Energy Solutions Business

Q. Please discuss the synergies between the Energy Solutions Business and SSB.
A. The Engineering business, which enables the combination of OMRON products with non-OMRON products, broadens the range of solutions we are able to offer our customers. We can also grow the addressable market by expanding into SSB’s industrial and local government customers.

Q. What is your view of the competitive environment for your business?
A. PV inverters have weathered a phase of intense competition, which has resulted in industry consolidation in the domestic and overseas markets. Going forward, the value we provide, not just the value inherent in the product but cost management for the overall supply chain, will become increasingly important.

We expect competition for storage batteries to pick up given the growing market. OMRON aims to further increase its market share by launching new products in the early part of the next fiscal year, such as storage batteries enabled for all loads.

Q. What is the revenue scale of the Energy Solutions Business and what is the breakdown between the Component and Engineering businesses?
A. Total revenue is between ¥30 - 40 billion. Components account for the vast majority. Engineering Business sales are around ¥5 billion.

Q. How will you grow the Energy Solutions Business going forward?
A. In the residential-use market, we aim to exceed the market growth rate. We would particularly like to strengthen the storage battery and in-house-use PV inverter businesses.

At the same time, it will be important to diversify the business. We aim to expand our initiatives for the industrial market, rather than just focusing on only residential and small-scale commercial outlets. In addition, as the proportion of software increases, we will strengthen businesses that leverage cloud services. We aim to improve profitability through a focus on service businesses, including subscription models.
Governance
Q. What are your thoughts on the framework for promoting sustainability management?
A. We believe the current structure is best. One of our challenges is diversity. However, although there are limitations related to place of residence, we are considering various initiatives. Our selection process for external directors places emphasis on corporate management experience and track record.

Other
Q. When do you expect to announce the next Long-term Vision? What kind of policies is it likely to include?
A. The next Long-term Vision will take effect from FY2022, so we aim to announce it in February 2022. As was the case with VG2020, our focus on sustainably growing corporate value based on our corporate philosophy, will remain unchanged. As examples of areas where we will likely make changes, I would highlight climate change and human rights. We will focus on further elevating our efforts to enhance corporate value by addressing social issues on a global basis through our businesses.