

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 10, 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: November 13, 2020
 Scheduled date to commence dividend payments: December 4, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(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	%
Six months ended September 30, 2020	11,505	-32.0	-1,052	-	-911	-	-1,493	-
Six months ended September 30, 2019	16,908	-19.8	703	-61.9	742	-62.4	387	-70.9

Note: Comprehensive income Six months ended September 30, 2020 ¥-1,564 million [-%]
 Six months ended September 30, 2019 ¥458 million [-52.2%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	-237.03		-	
Six months ended September 30, 2019	60.44		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	39,527	22,620	51.7
As of March 31, 2020	44,400	24,879	50.0

Reference: Equity As of September 30, 2020 ¥20,442 million
 As of March 31, 2020 ¥22,208 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2020	-	20.00	-	20.00	40.00
Year ending March 31, 2021	-	7.00	-	-	-
Year ending March 31, 2021 (Forecast)	-	-	-	14.00	21.00

Note: Revisions to the forecasts of cash dividends most recently announced: Yes

3. Forecasts of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	24,000	-26.2	-2,200	-	-2,000	-	-2,500	-	-395.19

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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 September 30, 2020	6,699,986 shares	As of March 31, 2020	6,699,986 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	451,102 shares	As of March 31, 2020	352,664 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	6,299,341 shares	Six months ended September 30, 2019	6,415,182 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, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	8,396	7,157
Notes and accounts receivable - trade	8,012	5,913
Electronically recorded monetary claims - operating	1,950	1,594
Merchandise and finished goods	1,598	1,651
Work in process	3,269	3,078
Raw materials and supplies	1,807	1,749
Other	1,692	1,125
Allowance for doubtful accounts	-21	-26
Total current assets	26,704	22,244
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,216	4,012
Machinery, equipment and vehicles, net	1,275	1,194
Land	4,823	4,823
Construction in progress	73	58
Other, net	694	644
Total property, plant and equipment	11,083	10,734
Intangible assets	635	565
Investments and other assets		
Investment securities	4,488	4,724
Long-term loans receivable	22	21
Deferred tax assets	416	261
Other	1,261	1,190
Allowance for doubtful accounts	-212	-215
Total investments and other assets	5,976	5,983
Total non-current assets	17,695	17,283
Total assets	44,400	39,527

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,576	1,940
Electronically recorded obligations - operating	3,606	2,331
Current portion of long-term borrowings	575	565
Income taxes payable	116	148
Provision for bonuses	546	409
Provision for bonuses for directors (and other officers)	16	–
Unearned revenue	81	81
Provision for loss on relocation	–	64
Other	1,810	1,564
Total current liabilities	9,330	7,106
Non-current liabilities		
Long-term borrowings	1,373	1,095
Provision for share-based remuneration for directors (and other officers)	19	21
Retirement benefit liability	3,010	2,943
Asset retirement obligations	29	30
Long-term unearned revenue	5,580	5,541
Deferred tax liabilities	34	39
Other	142	130
Total non-current liabilities	10,190	9,801
Total liabilities	19,521	16,907
Net assets		
Shareholders' equity		
Share capital	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	11,711	10,089
Treasury shares	-661	-794
Total shareholders' equity	20,608	18,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,318	1,493
Foreign currency translation adjustment	281	95
Total accumulated other comprehensive income	1,599	1,588
Non-controlling interests	2,671	2,178
Total net assets	24,879	22,620
Total liabilities and net assets	44,400	39,527

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	16,908	11,505
Cost of sales	12,413	9,296
Gross profit	4,494	2,208
Selling, general and administrative expenses	3,790	3,260
Operating profit (loss)	703	-1,052
Non-operating income		
Interest income	42	38
Dividend income	59	58
Rental income	–	62
Share of profit of entities accounted for using equity method	7	–
Other	122	100
Total non-operating income	231	260
Non-operating expenses		
Interest expenses	19	7
Foreign exchange losses	53	31
Share of loss of entities accounted for using equity method	–	10
Provision of allowance for doubtful accounts for subsidiaries and associates	50	–
Other	69	70
Total non-operating expenses	192	119
Ordinary profit (loss)	742	-911
Extraordinary income		
Gain on sales of non-current assets	0	1
Compensation income	–	33
Total extraordinary income	0	34
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Loss on sales of non-current assets	–	0
Impairment loss	–	55
Product compensation expenses	34	–
Provision for loss on relocation	–	64
Extra retirement payments	–	197
Total extraordinary losses	35	318
Profit (loss) before income taxes	707	-1,196
Income taxes - current	242	190
Income taxes - deferred	-9	80
Total income taxes	232	271
Profit (loss)	474	-1,467
Profit attributable to non-controlling interests	86	25
Profit (loss) attributable to owners of parent	387	-1,493

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss)	474	-1,467
Other comprehensive income		
Valuation difference on available-for-sale securities	157	177
Foreign currency translation adjustment	-174	-274
Share of other comprehensive income of entities accounted for using equity method	1	-0
Total other comprehensive income	-15	-97
Comprehensive income	458	-1,564
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	414	-1,504
Comprehensive income attributable to non-controlling interests	43	-60