

*Disclaimer :*

*The Competition DG makes the information provided by the notifying parties in section 1.2 of Form CO available to the public in order to increase transparency. This information has been prepared by the notifying parties under their sole responsibility, and its content in no way prejudices the view the Commission may take of the planned operation. Nor can the Commission be held responsible for any incorrect or misleading information contained therein.*

**COMP/M. 4271- DAIKIN / OYL**

**SECTION 1.2**

**Description of the concentration**

The proposed concentration involves the acquisition of control by Daikin Industries, Ltd (“**Daikin**”), a Japanese headquartered company, of the O.Y.L. Industries Behard (“**O.Y.L.**”), a Malaysian based company (the “**Proposed Transaction**”). The Proposed Transaction will take place in two steps. In the first step, Daikin will acquire 45% of the outstanding shares in O.Y.L. from two of its largest shareholders, giving effective control to Daikin over O.Y.L. In the second step, a mandatory general offer will take place under Malaysian law for Daikin to acquire the remainder of the outstanding shares of O.Y.L.

The business activities of the undertakings concerned are:

- for Daikin: air conditioning products, fluoropolymer chemical products, electronics, transportation and refrigeration systems, oil hydraulics, semiconductor related equipment as well as defence related products;
- for O.Y.L.: HVAC systems and products, air filtration systems and products, and refrigeration and freezing systems and products.

The Proposed Transaction only gives rise to an overlap of business between Daikin and O.Y.L. with respect to air conditioning systems.

Broadly defined three relevant separate product markets exist: residential/light commercial systems (0 to 25 kilowatts); medium commercial systems (25 to 250 kilowatts); and large commercial/industrial systems (above 250 kilowatts). More narrowly defined, separate product segments exist within each of the three broader product markets as follows. In the residential/light commercial market, windows, portables, room air conditioners and minichillers. In the medium commercial systems market, small chilled water systems, variable refrigerant flow (“**VRF**”) systems and ducted commercial systems. In the large commercial/industrial systems market, only large chilled water systems are defined. Daikin and O.Y.L. are not active with respect to windows and portables. Daikin has not been active in the past with respect to minichillers, and O.Y.L. is not active at all with respect to VRF.

It is not expected that the Proposed Transaction will lead to any substantial lessening of competition in any of the relevant markets identified. Substantial competition will continue to exist from multiple competitors, including large multinational well-established US and Asian based companies. No market, upstream or downstream, will be impacted in any substantial way by the Proposed Transaction.