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Consolidated Financial Results for the Three-Month Period Ended June 30, 2019 (IFRS Basis)

August 2, 2019

Listed company name : Keihin Corporation Stock exchange listing: Tokyo
 Securities code : 7251 URL: <https://www.keihin-corp.co.jp>
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 Scheduled date of filing Quarterly Securities Report : August 2, 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 Three-month Period Ended June 30, 2019 (April 1, 2019 to June 30, 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	%
Three-month period ended June 30, 2019	84,175	(3.6)	5,639	(29.1)	4,740	(37.6)	2,912	(40.6)	2,408	(44.3)	(842)	—
Three-month period ended June 30, 2018	87,327	5.0	7,956	36.2	7,592	24.0	4,901	28.0	4,322	30.1	4,464	1.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three-month period ended June 30, 2019	32.56	—
Three-month period ended June 30, 2018	58.44	—

(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, 2019	312,559	219,262	195,589	62.6
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	—				
Fiscal year ending March 31, 2020 (Forecast)		23.00	—	23.00	46.00

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	350,000	0.2	18,500	(29.5)	16,000	(35.4)	10,000	(44.0)	8,300	(47.2)	112.23

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 June 30, 2019	73,985,246 Shares
As of March 31, 2019	73,985,246 Shares

(ii) Number of treasury stock

As of June 30, 2019	27,322 Shares
As of March 31, 2019	27,205 Shares

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

Three-Month Period Ended June 30, 2019	73,957,978 Shares
Three-Month Period Ended June 30, 2018	73,958,371 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 (2) Forecasts for the fiscal year ending March 31, 2020

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1. Overview of business results

(1) Overview of interim business results

Revenue for the three-month period ended June 30, 2019 has decreased by ¥3,152 million compared to the same period of previous fiscal year to ¥84,175 million. In motorcycle and power product business, revenue has decreased by ¥1,001 million compared to the same period of previous year to ¥23,865 million, and in automobile product business, revenue has decreased by ¥2,151 million compared to the same period of previous fiscal year to ¥60,310 million. In profits, despite the rationalization effect, operating income has decreased by ¥ 2,317 million to ¥ 5,639 million due to increases in R&D expenses and decrease of sales, etc. Profit attributable to owners of the parent has decreased by ¥ 1,914 million to ¥ 2,408 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 at Europe has decreased.

As a result of the above, revenue has increased by ¥1,507 million compared with the same period of previous fiscal year to ¥38,831 million, although foreign exchange conversion had a negative impact on sales.

Americas

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

As a result of the above, revenue has decreased by ¥839 million compared with the same period of previous fiscal year to ¥23,398 million, although foreign exchange conversion had a positive impact on sales.

Asia

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

In addition, with the negative impact of foreign exchange conversion, revenue has decreased by ¥1,280 million compared with the same period of previous fiscal year to ¥26,444 million.

China

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

In addition, with the negative impact of foreign exchange conversion, revenue has decreased by ¥211 million compared with the same period of previous fiscal year to ¥20,838 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 three-month period were ¥312,559 million, an decrease of ¥2,629 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 three-month period were ¥169,061 million, an decrease of ¥5,625 million from the end of the previous fiscal year. This is mainly due to the decrease in trade and other current receivables.

Non-current assets

Non-current assets at the end of the three-month period were ¥143,498 million, an increase of ¥2,996 million from the end of the previous fiscal year. This is mainly due to the increase in property, plant and equipment.

Current liabilities

Current liabilities at the end of the three-month period were ¥67,489 million, a decrease of ¥92 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 three-month period were ¥25,809 million, an increase of ¥1,388 million from the end of the previous fiscal year. This is mainly due to an increase in other non-current financial liabilities despite the decrease of deferred tax liabilities.

Equity

Equity at the end of the three-month period was ¥219,262 million, an decrease of ¥3,925 million from the end of the previous fiscal year. This is mainly due to decrease in other components of equity and non-controlling interests despite of increase of 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 May 10 2019.

2. Interim Condensed Consolidated Financial Statements and Significant Notes Thereto

(1) Interim Condensed Consolidated Statement of Financial Position

Keihin Corporation and Consolidated Subsidiaries

As of March 31, 2019 and as of June 30, 2019

	Notes	Millions of yen	
		As of March 31, 2019	As of June 30, 2019
Assets			
Current assets			
Cash and cash equivalents		61,047	59,439
Trade and other current receivables		56,548	51,776
Other current financial assets		1,675	312
Inventories		53,558	54,589
Other current assets		1,858	2,946
Total current assets		174,687	169,061
Non-current assets			
Property, plant and equipment		113,288	116,740
Intangible assets		7,560	7,742
Trade and other non-current receivables		245	222
Other non-current financial assets		5,056	5,029
Retirement benefit assets		2,768	2,727
Deferred tax assets		4,607	4,645
Other non-current assets		6,978	6,393
Total non-current assets		140,502	143,498
Total assets		315,189	312,559

	Notes	Millions of yen	
		As of March 31, 2019	As of June 30, 2019
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other current payables		57,741	54,648
Short-term loans		6,883	6,627
Other current financial liabilities		114	1,432
Income tax payables		1,361	2,100
Provisions		766	717
Other current liabilities		716	1,966
Total current liabilities		67,580	67,489
Non-current liabilities			
Long-term loans		14,787	14,789
Other non-current financial liabilities		1,555	3,365
Retirement benefit liabilities		2,720	2,876
Provisions		218	215
Deferred tax liabilities		4,275	3,713
Other non-current liabilities		867	852
Total non-current liabilities		24,421	25,809
Total liabilities		92,002	93,298
Equity			
Common stock		6,932	6,932
Capital surplus		9,258	9,258
Retained earnings		172,185	172,705
Treasury stock		(40)	(41)
Other components of equity		10,017	6,733
Equity attributable to owners of the parent		198,353	195,589
Non-controlling interests		24,834	23,673
Total equity		223,187	219,262
Total liabilities and equity		315,189	312,559

(2) Interim Condensed Consolidated Statement of IncomeKeihin Corporation and Consolidated Subsidiaries
For Three-Month Period ended June 30, 2018 and 2019

		Millions of yen	
	Notes	Three months ended June 30, 2018	Three months ended June 30, 2019
Revenue	5	87,327	84,175
Cost of sales		(71,910)	(70,559)
Gross profit		15,416	13,615
Selling, general and administrative expenses		(7,579)	(8,081)
Other income		155	163
Other expenses		(36)	(60)
Operating profit	5	7,956	5,639
Finance income		861	719
Finance costs		(1,225)	(1,617)
Profit before tax		7,592	4,740
Income tax expense		(2,691)	(1,828)
Profit for the period		4,901	2,912
Profit attributable to:			
Owners of the parent		4,322	2,408
Non-controlling interests		578	504
Profit for the period		4,901	2,912
Earnings per share attributable to owners of the parent:			
Basic earnings per share	6	58.44	32.56

(3) Interim Condensed Consolidated Statement of Comprehensive Income

Keihin Corporation and Consolidated Subsidiaries

For the Three-Month Period ended June 30, 2018 and 2019

	Notes	Millions of yen	
		Three months ended June 30, 2018	Three months ended June 30, 2019
Profit for the period		4,901	2,912
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		(423)	(227)
Total of items that will not be reclassified to profit or loss, net of tax		(423)	(227)
Items that may be reclassified to profit or loss, net of tax:			
Foreign currency translation adjustments		(14)	(3,526)
Total of items that may be reclassified to profit or loss, net of tax		(14)	(3,526)
Other comprehensive income for the period		(436)	(3,754)
Total comprehensive income for the period		4,464	(842)
Comprehensive income attributable to:			
Owners of the parent		3,793	(876)
Non-controlling interests		671	35
Comprehensive income for the period		4,464	(842)

(4) Interim Condensed Consolidated Statement of Changes in Equity

Keihin Corporation and Consolidated Subsidiaries

For the Three-Month Period ended June 30, 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		—	—	4,322	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	4,322	—
Transactions with owners					
Dividends paid		—	—	(1,627)	—
Purchase of treasury stock		—	—	—	(0)
Total transactions with owners		—	—	—	(0)
As of June 30, 2018		6,932	9,258	162,318	(40)

	Notes	Millions of yen					Total equity
		Equity attributable to owners of the parent					
		Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	
		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		—	—	—	4,322	578	4,901
Other comprehensive income		(423)	(106)	(529)	(529)	93	(436)
Total comprehensive income		(423)	(106)	(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		2,989	5,219	8,208	186,677	22,891	209,568

Keihin Corporation and Consolidated Subsidiaries
For the Three-Month Period ended June 30, 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	171,988	(40)
Comprehensive income					
Profit for the period		—	—	2,408	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	2,408	—
Transactions with owners					
Dividends paid		—	—	(1,701)	—
Purchase of treasury stock		—	—	—	(0)
Total transactions with owners		—	—	(1,701)	(0)
As of June 30, 2019		6,932	9,258	172,705	(41)

	Notes	Millions of yen					Total equity
		Equity attributable to owners of the parent					
		Other components of equity			Total equity attributable to owners of the parent	Non- controlling interests	
		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		—	—	—	2,408	504	2,912
Other comprehensive income		(227)	(3,057)	(3,284)	(3,284)	(469)	(3,754)
Total comprehensive income		(227)	(3,057)	(3,284)	(876)	35	(842)
Transactions with owners							
Dividends paid		—	—	—	(1,701)	(1,196)	(2,897)
Purchase of treasury stock		—	—	—	(0)	—	(0)
Total transactions with owners		—	—	—	(1,701)	(1,196)	(2,897)
As of June 30, 2019		2,615	4,118	6,733	195,589	23,673	219,262

(5) Interim Condensed Consolidated Statement of Cash Flows

Keihin Corporation and Consolidated Subsidiaries

For the Three-Month Period Ended June 30, 2018 and 2019

	Notes	Millions of yen	
		Three Months ended June 30, 2018	Three Months ended June 30, 2019
Cash flows from operating activities:			
Profit before tax		7,592	4,740
Depreciation and amortization		4,350	4,471
Interest and dividends income		(248)	(249)
Interest expense		188	364
(Gain) loss on sale of property, plant and equipment		(14)	(4)
Decrease (increase) in trade and other receivables		3,904	3,861
(Increase) decrease in inventories		(2,485)	(2,209)
(Decrease) increase in trade and payables		(1,270)	(986)
(Decrease) increase in provisions		(135)	(42)
Increase (decrease) in retirement and severance benefits		206	208
Other, net		312	427
Subtotal		12,397	10,583
Interest received		126	243
Dividends received		46	48
Interest paid		(91)	(28)
Income taxes paid		(1,821)	(1,547)
Net cash provided by operating activities		10,656	9,298
Cash flows from investing activities:			
Decrease (increase) in time-deposits, net		(1,419)	1,372
Purchase of property, plant and equipment and intangible assets		(6,009)	(8,690)
Proceeds from sale of property, plant and equipment and intangible assets		29	15
Increase in loan receivable		(99)	(80)
Collection of loans		121	116
Other, net		(418)	(277)
Net cash used in investing activities		(7,794)	(7,544)
Cash flows from financing activities:			
(Decrease) increase in short-term loans, net		178	(63)
Proceeds from long-term loans		3,412	—
Dividends paid to owners of the parent		(1,627)	(1,701)
Dividends paid to non-controlling interests		(1,472)	(1,196)
Purchase of treasury stock		(0)	(0)
Other, net		(138)	(161)
Net cash (used in)/ provided by financing activities		354	(3,122)
Foreign currency translation adjustments on cash and cash equivalents		38	(241)
Net (decrease) increase in cash and cash equivalents		3,254	(1,608)
Cash and cash equivalents at beginning of the period		50,914	61,047
Cash and cash equivalents at end of the period		54,168	59,439

(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 Three-Month Period Ended June 30, 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 Three-month Period Ended June 30, 2018

	Millions of yen						Eliminations	Total
	Reporting Segments				Total			
	Japan	Americas	Asia	China	Total			
Revenue:								
Outside customers	21,018	22,322	25,109	18,878	87,327	—	87,327	
Intersegment	16,305	1,915	2,614	2,171	23,005	(23,005)	—	
Total	37,323	24,237	27,723	21,049	110,332	(23,005)	87,327	
Operating profit	637	771	3,686	1,722	6,817	1,139	7,956	
Finance income	—	—	—	—	—	—	861	
Finance costs	—	—	—	—	—	—	(1,225)	
Profit before tax	—	—	—	—	—	—	7,592	

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

For the Three-month Period Ended June 30, 2019

Millions of yen

	Reporting Segments					Eliminations	Total
	Japan	Americas	Asia	China	Total		
Revenue:							
Outside customers	20,545	22,088	22,923	18,619	84,175	—	84,175
Intersegment	18,286	1,310	3,520	2,218	25,335	(25,335)	—
Total	38,831	23,398	26,444	20,838	109,510	(25,335)	84,175
Operating profit	1,000	1,087	1,807	1,272	5,165	473	5,639
Finance income	—	—	—	—	—	—	719
Finance costs	—	—	—	—	—	—	(1,617)
Profit before tax	—	—	—	—	—	—	4,740

- Notes: 1. Intersegment revenue is based on arm's length price.
 2. Revenue in the "Eliminations" column is intersegment revenue. Operating profit 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.

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit for the period attributable to owners of the parent (Millions of yen)	4,322	2,408
Weighted average number of ordinary shares outstanding during the period(Shares)	73,958,371	73,957,978
Basic earnings per share(Yen)	58.44	32.56

7. Subsequent Event

Not applicable.

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Consolidated Financial Results for the Three-Month Period Ended June 30, 2019 (Reference Materials 1)

		Three months ended June 30, 2018	Three months ended June 30, 2019	Change	Percentage change
Revenue	(Unit: 100 million yen)	873.3	841.7	△ 31.5	△3.6%
Motorcycle and power products		248.7	238.6	△ 10.0	△4.0%
Automobile products		624.6	603.1	△ 21.5	△3.4%
Operating Profit	(Unit: 100 million yen)	79.6	56.4	△ 23.2	△29.1%
<Ratio to Revenue >		9.1%	6.7%		
Profit before tax	(Unit: 100 million yen)	75.9	47.4	△ 28.5	△37.6%
<Ratio to Revenue >		8.7%	5.6%		
Factors for Change in Operating Profit				△ 23.2	
	(Unit: 100 million yen)				
Revenue change, model mix, etc.,				△ 8.3	
Cost reduction				13.6	
Raw material cost				△ 1.6	
R&D expenses				△ 6.5	
Depreciation, amortization and labor cost				△ 6.2	
New model launching costs, expenses and others				△ 8.9	
Foreign exchange				△ 5.3	
Factors for Change in Finance Income and Costs				△ 5.3	
	(Unit: 100 million yen)				
Foreign exchange				△ 3.4	
Others				△ 1.9	
Exchange rate					
(Unit: 1 yen)					
1 U.S. Dollar		109.53	109.67		
1 Thai Baht		3.39	3.47		
1 Chinese Yuan		16.98	16.01		
1 Indian Rupee		1.63	1.59		
1 Indonesian Rupiah		0.78	0.77		
* Indonesian Rupiah is (100-unit rate)					
1 Brazilian Real		29.66	28.02		
Results by reporting segments					
Revenue	(Unit: 100 million yen)	873.3	841.7	△ 31.5	△3.6%
Japan		373.2	388.3	15.1	4.0%
Americas		242.4	234.0	△ 8.4	△3.5%
Asia		277.2	264.4	△ 12.8	△4.6%
China		210.5	208.4	△ 2.1	△1.0%
Eliminations		△ 230.0	△ 253.4	△ 23.3	—
Operating Profit	(Unit: 100 million yen)	79.6	56.4	△ 23.2	△29.1%
Japan		6.4	10.0	3.6	56.9%
Americas		7.7	10.9	3.2	41.0%
Asia		36.9	18.1	△ 18.8	△51.0%
China		17.2	12.7	△ 4.5	△26.2%
Eliminations		11.4	4.7	△ 6.7	△58.4%

(Amounts are rounded to the nearest million yen)

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Consolidated Financial Results for the Three-Month Period Ended June 30, 2019 (Reference Materials 2)

Consolidated companies (30)

Japan (10→9)	Ratio of share holding at end of June 30, 2018	Ratio of share holding at end of June 30, 2019
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 June 30, 2018	Ratio of share holding at end of June 30, 2019
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 June 30, 2018	Ratio of share holding at end of June 30, 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% ※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 June 30, 2018	Ratio of share holding at end of June 30, 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% ※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 October 2018.
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.