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Consolidated Financial Results for the Three Months Ended June 30, 2018 (IFRS Basis)

August 3, 2018

Listed company name : Keihin Corporation
 Securities code : 7251 URL: <https://www.keihin-corp.co.jp>
 Representative : Chitoshi Yokota, President & CEO
 Contact person : Takeshi Sato, General Manager, General Affairs Department Tel: +81-3-3345-3411
 Scheduled date of filing financial report : August 3, 2018
 Scheduled date of dividend payment : —
 Supplementary materials prepared for financial results : Yes
 Financial results briefing session : None

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the three months ended June 30, 2018 (April 1, 2018 through June 30, 2018)

(1) Consolidated Operating Results (% represents change from the same period of the previous year)

	Revenue		Operating Profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2018	87,327	5.0	7,956	36.2	7,592	24.0	4,901	28.0	4,322	31.0	4,464	1.6
Three months ended June 30, 2017	83,132	5.4	5,843	(8.8)	6,124	30.2	3,830	79.5	3,300	111.1	4,393	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	58.44	-
Three months ended June 30, 2017	44.62	-

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of June 30, 2018	286,353	209,568	186,677	65.2
As of March 31, 2018	283,711	208,203	184,512	65.0

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	-	21.00	-	22.00	43.00
FY2019	-	-	-	-	-
FY2019 (Forecast)	-	22.00	-	22.00	44.00

Note: Revision to the latest forecast of dividends: None

3. Consolidated Financial Results Forecast for FY2019 (April 1, 2018 through March 31, 2019)

(% represents change from the same period of the previous year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	167,200	(0.6)	10,000	(19.5)	9,800	(22.7)	5,600	(32.4)	4,600	(35.5)	62.20
Full year	340,000	(3.3)	20,000	(29.4)	19,000	(30.0)	12,000	(41.0)	10,000	(43.9)	135.21

Note: Revision to the latest forecast of financial results: None

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued (Common stock)

(i) Number of shares issued (including treasury stock)

As of June 30, 2018	73,985,246 Shares
As of March 31, 2018	73,985,246 Shares

(ii) Number of treasury stock

As of June 30, 2018	26,900 Shares
As of March 31, 2018	26,851 Shares

(iii) Weighted average number of shares outstanding during the period

Three months ended June 30, 2018	73,958,371 Shares
Three months ended June 30, 2017	73,958,875 Shares

* This financial results is exempt from the review procedures.

* Explanation of the appropriate use of forecasts of the financial results and other important information.

The forecast statements shown in these materials in accordance with judgments of the management are based on information currently available. Actual financial and other results may significantly differ from the forecast statements due to various factors.

4. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position
Keihin Corporation and Consolidated Subsidiaries
As of March 31, 2018 and as of June 30, 2018

	Millions of yen	
	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and cash equivalents	50,914	54,168
Trade and other current receivables	58,647	54,710
Other current financial assets	1,613	2,978
Inventories	48,703	51,195
Other current assets	1,920	2,459
Total current assets	161,797	165,510
Non-current assets		
Property, plant and equipment	97,998	97,607
Intangible assets	6,096	6,236
Trade and other non-current receivables	235	222
Other non-current financial assets	5,764	5,219
Retirement benefit assets	2,784	2,738
Deferred tax assets	4,465	4,327
Other non-current assets	4,572	4,494
Total non-current assets	121,914	120,843
Total assets	283,711	286,353

	Millions of yen	
	As of March 31, 2018	As of June 30, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	55,077	51,459
Short-term loans	6,786	7,216
Other current financial liabilities	372	309
Income tax payables	1,557	2,593
Provisions	1,422	1,292
Other current liabilities	974	1,907
Total current liabilities	66,189	64,775
Non-current liabilities		
Long-term loans	—	3,412
Other non-current financial liabilities	1,419	977
Retirement benefit liabilities	2,081	2,218
Provisions	203	212
Deferred tax liabilities	4,562	4,151
Other non-current liabilities	1,054	1,039
Total non-current liabilities	9,320	12,010
Total liabilities	75,509	76,785
Equity		
Common stock	6,932	6,932
Capital surplus	9,258	9,258
Retained earnings	159,623	162,318
Treasury stock	(40)	(40)
Other components of equity	8,738	8,208
Equity attributable to owners of the parent	184,512	186,677
Non-controlling interests	23,691	22,891
Total equity	208,203	209,568
Total liabilities and equity	283,711	286,353

(2) Consolidated Statement of Income
 Keihin Corporation and Consolidated Subsidiaries
 For the three months ended June 30, 2017 and 2018

	Millions of yen	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Revenue	83,132	87,327
Cost of sales	(68,965)	(71,910)
Gross profit	14,167	15,416
Selling, general and administrative expenses	(8,279)	(7,579)
Other income	153	155
Other expenses	(198)	(36)
Operating profit	5,843	7,956
Finance income	329	861
Finance costs	(47)	(1,225)
Profit before tax	6,124	7,592
Income tax expense	(2,294)	(2,691)
Profit for the period	3,830	4,901
Profit attributable to:		
Owners of the parent	3,300	4,322
Non-controlling interests	530	578
Profit for the period	3,830	4,901
	Yen	
Earnings per share attributable to owners of the parent:		
Basic earnings per share	44.62	58.44

(3) Consolidated Statement of Comprehensive Income
 Keihin Corporation and Consolidated Subsidiaries
 For the three months ended June 30, 2017 and 2018

	Millions of yen	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit for the period	3,830	4,901
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss, net of tax:		
Gains (losses) on financial assets measured at fair value through other comprehensive income (loss)	(257)	(423)
Total comprehensive income (loss) that will not be reclassified to profit or loss, net of tax	(257)	(423)
Items that may be reclassified to profit or loss, net of tax:		
Foreign currency translation adjustments	820	(14)
Total comprehensive income (loss) that may be reclassified to profit or loss, net of tax	820	(14)
Other comprehensive income (loss) for the period	564	(436)
Total comprehensive income (loss) for the period	4,393	4,464
Comprehensive income (loss) attributable to:		
Owners of the parent	3,819	3,793
Non-controlling interests	574	671
Comprehensive income (loss) for the period	4,393	4,464

(4) Consolidated Statement of Changes in Equity
 Keihin Corporation and Consolidated Subsidiaries
 For the three months ended June 30, 2017

	Millions of yen					
	Equity attributable to owners of the parent				Other components of equity	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
As of April 1, 2017	6,932	9,258	144,708	(39)	3,124	6,436
Comprehensive income						
Profit for the period	—	—	3,300	—	—	—
Other comprehensive income (loss)	—	—	—	—	(257)	776
Total comprehensive income (loss)	—	—	3,300	—	(257)	776
Transactions with owners						
Dividends paid	—	—	(1,479)	—	—	—
Purchase of treasury stock	—	—	—	(0)	—	—
Total transactions with owners	—	—	(1,479)	(0)	—	—
As of June 30, 2017	6,932	9,258	146,528	(39)	2,868	7,212

	Millions of yen			
	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Other components of equity	Total equity attributable to owners of the parent		
Total				
As of April 1, 2017	9,560	170,420	23,462	193,883
Comprehensive income				
Profit for the period	—	3,300	530	3,830
Other comprehensive income (loss)	520	520	44	564
Total comprehensive income (loss)	520	3,819	574	4,393
Transactions with owners				
Dividends paid	—	(1,479)	(1,616)	(3,095)
Purchase of treasury stock	—	(0)	—	(0)
Total transactions with owners	—	(1,479)	(1,616)	(3,095)
As of June 30, 2017	10,080	172,760	22,420	195,181

Keihin Corporation and Consolidated Subsidiaries
For the three months ended June 30, 2018

	Millions of yen					
	Equity attributable to owners of the parent				Other components of equity	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments
As of April 1, 2018	6,932	9,258	159,623	(40)	3,412	5,326
Comprehensive income						
Profit for the period	—	—	4,322	—	—	—
Other comprehensive income (loss)	—	—	—	—	(423)	(106)
Total comprehensive income (loss)	—	—	4,322	—	(423)	(106)
Transactions with owners						
Dividends paid	—	—	(1,627)	—	—	—
Purchase of treasury stock	—	—	—	(0)	—	—
Total transactions with owners	—	—	(1,627)	(0)	—	—
As of June 30, 2018	6,932	9,258	162,318	(40)	2,989	5,219

	Millions of yen			
	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Other components of equity	Total equity attributable to owners of the parent		
Total				
As of April 1, 2018	8,738	184,512	23,691	208,203
Comprehensive income				
Profit for the period	—	4,322	578	4,901
Other comprehensive income (loss)	(529)	(529)	93	(436)
Total comprehensive income (loss)	(529)	3,793	671	4,464
Transactions with owners				
Dividends paid	—	(1,627)	(1,472)	(3,099)
Purchase of treasury stock	—	(0)	—	(0)
Total transactions with owners	—	(1,627)	(1,472)	(3,099)
As of June 30, 2018	8,208	186,677	22,891	209,568

(5) Consolidated Statement of Cash Flows
Keihin Corporation and Consolidated Subsidiaries
For the three months ended June 30, 2017 and 2018

	Millions of yen	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flows from operating activities:		
Profit before tax	6,124	7,592
Depreciation and amortization	4,343	4,350
Impairment loss	28	—
Interest and dividends income	(141)	(248)
Interest expense	47	188
(Gain) loss on sale of property, plant and equipment	1	(14)
Decrease (Increase) in trade and other receivables	2,554	3,904
(Increase) decrease in inventories	(1,764)	(2,485)
(Decrease) increase in trade and current payables	(89)	(1,270)
(Decrease) increase in provisions	655	(135)
Increase (decrease) in retirement and severance benefits	185	206
Other, net	454	312
Subtotal	12,396	12,397
Interest received	102	126
Dividends received	40	46
Interest paid	(41)	(91)
Income taxes paid	(1,362)	(1,821)
Net cash provided by operating activities	11,136	10,656
Cash flows from investing activities:		
(Increase) decrease in time-deposits, net	(66)	(1,419)
Purchase of property, plant and equipment and intangible assets	(3,827)	(6,009)
Proceeds from sale of property, plant and equipment and intangible assets	1	29
Increase in loan receivable	(116)	(99)
Collection of loans	117	121
Other, net	(324)	(418)
Net cash used in investing activities	(4,215)	(7,794)
Cash flows from financing activities:		
Increase (Decrease) in short-term loans, net	427	178
Proceeds from long-term loans	—	3,412
Repayment of long-term loans	(139)	—
Dividends paid to owners of the parent	(1,479)	(1,627)
Dividends paid to non-controlling interests	(1,616)	(1,472)
Purchase of treasury stock	(0)	(0)
Other, net	(172)	(138)
Net cash used in financing activities	(2,980)	354
Foreign currency translation adjustments on cash and cash equivalents	170	38
Net increase (decrease) in cash and cash equivalents	4,111	3,254
Cash and cash equivalents at beginning of year	39,549	50,914
Cash and cash equivalents at end of period	43,660	54,168

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Consolidated Financial Results for the Three Months Ended June 30, 2018 (Reference Materials 1)

		Three months ended June 30, 2017	Three months ended June 30, 2018	Change	Percentage change	
Revenue	(Unit: 100 million yen)	831.3	873.3	41.9	5.0%	
Motorcycle and power products		227.8	248.7	20.8	9.1%	
Automobile products		603.5	624.6	21.1	3.5%	
Operating Profit	(Unit: 100 million yen)	58.4	79.6	21.1	36.2%	
<Ratio to Revenue>		7.0%	9.1%			
Profit before tax	(Unit: 100 million yen)	61.2	75.9	14.7	24.0%	
<Ratio to Revenue>		7.4%	8.7%			
Factors for Change in Operating Profit	(Unit: 100 million yen)			21.1		
Revenue change, model mix, etc.,				8.4		
Cost reduction				13.9		
Raw material cost				△ 1.4		
R&D expenses				△ 4.6		
Depreciation, amortization and labor cost				△ 5.4		
New model launching costs, expenses and others				11.2		
Foreign exchange				△ 1.0		
Factors for Change in Finance Income and Costs	(Unit: 100 million yen)			△ 6.5		
Foreign exchange				△ 11.0		
Others				4.5		
Exchange rate						
(Unit: 1 yen)	1 U.S. Dollar	111.42	109.53			
	1 Thai Baht	3.25	3.39			
	1 Chinese Yuan	16.30	16.98			
	1 Indian Rupee	1.74	1.63			
	1 Indonesian Rupiah	0.84	0.78			
* Indonesian Rupiah is (100-unit rate)	1 Brazilian Real	34.46	29.66			
Results by reporting segments	Revenue	(Unit: 100 million yen)	831.3	873.3	41.9	5.0%
	Japan		339.6	373.2	33.6	9.9%
	Americas		253.8	242.4	△ 11.4	△ 4.5%
	Asia		257.7	277.2	19.5	7.6%
	China		199.5	210.5	10.9	5.5%
	Eliminations		△ 219.4	△ 230.0	△ 10.7	—
	Operating Profit	(Unit: 100 million yen)	58.4	79.6	21.1	36.2%
	Japan		△ 7.0	6.4	13.4	—
	Americas		6.3	7.7	1.4	22.6%
	Asia		27.8	36.9	9.1	32.7%
	China		17.6	17.2	△ 0.3	△ 1.9%
	Eliminations		13.9	11.4	△ 2.5	△ 17.8%

(Amounts are rounded to the nearest million yen)

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Consolidated Financial Results for the Three Months Ended June 30, 2018 (Reference Materials 2)

Consolidated companies (31)

Japan (10)	Ratio of share holding at end of June 30, 2017	Ratio of share holding at end of June 30, 2018
Keihin Sakura Corporation	100.00%	100.00%
Keihin Nasu Corporation	100.00%	100.00%
Keihin Watari Corporation	100.00%	100.00%
Keihin Electronics Technology, Inc.	100.00%	100.00%
Keihin Valve Corporation	51.00%	51.00%
Keihin Thermal Technology Corporation	100.00%	100.00%
Keihin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	55.00% ※1	55.00% ※1
Keihin Thermal Technology Czech s.r.o.	100.00% ※2	100.00% ※2
Keihin Europe Ltd.	100.00%	100.00%
Keihin Sales and Development Europe GmbH	100.00%	100.00%

Americas (7)	Ratio of share holding at end of June 30, 2017	Ratio of share holding at end of June 30, 2018
Keihin North America, Inc.	75.10%	75.10%
Keihin Carolina System Technology, LLC.	75.10% ※3	75.10% ※3
Keihin IPT Mfg., LLC.	75.10% ※3	75.10% ※3
Keihin Michigan Manufacturing, LLC.	75.10% ※3	75.10% ※3
Keihin Thermal Technology of America, Inc.	100.00% ※2	100.00% ※2
Keihin de Mexico S.A. de C.V.	100.00%	100.00%
Keihin Tecnologia do Brasil Ltda.	75.28%	75.28%

Asia (10)	Ratio of share holding at end of June 30, 2017	Ratio of share holding at end of June 30, 2018
Keihin Asia Bangkok Co., Ltd.	100.00%	100.00%
Keihin (Thailand) Co., Ltd.	57.02%	57.02%
Keihin Auto Parts (Thailand) Co., Ltd.	85.00% ※4	85.00% ※4
Keihin Thermal Technology (Thailand) Co., Ltd.	97.50% ※5	97.50% ※5
PT Keihin Indonesia	100.00%	100.00%
Keihin India Manufacturing Pvt. Ltd.	100.00% ※6	100.00% ※7
Keihin FIE Pvt. Ltd.	74.00%	74.00%
Keihin Vietnam Co., Ltd.	100.00% ※8	100.00% ※8
Taiwan Keihin Carburetor Co., Ltd.	51.00%	51.00%
Keihin Malaysia Manufacturing SDN. BHD	100.00% ※8	100.00% ※8

China (4)	Ratio of share holding at end of June 30, 2017	Ratio of share holding at end of June 30, 2018
Nanjing Keihin Carburetor Co., Ltd.	100.00%	100.00%
Dongguan Keihin Engine Management System Co., Ltd.	100.00%	100.00%
Keihin (Wuhan) Automotive Components Co., Ltd.	100.00% ※9	100.00% ※9
Keihin R&D China Co., Ltd.	100.00%	100.00%

- ※1 Keihin Thermal Technology Corporation holds 55% share.
- ※2 Keihin Thermal Technology Corporation holds 100% share.
- ※3 Keihin North America, Inc. holds 100% share.
- ※4 Keihin corporation holds 25% share, Keihin Asia Bangkok Co., Ltd. holds 60% share.
- ※5 Keihin Thermal Technology Corporation holds 97.5% share.
- ※6 Keihin corporation holds 16.7% share, Keihin Asia Bangkok Co., Ltd. holds 83.3% share.
- ※7 Keihin corporation holds 5.6% share, Keihin Asia Bangkok Co., Ltd. holds 94.4% share.
- ※8 Keihin Asia Bangkok Co., Ltd. holds 100% share.
- ※9 Dongguan Keihin Engine Management System Co., Ltd. holds 100% share.