

**Q3 FY2022 Earnings**  
ended December 31, 2022

**Results Briefing**

**January 30, 2023**

**OMRON Corporation**

# Summary

## ■ Q3 (Oct.-Dec.)/Q1-Q3 results (Apr.-Dec.)

- Substantial Y/Y improvements in both sales and profits in Q3, continuing the Q2 trend. IAB overcame a tough operating environment, including rising COVID-19 infections in China to generate significant Y/Y sales and profit growth
- On a 9-month basis (Apr.-Dec.), OMRON achieved a new record high for consolidated earnings. By segment, IAB posted double-digit growth in sales and profits. SSB and DMB also continued to show strong results. HCB sales declined, reflecting the impact of slowing consumer spending on the back of inflation and the impact of COVID-19 in China

## ■ FY2022 full-year forecasts

- Q4 operating environment: Expect heightened uncertainty owing to global macroeconomic slowdown
- Full-year forecasts: Maintain upwardly revised forecasts as announced last quarter, on continued strong Q4 performance from IAB backed by the high order backlog. Other segments also tracking in line with plan
- Despite revision of Q4 foreign exchange rate assumptions to reflect yen appreciation, believe current forecasts are achievable
- Maintain initial full-year dividend forecast: Guiding for a ¥6 Y/Y increase to a DPS of ¥98. Completed ¥20 billion share buyback in January

## ■ New management team

- Will change the management members from the next fiscal year
- In addition to the changes of CEO and CFO, will appoint CHRO. Shift to team of 4 CXOs with CTO
- New leaders will be appointed for all the 4 business companies

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# 1. Q3 FY2022 Results

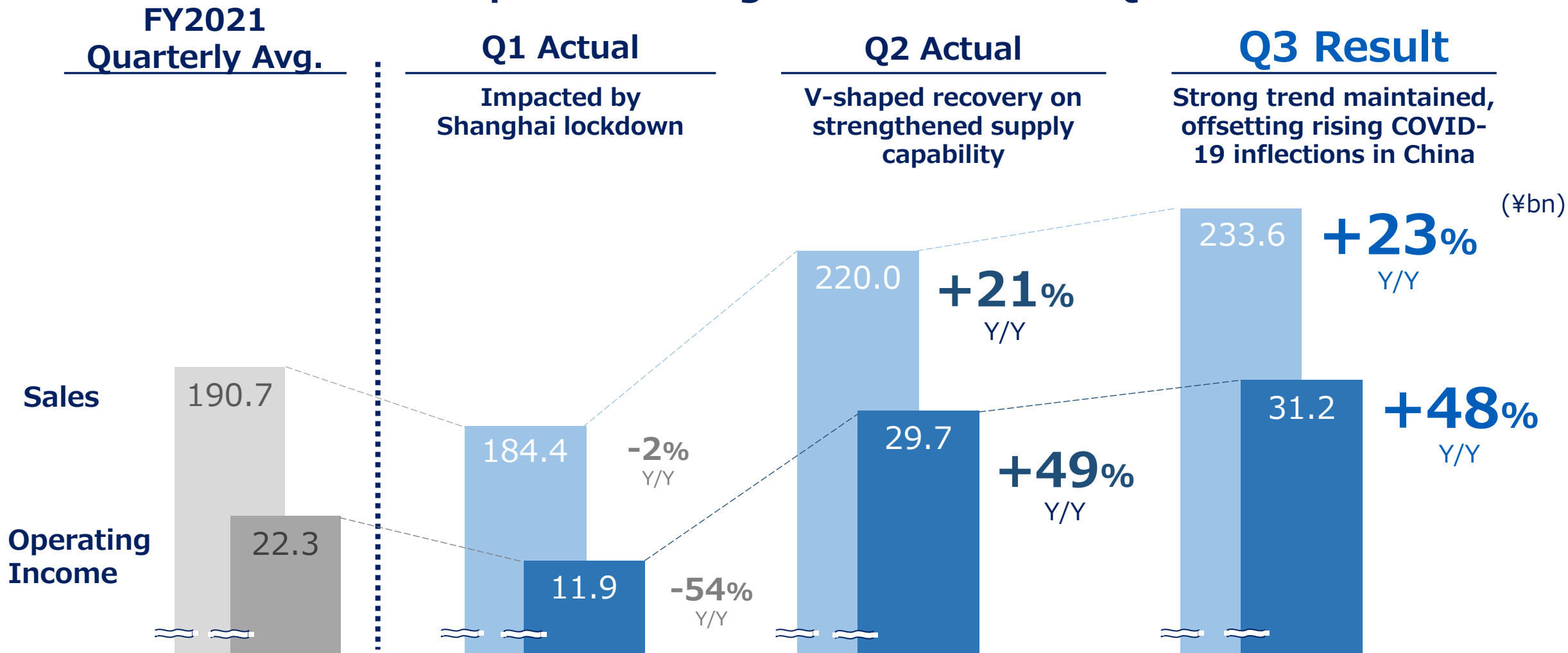
# Q3 (Oct.-Dec.) FY2022 Results

**Substantial Y/Y growth in sales and operating income in Q3.  
Set new record highs for the quarter**

|                         | Q3 FY2021<br>Actual | Q3 FY2022<br>Actual            | Y/Y<br>(¥bn)               |
|-------------------------|---------------------|--------------------------------|----------------------------|
| Net Sales               | 189.3               | <b>233.6</b>                   | <b>+23.4%</b>              |
| Gross Profit<br>(%)     | 85.8<br>(45.3%)     | <b>105.3</b><br><b>(45.1%)</b> | +22.8%<br>(-0.2%pt)        |
| Operating Income<br>(%) | 21.1<br>(11.2%)     | <b>31.2</b><br><b>(13.4%)</b>  | <b>+47.8%</b><br>(+2.2%pt) |
| Net Income              | 12.3                | <b>22.6</b>                    | +84.3%                     |
| 1USD (JPY)              | 113.1               | 144.0                          | +30.9                      |
| 1EUR (JPY)              | 130.3               | 144.5                          | +14.2                      |
| 1CNY (JPY)              | 17.6                | 20.1                           | +2.4                       |

# Quarterly Earnings Trend

Strong sales and profit growth maintained from Q2 onward, offsetting impact of Shanghai lockdowns in Q1



# Q1-Q3 (Apr.-Dec.) Results

**Double-digit growth in sales.  
New record highs for 9-month earnings**

(¥bn)

|                         | FY2021<br>Q1-Q3 Act. | FY2022<br>Q1-Q3 Act.           | Y/Y                       |
|-------------------------|----------------------|--------------------------------|---------------------------|
| Net Sales               | 558.6                | <b>638.0</b>                   | <b>+14.2%</b>             |
| Gross Profit<br>(%)     | 256.4<br>(45.9%)     | <b>286.8</b><br><b>(45.0%)</b> | +11.9%<br>(-0.9%pt)       |
| Operating Income<br>(%) | 66.9<br>(12.0%)      | <b>72.9</b><br><b>(11.4%)</b>  | <b>+9.0%</b><br>(-0.5%pt) |
| Net Income              | 44.8                 | <b>50.5</b>                    | +12.7%                    |
| 1USD (JPY)              | 111.0                | 135.7                          | +24.7                     |
| 1EUR (JPY)              | 130.8                | 140.3                          | +9.5                      |
| 1CNY (JPY)              | 17.2                 | 19.8                           | +2.6                      |

# Q1-Q3 Results (Apr.-Dec) Segment Results

IAB OP shifts into positive Y/Y growth. DMB achieves strong sales and profit growth

(¥bn)

|                                                   | Sales                |                      |        | OP                   |                        |                            |
|---------------------------------------------------|----------------------|----------------------|--------|----------------------|------------------------|----------------------------|
|                                                   | FY2021<br>Q1-Q3 Act. | FY2022<br>Q1-Q3 Act. | Y/Y    | FY2021<br>Q1-Q3 Act. | FY2022<br>Q1-Q3 Act.   | Y/Y                        |
| <b>IAB</b><br>Industrial Automation               | 310.6                | <b>359.1</b>         | +15.6% | 57.9<br>(18.6%)      | <b>64.5</b><br>(18.0%) | 11.4%<br>(-0.7%pt)         |
| <b>HCB</b><br>Healthcare                          | 101.1                | <b>106.7</b>         | +5.6%  | 16.2<br>(16.0%)      | <b>13.1</b><br>(12.3%) | -19.3%<br>(-3.8%pt)        |
| <b>SSB</b><br>Social Systems, Solutions & Service | 55.2                 | <b>63.9</b>          | +15.6% | -0.9<br>-            | <b>-0.2</b><br>-       | -<br>-                     |
| <b>DMB</b><br>Device & Module Solutions           | 89.2                 | <b>105.0</b>         | +17.7% | 8.2<br>(9.2%)        | <b>13.5</b><br>(12.8%) | <b>+64.1%</b><br>(+3.6%pt) |
| Eliminations & Corporate                          | 2.5                  | <b>3.3</b>           | +30.9% | -14.5                | <b>-17.9</b>           | -                          |
| <b>Total</b>                                      | <b>558.6</b>         | <b>638.0</b>         | +14.2% | 66.9<br>(12.0%)      | <b>72.9</b><br>(11.4%) | 9.0%<br>(-0.5%pt)          |

\*Figures shown in brackets under OP are segment OPMs

\*Figures reflect the reclassification of some IAB products to DMB



## IAB Sales Growth by Region

Greater China sales decline offset by growth in other regions.  
Successfully captured EV/semiconductor demand in Americas, achieving  
highest regional growth rate

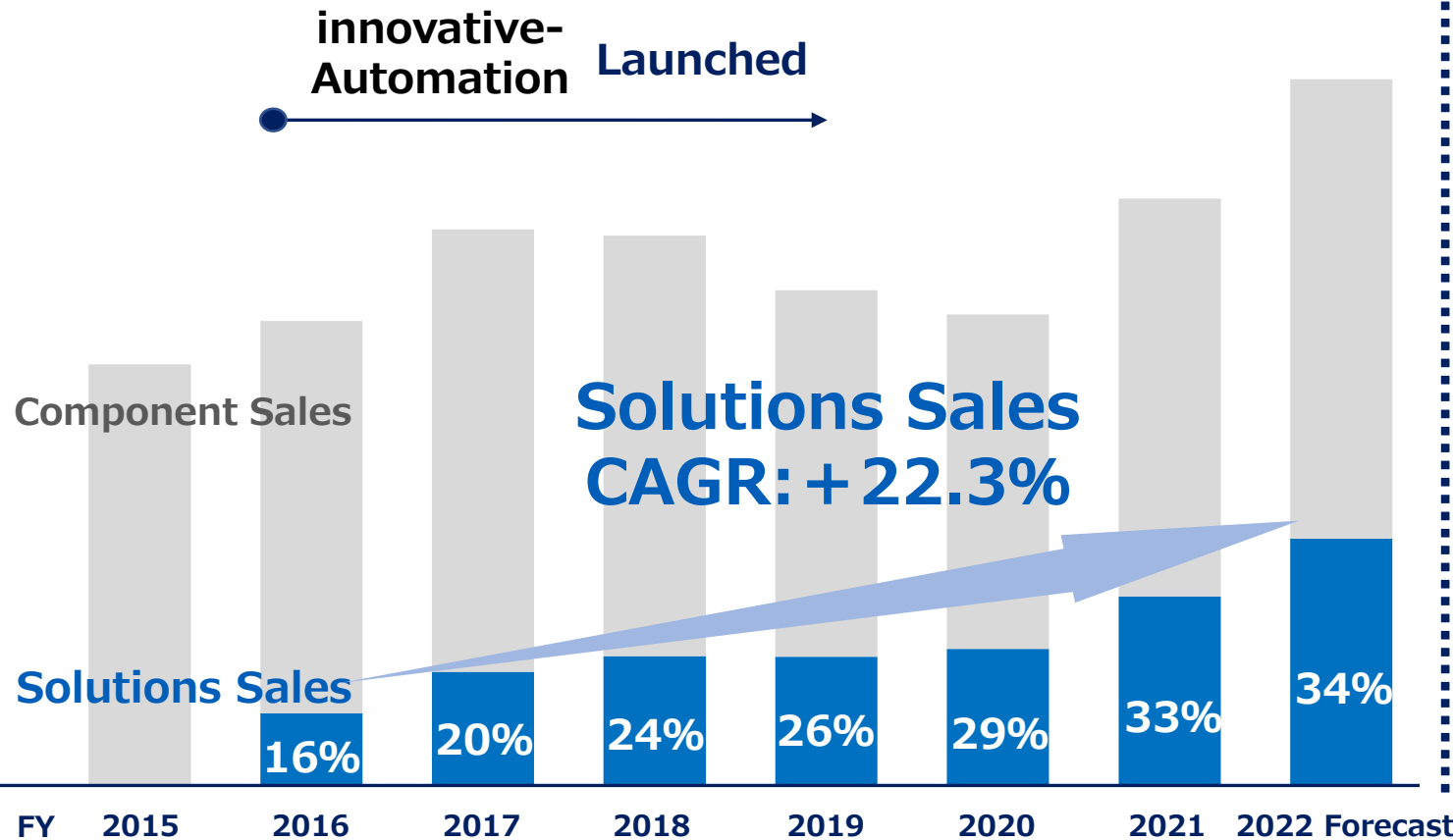
**FY2021→FY2022 Sales Growth (Q1-Q3 Y/Y, excluding FX impact)**

| Japan | Americas | Europe | Greater China | SE Asia /Other |
|-------|----------|--------|---------------|----------------|
| + 9%  | + 17%    | + 9%   | -1%           | + 11%          |

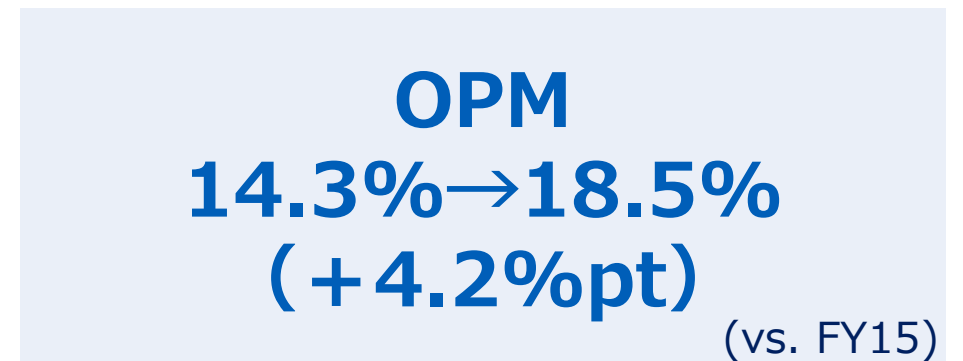
# IAB: Expansion of the Solutions Business

Since FY2016, the Solutions business has grown every year, developing into a driver of growth in sales and profits for IAB

Trend in Solutions Business as a Share of IAB Sales

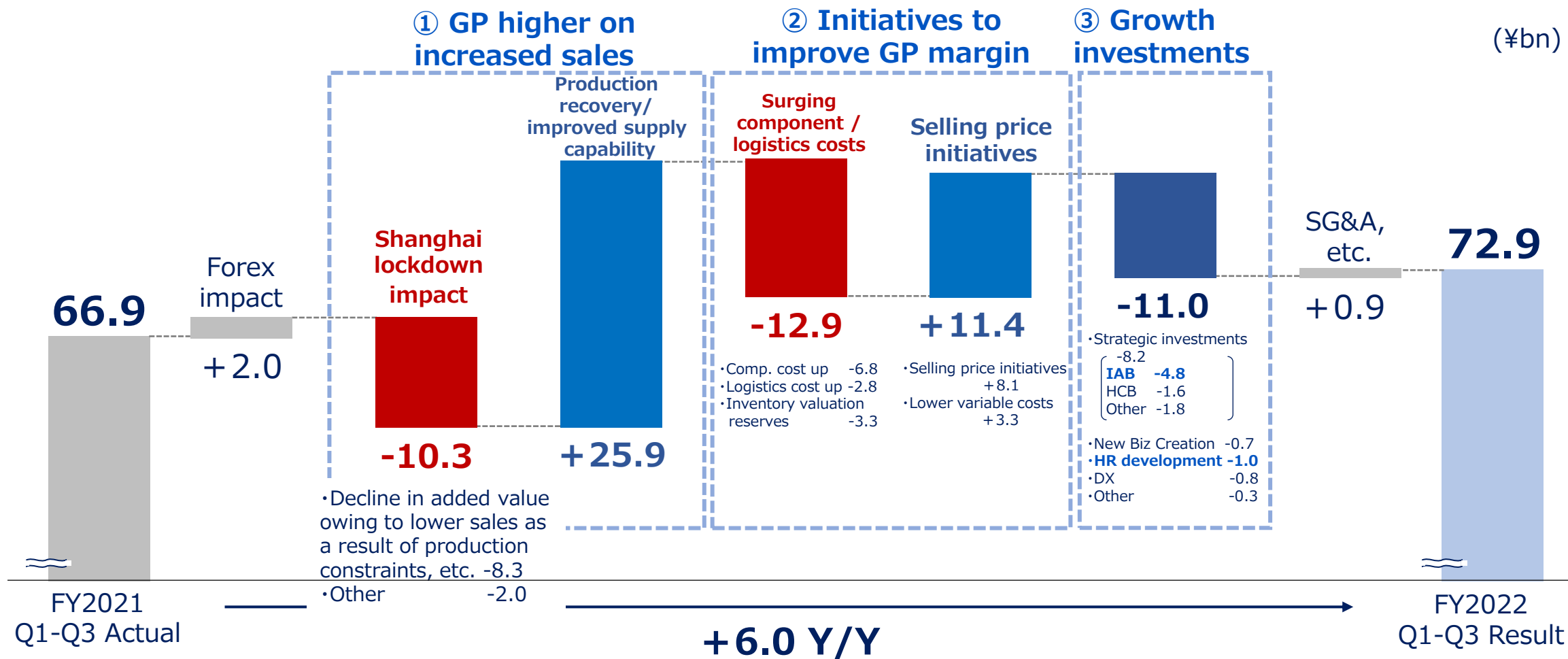


IAB Earnings Performance (FY2022 Forecasts)



# Q1-Q3 (Apr.-Dec.): Analysis of Y/Y Change in OP

Minimized impact of surging component/logistics costs through sales growth as a result of improved supply capability and selling price initiatives. Despite maintaining growth investments, profits grew by ¥6 billion Y/Y



## 2. FY2022 Full-year Forecasts

# Operating Environment Outlook by Segment

**Expect heightened uncertainty as a result of global macro slowdown.  
Mixed picture for demand by business domain**

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IAB</b><br>Industrial Automation                  | <p><b>Digital: Expect differences in semiconductor demand by application but overall investment to slow.</b><br/>Renewable energy (PV) to remain strong</p> <p><b>NEV: EV-related and rechargeable battery investments to remain firm</b></p> <p>Food/household goods: Investments falling on weaker consumer demand due to inflation.<br/>Investments to eliminate use of plastics remain firm</p> <p>Medicine: Vaccine/other COVID-19-related special demand paused.<br/>Capex to address rising demand for drugs on population aging to remain firm</p> <p>Logistics: Capex investments related to new builds remain sluggish.<br/>Automation investments increasing on warehouse worker shortages</p> |
| <b>HCB</b><br>Healthcare                             | <p><b>Cardiovascular: BPM demand lackluster on impact of inflation on consumer spending</b></p> <p>Respiratory: Demand expanding on COVID-19 conditions in China and easing of restrictions on movement in Central/South America, Asia and Europe</p> <p>Remote medical service: Demand remains firm, primarily in U.S. and Europe</p>                                                                                                                                                                                                                                                                                                                                                                    |
| <b>SSB</b><br>Social Systems,<br>Solutions & Service | <p><b>Energy: Demand firm on tight energy supply, surging prices and continuation of subsidies to support adoption of renewable energy</b></p> <p>Management &amp; Services: As a result of labor shortages, firm shift from analog inspections to inspections that leverage IT</p> <p>Railway operators: Continued recovery trend in capex by railway operators on the back of rising passenger numbers</p>                                                                                                                                                                                                                                                                                              |
| <b>DMB</b><br>Device & Module<br>Solutions           | <p><b>DC (direct current) equipment: On a global basis, some differences in demand by geography but continued firm demand related to EVs and renewable energy</b></p> <p>Microwave devices: Memory demand weak but semiconductor testing equipment-related demand remains firm</p>                                                                                                                                                                                                                                                                                                                                                                                                                        |

# FY2022 Full-year Forecasts

Maintaining full-year forecasts as upwardly revised  
at the end of Q2 FY2022

|                  | FY2021<br>Actual | FY2022<br>Forecast | Y/Y       |
|------------------|------------------|--------------------|-----------|
|                  |                  |                    | (¥bn)     |
| Net Sales        | 762.9            | <b>880.0</b>       | +15.3%    |
| Gross Profit     | 346.8            | <b>396.5</b>       | +14.3%    |
| (%)              | (45.5%)          | <b>(45.1%)</b>     | (-0.4%pt) |
| Operating Income | 89.3             | <b>95.0</b>        | +6.4%     |
| (%)              | (11.7%)          | <b>(10.8%)</b>     | (-0.9%pt) |
| Net Income       | 61.4             | <b>64.5</b>        | +5.0%     |
| 1USD (JPY)       | 112.1            | 133.0              | +21.0     |
| 1EUR (JPY)       | 130.5            | 139.0              | +8.5      |
| 1CNY (JPY)       | 17.4             | 19.6               | +2.2      |

\*Foreign exchange assumptions for Q4 have been revised

USD (JPY): 140→125, EUR (JPY): 140→ 135, CNY (JPY): 20.0→ 19.0

# Sales and Operating Income Forecasts by Segment

Maintaining segment forecasts for sales and operating income as well

(¥bn)

|                                                   | Sales            |                    |        | OP               |                               |                     |
|---------------------------------------------------|------------------|--------------------|--------|------------------|-------------------------------|---------------------|
|                                                   | FY2021<br>Actual | FY2022<br>Forecast | Y/Y    | FY2021<br>Actual | FY2022<br>Forecast            | Y/Y                 |
| <b>IAB</b><br>Industrial Automation               | <b>418.1</b>     | <b>503.0</b>       | +20.3% | 76.3<br>(18.2%)  | <b>93.0</b><br><b>(18.5%)</b> | +22.0%<br>(+0.3%pt) |
| <b>HCB</b><br>Healthcare                          | <b>132.9</b>     | <b>143.0</b>       | +7.6%  | 18.5<br>(14.0%)  | <b>15.0</b><br><b>(10.5%)</b> | -19.1%<br>(-3.5%pt) |
| <b>SSB</b><br>Social Systems, Solutions & Service | <b>87.7</b>      | <b>96.0</b>        | +9.5%  | 6.5<br>(7.4%)    | <b>5.0</b><br><b>(5.2%)</b>   | -23.1%<br>(-2.2%pt) |
| <b>DMB</b><br>Device & Module Solutions           | <b>121.0</b>     | <b>135.0</b>       | +11.6% | 10.1<br>(8.3%)   | <b>12.0</b><br><b>(8.9%)</b>  | +19.0%<br>(+0.6%pt) |
| Eliminations & Corporate                          | <b>3.3</b>       | <b>3.0</b>         | -9.1%  | -22.1            | <b>-30.0</b>                  | -                   |
| <b>Total</b>                                      | <b>762.9</b>     | <b>880.0</b>       | +15.3% | 89.3<br>(11.7%)  | <b>95.0</b><br><b>(10.8%)</b> | +6.4%<br>(-0.9%pt)  |

\*Figures shown in brackets under OP are segment OPMs

\*Figures reflect the reclassification of some IAB products to DMB

# Shareholder Returns

**DPS guidance for fiscal year-end of ¥49 and full-year of ¥98 reiterated.  
Completed ¥20 billion share buyback announced in July;  
hit upper limit on January 11, 2023**

|                          |                                                                                                                                                                                                              |                                                                                                                                                                                                       |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dividend</b>          | <b>FYE Dividend<br/>(Forecast)</b><br><div style="background-color: #0056b3; color: white; padding: 10px; text-align: center; font-size: 24px; font-weight: bold;">¥49</div> (+ ¥3 versus<br>FY21 level)     | <b>Full-year<br/>(Forecast)</b><br><div style="background-color: #0056b3; color: white; padding: 10px; text-align: center; font-size: 24px; font-weight: bold;">¥98</div> (+ ¥6 versus<br>FY21 level) |
| <b>Share<br/>Buyback</b> | <b>Completed<br/>(January 11, 2023)</b><br><div style="background-color: #0056b3; color: white; padding: 10px; text-align: center; font-size: 24px; font-weight: bold;">¥20.0bn</div> <b>(2.86mn shares)</b> |                                                                                                                                                                                                       |

Program announced July 26

Amount: ¥20.0bn (upper limit)

No. of shares: 3.3mn (upper limit)

Acquisition period: July 27, '22 to March 31, '23



# ESG: External Recognition & Inclusion in Indices

## Major External Ratings

**DJSI World**

**6 Years  
in a Row**

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

**EcoVadis  
Sustainability  
Assessment**

**Platinum  
(Top 1%)**



**CDP**  
(Former Carbon  
Disclosure Project)

Climate Change: **A**  
Water Security: **A**



## Major ESG Indices in which OMRON is Included

### Global

- ✓ **DJSI World** 6<sup>th</sup> consecutive yr.
- ✓ **FTSE4Good Index Series** 7<sup>th</sup> consecutive yr.
- ✓ **MSCI ESG Leaders Indexes** 8<sup>th</sup> consecutive yr.
- ✓ **MSCI SRI Indexes** 6<sup>th</sup> consecutive yr.
- ✓ **STOXX Global ESG Leaders Indices** 7<sup>th</sup> consecutive yr.

### Domestic

- ✓ **FTSE Blossom Japan Index** 6<sup>th</sup> consecutive yr.
- ✓ **FTSE Blossom Japan Sector Relative Index** 1<sup>st</sup> time inclusion
- ✓ **MSCI Japan ESG Select Leaders Index** 6<sup>th</sup> consecutive yr.
- ✓ **MSCI Japan Empowering Women Index** 6<sup>th</sup> consecutive yr.
- ✓ **S&P/JPX Carbon Efficient Index** 5<sup>th</sup> consecutive yr.

# 3 . New Management Team

# New Management Members from FY2023



**Chairman  
Chair of the Board  
of Directors**

**Yoshihito Yamada  
(61)**



**Representative Director  
President, CEO**

**Junta Tsujinaga  
(56)**



**Representative Director  
Vice President, CTO**

**Kiichiro Miyata  
(62)**



**Senior Managing  
Executive Officers, CHRO  
and  
Senior General manager,  
Global Human Resources  
and Administration HQ**

**Masahiko Tomita  
(56)**



**Managing Executive  
Officer, CFO  
and  
Senior General manager,  
Global Strategy HQ**

**Seiji Takeda  
(55)**

\*To be approved at the 86th Ordinary General Stakeholders Meeting scheduled in June, 2023

\*Figures shown in brackets are ages as of April 1, 2023

# New Management Members of 4 BCs

Young leaders to drive each company toward the realization of SF 2030

**IAB**



**Managing Executive Officer  
Company President,  
Industrial Automation  
Company**

**Motohiro Yamanishi  
(48)**

Senior General Manager  
Product Business Division HQ,  
Industrial Automation Company

**HCB**



**Managing Executive Officer  
President and CEO,  
OMRON HEALTHCARE  
CO., LTD.**

**Ayumu Okada  
(50)**

Senior General Manager  
Management Strategy HQ,  
OMRON HEALTHCARE CO., LTD.

**SSB**



**Managing Executive Officer  
President and CEO,  
OMRON SOCIAL SOLUTIONS  
CO., LTD.**

**Katsuhiro Shikata  
(52)**

Senior General Manager  
President and CEO,  
OMRON FIELD ENGINEERING CO., LTD.

**DMB**



**Managing Executive Officer  
Company President,  
Device & Module Solutions  
Company**

**Masahiko Ezaki  
(52)**

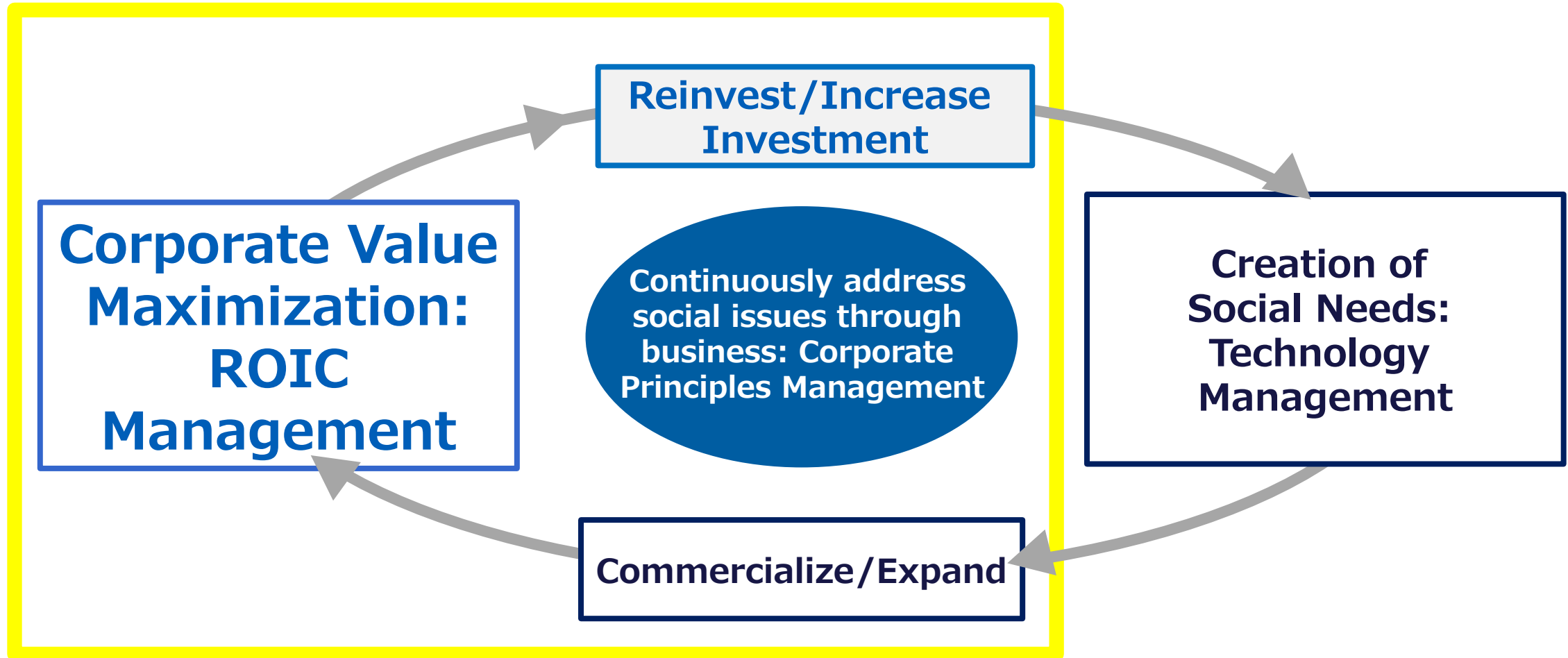
Senior General Manager  
Business Management Division HQ,  
Device & Module Solutions Company

Present  
post

## 4. Message from CFO

# Toward Maximizing Corporate Value

## OMRON's Cycle for Corporate Value Maximization



# ROIC Management & Solid CF Foundations for SF2030

Implementing ROIC Management in VG

Portfolio Management

Down-Top ROIC Tree

## OMRON's Robust CF Foundation (FY16→FY22 Forecasts)

|   |                                                                 |                                           |
|---|-----------------------------------------------------------------|-------------------------------------------|
| 1 | Portfolio of selected business segments (business portfolio)    | # of Business Segments<br><b>9→4</b>      |
| 2 | Focus on high margin product categories (product portfolio)     | Total # of Segments*<br><b>86→62</b>      |
| 3 | Growth of IAB, increased share of sales from Solutions business | Share of Solutions Sales<br><b>+18%pt</b> |
| 4 | Profit growth driven by strong profit-generating capability     | GP Margin<br><b>+5.8%pt</b>               |
| 5 | Business segments with ROIC greater than 10%                    | <b>All 4 Business Segments</b>            |

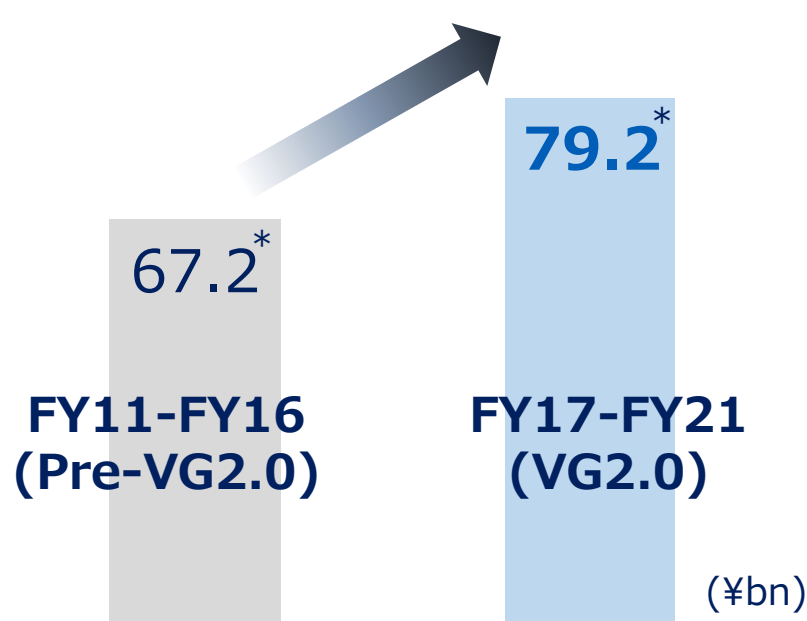
\* FY21 figures for product categories

# Enhancing Corporate Value: Achievements

Cash generated through ROIC management contributes to enhancing corporate value via business growth and improved shareholder returns

## Improved CF Generation Capability

**OPCF Generation Capability  
+ 12.0bn (approx. 1.2x)**



\*Average single-year OPCF during the stated periods

## Business Growth Achievements and Shareholder Returns

**Achieved Business Growth**  
(CAGR FY16→FY22 forecast)

IAB Sales Growth

**+ 7%**

HCB Sales Growth

**+ 6%**

SSB Sales Growth

**+ 1%**

DMB Sales Growth

**+ 6%**

**Enhanced Shareholder Returns**  
(FY16→FY22 forecast)

- **Stable, sustainable DPS** **+ ¥30**  
(FY2016: ¥68→FY2022E: ¥98)
- **Flexible share buybacks** **¥110.0 bn**  
**(cumulative)**

## Corporate Value Enhancement

**TSR**  
**+ 42%\***

(End Mar. 2017  
→End Dec. 2022)

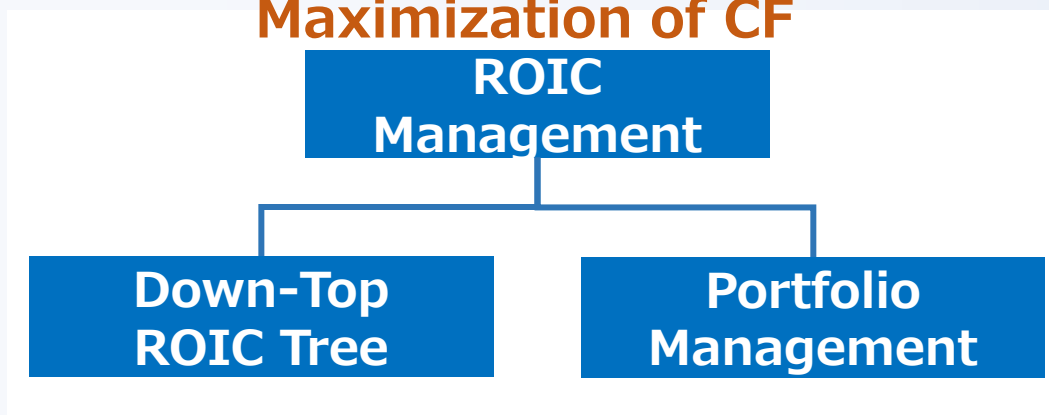
\*TSR includes ¥98 DPS  
guidance for FY22



# Preparing For Dramatic Growth In SF2030

## Long-term Vision SF2030

### Mechanism to Support Maximization of CF

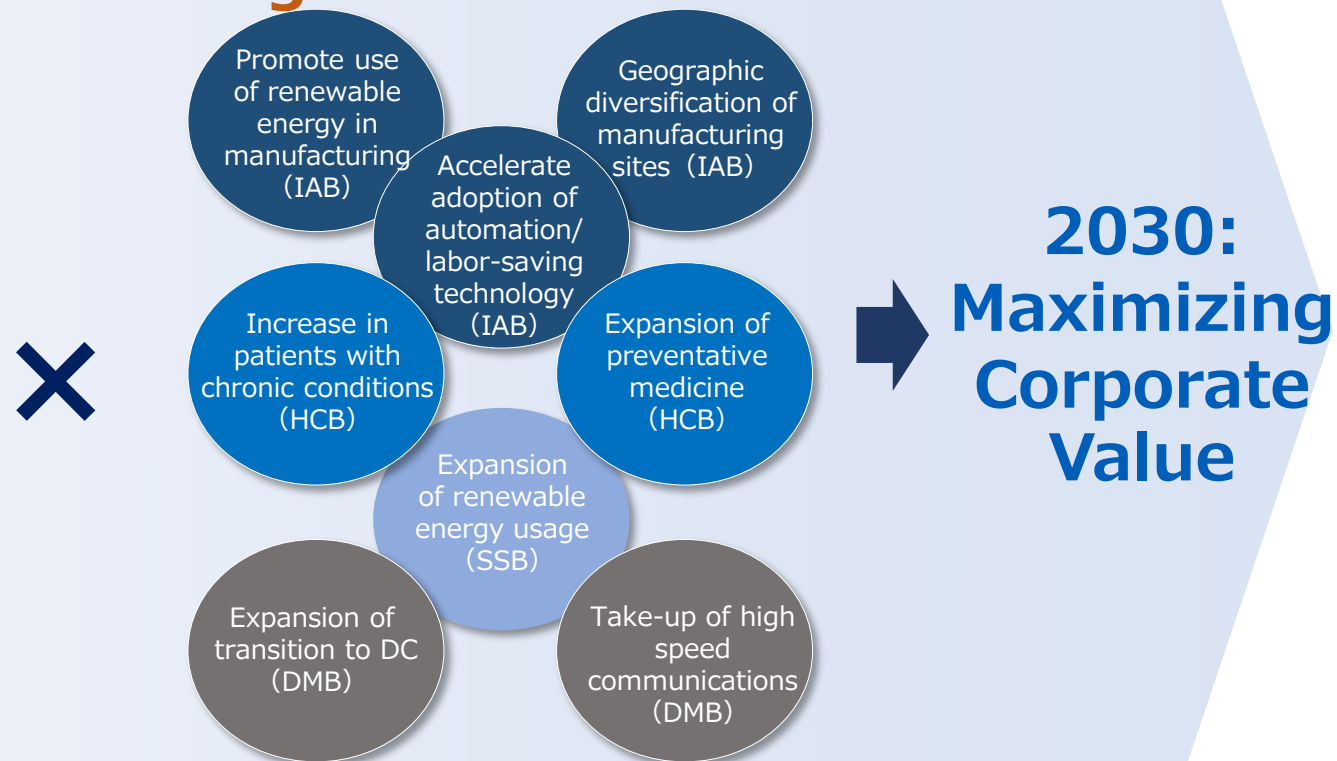


### Passionate and Professional Human Resources



- HR system that allows human resources to fully realize their potential
- Continuous investment in individuals keen to achieve personal growth

### Multiple Growth Opportunities Targeted Under SF2030



**OMRON**

# Reference

# Consolidated Balance Sheet

(¥bn)

|                                         | End-March 2022 | End-Dec 2022 | Chg, vs.<br>End-FY2021 |
|-----------------------------------------|----------------|--------------|------------------------|
| Current assets                          | 482.9          | 467.9        | -15.0                  |
| (Cash and cash equivalents)             | (155.5)        | (87.6)       | (-67.9)                |
| (Inventory)                             | (141.9)        | (187.4)      | (+45.5)                |
| Property, plant and equipment           | 122.1          | 123.7        | +1.6                   |
| Investments and other assets            | 325.6          | 352.9        | +27.3                  |
| <b>Total assets</b>                     | <b>930.6</b>   | <b>944.5</b> | <b>+13.8</b>           |
| Current liabilities                     | 211.7          | 188.2        | -23.5                  |
| Long-term liabilities                   | 51.0           | 44.7         | -6.3                   |
| <b>Total Liabilities</b>                | <b>262.7</b>   | <b>232.9</b> | <b>-29.8</b>           |
| Shareholders' equity                    | 665.2          | 708.9        | +43.7                  |
| Noncontrolling interests                | 2.7            | 2.7          | -0.1                   |
| <b>Total net assets</b>                 | <b>668.0</b>   | <b>711.6</b> | <b>+43.6</b>           |
| <b>Total Liabilities and net assets</b> | <b>930.6</b>   | <b>944.5</b> | <b>+13.8</b>           |
| <b>Equity ratio</b>                     | <b>71.5%</b>   | <b>75.1%</b> | <b>+3.6%pt</b>         |

# Consolidated Cash Flow Statement

(¥bn)

|                                               | FY2021<br>Q1-Q3 Act. | FY2022<br>Q1-Q3 Act. | Y/Y    |
|-----------------------------------------------|----------------------|----------------------|--------|
| Operating cash flow                           | 47.3                 | 20.2                 | -27.1  |
| Investment cash flow                          | -24.0                | -38.6                | -14.7  |
| Free cash flow (FCF)                          | 23.3                 | -18.4                | -41.7  |
| Financing cash flow                           | -49.6                | -56.8                | -7.2   |
| Cash and cash equivalents as of end of period | 235.2                | 87.6                 | -147.7 |
| Capital expenditure                           | 20.7                 | 28.4                 | +7.7   |
| Depreciation                                  | 17.4                 | 19.8                 | +2.4   |

# Forex Sensitivities (At the beginning of this fiscal year) and Assumptions

Impact of 1 yen move (full year)  
CNY impact of 0.1 yen move

|     | Sensitivities |         | Assumptions           |
|-----|---------------|---------|-----------------------|
|     | Sales         | OP      | Q4 FY2022 Assumptions |
| USD | ¥1.8 bn       | ¥0.1 bn | ¥125                  |
| EUR | ¥0.9 bn       | ¥0.4 bn | ¥135                  |
| CNY | ¥1.0 bn       | ¥0.3 bn | ¥19.0                 |

\* 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 2023)

## ESG Indices which include OMRON

- ✓ DJSI World **6<sup>th</sup> consecutive year**
- ✓ FTSE4Good Index Series **7<sup>th</sup> consecutive year**
- ✓ MSCI ESG Leaders Indexes **8<sup>th</sup> consecutive year**
- ✓ MSCI SRI Indexes **6<sup>th</sup> consecutive year**
- ✓ STOXX Global ESG Leaders Indices **7<sup>th</sup> consecutive year**
- ✓ FTSE Blossom Japan Index **6<sup>th</sup> consecutive year**
- ✓ FTSE Blossom Japan Sector Relative Index **1<sup>st</sup> time selected**
- ✓ MSCI Japan ESG Select Leaders Index **6<sup>th</sup> consecutive year**
- ✓ MSCI Japan Empowering Women Index **6<sup>th</sup> consecutive year**
- ✓ S&P/JPX Carbon Efficient Index **5<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.  
FY2022 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

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



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# External Recognition (As of January 2023)

## 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**
- ✓ Nikkei SDGs Management Grand Prix SDGs Strategy/Social Value Award **November 2022**

### 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



Corporate Governance  
of The Year

平成30年度  
地球温暖化防止活動  
環境大臣表彰



健康経営銘柄 2022  
Health and Productivity

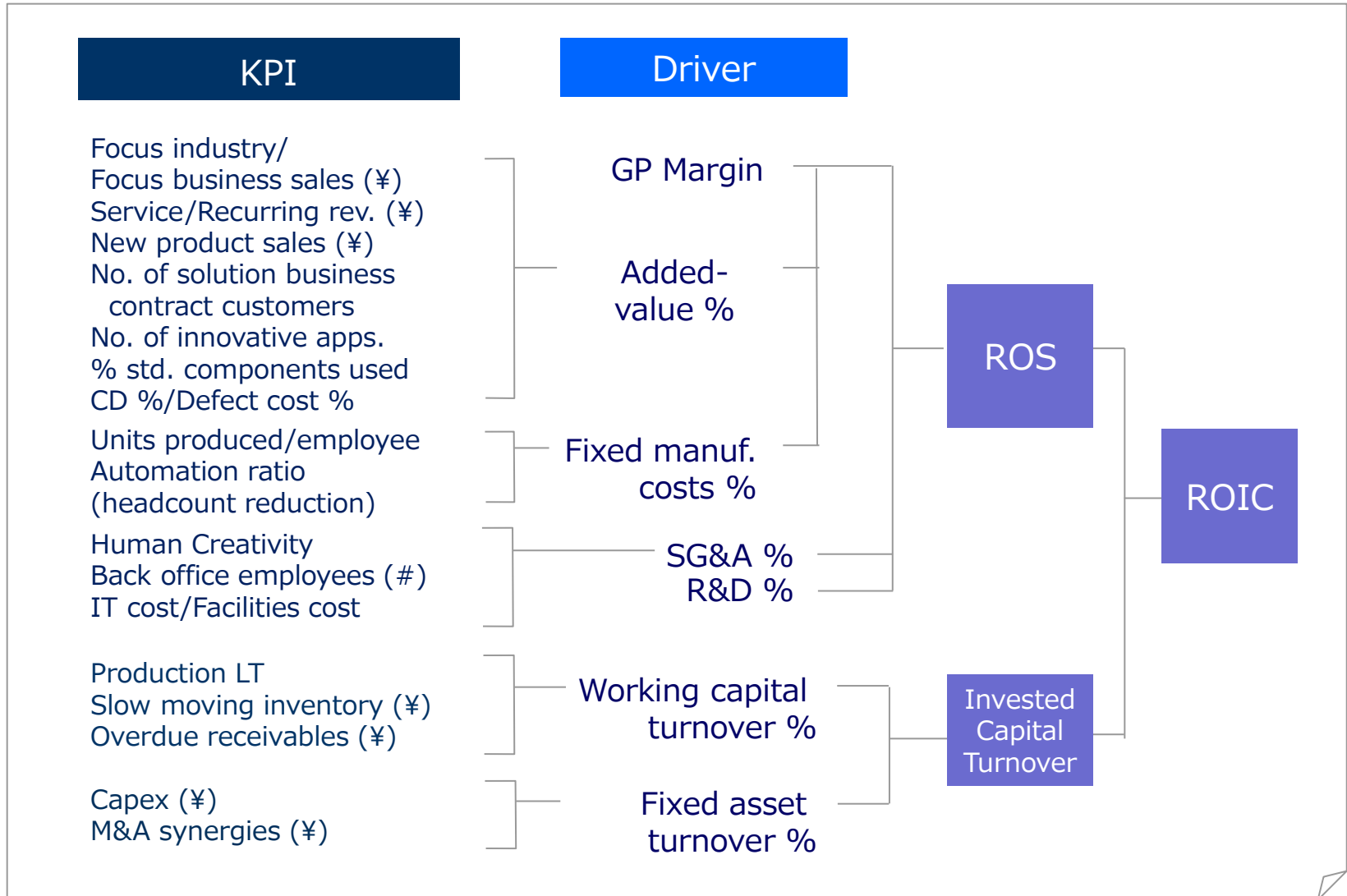


2022  
健康経営優良法人  
Health and productivity  
ホワイト500



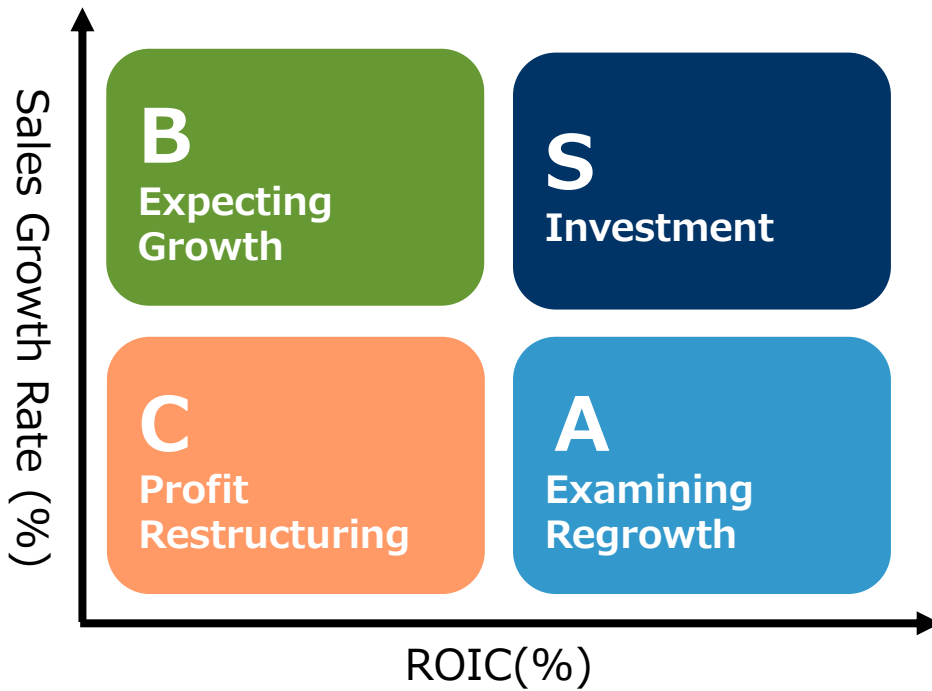
# Down-Top ROIC Tree (2.0)

## Business Strategy

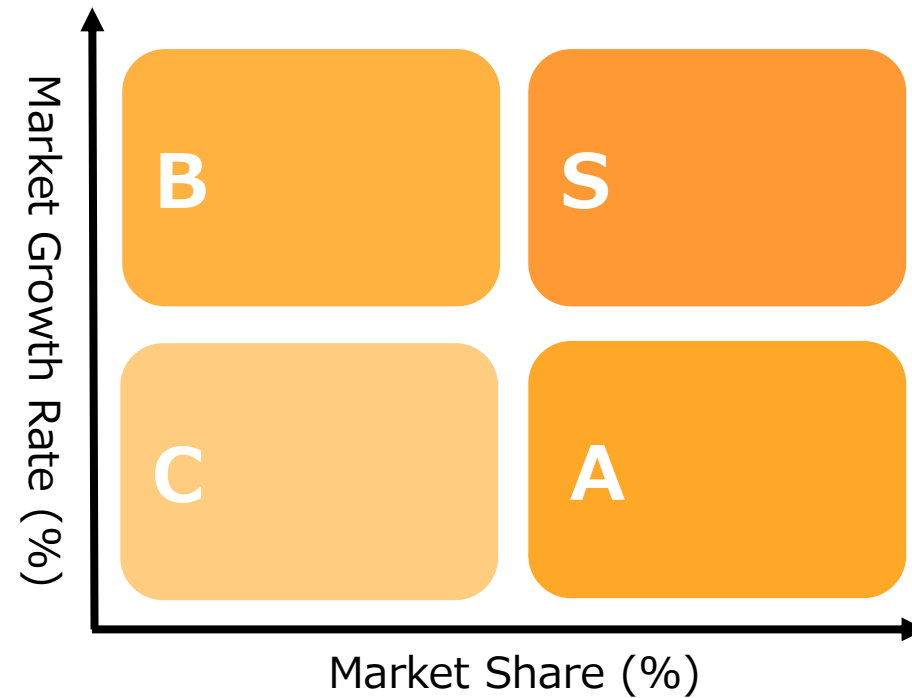


# Portfolio Management

## 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 5.5% for FY2021 - 2024**

## 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.

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