

2019

Financial Review

Year ended March 31, 2019



MITSUBOSHI BELTING LTD.



I Management Message

Mitsuboshi Belting Ltd. was established in 1919 as a manufacturer of industrial belts and through untiring efforts, has become one of the leading companies in the belt industry.

Now our products include waterproofing and water shielding sheets and engineering plastics, but we have always adhered to the motto, “produce quality and sell quality” and to earn the trust of customers. Mitsuboshi’s high-quality products are essential to daily life as well as progress of the industry.

We have always maintained strict quality assurance and both domestic and overseas factories are obtaining ISO 9001 or IATF 16949, which is considered to be the most stringent international standard for quality management systems. Our main domestic factories and several other overseas factories have been certified by ISO14001, and we are actively engaged in development of environmentally-friendly products.

With the basic management policy, “to contribute to society by supplying goods of high performance, high precision and high quality” and the corporate philosophy, “to give attentive consideration to both humanity and nature”, we strive for the prosperous future of the society.



President
Hajime Kakiuchi

Board of Directors

President
Hajime Kakiuchi

Member of the Board
Yoshio Yamaguchi

Member of the Board
Masayoshi Nakajima

Member of the Board
Takashi Katayama

Member of the Board
Hiroshi Ikeda

Director, Member of the Board
Takashi Usami

Director, Member of the Board
Ryuzo Miyao

Board of Corporate Auditors

Corporate Auditor
Masaharu Kurono
(standing)

Corporate Auditor
Yoshio Okushima

Corporate Auditor
Masayuki Hashimoto

Corporate Auditor
Shinya Okuda

Executive Officers

President, Executive Officer Hajime Kakiuchi	Managing Executive Officer Takashi Sasaki	Executive Officer Kazuhiro Takeda
Senior Managing Executive Officer Yoshio Yamaguchi	Managing Executive Officer Kenkichi Masuda	Executive Officer Toshimichi Takada
Senior Managing Executive Officer Masayoshi Nakajima	Managing Executive Officer Keiji Mataba	Executive Officer Naotsugu Morita
Vice-Senior Managing Executive Officer Takashi Katayama	Managing Executive Officer Shinji Kuramoto	Executive Officer Akihiro Nagata
Managing Executive Officer Hiroshi Ikeda	Managing Executive Officer Toru Shimomura	Executive Officer Nobuyasu Nishikawa
Managing Executive Officer Norio Kumano	Executive Officer Tatsuo Ito	Executive Officer Isao Ideguchi
Managing Executive Officer Takeshi Hamura	Executive Officer Toshimi Kumazaki	
	Executive Officer Kazutoshi Ishida	

(June 27, 2019)

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Financial Highlights

Years ended March 31

Millions of yen

	2019	2018	2017	2016	2015
Sales Business Segment :					
Power Transmission Belts(Japan)	¥28,395	¥28,037	¥26,908	¥26,536	¥27,268
Power Transmission Belts(except Japan)	32,917	31,974	29,499	30,876	29,355
Building & Construction Materials	5,978	4,854	5,345	5,162	5,417
Others	4,710	4,727	4,642	4,486	4,210
Total	72,002	69,594	66,396	67,062	66,251
Exports sales ratio	46.1%	46.5%	45.1%	46.5%	45.0%
Cost of sales	¥49,510	¥47,182	¥44,649	¥45,859	¥45,828
Selling, general and administrative	14,364	13,982	13,468	13,572	13,289
Operating income	8,127	8,429	8,278	7,630	7,133
Income before income taxes	8,876	8,921	9,406	7,788	8,344
Income attributable to owners of parent	6,157	6,252	6,663	5,691	6,146
Total assets	102,814	95,802	89,912	87,278	86,073
Per share data (in yen)					
Net income	¥203.50	¥206.65	¥216.29	¥176.71	¥190.28
Cash dividends	60.00	50.00	44.00	36.00	40.00
Book value	2,393.66	2,258.96	2,086.40	1,893.06	1,870.34
Gross profit margin	31.2%	32.2%	32.8%	31.6%	29.6%
Operating income margin	11.2%	12.1%	12.5%	11.4%	10.8%
Current ratio	347.80%	326.80%	318.20%	308.40%	281.70%
Capital expenditures	¥3,259	¥3,239	¥3,375	¥2,436	¥2,076
Depreciation expense	¥3,012	¥2,999	¥2,839	¥3,092	¥3,091
Equity ratio	70.4%	71.3%	70.2%	68.5%	70.2%
Long-term debt ratio against equity	14.8%	12.2%	13.6%	16.0%	12.8%
Number of shares outstanding (thousands)	32,604	65,208	65,208	68,208	68,208

Note: Income statement and balance sheet figure for the periods ended March 31, 2019, 2018, 2017, 2016, and 2015 were audited by Accounting Auditors and which are different from ones disclosed in Tokyo Stock Exchange in consideration of expected readers.

*As stated in "Change in Accounting Policies," the change was applied retrospectively following the revision of ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018).

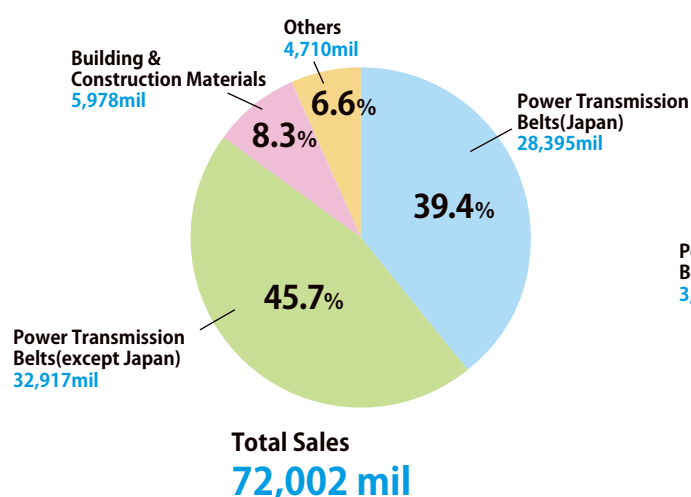
*The Company performed a two-for-one share consolidation effective as of October 1, 2018.

Net assets per share and net income per share are calculated on the assumption that the share consolidation was performed at April 1, 2014.

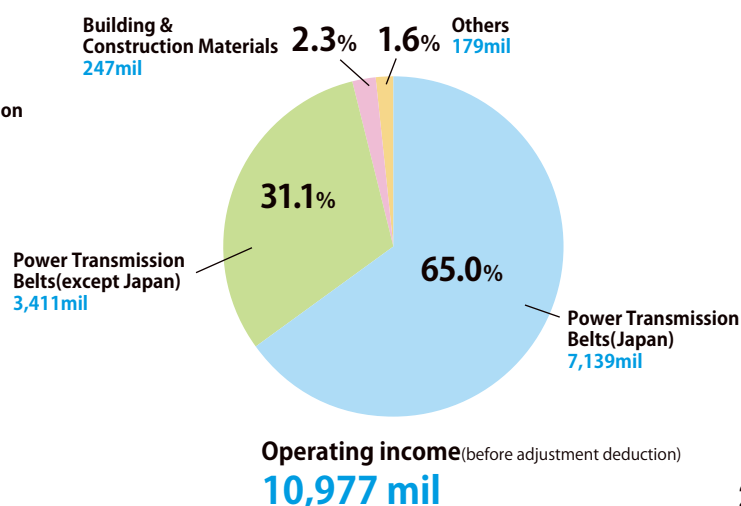
Consolidated Statements of Income (Japanese Yen)



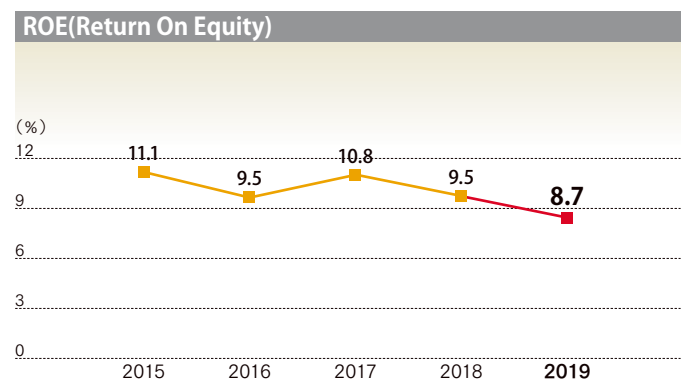
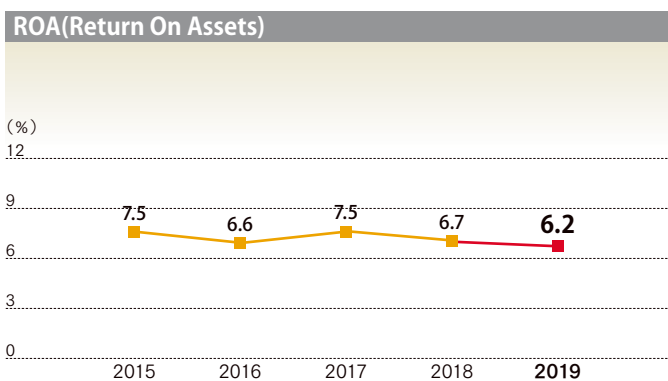
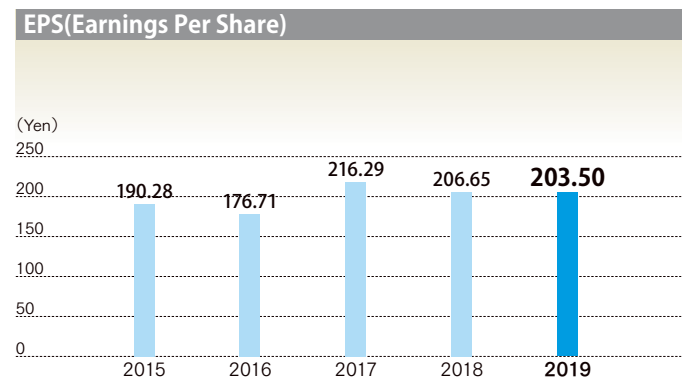
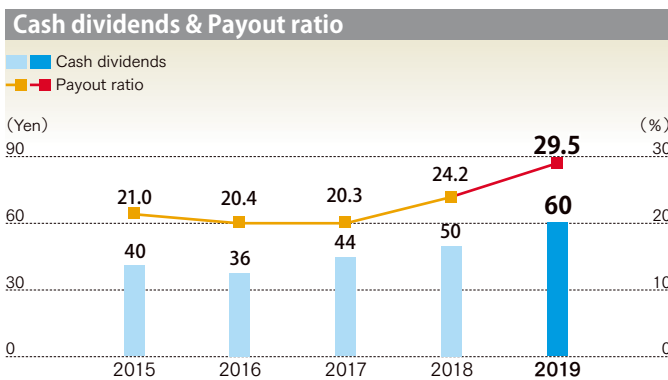
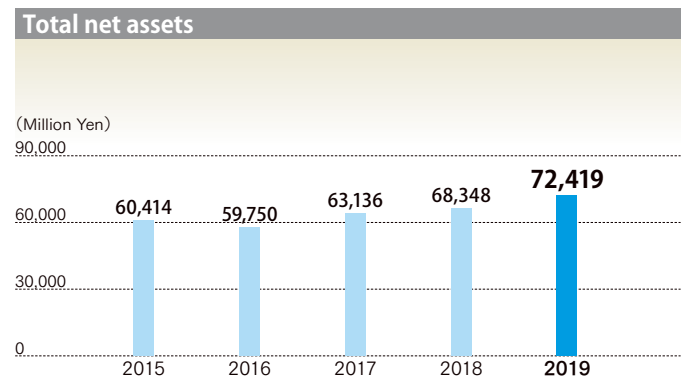
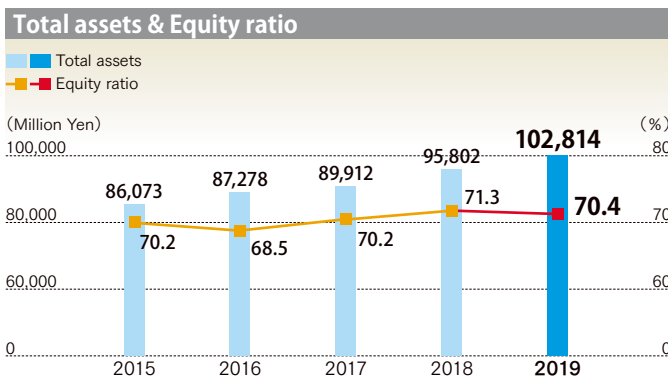
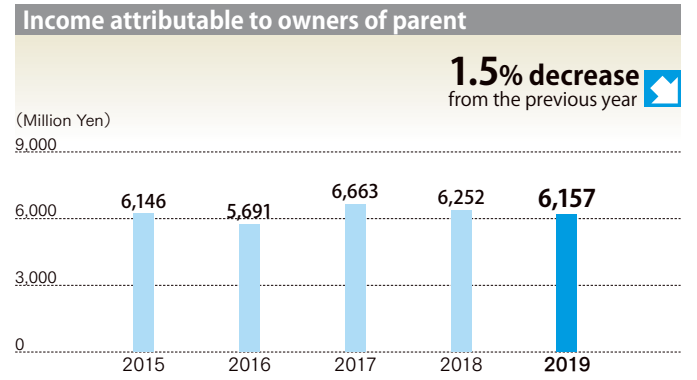
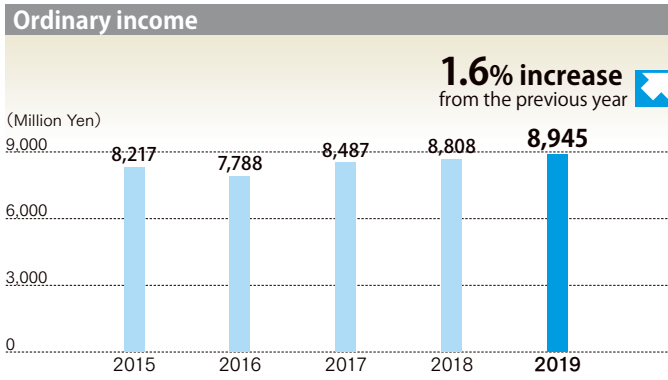
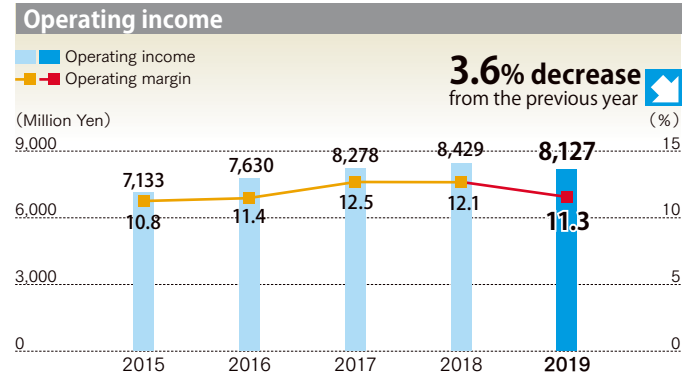
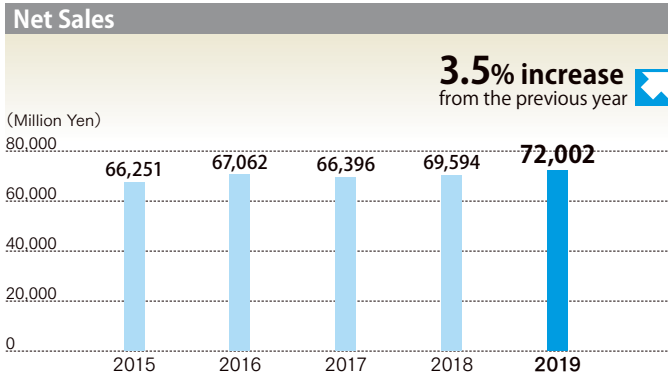
Sales by Business



Operating income by Business



Financial Highlights



MITSUBOSHI 100th Anniversary



〈The 16th World Distributors Meeting〉



〈MITSUBOSHI 100th Anniversary Ceremony〉



〈MITSUBOSHI 100th Anniversary Ceremony〉

Mitsubishi Belting Ltd. celebrates its 100th anniversary in 2019.

- 26-July The 16th World Distributor's Meeting
- 27-July Sightseeing in Kyoto and Himeji
- 28-July Tanabata Festival



〈Tanabata Festival〉

Global Network



MBL (USA) CORPORATION



Mitsuboshi Belting Ltd.



MBL Antriebstechnik Deutschland GmbH



MITSUBOSHI POLAND Sp.z o.o.



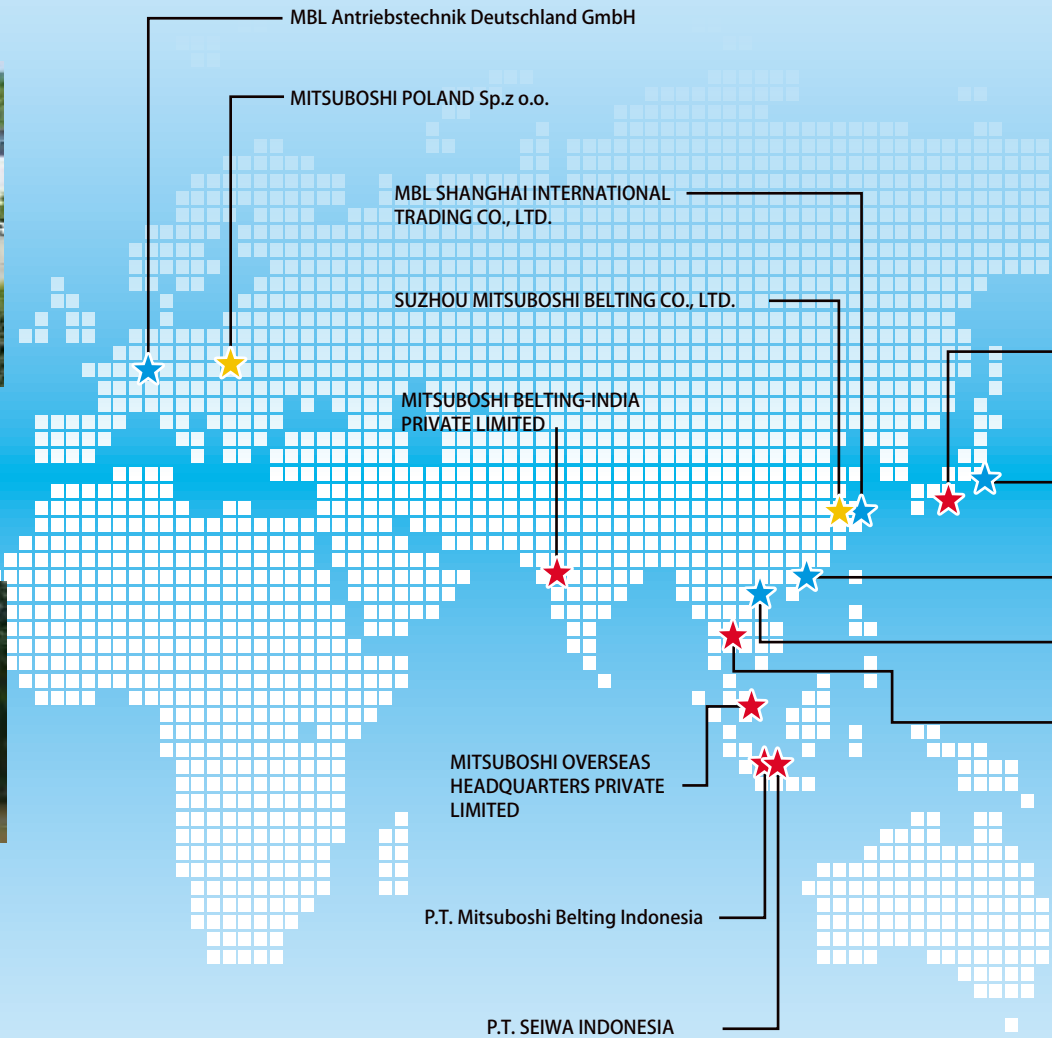
MITSUBOSHI BELTING-INDIA PRIVATE LIMITED



MITSUBOSHI OVERSEAS HEADQUARTERS PRIVATE LIMITED



P.T. SEIWA INDONESIA

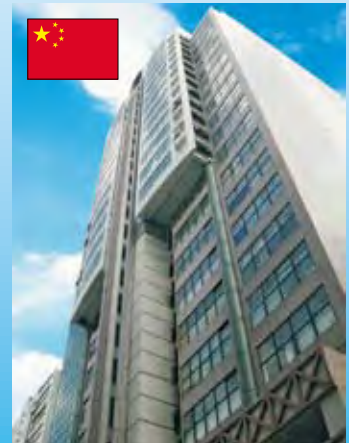




MBL SHANGHAI INTERNATIONAL TRADING CO., LTD.



SUZHOU MITSUBOSHI BELTING CO., LTD.



MOI TECH HONG KONG LIMITED



MITSUBOSHI BELTING VIETNAM CO., LTD.



P.T. Mitsubishi Belting Indonesia



STARS TECHNOLOGIES INDUSTRIAL LIMITED



- ★ ...Plant & Sales Office
- ★ ...Plant
- ★ ...Sales office

1. Summary of Business Results

(1) Business Results

In this fiscal year, Japanese economy showed gradual recovery because of increasing in capital investment and employment situation improvement associated with strong domestic corporate profits continuing from the beginning of the year.

In addition, the global economy also continued to expand on the whole, particularly in the U.S. However, in the second half of this year, the global economy has modulated due to effect of US-China trade friction and China's economic slowdown etc.

As a result of these effects, the domestic economy is gradually decelerating, and the outlook remains uncertain.

Under these circumstances, Mitsubishi Belting Ltd. (the "Company") and its consolidated subsidiaries (together with "the Group") have been reinforcing sales operation promoting and the manufacturing system, and working to improve business efficiency and to attain further cost reduction.

As a result, for this fiscal year, the Group recorded the consolidated net sales of 72,002 million yen (3.5% increase compared to the previous fiscal year), the operating income of 8,127 million yen (3.6% decrease compared to the previous fiscal year), the ordinary income of 8,945 million yen (1.6% increase compared to the previous fiscal year) and the income attributable to owners of parent was 6,157 million yen (1.5% decrease compared to the previous fiscal year).

The situation by business is as follows.

(2) Condition of Cash Flow

Cash flow from operating activities achieved an income of 8,765 million yen, which was an decrease of 544 million yen over the previous fiscal year.

Major factors for this decrease were a decrease of 809 million yen in changes in other current liabilities compared to the previous fiscal year.

Cash flow from investing activities resulted in expenditure of 7,876 million yen, which was an decrease of 4,317 million yen over the previous fiscal year.

Major factor was an increase of 2,995 million yen in payments for time deposits compared to the previous fiscal year.

Cash flow from financing activities resulted in expenditure of 1,384 million yen, which was an increase of 3,916 million yen compared with the previous fiscal year.

Major factors for this increase were a 3,900 million yen increase in proceeds from long-term debt compared to the previous fiscal year.

Addition the effect of exchange rate change on cash and cash equivalents of 301 million yen from the total amount of cash flows through operating, investing and financing activities, resulting in an increase of cash and cash equivalents of ¥ 2,576 million It became a circle. In addition, as a result of adding the opening balance of 28,074 million yen to this, the balance of cash and cash equivalents at the end of this fiscal year was 30,650 million yen.

●Business of Power Transmission Belts (Japan)

In automotive belts, sales for belt installed car production line were similar to the previous fiscal year, but sales for aftermarket decrease due to decline in a belt replacement demand for car inspection, so overall sales decrease.

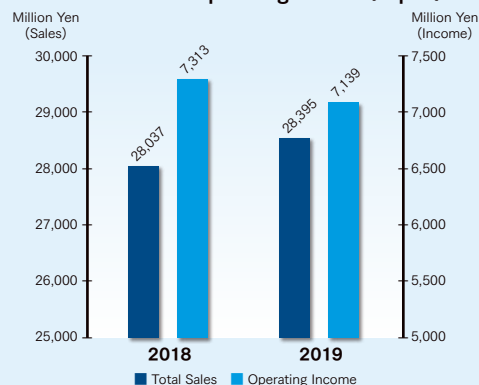
In industrial belts, sales decreased slightly because of the decline productions of main users etc. since the second half of this year.

And sales of belts for OA equipment dropped due to the impact of fewer models for Chinese markets released by users.

On the other hand, sales of conveyor belts for the food industry and the logistics industry remained strong, and sales of engineering plastics also increased due to increased demand from corporate capital investment.

As a result, the consolidated net sales by this segment stood at 28,395 million yen (1.3% increase compared to the previous fiscal year) while the consolidated operating income by this segment stood at 7,139 million yen (2.4% decrease compared to the previous fiscal year).

Power Transmission Belts
Sales and Operating Income (Japan)



●Global Business (except Japan) of Power Transmission Belts

In the U.S, sales of automotive belts increased due to strong sales of belts for motorcycles throughout the period, as well as sales expansion in the automobile aftermarket.

And, in the Europe, sales increased due to obtain the new demands in the automobile market.

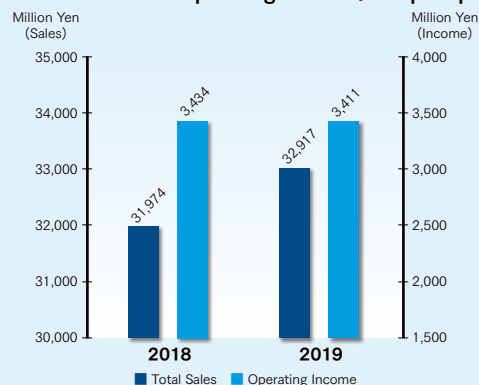
Also in Asia, sales increased due to strong demand of belts for motorcycles in Southeast Asia.

In industrial belts, although the demand for aftermarket decreased in Europe, sales expansion for aftermarket belts and acquisition of new orders, etc. in Asia so that overall sales increased.

Sales of belts for OA equipment decreased due to sales for Japanese users decreased.

As a result, the consolidated net sales by this segment stood at 32,917 million yen (2.9% increase compared to the previous fiscal year) while the consolidated operating income by this segment stood at 3,411 million yen (0.7% decrease compared to the previous fiscal year).

Power Transmission Belts
Global Sales and Operating Income (except Japan)



2. Research and Development Activities

The management principle of the Group is; "To contribute to society by supplying goods of high performance, high precision and high quality". Under this management principle we are strenuously making efforts to further improve fundamental technologies and to positively use simulation technologies for fluidity analysis, impact analysis and stress analysis so that we may cope with customers' demand which is diverse and changeable in a timely manner.

At the same time, we are performing overall research and development activities including studies of materials, facilities, construction methods, analysis methods, etc. with the aim of realizing the reduction of environmental loads, high productivity and the development of high performance, high precision and high quality products as declared in the company management principle.

At present, research and development are promoted by R&D and Research & Designing sections in our operating divisions in cooperation with Development Department of each group company. Besides, we are pursuing joint research with universities and public research institutes as well as joint development with other companies under a close tie-up and cooperation, for the purpose of carrying out research effectively and developing a cutting edge technology.

The total R&D expenses of all our group companies for this fiscal year was 2,857 million yen.

The total R&D expenses included the basic research expenses of 840 million yen not allocatable to each division, for Silver nanoparticles paste, Coatings & inks for glass, Surface treatments for glass, Conductive copper paste, Thick film copper circuit boards, etc.

3. Summary of Investment in Plant and Equipment

Regarding with capital investment, in order to construct the supply system that can meet the user needs, we invested total 3,259 million yen to the capital, for instance expanding the manufacturing facilities of belt, increase test facilities and renew the domestic and foreign aging facilities.

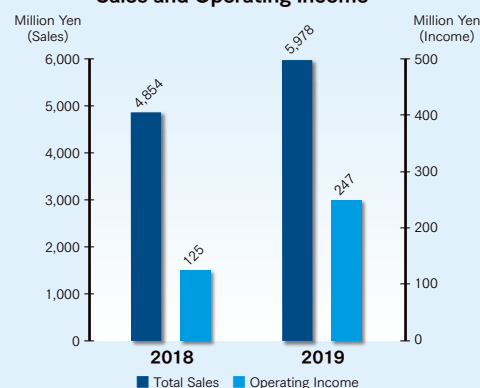
In addition, long-term debt of 3,900 million yen was provided as equipment funds.

● Business of Building & Construction Materials

Sales increased as a result of a increase in demand for public and private renovation work in construction sector, and mainly for large-scale projects such as waste disposal sites in civil engineering sector.

As a result, the consolidated net sales by this segment stood at 5,978 million yen (23.2% increase compared to the previous fiscal year) while the consolidated operating income by this segment stood at 247 million yen (97.8% increase compared to the previous fiscal year).

**Building & Construction Materials
Sales and Operating Income**

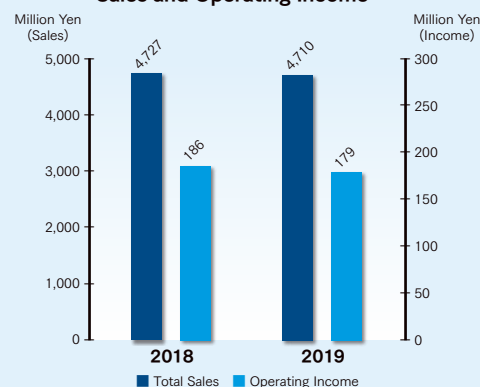


● Other Businesses

Other businesses include the supply of engineering structural foams, developed metal nanoparticles machinery and equipment and purchased products, etc.

As a result, the consolidated net sales by other businesses stood at 4,710 million yen (0.4% decrease compared to the previous fiscal year) while the consolidated operating income by this segment stood at 179 million yen (3.6% decrease compared to the previous fiscal year).

**Others
Sales and Operating Income**



4. Risks to the Business

Listed below are the various risks that could affect investor's decision with regard to the article of the business and financial conditions described in financial statements.

Note that matters pertaining to the future presented herein are determined by us as of the end of fiscal year.

(1) Economic Status

The Group develops, manufactures and provides functional components principally in the automobile, general engineering, IT and construction industries. Our main markets are Japan, Asia, USA, and Europe, etc. The change in demand from various industries and the economic status around the world could affect us adversely.

The Group distributes our main products, power transmission belts, to the industries above. Low demand or a reduction in equipment investment in each company could cause our market to shrink and have a detrimental impact on our performance as well.

Approximately 75% of power transmission belts sold by our company are manufactured in other countries. As we are expected to be more dependent on overseas manufacturing in the future due to growing global economy, a sluggish global economy could negatively affect our operating performance.

War, terror, riots, disaster like earthquake, epidemic could strike a sharp blow on economy. Slowdown in demand could be expected during the event. Our problem is that the Company may have difficulty procuring materials and products to customers. To reinforce our product material supply system, we have taken several countermeasures. However, there is no guarantee that all risks are eliminated.

Therefore, the domestic and international economic situation and industry trend may have a significant negative impact on our performance and financial position.

(2) Price Competition

Market competition in our main business areas such as automobile, general engineering, IT and construction industries is getting extremely severe.

A demands for competitive price and high value-added products from our customers is getting harsh. We have reinforced and enhanced our research and development systems as well as our technical expertise with the aim of providing high performance, high precision, and high quality products. We have also been making our efforts to strengthen production and sales constantly towards supply of our product worldwide.

However, despite our untiring effort on such activities, deteriorating competitiveness could have adverse effect on our performance.

(3) Impact on Automobile Industry

The degree of dependence on sales of automobile industry exceeds 40%. Although the Company does not belong to any members of car makers, unmanageable factors, such as a economy slump in automobile industries, poor client business results, damages caused by large-scale natural disasters, and changes in component procurement policy could have a knock-on effect at us as well.

Although the Company have engaged in managerial improvement in order to maintain customer satisfaction for all clients including those in the automobile industry, such changes may adversely affect our performance.

(4) Material Procurement

Our production sites need a variety of materials such as rubber, fabric, glass fiber and resin which are essential for product manufacturing. We procure these materials from diverse suppliers considering a stability, price and quality.

However, in a phase of a soaring resource price including crude oil, there is a

possibility that a rapid rise in market price of major raw materials could skyrocket manufacturing costs. Moreover, stable and efficient procurement of raw materials from overseas and supply of raw materials to overseas affiliated companies could be interfered by export/import restrictions, etc.

Therefore, in the case that the Company is not able to flexibly procure raw materials or procurement costs continue to rise extremely, it may have a significant negative impact on our performance.

(5) Exchange Rate Fluctuation

The Group manufactures and sells its products mainly in Japan, Asia, USA and Europe, etc. Exchange rate fluctuations may have a strong influence on transactions denominated in foreign currencies involving export in each area and foreign assets and liabilities such as deposit, account receivable and loans.

When preparing our consolidated financial statements, exchange rates used to convert into Japanese Yen have a influence on its value denominated in Japanese Yen even with no fluctuation of value on its reporting currency basis. Appreciation of the yen against other currencies, especially the U.S. dollars and Euro having a large impact on our groups, could damage our performance.

The Group has taken as many effective measures to reduce or avoid the exchange risks as possible. Nonetheless, as there are not few cases that would not be cleared in the short term, it causes a negative effect on performance and a decrease in asset value potentially.

(6) Official Restrictions on Businesses in Japan and Overseas

In the countries where our businesses operate, the Group is exposed to a variety of regulations on import / export controls, custom duty, and business investment, etc. Also our activities should be restricted legally by antimonopoly laws, patent rights, tax, and the environmental regulation including waste disposal and recycling. If our business activities are not able to accommodate quickly and flexibly to these business environments, it would rise costs and compel us to retreat from overseas businesses. Obviously it could have a adverse effect on our financial performance.

(7) Product Quality

In order to maintain and improve the product quality of the Group, we have established a strict standards based on customer demand standards and our group standards. However, in the case that any defective products are found or customer complaints are received, the Group enrolled in insurance to minimize losses on our group companies.

Nevertheless, any expense which is not covered by any available insurance could adversely affect business results or the financial position of the Group.

(8) Risks from Natural Disasters

Our production bases could be subject to a catastrophic loss caused by natural disasters such as earthquakes and floods. In the event of natural disasters, the Company would suffer from a stable supply to our customers and a temporary massive burden of expense arising from a drop in sales and incurred for restoration.

In preparation for such disasters, we are working to strengthen and enhance our system by establishing a production system in Japan and overseas including back-up to overseas production bases, as well as examining risks for delivery of products etc through the Risk Management Committee activities.

In spite of these efforts, however, there is a possibility that a temporary suspension of operation, delayed delivery and a huge amount of expenses incurred for restoration occur. It may adversely affect our business results.

Moreover, it is possible that our business results are adversely influenced by drop in sales if a major client should suffer from a catastrophic damage or face production suspension/restriction because of a broken supply chain, etc. without any damage on our group's production sites by a natural disaster.

5. Corporate Governance

(1) Basic Stance on Corporate Governance

The Company considers corporate governance one of its topmost management priorities, in order to secure the trust of its shareholders and fulfill its corporate social responsibilities.

In accordance with this basic philosophy, the Company strives to enhance its business productivity in prompt and flexible response to the changes in the business environment and the market, and for maintenance, the Company addresses strengthening of supervisory function to management and the internal control in order to maintain and enhance its management efficiency and transparency, and, thereby, enhance its corporate governance in accordance with the following Basic Policy.

[Basic Policy]

1. The Company strives to respect its shareholders' rights and secure its shareholders' equality.
2. The Company strives to respect its shareholders' rights and positions, and work properly in harmony with its stakeholders (shareholders, customers, employees, communities and so on).
3. The Company strives to disclose its corporate information timely and property, and, thereby, secure transparency and fairness.
4. The Company strives to cause its board of directors meeting and so on fulfill properly the functions and the responsibility, in light of its fiduciary responsibility and accountability to its shareholders.
5. The Company strives to have constructive dialogues with its shareholders.

(2) Overview of the Corporate Governance System

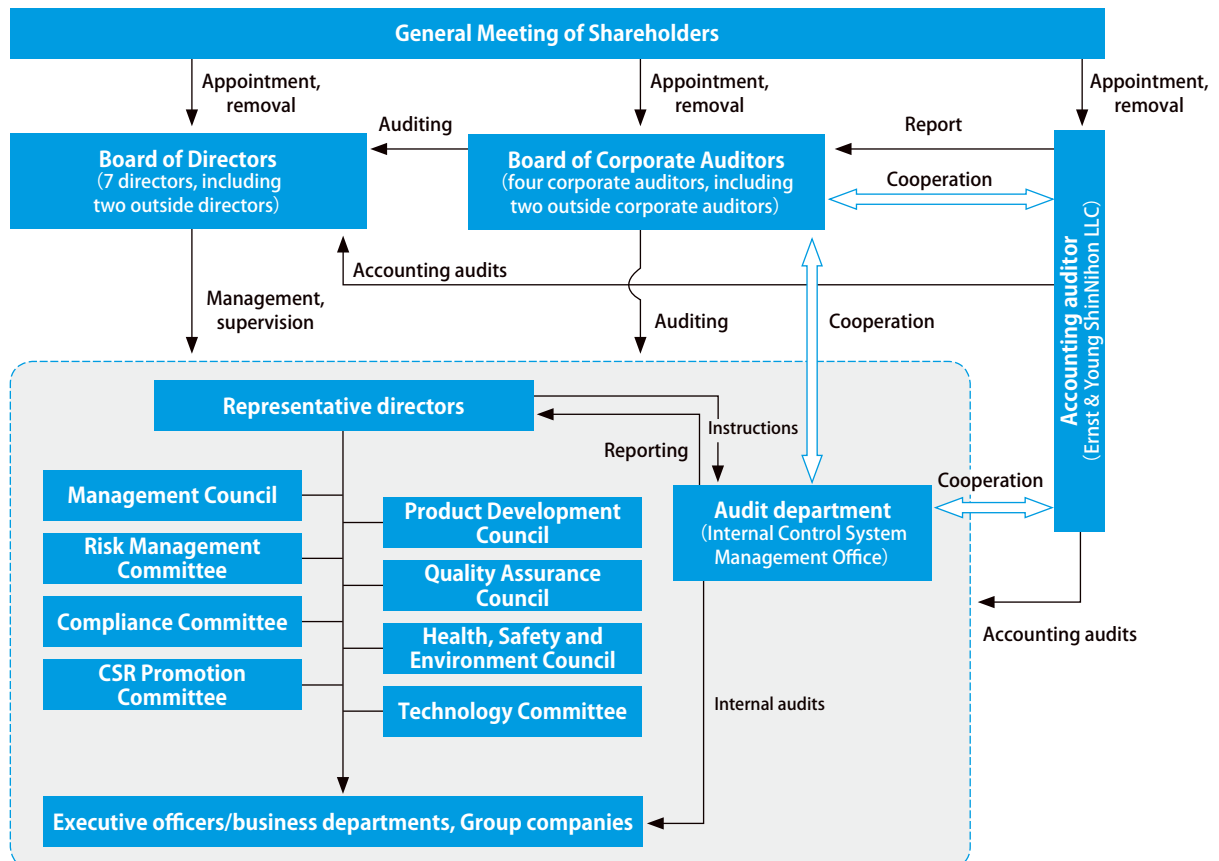
The Company has in place a Board of Directors comprising seven members, of whom two are outside directors, and a Board of Corporate Auditors. This board has four members, of whom two are outside corporate auditors.

The Board of Directors meets monthly to make decisions on important items and supervise the execution of operations by directors.

The Company employs an executive officer system.

By separating the functions of management decision-making and supervision from operational execution, the Company aims to strengthen its operational execution structure and bolster management efficiency.

Governance Structure



I Consolidated Balance Sheets

Years ended March 31

Millions of yen

Thousands of U.S.dollars

ASSETS	2019	2018	2019	2018
Current assets				
Cash on hand and in banks	¥34,789	¥28,958	\$313,448	\$260,910
Trade notes and accounts receivable	15,433	15,001	139,053	135,160
Merchandise and finished goods	12,812	11,769	115,433	106,037
Work in process	1,809	1,752	16,300	15,791
Raw materials and supplies	2,928	2,629	26,385	23,690
Other	726	729	6,544	6,568
Allowance for doubtful accounts	(107)	(124)	(972)	(1,119)
Total current assets	68,391	60,715	616,193	547,038
Investments and long-term receivable				
Investment securities	10,424	12,255	93,923	110,420
Deffered tax assets	1,047	1,106	9,436	9,972
Other	328	313	2,960	2,823
Allowance for doubtful accounts	(9)	(9)	(81)	(81)
Total investments and long-term receivables	11,791	13,666	106,239	123,134
Property, plant and equipment				
Buildings and structures	21,849	21,491	196,863	193,632
Machinery, equipment and vehicles	47,322	45,281	426,366	407,978
Tools, furniture and fixtures	14,659	14,237	132,077	128,274
Land	4,268	4,254	38,454	38,333
Construction in progress	1,259	1,241	11,349	11,185
Subtotal	89,359	86,506	805,112	779,405
Accumulated depreciation	(67,596)	(65,154)	(609,035)	(587,027)
Net property, plant and equipment	21,762	21,351	196,076	192,377
Intangible assets				
	869	67	7,832	612
Total assets	¥102,814	¥95,802	\$926,343	\$863,162

Years ended March 31

Millions of yen

Thousands of U.S.dollars (note 3)

LIABILITIES AND NET ASSETS	2019	2018	2019	2018
Current liabilities				
Trade notes and accounts payable	¥9,519	¥8,694	\$85,765	\$78,335
Short-term loans payable	2,325	2,324	20,949	20,941
Current portion of long-term loans payable	1,580	948	14,235	8,541
Accounts payable-other	1,954	2,537	17,613	22,859
Income taxes payable	867	840	7,814	7,570
Provision for bonuses	819	788	7,383	7,106
Other	2,598	2,694	23,409	24,276
Total current liabilities	19,664	18,827	177,171	169,631
Long-term liabilities				
Long-term loan payable	4,420	2,100	39,823	18,920
Deferred tax liabilities	3,735	3,941	33,656	35,507
Net defined benefit liability	1,585	1,549	14,289	13,963
Provision for directors' retirement benefits	24	28	221	254
Other	964	1,007	8,692	9,075
Total long-term liabilities	10,730	8,626	96,682	77,721
Total liabilities	30,395	27,453	273,853	247,352
Shareholders' equity				
Common stock	8,150	8,150	73,432	73,432
Capital surplus	2,111	2,111	19,023	19,022
Retained earnings	59,713	55,129	538,004	496,705
Treasury stock	(3,320)	(3,315)	(29,919)	(29,874)
Total shareholders' equity	66,654	62,075	600,540	559,285
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	5,907	7,181	53,221	64,705
Foreign currency translation adjustment	27	(585)	251	(5,271)
Remeasurements of defined benefit plans	(169)	(323)	(1,524)	(2,910)
Total accumulated other comprehensive income	5,765	6,273	51,948	56,523
Total net assets	72,419	68,348	652,489	615,809
Total liabilities and net assets	¥102,814	¥95,802	\$926,343	\$863,162

Consolidated Statements of Income

Years ended March 31	Millions of yen		Thousands of U.S.dollars	
	2019	2018	2019	2018
Net sales	¥72,002	¥69,594	\$648,725	\$627,031
Cost of sales	49,510	47,182	446,076	425,105
Gross profit	22,492	22,411	202,649	201,926
Selling, general and administrative expenses	14,364	13,982	129,417	125,980
Operating income	8,127	8,429	73,231	75,945
Non-operating income				
Interest income	219	127	1,980	1,144
Dividends income	338	315	3,048	2,844
Foreign exchange gains	73	—	663	—
Other	453	304	4,087	2,740
Total non operating income	1,085	746	9,780	6,730
Non-operating expenses				
Interest expenses	19	25	179	226
Foreign exchange losses	—	159	—	1,438
Loss on disposal of fixed assets	55	54	503	488
Sales discounts	53	53	483	481
Loss on valuation of derivatives	—	3	—	33
Other	138	71	1,244	647
Total operating expenses	267	367	2,410	3,315
Ordinary income	8,945	8,808	80,601	79,360
Extraordinary income				
Gain on sales of fixed assets	—	182	—	1,645
Total extraordinary income	—	182	—	1,645
Extraordinary loss				
Impairment loss	69	68	626	620
Total extraordinary loss	69	68	626	620
Income before income taxes	8,876	8,921	79,974	80,384
Income taxes				
Income taxes-current	2,384	2,437	21,487	21,957
Income taxes-deferred	334	231	3,012	2,089
Total income taxes	2,719	2,668	24,500	24,046
Net income	6,157	6,252	55,474	56,338
Income attributable to owners of parent	¥6,157	¥6,252	\$55,474	\$56,338
Per share of common stock				
	Yen		U.S.dollars	
Net income	¥203.50	¥206.65	\$1.83	\$1.86
Cash dividends	¥60.00	¥50.00	\$0.54	\$0.45

I Consolidated Statements of Comprehensive Income

Years ended March 31	Millions of yen		Thousands of U.S.dollars	
	2019	2018	2019	2018
Net Income	¥6,157	¥6,252	\$55,474	\$56,338
Other comprehensive income				
Valuation difference on available-for-sale securities	(1,274)	843	(11,484)	7,597
Foreign currency translation adjustment	612	(383)	5,522	(3,454)
Remeasurements of defined benefit plans	153	(37)	1,386	(336)
Total comprehensive income	(507)	422	(4,575)	3,806
Comprehensive income	5,649	6,675	50,898	60,145
(Details)				
Comprehensive income attributable to owners of the parent	5,649	6,675	50,898	60,145
Comprehensive income attributable to non controlling interests	—	—	—	—

Consolidated Statements of Shareholders' Equity

Years ended March 31

Current consolidated fiscal year (From April 1, 2018 to March 31, 2019)

Millions of Yen

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Common stock	Capital Surplus	Retained earnings	Treasury stock at cost	Total share holders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at March 31, 2018	¥8,150	¥2,111	¥55,129	(¥3,315)	¥62,075	¥7,181	(¥585)	(¥323)	¥6,273	¥68,348
Amount of changes during consolidated accounting year										
Dividends from retained earnings			(1,573)		(1,573)					(1,573)
Profit attributable to owners of parent			6,157		6,157					6,157
Purchase of treasury stock				(5)	(5)					(5)
Retirement of treasury stock		0		0	0					0
Net changes of items other than shareholders' equity						(1,274)	612	153	(507)	(507)
Total amount of changes during consolidated accounting year	—	0	4,583	(5)	4,578	(1,274)	612	153	(507)	4,071
Balance at March 31, 2019	¥8,150	¥2,111	¥59,713	(¥3,320)	¥66,654	¥5,907	¥27	(¥169)	¥5,765	¥72,419

Current consolidated fiscal year (From April 1, 2018 to March 31, 2019)

Thousands of U.S.dollars

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Common stock	Capital Surplus	Retained earnings	Treasury stock at cost	Total share holders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at March 31, 2018	\$73,432	\$19,022	\$496,705	(\$29,874)	\$559,285	\$64,705	(\$5,271)	(\$2,910)	\$56,523	\$615,809
Amount of changes during consolidated accounting year										
Dividends from retained earnings			(14,175)		(14,175)					(14,175)
Profit attributable to owners of parent			55,474		55,474					55,474
Purchase of treasury stock				(45)	(45)					(45)
Retirement of treasury stock		0		0	0					0
Net changes of items other than shareholders' equity						(11,484)	5,522	1,386	(4,575)	(4,575)
Total amount of changes during consolidated accounting year	—	0	41,299	(45)	41,254	(11,484)	5,522	1,386	(4,575)	36,679
Balance at March 31, 2019	\$73,432	\$19,023	\$538,004	(\$29,919)	\$600,540	\$53,221	\$251	(\$1,524)	\$51,948	\$652,489

Consolidated Statements of Cash Flows

Years ended March 31

Millions of yen

Thousands of U.S.dollars

	2019	2018	2019	2018
Operating activities:				
Net income before taxes	¥8,876	¥8,921	\$79,974	\$80,384
Depreciation and amortization	3,012	2,999	27,139	27,027
Increase (decrease) in allowance for doubtful accounts	(15)	7	(143)	71
Increase (decrease) in net defined benefit liability	158	182	1,426	1,643
Increase (decrease) in long-term accounts payable-other	(171)	(48)	(1,542)	(440)
Increase (decrease) in provision for directors' retirement benefits	(3)	1	(32)	14
Increase (decrease) in provision for bonuses	22	40	205	367
Interest and dividend income	(558)	(442)	(5,029)	(3,989)
Interest expenses	19	25	179	226
Foreign exchange losses(gains)	(33)	65	(301)	588
Losses (Gains) on sales of property, plant and equipment	(29)	(183)	(269)	(1,650)
Disposal of property, plant and equipment	55	54	503	488
Gains on sales of investment securities	(0)	(39)	(0)	(354)
Impairment loss	69	68	626	620
Decrease(increase) in trade notes and accounts receivable	(464)	(519)	(4,189)	(4,678)
Decrease(increase) in inventories	(1,045)	(654)	(9,420)	(5,901)
Increase(decrease) in trade notes and accounts payable	773	890	6,971	8,020
Increase (decrease) in accrued consumption taxes	(25)	4	(232)	42
Decrease(increase) in other current assets	26	(250)	242	(2,253)
Increase(decrease) in other current liabilities	(80)	729	(725)	6,573
Other	—	3	—	3
	10,586	11,857	95,384	106,834
Interest and dividends income received	558	442	5,029	3,989
Interest expenses paid	(19)	(25)	(179)	(230)
Income taxes paid	(2,359)	(2,965)	(21,256)	(26,718)
Net cash and cash equivalents provided by (used in) operating activities	8,765	9,309	78,977	83,876
Investing activities:				
Payments into time deposits	(3,445)	(450)	(31,045)	(4,055)
Proceeds from withdrawal of time deposits	270	657	2,437	5,924
Purchase of property, plant and equipment	(3,891)	(4,066)	(35,061)	(36,637)
Proceeds from sale of property, plant and equipment	15	203	136	1,832
Purchase of investment securities	(4)	(4)	(41)	(44)
Proceeds from sale of investment securities	0	67	0	606
Other	(820)	33	(7,391)	305
Net cash and cash equivalents provided by (used in) investing activities	(7,876)	(3,559)	(70,966)	(32,068)
Financing activities:				
Net increase (decrease) in short-term loans payable	1	(2)	13	(18)
Proceeds from long-term loans payable	3,900	—	35,138	—
Repayment of long-term loans payable	(948)	(1,147)	(8,541)	(10,334)
Purchase of treasury stock	(5)	(10)	(45)	(93)
Dividends paid	(1,573)	(1,452)	(14,175)	(13,086)
Other	9	79	88	716
Net cash and cash equivalents provided by (used in) financing activities	1,384	(2,532)	12,478	(22,816)
Effect of exchange rate change on cash and cash equivalent	301	(259)	2,720	(2,339)
Net increase(decrease) cash and cash equivalents	2,576	2,958	23,210	26,652
Cash and cash equivalents at beginning of period	28,074	25,116	252,946	226,294
Cash and cash equivalents at end of period	¥30,650	¥28,074	\$276,156	\$252,946

1. Basis of Presenting Financial Statements

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in Financial Instruments and Exchange Act of Japan and on the basis of accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards. As permitted by the Securities and Exchange Law of Japan, each amount of the accompanying consolidated financial statements is rounded down to the nearest one million yen.

As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in dollars) do not necessarily agree with the sums of the individual amounts.

2. Summary of Significant Accounting Policies

(1) Scope of consideration

(a) Number of consolidated subsidiaries: 22 companies.

(b) Nonconsolidated subsidiaries: 1

The above is unconsolidated and does not apply equity method as it is a small-scale and none of its total assets, net sales, net income or loss, retained earnings or other items have a significant impact on consolidated financial statements.

(2) Year-ends of consolidated subsidiaries

22 companies except for 2 companies located in China aligned the fiscal year with parent company (January - December fiscal year changed April-March fiscal year) and others prepare provisional settlement of accounts so that consolidated financial statements is prepared using financial statements at the same reporting date since preceding fiscal year.

(3) Evaluation of Investment securities

Marketable securities:

They are carried at cost moving-average method and revaluated at fair value with changes in unrealized holding gain or losses.

Non-marketable securities:

They are carried at cost moving-average method.

(4) Evaluation of Inventories

Inventories held for the purpose of usual use:

Inventory is stated at the lower of cost determined by the gross average method or net realizable value.

(5) Depreciation of Property, plant and equipment

Declining-balance method:

Buildings acquired on or after April 1, 1998, buildings and structures acquired on or after April 1, 2016 and specific fixed assets (all fixed assets in the office used for developing a production system and producing prototypes) acquired by the Company and its domestic consolidated subsidiary are depreciated by the straight-line method over their estimated lives.

Fixed assets owned by foreign subsidiary companies are depreciated by the straight-line method.

(6) Depreciation of Intangible assets and deferred charges

Straight-line method.

(7) Accounting method for retirement benefits

(a) Periodic allocation method for estimated benefit obligation

Upon calculating the retirement obligations, the method of attributing expected benefit to periods until the end of fiscal year is projected unit credit.

(b) Amortization of actuarial gains and loss and past service cost

Past service is recognized in profit or loss by straight-line method over a certain period within the expected average remaining working lives of employees (12- 15 years) in the year in which it arises.

Actuarial gain or loss is recognized in profit or loss by straight-line method over a certain period within the expected average remaining working lives of employees (12 - 15 years) from the next year in which it arises.

(c) Application of simple method at small enterprises, etc.

Some domestic consolidated subsidiaries apply a simple method in which an estimated amount required to be paid for voluntary retirement benefits is deemed as the retirement benefit obligations in the calculations of net defined benefit liability and retirement benefit expenses.

(8) Range of cash and cash equivalents

in the consolidated cash flow statement

Cash and cash equivalents include cash on hand, time deposit which can be withdrawn on demand and highly liquid investments with a maturity of three months or less, which are readily to be convertible to known amounts of cash which are subject to insignificant risk of changes in value.

(9) Calculation method of Per Share of Common Stock

Net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the year.

Cash dividends per share presented in the consolidated of income are dividends attribute to the respective years including dividends to be paid after the year-end.

3. Conversion to U.S. Dollars

Amounts in U.S dollars are shown solely for convenience and are unaudited. The rate of ¥110.99 to U.S. \$ 1 on March 31, 2019, approximate current rate has been used for the purpose of presentation of the accompanying consolidated financial statements in U.S. dollars. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into, U.S. dollars at that or any other rate.

Investor Information (As of March 31, 2019)

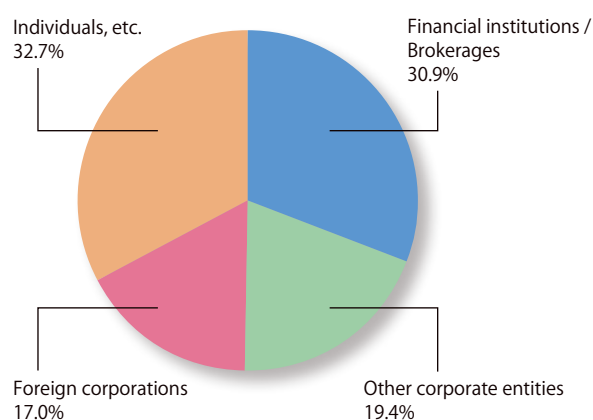
Corporate data

Company Name:	Mitsubishi Belting Ltd.
Established:	October 10, 1919
Common Stock:	8,150 million yen
Fiscal Year-End:	March 31
Public Accounting Firm:	Ernst & Young ShinNihon LLC
Number of Employees:	713 (Consolidated : 4,342)

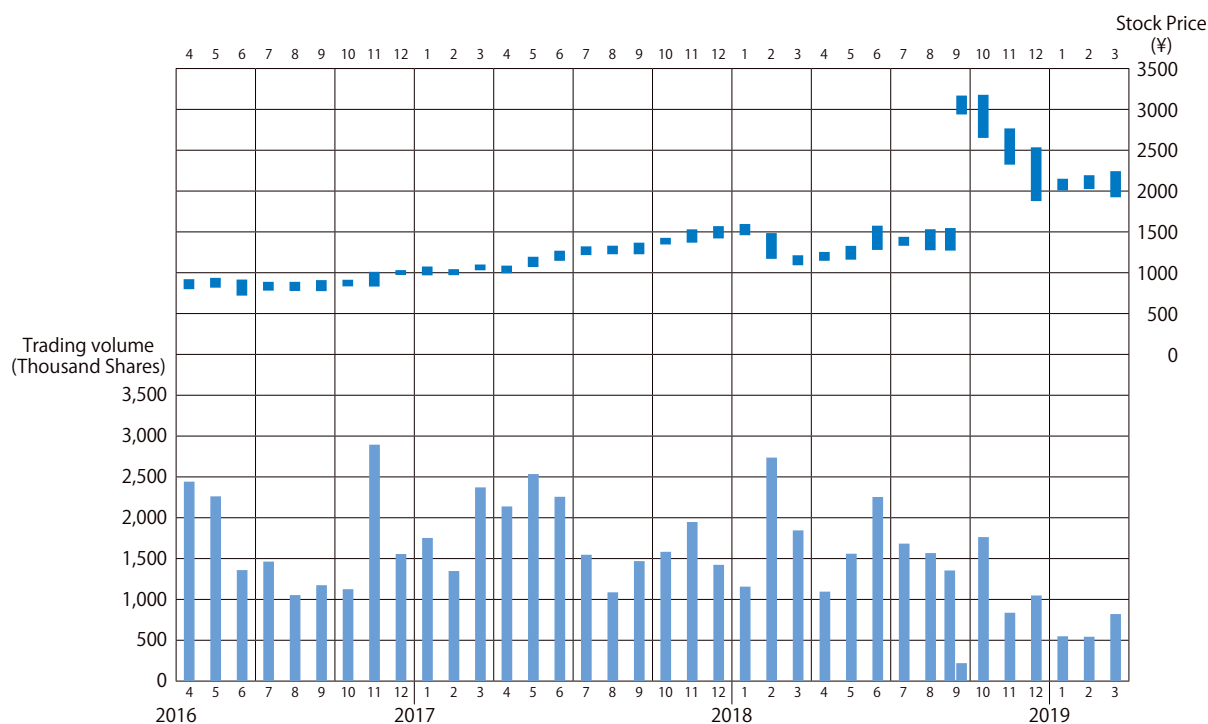
Major shareholders(Top10)

Name	Number of shares held (Thousands)
Japan Trustee Services Bank, Ltd.	3,432
The Master Trust Bank of Japan, Ltd.	1,225
TOYOTA MOTOR CORPORATION	1,177
The Bank of Mitsubishi UFJ, Ltd .	1,170
Client stock ownership	933
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	776
MITSUI & CO., LTD.	750
Mitsubishi UFJ Trust and Banking Corporation	686
DAIDO LIFE INSURANCE COMPANY	677
GOVERNMENT OF NORWAY	656

Ownership breakdown



Stock price and trading volume on the Tokyo Stock Exchange



As of October 1, 2018, the share consolidation was carried out at a ratio of 1 share per 2 common shares.



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