

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

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: February 14, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	29,852	22.1	2,491	91.8	2,691	89.6	1,721	249.9
Nine months ended December 31, 2017	24,439	9.0	1,298	99.4	1,419	66.6	491	–

Note: Comprehensive income Nine months ended December 31, 2018 ¥896 million [(48.8)%]
 Nine months ended December 31, 2017 ¥1,749 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	259.45		–	
Nine months ended December 31, 2017	73.94		–	

* 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 December 31, 2018	45,175		25,621		51.1	
As of March 31, 2018	45,374		25,322		49.9	

Reference: Equity As of December 31, 2018 ¥23,095 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	–	20.00	–		
Year ending March 31, 2019 (Forecast)				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)

	Percentages indicate year-on-year changes								
	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
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 nine months ended December 31, 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 December 31, 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 December 31, 2018	∴	66,503 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)

Nine months ended December 31, 2018	∴	6,633,324 shares	Nine months ended December 31, 2017	∴	6,651,510 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 nine months ended December 31, 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 December 31, 2018
Assets		
Current assets		
Cash and deposits	6,795	8,055
Notes and accounts receivable - trade	9,695	8,890
Electronically recorded monetary claims - operating	1,360	1,827
Merchandise and finished goods	1,742	1,727
Work in process	4,393	3,944
Raw materials and supplies	1,860	1,718
Other	1,150	1,183
Allowance for doubtful accounts	(38)	(54)
Total current assets	26,960	27,292
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,890	4,602
Machinery, equipment and vehicles, net	1,008	1,198
Land	4,298	4,645
Other, net	930	775
Total property, plant and equipment	11,128	11,222
Intangible assets	670	683
Investments and other assets		
Investment securities	5,663	4,660
Deferred tax assets	173	341
Other	917	1,112
Allowance for doubtful accounts	(138)	(136)
Total investments and other assets	6,615	5,977
Total non-current assets	18,414	17,883
Total assets	45,374	45,175

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,432	3,186
Electronically recorded obligations - operating	4,539	4,864
Short-term loans payable	4,000	2,000
Current portion of long-term loans payable	915	811
Income taxes payable	168	377
Provision for bonuses	591	275
Provision for directors' bonuses	28	–
Other	2,192	2,234
Total current liabilities	15,869	13,748
Non-current liabilities		
Long-term loans payable	164	1,780
Provision for Management Board Incentive Plan Trust	–	7
Net defined benefit liability	3,911	3,886
Provision for environmental measures	39	39
Asset retirement obligations	29	29
Other	38	62
Total non-current liabilities	4,183	5,805
Total liabilities	20,052	19,553
Net assets		
Shareholders' equity		
Capital stock	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	10,214	11,633
Treasury shares	(146)	(145)
Total shareholders' equity	19,625	21,045
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,228	1,527
Foreign currency translation adjustment	771	521
Total accumulated other comprehensive income	3,000	2,049
Non-controlling interests	2,696	2,526
Total net assets	25,322	25,621
Total liabilities and net assets	45,374	45,175

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	24,439	29,852
Cost of sales	17,930	21,975
Gross profit	6,509	7,876
Selling, general and administrative expenses	5,210	5,385
Operating profit	1,298	2,491
Non-operating income		
Interest income	63	87
Dividend income	100	104
Foreign exchange gains	–	45
Share of profit of entities accounted for using equity method	45	6
Other	110	124
Total non-operating income	319	368
Non-operating expenses		
Interest expenses	23	29
Foreign exchange losses	10	–
Other	164	139
Total non-operating expenses	198	168
Ordinary profit	1,419	2,691
Extraordinary income		
Gain on sales of non-current assets	1	13
Gain on sales of investment securities	106	–
Total extraordinary income	107	13
Extraordinary losses		
Loss on sales of non-current assets	2	–
Loss on retirement of non-current assets	37	9
Impairment loss	267	–
Product compensation expenses	94	–
Total extraordinary losses	401	9
Profit before income taxes	1,125	2,695
Income taxes - current	366	614
Income taxes - deferred	34	137
Total income taxes	400	752
Profit	724	1,943
Profit attributable to non-controlling interests	232	222
Profit attributable to owners of parent	491	1,721

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	724	1,943
Other comprehensive income		
Valuation difference on available-for-sale securities	923	(698)
Foreign currency translation adjustment	98	(345)
Share of other comprehensive income of entities accounted for using equity method	2	(2)
Total other comprehensive income	1,025	(1,046)
Comprehensive income	1,749	896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,480	770
Comprehensive income attributable to non-controlling interests	268	125