

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 12, 2020

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: February 14, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	24,607	-17.6	898	-63.9	1,060	-60.6	500	-70.9
Nine months ended December 31, 2018	29,852	22.1	2,491	91.8	2,691	89.6	1,721	249.9

Note: Comprehensive income
 Nine months ended December 31, 2019 ¥708 million [-20.9%]
 Nine months ended December 31, 2018 ¥896 million [-48.8%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	77.97		–	
Nine months ended December 31, 2018	259.45		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	44,428	25,558	51.8
As of March 31, 2019	45,512	25,410	50.0

Reference: Equity
 As of December 31, 2019 ¥23,030 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	–	20.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	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	32,000	-15.5	700	-72.1	850	-69.8	150	-92.1	23.39

Note: Revisions to the financial result forecasts most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2019	288,599 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)

Nine months ended December 31, 2019	6,414,078 shares	Nine months ended December 31, 2018	6,633,324 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 December 31, 2019
Assets		
Current assets		
Cash and deposits	8,199	8,201
Notes and accounts receivable - trade	8,894	8,019
Electronically recorded monetary claims - operating	1,830	1,989
Merchandise and finished goods	1,549	1,560
Work in process	3,720	3,567
Raw materials and supplies	1,770	1,721
Other	1,268	970
Allowance for doubtful accounts	-70	-107
Total current assets	27,162	25,920
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,538	4,270
Machinery, equipment and vehicles, net	1,234	1,240
Land	4,823	4,823
Other, net	806	847
Total property, plant and equipment	11,403	11,182
Intangible assets	738	656
Investments and other assets		
Investment securities	4,752	5,441
Deferred tax assets	441	172
Other	1,150	1,159
Allowance for doubtful accounts	-135	-103
Total investments and other assets	6,208	6,669
Total non-current assets	18,350	18,507
Total assets	45,512	44,428

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,866	2,813
Electronically recorded obligations - operating	4,352	4,035
Short-term borrowings	3,000	3,200
Current portion of long-term borrowings	747	562
Income taxes payable	355	53
Provision for bonuses	616	299
Provision for bonuses for directors (and other officers)	24	–
Provision for environmental measures	39	39
Other	2,148	2,238
Total current liabilities	14,151	13,241
Non-current liabilities		
Long-term borrowings	1,848	1,437
Provision for share-based remuneration for directors (and other officers)	7	19
Provision for retirement benefits for directors (and other officers)	35	–
Retirement benefit liability	3,871	3,936
Asset retirement obligations	29	29
Deferred tax liabilities	43	46
Other	116	157
Total non-current liabilities	5,951	5,628
Total liabilities	20,102	18,869
Net assets		
Shareholders' equity		
Share capital	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	11,813	11,987
Treasury shares	-523	-575
Total shareholders' equity	20,847	20,969
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,492	1,964
Foreign currency translation adjustment	402	95
Total accumulated other comprehensive income	1,895	2,060
Non-controlling interests	2,666	2,528
Total net assets	25,410	25,558
Total liabilities and net assets	45,512	44,428

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, 2018	Nine months ended December 31, 2019
Net sales	29,852	24,607
Cost of sales	21,975	17,989
Gross profit	7,876	6,617
Selling, general and administrative expenses	5,385	5,719
Operating profit	2,491	898
Non-operating income		
Interest income	87	69
Dividend income	104	112
Foreign exchange gains	45	–
Share of profit of entities accounted for using equity method	6	11
Other	124	176
Total non-operating income	368	369
Non-operating expenses		
Interest expenses	29	28
Foreign exchange losses	–	6
Provision of allowance for doubtful accounts for subsidiaries and associates	–	50
Other	139	121
Total non-operating expenses	168	207
Ordinary profit	2,691	1,060
Extraordinary income		
Gain on sales of non-current assets	13	0
Total extraordinary income	13	0
Extraordinary losses		
Loss on sales of non-current assets	–	4
Loss on retirement of non-current assets	9	8
Product compensation expenses	–	34
Total extraordinary losses	9	46
Profit before income taxes	2,695	1,014
Income taxes - current	614	296
Income taxes - deferred	137	66
Total income taxes	752	362
Profit	1,943	651
Profit attributable to non-controlling interests	222	151
Profit attributable to owners of parent	1,721	500

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	1,943	651
Other comprehensive income		
Valuation difference on available-for-sale securities	-698	468
Foreign currency translation adjustment	-345	-416
Share of other comprehensive income of entities accounted for using equity method	-2	5
Total other comprehensive income	-1,046	57
Comprehensive income	896	708
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	770	664
Comprehensive income attributable to non-controlling interests	125	43