

June 28, 2017

## Establish World's Largest Supply System for FI Systems in India

Keihin Corporation announces the establishment of a new supply system for electronic fuel injection systems (FI systems) for motorcycles in India, the world's largest motorcycle market, which was decided at a meeting of the Board of Directors held on June 28. Based on this decision, we will also construct a new plant (Plant II) of our consolidated subsidiary, Keihin India Manufacturing Pvt. Ltd. (KPL) in the north of India and expand the factory buildings at Plant I of KPL and Plant III of Keihin FIE Pvt. Ltd. (KFI).

We currently produce approximately 13 million carburetors for motorcycles at the three plants of KFI in India. There are already plans to tighten the environmental standards for motorcycles to BS-6\* in India in 2020, and it is expected that full-scale migration from carburetors to FI systems, which can precisely control fuel and air, will commence.

We have therefore decided to establish a supply system for the FI systems as detailed below.

### 1. Building a new plant (KPL Plant II)

- We plan to build KPL Plant II in Neemrana, Rajasthan in the north of India and commence the production of injectors and fuel feed pumps, which are components of fuel pumps, in 2019.

### 2. Expanding the factory building at KPL Plant II and commencing the production of electronic control units

- We plan to expand the existing building at KPL Plant I and commence the production of electronic control units in 2019.

### 3. Expanding the factory building at KFI Plant III

- We plan to expand the building at KFI Plant III and establish a system to meet the increased demand.
- We also plan to commence the production of throttle bodies and fuel pumps at the existing three plants of KFI in 2019.

We anticipate that a maximum of 18 billion yen will be invested to establish this supply system for FI systems in India.

We are currently providing 10 million FI systems globally. In the future, we will strengthen the supply system for FI systems mainly in India with its expanding market, and increase the annual production capacity to 20 million systems and improve our competitiveness as a global supplier.

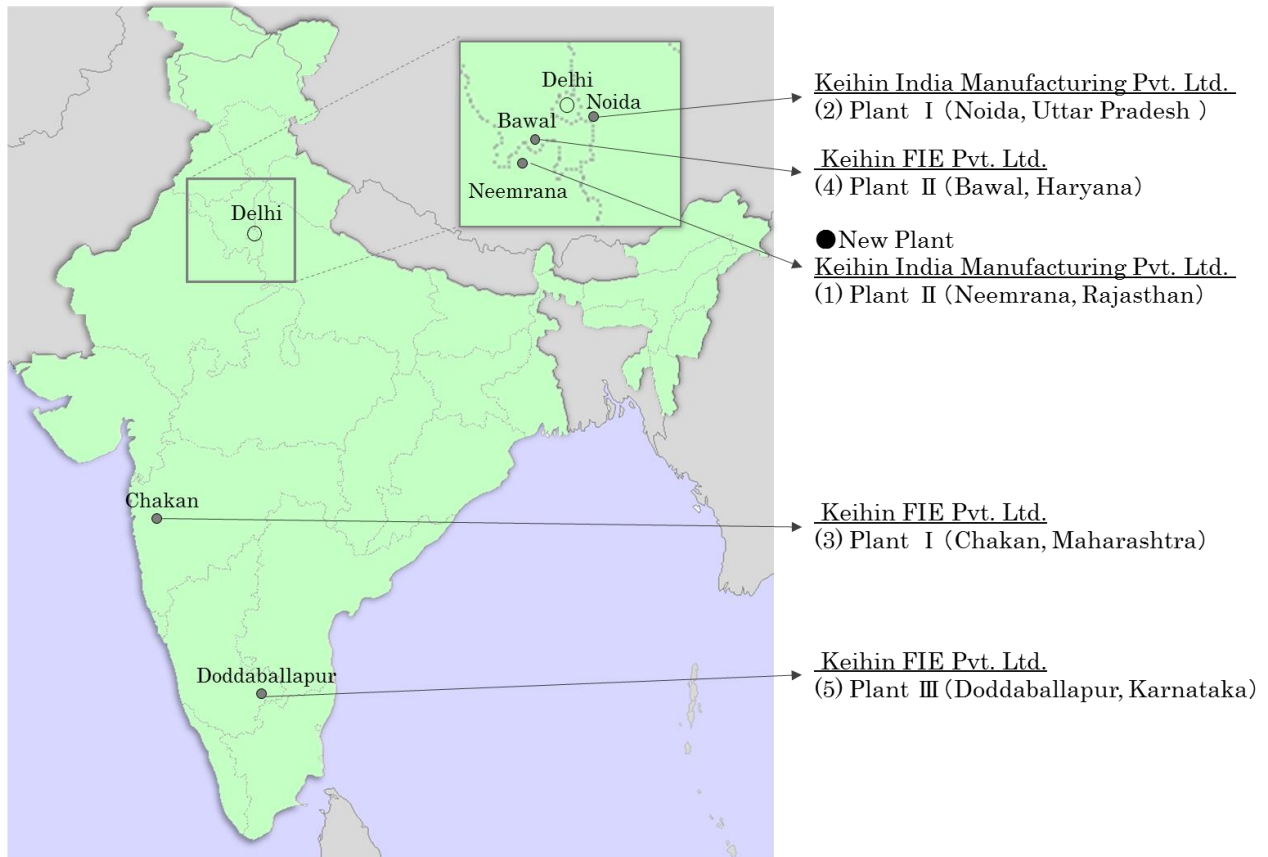
The impact on the consolidated business results of the current period is insignificant.

\* Outline of BS-6 (Bharat Stage 6):

BS-6 (Bharat Stage 6) is the name of the exhaust gas regulation in India that will become applicable in 2020. The regulatory values of BS-6 are equivalent to EURO5 in Europe, which will take effect in 2020. The regulation will be stricter than the existing BS-4; e.g. CO and NOx contained in exhaust gas must be reduced by approximately 29%<sup>Note</sup> and 85%<sup>Note</sup>, respectively.

Note: Exhaust gas reduction rates for motorcycles of 150 cc or less, which sell well in India.

○Production bases in India for products for motorcycles



<Outline of Keihin India Manufacturing Pvt. Ltd. (KPL)>

	(1) Plant II	(2) Plant I
Location	Neemrana, Rajasthan	Noida, Uttar Pradesh
Items produced	FI system products for motorcycles •Injector •Fuel feed pump	FI system products for motorcycles •Electronic Control Unit* Products for automobiles •Injector for natural gas vehicle •Intake manifold
Site area	60,000 m <sup>2</sup>	16,000 m <sup>2</sup>
Start of operation	2019 (planned)	1997

<Reference: Outline of Keihin FIE Pvt. Ltd. (KFI)>

	(3) Plant I	(4) Plant II	(5) Plant III
Location	Chakan, Maharashtra	Bawal, Haryana	Doddaballapur, Karnataka
Items produced	FI system products for motorcycles •Throttle body* •Fuel pump module* Carburetors for motorcycles		
Site area	50,000 m <sup>2</sup>	32,400 m <sup>2</sup>	100,000 m <sup>2</sup>
Start of operation	1999	2005	2014

\* We plan to commence production in 2019.