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Notice Regarding the Reorganization of the OMRON Group through Corporate Split (Simple Absorption-Type Split)

Following a resolution at a Board of Directors meeting held today, OMRON Corporation (hereinafter referred to as “OMRON”) announced that it will split off its environmental solutions business (hereinafter referred to as “this business”) and transfer it to its wholly owned subsidiary, OMRON SOCIAL SOLUTIONS Co., Ltd. (hereinafter referred to as “OSS”) through a corporate split. Based on this resolution, OMRON and OSS will enter into an absorption-type split agreement. As this is a simple absorption-type corporate split in which a wholly owned subsidiary of OMRON will take over this business, certain matters and items for disclosure are omitted from this announcement.

1. Objectives of the Corporate Split

OMRON decided to integrate this business with the OSS business for the objective of promoting further development of business in the Social Solutions domain, which is one of OMRON’s focus domains. In the Social Solutions domain, OMRON has been working to address social issues in the four business areas of Energy Management, Mobility, Lifestyle Service, and Community. In the energy management business, the future importance of renewable energy is expected, which in turn is leading to emerging new business opportunities. As such, the integration of this business and the OSS business will enable unification of their strategies and operations. By correctly seizing business opportunities, further growth of business is targeted.

2. Outline of the Corporate Split

(1) Timeline

Resolution at BOD meeting	October 29, 2019
Conclusion of the split agreement	Late December 2019 (planned)
Split date (effective date)	April 1, 2020 (planned)

Note: Because the simple absorption-type corporate split that OMRON will implement satisfies the provisions of Article 784-2 of the Companies Act of Japan, OMRON will not seek shareholder approval at a general meeting of shareholders for this corporate split.

(2) Split method

This is a simple absorption-type corporate split in which OMRON is the splitting company and OSS is the successor company.

(3) Share and cash allocation

No allocation of shares or payment of cash will be made upon this corporate split.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights

None applicable

(5) Increase/decrease in capital due to the corporate split

There will be no increase or decrease in capital of OMRON and OSS, due to the corporate split.

(6) Rights and duties to be transferred to the successor company

OSS will assume rights and duties from OMRON, including assets, liabilities, and contractual rights and duties required for operating this business.

(7) Prospects for fulfillment of obligations

OMRON does not foresee problems in the fulfillment of obligations by OMRON and OSS after the effective date.

3. Overview of Companies involved in the Corporate Split

	Splitting company	Successor company
(1) Name	OMRON Corporation	OMRON SOCIAL SOLUTIONS Co., Ltd.
(2) Head office	Shiokoji Horikawa, Shimogyo-ku, Kyoto, Japan	2-3-13, Konan, Minato-ku, Tokyo, Japan
(3) Name and title of representative	Yoshihito Yamada, President and CEO	Toshio Hosoi, President and CEO
(4) Business	Manufacture and sales of electronic devices and equipment	Supply of total solutions consisting of components, systems, and services to meet management needs of customers
(5) Capital	64,100 million yen	5,000 million yen
(6) Date of establishment	May 19, 1948	November 1, 2010
(7) Shares issued and outstanding	213,958,172 shares	100,000 shares
(8) Fiscal year end	March 31	March 31
(9) Principal shareholders and their holdings (%) (as of March 31, 2019)	The Master Trust Bank of Japan, Limited (trust account): 13.01%	OMRON Corporation: 100%
(10) Financial position and operating results in previous fiscal year (non-consolidated)		
Fiscal year	Year ended March 31, 2019	Year ended March 31, 2019
Net assets	259,824 million yen	33,483 million yen
Total assets	464,405 million yen	44,993 million yen
Net assets per share	1,265.20 yen	334,832.29 yen
Net sales	324,908 million yen	42,704 million yen

Operating income	27,049 million yen	2,950 million yen
Ordinary income	49,135 million yen	6,484 million yen
Net income	45,017 million yen	5,739 million yen
Net income per share	216.11 yen	57,393.71 yen

4. Overview of the Business Division to be Split

(1) Business

PV inverters for solar power systems and energy storage systems

(2) Operating results (Year ended March 31, 2019)

Net sales	24,861 million yen
Operating income	810 million yen

(3) Assets and liabilities to be transferred and their values

Item	Carrying value	Item	Carrying value
Assets	17,245 million yen	Liabilities	9,223 million yen

Note: The values listed above are based on the figures posted on the balance sheets as of September 30, 2019. The actual amounts of assets and liabilities to be transferred are subject to change.

5. Status of OMRON and OSS after the Corporate Split

There will be no change to the name, head office location, name and title of the representative, business, capital, or fiscal year end of OMRON nor OSS after the corporate split.

6. Outlook

This corporate split will not have an impact on OMRON's consolidated operating results because this reorganization will only involve a wholly owned subsidiary of OMRON.

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