This document has been translated from the Japanese original for reference purposes only. Where there are any discrepancies between the Japanese original and the translated document, the original Japanese document shall prevail.

To All Shareholders:

Stock Code: 6645
May 28, 2024
(Start date for electronic provision of documents: May 21, 2024)

Junta Tsujinaga
President and CEO

OMRON Corporation
Shiokoji Horikawa, Shimogyo-ku,
Kyoto, Japan

CONVOCATION NOTICE FOR THE 87TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 87th Ordinary General Meeting of Shareholders will be held as detailed below.

For the convocation of this General Meeting of Shareholders, matters to be provided electronically are posted on the website below as "Convocation Notice for the 87th Ordinary General Meeting of Shareholders." Please access the website.

The Company's website:
https://www.omron.com/global/en/ir/shareholder/general_mtg/

In addition to the website above, matters to be provided electronically will also be posted on the Tokyo Stock Exchange (TSE) website. Please access the TSE website (TSE Listed Company Search) below, search for an issue name (OMRON) or stock code (6645), then select "Basic information," and "Documents for public inspection/PR information" to read the documents.

TSE website (TSE Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Instead of attending the Meeting in person, you may exercise your voting rights by electronic methods or in writing. You are kindly requested to examine the Reference Materials for the General Meeting of Shareholders and to exercise your voting rights no later than 5:30 p.m. on Wednesday, June 19, 2024.
* Please note that there is no ballot attached to this translation.

1. Date: Thursday, June 20, 2024, 10:00 a.m.
(The reception is scheduled to start at 9:00 a.m.)
2. Place: Banquet room “Genji,” 3rd Floor of Hotel Granvia Kyoto (inside Kyoto Station building)
Karasuma-dori, Shiokoji-sagaru, Shimogyo-ku, Kyoto
3. Agenda:

A. Reports

1. The Business Report, Consolidated Financial Statements, and the Reports of the Accounting Auditors and Audit & Supervisory Board on the Results of Audits of Consolidated Financial Statements for the 87th Fiscal Year (April 1, 2023 to March 31, 2024)
2. Financial Statements for the 87th Fiscal Year (April 1, 2023 to March 31, 2024)

B. Proposals

No. 1 Dividends from Retained Earnings
No. 2 Election of Eight (8) Directors
No. 3 Election of One (1) Audit & Supervisory Board Member
No. 4 Election of One (1) Alternate Audit & Supervisory Board Member

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Items

No. 1: Dividends from Retained Earnings

Aiming to maximize corporate value through the realization of the long-term vision, OMRON prioritizes the necessary investment to create new value from a medium- and long-term perspective.

With priority being placed on the investment necessary for value creation over the medium and long term, we will implement stable and sustainable shareholder returns. Annual dividends will be based on "dividends on equity (DOE) of around 3%," and taking past dividend payments also into account, we intend to ensure stable and sustainable shareholder returns.

The Company plans to pay a year-end dividend of JPY 52 per share, upon consideration of the DOE level and past dividend levels, in order to secure stable and continuous dividends. As the Company has paid an interim cash dividend of JPY 52 per share, total cash dividends for the fiscal year will be JPY 104 per share.

(1) Type of dividend assets:
Cash

(2) Item concerning allotment of dividend assets to shareholders and total amount of dividends:
JPY 52 per share of common stock. Total amount JPY 10,266,672,104

(3) Effective date of the dividend (First payment date for year-end dividend):
June 21, 2024

No. 2: Election of Eight (8) Directors

The terms of all eight (8) Directors will expire at the close of this General Meeting of Shareholders.

The Company therefore requests the election of eight (8) Directors, including three (3) Outside Directors.

The Company has established the Personnel Advisory Committee to enhance the transparency, objectivity and timeliness in the nomination process of candidates for Directors. In response to consultation from the Chairman of the Board of Directors, the Personnel Advisory Committee discusses and makes recommendations on the candidates for Directors in accordance with the election criteria. Reflecting the Personnel Advisory Committee's recommendations, the Board of Directors nominates the candidates for Directors.

The Director candidates are as stated on pages 5 to 15.

Candidate number	Name		Current position in the Company	Attendance at the Board of Directors meetings	Tenure as Director
1	<Reelection> Mr. Yoshihito Yamada		Chairman of the Board	14/14 times (100%)	13 years
2	<Reelection> Mr. Junta Tsujinaga		Representative Director	11/11 times (100%)	1 year
3	<Reelection> Mr. Kiichiro Miyata		Representative Director	14/14 times (100%)	7 years
4	<Reelection> Mr. Masahiko Tomita		Director	11/11 times (100%)	1 year
5	<Reelection> Mr. Shizuto Yukumoto		Director	11/11 times (100%)	1 year
6	<Reelection> Mr. Takehiro Kamigama	<Outside Executive candidate> <Independent Officer candidate>	Outside Director	14/14 times (100%)	7 years
7	<Reelection> Ms. Izumi Kobayashi	<Outside Executive candidate> <Independent Officer candidate>	Outside Director	14/14 times (100%)	4 years
8	<Reelection> Mr. Yoshihisa Suzuki	<Outside Executive candidate> <Independent Officer candidate>	Outside Director	14/14 times (100%)	2 years

Note: As Mr. Junta Tsujinaga, Mr. Masahiko Tomita and Mr. Shizuto Yukumoto were newly elected as Directors at the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, and assumed office thereafter, their attendance at the Board of Directors meetings indicates the Board of Directors meetings held on and after June 22, 2023.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
1	Mr. Yoshihito Yamada (November 30, 1961) (Male) Reelection Tenure as Director: 13 years Attendance at the Board of Directors meetings during fiscal 2023: 14/14 times (100%) Number of listed companies including OMRON where he concurrently serves as an officer with business execution 0 without business execution 2	April 1984 Joined the Company June 2008 Appointed Executive Officer, and President and CEO of OMRON HEALTHCARE Co., Ltd. March 2010 Appointed Senior General Manager of Corporate Strategic Planning H.Q. June 2010 Appointed Managing Executive Officer June 2011 Appointed Representative Director and President June 2013 Appointed CEO June 2023 Appointed Chairman of the Board (to present) *Areas of responsibility, etc., in the Company:* Chairman of the Board of Directors Member of the CEO Selection Advisory Committee Member of the Corporate Governance Committee *Significant concurrent positions:* Outside Director of NEC Corporation <Reasons nominated as a candidate> Mr. Yoshihito Yamada serves as Chairman of the Board of Directors as a Director not engaged in business execution, and in this role he manages the Board of Directors in an appropriate manner and supervises the corporate management properly, with an aim of realizing the long-term vision SF2030 and accomplishing Structural Reform Program NEXT2025. As a member of the CEO Selection Advisory Committee and the Corporate Governance Committee, he actively comments to contribute to increasing transparency and fairness in the management of the Company, including the appointment of CEO. In addition, he has a high level of insight into corporate management, sustainability, and ESG, and is working actively to instill the OMRON Principles within the Group. Based on these factors, the Company believes that he is a suitable person for achieving sustained improvements in corporate value and therefore requests his reelection as a Director.	55,518

Notes: 1. There are no special interests between the Company and Mr. Yoshihito Yamada.
2. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Yoshihito Yamada is approved, the Company plans to continue the aforementioned indemnity agreement.
3. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Yoshihito Yamada is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.
4. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
2	Mr. Junta Tsujinaga (April 5, 1966) (Male) Reelection Tenure as Director: 1 year Attendance at the Board of Directors meetings during fiscal 2023: 11/11 times (100%)	April 1989 Joined the Company March 2016 Appointed Senior General Manager of Product Business Division HQ, Industrial Automation Company April 2017 Appointed Executive Officer April 2019 Appointed Managing Executive Officer March 2021 Appointed Company President of Industrial Automation Company April 2023 Appointed President and CEO (to present) June 2023 Appointed Representative Director (to present) *Areas of responsibility, etc., in the Company:* President and CEO <Reasons nominated as a candidate> Mr. Junta Tsujinaga appropriately supervises the corporate management as Representative Director. By providing sufficient and adequate explanations on significant management issues at the Board of Directors, Mr. Tsujinaga contributes to improving the decision-making function of the Board of Directors. Furthermore, he leads the management and business execution as President and CEO in an uncertain business environment, striving to enhance the Company's growing capacity. He also identified the Group's structural issues and embarked on a reform to drive improvements in corporate value over the medium and long term, while demonstrating effective leadership towards the realization of the long-term vision SF2030 and the accomplishment of Structural Reform Program NEXT2025. Based on these factors, the Company believes that he is a suitable person to lead the long-term vision SF2030 and Structural Reform Program NEXT2025, and therefore requests his reelection as a Director.	5,746

Notes: 1. There are no special interests between the Company and Mr. Junta Tsujinaga.
2. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Junta Tsujinaga is approved, the Company plans to continue the aforementioned indemnity agreement.
3. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Junta Tsujinaga is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.
4. As Mr. Junta Tsujinaga was newly elected as a Director at the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, and assumed office thereafter, his attendance at the Board of Directors meetings indicates the Board of Directors meetings held on and after June 22, 2023.
5. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
3	Mr. Kiichiro Miyata (July 24, 1960) (Male) Reelection Tenure as Director: 7 years Attendance at the Board of Directors meetings during fiscal 2023: 14/14 times (100%)	April 1985 Joined Tateisi Institute of Life Science, Inc. (currently OMRON HEALTHCARE, Co., Ltd) March 2010 Appointed President and CEO of OMRON HEALTHCARE Co., Ltd. (Retired in March 2015) June 2010 Appointed Executive Officer of the Company June 2012 Appointed Managing Executive Officer April 2015 Appointed Chief Technology Officer (CTO) (to present) Appointed Senior General Manager of Technology & Intellectual Property H.Q. April 2017 Appointed Senior Managing Director June 2017 Appointed Representative Director (to present) March 2018 Appointed Senior General Manager of Innovation Exploring Initiative HQ April 2023 Appointed Executive Officer and Executive Vice President (to present) *Areas of responsibility in the Company:* Executive Officer and Executive Vice President CTO Member of the Compensation Advisory Committee <Reasons nominated as a candidate> Mr. Kiichiro Miyata appropriately supervises the corporate management as Representative Director based on a technical perspective. Mr. Miyata actively comments as a member of the Compensation Advisory Committee to contribute to increasing transparency and fairness in the compensation of Directors. Having superior insight into new business creation, innovation, DX, and IT, he currently serves as CTO to formulate and implement technology strategies from a management standpoint over the medium and long term with an aim to realize the long-term vision SF2030 and accomplish Structural Reform Program NEXT2025. Based on these factors, the Company believes that he is a suitable person for achieving sustained improvements in corporate value and therefore requests his reelection as a Director.	24,340

Notes: 1. There are no special interests between the Company and Mr. Kiichiro Miyata.
2. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Kiichiro Miyata is approved, the Company plans to continue the aforementioned indemnity agreement.
3. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Kiichiro Miyata is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.
4. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
4	Mr. Masahiko Tomita (August 20, 1966) (Male) Reelection Tenure as Director: 1 year Attendance at the Board of Directors meetings during fiscal 2023: 11/11 times (100%)	April 1989 Joined the Company March 2012 Appointed General Manager of Corporate Planning Department, Global Strategy HQ April 2014 Appointed Executive Officer March 2017 Appointed Senior General Manager of Global Human Resources and Administration HQ (to present) April 2019 Appointed Managing Executive Officer April 2023 Appointed Senior Managing Executive Officer and CHRO (to present) June 2023 Appointed Director (to present) *Areas of responsibility, etc., in the Company:* Senior Managing Executive Officer CHRO and Senior General Manager of Global Human Resources and Administration HQ Member of the Personnel Advisory Committee <Reasons nominated as a candidate> Mr. Masahiko Tomita appropriately supervises the corporate management as a Director mainly based on perspectives of human resource strategies, sustainability and ESG. He actively comments as a member of the Personnel Advisory Committee to contribute to increasing transparency and fairness in executive personnel matters. With his deep insight into human resource development, diversity, and human resource management and as CHRO, he formulates and implements human resource strategies from a management standpoint over the medium and long term, with an aim to realize the long-term vision SF2030 and accomplish Structural Reform Program NEXT2025. Based on these factors, the Company believes that he is a suitable person for achieving sustained improvements in corporate value and therefore requests his reelection as a Director.	12,221

Notes: 1. There are no special interests between the Company and Mr. Masahiko Tomita.

2. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Masahiko Tomita is approved, the Company plans to continue the aforementioned indemnity agreement.
3. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Masahiko Tomita is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.
4. As Mr. Masahiko Tomita was newly elected as a Director at the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, and assumed office thereafter, his attendance at the Board of Directors meetings indicates the Board of Directors meetings held on and after June 22, 2023.
5. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
5	Mr. Shizuto Yukumoto (December 25, 1961) (Male) Reelection Tenure as Director: 1 year Attendance at the Board of Directors meetings during fiscal 2023: 11/11 times (100%)	April 1985 Joined the Company April 2009 Appointed President & CEO of OMRON EUROPE B.V. June 2010 Appointed Executive Officer March 2012 Appointed Senior General Manager of Environmental Solutions Business HQ March 2014 Appointed Senior General Manager of Environmental Business HQ April 2014 Appointed Managing Executive Officer Feb. 2017 Appointed Company President of Electronic and Mechanical Components Company (currently Device & Module Solutions Company) June 2023 Appointed Director (to present) *Areas of responsibility, etc., in the Company:* Vice Chairman of the CEO Selection Advisory Committee Vice Chairman of the Personnel Advisory Committee Vice Chairman of the Compensation Advisory Committee Member of the Corporate Governance Committee <Reasons nominated as a candidate> Mr. Shizuto Yukumoto appropriately supervises the corporate management as a full-time Director not engaged in business execution, with an aim to realize the long-term vision SF2030 and accomplish Structural Reform Program NEXT2025. As Vice Chairman of the CEO Selection Advisory Committee, the Personnel Advisory Committee and the Compensation Advisory Committee, and as a member of the Corporate Governance Committee, he actively comments to contribute to increasing transparency and fairness in the management of the Company, including the appointment of CEO. Based on his abundant global business experience and deep insight into DX and IT, he contributes to enhancing governance of the Group from an objective standpoint. Based on these factors, the Company believes that he is a suitable person for achieving sustained improvements in corporate value and therefore requests his reelection as a Director.	15,570

Notes: 1. There are no special interests between the Company and Mr. Shizuto Yukumoto.

2. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Shizuto Yukumoto is approved, the Company plans to continue the aforementioned indemnity agreement.
3. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Shizuto Yukumoto is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.
4. As Mr. Shizuto Yukumoto was newly elected as a Director at the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, and assumed office thereafter, his attendance at the Board of Directors meetings indicates the Board of Directors meetings held on and after June 22, 2023.
5. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
6	Mr. Takehiro Kamigama (January 12, 1958) (Male) <Outside Executive candidate> <Independent Officer candidate> Reelection Tenure as Director: 7 years Attendance at the Board of Directors meetings during fiscal 2023: 14/14 times (100%) Number of listed companies including OMRON where he concurrently serves as an officer with business execution 0 without business execution 3	April 1981 Joined TDK Corporation June 2002 Appointed Corporate Officer of TDK Corporation June 2003 Appointed Senior Vice President of TDK Corporation June 2004 Appointed Director & Executive Vice President of TDK Corporation June 2006 Appointed President & Representative Director of TDK Corporation June 2016 Appointed Chairman & Representative Director of TDK Corporation June 2017 Appointed Outside Director of the Company (to present) June 2018 Appointed Mission Executive of TDK Corporation July 2021 Appointed Chief Consultant, Contemporary Amperex Technology Japan KK (to present) *Areas of responsibility, etc., in the Company:* Chairman of the CEO Selection Advisory Committee Chairman of the Corporate Governance Committee Member of the Personnel Advisory Committee Member of the Compensation Advisory Committee *Significant concurrent positions:* Chief Consultant of Contemporary Amperex Technology Japan KK External Director of SoftBank Corp. Outside Director of the Board of KOKUYO Co., Ltd. <Reasons nominated as a candidate and overview of expected role> Having served in management positions at a global company, Mr. Takehiro Kamigama has a considerable track record of management achievements and superior insight into innovation, technology, DX and IT, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision SF2030 and accomplishing Structural Reform Program NEXT2025. In addition, Mr. Kamigama shares his experience and insight as management expert, and actively comments as Chairman of the CEO Selection Advisory Committee and the Corporate Governance Committee, and as a member of the Personnel Advisory Committee and the Compensation Advisory Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company expects that he will be a suitable person for supervising management for sustained improvements in corporate value and therefore requests his reelection as an Outside Director.	0

Notes: 1. There are no special interests between the Company and Mr. Takehiro Kamigama.

2. Mr. Takehiro Kamigama is currently an Outside Director of the Company, and the Company has provided notification as an Independent Officer to Tokyo Stock Exchange, Inc. If Mr. Kamigama's reelection is approved, the Company plans to provide notification as an Independent Officer to Tokyo Stock Exchange, Inc. Details of "The Company's policy regarding the independence of Outside Executives" are described on pages 22 to 23.
3. The Company has established a provision in its Articles of Incorporation for limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. Accordingly, the Company has formed a limited liability agreement with Outside Directors and Outside Audit & Supervisory Board Members that sets the amount of their liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher. If Mr. Takehiro Kamigama's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.
4. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Takehiro Kamigama is approved, the Company plans to continue the aforementioned indemnity agreement.
5. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured

assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Takehiro Kamigama is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
7	Ms. Izumi Kobayashi (January 18, 1959) (Female) <Outside Executive candidate> <Independent Officer candidate> Reelection Tenure as Director: 4 years Attendance at the Board of Directors meetings during fiscal 2023: 14/14 times (100%) Number of listed companies including OMRON where she concurrently serves as an officer: with business execution 0 without business execution 3	April 1981 Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation) June 1985 Joined Merrill Lynch Futures Japan Inc. Dec. 2001 Appointed President and Representative Director of Merrill Lynch Japan Securities Co., Ltd. Nov. 2008 Appointed Executive Vice President of Multilateral Investment Guarantee Agency, The World Bank Group April 2015 Appointed Vice Chairperson of Japan Association of Corporate Executives June 2016 Appointed Governor of Japan Broadcasting Corporation June 2020 Appointed Outside Director of the Company (to present) *Areas of responsibility, etc., in the Company:* Chairman of the Personnel Advisory Committee Vice Chairman of the Corporate Governance Committee Member of the CEO Selection Advisory Committee Member of the Compensation Advisory Committee *Significant concurrent positions:* Outside Director of ANA HOLDINGS INC. Outside Director of Mizuho Financial Group, Inc. <Reasons nominated as a candidate and overview of expected role> Ms. Izumi Kobayashi has abundant experience and international insight cultivated through her service as a representative for private financial institutions and an international development financial institution. Furthermore, she has expertise in sustainability, ESG and diversity, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision SF2030 and accomplishing Structural Reform Program NEXT2025. In addition, Ms. Kobayashi shares her experience and insight as management expert, and actively comments as Chairman of the Personnel Advisory Committee, as Vice Chairman of the Corporate Governance Committee, and as a member of the CEO Selection Advisory Committee and the Compensation Advisory Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company expects that she will be a suitable person for supervising management for sustained improvements in corporate value and therefore requests her reelection as an Outside Director.	1,731

Notes: 1. There are no special interests between the Company and Ms. Izumi Kobayashi.

2. Ms. Izumi Kobayashi is currently an Outside Director of the Company, and the Company has provided notification as an Independent Officer to Tokyo Stock Exchange, Inc. If Ms. Kobayashi's reelection is approved, the Company plans to provide notification as an Independent Officer to Tokyo Stock Exchange, Inc. Details of "The Company's policy regarding the independence of Outside Executives" are described on pages 22 to 23.
3. The Company has established a provision in its Articles of Incorporation for limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. Accordingly, the Company has formed a limited liability agreement with Outside Directors and Outside Audit & Supervisory Board Members that sets the amount of their liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher. If Ms. Izumi Kobayashi's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.
4. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Ms. Izumi Kobayashi is approved, the Company plans to continue the aforementioned indemnity agreement.
5. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Ms. Izumi Kobayashi is approved, she shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during her term of office.

6. Mizuho Financial Group Inc., at which Ms. Izumi Kobayashi serves as Outside Director, received a business improvement order from the Financial Services Agency in November 2021 on account of eight system failures that occurred in the system of its subsidiary, Mizuho Bank, Ltd., from February to September 2021. The said company submitted a business improvement plan to the Financial Services Agency in January of the following year and worked to prevent recurrence. Ms. Kobayashi had already been making appropriate proposals prior to the incident regarding group governance, risk management and compliance with laws and regulations at the said company's Board of Directors meetings and other meetings. Even after the facts above occurred, she gave suggestions regarding measures to prevent recurrence in the future and verified the progress of the business improvement plan as a member of the said company's System Failure Special Investigative Committee, gave reports on the investigation details, etc. to the Board of Directors and made efforts to strengthen supervision functions, thereby fulfilling her duties.
7. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

Candidate number	Name (Date of birth)	Career summary, position in the Company, areas of responsibility, and significant concurrent positions	Number of shares of the Company owned
8	Mr. Yoshihisa Suzuki (June 21, 1955) (Male) <Outside Executive candidate> <Independent Officer candidate> Reelection Tenure as Director: 2 years Attendance at the Board of Directors meetings during fiscal 2023: 14/14 times (100%) Number of listed companies including OMRON where he concurrently serves as an officer: with business execution 0 without business execution 2	April 1979 Joined ITOCHU Corporation June 2003 Appointed Executive Officer of ITOCHU Corporation April 2006 Appointed Managing Executive Officer of ITOCHU Corporation April 2007 Appointed President (CEO) of ITOCHU International Inc. June 2012 Appointed Representative Director, President & CEO of JAMCO CORPORATION June 2016 Appointed Representative Director and Senior Managing Executive Officer of ITOCHU Corporation April 2018 Appointed President & Chief Operating Officer of ITOCHU Corporation April 2020 Appointed President & Chief Operating Officer and CDO・CIO of ITOCHU Corporation April 2021 Appointed Member of the Board and Vice Chairman of ITOCHU Corporation April 2022 Appointed Vice Chairman of ITOCHU Corporation June 2022 Appointed Outside Director of the Company (to present) April 2023 Appointed Senior Vice Representative for Business Community Relations, ITOCHU Corporation April 2024 Appointed Advisory Member, ITOCHU Corporation (to present) *Areas of responsibility, etc., in the Company:* Chairman of the Compensation Advisory Committee Member of the CEO Selection Advisory Committee Member of the Personnel Advisory Committee Member of the Corporate Governance Committee *Significant concurrent positions:* Advisory Member, ITOCHU Corporation Outside Director of the Board of Kyowa Kirin Co., Ltd. <Reasons nominated as a candidate and overview of expected role> Having served in management positions at a global general trading company, Mr. Yoshihisa Suzuki has a considerable track record of international management achievements and superior insight into innovation, technology, DX and IT, and appropriately supervises corporate management as an Outside Director with an aim of realizing the long-term vision SF2030 and accomplishing Structural Reform Program NEXT2025. In addition, Mr. Suzuki shares his experience and insight as management expert, and actively comments as Chairman of the Compensation Advisory Committee and as a member of the CEO Selection Advisory Committee, the Personnel Advisory Committee, and the Corporate Governance Committee to contribute to increasing transparency and fairness in the management of the Company. Based on these factors, the Company expects that he will be a suitable person for supervising management for sustained improvements in corporate value and therefore requests his reelection as an Outside Director.	1,432

Notes: 1. Mr. Yoshihisa Suzuki currently serves as Advisory Member, ITOCHU Corporation. While the OMRON Group has a business relationship with the ITOCHU Group including sales of products, such transactions in fiscal 2023 accounted for less than 1% of the consolidated net sales of the OMRON Group and those of the ITOCHU Group. Therefore there is nothing questionable regarding the independence of Mr. Suzuki, and there are no special interests between Mr. Suzuki and the Company.

2. Mr. Yoshihisa Suzuki is currently an Outside Director of the Company, and the Company has provided notification as an Independent Officer to Tokyo Stock Exchange, Inc. If Mr. Suzuki's reelection is approved, the Company plans to provide notification as an Independent Officer to Tokyo Stock Exchange, Inc. Details of "The Company's policy regarding the independence of Outside Executives" are described on pages 22 to 23.

3. The Company has established a provision in its Articles of Incorporation for limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. Accordingly, the Company has formed a limited liability agreement with Outside Directors and Outside Audit & Supervisory Board Members that sets the amount of their

liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher. If Mr. Yoshihisa Suzuki's reelection is approved, the Company plans to continue the aforementioned limited liability agreement.

4. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the reelection of Mr. Yoshihisa Suzuki is approved, the Company plans to continue the aforementioned indemnity agreement.
5. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the reelection of Mr. Yoshihisa Suzuki is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.
6. The number of shares of the Company owned above includes the real number of shares held in the name of the OMRON Officers' Stock Ownership Plan (as of March 31, 2024).

No. 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Hideyo Uchiyama will expire at the close of this Ordinary General Meeting of Shareholders. The Company therefore requests the election of one (1) Audit & Supervisory Board Member.

The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The Company has established the Personnel Advisory Committee to enhance the transparency, objectivity and timeliness in the nomination process of candidates for Audit & Supervisory Board Members. In response to consultation from the Chairman of the Board, who has been entrusted by the Audit & Supervisory Board, the Personnel Advisory Committee discusses and makes recommendations on the candidates for Audit & Supervisory Board Members in accordance with the election criteria. Reflecting the Personnel Advisory Committee's recommendations, and with the consent of the Audit & Supervisory Board, the Board of Directors nominates the candidates for Audit & Supervisory Board Member.

The Audit & Supervisory Board Member candidate is as follows.

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company owned
Mr. Hiroshi Miura (April 16, 1959) (Male) <Outside Executive candidate> <Independent Officer candidate> New election Number of listed companies including OMRON where he concurrently serves as an officer: with business execution 1* without business execution 4	April 1985 Joined Eiwa Audit Corporation (currently KPMG AZSA LLC) Aug. 1989 Registered as certified public accountant June 2006 Appointed Representative Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC) July 2009 Seconded to KPMG London Office (Head of EMA Global Japanese Practice (GJP)) Oct. 2013 Appointed Executive Board Member of KPMG AZSA LLC July 2021 Appointed Representative CPA of Global Management Advisory Office (to present) *Significant concurrent positions:* Representative CPA of Global Management Advisory Office Outside Audit & Supervisory Board Member of Maruwa Unyu Kikan Co., Ltd. Executive Director of ORIX JREIT Inc. Outside Director of MonotaRO Co., Ltd. Outside Audit & Supervisory Board Member of Toyota Boshoku Corporation <Reasons nominated as a candidate> Mr. Hiroshi Miura has years of international work experience both in Japan and overseas as a certified public accountant at auditing firms and has considerable knowledge regarding finance and accounting. He has expertise in international accounting standards, such as IFRS, and superior insight into governance and risk management. Based on these achievements and extensive experience, the Company expects that he will be a suitable person to serve as Outside Audit & Supervisory Board Member and therefore requests his election as an Outside Audit & Supervisory Board Member. * Mr. Miura concurrently serves as Executive Director of ORIX JREIT Inc., a company incorporated under the Act on Investment Trusts and Investment Corporations (hereinafter, "Investment Trusts Act"). Pursuant to the Investment Trusts Act, main duties of an Executive Director are limited to the convocation of an investors' meeting of the said company and supervision of entrusted asset management operators, among others, and his workload in daily business execution is therefore limited.	0

Notes: 1. There are no special interests between the Company and Mr. Hiroshi Miura.

2. Mr. Hiroshi Miura is an Outside Audit & Supervisory Board Member candidate, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc. If his election is approved, the Company plans to provide notification as an Independent Officer to Tokyo Stock Exchange, Inc. Details of "The Company's policy regarding the independence of Outside Executives" are described on pages 22 to 23.

3. The Company has established a provision in its Articles of Incorporation for limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. Accordingly, the Company has formed a limited liability agreement with Outside Directors and Outside Audit & Supervisory Board Members that sets the amount of their liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher. If the election of Mr. Hiroshi Miura is approved, the Company plans to conclude the aforementioned limited liability agreement.
4. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If the election of Mr. Hiroshi Miura is approved, the Company plans to conclude the aforementioned indemnity agreement.
5. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If the election of Mr. Hiroshi Miura is approved, he shall be insured under the said insurance contract. The Company plans to renew the said insurance contract during his term of office.

(Reference)

If this item is approved and resolved as originally proposed, the members of the Audit & Supervisory Board will be as follows.

There is no change in the current number and composition of Audit & Supervisory Board Members (two Audit & Supervisory Board Members and two Outside Audit & Supervisory Board Members).

Name			Position in the Company	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings	Tenure as Audit & Supervisory Board Member
<Incumbent>	Mr. Shuji Tamaki		Audit & Supervisory Board Member	14/14 times (100%)	13/13 times (100%)	3 years
<Incumbent>	Mr. Toshio Hosoi		Audit & Supervisory Board Member	11/11 times (100%)	10/10 times (100%)	1 year
<Incumbent>	Mr. Tadashi Kunihiro	<Outside Executive> <Independent Officer>	Outside Audit & Supervisory Board Member	14/14 times (100%)	13/13 times (100%)	7 years
<New election>	Mr. Hiroshi Miura	<Outside Executive> <Independent Officer>	Outside Audit & Supervisory Board Member	—	—	—

Note: As Mr. Toshio Hosoi was newly elected as an Audit & Supervisory Board Member at the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, and assumed office thereafter, his attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings indicates the Board of Directors meetings and the Audit & Supervisory Board meetings held on and after June 22, 2023.

No. 4: Election of One (1) Alternate Audit & Supervisory Board Member

The term of office of the currently appointed Alternate Audit & Supervisory Board Member will expire at the opening of this Ordinary General Meeting of Shareholders. To ensure that the Company will not lack the number of Audit & Supervisory Board Members stipulated by laws and regulations, the Company requests the election of one (1) Alternate Audit & Supervisory Board Member as an Alternate Outside Audit & Supervisory Board Member.

This Alternate Audit & Supervisory Board Member shall be appointed only if the Company lacks the number of Outside Audit & Supervisory Board Members stipulated by laws and regulations, and shall serve the remaining term of his predecessor. The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The Alternate Audit & Supervisory Board Member candidate is as follows. (The procedure for determining the candidate for Alternate Audit & Supervisory Board Member is the same as for the candidate for Audit & Supervisory Board Member described in "Proposal No. 3 Election of One (1) Audit & Supervisory Board Member" on page 16.)

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company owned
Mr. Toru Watanabe (February 2, 1966) (Male) <Alternate Audit & Supervisory Board Member candidate> <Outside Executive candidate> <Independent Officer candidate>	April 1993 Registered as attorney with the Osaka Bar Association; joined Kitahama Partners (currently Kitahama Partners - Foreign Law Joint Enterprise) Jan. 1998 Appointed partner of Kitahama Partners (to present) Jan. 2020 Appointed Representative Partner of Kitahama Partners (to present) *Significant concurrent positions:* Partner of Kitahama Partners - Foreign Law Joint Enterprise, Attorney at Law and Representative Partner of Kitahama Partners Outside Director of SHOBIDO Corporation Outside Audit & Supervisory Board Member of AOYAMA TRADING Co., Ltd. Outside Director of O-WELL CORPORATION <Reasons nominated as an alternate candidate> Mr. Toru Watanabe is an attorney specializing primarily in the Companies Act and corporate legal affairs. With his superior insight into risk management and corporate governance, he has served as an outside executive at multiple corporations. Based on these achievements and extensive experience, the Company expects that he will be a suitable person to serve as Outside Audit & Supervisory Board Member and therefore requests his election as an Alternate Outside Audit & Supervisory Board Member.	0

Notes: 1. There are no special interests between the Company and Mr. Toru Watanabe.

2. Mr. Toru Watanabe is an Alternate Outside Audit & Supervisory Board Member candidate, and meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc. If Mr. Watanabe is appointed as an Outside Audit & Supervisory Board Member, the Company plans to provide notification as an Independent Officer to Tokyo Stock Exchange, Inc. Details of "The Company's policy regarding the independence of Outside Executives" are described on pages 22 to 23.
3. The Company has established a provision in its Articles of Incorporation for limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members with the approval of shareholders, to ensure that they can adequately fulfill their expected roles. Accordingly, the Company has formed a limited liability agreement with Outside Directors and Outside Audit & Supervisory Board Members that sets the amount of their liability at either JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher. If Mr. Toru Watanabe is appointed as an Outside Audit & Supervisory Board Member, the Company plans to conclude the aforementioned limited liability agreement.
4. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has concluded an indemnity agreement with Directors and Audit & Supervisory Board Members, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. If Mr. Toru Watanabe is appointed as an Outside Audit & Supervisory Board Member, the Company plans to conclude the aforementioned indemnity agreement.

5. In order to ensure that Directors and Audit & Supervisory Board Members can adequately fulfill their expected roles, the Company has entered into a directors and officers liability insurance contract to insure its Directors and Audit & Supervisory Board Members. The contract shall cover damage that may arise due to the insured assuming liability for the execution of their duties, or receiving a claim pertaining to the pursuit of such liability. If Mr. Toru Watanabe is appointed as Outside Audit & Supervisory Board Member, he shall be insured under the said insurance contract.

(Reference)

1. Policy regarding Composition of the Board of Directors

In order to strengthen the supervision function of the Board of Directors, at the Company, 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 the Company'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.

2. Policy regarding Appointment of Directors and Audit & Supervisory Board Members

- Directors, Audit & Supervisory Board Members, and Executive Officers are composed 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.
- To swiftly respond to the need for global-scale growth and greater competitive strength, as well as significant changes in the business environment, the Personnel Advisory Committee shall work to ensure diversity in the Board of Directors, Audit & Supervisory Board, and among Executive Officers in terms including work experience, specialized knowledge, insights, gender, nationality, international experience, and age.
- The experience, specialized knowledge, and insight necessary for the realization of the OMRON Group's management vision related to Directors and Audit & Supervisory Board Members is presented in the skill matrix.

[Criteria for Appointment of Outside Directors]

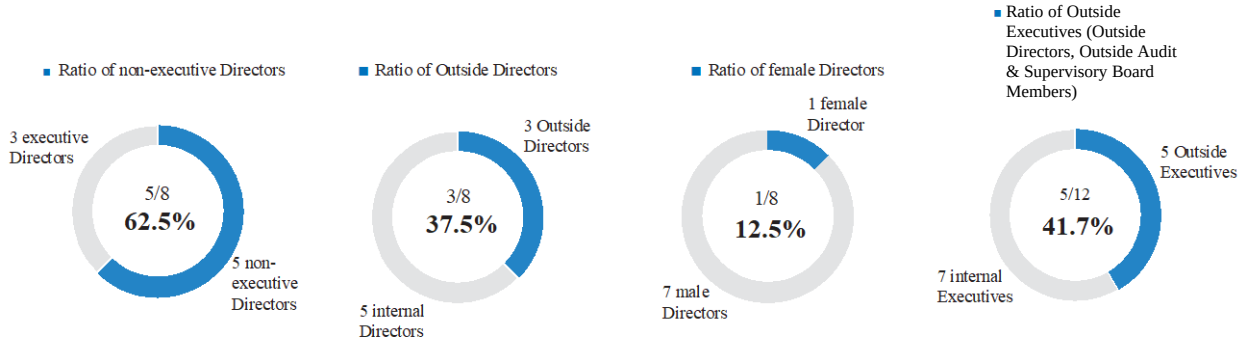
- Outside Directors are deeply involved in the CEO Selection Advisory Committee, which specializes in matters such as the appointment of the President, which is the top-priority matter in management oversight. In order to establish a highly transparent and objective system for appointing a President and CEO, Outside Directors must have management experience or equivalent experience.

[Criteria for Appointment of Outside Audit & Supervisory Board Members]

- Audit & Supervisory Board Members must possess the necessary insight, high ethical standards, fairness, and integrity as an Audit & Supervisory Board Member, as well as specialized knowledge in law, finance, accounting, management, or other areas.

3. Composition of the Board of Directors

If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the composition of the Board of Directors will be as follows.



4. 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, management experience, and specialized knowledge related to sustainability and ESG
New business creation, innovation	Possesses business, management experience, and specialized knowledge related to new business and innovation
Technology, production, quality	Possesses business, management experience, and specialized knowledge related to technology, production, and quality
DX, IT	Possesses business, management experience, and specialized knowledge related to DX and IT
Human resource development, diversity, human resource management	Possesses business, management experience, and specialized knowledge related human resource development, diversity, and human resource management
Financial accounting	Qualified as a CPA, CFO experience, business experience in financial institutions and accounting departments, and listed company management experience
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

*Aiming for 3 years of experience or more

If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the main areas of expertise and specialization of Directors and Audit & Supervisory Board Members will be as follows.

Position and name	Corporate management	Sustainability ESG	New business creation innovation	Technology production quality	DX IT	Human resource development, diversity, human resource management	Financial accounting	Legal affairs, compliance, internal control	Global experience	Background and Qualifications
Chairman of the Board Yoshihito Yamada	●	●					●		●	
Representative Director, President and CEO Junta Tsujinaga	●			●	●				●	
Representative Director, Executive Officer and Executive Vice President, CTO Kiichiro Miyata	●		●	●	●				●	
Director, Senior Managing Executive Officer, CHRO Masahiko Tomita		●				●			●	
Director Shizuto Yukumoto					●				●	
Outside Director Takehiro Kamigama	●	●	●	●	●		●		●	Manufacturing industry
Outside Director Izumi Kobayashi	●	●	●			●	●		●	Finance and international organization
Outside Director Yoshihisa Suzuki	●	●	●	●	●		●		●	General trading company
Audit & Supervisory Board Member Shuji Tamaki								●	●	International lawyer
Audit & Supervisory Board Member Toshio Hosoi			●		●					
Outside Audit & Supervisory Board Member Tadashi Kunihiro	●	●						●	●	Lawyer
Outside Audit & Supervisory Board Member Hiroshi Miura	●						●	●	●	Certified Public Accountant

The Company's policy regarding the independence of Outside Executives

- The Company makes it a rule to elect and appoint Outside Executive nominees following resolutions by the Board of Directors, based on the consultation to, deliberation by and reporting from the Personnel Advisory Committee chaired by an Outside Director, in accordance with the independence requirements stated in the Company's own "Independence Requirements for Outside Executives (see Note)" in addition to the requirements under the Companies Act.
- With regard to making all Outside Executives Independent Officers, the matter was resolved at a meeting of the Board of Directors. This decision followed consultation with the Corporate Governance Committee, composed of Outside Executives and non-executive internal Directors, with a view to ensuring that the Company's own "Independence Requirements for Outside Executives" are appropriate criteria for judging the independence of Outside Executives.

(Note) "Independence Requirements for Outside Executives" (revised on December 25, 2014)

In selecting new Outside Executive nominees, the Company has set the following independence requirements to define relations between the OMRON Group and the nominees as well as companies or organizations to which they belong. Outside Executives shall maintain the following independence requirements after appointment as well, and if there is an appointment to a principal position, independence shall be reviewed based on these independence requirements by the Personnel Advisory Committee.

1. Nominees for Outside Executives shall not be Directors (excluding Outside Directors), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), Executive Officers or employees of the OMRON Group (see Note) and they shall not have been Directors (excluding Outside Directors), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), Executive Officers or employees of the OMRON Group in the past.
2. They shall not have been large shareholders of the OMRON Group (*), or Directors, Audit & Supervisory Board Members, Executive Officers or employees of a company in which the OMRON Group is a large shareholder in any of the past five fiscal years.
   (*) A large shareholder refers to a company, etc. with a shareholding ratio exceeding 10% of total voting rights.
3. They shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees at significant transaction partners (*) of the OMRON Group.
   (*) A significant transaction partner refers to a company whose payments or received transaction amount in business with the OMRON Group in the previous fiscal year and the past three fiscal years represent more than 2% of the consolidated net sales of the Group or the transaction partner (including its parent company and significant subsidiaries).
4. They shall not be Directors, Audit & Supervisory Board Members, Executive Officers or employees of a corporation, organization, etc. receiving large donations (*) from the OMRON Group.
   (*) Large donations refer to donations of JPY 10 million per year or donations that represent more than 2% of the consolidated net sales or total income of the donation recipient, whichever amount is larger, based on the average for the past three fiscal years.
5. Companies or organizations to which the nominee belongs must not have appointed designated Directors, Audit & Supervisory Board Members, or Executive Officers to the OMRON Group or vice versa.
6. They shall not have been representative partners, staff members, partners or employees at the Accounting Auditors serving the OMRON Group in any of the past five fiscal years.
7. They shall not be legal specialists, certified public accountants, consultants, etc., that receive large amounts of money (*) or other assets from the OMRON Group besides compensation of Directors or Audit & Supervisory Board Members.
   (*) Large amounts of money refer to JPY 10 million per year in the cases of an individual or an amount that represents more than 2% of the consolidated net sales in the case of an organization based on the average for the past three fiscal years.
8. They shall not be a spouse, family member within the second degree of relationship, family member that lives in the same residence, or a dependent of any of the following parties.
   (1) Directors, Audit & Supervisory Board Members, Executive Officers or principal employees (*) of the OMRON Group
   (2) Parties that were Directors, Audit & Supervisory Board Members, Executive Officers or principal employees of the OMRON Group in any of the past five fiscal years
   (3) Parties that are restricted from appointment based on items 2. through 7. above

(*) Principal employees refer to employees at the Senior General Manager level or above.

9. In addition, there shall be nothing questionable regarding the independence in performing duties as an Outside Executive.

Note: The above term ‘OMRON Group’ means OMRON Corporation and its subsidiaries.

Business Report (Consolidated)

(April 1, 2023 to March 31, 2024)

1. Current State of the OMRON Group

(1) Consolidated Results

General Overview

OMRON Group net sales decreased compared with the previous fiscal year. The Healthcare Business experienced recovering demand in China, Europe, and other regions for blood pressure monitors and other health care equipment. The Social Systems, Solutions and Service Business captured growing demand for renewable energy. Meanwhile, the Industrial Automation Business posted lower sales year on year due to ongoing weakness in demand for capital investment in the manufacturing industry globally, as well as the impact of inventory adjustments among distributors. The Devices & Module Solutions Business posted a significant decrease in sales year on year due to ongoing weak demand in the consumer industry.

Gross profit margin was lower year on year, despite successful efforts to date in optimizing prices and reducing variable costs. This lower performance was due to the impact of factors including fluctuations in business composition and weaker value-added ratios stemming from changes in product mix and write-downs of backlogged inventories in the Industrial Automation Business.

Selling, general and administrative expenses increased for the full year, despite efforts to improve the productivity of fixed costs, due to inflation-related increases in personnel expenses, selective investments in certain areas, and company-wide investments in systems, etc., over the second half of the year.

Operating income declined significantly year on year as a result of the preceding factors.

Net income attributable to OMRON shareholders decreased by a significant JPY8.1 billion year on year due in part to a decrease in operating income and the recording of losses (JPY12.0 billion) due to the reevaluation of shares of JMDC Inc. (“JMDC”) based on market prices at the time of additional share purchases.

Excluding the impact of the aforementioned loss, net income attributable to OMRON shareholders would have been JPY20.1 billion (-72.8% year on year).

In light of results for the fiscal year under review and the intrinsic issues we face as a company, we began work on Structural Reform Program NEXT2025, announced February 26, 2024. NEXT2025 defines the period between April 2024 and September 2025 as a time to focus on restoring business performance and restructuring our foundation for earnings and growth. (For more, please see (4) Issues Facing the Company.)

In addition, the Company established a new data solution division on December 21, 2023. Accordingly, we added the Data Solution Business (DSB) as a group operating segment. The Data Solution Business collaborates with OMRON’s group companies and JMDC to lead our evolution toward a solutions-oriented business that creates new data-driven value. The JMDC financial results will be included together with the Data Solution Business for disclosure purposes.

Net sales	JPY 818,800 million, 6.5 percent decrease year on year
Gross profit margin	42.3 percent, 2.7 point decrease year on year
Operating income	JPY 34,300 million, 65.9 percent decrease year on year
Net income attributable to shareholders	JPY 8,100 million, 89.0 percent decrease year on year

Average exchange rates for fiscal 2023:

USD 1 = JPY 143.9	EUR 1 = JPY 156.3	CNY 1 = JPY 20.1

The average exchange rates for the fiscal year ended March 31, 2024 were USD 1 = JPY 143.9 (depreciated by 8.7 yen from the previous fiscal year), EUR 1 = JPY 156.3 (depreciated by 15.4 yen from the previous fiscal year) and CNY 1 = JPY 20.1 (depreciated by 0.4 yen from the previous fiscal year).

Overview by division

Sales by Division (Consolidated) (OMRON Group)

Division	Amount (JPY millions)	Share of total (%)	Year-on-year comparison (%)
Industrial Automation Business	393,600	48	19.0 decrease
Healthcare Business	149,700	18	5.3 increase
Social Systems, Solutions and Service Business	141,600	18	32.0 increase
Device & Module Solutions Business	114,400	14	17.6 decrease
Data Solution Business	17,400	2	-
Eliminations & Corporate	2,100	0	2.4 increase
Total	818,800	100	

Notes: 1. “Eliminations & Corporate” includes the figures of subsidiaries and affiliates outside the scope of the above divisions.
2. The figures for Data Solution Business include the amount of sales on and after October 16, 2023, the date on which the Company made JMDC Inc. into a consolidated subsidiary. As Data Solution Business is a division newly established during the fiscal year ended March 31, 2024, year-on-year comparison is not presented.

Results by Business Segment

IAB: Industrial Automation Business

Outline of business
With the vision of "Enriching the Future for People, Industries and the Globe by Innovative-Automation," the Industrial Automation Business (IAB) has contributed to the development of industry by innovating the manufacturing industry around the world with advanced automation, based on the core technology of "Sensing & Control + Think" that OMRON has cultivated thus far. Setting our unique "innovative-Automation"* value creation concept, our aim is to solve rapidly changing social issues mainly in the manufacturing industry with innovative solutions, based on the widest range of control devices in the industrial market, and create social value that contributes to the realization of happiness for working people along with the sophistication of industry.

*"innovative-Automation"
"innovative-Automation" is a value creation concept advocated for by OMRON that creates social value by solving issues at manufacturing sites. It promotes the provision of automation for sustainability that realizes coexistence with the global environment and job satisfaction of people while driving innovation in manufacturing. "innovative-Automation" aims to embody the following three concepts: "Autonomation beyond human abilities" that invites people to take on more creative roles and maximizes both on-site productivity and energy efficiency, "Advanced collaboration between people and machines" that maximizes human potential and allows humans and machines to grow and evolve together, and "Digital engineering transformation" that reproduces manufacturing sites and equipment in digital space, accelerates DX at manufacturing sites, and contributes to business process innovation.

Major products/services
Programmable controllers, motion controllers, sensing devices, industrial camera/code reader devices, inspection systems, safety devices and industrial robots

Demand for capital investment in the manufacturing industry was sluggish globally throughout the year. In particular, we saw a significant negative impact stemming from postponements or reductions in investments related to rechargeable batteries for EVs and semiconductors. Inventory at distributors, which had been an issue, remained at high levels, despite a trend toward drawdowns. As a result, sales were significantly lower year on year.
Operating income was significantly lower year on year due to lower sales, changes in product mix sales, write-downs of backlogged inventories, and other factors affecting gross profit margin negatively.
As a result, net sales for the fiscal year totaled JPY 393,600 million, a decrease of 19.0 percent compared with the previous fiscal year, and operating income totaled JPY 21,500 million, a decrease of 75.0 percent compared with the previous fiscal year.

HCB: Healthcare Business

Outline of business
The mission of our Healthcare Business (HCB) is "To help realize healthy and comfortable lives for people around the world." By living up to this mission, we have developed healthcare products and services with a focus on usability and accuracy of readings. This is intended to allow anyone to take measurements easily and correctly, with accuracy that ensures reliability for medical use. In terms of products, OMRON sells devices that have achieved certification for medical use in various countries, including blood pressure monitors, digital thermometers, and nebulizers (devices that deliver asthma medication through inhalation by patients), in more than 130 countries across the world. In terms of services, OMRON is promoting the provision of telemedicine services from major countries, which is a service where doctors can remotely monitor patients and provide prescription and treatment support.

Major products/services
Digital blood pressure monitors, nebulizers, low-frequency therapy equipment, ECGs, oxygen generators, digital thermometers, body composition monitors, pedometers and activity meters, electric toothbrushes, massagers, blood glucose monitors, vascular screening devices, visceral fat monitors, remote patient monitoring systems and telemedicine services

Demand for mainstay blood pressure monitors remained strong, particularly in Europe. In addition, demand for nebulizers increased significantly in China due to an increase in pneumonia and other respiratory diseases. As a result, sales increased year on year, due in part to the depreciation of the yen.
Operating income increased significantly year on year due to the increase in sales, as well as cost reductions for logistics and component costs.
As a result, net sales for the fiscal year was JPY 149,700 million, an increase of 5.3 percent compared with the previous fiscal year, and operating income totaled JPY 18,500 million, an increase of 15.3 percent compared with the previous fiscal year.

SSB: Social Systems, Solutions and Service Business

Outline of business
The mission of the Social Systems, Solutions and Service Business (SSB) is “Creating a society in which the people of the world live in safety, security, and comfort.” We provide a wide range of terminals and systems, including PV inverters, storage battery systems, railway station systems such as automated ticket gates and ticket vending machines, traffic and road management systems, payment systems, and UPS that protect equipment from unexpected power disruption which cause data loss. We also provide total solutions ranging from software development to comprehensive maintenance services to support the social infrastructure.

Major products/services
Energy business (solar power generation, storage battery systems), railway station service systems, traffic and road management systems, card payment services, IoT (power protection, data protection) solutions, software development and comprehensive maintenance service business

The storage battery systems and other businesses within the Energy Solutions Business performed well as a result of an increase in needs for captive consumption of renewable energy and subsidy programs, as well as increased investments in the industrial and commercial domains as part of accelerated efforts toward carbon neutrality. The Public Transportation System Business saw strong demand for capital investment amid strong performance among railway companies in response to a recovery in passengers and fare revisions. As a result, sales increased significantly year on year.
Operating income increased significantly year on year, mainly due to the increase in sales.
As a result, net sales for the fiscal year was JPY 141,600 million, an increase of 32.0 percent compared with the previous fiscal year, and operating income totaled JPY 14,000 million, an increase of 87.2 percent compared with the previous fiscal year.

DMB: Device & Module Solutions Business

Outline of business
The mission of the Device & Module Solutions Business (DMB): “With our devices and modules, create customer value, and contribute to society.” DMB is OMRON’s core business unit as a global component supplier of relays, switches, connectors and sensors that act as eyes and ears for wide variety of products playing a vital role in connecting and switching devices, for customers across various industries including EVs and mobility, energy infrastructure, home appliances and industrial equipment.

Major products/services
Relays, switches, connectors, IoT communication modules, general sensors, amusement components and units, face recognition software, image sensing component and MEMS sensors

Demand for components for the consumer industry fell sharply, particularly in the Americas and China. This decrease was largely due to controlled investment, stagnant production activities, and inventory adjustments among our customers. Demand for automotive components was sluggish in general, although automobile production volume showed signs of recovery in certain markets in the second half of the year. As a result, sales were significantly lower year on year.
Operating income declined significantly year on year as a result of the decrease in sales and other factors.
As a result, net sales for the fiscal year totaled JPY 114,400 million, a decrease of 17.6 percent compared with the previous fiscal year, and operating income totaled JPY 3,100 million, a decrease of 79.7 percent compared with the previous fiscal year.

DSB: Data Solution Business*

* Established in December 2023, the Data Solution Business collaborates with OMRON’s group companies and JMDC to lead the evolution from manufacturing to a solutions-oriented business that creates new data-driven value.

Outline of business
The Data Solution Business will transform the OMRON Group’s value creation away from manufacturing to data-driven solutions. Towards resolving the three social issues addressed in SF2030 (Achieving carbon neutrality, Realizing a digital society, and Extending healthy life expectancy), utilization of data is essential. In collaboration with JMDC that became a group company in October 2023, we will not only expand business in the healthcare domain, but also combine large amounts of data we obtain from devices and components of other businesses with JMDC’s data management technology and solution development expertise, and create growing businesses that help resolve social issues.

Major products/services
Data healthcare business, corporate health business, smart M&S (management service solutions) business, carbon neutral solutions business, data-based solutions business, and self-reliance support business

Sales continued to be firm with ongoing growth in the number of health insurance association contracts at JMDC, increasing transaction volume with pharmaceutical companies and insurance companies for whom we provide data, and growing numbers of medical institutions utilizing remote image interpretation services.
Operating income remained firm, supported by sales growth.
As a result, net sales for the fiscal year totaled JPY 17,400 million, and operating income totaled JPY 2,200 million.

Note: This segment includes expenses related to the amortization of intangible assets specifically identified in the conversion of JMDC into a consolidated subsidiary, etc.

(2) Capital Investment

The OMRON Group engaged in select and proactive capital investments as necessary, including enhancement of production equipment and investment in bases with the aim of creating future growth, as well as the renewal of IT infrastructure. As a result, total capital investment was JPY 44,894 million, a 0.4 % decrease from the previous fiscal year.

Capital investment amounts by division were as shown below.

Division	Amount (JPY millions)
Industrial Automation Business	7,255
Healthcare Business	3,948
Social Systems, Solutions and Service Business	5,558
Electronic and Mechanical Components Business	6,073
Data Solution Business	1,164
Eliminations & Corporate	20,896
Total	44,894

Notes: 1. “Eliminations & Corporate” includes the figures of head office divisions and subsidiaries and affiliates outside the scope of the above divisions.

2. The figure for Data Solution Business includes the capital investment amount on and after October 16, 2023, the date on which the Company made JMDC into a consolidated subsidiary.

(3) Capital Procurement

The Group appropriated its own funds and borrowings from financial institutions for the necessary funds during the fiscal year. Borrowings from financial institutions include a loan amounting to JPY 85,500 million from Sumitomo Mitsui Banking Corporation as a bridge loan made on October 13, 2023, which was a fund for acquiring shares of JMDC through a tender offer aimed at making it into a consolidated subsidiary. The bridge loan was then refinanced in its entirety by organizing a syndicated loan where MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Kyoto, Ltd. participated in on March 12, 2024.

In addition, JMDC, which became a consolidated subsidiary of the Company, borrowed JPY 14,200 million from Mizuho Bank, Ltd. on January 26, 2024, for the purpose of acquiring shares of Cancerscan Inc.

(4) Issues Facing the Company

[OMRON's Basic Management Policies]

Since our founding, the mission of the OMRON Group has been to improve lives and contribute to a better society by solving social issues through our businesses. Through the practice of the OMRON Principles, we strive for sustainable improvement in corporate value and engage in management based on these principles.

[Medium- to Long-term Corporate Management Strategy]

<Overview of Long-Term Vision Shaping the Future 2030>

The OMRON Group engages in business management based on our Long-Term Vision, Shaping the Future 2030 (SF2030), which covers fiscal years 2022 to 2030. As society enters a period of change, we have written a story of our own transformation and the creation of new value in SF2030 to solve social issues and contribute to all stakeholders, including investors. Many new social issues will arise over the future. Working from the perspective of leveraging OMRON Group strengths in automation, our customer assets, and business assets, we identified three social issues for the OMRON Group to address that will have an outsized social impact in the future: (1) Achieving Carbon Neutrality; (2) Realizing a Digital Society; and (3) Extending Healthy Life Expectancy. To solve these issues, we revised the OMRON Group business domains under SF2030, establishing four domains and defining social value within these domains. In the Industrial Automation domain, we contribute to the advancement of manufacturing in support of sustainable societies. In the Healthcare Solutions domain, we contribute to the achievement of Zero Events of cardiovascular diseases. In the Social Solutions domain, we contribute to the adoption and efficient use of renewable energy and a sustainable infrastructure to support digital societies. In addition, in the Device & Module Solutions domain, we contribute to the take-up of new energy and high-speed communications. Under SF2030, we intend to contribute to the creation of sustainable societies and enhance corporate value by integrating our businesses with principles of sustainability.

Reference:
For details about the long-term vision, please refer to the following website.
https://www.omron.com/global/en/ir/irlib/sf_info/

<Overview of Structural Reform Program NEXT2025 based on fiscal 2023 results>

We planned SF2030 initially as a series of every three-year medium-term management plans, beginning in fiscal 2022. Our first medium-term management plan, SF 1st Stage, identified fiscal 2024 as a goal year for accelerating the transformation of our capabilities toward value creation and sustainable growth in response to social challenges. However, the business environment deteriorated more than expected during fiscal 2023 due to the slowdown of the Chinese economy and supply chain disruptions. The Company was unable to respond to this rapid change in the environment as operations of certain businesses and areas driving Company growth were unbalanced, resulting in a significant decline in company performance.
To improve this situation, the Company has been quick to take steps to streamline fixed costs beginning in the third quarter of fiscal 2023. However, to work on more fundamental solutions to our essential issues, we launched Structural Reform Program NEXT2025, designating the period from April 2024 to September 2025 as a period to concentrate on restoring business performance and restructuring our foundation for earnings and growth. To concentrate company-wide resources upon the start of NEXT2025, we revised SF 1st Stage and designated the period from fiscal 2026 to fiscal 2030, after the completion of NEXT2025, as the next medium-term management plan, SF 2nd Stage. The vision we aspire to under SF2030 is kept unchanged.
Under Structural Reform Program NEXT2025, the Company intends to implement five management measures to ensure sustainable sales growth and profitability, as well as to achieve sustainable enhancement of corporate value.
Specifically, these measures are as follows:

1. Industrial Automation Business Revival Plan

To return the Industrial Automation Business to growth, the Company intends to revise strategies and plans for the business from a customer-driven, effective perspective. Specifically, we will review resource allocation and accelerate the implementation of measures during the structural reform period to maximize Industrial Automation Business operating income and secure a foundation for growth expected under SF2030.

2. Portfolio Optimization

The Company intends to optimize business, product, and area portfolios to build greater resilience in each business to deal with changes in the business environment, achieving both sustainable growth and profitability. At the same time, the Data Solution Business will take the lead in accelerating the creation of data solution

businesses within the Industrial Automation Business, Healthcare Business, and Social Systems Business, leveraging the capabilities of JMDC.

3. Headcount and Capacity Optimization
The Company intends to optimize the number and capacity of our global workforce to create a labor and cost structure allowing us to build customer value and achieve profitable growth. Specifically, we plan to optimize total labor costs by reducing the number of employees by approximately 2,000, consisting of approximately 1,000 employees in Japan and 1,000 employees overseas. All the optimizations globally will be implemented in compliance with local labor laws, rules, and regulations.

4. Fixed Cost Productivity Improvements
The Company will pursue the maximization of fixed cost productivity across the entire OMRON Group. Specifically, we intend to adopt and apply consistent fixed cost discipline to maintain a ratio of SG&A expenses to net sales of less than 30% over the medium term (less than 28% when excluding JMDC Inc. The result for fiscal 2023 was 32.0%).

5. Introduction and Operation of a 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. Specifically, in addition to measures from a financial perspective, we intend to adopt and apply customer-driven business operations controls and human resources policies to change management thinking and behavior.

[Management Plan for the Next Fiscal Year (fiscal 2024)]
Over the next fiscal year, we intend to accelerate efforts to complete Structural Reform Program NEXT2025 under a group-wide policy to rebuild a foundation for earnings and growth by focusing all actions on creating value for our customers. Based on these initiatives, we aim to achieve JPY 825.0 billion in net sales (+0.8% compared with the previous year) in the next fiscal year, with gross profit margin of 44.7% (+2.4 points year on year), and JPY 49.0 billion in operating income (+42.7% year on year).
In addition, update the non-financial targets established initially in fiscal 2022, changing the targets for fiscal 2024 in conjunction with the start of Structural Reform Program NEXT2025.

Financial Targets

(Billions of yen, %)

Financial Targets	FY2023 (Results)	FY2024 (Targets)
Net sales	818.8	825.0
Operating income	34.3	49.0
ROIC	1.0%	Approx 1%
ROE	1.1%	Approx. 1%
EPS (yen)	41	43

*Taking into consideration comparability with the accounting standards in Japan, expenses associated with "Headcount and Capacity Optimization" are not included in operating income for FY2024 (Targets).

Non-Financial Targets

Non-Financial Targets[*5]	FY2023 (Results)	FY2024 (Targets)
1) Grow sustainability sales[*1] 45% vs. FY2021 (reflects contribution to solving 3 social issues)	+33% (vs. FY2021)	+35% (vs. FY2021)
2) Raise ratio of women in management roles above 18% on a global basis	18.9%	–[*4]
3) Hire disabled individuals at 28 overseas bases; maintain 3% level achieved in Japan	Overseas: 28 locations Japan: 3.5%	–[*4]
4) Reduce Scope 1 & 2 GHG emissions by 53% versus FY2016	68% reduction[*2] (vs. FY2016)	68% reduction (vs. FY2016)
5) Achieve Carbon Zero at all 76 domestic locations	39 locations	76 locations
6) Implement human rights due diligence in alignment with UNGP and develop mechanism for remedying abuses in the value chain	・ Draft solutions to identified human rights issues ・ Operate and monitor remedy mechanisms	・ Implement human rights due diligence and build and operate remedy mechanisms
7) Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World	Selected to DJSI World	Selected to DJSI World
8) 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources	70%	–[*4]
9) In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others	Begin training programs in all areas except for Japan	Continue training programs in all areas except for Japan
10) Make full use of digital tools to reduce use of paper	54% reduction (vs. FY2019)	54% or more reduction (vs. FY2019)
+1 Top management of each region to declare their commitment to local communities in alignment with OMRON's Sustainability Policy	Declaration/execution ongoing in all areas	Declaration/execution ongoing in all areas

*1 Sales of focus domains that lead to achieving carbon neutrality, realizing a digital society, and extending healthy life expectancy.
*2 Estimated figures as of the end of fiscal 2023.
*3 Non-financial targets 8) to 10) were decided by employee vote.
*4 Targets will be determined after the completion of headcount and capacity optimization.
*5 Figures presented in Non-Financial Targets are the initial target figures under SF 1st Stage formulated in fiscal 2022.

(5) Financial Assets and Profit and Loss

Consolidated Financial Position and Operating Results

(JPY millions)

	83rd term (April 1, 2019 to March 31, 2020)	84th term (April 1, 2020 to March 31, 2021)	85th term (April 1, 2021 to March 31, 2022)	86th term (April 1, 2022 to March 31, 2023)	87th term (April 1, 2023 to March 31, 2024)
Net Sales	677,980	655,529	762,927	876,082	818,761
Operating Income	54,760	62,480	89,316	100,686	34,342
Income before Income Taxes	51,836	65,089	86,714	98,409	34,953
Net Income Attributable to OMRON Shareholders	74,895	43,307	61,400	73,861	8,105
Basic Net Income Attributable to OMRON Shareholders per Share (JPY)	365.26	214.72	305.65	372.19	41.17
Total Assets	758,124	820,379	930,629	998,160	1,354,729
Shareholders' Equity	530,415	606,858	665,227	728,473	786,686
Shareholders' Equity per Share (JPY)	2,626.62	3,009.15	3,339.64	3,701.08	3,995.04
Return on Equity (%)	14.5	7.6	9.7	10.6	1.1

Note: The Company prepares its Consolidated Financial Statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP).
Operating income is presented as gross profit less selling, general and administrative expenses and research and development expenses.

Non-Consolidated Financial Position and Operating Results

(JPY millions)

	83rd term (April 1, 2019 to March 31, 2020)	84th term (April 1, 2020 to March 31, 2021)	85th term (April 1, 2021 to March 31, 2022)	86th term (April 1, 2022 to March 31, 2023)	87th term (April 1, 2023 to March 31, 2024)
Net Sales	295,651	258,494	310,989	369,498	259,328
Ordinary Income (loss)	28,122	23,562	42,084	103,108	(8,260)
Net Income	79,376	18,503	23,250	91,106	15,792
Net Income per Share (JPY)	387.12	91.74	115.74	459.09	80.21
Total Assets	510,158	537,742	606,482	596,309	680,668
Net Assets	302,811	298,916	277,159	333,265	319,545
Net Assets per Share (JPY)	1,499.52	1,482.20	1,391.42	1,693.19	1,622.75

(6) Principal Subsidiaries

(As of March 31, 2024)

Division	Name	Capital (JPY millions)	Parent ownership (%)	Principal business
Industrial Automation Business	OMRON KANSAI-SEIGYO Corporation	310	100.0	Sale of industrial automation control equipment
Healthcare Business	OMRON HEALTHCARE Co., Ltd.	5,021	100.0	Healthcare and medical devices
Social Systems, Solutions and Service Business	OMRON SOCIAL SOLUTIONS Co., Ltd.	5,000	100.0	Social systems
Device & Module Solutions Business	OMRON RELAY & DEVICES Co., Ltd.	300	100.0	Electronic components for home appliances and communications devices
Data Solution Business	JMDC Inc.	25,099	54.3	Data solution
Headquarters and others	OMRON MANAGEMENT CENTER OF AMERICA, INC.	(Thousands of U.S. dollars) 6,891	100.0	Regional management of business in the Americas
Headquarters and others, and Industrial Automation Business	OMRON EUROPE B.V.	(Thousands of Euro) 16,883	100.0	Regional management of business, and supervision of industrial automation business in Europe
Headquarters and others	OMRON (CHINA) Co., Ltd.	(Thousands of CNY) 1,468,771	100.0	Regional management of business in China
Headquarters and others, and Industrial Automation Business	OMRON ASIA PACIFIC Pte. Ltd.	(Thousands of U.S. dollars) 23,465	100.0	Regional management of business and supervision of industrial automation business in Southeast Asia
Headquarters and others, and Industrial Automation Business	OMRON ELECTRONICS KOREA Co., Ltd.	(Thousands of South Korean won) 950,000	100.0	Regional management of business and supervision of industrial automation business in South Korea

The OMRON Group consists of 156 consolidated subsidiaries and 9 affiliates accounted for using the equity method including the above companies.
There are no unconsolidated subsidiaries or affiliates unaccounted for by the equity method.

(7) Principal Places of Business, etc.

(As of March 31, 2024)

OMRON	Headquarters (Head Office) Tokyo Office (Branch Office)	Shimogyo-ku, Kyoto Minato-ku, Tokyo
	Places of Business	Nagoya Office (Nishi-ku, Nagoya City), Kusatsu Office (Kusatsu City, Shiga Pref.), Ayabe Office (Ayabe City, Kyoto Pref.), Katsuragawa Office (Muko City, Kyoto Pref.), Osaka Office (Kita-ku, Osaka City)
	Research Site	Keihanna Technology Innovation Center (Kizugawa City, Kyoto Pref.)
Subsidiaries	Japan	OMRON KANSAI-SEIGYO Corporation (Kita-ku, Osaka City) OMRON HEALTHCARE Co., Ltd. (Muko City, Kyoto Pref.) OMRON SOCIAL SOLUTIONS Co., Ltd. (Minato-ku, Tokyo) OMRON RELAY & DEVICES Co., Ltd. (Yamaga City, Kumamoto Pref.) JMDC Inc. (Minato-ku, Tokyo)
	Overseas	OMRON MANAGEMENT CENTER OF AMERICA, INC. (Illinois, U.S.A.) OMRON EUROPE B.V. (Hoofddorp, the Netherlands) OMRON (CHINA) Co., Ltd. (Beijing, China) OMRON ASIA PACIFIC Pte. Ltd. (Singapore) OMRON ELECTRONICS KOREA Co., Ltd. (Seoul, South Korea)

Consolidated Net Sales Composition Ratio by Region

(JPY billions)

Japan	The Americas	Europe	Greater China	Southeast Asia and others	Direct export	Total
349.1	86.1	128.9	171.9	80.7	2.1	818.8
43%	10%	16%	21%	10%	0%	100%

Note: Major countries and regions belonging to categories other than Japan
(1) The Americas the United States, Canada, Brazil
(2) Europe the Netherlands, the United Kingdom, Germany, France, Italy, Spain
(3) Greater China China, Hong Kong, Taiwan
(4) Southeast Asia and others Singapore, South Korea, India, Australia

(8) Employees

OMRON Group Employees (Consolidated)

(As of March 31, 2024)

Number of employees	Change from March 31, 2023
28,450	Increase of 416 employees

Note: Number of employees refers to full time employees (people assigned by the OMRON Group to work outside the OMRON Group are excluded; people assigned from outside the OMRON Group to work within the OMRON Group are included).

OMRON Group Employees by Region (Consolidated)

(As of March 31, 2024)

Japan	The Americas	Europe	Greater China	Southeast Asia and others	Total
11,738	1,832	2,241	7,404	5,235	28,450
41%	7%	8%	26%	18%	100%

Note: Major countries and regions belonging to categories other than Japan
(1) The Americas the United States, Canada, Brazil
(2) Europe the Netherlands, the United Kingdom, Germany, France, Italy, Spain
(3) Greater China China, Hong Kong, Taiwan
(4) Southeast Asia and others Singapore, South Korea, India, Australia

(9) Major Lenders

Lender	Amount lent
MUFG Bank, Ltd.	JPY 38,070 million
Sumitomo Mitsui Banking Corporation	JPY 32,484 million
Mizuho Bank, Ltd.	JPY 21,736 million
The Bank of Kyoto, Ltd.	JPY 21,500 million

(10) Other Important Matters Regarding the Current State of the OMRON Group

The Company resolved at the Board of Directors meeting held on September 8, 2023 to acquire common stock of JMDC, an affiliate accounted for using the equity method, through a tender offer (hereinafter the "Tender Offer") and to conclude a new capital and business alliance agreement (hereinafter, the "Agreement") by amending the capital and business alliance agreement concluded between JMDC and the Company on February 22, 2022, and accordingly concluded the Agreement on the same day. As a result of the Tender Offer, JMDC became a consolidated subsidiary of the Company.

By having JMDC become a consolidated subsidiary of the Company, it will be possible to actively utilize the JMDC's assets, thereby realizing value creation and sustainable growth through business transformation and maximizing corporate value over the medium to long term.

1. Details of the Tender Offer
   (1) Period of the purchase, etc.: From September 11, 2023 to October 10, 2023
   (2) Number of shares purchased: 15,000,000 shares
   (3) Purchase price: JPY 85,500 million (Purchase price per share: JPY 5,700)

2. Date of acquisition
   October 16, 2023

3. Number of shares held, etc. after the Tender Offer
   35,459,000 shares (Ownership ratio of voting rights: approx. 54.3%)

2. Stock Information (As of March 31, 2024)

(1) Total Number of Issuable Shares 487,000,000 shares

(2) Total Number of Shares Issued 206,244,872 shares
(including 8,808,870 shares of treasury stock)

(3) Number of Shareholders 47,096

(4) Major Shareholders (Top Ten Shareholders)

Shareholder	Number (thousands of shares)	Percentage Held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	39,687	20.10
Custody Bank of Japan, Ltd. (trust account)	17,162	8.69
The Bank of Kyoto, Ltd.	7,069	3.58
MUFG Bank, Ltd.	5,143	2.60
OMRON Employee Stockholding Association	3,863	1.95
Moxley and Co LLC	3,696	1.87
State Street Bank West Client - Treaty 505234	3,681	1.86
Nippon Life Insurance Company	3,640	1.84
BBH for Global X Robotics and Artificial Intelligence ETF	2,661	1.34
Tateisi Science and Technology Foundation	2,625	1.32

Notes: 1. The percentage of shares is calculated excluding treasury stock.
2. Although the Company holds 8,809 thousand shares of treasury stock (the ratio to a total of shares issued: 4.27%), it is excluded from the above list of major shareholders.
3. On July 20, 2020, Nomura Securities Co., Ltd. filed an amendment to the major shareholding status report, which is open to public, stating that its one group company held 16,272 thousand shares of the Company (representing 7.89% of the total number of shares issued) as of July 15, 2020. However, the Company has not been able to confirm the number of shares substantially possessed by the group company, and therefore it is not included in the above list of major shareholders.
4. On March 22, 2022, BlackRock Japan Co., Ltd. filed an amendment to the major shareholding status report, which is open to public, stating that its 12 group companies held 16,217 thousand shares of the Company (representing 7.86% of the total number of shares issued) as of March 15, 2022. However, the Company has not been able to confirm the number of shares substantially possessed by the 12 group companies, and therefore they are not included in the above list of major shareholders.
5. On October 16, 2023, Mitsubishi UFJ Financial Group, Inc. filed an amendment to the major shareholding status report, which is open to public, stating that its three group companies held 15,543 thousand shares of the Company (representing 7.54% of the total number of shares issued) as of October 9, 2023. However, the Company has not been able to confirm the number of shares substantially possessed by the three group companies, and therefore they are not included in the above list of major shareholders.
6. On November 7, 2023, Sumitomo Mitsui Trust Bank, Limited filed an amendment to the major shareholding status report, which is open to public, stating that its two group companies held 12,431 thousand shares of the Company (representing 6.03% of the total number of shares issued) as of October 31, 2023. However, the Company has not been able to confirm the number of shares substantially possessed by the two group companies, and therefore they are not included in the above list of major shareholders.

(5) Breakdown of Shareholders by Type of Owner

Financial Institutions	Treasury Stock	Securities Companies	Other Domestic Companies	Foreign Investors	Individuals and Others	Total
41%	4%	3%	5%	35%	12%	100%

Note: Shareholders who only own odd-lot (less than one trading unit) shares are excluded from the table.

(6) Shares Issued to the Company's Officers as Compensation for the Execution of Duties in the Fiscal Year under Review

The breakdown of stock compensation issued during the fiscal year under review is as follows.

	Number of shares	Number of recipients
Directors (excluding Outside Directors)	28,500	3
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

Note: 1. The shares issued during this period were issued as a non-performance-linked component of stock compensation for officers who resigned at the close of the 86th Ordinary General Meeting of Shareholders held on June 22, 2023.

2. Regarding the Company's stock compensation, the trust shall grant the Company's shares corresponding to the points awarded. The target persons shall receive the Company's shares corresponding to 50% of the number of points granted (odd-lot shares shall be rounded off), and with respect to the Company's shares corresponding to the number of remaining points, an amount of money equivalent to the converted value of such Company's shares shall be paid after conversion under the trust. The shares for which monetary payments have been made through this conversion are not included in the number of shares in the above table.

3. Stock Acquisition Rights of the Company

None applicable.

4. Directors and Audit & Supervisory Board Members

(1) Names and Other Information of Directors and Audit & Supervisory Board Members

Title	Name	Areas of Responsibility and Significant Concurrent Positions, etc.
Chairman of the Board	Yoshihito Yamada	Chairman of the Board of Directors Member of the CEO Selection Advisory Committee Member of the Corporate Governance Committee Outside Director of NEC Corporation
Representative Director	Junta Tsujinaga	President CEO
Representative Director	Kiichiro Miyata	Executive Officer and Executive Vice President CTO Member of the Personnel Advisory Committee (retired in June 2023) Member of the Compensation Advisory Committee
Director	Masahiko Tomita	Senior Managing Executive Officer CHRO and Senior General Manager of Global Human Resources and Administration HQ Member of the Personnel Advisory Committee
Director	Shizuto Yukumoto	Vice Chairman of the CEO Selection Advisory Committee Vice Chairman of the Personnel Advisory Committee Vice Chairman of the Compensation Advisory Committee Member of the Corporate Governance Committee
Outside Director	Takehiro Kamigama [Outside Executive] [Independent Officer]	Chairman of the CEO Selection Advisory Committee Chairman of the Corporate Governance Committee Member of the Personnel Advisory Committee Member of the Compensation Advisory Committee (retired as Chairman in June 2023) Chief Consultant of Contemporary Amperex Technology Japan KK Outside Director of Yamaha Motor Co., Ltd. (retired in March 2024) External Director of SoftBank Corp. Outside Director of the Board of KOKUYO Co., Ltd.

Title	Name	Areas of Responsibility and Significant Concurrent Positions, etc.
Outside Director	Izumi Kobayashi [Outside Executive] [Independent Officer]	Chairman of the Personnel Advisory Committee Vice Chairman of the Corporate Governance Committee Member of the CEO Selection Advisory Committee Member of the Compensation Advisory Committee Outside Director of ANA HOLDINGS INC. External Director of Mitsui & Co., Ltd. (retired in June 2023) Outside Director of Mizuho Financial Group, Inc.
Outside Director	Yoshihisa Suzuki [Outside Executive] [Independent Officer]	Chairman of the Compensation Advisory Committee Member of the CEO Selection Advisory Committee Member of the Personnel Advisory Committee Member of the Corporate Governance Committee Senior Vice Representative for Business Community Relations of ITOCHU Corporation (retired in March 2024) Outside Director of the Board of Kyowa Kirin Co., Ltd.

Title	Name	Significant Concurrent Positions, etc.
Audit & Supervisory Board Member	Shuji Tamaki	
Audit & Supervisory Board Member	Toshio Hosoi	
Outside Audit & Supervisory Board Member	Hideyo Uchiyama [Outside Executive] [Independent Officer]	Member of the Corporate Governance Committee Executive Advisor of ASAHI Tax Corporation Outside Director of Sompo Holdings, Inc. (retired in June 2023) Outside Director of Eisai Co., Ltd.
Outside Audit & Supervisory Board Member	Tadashi Kunihiro [Outside Executive] [Independent Officer]	Member of the Corporate Governance Committee Partner of T. Kunihiro & Co. Attorneys-at-Law Outside Director of LY Corporation Outside Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Auditor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Supervisory Committee Member of The Norinchukin Bank

Notes: 1. For Outside Directors Takehiro Kamigama, Izumi Kobayashi and Yoshihisa Suzuki, and Outside Audit & Supervisory Board Members Hideyo Uchiyama and Tadashi Kunihiro, the Company has provided notification as Independent Officers to Tokyo Stock Exchange, Inc. Details of "The Company's policy regarding the independence of Outside Executives" are described on pages 22 to 23.

2. Mr. Takehiro Kamigama concurrently served as Outside Director of Yamaha Motor Co., Ltd. ("Yamaha Motor") (retired in March 2024), with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Yamaha Motor Group. Mr. Kamigama concurrently serves as External Director of SoftBank Corp., with which the Group has a business relationship that includes operational consignment of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the SoftBank Group. Furthermore, Mr. Kamigama concurrently serves as Outside Director of the Board of KOKUYO Co., Ltd. ("KOKUYO"), with which the Group has a business relationship that includes operational consignment. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the KOKUYO Group.

3. Ms. Izumi Kobayashi concurrently serves as Outside Director of ANA HOLDINGS INC. ("ANA HOLDINGS"), with which the Group has a business relationship that includes a contract of removal work of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the ANA HOLDINGS Group. Ms. Kobayashi concurrently serves as Outside Director of Mizuho Financial Group, Inc. with which the Group has a business relationship that includes consignment of consulting services. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Mizuho Financial Group. In addition, Ms. Izumi Kobayashi concurrently served as External Director of Mitsui & Co., Ltd. ("Mitsui & Co.") (retired in June 2023), with which the Group has a business relationship that includes transactions relating to raw materials of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Mitsui & Co. Group.
4. Mr. Yoshihisa Suzuki served as Senior Vice Representative for Business Community Relations of ITOCHU Corporation ("ITOCHU") (retired in March 2024), with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the ITOCHU Group. Mr. Suzuki concurrently serves as Outside Director of the Board of Kyowa Kirin Co., Ltd. ("Kyowa Kirin"), with which the Group has a business relationship that includes sales of medical data services. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Kyowa Kirin Group.
5. Mr. Hideyo Uchiyama concurrently served as Outside Director of Sompo Holdings, Inc. ("Sompo Holdings") (retired in June 2023), with which the Group has a business relationship relating to insurance. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Sompo Holdings Group. Mr. Uchiyama concurrently serves as Outside Director of Eisai Co., Ltd. ("Eisai"), with which the Group has a business relationship that includes sales of medical data services. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Eisai Group.
6. Mr. Tadashi Kunihiro concurrently serves as Outside Director of LY Corporation ("LY"), with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the LY Group. In addition, Mr. Tadashi Kunihiro concurrently serves as Outside Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. ("Tokio Marine & Nichido Fire Insurance"), with which the Group has a business relationship relating to insurance. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Tokio Marine & Nichido Fire Insurance Group.
7. There are no special relationships between the Company and significant concurrent employers of other Outside Executives.
8. Mr. Yoshihisa Suzuki retired as Senior Vice Representative for Business Community Relations of ITOCHU Corporation on March 31, 2024, and assumed office as Advisory Member of the same company on April 1, 2024.
9. Mr. Hideyo Uchiyama has years of working experience as a certified public accountant in an auditing firm, and has considerable knowledge regarding finance and accounting.
10. Changes in Directors' and Audit & Supervisory Board Members' positions in the fiscal year under review are as follows.
    (Appointment) At the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, Mr. Junta Tsujinaga, Mr. Masahiko Tomita and Mr. Shizuto Yukumoto were newly elected and appointed as Directors, and Mr. Toshio Hosoi was newly elected and appointed as an Audit & Supervisory Board Member.
    (Retirement) At the close of the 86th Ordinary General Meeting of Shareholders held on June 22, 2023, Mr. Fumio Tateishi, Mr. Koji Nitto and Mr. Satoshi Ando retired from the position of Director, and Mr. Kiyoshi Yoshikawa retired from the position of Audit & Supervisory Board Member, due to the expiry of their terms.
11. Executive Officers as of April 1, 2024 are as follows.

Title	Name	Position
* President	Junta Tsujinaga	CEO
* Executive Vice President	Kiichiro Miyata	CTO
* Senior Managing Executive Officer	Masahiko Tomita	CHRO and Senior General Manager, Global Human Resources and Administration HQ
Senior Managing Executive Officer	Nigel Blakeway	Chairman and CEO, OMRON MANAGEMENT CENTER OF AMERICA, INC. and Chairman, OMRON MANAGEMENT CENTER OF EUROPE and Chairman, OMRON MANAGEMENT CENTER OF ASIA PACIFIC
Senior Managing Executive Officer	Seiji Takeda	CFO and Senior General Manager, Global Strategy HQ
Managing Executive Officer	Seigo Kinugawa	Senior General Manager, Global Business Process and IT Innovation HQ
Managing Executive Officer	Tsutomu Igaki	Senior General Manager, Global Corporate Communications & Engagement HQ and Sustainability Executive

Title	Name	Position
Managing Executive Officer	Kenji Eda	Senior General Manager, Global Procurement, Quality and Logistics HQ
Managing Executive Officer	Katsuhiro Shikata	President and CEO, OMRON SOCIAL SOLUTIONS Co., Ltd.
Managing Executive Officer	Masahiko Ezaki	Company President, Device & Module Solutions Company
Managing Executive Officer	Motohiro Yamanishi	Company President, Industrial Automation Company
Managing Executive Officer	Ayumu Okada	President and CEO, OMRON HEALTHCARE Co., Ltd.
Managing Executive Officer	Hidetaka Ishihara	Senior General Manager, Data Solution Business HQ, and Senior General Manager, Innovation Exploring Initiative HQ
Executive Officer	Jian Xu	President and CEO, OMRON (CHINA) CO., LTD.
Executive Officer	Taisuke Tateishi	President and CEO, OMRON FIELD ENGINEERING Co., Ltd.
Executive Officer	Virendra Shelar	President, OMRON MANAGEMENT CENTER OF ASIA PACIFIC, and General Manager, Global Human Resource Strategy Department, Global Human Resources and Administration HQ
Executive Officer	Masayuki Yamamoto	Senior General Manager, Global Solution Sales Division HQ, Industrial Automation Company
Executive Officer	Robert Black	President, CEO and COO, OMRON ELECTRONICS LLC, Industrial Automation Company
Executive Officer	Hisako Takada	Senior General Manager, CEO Office
Executive Officer	Masaki Suwa	Senior General Manager, Technology & Intellectual Property HQ and President and CEO, OMRON SINIC X Corp.
Executive Officer	Toyoharu Tamoi	Senior General Manager, Global Finance and Accounting HQ
Executive Officer	Andre Van Gils	Senior General Manager, Global Sales and Marketing Group HQ, OMRON HEALTHCARE Co., Ltd.
Executive Officer	Hiroto Iwasa	Senior General Manager, Board of Directors Office
Executive Officer	Yukitaka Kamio	Senior General Manager, Sales & Marketing Division HQ, Device & Module Solutions Company
Executive Officer	Yoshichika Tanabe	Senior General Manager, Global Risk Management and Legal HQ
Executive Officer	Yusuke Muramatsu	General Manager, Corporate System PJ Office, Global Strategy HQ
Executive Officer	Tsunetoshi Oba	Senior General Manager, Product Business Division HQ, Industrial Automation Company
Executive Officer	Kotaro Suzuki	General Manager, Corporate Planning Department, Global Strategy HQ

Note: Executive Officer marked with * concurrently serve as Director.

(2) Summary of Details of Indemnity Agreements and Directors and Officers Liability Insurance Contracts

1) Summary of Details of Indemnity Agreements

The Company has concluded an indemnity agreement with Mr. Yoshihito Yamada, Mr. Junta Tsujinaga, Mr. Kiichiro Miyata, Mr. Masahiko Tomita, Mr. Shizuto Yukumoto, Mr. Takehiro Kamigama, Ms. Izumi Kobayashi, Mr. Yoshihisa Suzuki, Mr. Shuji Tamaki, Mr. Toshio Hosoi, Mr. Hideyo Uchiyama and Mr. Tadashi Kunihiro, which indemnifies them for expenses in Article 430-2, Paragraph 1, Item 1 of the Companies Act and for losses in Item 2 of the same paragraph within the limits stipulated by laws and regulations. However, there are certain exemptions, such as no compensation for liability arising from actions taken with knowledge that they are in violation of laws and regulations.

2) Summary of Details of Directors and Officers Liability Insurance Contracts

The Company has entered into a directors and officers liability insurance contract with an insurance company under Article 430-3, Paragraph 1 of the Companies Act for all the Directors, Audit & Supervisory Board Members and officers of the Company and its subsidiaries as insured persons, and the Company bears the full amount of all insurance premiums for the insured persons.

In the event of a claim for damages submitted by a shareholder or a third party, the said insurance contract shall compensate for damages including compensation for damages and legal expenses to be borne by the insured persons.

As a measure to ensure that the properness of the performance of duties by the insured is not impaired, compensation for damages arising from intentional or criminal acts taken by the insured are not covered by the insurance contract.

(3) Compensation of Directors and Audit & Supervisory Board Members

1) Policy on Determining Amount of Compensation, etc., and Methods Used for Calculation

The Company has a Compensation Advisory Committee to increase objectivity and transparency with respect to the compensation of Directors. The Compensation Advisory Committee is composed of members the majority of whom are Outside Directors, and is chaired by an Outside Director. The Company determines the Compensation Policy for Directors by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee.

The amount of compensation for each Director is determined by resolution of the Board of Directors, within the scope of the aggregate amount of compensation, etc. for Directors set by resolution of the General Meeting of Shareholders, in light of discussions by and recommendations from the Compensation Advisory Committee based on the above policy.

In addition, the amount of compensation for each Audit & Supervisory Board Member is determined by discussions among Audit & Supervisory Board Members, based on the Compensation Policy for Audit & Supervisory Board Members, which has been set forth through discussions among Audit & Supervisory Board Members, within the scope of the aggregate amount of compensation, etc. for Audit & Supervisory Board Members set by resolution of the General Meeting of Shareholders.

The Company's Compensation Policy for Directors, Overview of Compensation Structure for Directors and Compensation Policy for Audit & Supervisory Board Members are as described in the following pages.

2) Amount of Compensation of Directors and Audit & Supervisory Board Members

(JPY millions)

Title	Number (Persons)	Base Salary	Short-term Performance-Linked Compensation (Bonuses)	Medium-to-long-term, Performance-Linked Compensation (Stock compensation)	Aggregate Compensation
Directors [Outside Directors]:	11 [3]	364 [55]	16 [—]	184 [—]	564 [55]
Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members]:	5 [2]	104 [35]	— [—]	— [—]	104 [35]
Total [Outside Executives included in total]:	16 [5]	468 [90]	16 [—]	184 [—]	668 [90]

Notes: 1. The amounts include compensation paid to three Directors and one Audit & Supervisory Board Member who retired at the close of the 86th Ordinary General Meeting of Shareholders held on June 22, 2023.

2. The maximum limit of the aggregate compensation of Directors was set at JPY 35 million per month (by resolution of the 63rd Ordinary General Meeting of Shareholders held on June 27, 2000; the said resolution pertained to seven (7) Directors). The amounts of base salaries for each Director are determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee.

3. The maximum limit of the aggregate compensation of Audit & Supervisory Board Members was set at JPY 11 million per month (by resolution of the 81st Ordinary General Meeting of Shareholders held on June 19, 2018; the said resolution pertained to four (4) Audit & Supervisory Board Members). The amount of base salary for Audit & Supervisory Board Members is determined by discussions among Audit & Supervisory Board Members.

4. The maximum limit of Directors' bonuses was set at JPY 600 million per year (by resolution of the 81st Ordinary General Meeting of Shareholders held on June 19, 2018; the said resolution pertained to five (5) Directors). The amount of bonus for each Director is calculated based on the targets and actual results of operating income, net income, and ROIC for the 87th term (fiscal year ended March 31, 2024), and determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. Regarding each indicator's actual results, please refer to Trends in Consolidated Results (available in Japanese only).

5. The 84th Ordinary General Meeting of Shareholders held on June 24, 2021 made a resolution to introduce stock compensation. Based on the resolution, the maximum limit of money to be contributed by the Company is JPY

2.4 billion, and the maximum limit of the number of the Company's shares to be granted and delivered as sales proceeds ("grant(ing), etc.") is 600,000 shares during the four fiscal years from fiscal 2021 to fiscal 2024. The said resolution pertained to five (5) Directors. Regarding stock compensation, the Company shall award points to Directors calculated according to a prescribed formula, and the trust shall grant, etc. the Company's shares corresponding to the points awarded during a certain period to the Directors. The final calculation of the number of points to be granted and the actual delivery will be carried out after the end of the target period from fiscal 2021 to fiscal 2024, but the expenses of stock compensation, as indicated above, are associated with the points granted during the fiscal year under review. The amount of stock compensation for each Director is calculated based on the financial targets evaluation (EPS, ROE) from fiscal 2021 to fiscal 2024, the sustainability evaluation (reduction of greenhouse gas emissions, score of Sustainable Engagement Index (SEI) in engagement survey and Dow Jones Sustainability Indices) targets and achievements, as well as the corporate value evaluation (relative TSR), and determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee.

6. No Directors of the Company received any employee wages other than their compensation as Directors.

Compensation Policy for Directors

1) Basic policy

- The Company shall provide compensation sufficient to recruit as Directors exceptional people who are capable of putting the OMRON Principles into practice.
- 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.

2) 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 only, reflecting their roles and the need for maintaining independence.

3) Base salary

- The amount of a base salary, paid monthly, shall be determined by taking into account the salary levels of other companies, as surveyed by a specialized outside organization.

4) 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 degree of achievement of the goals of the medium-term management plan, and to the improvement in corporate value (value of stock).
- The performance-linked component of stock compensation shall be paid after the medium-term management plan concludes, while the non-performance-linked component 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.

5) 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.

Overview of Compensation Structure for Directors

(1) Compensation composition ratio

Compensation consists of a “base salary” (fixed compensation) and compensation according to Company performance, namely “short-term performance-linked compensation (bonuses)” and “medium-to-long-term, performance-linked compensation (stock compensation).” The ratio of compensation consisting of performance-linked compensation compared to base salary has been determined for each role:

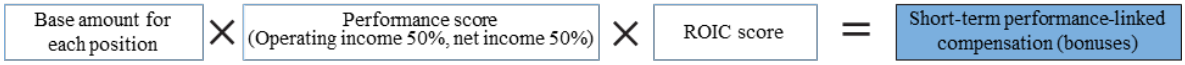
*Referring to President and CEO, the ratio is based on the assumption that the performance targets are set as 100% for each performance-linked compensation

(2) Base salary

A base salary is paid monthly to Directors as fixed compensation. Base salaries are determined for each role by taking into account the salary levels of officers at other companies (benchmarked companies of the same industry and scope selected by the Compensation Advisory Committee), as surveyed by a specialized outside organization.

(3) Short-term performance-linked compensation (bonuses)

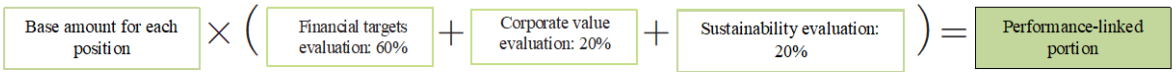
Bonuses are paid as a lump sum after the fiscal year concludes to Directors excluding Outside Directors as short-term performance-linked compensation, which is linked to yearly performance indicators and the degree of achievement of performance targets. Director bonuses vary between 0% and 200% according to the achievement of operating income, net income, and ROIC targets defined in the annual operating plan.



(4) Medium-to-long-term, performance-linked compensation (stock compensation)

Stock compensation is paid as medium-to-long-term, performance-linked compensation to Directors excluding Outside Directors. Stock compensation comprises the performance-linked component (60%), which is linked to the degree of achievement of the medium-term management plan(*), and the non-performance-linked component (40%), which aims for retention and motivation to improve share prices over the medium- to long-term, and is paid under the condition of a certain term of service. The performance-linked component of stock compensation is paid after the medium-term management plan concludes, while the non-performance-linked component is paid after the Director retires.

The performance-linked portion varies between 0% and 200% depending on the degree of achievement of performance targets, etc., in the medium-term management plan.



	Evaluation weight	Evaluation Indicators	Target value (for the end of FY2024)
Financial targets evaluation	60%	• EPS	400 yen
		• ROE	10%
Corporate value evaluation	20%	• Relative TSR[*1]	100%
Sustainability evaluation	20%	• Reduction of greenhouse gas emissions (internal target)	-53% from FY2016
		• Score of Sustainable Engagement Index (SEI)[*3] in engagement survey[*2] (internal target)	70 points
		• Dow Jones Sustainability Indices (third-party evaluation)	DJSI World

*1 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)
*2 Survey measuring employees' voluntary motivation to contribute to targets of the organization
*3 Indicator that measures the presence of a high level of motivation to contribute to the achievement of targets, maintained through good mental and physical health, or a strong sense of belonging to the organization, or a productive work environment

In the event that an individual Director in question engages in serious misconduct during their term of service, and such misconduct harms the Company, the Compensation Advisory Committee will deliberate and make a recommendation. Based on this discussion and recommendation, the Board of Directors shall resolve to limit the payment of stock-based compensation.

(5) Performance indicators of performance-linked compensation

- The performance indicators for short-term performance-linked compensation (bonuses) were set from the short-term management plan's indicators for financial targets towards the realization of the Short-Term Management Plan based on the medium-term management plan "SF 1st Stage(*)."
- The performance indicators for medium- to long-term performance-linked compensation (stock compensation) were set from the Medium-Term Management Plan's indicators for financial targets, non-financial targets and strategic targets towards the realization of the medium-term management plan "SF 1st Stage(*)." In addition, the long-term vision for 2030 "SF2030" aims to maximize corporate value, and indicators for directly evaluating corporate value have been set.

  *Upon the execution of Structural Reform Program NEXT2025, the Company withdrew the targets under the medium-term management plan (SF 1st Stage), originally scheduled to run through the fiscal year ending March 31, 2025. However, the contents of the medium-to-long-term, performance-linked compensation (stock compensation) for the covered period (four fiscal years from fiscal 2021 to fiscal 2024) are kept unchanged from those approved at the 84th Ordinary General Meeting of Shareholders held on June 24, 2021. The degree of achievement of the performance indicators is also measured using the previous target values.

Compensation Policy for Audit & Supervisory Board Members

1) Basic policy
- Compensation shall be sufficient to recruit exceptional people who are capable of performing the duties of Audit & Supervisory Board Members entrusted by shareholders.
- The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders.

2) Structure of compensation
- Compensation for Audit & Supervisory Board Members shall consist of a base salary only, reflecting their roles and the need for maintaining independence.

3) Base salary
- The amount of a base salary, paid monthly, shall be determined by taking into account the salary levels of other companies, as surveyed by a specialized outside organization.

4) Governance of compensation
- The amount of compensation for each Audit & Supervisory Board Member shall be determined through discussions by Audit & Supervisory Board Members.

(4) Items Related to Outside Executives

1) Concurrent Positions as Executive Director or Outside Executive of Other Companies

As listed in "(1) Names and Other Information of Directors and Audit & Supervisory Board Members" (pages 39 to 40).

2) Main Activities in the Past Fiscal Year

	Name	Main Activities
Outside Directors	Takehiro Kamigama	Attended all 14 of the 14 Board of Directors meetings held during the period, and exercised oversight functions particularly in terms of the Company's technical management and product quality, drawing on his experience and insights gained through his experience as a corporate manager at a globally operating manufacturing company. He currently serves as Chairman of the CEO Selection Advisory Committee, Chairman of the Corporate Governance Committee, Member of the Personnel Advisory Committee, and Member of the Compensation Advisory Committee.
	Izumi Kobayashi	Attended all 14 of the 14 Board of Directors meetings held during the period, and exercised oversight functions particularly in terms of the Company's diversity and geopolitical risks, drawing on her experience and insights gained through her tenure as a corporate manager at private financial institutions and a representative of an international development financial institution. She currently serves as Chairman of the Personnel Advisory Committee, Vice Chairman of the Corporate Governance Committee, Member of the CEO Selection Advisory Committee, and Member of the Compensation Advisory Committee.
	Yoshihisa Suzuki	Attended all 14 of the 14 Board of Directors meetings held during the period, and exercised oversight functions particularly in terms of the Company's M&A and alliances, and monetization of new businesses, etc., drawing on his experience and insights gained through his experience as a corporate manager at a globally operating general trading company. He currently serves as Chairman of the Compensation Advisory Committee, Member of the CEO Selection Advisory Committee, Member of the Personnel Advisory Committee, and Member of the Corporate Governance Committee.

	Name	Main Activities
Outside Audit & Supervisory Board Members	Hideyo Uchiyama	Attended all 14 of the 14 Board of Directors meetings and all 13 of the 13 Audit & Supervisory Board meetings held during the period, and made statements particularly in terms of the Company's finance and accounting as necessary from an expert's perspective as a certified public accountant to ensure the legality and appropriateness of decision-making by the Board of Directors. In accordance with the audit policy and plan determined by the Audit & Supervisory Board, he periodically exchanged opinions with the President and CEO, held interviews with Directors and Executive Officers, and exchanged information with the Accounting Auditor. He currently serves as Member of the Corporate Governance Committee.
	Tadashi Kunihiro	Attended all 14 of the 14 Board of Directors meetings and all 13 of the 13 Audit & Supervisory Board meetings held during the period, and made statements particularly in terms of the Company's internal control and risk management as necessary from an expert perspective as a lawyer to ensure the legality and appropriateness of decision-making by the Board of Directors. In accordance with the audit policy and plan determined by the Audit & Supervisory Board, he periodically exchanged opinions with the President and CEO, and held interviews with Directors and Executive Officers. He also made an extensive range of statements regarding the Company's risk and crisis management from an expert perspective. He currently serves as Member of the Corporate Governance Committee.

3) Summary of Details of Limited Liability Agreements

The Company has established a provision in its Articles of Incorporation for limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members to ensure that they can adequately fulfill their expected roles. Based on this provision in the Articles of Incorporation, the Company has entered into limited liability agreements with all of the Outside Directors and Outside Audit & Supervisory Board Members based on the relevant provision of the Articles of Incorporation. These agreements limit their liability for damages with respect to the liabilities of Article 423-1 of the Companies Act to JPY 10 million or the minimum liability amount prescribed in Article 425-1 of the Companies Act, whichever is higher, when the Outside Director or Outside Audit & Supervisory Board Member has performed his duties in good faith and has not been grossly negligent.

5. Accounting Auditors

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of Compensation of Accounting Auditors for the Fiscal Year Ended March 31, 2024

1)	Total amount of compensation to be paid to the Accounting Auditor by the Company and its subsidiaries	JPY 403 million
2)	Of the total amount in 1), total amount to be paid by the Company and its subsidiaries as compensation for audit certification services	JPY 367 million
3)	Of the total amount in 2), amount of compensation as Accounting Auditor to be paid by the Company	JPY 306 million

Notes: 1. The amount of audit compensation under the Companies Act and the amount of audit compensation for the audit of financial statements, quarterly review and audit of the Internal Control System under the Financial Instruments and Exchange Law are not separated in the audit contract between the Company and the Accounting Auditor, and cannot be separated practically. Therefore, the amount in 3) is stated as the total of these.

2. The Audit & Supervisory Board, upon confirmation and deliberation of the plans for the Accounting Auditor's audit for the fiscal year, which had been explained by the Accounting Auditor and the relevant internal divisions, the records of the previous fiscal year's audit, the performance status of the audit by the Accounting Auditor, and the grounds for calculation of compensation estimation, judged them to be appropriate and gave consent to the amount of compensation to be paid to the Accounting Auditor.

3. Among the Company's principal consolidated subsidiaries, JMDC Inc., OMRON MANAGEMENT CENTER OF AMERICA, INC., OMRON EUROPE B.V., OMRON (CHINA) Co., Ltd., OMRON ASIA PACIFIC Pte. Ltd. and OMRON ELECTRONICS KOREA Co., Ltd. receive audits by an auditor other than the Accounting Auditor of the Company.

(3) Contents of Services other than Services of Article 2-1 of the Certified Public Accountants Act (Non-Audit Services)

The Company entrusts the Accounting Auditor with advisory services related to financial reporting, which is a service other than services of Article 2-1 of the Certified Public Accountants Act (Non-Audit Services), and pays them accordingly.

(4) Policy for Dismissal or Non-Reappointment of Accounting Auditor

The Company may dismiss or decline to reappoint the Accounting Auditor for any of the following reasons:

1) If deemed necessary, such as in cases where the execution of duties by the Accounting Auditor has been disrupted, the Audit & Supervisory Board determines the contents of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the general meeting of shareholders.

2) If the Audit & Supervisory Board judges that the Accounting Auditor falls under any of the numbered items in Article 340-1 of the Companies Act, it dismisses the Accounting Auditor with the consent of all Audit & Supervisory Board Members. In such cases, the Audit & Supervisory Board Member who has been selected by the Audit & Supervisory Board will report the fact of and the reason for the dismissal of the Accounting Auditor at the first general meeting of shareholders convened after the dismissal of the Accounting Auditor.

6. Systems and Policies of the Company

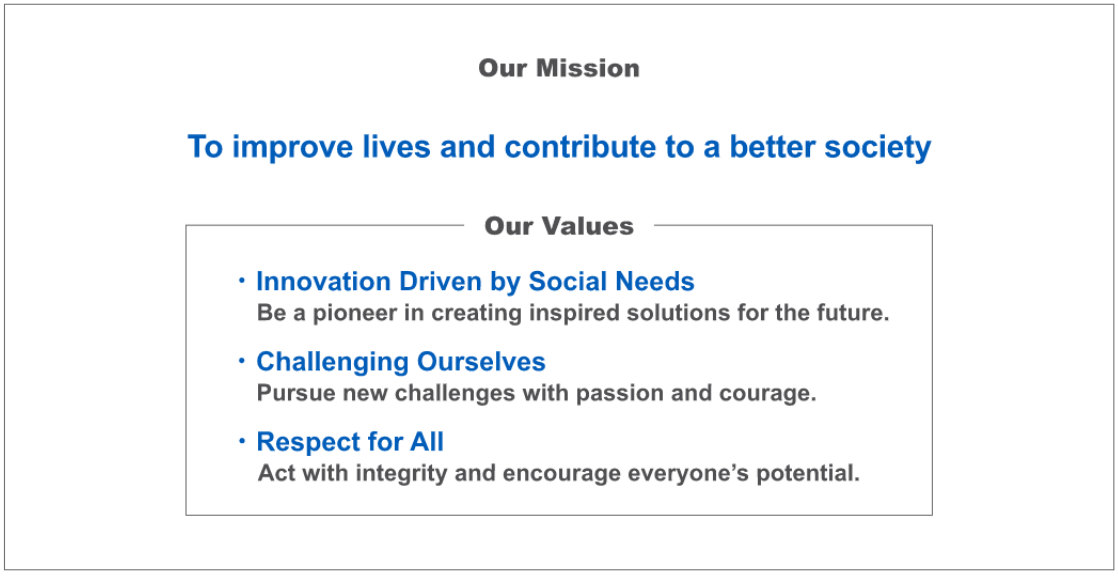
(1) Corporate Principles of the OMRON Group

In 1959, Kazuma Tateishi, the Company's founder, set forth "To improve lives and contribute to a better society" as Our Mission for the OMRON Group. Subsequently, the spirit of Our Mission was developed into the corporate principles of the OMRON Group, and has been revised in line with the changing times, while serving as the driver as well as the unifying force for business development leading to countless innovations and contributing to the development of society and the improvement of people's lives.

Moreover, in order to clarify that the continued practice of the corporate principles remains the foundation of the OMRON Group's management, we added the practice of the corporate principles to our Articles of Incorporation in 2022.

As a global company, the OMRON Group aims to create a better society through the resolution of various social issues globally. To achieve this goal, it is becoming increasingly important that all employees around the world take action based on an understanding of our stance towards the corporate principles. The OMRON Group is reinforcing efforts to put the corporate principles into practice on a global scale.

Going forward, the OMRON Group will contribute to the development of society and the improvement of people's lives by practicing the corporate principles as it aims for sustained improvements in corporate value.



(2) Management Philosophy of the OMRON Group

The OMRON Group has declared the following Management Philosophy to all stakeholders, representing the OMRON Group's stance and way of thinking towards management to put the corporate principles into practice through business. It will continue to evolve according to the demands of the times and society.

(3) Corporate Governance of the Company

Basic Stance for Corporate Governance of the Company

At the OMRON Group, corporate governance is defined as the system of processes and practices based on the OMRON Principles and the OMRON Management Philosophy. The system is intended to ensure transparency and fairness in business and speed up management decisions and practices. This is done by 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's corporate governance also involves building such a system and maintaining its proper function. The ultimate objective is to achieve sustained enhancement of corporate value by earning the support of all stakeholders.

Reasons for OMRON's Selection of its Current Corporate Governance System

The Company has chosen to adopt the organizational structure of a "Company with Audit & Supervisory Board."

The Board of Directors strives toward sustained improvements in the OMRON's Group corporate value by exercising oversight functions over the overall management through the election of Directors, Audit & Supervisory Board Members and Executive Officers; the determination of compensation for Directors and Executive Officers; and making important operational decisions.

The Audit & Supervisory Board and the Audit Supervisory Board Members work to secure the integrity of the OMRON Group and the sustained improvement of corporate value by conducting audits on legality and appropriateness of Directors' duties, and the fulfillment of the Board of Directors' oversight obligations. In addition, each Audit & Supervisory Board Member can exercise his/her authority on his/her own as a single-person organ in which the power of final decision-making is given to one person. This allows them to play a crucial role in strengthening internal controls.

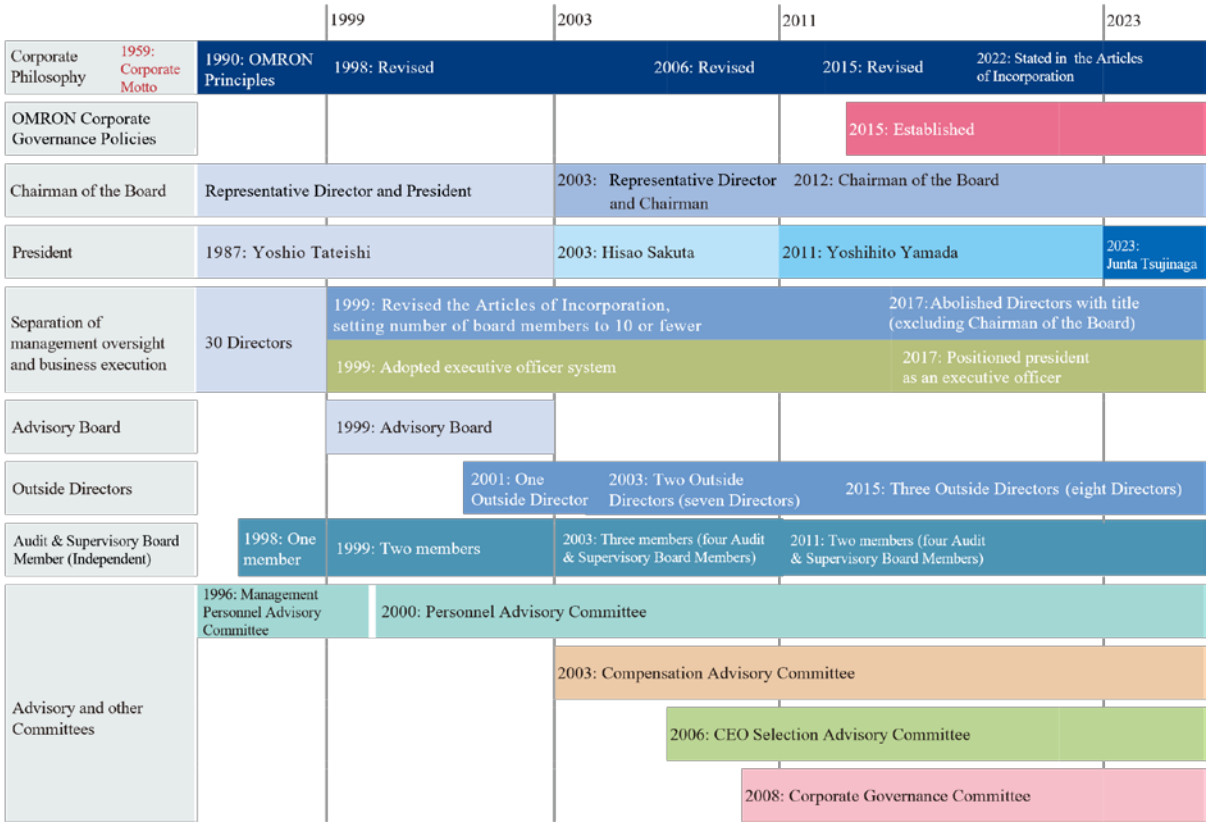
Furthermore, to enhance the oversight functions of the Board of Directors, four voluntary advisory committees are attached to the Board of Directors. The CEO Selection Advisory Committee, the Personnel Advisory Committee and the Compensation Advisory Committee are chaired by an Outside Director, and the majority of each committee should be composed of Outside Directors. The CEO Selection Advisory Committee, in particular, is dedicated to the deliberation and nomination of candidates for CEO, which is the top-priority matter in management oversight. In addition, the Corporate Governance Committee, established for the purpose of enhancing corporate governance, is also chaired by an Outside Director, and comprises Outside Directors, Outside Audit & Supervisory Board Members and non-executive internal Directors. Through these unique initiatives, the Company has established and adopted a system that enhances the transparency and objectivity of management's decision-making process.

By incorporating the best aspects of the corporate governance system of a so-called "Company with Committees (Nomination, etc.)" in this way, we have created the kind of hybrid corporate governance structure that we feel is most appropriate for OMRON as a Company with Audit & Supervisory Board.

OMRON Corporate Governance Policies

In accordance with this basic stance for Corporate Governance, the Company has set forth the corporate governance policies (the "Policies"). Since establishing the Management Personnel Advisory Committee in 1996, the Company has spent more than 25 years formalizing and strengthening its systems of corporate governance. The Company intends to continue its pursuit of ongoing improvement of corporate governance to achieve sustainable enhancement of corporate value.

Corporate Governance Initiatives (Reference)



[Organizational Structure]

The OMRON Group has chosen to adopt the organizational structure of "Company with Audit & Supervisory Board" as stipulated by the Companies Act. To strengthen the functions of the Board of Directors, four advisory committees are in place, namely the CEO Selection Advisory Committee, the Personnel Advisory Committee, the Compensation Advisory Committee and the Corporate Governance Committee. By incorporating the best aspects of the governance system of a "Company with Committees" as well, the OMRON Group has established and adopted a hybrid type governance structure.

[Roles and Responsibilities of the Board of Directors]

The Board of Directors recognizes its fiduciary responsibility to shareholders and assumes the responsibility of sustainably improving the OMRON Group's corporate value through appropriate exercise of its authority.

- To fulfill the above responsibilities, the Board of Directors exercises oversight functions over the overall management in order to ensure fairness and transparency of management practices. The Board of Directors does so through election of Directors, Audit & Supervisory Board Members, and Executive Officers. It also determines compensation for Directors and Executive Officers, and makes important operational decisions.
- The Board of Directors determines and discloses significant management visions and policies, including:
  - Sustainability policies, material sustainability issues and targets (including climate change risk initiatives based on frameworks such as TCFD)
  - Key business strategies for focused domains (including the business portfolio)
  - Technology strategies/intellectual property strategies, human resource strategies
- The Board of Directors selects significant management visions and policies as focus themes while responding to changes in the business environment and continuously exercising its oversight functions.
- The Board of Directors determines the policy for the operation of the Board of Directors and focus themes every year based on the evaluation of the Board of Directors' effectiveness and exercises its oversight functions.
- The Board of Directors is also responsible for seeking timely explanations when Audit & Supervisory Board Members, Accounting Auditors or the Internal Audit Division have discovered and pointed out fraud within the OMRON Group or pointed out deficiencies or problems.

[Composition of Board of Directors]

- 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.
- At least one-third of the Board of Directors shall consist of Outside Directors.
- 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 Board of Directors' skill matrix shall be disclosed.
- The CEO Selection Advisory Committee dedicated to the deliberation and nomination of candidates for CEO, which is the top-priority matter in management oversight, is attached to the Board of Directors. The Personnel Advisory Committee concerns the nomination and personnel evaluation of Directors, Audit & Supervisory Board Members, and Managing Executive Officers, and the Compensation Advisory Committee concerns the remuneration of Directors and Executive Officers.
- The CEO Selection Advisory Committee, the Personnel Advisory Committee and the Compensation Advisory Committee are chaired by an Outside Director, and the majority of each committee should be composed of Outside Directors.
- The President and CEO does not belong to any advisory committee.
- The Corporate Governance Committee, established for the purpose of enhancing corporate governance, is also to be chaired by an Outside Director, and comprises Outside Directors, Outside Audit & Supervisory Board Members and non-executive internal Directors.
- The lead Outside Director assumes the position of chair of the Corporate Governance Committee.

[Chairman of the Board of Directors]

- To clarify the oversight function of Directors, the Chairman of the Board of Directors without authority to represent the company will take on the position of chairman of the Board of Directors meeting.
- The Chairman of the Board of Directors should not be involved with business execution.
- The Chairman of the Board of Directors shall strive to facilitate free, open, and constructive discussions to take place at Board of Directors meetings.

[Audit & Supervisory Board]

(1) Roles and Responsibilities of the Audit & Supervisory Board

The Audit & Supervisory Board recognizes its fiduciary responsibility to shareholders, ensures the soundness of the Company for sustainable improvement of corporate value, and acts in the common interest of shareholders.

- The Audit & Supervisory Board strives to develop a system to ensure the effectiveness of audits by each Audit & Supervisory Board Member.
- The Audit & Supervisory Board cooperates with Outside Directors and the Internal Audit Division.
- The Audit & Supervisory Board exchanges opinions with Outside Directors and provides information obtained through audit activities.
- The Audit & Supervisory Board appropriately fulfills its role of appointing and dismissing Audit & Supervisory Board Members and Accounting Auditors and exercising authority related to audit compensation.
- The Audit & Supervisory Board determines the compensation for Audit & Supervisory Board Members through discussion, within the scope of the sum of compensation amounts for all Audit & Supervisory Board Members set by resolution of the general meeting of shareholders. Compensation for Audit & Supervisory Board Members shall be limited to a base salary in light of their roles.

(2) Chairman of the Audit & Supervisory Board

- The Audit & Supervisory Board appoints a Chairman from among the Audit & Supervisory Board Members by its resolution.
- The Chairman of the Audit & Supervisory Board executes duties entrusted to him/her by the Audit & Supervisory Board. However, he/she shall not interfere with the exercise of authority by each Audit & Supervisory Board Member.

(3) Relationship with the Accounting Auditor and the Internal Audit Division

The Audit & Supervisory Board cooperates with the Accounting Auditor and the Internal Audit Division to ensure a system capable of conducting sufficient and appropriate audits.

- The Audit & Supervisory Board formulates the evaluation criteria and selection criteria for Accounting Auditors and checks their independence and expertise.

- The Audit & Supervisory Board requests an explanation from the Accounting Auditor as to whether the Accounting Auditor complies with the quality control standards necessary to properly conduct accounting audits.
- The Audit & Supervisory Board seeks timely explanations when the Accounting Auditor or the Internal Audit Division have discovered and pointed out fraud within the OMRON Group or pointed out deficiencies or problems.
- The Audit & Supervisory Board conducts interviews with the Accounting Auditor and the President.
- The Audit & Supervisory Board holds regular meetings with the Accounting Auditor and the Internal Audit Manager every quarter and in the final month of the period.

[Advisory Committees]

(1) The CEO Selection Advisory Committee

In accordance with the relevant rules, the CEO Selection Advisory Committee is intended to bolster the management oversight function of the Board of Directors by enhancing transparency, objectivity and timeliness of the decision-making process regarding nomination of candidates for CEO.

- The CEO Selection Advisory Committee evaluates performance of the President and CEO annually and appoints the President and CEO for the next fiscal year.
  - In the case of reappointment, the CEO Selection Advisory Committee appoints the President and CEO for the next fiscal year based on the evaluation factoring in his/her performance, etc., and makes recommendations to the Board of Directors.
  - In the case of replacement, the CEO Selection Advisory Committee appoints the President and CEO for the next fiscal year based on the CEO succession planning, etc., and makes recommendations to the Board of Directors.
- The CEO Selection Advisory Committee annually deliberates about CEO succession planning and contingent succession planning to take over the position in emergency situations and makes recommendations to the Board of Directors.
- Based on the CEO Selection Advisory Committee's recommendations, the Board of Directors determines the candidate and sets a proposal to be resolved at the general meeting of shareholders.

(2) The Personnel Advisory Committee

In accordance with the relevant rules, the Personnel Advisory Committee is intended to bolster the management oversight functions of the Board of Directors by enhancing transparency, objectivity and timeliness of decision-making process regarding nomination of candidates for Directors, Audit & Supervisory Board Members and Executive Officers.

- The Personnel Advisory Committee deliberates and sets criteria for the selection of Directors, Audit & Supervisory Board Members and Executive Officers.
- To swiftly respond to the need for global-scale growth and greater competitive strength, as well as significant changes in the business environment, the Personnel Advisory Committee shall ensure diversity in the Board of Directors, Audit & Supervisory Board and among Executive Officers in terms including work experience, specialized knowledge, insights, gender, nationality, international experience, and age.
- The Personnel Advisory Committee receives reports from the Chairman of the Board of Directors on results of interviews with each Director, in order to evaluate each Director.
- In response to consultation from the Chairman of the Board of Directors (for Directors), who has been entrusted by the Audit & Supervisory Board (for its Members), and from the CEO (for Managing Executive Officers), the Personnel Advisory Committee deliberates on personnel evaluation of such executives in accordance with the selection criteria established by the committee. Also considered is the degree of implementation of the OMRON Principles, achievement of performance targets, etc. Based on these, the Personnel Advisory Committee makes recommendations to the Board of Directors.
- The Personnel Advisory Committee checks the succession planning for management executives (CFO, CTO, etc.)
- Based on the Personnel Advisory Committee's recommendations, the Board of Directors determines the proposition regarding the election of Directors to be resolved at the general meeting of shareholders.
- Based on the Personnel Advisory Committee's recommendations, the Board of Directors, with the consent of the Audit & Supervisory Board, determines the proposition regarding the election of Audit & Supervisory Board Members to be resolved at the general meeting of shareholders.
- The propositions regarding the election of Directors and Audit & Supervisory Board Members shall describe and explain brief personal records of the candidates (including current posts and duties at OMRON for candidates for Directors), reasons for nominating the candidates, and other important posts assumed by the candidates.

(3) The Compensation Advisory Committee

In accordance with the relevant rules, the Compensation Advisory Committee is intended to bolster the management oversight function of the Board of Directors by increasing transparency and objectivity in determining compensation amounts for each Director and Executive Officer.

- The Compensation Advisory Committee discusses the Compensation Policy for Directors and makes recommendations to the Board of Directors. Based on these, the Board of Directors determines the Compensation Policy for Directors.
- The Compensation Advisory Committee deliberates on the Compensation Policy for Executive Officers.
- In response to consultation from the Chairman of the Board of Directors (for Directors), and from the CEO (for Executive Officers), and based on the above-mentioned policies, the Compensation Advisory Committee deliberates on compensation composition, compensation composition ratio, the level of the base salary, as well as the performance indicators and evaluation methods of performance-linked compensation for Directors and Executive Officers.
- Compensation for Directors based on the above-mentioned deliberation is as follows:
  - Compensation for Directors shall consist of a base salary, which is fixed compensation, and performance-linked compensation, which varies depending on 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 only, reflecting their roles and the need for maintaining independence.
  - The amount of a 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 comprises short-term performance-linked compensation and medium- to long-term 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 degree of achievement of the goals of the medium-term management plan, and to the improvement in corporate value (value of stock). The performance-linked component of stock compensation shall be paid after the medium-term management plan concludes, while the non-performance-linked component shall be paid after the Director retires.
  - The Company shall determine the basic amount of short-term performance-linked compensation and medium- to long-term performance-linked compensation based on the compensation composition ratio set forth according to roles and responsibilities.
- Based on the Compensation Advisory Committee's recommendations, the Board of Directors determines the amount of compensation for each individual Director within the scope of the sum of compensation amounts for all Directors set by resolution of the general meeting of shareholders.

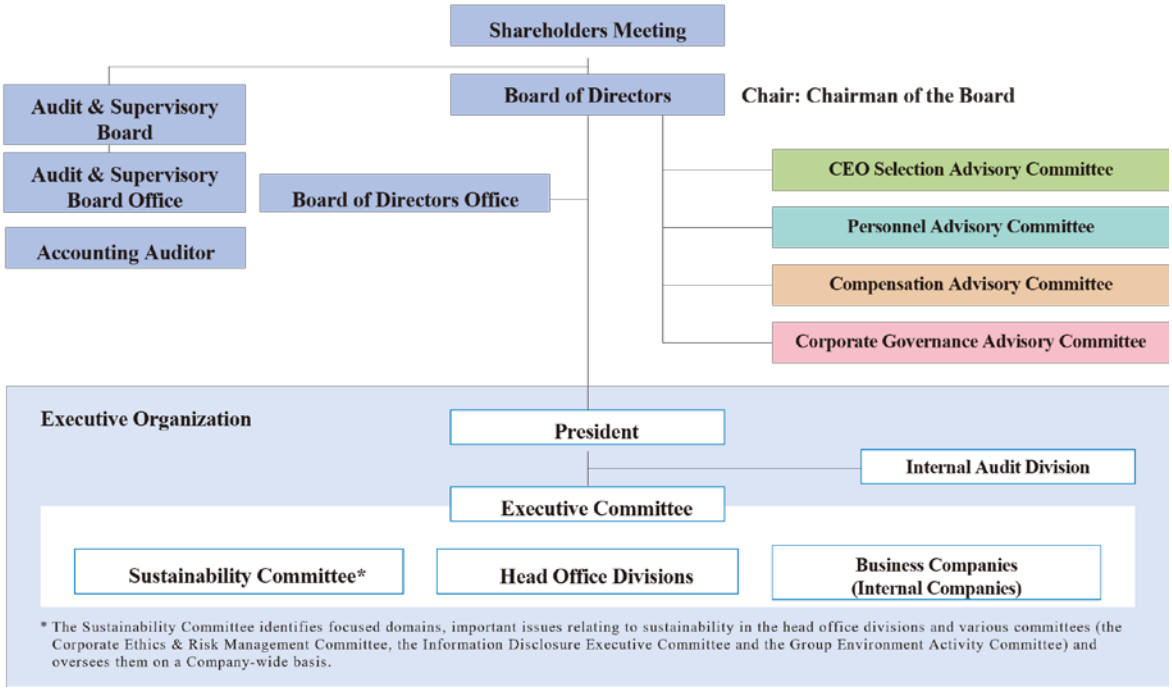
(4) Corporate Governance Committee

In accordance with the relevant rules, the Corporate Governance Committee is intended to enhance the transparency and fairness of management practices from the standpoint of all stakeholders and continuously take steps to enhance corporate governance from a medium- and long-term perspective.

- The Corporate Governance Committee evaluates the composition, operation, and effectiveness of the Board of Directors, and reports the results of evaluation to the Board of Directors.
- The Corporate Governance Committee draws up "Independence Requirements for Outside Executives" and makes recommendations to the Board of Directors.
- Regarding corporate governance-related matters other than the above, the Corporate Governance Committee, in response to consultation from the Board of Directors or the Chairman of the Board of Directors, makes recommendations to the Board of Directors.

For the entire text of the OMRON Corporate Governance Policies, please refer to the website below.
https://www.omron.com/global/en/about/corporate/governance/policy/

Omron's Corporate Governance Structure



* The Sustainability Committee identifies focused domains, important issues relating to sustainability in 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 Company-wide basis.

The following four committees are established under the umbrella of the Board of Directors for transparency and objectivity of management decisions. Outside Directors chair these committees, and the President and CEO does not belong to them as a Member. Details of Advisory Committees are described on pages 56 to 57. The Advisory Committees deliberate about and make recommendations on the following items in response to consultation from the Board of Directors, etc.

【The CEO Selection Advisory Committee】

A committee that specializes in selection of the President and appoints a candidate for the President and CEO for the next fiscal year, and deliberates about CEO succession planning and contingent succession planning to take over the position in emergency situations.

【The Personnel Advisory Committee】

A committee to set criteria and policies relating to the selection of Directors, Audit & Supervisory Board Members and Executive Officers. The committee also deliberates about candidates.

【The Compensation Advisory Committee】

A committee to deliberate about compensation policies, compensation levels and compensation amounts for Directors and Executive Officers.

【The Corporate Governance Committee】

A committee to discuss measures required to ensure the continuous proper execution of the corporate governance regime and measures to improve the fairness and transparency of management activities.

Advisory Committee Members in Fiscal 2023

Position	Name	CEO Selection Advisory Committee	Personnel Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee
Chairman of the Board	Yoshihito Yamada	□			□
Representative Director	Junta Tsujinaga				
Representative Director	Kiichiro Miyata			□	
Director	Masahiko Tomita		□		
Director	Shizuto Yukumoto	○	○	○	□
Outside Director	Takehiro Kamigama ♦	◎	□	□	◎
Outside Director	Izumi Kobayashi ♦	□	◎	□	○
Outside Director	Yoshihisa Suzuki ♦	□	□	◎	□
Audit & Supervisory Board Member	Shuji Tamaki				
Audit & Supervisory Board Member	Toshio Hosoi				
Outside Audit & Supervisory Board Member	Hideyo Uchiyama ♦				□
Outside Audit & Supervisory Board Member	Tadashi Kunihiro ♦				□

Notes: ◎ Chairperson ○ Vice-Chairperson □ Committee Member ♦ Independent Officer

Status of initiatives towards improving the Board of Directors' effectiveness

1. Overview of 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, the Company reinforces the supervisory functions of the Board of Directors through initiatives for improving its effectiveness.

Such initiatives are undertaken in a cycle of (1) evaluation of the Board of Directors' effectiveness and (2) determination of the policy for the operation and focus themes of the Board of Directors and formulation and implementation of annual plans.

(1) Evaluation of the Board of Directors' effectiveness

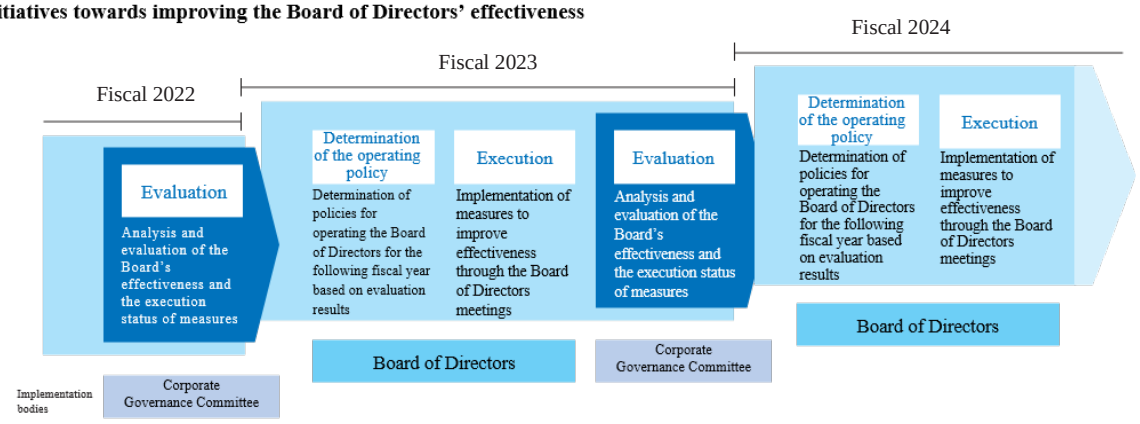
The Company's evaluation of the Board of Directors' effectiveness is conducted by the Corporate Governance Committee chaired by an Outside Director and comprising Outside Directors and Outside Audit & Supervisory Board Members (hereinafter "Outside Executives"), as well as non-executive internal Directors. Outside Executives act as members of the Board of Directors while having the perspectives of all stakeholders including the shareholders. The Corporate Governance Committee, which is composed of Outside Executives and non-executive internal Directors, performs evaluations in order to ensure that evaluations are both objective and effective.

(2) Determination of the policy for the operation and focus themes of the Board of Directors and formulation and implementation of annual plans

Based on the evaluation results by the Corporate Governance Committee in (1) and the business environment, etc., the Board of Directors determines the policy for the operation and focus themes of the Board of Directors for the next fiscal year. The Board of Directors formulates and implements annual plans based on this operation policy.

The Company continues to improve the Board of Directors' effectiveness by implementing (1) and (2) above on a yearly basis. The Corporate Governance Committee has evaluated these initiatives to be the Company's unique, optimal activities that are both objective and effective. The Board of Directors recognizes the Company's initiatives as being more effective than evaluations by third parties.

Initiatives towards improving the Board of Directors' effectiveness



2. Methods of Evaluation of the Board of Directors' effectiveness for fiscal 2023

The methods of the evaluation of the Board of Directors' effectiveness and the evaluation items in the self-evaluation for fiscal 2023 are as described below.

(1) Self-evaluations by Directors and Audit & Supervisory Board Members

- Each Director and Audit & Supervisory Board Member performed self-evaluations of the contents of discussions at the meetings of the Board of Directors and the extent of oversight functions exercised, immediately following each meeting of the Board of Directors. Immediately after each meeting of the Board of Directors, Outside Executives evaluated the Board of Directors and held a review meeting to review the Board of Directors.
- Each Director and Audit & Supervisory Board Member performed self-evaluations of the operation, etc. of the Board of Directors over the course of the year following the meetings of the Board of Directors held on February 26 and March 26, 2024.

*Self-evaluation: Performed by completing questionnaires. For each evaluation item, answers are provided using five-point scales and free comment fields.
1) Self-evaluations performed immediately following meetings of the Board of Directors
[Contents of discussions at the meeting of the Board of Directors, Extent of oversight functions exercised by the Board of Directors]
2) Self-evaluations for the entire year, performed at the end of the fiscal year
[Operation of the Board of Directors, Increasing information sharing opportunities, Each advisory Committee, Other overall issues regarding the Board of Directors]

(2) Interviews by the Chairman of the Board of Directors

- The Chairman of the Board of Directors conducted individual interviews to Directors and Audit & Supervisory Board Members between December 2023 and February 2024.

(3) Evaluation by the Corporate Governance Committee

- The Corporate Governance Committee conducted evaluations of the Board of Directors' effectiveness on March 26 and April 24, 2024.

3. Policy for the operation and focus themes of the Board of Directors for fiscal 2023

＜Board of Directors Operational Policy for Fiscal 2023＞

The Board of Directors will exercise its oversight functions from a medium- to long-term perspective as we move forward to achieving the OMRON Group's long-term vision, SF2030, and the medium-term management plan, SF 1st Stage, under the new business execution system. This will be done by recognizing the link between the following three focus themes and issues subject to oversight.

<Focus Themes>

1) Monitoring progress of the long-term vision and medium-term management plan

< Points of oversight>

- Operational status of the new business execution system
- Progress of global human resources strategy implementation
- Autonomous growth and business model transformation
- Future business strategy in alliance with JMDC

2) Response to risks in the era of uncertainty

< Points of oversight>

- Response to global geopolitical risks including changes in markets
- Enhancement of cybersecurity

3) Construction of the Corporate IT System

< Point of oversight>

- Progress of Enterprise Resources Planning (ERP) system deployment in Europe and Japan

Background of the establishment of the policy for the operation and focus themes of the Board of Directors for fiscal 2023 (discussed and decided at the Board of Directors meeting held in May 2023)

The Board of Directors confirmed that monitoring progress of the long-term vision and the medium-term management plan led by the new executive structure, following the changes in President, CFO and Presidents of all Business Companies, was an important part of oversight functions, and confirmed its intent to continue discussions with an emphasis on a medium- and long-term

perspective. It was also confirmed that the alliance with JMDC Inc. (hereinafter, "JMDC") would be a significant, revolutionary theme for the Company. The Board also confirmed that "2) Response to risks in the era of uncertainty" and "3) Checking the progress of establishing a companywide IT system" would remain focus themes, following on from the previous fiscal year.

4. Results of evaluation of the Board of Directors' effectiveness for fiscal 2023

4-1. Performance of operation of the Board of Directors
4-1-1. Focus themes
Focus theme 1: Monitoring progress of the long-term vision and medium-term management plan <Operational status of the new business execution system, Autonomous growth and business model transformation>

■ **Contents of reports and resolutions at the meeting of the Board of Directors**

The business execution division reported the following points to the Board of Directors.

- In an agenda item regarding the business plan for fiscal 2023, each of the Business Companies reported on sales growth plans based on self-propulsion amid the continued slow growth in the global economy, and the Board of Directors resolved on this. In reporting Short-Term Management Plans, the Presidents of each Business Company reported on specific initiatives toward encouraging self-propulsion. In particular, IAB[*1] reported on a plan for winning orders through making a shift to customers with growth potential and through evolving into the solution business model.
  *1: Industrial Automation Company
- Regarding an agenda item of "forecasts of the consolidated financial results for the second quarter and for the full-year" (hereinafter, "financial results forecast for the second quarter"), in which the first downward revision was made to the forecasts, they reported that demand had slowed down more than expected in the Chinese market and elsewhere, resulting in sluggish net sales in IAB and DMS[*2]. They also reported that a decrease in operating income was attributable to decreased added value due to lower sales, as well as declined sales in China that makes up a large portion of our sales of solution business with high added value. This resulted in changes in the sales composition of products and geographical areas and led to a lower gross profit margin. Business environment projections for the second half of the fiscal year they reported were continued sluggishness for IAB and DMS, mixed conditions for OHQ[*3], and a continuous favorable environment for OSS[*4]. Under these circumstances, they reported that they would accelerate respective actions they had set, such as capturing demand through enhancing and demonstrating self-propulsion, toward fully achieving the financial results forecast for the second quarter.
  *2: Device & Module Solutions Company
  *3: OMRON HEALTHCARE Co., Ltd.
  *4: OMRON SOCIAL SOLUTIONS Co., Ltd.
- Regarding an agenda item of "forecasts of the consolidated financial results for the third quarter and for the full-year" (hereinafter, "financial results forecast for the third quarter"), in which the second downward revision was made to the forecasts, it was reported that the business environment underlying the full-year forecast worsened compared to that at the time of the forecast of the second quarter results, despite signs of moderate recovery seen in some industries surrounding IAB and DMS. As a result, all of sales, gross profit margin and operating income would fall well below the financial results forecast for the second quarter. Contributing factors reported by IAB were the impact from postponement or contraction of capital expenditures by major clients, such as semiconductors and rechargeable batteries industries. They also reported that a significant decrease in operating income was mainly attributable to an increase in inventory provisioning, in addition to lower added value accompanying decreased sales, and that the current rigid fixed cost structure allow little room for All OMRON to respond to Market condition changes. In light of these circumstances and toward returning IAB to growth, transformation to customer-driven management and a reform of the rigid fixed cost structure were determined as challenges to expanding customer value (added value). They reported on IAB Revival Plan and five management measures, including headcount and capacity optimization.

■ **Main contents of discussions at the meeting of the Board of Directors**

- Regarding the agenda item on the management plan for fiscal 2023, the Board of Directors suggested that in order to achieve the plan, it is essential to prepare for changes in the market environment, such as the possibility of the U.S. financial market crash. Next, with regard to

evolving the profit structure into businesses reflecting an essential value perspective, which is important for Autonomous growth, the Board of Directors confirmed that a discussion had started between distributors and the management team on the solution business. In IAB's report on the Short-Term Management Plan, the Board discussed the current state of value transfer capability, which is important for shifting to customers with growth potential and evolving into the solution business, and confirmed the need for reviewing the human resources portfolio.

- With regard to the report on the financial results forecast for the second quarter, given the drastic changes in circumstances after the first quarter, the Board of Directors confirmed what kind of analysis and scenarios had been developed on the latest market situation and medium- to long-term changes. The Board also mentioned the division's failure to grasp the inventory status of distributors, and pointed out that in a highly volatile business, it is essential to improve a system so as to get the picture of real demand in the market. The Board also requested that the current inventory status be analyzed carefully, with factors other than the economic climate taken into account.
- In the reporting on the financial results forecast for the third quarter, the Board of Directors confirmed the causes for differences between our results and those of competitors, and discussed how the unbalanced area portfolio and industry portfolio, which is an issue of IAB, can be optimized and lead to growth. In terms of portfolio, the Board considered a most profitable business structure and combination and discussed how to add tolerance to a phase of downside in economic fluctuations. The Board of Directors confirmed that the client portfolios and area portfolios need to be reviewed for all of our businesses, not just for IAB. Then, as to the fixed cost structure, in which selling and administrative expenses are relatively high, the Board confirmed that the problem lies in labor cost, IT-related operation/maintenance, and depreciation expenses. The Board of Directors therefore confirmed the need for changing the labor cost structure, the significance of launching a companywide IT system on schedule, which is currently under development, and the importance of a shift to cash flow management for increasing investment efficiency by going beyond ROIC management led by each Business Company. Lastly, the Board of Directors discussed the withdrawal of the medium-term management plan 1st Stage, deliberated about five structural reform programs and resolved on them.

<Progress of global human resources strategy implementation>

■ **Contents of reports at the meeting of the Board of Directors**

The business execution division reported the following points to the Board of Directors.

- They reported on the evolution of Global Core Position and Core Human Resources Strategy (hereinafter, "Core Position Strategy") with a mission to "continue supplying human resources optimal for the core positions of the OMRON Group and support OMRON's long-term growth." In this report, it was explained that the Core Position Strategy succeeded in optimal personnel placement and supply of human resource pipelines through following a cycle of "clarification of requirements for each position," "identification of successor candidates," "development" and "evaluation and promotion" (see Figure 1), along with the report on the results and outcome after more than 10 years of continuation.
- On the other hand, toward realizing an ideal state in the future, some items had been identified as issues, such as a delay in promotion of women among the current positions, aging in and insufficient successor candidates for the positions in production- and quality-related divisions, and supply of successors with an eye to the next five years. They reported on the current state of these issues and measures to be taken.

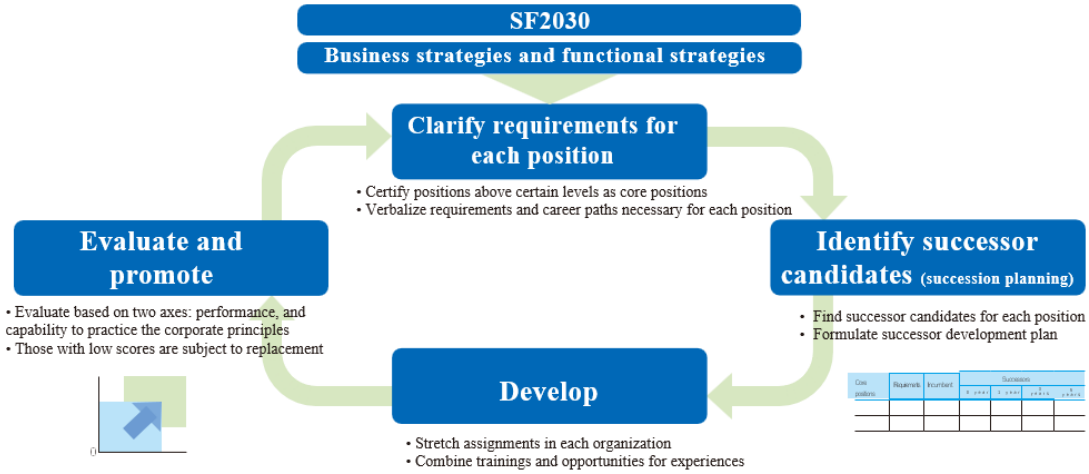


Figure 1

■ **Main contents of discussions at the meeting of the Board of Directors**

- The Board of Directors discussed the fact that the ratio of women in officer positions is not high, and confirmed that to accelerate diversity in the management, it is important to augment human resource pipelines from general employees. To this end, the Board discussed the need for eliminating bias in every corner of the company and for promoting women by taking various opportunities, and confirmed that the business execution division would take conscious effort to proceed with these initiatives.

<Future business strategies in alliance with JMDC>

■ **Contents of reports and resolutions at the meeting of the Board of Directors**

The business execution division reported the following points to the Board of Directors.

- Regarding an agenda item of "consideration on the acquisition of additional shares of JMDC," they reviewed and evaluated developments after the conclusion of a capital and business alliance with JMDC following the acquisition of 33% of shares on February 25, 2022. They reported that a strong relationship of trust was established and that JMDC's competitive edge and growth potential of both companies became clear through the collaboration. With the purpose of concretizing and accelerating the growth potential of both companies and expanding the Company's corporate value through incorporating JMDC's business performance into that of the Company, they reported on a draft proposal for the acquisition of JMDC as a consolidated subsidiary.
- Regarding an agenda item on the acquisition of additional shares of JMDC for making it into a consolidated subsidiary, they reported on items such as a business plan premised on the consolidation, policies on TOB, investment evaluations, and risks and measures upon consolidation. Referring to a case of the business model in M&S business*, the business plan premised on the consolidation explained that OMRON and JMDC would be able to accelerate and expand not only their respective healthcare businesses, but also the data service business in the industrial automation and social solutions domains. In addition, they reported on governance practice that would achieve JMDC's sustainable growth and how to protect from any damage the corporate values of both companies.

  *M&S Business: Management service business, such as a comprehensive maintenance service

■ **Main contents of discussions at the meeting of the Board of Directors**

- The Board of Directors discussed an ideal practice of governance of JMDC after the consolidation, and confirmed that it is essential to conclude a capital and business alliance for the Company to conduct governance while leveraging JMDC's strengths and ensuring its independence. The Board also confirmed that OMRON's purpose in the alliance with JMDC is to develop and provide devices intended for monitoring use to individuals with high risks identified through algorithms owned by JMDC, which should be a major step toward reducing close to zero the number of those experiencing an onset of serious events.

- The Board of Directors discussed how to utilize data scientists owned by JMDC and confirmed that, through promoting DX of the field maintenance data possessed by OSS, greater operational efficiency and other new values would be generated, which would lead to significant business growth. In addition, it was confirmed that the Company would strengthen IAB's and OSS's data business to press forward with the transformation of the entire company. The Board also requested a clear explanation as to the significance of acquiring over 50% of JMDC shares to OMRON, bearing in mind the voices of shareholders that OMRON received upon acquiring 33% of JMDC shares.
- In the conduct of TOB, the Board of Directors confirmed forecasts on corporations that might offer prices higher than the Company's projection and risks therefrom, and also confirmed that JMDC expects to learn from OMRON the capabilities for "managing a large organization" and "executing overseas development." It was also confirmed that there is much for us to learn from JMDC, such as superior human resources and high-cycle decision-making that OMRON aspires to practice. The Board requested a success in TOB and acquisition of knowhow thereafter, and resolved on this agenda item.

Focus theme 2: Response to risks in the era of uncertainty
<Response to global geopolitical risks including changes in markets>

- A lecture by an economist and an exchange of opinions on the U.S.-China geopolitical risk and its impact on Japan and the world economy were implemented. The Board of Directors confirmed the current state of the EV market and the possibility of expansion in hydrogen technology in China. Opinions were also exchanged about changes in the people's stance on consumption after the Zero-COVID policy.

<Enhancement of cybersecurity>

■ **Contents of reports at the meeting of the Board of Directors**

The business execution division reported the following points to the Board of Directors.

- They reported on external evaluations on the results of executing cybersecurity measures and on maturity of the current security status, mentioning the steady progress in security strength. On the other hand, it was reported that there remain issues such as automation of IT assets management and response to risks across the supply chain. They also reported on the formulation and disclosure of Information Security Basic Policy.

■ **Main contents of discussions at the meeting of the Board of Directors**

- As cyber attacks are becoming increasingly sophisticated, the Board of Directors discussed the need for confirming the level that the Company must achieve and for setting out a security level commensurate with the characteristics of its business. The Board also requested that they examine unnecessary IT assets in order to enhance security strength.

Focus theme 3: Construction of the Corporate IT System
<Progress of Enterprise Resources Planning (ERP) system deployment in Europe and Japan>

■ **Contents of reports at the meeting of the Board of Directors**

The business execution division reported the following points to the Board of Directors.

- At the Board of Directors meeting in January, they reported on the progress of ERP deployment in Europe and Japan, and that there is no major change in the schedule and budgets. In relation to this topic, they reported on lessons learnt during the deployment in Europe, where the system had been introduced in advance, and on measures and actions to be taken upon deployment in Japan.

■ **Main contents of discussions at the meeting of the Board of Directors**

- The Board of Directors confirmed the results of explanation to distributors along with their feedback and confirmed that there was no major concern. The Board also confirmed the state of customer facing, and by presenting case studies at other companies, pointed out that it is important to communicate well with customers in order not to accept their requests for securing extra inventory, which may come from their anxieties for problems upon the system start-up.
- Next, with regard to the three areas to which the system had been introduced in advance, namely, "indirect material procurement," "expense reimbursement" and "human resources management," the Board of Directors discussed the importance of confirming the post-deployment results and requested a thorough utilization of the system from here onward.

4-1-2. Significant matters other than the focus themes
<Report on the progress of important M&As and alliances>

- The business execution division reported on the business value evaluation of the important M&As and alliances that had been deliberated by the Board of Directors in the past, along with the progress of business plans and future plans pertaining to these cases. To make reports more from a business perspective, the business execution division had Presidents of Business Companies explain the progress of business plans that were initially laid out at the time of acquiring three businesses.

<Increasing responsibility for respecting human rights and the role expected of the Board of Directors>

- The Board of Directors invited an external lecturer and exchanged opinions to obtain latest information about rising demands for addressing human rights issues in all the nations and regions involved in the value chain, and to confirm the role expected of the Board of Directors, as well as the current position of the Company.

<Report on the progress of intellectual property activities>

- The business execution division reported on and discussed at the Board of Directors meeting the two initiatives on intellectual property reforms started in 2015, namely, "initiative to enhance the ability to generate patents in terms of both quantity and quality" and "initiative to promote and strengthen intellectual property and intangible assets, which are the source of competitive advantage of our business model."

4.2 Evaluation by the Corporate Governance Committee

The Corporate Governance Committee conducted evaluations of the Board of Directors' effectiveness during fiscal 2023 and reported the following evaluation results at the Board of Directors meeting held on May 8, 2024.

4-2-1. General comments on evaluation

■ Points commended

- Discussions by the Board of Directors were generally active. Many of the agenda items were commended for having a medium- to long-term perspective, and selection of the focus themes was also appropriate.
- The Board of Directors were commended for increasing opportunities for dialogue and discussions with the business execution division, which allowed for deeper discussions.
- With regard to the consolidation of JMDC, the Board of Directors meetings were commended for growing understanding of this matter, through having discussions on JMDC's positioning in our business along with issues to be focused.
- The establishment of a companywide IT system is steadily underway with concerns addressed appropriately, which had arisen before the start of the project.

■ **Issues**

- The Company made downward revisions to the financial results twice. The Board of Directors viewed this fact as a matter of great regret and considered insufficient discussions about downward revisions to be an issue. The Board also recognized that it is essential to detect any signs, increase predictability in the performance, and make preliminary discussions proactively.
- Some agenda items submitted to the Board of Directors meetings lacked pursuit of the root causes of problems. The Board of Directors viewed this as an issue.
- The Board of Directors recognized the need for exchanging opinions among the Board members and further vitalizing discussions on agenda items submitted to the Board meetings.
- In discussions about strategies of each business, the Board recognized that there is a need for presenting the current state in numerical terms clearer than ever, so as to clarify the Company's competitive advantages over competitors or to achieve uniformity in market analysis data.

■ **Points requested**

Toward resolving the issues mentioned above, the Corporate Governance Committee presented the following directions to be taken and requested to the Board of Directors.

- Based on reflection on the two downward revisions, it was requested that business execution divisions share information with the members of the Board of Directors and set up a forum for discussion with them by using an Informal Meeting and the like, in the wake of any signs felt in the trends in business performance or in the operating environment.
- With regard to the submission of agenda items, the Corporate Governance Committee requested the business execution division to conduct in-depth analysis of issues and clarify obstacles to the execution of plans.

- The Corporate Governance Committee requested that discussions be held among members of the Board of Directors (many-to-many discussion), instead of discussions held between an explainer and members of the Board of Directors (one-to-many discussion), to generate greater value.
- The Corporate Governance Committee requested that facts and data be organized, which are the base of discussions, and that a system be devised for allowing continual confirmation of the data.

4.3 Initiatives by the Advisory Committees and evaluation by the Corporate Governance Committee
4-3-1. Evaluation
The Corporate Governance Committee commended the operations of the Advisory Committees for ensuring an objective and transparent process and operating properly.

	CEO Selection Advisory Committee	Personnel Advisory Committee
Members	Five members (three Outside Directors and two internal Directors)	Five members (three Outside Directors and two internal Directors)
Chair	Mr. Takehiro Kamigama, the lead Outside Director	Ms. Izumi Kobayashi, Outside Director
Committee composition	・ The majority shall be Outside Directors ・ The two internal Directors shall be non-executive internal Directors (the President and CEO is not a member of the committee)	・ The majority shall be Outside Directors ・ The Chairman of the Board of Directors and the President and CEO are not members of the committee
Number of meetings held	1 (Attendance rate: 100%)	8 (Attendance rate: 100%)
Matters deliberated and matters reported	・ Deliberation on candidates for CEO ・ Deliberation on a CEO successor candidate in the event of a crisis in fiscal 2024	・ Study toward increasing the ratio of women in officer positions ・ Determination of criteria for appointing Directors, Audit & Supervisory Board Members, and 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 ・ Determination of the members of each Advisory Committee
Points commended	The CEO Selection Advisory Committee was commended for appropriately confirming a candidate for the President and CEO for the next fiscal year and a successor candidate in the event of a crisis.	It was confirmed that the Personnel Advisory Committee appropriately pooled successors of top executives (CFO and other CxOs), and the committee was commended for this point. The Committee was also commended for actively searching female candidates and reflecting them in the talent pool in an effort to increase women in officer positions.
Comments from the chair	Fiscal 2023 saw a change of President and the Advisory Committee entered a new cycle toward selecting a next President in the future. During the fiscal year, we focused on the review of Mr. Tsujinaga's first year in office as the President, and confirmation of issues. From the next fiscal year onward, we will engage in discussions on successors development planning for the future.	The committee has discussed development and promotion of global and diverse human resources, in addition to reviewing various personnel systems. We will focus on more drastic utilization of human resources, personnel development transcending the bounds of Companies, and promotion and development planning for leaders, in particular.

	Compensation Advisory Committee	Corporate Governance Committee
Members	Five members (three Outside Directors and two internal Directors)	Seven members (three Outside Directors, two Outside Audit & Supervisory Board Members and two non-executive internal Directors)
Chair	Mr. Yoshihisa Suzuki, Outside Director	Mr. Takehiro Kamigama, the lead Outside Director
Committee composition	・ The majority shall be Outside Directors ・ The Chairman of the Board of Directors and the President and CEO are not members of the committee	・ The majority shall be Outside Executives (Outside Directors and Outside Audit & Supervisory Board Members) ・ Directors engaged in business executions are not members of the committee
Number of meetings held	4 (Attendance rate: 100%)	6 (Attendance rate: 100%)
Matters deliberated and matters reported	・ Deliberation of compensation policy for Directors and Executive Officers ・ 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 ・ Determination of evaluation criteria and payment amounts for Executive Officer bonuses and stock compensation	・ Discussion on the purpose of the Corporate Governance Committee ・ Deliberation of evaluation of effectiveness of the Board of Directors in fiscal 2023 ・ Deliberation of the process for evaluation of the Board of Directors' effectiveness for fiscal 2023 ・ Deliberation of appointment/dismissal of Executive Officers (in the narrow sense) and heads of departments directly under the President ・ Discussion on common matters pointed out in the Board of Directors review
Points commended	The Compensation Advisory Committee was commended for deliberating the compensation levels and other items based on the compensation structure determined in fiscal 2021 and for its appropriate operation.	The Corporate Governance Committee was commended for redefining the purpose of the Committee and evolving into a forum for discussion on the essence of corporate governance, following the addition of non-executive internal Directors as Committee members from the fiscal year under review.
Comments from the chair	We will emphasize more flexibility in the operation of the Advisory Committee in order to ensure appropriateness in the compensation system and its operation even amid rapid changes in the business performance and the start of a structural reform.	We welcomed non-executive internal Directors as new members and repeated discussions on what should be the Committee's role in enhancing governance of the Company, and this process helped us evolve. Going forward, we will deepen discussion on the ideal shape of governance from a medium- to long-term perspective.

4.4 Initiatives on information sharing opportunities and evaluation by the Corporate Governance Committee

To improve the Board of Directors' effectiveness, the Corporate Governance Committee deems it important to focus not only on the time for the Board of Directors meetings, but also on relevant activities as a whole. Based on this belief, the Committee commended opportunities for discussions and other various initiatives for information sharing, and requested the continued provision of such opportunities.

Informal Meeting (continuously held from fiscal 2014)	
Purpose	The meeting was set up as a forum to discuss on business strategies and business issues, etc. in an early phase or to consult on specific themes. Moreover, meetings are held as an opportunity for sharing latest case studies and trends that the Board of Directors must be aware of, helping Outside Executives to deepen their understanding and the business execution division to resolve their issues.
Structure	Determined depending on themes; some meetings are attended by all Directors and Audit & Supervisory Board Members, while others may be attended only by Outside Executives.
Number of meetings held	8
Initiatives	・ All Directors and Audit & Supervisory Board Members engaged in discussion on the themes of "Increasing responsibility for respecting human rights and the role expected of the Board of Directors," "Study on corporate governance" and "U.S.-China geopolitical risk and its impact on Japan and the world economy." ・ An opportunity was set up for the business execution division to individually consult with Outside Executives and non-executive internal Directors on the theme of "Policies and guidelines for Short-Term Management Plan." ・ An opportunity was held for opinion exchange among Outside Directors and internal Directors on the theme of "Progress of the global human resource strategy" and "Value-up of the Board of Directors."

Outside Executives' and top Executives' opinion exchange meeting (continuously held from fiscal 2019)	
Purpose	Opportunities are provided for the exchange of opinions between Outside Executives and top Executives, which leads to an improvement in understanding of the Company's business and organizational culture.
Number of meetings held	4
Initiatives	・ An opinion exchange meeting between newly appointed Presidents of Business Companies and Outside Directors was held individually to discuss on the theme of "the operation status of the new executive structure and issues toward growth."

Interviews by the Chairman of the Board of Directors (continuously held from fiscal 2016)	
Purpose	The Chairman of the Board of Directors holds individual interviews with Directors and Audit & Supervisory Board Members once a year to discuss improvement plans related to the operation of the Board of Directors.
Number of meetings held	1 for each (for a total of 11) *Individual interviews with all Directors and Audit & Supervisory Board Members

Board of Directors review (continuously held from fiscal 2021)	
Purpose	Outside Executives conduct a review of the Board of Directors immediately after meetings of the Board of Directors. Outside Executives sharing amongst themselves what they felt, issues and improvements immediately following meetings of the Board of Directors leads to the improvement of the evaluation of the Board of Directors.
Number of meetings held	13

Outside Executives' and Accounting Auditor's opinion exchange meeting (continuously held from fiscal 2015)	
Purpose	Supervisory and auditing functions are being strengthened by sharing the viewpoints of the Accounting Auditor with Outside Executives. In addition, through this approach, we are building a relationship in which Outside Executives directly exchange information about risks in the Company with the Accounting Auditor.
Number of meetings held	2
Initiatives	・ Opinions were exchanged about the Accounting Auditor's attention points regarding potential business management issues in the future. ・ Opinions were exchanged about points in addressing fraud and risk and about governance enhancement based on onsite audits from the viewpoints of the Accounting Auditor.

Observation of Executive Committee meetings (continuously held from fiscal 2021)	
Purpose	Outside Executives may observe Executive Committee meetings (management meetings by Executives), as fully understanding the situation of the business execution division will lead to the expansion of the breadth and depth of discussions at the Board of Directors meetings.
Initiatives	・ Agenda of Executive Committee Meeting is sent to Outside Executives before the meeting every month. Outside Executives monitor online the agenda item they want to observe. ・ Meeting minutes are sent to members of the Board of Directors every quarter.

On-site visits (continuously held from fiscal 2015)	
Purpose	Opportunities are provided for Outside Executives to visit major bases, exhibitions, etc. and participate in in-house events, which leads to an improvement in understanding of the Company's business and organizational culture.
Number of meetings held	5
Initiatives	・ Had a tour of renovated OMRON Communication Plaza. ・ Visited Keihanna Technology Innovation Center, our global R&D core base. ・ Visited OMRON SINIC X Corp. engaged in research and development of innovative technologies needed in society in the near future. ・ Visited the booth of Industrial Automation Company at International Robot Exhibition 2023 (iREX2023). ・ Visited the booth of Industrial Automation Company at the Japan's largest automation exhibition IIFES 2024.

Status of initiatives towards improving the Audit & Supervisory Board's effectiveness

1. Overview of initiatives towards improving the Audit & Supervisory Board's effectiveness

The Audit & Supervisory Board conducts audits while continuously discussing how audit activities should exist in order to earn the trust of stakeholders and achieve sustainable improvement in corporate value. The Audit & Supervisory Board has contributed to the improvement of the corporate governance function while engaging in free and open discussions with the Board of Directors.

In terms of audit activities, compliance audits and risk-based/internal control audits have been deepened, and areas of management issues have been actively included in the scope of audits.

2. Evaluation of the Audit & Supervisory Board's effectiveness in fiscal 2023

The Audit & Supervisory Board conducted audits focusing on focus audit items and evaluated the effectiveness of these activities from a more multifaceted and objective perspective.

2-1. Audit & Supervisory Board's focus audit items in fiscal 2023

In the fiscal year under review, the Audit & Supervisory Board positioned "Monitoring progress of the long-term vision and medium-term management plan," "Response to risks in the era of uncertainty," "Checking the progress of establishing a companywide IT system," "Global Group governance," "Transformation of corporate culture," and "Progress of executed M&A&A projects" as focus audit items and audited them.

2-2. Method of evaluating the effectiveness of the Audit & Supervisory Board in fiscal 2023

In fiscal 2023, the Audit & Supervisory Board evaluated the effectiveness using "Questionnaire to Audit & Supervisory Board Members"* and "Contribution assessment sheet to corporate value enhancement," along with "Report of audit implementation fiscal 2023." Opinions from Directors to the Audit & Supervisory Board (Members) received this year were also referenced.

* The Audit & Supervisory Board reviewed on and evaluated activities implemented to address issues for the Audit & Supervisory Board in fiscal 2023.

2-3. Audit & Supervisory Board's effectiveness evaluation results and issues

Issues for the Audit & Supervisory Board in fiscal 2023	Effectiveness evaluation results of the Audit & Supervisory Board for fiscal 2023	Issues for the Audit & Supervisory Board in fiscal 2024
Hold thorough discussions between the Audit & Supervisory Board and the Board of Directors to narrow down and deepen medium- to long-term management issues.	Discussions with Directors were deepened through meetings of the Board of Directors and the Corporate Governance Committee along with other opportunities. Management issues clarified by the Audit & Supervisory Board were narrowed down and suggested to the CEO as issues in common.	Follow up the progress of actions taken by executive divisions against the management issues suggested in fiscal 2023 and share this information with the Board of Directors.
Clarify on-site management issues and have them reflected in discussions with the Board of Directors.		
Cooperation between the Audit & Supervisory Board and the Internal Audit Division will be strengthened, including by making suggestions on how internal audits should be conducted.	Cooperation with the Internal Audit Division was strengthened; however, the Audit & Supervisory Board was unable to suggest on how internal audits should be for OMRON.	Deepen discussion between the Audit & Supervisory Board Members and CEO and make suggestions on how ideal internal audits should be for OMRON that is undergoing a management structural reform.

Please see the following website for information on the Company's Audit & Supervisory Board.
https://www.omron.com/global/en/about/corporate/governance/chart/

(4) Systems to Ensure that Execution of Directors' Duties Conforms to Laws and the Articles of Incorporation and Other Systems to Ensure Appropriateness of Operations (Basic Policy on Maintenance of Internal Control System) and Overview of Operational Status of Internal Control System

Basic Policy on Maintenance of Internal Control System

Based on the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company has set the Internal Control System of the Company and its subsidiaries ("the OMRON Group") as follows, provided, in light of respecting their corporate culture and independence in management, publicly traded subsidiaries may set their own internal control system if it is so decided by their board of directors. The operational status of such an individual internal control system shall be monitored according to the basic policy for Internal Control System of the OMRON Group.

1. System to Ensure that Execution of Duties by Directors and Employees of the OMRON Group Conforms to Laws and Regulations and the Articles of Incorporation

(1) The OMRON Group Management Policies and the OMRON Group Rules have been established to ensure transparency, fairness and the global nature of management in the OMRON Group, as well as serve as the management base for conducting appropriate and timely decision-making.

(2) The key theme of "socially responsible corporate management" is promoting corporate ethics and compliance whereby the Company complies with laws and regulations in carrying out business activities. In particular, the Company has devoted every effort to prevent anti-competitive activities such as cartel, bribery, and other significant risks from occurring.

(3) The Company has familiarized its officers and employees with the OMRON Group Rules for Ethical Conduct as specific action guidelines for practicing "socially responsible corporate management" and enforces strict compliance.

(4) The Company appoints an executive in charge of corporate ethics and compliance and establishes the Corporate Ethics & Risk Management Committee as an organization to promote corporate ethics and compliance. As specific activities, the President himself issues instructions on corporate ethics and compliance, providing opportunities to disseminate awareness. In addition, the Committee conducts regular training and education for officers and employees on anti-competitive activities such as cartel and bribery as well as on corporate ethics and compliance.

(5) The Company has set up a whistleblower hotline both inside and outside the Company to receive reports of acts that are, or could potentially be, in violation of the OMRON Group Rules for Ethical Conduct, work rules or laws. In accordance with laws and internal company rules, the content of these reports is protected as confidential, and employees may not be given unfavorable treatment for making such reports.

(6) With the aim of realizing highly transparent management, the Company positions information disclosure as an important task, and has established an Information Disclosure Executive Committee directly under the President to promote the disclosure. The Committee engages in activities to ensure the accuracy, timeliness and completeness of information disclosure across the OMRON Group, and proactively makes disclosure to the public according to the standard set out by the Group.

(7) The Company has set up an internal control department directly under the President to conduct operational audits.

(8) To ensure the propriety of the OMRON Group's financial reporting, a system has been established that enables reports to be submitted appropriately in accordance with laws and regulations through measures such as monitoring by the Internal Audit Division after each division conducts its own review of maintenance and operation of business processes.

(9) The OMRON Group's policy on exclusion of antisocial forces is defined in the OMRON Group Management Policies and the OMRON Group Rules for Ethical Conduct.

2. System for Storage and Management of Information Related to Execution of Directors' Duties

(1) Under the Board of Directors Rules, the minutes of Board of Directors meetings are recorded and kept for 10 years.

(2) Under the Management Rules, which state the basic policy and principles for Group management and decision making, decision reports are issued for decisions on significant issues. Decision reports, minutes of Executive Committee meetings, and other important documents showing the state of execution of duties are preserved and managed in accordance with laws and internal company rules.

3. Regulations and Other Systems Concerning Loss Risk Management of the OMRON Group

(1) The Company will engage in risk management integrating all activities that entail risks on a global scale, to ensure the Company's survival and to secure the achievement of corporate objectives while fulfilling its corporate social responsibility.
(2) The Company will strive to avoid, mitigate and transfer risk of loss through collecting information on and conducting analysis of risks while taking countermeasures against them, in accordance with the OMRON Group Rules for Integrated Risk Management.
(3) Significant risks for the OMRON Group shall be designated, and Group-wide response measures across all internal companies shall be determined at Executive Committee meetings.
(4) When a crisis occurs, the Company makes reports, transmits information, and assembles the necessary response teams in accordance with the procedures specified in the OMRON Group Rules for Integrated Risk Management.

4. Systems to Ensure Efficient Execution of Duties by Directors of the OMRON Group

(1) The Company uses the Executive Officer system and keeps the number of Directors small to ensure substantive discussion and swift decision making at Board of Directors meetings.
(2) In addition to the Board of Directors, the Company has an Executive Committee, which discusses and decides on significant business execution issues within the scope of the President's authority.
(3) The Company uses an internal company system, and promotes faster decision making and efficient business operations by delegating substantial authority to the President of each internal company.
(4) The OMRON Group performs its duties in accordance with the division of duties and scope of decision-making authority set forth based on a concept of proper control and prompt decision making as basic principles.
(5) The OMRON Group establishes a medium-to-long-term management plan. In order to substantiate this management plan, it formulates a business plan in each fiscal year.

5. System to Report to the Company on Matters concerning Execution of Duties by Directors of Subsidiaries

Information regarding operational results, financial status and other significant matters of subsidiaries must be reported to respective superior units responsible for the management of subsidiaries in accordance with the internal regulations, etc.

6. Systems to Ensure Effectiveness of Audit Performed by Audit & Supervisory Board Members

(1) An Audit & Supervisory Board Office with dedicated full-time support staff has been established to assist Audit & Supervisory Board Members in performing their duties. The staff members of the Audit & Supervisory Board Office perform their work under the supervision and instruction of the Audit & Supervisory Board Members.
(2) Personnel evaluations, appointments and transfers of the staff of the Audit & Supervisory Board Office are carried out with the consent of the Audit & Supervisory Board.
(3) A system is in place for Directors, Audit & Supervisory Board Members and employees of the OMRON Group and those who have been reported from any of them to immediately report to Audit & Supervisory Board Members of the Company regarding incidents of material violations of laws and/or Articles of Incorporation, misconduct within the OMRON Group, or information relating to potential risk of significant loss to the company, in accordance with predetermined regulations and procedures. Notwithstanding these, the Audit & Supervisory Board Members of the Company may request reports from Directors and employees of the OMRON Group at any time as needed. The Company shall not treat whistleblowers in an unfair way on the ground of reporting of wrongdoing.
(4) When Audit & Supervisory Board Members request for advance payment of expenses pertaining to the execution of their duties in accordance with Article 388 of the Companies Act, the Company shall handle the request in a prompt manner.
(5) As a mechanism for securing an effective audit by Audit & Supervisory Board Members, systems are in place for the Audit & Supervisory Board to hold periodic interviews of Directors and Executive Officers, periodically exchange views with the President, periodically exchange information with Accounting Auditors, and receive operational reports from Executive Officers. In addition, the Manager of the Internal Audit Division is invited to Audit & Supervisory Board meetings and makes internal audit reports.
(6) Half or more of the Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members, including legal professionals such as attorneys and Certified Public Accountants, or individuals with extensive knowledge of finance and accounting, to enhance audit objectivity and effectiveness.

(7) Audit & Supervisory Board Members attend and state their opinions at Board of Directors meetings as well as Executive Committee meetings and other important meetings.

Overview of Operational Status of Internal Control System

The Company, in accordance with the Basic Policy stated above, operates an Internal Control System, and the following is an overview of the operational status of said System for the fiscal year under review.

1. Initiatives towards compliance and risk management

The OMRON Group has promoted integrated compliance and risk management activities through the Corporate Ethics & Risk Management Committee.

The OMRON Group has reinforced its capabilities to respond to change through a department directly under the President that promotes and thoroughly enforces such activities.

(1) Compliance

The OMRON Group has familiarized its officers and employees with the OMRON Group Rules, which are the common management basis for the Group, and conducted the necessary trainings. In particular, the month of October was designated Corporate Ethics Month, and various initiatives have been implemented including sending messages from the President to the officers and employees in Japan and overseas, offering compliance training for such things as cartel prevention and bribery prevention, and familiarizing officers and employees with the whistleblower system. Whistleblower hotlines have been established and are in operation at the major bases in Japan and overseas. Additionally, the Information Disclosure Executive Committee convened regular meetings in order to ensure the accuracy, timeliness and completeness of disclosures, while trainings were held for the prevention of insider trading. Furthermore, the Internal Audit Division conducted operational audits on the divisions of the OMRON Group on a risk basis.

The Company has JMDC Inc. (JMDC) as a listed subsidiary. During the fiscal year under review, the Company determined to monitor the operational status of JMDC's internal control system according to the Company's policies, upon respecting JMDC's corporate culture and management independence. In addition, the Company enhanced a system for accepting consultations and complaints from a wide range of stakeholders through familiarizing suppliers with the Company's whistleblower system and joining Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

(2) Risk management

Based on the OMRON Group Rules for Integrated Risk Management, risks influencing the OMRON Group are identified each year from a global perspective, and upon analyzing such risks, critical risks for the OMRON Group are designated by the Executive Committee. The OMRON Group confirmed the progress made on risk countermeasures with the Corporate Ethics & Risk Management Committee on a quarterly basis and systematically promoted its risk management initiatives. Additionally, concerted efforts were made by the field and management in order to implement measures to respond to changes in the internal and external environments, namely the appointment of risk managers at the Group companies in Japan and overseas, who utilized the global network to share daily risk information and to quickly organize response to risks.

During the fiscal year under review, cybersecurity measures were evolved to incorporate a system and a process enabling active involvement of the management team in normal times and in emergencies. Through such improvements following external evaluations, the Company worked to enhance security. Regarding security trade management, the Company strengthened the process for preliminarily reviewing suspicious transactions on a global basis, thereby working to develop a system for responding to export restrictions and sanctions that are growing in complexity in various countries.

2. Initiatives to ensure the appropriateness of operations

The Company preserves and manages important documents related to the execution of Directors' duties in accordance with the Board of Directors Rules and other rules related to information management. The Company has reduced the number of Directors in order to ensure substantive discussion of the Board of Directors, as well as uses the Executive Officer System and the internal company system to promote faster decision making and efficient business operations by delegating substantial authority to the President of each internal company. At the monthly Executive Committee meetings, significant business execution issues are discussed and decided within the scope of the President's authority. The OMRON Group has also established a system which ensures proper control and prompt decision-making by clearly setting forth the applicable division of duties, decision-making authority and reporting rules.

During the fiscal year under review, the Company improved the promptness of decision-making and increased the speed of management by continuously improving the quality of discussions at Executive Committee meetings in response to drastic changes in the environment.

3. Initiatives to ensure the effectiveness of audits by Audit & Supervisory Board Members

The Company has established an Audit & Supervisory Board Office independent from business execution to assist the Audit & Supervisory Board Members in performing their duties and has also appointed the necessary staff members to the Office. The Audit & Supervisory Board holds periodic interviews of Directors and Executive Officers, periodically exchange views with the President, periodically exchange information with Accounting Auditor, and receive operational reports from Executive Officers. Audit & Supervisory Board Members also attend and state their opinions, as necessary, at Board of Directors meetings as well as Executive Committee meetings and other important meetings.

Furthermore, each year, the Audit & Supervisory Board evaluates its own effectiveness. Please refer to page 72 for the status of initiatives towards improving the Audit & Supervisory Board's effectiveness.

(5) Cash Allocation Policy and Shareholder Returns Policy

OMRON consults with our general meeting of Shareholders regarding decisions on dividends from retained earnings, with the exception of interim dividends, which are decided by resolution of the Board of Directors based on the provisions of the Articles of Incorporation. In addition, the Company will apply the following basic policy regarding the distribution of profits to shareholders, including shareholder returns.

Cash Allocation Policy

1) Aiming to maximize corporate value through the realization of the long-term vision, OMRON prioritizes the necessary investment to create new value from a medium- and long-term perspective. During our restructuring period (April 1, 2024 through September 30, 2025), we intend to concentrate group resources on Structural Reform Program NEXT2025, giving top priority to the investments necessary to restore business performance and restructure our foundation for earnings and growth. On this basis, OMRON will return profits to shareholders in a stable and sustainable manner.
2) In principle, we will source the funds for these value-creating investments and shareholder returns through retained earnings and the sustained creation of operating cash flows. We will raise funds as needed, maintaining a degree of financial soundness to facilitate fund-raising regardless of financial market conditions.

Shareholder Return Policy

1) We will prioritize investments necessary for value creation from a medium- to long-term perspective, establishing a dividend on equity (DOE) target of approximately 3% as a standard for annual dividends. Taking past dividend payments also into account, we intend to ensure stable and **continuing** shareholder returns.
2) Having engaged in the investments and allocation of profits described above, we will distribute retained earnings accumulated over the long term to shareholders through opportunistic share buybacks and other measures.

(6) Other Policies, etc.

Basic Strategy for Capital Policy

1) To maintain and improve shareholder value, the OMRON Group will implement management practices by taking into consideration the adequate target levels for return on invested capital (ROIC), return on equity (ROE), and earnings per share (EPS). To prepare for rapid fluctuations in economic conditions, we will also set the equity ratio target at a level sufficient for maintaining a corporate credit rating that enables raising of funds without regard to monetary market conditions.
2) With respect to capital policy that results in a change of control or in significant dilution, the Board of Directors will make a rational decision by fully taking into consideration the effects it would have on the aforementioned ROIC, ROE, and EPS.
3) If the OMRON Group implements a fund raising program that will result in significant dilution, the use of the fund and its collection plan will be fully examined and deliberated at a meeting of the Board of Directors before making a resolution, and sufficient explanation will be given to investors and shareholders.

Anti-Takeover Measures

No anti-takeover measures are in place at the OMRON Group.

Constructive Dialogue with Shareholders

The OMRON Group strives to contribute to sustainably increasing its corporate value through dialogue with shareholders. Additionally, we will release our basic policy for the development of systems and initiatives for facilitating constructive dialogue with shareholders (the “Basic Policy”).

For the Basic Policy, please refer to the website below.
https://www.omron.com/global/en/about/corporate/governance/policy/

Consolidated Financial Statements

Consolidated Balance Sheets

(JPY millions)

Item	87th term (As of March 31, 2024)	(Reference) 86th term (As of March 31, 2023)	Item	87th term (As of March 31, 2024)	(Reference) 86th term (As of March 31, 2023)
ASSETS			**LIABILITIES**		
Current Assets:	**547,603**	**486,892**	**Current Liabilities:**	**231,160**	**210,020**
Cash and cash equivalents	143,086	105,279	Notes and accounts payable — trade	82,548	92,855
Notes and accounts receivable — trade	172,268	180,074	Short-term borrowings	22,548	213
Allowance for doubtful receivables	(1,058)	(869)	Current portion of long-term borrowings	6,451	—
Inventories	174,034	173,926	Accrued expenses	47,345	50,246
Other current assets	59,273	28,482	Income taxes payable	6,457	10,560
Property, Plant and Equipment, net:	**136,775**	**129,585**	Short-term operating lease liabilities	13,385	11,871
Investments and Other Assets:	**670,351**	**381,683**	Other current liabilities	52,426	44,275
Right-of-use assets under operating leases	54,383	47,501	**Deferred Income Taxes**	**16,419**	**2,052**
Goodwill	361,783	43,125	**Termination and Retirement Benefits**	**8,310**	**9,348**
Other intangible assets	108,881	45,247	**Long-term borrowings**	**92,075**	—
Investments in and advances to affiliates	13,931	134,557	**Long-term operating lease liabilities**	**38,299**	**33,284**
Investment securities	33,897	46,123	**Other Long-Term Liabilities**	**17,473**	**12,229**
Leasehold deposits	7,883	8,094	**Total Liabilities**	**403,736**	**266,933**
Prepaid pension costs	65,267	29,103	**NET ASSETS**		
Deferred income taxes	19,382	23,513	**Shareholders' Equity:**	**786,686**	**728,473**
Other assets	4,944	4,420	Common stock	64,100	64,100
			Capital surplus	98,997	98,506
			Legal reserve	27,457	24,729
			Retained earnings	556,705	571,807
			Accumulated other comprehensive income (loss):	109,396	39,947
			Foreign currency translation adjustments	95,767	51,344
			Pension liability adjustments	13,608	(11,226)
			Net gains (losses) on derivative instruments	21	(171)
			Treasury stock, at cost	(69,969)	(70,616)
			Noncontrolling Interests	**164,307**	**2,754**
			Total Net Assets	**950,993**	**731,227**
Total Assets	**1,354,729**	**998,160**	**Total Liabilities and Net Assets**	**1,354,729**	**998,160**

Note: The amounts above are rounded to the nearest million JPY.

Consolidated Statements of Income

(JPY millions)

Item	87th term (April 1, 2023 to March 31, 2024)	(Reference) 86th term (April 1, 2022 to March 31, 2023)
Net sales	818,761	876,082
Cost of sales	472,297	482,199
Gross profit	346,464	393,883
Selling, general and administrative expenses	261,978	243,015
Research and development expenses	50,144	50,182
Other expenses (income), net	(611)	2,277
Income before income taxes	34,953	98,409
Income taxes	10,485	24,943
Current	16,818	34,401
Deferred	(6,333)	(9,458)
Share of loss (profit) of entities accounted for using equity method	14,519	(1,079)
Net income	9,949	74,545
Net income attributable to noncontrolling interests	1,844	684
Net income attributable to OMRON shareholders	8,105	73,861

Notes: The amounts above are rounded to the nearest million JPY.

Consolidated Statement of Changes in Shareholders' Equity

(JPY millions)

	Number of common shares issued	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity	Noncontrolling interests	Total net assets
(Reference) Balance, end of the 85th term (March 31, 2022)	206,244,872	64,100	100,652	24,503	517,566	13,013	(54,607)	665,227	2,744	667,971
Net income					73,861			73,861	684	74,545
Cash dividends paid to OMRON Corporation shareholders					(19,394)			(19,394)		(19,394)
Cash dividends paid to noncontrolling interests								—	(741)	(741)
Stock-based compensation			(2,140)				4,003	1,863		1,863
Transfer to legal reserve				226	(226)			—		—
Foreign currency translation adjustments						17,436		17,436	67	17,503
Pension liability adjustments						8,704		8,704		8,704
Net gains (losses) on derivative instruments						794		794		794
Acquisition of treasury stock and other			(6)				(20,012)	(20,018)		(20,018)
Balance, end of the 86th term (March 31, 2023)	206,244,872	64,100	98,506	24,729	571,807	39,947	(70,616)	728,473	2,754	731,227
Net income					8,105			8,105	1,844	9,949
Cash dividends paid to OMRON Corporation shareholders					(20,479)			(20,479)		(20,479)
Cash dividends paid to noncontrolling interests								—	(581)	(581)
Equity transactions with noncontrolling interests and other			(54)					(54)	65	11
Increase in consolidated subsidiaries - non-controlling interests								—	159,877	159,877
Stock-based compensation			619				666	1,285		1,285
Transfer to legal reserve				2,728	(2,728)			—		—
Foreign currency translation adjustments						44,423		44,423	348	44,771
Pension liability adjustments						24,834		24,834		24,834
Net gains (losses) on derivative instruments						192		192		192
Acquisition of treasury stock and other			(74)				(19)	(93)		(93)
Balance, end of the 87th term (March 31, 2024)	206,244,872	64,100	98,997	27,457	556,705	109,396	(69,969)	786,686	164,307	950,993

Note: The amounts above are rounded to the nearest million JPY.

(Reference)

Consolidated Statements of Comprehensive Income

(JPY millions)

	87th term (April 1, 2023 to March 31, 2024)	86th term (April 1, 2022 to March 31, 2023)
Net income	9,949	74,545
Other comprehensive income, net of tax		
Foreign currency translation adjustments	44,771	17,503
Pension liability adjustments	24,834	8,704
Net gains on derivative instruments	192	794
Other comprehensive income	69,797	27,001
Comprehensive income	79,746	101,546
(Breakdown)		
Comprehensive income attributable to noncontrolling interests	2,192	751
Comprehensive income attributable to OMRON shareholders	77,554	100,795

Note: The amounts above are rounded to the nearest million JPY.

(Reference)

Consolidated Statements of Cash Flows

(JPY millions)

Item	87th term (April 1, 2023 to March 31, 2024)	86th term (April 1, 2022 to March 31, 2023)
I Operating Activities:		
1. Net income	9,949	74,545
2. Adjustments to reconcile net income to net cash provided by operating activities:		
(1) Depreciation and amortization	30,816	26,587
(2) Equity in loss (earnings) of affiliates	14,519	(1,079)
(3) Decrease (increase) in notes and accounts receivable - trade	27,341	(23,581)
(4) Decrease (increase) in inventories	12,054	(29,004)
(5) Increase (decrease) in notes and accounts payable - trade	(17,918)	4,667
(6) Other, net	(31,886)	1,321
Total adjustments	34,926	(21,089)
Net cash provided by operating activities	**44,875**	**53,456**
II Investing Activities:		
1. Proceeds from sale of investment securities	24,774	84
2. Purchase of investment securities	(3,299)	(2,860)
3. Capital expenditures	(45,378)	(45,018)
4. Business and company acquisitions (net of cash acquired)	(82,173)	—
5. Proceeds from sale of property, plant and equipment	539	1,614
6. Increase in investment in affiliates, net	(1,121)	(9,976)
7. Other, net	(438)	623
Net cash used in investing activities	**(107,096)**	**(55,533)**
(Reference) Free cash flow	**(62,221)**	**(2,077)**
III Financing Activities:		
1. Net increase (decrease) in short-term debt	3,228	(19,787)
2. Proceeds from short-term borrowings	101,281	—
3. Proceeds from long-term borrowings	88,000	—
4. Repayments of short-term borrowings	(85,500)	—
5. Repayments of long-term borrowings	(485)	—
6. Dividends paid by OMRON	(19,885)	(18,912)
7. Acquisition of treasury stock	(18)	(20,013)
8. Other, net	(634)	(45)
Net cash provided by (used in) financing activities	**85,987**	**(58,757)**
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	**14,041**	**10,629**
Net Increase (Decrease) in Cash and Cash Equivalents	**37,807**	**(50,205)**
Cash and Cash Equivalents at Beginning of the Year	**105,279**	**155,484**
Cash and Cash Equivalents at End of the Year	**143,086**	**105,279**

Note: The amounts above are rounded to the nearest million JPY.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(JPY millions)

Item	87th term (As of March 31, 2024)	(Reference) 86th term (As of March 31, 2023)	Item	87th term (As of March 31, 2024)	(Reference) 86th term (As of March 31, 2023)
ASSETS			**LIABILITIES**		
Current Assets:	**150,853**	**152,791**	**Current Liabilities:**	**269,312**	**253,477**
Cash and time deposits	28,347	22,152	Notes payable - trade	6,238	6,909
Notes receivable – trade	317	224	Accounts payable - trade	30,900	38,098
Accounts receivable – trade	41,146	66,742	Short-term borrowings	5,567	—
Finished products	13,683	11,442	Short-term borrowings from affiliated companies	196,380	169,336
Materials	16,750	15,277	Lease liabilities	151	139
Work in process	3,489	3,341	Other payables	9,019	16,734
Supplies	283	269	Accrued expenses	10,960	12,253
Short-term loans to affiliates	8,406	8,668	Income taxes payable	38	4,458
Accounts receivable - other	15,735	11,775	Advances received	2,733	28
Income taxes refund receivable	6,109	—	Deposits received	1,339	1,340
Other receivable	4,593	5,016	Accrued bonus to officers	10	231
Other current assets	11,995	7,885	Provision for share grant	—	355
Allowance for doubtful receivables	(0)	(0)	Other current liabilities	5,977	3,596
Fixed Assets:	**529,815**	**443,518**	**Long-term Liabilities:**	**91,811**	**9,567**
Property and equipment:	**48,688**	**49,159**	Lease liabilities	512	601
Buildings	22,829	23,906	Provision for share grant	1,316	1,117
Structures	911	952	Deferred tax liabilities related to revaluation	957	957
Machinery and equipment	5,846	5,557	Long-term borrowings	85,500	—
Vehicles and delivery equipment	2	1	Long-term advances received	—	2,649
Tools, furniture and fixtures	5,376	4,833	Other long-term liabilities	3,526	4,243
Land	11,892	12,025	**Total Liabilities**	**361,123**	**263,044**
Lease assets	734	830	**NET ASSETS**		
Construction in progress	1,098	1,055	**Shareholders' Equity:**	**319,390**	**322,958**
Intangible fixed assets:	**45,155**	**29,580**	**Common stock**	**64,100**	**64,100**
Software and others	40,352	24,115	**Capital surplus**	**88,771**	**88,771**
Technical assets	4,803	5,465	Additional paid-in capital	88,771	88,771
Investments and other assets:	**435,972**	**364,779**	**Retained earnings**	**236,487**	**240,702**
Investment securities	14,038	32,407	Legal reserve	6,774	6,774
Investments in affiliated companies	353,547	269,689	Other retained earnings:	229,713	233,928
Investments in other securities of affiliated companies	1,241	1,429	Reserve for dividends	3,400	3,400
Contribution to affiliated companies	22,837	22,837	Reserve for special account	1,252	1,252
Long-term advances to affiliates	4,666	3,703	Non-restrictive reserve	73,500	73,500
Receivables from customers in bankruptcy	—	5,791	Retained earnings unappropriated	151,561	155,776
Leasehold deposits	4,368	4,638	**Treasury stock, at cost**	**(69,968)**	**(70,615)**
Prepaid pension cost	19,575	17,636	**Valuation and Translation Adjustments:**	**155**	**10,307**
Deferred income taxes	11,660	7,126	Unrealized gains on available-for-sale securities	4,469	14,801
Other	4,054	5,247	Deferred hedge gain (loss)	—	(180)
Allowance for doubtful receivables	(14)	(5,724)	Land revaluation difference	(4,314)	(4,314)
			Total Net Assets	**319,545**	**333,265**
Total Assets	**680,668**	**596,309**	**Total Liabilities and Net Assets**	**680,668**	**596,309**

Note: The amounts above are rounded to the nearest million JPY.

Non-consolidated Statements of Income

(JPY millions)

Item	87th term (April 1, 2023 to March 31, 2024)	(Reference) 86th term (April 1, 2022 to March 31, 2023)
Net sales	**259,328**	**369,498**
Cost of sales	177,808	223,030
Gross profit	**81,520**	**146,468**
Selling, general and administrative expenses	113,430	117,784
Operating income (loss)	**(31,910)**	**28,684**
Non-operating income:	**30,912**	**78,048**
Interest and dividends received	27,498	74,759
Other non-operating income	3,414	3,289
Non-operating expenses:	**7,262**	**3,624**
Interest paid	5,222	2,674
Foreign exchange losses	919	401
Commission expenses	100	49
Loss on investments in partnerships	669	453
Other non-operating expenses	352	47
Ordinary income (loss)	**(8,260)**	**103,108**
Extraordinary gains:	**20,983**	**226**
Gain on sales of property and equipment	2	6
Gain on sales of investment securities	20,981	80
Gain on liquidation of subsidiaries and associates	—	140
Extraordinary losses:	**1,185**	**371**
Loss on sales and disposal of property, equipment and intangible fixed assets	727	371
Loss on valuation of investment securities	330	—
Other extraordinary losses	128	—
Income before income taxes:	**11,538**	**102,963**
Income taxes - current	(4,176)	12,826
Income taxes - deferred	(78)	(969)
Net income	**15,792**	**91,106**

Note: The amounts above are rounded to the nearest million JPY.

Non-consolidated Statements of Changes in Shareholders' Equity

87th Term: April 1, 2023 — March 31, 2024

(JPY millions)

	Shareholders' equity								
	Common stock	Capital surplus		Retained earnings					
				Legal reserve	Other retained earnings				Total retained earnings
		Additional paid-in capital	Total capital surplus		Reserve for dividends	Reserve for special account	Non-restrictive reserve	Retained earnings unappropri-ated	
Balance, April 1, 2023	64,100	88,771	88,771	6,774	3,400	1,252	73,500	155,776	240,702
Changes during the year ended March 31, 2024									
Dividends paid			—					(19,941)	(19,941)
Net income			—					15,792	15,792
Acquisition and sale of treasury stock			—					(66)	(66)
Net change in items other than shareholders' equity during the year			—						—
Total changes during the fiscal year	—	—	—	—	—	—	—	(4,215)	(4,215)
Balance, March 31, 2024	64,100	88,771	88,771	6,774	3,400	1,252	73,500	151,561	236,487

	Shareholders' equity		Valuation and translation adjustment				Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred hedge gain (loss)	Land revaluation difference	Total valuation and translation adjustment	
Balance, April 1, 2023	(70,615)	322,958	14,801	(180)	(4,314)	10,307	333,265
Changes during the year ended March 31, 2024							
Dividends paid		(19,941)				—	(19,941)
Net income		15,792				—	15,792
Acquisition and sale of treasury stock	647	581				—	581
Net change in items other than shareholders' equity during the year		—	(10,332)	180		(10,152)	(10,152)
Total changes during the fiscal year	647	(3,568)	(10,332)	180	—	(10,152)	(13,720)
Balance, March 31, 2024	(69,968)	319,390	4,469	—	(4,314)	155	319,545

Note: The amounts above are rounded to the nearest million JPY.

Non-consolidated Statements of Changes in Shareholders' Equity (Reference)

86th Term: April 1, 2022 — March 31, 2023

(JPY millions)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings					
					Legal reserve	Other retained earnings				Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus		Reserve for dividends	Reserve for special account	Non-restrictive reserve	Retained earnings unappropri-ated	
Balance, April 1, 2022	64,100	88,771	0	88,771	6,774	3,400	1,177	73,500	83,770	168,621
Changes during the year ended March 31, 2023										
Dividends paid				—					(18,969)	(18,969)
Net income				—					91,106	91,106
Provision of reserve for special account				—			75		(75)	—
Acquisition and sale of treasury stock			(0)	(0)					(56)	(56)
Net change in items other than shareholders' equity during the year				—						—
Total changes during the fiscal year	—	—	(0)	(0)	—	—	75	—	72,006	72,081
Balance, March 31, 2023	64,100	88,771	—	88,771	6,774	3,400	1,252	73,500	155,776	240,702

	Shareholders' equity		Valuation and translation adjustment				Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred hedge gain (loss)	Land revaluation difference	Total valuation and translation adjustment	
Balance, April 1, 2022	(54,605)	266,887	15,746	(1,160)	(4,314)	10,272	277,159
Changes during the year ended March 31, 2023							
Dividends paid		(18,969)				—	(18,969)
Net income		91,106				—	91,106
Provision of reserve for special account		—				—	—
Acquisition and sale of treasury stock	(16,010)	(16,066)				—	(16,066)
Net change in items other than shareholders' equity during the year		—	(945)	980		35	35
Total changes during the fiscal year	(16,010)	56,071	(945)	980	—	35	56,106
Balance, March 31, 2023	(70,615)	322,958	14,801	(180)	(4,314)	10,307	333,265

Note: The amounts above are rounded to the nearest million JPY.