

Company name : OMRON Corporation
Representative : Yoshihito Yamada, President & CEO
Stock code : 6645
Stock exchange : Tokyo (First Section)
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OMRON Corporation and JMDC Inc. Agree Capital and Business Alliance

OMRON Corporation (hereinafter, “OMRON”) and JMDC Inc. (hereinafter, “JMDC”) today agreed to conclude an agreement concerning a capital and business alliance (hereinafter, “the Alliance”), and OMRON resolved the acquisition of the issued outstanding common stock of JMDC.

1. Purpose and Rationale for the Alliance

Through our business activities, OMRON Group aims to create a better society by solving social issues. In the healthcare business domain, OMRON’s declared mission is: “To help realize healthy and comfortable lives for people around the world”, and we aspire to a society with, “ zero cardiovascular disease events”.

Guided by its corporate philosophy of: “A healthy and prosperous life for all people”, JMDC Group aims to realize a sustainable healthcare system by leveraging the power of data and ICT to address social problems such as, “increasing medical expenses”, “regional disparities in medical care”, “increasing lifestyle-related diseases” and “labor shortages”.

Under the Alliance, OMRON and JMDC Groups will jointly develop personalized aggravation and nursing care prevention solutions that support prescription medication treatments and patient lifestyle changes, by predicting the risk of the onset of individual patient events (possibility and timing). We aim to offer these solutions through the analysis of medical data that JMDC Group possesses (such as medical prescriptions and medical examinations) combined with blood pressure, vital signs and levels of physical activity data gathered by OMRON Group.

Both Groups plan to develop core health data platforms to deliver health promotion and aggravation prevention solutions with the goal of Zero Events and making a contribution to balancing longer healthy life expectancy with the optimization of medical costs. In addition, we will partner to accelerate the evolution of our solutions into the fields of disease prevention, pre-symptomatic illness, disease treatment and nursing care. Moreover, as we grow our business in Japan, we will leverage our know-how and solutions for overseas markets. Through these efforts, Both Group aims to realize a vision for the future where we contribute to the improvement of public health around the world and facilitate savings in medical expenses.

OMRON Group aims to maximize the corporate value of both groups by generating business synergies through the implementation of the above measures while fully respecting the JMDC Group's entrepreneurial corporate culture and management independence.

2. Overview of the Alliance

Both Groups have agreed to implement the following initiatives to develop and expand our businesses, by making the most of their respective management resources and expertise. Moving forward, we will continue to discuss the details of these initiatives.

(1) Areas where we will explore joint business initiatives under the Alliance

① Strengthen the health data platform

- (i) Build health data platform linking OMRON Group's data to JMDC Group
- (ii) Sales cooperation for JMDC Group's product & services for data collection

② Development of preventive solutions

- (i) Joint development and deployment of lifestyle change support services for patients in primary through to tertiary preventive medicine and nursing care prevention, as well as treatment support and guidance for medical professionals. Co-development of innovative prevention solutions leveraging devices and data.
- (ii) Development of devices for insurers for supply to the JMDC Group

③ Global expansion of the JMDC Group's business

- (i) OMRON Group will support the sales of JMDC Group's products & services in overseas markets
- (ii) JMDC Group will leverage OMRON Group's overseas business platforms

④ Cross-selling of device services

- (i) Deploying solutions which link personal health records and devices to healthcare providers, insurers, local governments, companies, etc.
- (ii) Cross-selling by OMRON Group and JMDC Group's products, services and solutions

(2) Details of the acquisition of JMDC's common stock

OMRON has agreed to acquire the issued outstanding common stock of JMDC from Noritsu Koki Co., Ltd. which is a major shareholder of JMDC today through the off-market over the counter method ("Acquisition").

- ① Number and ratio of shares held after the acquisition of common stock: 18,644,100 shares / 33.0% (ratio to the total number of issued shares as of February 14, 2022)
- ② Acquisition Price: ¥111,864 million (6,000 yen per share)
- ③ Date of closing date of the Acquisition: February 25, 2022 (Planned)

(3) Appointment of Non-Executive Director

As the result of the Alliance, OMRON will be entitled to recommend one non-executive director (“Nominee Director”) to JMDC's Nominating and Compensation Committee, and the JMDC Nomination and Compensation Committee has agreed to appoint the Nominee Director as a Director of JMDC. JMDC will recommend its candidates of directors to its annual general meeting of shareholders for the fiscal year ending March 31, 2022, and thereafter, based on the recommendations of JMDC's Nominating and Compensation Committee.

(4) Establishment of the Alliance Promotion Committee

OMRON and JMDC have agreed to establish the Alliance Promotion Committee as a body to promote their joint business initiatives. The CEOs of both OMRON and JMDC will participate in this Committee.

3. Overview of the counterparty for the Capital and Business Alliance

(As of December 31, 2021)

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| (1) Name | JMDC Inc. | | | | | | | | | | | | | | | | | | | | |
| (2) Location | 2-5-5 Shiba Daimon, Minato-ku, Tokyo | | | | | | | | | | | | | | | | | | | | |
| (3) Name and Title of representative | Yosuke Matsushima, President and CEO | | | | | | | | | | | | | | | | | | | | |
| (4) Business description | Medical statistics data services | | | | | | | | | | | | | | | | | | | | |
| (5) Capital | 9,070 million yen | | | | | | | | | | | | | | | | | | | | |
| (6) Date founded | January 31, 2002 | | | | | | | | | | | | | | | | | | | | |
| (7) Major shareholders and percentage of shares held | <table><tr><td>Noritsu Koki Co., Ltd.</td><td>48.88%</td></tr><tr><td>Yosuke Matsushima</td><td>3.41%</td></tr><tr><td>Yuta Yamamoto</td><td>2.97%</td></tr><tr><td>Custody Bank of Japan (Trust Account)</td><td>2.92%</td></tr><tr><td>MLI FOR CLIENT GENERAL OMNI MON COLLATERAL NON-TREATY-PB (Standing proxy BOFA Securities Co., Ltd.)</td><td>2.16%</td></tr><tr><td>MSIP CLIENT SECURITIES (Standing proxy Morgan Stanley MUFG Securities Co., Ltd.)</td><td>2.03%</td></tr><tr><td>CIP AS DEPOSITARY FOR STANDARD LILE INVESTMENT COMPANY GLOBAL SMALLER COMPANIES FUND (Standing proxy Citibank, N, A Tokyo branch)</td><td>1.62%</td></tr><tr><td>The Master Trust Bank of Japan (Trust Account)</td><td>1.56%</td></tr><tr><td>SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy, Hongkong and Shanghai Banking Corporation, Tokyo Branch Custody Business Department)</td><td>1.46%</td></tr><tr><td>Reimu Sugita</td><td>1.10%</td></tr></table> | Noritsu Koki Co., Ltd. | 48.88% | Yosuke Matsushima | 3.41% | Yuta Yamamoto | 2.97% | Custody Bank of Japan (Trust Account) | 2.92% | MLI FOR CLIENT GENERAL OMNI MON COLLATERAL NON-TREATY-PB (Standing proxy BOFA Securities Co., Ltd.) | 2.16% | MSIP CLIENT SECURITIES (Standing proxy Morgan Stanley MUFG Securities Co., Ltd.) | 2.03% | CIP AS DEPOSITARY FOR STANDARD LILE INVESTMENT COMPANY GLOBAL SMALLER COMPANIES FUND (Standing proxy Citibank, N, A Tokyo branch) | 1.62% | The Master Trust Bank of Japan (Trust Account) | 1.56% | SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy, Hongkong and Shanghai Banking Corporation, Tokyo Branch Custody Business Department) | 1.46% | Reimu Sugita | 1.10% |
| Noritsu Koki Co., Ltd. | 48.88% | | | | | | | | | | | | | | | | | | | | |
| Yosuke Matsushima | 3.41% | | | | | | | | | | | | | | | | | | | | |
| Yuta Yamamoto | 2.97% | | | | | | | | | | | | | | | | | | | | |
| Custody Bank of Japan (Trust Account) | 2.92% | | | | | | | | | | | | | | | | | | | | |
| MLI FOR CLIENT GENERAL OMNI MON COLLATERAL NON-TREATY-PB (Standing proxy BOFA Securities Co., Ltd.) | 2.16% | | | | | | | | | | | | | | | | | | | | |
| MSIP CLIENT SECURITIES (Standing proxy Morgan Stanley MUFG Securities Co., Ltd.) | 2.03% | | | | | | | | | | | | | | | | | | | | |
| CIP AS DEPOSITARY FOR STANDARD LILE INVESTMENT COMPANY GLOBAL SMALLER COMPANIES FUND (Standing proxy Citibank, N, A Tokyo branch) | 1.62% | | | | | | | | | | | | | | | | | | | | |
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| Reimu Sugita | 1.10% | | | | | | | | | | | | | | | | | | | | |

(As of September 30, 2021)

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| (8) Relationship between OMRON and JMDC | Capital relationship | Not applicable | |
| | Personal connections | Not applicable | |
| | Transactional relationship | Providing services to OMRON Health Insurance Society etc. | |
| | Existence of interested parties | Not applicable | |
| (9) Consolidated business results and financial status over past three years (Millions of yen, unless otherwise specified) | | | |
| Consolidated Fiscal Year | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
| Net assets | 6,117 | 13,123 | 28,250 |
| Total assets | 18,965 | 26,944 | 57,854 |
| Net assets per share (yen) | 132.38 | 252.22 | 504.59 |
| Net sales | 10,064 | 12,158 | 16,771 |
| Operating income | 1,470 | 2,215 | 3,695 |
| Income before income taxes | 1,410 | 2,178 | 3,636 |
| Net income attributable to owners of parent | 1,010 | 1,528 | 2,476 |
| Net income per share (yen) | 32.71 | 29.99 | 43.48 |
| Dividends per share (yen) | - | - | - |

4. Schedule

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|------------------------------------------------------------|-----------------------------|
| Date of resolution of the board of directors | February 22, 2022 |
| Date of capital and business alliance agreement conclusion | February 22, 2022 |
| Date of share transfer agreement conclusion | February 22, 2022 |
| Share acquisition date | February 25, 2022 (Planned) |

5. Future Forecast

The impact of the Alliance on OMRON's consolidated results for a fiscal year ending March 31, 2022, is expected to be minor. We believe that the Alliance will contribute to an increase in corporate value over the medium to long-term. If the need to revise earnings forecast arises or other information that should be disclosed emerges at a later date, such information will be disclosed promptly.