

Independent Study Title	THE EFFECT OF THAILAND'S FLOODING CRISIS 2011 ON AUTOMOTIVE STOCKS IN JAPAN
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### ABSTRACT

This is a case study of the auto industry in Thailand and how it was affected by flooding in July of 2011. This paper attempts to analyze the impact of Thailand's flooding by event study method and accounting approach. The event study investigates the impact of Thai floods in Rojana Industrial Park on the weekly stock prices of Toyota Motor, Honda Motor, Nissan Motor, Mitsubishi Motors, Isuzu Motors, and Mazda Motor. All the sample firms are listed on Tokyo Stock Exchange. The paper employs a three-factor market model to calculate the CAR. Our results show statistically insignificant abnormal returns for the firms during the event window and subsequent post-event window. In addition, the operating loss on the statement of financial position primarily stem from the economic factors. This paper found that, although Thailand's flood crisis did not cause abnormal returns at the event date, there was an impact on financial performance. Consequently, we could not reject that the flooding affected firms' operation.

**Keywords:** Event study, Thai floods, Fama-French market model, Financial statement, Automotive industry.