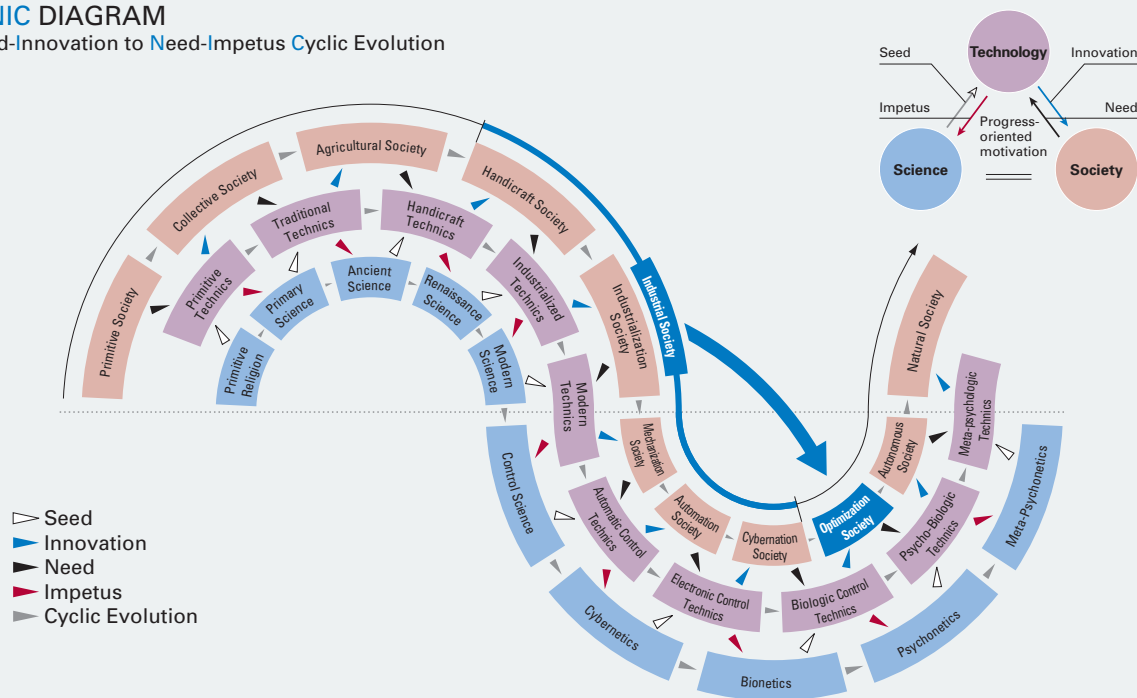


Omron's Management Compass—SINIC Theory

SINIC DIAGRAM
Seed-Innovation to Need-Impetus Cyclic Evolution



What is SINIC Theory?

The SINIC theory grew from the idea that in order to manage a business by anticipating social needs, it is necessary to predict future society. Based on this theory, Omron has been able to continually make social proposals marked by foresight.

The SINIC theory is a future prediction method that Omron founder Kazuma Tateisi developed and presented at the International Future Research Conference in 1970. Announced in the midst of Japan's rapid-paced economic growth, before PCs and the Internet even existed, this theory drew a highly accurate picture of society up to the middle of the 21st century, including the appearance of the Information Society.

SINIC stands for Seed-Innovation to Need-Impetus Cyclic Evolution. According to the SINIC theory, science, technology, and society share a cyclical relationship, mutually impacting and influencing each other in two distinct ways. In one direction, scientific breakthroughs yield new technologies that help society to advance. In the other direction, social needs spur on technological development and expectations for new scientific advancement. Thus, both of these factors affect each other in a cyclical manner, propelling further social evolution.

The Future Envisioned by Omron's Founder

According to the SINIC theory, the world established an Industrialized Society upon the foundation of a conventional Agricultural Society in the 14th century. The SINIC theory divides this Industrialized Society into five phases: first, there was a shift from a Handicraft Society to an Industrialization Society; then, 1870 saw the advent of a Mechanization Society; an Automation Society developed in the 20th century; and from the end of the 20th century until the dawn of the 21st century was an Information Society. According to the SINIC theory, the Optimization Society will follow the Information Society, the final phase of the Industrialized Society, in 2005, which will subsequently shift to the Autonomous Society in 2025. Presently, Japan is about to enter that Optimization Society.

While the Industrialized Society generated material wealth, it also left behind many negative factors. These included increasing energy and resource depletion, growing industrial

waste, food shortages, as well as problems related to human rights and ethics among many others. In the Optimization Society, it is predicted that these negative effects will be redressed and people will shift from the values of the Industrialized Society, as typified by the pursuit of efficiency and productivity, to values in which psychological abundance is sought and the quality and true joy of life become increasingly important. With its unique technologies, Omron is well positioned to help the Optimization Society create a complete balance and harmonious relationship between individuals and society, between humans and the environment, and between people and machines.

Omron in the Optimization Society

In the Information Society, knowledge information could only be exchanged as numerical data in the form of ONs and OFFs or 1s and 0s. The Optimization Society will see further progress in technologies that support and extract knowledge and sensitivity, with the result that aspects such as natural language and human knowledge and sensitivity will be directly exchanged, expressed, and acted on. In other words, technologies that automate parts of our human intellect and sensations will form the foundation for future development.

In the Optimization Society, people and machines will find an ideal level of harmony. Instead of pursuing productivity and efficiency, people will then place more emphasis on finding new ways to live their lives and searching for self-fulfillment. When this happens, it is predicted that people will begin to place their priority on more fundamental desires, such as the desire to be healthy and live a long life, the desire for a comfortable life, the quest of lifelong learning, and the wish to enjoy leisure time.

In order to further advance the fields of safety/security, healthcare, and environmental preservation, Omron is also placing its priority on activities that bring technologies ever closer to people and fulfill these fundamental desires, while maintaining an optimal balance between individuals and society, between humans and the environment, and between people and machines.