

CBC Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet
March 31, 2019

ASSETS	Thousands of Yen		Thousands of U.S. Dollars (Note 1)	LIABILITIES AND EQUITY	Thousands of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019		2019	2018	2019
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents (Note 8)	¥ 9,077,071	¥ 8,069,172	\$ 81,782	Short-term bank loans (Note 8)	¥ 26,691,422	¥ 18,659,319	\$ 240,484
Receivables (Note 8):				Current portion of long-term debt (Note 8)	11,926,439	13,850,667	107,455
Trade notes	14,008,945	12,307,707	126,218	Payables (Notes 4 and 8):			
Trade accounts	44,238,917	40,746,705	398,584	Trade notes	2,014,905	1,865,167	18,153
Unconsolidated subsidiaries and associated companies	1,053,169	568,270	9,488	Trade accounts	34,444,391	33,113,981	310,337
Other	2,429,411	2,140,186	21,888	Unconsolidated subsidiaries and associated companies	109,137	93,121	983
Allowance for doubtful receivables	(467,582)	(182,617)	(4,212)	Other	2,951,335	2,731,923	26,591
Inventories	23,675,843	20,166,465	213,315	Income taxes payable	19,945	18,335	179
Other current assets	4,730,130	4,673,578	42,617	Other current liabilities	4,941,665	4,934,658	44,523
Total current assets	98,745,904	88,489,468	889,682	Total current liabilities	83,099,243	75,267,174	748,709
PROPERTY, PLANT AND EQUIPMENT (Note 5):				LONG-TERM LIABILITIES:			
Land	3,485,394	3,152,265	31,402	Long-term debt (Note 8)	35,799,746	34,813,937	322,549
Buildings and structures	6,524,006	6,985,102	58,780	Liability for retirement benefits	1,784,927	1,795,324	16,081
Machinery and equipment	7,845,035	8,323,367	70,682	Deferred tax liabilities	4,404,120	5,472,100	39,680
Furniture and fixtures	1,049,441	1,096,101	9,455	Other	431,335	474,372	3,886
Lease assets	819,658	1,047,798	7,384	Total long-term liabilities	42,420,129	42,555,735	382,197
Construction in progress	542,951	223,287	4,891	COMMITMENTS AND CONTINGENT LIABILITIES (Note 6)			
Total property, plant and equipment	20,266,487	20,827,923	182,597	EQUITY (Notes 7 and 9):			
INVESTMENTS AND OTHER ASSETS:				Common stock—authorized, 24,000,000 shares; issued, 17,000,000 shares in 2019 and 2018	5,100,000	5,100,000	45,950
Investment securities (Notes 4 and 8)	45,861,114	48,208,833	413,200	Additional paid-in capital	1,383	1,383	12
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 8)	3,822,638	3,575,499	34,441	Retained earnings	39,111,360	34,959,519	352,386
Goodwill	962,153	1,135,991	8,668	Treasury stock—at cost, 1,800,000 shares in 2019 and 2018	(310,049)	(310,049)	(2,793)
Asset for retirement benefits	5,060,309	5,040,037	45,592	Accumulated other comprehensive income:			
Deferred tax assets	278,066	142,657	2,505	Unrealized gain on available-for-sale securities	7,309,174	10,114,102	65,854
Other assets	1,762,886	1,765,160	15,883	Foreign currency translation adjustments	(1,436,518)	(345,182)	(12,942)
Total investments and other assets	57,747,168	59,868,177	520,291	Defined retirement benefit plans	1,410,909	1,784,351	12,712
				Total	51,186,262	51,304,124	461,179
				Noncontrolling interests	53,925	58,534	485
				Total equity	51,240,188	51,362,659	461,664
TOTAL	¥ 176,759,561	¥ 169,185,569	\$ 1,592,571	TOTAL	¥ 176,759,561	¥ 169,185,569	\$ 1,592,571

See notes to consolidated financial statements.

CBC Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Income Year Ended March 31, 2019

	Thousands of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
NET SALES	¥ 194,334,856	¥ 176,680,362	\$ 1,750,922
COST OF SALES	<u>170,415,917</u>	<u>154,926,715</u>	<u>1,535,416</u>
Gross profit	23,918,938	19,753,646	215,505
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>16,613,808</u>	<u>16,174,447</u>	<u>149,687</u>
Operating income	<u>7,305,130</u>	<u>3,579,198</u>	<u>65,817</u>
OTHER INCOME (EXPENSES):			
Interest and dividend income	862,257	872,092	7,768
Interest expense	(743,886)	(694,886)	(6,702)
Foreign exchange gain	237,632	67,136	2,141
Gain on sales of investment securities	297,574	2,377,030	2,681
Loss on valuation of investment securities	(595,632)	(376,389)	(5,366)
Provision of allowance for doubtful accounts	(434,587)	(96,204)	(3,915)
Loss on product claims		(1,026,609)	
Other—net	<u>469,483</u>	<u>296,876</u>	<u>4,229</u>
Other income—net	<u>92,842</u>	<u>1,419,044</u>	<u>836</u>
INCOME BEFORE INCOME TAXES	<u>7,397,972</u>	<u>4,998,243</u>	<u>66,654</u>
INCOME TAXES:			
Current	2,858,243	2,260,489	25,752
Deferred	<u>176,244</u>	<u>287,170</u>	<u>1,587</u>
Total income taxes	<u>3,034,488</u>	<u>2,547,660</u>	<u>27,340</u>
NET INCOME	4,363,483	2,450,582	39,314
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>(1,157)</u>	<u>1,196</u>	<u>(10)</u>
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>¥ 4,364,641</u>	<u>¥ 2,449,386</u>	<u>\$ 39,324</u>
		Yen	U.S. Dollars
PER SHARE OF COMMON STOCK:			
Basic net income	¥287.15	¥ 161.14	\$2.59
Cash dividends applicable to the year	14.00	13.00	0.13

Note: Effective July 1, 2019, the Company will implement a 2-for-1 stock split of common stock. Per share of common stock is not retroactively adjusted. Per share information as if the reverse stock split had been effected at the beginning of the fiscal year ended March 31, 2018, is disclosed in Note 10 to the consolidated financial statements.

See notes to consolidated financial statements.

CBC Co., Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2019

	Thousands		Thousands of Yen								
	Number of Shares of Common Stock Issued	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Noncontrolling Interests	Total Equity
						Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, APRIL 1, 2017	17,000	¥5,100,000	¥1,383	¥32,521,548	¥ (310,049)	¥ 7,960,078	¥ (1,224,564)	¥ 1,483,728	¥ 45,532,125	¥ 60,328	¥ 45,592,453
Net income attributable to owners of the parent				2,449,386					2,449,386		2,449,386
Cash dividends, ¥13.00 per share				(197,600)					(197,600)		(197,600)
Change in scope of equity method				186,184					186,184		186,184
Net change in the year						2,154,024	879,381	300,622	3,334,028	(1,793)	3,332,235
BALANCE, MARCH 31, 2018	17,000	5,100,000	1,383	34,959,519	(310,049)	10,114,102	(345,182)	1,784,351	51,304,124	58,534	51,362,659
Net income attributable to owners of the parent				4,364,641					4,364,641		4,364,641
Cash dividends, ¥14.00 per share				(212,800)					(212,800)		(212,800)
Net change in the year						(2,804,927)	(1,091,335)	(373,441)	(4,269,704)	(4,608)	(4,274,312)
BALANCE, MARCH 31, 2019	<u>17,000</u>	<u>¥5,100,000</u>	<u>¥1,383</u>	<u>¥39,111,360</u>	<u>¥ (310,049)</u>	<u>¥ 7,309,174</u>	<u>¥ (1,436,518)</u>	<u>¥ 1,410,909</u>	<u>¥ 51,186,262</u>	<u>¥ 53,925</u>	<u>¥ 51,240,188</u>

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Noncontrolling Interests	Total Equity
					Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, MARCH 31, 2018	\$ 45,950	\$ 12	\$ 314,979	\$ (2,793)	\$ 91,126	\$ (3,110)	\$ 16,076	\$ 462,240	\$ 527	\$ 462,768
Net income attributable to owners of the parent			39,324					39,324		39,324
Cash dividends, \$0.13 per share			(1,917)					(1,917)		(1,917)
Net change in the year					(25,271)	(9,832)	(3,364)	(38,469)	(41)	(38,510)
BALANCE, MARCH 31, 2019	<u>\$ 45,950</u>	<u>\$ 12</u>	<u>\$ 352,386</u>	<u>\$ (2,793)</u>	<u>\$ 65,854</u>	<u>\$ (12,942)</u>	<u>\$ 12,712</u>	<u>\$ 461,179</u>	<u>\$ 485</u>	<u>\$ 461,664</u>

Effective July 1, 2019, the Company will implement a 2-for-1 stock split of common stock. The number of shares of common stock issued is not retroactively adjusted. The numbers of authorized and issued common stock after the stock split are disclosed in Note 10 to the consolidated financial statements.

See notes to consolidated financial statements.