

**Business Results for the First Six Months of the Fiscal Year  
Ending December 31, 2019  
(January 1, 2019 through June 30, 2019)  
(Japanese GAAP)**

August 8, 2019

This document has been translated from the Japanese original, *Kessan Tanshin* (Flash Report), for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name:

Yamaha Motor Co., Ltd.

Stock listing:

Tokyo Stock Exchange the First Section

Code number:

7272

URL:

<https://global.yamaha-motor.com/ir/>

Representative:

Yoshihiro Hidaka, President, Chief Executive Officer, and Representative Director

Contact:

Toshinari Maegawa, General Manager, Finance & Accounting Division  
Phone: +81-538-32-1144

Filing of quarterly securities report (scheduled):

August 9, 2019

Beginning of payment of dividends (scheduled):

September 6, 2019

Supplementary explanatory documents related to the quarterly consolidated financial results:

Yes

Briefing on the quarterly consolidated financial results:

Yes (for institutional investors, securities analysts and media outlets)

Amounts less than one million yen are rounded down.

## 1. Consolidated Financial Results for the Six Months Ended June 30, 2019

(January 1, 2019 through June 30, 2019)

### (1) Consolidated operating results (cumulative)

\*% represents growth results. ( ) represents negative figures.

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Six months ended June 30, 2019</b>	<b>855,928</b>	<b>0.5</b>	<b>69,019</b>	<b>(16.1)</b>	<b>70,219</b>	<b>(11.5)</b>	<b>52,195</b>	<b>(8.4)</b>
Six months ended June 30, 2018	851,314	2.8	82,246	0.1	79,335	(5.0)	56,984	(6.3)

Note: Comprehensive income

Six months ended June 30, 2019:	¥55,029 million	[9.8%]
Six months ended June 30, 2018:	¥50,503 million	[(20.6)%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
<b>Six months ended June 30, 2019</b>	<b>149.44</b>	—
Six months ended June 30, 2018	163.17	—

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
<b>As of June 30, 2019</b>	<b>1,454,841</b>	<b>727,110</b>	<b>46.9</b>
As of December 31, 2018	1,420,854	695,743	46.3

Reference: Shareholders' equity

As of June 30, 2019:	¥682,493 million
As of December 31, 2018:	¥657,474 million

Note: The presentation method has changed from the first three months of the fiscal year ending December 31, 2019, and the figures for the fiscal year ended December 31, 2018 have been adjusted retrospectively. Please refer to page 7 of the Attachment, "Additional Information," under "1. Matters Regarding Summary Information (Notes)."

## 2. Dividends

Record date	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2018	—	45.00	—	45.00	90.00
Fiscal year ending December 31, 2019	—	45.00			
Fiscal year ending December 31, 2019 (forecast)			—	45.00	90.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2019 was made.

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2019

(January 1, 2019 through December 31, 2019)

\*% represents year-on-year rate.

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share – basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2019	1,670,000	(0.2)	125,000	(11.2)	125,000	(9.4)	80,000	(14.3)	229.03

Note: Revision to the most recently announced consolidated financial figures forecast for the fiscal year ending December 31, 2019 was made.

(\*Notes)

(1) Changes in significant subsidiaries during period (Changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

New: One company (Name of company) SHINKAWA LTD. Exclusion: - company (Name of company)

Note: Please refer to page 6 of the Attachment, “Changes in Significant Subsidiaries during Period” under “1. Matters Regarding Summary Information (Notes)” for the details.

(2) Application of special accounting principles to the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and restatement for correction of errors

1) Changes in accounting policies arising from revision of accounting standards: Yes

2) Changes in accounting policies arising from other factors: None

3) Changes in accounting estimates: None

4) Restatement for correction of errors: None

Note: Please refer to page 6 of the Attachment, “Changes in Accounting Policies” under “1. Matters Regarding Summary Information (Notes)” for the details of 1) above.

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at end of period, including treasury shares

Six months ended June 30, 2019	350,013,146 shares	Fiscal year ended December 31, 2018	349,914,284 shares
Six months ended June 30, 2019	684,879 shares	Fiscal year ended December 31, 2018	683,554 shares
Six months ended June 30, 2019	349,272,462 shares	Six months ended June 30, 2018	349,232,073 shares

2) Number of shares of treasury shares at end of period

3) Average number of shares during period

(\*The quarterly consolidated financial results presented herein are not subject to the quarterly review of a certified public accountant or audit corporation.)

(\*Notice regarding results forecast)

The results forecast presented in this document is based on the assumptions and beliefs of Yamaha Motor Co., Ltd. (the “Company”) in light of the information currently available and is not a guarantee of future performance. Actual results may differ significantly from the Company’s forecast, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group (the “Group”), changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Group’s operations, please see the 84th Securities Report (filed on March 28, 2019).

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## 1. Matters Regarding Summary Information (Notes)

### Changes in Significant Subsidiaries during Period

SHINKAWA LTD. (listed on the first section of the Tokyo Stock Exchange, a specified subsidiary of the Company; hereinafter “Shinkawa”), the shares of which had been acquired by the Company and its subsidiary, APIC YAMADA CORPORATION (listed on the second section of the Tokyo Stock Exchange; hereinafter “Apic Yamada”), as well as their 18 subsidiaries are included in the scope of consolidation while three affiliates are accounted for using the equity method from the first six months of the fiscal year ending December 31, 2019. As the assumed date of acquisition is June 30, 2019, the results of these 23 companies are not included in the consolidated statements of income and consolidated statements of comprehensive income for the first six months of the fiscal year ending December 31, 2019.

As a result of a tender offer by Shinkawa, Apic Yamada was delisted on July 30, 2019.

### Changes in Accounting Policies

(Application of Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2014-09 “Revenue from Contracts with Customers”)

Subsidiaries in North America that adopt USGAAP have applied ASU No. 2014-09 “Revenue from Contracts with Customers” from the first three months of the fiscal year ending December 31, 2019. Due to this application, the Company has revised the standard for revenue recognition, and recognizes revenue for all contracts (excluding financial instruments, lease contracts, insurance contracts and transactions to exchange products, etc., with peer companies) at the expected amount of consideration for the promised goods or services at the time of transfer to the customer.

In applying the accounting standard, as retained earnings have been adjusted for the cumulative effects of the application at the beginning of the first three months of the fiscal year ending December 31, 2019 in line with the transitional treatment of the standard, the balance of retained earnings at the beginning of the current period declined by ¥9,957 million.

As a result, “other” in current assets, in investments and other assets, in current liabilities and in non-current liabilities were ¥1,871 million, ¥8,311 million, ¥9,945 million and ¥11,416 million greater, respectively, while retained earnings were ¥11,496 million smaller than if the former accounting standard was applied at the end of the first six months of the fiscal year ending December 31, 2019. Net sales, operating income, ordinary income, income before income taxes, and net income for the first six months of the fiscal year ending December 31, 2019 declined by ¥1,221 million, ¥2,058 million, ¥2,058 million, ¥2,058 million and ¥1,539 million, respectively.

(Application of IFRS 16 “Leases”)

IFRS 16 “Leases” has been applied from the first three months of the fiscal year ending December 31, 2019, excluding the Company and domestic subsidiaries that adopt JGAAP and subsidiaries in North America that adopt USGAAP. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. There are no significant changes to lessor accounting.

In applying the accounting standard, retained earnings, related items in non-current assets and liabilities have been adjusted for the cumulative effects of the application at the beginning of the first three months of the fiscal year ending December 31, 2019 in line with the transitional treatment of the standard. The effect of this adjustment on the balance of retained earnings at the beginning of the current period is immaterial.

As a result, “other” in current assets was ¥337 million smaller, while non-current assets, “other” in current liabilities and in non-current liabilities were ¥7,976 million, ¥469 million, and ¥7,257 million greater, respectively, than if the former accounting standard was applied at the end of the first six months of the fiscal year ending December 31, 2019. The effect of this adjustment on operating income, ordinary income, income before income taxes, and net income for the first six months of the fiscal year ending December 31, 2019 is immaterial.

## **Additional Information**

“Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 28, February 16, 2018), etc. have been applied from the first three months of the fiscal year ending December 31, 2019. Accordingly, deferred tax assets have been reclassified under investments and other assets, and deferred tax liabilities have been reclassified under non-current liabilities.

As a result, on the consolidated balance sheets for the fiscal year ended December 31, 2018, “other” in current assets, in current liabilities, and in non-current liabilities decreased by ¥24,490 million, ¥3,646 million, and ¥8,957 million, respectively, while “other” in investments and other assets increased by ¥11,886 million.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

*As of December 31, 2018 and June 30, 2019*

	Millions of yen	
	As of December 31, 2018	As of June 30, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	138,264	104,687
Notes and accounts receivable – trade	164,375	186,685
Short-term sales finance receivables	165,168	174,966
Merchandise and finished goods	208,443	192,145
Work in process	58,676	65,650
Raw materials and supplies	62,047	65,701
Other	64,523	56,696
Allowance for doubtful accounts	(11,737)	(11,766)
Total current assets	849,763	834,769
<b>Non-current assets:</b>		
Property, plant and equipment	335,763	342,345
Intangible assets	8,518	7,619
Investments and other assets		
Long-term sales finance receivables	97,680	102,210
Other	131,111	169,899
Allowance for doubtful accounts	(1,982)	(2,001)
Total investments and other assets	226,809	270,107
Total non-current assets	571,091	620,072
<b>Total assets</b>	1,420,854	1,454,841
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable – trade	118,303	107,837
Electronically recorded obligations – operating	21,696	19,488
Short-term loans payable	162,950	183,224
Current portion of long-term loans payable	124,299	57,332
Provision for product warranties	17,954	17,064
Other provision	15,505	14,995
Other	119,871	128,413
Total current liabilities	580,580	528,358
<b>Non-current liabilities:</b>		
Long-term loans payable	69,439	103,518
Net defined benefit liability	56,408	59,184
Other provision	582	591
Other	18,099	36,078
Total non-current liabilities	144,530	199,373
<b>Total liabilities</b>	725,111	727,731

	Millions of yen	
	As of December 31, 2018	As of June 30, 2019
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	85,797	85,905
Capital surplus	74,663	74,770
Retained earnings	572,707	599,249
Treasury shares	(727)	(730)
Total shareholders' equity	732,440	759,195
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	35,210	37,945
Revaluation reserve for land	10,412	10,412
Foreign currency translation adjustment	(118,281)	(123,943)
Remeasurements of defined benefit plans	(2,307)	(1,116)
Total accumulated other comprehensive income	(74,965)	(76,701)
<b>Non-controlling interests</b>	38,268	44,616
<b>Total net assets</b>	695,743	727,110
<b>Total liabilities and net assets</b>	1,420,854	1,454,841

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**  
*Six months ended June 30, 2018 and 2019*  
**Consolidated Statements of Income**

	Millions of yen	
	Six months ended June 30, 2018 (January 1— June 30, 2018)	Six months ended June 30, 2019 (January 1— June 30, 2019)
<b>Net sales</b>	851,314	<b>855,928</b>
<b>Cost of sales</b>	619,976	<b>630,684</b>
<b>Gross profit</b>	231,338	<b>225,244</b>
<b>Selling, general and administrative expenses</b>	149,091	<b>156,225</b>
<b>Operating income</b>	82,246	<b>69,019</b>
<b>Non-operating income:</b>		
Interest income	2,052	<b>1,878</b>
Share of profit of entities accounted for using equity method	1,080	<b>1,341</b>
Other	3,305	<b>3,183</b>
Total non-operating income	6,437	<b>6,403</b>
<b>Non-operating expenses:</b>		
Interest expenses	1,548	<b>1,845</b>
Foreign exchange losses	6,490	<b>653</b>
Other	1,308	<b>2,703</b>
Total non-operating expenses	9,348	<b>5,203</b>
<b>Ordinary income</b>	79,335	<b>70,219</b>
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	182	<b>417</b>
Gain on bargain purchase	—	<b>2,461</b>
Gain on sales of investment securities	225	—
Total extraordinary income	407	<b>2,879</b>
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	75	<b>110</b>
Loss on disposal of non-current assets	385	<b>469</b>
Impairment loss	154	<b>101</b>
Loss on sales of investment securities	—	<b>0</b>
Total extraordinary losses	616	<b>680</b>
<b>Income before income taxes</b>	79,127	<b>72,418</b>
<b>Income taxes – current</b>	18,886	<b>17,605</b>
<b>Income taxes – deferred</b>	(3,366)	<b>(2,420)</b>
<b>Total income taxes</b>	15,520	<b>15,185</b>
<b>Net income</b>	63,606	<b>57,233</b>
<b>Net income attributable to non-controlling interests</b>	6,622	<b>5,037</b>
<b>Net income attributable to owners of parent</b>	56,984	<b>52,195</b>

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended June 30, 2018 (January 1— June 30, 2018)	<b>Six months ended June 30, 2019 (January 1— June 30, 2019)</b>
<b>Net income</b>	63,606	<b>57,233</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	10,060	<b>2,738</b>
Revaluation reserve for land	(0)	—
Foreign currency translation adjustment	(23,730)	<b>(5,774)</b>
Remeasurements of defined benefit plans, net of tax	1,429	<b>1,237</b>
Share of other comprehensive income of entities accounted for using equity method	(861)	<b>(404)</b>
Total other comprehensive income	(13,102)	<b>(2,203)</b>
<b>Comprehensive income:</b>	<b>50,503</b>	<b>55,029</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,618	<b>50,459</b>
Comprehensive income attributable to non-controlling interests	4,885	<b>4,570</b>

### (3) Consolidated Statements of Cash Flows

Six months ended June 30, 2018 and 2019

	Millions of yen	
	Six months ended June 30, 2018 (January 1— June 30, 2018)	Six months ended June 30, 2019 (January 1— June 30, 2019)
<b>Cash flows from operating activities:</b>		
Income before income taxes	79,127	72,418
Depreciation	22,536	25,348
Impairment loss	154	101
Gain on bargain purchase	—	(2,461)
Increase (decrease) in net defined benefit liability	1,613	2,720
Interest and dividend income	(2,653)	(2,550)
Interest expenses	1,548	1,845
Loss (gain) on sales of property, plant and equipment and intangible assets	(106)	(307)
Loss (gain) on disposal of property, plant and equipment and intangible assets	385	469
Decrease (increase) in notes and accounts receivable – trade	(26,292)	(20,390)
Decrease (increase) in sales finance receivables	(15,976)	(22,016)
Decrease (increase) in inventories	4,753	12,609
Increase (decrease) in notes and accounts payable – trade	(15,517)	(11,902)
Other, net	(927)	9,576
Subtotal	48,646	65,460
Interest and dividend income received	4,105	4,345
Interest expenses paid	(1,549)	(1,846)
Income taxes paid	(25,936)	(17,501)
Net cash provided by (used in) operating activities	25,266	50,458

	Millions of yen	
	Six months ended June 30, 2018 (January 1— June 30, 2018)	Six months ended June 30, 2019 (January 1— June 30, 2019)
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(105)	(171)
Proceeds from withdrawal of time deposits	1,121	35
Purchase of property, plant and equipment and intangible assets	(23,710)	(27,565)
Proceeds from sales of property, plant and equipment and intangible assets	2,216	2,495
Purchase of investment securities	(946)	(21,521)
Proceeds from sales of investment securities	225	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(948)
Other, net	(168)	(1,374)
Net cash provided by (used in) investing activities	(21,368)	(49,049)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable	5,206	19,288
Proceeds from long-term loans payable	9,494	50,630
Repayment of long-term loans payable	(7,418)	(81,952)
Proceeds from share issuance to non-controlling interests	—	2,165
Net decrease (increase) in treasury shares	(2)	(2)
Cash dividends paid	(17,114)	(15,717)
Dividends paid to non-controlling interests	(10,436)	(9,063)
Other, net	(123)	(1,540)
Net cash provided by (used in) financing activities	(20,393)	(36,192)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(551)	484
<b>Net increase (decrease) in cash and cash equivalents</b>	(17,048)	(34,298)
<b>Cash and cash equivalents at beginning of period</b>	155,635	138,156
<b>Cash and cash equivalents at end of period</b>	138,587	103,857

## (4) Notes to Quarterly Consolidated Financial Statements

### Notes Regarding Going-concern Assumptions

None

### Notes in the Event of Material Changes in the Amount of Shareholders' Equity

None

### Segment information, etc.

Six months ended June 30, 2018 (January 1, 2018 through June 30, 2018)

#### Information concerning net sales, income or loss, by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on consolidated statements of income
	Land mobility	Marine products	Robotics	Financial services	Total				
Net sales:									
Outside customers	557,725	185,701	38,129	19,753	801,310	50,004	851,314	—	851,314
Intersegment	—	—	—	—	—	17,861	17,861	(17,861)	—
Total	557,725	185,701	38,129	19,753	801,310	67,865	869,175	(17,861)	851,314
Segment income (Note 2)	27,340	36,591	9,335	6,998	80,266	1,979	82,246	0	82,246

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving golf cars, generators, multi-purpose engines, snow throwers, automobile engines, automobile components, and electrically powered wheelchairs.
2. Total of segment income corresponds to operating income in the Consolidated Statements of Income.

Six months ended June 30, 2019 (January 1, 2019 through June 30, 2019)

#### 1. Information concerning net sales, income or loss, by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on consolidated statements of income
	Land mobility	Marine products	Robotics	Financial services	Total				
Net sales:									
Outside customers	555,274	197,657	32,298	20,434	805,665	50,263	855,928	—	855,928
Intersegment	—	—	—	—	—	16,442	16,442	(16,442)	—
Total	555,274	197,657	32,298	20,434	805,665	66,706	872,371	(16,442)	855,928
Segment income (loss) (Note 2)	21,082	38,987	5,222	3,768	69,059	(39)	69,019	0	69,019

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving golf cars, generators, multi-purpose engines, snow throwers, automobile engines, automobile components, and electrically powered wheelchairs.
2. Total of segment income (loss) corresponds to operating income in the Consolidated Statements of Income.

## 2. Matters concerning changes in reporting segments

From the first three months of the fiscal year ending December 31, 2019, the reporting segments have changed from the former “Motorcycles,” “Marine products,” “Power products,” and “Industrial machinery and robots” to “Land mobility,” “Marine products,” “Robotics,” and “Financial services.”

In December 2018, the Company announced its Long-Term Vision looking ahead to 2030 alongside a New Medium-Term Management Plan spanning FY2019 through FY2021.

The reporting segments have been changed as a result of revising business administration categories in line with the priority measures to accomplish the New Medium-Term Management Plan: Land Mobility “Establishing the business foundation that can respond to the new era of mobility”; Marine “Reinforce high-profitability and establish base of sustainable growth”; and Robotics “Business scale and area expansion and reinforcement of high-profitability,” as well as the expansion of the financial services business as seen in the launch of a financial subsidiary in France following the U.S., Australia, Brazil and other areas.

Specific changes to the reporting segments are as follows:

- (1) “Motorcycles,” all-terrain vehicles, recreational off-highway vehicles, and snowmobiles which were included in “Power products,” and electrically power assisted bicycles which were included in “Others” are now classified as “Land mobility.”
- (2) “Industrial machinery and robots” and industrial-use unmanned helicopters which were included in “Others” are now classified as “Robotics.”
- (3) Revenues, etc., for financial services which were included in each reporting segment are now classified as “Financial services” in line with the revised business administration categories.

Classifications after the change have been applied to segment information for the first six months ended June 30, 2018 (January 1, 2018 through June 30, 2018).

## 3. Matters concerning assets by reporting segment

During the first six months of the fiscal year ending December 31, 2019, Shinkawa and its subsidiary, Apic Yamada, as well as their subsidiaries have been newly included in the scope of consolidation. As a result, assets of the “Robotics” segment increased by ¥37,065 million.

The amount of segment assets is obtained via provisional calculations due to incomplete allocation of acquisition costs.

## 4. Information concerning impairment loss of non-current assets and goodwill by reporting segment

(Significant gain on bargain purchase)

During the first six months of the fiscal year ending December 31, 2019, Shinkawa and its subsidiary, Apic Yamada, as well as their subsidiaries have been newly included in the scope of consolidation. As a result, gain on bargain purchase of ¥2,461 million was recorded in the “Robotics” segment.

The amount of gain on bargain purchase is obtained via provisional calculations due to incomplete allocation of acquisition costs.

## Business Combinations, etc.

The Company concluded a business integration agreement (hereinafter “Business Integration Agreement”) on February 12, 2019, concerning the business integration of three companies including (i) making Shinkawa a subsidiary of the Company through a third-party allotment of shares to which the Company is assigned (hereinafter “Third Party Allotment Capital Increase”), (ii) making Apic Yamada a wholly-owned subsidiary of Shinkawa through a tender offer and a series of subsequent procedures, and (iii) transition to a joint holding company structure for Shinkawa and Apic Yamada through the corporate separation of Shinkawa.

Pursuant to the Business Integration Agreement, the Company completed payment for the Third Party Allotment Capital Increase on June 24, 2019, and Shinkawa and its subsidiaries including Apic Yamada became subsidiaries of the Company.

On July 1, 2019, as the effective date, Shinkawa conducted a corporate separation (hereinafter “Corporate Separation”) and Shinkawa and Apic Yamada have transitioned to a joint holding company structure.

## 1. Making Shinkawa a subsidiary of the Company (Business combination by acquisition)

### (1) Overview of business combination

#### (i) Name of acquired company and its business description

Name of acquired company: SHINKAWA LTD.

Business description: Development, manufacturing and sales of semiconductor manufacturing equipment

#### (ii) Main reasons for business combination

Through this business combination, the Company aims to provide total solutions that exceeds customer expectations as a “Turn-Key provider (Note) in the field of semiconductor back-end processing and electronic component mounting” by integrating the technologies of three companies: the Company, Shinkawa, and Apic Yamada.

(Note) To provide a set of manufacturing process equipment for a series of semiconductor back-end processing and electronic component manufacturing processes. Furthermore, to propose and provide overall optimization solutions for the entire process when multiple manufacturing processes are recognized as a single process.

#### (iii) Date of business combination

June 24, 2019 (Date of acquisition of shares)

June 30, 2019 (Assumed date of acquisition)

#### (iv) Legal form of business combination

Acquisition of shares by way of acceptance of Third Party Allotment Capital Increase

#### (v) Name of company after business combination

Along with transition to a joint holding company structure through an incorporation-type separation, in which Shinkawa is a separating company and a new company incorporated as a succeeding company, the trade name has been changed to “Yamaha Motor Robotics Holdings Co., Ltd.” as of July 1, 2019.

#### (vi) Percentage of voting rights acquired

59.03%

#### (vii) Main reason to decide the acquiring company

By holding a majority of voting rights of Shinkawa, it has become clear that the Company holds control over decision-making bodies.

### (2) The period of results of the acquired company included in the consolidated statements of income for the first six months of the fiscal year ending December 31, 2019

As the assumed date of acquisition is June 30, 2019, the results of the acquired company are not included in the consolidated statements of income for the first six months of the fiscal year ending December 31, 2019.

### (3) Breakdown of acquisition costs and consideration for acquisition of the acquired company by type

Consideration for acquisition	Cash	¥10,000 million
Acquisition costs		¥10,000 million

### (4) Amount of and reasons for gain on bargain purchase

#### (i) Amount of gain on bargain purchase

¥2,461 million

The amount of gain on bargain purchase is calculated provisionally based on reasonable information available due to incomplete allocation of acquisition costs as of the end of the first six months of the fiscal year ending December 31, 2019.

#### (ii) Reasons for recognition

As acquisition costs were lower than the market value of the net assets at the time of business combination, the difference has been recognized as gain on bargain purchase.

(5) Amount of assets and liabilities assumed on the date of business combination and its major breakdown

Current assets	¥26,452 million
Non-current assets	¥10,613 million
<hr/> Total assets	<hr/> ¥37,066 million
Current liabilities	¥12,352 million
Non-current liabilities	¥3,440 million
<hr/> Total liabilities	<hr/> ¥15,792 million

(6) Allocation of acquisition costs

Provisional accounting treatment is used based on reasonable information available due to incomplete allocation of acquisition costs as of the end of the first six months of the fiscal year ending December 31, 2019.

2. Corporate separation of Shinkawa (Transactions under common control, etc.)

(1) Overview of transaction

(i) Effective date of Corporate Separation

July 1, 2019

(ii) Type of Corporate Separation

Incorporation-type separation by which Shinkawa becomes a company to be separated and a newly established company through Corporate Separation (hereinafter “New Company”) becomes a succeeding company.

(iii) Information on share allotment upon Corporate Separation

New Company issued 10,000 shares of common stock upon Corporate Separation, all of which were allotted to Shinkawa.

(iv) Rights and obligations to be succeeded to by the succeeding company

The succeeding company has succeeded the assets, liabilities, contractual positions, and other rights and obligations (excluding any rights and obligations which are difficult to transfer by nature) belonging to all businesses operated by Shinkawa other than the functions necessary for a joint holding company.

(v) Company name and business description after Corporate Separation

Separating company: (Name) Yamaha Motor Robotics Holdings Co., Ltd.

(Business description) Business management, asset management, and other businesses

Succeeding company: (Name) SHINKAWA LTD.

(Business description) Development, manufacturing, and sales of semiconductor manufacturing equipment

(2) Overview of accounting treatment to be adopted

The Corporate Separation is treated as a transaction under common control in accordance with the Accounting Standard for Business Combinations, Accounting Standard for Business Divestitures, and Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.

## Significant Subsequent Events

1. Corporate Separation of Shinkawa (Transactions under common control, etc.)

As mentioned in “(4) Notes to Quarterly Consolidated Financial Statements (Business Combinations, etc.) under 2. Consolidated Financial Statements and Primary Notes,” an incorporation-type separation was implemented on July 1, 2019, as the effective date, by which Shinkawa, a consolidated subsidiary, becomes a company to be separated, and a newly established company through Corporate Separation becomes a succeeding company, and Shinkawa changed the trade name to “Yamaha Motor Robotics Holdings Co., Ltd.”.

2. Acquisition of all shares of Apic Yamada by Yamaha Motor Robotics Holdings Co., Ltd.

On June 27, 2019, Shinkawa acquired 92.79% of Apic Yamada's voting rights through a tender offer and made Apic Yamada a subsidiary. Through a series of subsequent procedures, on August 1, 2019, Yamaha Motor Robotics Holdings Co., Ltd. acquired all shares of Apic Yamada (excluding those owned by Apic Yamada) and made Apic Yamada a wholly-owned subsidiary.