

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

November 13, 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:

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Filing of quarterly securities report (scheduled):

November 14, 2019

Beginning of payment of dividends (scheduled):

—

Supplementary explanatory documents related to the quarterly consolidated financial results:

Yes

Briefing on the quarterly consolidated financial results:

Yes (for institutional investors and securities analysts)

Amounts less than one million yen are rounded down.

1. Consolidated Financial Results for the Nine Months Ended September 30, 2019

(January 1, 2019 through September 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	%
Nine months ended September 30, 2019	1,267,211	0.4	99,978	(13.4)	102,380	(9.7)	75,622	(7.5)
Nine months ended September 30, 2018	1,261,952	0.9	115,505	(4.4)	113,382	(8.6)	81,763	(8.3)

Note: Comprehensive income

Nine months ended September 30, 2019:	¥69,809 million	[(20.0)%]
Nine months ended September 30, 2018:	¥87,276 million	[(17.2)%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Nine months ended September 30, 2019	216.50	—
Nine months ended September 30, 2018	234.13	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	1,441,661	724,035	47.2
As of December 31, 2018	1,420,854	695,743	46.3

Reference: Shareholders' equity

As of September 30, 2019:	¥680,192 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: No 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: The trade name of SHINKAWA LTD. has been changed to “Yamaha Motor Robotics Holdings Co., Ltd.” as of July 1, 2019. 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

Nine months ended September 30, 2019	350,013,146 shares	Fiscal year ended December 31, 2018	349,914,284 shares
Nine months ended September 30, 2019	685,472 shares	Fiscal year ended December 31, 2018	683,554 shares
Nine months ended September 30, 2019	349,289,120 shares	Nine months ended September 30, 2018	349,231,914 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).

Contents of Attachment

1. Matters Regarding Summary Information (Notes).....	6
Changes in Significant Subsidiaries during Period.....	6
Changes in Accounting Policies.....	6
Additional Information	7
2. Consolidated Financial Statements and Primary Notes	8
(1) Consolidated Balance Sheets.....	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
Consolidated Statements of Income.....	10
Consolidated Statements of Comprehensive Income.....	11
(3) Consolidated Statements of Cash Flows	12
(4) Notes to Quarterly Consolidated Financial Statements.....	14
Notes Regarding Going-concern Assumptions	14
Notes in the Event of Material Changes in the Amount of Shareholders' Equity	14
Segment Information, etc.....	14
Business Combinations, etc.	15

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 on June 24, 2019, and its subsidiary, APIC YAMADA CORPORATION (listed on the Second Section of the Tokyo Stock Exchange; hereinafter “Apic Yamada”), as well as subsidiaries and affiliates of the above companies have become subsidiaries and associates of the Company.

Shinkawa conducted an incorporation-type separation on July 1, 2019, by which a newly established company through a corporate separation became the succeeding company and changed its trade name to Yamaha Motor Robotics Holdings Co., Ltd. (hereinafter “YMRH”). Pursuant to a tender offer, etc., by Shinkawa, Apic Yamada was delisted on July 30, 2019.

As a result, for the nine months of the fiscal year ending December 31, 2019, YMRH and its 21 subsidiaries are included in the scope of consolidation while three affiliates of YMRH are accounted for using the equity method.

In addition, as the assumed date of acquisition is June 30, 2019, results for the second quarter (from July 1, 2019 to September 30, 2019) of YMRH are included in the consolidated statements of income and consolidated statements of comprehensive income for the nine months of the fiscal year ending December 31, 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 ¥1,809 million, ¥8,694 million, ¥10,082 million and ¥11,979 million greater, respectively, while retained earnings were ¥11,860 million smaller than if the former accounting standard was applied at the end of the first nine 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 nine months of the fiscal year ending December 31, 2019 declined by ¥1,252 million, ¥2,543 million, ¥2,543 million, ¥2,543 million and ¥1,902 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 ¥923 million smaller, while non-current assets, “other” in current liabilities and in non-current liabilities were ¥7,833 million, ¥1,221 million, and ¥5,674 million greater, respectively, than if the former accounting standard was applied at the end of the first nine 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 nine 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 September 30, 2019

	Millions of yen	
	As of December 31, 2018	As of September 30, 2019
ASSETS		
Current assets:		
Cash and deposits	138,264	117,431
Notes and accounts receivable – trade	164,375	163,025
Short-term sales finance receivables	165,168	164,844
Merchandise and finished goods	208,443	202,260
Work in process	58,676	63,942
Raw materials and supplies	62,047	65,227
Other	64,523	56,558
Allowance for doubtful accounts	(11,737)	(10,876)
Total current assets	849,763	822,414
Non-current assets:		
Property, plant and equipment	335,763	339,405
Intangible assets	8,518	7,609
Investments and other assets		
Long-term sales finance receivables	97,680	103,623
Other	131,111	170,882
Allowance for doubtful accounts	(1,982)	(2,274)
Total investments and other assets	226,809	272,231
Total non-current assets	571,091	619,246
Total assets	1,420,854	1,441,661
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	118,303	114,824
Electronically recorded obligations – operating	21,696	19,207
Short-term loans payable	162,950	157,340
Current portion of long-term loans payable	124,299	30,694
Provision for bonuses	14,111	23,090
Provision for product warranties	17,954	16,959
Other provision	1,393	1,462
Other	119,871	128,931
Total current liabilities	580,580	492,511
Non-current liabilities:		
Long-term loans payable	69,439	129,140
Net defined benefit liability	56,408	59,484
Other provision	582	317
Other	18,099	36,171
Total non-current liabilities	144,530	225,114
Total liabilities	725,111	717,626

	Millions of yen	
	As of December 31, 2018	As of September 30, 2019
NET ASSETS		
Shareholders' equity:		
Capital stock	85,797	85,905
Capital surplus	74,663	74,770
Retained earnings	572,707	606,954
Treasury shares	(727)	(731)
Total shareholders' equity	732,440	766,898
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	35,210	35,507
Revaluation reserve for land	10,412	10,428
Foreign currency translation adjustment	(118,281)	(131,890)
Remeasurements of defined benefit plans	(2,307)	(752)
Total accumulated other comprehensive income	(74,965)	(86,706)
Non-controlling interests	38,268	43,843
Total net assets	695,743	724,035
Total liabilities and net assets	1,420,854	1,441,661

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

Nine months ended September 30, 2018 and 2019

Consolidated Statements of Income

	Millions of yen	
	Nine months ended September 30, 2018 (January 1— September 30, 2018)	Nine months ended September 30, 2019 (January 1— September 30, 2019)
Net sales	1,261,952	1,267,211
Cost of sales	920,392	929,815
Gross profit	341,560	337,395
Selling, general and administrative expenses	226,055	237,417
Operating income	115,505	99,978
Non-operating income:		
Interest income	3,114	2,773
Share of profit of entities accounted for using equity method	1,779	2,271
Other	6,307	5,201
Total non-operating income	11,201	10,246
Non-operating expenses:		
Interest expenses	2,432	2,642
Foreign exchange losses	9,024	1,193
Other	1,867	4,007
Total non-operating expenses	13,324	7,843
Ordinary income	113,382	102,380
Extraordinary income:		
Gain on sales of non-current assets	229	490
Gain on bargain purchase	—	2,235
Gain on sales of investment securities	225	—
Total extraordinary income	454	2,725
Extraordinary losses:		
Loss on sales of non-current assets	136	144
Loss on disposal of non-current assets	546	741
Impairment loss	167	101
Loss on sales of investment securities	—	0
Business restructuring expenses	—	285
Total extraordinary losses	851	1,273
Income before income taxes	112,986	103,833
Income taxes – current	27,220	26,872
Income taxes – deferred	(6,154)	(5,530)
Total income taxes	21,066	21,342
Net income	91,920	82,490
Net income attributable to non-controlling interests	10,156	6,868
Net income attributable to owners of parent	81,763	75,622

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Nine months ended September 30, 2018 (January 1— September 30, 2018)	Nine months ended September 30, 2019 (January 1— September 30, 2019)
Net income	91,920	82,490
Other comprehensive income:		
Valuation difference on available-for-sale securities	12,522	344
Revaluation reserve for land	(0)	15
Foreign currency translation adjustment	(18,049)	(13,719)
Remeasurements of defined benefit plans, net of tax	1,934	1,631
Share of other comprehensive income of entities accounted for using equity method	(1,050)	(952)
Total other comprehensive income	(4,643)	(12,681)
Comprehensive income:	87,276	69,809
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	78,343	63,881
Comprehensive income attributable to non-controlling interests	8,932	5,928

(3) Consolidated Statements of Cash Flows

Nine months ended September 30, 2018 and 2019

	Millions of yen	
	Nine months ended September 30, 2018 (January 1— September 30, 2018)	Nine months ended September 30, 2019 (January 1— September 30, 2019)
Cash flows from operating activities:		
Income before income taxes	112,986	103,833
Depreciation	34,423	36,980
Impairment loss	167	101
Gain on bargain purchase	—	(2,235)
Increase (decrease) in net defined benefit liability	2,589	3,804
Interest and dividend income	(3,716)	(3,508)
Interest expenses	2,432	2,642
Loss (gain) on sales of property, plant and equipment and intangible assets	(92)	(345)
Loss (gain) on disposal of property, plant and equipment and intangible assets	546	741
Decrease (increase) in notes and accounts receivable – trade	(4,856)	363
Decrease (increase) in sales finance receivables	(13,788)	(16,731)
Decrease (increase) in inventories	(6,106)	662
Increase (decrease) in notes and accounts payable – trade	(9,335)	(4,970)
Other, net	1,416	15,501
Subtotal	116,667	136,841
Interest and dividend income received	5,165	5,305
Interest expenses paid	(2,470)	(2,661)
Income taxes paid	(35,316)	(25,640)
Net cash provided by (used in) operating activities	84,046	113,844

	Millions of yen	
	Nine months ended September 30, 2018 (January 1— September 30, 2018)	Nine months ended September 30, 2019 (January 1— September 30, 2019)
Cash flows from investing activities:		
Payments into time deposits	(122)	(1,856)
Proceeds from withdrawal of time deposits	1,134	435
Purchase of property, plant and equipment and intangible assets	(36,214)	(37,740)
Proceeds from sales of property, plant and equipment and intangible assets	4,887	3,653
Purchase of investment securities	(1,770)	(21,701)
Proceeds from sales of investment securities	225	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,458)
Other, net	370	(1,583)
Net cash provided by (used in) investing activities	(31,489)	(60,249)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	(13,405)	(4,195)
Proceeds from long-term loans payable	14,913	92,268
Repayment of long-term loans payable	(40,969)	(122,637)
Proceeds from share issuance to non-controlling interests	—	2,165
Net decrease (increase) in treasury shares	(3)	(4)
Cash dividends paid	(32,832)	(31,439)
Dividends paid to non-controlling interests	(10,491)	(9,110)
Other, net	(211)	(2,178)
Net cash provided by (used in) financing activities	(82,999)	(75,131)
Effect of exchange rate change on cash and cash equivalents	(1,910)	(1,161)
Net increase (decrease) in cash and cash equivalents	(32,352)	(22,698)
Cash and cash equivalents at beginning of period	155,635	138,156
Cash and cash equivalents at end of period	123,282	115,458

(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.

Nine months ended September 30, 2018 (January 1, 2018 through September 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	837,797	263,454	55,807	29,351	1,186,411	75,540	1,261,952	—	1,261,952
Intersegment	—	—	—	—	—	27,837	27,837	(27,837)	—
Total	837,797	263,454	55,807	29,351	1,186,411	103,378	1,289,790	(27,837)	1,261,952
Segment income (Note 2)	40,181	50,630	13,218	10,340	114,371	1,134	115,505	0	115,505

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.

Nine months ended September 30, 2019 (January 1, 2019 through September 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	832,004	274,221	53,334	30,797	1,190,358	76,853	1,267,211	—	1,267,211
Intersegment	—	—	—	—	—	28,845	28,845	(28,845)	—
Total	832,004	274,221	53,334	30,797	1,190,358	105,699	1,296,057	(28,845)	1,267,211
Segment income (loss) (Note 2)	35,821	51,955	6,368	6,190	100,336	(358)	99,978	0	99,978

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 nine months ended September 30, 2018 (January 1, 2018 through September 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 at the end of the first nine months of the fiscal year ending December 31, 2019 increased by ¥32,474 million.

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 ¥2,235 million was recorded in the “Robotics” segment in the first nine months of the fiscal year ending December 31, 2019.

The amount of gain on bargain purchase reflects the revision of the amount of initial allocation of acquisition costs due to settlement of provisional accounting treatment relating to the business combination.

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) Settlement of provisional accounting treatment relating to business combination

Provisional accounting treatment was used for the first six months of the fiscal year ending December 31, 2019 and it was subsequently settled in the first nine months of the fiscal year ending December 31, 2019.

Quarterly consolidated financial statements for the first nine months of the fiscal year ending December 31, 2019 reflect the revision of allocation of acquisition costs. The amount of gain on bargain purchase, the provisional calculation of which was ¥2,461 million, decreased by ¥226 million to ¥2,235 million due to settlement of the accounting treatment.

(2) 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.

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

From July 1, 2019 to September 30, 2019

(4) 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

(5) Breakdown and amount of major expenses related to acquisition

Advisory fee, etc. ¥160 million

(6) Amount of and reasons for gain on bargain purchase

(i) Amount of gain on bargain purchase

¥2,235 million

(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.

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

Current assets	¥25,942 million
Non-current assets	¥10,562 million
<hr/> Total assets	<hr/> ¥36,505 million
Current liabilities	¥12,352 million
Non-current liabilities	¥3,425 million
<hr/> Total liabilities	<hr/> ¥15,777 million

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 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.