

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 9, 2018

Company name: Origin Electric Company, Limited  
 Stock exchange listing: Tokyo  
 Stock code: 6513 URL <https://www.origin.co.jp/>  
 Representative: Kazuhiro Seo, President  
 Contact: Atsushi Akamatsu, Senior Manager General Accounting Department Administration Division  
 Phone: +81-48-755-9242  
 Scheduled date to file Quarterly Securities Report: August 13, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

## (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2018	7,682	(3.0)	137	(64.9)	207	(55.9)	(83)	–
Three months ended June 30, 2017	7,920	18.2	391	–	469	–	191	–

Note: Comprehensive income Three months ended June 30, 2018 ¥(267) million [–%]  
 Three months ended June 30, 2017 ¥456 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	(12.59)		–	
Three months ended June 30, 2017	28.66		–	

\* Origin Electric Company, Limited (the “Company”) has implemented share consolidation of its common stock on a one for five basis effective October 1, 2017. “Earnings per share” was calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

## (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2018	46,542		24,594		47.7	
As of March 31, 2018	45,374		25,322		49.9	

Reference: Equity As of June 30, 2018 ¥22,178 million  
 As of March 31, 2018 ¥22,625 million

\* The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. Accordingly, figures in the consolidated financial position as of March 31, 2018 are those after retrospective application of the standard and guidances.

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	3.50	–	25.00	–
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		20.00	–	20.00	40.00

Note: Revisions to the forecasts of cash dividends most recently announced: No

\*1. Details of year-end dividends for the year ended March 31, 2018

Ordinary dividends	17.50 yen
Special dividends	7.50 yen

\*2. The Company has implemented share consolidation of its common stock on a one for five basis effective October 1, 2017. The year-end dividend per share for the fiscal year ended March 31, 2018 reflects the effect of this consolidation of shares, and “–” is indicated for total amount of annual dividends.

## 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	Percentages indicate year-on-year changes								
Full year	40,000	20.6	3,000	64.6	3,000	57.2	2,000	130.3	301.53

Note: Revisions to the financial result forecasts most recently announced: No

## 4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2018  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2018	6,699,986 shares	As of March 31, 2018	6,699,986 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	67,249 shares	As of March 31, 2018	67,151 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	6,632,786 shares	Three months ended June 30, 2017	6,663,963 shares
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\*1. The Company has implemented share consolidation of its common stock on a one for five basis effective October 1, 2017. “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period” and “Average number of shares during the period” were calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

\*2. Number of treasury shares excluded for calculating the number of treasury shares at the end of the period and average number of shares during the period for the three months ended June 30, 2018, include the Company’s shares held by the trust account related to stock remuneration system (BBT=Board Benefit Trust).

\* Quarterly financial results reports are exempt from quarterly review procedures conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable and actual results may differ substantially due to various factors.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	6,795	7,076
Notes and accounts receivable - trade	9,695	9,086
Electronically recorded monetary claims - operating	1,360	1,346
Merchandise and finished goods	1,742	1,841
Work in process	4,393	6,165
Raw materials and supplies	1,860	1,888
Other	1,150	653
Allowance for doubtful accounts	(38)	(39)
Total current assets	26,960	28,019
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,890	4,785
Machinery, equipment and vehicles, net	1,008	1,103
Land	4,298	4,645
Other, net	930	830
Total property, plant and equipment	11,128	11,365
Intangible assets	670	624
Investments and other assets		
Investment securities	5,663	5,573
Deferred tax assets	173	146
Other	917	950
Allowance for doubtful accounts	(138)	(137)
Total investments and other assets	6,615	6,532
Total non-current assets	18,414	18,522
Total assets	45,374	46,542

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,432	4,238
Electronically recorded obligations - operating	4,539	5,132
Short-term loans payable	4,000	4,500
Current portion of long-term loans payable	915	779
Income taxes payable	168	74
Provision for bonuses	591	212
Provision for directors' bonuses	28	–
Other	2,192	2,960
<b>Total current liabilities</b>	<b>15,869</b>	<b>17,898</b>
<b>Non-current liabilities</b>		
Long-term loans payable	164	–
Provision for Management Board Incentive Plan Trust	–	10
Net defined benefit liability	3,911	3,925
Provision for environmental measures	39	39
Asset retirement obligations	29	29
Other	38	44
<b>Total non-current liabilities</b>	<b>4,183</b>	<b>4,048</b>
<b>Total liabilities</b>	<b>20,052</b>	<b>21,947</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	10,214	9,963
Treasury shares	(146)	(146)
<b>Total shareholders' equity</b>	<b>19,625</b>	<b>19,374</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,228	2,165
Foreign currency translation adjustment	771	638
<b>Total accumulated other comprehensive income</b>	<b>3,000</b>	<b>2,803</b>
<b>Non-controlling interests</b>	<b>2,696</b>	<b>2,416</b>
<b>Total net assets</b>	<b>25,322</b>	<b>24,594</b>
<b>Total liabilities and net assets</b>	<b>45,374</b>	<b>46,542</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	7,920	7,682
Cost of sales	5,857	5,800
Gross profit	2,062	1,882
Selling, general and administrative expenses	1,671	1,745
Operating profit	391	137
Non-operating income		
Interest income	14	19
Dividend income	53	55
Foreign exchange gains	–	6
Share of profit of entities accounted for using equity method	19	2
Other	36	36
Total non-operating income	123	120
Non-operating expenses		
Interest expenses	7	8
Foreign exchange losses	4	–
Other	33	42
Total non-operating expenses	45	50
Ordinary profit	469	207
Extraordinary income		
Gain on sales of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	25	1
Product compensation expenses	59	–
Total extraordinary losses	84	1
Profit before income taxes	385	206
Income taxes - current	142	163
Income taxes - deferred	(16)	55
Total income taxes	125	218
Profit (loss)	259	(12)
Profit attributable to non-controlling interests	68	71
Profit (loss) attributable to owners of parent	191	(83)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit (loss)	259	(12)
Other comprehensive income		
Valuation difference on available-for-sale securities	400	(63)
Foreign currency translation adjustment	(205)	(191)
Share of other comprehensive income of entities accounted for using equity method	1	(0)
Total other comprehensive income	196	(255)
Comprehensive income	456	(267)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	445	(280)
Comprehensive income attributable to non-controlling interests	11	13