%pt)

*FY2019 figures adjusted to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.



Full-year Forecasts



Q4 Business Environment by Segment (Change vs Q2 Outlook)

Expect gradual recovery on global basis, primarily in IAB

IAB Industrial Automation	<p>Automotive: Continued strength in EV/ADAS. Expect gradual recovery in capex for gasoline-powered cars, on MRO* demand</p> <p>Digital: China semiconductor, smartphone demand rising, expect strong capex</p> <p>Food & bev.: Continued COVID-19-related demand; expect firm trend</p> <p>Social infrastructure: China 5G, solar investments strong; expect overall trend to be flat</p>
EMC Electronic & Mechanical Components	<p>Consumer: Trends still mixed but overall, expect gradual recovery. Solid recovery trend in China</p> <p>Automotive: Expect recovery trend, particularly in Americas, China</p>
SSB Social Systems, Solutions & Service	<p>Station sys.: Continued constraints on capex; expect weak demand trend</p> <p>Transport: Expect firm replacement demand to continue</p> <p>Env. Soln: Expect recovery to be delayed owing to COVID-19 impact</p>
HCB Healthcare	<p>BPM: Expect continued strength globally, on strong online sales</p> <p>Other: Expect continued strength in thermometers, scales/body composition scales</p>

*MRO: Maintenance Repair Order

Full-year Forecasts

Full-year forecasts revised up. Now projecting Y/Y rise in OP, NP. Expect to hit a new high for GP margin in spite of COVID-19

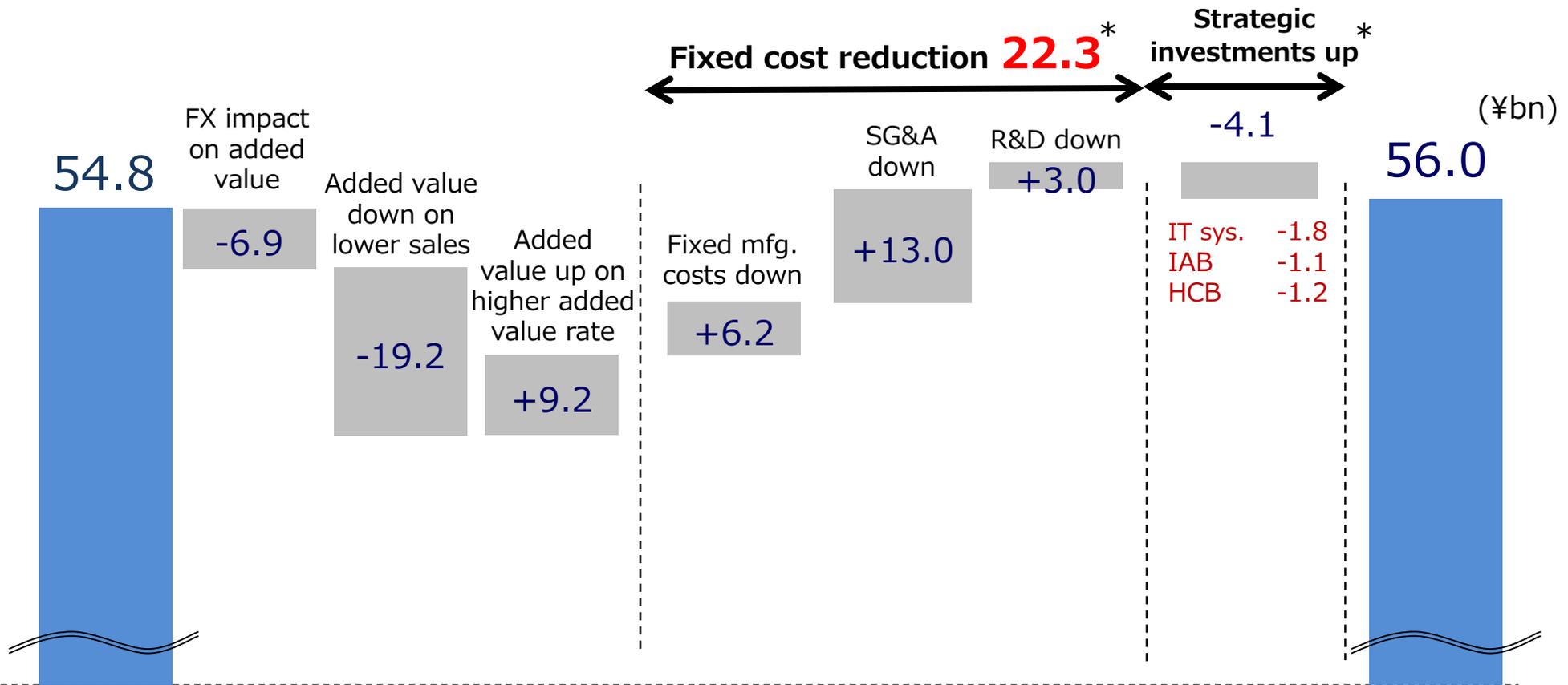
	FY2020 Previous Plan	FY2020 Forecast	Chg. Vs Plan	FY2019 Actual	Y/Y
Net Sales	620.0	645.0	+4.0%	678.0	-4.9%
Gross Profit (%)	279.5 (45.1%)	293.0 (45.4%)	+4.8% (+0.3%pt)	303.7 (44.8%)	-3.5% (+0.6%pt)
Operating Income (%)	40.0 (6.5%)	56.0 (8.7%)	+40.0% (+2.2%pt)	54.8 (8.1%)	+2.3% (+0.6%pt)
Net Income	24.0	40.0	+66.7%	39.2 [*]	+2.1%
1USD (JPY)	105.9	105.9	-0.0	109.1	-3.2
1EUR (JPY)	122.5	122.4	-0.1	121.2	+1.2
1RMB (JPY)	15.2	15.3	+0.1	15.7	-0.4

*FY2019 Net Income excludes Net Income from Discontinued Operations. If Net Income from Discontinued Operations is included, Net Income would be ¥74.9bn.

(¥bn)

Operating Income Analysis (Y/Y)

Profit to rise on sales recovery, improving GP margin and cutting fixed costs. Strategic investment to support next FY's growth



FY2019 Actual

*Includes impact of yen appreciation

FY2020 Forecast

Sales by Segment

Revised up forecast for IAB, EMC and HCB

(¥bn)

	FY2020 Previous Plan	FY2020 Forecast	Chg. Vs Plan	FY2019 Actual	Y/Y
IAB Industrial Automation	322.0	340.0	+5.6%	352.8	-3.6%
EMC Electronic & Mechanical Components	81.0	84.0	+3.7%	88.4	-4.9%
SSB Social Systems, Solutions & Service	93.0	93.0	±0.0%	116.0	-19.8%
HCB Healthcare	119.0	122.0	+2.5%	112.0	+8.9%
Eliminations & Corporate	5.0	6.0	+20.0%	8.9	-32.2%
Total	620.0	645.0	+4.0%	678.0	-4.9%

*FY2019 figures adjusted to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.

Operating Income by Segment

Upward revisions focused primarily on IAB, HCB

(¥bn, %: OPM)

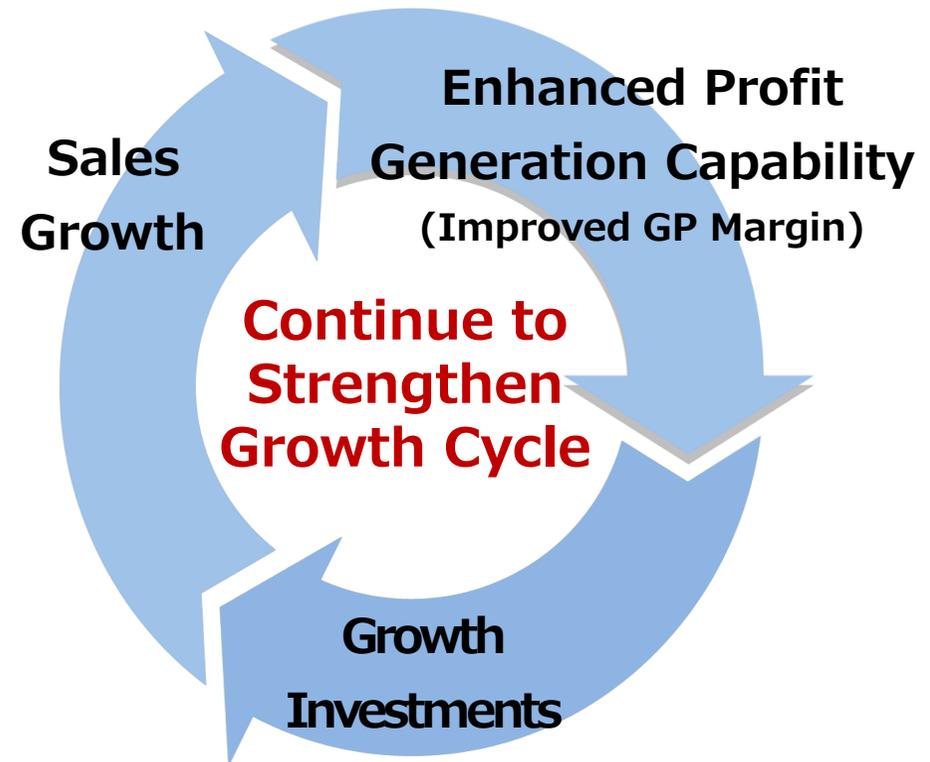
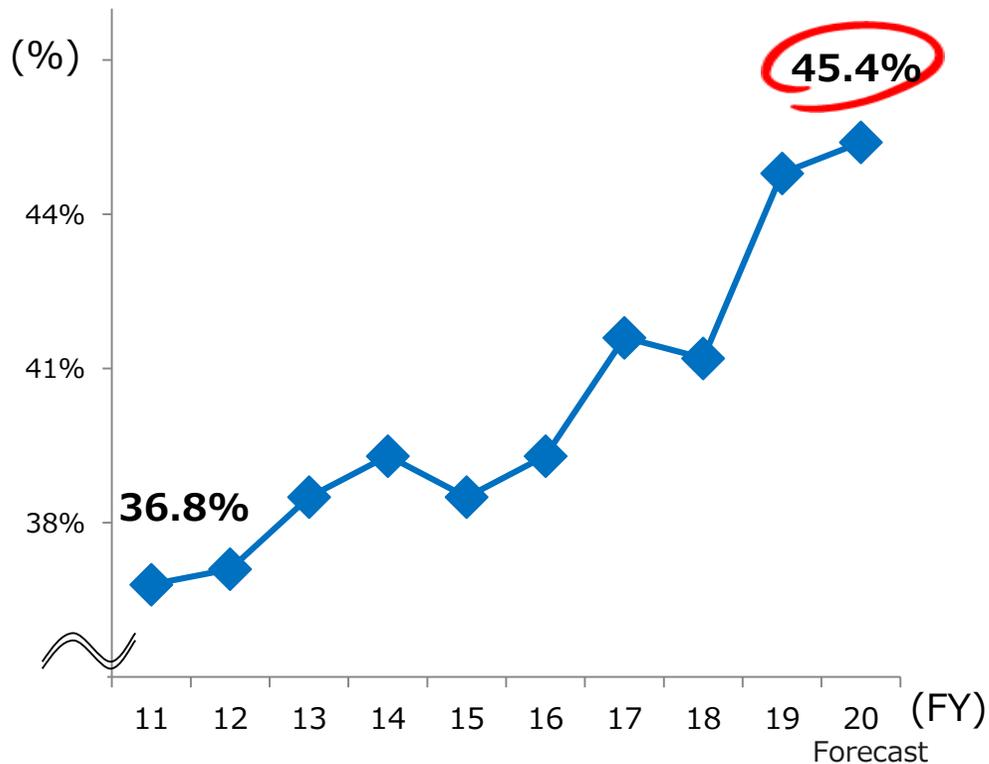
	FY2020 Previous Plan	FY2020 Forecast	Chg. Vs Plan	FY2019 Actual	Y/Y
IAB Industrial Automation	44.0 (13.7%)	55.0 (16.2%)	+11.0 (+2.5%pt)	53.6 (15.2%)	+1.4 (+1.0%pt)
EMC Electronic & Mechanical Components	1.0 (1.2%)	2.5 (3.0%)	+1.5 (+1.7%pt)	0.9 (1.0%)	+1.6 (+1.9%pt)
SSB Social Systems, Solutions & Service	5.0 (5.4%)	5.0 (5.4%)	±0.0 (±0.0%pt)	10.9 (9.4%)	-5.9 (-4.0%pt)
HCB Healthcare	17.0 (14.3%)	20.0 (16.4%)	+3.0 (+2.1%pt)	13.5 (12.1%)	+6.5 (+4.3%pt)
Eliminations & Corporate	-27.0	-26.5	+0.5	-24.1	-2.4
Total	40.0 (6.5%)	56.0 (8.7%)	+16.0 (+2.2%pt)	54.8 (8.1%)	+1.2 (+0.6%pt)

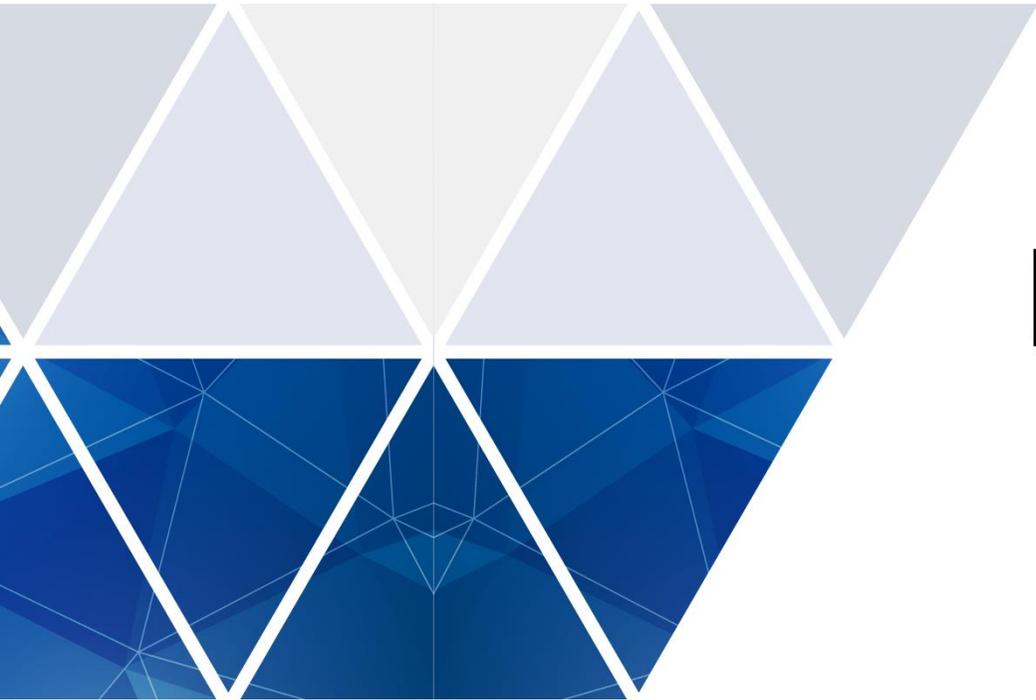
*FY2019 figures adjusted to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.

Key Focus for CFO

**Maintain operational discipline regardless of COVID-19.
Continue to focus on strengthening growth cycle for longer-term
value growth**

GP Margin Trend



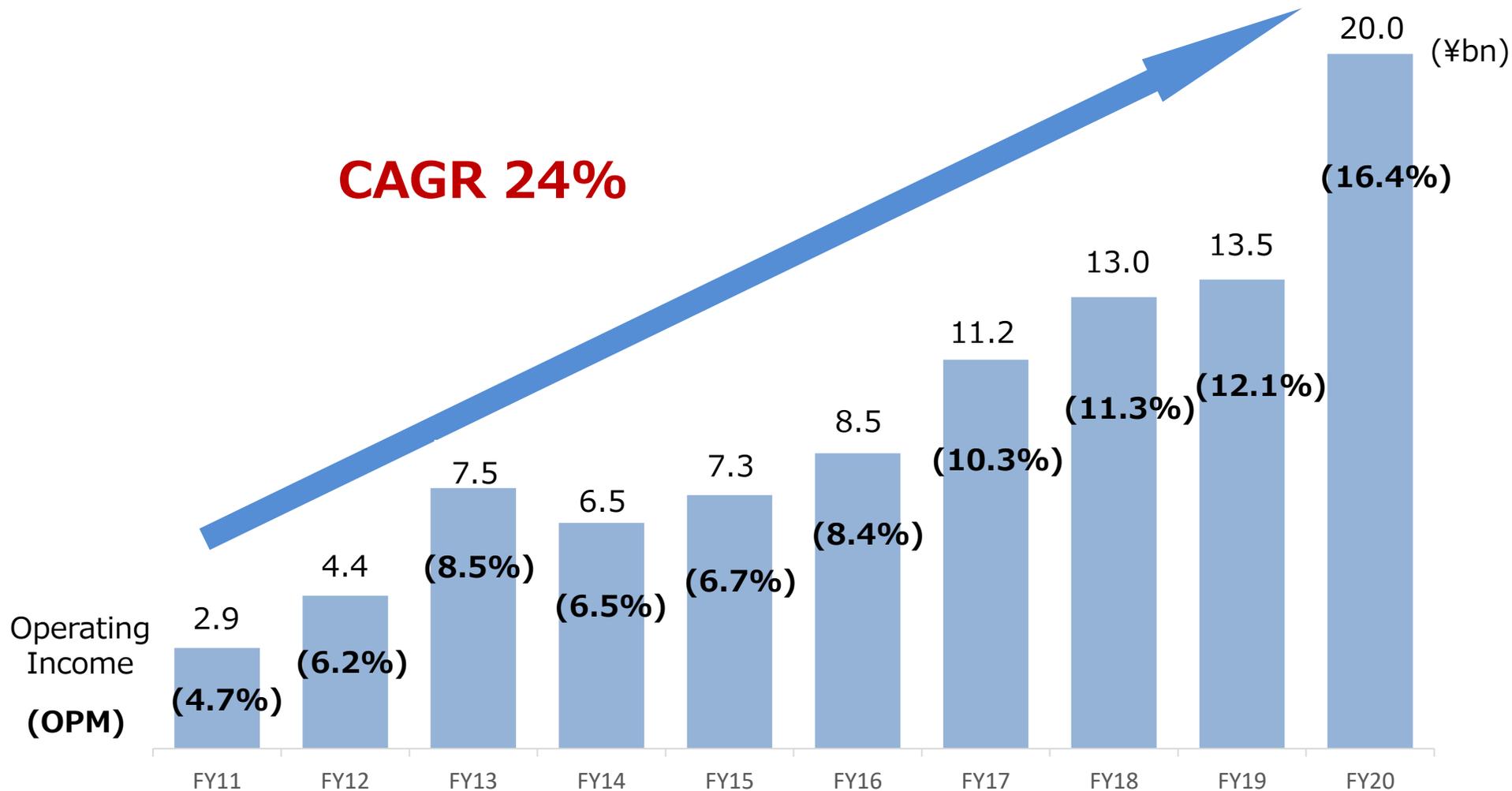


HCB Growth Strategy

HCB: Operating Income Trend

Achieving sustainable profit growth over the last 10 years

CAGR 24%



*FY20 is forecast

HCB's Strengths (BPM Business)

Within consumer-use medical device market, hold global No. 1 share (50%*) in home use BPMs

OMRON's Strengths

Trusted by Medical Practitioners

- OMRON is No. 1 BPM used in studies

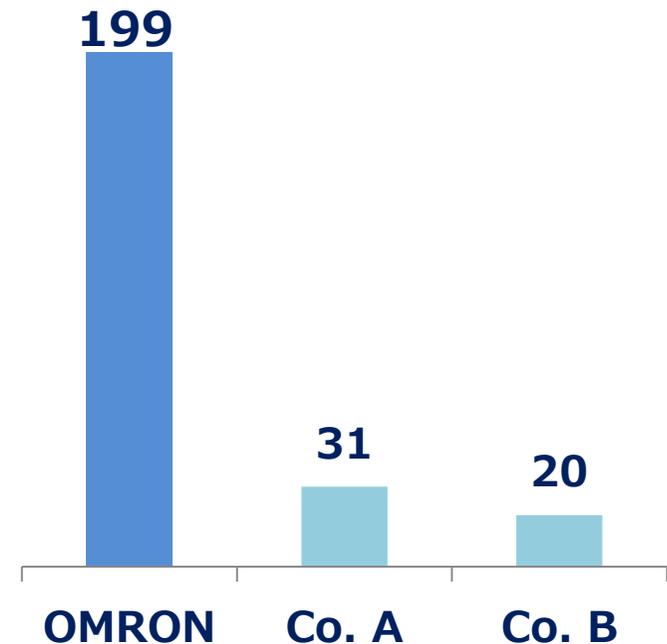
Robust Global Sales Channels

- Registered retailers
FY16 500K stores → FY20 560K stores
- Online as a percentage of total sales
FY16 15% → FY20 25%

Global Approvals Capability

- Approved in 90 countries

No. of Academic Studies Using OMRON BPMs* *



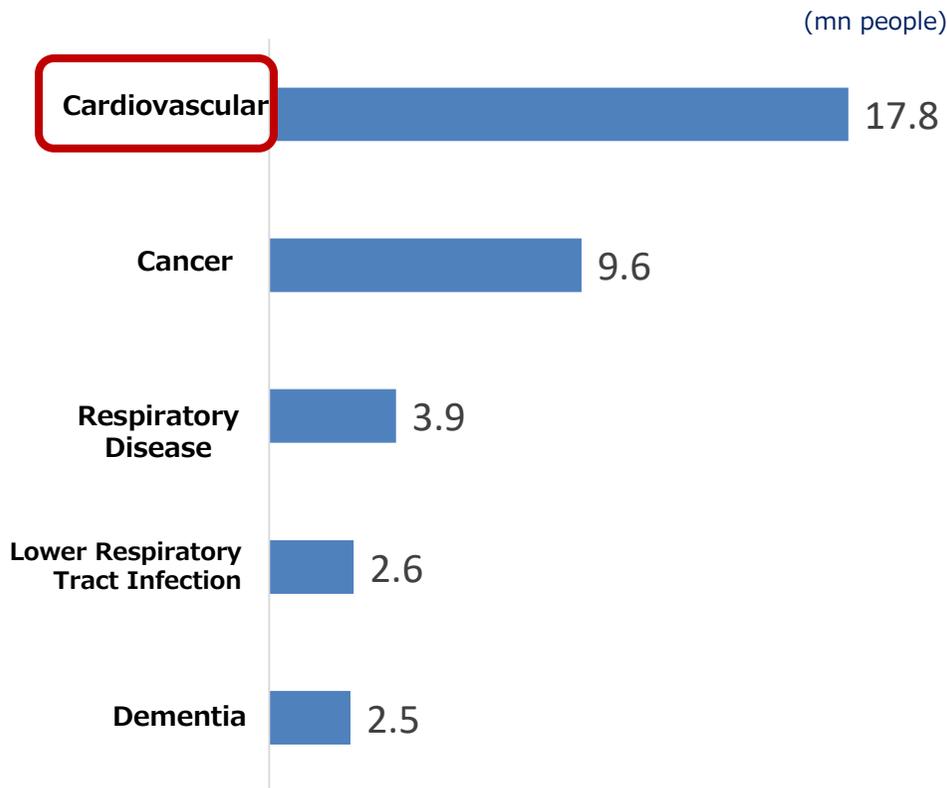
* OMRON Estimates

** Search conditions: Searched PubMed using 'Home BP' as base. Includes keywords like white coat hypertension and masked hypertension
Search limited to research papers published in 6 major publications (Circulation, Hypertension, J Hypertension, J Hum Hypertens., Am J Hypertens., Blood Press. Monit.)
Period: 2000 – Nov. 2018

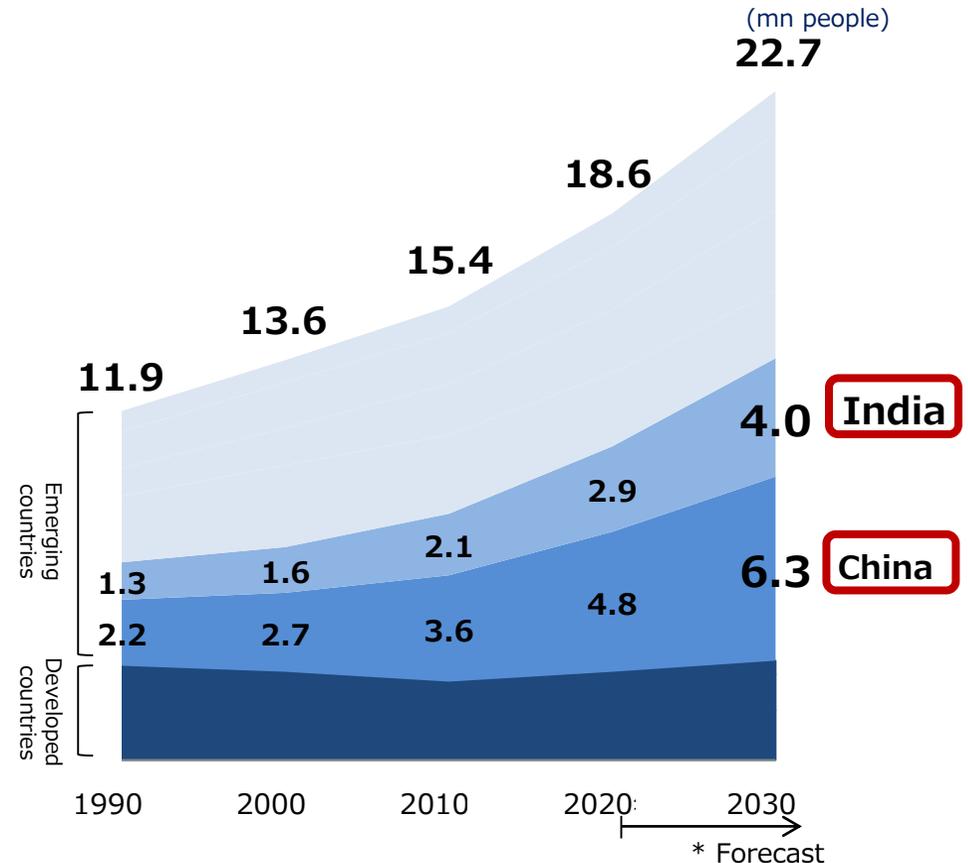
HCB: Increasing Importance of Treating Hypertension

Cardiovascular disease is No. 1 cause of non-infectious deaths by disease in the world. Deaths to continue to rise to 2030, led by China and India

2017 Deaths by Disease (Global)



Trend in Cardiovascular Deaths



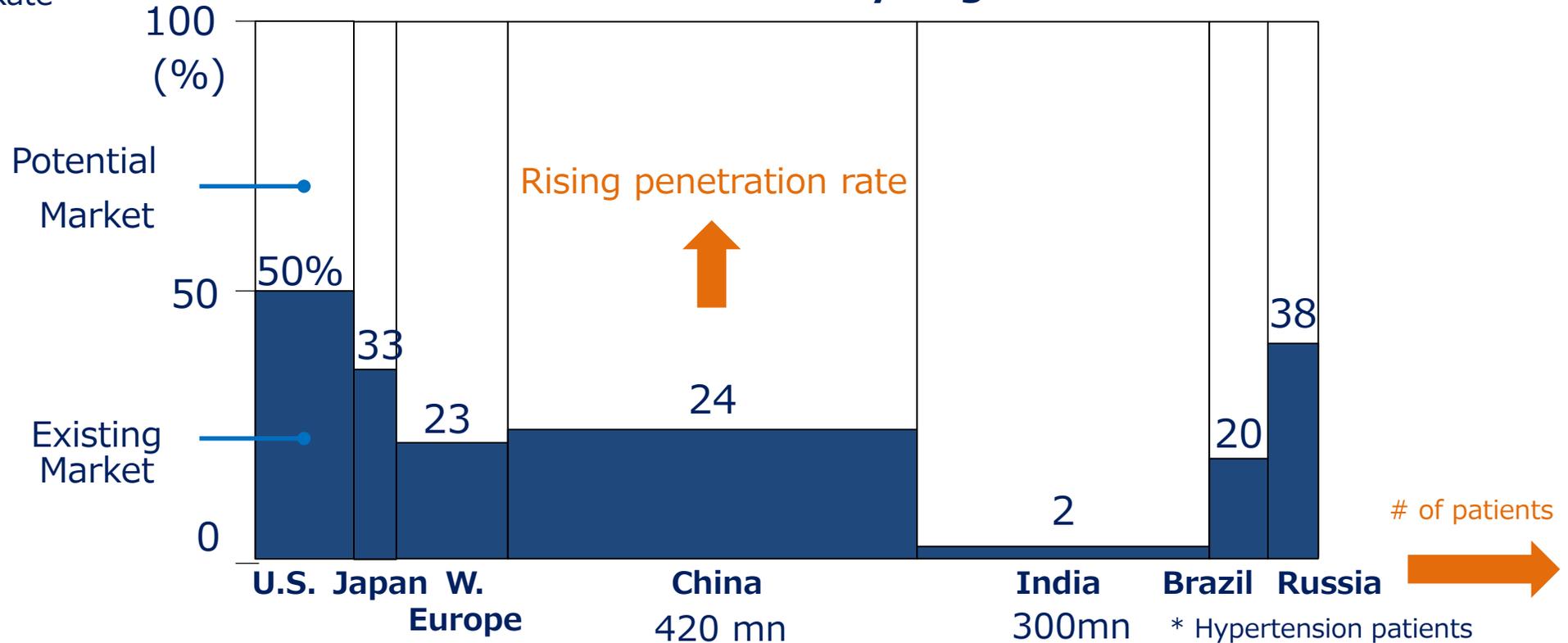
Source: Global Burden of Disease Collaborative Network 2018
 * OMRON estimates based on trends to 2018

HCB: BPM Market in Major Countries

Big global market potential, particularly in emerging markets. Aging, rising hypertension cases driving growth in developed markets

BPM Penetration **
Rate

BPM Markets by Region

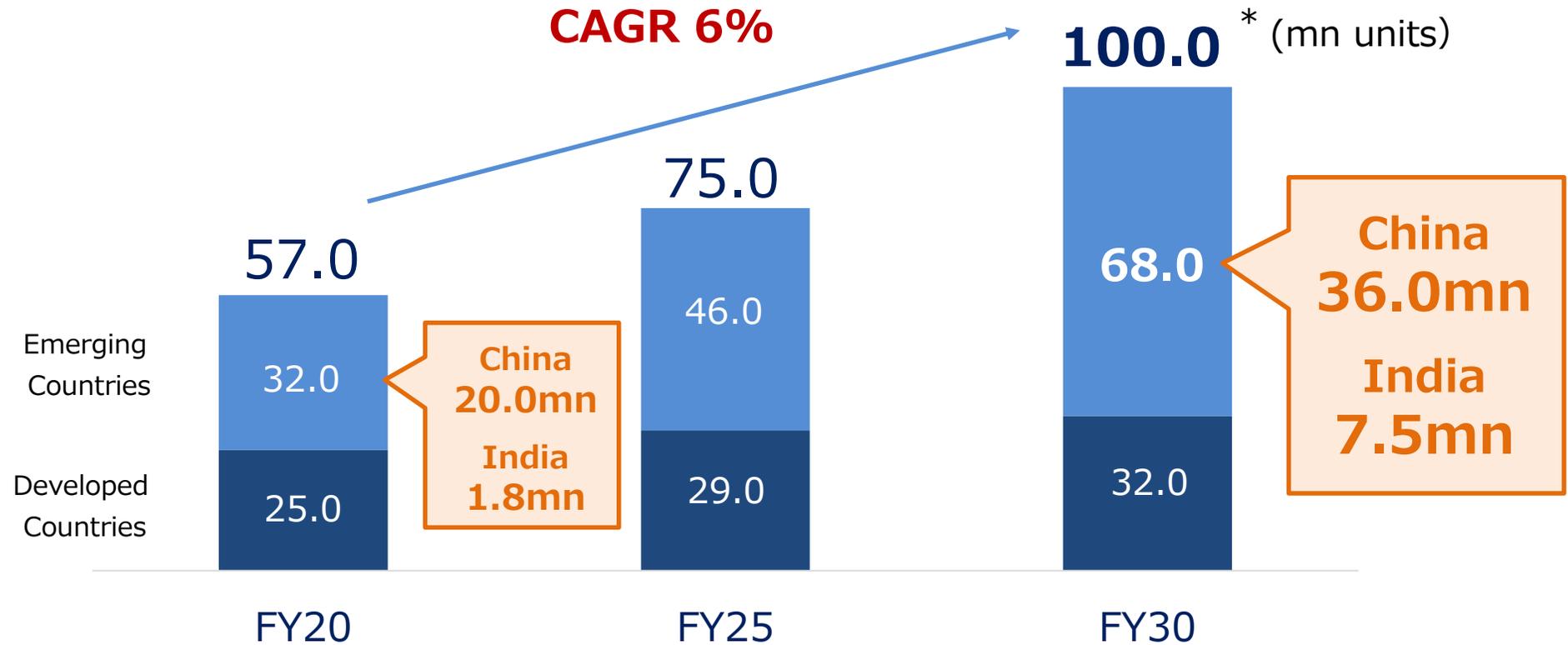


* Hypertension patients: Based on WHO data for incidence of adult hypertension and adult population figures for each country

** BPM penetration rates: Based on estimates of total installed base (all brands) using estimated number of hypertension patients and assuming a replacement cycle of 5 years

HCB: BPM Market Scale (Volume Basis)

Global BPM market expected to reach 100mn units in 2030.
Enhance and leverage strengths to grow sales in China and India

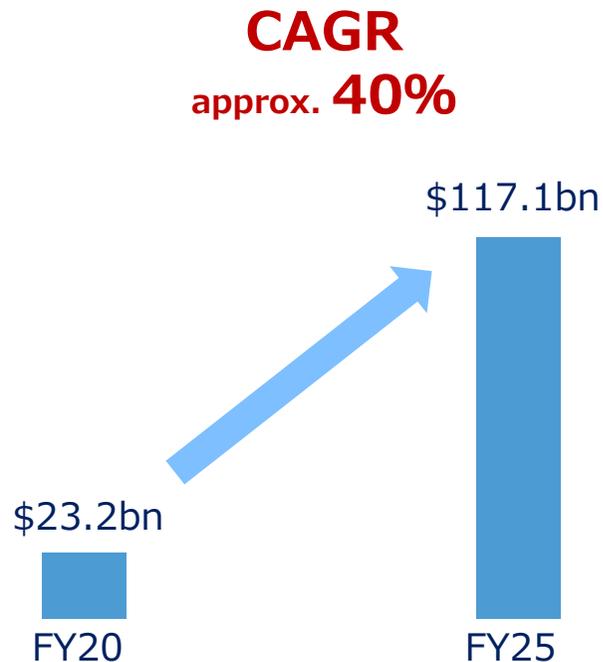


*OMRON forecasts extrapolated from overall BPM market CAGR for 2015-2020

HCB Remote Medicine Service: Leveraging Trust of Practitioners

Leverage trust of medical practitioners, innovative devices and collaborative partnerships to launch remote medicine service

Market Growth Forecast: Remote Medicine Services



Source: MarketsandMarkets 'RPM Global Market Forecast' (RPM: Remote Patient Monitoring)

OMRON's Remote Medical Service

Trusted by Medical Practitioners

**Overwhelming use of OMRON
BPMs in academic studies**

+

Innovative Devices

Wearable BPM BPM Enabled for EKG



+

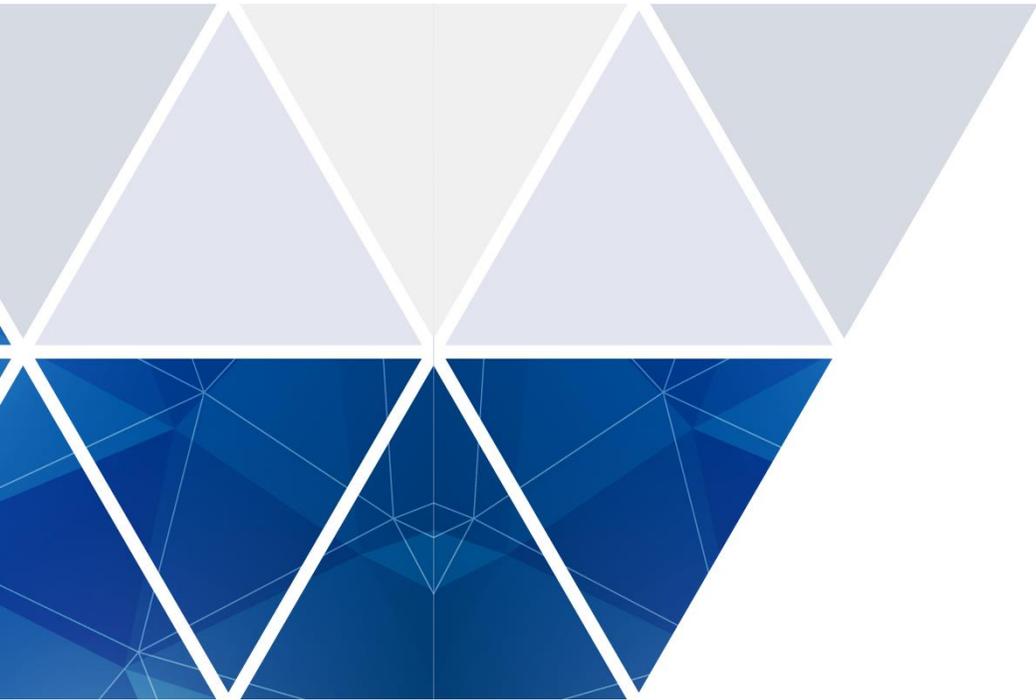
Collaborations with local partners

Japan, U.S., Netherlands, Singapore, India

HCB: Our Vision for the Cardiovascular Business



OMRON Healthcare is Going for **Zero.**
We aim to **eliminate cerebral and cardiac events,**
such as **stroke or **heart attacks,****
that can lead to fatalities or being bedridden.



IAB Growth Strategy

My Career at OMRON



Yutaka Miyanaga

OMRON Corporation

Executive Vice President

Company President, Industrial Automation Company

- Apr. 1985 Joined OMRON, assigned to Industrial Automation Company
- Mar. 2008 General Manager, Strategic Planning Dept., Corporate Strategic Planning HQ
- Jun. 2010 Executive Officer
- Mar. 2011 Senior General Manager, Global Strategy HQ
- Apr. 2013 Managing Executive Officer
- Mar. 2014 Company President, Industrial Automation Company
- Apr. 2014 Senior Managing Executive Officer
- Apr. 2017 Executive Vice President

OMRON's Unique Value Creation Concept

Sparking innovation on the shop floor with the 3 "i"s

Elevating
Intelligence
intelligent

Leveraging data to the maximum to enable machines to learn and evolve

Evolving
Machine Control
integrated

Improving productivity with super high-speed, high-precision machine control

*i*nnovative-Automation

interactive

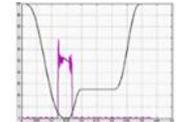
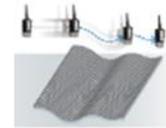
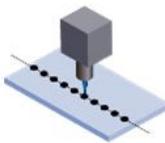
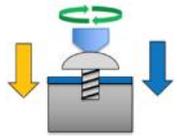
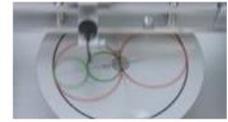
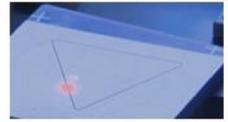
Harmonizing with Machines

Pursuing super adaptability through human-machine harmonization

IoT

Array of Solutions Making innovative-Automation A Reality

OMRON's solutions business: Driven by more than 170 control applications with software fully harmonized with devices

<p>Vibration Suppression Control</p> 	<p>LO Sliding mode control</p> 	<p>LO Cascade control</p> 	<p>LO Packaging Machine</p> 	<p>LO Coil winding control</p> 	<p>LO Model predictive control</p> 	<p>LO Gentle control</p> 	<p>LO</p> 
<p>Servo Press Control</p> 	<p>L Temperature evenness</p> 	<p>ILR Robot control</p> 	<p>IL Tracer Control</p> 	<p>LO Tension control</p> 	<p>ILO Visual Feedback control</p> 	<p>ILO Predictive synchronous control</p> 	<p>LO</p> 
<p>Flying trigger</p> 	<p>LO Laser process</p> 	<p>IL Image Synthesizing for Cylindrical Workpiece</p>  <p>OMRON</p>	<p>IL Senses inspection</p> 	<p>LO Screw tightening</p> 	<p>LO Rotation tracking control</p> 	<p>LO Trajectory control</p> 	<p>IL</p> 

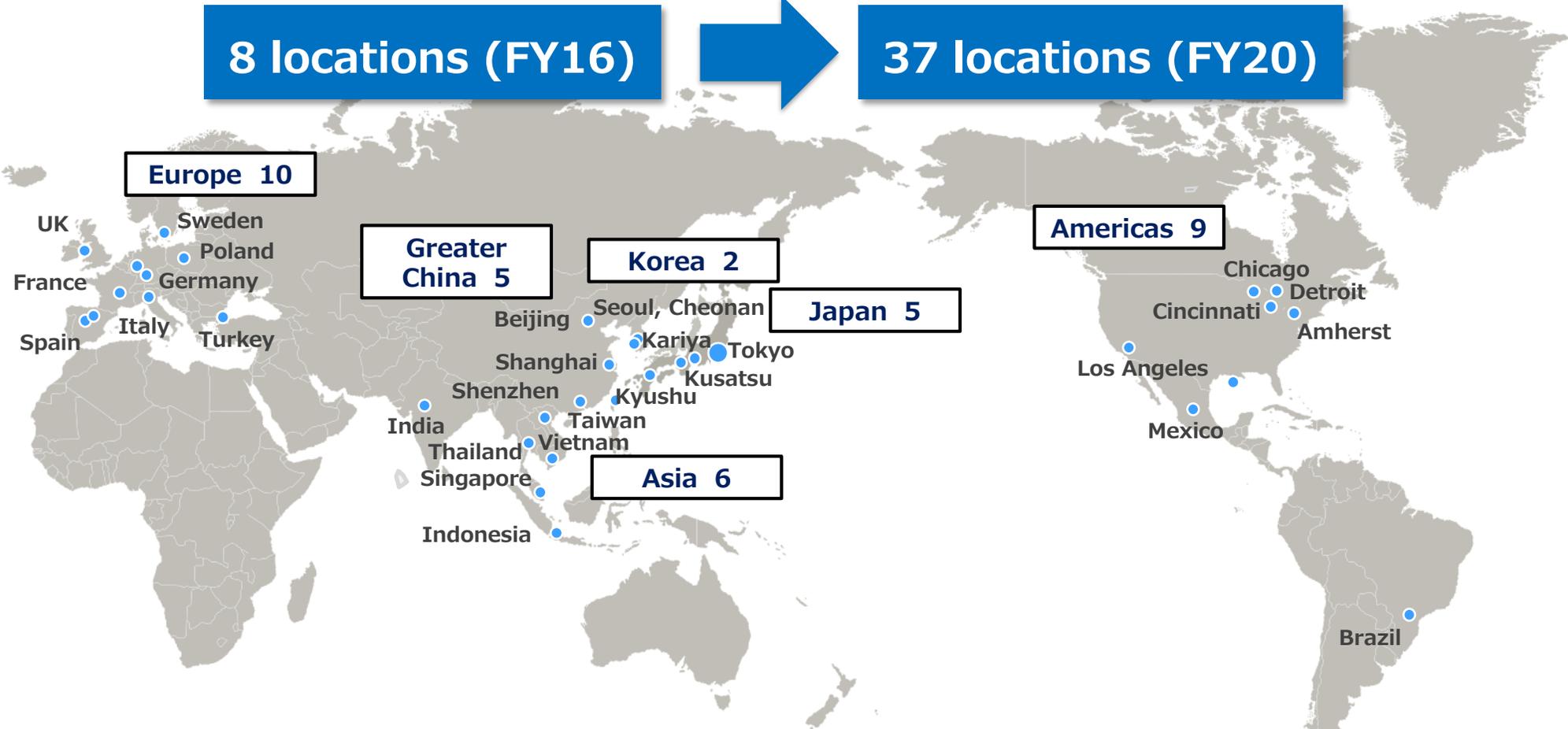
Automation Centers: Developing Control Applications with Customers

More than 1,000 sales engineers around the world jointly creating solutions with customers

8 locations (FY16)



37 locations (FY20)



"ILOR+S" is at the Heart of Control Applications

Robust ILOR + S portfolio created through M & A. Having the robotic integrated controller as the core strengthens the linkages to ILOR+S

Software

I

Input



Image processing system with defect detection AI
Jun. 2020



Laser sensor
Sep. 2020

L

Logic



Robotic integrated controller
July 2020

O

Output



Motion safety AC servo system
Dec. 2020

R

Robot



Autonomous mobile transport robot
Jul. 2020



New SCARA robot
Jan. 2021

S

Safety



Safety sensor
July 2020

Robotic Integrated Controller: Giant Leap for innovative-Automation

A new game changer

Design/Ramp up

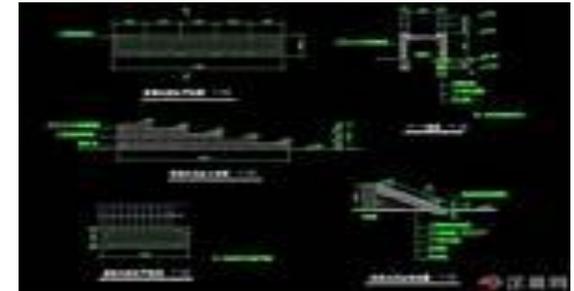
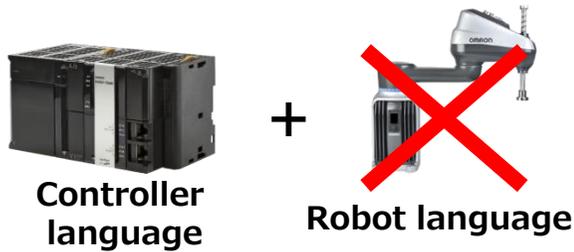
Operation

Enhance/Maintain

✓Single programming language

✓ILOR + S Seamless solutions

✓Full visualization of equipment



✓Simulation

✓Software is the key

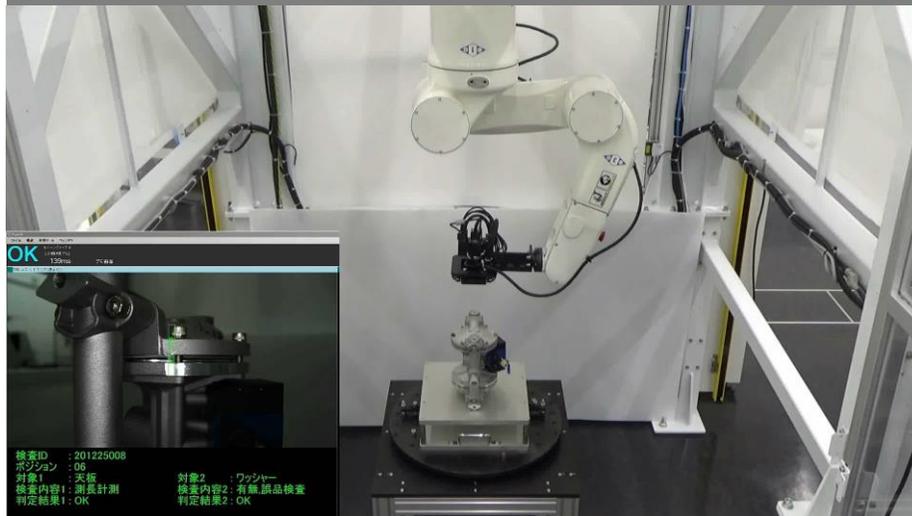
✓Remote maintenance



Robotic Integrated Controller: Driving innovative-Automation 1

Seamless solutions only possible with robotic integrated controller

From: Conventional Control



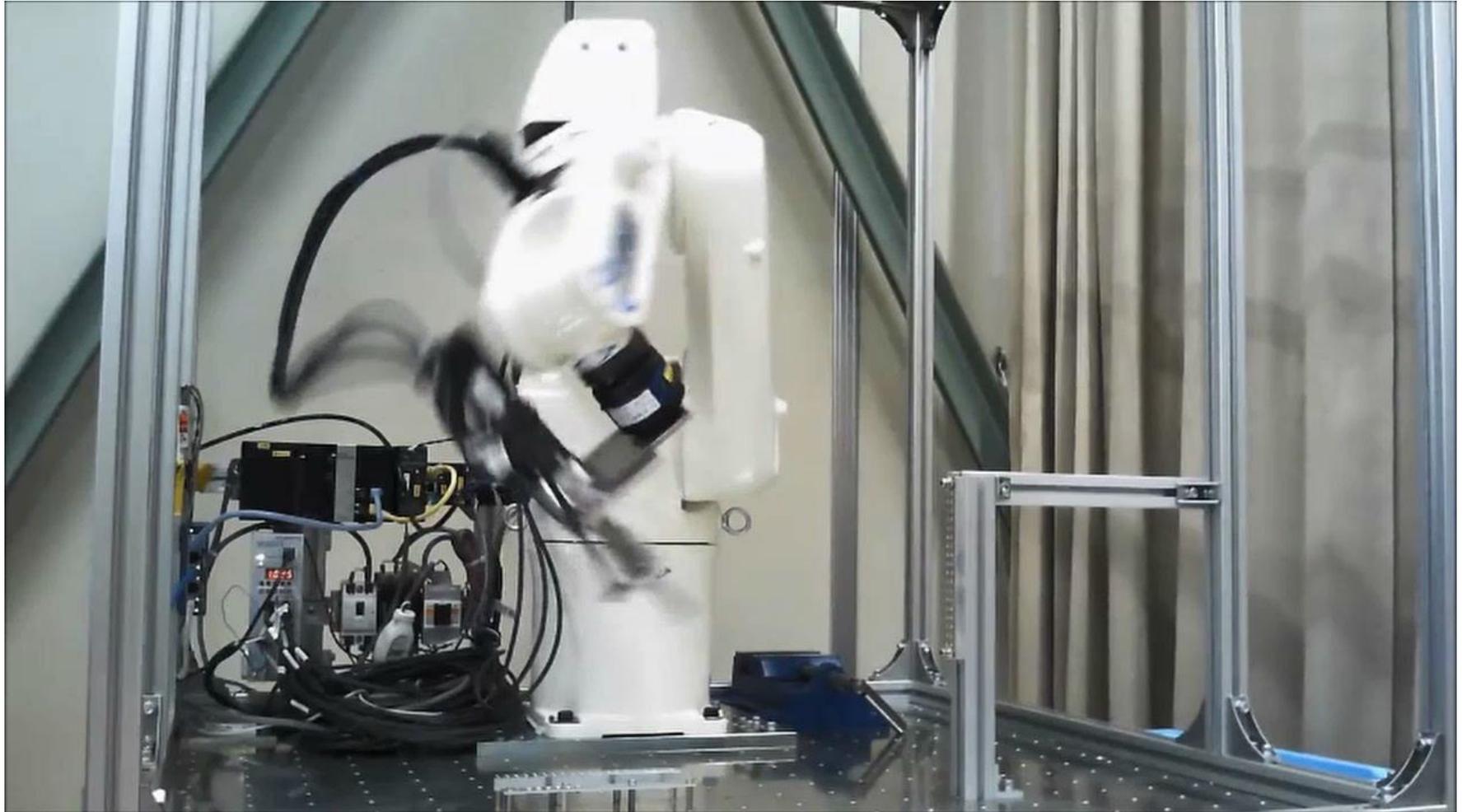
To: Control with Robotic Integrated Controller



* Images from internal validation process

Robotic Integrated Controller: Driving innovative-Automation 2

Automating delicate processes only possible by human hands to date



Robotic Integrated Controller: Driving innovative-Automation 3

Simulation and remote maintenance

The screenshot displays the Sysmac Studio software interface for a robotic controller simulation. The main window is divided into several panels:

- Multiview Explorer:** Shows the project structure, including folders for Application Manager, SmartController, and various robot control modules like CM01_SM2, UN02_Transp, EM02_Transp, CM01_SM1, LocationData, MemDataSet, MachineCont, SBR_PP, PP_Order, IF_Input, CM_SBR, Ctrl_PP_Sb, IF_Output, RobotControl, DBIF, CtrlDB, PLCDriveRecc, and PLCDriveRecc.
- Variables:** Lists variables such as P_On, OpeNo_index, Pre_OpeNo_index, ManualStatus, NextStep, st_PlaceTP, st_PickTP, and st_Pick.
- Ladder Logic:** Shows a sequence of steps (20-23) with logic involving timers (UINT#10, #11, #9, #17) and robot control actions like MOVE, EN, ENO, and ManualStatus.
- 3D Visualizer:** Displays a 3D model of a robotic arm and its base on a table, with a red cube icon in the bottom right corner.
- Simulator:** A table showing the status of various parameters during simulation.

Device name	Name	Online value	Modify	Comment	Data type	
new_Controller_0	ResetFromSafety	True	TRUE	FALSE	セーフティからのリセット信号	BOOL
new_Controller_0	ReadyFromSafety	True	TRUE	FALSE	セーフティからの運転準備信号	BOOL
new_Controller_0	UN[1].StateCurrentName	Resetting				STRING[32]
new_Controller_0	UN[2].StateCurrentName	Resetting				STRING[32]
new_Controller_0	RobotStatus[0].Mode.ManualLU	True	TRUE	FALSE	手動運転モード	BOOL
new_Controller_0	NAI_VS_PSC_Enable	False	TRUE	FALSE		BOOL
new_Controller_0	SW_Start	False	TRUE	FALSE	スタートボタン	BOOL
new_Controller_0	NAI_AxAuto[1]					sAX_AUTO
new_Controller_0	NAI_AxAuto[0]					sAX_AUTO
new_Controller_0	LinkPara[0]				リンクパラメータ(R)	sLINK_PARA
new_Controller_0	ProfilePara[0]				プロファイルパラメータ(R)	sPROFILE_PARA
new_Controller_0	MaintenanceCmd[0].Parameter	True	TRUE	FALSE	総動	BOOL
new_Controller_0	LocationData[0].Pos[1]				ロケーションデータ	sLOCATION_DA
new_Controller_0	WorkPattern[0].Pattern[0]	1			ワークパターン	USINT
new_Controller_0	SBR_PP.wk_WorkPattern[0]	0				USINT
new_Controller_0	RobotControl_0.wk_RobotStatus					sROBOT_STA

The Simulator panel also shows the following status:

- Controller Status:** ONLINE (green dot), ERR/ALM (green dot), Simulator RUN mode.
- Simulation:** Speed set to Slow.

OMRON's Unique Value Creation Concept

Sparking innovation on the shop floor with the 3 "i"s

Elevating
Intelligence
intelligent

Leveraging data to the maximum to enable machines to learn and evolve

Evolving
Machine Control
integrated

Improving productivity with super high-speed, high-precision machine control

*i*nnovative-Automation

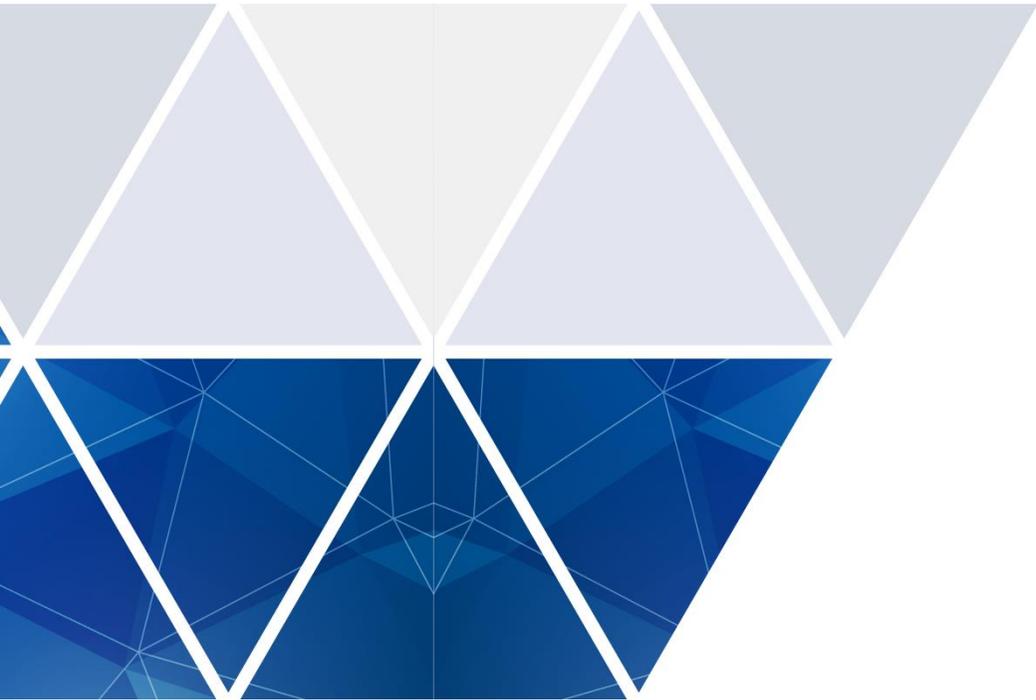
interactive

Harmonizing with Machines

Pursuing super adaptability through human-machine harmonization

IoT

OMRON

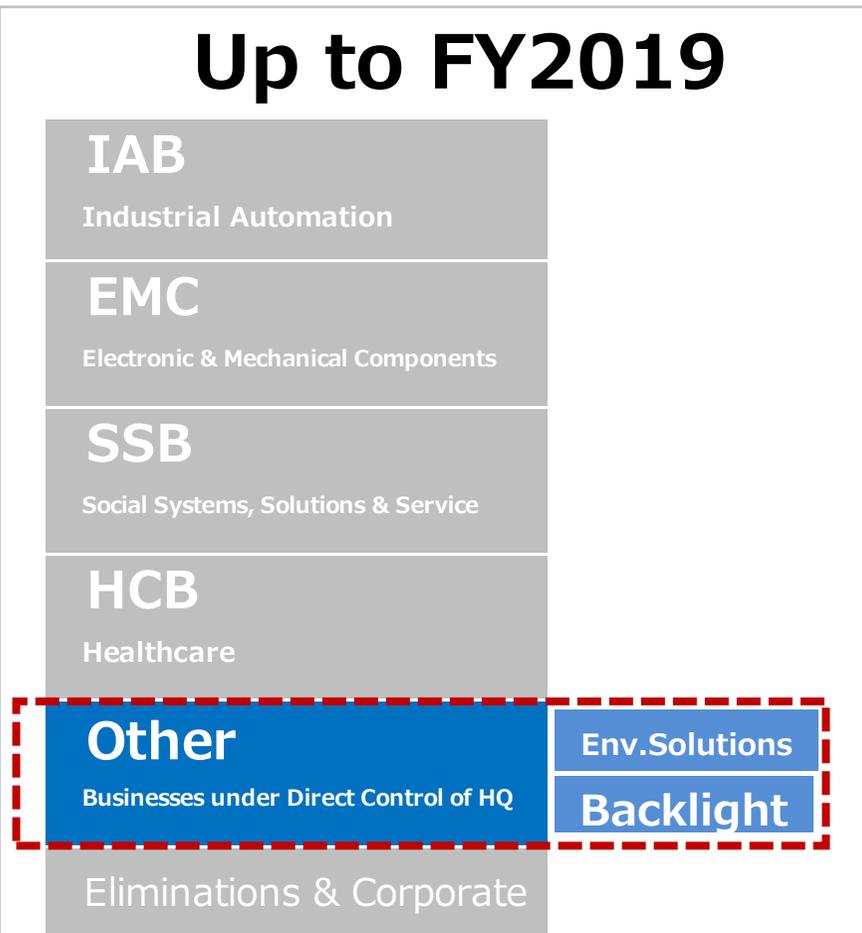


Reference

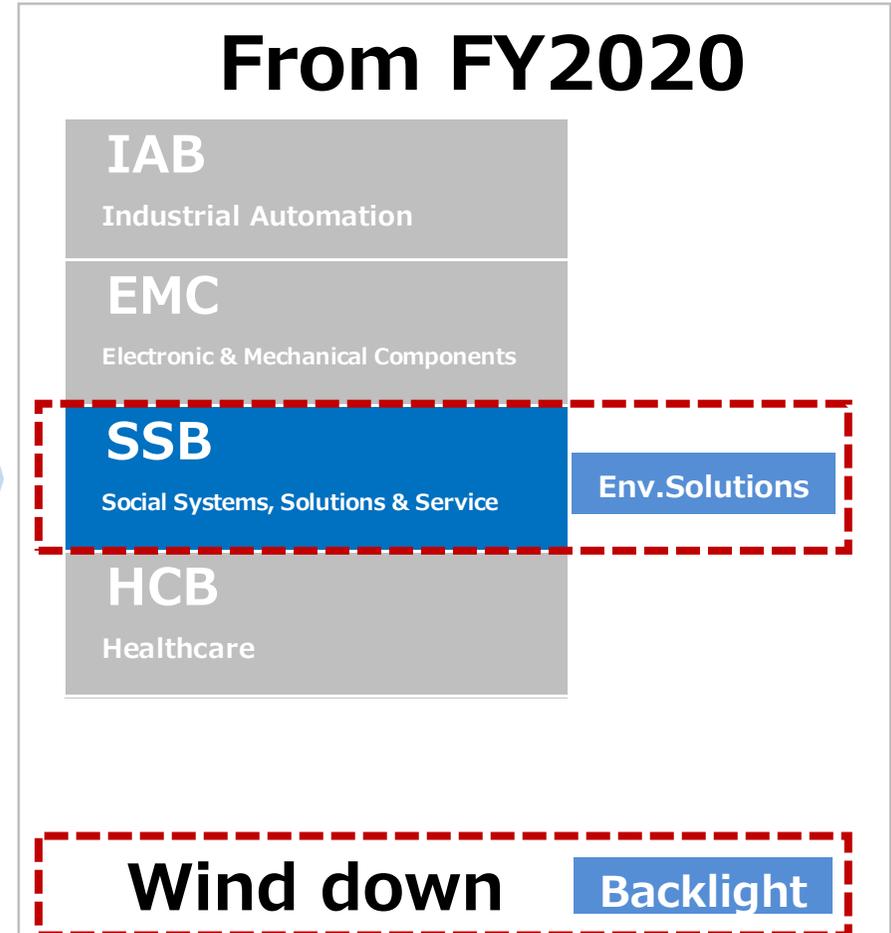
Segment Changes

Eliminating Other segment: Environmental Solutions business transferred to SSB, winding down Backlight business

Up to FY2019



From FY2020



Consolidated Balance Sheet

	End-March 2020	End-Dec. 2020	(¥bn) Y/Y
Current assets	447.1	455.5	+8.4
(Cash and cash equivalents)	(185.5)	(211.4)	(+25.9)
(Inventory)	(104.3)	(108.5)	(+4.2)
Property, plant and equipment	114.5	110.6	-3.9
Investments and other assets	196.5	201.1	+4.6
Total assets	758.1	767.2	+9.1
Current liabilities	151.3	134.1	-17.2
Long-term liabilities	74.2	69.1	-5.1
Total Liabilities	225.5	203.2	-22.4
Shareholders' equity	530.4	561.7	+31.3
Noncontrolling interests	2.2	2.4	+0.2
Total net assets	532.6	564.1	+31.5
Total Liabilities and net assets	758.1	767.2	+9.1
Equity ratio	70.0%	73.2%	+3.2%pt

Consolidated Statement of Cash Flow

(¥bn)

	FY2019 Q1-Q3 Act.	FY2020 Q1-Q3 Act.	Y/Y
Operating cash flow	61.4	62.6	+1.2
Investment cash flow	56.9	-17.7	-74.6
Free cash flow (FCF)	118.3	45.0	-73.4
Financing cash flow	-10.7	-20.4	-9.7
Cash and cash equivalents as of end of period	208.1	211.4	+3.3
Capital expenditure	24.4	13.3	-11.1
Depreciation	18.8	17.2	-1.6

Q3 FY2020 Results (Three Months)

(¥bn)

	FY2019 Q3 Actual	FY2020 Q3 Actual	Y/Y
Net Sales	168.1	168.3	+0.1%
Gross Profit (%)	76.4 (45.4%)	77.6 (46.1%)	+1.6% (+0.7%pt)
Operating Income (%)	14.4 (8.5%)	17.7 (10.5%)	+23.3% (+2.0%pt)
Net Income	10.1 [*]	14.7	+45.2%
1USD (JPY)	108.8	104.8	-4.0
1EUR (JPY)	120.0	123.6	+3.6
1RMB (JPY)	15.4	15.7	+0.3

*FY2019 Net Income excludes Quarterly Net Income from Discontinued Operations.
If Quarterly Net Income from Discontinued Operations is included, Net Income would be ¥51.9bn.

Operating Income by Segment: Q3 (Three Months)

(¥bn, %: OPM)

	FY2019 Q3 Actual	FY2020 Q3 Actual	Y/Y
IAB Industrial Automation	13.1 (14.9%)	15.5 (17.6%)	+2.4 (+2.7%pt)
EMC Electronic & Mechanical Components	0.2 (1.1%)	1.2 (5.3%)	+1.0 (+4.2%pt)
SSB Social Systems, Solutions & Service	2.5 (9.1%)	0.6 (2.6%)	-1.9 (-6.5%pt)
HCB Healthcare	4.4 (14.2%)	6.3 (18.1%)	+2.0 (+3.9%pt)
Eliminations & Corporate	-5.8	-5.9	-0.1
Total	14.4 (8.5%)	17.7 (10.5%)	+3.3 (+2.0%pt)

*FY2019 figures adjusted to reflect the transfer of the Environmental Solutions business from the Other segment to SSB and the winding down of the Backlight business.

FY2020 Forex Assumptions

	Q4 FY2020 Assumptions	Impact of ¥1 move (full-year, approx.) *RMB impact of ¥0.1 move	
		Sales	OP
USD	¥105	¥1.3bn	¥0.1bn
EUR	¥124	¥0.8bn	¥0.4bn
RMB	¥15.2	¥0.7bn	¥0.1bn

* If emerging market currency trends diverge from trends in major currencies contrary to our expectations, it will impact sensitivities

OMRON Included in Major ESG Indices (As of January 2021)

ESG Indices which include OMRON

- ✓ DJSI – World **4th consecutive year**
- ✓ FTSE4Good Index Series **5th consecutive year**
- ✓ MSCI ESG Leaders Indexes **6th consecutive year**
- ✓ MSCI SRI Indexes **4th consecutive year**
- ✓ STOXX Global ESG Leaders indices **5th consecutive year**
- ✓ FTSE Blossom Japan Index **4th consecutive year**
- ✓ MSCI Japan ESG Select Leaders Index **4th consecutive year**
- ✓ MSCI Japan Empowering Women Index **4th consecutive year**
- ✓ S&P/JPX Carbon Efficient Index **3rd consecutive year**

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



Member 2020/2021
ESG Leaders Indices

2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



FTSE Blossom Japan

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



* OMRON discloses information and contributes to numerous external surveys for ESG assessment organizations, including the CDP Climate Change & Water Security questionnaires.
FY2019 Assessment: Climate Change 'A-', Water Security 'A-'



External Recognition (As of January 2021)

Domestic ESG awards, selection for inclusion

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

3rd consecutive year from FY2017



- ✓ Health & Productivity Stock

2nd consecutive year from FY2018



- ✓ Health & Productivity: White 500

4th consecutive year from FY2016



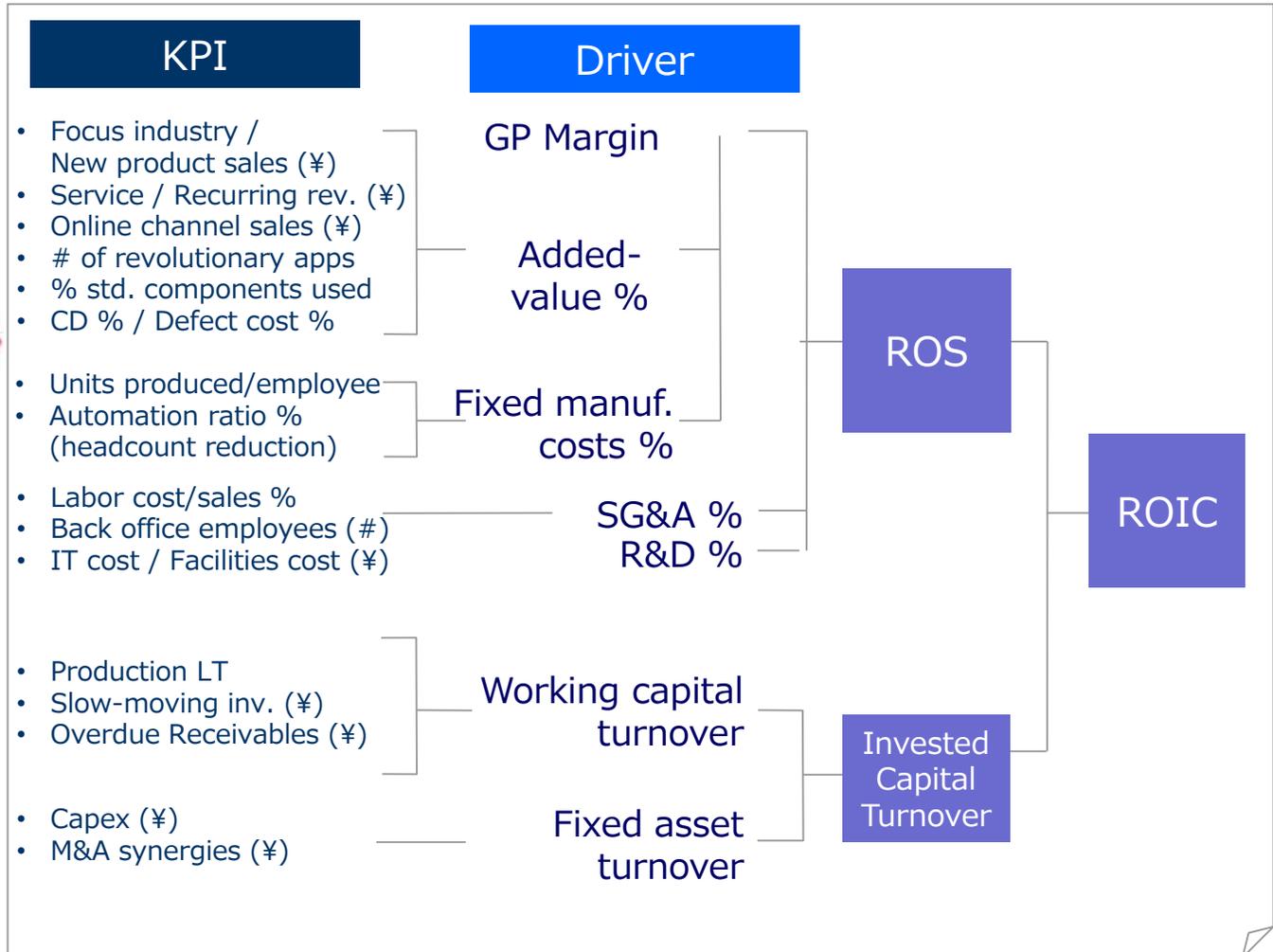
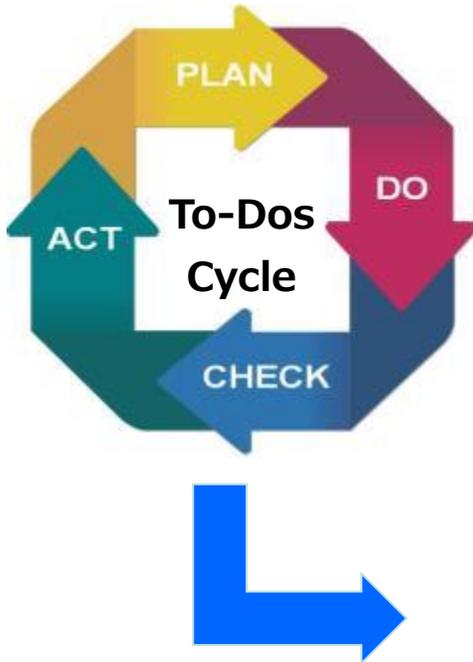
Selected by Nikkei Inc.

- ✓ Nikkei 225

March 2019, 1st time

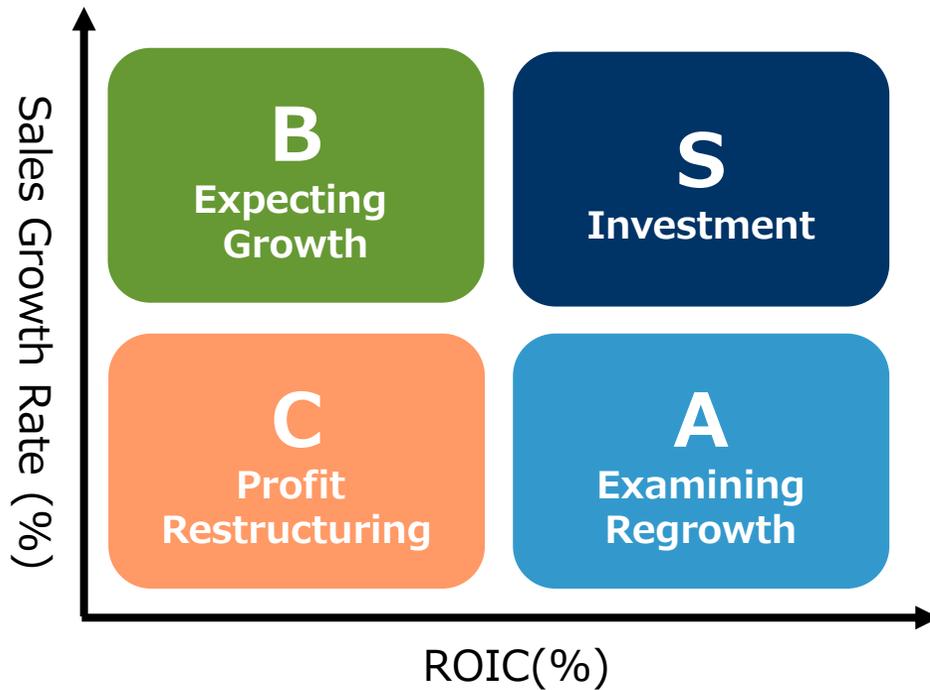
Down-Top ROIC Tree (2.0)

On-site

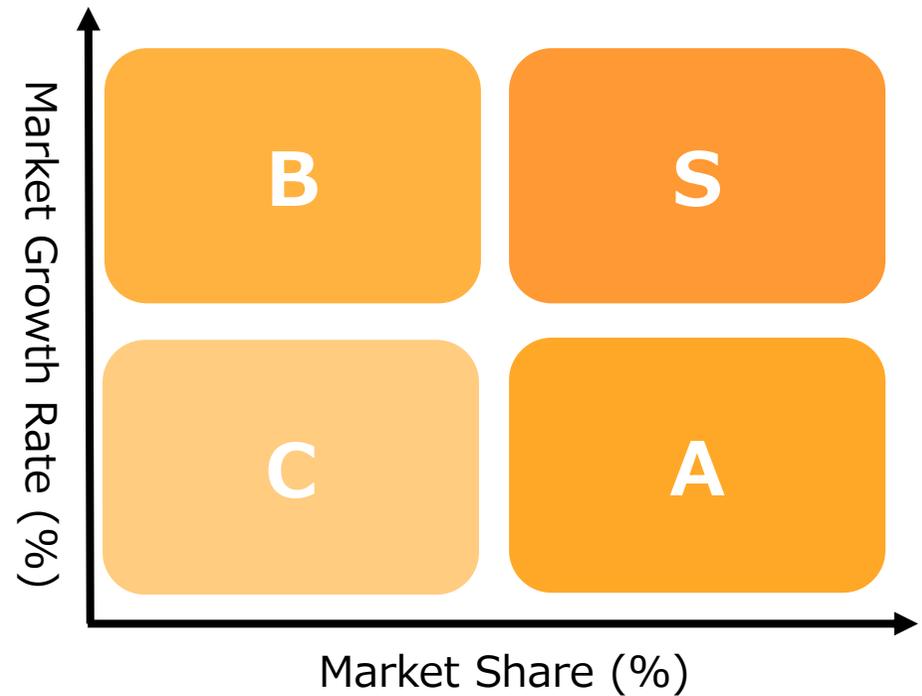


Portfolio Management

Assessing Economic Value



Assessing Competitiveness



ROIC Definition

<Consol. B/S>

LIABILITIES	
Current liabilities:	
Short-term debt	
Notes and accounts payable — trade	
Accrued expenses	
Income taxes payable	
Other current liabilities	
Deferred income taxes	
Termination and retirement benefits	
Other long-term liabilities	
Total liabilities	
NET ASSETS	
Shareholders' equity	
Common stock	
Capital surplus	
Legal reserve	
Retained earnings	
Accumulated other comprehensive income (loss)	
Foreign currency translation adjustments	
Minimum pension liability adjustments	
Net unrealized gains on available-for-sale securities	
Net losses on derivative instruments	
Treasury stock	
Noncontrolling interests	
Total net assets	
Total liabilities and net assets	

$$\text{ROIC} = \frac{\text{Net income attributable to OMRON shareholders}}{\text{Invested capital}}$$

Invested capital*

= Net assets + Interest-bearing debt

*The average of previous fiscal year-end result and quarterly results (or forecasts) of current fiscal year.

**Capital cost forecast at 6%
for FY2017 - 2020**

Notes

1. The consolidated statements of OMRON Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks and uncertain factors could cause actual results to differ materially from these projections.
3. The presentation slides are based on "Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2021 (U.S. GAAP)."
Figures rounded to the nearest million JPY and percentage to one decimal place.

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