

Consolidated Financial Results for the Fiscal Year Ended December 31, 2019

February 12, 2020

Yamaha Motor Robotics Holdings Co., Ltd.

(URL <https://www.ymrh.co.jp/>)

Stock Listing	Tokyo Stock Exchange the First Section
Code Number	6274
Representative	Osamu Ishioka, President and Representative Director
Contact Person	Takuya Mori, Director
Phone Number	+81-3-5937-6404
Ordinary General Shareholders' Meeting (scheduled)	March 19, 2020
Filing of Quarterly Security Report (scheduled)	March 19, 2020
Beginning of Payment of Dividends (scheduled)	—
Supplemental Materials for Consolidated Financial Results	Yes
Presentation Meeting for Consolidated Financial Result	Yes (for securities analysts)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2019 (April 1, 2019 through December 31, 2019)

*Amounts are rounded off to nearest million yen.

Note: The determination of the provisional accounting process pertaining to the business combination is conducted under the fiscal year ended December 31, 2019. For the fiscal year ended March 2019, it is calculated based on the figure reflecting significant review of initially allocated amounts of the acquisition costs by the determination of the provisional accounting processes.

(1) Consolidated operating results

%% 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	%
Fiscal year ended December 31, 2019	13,997	-	(3,932)	-	(3,863)	-	(4,296)	-
Fiscal year ended March 31, 2019	11,220	(26.3)	(3,187)	-	(3,099)	-	(3,221)	-

(Note) Comprehensive income: Fiscal year ended December 31, 2019: (4,004) million yen (—%) Fiscal year ended March 31, 2019: (3,640) million yen (—%)

	Earnings per share — basic	Earnings per share — diluted	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2019	(117.64)	-	(20.5)	(12.7)	(28.1)
Fiscal year ended March 31, 2019	(177.16)	-	(16.3)	(12.6)	(28.4)

(Reference) Share of profit of entities accounted for using equity method:

Fiscal year ended December 31, 2019: (48) million yen Fiscal year ended March 31, 2019: — million yen

(Note) The accounting period of the fiscal year ended December 31, 2019 has become 9 months due to the change of fiscal year-end. Accordingly, since the fiscal year ended December 31, 2019 (April 1, 2019 to December 31, 2019) and the previous fiscal year (April 1, 2018 to March 31, 2019) cover different periods, the corresponding period of the previous year is not indicated. For overseas subsidiaries with no change of accounting period ending December, their accounting period is maintained as 12 months (January 1, 2019 to December 31, 2019).

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2019	36,584	23,910	65.4	538.84
As of March 31, 2019	24,348	17,918	73.6	985.12

(Reference) Shareholders' equity: As of December 31, 2019: 23,910 million yen As of March 31, 2019: 17,918 million yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2019	(136)	(5,337)	8,739	7,276
Fiscal year ended March 31, 2019	(2,839)	(2,118)	2,800	4,027

2. Dividends

Record date	Annual dividends per share					Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2018	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended December 31, 2019	0.00	-	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2020 (Forecast)	-	-	-	-	-	-	-	-

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2020

(January 1, 2020 through December 31, 2020)

%% represents: comparison with corresponding quarter/year

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income attributable to owners of parent		Earnings per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2020 (cumulative)	12,175	-	(1,505)	-	(1,429)	-	141	-	3.18
Fiscal year ending December 31, 2020	28,629	-	(872)	-	(721)	-	703	-	15.84

*** Notes**

(1) Changes in significant subsidiaries during the fiscal year ended December 31, 2019

(Changes in specified subsidiaries resulting in changes in the scope of consolidation) : Yes

(2) 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

(3) Number of shares outstanding (Common stock)

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

Fiscal year ended December 31, 2019	46,225,600 shares
Fiscal year ended March 31, 2019	20,047,500 shares

2) Number of shares of treasury shares at the end of the periods :

Fiscal year ended December 31, 2019	1,852,035 shares
Fiscal year ended March 31, 2019	1,858,876 shares

3) Average number of shares during period :

Fiscal year ended December 31, 2019	36,516,711 shares
Fiscal year ended March 31, 2019	18,182,654 shares

(Reference) Summary of Non-consolidated Financial Results

(Amounts are rounded off to nearest million yen)

1. Non-consolidated Financial Results for the Fiscal Year ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Non-consolidated Operating Results

(% change compared with the corresponding period of the previous fiscal year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2019	2,001	—	(1,015)	—	(816)	—	(827)	—
Fiscal year ended March 31, 2019	8,256	(41.5)	(2,975)	—	(2,207)	—	(2,171)	—
	Earnings per share — basic		Earnings per share — diluted					
	Yen		Yen					
Fiscal year ended December 31, 2019	(22.66)		—					
Fiscal year ended March 31, 2019	(119.42)		—					

(Note) There is a significant gap between results of the last fiscal year and of the fiscal year under review, since the Company moved to a holding company structure as of July 1, 2019. In addition, the accounting period of the fiscal year ended December 31, 2019 has become 9 months (April 1, 2019 through December 31, 2019) due to the change of fiscal year-end. Along with these changes, year-on year rate is omitted because there is a certain difficulty to conduct an appropriate comparison with corresponding period.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2019	34,342	26,544	77.3	598.19
As of March 31, 2019	22,353	17,119	76.6	941.17

(Reference) Shareholders' equity: As of December 31, 2019: 26,544 million yen As of March 31, 2019: 17,119 million yen

***This report is not subject to audit procedures**

***Explanation regarding the appropriate use of projections and other special notes**

(Notes for the forward-looking statements)

The forward looking statements such as business results forecast contained in this document are based on information available to the Company and certain assumptions deemed reasonable as of the date of this document and the Company does not guarantee that such forecast will be achieved. Actual business results may differ substantially due to a number of factors.

(Obtaining supplemental materials for financial documents)

Supplemental materials for the financial documents is scheduled to be released on the Company's web site.

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

As of March 31, 2019 and December 31, 2019

	Millions of yen	
	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	4,186	7,317
Notes and accounts receivable - trade	2,823	4,608
Merchandise and finished goods	3,143	3,144
Work in process	3,501	4,101
Raw materials and supplies	940	997
Other	870	604
Allowance for doubtful accounts	(3)	(14)
Total current assets	15,460	20,758
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,806	18,400
Accumulated depreciation	(11,303)	(16,272)
Accumulated impairment loss	(9)	(112)
Buildings and structures, net	1,494	2,016
Machinery, equipment and vehicles	2,010	5,012
Accumulated depreciation	(1,657)	(4,145)
Accumulated impairment loss	—	(222)
Machinery, equipment and vehicles, net	353	645
Land	3,686	4,090
Construction in progress	24	244
Other	1,640	2,501
Accumulated depreciation	(1,538)	(2,329)
Accumulated impairment loss	—	(12)
Other, net	101	160
Total property, plant and equipment	5,657	7,156
Intangible assets		
Goodwill	708	5,203
Other	134	234
Total intangible assets	842	5,437
Investments and other assets		
Investment securities	1,838	2,912
Long-term loans receivable	51	48
Deferred tax assets	77	41
Other	461	274
Allowance for doubtful accounts	(38)	(41)
Total investments and other assets	2,389	3,233
Total non-current assets	8,889	15,826
Total assets	24,348	36,584

Millions of yen

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,098	1,933
Short-term loans payable	1,900	6,300
Current portion of long-term loans payable	200	—
Income taxes payable	80	82
Provision for product warranties	116	135
Provision for bonuses	310	179
Provision for business structure improvement	—	35
Other	885	2,127
Total current liabilities	4,589	10,790
Non-current liabilities		
Long-term loans payable	700	—
Retirement benefit liability	879	1,209
Deferred tax liabilities	255	384
Other	6	290
Total non-current liabilities	1,841	1,883
Total liabilities	6,430	12,674
Net assets		
Shareholders' equity		
Capital stock	8,360	13,360
Capital surplus	8,907	13,907
Retained earnings	3,055	(1,256)
Treasury shares	(3,124)	(3,112)
Total shareholders' equity	17,198	22,898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	544	813
Foreign currency translation adjustment	217	129
Remeasurements of defined benefit plans	(41)	70
Total accumulated other comprehensive income	720	1,012
Total net assets	17,918	23,910
Total liabilities and net assets	24,348	36,584

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income*Fiscal year ended March 31, 2019 and December 31, 2019***Consolidated Statements of Income**

	Millions of yen	
	Fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019)	Fiscal year ended December 31, 2019 (April 1, 2019 through December 31, 2019)
Net sales	11,220	13,997
Cost of sales	8,652	11,887
Gross profit	2,567	2,111
Selling, general and administrative expenses	5,755	6,042
Operating loss	(3,187)	(3,932)
Non-operating income		
Interest income	10	6
Dividend income	48	47
Rent income	13	21
Foreign exchange gains	10	40
Reversal of allowance for doubtful accounts	11	—
Other	12	55
Total non-operating income	103	169
Non-operating expenses		
Interest expenses	15	45
Share of loss of entities accounted for using equity method	—	48
Other	0	7
Total non-operating expenses	15	100
Ordinary loss	(3,099)	(3,863)
Extraordinary Income		
Gain on sales of non-current assets	—	15
Total extraordinary income	—	15
Extraordinary losses		
Loss on sales of non-current assets	2	—
Loss on retirement of non-current assets	4	9
Loss on sales of investment securities	—	13
Impairment loss	9	—
Loss on valuation of golf club memberships	24	—
Business structure improvement expenses	—	357
Total extraordinary losses	39	378
Loss before income taxes	(3,139)	(4,226)
Income taxes - current	78	16
Income taxes - deferred	5	54
Total income taxes	83	70
Loss	(3,221)	(4,296)
Loss attributable to owners of parent	(3,221)	(4,296)

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019)	Fiscal year ended December 31, 2019 (April 1, 2019 through December 31, 2019)
Loss	(3,221)	(4,296)
Other comprehensive income		
Valuation difference on available-for-sale securities	(400)	268
Foreign currency translation adjustment	14	(62)
Remeasurements of defined benefit plans, net of tax	(33)	111
Share of other comprehensive income of entities accounted for using equity method	—	(26)
Total other comprehensive income	(419)	292
Comprehensive income	(3,640)	(4,004)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,640)	(4,004)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity*Fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019)*

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,360	8,907	6,289	(3,150)	20,406
Cumulative effects of changes in accounting policies			—		—
Restated balance	8,360	8,907	6,289	(3,150)	20,406
Changes of items during period					
Issuance of new shares	—	—			—
Loss attributable to owners of parent			(3,221)		(3,221)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)	(13)	27	14
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	(3,234)	26	(3,208)
Balance at end of current period	8,360	8,907	3,055	(3,124)	17,198

	Millions of yen				
	Other accumulated comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	944	203	(9)	1,139	21,545
Cumulative effects of changes in accounting policies					—
Restated balance	944	203	(9)	1,139	21,545
Changes of items during period					
Issuance of new shares					—
Loss attributable to owners of parent					(3,221)
Purchase of treasury shares					(0)
Disposal of treasury shares					14
Net changes of items other than shareholders' equity	(400)	14	(33)	(419)	(419)
Total changes of items during period	(400)	14	(33)	(419)	(3,626)
Balance at end of current period	544	217	(41)	720	17,918

Fiscal year ended Decemebr 31, 2019 (April 1, 2019 through December 31, 2019)

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury sahres	Total shareholders' equity
Balance at beginning of current period	8,360	8,907	3,055	(3,124)	17,198
Cumulative effects of changes in accounting policies			(7)		(7)
Restated balance	8,360	8,907	3,048	(3,124)	17,191
Changes of items during period					
Issuance of new shares	5,000	5,000			10,000
Loss attributable to owners of parent			(4,296)		(4,296)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		—	(9)	12	3
Net changes of items other than shareholders' equity					
Total changes of items during period	5,000	5,000	(4,305)	12	5,707
Balance at end of current period	13,360	13,907	(1,256)	(3,112)	22,898

	Millions of yen				
	Other accumulated comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	544	217	(41)	720	17,918
Cumulative effects of changes in accounting policies					(7)
Restated balance	544	217	(41)	720	17,912
Changes of items during period					
Issuance of new shares					10,000
Loss attributable to owners of parent					(4,296)
Purchase of treasury shares					(0)
Disposal of treasury shares					3
Net changes of items other than shareholders' equity	268	(88)	111	292	292
Total changes of items during period	268	(88)	111	292	5,999
Balance at end of current period	813	129	70	1,012	23,910

(4) Consolidated Statements of Cash Flows*Fiscal year ended March 31, 2019 and December 31, 2019*

	Millions of yen	
	Fiscal year ended March 31, 2019 (April 1, 2018 through March 31, 2019)	Fiscal year ended December 31, 2019 (April 1, 2019 through December 31, 2019)
Cash flows from operating activities		
Loss before income taxes	(3,139)	(4,226)
Depreciation	579	598
Impairment loss	9	—
Amortization of goodwill	125	326
Share of loss (profit) of entities accounted for using equity method	—	48
Increase (decrease) in allowance for doubtful accounts	(11)	11
Increase (decrease) in provision for bonuses	48	(197)
Increase (decrease) in retirement benefit liability	(6)	8
Increase (decrease) in other provision	(179)	(14)
Interest and dividend income	(58)	(53)
Interest expenses	15	45
Foreign exchange losses (gains)	(10)	(38)
Loss (gain) on sales of non-current assets	2	(15)
Loss on retirement of non-current assets	4	9
Loss (gain) on sales of investment securities	—	13
Loss on valuation of golf club memberships	24	—
Business structure improvement expenses	—	357
Decrease (increase) in notes and accounts receivable – trade	2,499	535
Decrease (increase) in inventories	(2,141)	3,208
Increase (decrease) in notes and accounts payable – trade	(522)	(723)
Other, net	(22)	(22)
Subtotal	(2,782)	(130)
Interest and dividend income received	58	53
Interest expenses paid	(12)	(46)
Income taxed paid	(103)	(14)
Net cash provided by (used in) operating activities	(2,839)	(136)
Cash flows from investing activities		
Payments into time deposits	(200)	(172)
Proceeds from withdrawal of time deposits	303	540
Purchase of property, plant and equipment	(527)	(270)
Proceeds from sales of property, plant and equipment	0	16
Purchase of intangible assets	(22)	(39)
Proceeds from sales of investment securities	—	57
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,565)	(5,461)
Other payments	(144)	(78)
Other proceeds	35	70
Net cash provided by (used in) investing activities	(2,118)	(5,337)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,900	640
Proceeds from long-term loans payable	1,000	—
Repayments of long-term loans payable	(100)	(1,804)
Proceeds from issuance of common shares	—	10,001
Purchase of treasury shares	(0)	(0)
Other payments	—	(98)
Net cash provided by (used in) financing activities	2,800	8,739
Effect of exchange rate change on cash and cash equivalents	(25)	(16)
Net increase (decrease) in cash and cash equivalents	(2,183)	3,249
Cash and cash equivalents at beginning of period	6,210	4,027
Cash and cash equivalents at end of period	4,027	7,276