

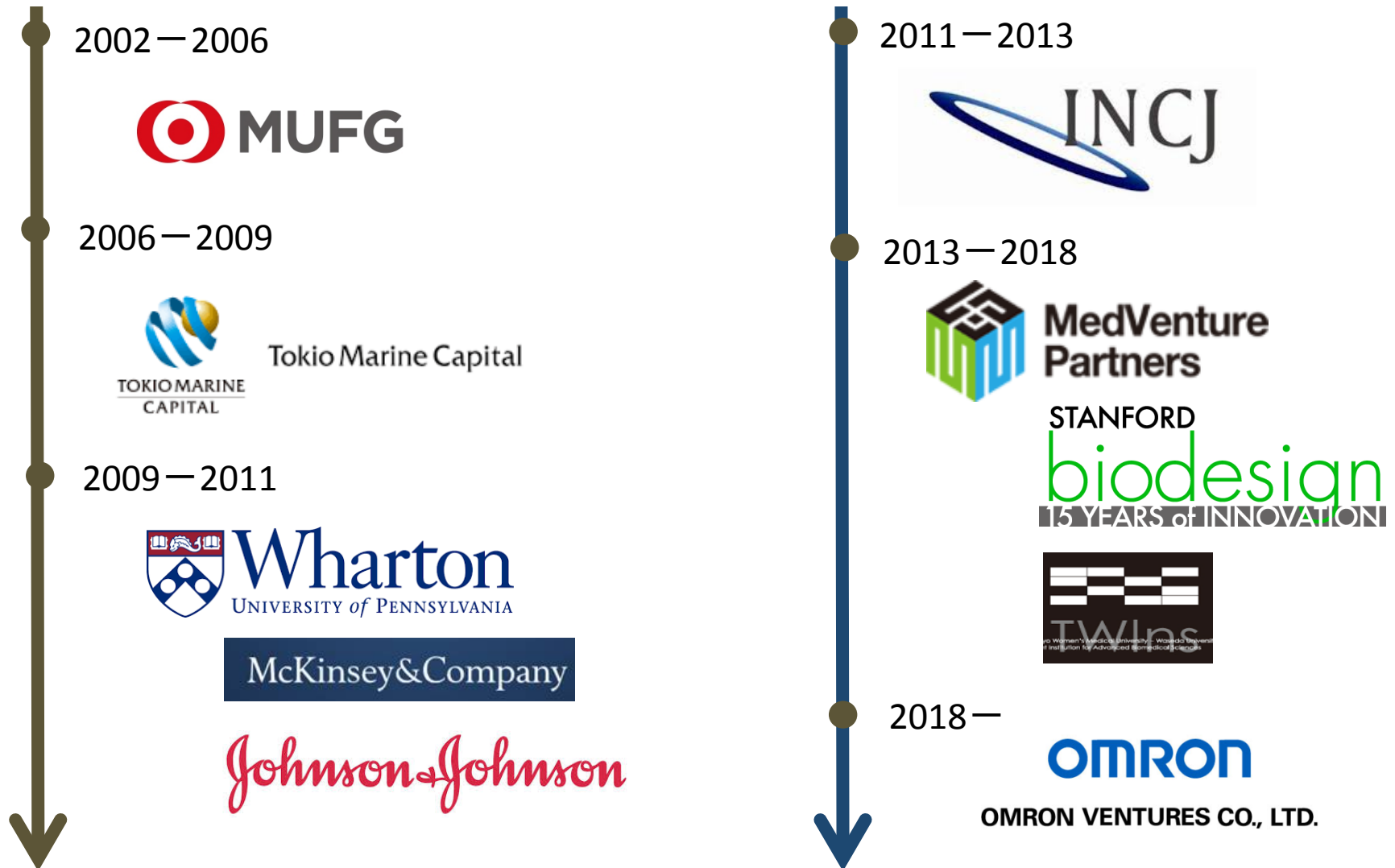
Inside Corporate VC

- The case of Omron Ventures-

Tomoko Inoue
CEO, Omron Ventures

TOMOKO INOUE, MBA PhD, CEO, Omron Ventures

Born in the US, raised in the US, Germany and Japan



Contents

- CVC in Japan
- Introduction of Omron
- Strategy of Omron Ventures

Contents

- CVC in Japan
- Introduction of Omron
- Strategy of Omron Ventures

Some recent articles

BUSINESS TRENDS

Innovation-hungry Japanese companies investing directly in startups

Search

Bloomberg

Deals

There's a Fad for Corporate VCs in Japan

January 24, 2019



Establishment of Japan Airlines Innovation Fund

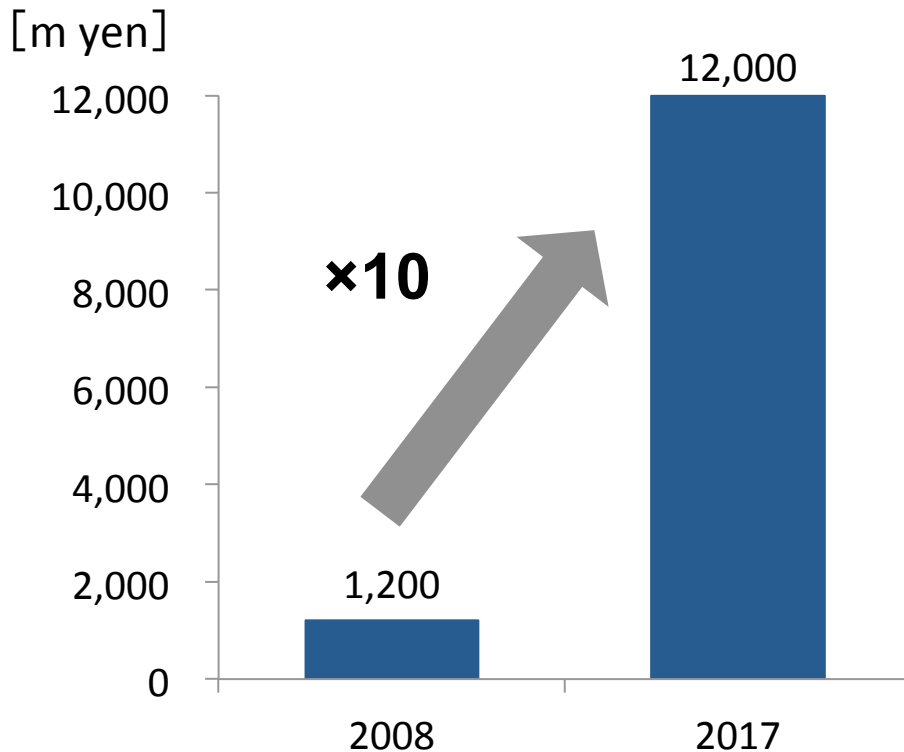
JAL Group today established a Corporate Venture Capital Fund (CVC) firm called Japan Airlines Innovation Fund. The company will look to invest in startup companies around the globe to *create new values that are one step ahead of its competitors in the industry*, which was a target raised in JAL's Medium Term Management Plan - 2018.

HIT

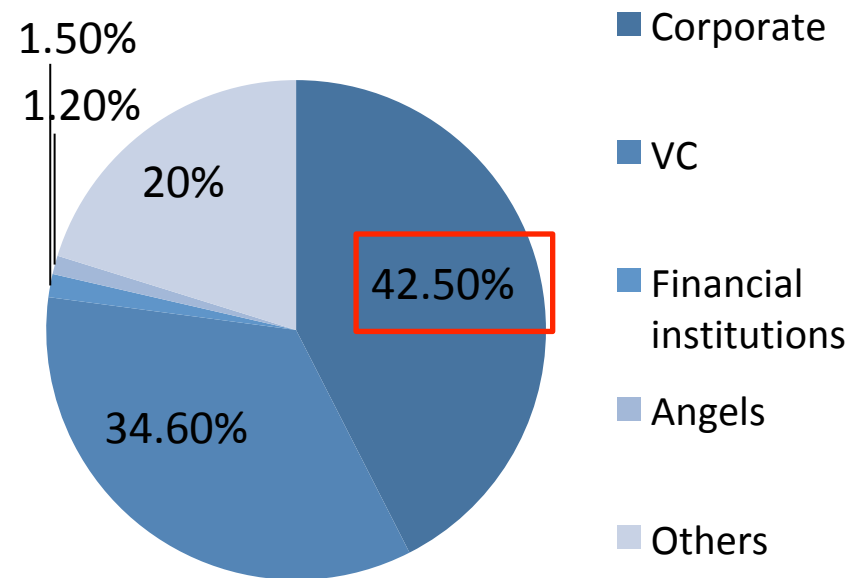
Tokyo, April 2
(CVC) unit, H
fast-growing i

Corporate plays a big role in venture investment

CVC investment in Japan



Venture investment by players



(source) Made by Omron Ventures based on JVCA report

Landscape of VC market in Japan

Members of Japanese VCA

The past
(-2010)



Independent VCs
Global Corporations
(2010 - 2016)



Large corporations
(circa 2017. 2018)



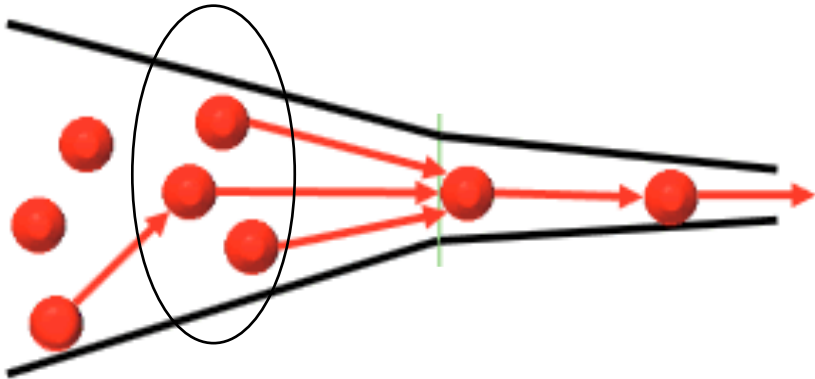
(source) Made by Omron Ventures based on JVCA report

JVCA Morphed into “open innovation community”

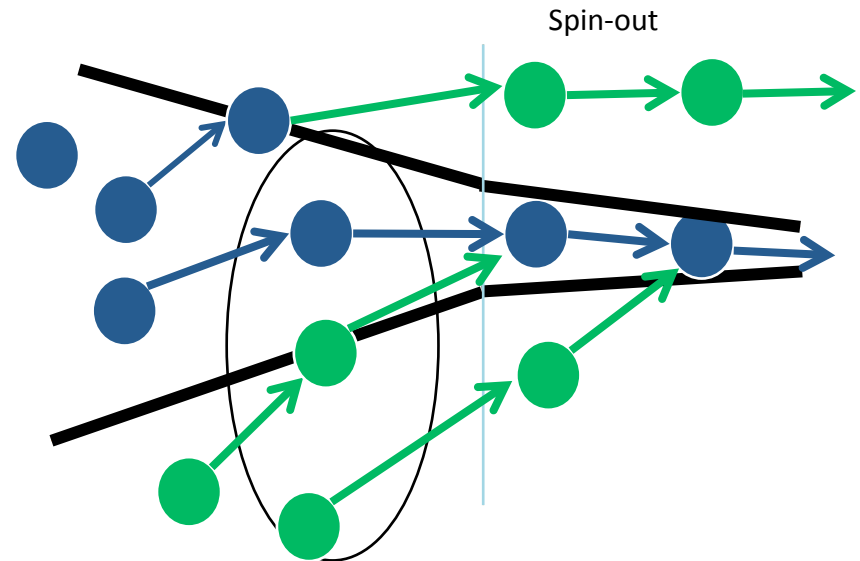
What is Open Innovation?

Why is Open Innovation needed?

Closed Innovation

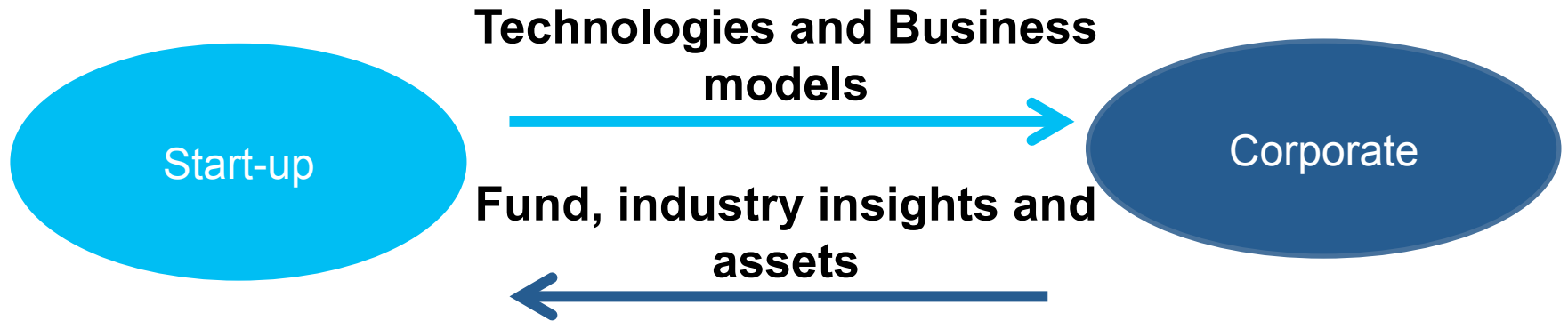


Open Innovation



(source) Made by Omron Ventures based on Chesbrough, 2003

Advantage to use CVC



- Achieve product/service launch
- Speed up the business development
- Get Potential licensees/ customers
- Add the credibility
- Get the international market opportunities

- Speed up the new product launch
- Obtain the cutting-edge market knowledge and dynamics
- Nurture entrepreneurial spirit internally
- Get the international and/or new market opportunities

Typical pitfalls of CVC

Startups

- Corporate can be a big competitor
- Cultural difference
- Difference in decision making process

Corporate

- Innovator's Dilemma
- "Not invented here" syndrome
- Longer time for decision making

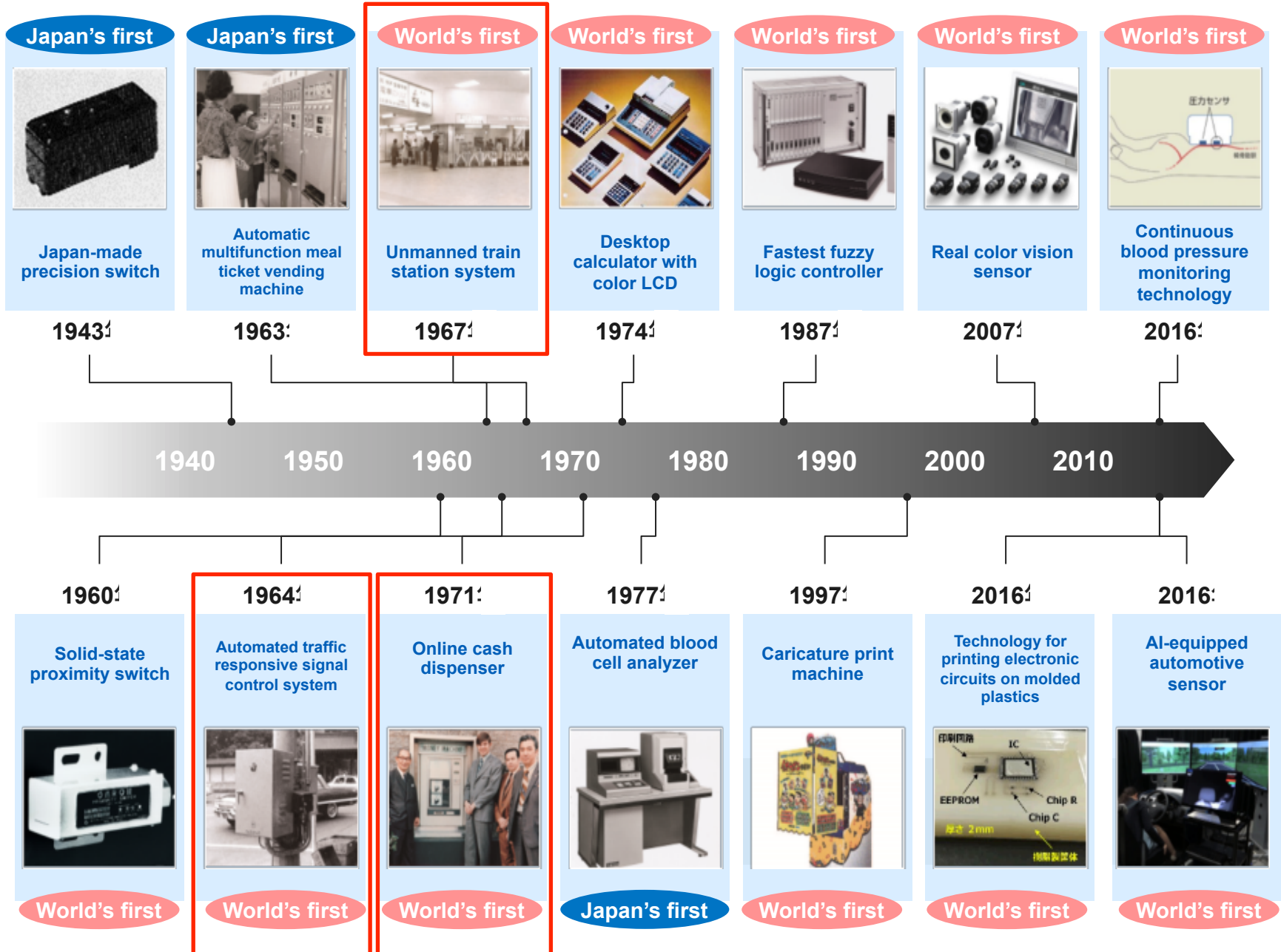
Some difficulties especially in Japanese market

- Decision making process : unanimous agreement often required
- Japanese don't say "we can" unless they have 100% confidence
- Not accustomed to diversity of thought and behavior

Contents

- CVC in Japan
- **Introduction of Omron**
- Strategy of Omron Ventures

History of Omron Corporation



Global Market Leader in Blood Pressure Monitors

Created a new market by spreading the “Culture to monitor the blood pressure at home”

‘70s

No one monitors blood pressure at home

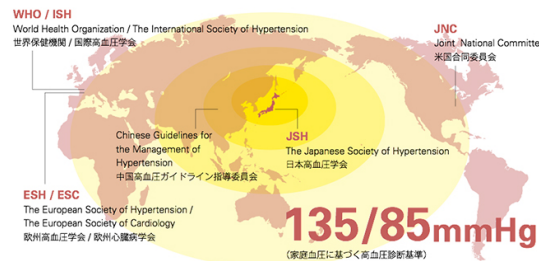


First Home BP monitor HEM-77

‘80s

Created home monitoring device with clinicians

Show the effectiveness of home monitoring of blood pressure



Established a Guideline of blood pressure monitoring

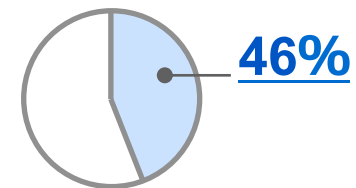
Present

Over 200 million units sold

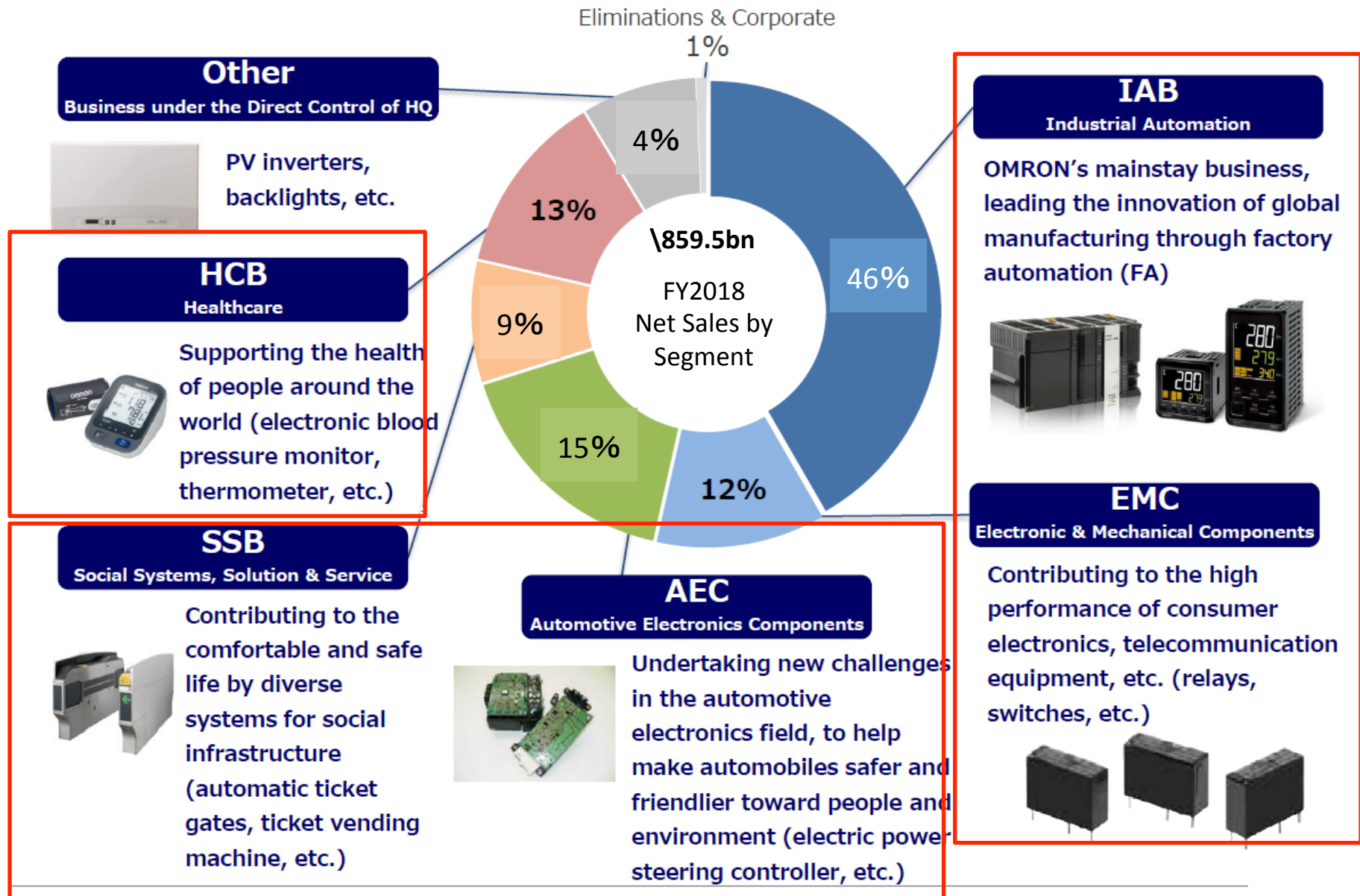
Accumulated Units

1978 2009 2016
First → 100m → 200m

Global market share

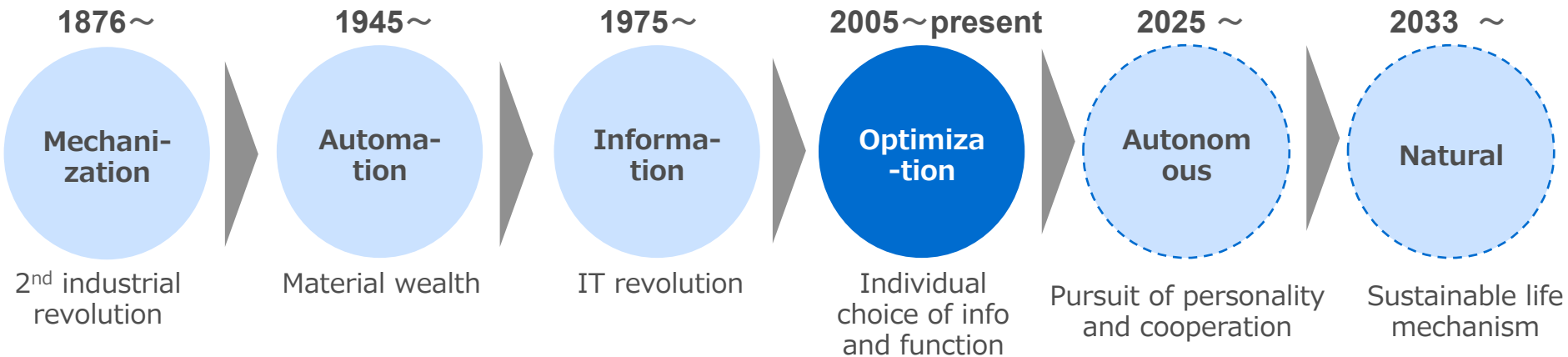


OMRON's Business Segments

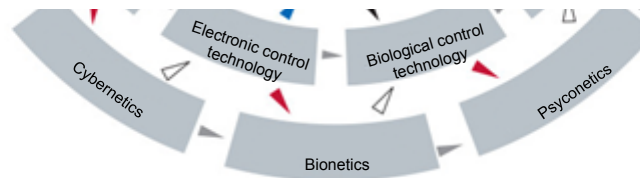


What navigate corporate strategy

“SINIC Theory” devised by Kazuma Tateishi in 1970



Impetus
Cyclic evolution



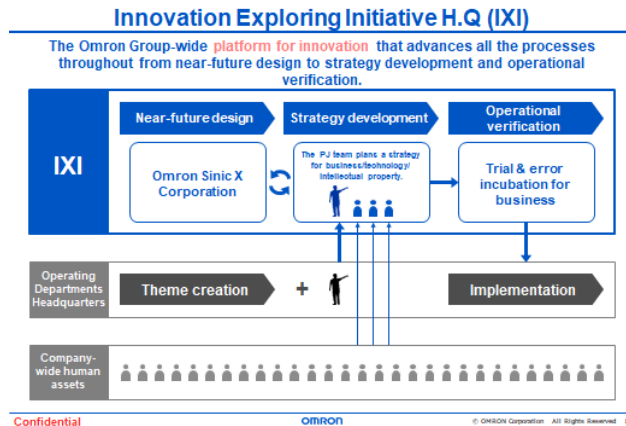
Contents

- CVC in Japan
- Introduction of Omron
- Strategy of Omron Ventures

To avoid pitfalls

Independent organization

Innovation Exploring Initiative HQ



Small but diverse Team



Future designing Institution



Fast decision making

One investment committee

Investment strategy

To co-create the future of Healthcare, Mobility and Factory

Core Technologies

Sensing

Control



AI



Robotics



Security



Energy



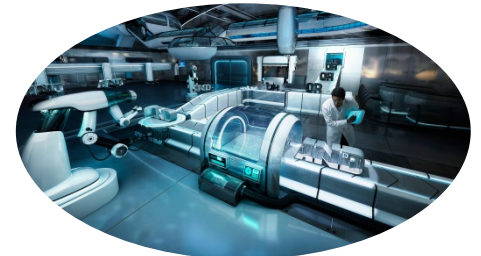
Healthcare



Mobility & Smart City

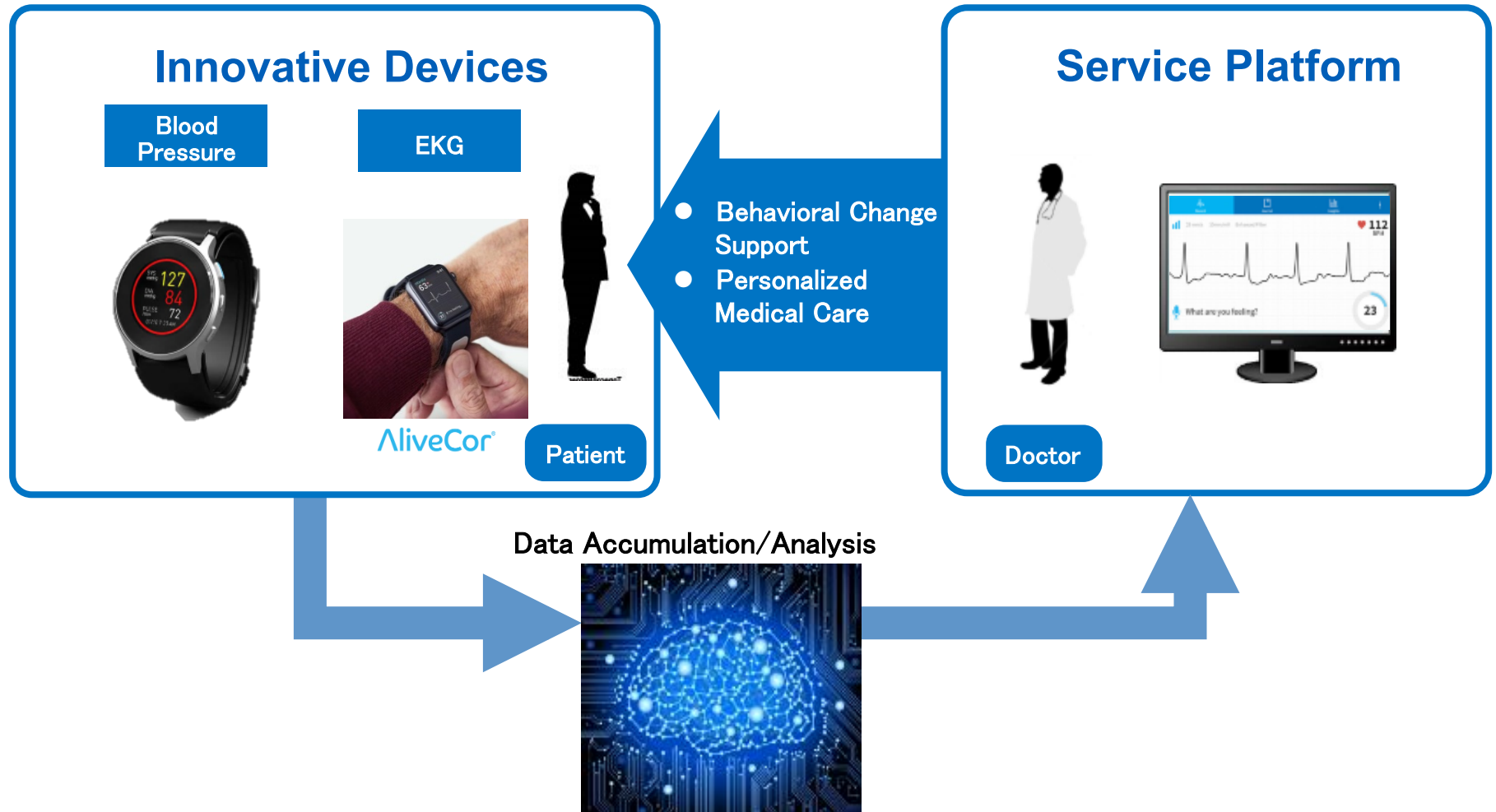


Factory



Diagnostic/Treatment Customized for Each Patient

Innovative devices and service platform enabling personalized medical care to achieve "zero cardiovascular events"



The Omron logo, consisting of the word "OMRON" in a bold, blue, sans-serif typeface. The letters are closely spaced and have a modern, clean appearance.

OMRON VENTURES CO., LTD.