

February 12, 2019

To whom it may concern,

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Notification of Business Integration between Yamaha Motor Co., Ltd., SHINKAWA LTD., and APIC YAMADA CORPORATION

Yamaha Motor Co., Ltd. (hereinafter “Yamaha Motor”), SHINKAWA LTD. (hereinafter “Shinkawa”), and APIC YAMADA CORPORATION (hereinafter “Apic Yamada”) hereby announce that at the Board of Directors Meeting of each company held today, resolutions were passed so that Yamaha Motor has made Shinkawa a subsidiary through a third-party allotment of shares, Shinkawa has made Apic Yamada a wholly-owned subsidiary through a tender offer and subsequent procedures, and Shinkawa and Apic Yamada will transition to a joint holding company structure through corporate separation of Shinkawa, thus integrating the businesses of the three companies (hereinafter, “this Business Integration”). A business integration agreement (hereinafter “this Business Integration Agreement”) has also been concluded.

1. Purpose of this Business Integration

In July 1955, Yamaha Motor became independent from Nippon Gakki Co., Ltd. (currently Yamaha Corporation), and was established in Hamamatsu City, Shizuoka Prefecture. It has continued the production and sale of motorcycles that it had manufactured before becoming independent. Subsequently, the company started sales of boats and outboard motors etc., and in September 1961 was listed on the first section (hereinafter “Tokyo Stock Exchange First Section”) of the Tokyo Stock Exchange Co., Ltd. (hereinafter “Tokyo Stock Exchange”). Yamaha Motor has 113 consolidated subsidiaries, three companies accounted for by the equity method, and 27 affiliates accounted for by the equity method (as at December 31, 2018. Hereinafter referred to together with Yamaha Motor as the “Yamaha Motor Group”).

Its principle businesses are in the motorcycle, marine, power products, and industrial machinery & robot segments. The main businesses and products of the Yamaha Motor Group are as follows.

Main Businesses	Main Products
Motorcycle Business	Motorcycles, Intermediate Parts for Products, KD Parts for Overseas Production
Marine Business	Outboard Motors, Water Vehicles, Boats, Pools, Fishing Boats, Utility Boats
Power Products Business	All-terrain Vehicles, Recreational Off-highway Vehicles, Golf Cars, Snowmobiles, Generators, Snow Throwers, Multi-purpose Engines
Industrial Machinery and Robot Products Business	Surface Mounters, Industrial Robots
Other Business Segments	Electrically Power Assisted Bicycles, Automobile Engines, Automobile Components, Industrial-use Unmanned Helicopters, Electric Wheelchairs

Yamaha Motor announced its “Long-Term Vision” and “New Medium-Term Management Plan (2019 - 2021)” in December 2018. In its long-term vision, it introduced the slogan “ART for Human Possibilities” and proposed a growth strategy heading for 2030. With people's increasingly diversifying values and surrounding societies, under its

“Long Term Vision,” Yamaha Motor will implement its growth strategies while promoting solutions to address social issues based on its own historical values. While generating profits from existing businesses, the New Medium-Term Management Plan will allocate resources to strategic growth areas such as new businesses, and work toward achieving a target of consolidated net sales of 2 trillion yen and consolidated operating income of 180 billion yen. The business of the Yamaha Motor Group related to this Business Integration is the industrial machinery and robots segment, to which the following relates unless otherwise stated.

Shinkawa was founded as Shinkawa Seisakusho Co., Ltd. in August 1959 for the purpose of secondary processing of transistor parts, with its headquarters in Mitaka City, Tokyo. Subsequently, in order to change the par value of Shinkawa Seisakusho shares, it merged dated February 1, 1980 with the dormant company Nakamaru Trading Co., Ltd.; the latter was the surviving company, which changed its trading name to SHINKAWA LTD. on the same date. Shinkawa listed on the Tokyo Stock Exchange Second Section (hereinafter, “Tokyo Stock Exchange Second Section”) in September 1988, then changed its market to the Tokyo Stock Exchange First Section in September 2000. As of December 31, 2018, Shinkawa has 12 subsidiaries, which together with Shinkawa are known as the “Shinkawa Group.” The Shinkawa Group works mainly in the development, manufacturing, and sales of semiconductor manufacturing equipment and electronic component mounting equipment for semiconductor manufacturers and electronic component manufacturers. The Group has also expanded into maintenance services related to these areas of business. The main businesses and products of the Shinkawa Group are as follows.

Main Businesses	Main Products
Semiconductor Manufacturing Equipment and Electronic Component Mounting Equipment	Wire Bonders, Die Bonders, Flip Chip Bonders, Active Alignment Devices, Blank Mounting Machines, FPD Inspection Devices

The semiconductor manufacturing process is broadly divided into Front-end and Back-end processes. The former, so-called Wafer processes, consists of the process until circuits such as transistors and metal wirings are formed on sliced discoidal-shaped silicon wafers using the principle of photographic photosensitivity. The latter, so-called Package processes, consists of the process until IC chips are cut out from silicon wafers, the chips are fixed to the package, wired, and mold encapsulated in ceramic or resin to assemble them into semiconductor products. Shinkawa works mainly in back-end processes, particularly in the development, manufacturing, and sale of industrial precision robots used in a process called bonding, which conducts the internal wiring for semiconductor packages containing IC chips. Examples of bonding products include wire bonders, which wire and connect the electrical circuits of IC chips and printed circuit boards using thin gold and copper wires, die bonders, which fix IC chips to printed circuit boards, and flip chip bonders, which directly connect the electrical circuits of IC chips and printed circuit boards without the use of wires.

In addition, in June 2018, the company acquired all shares of Pioneer FA (now PFA Corporation) - which has over 38 years’ experience in the field of development and sales of factory automation production facility . After making PFA a subsidiary, Shinkawa has expanded into the electronic component mounting equipment business, which has high technological complementarity with Shinkawa’s existing bonding equipment and is also closely matched to customer needs.

Under the Shinkawa Group’s corporate mission of “Shinkawa will cultivate robot technology and continue to suggest cutting-edge technology to realize a society where people can dream and hope while exercising creativity, and also realize an environment where people can challenge their limits” and in anticipation of the coming of a new era in the semiconductor market where technological innovation is required for next-generation semiconductor manufacturing for high-speed networks such as 5G communication standards and high-speed data centers for big data processing, the group aims to be a leading company in bonding technology, constantly trying to achieve sustainable growth by challenging the limits of innovation in mounting technology.

In May 2015, Yamaha Motor and Shinkawa announced that they had concluded a sales alliance agreement, under which Yamaha Motor would apply its mounter device technology to develop and manufacture flip chip bonder products for the semiconductor market, which would be sold under the Shinkawa brand. This arrangement has continued until the present day, with Shinkawa selling Yamaha Motor-made products to semiconductor manufacturers etc. The aim of this sales alliance was to respond to changes in the business environment, such as a recent global trend to stronger technological integration across the industries which consequently becomes interwinded, and thus, in overseas markets in particular, the ability to deliver total solutions having a greater impact on business competitiveness. Demand on device manufacturers is growing for technological total solutions which span both the semiconductor back-end processing industry (in which Shinkawa is engaged) and the electronic component mounting industry (which includes the industrial machinery and robots business, one of Yamaha Motor’s

main business segments, in which one of its main products is moulder equipment for mounting semiconductors and electronic parts on printed circuit boards.)

In terms of Apic Yamada, the company was originally founded in March 1950 as Yamada Seisakusho Co., Ltd. (a sole trader business) in the Kamiyamada Town of the Sarashina district in Japan’s Nagano Prefecture (presently Chikuma City, Nagano Prefecture). The company’s main business was in the machining of mechanical parts. Subsequently, in January 1968, the company began manufacturing and selling lead frame tools, and in February 1969 it started Japan’s first manufacturing and selling of transfer molding tools for semiconductor plastic encapsulation. In 1971, the company started to sell lead frames, and the following year, it started manufacturing and selling lead processing machines. Throughout its history, Apic Yamada has consistently developed, manufactured, and sold semiconductor back-end processing equipment and electronic components, which has become its core business. In April 1993, the company changed its name to Apic Yamada Corporation, and in January 1996 it was listed on the Tokyo Stock Exchange Second Section. Apic Yamada has six subsidiaries and three affiliated companies (as of September 30, 2018 - hereinafter referred to together with Apic Yamada as the “Apic Yamada Group”). Similarly to Shinkawa, the main business of the Apic Yamada Group is electronic component assembly equipment for semiconductor back-end processes, electronic components, and other manufacturing and sales. The main businesses and products of the Apic Yamada Group are as follows.

Main Businesses	Main Products
Semiconductor Assembly Equipment	Molding Equipment, Lead Processing Machines, Molding Tools, Test Handlers, and other automation equipment
Electronic Components	Lead Frames, LED Pre-molded Substrates (LPS), Electronic Communication Parts
Others	Lead Processing Tools, Lead Frame Stamping Tools

Based on the company’s management concept of “Be friendly with Nature, and bring prosperity to society and happiness to mankind,” Apic Yamada aims to contribute to the semiconductor industry through the supply of precision machinery products cultivated through its proprietary die design and manufacturing technology. Further growth and development of the Apic Yamada Group will enable the company to meet the expectations of its shareholders, customers, employees, and other stakeholders.

The semiconductor manufacturing equipment industry in which both Shinkawa and Apic Yamada are engaged is greatly affected by the trends in the broader semiconductor industry and the trends in capital investment by its customers, such as semiconductor manufacturers and component assembly manufacturers. In addition, the demand for price reductions from customers in semiconductor manufacturing is extremely strong, and the competition between semiconductor manufacturing equipment manufacturers is also fierce, which leads to declining selling prices and requiring further cost reductions.

In recent years, capital expenditure by semiconductor manufacturers has continued to grow thanks to increased sales of smartphones and the expansion of data center facilities. However in January 2019, the capital expenditure by semiconductor manufacturers is showing a downward trend due to a slump in the sales of smartphones, which has brought about a sudden deterioration of the environment for the semiconductor manufacturing equipment industry. Under this declining situation, orders from semiconductor manufacturers and component assembly manufacturers have also suffered, which has in turn hurt the business performance of both Shinkawa and Apic Yamada, making adjustments necessary in order to improve going forward. In the short term, Shinkawa and Apic Yamada believe that there is an urgent need to build a financial strength that is not affected by market trends in the semiconductor industry, reduce expenses - including lowering fixed costs - and establish a structure that can ensure profit even if demand drops. In the medium- to long-term, in order to continue to respond to the future anticipated demand for IoT/big data semiconductors and demand for higher-performance back-end processing equipment, the business environment makes strengthening of research and development investment in advanced technology fields essential for growth strategies. In addition to the desirability of strengthening the financial platform, supply of advanced process solutions that work in both front-end and back-end processing are an important element for establishing a competitive advantage.

In the industrial machinery and robot business in which Yamaha Motor is engaged, customer demand is increasing for inter-process linkage between semiconductor back-end processing equipment and moulder equipment, which is a main product of Yamaha Motor’s. Thus, Yamaha Motor also believes that it is necessary for future growth to realize technological integration with semiconductor back-end process equipment manufacturers to provide total solutions to customers.

In the above ways, Yamaha Motor, Shinkawa, and Apic Yamada face common challenges in their industrial environments. As Shinkawa and Apic Yamada work on ways to address their common issue of delivering the total solutions demanded in the semiconductor back-end processing industry and the electronic component mounting industry, Yamaha Motor and Shinkawa have further strengthened their existing sales alliance, bringing their respective strengths to improved offers of total solutions to their customers. Shinkawa has been operating at a deficit since the fiscal year ended March 2009, with only the exception of the fiscal year ended March 2017, meaning that drastic improvements in profitability are urgently required. For that reason the company determined to deepen the relationship with Yamaha Motor from the viewpoint of financial strength and creditworthiness. Yamaha Motor and Shinkawa therefore started considering strengthening their relationship, including a capital tie-up, in mid-March 2018. While consideration was ongoing, Apic Yamada made a proposal regarding Business Integration to Shinkawa in early April 2018.

Specifically, from semiconductor users, there is an increasing need for modularization that integrates the functions of the multiple semiconductors, and as a result, vertical integration in semiconductor manufacturing processes has advanced beyond the previous distinction between front-end and back-end processes. Apic Yamada cannot cope alone with the needs of modularization due to the lack of company size and financial strength. In the face of ever-higher future semiconductor demand and requirements for higher functionality, it is believed that if semiconductor manufacturing equipment manufacturers in Japan work together, contribute the technologies that each one possesses, and create total solutions which achieve high productivity, stable quality, and low cost in a well-balanced manner, Japanese semiconductor manufacturing equipment manufacturers will likely survive and develop further. As, Shinkawa happens to be a manufacturer of bonding machines with which Apic Yamada was seeking to have a technological merger for their molding machines, and also both Shinkawa and Apic Yamada are thought to be major Japanese semiconductor manufacturing equipment manufacturers who respectively operate their bonding and semiconductor molding businesses that are sequential processes (molding process comes after bonding process) within the main processes in the semiconductor back-end processing market, they will firstly integrate business to cover the main areas of back-end processing in semiconductors. A proposal has also been received to include other Japanese companies engaged in various semiconductor back-end processes to form an alliance that can compete against overseas companies with the integration of Shinkawa and Apic Yamada at its core. As a result of consideration at Shinkawa, it was believed that, although the integration of only Shinkawa and Yamaha Motor or Shinkawa and Apic Yamada would not be enough to build a total solution structure and to prevail in competition against major overseas competitors which have already realized integration of the process of semiconductor back-end process business and moulder devices, if the three companies of Shinkawa, Yamaha Motor, and Apic Yamada were to cooperate, they would be able to offer total solutions to customers by combining their respective technologies. Believing that this will contribute to improving the corporate value of each company, in early July 2018 Shinkawa suggested that Yamaha Motor consider business integration across the three companies. Furthermore, in mid-July 2018 Shinkawa suggested that Apic Yamada consider business integration across the three companies. After this suggestion was made, Yamaha Motor, Shinkawa, and Apic Yamada continued their discussions, and in early November 2018 the three companies started specific studies toward business integration. In these considerations, Yamaha Motor appointed Nomura Securities Co., Ltd. as financial advisors and Mori Hamada & Matsumoto as legal advisors, Shinkawa selected Plutus Consulting Co., Ltd. as financial advisors and Sato Sogo Law Office as legal advisors, and Apic Yamada appointed Yamada Consulting Group Co., Ltd. as financial advisors and Iwata Godo as legal advisors.

This has worked to establish a framework for consultation and negotiation concerning this Business Integration. In addition, Apic Yamada established a third-party committee on January 8, 2019 as an advisory body to Apic Yamada's Board of Directors to examine the proposal regarding this Business Integration. In addition, Shinkawa carried out due diligence on Apic Yamada and Yamaha Motor conducted the same on Shinkawa and Apic Yamada to examine the feasibility of this Business Integration from mid-November 2018 to late January 2019, and at the same time, discussions continued between the three companies on the integration form as well as the management structure, the organizational structure, and the collaboration structure of the business etc. after the completion of this Business Integration.

As a result, because Yamaha Motor, Shinkawa, and Apic Yamada need to provide total solutions required by customers by combining each other's technologies and products in order to respond flexibly to changes in the business environment and to surpass competitors, and additionally, in order to establish corporate strength which is not easily influenced by the market situation of the semiconductor industry, it was determined in early January 2019 that not only Shinkawa and Apic Yamada, but also Yamaha Motor joining the integration would be effective in enhancing business credibility.

In addition, while Yamaha Motor, Shinkawa, and Apic Yamada were discussing and examining ways to conduct this Business Integration among the three companies, as Shinkawa's business and Apic Yamada's were quite close in semiconductor back-end production manufacturing equipment processed, the conclusion was reached that wide-ranging business integration was necessary for the structural reform to realize total solutions establishing competitive advantages and for cost reductions at both companies. After examining the method as a form of overall business integration, it was found that it will take time to integrate the differences between the payroll systems etc. of both

companies, and furthermore if the system is assimilated to the higher level, costs will increase making the option too difficult. In addition, although Shinkawa and Apic Yamada also examined ways to create a parent company relationship while maintaining their respective corporate status, it was decided that it is desirable to integrate the two companies in an equal relationship as a parent company relationship may lead to a decline in motivation of executives and employees of both companies. In addition, as Yamaha Motor's industrial machinery and robot business is part of a business operated by Yamaha Motor, it was determined by Yamaha Motor that full legal integration with Shinkawa and Apic Yamada may be too problematic.

Through this consideration, the three companies have moved forward with formulating a joint holding company structure with Shinkawa and Apic Yamada as wholly-owned subsidiaries as the method for this Business Integration. Advancing business integration of the two companies under the joint holding company avoids cost increases, makes promoting business integration easier, and is useful in creating an equal relationship between the two companies. As Yamaha Motor will become the parent company of the joint holding company for Shinkawa and Apic Yamada, the three companies can build a strong capital relationship through the joint holding company, which will also lead to strengthening creditworthiness. Thus, consideration moved forward on the basis that this would be an effective scheme.

In order to maximize the synergies under the joint holding company between Apic Yamada and the company newly established by corporate separation, it was believed that not maintaining its share market listing as a subsidiary but instead becoming a wholly-owned subsidiary of the joint holding company would enable building a prompt decision-making structure and make closer collaboration and structural reform etc. easier to implement. In addition, Yamaha Motor has determined that a strong partnership in terms of sales, technology, and finance is possible by going further to establish a capital relationship by making the joint holding company a subsidiary, and not forming a business alliance without capital. Based on the above consideration process, and as a result of examination from various viewpoints such as legal, accounting, and taxation, ultimately, Yamaha Motor, Shinkawa, and Apic Yamada reached agreement today between the three companies regarding conducting (1) a tender offer for Apic Yamada's common shares by Shinkawa (hereinafter, the "Tender Offer") and a series of subsequent procedures in order to make Apic Yamada a wholly-owned subsidiary of Shinkawa (hereinafter the "Outright Acquisition Transaction" in conjunction with the Tender Offer), and (2) in order to procure funds for the implementation of the Outright Acquisition Transaction and structural reform etc., a third-party allotment of shares by Shinkawa to which Yamaha Motor is assigned (hereinafter, the "Third Party Allotment Capital Increase." The proportion of Shinkawa's shares which Yamaha Motor will hold after the Third Party Allotment Capital Increase is planned to be 56.6%) as a result of which Shinkawa will become a subsidiary of Yamaha Motor, and furthermore (3) a series of transactions (the series of transactions concerned is hereinafter collectively referred to as "the Transactions") in which the current Shinkawa will be made the joint holding company (hereinafter, "the Joint Holding Company") through a corporate separation to enable the company newly established by corporate separation to inherit the businesses of Shinkawa (hereinafter, "this Corporate Separation", and the newly established company through corporate separation as the "Company Established in the Corporate Separation" or "New Company") will be conducted. For details of the Transactions, please refer to "2. Summary of this Business Integration" below.

Through this Business Integration, we aim to provide a total solution that exceeds our customers' expectation as the "Turn-Key provider (Note) in the field of semiconductor back-end processing and electronic components mounting," by integrating the technologies of Yamaha Motor's surface mounters (equipment which mounts electronic components and semiconductors on the surface of printed circuit boards) and FA (refers to factory automation; a system which promotes automation during the production process at factories), Shinkawa's bonders (equipment which connects the IC chip and the electric circuit on the printed circuit boards), and Apic Yamada's molds (package encapsulation equipment).

In addition, we will invite more companies to participate as "companies that create and disseminate new process technologies originating in Japan" and will aim for the top market share in the global back-end semiconductor manufacturing and electronic component assembling equipment market.

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

Yamaha Motor., Shinkawa, and Apic Yamada anticipate the following effects to be demonstrated through this Business Integration.

(1) Expected effects in terms of sales

- The three companies' products have few duplications, and by linking the products of these three companies, it is possible to provide a one-stop solution for production lines of semiconductor back-end processing, which expanded business opportunities is anticipated.

- In terms of the customers, combining Shinkawa's strength in the memory business, Apic Yamada's specialty in high-end processors and automotive devices, and Yamaha Motor's sales network with a wide range of customers in the electronic component packaging field, will build a complementary relationship between the three companies and

expand the line-up of products, and therefore create further business opportunities going forward.

- Shinkawa and Apic Yamada are expected to expand business opportunities for both companies thanks to Yamaha Motor's creditworthiness, and will increase the reliability and stability for customers in terms of scale and physical strength.
- Collection and analysis of technical trends and market trends can be carried out together, which can then be utilized in proposing effective sales strategies and marketing activities that contribute to product development strategies.

(2) Expected effects in technical developments

- It is expected that bringing together the technical strengths of the three companies (Shinkawa: overall fundamental technology of die bonders that handle fragile IC chips and wire bonders, FA and integration technology (integrated control technology that realizes functions which resolve the customers' issues by combining various fundamental technology in the form of an equipment), Apic Yamada: semiconductor packaging molding technology, precision mold design and processing technology, Yamaha Motor.: high-speed multi axis control technology (technology which controls multiple axes operating at high speed which operate the equipment), M2M control technology (technology which connect separate equipments and carries out integrated operation/control as if it is a single unit equipment)) will enable new product development for not only single equipment but taking into consideration the whole production line.
- It is expected that cooperation of system-related personnel of each company will solve the shortage of personnel and improve technical skills with respect to control/software development which the load is increasing each year.

(3) Expected effects in terms of procurement and production

- It is anticipated that a stable procurement system that is resilient against demand fluctuations can be built by utilizing the procurement network of the three companies.
- It is anticipated that a cost reduction will be achieved by promoting the standardization of parts within the three companies.
- It is anticipated that a production system that is resilient against demand fluctuations can be built by mutually utilizing production bases and subcontractors.
- In addition, it is anticipated that there will be reduction in production costs through improvement of production efficiency by consolidating production sites etc. such as in Thailand where Shinkawa and Apic Yamada's plant are located in the neighboring areas.

(4) Expected effects in terms of indirect costs

- A reduction of indirect costs is expected due to mutual utilization of the bases of the three companies, as well as consolidation of indirect divisions such as accounting, finance, personnel affairs, general affairs, and legal affairs

2. Summary of This Business Integration

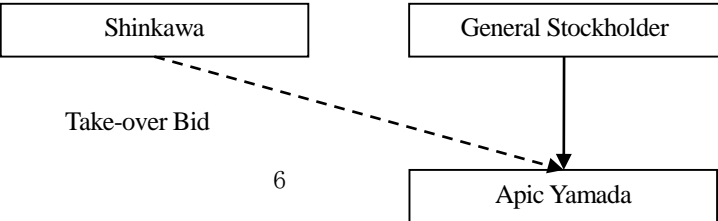
(1) Method of This Business Integration

This Business Integration is carried out through a series of transactions (the Transactions) which consist of (i) the Tender Offer by Shinkawa and a series of subsequent procedures including a stock merger through which Apic Yamada will become a wholly-owned subsidiary of Shinkawa (ii) making Shinkawa a subsidiary of Yamaha Motor. by conducting the Third Party Allotment Capital Increase, the purpose of which are to procure funds for the implementation of transactions for the transition into a wholly-owned subsidiary and for structural reform etc. and (iii) the Corporate Separation which makes the current Shinkawa a joint holding company.

Details of each of the above transactions are as follows.

(1) Tender offers and transactions involved in transition to a wholly-owned subsidiary

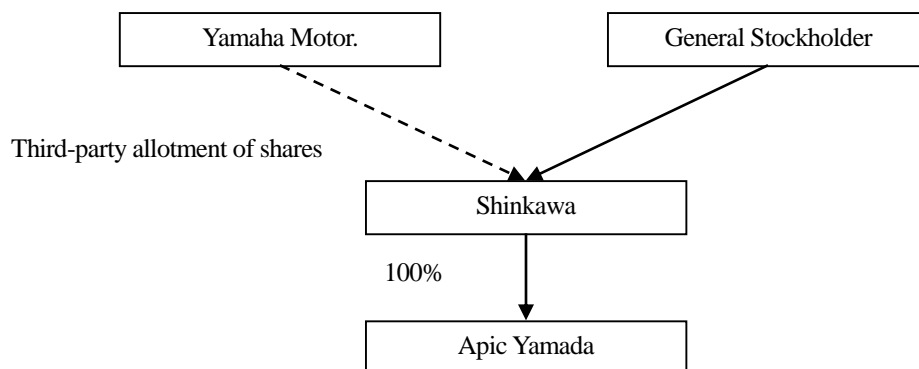
Shinkawa will implement the Tender Offer to make Apic Yamada a wholly-owned subsidiary. Shinkawa will conduct a series of procedures to make Apic Yamada a wholly-owned subsidiary of Shinkawa after the completion of the Tender Offer if Shinkawa fails to acquire all of Apic Yamada's common shares through the Tender Offer. As Shinkawa will implement the Tender Offer with the intention of making Apic Yamada a wholly-owned subsidiary, depending on the outcome of the Tender Offer, Apic Yamada shares may be delisted through prescribed procedures. In addition, in the event that the Tender Offer is concluded, Shinkawa intends to make Apic Yamada a wholly-owned subsidiary even if it does not fall under the conditions of delisting at the time of the conclusion. In this case, it will be delisted through the prescribed procedures.



(2) The Third Party Allotment Capital Increase and Shinkawa’s transfer to a company with an audit and supervisory board, as well as other partial amendments to the articles of incorporation

Shinkawa is to carry out The Third Party Allotment Capital Increase and Yamaha Motor. will make Shinkawa its subsidiary.

The Third Party Allotment Capital Increase is to procure funds for the Tender Offer to be conducted by Shinkawa, relocation and construction costs for consolidation of domestic/foreign plants and sales service bases, reconstruction costs including the relocation and construction costs for consolidation to optimize the sales service functions at overseas sales service bases. It is also to procure funds for research and development of next-generation equipment and new process technologies corresponding to next-generation semiconductor manufacturing for high-speed network such as in 5G communication standards and high-speed data centers for big data processing. The payment of The Third Party Allotment Capital Increase will be carried out conditional upon the conclusion of the Tender Offer itself.

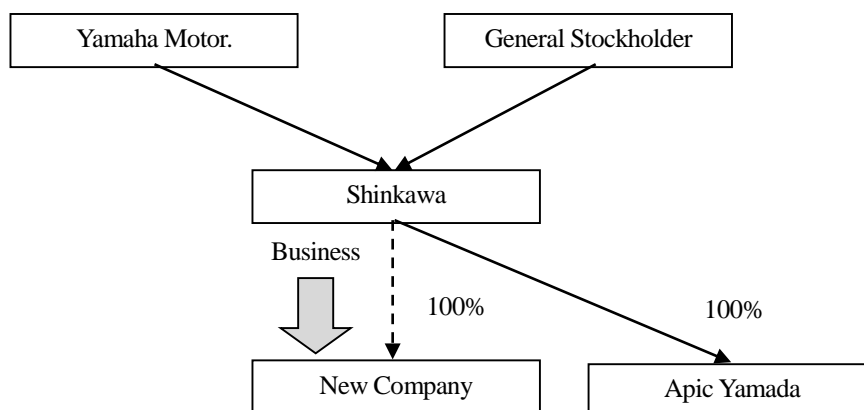


Shinkawa plans to make partial amendments to the articles of incorporation that it will transition to a company with an audit and supervisory board, conditional upon the completion of the payment for the Third Party Allotment Capital Increase and the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in late June 2019, and appoint new directors of Shinkawa, conditional upon the above-mentioned amendments to the articles of incorporation coming into effect. Shinkawa also plans to submit bills regarding the Third Party Allotment Capital Increase, the above-mentioned amendments to the articles of incorporation and the above-mentioned appointment of new directors to the extraordinary meeting scheduled to be held on April 26, 2019 (hereafter “This Extraordinary Meeting”).

(3) Corporate Separation, changes in the company name, and other partial amendments to the articles of incorporation

Shinkawa will transfer the business excluding the functions required to operate itself as a joint holding company to Shinkawa's wholly-owned subsidiary (the Company Established in the Corporate Separation) and Shinkawa will transition to a joint holding company under which there exists the Company Established in the Corporate Separation and Apic Yamada.

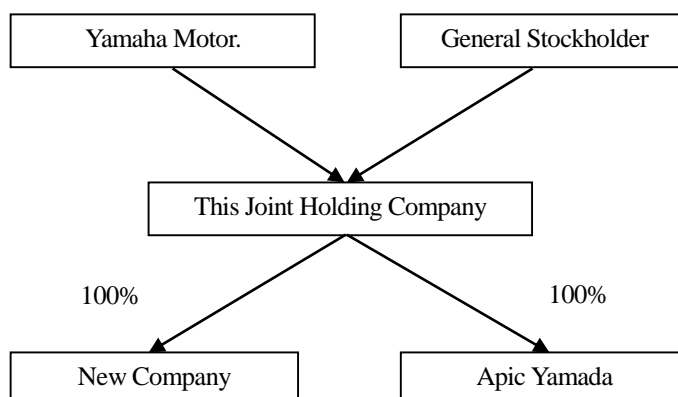
Shinkawa plans to make partial amendments to the articles of incorporation including a change to its company name and changes to their business purposes reflecting its transition to a holding company, conditional upon the completion of the Corporate Separation scheduled to take place on July1, 2019. The bills relating to the Corporate Separation and the above-mentioned amendments to the articles of incorporation will be submitted to This Extraordinary Meeting.



(4) After completion of this transaction

Yamaha Motor. will become the parent company of the Joint Holding Company (the proportion of Shinkawa shares which Yamaha Motor. will hold after completion of this transaction will be 56.6%), and Shinkawa and Apic Yamada will become wholly-owned subsidiaries of the Joint Holding Company.

The Joint Holding Company plans to maintain its listing even after the completion of this Transaction.



(2) Schedule of this Business Integration

The commencement of the Tender Offer is conditional upon certain matters such as completion of procedures and correspondence required domestic and/or international competition laws. While Shinkawa intends to commence the Tender Offer promptly when the above-mentioned conditions are satisfied. While Shinkawa is aiming to commence the Tender Offer in early May 2019, as of today, it is difficult to predict how long it takes to complete procedures etc. in competition authorities both in Japan and overseas accurately (procedures including anti-trust filings are expected to be required in the Republic of Korea concerning this Transaction.), we will announce details of the schedule for the Tender Offer as soon as it is fixed.

The payment date of the Third Party Allotment Capital Increase is also yet to be determined, since it is conditional upon the conclusion of the Tender Offer and other conditions, and the implementation period of the Tender Offer is yet to be determined.

Date of Board of Directors Resolution (Three Companies)	Feb 12, 2019 (Today)
Conclusion Date of This Business Integration Agreement (Three Companies)	Feb 12, 2019 (Today)
Extraordinary Shareholders Meeting Record Date Publication Date (Shinkawa)	February 19, 2019 (Scheduled)
Extraordinary Shareholders Meeting Record Date (Shinkawa)	March 6, 2019 (Scheduled)
Date of Board of Directors Resolution for Resolution of Extraordinary General Shareholders Meeting (Shinkawa)	March 25, 2019 (Scheduled)
Extraordinary Shareholders Meeting Resolution Date (Shinkawa)	April 26, 2019 (Scheduled)
Start Date of Tender Offer (Shinkawa/Apic Yamada)	Early May 2019 (Scheduled)
End Date of Tender Offer (Shinkawa/Apic Yamada)	End of June 2019 (Scheduled)
Payment Date of the Third-Party Allotment Capital Increase (Yamaha Motor./Shinkawa)	End of June 2019 (Scheduled)
Settlement Start Date of the Tender Offer (Shinkawa/Apic Yamada)	End of June 2019 (Scheduled)
Ordinary General Meeting of Shareholders Resolution Date(Shinkawa)	End of June 2019 (Scheduled)
Effective Date of the Corporate Separation (Shinkawa)	July 1, 2019 (Scheduled)
Date of Delisting (Apic Yamada)	To be determined
Effective Date of the Outright Acquisition Transaction (Shinkawa/Apic Yamada)	To be determined

(3) Summary of main conditions of this Transaction

The summary of the main conditions concerning this Business Integration are as follows.

Conditions for Third Party Allotment Capital Increase	(1) Issue price 382 yen per Share (2) Amount of funds to be procured 10 billion yen (3) Number of new shares issued Shinkawa Common Shares 26,178,100 Shares (4) Payment Period From June 24, 2019 to December 31, 2019
Conditions for the Tender Offer	(1) Price of Purchase 570 yen per Apic Yamada Common Share (2) Upper and lower limits on the number of shares that can be purchased Lower limit of the number of shares scheduled that can be purchased is 8,279,600 shares, no limit to the maximum number of shares that can be purchased (3) Period of Purchase It is scheduled to be set to 30 business days.
Conditions for the Corporate Separation	(1) Corporate Separation Considerations Upon this corporate separation, all shares of the Company Established in the Corporate Separation will be provided to Shinkawa. (2) Increased Capital and Reserve There will be no increase in capital and reserves as a result of the Corporate Separation. (3) Rights and obligations to be transferred All rights and obligations concerning Shinkawa's business excluding those required for operations as the Joint Holding Company

Shinkawa is planning to amend the articles of incorporation to shift to a company with an audit and supervisory board concurrent with becoming a subsidiary of Yamaha Motor through the Third Party Allotment Capital Increase. In addition, Shinkawa is planning to amend the articles of incorporation as Shinkawa transitions to a joint holding company structure through the Corporate Separation. However, as details are not decided as of today, an official announcement will be made when these are determined.

3. Outline of the companies involved in this Business Integration

(As of December 31, 2018, for Yamaha Motor., as of September 30, 2018 for Shinkawa and Apic Yamada, except as noted

	Yamaha Motor.	Shinkawa	Apic Yamada
(1) Name	Yamaha Motor Co., Ltd.	SHINKAWA LTD.	APIC YAMADA CORPORATION
(2) Address	Shingai 2500, Iwata-shi, Shizuoka, Japan	2 Chome-51-1 Inadaira, Musashimurayama-shi, Tōkyō, Japan	Kamitokuma 90, Chikuma-shi, Nagano, Japan
(3) Title of Representative / Name	President, CEO and Representative Director - Yoshihiro Hidaka	President, CEO and Representative Director - Takashi Nagano	President, CEO and Representative Director - Hirohito Oshimori
(4) Business Operations:	Motorcycle Business, Marine (Products) Business, Power Product Business, Industrial Machinery & Robots Business and other areas	Development, manufacture, and sales of semiconductor manufacturing equipment	Electronic Component Assembly Devices, Manufacture and Sale of Electronic Components etc.
(5) Capital	85,797 million yen	8,360 million yen	5,837million yen
(6) Date of Foundation	July 1, 1955	August 6, 1959	May 1, 1953
(7) Number of Stocks Issued	349,914,284 shares	20,047,500 shares	12,969,000 shares
(8) Fiscal Year End	December 31	March 31	March 31
(9) Number of Employees:	(Total) 53,977 employees (Singular) 10,614 employees	(Total) 755 employees (Singular) 297 employees (As of March 31, 2018)	(Total) 491 employees (Singular) 353 employees (As of March 31, 2018)
(10) Main Customers	Sales Agents	Semiconductor manufacturer and manufacturers of electronic components	Semiconductor manufacturer and manufacturers of electronic components
(11) Main Trading Banks	Mizuho Bank, Ltd. Shizuoka Bank, Ltd. Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ, Ltd.	Kiraboshi Bank Ltd, Mitsubishi UFJ Bank, Ltd. Mizuho Bank, Ltd.	The Hachijuni Bank, Ltd., The Nagano Bank, Ltd., The Shoko Chukin Bank, Ltd.
(12) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account) 10.00% Yamaha Corporation 9.90% Japan Trustee Services Bank 6.98% State Street Bank and Trust Company 5.41% Toyota Motor Corporation 3.57% (As of June 30, 2018)	STATE STREET BANK AND TRUST COMPANY 505019 6.05% GOLDMAN SACHS INTERNATIONAL 5.48% Mizuho Trust & Banking Co., Ltd Retirement Benefit Trust 4.95% Japan Trustee Services Bank 4.46% The Master Trust Bank of Japan, Ltd. (trust account) 3.60%	The Hachijuni Bank, Ltd. 4.95% Toshihiko Tabata 4.18% Hachijuni Capital Co., Ltd 3.23% APIC Yamada employee stock ownership 2.54% KGI ASIA LIMITED-CLIENT ACCOUNT 2.41%
(13) Relationship between concerned parties			
Capital Ties	There are no applicable items.		
Personal Relationships	Not applicable.		
Business relationship related	Shinkawa purchases products from Yamaha Motor		
Applicable situations to related parties	Not applicable.		

(14) Operating Results and Financial Condition over the last three Years

(1) Yamaha Motor (consolidated) (Unit: Million yen. Except what is specified)

Fiscal Year End	Year ended December, 2016	Year ending December, 2017	Year ending December, 2018
Consolidated Net Assets	575,404	665,232	695,743
Consolidated Total Assets	1,318,776	1,415,845	1,433,458
Consolidated net worth per share (yen)	1,529.53	1,783.35	1,882.64
Consolidated net sales	1,502,834	1,670,090	1,673,137
Consolidated operating income	108,594	149,782	140,787
Consolidated Ordinary Income	102,073	154,826	137,969
Consolidated Net Income Attributed to Owners of Parent Companies	63,153	101,603	93,366
Consolidated net income per share (yen)	180.84	290.93	267.35
Dividend payment per Share (yen)	60.0	88.0	90.0

(2) Shinkawa (consolidated) (Unit: Million yen. Except what is specified)

Fiscal Year End	Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended March 2018
Consolidated Net Assets	20,570	21,579	21,545
Consolidated Total Assets	23,340	25,201	24,959
Consolidated net worth per share (yen)	1,131.83	1,187.36	1,185.52
Consolidated net sales	12,662	16,438	15,214
Consolidated operating income	-1,035	294	-620
Consolidated Ordinary Income	-1,444	432	-488
Consolidated Net Income Attributed to Owners of Parents	-1,849	243	563
Consolidated net income per share (yen)	-101.75	13.37	31.00
Dividend payment per Share (yen)	-	-	-

(3) Apic Yamada (consolidated) (Unit: Million yen. Except what is specified)

Fiscal Year End	Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended March 2018
Consolidated Net Assets	3,449	3,695	3,821
Consolidated Total Assets	13,101	12,477	11,049
Consolidated net worth per share (yen)	277.76	297.55	307.71
Consolidated net sales	8,899	11,098	12,665
Consolidated operating income	-609	397	292
Consolidated Ordinary Income	-592	396	248
Consolidated Net Income Attributed to Owners of Parents	-689	335	46
Consolidated net income per share (yen)	-55.53	26.99	3.72
Dividend payment per Share (yen)	-	-	-

4. Status of this joint holding company after this Business Integration

		This Joint Holding Company
(1)	Name	To be determined
(2)	Address	2 Chome-51-1 Inadaira, Musashimurayama-shi, Tōkyō (Head office on registration) The actual headquarters will be decided after future consultation.
(3)	Scheduled inauguration of representative and officer	Notification will be made as soon as the representatives and officers are determined.
(4)	Business Operations:	Group management business and asset management etc.
(5)	Capital	13.360 billion yen (Note 1)
(6)	Fiscal Year End	December 31 (Note 2)
(7)	Net Assets	To be determined
(8)	Total Assets	To be determined
(9)	Other	As well as the setting up of a company with an auditing committee, a schedule is in place for the set-up of a Director and general shareholders meeting, as well as meetings for the Board of Directors, Auditing Committee, and Accounting Auditors.

(Note 1) The estimated capital is the amount after reflecting the increase in capital through the third-party allotment by Shinkawa (5 billion yen).

(Note 2) A schedule is in place to change the fiscal year end to December 31 on the premise of Shinkawa's approval resolution at the Extraordinary General Meeting of Shareholders.

End of Document