

The mission of our Healthcare Business 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. OMRON has achieved certification for medical use for a variety of devices in various countries, including blood pressure monitors, digital thermometers, and nebulizers (devices that deliver asthma medication through inhalation by patients). Moreover, OMRON also provides services that are compatible with each country’s/region’s social infrastructures and healthcare system, which varies from country to country. These products and services are now available in more than 110 countries across the world.



Managing Executive Officer
OMRON HEALTHCARE Co., Ltd.
President and CEO

Isao Ogino

Achieving Zero Events Aimed at Eliminating Cerebrovascular / Cardiovascular Diseases

Currently, some 1 billion people worldwide are reported to suffer from hypertension. In Japan, this number is estimated to be 43 million. The most frightening aspect of hypertension is that disease progression usually occurs while symptoms remain unnoticed, yet it still can cause serious cerebrovascular or cardiovascular conditions such as strokes or heart attacks.

To prevent the incidence of these serious diseases arising from high blood pressure, OMRON has been advocating the use of blood pressure monitoring at home for more than 40 years, in collaboration with medical professionals. At the same time, OMRON has worked to raise public awareness of hypertension treatment and prevention through home blood pressure monitoring. Despite this rising awareness, ischemic heart disease still remains the leading cause of death worldwide, with stroke being the second leading cause.

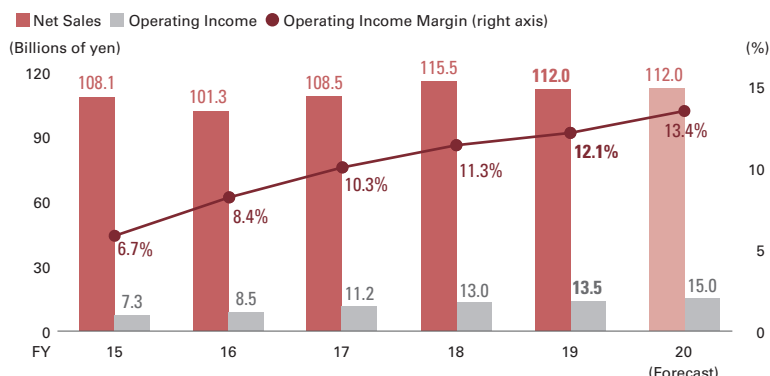
As such, we have set forth the vision for our Cardiovascular Business: “Reducing the incidence of cerebrovascular and cardiovascular disease caused by high blood pressure to Zero (Zero Events)” in 2015. Since then, we have been committed to supplying devices and services that are useful for treatment and prevention of hypertension worldwide. In recent years, OMRON has released many innovative devices, such as a wearable watch-type blood pressure monitor that allows users to check their blood pressure anywhere at any time and quickly detect abnormal conditions, and a blood pressure monitor with an ECG function that enables simple monitoring of blood pressure and electrocardiogram data at home. Both of these devices have been certified as medical equipment. In 2016, OMRON globally launched a health management app, named “OMRON connect,” which enables data measured with home-use devices to be easily recorded and displayed on a user’s smartphone. So far, this app has generated more than 1.9 million downloads. Moreover, the measurement data collected by OMRON connect is compatible with apps from various service providers worldwide. To keep up with the future advancement of healthcare systems and corporate wellness, OMRON is committed to developing services that use these devices, along with the collected data, to prevent progression of chronic diseases and assist in treatment. The challenge now is putting these services into practice throughout the world. The services include remote medical consultation support services, specific health guidance support service, and lifestyle improvement support service.

The global spread of COVID-19 has had a profound impact on social infrastructure, as well as people’s values and lifestyles. In the midst of these changes, the importance of health management at home, which we have continuously advocated, is being seen in a new light. As such, we will proactively collaborate with our partners to create new services to address emerging issues, such as shortages of medical professionals and medical resources, and the need to avoid the risk of secondary infections arising from hospital visits.

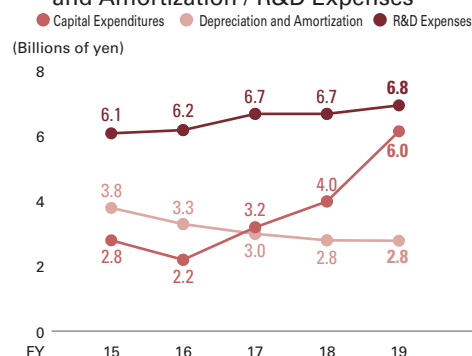
* Source: World Health Organization “The top 10 causes of death”

Business Highlights

Net Sales / Operating Income / Operating Income Margin



Capital Expenditures / Depreciation and Amortization / R&D Expenses

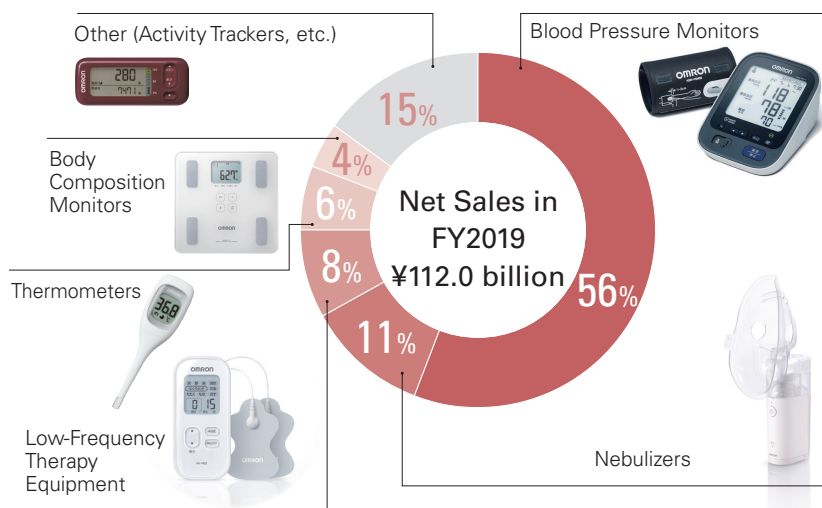


Fiscal 2019 Results and Fiscal 2020 Plan

In fiscal 2019, the demand for blood pressure monitors in China, Europe and Asia remained firm. Meanwhile, demand in Japan was sluggish due to the increase in consumption tax and other factors, while in North America, demand declined due to the trade friction between the United States and China. In the fourth quarter, COVID-19 had a global impact. Combined with the negative effects of the yen's appreciation, net sales decreased year on year. Despite this impact from the foreign exchange situation, operating income increased year on year, mainly because of productivity improvements and efficient use of fixed costs.

In fiscal 2020, we anticipate increasing demand for blood pressure monitors and thermometers, in response to the growing need for health management to counter the impact of COVID-19. Further, we intend to expand our online channels for sales amid restrictions on non-essential travel outside the home. On the other hand, we anticipate a negative foreign exchange impact stemming from a strong yen. As a result, we project that net sales for fiscal 2020 will be at the approximate level of the previous year. We expect operating income to increase significantly, driven by improved gross profit margin resulting from increased sales of high-value-added products.

Sales by Product



Progress of Sustainability Initiatives

Social Issues to be Solved

- Increased incidence of brain diseases and cardiovascular diseases attributable to hypertension
- Increased worldwide prevalence of asthma and other respiratory diseases

Fiscal 2020 Goals

- Blood pressure monitor sales: 25 million units/year
- Development of analytical technologies to continuously track blood pressure fluctuations
- Nebulizer and wheeze detector sales: 7.65 million units/year

Fiscal 2019 Progress

INPUT

- Number of employees: 3,758
- Research and development expenses: ¥6.8 billion
- Capital expenditures: ¥6.0 billion
- Number of operating countries: More than 110

OUTPUT

- Net sales: ¥112.0 billion
- Operating income: ¥13.5 billion
- Blood pressure monitor sales: 20.01 million units/year
- Began clinical trials using wearable blood pressure monitors
- Nebulizer and wheeze detector sales: 3.44 million units/year
- Developed innovative devices and services, and actively promoted education for medical professionals and consumers, in order to raise their awareness regarding the importance of Zero Events
- Promoted wider use of home blood pressure monitors in emerging countries (especially India) by holding "OMRON Academy" education programs for doctors in 12 locations and blood pressure monitoring workshops for consumers in 10 cities across India

OUTCOME

- Reduced the incidence of cerebrovascular and cardiovascular diseases by wider use of home blood pressure monitors in emerging countries (especially India)



SDG 3.4.1

Seeking Continuity of Care for Hypertension Patients

The COVID-19 pandemic brought about new issues, which accelerated the widespread practice of telemedicine globally. However, patients with hypertension, diabetes, or other chronic diseases must still pay regular visits to hospitals or clinics and have ongoing treatment. But by doing so, these patients have the risk of getting seriously ill with COVID-19, which is likely to keep them away from regular treatment visits.

OMRON is developing a remote patient monitoring service that allows patients to measure vital signs at home using our blood pressure monitor, ECG monitor, and/or a body composition monitor with scale and share the data with their physicians/nurses in a timely manner. This helps patients to receive appropriate advice from their physicians from the comfort of their homes, without the need for visiting a hospital. Going forward, we will continue to propose new approaches to telemedicine that are adaptable to the upcoming “new normal,” as we seek to contribute to the management and prevention of chronic diseases.

Remote Patient Monitoring System for Hypertension

In August 2020, OMRON launched a remote patient monitoring (RPM) system for hypertension, called VitalSight™ at the New York-based Mount Sinai Hospital, one of the leading and most respected hospitals in North America. With VitalSight™, which is part of our telemedicine initiatives, patients with hypertension can directly send their daily blood pressure readings and body composition data measured at home to the hospital’s electronic medical record system via the dedicated communications hub or “OMRON connect” health management app. This enables both patients and their physicians/nurses to share the patient’s data. The deployment of this RPM system enables physicians/nurses to keep track of their patient’s day-to-day conditions, thus helping them choose a more effective therapy suitable for each patient. Patients, in turn, can share their health data with their physicians on a daily basis, which helps motivate them to become more involved in treatment. This contributes to improved medical compliance and continuity of treatment. OMRON has been strengthening its data service business in the United States in response to the launch of telemedicine reimbursement under Medicare, which is the federal health insurance program for American citizens or 5-year legal residents who are 65 or older. Going forward, we will continue to present new RPM-based hypertension treatment solutions in North America, where nearly one in two adults has high blood pressure.



Receiving remote consultation services
(illustration)



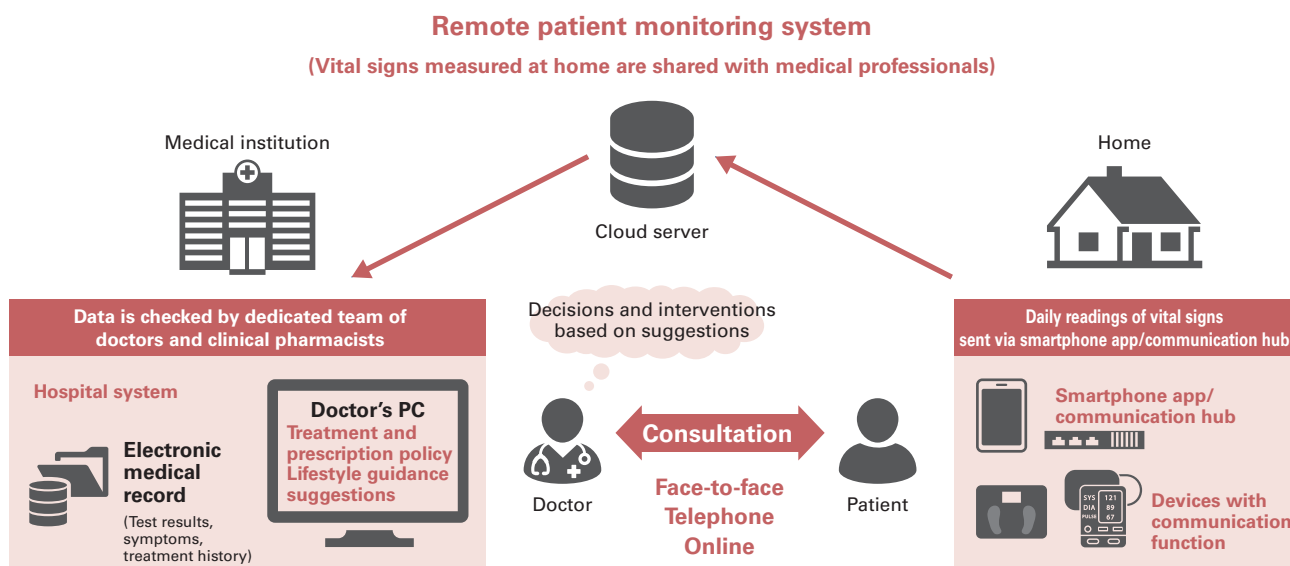
Example of a VitalSight patient kit

Online Hypertension Consultation Support Service

In Japan, online consultation is regarded as supplementary to face-to-face consultation. Presently, of the 43 million hypertensive patients, those who are undergoing treatment and have their blood pressure appropriately controlled account for a mere 27% (12 million), while those who are receiving treatment but are not having their blood pressure controlled properly account for 29% (12.5 million). While 11% (4.5 million) are leaving their condition untreated even though they know they have hypertension, 33% (14 million) are not even aware that they have hypertension. According to those who are aware that they have hypertension but are not receiving treatment or not having their blood pressure controlled properly, hospital visits are a burden to elderly people, and those in their prime lack the time to visit a clinic. These are some of the factors that cause them to discontinue treatment of hypertension. To address those issues, OMRON launched an online hypertension consultation support service, called “telmedEASE BP™” in May 2019 through partnership with an incorporated association called telmedEASE. This system provides a one-stop service for online hypertension management, allowing patients to perform all tasks from day-to-day blood pressure tracking to making a doctor’s appointment, receiving a diagnosis and prescription, receipt of medication, and even the payment of healthcare fees from the patient’s home or office. Due to the accelerated spread of COVID-19, the effectiveness of telemedicine consultations has been widely recognized in Japan as well, leading to hopes for the easing of regulations.

By taking the future of hypertension care into consideration, OMRON is determined to accelerate the development of devices and services that can contribute to more effective treatment of hypertension in Japan as well as the United States, Europe and Asia.

Overview of the Remote Patient Monitoring System



Comments from an Employee in Charge of the Remote Patient Monitoring System in the United States

In response to the global increasing demand for telehealth, OMRON Healthcare has begun to develop the VitalSight™ remote patient monitoring system for hypertensive patients, under the initiative of the new business development team in the U.S. This system is intended to provide both patients and physicians with innovative, effective, and efficient hypertension management solutions.

Patients with hypertension can share their blood pressure readings measured at home with their physicians, thus receiving continuous treatment from their home. With the unprecedented impact of COVID-19, this capability has become more important, making it urgently necessary to launch VitalSight™ as soon as possible. In response, OMRON Healthcare's New Business Team has collaborated with many groups within Mount Sinai Hospital in New York, specifically the organization's Population Health and Clinical Pharmacist teams, to launch the service in August. This service encourages patients to actively participate in their blood pressure management along with their physicians, enabling proactive intervention before the incidence of a cardiovascular event, such as stroke. This, we believe, should help realize our vision of "Going for Zero," intended to eliminate cardiovascular diseases caused by high blood pressure. Going forward, we will further extend our collaborations with more medical partners. At the same time, we will continue challenging ourselves to develop VitalSight™ into a leading service model that will drive OMRON Healthcare's development of innovative remote patient monitoring solutions.



Omron Healthcare (USA)
Client Success Manager
- VitalSight™

Adriana Benassi

Comments from a Hospital which Adopted the Remote Patient Monitoring System in the United States

The ability to monitor patients at home during the pandemic – and on an ongoing basis – is critical. Our collaboration with OMRON Healthcare helps make patients active participants in their own health care and extends the reach of clinicians, who receive a continuous stream of their patients' real-time health data so that they can proactively intervene as necessary. Additionally, we are focusing first on our most vulnerable patients, who bear the consequences of disparities in care – in part, due to lack of technology access. This program requires no technology and comes at no cost for the device, with little-to-no cost for service.



Mount Sinai Hospital
SVP and Chief Medical Officer

Dr. Rob Fields