

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 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 to file Quarterly Securities Report: August 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	8,384	9.1	373	172.2	364	75.7	101	–
Three months ended June 30, 2018	7,682	(3.0)	137	(64.9)	207	(55.9)	(83)	–

Note: Comprehensive income Three months ended June 30, 2019 ¥429 million [–%]
 Three months ended June 30, 2018 ¥(267) million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	15.79		–	
Three months ended June 30, 2018	(12.59)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	44,778	25,403	51.0
As of March 31, 2019	45,512	25,410	50.0

Reference: Equity As of June 30, 2019 ¥22,824 million
 As of March 31, 2019 ¥22,743 million

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, 2019	–	20.00	–	30.00	50.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	20.00	–	20.00	40.00

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

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

	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	34,000	(10.3)	1,000	(60.2)	1,100	(60.9)	450	(76.3)	69.91

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, 2019
(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, 2019	6,699,986 shares	As of March 31, 2019	6,699,986 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	288,205 shares	As of March 31, 2019	263,516 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, 2019	6,417,981 shares	Three months ended June 30, 2018	6,632,786 shares
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* 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).

* 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, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	8,199	7,311
Notes and accounts receivable - trade	8,894	8,900
Electronically recorded monetary claims - operating	1,830	1,863
Merchandise and finished goods	1,549	1,698
Work in process	3,720	3,415
Raw materials and supplies	1,770	1,841
Other	1,268	1,394
Allowance for doubtful accounts	(70)	(82)
Total current assets	27,162	26,343
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,538	4,467
Machinery, equipment and vehicles, net	1,234	1,195
Land	4,823	4,823
Other, net	806	954
Total property, plant and equipment	11,403	11,441
Intangible assets	738	707
Investments and other assets		
Investment securities	4,752	4,899
Deferred tax assets	441	339
Other	1,150	1,183
Allowance for doubtful accounts	(135)	(136)
Total investments and other assets	6,208	6,285
Total non-current assets	18,350	18,434
Total assets	45,512	44,778

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,866	2,808
Electronically recorded obligations - operating	4,352	4,011
Short-term borrowings	3,000	3,000
Current portion of long-term borrowings	747	560
Income taxes payable	355	92
Provision for bonuses	616	230
Provision for bonuses for directors (and other officers)	24	–
Provision for environmental measures	39	39
Other	2,148	2,766
Total current liabilities	14,151	13,509
Non-current liabilities		
Long-term borrowings	1,848	1,728
Provision for share-based remuneration for directors (and other officers)	7	17
Provision for retirement benefits for directors (and other officers)	35	–
Retirement benefit liability	3,871	3,906
Asset retirement obligations	29	29
Deferred tax liabilities	43	39
Other	116	143
Total non-current liabilities	5,951	5,865
Total liabilities	20,102	19,374
Net assets		
Shareholders' equity		
Share capital	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	11,813	11,718
Treasury shares	(523)	(574)
Total shareholders' equity	20,847	20,701
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,492	1,594
Foreign currency translation adjustment	402	528
Total accumulated other comprehensive income	1,895	2,123
Non-controlling interests	2,666	2,578
Total net assets	25,410	25,403
Total liabilities and net assets	45,512	44,778

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, 2018	Three months ended June 30, 2019
Net sales	7,682	8,384
Cost of sales	5,800	6,179
Gross profit	1,882	2,205
Selling, general and administrative expenses	1,745	1,831
Operating profit	137	373
Non-operating income		
Interest income	19	18
Dividend income	55	59
Foreign exchange gains	6	–
Share of profit of entities accounted for using equity method	2	5
Other	36	56
Total non-operating income	120	139
Non-operating expenses		
Interest expenses	8	9
Foreign exchange losses	–	73
Other	42	66
Total non-operating expenses	50	148
Ordinary profit	207	364
Extraordinary income		
Gain on sales of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Product compensation expenses	–	34
Total extraordinary losses	1	34
Profit before income taxes	206	330
Income taxes - current	163	127
Income taxes - deferred	55	56
Total income taxes	218	183
Profit (loss)	(12)	146
Profit attributable to non-controlling interests	71	45
Profit (loss) attributable to owners of parent	(83)	101

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit (loss)	(12)	146
Other comprehensive income		
Valuation difference on available-for-sale securities	(63)	102
Foreign currency translation adjustment	(191)	181
Share of other comprehensive income of entities accounted for using equity method	(0)	(1)
Total other comprehensive income	(255)	282
Comprehensive income	(267)	429
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(280)	328
Comprehensive income attributable to non-controlling interests	13	100