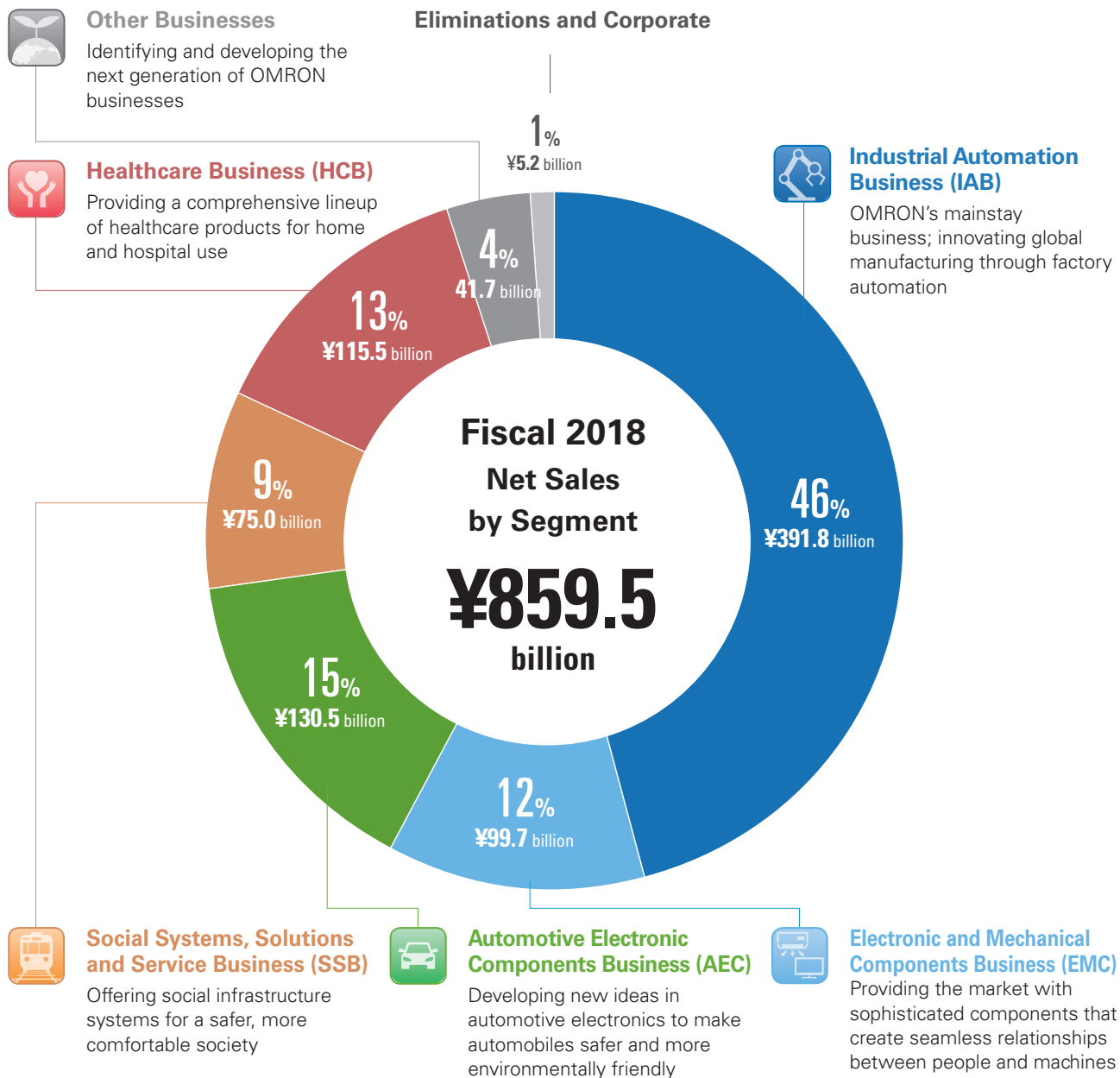


# Earnings Structure and Global Business

OMRON manufactures and sells market-leading sensing and control products in 117 countries around the world. Our products include control equipment, electronic components, automotive electronic components, social systems, and healthcare.



Fiscal 2018 Earnings by Business Segment

(Billions of yen)

BUSINESS SEGMENT	NET SALES	OPERATING INCOME (LOSS)	OPERATING INCOME MARGIN
Industrial Automation Business (IAB)	391.8	62.9	16.1%
Electronic and Mechanical Components Business (EMC)	99.7	8.2	8.2%
Automotive Electronic Components Business (AEC)	130.5	6.3	4.8%
Social Systems, Solutions and Service Business (SSB)	75.0	5.8	7.7%
Healthcare Business (HCB)	115.5	13.0	11.3%
Other Businesses	41.7	(0.5)	—
Eliminations and Corporate	5.2	(19.1)	—
<b>Total</b>	<b>859.5</b>	<b>76.6</b>	<b>8.9%</b>

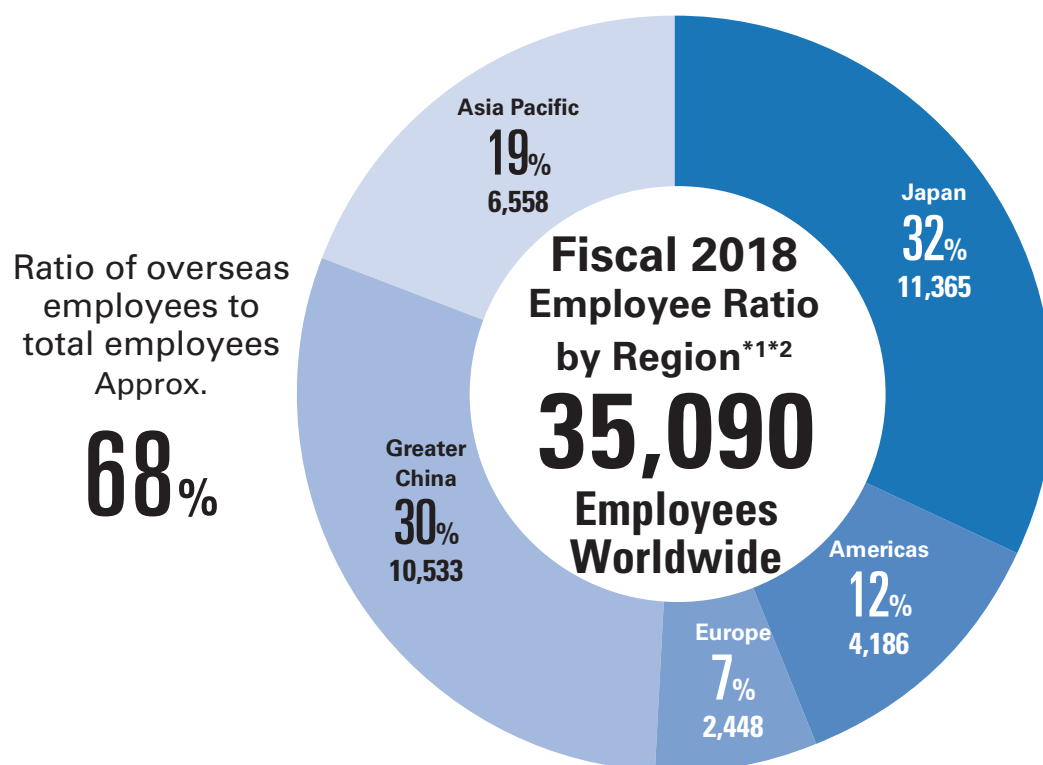
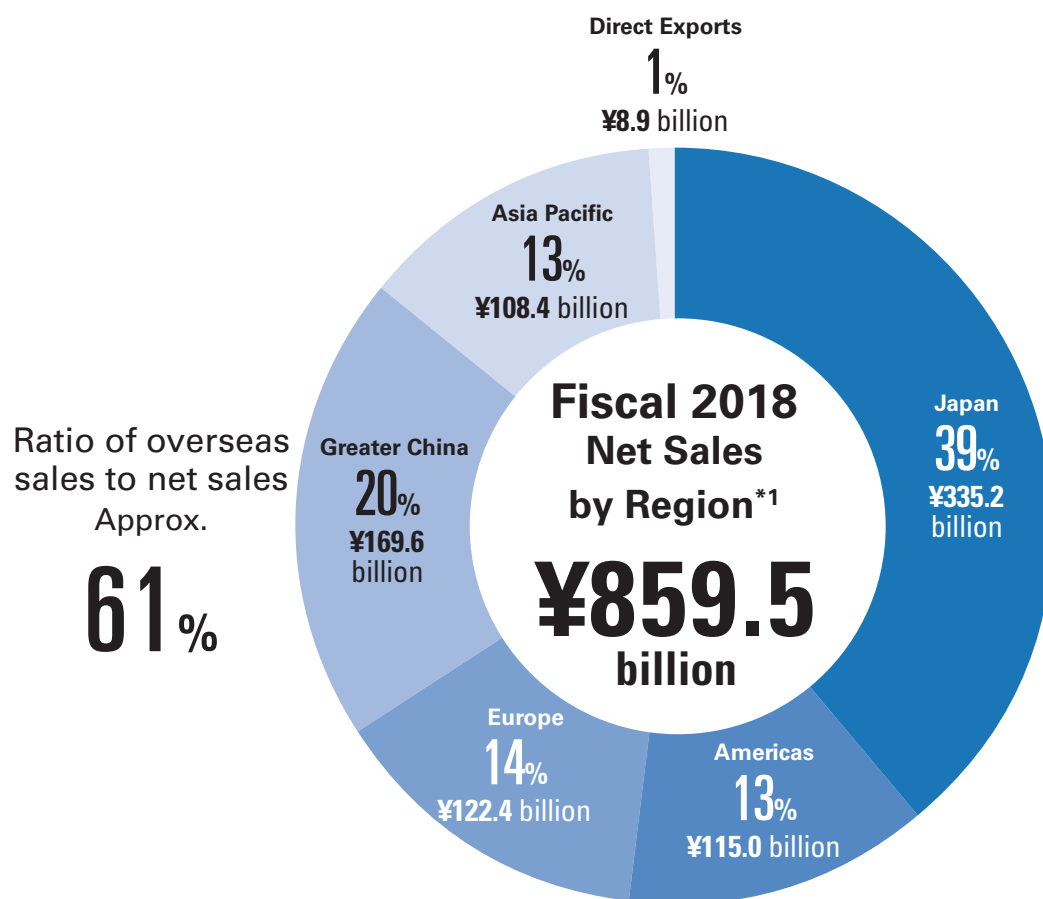
At a meeting held April 16, 2019, the OMRON board of directors resolved to transfer the business of AEC OMRON operating segment, namely all shares of consolidated subsidiary OMRON Automotive Electronics Co., Ltd. (Note 1), all shares, etc., of two consolidated subsidiaries, including OMRON AUTOMOTIVE ELECTRONICS de Mexico, S. de R.L. de C.V., and the automotive electronic components businesses of three consolidated subsidiaries for compensation in the amount of JPY100 billion (Note 2) to Nidec Corp. The share transfer agreement was executed on the same day as the meeting of the board of directors. In connection with this decision, OMRON has classified the above-referenced businesses as discontinued operations as of the first quarter of the current consolidated fiscal year. We have classified results as continuing operations and discontinued operations for presentation herein.

This transaction is scheduled to be completed by the end of October 2019; however, the transaction must receive approval by the antitrust regulatory authorities in each country. Accordingly, the effective date of this transaction has yet to be determined.

OMRON is currently assessing the impact of this transaction on our financial statements. If deemed necessary, we will make the appropriate disclosures promptly upon determination.

Notes: 1. Nine subsidiaries of OAE will also be transferred, removed as consolidated subsidiaries of OMRON.

2. The total transfer price will be finalized at a future date based on the conditions including financial data stated in the transfer agreement. Accordingly, the figures stated above may change in the future.



\*1 Regional categories are defined as follows:  
Americas: North America, Central America, South America  
Europe: Europe, Russia, Africa, Middle East  
Greater China: China, Taiwan, Hong Kong  
Asia Pacific: Southeast Asia, Korea, India, Oceania

\*2 As of March 31, 2019