

Business Report (Consolidated)

(April 1, 2024 to March 31, 2025)

1. Current State of the OMRON Group

(1) Consolidated Results

General Overview

OMRON Group financial performance for the fiscal year ended March 31, 2025, saw a decrease in net sales year on year and an increase in operating income. Net sales decreased overall year on year, despite an increase in net sales in the Social Systems, Solutions and Service Business. This result was due largely to general weakness in demand for capital investment in the Industrial Automation Business and Devices & Module Solutions Business and lower demand in the Chinese market of our Healthcare Business. In addition, net sales in the first half of the previous fiscal year for the Industrial Automation Business were supported by an order backlog, which was lacking this year.

Operating income increased 57.4% year on year due to the impact of improved gross profit margin and steady profitability improvements stemming from the impact of Structural Reform Program NEXT2025 announced February 26, 2024.

While operating income increased year on year, income before income taxes was lower year on year due to one-time expenses of JPY22.0 billion incurred to optimize the number and capacity of our workforce related to Structural Reform Program NEXT2025. One-time expenses and income under other income, net included a write-down of goodwill of JPY11.7 billion related to the Data Solution Business and a JPY12.3 billion in gain on valuation of investment securities.

Net income attributable to OMRON shareholders increased a significant 100.7% year on year, even amid ongoing structural reforms.

| | |
|---|---|
| Net sales | JPY 801,800 million, 2.1 percent decrease year on year |
| Gross profit margin | 44.5 percent, 2.2 point increase year on year |
| Operating income | JPY 54,000 million, 57.4 percent increase year on year |
| Net income attributable to shareholders | JPY 16,300 million, 100.7 percent increase year on year |

Average exchange rates for fiscal 2024:

USD 1 = JPY 152.6 EUR 1 = JPY 163.7 CNY 1 = JPY 21.1

The average exchange rates for the fiscal year ended March 31, 2025 were USD 1 = JPY 152.6 (depreciated by 8.7 yen from the previous fiscal year), EUR 1 = JPY 163.7 (depreciated by 7.4 yen from the previous fiscal year) and CNY 1 = JPY 21.1 (depreciated by 1.0 yen from the previous fiscal year).

Overview by division

Sales by Division (Consolidated) (OMRON Group)

| Division | Amount (JPY millions) | Share of total (%) | Year-on-year comparison (%) |
|--|--------------------------|-----------------------|-----------------------------------|
| Industrial Automation Business | 360,800 | 45 | 8.3 decrease |
| Healthcare Business | 145,900 | 18 | 2.6 decrease |
| Social Systems, Solutions and Service Business | 145,600 | 18 | 2.8 increase |
| Device & Module Solutions Business | 105,400 | 13 | 7.8 decrease |
| Data Solution Business | 42,700 | 6 | - |
| Eliminations & Corporate | 1,400 | 0 | - |
| Total | 801,800 | 100 | |

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

2. The Data Solution Business is a new segment established in the third quarter of the fiscal year ended March 31, 2024, and disclosures related to this segment began in the same period. We have not presented percentage changes herein, as such changes do not provide valid ratios for comparative purposes.

Results by Business Segment

IAB: Industrial Automation Business

Outline of business

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

*“innovative-Automation”

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

Major products/services

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

Capital investment demand in the manufacturing sector for the Japanese semiconductor market remained strong, driven by investment demand in China to boost domestic semiconductor production. At the same time, in China, demand for solar power generation investment and rechargeable battery investment remained stagnant, while in Europe and Southeast Asia, investment demand slowed for electric vehicles. Consequently, demand overall remains sluggish. As a result, sales were significantly lower year on year, impacted in part by the support of order backlogs in the first half of the previous fiscal year.

Operating income improved significantly year on year, despite the decrease in sales, reflecting improved gross profit margin and efforts to reduce fixed costs through structural reform.

As a result, net sales for the fiscal year totaled JPY 360,800 million, a decrease of 8.3 percent compared with the previous fiscal year, and operating income totaled JPY 36,300 million, an increase of 69.0 percent compared with the previous fiscal year.

HCB: Healthcare Business

Outline of business

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

Major products/services

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

Market demand remained strong for our mainstay blood pressure monitors in certain regions, particularly in Japan and Europe. However, demand was stagnant in China due to a decline in consumer sentiment, leading to overall weakness. In addition, decreasing demand for nebulizers and oxygen concentrators stemming from a negative rebound from special demand related to respiratory diseases in the previous fiscal year resulted in lower net sales year on year.

Despite our efforts in managing fixed costs, operating income declined year on year due to the impact of lower sales and increased logistics costs.

As a result, net sales for the fiscal year was JPY 145,900 million, a decrease of 2.6 percent compared with the previous fiscal year, and operating income totaled JPY 17,500 million, a decrease of 5.3 percent compared with the previous fiscal year.

SSB: Social Systems, Solutions and Service Business

Outline of business

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

Major products/services

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

The storage battery systems and other businesses within the Energy Solutions Business performed well as a result of an increase in needs for captive consumption of renewable energy and subsidy programs, as well as increased investments in the industrial and commercial domains as part of accelerated efforts toward carbon neutrality. The Public Transportation System Business saw strong demand for capital investment amid strong performance among railway companies in response to a recovery in passengers and fare revisions. As a result, sales increased year on year.

Operating income increased significantly year on year, mainly due to the increase in sales.

As a result, net sales for the fiscal year was JPY 145,600 million, an increase of 2.8 percent compared with the previous fiscal year, and operating income totaled JPY 16,800 million, an increase of 19.7 percent compared with the previous fiscal year.

DMB: Device & Module Solutions Business

Outline of business

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

Major products/services

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

Demand in the consumer industry remained sluggish, even as certain areas of China and elsewhere, as well as certain semiconductor-related markets, showed signs of recovery. Slow inventory turnover and production plan revisions among customers, mainly in Europe and Japan, impacted demand negatively. Despite rising demand in China, overall demand in the automobile industry was sluggish due to the curtailment of preferential measures for electric vehicles in Europe. As a result, sales were lower year on year.

Operating income declined significantly year on year due to the impact of the decrease in sales and soaring raw materials costs.

As a result, net sales for the fiscal year totaled JPY 105,400 million, a decrease of 7.8 percent compared with the previous fiscal year, and operating income totaled JPY 300 million, a decrease of 90.3 percent compared with the previous fiscal year.

DSB: Data Solution Business*

Outline of business

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

Major products/services

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

Sales rose with growth in the number of health insurance association contracts at JMDC, increasing annual transaction volume with pharmaceutical companies and insurance companies for whom we provide data, and growing numbers of medical institutions utilizing remote image interpretation services.

Operating income remained firm with the increase in JMDC sales, even as we made steady investments related to our solution businesses.

As a result, net sales for the fiscal year totaled JPY 42,700 million, and operating income totaled JPY 2,800 million.

- Notes
1. The Data Solution Business is a new segment established in the third quarter of the fiscal year ended March 31, 2024, and disclosures related to this segment began in the same period. We have not presented percentage changes herein, as such changes do not provide valid ratios for comparative purposes.
 2. This segment includes expenses related to the amortization of intangible assets specifically identified in the conversion of JMDC into a consolidated subsidiary, etc.

(2) Capital Investment

The OMRON Group engaged in select and proactive capital investments as necessary, including enhancement of production equipment and investment in bases with the aim of creating future growth, as well as the renewal of IT infrastructure. As a result, total capital investment was JPY 50,387 million, a 12.2% increase from the previous fiscal year.

Capital investment amounts by division were as shown below.

| Division | Amount (JPY millions) |
|--|--------------------------|
| Industrial Automation Business | 6,057 |
| Healthcare Business | 5,144 |
| Social Systems, Solutions and Service Business | 4,693 |
| Device & Module Solutions Business | 6,754 |
| Data Solution Business | 3,870 |
| Eliminations & Corporate | 23,869 |
| Total | 50,387 |

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

(3) Capital Procurement

The Group appropriated borrowings from financial institutions and funds raised through issuance of commercial papers and corporate bonds for the necessary funds during the fiscal year.

The gross proceed from the 1st and 2nd Unsecured Straight Bonds (with inter-bond pari passu clause) totaling JPY 40.0 billion issued by the Company was entirely appropriated for the partial repayment of long-term borrowings.

(4) Issues Facing the Company

[OMRON's Basic Management Policies]

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

[Medium- to Long-term Corporate Management Strategy]

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

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

Reference:

See the Company's Long-Term Vision presentation materials for more information.

https://www.omron.com/global/en/ir/irlib/sf_info/

<Implementing Structural Reform Program NEXT2025 in Response to Rapid Changes in the Business Environment; Progress Through the Fiscal Year Ended March 31, 2025>

We planned SF2030 initially as a series of three-year medium-term management plans, updated every three years, beginning in fiscal 2022. Our first medium-term management plan, SF 1st Stage, identified fiscal 2024 as a goal year for accelerating the transformation of our capabilities toward value creation and sustainable growth in response to social challenges. However, the business environment deteriorated more than expected during fiscal 2023 due to the slowdown of the Chinese economy and supply chain disruptions. The Company was unable to respond to this rapid change in the environment as operations of certain businesses and areas driving Company growth were unbalanced, resulting in a significant decline in company performance.

To improve this situation, the Company has been quick to take steps to streamline fixed costs, beginning in the third quarter of fiscal 2023. However, to work on more fundamental solutions to our essential issues, we began operating under Structural Reform Program NEXT2025, designating the period from April 2024 to September 2025 as a period to concentrate on restoring business performance and restructuring our foundation for earnings and growth. To concentrate company-wide resources on NEXT2025, we revised SF 1st Stage and designated the period from fiscal 2026 to fiscal 2030, after the completion of NEXT2025, as the next medium-term management plan, SF 2nd Stage.

Under Structural Reform Program NEXT2025, the Company intends to implement five management measures to ensure sustainable sales growth and profitability, as well as to achieve sustainable enhancement of corporate value.

Specifically, these measures are as follows:

Immediate Restructuring of the Industrial Automation Business

| Initiatives to Return the Industrial Automation Business to Growth | | |
|--|--|--|
| Initial Plan | | To return the Industrial Automation Business to growth, the Company intends to revise strategies and plans for the business from a customer-driven, effective perspective. Specifically, we will review resource allocation and accelerate the implementation of measures during structural reform period to maximize Industrial Automation Business operating income margin and secure a foundation for growth expected under SF2030. |
| Current Fiscal-Year Results | | We completed an analysis of factors contributing to poor performance and developed a transformation plan. We established 10 task forces to complete the transformation. We made progress in general as planned, working to complete measures by the end of September 2025. |
| Plan for the Next Fiscal Year | | We plan to complete the 10 task force measures and introduce new measures, including maintaining and strengthening our customer base for further growth and medium-term expansion of the solutions business. |

Rebuilding the Foundation for Profitability and Growth

| 1. Portfolio Optimization | | |
|---|--|---|
| Initial Plan | | The Company intends to optimize business, product, and area portfolios to build greater resilience in each business to deal with changes in the business environment, achieving both sustainable growth and profitability. At the same time, the Data Solution Business will take the lead in accelerating the creation of data solution businesses within the Industrial Automation Business, Healthcare Business, and Social Systems Business, leveraging the capabilities of JMDC. |
| Current Fiscal-Year Results | | We completed a reevaluation of all businesses and made priority investments in growth businesses/areas. We also engaged in initiatives to monetize low-profit businesses or investigate the winding up of businesses. We accelerated research and execution into co-creation in the Industrial Automation Business, Healthcare Business, and Social Systems, Solutions and Service Business to create synergies with JMDC. |
| Plan for the Next Fiscal Year | | Complete actions on winding up businesses and prioritize investments in focus domains. |
| 2. Headcount and Capacity Optimization | | |
| Initial Plan | | The Company intends to optimize the number and capacity of our global headcount to create a labor and cost structure allowing us to build customer value and achieve profitable growth. |
| Current Fiscal-Year Results | | A total of 2,526 employees in Japan and abroad have retired or have agreed to retire, completing our headcount optimization. We also implemented measures to make optimal assignments and strengthen abilities of our management personnel. |
| Plan for the Next Fiscal Year | | We will continue with measures to strengthen the capabilities of our management team and strengthen key human resources for business growth. |
| 3. Fixed Cost Productivity Improvements | | |
| Initial Plan | | The Company will pursue the maximization of fixed cost productivity across the entire OMRON Group. Specifically, we intend to adopt and apply consistent fixed cost discipline to maintain an SG&A expenses ratio under 30% over the medium term (under 28% when excluding JMDC; fiscal 2023 result was 32.0%). |
| Current Fiscal-Year Results | | We exercised consistent fixed cost management based on new fixed cost discipline and initiatives to improve fixed cost productivity (consolidated indirect material purchasing; office consolidation). Through our efforts, we reduced fixed costs by approximately JPY26 billion for the fiscal 2024. |
| Plan for the Next Fiscal Year | | We intend to complete fixed cost productivity program. |

| 4. Introduction and Operation of a Customer-Driven Management System | | |
|--|-------------------------------|--|
| | Initial Plan | The Company intends to introduce and execute measures to orient management, business, and headquarters management toward customer-driven thinking and behavior. |
| | Current Fiscal-Year Results | After defining a customer-driven approach as the guideline for the company, we established KPIs across all departments to encourage the practice of customer-driven thinking and actions. We also designed and implemented new personnel policies to help management practice customer-driven thinking and behavior. |
| | Plan for the Next Fiscal Year | We plan to conduct KPI management consistently as implemented this fiscal year, linking KPIs to achieve better results. |

Structural Reform Program NEXT2025 is making progress as planned. We have made significant headway toward rebuilding a foundation for earnings and growth. We will implement each measure and pursue results consistently over the remaining period through September 2025.

[Management Plan for the Next Fiscal Year]

We intend to complete Structural Reform Program NEXT 2025 under a company-wide policy of All for Creating Customer Value: Identify Changes in Demand and Take Agile Action to Maximize Sales. We plan to deliver the results of our actions in the form of business performance. We aim to achieve between JPY820.0 billion and JPY835.0 billion in net sales, with gross profit margin of between 44.2% and 44.7%, and operating income between JPY56.0 billion and JPY65.0 billion.

Financial Targets

| (Billions of yen, %) | | |
|----------------------|------------------|-----------------|
| Financial Targets | FY2024 (Results) | FY2025 (Plan) |
| Net sales | 801.8 | 835.0 to 820.0 |
| Operating income | 54.0 | 65.0 to 56.0 |
| ROIC | 1.8% | Approx. 4 to 3% |
| ROE | 2.1% | Approx. 4 to 3% |
| EPS (yen) | 83 | 180 to 147 |

We will continue implementing in the next fiscal year the initiatives for achieving non-financial targets that we set in the current fiscal year. As these targets are subject to review for a next medium-term management plan, and the structural reform period continues until September 2025, we have not set specific non-financial targets.

Results for the current fiscal year as follows.

Non-Financial Targets (Results for FY2024)

| Non-Financial Targets ^{*4, *5} | FY2024 (Targets) ^{*1} | FY2024 (Results) |
|--|--|--|
| 1) Grow sustainability sales ^{*2} 45% vs. FY2021 (reflects contribution to solving 3 social issues) | +35% (vs. FY2021) | +29% (vs. FY2021) |
| 2) Raise ratio of women in management roles above 18% on a global basis | 19.2% | 20.5% |
| 3) Hire disabled individuals at 28 overseas bases; maintain 3% level achieved in Japan | Continue overseas monitoring Japan: 3% or more | Executed overseas monitoring Japan: 3.5% |
| 4) Reduce Scope 1 & 2 GHG emissions by 53% versus FY2016 | 68% reduction (vs. FY2016) | 74% reduction ^{*3} (vs. FY2016) |
| 5) Achieve Carbon Zero at all 76 domestic locations | 76 locations | Achieved in all locations |
| 6) Implement human rights due diligence in alignment with UNGP and develop mechanism for remedying abuses in the value chain | Implement human rights due diligence and build and operate remedy mechanisms | Established PDCA cycle system and conducted human rights due diligence |
| 7) Continue to make solid advances on sustainability initiatives to maintain inclusion in DJSI World | Selected to DJSI World | Selected to DJSI World |
| 8) 100% participation by global managers in management training to effectively capitalize on the capabilities of diverse human resources | More than 80% of managers with subordinates in Japan | 91% in Japan |
| 9) In all regions, introduce a training program covering the basic knowledge required for DX: statistics, data analytics, AI and others | Continue training programs in all areas except for Japan | Introduced in all areas |
| 10) Make full use of digital tools to reduce use of paper | 54% or more reduction (vs. FY2019) | 58% reduction (vs. FY2019) |
| +1 Top management of each region to declare their commitment to local communities in alignment with OMRON's Sustainability Policy | Declaration/execution ongoing in all areas | Declared/executed in all areas |

*1 Target value set for fiscal 2024.

*2 Sales of focus domains that lead to achieving carbon neutrality, realizing a digital society, and extending healthy life expectancy.

*3 Estimated figures as of May 20, 2025.

*4 Non-financial targets 8) to 10) were decided by employee vote.

*5 Figures presented in Non-Financial Targets are the initial target figures under SF 1st Stage formulated in fiscal 2022.

(5) Financial Assets and Profit and Loss**Consolidated Financial Position and Operating Results**

(JPY millions)

| | 84th term (April 1, 2020 to March 31, 2021) | 85th term (April 1, 2021 to March 31, 2022) | 86th term (April 1, 2022 to March 31, 2023) | 87th term (April 1, 2023 to March 31, 2024) | 88th term (April 1, 2024 to March 31, 2025) |
|---|---|---|---|---|---|
| Net Sales | 655,529 | 762,927 | 876,082 | 818,761 | 801,753 |
| Operating Income | 62,480 | 89,316 | 100,686 | 34,342 | 54,038 |
| Income before Income Taxes | 65,089 | 86,714 | 98,409 | 34,953 | 29,001 |
| Net Income Attributable to OMRON Shareholders | 43,307 | 61,400 | 73,861 | 8,105 | 16,271 |
| Basic Net Income Attributable to OMRON Shareholders per Share (JPY) | 214.72 | 305.65 | 372.19 | 41.17 | 82.63 |
| Total Assets | 820,379 | 930,629 | 998,160 | 1,354,729 | 1,361,790 |
| Shareholders' Equity | 606,858 | 665,227 | 728,473 | 786,686 | 771,885 |
| Shareholders' Equity per Share (JPY) | 3,009.15 | 3,339.64 | 3,701.08 | 3,995.04 | 3,920.30 |
| Return on Equity (%) | 7.6 | 9.7 | 10.6 | 1.1 | 2.1 |

Note: The Company prepares its Consolidated Financial Statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP).

Operating income is presented as gross profit less selling, general and administrative expenses and research and development expenses. Restructuring expenses, other income, net, income taxes, and share of loss (profit) of entities accounted for using equity method are not deducted.

Non-Consolidated Financial Position and Operating Results

(JPY millions)

| | 84th term (April 1, 2020 to March 31, 2021) | 85th term (April 1, 2021 to March 31, 2022) | 86th term (April 1, 2022 to March 31, 2023) | 87th term (April 1, 2023 to March 31, 2024) | 88th term (April 1, 2024 to March 31, 2025) |
|--------------------------------------|---|---|---|---|---|
| Net Sales | 258,494 | 310,989 | 369,498 | 259,328 | 254,027 |
| Ordinary Income (loss) | 23,562 | 42,084 | 103,108 | (8,260) | 72,918 |
| Net Income (loss) | 18,503 | 23,250 | 91,106 | 15,792 | (37,109) |
| Net Income (loss) per Share (JPY) | 91.74 | 115.74 | 459.09 | 80.21 | (188.47) |
| Total Assets | 537,742 | 606,482 | 596,309 | 680,668 | 589,968 |
| Net Assets | 298,916 | 277,159 | 333,265 | 319,545 | 258,136 |
| Net Assets per Share (JPY) | 1,482.20 | 1,391.42 | 1,693.19 | 1,622.75 | 1,311.04 |

(6) Principal Subsidiaries

(As of March 31, 2025)

| Division | Name | Capital (JPY millions) | Parent ownership (%) | Principal business |
|---|---|---|----------------------------|---|
| Industrial Automation Business | OMRON KANSAI- SEIGYO Corporation | 310 | 100.0 | Sale of industrial automation control equipment |
| Healthcare Business | OMRON HEALTHCARE Co., Ltd. | 5,021 | 100.0 | Healthcare and medical devices |
| Social Systems, Solutions and Service Business | OMRON SOCIAL SOLUTIONS Co., Ltd. | 5,000 | 100.0 | Social systems |
| Device & Module Solutions Business | OMRON RELAY & DEVICES Co., Ltd. | 300 | 100.0 | Electronic components for home appliances and communications devices |
| Data Solution Business | JMDC Inc. | 25,134 | 54.2 | Data solution |
| Headquarters and others | OMRON MANAGEMENT CENTER OF AMERICA, INC. | (Thousands of U.S. dollars) 6,891 | 100.0 | Regional management of business in the Americas |
| Headquarters and others, and Industrial Automation Business | OMRON EUROPE B.V. | (Thousands of Euro) 16,883 | 100.0 | Regional management of business, and supervision of industrial automation business in Europe |
| Headquarters and others | OMRON (CHINA) Co., Ltd. | (Thousands of CNY) 1,468,771 | 100.0 | Regional management of business in China |
| Headquarters and others, and Industrial Automation Business | OMRON ASIA PACIFIC Pte. Ltd. | (Thousands of U.S. dollars) 23,465 | 100.0 | Regional management of business and supervision of industrial automation business in Southeast Asia |
| Headquarters and others, and Industrial Automation Business | OMRON ELECTRONICS KOREA Co., Ltd. | (Thousands of South Korean won) 950,000 | 100.0 | Regional management of business and supervision of industrial automation business in South Korea |

The OMRON Group consists of 154 consolidated subsidiaries including the above companies.
There are no unconsolidated subsidiaries.

(7) Principal Places of Business, etc.

(As of March 31, 2025)

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

Consolidated Net Sales Composition Ratio by Region

(JPY billions)

| Japan | The Americas | Europe | Greater China | Southeast Asia and others | Direct export | Total |
|-------|--------------|--------|---------------|---------------------------|---------------|-------|
| 355.1 | 84.8 | 119.4 | 160.0 | 80.5 | 2.0 | 801.8 |
| 44% | 11% | 15% | 20% | 10% | 0% | 100% |

Note: Major countries and regions belonging to categories other than Japan

(1) The Americas the United States, Canada, Brazil

(2) Europe the Netherlands, the United Kingdom, Germany, France, Italy, Spain

(3) Greater China China, Hong Kong, Taiwan

(4) Southeast Asia and others Singapore, South Korea, India, Australia

(8) Employees

OMRON Group Employees (Consolidated)

(As of March 31, 2025)

| Number of employees | Change from March 31, 2024 |
|---------------------|-----------------------------|
| 26,614 | Decrease of 1,836 employees |

Notes: 1. Number of employees refers to full time employees (people assigned by the OMRON Group to work outside the OMRON Group are excluded; people assigned from outside the OMRON Group to work within the OMRON Group are included).

2. The decrease in the number of employees compared from March 31, 2024 is primarily due to the optimization of the number and abilities of our workforce (voluntary retirement in Japan and optimization of headcount overseas), which is one of the management measures addressed under Structural Reform Program NEXT2025 in the current fiscal year.

OMRON Group Employees by Region (Consolidated)

(As of March 31, 2025)

| Japan | The Americas | Europe | Greater China | Southeast Asia and others | Total |
|--------|--------------|--------|---------------|---------------------------|--------|
| 11,073 | 1,454 | 1,900 | 6,654 | 5,533 | 26,614 |
| 42% | 5% | 7% | 25% | 21% | 100% |

Note: Major countries and regions belonging to categories other than Japan

- (1) The Americas the United States, Canada, Brazil
- (2) Europe the Netherlands, the United Kingdom, Germany, France, Italy, Spain
- (3) Greater China China, Hong Kong, Taiwan
- (4) Southeast Asia and others Singapore, South Korea, India, Australia

(9) Major Lenders

| Lender | Amount lent |
|-------------------------------------|--------------------|
| MUFG Bank, Ltd. | JPY 34,382 million |
| Sumitomo Mitsui Banking Corporation | JPY 23,730 million |
| Mizuho Bank, Ltd. | JPY 20,553 million |
| The Bank of Kyoto, Ltd. | JPY 12,551 million |

2. Stock Information (As of March 31, 2025)

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

(2) Total Number of Shares Issued 206,244,872 shares
(including 8,831,975 shares of treasury stock)

(3) Number of Shareholders 46,249

(4) Major Shareholders (Top Ten Shareholders)

| Shareholder | Number (thousands of shares) | Percentage Held (%) |
|--|------------------------------------|------------------------|
| The Master Trust Bank of Japan, Ltd. (trust account) | 44,717 | 22.65 |
| Custody Bank of Japan, Ltd. (trust account) | 20,883 | 10.58 |
| The Bank of Kyoto, Ltd. | 7,069 | 3.58 |
| MUFG Bank, Ltd. | 5,143 | 2.61 |
| MOXLEY AND CO LLC | 4,421 | 2.24 |
| OMRON Employee Stockholding Association | 3,656 | 1.85 |
| Nippon Life Insurance Company | 3,640 | 1.84 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 3,553 | 1.80 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 3,308 | 1.68 |
| BNYM AS AGT/CLTS 10 PERCENT | 2,727 | 1.38 |

- Notes: 1. The percentage of shares is calculated excluding treasury stock.
2. Although the Company holds 8,832 thousand shares of treasury stock (the ratio to a total of shares issued: 4.28%), it is excluded from the above list of major shareholders.
3. On July 20, 2020, Nomura Securities Co., Ltd. filed an amendment to the major shareholding status report, which is open to public, stating that its one group company held 16,272 thousand shares of the Company (representing 7.89% of the total number of shares issued) as of July 15, 2020. However, the Company has not been able to confirm the number of shares substantially possessed by the group company, and therefore it is not included in the above list of major shareholders.
4. On July 29, 2024, Mitsubishi UFJ Financial Group, Inc. filed an amendment to the major shareholding status report, which is open to public, stating that its four group companies held 14,046 thousand shares of the Company (representing 6.81% of the total number of shares issued) as of July 22, 2024. However, the Company has not been able to confirm the number of shares substantially possessed by the four group companies, and therefore they are not included in the above list of major shareholders.
5. On November 6, 2024, BlackRock Japan Co., Ltd. filed an amendment to the major shareholding status report, which is open to public, stating that its 10 group companies held 16,697 thousand shares of the Company (representing 8.10% of the total number of shares issued) as of October 31, 2024. However, the Company has not been able to confirm the number of shares substantially possessed by the 10 group companies, and therefore they are not included in the above list of major shareholders.
6. On April 4, 2025, Sumitomo Mitsui Trust Bank, Limited filed an amendment to the major shareholding status report, which is open to public, stating that its two group companies held 14,905 thousand shares of the Company (representing 7.23% of the total number of shares issued) as of March 31, 2025. However, the Company has not been able to confirm the number of shares substantially possessed by the two group companies, and therefore they are not included in the above list of major shareholders.

(5) Breakdown of Shareholders by Type of Owner

| Financial Institutions | Treasury Stock | Securities Companies | Other Domestic Companies | Foreign Investors | Individuals and Others | Total |
|------------------------|----------------|----------------------|--------------------------|-------------------|------------------------|-------|
| 46% | 4% | 3% | 4% | 31% | 12% | 100% |

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

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

None applicable.

3. Stock Acquisition Rights of the Company

None applicable.

4. Directors and Audit & Supervisory Board Members

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

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

| Title | Name | Areas of Responsibility and Significant Concurrent Positions, etc. |
|------------------|--|--|
| Outside Director | Yoshihisa Suzuki [Outside Executive] [Independent Officer] | Chairman of the Compensation Advisory Committee Member of the CEO Selection Advisory Committee Member of the Personnel Advisory Committee Member of the Corporate Governance Committee Advisory Member of ITOCHU Corporation Outside Director of the Board of Kyowa Kirin Co., Ltd. |

| Title | Name | Significant Concurrent Positions, etc. |
|--|--|--|
| Audit & Supervisory Board Member | Shuji Tamaki | |
| Audit & Supervisory Board Member | Toshio Hosoi | |
| Outside Audit & Supervisory Board Member | Tadashi Kunihiro [Outside Executive] [Independent Officer] | Member of the Corporate Governance Committee Partner of T. Kunihiro & Co. Attorneys-at-Law Outside Director of LY Corporation Outside Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Audit & Supervisory Board Member of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Supervisory Committee Member of The Norinchukin Bank |
| Outside Audit & Supervisory Board Member | Hiroshi Miura [Outside Executive] [Independent Officer] | Member of the Corporate Governance Committee Representative CPA of Global Management Advisory Office Outside Audit & Supervisory Board Member of AZ-COM MARUWA Holdings Inc. Executive Director of ORIX JREIT Inc. Outside Director of MonotaRO Co., Ltd. Outside Audit & Supervisory Board Member of Toyota Boshoku Corporation |

Notes: 1. For Outside Directors Takehiro Kamigama, Izumi Kobayashi and Yoshihisa Suzuki, and Outside Audit & Supervisory Board Members Tadashi Kunihiro and Hiroshi Miura, the Company has provided notification as Independent Officers to Tokyo Stock Exchange, Inc. Details of “The Company’s policy regarding the independence of Outside Executives” are described on pages 23 to 24 of Reference Materials for the General Meeting of Shareholder.

2. Mr. Takehiro Kamigama concurrently serves as External Director of SoftBank Corp., with which the Group has a business relationship that includes operational consignment of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the SoftBank Group. Furthermore, Mr. Kamigama concurrently serves as Outside Director of the Board of KOKUYO Co., Ltd. (“KOKUYO”), with which the Group has a business relationship that includes operational consignment. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the KOKUYO Group.
3. Ms. Izumi Kobayashi concurrently serves as Outside Director of ANA HOLDINGS INC. (“ANA HOLDINGS”), with which the Group has a business relationship that includes a contract of removal work of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the ANA HOLDINGS Group. Ms. Kobayashi concurrently serves as Outside Director of Mizuho Financial Group, Inc. with which the Group has a business relationship that includes consignment of consulting services. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Mizuho Financial Group.
4. Mr. Yoshihisa Suzuki serves as Advisory Member of ITOCHU Corporation (“ITOCHU”), with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the ITOCHU Group.
5. Mr. Tadashi Kunihiro concurrently serves as Outside Director of LY Corporation (“LY”), with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1%

of the consolidated net sales of the Group and those of the LY Group. In addition, Mr. Tadashi Kunihiro concurrently serves as Outside Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (“Tokio Marine & Nichido Fire Insurance”), with which the Group has a business relationship relating to insurance. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the Tokio Marine & Nichido Fire Insurance Group.

6. Mr. Hiroshi Miura concurrently serves as Outside Director of MonotaRO Co., Ltd. (“MonotaRO”), with which the Group has a business relationship that includes sales of products. However, such transactions account for less than 1% of the consolidated net sales of the Group and those of the MonotaRO Group.
7. There are no special relationships between the Company and significant concurrent employers of other Outside Executives.
8. Mr. Hiroshi Miura has years of working experience as a certified public accountant in an auditing firm, and has considerable knowledge regarding finance and accounting.
9. Changes in Audit & Supervisory Board Members’ positions in the fiscal year under review are as follows.
 (Appointment) At the 87th Ordinary General Meeting of Shareholders held on June 20, 2024, Mr. Hiroshi Miura was newly elected and appointed as an Audit & Supervisory Board Member.
 (Retirement) At the close of the 87th Ordinary General Meeting of Shareholders held on June 20, 2024, Mr. Hideyo Uchiyama retired from the position of Audit & Supervisory Board Member, due to the expiry of his term.
10. Executive Officers as of April 1, 2025 are as follows.

| Title | Name | Position |
|-------------------------------------|--------------------|---|
| * President | Junta Tsujinaga | CEO |
| * Executive Vice President | Kiichiro Miyata | CTO |
| * Senior Managing Executive Officer | Masahiko Tomita | CHRO |
| Senior Managing Executive Officer | Nigel Blakeway | Chairman and CEO, OMRON MANAGEMENT CENTER OF AMERICA, INC. |
| Senior Managing Executive Officer | Seiji Takeda | CFO and Senior General Manager, Global Strategy HQ |
| Managing Executive Officer | Seigo Kinugawa | Senior General Manager, Global Business Process and IT Innovation HQ |
| Managing Executive Officer | Tsutomu Igaki | Senior General Manager, Global Corporate Communications & Engagement HQ and Sustainability Executive |
| Managing Executive Officer | Kenji Eda | Senior General Manager, Global Procurement, Quality and Logistics HQ Senior General Manager - Americas, Industrial Automation Company |
| Managing Executive Officer | Katsuhiro Shikata | President and CEO, OMRON SOCIAL SOLUTIONS Co., Ltd. |
| Managing Executive Officer | Masahiko Ezaki | Company President, Device & Module Solutions Company |
| Managing Executive Officer | Motohiro Yamanishi | Company President, Industrial Automation Company |
| Managing Executive Officer | Ayumu Okada | President and CEO, OMRON HEALTHCARE Co., Ltd. |
| Managing Executive Officer | Hidetaka Ishihara | Senior General Manager, Data Solution Business HQ, and Senior General Manager, Innovation Exploring Initiative HQ |
| Executive Officer | Jian Xu | President and CEO, OMRON (CHINA) CO., LTD. |
| Executive Officer | Taisuke Tateishi | President and CEO, OMRON FIELD ENGINEERING Co., Ltd. |
| Executive Officer | Virendra Shelar | Senior General Manager, Global Business Operation and Service Division HQ, Industrial Automation Company Chairman, OMRON MANAGEMENT CENTER OF EUROPE |
| Executive Officer | Masayuki Yamamoto | Senior General Manager, Global Solution Sales Division HQ, Industrial Automation Company |

| Title | Name | Position |
|-------------------|-------------------|---|
| Executive Officer | Masaki Suwa | Senior General Manager, Technology & Intellectual Property HQ and President and CEO, OMRON SINIC X Corp. |
| Executive Officer | Toyoharu Tamoi | Senior General Manager, Global Finance and Accounting HQ |
| Executive Officer | Andre Van Gils | Senior General Manager, International Business HQ, OMRON HEALTHCARE Co., Ltd. |
| Executive Officer | Hiroto Iwasa | Senior General Manager, Board of Directors Office |
| Executive Officer | Yukitaka Kamio | Senior General Manager, Sales & Marketing Division HQ, Device & Module Solutions Company |
| Executive Officer | Yoshichika Tanabe | Senior General Manager, Global Risk Management and Legal HQ |
| Executive Officer | Yusuke Muramatsu | Deputy Senior General Manager, Global Business Process and IT innovation HQ General Manager, Corporate Systems, PJ Global Office, Global Business Process and IT innovation HQ |
| Executive Officer | Tsunetoshi Oba | Senior General Manager, Product Business Division HQ, Industrial Automation Company |
| Executive Officer | Kotaro Suzuki | General Manager, Corporate Planning Department, Global Strategy HQ |
| Executive Officer | Kazuki Minami | Senior General Manager, Global Human Resources and Administration HQ |

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

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

1) Summary of Details of Indemnity Agreements

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

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

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

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

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

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

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

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

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

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

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

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

(JPY millions)

| Title | Number (Persons) | Base Salary | Short-term Performance- Linked Compensation (Bonuses) | Medium-to-long-term, Performance-Linked Compensation (Stock compensation) | Aggregate Compensation |
|--|---------------------|----------------|---|--|---------------------------|
| Directors [Outside Directors]: | 8 [3] | 340 [56] | 301 [—] | 201 [—] | 842 [56] |
| Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members]: | 5 [3] | 105 [36] | — [—] | — [—] | 105 [36] |
| Total [Outside Executives included in total]: | 13 [6] | 445 [92] | 301 [—] | 201 [—] | 947 [92] |

Notes: 1. The amounts include compensation paid to one (1) Audit & Supervisory Board Member who retired at the close of the 87th Ordinary General Meeting of Shareholders held on June 20, 2024.

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

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

4. The maximum limit of Directors' bonuses was set at JPY 600 million per year (by resolution of the 81st Ordinary General Meeting of Shareholders held on June 19, 2018; the said resolution pertained to five (5) Directors). The amount of bonus for each Director is calculated based on the targets and actual results of operating income, net income, and ROIC for the 88th term (fiscal year ended March 31, 2025), and determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. Regarding each indicator's actual results, please refer to the graphs of trends in the consolidated performance (page B-15; available in Japanese only).

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

2.4 billion, and the maximum limit of the number of the Company's shares to be granted and delivered as sales proceeds ("grant(ing), etc.") is 600,000 shares during the four fiscal years from fiscal 2021 to fiscal 2024. The said resolution pertained to five (5) Directors. Regarding stock compensation, the Company shall award points to Directors calculated according to a prescribed formula, and the trust shall grant, etc. the Company's shares corresponding to the points awarded during a certain period to the Directors. The final calculation of the number of points to be granted and the actual delivery will be carried out after the end of the target period from fiscal 2021 to fiscal 2024, but the expenses of stock compensation, as indicated above, are associated with the points granted during the fiscal year under review. The amount of stock compensation for each Director is calculated based on the financial targets evaluation (EPS, ROE) from fiscal 2021 to fiscal 2024, the sustainability evaluation (reduction of greenhouse gas emissions, score of Sustainable Engagement Index (SEI) in engagement survey and Dow Jones Sustainability Indices) targets and achievements, as well as the corporate value evaluation (relative TSR), and determined by resolution of the Board of Directors based on discussions by and recommendations from the Compensation Advisory Committee. Regarding each indicator's actual results, please refer to the graphs of trends in the consolidated performance (page B-15; available in Japanese only) for evaluation on financial targets (EPS, ROE). The corporate value evaluation was made based on relative TSR (target: 100%, result: 36.3%), and the sustainability evaluation was made based on reduction of greenhouse gas emissions (target: 53% reduction, result: 74% reduction), score of Sustainable Engagement Index (SEI) in engagement survey (target: 70 points, result: 69.5 points), and inclusion in DJSI World (selected for four years in a row).

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

Compensation Policy for Directors

1) Basic policy

- The Company shall provide compensation sufficient to recruit as Directors exceptional people who are capable of putting the OMRON Principles into practice.
- The compensation structure shall be sufficient to motivate Directors to contribute to sustainable enhancement of corporate value.
- The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders.

2) Structure of compensation

- Compensation for Directors shall consist of a base salary, which is fixed compensation, and performance-linked compensation, which varies depending on the Company's performance.
- The compensation composition ratio of performance-linked compensation to base salary shall be determined according to each Director's role and responsibility.
- Compensation for Outside Directors shall consist of a base salary only, reflecting their roles and the need for maintaining independence.

3) Base salary

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

4) Performance-linked compensation

- As short-term performance-linked compensation, the Company shall provide bonuses linked to yearly performance indicators, and to the degree of achievement of performance targets. Bonuses shall be paid as a lump sum after the conclusion of the fiscal year.
- As medium- to long-term performance-linked compensation, the Company shall grant stock compensation linked to the degree of achievement of the goals of the medium-term management plan, and to the improvement in corporate value (value of stock).
- The performance-linked component of stock compensation shall be paid after the medium-term management plan concludes, while the non-performance-linked component shall be paid after the Director retires.
- The Company shall determine the target amounts for short-term performance-linked compensation and medium-to-long-term, performance-linked compensation based on the target pay mix specified according to each Director's role and responsibility.

5) Governance of compensation

- The compensation composition, compensation composition ratio, level of the base salary, as well as performance indicators and evaluation methods of performance-linked compensation shall be determined based on the deliberations and recommendations of the Compensation Advisory Committee.
- The amount of compensation for each Director shall be determined by a resolution of the Board of Directors reflecting the deliberations and recommendations of the Compensation Advisory Committee.

Overview of Compensation Structure for Directors

(1) Compensation composition ratio

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

$$\text{Base salary} : \text{Short-term performance-linked compensation (bonuses)} : \text{Medium-to-long-term, performance-linked compensation (stock compensation)} = 1 : 1 : 1.5^*$$

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

(2) Base salary

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

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

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

$$\text{Base amount for each position} \times \left(\text{Performance score (Operating income 50\%, net income 50\%)} \times \text{ROIC score} \right) = \text{Short-term performance-linked compensation (bonuses)}$$

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

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

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

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

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

- *1 Indicator that compares total shareholder return (TSR) of OMRON in the covered period to the percentage change of TOPIX, dividends included (Relative TSR = $\text{TSR} \div \text{Percentage change of TOPIX, dividends included}$)
- *2 Survey measuring employees' voluntary motivation to contribute to targets of the organization
- *3 Indicator that measures the presence of a high level of motivation to contribute to the achievement of targets, maintained through good mental and physical health, or a strong sense of belonging to the organization, or a productive work environment

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

(5) Performance indicators of performance-linked compensation

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

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

| Compensation Policy for Audit & Supervisory Board Members |
|---|
| <p>1) Basic policy</p> <ul style="list-style-type: none"> • Compensation shall be sufficient to recruit exceptional people who are capable of performing the duties of Audit & Supervisory Board Members entrusted by shareholders. • The compensation structure shall maintain a high level of transparency, fairness, and rationality to ensure accountability to shareholders and other stakeholders. <p>2) Structure of compensation</p> <ul style="list-style-type: none"> • Compensation for Audit & Supervisory Board Members shall consist of a base salary only, reflecting their roles and the need for maintaining independence. <p>3) Base salary</p> <ul style="list-style-type: none"> • The amount of a base salary, paid monthly, shall be determined by taking into account the salary levels of other companies, as surveyed by a specialized outside organization. <p>4) Governance of compensation</p> <ul style="list-style-type: none"> • The amount of compensation for each Audit & Supervisory Board Member shall be determined through discussions by Audit & Supervisory Board Members. |

(4) Items Related to Outside Executives

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

As listed in “(1) Names and Other Information of Directors and Audit & Supervisory Board Members” (pages 17 to 18).

2) Main Activities in the Past Fiscal Year

| | Name | Main Activities |
|-------------------|-------------------|--|
| Outside Directors | Takehiro Kamigama | Attended all 12 of the 12 Board of Directors meetings held during the period, and exercised oversight functions particularly in terms of the Company's technical management and product quality, drawing on his experience and insights gained through his experience as a corporate manager at a globally operating manufacturing company. He currently serves as Chairman of the CEO Selection Advisory Committee, Chairman of the Corporate Governance Committee, Member of the Personnel Advisory Committee, and Member of the Compensation Advisory Committee. |
| | Izumi Kobayashi | Attended 11 of the 12 Board of Directors meetings held during the period (attendance rate: 91.7%), and exercised oversight functions particularly in terms of the Company's diversity and geopolitical risks, drawing on her experience and insights gained through her tenure as a corporate manager at private financial institutions and a representative of an international development financial institution. She currently serves as Chairman of the Personnel Advisory Committee, and Member of the CEO Selection Advisory Committee, Member of the Compensation Advisory Committee, and Member of the Corporate Governance Committee. |
| | Yoshihisa Suzuki | Attended all 12 of the 12 Board of Directors meetings held during the period, and exercised oversight functions particularly in terms of the Company's M&A and alliances, and monetization of new businesses, etc., drawing on his experience and insights gained through his experience as a corporate manager at a globally operating general trading company. He currently serves as Chairman of the Compensation Advisory Committee, Member of the CEO Selection Advisory Committee, Member of the Personnel Advisory Committee, and Member of the Corporate Governance Committee. |

| | Name | Main Activities |
|---|------------------|--|
| Outside Audit & Supervisory Board Members | Tadashi Kunihiro | Attended all 12 of the 12 Board of Directors meetings and all 13 of the 13 Audit & Supervisory Board meetings held during the period, and made statements particularly in terms of the Company's internal control and risk management as necessary from an expert perspective as a lawyer to ensure the legality and appropriateness of decision-making by the Board of Directors. In accordance with the audit policy and plan determined by the Audit & Supervisory Board, he periodically exchanged opinions with CEO, and held interviews with Directors and Executive Officers. He also made an extensive range of statements regarding the Company's risk and crisis management from an expert perspective. He currently serves as Member of the Corporate Governance Committee. |
| | Hiroshi Miura | Attended all 9 of the 9 Board of Directors meetings and all 9 of the 9 Audit & Supervisory Board meetings held during the period, made statements particularly in terms of the Company's finance and accounting as necessary from an expert's perspective as a certified public accountant to ensure the legality and appropriateness of decision-making by the Board of Directors. In accordance with the audit policy and plan determined by the Audit & Supervisory Board, he periodically exchanged opinions with CEO, held interviews with Directors and Executive Officers, and exchanged information with the Accounting Auditor. He currently serves as Member of the Corporate Governance Committee. |

Note: Mr. Hiroshi Miura was newly elected as an Audit & Supervisory Board Member at the 87th Ordinary General Meeting of Shareholders held on June 20, 2024, and assumed office thereafter, his attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings indicates the Board of Directors meetings and the Audit & Supervisory Board meetings held on and after June 20, 2024.

3) Summary of Details of Limited Liability Agreements

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

5. Accounting Auditors

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of Compensation of Accounting Auditors for the Fiscal Year Ended March 31, 2025

| | | |
|----|---|-----------------|
| 1) | Total amount of compensation to be paid to the Accounting Auditor by the Company and its subsidiaries | JPY 403 million |
| 2) | Of the total amount in 1), total amount to be paid by the Company and its subsidiaries as compensation for audit certification services | JPY 360 million |
| 3) | Of the total amount in 2), amount of compensation as Accounting Auditor to be paid by the Company | JPY 297 million |

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

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

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

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

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

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

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

- 1) If deemed necessary, such as in cases where the execution of duties by the Accounting Auditor has been disrupted, the Audit & Supervisory Board determines the contents of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the general meeting of shareholders.
- 2) If the Audit & Supervisory Board judges that the Accounting Auditor falls under any of the numbered items in Article 340-1 of the Companies Act, it dismisses the Accounting Auditor with the consent of all Audit & Supervisory Board Members. In such cases, the Audit & Supervisory Board Member who has been selected by the Audit & Supervisory Board will report the fact of and the reason for the dismissal of the Accounting Auditor at the first general meeting of shareholders convened after the dismissal of the Accounting Auditor.

6. Systems and Policies of the Company

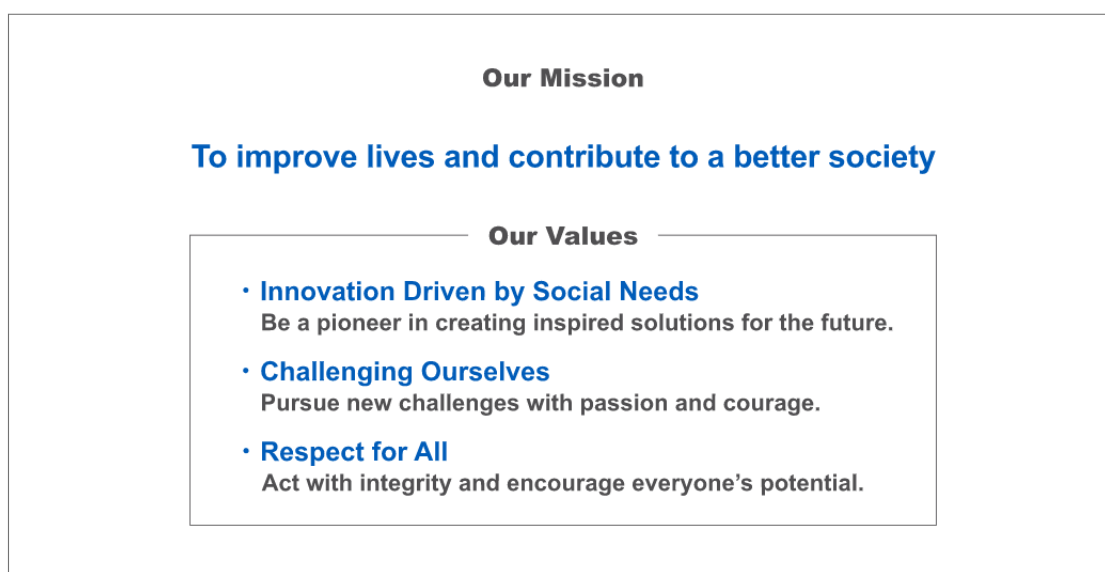
(1) Corporate Principles of the OMRON Group

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

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

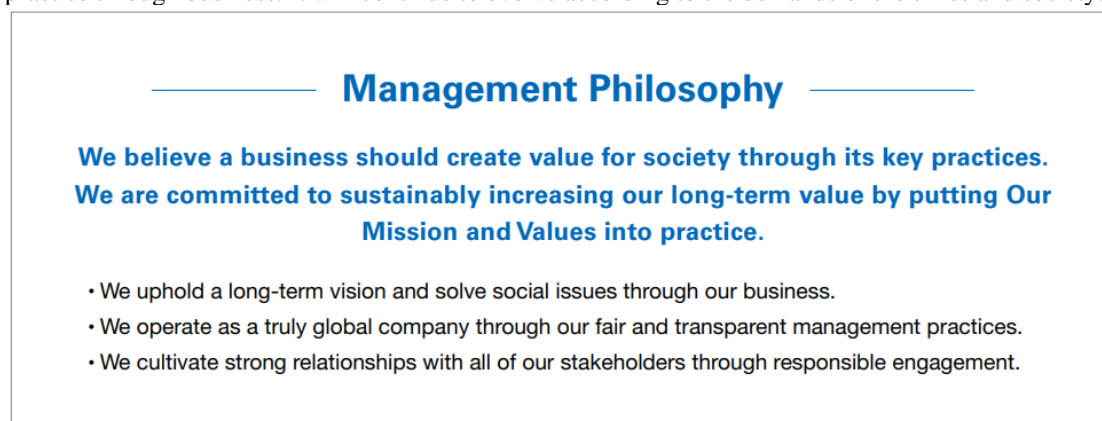
As a global company, the OMRON Group aims to create a better society through the resolution of various social issues globally. To achieve this goal, it is becoming increasingly important that all employees around the world take action based on an understanding of our stance towards the corporate principles.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

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



(2) Management Philosophy of the OMRON Group

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



(3) Corporate Governance of the Company

Basic Stance for Corporate Governance of the Company

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

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

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

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

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

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

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

OMRON Corporate Governance Policies

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

Corporate Governance Initiatives (Reference)

| | | 1999 | 2003 | 2011 | 2023 | | |
|---|---|---|--|--|--|---|-----------------------|
| Corporate Philosophy | 1959: Corporate Motto | 1990: OMRON Principles | 1998: Revised | 2006: Revised | 2015: Revised | 2022: Stated in the Articles of Incorporation | |
| OMRON Corporate Governance Policies | | | | | 2015: Established | | |
| Chairman of the Board | Representative Director and President | | 2003: Representative Director and Chairman | 2012: Chairman of the Board | | | |
| President | 1987: Yoshio Tateishi | | 2003: Hisao Sakuta | 2011: Yoshihito Yamada | | | 2023: Junta Tsujinaga |
| Separation of management oversight and business execution | 30 Directors | 1999: Revised the Articles of Incorporation, setting number of board members to 10 or fewer | | | 2017: Abolished Directors with title (excluding Chairman of the Board) | | |
| | | 1999: Adopted executive officer system | | | 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 Member (Independent) | 1998: One member | 1999: Two members | 2003: Three members (four Audit & Supervisory Board Members) | 2011: Two members (four Audit & Supervisory Board Members) | | | |
| 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 | | | |

[Organizational Structure]

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

[Roles and Responsibilities of the Board of Directors]

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

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

[Composition of Board of Directors]

- Management oversight and business execution are kept separate and a majority of the Board of Directors shall consist of Directors who are not involved with business execution.
- At least one-third of the Board of Directors shall consist of Outside Directors.
- The Board of Directors shall consist of diverse members who possess the experience, specialized knowledge and insights necessary to realize the OMRON Group's management vision and shall ensure diversity without distinction as to gender, nationality, international experience, or age.
- The Board of Directors' skill matrix shall be disclosed.
- The CEO Selection Advisory Committee dedicated to the deliberation and nomination of candidates for CEO, which is the top-priority matter in management oversight, is attached to the Board of Directors. The Personnel Advisory Committee concerns the nomination and personnel evaluation of Directors, Audit & Supervisory Board Members, and Managing Executive Officers, and the Compensation Advisory Committee concerns the remuneration of Directors and Executive Officers.
- The CEO Selection Advisory Committee, the Personnel Advisory Committee and the Compensation Advisory Committee are chaired by an Outside Director, and the majority of each committee should be composed of Outside Directors.
- The President and CEO does not belong to any advisory committee.
- The Corporate Governance Committee, established for the purpose of enhancing corporate governance, is also to be chaired by an Outside Director, and comprises Outside Directors, Outside Audit & Supervisory Board Members and non-executive internal Directors.
- The lead Outside Director assumes the position of chair of the Corporate Governance Committee.

[Chairman of the Board of Directors]

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

[Audit & Supervisory Board]

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

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

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

(2) Chairman of the Audit & Supervisory Board

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

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

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

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

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

[Advisory Committees]

(1) The CEO Selection Advisory Committee

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

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

(2) The Personnel Advisory Committee

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

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

(3) The Compensation Advisory Committee

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

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

(4) Corporate Governance Committee

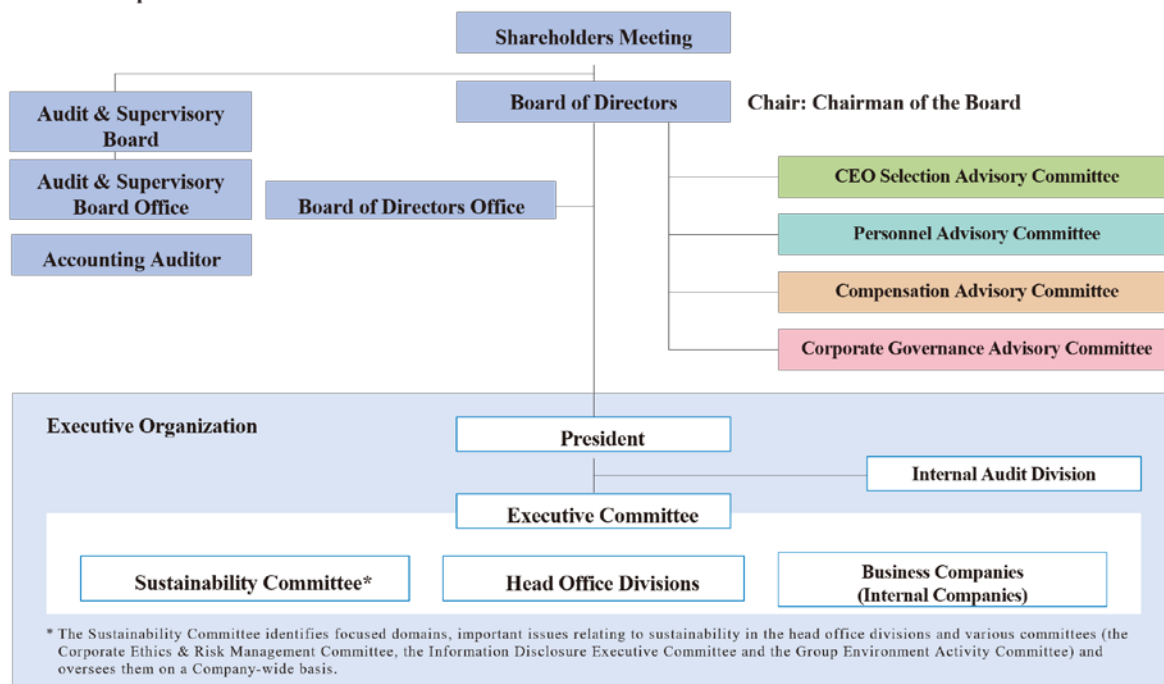
In accordance with the relevant rules, the Corporate Governance Committee is intended to enhance the transparency and fairness of management practices from the standpoint of all stakeholders and continuously take steps to enhance corporate governance from a medium- and long-term perspective.

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

For the entire text of the OMRON Corporate Governance Policies, please refer to the website below.

<https://www.omron.com/global/en/about/corporate/governance/policy/>

Omron's Corporate Governance Structure



The following four committees are established under the umbrella of the Board of Directors for transparency and objectivity of management decisions. Outside Directors chair these committees, and the President and CEO does not belong to them as a Member. Details of Advisory Committees are described on pages 34 to 35. The Advisory Committees deliberate about and make recommendations on the following items in response to consultation from the Board of Directors, etc.

【The CEO Selection Advisory Committee】

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

【The Personnel Advisory Committee】

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

【The Compensation Advisory Committee】

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

【The Corporate Governance Committee】

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

Advisory Committee Members in Fiscal 2024

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

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

Status of initiatives towards improving the Board of Directors' effectiveness

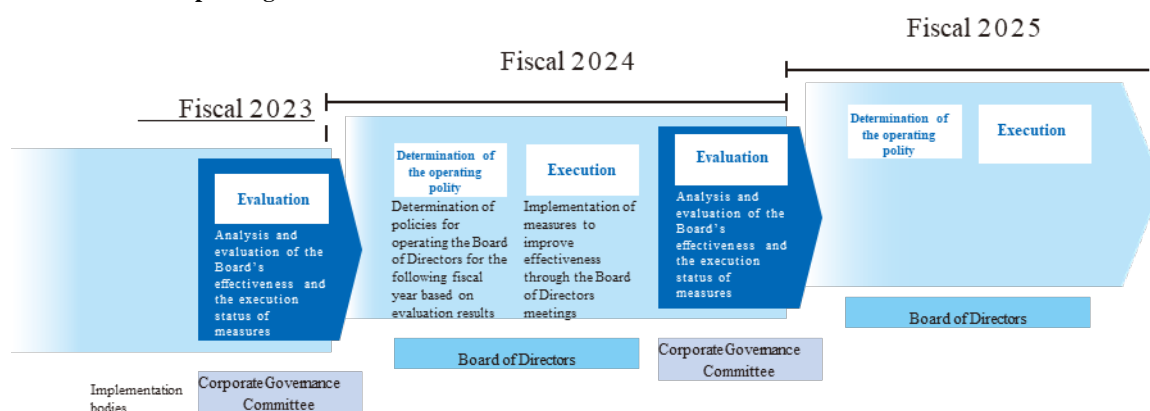
1. Overview of initiatives towards improving the Board of Directors' effectiveness

The Company ensures transparency and fairness in business management, speeds up management decisions and practices, and strives to boost the OMRON Group's competitive edge. The ultimate objective is to achieve sustained enhancement of corporate value. To this end, the Company reinforces the supervisory functions of the Board of Directors through initiatives for improving its effectiveness.

The Company performs the evaluation of the Board of Directors' effectiveness for the purpose of examining actual contribution made by the Board of Directors, identifying issues, devising countermeasures and promoting improvement, in order to ensure that corporate governance effectively functions. This evaluation is conducted by the Corporate Governance Committee chaired by an Outside Director and comprising Outside Directors and Outside Audit & Supervisory Board Members (hereinafter "Outside Executives"), as well as non-executive internal Directors. Outside Executives act as members of the Board of Directors while having the perspectives of all stakeholders including the shareholders. The Corporate Governance Committee, which is composed of Outside Executives and non-executive internal Directors, performs evaluations in order to ensure that evaluations are both objective and effective.

Based on the evaluation results by the Corporate Governance Committee 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, and formulates and implements annual plans based on this operation policy.

Initiatives towards improving the Board of Directors' effectiveness



2. Results of evaluation of the Board of Directors' effectiveness for fiscal 2024

Given the downward revisions to the financial results made twice in fiscal 2023, the Board of Directors in fiscal 2024 considered monitoring of the progress toward accomplishing Structural Reform Program NEXT2025 to be the most important theme, and strengthened oversight and supervision over the progress of the five Structural Reform measures. In addition, the Board emphasized early information sharing and discussion regarding the status of operations and business environment, to help resolve the following issues identified in fiscal 2023 and to increase predictability in the performance. Moreover, to achieve greater effectiveness of the Board of Directors' activities as a whole, various new initiatives have been introduced. Specifically, we enhanced Informal Meeting and opinion exchanges between Directors and management executives, and increased opportunities for multifaceted discussion with business execution divisions, in order to allow for early deliberation on strategies and issues of each business. As a result, the Corporate Governance Committee commended the Board of Directors for having increased effectiveness in its overall activities, reflecting enhanced related activities other than the Board of Directors meetings.

[Issues identified in fiscal 2023]

- The Board of Directors considered insufficient discussions about downward revisions to be an issue. The Board also recognized that it is essential to increase predictability in the performance and make discussions proactively.
- Some agenda items submitted to the Board of Directors meetings lacked pursuit of the root causes of problems.
- Discussions shall be held among members of the Board of Directors (many-to-many discussion), instead of discussions held between an explainer and members of the Board of Directors (one-to-many discussion), to further vitalize discussions.
- In discussions about strategies of each business, there is a need for presenting data clearer than ever, including clarifying the Company's competitive advantages over competitors or achieving uniformity in market analysis data.

2-1. Issues in fiscal 2024 and countermeasures

■ Points commended

- Informal Meeting, as well as early sharing of business performance, such as quarterly performance reporting accelerated by one month, functioned effectively and enabled multifaceted discussions at an early phase.
- The Chairman operated the Board of Directors meetings with many-to-many discussion in mind, which vitalized discussions and resulted in business execution divisions explaining points of discussion more clearly than ever. A basis for objective discussion is now ready based on the present state and figures gained through market and competitive analysis.

■ Issues

- To evolve the monitoring function under the scheme of a Company with Audit & Supervisory Board, we must reconsider agenda items and viewpoints (levels) to be discussed by the Board of Directors, so as to enhance discussions on growth strategies toward corporate value enhancement from a medium- to long-term perspective.

■ Points requested

Toward resolving the issues, the Corporate Governance Committee requested to the Board of Directors the following points.

- Discussions on growth strategies shall be strengthened further to increase corporate value.
- Discussions shall be held from a medium- to long-term perspective, on such themes as enhancement of organizational capabilities and sophistication of risk management, instead of being biased toward pursuing causes for individual issues in detail.
- To respond to changes in the operating environment, the Company shall evolve internal controls, and strengthen systems to execute and maintain internal controls. To that end, agenda items submitted to the Board of Directors meetings shall be examined, to determine new items to be discussed and those to be removed.

3. Policy for the operation and focus themes of the Board of Directors for fiscal 2024

< Board of Directors Operational Policy for Fiscal 2024 >

The Board of Directors will exercise its oversight functions from a medium- to long-term perspective as we move forward to achieving the OMRON Group's long-term vision, SF2030, and accomplish the Structural Reform Program NEXT 2025. This will be done by recognizing the link between the following focus themes and issues subject to oversight.

<Focus Themes>

1) Progress monitoring toward accomplishing the structural reform program (NEXT2025)

< Points of oversight>

- Business/regional portfolio optimization
- Organizational capability to realize the above

2) Progress monitoring toward realizing the long-term vision

< Points of oversight>

- Issues in achieving growth for the data solution business and countermeasures
- Global Human Resources strategy

Background of the establishment of the policy for the operation and focus themes of the Board of Directors for fiscal 2024

The Board of Directors considered monitoring of progress toward accomplishing Structural Reform Program (NEXT2025) to be the most important theme, and indicated that discussions shall be held on the progress of the five Structural Reform measures, in coordination with the business execution division. The Board also confirmed that even during the period of the Structural Reform, monitoring of progress toward realizing the long-term vision is important, and confirmed its continued designation as a focus theme.

4. Achievements of the Board of Directors

4-1. Focus themes

Focus theme 1: Progress monitoring toward accomplishing the structural reform program (NEXT2025)

■ Main contents of discussions at the meeting of the Board of Directors and Informal Meeting

| Agenda items | Contents (reports and discussions) |
|--|--|
| 1) IAB ^{*1} Revival Plan (IAB Future Reboot) | <p>- The business execution division reported on future directions to be taken, in light of issues for the implementation of IAB Future Reboot (hereinafter, "IFR"). The report explained its policy to recover operating income level through business growth, build a stably growing customer base, and continue and strengthen investments in products and technologies. We also shared the feedback on the video message sent to employees by President of the Business Company (hereinafter "BC").</p> <p>- At a Board of Directors meeting, there were comments pointing out the importance of the management team engaged in direct dialogue with customers and building relationships with them at an early phase. We confirmed the need for understanding early the frank voices of the mid-level managers at customer sites, in addition to those of the management of customers. We also confirmed the importance of BC President and other top executives taking the initiative in creating the momentum for a reform across the organization.</p> |

| Agenda items | Contents (reports and discussions) |
|--|--|
| 2) Headcount and Capacity Optimization | <ul style="list-style-type: none"> -Regarding the voluntary retirement plan implemented in Japan in April and May 2024, there was a report on the results of applications, including the number of applicants, a change in workforce structure, and the amount of associated extraordinary losses. The progress of workforce optimization at overseas sites was also reported. -The Board of Directors confirmed revisions in business processes in order to maintain operational efficiency in a phase of business recovery. The Board also confirmed the progress of measures for streamlining tasks, and confirmed 10% to 20% reductions achieved in all divisions. We also confirmed preventive measures against the risk of information leakage by retired employees. |
| 3) Progress of NEXT2025 Portfolio Optimization | <ul style="list-style-type: none"> -With regard to NEXT2025 Portfolio Optimization, it was reported that each BC had completed examination, formulated plans by project and put actions into practice. The progress of specific projects was also reported. -We confirmed details of the estimated costs to be incurred for winding up some businesses, aims of acquirer candidates for these businesses, and the rationality of the judgement that we had made in anticipation of future markets. We confirmed the past background of businesses, and pointed out that understanding the direction sought out by employees would be a key to determine the success or failure of measures, and requested that feasibility of strategies be increased toward securing profitability in the growth areas. |
| 4) Fixed Cost Productivity Improvements | <ul style="list-style-type: none"> -The report was made regarding the enhancement of BCs' autonomous management at a fixed cost, and issues and future directions for achieving greater efficiency in shared services and CoE^{*2}. - With regard to the delegation of functions to BCs, the Board of Directors expressed concerns about the Company losing a broad, cross-sectional perspective, which may result in decreased opportunities for human resource development. In light of this issue, we confirmed personnel development measures utilizing cross-sectional functions, and our policy to continue exchanging human resources between BCs and ensure opportunities for human resource development. |

*1 IAB: Industrial Automation Business

*2 CoE: Center of Excellence

Focus theme 2: Progress monitoring toward realizing the long-term vision

■ **Main contents of discussions at the meeting of the Board of Directors and Informal Meeting**

| Agenda items | Contents (reports and discussions) |
|--|--|
| 1) Strategic scenarios under a next Medium-Term Management Plan SF2030 2nd Stage | <p>-With regard to strategic scenarios under a next medium-term management plan after the completion of Structural Reform, a discussion was held based on the status of deliberations shared by the business execution division. The business execution division gave explanations about the rebuilding of portfolios as a strategic scenario toward achieving 2030 targets, along with the strengthening of organizational ability to get that portfolio restructuring done, doubling the speed of decision-making and implementation, and building of an internal mechanism to support sustainable growth. Also, the business execution division presented a policy on formulating a medium-term management plan based on a back-cast approach, with an eye to the corporate value level (a market cap, a target CAGR, etc.) that would live up to the expectations of capital markets as of 2030.</p> <p>-In the discussion, opinions were exchanged from various perspectives on themes such as an ideal state of a corporation in and how to present effective indicators to capital markets, the importance of upfront investments in global human resources, and inter-business cooperation and synergies in generating Data Solution Business. As to strategic regions to be focused, we had an active discussion on our response to North America, as well as investment strategies in China and other regions in Asia.</p> |
| 2) Free discussion on Data Solution Business | <p>- We had a free discussion led by Outside Executives twice, regarding business strategies of the Data Solution Business. In the first discussion, directions to be taken by the Data Solution Business, its mid- to long-term targets by 2030, and challenges in achieving the targets were explained. In particular, from the perspective of corporate value enhancement, we discussed important measures that would drive “creation and expansion of new growth businesses” and “the evolution to a data-driven, solution business model across the Company.”</p> <p>- In the second discussion, we discussed more in depth the acceleration of alliance with JMDC, Inc. and creation of synergies therefrom, and the strategic positioning of corporate health-related investments.</p> <p>- Through these discussions, we exchanged multifaceted opinions and deepened understanding on the Data Solution Business’s current issues and future prospect.</p> |
| 3) Human resource strategies | <p>- The business execution division reported on the key initiatives in fiscal 2024: “Reforming the quality of leadership to accelerate growth” and “Fostering a culture that encourages self-initiative.” The Board of Directors confirmed again the importance of sharing with all employees the results of an employee engagement survey, understanding correctly the issues varying by organization, and executing concrete actions through a concerted effort by managers and members.</p> |

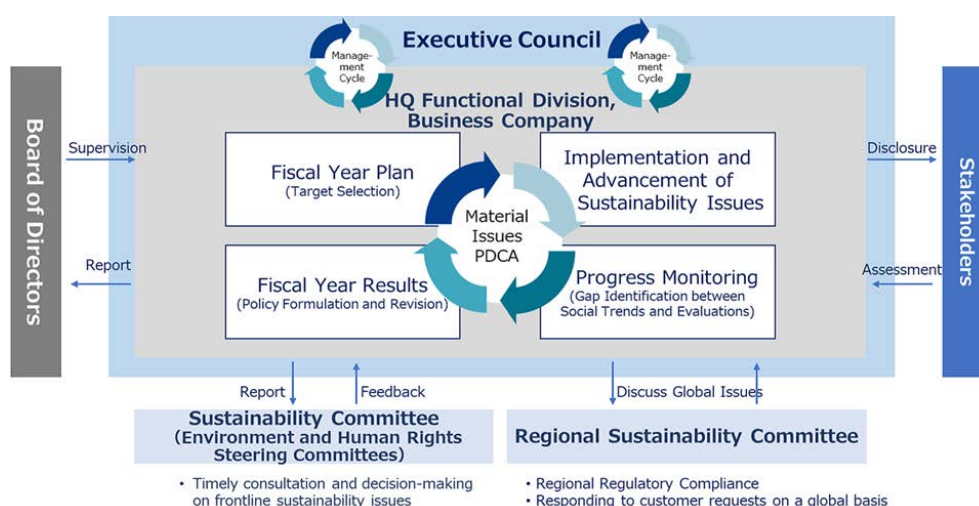
4-2. Important items other than focus themes

| Agenda items | Contents (reports and discussions) |
|---|--|
| 1) Sustainability promotion activities | -To increase effectiveness of sustainability promotion through practicing a PDCA cycle at a higher speed, we resolved to make Sustainability Office a department under the direct control of the President, which had been under the control of the Board of Directors [See Figure 1]. From the fiscal year under review, an annual summary and action plans for the next fiscal year were reported to the Board of Directors prior to the finalization of the Short-Term Management Plan, and policies for the next fiscal year were discussed, in order for the Board of Directors to make important decisions regarding sustainability at an earlier phase and to increase consistency and effects of company-wide initiatives. |
| 2) Progress of OMRON's intellectual property activities in SF2030 | • The business execution division reported on the business model-oriented intellectual property strategies with reference to DSB ^{*3} , pertaining to a wide range of intangible assets, including data. The business execution division also reported on issues in the intellectual property activities for protecting technologies intended to achieve functionality and performance of the Company's products. A discussion was held on how to resolve those issues. |
| 3) Progress of construction of the Corporate IT System | • Regarding the status of ERP ^{*4} deployment, the business execution division reported on issues found during the deployment in Europe, where the system had been introduced in advance, and the progress of deployment in Japan advancing according to the plan. The Board of Directors confirmed the appropriateness of the current plan, from such aspects as the degree of impact of issues found in Europe and the possibility of the same issues occurring in Japan. |

*3. DSB: Data Solution Business

*4. ERP: Enterprise Resources Planning

[Figure 1] Structure of the Company-wide sustainability management



5. Results of initiatives for increasing effectiveness

In the fiscal year under review, we have actively set up an Informal Meeting, to bring active discussions between the Board of Directors and the business execution division from an early phase, over the themes of business strategies and important Structural Reform measures. We also provided to Outside Executives more opportunities for exchanging opinions with President of each BC, to help them better understand the strategies and initiatives of each business.

| Informal Meeting | |
|-------------------------|--|
| Purpose | The meeting was set up as a forum to discuss on business strategies and business issues, etc. in an early phase or to consult on specific themes. Moreover, meetings are held as an opportunity for sharing latest case studies and trends that the Board of Directors must be aware of, helping Outside Executives to deepen their understanding and the business execution division to resolve their issues. |
| Structure | Determined depending on themes; some meetings are attended by all Directors and Audit & Supervisory Board Members, while others may be attended only by Outside Executives. |
| Number of meetings held | 6 |
| Major initiatives | <ul style="list-style-type: none"> • IFR is one of the important measures in the Structural Reform. An opportunity was held for the business execution division to explain about details of the measures, along with challenges in promoting them, and to have a free discussion with all Directors and Audit & Supervisory Board Members. • We invited an external lecturer to provide a seminar themed on “Hard law and soft law relating to takeover bids of nowadays” for all Directors and Audit & Supervisory Board Members. • We invited an external lecturer to bring discussions among all Directors and Audit & Supervisory Board Members on the theme of “Trends in the global economy surrounding Japan.” • All Directors and Audit & Supervisory Board Members engaged in discussion on the theme of “Strategic scenarios for the next Medium-Term Management Plan SF2030 2nd Stage.” |

| Outside Executives' and top Executives' opinion exchange meeting | |
|--|---|
| Purpose | Opportunities are provided for the exchange of opinions between Outside Executives and top Executives, which leads to an improvement in understanding of the Company's business and organizational culture. |
| Number of meetings held | 10 |
| Major initiatives | <ul style="list-style-type: none"> An opinion exchange meeting among President of each BC, Outside Directors and Outside Audit & Supervisory Board Members was held individually, to have a free discussion on business strategies of BCs. |

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

| Board of Directors review | |
|---------------------------|--|
| Purpose | Outside Executives conduct a review of the Board of Directors immediately after meetings of the Board of Directors. Outside Executives sharing amongst themselves what they felt, issues and improvements immediately following meetings of the Board of Directors leads to the improvement of the evaluation of the Board of Directors. |
| Number of meetings held | 12 |

| Observation of Executive Committee meetings | |
|---|---|
| Purpose | Outside Executives may observe Executive Committee meetings (management meetings by Executives), as fully understanding the situation of the business execution division will lead to the expansion of the breadth and depth of discussions at the Board of Directors meetings. |
| Initiatives | <ul style="list-style-type: none"> Agenda of Executive Committee Meeting is sent to Outside Executives before the meeting every month. Outside Executives monitor online the agenda item they want to observe. Meeting minutes are sent to members of the Board of Directors every month. |

| On-site visits | |
|-------------------------|--|
| Purpose | Opportunities are provided for Outside Executives to visit major bases, exhibitions, etc. and participate in in-house events, which leads to an improvement in understanding of the Company's business and organizational culture. |
| Number of meetings held | 2 |
| Initiatives | <ul style="list-style-type: none"> Visited Yasu Office, the major base of OMRON SOCIAL SOLUTIONS Co., Ltd. Visited a base that serves as the operation center of OMRON FIELD ENGINEERING Co., Ltd. |

6. Results of initiatives by the Advisory Committees

In the fiscal year under review, the Corporate Governance Committee stipulated explicitly the roles of each Director and performed self-evaluations based thereon, as part of an effort to enhance governance. The Compensation Advisory Committee held a discussion on the overall picture of a desirable compensation scheme that would contribute to increasing corporate value over the medium to long term, upon expiration of the current stock compensation plan.

The Corporate Governance Committee commended the operations of the Advisory Committees for ensuring an objective and transparent process and operating properly.

| | CEO Selection Advisory Committee |
|--|---|
| Members | Five members (three Outside Directors and two internal Directors) |
| Chair | Mr. Takehiro Kamigama, the lead Outside Director |
| Committee composition | <ul style="list-style-type: none"> The majority shall be Outside Directors The two internal Directors shall be non-executive internal Directors (the President and CEO is not a member of the committee) |
| Number of meetings held | 1 |
| Attendance rate | 100% |
| Matters deliberated and matters reported | <ul style="list-style-type: none"> Deliberation on candidates for CEO Deliberation on a CEO successor candidate in the event of a crisis in fiscal 2025 |
| Evaluation | <ul style="list-style-type: none"> The Committee evaluated the performance of the President and CEO in an appropriate process. Regarding President and CEO succession planning, the Committee selected and evaluated candidates from a medium- and long-term perspective, and monitored the progress of a development plan on an ongoing basis. |
| Comments from the chair | In the second year in office as the President, Mr. Tsujinaga is in a difficult period of the structural reform, but we would like to ask him for continued efforts. We performed evaluation on the performance of the President and CEO and also held fruitful discussions on succession planning for the future. |

| | Personnel Advisory Committee |
|--|---|
| Members | Five members (three Outside Directors and two internal Directors) |
| Chair | Ms. Izumi Kobayashi, Outside Director |
| Committee composition | <ul style="list-style-type: none"> The majority shall be Outside Directors The Chairman of the Board of Directors and the President and CEO are not members of the committee |
| Number of meetings held | 6 |
| Attendance rate | 100% |
| Matters deliberated and matters reported | <ul style="list-style-type: none"> Deliberation on appointment/dismissal of Senior Executive Officers and reporting on selection of Executive Officers Deliberation on Director candidates, Audit & Supervisory Board Member candidates, and Executive Officer candidates Reporting on succession planning for management executives Reporting on the list of candidates for Outside Director and Outside Audit & Supervisory Board Member Determination of the members of each Advisory Committee |
| Evaluation | <ul style="list-style-type: none"> Regarding development of management executives, the Committee engaged in appropriate and continuous discussion with reference to the report on succession planning based on Core Position Strategy and the status of human resource pipelines. The Committee deliberated the composition of the Board of Directors, in light of the mid- to long-term business portfolios, and reflected them in the talent pool. |
| Comments from the chair | In the fiscal year under review, incorporating the opinions of Committee members, we had discussions and made decisions that would contribute to enhancing effectiveness of the Board of Directors in the future, such as the partial delegation of authorities to CEO, a policy making regarding the composition of the Board of Directors based on business portfolios, and creation of a talent pool in line with that policy. |

| | Compensation Advisory Committee |
|--|---|
| Members | Five members (three Outside Directors and two internal Directors) |
| Chair | Mr. Yoshihisa Suzuki, Outside Director |
| Committee composition | <ul style="list-style-type: none"> The majority shall be Outside Directors The Chairman of the Board of Directors and the President and CEO are not members of the committee |
| Number of meetings held | 7 |
| Attendance rate | 97% |
| Matters deliberated and matters reported | <ul style="list-style-type: none"> Discussion and deliberation on a new compensation plan Deliberation of compensation levels and tables for Directors and Executive Officers Deliberation of compensation for foreign Executive Officers Deliberation of evaluation criteria and payment amounts for Director bonuses and stock compensation Determination of evaluation criteria and payment amounts for Executive Officer bonuses and stock compensation Determination of a stock compensation plan for Directors and Executive Officers |
| Evaluation | <ul style="list-style-type: none"> Upon the expiration of the current stock compensation plan, the Committee advanced active discussions on how an entire compensation scheme should be to increase corporate value over the medium to long term. Taking into account the period of Structural Reform, the Committee appropriately analyzed issues of the current scheme and made improvement. In light of the latest market trends and benchmarking results from other companies, the Committee built a new compensation system through an appropriate process. |
| Comments from the chair | In designing a transitional compensation plan suitable for the Structural Reform period, we discussed a constructive scheme from the perspectives of keeping executives motivated and giving them a long-term incentive. Going forward, we intend to discuss the design of a new compensation plan toward further increasing OMRON's corporate value. |

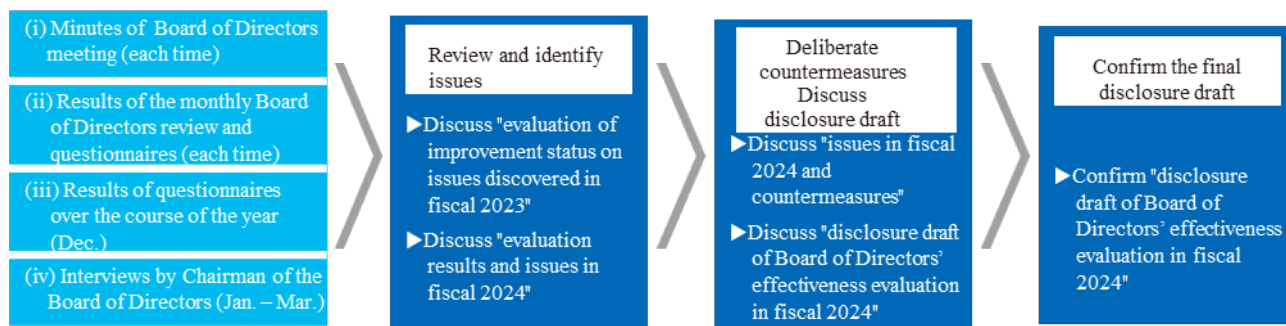
| | Corporate Governance Committee |
|--|---|
| Members | Seven members (three Outside Directors, two Outside Audit & Supervisory Board Members and two non-executive internal Directors) |
| Chair | Mr. Takehiro Kamigama, the lead Outside Director |
| Committee composition | <ul style="list-style-type: none"> The majority shall be Outside Executives (Outside Directors and Outside Audit & Supervisory Board Members) Directors engaged in business executions are not members of the committee |
| Number of meetings held | 7 |
| Attendance rate | 98% |
| Matters deliberated and matters reported | <ul style="list-style-type: none"> Discussion on the roles of each Director Report on actions taken against matters pointed out at Board of Directors meetings Discussion on Directors' self-evaluation, mutual evaluation, and third-party evaluation Deliberation of evaluation of the Board of Directors' effectiveness in fiscal 2024 Discussion on the compilation of a fact book on the Board of Directors |
| Evaluation | In order for each Director to demonstrate higher effectiveness, the Committee explicitly defined the roles of each Director and started self-evaluation of each Director from the fiscal year under review, to strengthen governance. |
| Comments from the chair | We deepened discussions on how to sophisticate the method for evaluating effectiveness of the Board of Directors during the fiscal year under review, and introduced self-evaluation of each Director. In the next fiscal year, we continue discussions on an optimal governance system for the Company, taking into account the mid- to long-term growth strategies and changes in the business environment. |

[Reference] Methods of Evaluation of the Board of Directors' effectiveness for fiscal 2024

The process of the evaluation of the Board of Directors' effectiveness and the evaluation items for fiscal 2024 are as described below.

(1) Summary of evaluation process

Effectiveness of the Board of Directors of the Company is evaluated based on the results of items (i) to (iv) that are performed over the course of the year, and then discussed by the Corporate Governance Committee, which evaluates the status of improvement on issues discovered in the previous fiscal year and identifies issues and countermeasures for the current fiscal year.



- (i) Minutes of each Board of Directors meeting
- (ii) Results of the Board of Directors review conducted by Outside Executives immediately after meetings of the Board of Directors, and results of self-evaluation based on questionnaires answered by all Directors and Audit & Supervisory Board Members.
- (iii) Results of self-evaluations on the operation, etc. of the Board of Directors meetings answered by all Directors and Audit & Supervisory Board Members over the course of the year.
- (iv) Results of individual interviews to all Directors and Audit & Supervisory Board Members conducted by the Chairman of the Board of Directors

(2) Evaluation items

[Board of Directors review^{*1} performed immediately following each meeting of the Board of Directors and self-evaluation^{*2}]

^{*1} Board of Directors review: A forum for reviewing the overall meeting of the Board of Directors by Outside Executives, for sharing issues and improvements.

^{*2} Self-evaluation: Performed by completing questionnaires. For each evaluation item, answers are provided using five-point scales and free comment fields.

- (i) Contents of discussions at the meeting of the Board of Directors
- (ii) Extent of oversight functions exercised by the Board of Directors

[Self-evaluations for the entire year, performed at the end of the fiscal year]

- (iii) Discussion based on the operational policy and extent of oversight functions exercised
- (iv) Extent of improvement made to the issues found in the effectiveness evaluation in fiscal 2023
- (v) Operation of each Advisory Committee
- (vi) Extent of Directors roles fulfilled
- (vii) Other items concerning the Board of Directors as a whole

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

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

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

In terms of audit activities, compliance audits and risk-based/internal control audits have been deepened, and actions taken by executive divisions against the management issues have been actively included in the scope of audits.

2. Evaluation of the Audit & Supervisory Board's effectiveness in fiscal 2024

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

2-1. Audit & Supervisory Board's priority audit items in fiscal 2024

In the fiscal year under review, the Audit & Supervisory Board positioned "Progress of the structural reform and response to risks," "Response to mid- to long-term management issues" and "Global Group Governance" as focus audit items and audited them.

2-2. Method of evaluating the effectiveness of the Audit & Supervisory Board in fiscal 2024

In fiscal 2024, the Audit & Supervisory Board evaluated the effectiveness using "Questionnaire to Audit & Supervisory Board Members"* and "Contribution assessment sheet to corporate value enhancement," along with "Report of audit implementation fiscal 2024." Opinions from Directors to the Audit & Supervisory Board (Members) received this year were also referenced.

* The Audit & Supervisory Board reviewed on and evaluated activities implemented to address issues for the Audit & Supervisory Board in fiscal 2024.

2-3. Audit & Supervisory Board's effectiveness evaluation results and issues in fiscal 2024

| Issues for the Audit & Supervisory Board in fiscal 2024 | Effectiveness evaluation results of the Audit & Supervisory Board for fiscal 2024 | Issues for the Audit & Supervisory Board in fiscal 2025 |
|--|---|--|
| Follow up the progress of actions taken by executive divisions against the management issues suggested in fiscal 2023 and share this information with the Board of Directors. | Actions taken by executive divisions against the management issues were confirmed. Toward resolving the issues, discussed and deepened at meetings of the Board of Directors to share the same awareness. | As the Company is implementing a structural reform and mid- to long-term growth strategies, confirm the status of on-site reforms (especially, a customer-oriented organizational culture) from the perspectives of "avoiding (wastes)" and "deciding (promptly)." |
| Deepen discussion between the Audit & Supervisory Board Members and CEO and make suggestions on how ideal internal audits should be for OMRON that is undergoing a management structural reform. | Discussions were held with the CEO on how an internal control system should be, including internal audits, and reached an understanding that it is important to enhance on-site internal controls. | Confirm the progress of organizational enhancement, such as clarification of the roles and responsibilities of executive divisions involved in the internal control system, an implementation status by executive divisions, and the effectiveness of the internal control system. |

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

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

Basic Policy on Maintenance of Internal Control System

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

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

- (1) The OMRON Group Management Policies and the OMRON Group Rules have been established to ensure transparency, fairness and the global nature of management in the OMRON Group, as well as serve as the management base for conducting appropriate and timely decision-making.
- (2) The key theme of "socially responsible corporate management" is promoting corporate ethics and compliance whereby the Company complies with laws and regulations in carrying out business activities. In particular, the Company has devoted every effort to prevent anti-competitive activities such as cartel, bribery, and other significant risks from occurring.
- (3) The Company has familiarized its officers and employees with the OMRON Group Rules for Ethical Conduct as specific action guidelines for practicing "socially responsible corporate management" and enforces strict compliance.
- (4) The Company appoints an executive in charge of corporate ethics and compliance and establishes the Corporate Ethics & Risk Management Committee as an organization to promote corporate ethics and compliance. As specific activities, the President himself issues instructions on corporate ethics and compliance, providing opportunities to disseminate awareness. In addition, the Committee conducts regular training and education for officers and employees on anti-competitive activities such as cartel and bribery as well as on corporate ethics and compliance.
- (5) The Company has set up a whistleblower hotline both inside and outside the Company to receive reports of acts that are, or could potentially be, in violation of the OMRON Group Rules for Ethical Conduct, work rules or laws. In accordance with laws and internal company rules, the content of these reports is protected as confidential, and employees may not be given unfavorable treatment for making such reports.
- (6) With the aim of realizing highly transparent management, the Company positions information disclosure as an important task, and has established an Information Disclosure Executive Committee directly under the President to promote the disclosure. The Committee engages in activities to ensure the accuracy, timeliness and completeness of information disclosure across the OMRON Group, and proactively makes disclosure to the public according to the standard set out by the Group.
- (7) The Company has set up an internal control department directly under the President to conduct operational audits.
- (8) To ensure the propriety of the OMRON Group's financial reporting, a system has been established that enables reports to be submitted appropriately in accordance with laws and regulations through measures such as monitoring by the Internal Audit Division after each division conducts its own review of maintenance and operation of business processes.
- (9) The OMRON Group's policy on exclusion of antisocial forces is defined in the OMRON Group Management Policies and the OMRON Group Rules for Ethical Conduct.

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

- (1) Under the Board of Directors Rules, the minutes of Board of Directors meetings are recorded and kept for 10 years.
- (2) Under the Management Rules, which state the basic policy and principles for Group management and decision making, decision reports are issued for decisions on significant issues. Decision reports, minutes of Executive Committee meetings, and other important documents showing the state of execution of duties are preserved and managed in accordance with laws and internal company rules.

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

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

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

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

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

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

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

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

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

Overview of Operational Status of Internal Control System

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

1. Initiatives towards compliance and risk management

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

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

(1) Compliance

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

(2) Risk management

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

During the fiscal year under review, we intensively monitored compliance-related issues and risks that may arise due to major changes in circumstances caused by the ongoing Structural Reform Program NEXT2025. We also familiarized employees with the whistleblower system again to ensure that they can consult with a sense of security, thereby working to detect and addressing issues at an early point.

2. Initiatives to ensure the appropriateness of operations

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

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

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

The Company has established an Audit & Supervisory Board Office independent from business execution to assist the Audit & Supervisory Board Members in performing their duties and has also appointed the

necessary staff members to the Office. The Audit & Supervisory Board Office holds periodic interviews of Directors and Executive Officers, periodically exchange views with the President, periodically exchange information with Accounting Auditor, and receive operational reports from Executive Officers. Audit & Supervisory Board Members also attend and state their opinions, as necessary, at Board of Directors meetings as well as Executive Committee meetings and other important meetings. Furthermore, each year, the Audit & Supervisory Board evaluates its own effectiveness. Please refer to page 49 for the status of initiatives towards improving the Audit & Supervisory Board's effectiveness.

(5) Cash Allocation Policy and Shareholder Returns Policy

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

Cash Allocation Policy

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

Shareholder Return Policy

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

(6) Other Policies, etc.

Basic Strategy for Capital Policy

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

Anti-Takeover Measures

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

Constructive Dialogue with Shareholders

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

For the Basic Policy, please refer to the website below.

<https://www.omron.com/global/en/about/corporate/governance/policy/>

Consolidated Financial Statements

Consolidated Balance Sheets

(JPY millions)

| Item | 88th term (As of March 31, 2025) | (Reference) 87th term (As of March 31, 2024) | Item | 88th term (As of March 31, 2025) | (Reference) 87th term (As of March 31, 2024) |
|--|---|--|--|---|--|
| ASSETS | | | LIABILITIES | | |
| Current Assets: | 539,336 | 547,603 | Current Liabilities: | 233,283 | 231,160 |
| Cash and cash equivalents | 149,023 | 143,086 | Notes and accounts payable — trade | 91,620 | 82,548 |
| Notes and accounts receivable — trade | 172,967 | 172,268 | Short-term borrowings | 16,276 | 22,548 |
| Allowance for doubtful receivables | (1,263) | (1,058) | Current portion of long-term borrowings | 4,096 | 6,451 |
| Inventories | 172,953 | 174,034 | Accrued expenses | 45,270 | 47,345 |
| Other current assets | 45,656 | 59,273 | Income taxes payable | 6,705 | 6,457 |
| Property, Plant and Equipment, net: | 135,077 | 136,775 | Short-term operating lease liabilities | 12,807 | 13,385 |
| Investments and Other Assets: | 687,377 | 670,351 | Other current liabilities | 56,509 | 52,426 |
| Right-of-use assets under operating leases | 47,023 | 54,383 | Deferred Income Taxes | 16,273 | 16,419 |
| Goodwill | 361,181 | 361,783 | Termination and Retirement Benefits | 8,279 | 8,310 |
| Other intangible assets | 115,236 | 108,881 | Long-term borrowings | 79,199 | 92,075 |
| Investments in and advances to affiliates | 15,799 | 13,931 | Bonds payable | 39,889 | — |
| Investment securities | 41,114 | 33,897 | Long-term operating lease liabilities | 31,936 | 38,299 |
| Leasehold deposits | 7,472 | 7,883 | Other Long-Term Liabilities | 18,499 | 17,473 |
| Prepaid pension costs | 63,578 | 65,267 | Total Liabilities | 427,358 | 403,736 |
| Deferred income taxes | 27,503 | 19,382 | NET ASSETS | | |
| Other assets | 8,471 | 4,944 | Shareholders' Equity: | 771,885 | 786,686 |
| | | | Common stock | 64,100 | 64,100 |
| | | | Capital surplus | 100,161 | 98,997 |
| | | | Legal reserve | 29,471 | 27,457 |
| | | | Retained earnings | 550,485 | 556,705 |
| | | | Accumulated other comprehensive income: | | |
| | | | Foreign currency translation adjustments | 97,632 | 109,396 |
| | | | Pension liability adjustments | 88,186 | 95,767 |
| | | | Net gains (losses) on derivative instruments | 9,446 | 13,608 |
| | | | Treasury stock, at cost | — | 21 |
| | | | Noncontrolling Interests | 162,547 | 164,307 |
| | | | Total Net Assets | 934,432 | 950,993 |
| Total Assets | 1,361,790 | 1,354,729 | Total Liabilities and Net Assets | 1,361,790 | 1,354,729 |

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

Consolidated Statements of Income

(JPY millions)

| Item | 88th term (April 1, 2024 to March 31, 2025) | (Reference) 87th term (April 1, 2023 to March 31, 2024) |
|---|---|--|
| Net sales | 801,753 | 818,761 |
| Cost of sales | 444,611 | 472,297 |
| Gross profit | 357,142 | 346,464 |
| Selling, general and administrative expenses | 258,765 | 261,978 |
| Research and development expenses | 44,339 | 50,144 |
| Restructuring expenses | 27,781 | — |
| Loss on impairment of goodwill | 11,725 | — |
| Other income, net | (14,469) | (611) |
| Income before income taxes and share of loss of entities accounted for using equity method | 29,001 | 34,953 |
| Income taxes | 13,449 | 10,485 |
| Current | 18,774 | 16,818 |
| Deferred | (5,325) | (6,333) |
| Share of loss of entities accounted for using equity method | 679 | 14,519 |
| Net income | 14,873 | 9,949 |
| Net income attributable to noncontrolling interests | (1,398) | 1,844 |
| Net income attributable to OMRON shareholders | 16,271 | 8,105 |

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

Consolidated Statements of Changes in Shareholders' Equity

(JPY millions)

| | Number of common shares issued | Com- mon stock | Capital surplus | Legal reserve | Retained earnings | Accum- lated other compre- hensive income | Treasury stock | Total share- holders' equity | Non- control- ling interests | Total net assets |
|--|--------------------------------------|----------------------|--------------------|------------------|----------------------|--|-------------------|---------------------------------------|---------------------------------------|---------------------|
| (Reference) Balance, end of the 86th term (March 31, 2023) | 206,244,872 | 64,100 | 98,506 | 24,729 | 571,807 | 39,947 | (70,616) | 728,473 | 2,754 | 731,227 |
| Net income | | | | | 8,105 | | | 8,105 | 1,844 | 9,949 |
| Cash dividends paid to OMRON Corporation shareholders | | | | | (20,479) | | | (20,479) | | (20,479) |
| Cash dividends paid to noncontrolling interests | | | | | | | | — | (581) | (581) |
| Equity transactions with noncontrolling interests and other | | | (54) | | | | | (54) | 65 | 11 |
| Increase in consolidated subsidiaries - non- controlling interests | | | | | | | | — | 159,877 | 159,877 |
| Stock-based compensation | | | 619 | | | | 666 | 1,285 | | 1,285 |
| Transfer to legal reserve | | | | 2,728 | (2,728) | | | — | | — |
| Foreign currency translation adjustments | | | | | | 44,423 | | 44,423 | 348 | 44,771 |
| Pension liability adjustments | | | | | | 24,834 | | 24,834 | | 24,834 |
| Net gains (losses) on derivative instruments | | | | | | 192 | | 192 | | 192 |
| Acquisition of treasury stock and other | | | (74) | | | | (19) | (93) | | (93) |
| Balance, end of the 87th term (March 31, 2024) | 206,244,872 | 64,100 | 98,997 | 27,457 | 556,705 | 109,396 | (69,969) | 786,686 | 164,307 | 950,993 |
| Net income | | | | | 16,271 | | | 16,271 | (1,398) | 14,873 |
| Cash dividends paid to OMRON Corporation shareholders | | | | | (20,477) | | | (20,477) | | (20,477) |
| Cash dividends paid to noncontrolling interests | | | | | | | | — | (1,466) | (1,466) |
| Equity transactions with noncontrolling interests and other | | | (197) | | | | | (197) | 162 | (35) |
| Increase in consolidated subsidiaries - non- controlling interests | | | | | | | | — | 982 | 982 |
| Stock-based compensation | | | 1,376 | | | | 13 | 1,389 | | 1,389 |
| Transfer to legal reserve | | | | 2,014 | (2,014) | | | — | | — |
| Foreign currency translation adjustments | | | | | | (7,581) | | (7,581) | (40) | (7,621) |
| Pension liability adjustments | | | | | | (4,162) | | (4,162) | | (4,162) |
| Net gains (losses) on derivative instruments | | | | | | (21) | | (21) | | (21) |
| Acquisition of treasury stock and other | | | (15) | | | | (8) | (23) | | (23) |
| Balance, end of the 88th term (March 31, 2025) | 206,244,872 | 64,100 | 100,161 | 29,471 | 550,485 | 97,632 | (69,964) | 771,885 | 162,547 | 934,432 |

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

(Reference)

Consolidated Statements of Comprehensive Income

(JPY millions)

| | 88th term (April 1, 2024 to March 31, 2025) | 87th term (April 1, 2023 to March 31, 2024) |
|--|---|---|
| Net income | 14,873 | 9,949 |
| Other comprehensive income (loss), net of tax | | |
| Foreign currency translation adjustments | (7,621) | 44,771 |
| Pension liability adjustments | (4,162) | 24,834 |
| Net gains (losses) on derivative instruments | (21) | 192 |
| Other comprehensive income (loss) | (11,804) | 69,797 |
| Comprehensive income | 3,069 | 79,746 |
| (Breakdown) | | |
| Comprehensive income (loss) attributable to noncontrolling interests | (1,438) | 2,192 |
| Comprehensive income attributable to OMRON shareholders | 4,507 | 77,554 |

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

(Reference)

Consolidated Statements of Cash Flows

(JPY millions)

| Item | 88th term (April 1, 2024 to March 31, 2025) | 87th term (April 1, 2023 to March 31, 2024) |
|--|---|---|
| I Operating Activities: | | |
| 1. Net income | 14,873 | 9,949 |
| 2. Adjustments to reconcile net income to net cash provided by operating activities: | | |
| (1) Depreciation and amortization | 33,450 | 30,816 |
| (2) Share of loss of entities accounted for using equity method | 679 | 14,519 |
| (3) Net gain on valuation of investment securities | (12,313) | (6,731) |
| (4) Loss on impairment of goodwill | 11,725 | — |
| (5) Decrease (increase) in notes and accounts receivable - trade | (1,542) | 27,341 |
| (6) Decrease (increase) in inventories | (449) | 12,054 |
| (7) Increase (decrease) in notes and accounts payable - trade | 7,835 | (17,918) |
| (8) Other, net | 1,526 | (25,155) |
| Total adjustments | 40,911 | 34,926 |
| Net cash provided by operating activities | 55,784 | 44,875 |
| II Investing Activities: | | |
| 1. Proceeds from sale or maturities of investment securities | 6,258 | 24,774 |
| 2. Purchase of investment securities | (2,042) | (3,299) |
| 3. Capital expenditures | (48,993) | (45,378) |
| 4. Business and company acquisitions (net of cash acquired) | (6,316) | (82,173) |
| 5. Proceeds from sale of property, plant and equipment | 1,497 | 539 |
| 6. Collection of loans receivable | 2,206 | 39 |
| 7. Increase in investment in and loans to affiliates, net | (2,617) | (1,121) |
| 8. Business and company sales (net of cash outlays) | 2,410 | — |
| 9. Other, net | (292) | (477) |
| Net cash used in investing activities | (47,889) | (107,096) |
| (Reference) Free cash flow | 7,895 | (62,221) |
| III Financing Activities: | | |
| 1. Net increase in short-term debt | 9,209 | 3,228 |
| 2. Proceeds from short-term borrowings | 1,500 | 101,281 |
| 3. Repayments of short-term borrowings | (17,083) | (85,500) |
| 4. Proceeds from long-term borrowings | 32,195 | 88,000 |
| 5. Repayments of long-term borrowings | (48,089) | (485) |
| 6. Proceeds from issuance of bonds | 40,000 | — |
| 7. Dividends paid by OMRON Corporation | (20,474) | (19,885) |
| 8. Dividends paid to noncontrolling interests | (1,466) | (581) |
| 9. Other, net | (400) | (71) |
| Net cash provided by (used in) financing activities | (4,608) | 85,987 |
| IV Effect of Exchange Rate Changes on Cash and Cash Equivalents | 2,650 | 14,041 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 5,937 | 37,807 |
| Cash and Cash Equivalents at Beginning of the Year | 143,086 | 105,279 |
| Cash and Cash Equivalents at End of the Year | 149,023 | 143,086 |

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

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(JPY millions)

| Item | 88th term (As of March 31, 2025) | (Reference) 87th term (As of March 31, 2024) | Item | 88th term (As of March 31, 2025) | (Reference) 87th term (As of March 31, 2024) |
|--|---|--|---|---|--|
| ASSETS | | | LIABILITIES | | |
| Current Assets: | 143,587 | 150,853 | Current Liabilities: | 241,649 | 269,312 |
| Cash and time deposits | 25,996 | 28,347 | Notes payable - trade | 6,956 | 6,238 |
| Notes receivable – trade | 389 | 317 | Accounts payable - trade | 30,600 | 30,900 |
| Accounts receivable – trade | 46,007 | 41,146 | Short-term borrowings | 14,776 | 5,567 |
| Finished products | 14,504 | 13,683 | Short-term borrowings from subsidiaries and affiliates | 155,187 | 196,380 |
| Materials | 15,312 | 16,750 | Lease liabilities | 152 | 151 |
| Work in process | 3,802 | 3,489 | Other payables | 10,794 | 9,019 |
| Supplies | 291 | 283 | Accrued expenses | 9,497 | 10,960 |
| Short-term loans receivable to subsidiaries and affiliates | 4,651 | 8,406 | Income taxes payable | 484 | 38 |
| Accounts receivable - other | 17,507 | 15,735 | Advances received | 2,909 | 2,733 |
| Income taxes refund receivable | 807 | 6,109 | Deposits received | 1,278 | 1,339 |
| Other receivable | 6,118 | 4,593 | Accrued bonus to officers | 228 | 10 |
| Other current assets | 8,206 | 11,995 | Provision for share grant | 733 | — |
| Allowance for doubtful receivables | (3) | (0) | Other current liabilities | 8,055 | 5,977 |
| Fixed Assets: | 446,381 | 529,815 | Long-term Liabilities: | 90,183 | 91,811 |
| Property and equipment: | 46,177 | 48,688 | Bonds payable | 40,000 | — |
| Buildings | 21,685 | 22,829 | Lease liabilities | 365 | 512 |
| Structures | 830 | 911 | Provision for share grant | 943 | 1,316 |
| Machinery and equipment | 5,074 | 5,846 | Deferred tax liabilities related to revaluation | 985 | 957 |
| Vehicles and delivery equipment | 2 | 2 | Long-term borrowings | 45,315 | 85,500 |
| Tools, furniture and fixtures | 4,906 | 5,376 | Other long-term liabilities | 2,575 | 3,526 |
| Land | 11,892 | 11,892 | | | |
| Lease assets | 569 | 734 | Total Liabilities | 331,832 | 361,123 |
| Construction in progress | 1,219 | 1,098 | | | |
| Intangible fixed assets: | 62,356 | 45,155 | NET ASSETS | | |
| Software and others | 58,227 | 40,352 | Shareholders' Equity: | 261,751 | 319,390 |
| Technical assets | 4,129 | 4,803 | Common stock | 64,100 | 64,100 |
| Investments and other assets: | 337,848 | 435,972 | Capital surplus | 88,771 | 88,771 |
| Investment securities | 7,081 | 14,038 | Additional paid-in capital | 88,771 | 88,771 |
| Shares of subsidiaries and affiliates | 245,833 | 353,547 | Retained earnings | 178,844 | 236,487 |
| Investments in other securities of affiliated companies | 1,906 | 1,241 | Legal reserve | 6,774 | 6,774 |
| Investments in capital of subsidiaries and affiliates | 22,837 | 22,837 | Other retained earnings: | 172,070 | 229,713 |
| Long-term loans receivable from subsidiaries and affiliates | 7,428 | 4,666 | Reserve for dividends | 3,400 | 3,400 |
| Leasehold deposits | 4,363 | 4,368 | Reserve for special account | 1,252 | 1,252 |
| Prepaid pension cost | 25,709 | 19,575 | Non-restrictive reserve | 73,500 | 73,500 |
| Deferred income taxes | 17,388 | 11,660 | Retained earnings unappropriated | 93,918 | 151,561 |
| Other | 5,309 | 4,054 | Treasury stock, at cost | (69,964) | (69,968) |
| Allowance for doubtful receivables | (6) | (14) | Valuation and Translation Adjustments: | (3,615) | 155 |
| | | | Unrealized gains on available-for- sale securities | 727 | 4,469 |
| | | | Land revaluation difference | (4,342) | (4,314) |
| | | | Total Net Assets | 258,136 | 319,545 |
| Total Assets | 589,968 | 680,668 | Total Liabilities and Net Assets | 589,968 | 680,668 |

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

Non-consolidated Statements of Income

| Item | (JPY millions) | |
|--|---|--|
| | 88th term (April 1, 2024 to March 31, 2025) | (Reference) 87th term (April 1, 2023 to March 31, 2024) |
| Net sales | 254,027 | 259,328 |
| Cost of sales | 178,767 | 177,808 |
| Gross profit | 75,260 | 81,520 |
| Selling, general and administrative expenses | 99,436 | 113,430 |
| Operating loss | (24,176) | (31,910) |
| Non-operating income: | 105,956 | 30,912 |
| Interest and dividends received | 102,095 | 27,498 |
| Foreign exchange gains | 898 | — |
| Other non-operating income | 2,963 | 3,414 |
| Non-operating expenses: | 8,862 | 7,262 |
| Interest paid | 5,346 | 5,222 |
| Foreign exchange losses | — | 919 |
| Commission expenses | 27 | 100 |
| Loss on investments in partnerships | 614 | 669 |
| Quality handling expenses | 769 | — |
| Transfer pricing taxation adjustment | 1,810 | — |
| Other non-operating expenses | 296 | 352 |
| Ordinary income (loss) | 72,918 | (8,260) |
| Extraordinary gains: | 4,254 | 20,983 |
| Gain on sales of property and equipment | 59 | 2 |
| Gain on sales of investment securities | 4,195 | 20,981 |
| Extraordinary losses: | 121,673 | 1,185 |
| Loss on sale and retirement of non-current assets | 1,160 | 727 |
| Loss on valuation of investment securities | 210 | 330 |
| Restructuring expenses | 9,981 | — |
| Loss on valuation of shares of subsidiaries and affiliates | 110,322 | — |
| Other extraordinary losses | 0 | 128 |
| Income (loss) before income taxes: | (44,501) | 11,538 |
| Income taxes - current | (3,292) | (4,176) |
| Income taxes - deferred | (4,100) | (78) |
| Net income (loss) | (37,109) | 15,792 |

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

Non-consolidated Statements of Changes in Shareholders' Equity

88th Term: April 1, 2024 — March 31, 2025

(JPY millions)

| | Shareholders' equity | | | | | | | |
|---|----------------------|----------------------------|-----------------------|-------------------|-------------------------|-----------------------------|-------------------------|----------------------------------|
| | Common stock | Capital surplus | | Retained earnings | | | | |
| | | | | Legal reserve | Other retained earnings | | | |
| | | Additional paid-in capital | Total capital surplus | | Reserve for dividends | Reserve for special account | Non-restrictive reserve | Retained earnings unappropriated |
| Balance, April 1, 2024 | 64,100 | 88,771 | 88,771 | 6,774 | 3,400 | 1,252 | 73,500 | 151,561 |
| Changes during the year ended March 31, 2025 | | | | | | | | |
| Dividends paid | | | — | | | | | (20,532) |
| Net loss | | | — | | | | | (37,109) |
| Acquisition and sale of treasury stock | | | — | | | | | (2) |
| Net change in items other than shareholders' equity during the year | | | — | | | | | — |
| Total changes during the fiscal year | — | — | — | — | — | — | — | (57,643) |
| Balance, March 31, 2025 | 64,100 | 88,771 | 88,771 | 6,774 | 3,400 | 1,252 | 73,500 | 93,918 |

| | Shareholders' equity | | Valuation and translation adjustment | | | Total net assets |
|---|----------------------|----------------------------|---|-----------------------------|--|------------------|
| | Treasury stock | Total shareholders' equity | Unrealized gains on available-for-sale securities | Land revaluation difference | Total valuation and translation adjustment | |
| Balance, April 1, 2024 | (69,968) | 319,390 | 4,469 | (4,314) | 155 | 319,545 |
| Changes during the year ended March 31, 2025 | | | | | | |
| Dividends paid | | (20,532) | | | — | (20,532) |
| Net loss | | (37,109) | | | — | (37,109) |
| Acquisition and sale of treasury stock | 4 | 2 | | | — | 2 |
| Net change in items other than shareholders' equity during the year | | — | (3,742) | (28) | (3,770) | (3,770) |
| Total changes during the fiscal year | 4 | (57,639) | (3,742) | (28) | (3,770) | (61,409) |
| Balance, March 31, 2025 | (69,964) | 261,751 | 727 | (4,342) | (3,615) | 258,136 |

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

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

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

(JPY millions)

(51.1 millions)

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

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

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