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Consolidated Financial Results for the Nine Months Ended December 31, 2018 (IFRS Basis)

February 5, 2019

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 : February 5, 2019
 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 nine months ended December 31, 2018 (April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	262,191	1.2	20,536	0.7	18,964	(8.8)	13,314	(10.6)	11,541	(10.7)	12,808	(36.4)
Nine months ended December 31, 2017	259,143	7.9	20,395	13.6	20,793	29.6	14,893	60.9	12,921	70.7	20,147	69.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	156.05	-
Nine months ended December 31, 2017	174.71	-

(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 December 31, 2018	303,858	216,284	192,112	63.2
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	-	22.00	-	-	-
FY2019 (Forecast)	-	-	-	23.00	45.00

Note: Revision to the latest forecast of dividends: None

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: 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 December 31, 2018	73,985,246 Shares
As of March 31, 2018	73,985,246 Shares

(ii) Number of treasury stock

As of December 31, 2018	27,166 Shares
As of March 31, 2018	26,851 Shares

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

Nine months ended December 31, 2018	73,958,238 Shares
Nine months ended December 31, 2017	73,958,689 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 December 31, 2018

	Millions of yen	
	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	50,914	63,054
Trade and other current receivables	58,647	55,176
Other current financial assets	1,613	640
Inventories	48,703	54,109
Other current assets	1,920	1,937
Total current assets	161,797	174,916
Non-current assets		
Property, plant and equipment	97,998	103,984
Intangible assets	6,096	7,104
Trade and other non-current receivables	235	218
Other non-current financial assets	5,764	4,873
Retirement benefit assets	2,784	2,646
Deferred tax assets	4,465	4,543
Other non-current assets	4,572	5,575
Total non-current assets	121,914	128,942
Total assets	283,711	303,858

	Millions of yen	
	As of March 31, 2018	As of December 31, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	55,077	52,520
Short-term loans	6,786	7,351
Other current financial liabilities	372	143
Income tax payables	1,557	1,453
Provisions	1,422	787
Other current liabilities	974	1,412
Total current liabilities	66,189	63,665
Non-current liabilities		
Long-term loans	—	14,785
Other non-current financial liabilities	1,419	1,246
Retirement benefit liabilities	2,081	2,510
Provisions	203	216
Deferred tax liabilities	4,562	4,101
Other non-current liabilities	1,054	1,051
Total non-current liabilities	9,320	23,909
Total liabilities	75,509	87,574
Equity		
Common stock	6,932	6,932
Capital surplus	9,258	9,258
Retained earnings	159,623	167,910
Treasury stock	(40)	(40)
Other components of equity	8,738	8,052
Equity attributable to owners of the parent	184,512	192,112
Non-controlling interests	23,691	24,172
Total equity	208,203	216,284
Total liabilities and equity	283,711	303,858

(2) Consolidated Statement of Income
 Keihin Corporation and Consolidated Subsidiaries
 For the nine months ended December 31, 2017 and 2018

	Millions of yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Revenue	259,143	262,191
Cost of sales	(215,364)	(218,978)
Gross profit	43,778	43,214
Selling, general and administrative expenses	(23,599)	(23,068)
Other income	594	523
Other expenses	(378)	(134)
Operating profit	20,395	20,536
Finance income	630	2,356
Finance costs	(232)	(3,927)
Profit before tax	20,793	18,964
Income tax expense	(5,901)	(5,650)
Profit for the period	14,893	13,314
Profit attributable to:		
Owners of the parent	12,921	11,541
Non-controlling interests	1,971	1,773
Profit for the period	14,893	13,314
	Yen	
Earnings per share attributable to owners of the parent:		
Basic earnings per share	174.71	156.05

(3) Consolidated Statement of Comprehensive Income
 Keihin Corporation and Consolidated Subsidiaries
 For the nine months ended December 31, 2017 and 2018

	Millions of yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit for the period	14,893	13,314
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)	553	(827)
Total comprehensive income (loss) that will not be reclassified to profit or loss, net of tax	553	(827)
Items that may be reclassified to profit or loss, net of tax:		
Foreign currency translation adjustments	4,702	320
Total comprehensive income (loss) that may be reclassified to profit or loss, net of tax	4,702	320
Other comprehensive income (loss) for the period	5,254	(507)
Total comprehensive income (loss) for the period	20,147	12,808
Comprehensive income (loss) attributable to:		
Owners of the parent	17,545	10,855
Non-controlling interests	2,602	1,952
Comprehensive income (loss) for the period	20,147	12,808

(4) Consolidated Statement of Changes in Equity
 Keihin Corporation and Consolidated Subsidiaries
 For the nine months ended December 31, 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	—	—	12,921	—	—	—
Other comprehensive income (loss)	—	—	—	—	552	4,071
Total comprehensive income (loss)	—	—	12,921	—	552	4,071
Transactions with owners						
Dividends paid	—	—	(3,032)	—	—	—
Purchase of treasury stock	—	—	—	(1)	—	—
Transfer from other components of equity to retained earnings	—	—	3	—	(3)	—
Total transactions with owners	—	—	(3,030)	(1)	(3)	—
As of December 31, 2017	6,932	9,258	154,599	(39)	3,674	10,507

	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	—	12,921	1,971	14,893
Other comprehensive income (loss)	4,624	4,624	631	5,254
Total comprehensive income (loss)	4,624	17,545	2,602	20,147
Transactions with owners				
Dividends paid	—	(3,032)	(1,917)	(4,949)
Purchase of treasury stock	—	(1)	—	(1)
Transfer from other components of equity to retained earnings	(3)	—	—	—
Total transactions with owners	(3)	(3,033)	(1,917)	(4,950)
As of December 31, 2017	14,181	184,932	24,147	209,079

Keihin Corporation and Consolidated Subsidiaries
For the nine months ended December 31, 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	—	—	11,541	—	—	—
Other comprehensive income (loss)	—	—	—	—	(827)	141
Total comprehensive income (loss)	—	—	11,541	—	(827)	141
Transactions with owners						
Dividends paid	—	—	(3,254)	—	—	—
Purchase of treasury stock	—	—	—	(1)	—	—
Total transactions with owners	—	—	(3,254)	(1)	—	—
As of December 31, 2018	6,932	9,258	167,910	(40)	2,585	5,466

	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	—	11,541	1,773	13,314
Other comprehensive income (loss)	(686)	(686)	179	(507)
Total comprehensive income (loss)	(686)	10,855	1,952	12,808
Transactions with owners				
Dividends paid	—	(3,254)	(1,472)	(4,726)
Purchase of treasury stock	—	(1)	—	(1)
Total transactions with owners	—	(3,255)	(1,472)	(4,726)
As of December 31, 2018	8,052	192,112	24,172	216,284

(5) Consolidated Statement of Cash Flows
Keihin Corporation and Consolidated Subsidiaries
For the nine months ended December 31, 2017 and 2018

	Millions of yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from operating activities:		
Profit before tax	20,793	18,964
Depreciation and amortization	13,272	12,905
Impairment loss	34	12
Interest and dividends income	(434)	(1,137)
Interest expense	232	1,111
(Gain) loss on sale of property, plant and equipment	1	(24)
Decrease (increase) in trade and other receivables	1,323	3,094
(Increase) decrease in inventories	(5,145)	(5,608)
(Decrease) increase in trade and current payables	(351)	(1,573)
(Decrease) increase in provisions	960	(643)
Increase (decrease) in retirement and severance benefits	288	574
Other, net	(920)	0
Subtotal	30,053	27,675
Interest received	325	791
Dividends received	114	130
Interest paid	(229)	(577)
Income taxes paid	(5,315)	(5,586)
Net cash provided by operating activities	24,948	22,433
Cash flows from investing activities:		
Decrease (increase) in time-deposits, net	1,977	963
Purchase of property, plant and equipment and intangible assets	(15,433)	(20,713)
Proceeds from sale of property, plant and equipment and intangible assets	53	61
Proceeds from sale of investment securities	18	—
Increase in loan receivable	(230)	(245)
Collection of loans	275	283
Other, net	(264)	(1,627)
Net cash used in investing activities	(13,604)	(21,277)
Cash flows from financing activities:		
Increase (decrease) in short-term loans, net	(150)	294
Proceeds from long-term loans	—	14,785
Repayment of long-term loans	(419)	—
Dividends paid to owners of the parent	(3,032)	(3,254)
Dividends paid to non-controlling interests	(1,917)	(1,472)
Purchase of treasury stock	(1)	(1)
Other, net	(514)	(301)
Net cash used in financing activities	(6,034)	10,051
Foreign currency translation adjustments on cash and cash equivalents	1,131	933
Net increase (decrease) in cash and cash equivalents	6,441	12,140
Cash and cash equivalents at beginning of year	39,549	50,914
Cash and cash equivalents at end of period	45,990	63,054

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Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Reference Materials 1)

		Nine months ended December 31, 2017	Nine months ended December 31, 2018	Change	Percentage change
Revenue	(Unit: 100 million yen)	2,591.4	2,621.9	30.5	1.2%
Motorcycle and power products		710.9	761.5	50.5	7.1%
Automobile products		1,880.5	1,860.4	△ 20.1	△1.1%
Operating Profit	(Unit: 100 million yen)	204.0	205.4	1.4	0.7%
<Ratio to Revenue >		7.9%	7.8%		
Profit before tax	(Unit: 100 million yen)	207.9	189.6	△ 18.3	△8.8%
<Ratio to Revenue >		8.0%	7.2%		
Factors for Change in Operating Profit	(Unit: 100 million yen)			1.4	
Revenue change, model mix, etc.,				4.5	
Cost reduction				44.8	
Raw material cost				△ 3.8	
R&D expenses				△ 19.2	
Depreciation, amortization and labor cost				△ 16.0	
New model launching costs, expenses and others				8.4	
Foreign exchange				△ 17.3	
Factors for Change in Finance Income and Costs	(Unit: 100 million yen)			△ 19.7	
Foreign exchange				△ 22.0	
Others				2.3	
Exchange rate	(Unit: 1 yen)				
1 U.S. Dollar		111.78	111.27		
1 Thai Baht		3.34	3.40		
1 Chinese Yuan		16.70	16.50		
1 Indian Rupee		1.75	1.61		
1 Indonesian Rupiah		0.84	0.77		
* Indonesian Rupiah is (100-unit rate)		34.70	29.13		
Results by reporting segments					
Revenue	(Unit: 100 million yen)	2,591.4	2,621.9	30.5	1.2%
Japan		1,137.3	1,196.1	58.8	5.2%
Americas		733.1	685.3	△ 47.7	△6.5%
Asia		817.0	862.9	45.9	5.6%
China		625.8	656.6	30.8	4.9%
Eliminations		△ 721.8	△ 779.1	△ 57.3	—
Operating Profit	(Unit: 100 million yen)	204.0	205.4	1.4	0.7%
Japan		35.1	32.9	△ 2.3	△6.5%
Americas		14.0	8.5	△ 5.5	△39.4%
Asia		100.2	114.0	13.8	13.7%
China		53.0	55.9	2.9	5.5%
Eliminations		1.6	△ 5.9	△ 7.5	—

(Amounts are rounded to the nearest million yen)

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Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Reference Materials 2)

Consolidated companies (30)

Japan (10→9)	Ratio of share holding at end of December 31, 2017	Ratio of share holding at end of December 31, 2018
Keihin Sakura Corporation	100.00%	- ※1
Keihin Nasu Corporation	100.00%	100.00%
Keihin Watari Corporation	100.00%	- ※1
Keihin Manufacturing Corporation	-	100.00% ※1
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% ※2	55.00% ※2
Keihin Thermal Technology Czech s.r.o.	100.00% ※3	100.00% ※3
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 December 31, 2017	Ratio of share holding at end of December 31, 2018
Keihin North America, Inc.	75.10%	75.10%
Keihin Carolina System Technology, LLC.	75.10% ※4	75.10% ※4
Keihin IPT Mfg., LLC.	75.10% ※4	75.10% ※4
Keihin Michigan Manufacturing, LLC.	75.10% ※4	75.10% ※4
Keihin Thermal Technology of America, Inc.	100.00% ※3	100.00% ※3
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 December 31, 2017	Ratio of share holding at end of December 31, 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% ※5	85.00% ※5
Keihin Thermal Technology (Thailand) Co., Ltd.	97.50% ※6	97.50% ※6
PT Keihin Indonesia	100.00%	100.00%
Keihin India Manufacturing Pvt. Ltd.	100.00% ※7	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 December 31, 2017	Ratio of share holding at end of December 31, 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 Watari Corporation was merged with Keihin Sakura Corporation in January.
The surviving company is Keihin Watari Corporation.
Keihin Watari Corporation changed its corporate name to Keihin Manufacturing Corporation.
- ※2 Keihin Thermal Technology Corporation holds 55% share.
- ※3 Keihin Thermal Technology Corporation holds 100% share.
- ※4 Keihin North America, Inc. holds 100% share.
- ※5 Keihin corporation holds 25% share, Keihin Asia Bangkok Co., Ltd. holds 60% share.
- ※6 Keihin Thermal Technology Corporation holds 97.5% 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.