

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2019
(Based on Japanese GAAP)**

May 13, 2019

Company name: Origin Company, Limited
 Stock exchange listing: Tokyo
 Stock code: 6513 URL <https://www.origin.co.jp/>
 Representative: Kazuhiro Seo, President
 Contact: Atsushi Akamatsu, General Manager, General Accounting Department
 Phone: +81-48-755-9242
 Scheduled date of ordinary general meeting of shareholders: June 27, 2019
 Scheduled date to file Securities Report: June 27, 2019
 Scheduled date to commence dividend payments: June 28, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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 | % |
| Year ended March 31, 2019 | 37,884 | 14.3 | 2,510 | 37.8 | 2,810 | 47.3 | 1,900 | 118.9 |
| Year ended March 31, 2018 | 33,154 | 5.9 | 1,822 | 95.9 | 1,908 | 61.7 | 868 | - |

Note: Comprehensive income Year ended March 31, 2019 ¥926 million [(56.3)%]
 Year ended March 31, 2018 ¥2,120 million [-%]

| | Earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|---------------------------|--------------------|----------------------------|------------------|--|--|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2019 | 287.52 | - | 8.4 | 6.2 | 6.6 |
| Year ended March 31, 2018 | 130.62 | - | 4.0 | 4.3 | 5.5 |

Reference: Investment profit (loss) on equity method Year ended March 31, 2019 ¥13 million
 Year ended March 31, 2018 ¥53 million

* 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 | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2019 | 45,512 | 25,410 | 50.0 | 3,533.55 |
| As of March 31, 2018 | 45,374 | 25,322 | 49.9 | 3,411.21 |

Reference: Equity As of March 31, 2019 ¥22,743 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) effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, figures in the consolidated financial position as of March 31, 2018 are those after retrospective application of the standard.

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2019 | 3,480 | (1,304) | (738) | 6,421 |
| Year ended March 31, 2018 | 992 | (2,075) | 491 | 5,075 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2018 | – | 3.50 | – | 25.00 | – | 283 | 32.5 | 1.3 |
| Year ended March 31, 2019 | – | 20.00 | – | 30.00 | 50.00 | 328 | 17.4 | 1.5 |
| Year ending March 31, 2020 (Forecast) | – | 20.00 | – | 20.00 | 40.00 | | 57.2 | |

*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 factors in the influence of the planned consolidation of shares, and “–” is indicated for total amount of annual dividends.

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

| | Percentages indicate year-on-year changes | | | | | | | | Earnings per share |
|-----------|---|--------|------------------|--------|-----------------|--------|---|--------|--------------------|
| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | |
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | |
| Full year | 34,000 | (10.3) | 1,000 | (60.2) | 1,100 | (60.9) | 450 | (76.3) | Yen 69.91 |

* As the Company manages financial results annually, forecast of consolidated financial results for the first six months are omitted.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

| | | | | | |
|----------------------|---|------------------|----------------------|---|------------------|
| As of March 31, 2019 | ⋮ | 6,699,986 shares | As of March 31, 2018 | ⋮ | 6,699,986 shares |
|----------------------|---|------------------|----------------------|---|------------------|

Number of treasury shares at the end of the period

| | | | | | |
|----------------------|---|----------------|----------------------|---|---------------|
| As of March 31, 2019 | ⋮ | 263,516 shares | As of March 31, 2018 | ⋮ | 67,151 shares |
|----------------------|---|----------------|----------------------|---|---------------|

Average number of shares during the period

| | | | | | |
|---------------------------|---|------------------|---------------------------|---|------------------|
| Year ended March 31, 2019 | ⋮ | 6,610,412 shares | Year ended March 31, 2018 | ⋮ | 6,647,219 shares |
|---------------------------|---|------------------|---------------------------|---|------------------|

* 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 include the Company’s shares held by the trust account related to stock remuneration system (BBT=Board Benefit Trust).

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2018 | As of March 31, 2019 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,795 | 8,199 |
| Notes and accounts receivable - trade | 9,695 | 8,894 |
| Electronically recorded monetary claims - operating | 1,360 | 1,830 |
| Merchandise and finished goods | 1,742 | 1,549 |
| Work in process | 4,393 | 3,720 |
| Raw materials and supplies | 1,860 | 1,770 |
| Other | 1,150 | 1,268 |
| Allowance for doubtful accounts | (38) | (70) |
| Total current assets | 26,960 | 27,162 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 12,909 | 12,960 |
| Accumulated depreciation | (8,019) | (8,421) |
| Buildings and structures, net | 4,890 | 4,538 |
| Machinery, equipment and vehicles | 10,513 | 10,594 |
| Accumulated depreciation | (9,504) | (9,360) |
| Machinery, equipment and vehicles, net | 1,008 | 1,234 |
| Land | 4,298 | 4,823 |
| Construction in progress | 202 | 57 |
| Other | 4,602 | 4,823 |
| Accumulated depreciation | (3,874) | (4,074) |
| Other, net | 728 | 749 |
| Total property, plant and equipment | 11,128 | 11,403 |
| Intangible assets | 670 | 738 |
| Investments and other assets | | |
| Investment securities | 5,663 | 4,752 |
| Long-term loans receivable | 51 | 72 |
| Deferred tax assets | 173 | 441 |
| Other | 865 | 1,077 |
| Allowance for doubtful accounts | (138) | (135) |
| Total investments and other assets | 6,615 | 6,208 |
| Total non-current assets | 18,414 | 18,350 |
| Total assets | 45,374 | 45,512 |

(Millions of yen)

| | As of March 31, 2018 | As of March 31, 2019 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,432 | 2,866 |
| Electronically recorded obligations - operating | 4,539 | 4,352 |
| Short-term loans payable | 4,000 | 3,000 |
| Current portion of long-term loans payable | 915 | 747 |
| Income taxes payable | 168 | 355 |
| Provision for bonuses | 591 | 616 |
| Provision for bonuses for directors (and other officers) | 28 | 24 |
| Provision for environmental measures | – | 39 |
| Other | 2,192 | 2,148 |
| Total current liabilities | 15,869 | 14,151 |
| Non-current liabilities | | |
| Long-term loans payable | 164 | 1,848 |
| Provision for Management Board Incentive Plan Trust | – | 7 |
| Provision for retirement benefits for directors (and other officers) | – | 35 |
| Retirement benefit liability | 3,911 | 3,871 |
| Provision for environmental measures | 39 | – |
| Asset retirement obligations | 29 | 29 |
| Deferred tax liabilities | – | 43 |
| Other | 38 | 116 |
| Total non-current liabilities | 4,183 | 5,951 |
| Total liabilities | 20,052 | 20,102 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,103 | 6,103 |
| Capital surplus | 3,454 | 3,454 |
| Retained earnings | 10,214 | 11,813 |
| Treasury shares | (146) | (523) |
| Total shareholders' equity | 19,625 | 20,847 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,228 | 1,492 |
| Foreign currency translation adjustment | 771 | 402 |
| Total accumulated other comprehensive income | 3,000 | 1,895 |
| Non-controlling interests | 2,696 | 2,666 |
| Total net assets | 25,322 | 25,410 |
| Total liabilities and net assets | 45,374 | 45,512 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | Fiscal year ended March 31, 2018 | Fiscal year ended March 31, 2019 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 33,154 | 37,884 |
| Cost of sales | 24,278 | 28,123 |
| Gross profit | 8,875 | 9,761 |
| Selling, general and administrative expenses | 7,052 | 7,250 |
| Operating profit | 1,822 | 2,510 |
| Non-operating income | | |
| Interest income | 104 | 127 |
| Dividend income | 105 | 108 |
| Royalty income | 38 | 41 |
| Foreign exchange gains | – | 48 |
| Share of profit of entities accounted for using equity method | 53 | 13 |
| Subsidy income | 49 | 65 |
| Other | 57 | 60 |
| Total non-operating income | 409 | 464 |
| Non-operating expenses | | |
| Interest expenses | 32 | 37 |
| Foreign exchange losses | 99 | – |
| Arrangement Fee | – | 30 |
| Fixed assets tax | 29 | 29 |
| Other | 162 | 67 |
| Total non-operating expenses | 323 | 164 |
| Ordinary profit | 1,908 | 2,810 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 1 | 14 |
| Gain on sales of investment securities | 128 | – |
| Gain on step acquisitions | – | 66 |
| Gain on bargain purchase | – | 90 |
| Insurance income | 75 | – |
| Total extraordinary income | 205 | 172 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 55 | 12 |
| Loss on sales of non-current assets | 2 | 0 |
| Loss on sales of investment securities | – | 0 |
| Impairment loss | 267 | – |
| Product compensation expenses | 143 | 38 |
| Total extraordinary losses | 468 | 51 |
| Profit before income taxes | 1,645 | 2,931 |
| Income taxes - current | 509 | 697 |
| Income taxes - deferred | (50) | 53 |
| Total income taxes | 458 | 751 |
| Profit | 1,186 | 2,180 |
| Profit attributable to non-controlling interests | 318 | 279 |
| Profit attributable to owners of parent | 868 | 1,900 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2018 | Fiscal year ended March 31, 2019 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,186 | 2,180 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 676 | (736) |
| Foreign currency translation adjustment | 258 | (517) |
| Share of other comprehensive income of entities accounted for using equity method | (0) | 0 |
| Total other comprehensive income | 933 | (1,253) |
| Comprehensive income | 2,120 | 926 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,716 | 795 |
| Comprehensive income attributable to non-controlling interests | 404 | 130 |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 6,103 | 3,454 | 9,580 | (93) | 19,044 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (233) | | (233) |
| Provision of reserve for employees' welfare fund | | | (1) | | (1) |
| Profit attributable to owners of parent | | | 868 | | 868 |
| Purchase of treasury shares | | | | (52) | (52) |
| Disposal of treasury shares | | (0) | | 0 | 0 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | (0) | 633 | (52) | 580 |
| Balance at end of current period | 6,103 | 3,454 | 10,214 | (146) | 19,625 |

| | Accumulated other comprehensive income | | | Non-controlling interests | Total net assets |
|--|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | |
| Balance at beginning of current period | 1,553 | 599 | 2,152 | 2,495 | 23,692 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | | | (233) |
| Provision of reserve for employees' welfare fund | | | | | (1) |
| Profit attributable to owners of parent | | | | | 868 |
| Purchase of treasury shares | | | | | (52) |
| Disposal of treasury shares | | | | | 0 |
| Net changes of items other than shareholders' equity | 675 | 172 | 848 | 200 | 1,049 |
| Total changes of items during period | 675 | 172 | 848 | 200 | 1,629 |
| Balance at end of current period | 2,228 | 771 | 3,000 | 2,696 | 25,322 |

Fiscal year ended March 31, 2019

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 6,103 | 3,454 | 10,214 | (146) | 19,625 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (300) | | (300) |
| Provision of reserve for employees' welfare fund | | | (1) | | (1) |
| Profit attributable to owners of parent | | | 1,900 | | 1,900 |
| Purchase of treasury shares | | | | (379) | (379) |
| Disposal of treasury shares | | | | 2 | 2 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | – | – | 1,599 | (376) | 1,222 |
| Balance at end of current period | 6,103 | 3,454 | 11,813 | (523) | 20,847 |

| | Accumulated other comprehensive income | | | Non-controlling interests | Total net assets |
|--|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | |
| Balance at beginning of current period | 2,228 | 771 | 3,000 | 2,696 | 25,322 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | | | (300) |
| Provision of reserve for employees' welfare fund | | | | | (1) |
| Profit attributable to owners of parent | | | | | 1,900 |
| Purchase of treasury shares | | | | | (379) |
| Disposal of treasury shares | | | | | 2 |
| Net changes of items other than shareholders' equity | (735) | (368) | (1,104) | (29) | (1,133) |
| Total changes of items during period | (735) | (368) | (1,104) | (29) | 88 |
| Balance at end of current period | 1,492 | 402 | 1,895 | 2,666 | 25,410 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2018 | Fiscal year ended March 31, 2019 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,645 | 2,931 |
| Depreciation | 1,128 | 1,169 |
| Impairment loss | 267 | – |
| Amortization of goodwill | 1 | 0 |
| Loss (gain) on step acquisitions | – | (66) |
| Gain on bargain purchase | – | (90) |
| Increase (decrease) in allowance for doubtful accounts | 21 | 28 |
| Interest and dividend income | (210) | (235) |
| Interest expenses | 32 | 37 |
| Foreign exchange losses (gains) | 14 | (36) |
| Increase (decrease) in provision for bonuses | 79 | 21 |
| Increase (decrease) in retirement benefit liability | (6) | (40) |
| Increase (decrease) in provision for environmental measures | (1,498) | – |
| Loss (gain) on sales of investment securities | (128) | 0 |
| Loss (gain) on sales and retirement of non-current assets | 56 | (2) |
| Share of loss (profit) of entities accounted for using equity method | (53) | (13) |
| Decrease (increase) in notes and accounts receivable - trade | (610) | 366 |
| Decrease (increase) in inventories | (1,024) | 922 |
| Increase (decrease) in notes and accounts payable - trade | 1,490 | (851) |
| Other, net | 190 | (294) |
| Subtotal | 1,396 | 3,848 |
| Interest and dividend income received | 207 | 227 |
| Interest expenses paid | (31) | (37) |
| Income taxes paid | (580) | (557) |
| Net cash provided by (used in) operating activities | 992 | 3,480 |
| Cash flows from investing activities | | |
| Net decrease (increase) in time deposits | (367) | 242 |
| Purchase of property, plant and equipment | (1,268) | (1,283) |
| Payments for retirement of property, plant and equipment | (25) | (6) |
| Proceeds from sales of property, plant and equipment | 2 | 15 |
| Purchase of intangible assets | (95) | (242) |
| Proceeds from sales of investment securities | 245 | 11 |
| Purchase of investment securities | (55) | – |
| Payment for establishment of subsidiary | (329) | – |
| Purchase of investments in capital of subsidiaries | – | (177) |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | – | 220 |
| Other, net | (180) | (84) |
| Net cash provided by (used in) investing activities | (2,075) | (1,304) |

(Millions of yen)

| | Fiscal year ended March 31, 2018 | Fiscal year ended March 31, 2019 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 2,200 | (1,000) |
| Proceeds from long-term loans payable | – | 2,500 |
| Repayments of long-term loans payable | (1,197) | (1,275) |
| Repayments of lease obligations | (26) | (30) |
| Proceeds from sales of treasury shares | 0 | 1 |
| Purchase of treasury shares | (52) | (336) |
| Cash dividends paid | (233) | (300) |
| Dividends paid to non-controlling interests | (199) | (297) |
| Net cash provided by (used in) financing activities | 491 | (738) |
| Effect of exchange rate change on cash and cash equivalents | 89 | (91) |
| Net increase (decrease) in cash and cash equivalents | (502) | 1,345 |
| Cash and cash equivalents at beginning of period | 5,578 | 5,075 |
| Cash and cash equivalents at end of period | 5,075 | 6,421 |