

Roundtable Discussion on Corporate Governance



Enhancing the Effectiveness of the Board of Directors to Support Increasingly Sophisticated and Complex Management

Fumio Tateishi

Chairman (Chairman of the Board of Directors)
Member of the CEO Selection Advisory Committee



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Outside Director
Chairman of the Corporate Governance Committee
Chairman of the CEO Selection Advisory Committee
Chairman of the Compensation Advisory Committee
Member of the Personnel Advisory Committee

SF2030 Long-term Vision and SF 1st Stage Medium-term Management Plan Reflect the Results of Discussion

— Through the “initiatives to improve the effectiveness of the Board of Directors,” which have been established as a mechanism, in fiscal 2021 OMRON worked on three focus themes: “completion of the next long-term vision and determination of the next medium-term management plan,” “response to increasing geopolitical risks,” and “checking the progress of establishing a companywide IT system.” As regards “completion of the next long-term vision and determination of the next medium-term management plan,” what did discussion center on?

Tateishi: We placed particular emphasis on “completion of the next long-term vision and determination of the next medium-term management plan.” We had been working on formulation of a long-term vision for two years, as well as engaging in vigorous insightful discussion on the medium-term management plan, backcasting from 2030.

The Board of Directors set a new course by resolving the key sustainability issues and medium-to long-term targets of the long-term vision. By clarifying the Board of Directors’ responsibilities for sustainability, we were able to reiterate to OMRON’s stakeholders our commitment to “resolving social issues through its businesses.”

Board of Directors Operational Policy for Fiscal 2021

To enable the OMRON Group to achieve a drastic increase in corporate value over the next 10 years, the Board of Directors will exercise its oversight functions in a multifaceted manner and from the short-term and medium-to long-term perspectives.

Focus Themes

- 1) Completion of the next long-term vision and determination of the next medium-term management plan
Points to be supervised
 - Response to the new normal era post COVID
 - Initiatives for key sustainability issues
 - Transformation of the business model and acceleration of innovation
 - Reform of human resources management
 - Strengthening resilience
- 2) Response to increasing geopolitical risks
- 3) Checking the progress of establishing a companywide IT system

OMRON aims to achieve a drastic increase in its corporate value in the next decade. We had intensive discussions on “human resources,” “diversity and inclusion (D&I),” and “the environment,” which are indispensable for realizing this aim. Of these, the biggest issue is human resources to lead growth. Our Outside Directors and Outside Audit & Supervisory Board Members have pointed out the need to utilize human resources for business growth and the evolution of the business model. Our discussions covered not only education and training of employees and mid-career hiring, but also various other possibilities, such as the use of external human resources through M&A and business alliances. As for D&I, I believe that new ideas will bubble to the surface as diverse values interact. We should not just pursue quantitative targets, such as the ratio of female managers. Having more female managers will bring about qualitative changes. For example, addition of a new perspective will stimulate discussion, leading to innovation and renewal of the corporate culture. In our discussions, we tackled these issues in depth. It is the responsibility of the Board of Directors to oversee the effectiveness of D&I and to further evolve OMRON’s initiatives in this regard. On the environment, clearly both environmental protection and corporate growth should be achieved. For reduction of greenhouse gas emissions, in addition to Scope 1 and 2 emissions from OMRON’s own activities, we have had a number of discussions on how best to promote reduction of Scope 3 Category 11 emissions, which are emissions from the use of OMRON’s products and services sold, accounting for 80% of the total emissions of the OMRON Group.

Kamigama: As for the long-term vision, conceptualizing OMRON’s ideal configuration in 2030 and beyond, and then incorporating it in the medium-term management plan by backcasting, was no simple matter and we had to be creative to accomplish this challenging task. The Outside Directors and Outside Audit & Supervisory Board Members were able to make proposals to the Board of Directors from diverse perspectives based on their own experience and knowledge. OMRON’s inclusion of non-financial targets in its medium-term management plan is noteworthy. And OMRON’s actual integration of business growth and promotion of sustainability is truly impressive. Nowadays, there is hardly a company that does not advocate sustainability, but I think OMRON is a rare example of a company that integrates sustainability into the main stream of its business, rather than treating it as an obligation or a social contribution.

Agile Response to Geopolitical Risks

— What were the main points of discussion

on the second focus theme, “response to increasing geopolitical risks”?

Tateishi: Long before COVID-19 appeared on the scene, OMRON was strengthening integrated risk management so as to adapt to changes in the environment and promptly tackle problems through concerted efforts of the management team and employees. These accumulated efforts have helped us respond agilely to the growing geopolitical risks of recent years.

Immediately after Russian invasion of Ukraine, we raised geopolitical risk to the highest rank on the list of material risks. Specifically, we examined the impact of the worsening Russia-Ukraine situation on our business in terms of law and regulation, tariffs, competition, restrictions likely to be imposed by various countries, and prospects. Based on this analysis, the Board of Directors discussed how to minimize the impact. We are continuously monitoring the implementation of measures and changes in the international situation.

Geopolitical risk is inseparable from our business and regional headquarters, and we have to think about it. We had in-depth discussion at the Board of Directors’ meetings on the need to increase the speed of management by enhancing flexibility of our global operations, for example by promoting greater delegation of authority to overseas subsidiaries.

Geopolitical risk is an important issue for every company, regardless of industry or region. At OMRON, having positioned “response to risks in an era of uncertainty” as a focus theme for fiscal 2022, the Board of Directors will continue to exercise its oversight functions regarding geopolitical risk.

Companywide IT System Indispensable in an Increasingly Uncertain and Complex Environment

— Mr. Kamigama, how do you rate the achievements to date for the third focus theme, “checking the progress of establishing a companywide IT system”?

Kamigama: Given the transition of OMRON’s business from a focus on “products” to “services,” as well as the need to further strengthen integrated risk management mentioned by Chairman Tateishi, establishment of a corporate IT system is indispensable. The Board of Directors has been deliberating on this as a focus theme since fiscal 2019.

Though good progress has been made so far, the big challenge lies ahead. I have observed a number of attempts by companies to introduce unified IT systems throughout their operations. Such projects tend not to proceed as initially planned both in terms of schedule and budget. But you must go on because in an increasingly uncertain and complex environment, you can’t run a business effectively



without a companywide IT system. It is understandable that employees engaged in businesses and operations closer to customers have reservations and anxieties about the implementation of a new companywide IT system. This is because they may have to review their existing workflow or are concerned that they may no longer be able to meticulously respond to customers. However, allowing exceptions and customization will compromise operational efficiency by impeding introduction of a unified companywide IT system. So, the exercise of leadership by top management will be crucially important from now on. That is why I have urged CEO Yamada to rally the workforce in this endeavor and proceed with determination. OMRON's first attempt to establish a companywide IT system is a major project that will span 10 years. Therefore, in a new initiative, the Board of Directors has established an independent third-party evaluation team consisting of experts and experienced professionals to monitor the progress and other aspects of the project. We expect this mechanism to ensure objectivity will help complete the project on schedule.

New Possibilities Expanded by Capital and Business Alliance with JMDC

— What opinions were expressed at meetings of the Board of Directors about the capital and business alliance with JMDC Inc.?

Tateishi: This was OMRON's largest investment project to date and the Board of Directors held wide-ranging discussions on the matter. For example, we considered the possibility of creating a personalized solution for the prevention of serious illness by combining JMDC's medical data, such as health insurance claims and records of medical examinations, with blood pressure and vital data that OMRON possesses, in order to achieve our goal of extending healthy life expectancy. Naturally,

we discussed the appropriate acquisition price of common stock in terms of both return and risk, taking into consideration the impairment risk after the acquisition of common stock.

As collaborative business creation with JMDC is about to get into full swing, I believe it is essential to learn from our partner and emulate the best aspects of its organizational culture. I made a recommendation along these lines at a meeting of the Board. The Outside Directors suggested that OMRON should establish a project team consisting of people from both companies, not only at the executive level but also at the front line. Having a joint team should accelerate discussions and enable OMRON and JMDC to create new businesses offering value that cannot be realized by either company acting alone.

Kamigama: In my view, the biggest difference between OMRON and JMDC concern organizational culture and human resources. OMRON is diligent yet somewhat rigid, and one cannot deny the impression that it is culturally rather conservative. On the other hand, JMDC is freewheeling and open-minded, and the individuality and opinions of each employee seem to be respected. I think it is evident that the tempo of management is also quite different between the two companies.

What we must never do is to try to shoehorn our partner into OMRON's way of doing things. As Chairman Tateishi said, it is important to respect one's partner, diligently learn everything that can be learned from the partner, and apply it. This approach will lead to true synergy. All the Outside Executives, that is, Outside Directors and Outside Audit & Supervisory Board Members, were at one on this point.

The setting up of a carefully selected team drawn from both companies, consisting of people who are flexible in their thinking and have a positive mindset, and engaging in open discussions is the best way forward. It will lead to new data-driven businesses offering essential value, not only in the Healthcare Business but also in OMRON's mainstay Industrial Automation Business.

Toward an Ever-evolving Board of Directors

— How would you rate the skills matrix of OMRON's Board of Directors?

Tateishi: OMRON has ensured the diversity of its Board of Directors, which is composed of individuals who possess the knowledge, expertise, and experience necessary to realize our long-term vision and medium-term management plan. Nevertheless, in order to transform business models and oversee new businesses, the Board of Directors must also have knowledge and expertise

that are different from what were required in the past. Speaking from first-hand experience, the tempo of management decision-making increased sharply after the outbreak of the COVID-19 pandemic. Many social issues that were expected to emerge in the future have suddenly confronted us as pressing issues during the pandemic. Remote medical care without face-to-face contact is a typical example. In these circumstances, a rich and varied set of skills is needed for swift managerial decision-making and decisions must be thoroughly implemented in business operations. I believe it is important to clarify the skills needed to realize strategies through backcasting and to configure the Board of Directors accordingly.

Kamigama: I think that OMRON's Board of Directors is well-balanced and diverse in its composition but it definitely needs to evolve as we look to the future. As OMRON promoted digital transformation and the transition to a business offering essential value, the need for expertise in IT, AI, and cybersecurity is certain to increase. In nominating Directors, we need to take this into account.

— **Mr. Kamigama, since your appointment as Outside Director in 2017, have you noticed any change in the characteristics and strengths of OMRON's Board of Directors?**

Kamigama: The atmosphere of the Board of Directors has remained unchanged. The atmosphere in which our discussions are held is very relaxed. I also feel that not only Outside Directors but also Outside Audit & Supervisory Board Members state their opinions more frequently than at other companies. This is supported by succinct information materials prepared for Board of Directors meetings. So, we are able to have focused discussions at Board of Directors meetings and resolve matters. In addition, in response to a request by the Corporate Governance Committee based on evaluation of the Board of Directors' effectiveness for fiscal 2021, Internal Directors and Internal Audit & Supervisory Board Members have become more proactive in stating their opinions, resulting in more vibrant discussion. This is indicative of how the Board of Directors is evolving. Exchanges of ideas and opinions between Internal Executives and Outside Executives, that is, Outside Directors and Outside Audit & Supervisory Board Members, are enhancing Outside Executives' understanding, enabling them to engage in deeper discussion. Another characteristic is that every Board of Directors meeting is shortly followed by a review to evaluate its effectiveness. This ensures prompt and accurate feedback, which is indispensable for the evolution of the Board of Directors.

— **What are OMRON's issues?**

Kamigama: OMRON should make The OMRON Global Awards (TOGA), an annual event, more practical in nature. The participants' enthusiasm and their seemingly inexhaustible ability to generate ideas impress me. These attributes are among OMRON's strengths. On the other hand, the ideas presented at TOGA have yet to become businesses of reasonable scale. There are several ideas with great potential. I would like to see OMRON develop the next pillar of its business from among the solutions proposed at TOGA.

— **What is the operational policy of the Board of Directors for fiscal 2022?**

Tateishi: The Corporate Governance Committee judged that the Board of Directors exercised its oversight functions in a multifaceted manner and from the short-term and medium- to long-term perspectives in fiscal 2021. In fiscal 2022, centering on three focus themes, namely "monitoring the progress of the long-term vision and the medium-term management plan," "response to risks in an era of uncertainty," and "checking the progress of establishing a companywide IT system," the Board of Directors will continue exercising its oversight functions and implementing the plan-do-check-act (PDCA) cycle so as to contribute to the realization of sustainable enhancement of corporate value.

— **Finally, why did OMRON include the OMRON Principles in its Articles of Incorporation?**

Tateishi: It is rare for a company to include its corporate principles in its articles of incorporation. We took this step in order to make OMRON's resolve widely known. By declaring both within the OMRON Group and to external parties that the basis of OMRON's management, the very core of our approach, remains unchanged, regardless of changes in the environment, I believe that OMRON's initiatives to "resolve social issues through its businesses" will gain greater impetus.



Interview with Outside Director

Path to Diversity Management

Outside Director
 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

Izumi Kobayashi



— What do you think of the way Japanese companies view “human capital”?

The collapse of Lehman Brothers triggered a renewed emphasis on the concept of “human capital.” People and environmental protection came to be perceived as sources of value creation rather than costs.

Although in Japan there was a term for “human resources,” the unfamiliar Japanese translation of “human capital” hadn’t readily taken hold. As a result, although Japanese companies have traditionally placed great importance on maintaining employment, the idea that people are not a cost but capital that is the key to enhancement of corporate value and social value if education is provided and the environment is improved faded away in the course of the shift to management emphasizing financial performance. This is most unfortunate. Regarding the commitment toward employees that today’s younger generation, in particular, is demanding, Japan, with its emphasis on maintaining employment, had been in the lead in the past.

The most important thing in utilizing human capital is “human resources development.” My impression is that whereas European and American businesses invest heavily in human resources development, Japanese businesses do not invest to the same extent. Although “membership-based employment” built on the principle of lifetime employment has its advantages, “job-based employment” is more appropriate for raising the value of human capital. Which is selected will likely differ among companies, but OMRON’s announcement that it will be shifting to job-based employment is something that, as one who knows the merits of such an approach, I welcome.

— You serve as Chairman of the Personnel Advisory Committee. How do you view the “current state of human capital utilization” in OMRON?

As all the outside directors including myself unanimously note, the activity that stands out most at OMRON is “The OMRON Global Awards (TOGA).” It is splendid how OMRON employees

worldwide actively come together as one, in line with the OMRON Principles, to “create business or products and services useful to society,” and do so not out of a sense of duty or in accordance with instructions, but spontaneously.

TOGA is indeed a fine model of the utilization of human capital to create corporate value. Recently, in the context of purpose management, a value system such that an enterprise in its totality naturally endeavors to solve social issues in accordance with its corporate philosophy is permeating every aspect of business activities. Indeed, through TOGA, personal growth is evident throughout the OMRON workforce. I hear that many of OMRON’s foreign employees joined OMRON because they empathized with the OMRON Principles. I have rarely come across a company where an opportunity such as TOGA is provided.

— **Among the non-financial goals posted in the medium-term management plan SF 1st Stage, there are such goals as “ratio of women in managerial roles of at least 18% worldwide” and “100% attendance by managers of management training to draw out the abilities of diverse human resources.”**

Although summed up in the single word “diversity,” I consider there is “visible diversity” expressed by numbers, such as the ratio of male to female or the ratio of non-Japanese nationals, and “invisible diversity” that cannot be expressed quantitatively. Regarding “visible diversity,” I think OMRON is promoting this quite vigorously. Although all OMRON’s directors are Japanese nationals, the number of executive officers who are non-Japanese nationals is on the rise, and, overseas, local employees are taking responsibility for business development. Moreover, at Board of Directors meetings, female employees make presentations about their business or projects on various occasions, and I think that the commitment being shown by OMRON to diversity is considerable. However, visible diversity is no more than the beginning of the matter. The diversity that I have in mind involves people with different experiences or opinions respecting each other, at times arguing, and, as a result achieving empathy and creating something new. This is the real attraction and true value of diversity. However, in Japan, raising an objection or expressing doubt about someone’s opinion in a meeting may be viewed as a personal attack. However, different opinions and discussions are about business matters, and if we do not put aside not only gender differences, but also

personalities or age and hierarchical relationships, then it is not possible to have a fruitful discussion. Diversity is frequently discussed at board meetings too. On those occasions, I always comment along the following lines. “Visible diversity should of course be pursued, but, much more importantly, we should aim to be an organization where different highly individual people can constructively encounter one another, rather than taking a cookie-cutter approach such that however you cut it, the same kind of ‘excellent’ person based on the same design appears.”

In addition, I make the following point. “Everyone has strengths and weaknesses. How are those strengths to be stretched and developed? And how are those weaknesses to be covered and compensated by the team? Surely that is the true meaning of nurturing human resources.” At board meetings, I can sense OMRON’s serious commitment to strengthening its organizational ability. This is why I have great expectations that a virtuous cycle of diversity & inclusion will be created, a cycle such that “every member of the organization can fully display their individuality and ability,” “the company draws out their individuality and ability,” and “as a result, the organization is activated and new value is created.”

— **What do you think is required to strengthen human capital? Ultimately, what do you imagine will be the “New OMRON”?**

I think OMRON employees are mainly serious-minded, value the OMRON Principles, and have a great desire to do something useful for society. However, that vector is by and large uniform, and in an era in which it is unclear in what direction the world is heading, I think one could say without fear of being misunderstood that there may be a need for “misfits” and “eccentrics.”

In Japan, basic public services are well provided and all needs are conveniently catered for. However, what is taken for granted in Japan, may be novel and pressing needs in other countries. If we fail to notice those needs, there is a possibility that we will end up missing good business opportunities. Sure enough, various chances are concealed in our encounters with those who differ from us. By mixing with those of a different nature, I anticipate, among other things, that “ways of thinking and plans that were absent up to now will be born,” “our hypotheses will become more accurate, throughput will change” and “decision-making will accelerate.”

— **Forward-looking Japanese companies are currently shifting to “job-based employment.” What changes do you anticipate as a result of this spread of job-based employment in the Japanese industrial sphere? How do you think OMRON’s human resources development and requirements will change from now on?**

I think that in order to make the most of each person’s individuality, in other words, in order to increase the value of human capital, there is no option but to shift to job-based employment. OMRON is currently forging ahead with this. However, one point that must be given sufficient attention is the question of who is to bear responsibility for the nurturing of human resources. Generally, in job-based employment, the authority and responsibility that up to now had been held by the human resources department are delegated to the on-site managers. Though bearing responsibility for profit, their most important job is “human resources development.” In foreign companies, the higher one’s job position, the more time one devotes to human resources. However, looking at Japanese enterprises, the money and time invested in training and evaluating human resources seems quite inadequate. Actually, in the work of an executive, considerable weight should be given to nurturing subordinates and developing their talent. I think there are several points to be considered. In the case of education and training, for example, given the Japanese ethos of “equality,” it is usual for everyone to uniformly receive the same program. However, in order to leverage people’s diverse strengths, programs should be customized for each individual.

Moreover, although it requires time and effort, a 360-degree appraisal is of course effective. This is because as well as leading to an understanding of how various people evaluate the person subject to evaluation, comparing evaluations by the superior and by others, it is possible to ascertain the superior’s abilities as a manager. One other important thing is the setting of goals. Even in job-based employment, it is necessary at the beginning of the period for the superior and the subordinate to discuss business and behavioral goals sufficiently and align their perspectives. Unless consensus is established, the superior and the subordinate will be working toward different goals, thus compromising the value of the evaluation results and, in the worst case, destroying a relationship based on mutual trust. Moreover, although it is common for circumstances to change midway in a project, many evaluation systems cannot handle such changes. So, initially

set goals should not be strictly adhered to no matter what happens. It is important to be able to adjust them as necessary. This may be a troublesome task, but it is one of the responsibilities that comes with management. In OMRON’s case, since the spirit of OMRON’s Corporate Motto and the OMRON Principles are well-established and widely known, the values system of the organization and the direction in which it should be heading are clear. That is why I expect even matters generally regarded as difficult, whether it be on-site human resources development or 360-degree appraisal, to proceed smoothly. I relish the prospect.

— **What contribution do you envisage making as a director of OMRON?**

I have worked for many years in organizations outside Japan, so when some difference in opinion or the way of thinking arises, I always throw in the question “why?” Whatever the subject might be, I think the biggest contribution I can make is to continue to pose the question “why?” on matters taken for granted within the company or in Japan. I think it is dangerous for matters to proceed unchanged because “everyone in the company thinks so” or “this is the way we do things in our company,” for example, without introducing any viewpoints such as from outside the company. I intend to keep on asking, from a global perspective, not a Japanese perspective, whether the way of doing things before my eyes is “the best and only one,” “why it is regarded as normal,” and “whether it really must be so,” and continue to assert the need to consider matters from different angles.



Message from New Outside Director



Yoshihisa Suzuki

Outside Director

Member of the CEO Selection Advisory Committee

Member of the Personnel Advisory Committee

Member of the Compensation Advisory Committee

Member of the Corporate Governance Committee

On My Appointment as Outside Director

It is a great honor for me to be appointed as a new Outside Director of OMRON. Longing to be an aircraft engineer, I entered the engineering department in university, but a realistic appraisal of the capabilities of my fellow students and seniors convinced me it was not for me. So, instead, I joined ITOCHU Corporation, a general trading company, that handles aircraft. In the more than 40 years since then, I have accumulated wide-ranging business experience. Having started with sales in the aerospace defense fields, I served as CEO of the US headquarters and managed a manufacturing subsidiary in Japan. At the head office, I served as president of ICT & Financial Business Company, CDO/CIO, and then as president and COO of ITOCHU Corporation, in which capacity I was involved with the integration of information and finance, decarbonization, and so on. Currently, as Vice Chairman of ITOCHU Corporation, I am undertaking various roles, ranging from my role in Keidanren (Japan Business Federation) to my roles in the British Market Council and Japan-U.S. Business Council, and also in the Association of Corporate Executives and the Chamber of Commerce and Industry in Tokyo and Osaka. I would be happy if my experiences to date can assist in OMRON's further development.

I felt great sorrow on learning of the assassination of former Prime

Minister Abe. Prime Minister Kishida, following in the tradition of former Prime Minister Abe, has announced a policy of "new capitalism." What will be the nature of this new capitalism? Also called multi-stakeholder capitalism, it is I think essentially the traditional principle associated historically with the merchants from Omi, present-day Shiga prefecture, namely, "all three parties doing well," "the seller doing well, the buyer doing well, society doing well," which eventually led to the rise of general trading companies, and also is expressed by OMRON's Corporate Motto with its emphasis on the "public nature of business." Although the central government will prepare the systems and mechanisms needed to realize the new capitalism, it will in the end be the enterprises themselves that implement this new capitalism. Its essence will lie in raising the motivation of employees, promoting diversity & inclusion and innovation to contribute to the resolution of various social issues, and increasing corporate value. OMRON's long-term vision SF2030 will be its embodiment, and I look forward to participating in its implementation as an outside director.

It should also be noted that the previous world order ended with the worsening of the Russia-Ukraine situation. There is no doubt that for at least the following five years or so, Russia will represent the biggest risk to the world. And there is one other risk too, which is likely to be found in the U.S. rather than in China. Divisions within the U.S. are profound, with politics and diplomacy becoming increasingly inward-looking, making it hard for the U.S. to display its former global leadership. I think one could say that we are now in a period in which both the Japanese government and those of us in the business world will have to resolutely carve out a new path on our own. OMRON is a global enterprise whose powers of technological innovation and progressive governance system are already widely known. What will OMRON, as a pioneer of the "New Capitalism" operating in the uncertain atmosphere of a post-COVID world, aim for next? Thinking about this question and reaching a solution to it along with all of you is something I am very much looking forward to doing.

Career Summary

April 1979	Joined ITOCHU Corporation	April 2018	Appointed President & Chief Operating Officer of ITOCHU Corporation
June 2003	Appointed Executive Officer of ITOCHU Corporation	April 2020	Appointed President & Chief Operating Officer and CDO-CIO of ITOCHU Corporation
April 2006	Appointed Managing Executive Officer of ITOCHU Corporation	April 2021	Appointed Member of the Board and Vice Chairman of ITOCHU Corporation
April 2007	Appointed President (CEO) of ITOCHU International Inc.	April 2022	Appointed Vice Chairman of ITOCHU Corporation (to present)
June 2012	Appointed President and Representative Director of JAMCO CORPORATION	June 2022	Outside Director, OMRON (to present)
June 2016	Appointed Representative Director and Senior Managing Executive Officer of ITOCHU Corporation		

Roundtable Discussion between Outside Audit & Supervisory Board Members (Independent)



Deepening Diversity and Strengthening Growth Potential
Contributions to Corporate Value by Outside Audit & Supervisory Board Members

Tadashi Kunihiro

Audit & Supervisory Board Member (Independent)
Member of the Corporate Governance Committee



Hideyo Uchiyama

Audit & Supervisory Board Member (Independent)
Member of the Corporate Governance Committee

Role and Posture of Outside Audit & Supervisory Board Members (Independent) to Meet the Expectations of Stakeholders

Uchiyama: Under the Companies Act of Japan, the role of company auditors is to audit the execution of duties by directors. Having been elected at the General Meeting of Shareholders of OMRON, we audit the execution of duties by Directors in order to earn the trust of stakeholders. At the same time, however, OMRON wants both Directors and Audit & Supervisory Board Members to serve as one team in performing their functions to enhance corporate value, while always mindful of their respective legal statuses.

OMRON's Corporate Governance Committee consists of Outside Directors and Outside Audit & Supervisory Board Members and its main function is to evaluate and report on the effectiveness of the Board of Directors. However, going beyond evaluating and reporting on effectiveness, this committee serves as a forum for those being supervised and those supervising to exchange frank opinions on how to improve governance. Furthermore, in the process of deliberating on the formulation of the long-term vision "SF2030" and

the medium-term management plan "SF 1st Stage," we, Outside Audit & Supervisory Board Members, actively participated in the discussions at the Board of Directors meetings to ensure more effective monitoring.

Kunihiro: Yes, that's right. I think Audit & Supervisory Board Members should actively participate in discussions at meetings of the Board of Directors in their capacity as board members. Some companies consider the role of auditors is to check the directors' discussions when necessary and otherwise to keep quiet. But OMRON does not see it that way. At OMRON, three Outside Directors and two Outside Audit & Supervisory Board Members with great experience in wide-ranging fields represent stakeholders and discuss OMRON's potential and how to enhance its corporate value. In doing so, we are not preoccupied with whether we are Audit & Supervisory Board Members or Directors. Of course, when it is necessary to prevent damage to corporate value, Audit & Supervisory Board Members must apply the brakes to fulfill their role. That is ultimately the point of being Audit & Supervisory Board Members. However, such situations are rare. We, Outside Audit & Supervisory Board Members, will consider various

aspects of OMRON's corporate value from outside perspectives in response to the views expressed by internal parties. For this purpose, there is no distinction between Outside Directors and Outside Audit & Supervisory Board Members.

Uchiyama: What we must always keep in mind is that we are representing stakeholders, as Mr. Kunihiro just mentioned. We must consider what we should do to enhance or prevent damage to OMRON's corporate value from the viewpoint of "representatives of stakeholders."

Kunihiro: According to the traditional view, there are "offensive" discussions to enhance corporate value and "defensive" discussions to prevent damage to corporate value, and both of internal and outside Audit & Supervisory Board Members, should focus exclusively on "defensive" discussions and not get involved in "offensive" discussions. However, defense and offense cannot be neatly separated in that way. Since we are living in uncertain times and prospects are unclear, risk management is inextricably linked to finding opportunities. So, the roles cannot be neatly separated. To maintain that Outside Directors should be "offensive" and Outside Audit & Supervisory Board Members should be "defensive" is simplistic. For example, Outside Directors should be involved in discussions on compliance and Outside Audit & Supervisory Board Members should be involved in discussions on growth strategies.

Therefore, Outside Executives need to be eagle-eyed, knowledgeable, and insightful concerning the company. For example, "I am an Audit & Supervisory Board Member, so I don't know anything about growth strategies," would not be a helpful attitude. It is also important that diverse Outside Directors and Outside Audit & Supervisory Board Members can communicate fully with one another and work constructively together while demonstrating their personal qualities.

Evaluation of Long-term Vision and Medium-term Management Plan and OMRON's Issues from Outside Perspectives

Uchiyama: A project team consisting of people from whom the next generation of OMRON's leaders will likely be selected identified the fields where OMRON should compete, based on their view of current circumstances and forecasts of the changes shaping the future business environment presented by the executive team. This is how the long-term vision "SF2030" and the medium-term management plan "SF 1st Stage" were formulated with a timeframe extending far into the future. I highly regard the fact that the members involved in the project took the initiative, assumed responsibility, and developed the narrative of OMRON's enhancement of corporate value in an objective manner.

OMRON's management, based on the SINIC Theory proposed by OMRON founder Kazuma Tateishi accords value to predicting the future based on an appreciation that three elements, namely, science, technology, and society, develop cyclically. In addition to these three elements, I think the new long-term vision has another element, the global environment. However, in the global market where OMRON operates, the stages of social development such as "introduction of IT" and "optimization," are discontinuous and unbalanced. In addition, I believe that the cycle has been accelerating owing to the progress of digital technology. In other words, no matter how elaborate a vision or plan may be, there is always a risk that unpredictable environmental changes will occur that render the vision or plan obsolete. So we must recognize such environmental changes and act accordingly. Or, even in times when it is particularly difficult to predict the future, if you can create the future through innovation, there will be no need for prediction. With regard to such autonomous initiatives, I have great expectations of OMRON.

Kunihiro: Management issues related to achieving this long-term vision and the medium-term management plan will be the themes that we Outside Audit & Supervisory Board Members will monitor from now on.

Uchiyama: Absolutely. As I mentioned, I highly regard OMRON's plan for SF2030, but on the other hand I have some concerns. For example, when we interview the managers responsible for OMRON's businesses, they give polished presentations and respond to our questions well. I wonder whether there are signs of "big company disease." I say this because, in order to achieve the vision, it is important to be ready and willing to implement a plan even if there is a 30% risk provided there is a 70% chance of success, as Kazuma Tateishi advocated in his "7:3 Principle" regarding the venture spirit. It is also important to resolve on-site issues promptly. I feel that too polished a presentation might be an indication that OMRON managers may be succumbing to the mindset of seeking "10:0" instead of "7:3."

So, I have recently changed the nature of my questions. I ask OMRON managers: "What are three issues that you have as the person in charge of this business?" In order to fulfill my responsibility as an Outside Audit & Supervisory Board Member, I need to bring inherent management issues to the surface and focus on whether OMRON is implementing effective measures to deal with them. I would like those responsible for OMRON's businesses to appreciate this.

Kunihiro: I totally agree with you. It is natural that there will be difficulties and challenges to overcome, and I hope OMRON managers will be shrewd enough to use Outside Executives to address these challenges. We, Outside Audit & Supervisory Board Members, as well as Outside Directors, share a concern that OMRON's venture



spirit may be weakening. In plain words, “boldness” may be weakening. OMRON is a very well-organized company with solid management based on a corporate philosophy, but I feel that the OMRON Principles based on the founder’s venture spirit are sometimes put in a “frame” and hung on the wall and are not really a springboard to decisive action by OMRON.

Tackling challenges and innovating to advance boldly are not at odds with management based on a corporate philosophy, rather they can be integral to it. But I cannot deny my impression that OMRON feels comfortable when chanting its corporate philosophy by rote and sometimes doesn’t translate it into action.

As an indication of this concern, investors have commented that the challenge for OMRON is to have an insatiable appetite for progress. We are aware of that.

Uchiyama: Looking at the figures regarding OMRON’s growth potential, total assets increased 73% from ¥537.3 billion in fiscal 2011, 10 years ago, to ¥930.6 billion in fiscal 2021, while the number of employees decreased from 35,992 to 29,020 in 10 years, and capital efficiency has also improved. However, when it comes to sales, OMRON’s net sales have grown only 23% over the 10 years from ¥619.5 billion in fiscal 2011 to ¥762.9 billion in fiscal 2021. Some companies in the same industry as OMRON have nearly quadrupled their sales over the past decade. That is why OMRON’s lack of growth is pointed out.

OMRON uses return on invested capital (ROIC) as a KPI in management, but ROIC is an efficiency indicator and does not include the concept of growth. There is a need to examine whether the emphasis on ROIC has been at the expense of growth.

I agree with Mr. Kunihiro about management based on corporate philosophy. The OMRON Principles should be the driving force behind OMRON’s focus on identifying social needs and its wholehearted pursuit of solutions. You can only say that the corporate philosophy has penetrated when management based on the corporate philosophy has reached that level.

Kunihiro: The key to strengthening OMRON’s growth potential is to take advantage of its diversity. The actions of all OMRON employees are based on the OMRON Principles. This is the result of management based on the corporate philosophy and it is one of OMRON’s strengths. But at the same time, we are concerned that the OMRON Principles might become a superficial phenomenon rather than penetrating and that OMRON employees might become increasingly homogeneous.

The investment in JMDC Inc. in February 2022 was the subject of much discussion at the Board of Directors meeting, as it was a case of investment in a company with a very different corporate culture. OMRON Directors and Audit & Supervisory Board Members agreed that the investment in JMDC should be a catalyst for changing OMRON by learning from JMDC’s corporate culture, rather than trying to instill OMRON’s corporate culture and ways of doing things in JMDC. In pursuing collaboration and synergy, if OMRON were to attempt to compel the partner to become like OMRON, the partner’s momentum would cease and collaboration would go nowhere. OMRON should emulate those attributes of the partner in which OMRON is deficient while maintaining a healthy tension and distance.

Evaluation of Effectiveness of the Audit & Supervisory Board and Issues to be Addressed

Uchiyama: Every year, OMRON conducts a questionnaire-based evaluation of the effectiveness of the Audit & Supervisory Board, and along with self-evaluation, issues for the next fiscal year are identified. This year, three issues were identified: (1) enhancing opportunities for more open discussion between Audit & Supervisory Board Members and Outside Directors, (2) considering a new approach for auditing in an increasingly uncertain business environment and reforming the Audit & Supervisory Board, and (3) strengthening cooperation with the Internal Audit Division to further enhance its performance.

As I mentioned at the outset, I believe that both Directors and Audit & Supervisory Board Members should fulfill their functions to enhance corporate value as one team while taking into account their respective stances. We have long been making efforts to break down the barriers between Outside Directors and Outside Audit & Supervisory Board Members. However, the Corporate Governance Committee is the only committee of which Outside Audit & Supervisory Board Members are a part of. As the Corporate Governance Committee is a voluntary committee that does not meet frequently, there are not many opportunities for Outside Directors and Outside Audit & Supervisory Board Members to discuss their views in a formal setting.

Kunihiro: That is why we have been creating opportunities for the five Outside Executives (Outside Directors and Outside Audit & Supervisory Board Members) of OMRON to meet and discuss on an ad hoc basis, in addition to discussion in a formal setting as in a committee meeting. The role of both Outside Directors and Outside Audit & Supervisory Board Members is to oversee execution as representatives of stakeholders, always with a view to accomplishing the goal of enhancing corporate value. Therefore, it is in the best interest of OMRON to have Outside Directors and Outside Audit & Supervisory Board Members discuss freely and openly and collaborate as one team, rather than remaining in silos corresponding to the difference in their legal statuses under the Companies Act.

Uchiyama: “Enhancing opportunities for more open discussion” does not mean simply increasing the number of discussions but rather to always act based on that awareness. So, from now on, this mindset will be important.

Kunihiro: That’s right. The mindset of Outside Executives will be tested in the future. Outside Directors and Outside Audit & Supervisory Board Members should be predisposed to act for the purpose of enhancing corporate value and preventing damage to corporate value, rather than simply following what is stipulated in the Companies Act or the Corporate Governance Code about the roles of outside directors and outside company auditors.

In this era of change, risks and opportunities are shrouded in fog and always in flux. In these circumstances, it would be wasteful to segregate outside directors from outside company auditors who, by virtue of their wide-ranging backgrounds, have much to offer. It would prevent them from making a valuable contribution to the management of OMRON. At Japanese companies, outside auditors’ narrow conception of their own role and a sense of corporate stagnation may be connected. The second issue, “considering a new approach for auditing in an increasingly uncertain business environment and reforming the Audit & Supervisory Board,” concerns the operation of auditing. OMRON’s Audit & Supervisory Board has been quite progressive compared to counterparts at other companies, but we are looking for ways to improve the operation of auditing.

Uchiyama: We are considering that the activities of the Audit & Supervisory Board in various phases should be evaluated objectively.

Kunihiro: Is the Audit & Supervisory Board really useful? In what sense are these activities of the Audit & Supervisory Board meaningful? Such questions have a particular resonance for us as Outside Audit & Supervisory Board Members, and our evaluation by the Board of Directors and other bodies, for example, would be valuable, leading to improvements.

Uchiyama: Regarding the third issue, “strengthening cooperation with the Internal Audit

Division,” I would like to express my opinion. The conventional auditing by OMRON’s Internal Audit Division is, to put it simply, to check whether compliance is ensured. I would like this to be changed. I want the Internal Audit Division to perform internal auditing from the perspective of Audit & Supervisory Board Members and enhance risk-management-oriented internal audit functions. For this purpose, strengthening cooperation between the Audit & Supervisory Board and the Internal Audit Division is necessary.

For example, when you audit a subsidiary and find a problem, what is the recognition of the person in charge of the subsidiary about management issues, how are these issues addressed, are measures adequately implemented, and is the relationship with the parent company properly taken care of? We are telling the Internal Audit Division that they need to adopt such perspectives, otherwise they will not know where the risks are.

Kunihiro: Internal audits progress from audits to find deficiencies to risk-based audits, and then to management audits. If the concept of risk management as broadly conceived, policies, and strategies do not permeate workplaces, they will not benefit the company. The Internal Audit Division must be able to find out what is really happening. The consensus among us is that whether a company’s growth strategy is actually working should also be subject to audit. The Internal Audit Division cannot adopt such an approach in a single step, but the Audit & Supervisory Board will encourage and cooperate with the Internal Audit Division to move in that direction.

Uchiyama: In doing business globally with overseas sales accounting for 60% of total net sales, it is essential for OMRON to grasp what is happening at each site and to constantly examine, improve, and refine its basic functions, such as development, production, and sales, as well as its management decision-making process to draw out the potential of the diverse human resources underpinning the OMRON Group. I believe this is a precondition for securing OMRON’s future growth.



Corporate Governance

Basic Stance for Corporate Governance

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 sustainable enhancement of corporate value by earning the support of all stakeholders.

OMRON Corporate Governance Policies

OMRON Corporation established the OMRON Corporate Governance Policies* based on the Basic Stance for Corporate Governance. Since establishing the Management Personnel Advisory Committee in 1996, we have spent more than 25 years formalizing and strengthening our framework of corporate governance.

We intend to continue our pursuit of ongoing corporate governance improvement as we develop our own unique vision of governance.

* OMRON Corporate Governance Policies <https://www.omron.com/global/en/about/corporate/governance/policy>

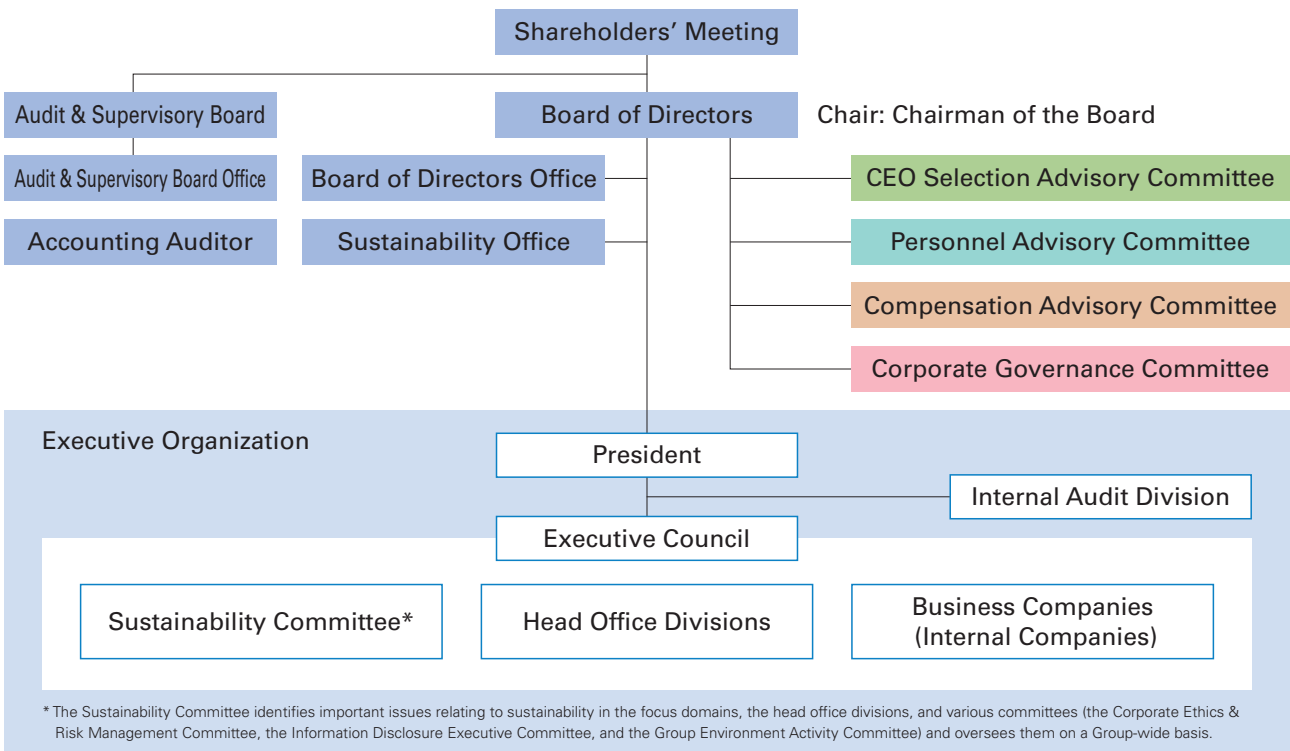
Corporate Governance Initiatives

	1999	2003	2011
OMRON Principles	1959: Corporate Motto	1990: OMRON Principles	1998: Revised
OMRON Corporate Governance Policies			2015: Established
Chairman of the Board	Representative Director and President		2003: Chairman serves as Chair of the Board of Directors and Chairman of the Board
President	1987: Yoshio Tateishi	2003: Hisao Sakuta	2011: Yoshihito Yamada
Separation of management oversight and business execution	30 directors	1999: Revised the Articles of Incorporation, setting number of board members to 10 or fewer	
		1999: Adopted executive officer system	
			2017: Abolished Directors with title (excluding Chairman of the Board) 2017: Positioned president as an executive officer
Advisory Board		1999: Advisory Board	
Outside Directors		2001: One outside director	2003: Two outside directors (seven directors) 2015: Three outside directors (eight directors)
Audit & Supervisory Board Members (Independent)	1998: One member	1999: Two members	2003: Three members (four auditors) 2011: Two members (four auditors)
Advisory and Other Committees	1996: Management Personnel Advisory Committee		2000: Personnel Advisory Committee
			2003: Compensation Advisory Committee
			2006: CEO Selection Advisory Committee
			2008: Corporate Governance Committee

Corporate Governance Framework

OMRON has elected to be a company with an Audit & Supervisory Board. The OMRON Board of Directors is made up of eight members to ensure substantive discussion and deliberations. OMRON has separated the management oversight and business execution functions within the company, creating a system whereby the majority of Board Directors are not engaged directly in business operations. We have also adopted a policy setting the ratio of outside directors to at least one-third of the total number of directors on the board. To increase objectivity on behalf of the Board of Directors, the titles and roles of chair of the Board and President (CEO) have been separated. The Chairman serves as chair of the Board of Directors with no direct corporate representational authority. OMRON has established several advisory committees to enhance the oversight functions of the Board of Directors. These committees include the CEO Selection Advisory Committee, the Personnel Advisory Committee, the Compensation Advisory Committee, and the Corporate Governance Committee. The CEO Selection Advisory Committee, the Personnel Advisory Committee, and the Compensation Advisory Committee are all chaired by outside directors with at least half of the committee members being outside directors. The President and CEO is not a member of any of these committees. The chair and members of the Corporate Governance Committee are outside directors and outside members of the Audit & Supervisory Board. This structure offers another layer of transparency and objectivity to the decision-making process. In these policies, OMRON has created a hybrid governance framework that combining the best features of a company with an Audit & Supervisory Board and a company with a Nomination Committee. Outside directors and outside members of the Audit & Supervisory Board attended the 13 meetings of the Board of Directors held during fiscal 2021 at a rate of 100%. Outside members had an attendance rate of 100% at the 13 meetings of the Audit & Supervisory Board.

Fiscal 2022 OMRON's Corporate Governance Structure



* The Sustainability Committee identifies important issues relating to sustainability in the focus domains, 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 Group-wide basis.

Board of Directors
Selects board directors, auditors, and executive officers, determines compensation for directors and executive officers, makes decisions on important business issues, and performs other supervisory functions.

Compensation Advisory Committee
Sets policies for director and executive officer compensation; deliberates compensation levels and specific compensation packages.

Audit & Supervisory Board
Oversees corporate governance framework and execution of business operations; conducts audits of day-to-day business activities, including those performed by directors.

Corporate Governance Committee
Oversees ongoing corporate governance improvement; deliberates policies to advance management transparency and fairness.

CEO Selection Advisory Committee
Deliberates candidates for selection as new CEO; deliberates succession plans and candidates in the event of an emergency.

Executive Council
Deliberates and discusses important operational matters within the scope of the authority of the president and CEO; determines the future direction.

Personnel Advisory Committee
Sets standards and policies related to selecting and hiring directors, Audit & Supervisory Board members, and executive officers; deliberates on proposed candidates.

Fiscal 2022 Advisory Committee

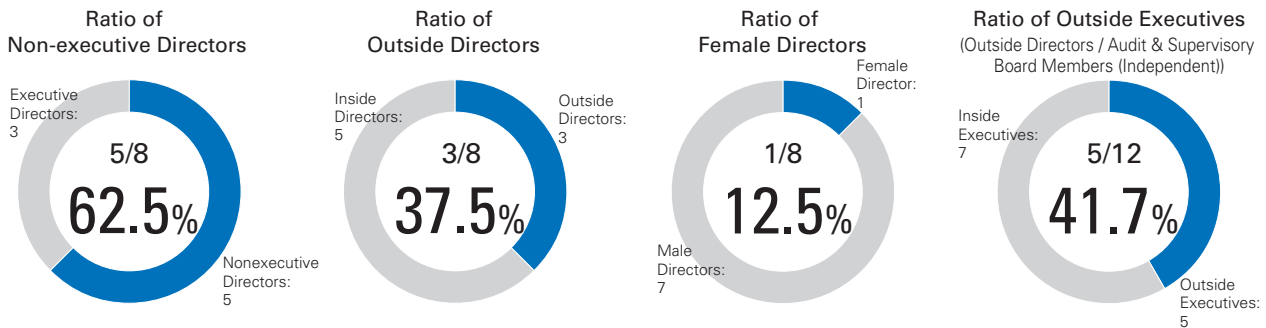
Title	Name	CEO Selection Advisory Committee	Personnel Advisory Committee	Compensation Advisory Committee	Corporate Governance Committee
Chairman of the Board	Fumio Tateishi	□			
Representative Director	Yoshihito Yamada				
Representative Director	Kiichiro Miyata		□		
Director	Koji Nitto			□	
Director	Satoshi Ando	○	○	○	
Outside Director	Takehiro Kamigama ◆	◎	□	◎	◎
Outside Director	Izumi Kobayashi ◆	□	◎	□	○
Outside Director	Yoshihisa Suzuki ◆	□	□	□	□
Audit & Supervisory Board Member	Shuji Tamaki				
Audit & Supervisory Board Member	Kiyoshi Yoshikawa				
Audit & Supervisory Board Member (Independent)	Hideyo Uchiyama ◆				□
Audit & Supervisory Board Member (Independent)	Tadashi Kunihiro ◆				□

◎ Chairperson ○ Vice-Chairperson □ Committee Member ◆ Independent under Tokyo Stock Exchange rules

Approach to Composition of the Board of Directors

In order to strengthen the supervisory function of the Board of Directors, supervision is separated from execution, and the majority of the Board consists of Directors who are not involved with business execution. In addition, at least one-third of the Board of Directors consists of Outside Directors. To ensure independence, Outside Directors and Outside Audit & Supervisory Board Members (Independent) are appointed based on OMRON's Independence Requirements for Outside Executives. The diversity of the Board of Directors will also be ensured by providing a well-balanced mix of human resources with experience, expertise, and knowledge required for realizing our management vision among the Directors and Audit & Supervisory Board Members who are the members of the Board of Directors.

Composition of Board of Directors



Main Areas of Experience and Expertise of Directors and Audit & Supervisory Board Members

Title & Name	Corporate management	Sustainability ESG	New business creation Innovation	Technology Production Quality	Financial accounting	Legal affairs Compliance Internal control	Global experience	Background and Qualifications
Chairman of the Board Fumio Tateishi	●	●					●	
Representative Director and President Yoshihito Yamada	●	●					●	
Representative Director, Senior Managing Executive Officer, CTO Kiichiro Miyata	●		●	●			●	
Director, Senior Managing Executive Officer, CFO Koji Nitto					●		●	
Director Satoshi Ando		●			●	●	●	Finance
Outside Director Takehiro Kamigama	●	●	●	●			●	Manufacturing industry
Outside Director Izumi Kobayashi	●	●	●				●	Financial and international organization
Outside Director Yoshihisa Suzuki	●	●	●	●			●	General trading company
Audit & Supervisory Board Member Shuji Tamaki						●	●	International lawyer
Audit & Supervisory Board Member Kiyoshi Yoshikawa		●		●			●	
Audit & Supervisory Board Member (Independent) Hideyo Uchiyama	●	●			●	●	●	Certified public accountant
Audit & Supervisory Board Member (Independent) Tadashi Kunihiro	●	●				●	●	Lawyer

Director Compensation

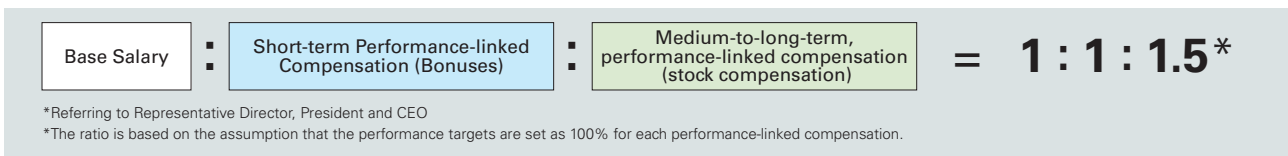
Compensation Policy for Directors

- 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 for each role 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 Compensation Governance**
 - 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 (From fiscal 2021)

(1) Compensation Composition Ratio

Compensation for Directors and Executive Officers 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:

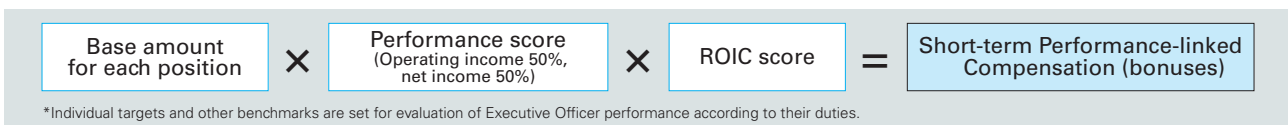


(2) Base Salary

A base salary is paid monthly to Directors and Executive Officers 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 Executive Officers and 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 Executive Officers and 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 nonperformance-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 component will fluctuate in the range of 0% to 200% depending on the degree of achievement of performance targets in the medium-term management plan. In the event of serious misconduct during their term of office, 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 and President shall resolve to limit the payment of stock-based compensation for Directors and Executive Officers, respectively.

$$\text{Base amount for each position} \times \left(\text{Financial targets evaluation 60\%} + \text{Corporate value evaluation 20\%} + \text{Sustainability evaluation 20\%} \right) = \text{Performance-linked portion}$$

	Evaluation weight	Evaluation indicators	Targets
Financial targets evaluation	60%	• EPS	¥400
		• 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

(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 "SF 1st Stage" (fiscal 2022 to fiscal 2024).
- The performance indicators for medium- to long-term performance-linked compensation (stock compensation) were set from the indicators in SF 1st Stage for financial targets, non-financial targets and strategic targets towards the realization of "SF 1st Stage" (fiscal 2022 to fiscal 2024). In addition, the long-term vision for 2030 "SF2030" aims to maximize corporate value, and indicators for directly evaluating corporate value have been set.

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

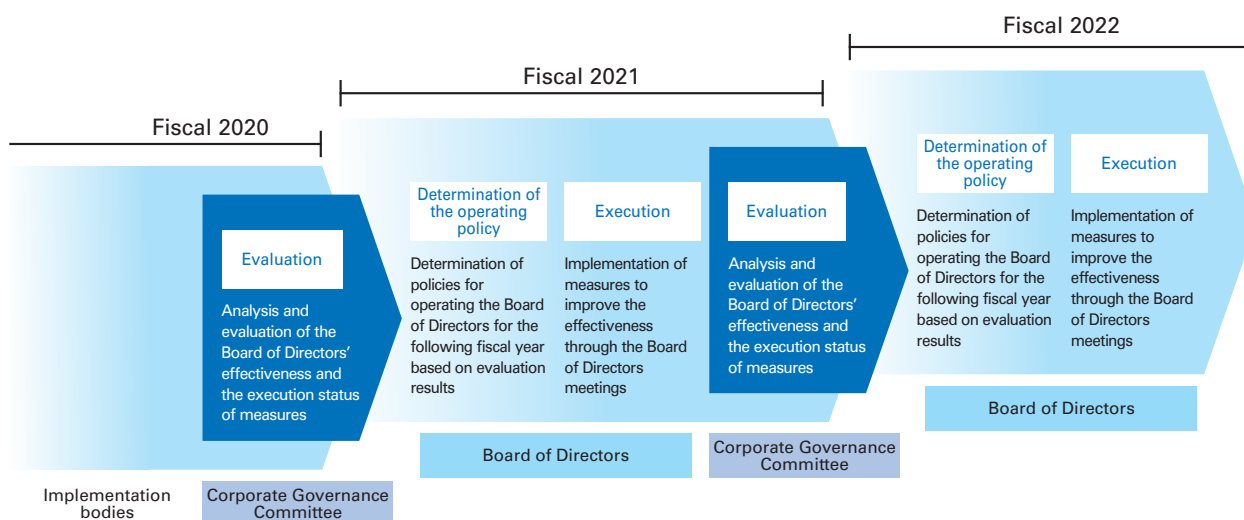
The Company's evaluation of the Board of Directors' effectiveness is conducted by the Corporate Governance Committee chaired by an Outside Director and comprising only Outside Directors and Audit & Supervisory Board Members (Independent) (hereinafter "Outside Executives"). Outside Executives act as members of the Board of Directors while having the perspectives of all stakeholders including the shareholders. The Corporate Governance Committee, which is composed only of Outside Executives, 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

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. Evaluation of the Board of Directors' effectiveness for fiscal 2021

The methods of the evaluation of the Board of Directors' effectiveness and the evaluation items in the self-evaluation for fiscal 2021 are as described below.

2-1. Evaluation methods

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 meeting of the Board of Directors held on March 1, 2022.

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 January and March 2022.

3) Evaluation by the Corporate Governance Committee

- The Corporate Governance Committee conducted evaluations of the Board of Directors' effectiveness on March 25 and April 26, 2022.

2-2. Self-evaluation items

Self-evaluation items are as follows. Evaluations were performed from the perspectives of whether or not the Board of Directors sufficiently exercised its oversight functions, and whether it contributed to the exercise of its oversight functions. Evaluations are performed by completing anonymous 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

1. Operation of the Board of Directors
 - 1) Policy for the operation of the Board of Directors for fiscal 2021
 - 2) Fiscal 2021 focus themes
 - 3) Deliberations and reports regarding issues other than focus themes
 - 4) Policy for the operation and focus themes of the Board of Directors for fiscal 2022
2. Increasing information sharing opportunities
 - 1) Individual meetings
 - 2) Initiatives on information sharing opportunities
3. Advisory committees
4. Other overall issues regarding the Board of Directors

3) Other self-evaluations (evaluations performed when new officers are appointed, when changes are made to the corporate governance system, etc.)

- Scale and composition of the Board of Directors
- State of operations of the Board of Directors
- Operation of advisory committees

3. Policy for the operation and focus themes of the Board of Directors for fiscal 2021

Board of Directors Operation Policy for Fiscal 2021

“To enable the OMRON Group to achieve a drastic increase in corporate value over the next 10 years, the Board of Directors will exercise its oversight functions in a multifaceted manner and from the short-term and medium- to long-term perspectives.”

Focus Themes

1) Completion of the next long-term vision and determination of the next medium-term management plan

< Points to be supervised >

- Response to the new normal era post COVID
- Initiatives for key sustainability issues
- Transformation of business model and acceleration of innovation
- Reform of human resources management
- Strengthening resilience

2) Response to the increasing geopolitical risks

3) Checking the progress of establishing a companywide IT system

Background of the establishment of the policy for the operation and focus themes of the Board of Directors for fiscal 2021 (discussed and decided at the Board of Directors meeting held in May 2021)

Focus theme 1: Completion of the next long-term vision and determination of the medium-term management plan

As the long-term vision “SF2030” (hereinafter, the “Long-term Vision”) and the medium-term management plan “SF 1st Stage” (hereinafter, the “Medium-term Management Plan”) begins in fiscal 2022, the Board of Directors confirmed that exercising oversight functions towards the determination of the Long-term Vision and the Medium-term Management Plan was a top-priority matter. Accordingly, when determining the Long-term Vision and the Medium-term Management Plan, the Board of Directors discussed the improvement of corporate value from a medium- to long-term perspective, including the response to the era post COVID, the strengthening of sustainability initiatives, the transformation of the business model, the acceleration of innovation and the reform of human resources management.

Focus theme 2: Response to the increasing geopolitical risks

As geopolitical risks have a material impact on business and performance, the focus theme from fiscal 2020 was continued and the Board of Directors supervised in a timely and continuous manner.

Focus theme 3: Checking the progress of establishing a companywide IT system

Establishing a companywide IT system is OMRON’s first initiative, and as it is a large-scale decade-long project, the focus themes from fiscal 2019 and fiscal 2020 were continued, and the Board of Directors supervised the progress in fiscal 2021.

4. Results of evaluation of the Board of Directors' effectiveness for fiscal 2021

4-1. Performance of operation of the Board of Directors

4-1-1. Focus themes

Focus theme 1: Completion of the next long-term vision and determination of the medium-term management plan

■ 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.

- Beginning with a look back at VG2020, they reported on how OMRON views social issues with a long-term vision, how to create social value, the direction of the evolution of a business model that combine goods and services, initiatives that aim for the realization of a carbon-neutral society, initiatives to respect human rights in the value chain, the concepts of diversity and inclusion, data-driven corporate management based on DX, etc.
- A new initiative to link employee thoughts with Company targets by deciding three out of the eleven non-financial targets of the Medium-term Management Plan through a vote by all global employees was reported. In addition, in order to raise employee awareness about participation in the Long-term Vision, they created and reported an easy-to-understand Long-term Vision story for employees.
- They reported the introduction of stock compensation for employees as a measure to maximize corporate value in the Long-term Vision by uniting management, employees and shareholders. After a resolution by the Board of Directors, stock compensation for employees that is linked to the degree of achievement of financial and non-financial targets in the Medium-term Management Plan was introduced.
- In addition to the strategic and financial targets of the Long-term Vision, material sustainability issues and Medium-term Management Plan, the Board of Directors resolved non-financial and strategic targets related to the environment, human rights and diversity, as well as the newly formulated environmental policy and the human rights policy.

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

● Human resources

The Board of Directors pointed out the importance of the utilization of human resources for business growth and the evolution of the business model and discussed the need to secure human resources not only through employee training and mid-career hires, but also through M&A and business alliances with other companies.

● Diversity and inclusion

The Board of Directors recognized that the concepts of diversity and inclusion lead to the creation of new things through the interaction of diverse values. Moreover, the Board of Directors discussed the need to not only pursue quantitative targets for the number and percentage of women and foreigners, but also to develop substance through the promotion of diversity.

● Environment

The Board of Directors recognized the importance of addressing Scope 3 to reduce greenhouse gas emissions not only within the Company, but also in the value chain as a whole, and discussed concrete initiatives to realize carbon neutrality.

● Disclosure

There was a discussion concerning the need to clarify the relationship between the Long-term Vision, the Medium-term Management Plan and the material sustainability issues in order to increase empathy and resonance with stakeholders, including investors and employees, and the Board of Directors recognized the need to clarify and disclose the relationship among the three.

● Examination system

The Board of Directors pointed out the need for the Long-term Vision and Medium-term Management Plan to be recognized by all global employees, regardless of whether they are Japanese or foreigners. The Board of Directors discussed the examination project system, the formulation process and the method of disseminating information inside and outside the Company after formulation.

Focus theme 2: Response to the increasing geopolitical risks

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

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

- After providing an opportunity for economists to explain the relationships and economic conditions of countries that are at conflict from a macro perspective, the Global Strategy H.Q. reported on the business impact of geopolitical risks at OMRON from the perspective of legal regulations, customs, competition, etc.
- In the item on the operational status of the internal control system, it was reported that the geopolitical risk would be raised to the highest rank of the material Group risks in light of the recent tense situation in Russia and Ukraine.

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

- Discussions were held at the Board of Directors on how to reduce the impact of various countries' imposition of regulations on business while hypothesizing the future trends of each country.
- The Board of Directors recognized that how to perceive geopolitical risks is synonymous with thinking about the ideal state of each business and regional headquarters, and discussed the need to increase the speed of management with global flexibility through delegation to each region.

Focus theme 3: Checking the progress of establishing a companywide IT system

■ 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.

- Beginning with a look back on the basic plan of the new companywide system, they reported on the project promotion system, including the Company and vendors, project progress in fiscal 2021, initiative planning for fiscal 2021 and beyond, and issue recognition as a business execution division ((1) cost control, (2) scope control, (3) resource securing, and (4) thorough enforcement of Fit to Standard).
- The annual investment plan up until the completion of the project (fiscal 2030) was reported from the perspective of cash flow and profit and loss impact, and the Board of Directors resolved the capital investment plan for fiscal 2022.

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

- The Board of Directors discussed the need to visualize operations before establishing the new system, the need for a prioritized introduction plan based on the characteristics of each area, and the sustainability of the new system.
- The project is a large-scale decade-long project that requires a reasonable amount of investment, and as it has begun in earnest, the Board of Directors discussed the need for the introduction of a new mechanism for third parties to monitor the progress of the project and to increase the frequency of reports to the Board of Directors.

4-1-2. Significant matters other than the focus themes (business portfolio management)

■ Board of Directors' supervision of M&A and alliances, and business transfers

- The Board of Directors regularly checks and discusses M&A candidates, mainly in the FA and healthcare fields, using long lists and short lists.
- M&A, including minority investments, and alliances with other companies were discussed from a wide range of perspectives at the Board of Directors meeting in 2021. In addition to the acquisition of the common stock of JMDC, investment into Techman Robot, a cooperative robot manufacturer in Taiwan (investment ratio: about 10%), and the initiatives of the corporate venture capital company OMRON VENTURES CO., LTD. were reported. Moreover, while working to transform the business model and create new businesses, the Board of Directors promoted the strengthening of business portfolio management, as well as discussed and resolved on the transfer of semiconductor/MEMS (Micro Electro Mechanical Systems) factories and MEMS development/production functions to MinebeaMitsumi Inc.

■ Acquisition of JMDC common stock

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.

- The business execution division reported to the Board of Directors that it was considering acquiring the common stock of JMDC, a company that operates a healthcare data platform business. Regarding the acquisition of JMDC's common stock, the business execution division aims to develop personalized aggravation and nursing care prevention solutions that support prescription medication treatments and patient lifestyle changes, by predicting the risk of the onset of individual patient events (possibility and timing). They aim to offer these solutions through the analysis of medical data that the JMDC Group possesses (such as medical prescriptions and medical examinations) combined with blood pressure, vital signs and levels of physical activity data gathered by OMRON.
- This is OMRON's largest investment project ever, and it was discussed from various perspectives. The Board of Directors resolved to acquire 33.0% of JMDC's common stock for JPY 111,864.6 million (JPY 6,000 per share) and to conclude a capital and business alliance with JMDC.

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

- The Board of Directors discussed how the combination of medical data possessed by the JMDC Group (such as medical prescriptions and medical examinations) and data possessed by OMRON (such as blood pressure, vital signs and levels of physical activity data) will lead to health promotion and aggravation prevention measures with the goal of Zero Events.
- In addition to co-creating a business with JMDC, the importance of learning the good points of JMDC's organizational culture was discussed, and the Board of Directors recognized the need to learn from JMDC and utilize the knowledge gained in OMRON's management.
- The Board of Directors recognizes the need to build a dedicated team at both companies not only at the management level, but also at the basic operating level to accelerate discussions and lead to the creation of new businesses in order to collaborate with JMDC.
- The Board of Directors discussed the appropriate acquisition price of common stock in terms of both risk and return, taking into consideration the impairment risk after the acquisition of common stock.

4-2. Evaluation by the Corporate Governance Committee

The Corporate Governance Committee conducted evaluations of the Board of Directors' effectiveness during fiscal 2021 and reported the following evaluation results at the Board of Directors meeting held on May 16, 2022.

4-2-1. General comments on evaluation

The Corporate Governance Committee commended and requested the following points regarding the Board of Directors in fiscal 2021.

■ Points commended

- Based on the policy for the operation of the Board of Directors and the focus themes for fiscal 2021, the Board of Directors exercised their supervisory functions from various points of view from a short-term and medium- to long-term perspective.
- As the percentage of items centered on discussions about focus themes was more than 70% of the time required for the Board of Directors meetings, the Board of Directors fulfilled their function as a monitoring board for improving corporate value over the medium to long term.
- In response to the presentation by the business execution division, the Outside Directors had various opinions and suggestions from the viewpoint of management and the Audit & Supervisory Board Members (Independent) had various opinions and suggestions from the viewpoint of legality and appropriateness, which enhanced the feasibility of strategies. Moreover, there was an increase in remarks from the perspective of Audit & Supervisory Board Members, such as the sharing of information obtained by internal Audit & Supervisory Board Members through on-site inspections.

■ Points requested

- Internal Executives should speak more actively based on their respective roles, experience and expertise in order to deepen two-way discussions with Outside Executives.
- The reported items of the Board of Directors should further clarify issues and report them in order to enhance discussions about solving issues.

4-2-2. Individual evaluation

The Corporate Governance Committee commended and requested the following points regarding the Board of Directors in fiscal 2021.

■ Points commended

- The Board of Directors fulfilled a significant role by recognizing that "completion of the next Long-term Vision and determination of the Medium-term Management Plan" was a top-priority matter within the focus themes and completing it after a total of six meetings over a two-year period.

- The Board of Directors clarified their responsibility towards sustainability initiatives by approving financial and non-financial targets as management targets in the Medium-term Management Plan after identifying material sustainability issues in the Long-term Vision.
- The newly introduced stock compensation for employees was a measure that allowed management, employees and shareholders to work together to maximize corporate value in the Long-term Vision, and it is a compensation system that is more effective than conventional monetary compensation and enhances employee motivation. In addition, management's intention to practice management with multi-stakeholder awareness inside and outside the Company was concretely shown.
- Considering the situation in Russia and Ukraine, as well as from the perspective of how to set up a risk management network in an era characterized by Volatility, Uncertainty, Complexity and Ambiguity (VUCA), the Board of Directors showed good foresight by continuing the focus theme "response to the increasing geopolitical risks" from fiscal 2020 in fiscal 2021.
- Regarding "checking the progress of establishing a companywide IT system," understanding of the overall picture of the project, the progress at the present time and the approval of the investment plan were a result of continuously exercising supervisory functions as a focus theme since fiscal 2019. In addition, the Board of Directors agreed to the introduction of a new mechanism for third parties to monitor the progress of the project and to increase the frequency of reports to the Board of the Directors.
- The Board of Directors has continuously considered growth investments such as M&A in order to improve corporate value over the medium to long term and approved the acquisition of JMDC's common stock. Regarding the acquisition of JMDC's common stock, in addition to the goal of creating a healthcare data platform business, the significance of acquiring JMDC's common stock developed into discussions concerning what OMRON can learn from JMDC's organizational culture and how it can be utilized in OMRON's management in an era of rapid change, and thus the Board of Directors fulfilled a significant role.

■ Points requested

- Regarding the "Long-term Vision and the Medium-term Management Plan," "response to the increasing geopolitical risks" and "checking the progress of establishing a companywide IT system," the Board of Directors should continue to exercise its supervisory functions in fiscal 2022, including progress.

4-3 Initiatives on information sharing opportunities and evaluation by the Corporate Governance Committee

4-3-1. Initiatives on information sharing opportunities

■ On-site visits

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.

■ Outside Executives' and Accounting Auditor's opinion exchange meeting (continuously held from fiscal 2015)

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.

■ Interviews by the Chairman of the Board of Directors (continuously held from fiscal 2016)

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.

■ Outside Executives' and top Executives' opinion exchange meeting (continuously held from fiscal 2019)

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.

■ Board of Directors review (held from fiscal 2021)

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 immediately following meetings of the Board of Directors leads to the improvement of the evaluation of the Board of Directors.

■ Observation of Executive Committee meetings (held from fiscal 2021)

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.

4-3-2. General comments on evaluation

The Corporate Governance Committee commended the implementation of various initiatives on information sharing opportunities for Outside Executives to deepen their understanding of organizational culture and the situation of the business execution division in order to improve the effectiveness of the Board of Directors.

4-3-3. Individual evaluations

The Corporate Governance Committee commended the following points regarding individual information sharing opportunities.

■ On-site visits

- Due to the impact of COVID-19, on-site visits did not take place in fiscal 2020, but in fiscal 2021, the committee visited the Ayabe factory, automation centers and robot exhibitions, and we deepened our understanding of the production status of the Company's main business, the Industrial Automation Business (IAB), and applications that combine multiple products and software.
- Going forward, in order to deepen the understanding of business content and organizational culture, the effectiveness of on-site visits will be further enhanced through the creation of opportunities to hear the voices of on-site staff.

■ Outside Executives' and Accounting Auditor's opinion exchange meeting

- At the opinion exchange meeting between Outside Executives and the Accounting Auditor in fiscal 2020, the committee did not dig deeper into management issues due to differences in perspectives and positions, but in fiscal 2021, efforts were made to match the perspectives of both parties before the exchange of opinions took place, which led to deeper discussions.
- The Accounting Auditor raised current issues and potential risks such as goodwill impairment risks, securing accounting personnel in emerging countries and unification of accounting IT systems globally, which led to a deeper understanding of the items of the Board of Directors.

■ Interviews by the Chairman of the Board of Directors

- Interviews by the Chairman of the Board of Directors are an opportunity for the Chairman of the Board of Directors and each member of the Board of Directors to discuss issues and directions for the future, and they are beneficial as a place for frank exchanges of opinions.

■ Observation of Executive Committee meetings

- The establishment of a mechanism that allows Outside Executives to observe Executive Committee meetings makes it possible to directly check the details, quality, quantity, etc. of the discussions of the business execution division before presentation to the Board of Directors, and it is beneficial from the perspective of exercising supervisory functions.
- Listening to the remarks of top Executives at Executive Committee meetings will help determine who will become the next generation of top Executives.

5. Policy for the operation and focus themes of the Board of Directors for fiscal 2022

Based on the results of evaluation conducted by Corporate Governance Committee, Board of Directors engaged in a discussion to determine its operational policy for fiscal 2022. Based on the results of this discussion, Board of Directors operational policy for fiscal 2022 and its focus themes were determined at Board of Directors meeting held on May 31.

Board of Directors Operational Policy for Fiscal 2022

"Fiscal 2022 saw the launch of the OMRON Group's long-term vision, SF2030, and the medium-term management plan, SF 1st Stage. Toward achieving them, the Board of Directors will exercise its oversight functions together with the ability to respond to change from near-term as well as medium- to long-term perspectives. This will be done 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 to be supervised>

- Transformation of business models (promotion of businesses reflecting an essential value perspective, including alliance with JMDC)
- Acceleration of diversity and inclusion
- Improvement of supply chain resilience
- Promotion of initiatives aimed at addressing important sustainability issues

2) Response to risks in the era of uncertainty

<Points to be supervised>

- Improvement of ability to detect changes in the global geopolitical environment
- Transformation of global business operations
- Enhancement of cybersecurity

3) Confirmation of progress in the construction of the Corporate IT System

<Points to be supervised>

- Monitoring corporate IT system construction with third-party evaluation in mind

Directors / Audit & Supervisory Board Members (As of June 30, 2022)

Directors



Fumio Tateishi

Chairman
Chair of the Board of Directors
CEO Selection Advisory Committee Member

Apr. 1975 Joined OMRON
Jun. 1997 Director
Jun. 1999 Managing Executive Officer
Jun. 2001 Senior General Manager, Corporate Strategic Planning HQ
Jun. 2003 Executive Officer and Executive Vice President, President, Industrial Automation Business Company
Jun. 2008 Director and Executive Vice Chairman
Jun. 2013 Chairman of the Board (to present)



Yoshihito Yamada

Representative Director

Apr. 1984 Joined OMRON
Jun. 2008 Executive Officer, Representative Director and President, OMRON Healthcare Co., Ltd.
Mar. 2010 Senior General Manager, Corporate Strategic Planning HQ
Jun. 2010 Managing Executive Officer
Jun. 2011 Representative Director and President (to present)



Kiichiro Miyata

Director, Senior Managing Executive Officer, CTO
Personnel Advisory Committee Member

Apr. 1985 Joined Tateisi Institute of Life Science, Inc. (now OMRON HEALTHCARE Co., Ltd.)
Mar. 2010 Representative Director and President of OMRON Healthcare Co., Ltd.
Jun. 2010 Executive Officer
Jun. 2012 Managing Executive Officer, OMRON
Apr. 2015 Chief Technology Officer (CTO) and Senior General Manager of Technology & Intellectual Property HQ
Apr. 2017 Senior Managing Director (to present)
Jun. 2017 Representative Director (to present)
Apr. 2018 Senior General Manager of Innovation Exploring Initiative HQ



Koji Nitto

Director
Senior Managing Executive Officer, CFO
Member of the Compensation Advisory Committee

Apr. 1983 Joined OMRON
Mar. 2011 Senior General Manager, Global Resource Management HQ
Jun. 2011 Executive Officer
Mar. 2013 Senior General Manager, Global SCM and IT Innovation HQ
Apr. 2013 Managing Executive Officer
Mar. 2014 Senior General Manager, Global Strategy HQ (to present)
Apr. 2014 Senior Managing Executive Officer (to present)
Jun. 2014 Director (to present)
Apr. 2017 Chief Financial Officer (CFO) (to present)

Directors



Satoshi Ando

Director

Vice Chairman of the CEO Selection Advisory Committee
Vice Chairman of the Personnel Advisory Committee
Vice Chairman of the Compensation Advisory Committee

Apr. 1977 Joined The Bank of Tokyo, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
July 2003 Branch Manager of Jakarta Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Resigned in Jun. 2007)
Jun. 2007 Audit & Supervisory Board Member (Independent), OMRON
Jun. 2011 Executive Officer and Senior General Manager, Investor Relations HQ
Mar. 2015 Senior General Manager, Global Investor Relations & Corporate Communications HQ
Apr. 2015 Managing Executive Officer
Jun. 2017 Director (to present)

Outside Directors



Takehiro Kamigama

Outside Director

Chairman of the CEO Selection Advisory Committee
Chairman of the Compensation Advisory Committee
Chairman of the Corporate Governance Committee
Member of the Personnel Advisory Committee

Apr. 1981 Joined TDK Corporation
Jun. 2002 Corporate Officer, TDK Corporation
Jun. 2003 Senior Vice President, TDK Corporation
Jun. 2004 Director & Executive Vice President, TDK Corporation
Jun. 2006 President & Representative Director, TDK Corporation
Jun. 2016 Chairman & Representative Director, TDK Corporation
Jun. 2017 Outside Director, OMRON (to present)
Jun. 2018 Mission Executive, TDK Corporation
Jul. 2021 Chief Consultant, Contemporary Ampere Technology Japan KK (to present)



Izumi Kobayashi

Outside Director

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

Apr. 1981 Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)
Jun. 1985 Joined Merrill Lynch Futures Japan Inc.
Dec. 2001 President and Representative Director of Merrill Lynch Japan Securities Co., Ltd. (now BofA Securities Japan Co., Ltd.)
Nov. 2008 Executive Vice President of Multilateral Investment Guarantee Agency, The World Bank Group
Apr. 2015 Vice Chairperson of Japan Association of Corporate Executives
Jun. 2016 Governor of Japan Broadcasting Corporation
Jun. 2020 Outside Director, OMRON (to present)



Yoshihisa Suzuki

Outside Director

Member of the CEO Selection Advisory Committee
Member of the Personnel Advisory Committee
Member of the Compensation Advisory Committee
Member of the Corporate Governance Committee

Apr. 1979 Joined ITOCHU Corporation
Jun. 2003 Appointed Executive Officer of ITOCHU Corporation
Apr. 2006 Appointed Managing Executive Officer of ITOCHU Corporation
Apr. 2007 Appointed President (CEO) of ITOCHU International Inc.
Jun. 2012 Appointed President and Representative Director of JAMCO CORPORATION
Jun. 2016 Appointed Representative Director and Senior Managing Executive Officer of ITOCHU Corporation
Apr. 2018 Appointed President & Chief Operating Officer of ITOCHU Corporation
Apr. 2020 Appointed President & Chief Operating Officer and CDO-CIO of ITOCHU Corporation
Apr. 2021 Appointed Member of the Board and Vice Chairman of ITOCHU Corporation
Apr. 2022 Appointed Vice Chairman of ITOCHU Corporation (to present)
Jun. 2022 Outside Director, OMRON (to present)

Audit & Supervisory Board Members



Shuji Tamaki

Audit & Supervisory Board Member

Apr. 1985 Joined OMRON Tateisi Electronics Co. (now OMRON Corporation)
Mar. 2008 General Manager of the Legal Center, Management Resources Innovation HQ
Mar. 2015 Senior General Manager of Global Risk Management and Legal HQ
Apr. 2015 Executive Officer
Jun. 2021 Audit & Supervisory Board Member (to present)



Kiyoshi Yoshikawa

Audit & Supervisory Board Member

Apr. 1983 Joined OMRON Tateisi Electronics Co. (now OMRON Corporation)
Mar. 2010 Senior General Manager, Monozukuri Innovation HQ (now Global Manufacturing Innovation HQ)
Jun. 2010 Executive Officer
Apr. 2016 Managing Executive Officer
Jun. 2019 Audit & Supervisory Board Member (to present)



Hideyo Uchiyama

Audit & Supervisory Board Member (Independent)

Corporate Governance Committee Member

Nov. 1975 Joined Arthur Young & Company
Dec. 1979 Joined Asahi Accounting Company (now KPMG AZSA LLC)
Mar. 1980 Registered as Certified Public Accountant
July. 1999 Representative Partner, KPMG AZSA LLC
May 2002 Board Member, KPMG AZSA LLC
Jun. 2006 Executive Board Member, KPMG AZSA LLC
Jun. 2010 Managing Partner, KPMG AZSA LLC, Chairman, KPMG Japan
Sep. 2011 Chairman, KPMG Asia Pacific
Oct. 2013 CEO, KPMG Japan
Sep. 2015 Executive Advisor, ASAHI Tax Corporation (to present)
Jun. 2016 Audit & Supervisory Board Member (Independent), OMRON (to present)



Tadashi Kunihiro

Audit & Supervisory Board Member (Independent)

Corporate Governance Committee Member

Apr. 1986 Registered as attorney with the Daini Tokyo Bar Association; Joined Nasu & Iguchi Law Office
Jan. 1994 Established Kunihiro Law Office (now T. Kunihiro & Co. Attorneys-at-Law)
Jun. 2017 Audit & Supervisory Board Member (Independent), OMRON (to present)

Executive Officers (As of June 30, 2022)

President and CEO

Yoshihito Yamada

Senior Managing Executive Officers

Kiichiro Miyata Koji Nitto

Managing Executive Officer



Shizuto Yukumoto
Company President,
Device & Module Solutions Company



Toshio Hosoi
President and CEO,
OMRON SOCIAL SOLUTIONS Co., Ltd.



Isao Ogino
President and CEO,
OMRON HEALTHCARE Co., Ltd.



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



Seigo Kinugawa
Senior General Manager,
Global Business Process and
IT Innovation HQ



Masahiko Tomita
Senior General Manager,
Global Human Resources and
Administration HQ



Junta Tsujinaga
Company President,
Industrial Automation Company

Executive Officers



Goshi Oba
Chairman and President,
OMRON INDUSTRIAL
AUTOMATION (CHINA)
Co., Ltd.



Tsutomu Igaki
Senior General Manager,
Global Investor & Brand
Communications HQ



Jian Xu
President and CEO,
OMRON (CHINA) Co., Ltd.



Kenji Eda
Senior General Manager,
Global Procurement and
Quality Management HQ



Seiji Takeda
General Manager,
Corporate Planning
Department, Global
Strategy HQ



Taisuke Tateishi
Senior General Manager,
Energy Solutions Business HQ,
OMRON SOCIAL
SOLUTIONS Co., Ltd.



Katsuhiko Shikata
President and CEO,
OMRON FIELD
ENGINEERING Co., Ltd.



Virendra Shelar
President, OMRON
MANAGEMENT CENTER
OF ASIA PACIFIC, and
General Manager, Global
Human Resource Strategy
Dept.



Masayuki Yamamoto
Senior General Manager,
Strategy Planning Division HQ,
Industrial Automation
Company



Robert Black
President, CEO and COO,
OMRON ELECTRONICS
LLC, Industrial Automation
Company



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



Hidetaka Ishihara
Senior General Manager,
Innovation Exploring
Initiative HQ



Hisako Takada
Senior General Manager,
CEO Office



Motohiro Yamanishi
Senior General Manager,
Product Business Division HQ,
Industrial Automation
Company



Masato Nishiyama
Senior General Manager,
Manufacturing and Supply
chain Management
Division HQ,
Industrial Automation
Company



Ayumu Okada
Senior General Manager,
Management Strategy HQ,
OMRON HEALTHCARE
Co., Ltd.



Masaki Suwa
Senior General Manager,
Technology & Intellectual
Property HQ and President
and CEO,
OMRON SINIC X Corp.



Toyoharu Tamoi
Senior General Manager,
Global Finance and
Accounting HQ



Andre Van Gils
Senior General Manager,
Global Sales and
Marketing Group HQ,
OMRON HEALTHCARE
Co., Ltd.