

This document is an English translation of the Japanese version of the consolidated financial summary Keihin Corporation has produced for reference purpose. In the event of any discrepancy between the translated document and the Japanese version, the original shall prevail.



Consolidated Financial Results for the Nine-Month Period Ended December 31, 2019 (IFRS Basis)

February 4, 2020

Stock exchange listing: Tokyo

Listed company name : Keihin Corporation

Securities code : 7251 URL: <https://www.keihin-corp.co.jp>

Representative : Aida Keiichi, President & CEO

Contact person : Mitsutoshi Sato, General Manager, Accounting Department Tel: +81-3-3345-3411

Scheduled date of filing Quarterly Securities Report : February 4, 2020

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-month Period Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(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-month period ended December 31, 2019	243,436	(7.2)	9,595	(53.3)	7,101	(61.7)	2,783	(79.1)	1,071	(90.7)	2,351	(81.6)
Nine-month period 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)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine-month period ended December 31, 2019	14.48	—
Nine-month period ended December 31, 2018	156.05	—

(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, 2019	316,270	220,589	195,407	61.8
As of March 31, 2019	315,189	223,187	198,353	62.9

2. Dividends

	Dividends per share				
	First quarter end	Second quarter-end	Third quarter end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	22.00	—	23.00	45.00
Fiscal year ending March 31, 2020	—	23.00	—		
Fiscal year ending March 31, 2020 (Forecast)				0.00	23.00

Note: Revision of forecasts on the dividends: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% represents change from 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	328,000	(6.1)	15,000	(42.9)	12,500	(49.5)	6,500	(63.6)	4,600	(70.7)	62.20

Note: Revision of financial results forecast from recent announced figures: 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

(Note) For details, please refer to Section (7) "Notes to Interim Condensed Consolidated Financial Statements, 3. Significant Accounting Policies" under 2. "Interim Condensed Consolidated Financial Statements and Significant Notes Thereto" on page 11 of the attached material.

(3) Number of shares issued (Common stock)

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

As of December 31, 2019	73,985,246 Shares
As of March 31, 2019	73,985,246 Shares

(ii) Number of treasury stock

As of December 31, 2019	28,009 Shares
As of March 31, 2019	27,205 Shares

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

Nine-Month Period Ended December 31, 2019	73,957,639 Shares
Nine-Month Period Ended December 31, 2018	73,958,238 Shares

* These Interim Condensed Consolidated Financial Results are not subject to the interim review procedures conducted by certified public accounts or an audit firm.

* Note to the forecasts of the financial results and other important information.

The forecast statements shown in these materials are based on information available to the management at the time of announcement. Actual financial and other results may differ materially from the forecast statements due to various uncertainties. For assumptions based on which forecast was made, please refer to page 3 of the attached file for "1. Overview of business results for the current period (3) Notes to the forecasts for the fiscal year ending March 31, 2020

Attached Material

Contents

1. Overview of business results.....	2
(1) Overview of interim business results.....	2
(2) Overview of financial position.....	2
(3) Notes to the Forecasts for the fiscal year ending March 31, 2020.....	3
2. Interim condensed Consolidated Financial Statements and Significant Notes Thereto.....	4
(1) Interim Condensed Consolidated Statement of Financial Position.....	4
(2) Interim Condensed Consolidated Statement of Income.....	6
(3) Interim Condensed Consolidated Statement of Comprehensive Income.....	7
(4) Interim Condensed Consolidated Statement of Changes in Equity.....	8
(5) Interim Condensed Consolidated Statement of Cash Flows.....	10
(6) Notes on premise of going concern.....	11
(7) Notes to Interim Condensed Consolidated Financial Statements.....	11

1. Overview of business results

(1) Overview of interim business results

Revenue for the nine-month period ended December 31, 2019 (from April 1st 2019 to December 31th 2019) has decreased by ¥18,755 million compared to the same period of previous fiscal year to ¥243,436 million. In motorcycle and power product business, revenue has decreased by ¥1,602 million compared to the same period of previous year to ¥74,547 million, and in automobile product business, revenue has decreased by ¥17,153 million compared to the same period of previous fiscal year to ¥168,890 million. In profits, despite the rationalization effect, operating income has decreased by ¥ 10,941 million to ¥ 9,595 million due to decrease of sales, increases in R&D expenses and negative impact of foreign exchange conversion, etc. Profit attributable to owners of the parent has decreased by ¥ 10,470 million to ¥ 1,071 million.

Business results by segment are as follows:

Japan

In motorcycle and power products, sales of products have increased mainly due to increase in sales to India and Indonesia. In automobile products, sales to Japan and North America, and in China have decreased. In addition, with the negative impact of foreign exchange conversion, revenue has decreased by ¥2,095 million compared with the same period of previous fiscal year to ¥117,514 million.

Americas

In motorcycle and power products, sales of products increased mainly in South America. In automobile products, sales of products decreased in North America.

In addition, with the negative impact of foreign exchange conversion, revenue has decreased by ¥4,752 million compared with the same period of previous fiscal year to ¥63,782 million.

Asia

In motorcycle and power products, sales of products decreased mainly in India and Vietnam. In automobile products, sales of products decreased mainly in Thailand, Malaysia and India.

As a result of the above, revenue has decreased by ¥6,317 million compared with the same period of previous fiscal year to ¥79,976 million.

China

Sales of motorcycle and power products have increased while sales of automobile products have decreased.

In addition, with the negative impact of foreign exchange conversion, revenue has decreased by ¥3,499 million compared with the same period of previous fiscal year to ¥62,165 million.

(Note) Inter-segment sales are included in the sales by segment figures above.

(2) Overview of financial position

Overview of Assets, Liabilities and Equity:

Total assets at the end of the nine-month period were ¥316,270 million, an increase of ¥1,082 million from the end of the previous fiscal year.

The main attributions for each category are as follows.

Current assets

Current assets at the end of the nine-month period were ¥164,075 million, a decrease of ¥10,611 million from the end of the previous fiscal year. This is mainly due to the decrease in cash and cash equivalents, trade and other current receivables despite of the increase of inventories.

Non-current assets

Non-current assets at the end of the nine-month period were ¥152,195 million, an increase of ¥11,693 million from the end of the previous fiscal year. This is mainly due to the increase in property, plant and equipment and other non-current assets.

Current liabilities

Current liabilities at the end of the nine-month period were ¥63,870 million, a decrease of ¥3,710 million from the end of the previous fiscal year. This is mainly due to decrease in trade and other current payables, despite of increase in other current financial liabilities and other current liabilities.

Non-current liabilities

Non-current liabilities at the end of the nine-month period were ¥31,811 million, an increase of ¥7,390 million from the end of the previous fiscal year. This is mainly due to an increase in long-term loans and other non-current financial liabilities.

Equity

Equity at the end of the nine-month period was ¥220,589 million, a decrease of ¥2,598 million from the end of the previous fiscal year. This is mainly due to decrease in retained earnings.

(3) Notes to Forecasts for the fiscal year ending March 31, 2020

There is no revision to the forecasts of the consolidated business results for the full fiscal year (from April 1 2019 to March 31 2020) previously announced on October 30 2019.

2. Interim Condensed Consolidated Financial Statements and Significant Notes Thereto

(1) Interim Condensed Consolidated Statements of Financial Position

Keihin Corporation and Consolidated Subsidiaries

As of March 31, 2019 and as of December 31, 2019

	Notes	Millions of yen	
		As of March 31, 2019	As of December 31, 2019
Assets			
Current assets			
Cash and cash equivalents		61,047	51,981
Trade and other current receivables		56,548	50,444
Other current financial assets		1,675	43
Inventories		53,558	58,732
Other current assets		1,858	2,875
Total current assets		174,687	164,075
Non-current assets			
Property, plant and equipment		113,288	120,977
Intangible assets		7,560	8,136
Trade and other non-current receivables		245	217
Other non-current financial assets		5,056	6,263
Retirement benefit assets		2,768	2,649
Deferred tax assets		4,607	5,512
Other non-current assets		6,978	8,441
Total non-current assets		140,502	152,195
Total assets		315,189	316,270

	Notes	Millions of yen	
		As of March 31, 2019	As of December 31, 2019
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other current payables		57,741	51,346
Short-term loans		6,883	6,864
Other current financial liabilities		114	2,010
Income tax payables		1,361	1,561
Provisions		766	683
Other current liabilities		716	1,407
Total current liabilities		67,580	63,870
Non-current liabilities			
Long-term loans		14,787	19,512
Other non-current financial liabilities		1,555	4,037
Retirement benefit liabilities		2,720	3,201
Provisions		218	234
Deferred tax liabilities		4,275	3,913
Other non-current liabilities		867	915
Total non-current liabilities		24,421	31,811
Total liabilities		92,002	95,681
Equity			
Common stock		6,932	6,932
Capital surplus		9,258	9,258
Retained earnings		172,185	169,667
Treasury stock		(40)	(42)
Other components of equity		10,017	9,591
Equity attributable to owners of the parent		198,353	195,407
Non-controlling interests		24,834	25,183
Total equity		223,187	220,589
Total liabilities and equity		315,189	316,270

(2) Interim Condensed Consolidated Statements of Income

Keihin Corporation and Consolidated Subsidiaries

For Nine-Month Period ended December 31, 2018 and 2019

		Millions of yen	
	Notes	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Revenue	5	262,191	243,436
Cost of sales		(218,978)	(209,473)
Gross profit		43,214	33,963
Selling, general and administrative expenses		(23,068)	(24,668)
Other income		523	599
Other expenses		(134)	(299)
Operating profit	5	20,536	9,595
Finance income		2,356	1,128
Finance costs		(3,927)	(3,622)
Profit before tax		18,964	7,101
Income tax expense		(5,650)	(4,318)
Profit for the period		13,314	2,783
Profit attributable to:			
Owners of the parent		11,541	1,071
Non-controlling interests		1,773	1,712
Profit for the period		13,314	2,783
Earnings per share attributable to owners of the parent:			
Basic earnings per share	6	156.05	14.48

(3) Interim Condensed Consolidated Statements of Comprehensive Income

Keihin Corporation and Consolidated Subsidiaries

For the Nine-Month Period ended December 31, 2018 and 2019

	Notes	Millions of yen	
		Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit for the period		13,314	2,783
Other comprehensive income			
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		(827)	126
Total of items that will not be reclassified to profit or loss, net of tax		(827)	126
Items that may be reclassified to profit or loss, net of tax:			
Foreign currency translation adjustments		320	(558)
Total of items that may be reclassified to profit or loss, net of tax		320	(558)
Other comprehensive income for the period		(507)	(431)
Total comprehensive income for the period		12,808	2,351
Comprehensive income attributable to:			
Owners of the parent		10,855	644
Non-controlling interests		1,952	1,707
Comprehensive income for the period		12,808	2,351

(4) Interim Condensed Consolidated Statements of Changes in Equity

Keihin Corporation and Consolidated Subsidiaries
For the Nine-Month Period ended December 31, 2018

	Notes	Millions of yen			
		Equity attributable to owners of the parent			
		Common stock	Capital surplus	Retained earnings	Treasury stock
As of April 1, 2018		6,932	9,258	159,623	(40)
Comprehensive income					
Profit for the period		—	—	11,541	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	11,541	—
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)

	Notes	Millions of yen					
		Equity attributable to owners of the parent					
		Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments	Total			
As of April 1, 2018		3,412	5,326	8,738	184,512	23,691	208,203
Comprehensive income							
Profit for the period		—	—	—	11,541	1,773	13,314
Other comprehensive income		(827)	141	(686)	(686)	179	(507)
Total comprehensive income		(827)	141	(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		2,585	5,466	8,052	192,112	24,172	216,284

Keihin Corporation and Consolidated Subsidiaries
For the Nine-Month Period ended December 31, 2019

	Notes	Millions of yen			
		Equity attributable to owners of the parent			
		Common stock	Capital surplus	Retained earnings	Treasury stock
As of April 1, 2019 (Before adjustments)		6,932	9,258	172,185	(40)
Adjustments resulting from change of accounting policy		—	—	(187)	—
As of April 1, 2019 (After adjustments)		6,932	9,258	171,998	(40)
Comprehensive income					
Profit for the period		—	—	1,071	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	1,071	—
Transactions with owners					
Dividends paid		—	—	(3,402)	—
Purchase of treasury stock		—	—	—	(2)
Total transactions with owners		—	—	(3,402)	(2)
As of December 31, 2019		6,932	9,258	169,667	(42)

	Notes	Millions of yen					
		Equity attributable to owners of the parent					
		Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Gains (losses) on financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments	Total			
As of April 1, 2019		2,843	7,175	10,017	198,353	24,834	223,187
Adjustments resulting from change of accounting policy		—	—	—	(187)	—	(187)
As of April 1, 2019 (After adjustments)		2,843	7,175	10,017	198,166	24,834	223,000
Comprehensive income							
Profit for the period		—	—	—	1,071	1,712	2,783
Other comprehensive income		126	(553)	(427)	(427)	(5)	(431)
Total comprehensive income		126	(553)	(427)	644	1,707	2,351
Transactions with owners							
Dividends paid		—	—	—	(3,402)	(1,358)	(4,760)
Purchase of treasury stock		—	—	—	(2)	—	(2)
Total transactions with owners		—	—	—	(3,404)	(1,358)	(4,762)
As of December 31, 2019		2,969	6,622	9,591	195,407	25,183	220,589

(5) Interim Condensed Consolidated Statements of Cash Flows

Keihin Corporation and Consolidated Subsidiaries

For the Nine-Month Period Ended December 31, 2018 and 2019

	Notes	Millions of yen	
		Nine Months ended December 31, 2018	Nine Months ended December 31, 2019
Cash flows from operating activities:			
Profit before tax		18,964	7,101
Depreciation and amortization		12,905	13,826
Impairment		12	10
Interest and dividends income		(1,137)	(616)
Interest expense		1,111	1,188
(Gain) loss on sale of property, plant and equipment		(24)	(96)
Decrease (increase) in trade and other receivables		3,094	5,635
(Increase) decrease in inventories		(5,608)	(5,786)
(Decrease) increase in trade and payables		(1,573)	(2,088)
(Decrease) increase in provisions		(643)	(53)
Increase (decrease) in retirement and severance benefits		574	561
Other, net		0	659
Subtotal		27,675	20,340
Interest received		791	514
Dividends received		130	134
Interest paid		(577)	(704)
Income taxes paid		(5,586)	(5,347)
Net cash provided by operating activities		22,433	14,938
Cash flows from investing activities:			
Decrease (increase) in time-deposits, net		963	1,607
Purchase of property, plant and equipment and intangible assets		(20,713)	(24,032)
Proceeds from sale of property, plant and equipment and intangible assets		61	208
Increase in loan receivable		(245)	(226)
Collection of loans		283	274
Other, net		(1,627)	(2,309)
Net cash used in investing activities		(21,277)	(24,479)
Cash flows from financing activities:			
Increase (decrease) in short-term loans, net		294	69
Proceeds from long-term loans		14,785	4,706
Dividends paid to owners of the parent		(3,254)	(3,402)
Dividends paid to non-controlling interests		(1,472)	(1,358)
Purchase of treasury stock		(1)	(2)
Other, net		(301)	(1,213)
Net cash (used in)/ provided by financing activities		10,051	(1,200)
Foreign currency translation adjustments on cash and cash equivalents		933	1,676
Net (decrease) increase in cash and cash equivalents		12,140	(9,066)
Cash and cash equivalents at beginning of the period		50,914	61,047
Cash and cash equivalents at end of the period		63,054	51,981

(6) Notes on premise of going concern

Not applicable.

(7) Notes to Interim Condensed Consolidated Financial Statements

1. Reporting entity

Keihin Corporation (hereinafter referred to as “the Company”) is a company incorporated in Japan. The interim condensed consolidated financial statements for the nine-month period ended December 31, 2019 consist of the financial statements of the Company and its consolidated subsidiaries (hereinafter “the Group”). The Group is primarily engaged in the manufacturing and sales of motorcycle and power products and automobile products.

2. Basis of preparation

(1) Compliance with IFRS

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (hereinafter referred to as “IFRS”) promulgated by the International Accounting Standards Board. The Company is qualified as a “Specified Company under the designated International Accounting Standards” according to the requirements set out in Article 1-2 of the Rules on Terminology, Formats and Compliance Methods of Interim Consolidated Financial Statements (Cabinet Office Ordinance No.64 of 2017), and therefore prepares the Interim Consolidated Financial Statements in accordance with IAS 34 “Interim Financial Reporting” under the provision of Article 93 of the aforementioned Ordinance. As the Interim Consolidated Financial Statement do not contain all the information required in yearly consolidated financial statements, it should be used in combination with the consolidated financial statements for the fiscal year ended March 31 2019.

(2) Basis of measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for certain assets and liabilities, such as financial instruments measured at fair value.

(3) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the Company’s functional currency, with amounts rounded to the nearest million yen.

3. Significant Accounting Policies

The significant accounting policies applied in the interim condensed consolidated financial statements are the same as the accounting policies applied in the consolidated financial statements for the previous fiscal year except for the following.

The Group has adopted IFRS 16 “Leases” (hereafter, “IFRS 16”) with April 1, 2019 as the application date.

In IFRS 16, at the commencement date, a lessee shall recognize a right-of-use asset and a lease liability.

Right-of-use assets are measured initially at an amount calculated by adjusting the initially measured amount of lease liabilities by initial direct cost etc. After the commencement date, cost model is used to measure the right-of-use assets. The right-of-use assets are depreciated on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term.

The useful life of right-of-use assets shall be determined using the same policy with the Group’s property, plant and equipment.

Lease term shall be determined as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; And periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liability is remeasured when there is a change in lease terms, etc.

When lease liabilities are remeasured, the amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amount of the remeasurement in profit or loss.

Carrying amount of lease assets is decreased if the right-of-use asset is impaired and impairment loss is accounted for. At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, incremental borrowing rate shall be used to measure the lease liability. Generally the Group uses incremental borrowing rate as the discount rate to measure the lease liability. After the commencement date, carrying amount of lease liability is increased to reflect the interest; carrying amount of lease liability is decreased to reflect the lease payments made. For short-term lease or leases for which the underlying asset is of low value, the Group elects not to recognize right-of-use assets and related lease liabilities. For those leases, lease expenses are recognized using straight-line method through the lease term. In cases where the Group acts as the lessor in a sub-lease, the sub-lease is classified as short-term lease if head lease is a short-term lease. In other cases, underlying assets in the sub-lease should be recognized as right-of-use assets arising from the head-lease contract.

On transition, the Group applies IFRS 16 using retrospective approach with cumulative effect of initially applying IFRS 16 recognized as an adjustment to the opening balance of retained earnings of the first quarter of consolidated fiscal year. On transition, the Group applies practical expedient under IFRS 16.C3. Contracts that were previously identified as leases applying IAS 17 Leases (hereinafter referred to as "IAS 17") and IFRIC 4 "Determining whether an Arrangement contains a Leases" are consistently recognized as leases and IFRS 16 is applied. The group applies the following practical expedients on the initial application of IFRS 16:

- As an alternative to performing impairment review, the Group relies on its assessment of whether leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application.
- The group uses hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

As a result, in the consolidated statement of financial position at the beginning of the first quarter, right-of-use assets recognized in property, plant and equipment increased by ¥3,324 million, lease liabilities recognized under current liabilities and other non-current financial liabilities under non-current liabilities increased by ¥3,377 million. Trade and other current receivables increased by ¥129 million, other current assets increased by ¥679 million, while other non-current assets decreased by ¥943 million, retained earnings decreased by ¥187 million. The weighted average of the lessee's incremental borrowing rate is 1.2%, which is applied to recognize the lease liabilities on the interim condensed consolidated statement of financial position at the application date. The difference between i) the discounted present value of operating lease commitments disclosed applying IAS 17 at the end of the consolidated fiscal year preceding the date of initial application; and ii) lease liabilities recognized at the date of initial application, mainly arises from increase of lease liabilities under IFRS 16 where the excision of extension option can be reasonably certain.

4. Significant accounting estimates and associated judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. However, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are recognized in the accounting period in which the estimates are changed and in future accounting periods affected by the changes.

Estimates and judgments that significantly affect the amounts in the interim consolidated financial statements made by management are consistent with those in the previous fiscal year.

5. Segment information

(1) Overview of reporting segments

The Company defines its reporting segments as units of the Company for which independent financial information is accessible and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and to evaluate performance.

The Company is primarily engaged in the manufacture and sale of motorcycle and power products and automobile products and divides its activities into four region-specific reporting segments—Japan, Americas, Asia, and China—each with management systems and production and sales systems tailored to local characteristics.

The business in Europe is under control of the Japan headquarters without a regional headquarters. It is included in the Japan segment.

(2) Revenue, operating profit and other items by reporting segments

Revenue, operating profit and other items of the Group's reporting segments are as follows:

For the Nine-month Period Ended December 31, 2018

	Millions of yen						Eliminations	Total
	Reporting Segments				Total			
	Japan	Americas	Asia	China	Total			
Revenue:								
Outside customers	64,191	62,986	76,689	58,325	262,191	—	262,191	
Intersegment	55,417	5,548	9,605	7,339	77,909	(77,909)	—	
Total	119,609	68,534	86,294	65,664	340,100	(77,909)	262,191	
Operating profit(loss)	3,285	846	11,402	5,589	21,122	(587)	20,536	
Finance income	—	—	—	—	—	—	2,356	
Finance costs	—	—	—	—	—	—	(3,927)	
Profit before tax	—	—	—	—	—	—	18,964	

- Notes:
1. Intersegment revenue is based on arm's length price.
 2. Revenue in the "Eliminations" column is intersegment revenue. Operating profit(loss) in the "Eliminations" column is related to the internal profit arising from transactions of inventories and property, plant and equipment.

For the Nine-month Period Ended December 31, 2019

Millions of yen

	Reporting Segments					Eliminations	Total
	Japan	Americas	Asia	China	Total		
Revenue:							
Outside customers	57,617	60,212	69,523	56,085	243,436	—	243,436
Intersegment	59,897	3,570	10,454	6,080	80,001	(80,001)	—
Total	117,514	63,782	79,976	62,165	323,437	(80,001)	243,436
Operating profit(loss)	2,007	2,058	6,565	3,762	14,391	(4,796)	9,595
Finance income	—	—	—	—	—	—	1,128
Finance costs	—	—	—	—	—	—	(3,622)
Profit before tax	—	—	—	—	—	—	7,101

- Notes: 1. Intersegment revenue is based on arm's length price.
2. Revenue in the "Eliminations" column is intersegment revenue. Operating profit(loss) in the "Eliminations" column is related to the internal profit arising from transactions of inventories and property, plant and equipment.

6. Earnings per share

Basic earnings per share and the basis for calculation are as follows.

There are no potential common shares that have a dilutive effect.

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit for the period attributable to owners of the parent (Millions of yen)	11,541	1,071
Weighted average number of ordinary shares outstanding during the period(Shares)	73,958,238	73,957,639
Basic earnings per share(Yen)	156.05	14.48

FY2020

Consolidated Financial Results for the Nine-Month Period Ended December 31, 2019 (Reference Materials 1)

		Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	Percentage change	
Revenue	(Unit: 100 million yen)	2,621.9	2,434.4	△ 187.6	△ 7.2%	
Motorcycle and power products		761.5	745.5	△ 16.0	△ 2.1%	
Automobile products		1,860.4	1,688.9	△ 171.5	△ 9.2%	
Operating Profit	(Unit: 100 million yen)	205.4	95.9	△ 109.4	△ 53.3%	
<Ratio to Revenue >		7.8%	3.9%			
Profit before tax	(Unit: 100 million yen)	189.6	71.0	△ 118.6	△ 62.6%	
<Ratio to Revenue >		7.2%	2.9%			
Factors for Change in Operating Profit				△ 109.4		
	(Unit: 100 million yen)					
Revenue change, model mix, etc.,				△ 79.2		
Cost reduction				53.6		
Raw material cost				△ 2.4		
R&D expenses				△ 12.1		
Depreciation, amortization and labor cost				△ 24.7		
New model launching costs, expenses and others				△ 27.9		
Foreign exchange				△ 16.7		
Factors for Change in Finance Income and Costs				△ 9.2		
	(Unit: 100 million yen)					
Foreign exchange				△ 4.3		
Others				△ 4.9		
Exchange rate						
(Unit: 1 yen)	1 U.S. Dollar	111.27		108.91		
	1 Thai Baht	3.40		3.53		
	1 Chinese Yuan	16.50		15.61		
	1 Indian Rupee	1.61		1.56		
	1 Indonesian Rupiah	0.77		0.77		
* Indonesian Rupiah is (100-unit rate)	1 Brazilian Real	29.13		27.07		
Results by reporting segments						
	Revenue	(Unit: 100 million yen)	2,621.9	2,434.4	△ 187.6	△ 7.2%
	Japan		1,196.1	1,175.1	△ 20.9	△ 1.8%
	Americas		685.3	637.8	△ 47.5	△ 6.9%
	Asia		862.9	799.8	△ 63.2	△ 7.3%
	China		656.6	621.7	△ 35.0	△ 5.3%
	Eliminations		△ 779.1	△ 800.0	△ 20.9	—
	Operating Profit	(Unit: 100 million yen)	205.4	95.9	△ 109.4	△ 53.3%
	Japan		32.9	20.1	△ 12.8	△ 38.9%
	Americas		8.5	20.6	12.1	143.3%
	Asia		114.0	65.6	△ 48.4	△ 42.4%
	China		55.9	37.6	△ 18.3	△ 32.7%
	Eliminations		△ 5.9	△ 48.0	△ 42.1	—

(Amounts are rounded to the nearest million yen)

FY2020
**Consolidated Financial Results for the Nine-Month Period Ended December 31,
 2019**
 (Reference Materials 2)

Consolidated companies (30)
Japan (9)

	Ratio of share holding at end of December 31, 2018	Ratio of share holding at end of December 31, 2019
Keihin Nasu Corporation	100.00%	100.00%
Keihin Manufacturing 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 December 31, 2018	Ratio of share holding at end of December 31, 2019
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 December 31, 2018	Ratio of share holding at end of December 31, 2019
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% ※6
Keihin FIE Pvt. Ltd.	74.00%	74.00%
Keihin Vietnam Co., Ltd.	100.00% ※7	100.00% ※7
Taiwan Keihin Carburetor Co., Ltd.	51.00%	51.00%
Keihin Malaysia Manufacturing SDN. BHD	100.00% ※7	100.00% ※7

China (4)

	Ratio of share holding at end of December 31, 2018	Ratio of share holding at end of December 31, 2019
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% ※8	100.00% ※8
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 5.6% share, Keihin Asia Bangkok Co., Ltd. holds 94.4% share.
- ※7 Keihin Asia Bangkok Co., Ltd. holds 100% share.
- ※8 Dongguan Keihin Engine Management System Co., Ltd. holds 100% share.