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Consolidated Financial Results for the Six Months Ended September 30, 2018 (IFRS Basis)

November 2, 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 : November 2, 2018
 Scheduled date of dividend payment : November 30, 2018
 Supplementary materials prepared for financial results : Yes
 Financial results briefing session : Yes(For analysts and for institutional investors)

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the six months ended September 30, 2018 (April 1, 2018 to September 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	%
Six months ended September 30, 2018	173,126	3.0	13,370	7.6	12,597	(0.7)	8,714	5.3	7,512	5.3	11,354	0.9
Six months ended September 30, 2017	168,142	7.5	12,422	1.9	12,686	21.9	8,279	57.4	7,137	71.6	11,249	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	101.57	-
Six months ended September 30, 2017	96.50	-

(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 September 30, 2018	308,175	216,457	192,381	62.4
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
FY2018	Yen -	Yen 21.00	Yen -	Yen 22.00	Yen 43.00
FY2019	-	22.00	-	-	-
FY2019 (Forecast)	-	-	-	23.00	45.00

Note: Revision to the latest forecast of dividends: Yes

3. Consolidated Financial Results Forecast for FY2019 (April 1, 2018 to 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
Full year	348,000	(1.0)	23,000	(18.8)	21,900	(19.3)	15,500	(23.8)	13,000	(27.1)	175.77

Note: Revision to the latest forecast of financial results: Yes

* 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 September 30, 2018	73,985,246 Shares
As of March 31, 2018	73,985,246 Shares

(ii) Number of treasury stock

As of September 30, 2018	27,030 Shares
As of March 31, 2018	26,851 Shares

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

Six months ended September 30, 2018	73,958,306 Shares
Six months ended September 30, 2017	73,958,744 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 September 30, 2018

	Millions of yen	
	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and cash equivalents	50,914	66,831
Trade and other current receivables	58,647	55,292
Other current financial assets	1,613	1,995
Inventories	48,703	54,227
Other current assets	1,920	2,529
Total current assets	161,797	180,873
Non-current assets		
Property, plant and equipment	97,998	102,533
Intangible assets	6,096	6,642
Trade and other non-current receivables	235	242
Other non-current financial assets	5,764	6,472
Retirement benefit assets	2,784	2,692
Deferred tax assets	4,465	4,373
Other non-current assets	4,572	4,348
Total non-current assets	121,914	127,302
Total assets	283,711	308,175

	Millions of yen	
	As of March 31, 2018	As of September 30, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	55,077	55,929
Short-term loans	6,786	7,809
Other current financial liabilities	372	326
Income tax payables	1,557	1,910
Provisions	1,422	993
Other current liabilities	974	949
Total current liabilities	66,189	67,917
Non-current liabilities		
Long-term loans	—	14,783
Other non-current financial liabilities	1,419	1,295
Retirement benefit liabilities	2,081	2,371
Provisions	203	214
Deferred tax liabilities	4,562	4,081
Other non-current liabilities	1,054	1,056
Total non-current liabilities	9,320	23,800
Total liabilities	75,509	91,718
Equity		
Common stock	6,932	6,932
Capital surplus	9,258	9,258
Retained earnings	159,623	165,507
Treasury stock	(40)	(40)
Other components of equity	8,738	10,723
Equity attributable to owners of the parent	184,512	192,381
Non-controlling interests	23,691	24,076
Total equity	208,203	216,457
Total liabilities and equity	283,711	308,175

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

	Millions of yen	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Revenue	168,142	173,126
Cost of sales	(139,878)	(144,558)
Gross profit	28,264	28,568
Selling, general and administrative expenses	(15,855)	(15,374)
Other income	315	254
Other expenses	(302)	(78)
Operating profit	12,422	13,370
Finance income	422	2,549
Finance costs	(158)	(3,321)
Profit before tax	12,686	12,597
Income tax expense	(4,407)	(3,883)
Profit for the period	8,279	8,714
Profit attributable to:		
Owners of the parent	7,137	7,512
Non-controlling interests	1,142	1,203
Profit for the period	8,279	8,714
	Yen	
Earnings per share attributable to owners of the parent:		
Basic earnings per share	96.50	101.57

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

	Millions of yen	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit for the period	8,279	8,714
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)	(6)	(209)
Total comprehensive income (loss) that will not be reclassified to profit or loss, net of tax	(6)	(209)
Items that may be reclassified to profit or loss, net of tax:		
Foreign currency translation adjustments	2,977	2,848
Total comprehensive income (loss) that may be reclassified to profit or loss, net of tax	2,977	2,848
Other comprehensive income (loss) for the period	2,970	2,639
Total comprehensive income (loss) for the period	11,249	11,354
Comprehensive income (loss) attributable to:		
Owners of the parent	9,745	9,497
Non-controlling interests	1,504	1,857
Comprehensive income (loss) for the period	11,249	11,354

(4) Consolidated Statement of Changes in Equity
 Keihin Corporation and Consolidated Subsidiaries
 For the six months ended September 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	—	—	7,137	—	—	—
Other comprehensive income (loss)	—	—	—	—	(6)	2,614
Total comprehensive income (loss)	—	—	7,137	—	(6)	2,614
Transactions with owners						
Dividends paid	—	—	(1,479)	—	—	—
Purchase of treasury stock	—	—	—	(1)	—	—
Transfer from other components of equity to retained earnings	—	—	3	—	(3)	—
Total transactions with owners	—	—	(1,476)	(1)	(3)	—
As of September 30, 2017	6,932	9,258	150,368	(39)	3,115	9,051

	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	—	7,137	1,142	8,279
Other comprehensive income (loss)	2,608	2,608	362	2,970
Total comprehensive income (loss)	2,608	9,745	1,504	11,249
Transactions with owners				
Dividends paid	—	(1,479)	(1,917)	(3,396)
Purchase of treasury stock	—	(1)	—	(1)
Transfer from other components of equity to retained earnings	(3)	—	—	—
Total transactions with owners	(3)	(1,480)	(1,917)	(3,397)
As of September 30, 2017	12,166	178,686	23,049	201,735

Keihin Corporation and Consolidated Subsidiaries
For the six months ended September 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	—	—	7,512	—	—	—
Other comprehensive income (loss)	—	—	—	—	(209)	2,194
Total comprehensive income (loss)	—	—	7,512	—	(209)	2,194
Transactions with owners						
Dividends paid	—	—	(1,627)	—	—	—
Purchase of treasury stock	—	—	—	(0)	—	—
Total transactions with owners	—	—	(1,627)	(0)	—	—
As of September 30, 2018	6,932	9,258	165,507	(40)	3,203	7,520

	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	—	7,512	1,203	8,714
Other comprehensive income (loss)	1,985	1,985	654	2,639
Total comprehensive income (loss)	1,985	9,497	1,857	11,354
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 September 30, 2018	10,723	192,381	24,076	216,457

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

	Millions of yen	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities:		
Profit before tax	12,686	12,597
Depreciation and amortization	8,730	8,634
Impairment loss	34	—
Interest and dividends income	(283)	(612)
Interest expense	158	535
(Gain) loss on sale of property, plant and equipment	(3)	(17)
Decrease (Increase) in trade and other receivables	3,043	3,353
(Increase) decrease in inventories	(3,971)	(4,905)
Increase (decrease) in trade and current payables	1,017	172
(Decrease) increase in provisions	643	(444)
Increase (decrease) in retirement and severance benefits	357	366
Other, net	(1,714)	(1,287)
Subtotal	20,698	18,391
Interest received	211	483
Dividends received	75	84
Interest paid	(162)	(517)
Income taxes paid	(3,141)	(3,470)
Net cash provided by operating activities	17,681	14,972
Cash flows from investing activities:		
(Increase) decrease in time-deposits, net	1,288	(438)
Purchase of property, plant and equipment and intangible assets	(10,753)	(11,849)
Proceeds from sale of property, plant and equipment and intangible assets	54	36
Proceeds from sale of investment securities	18	—
Increase in loan receivable	(162)	(170)
Collection of loans	162	169
Other, net	(212)	(561)
Net cash used in investing activities	(9,605)	(12,814)
Cash flows from financing activities:		
Increase (Decrease) in short-term loans, net	(30)	583
Proceeds from long-term loans	—	14,783
Repayment of long-term loans	(278)	—
Dividends paid to owners of the parent	(1,479)	(1,627)
Dividends paid to non-controlling interests	(1,917)	(1,472)
Purchase of treasury stock	(1)	(0)
Other, net	(341)	(224)
Net cash used in financing activities	(4,046)	12,044
Foreign currency translation adjustments on cash and cash equivalents	695	1,715
Net increase (decrease) in cash and cash equivalents	4,725	15,917
Cash and cash equivalents at beginning of year	39,549	50,914
Cash and cash equivalents at end of period	44,274	66,831

FY2019

Consolidated Financial Results for the Six Months Ended September 30, 2018 (Reference Materials 1)

		Six months ended September 30, 2017	Six months ended September 30, 2018			Year ended March 31, 2018	Year ended March 31, 2019 (Forecast)			
				Change	Percentage change		Change	Percentage change		
Revenue (Unit: 100 million yen)		1,681.4	1,731.3	49.8	3.0%	3,514.9	3,480.0	△ 34.9	△1.0%	
Motorcycle and power products		469.3	505.1	35.8	7.6%	961.0	990.0	29.0	3.0%	
Automobile products		1,212.1	1,226.2	14.1	1.2%	2,553.9	2,490.0	△ 63.9	△2.5%	
Operating Profit (Unit: 100 million yen)		124.2	133.7	9.5	7.6%	283.1	230.0	△ 53.1	△18.8%	
<Ratio to Revenue >		7.4%	7.7%			8.1%	6.6%			
Profit before tax (Unit: 100 million yen)		126.9	126.0	△ 0.9	△0.7%	271.4	219.0	△ 52.4	△19.3%	
<Ratio to Revenue >			7.3%			7.7%	6.3%			
Factors for Change in Operating Profit (Unit: 100 million yen)				9.5				△ 53.1		
Revenue change, model mix, etc.,				1.2				△ 44.0		
Cost reduction				28.9				61.8		
Raw material cost				△ 3.8				△ 8.7		
R&D expenses				△ 10.4				△ 15.7		
Depreciation, amortization and labor cost				△ 10.9				△ 22.2		
New model launching costs, expenses and others				10.1				11.5		
Foreign exchange				△ 5.6				△ 35.8		
Factors for Change in Finance Income and Costs (Unit: 100 million yen)				△ 10.4				0.7		
Foreign exchange				△ 20.6				△ 17.3		
Others				10.3				17.9		
Exchange rate (Unit: 1 yen)										
1 U.S. Dollar		111.30		110.62		110.62		110.30		
1 Thai Baht		3.30		3.40		3.37		3.40		
1 Chinese Yuan		16.49		16.63		16.78		16.32		
1 Indian Rupee		1.73		1.61		1.73		1.56		
1 Indonesian Rupiah		0.83		0.77		0.82		0.75		
* Indonesian Rupiah is (100-unit rate) 1 Brazilian Real		34.86		28.99		34.26		28.14		
Results by reporting segments										
Revenue (Unit: 100 million yen)		1,681.4	1,731.3	49.8	3.0%	3,514.9	3,480.0	△ 34.9	△1.0%	
Japan		719.1	776.8	57.7	8.0%	1,571.6	1,593.0	21.4	1.4%	
Americas		486.7	454.2	△ 32.4	△6.7%	991.4	927.0	△ 64.4	△6.5%	
Asia		537.0	577.5	40.6	7.6%	1,094.1	1,131.0	36.9	3.4%	
China		406.4	427.7	21.3	5.2%	827.2	836.0	8.8	1.1%	
Eliminations		△ 467.7	△ 505.0	△ 37.3	—	△ 969.4	△ 1,007.0	△ 37.6	—	
Operating Profit (Unit: 100 million yen)		124.2	133.7	9.5	7.6%	283.1	230.0	△ 53.1	△18.8%	
Japan		9.9	14.0	4.1	41.7%	59.4	33.0	△ 26.4	△44.4%	
Americas		8.9	6.8	△ 2.1	△23.6%	16.2	19.0	2.8	17.6%	
Asia		64.7	77.0	12.3	19.1%	137.4	137.0	△ 0.4	△0.3%	
China		32.4	35.2	2.7	8.5%	65.3	55.0	△ 10.3	△15.8%	
Eliminations		8.3	0.7	△ 7.6	△92.1%	4.9	△ 14.0	△ 18.9	—	

(Amounts are rounded to the nearest million yen)

FY2019

Consolidated Financial Results for the Six Months Ended September 30, 2018 (Reference Materials 2)

Consolidated companies (31)

Japan (10)	Ratio of share holding at end of September 30, 2017	Ratio of share holding at end of September 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 September 30, 2017	Ratio of share holding at end of September 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 September 30, 2017	Ratio of share holding at end of September 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 September 30, 2017	Ratio of share holding at end of September 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.