

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 2022

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, Executive Officer and General Manager, Accounting Department
 Phone: +81-48-755-9242
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	32,347	24.8	2,128	-	2,831	-	2,180	-
Year ended March 31, 2021	25,926	-20.2	-904	-	-518	-	-1,156	-

Note: Comprehensive income Year ended March 31, 2022 ¥3,439 million [-%]
 Year ended March 31, 2021 ¥-510 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, 2022	351.35	-	9.7	6.5	6.6
Year ended March 31, 2021	-184.72	-	-5.3	-1.2	-3.5

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2022 ¥5 million
 Year ended March 31, 2021 ¥-2 million

(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, 2022	46,123	26,399	51.7	3,844.09
As of March 31, 2021	40,893	23,565	51.8	3,414.93

Reference: Equity As of March 31, 2022 ¥23,865 million
 As of March 31, 2021 ¥21,180 million

(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, 2022	1,655	1,756	-1,134	7,755
Year ended March 31, 2021	-488	91	-1,325	5,021

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, 2021	–	7.00	–	14.00	21.00	131	–	0.6
Year ended March 31, 2022	–	20.00	–	45.00	65.00	406	18.5	1.8
Year ending March 31, 2023 (Forecast)	–	20.00	–	20.00	40.00		62.1	

* The year-end dividend per share for the year ended March 31, 2022 is changed from ¥20 to ¥45.

3. Forecasts of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	30,000	-7.3	750	-64.8	1,000	-64.7	400	-81.7	64.45

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

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

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, 2022	6,699,986 shares	As of March 31, 2021	6,699,986 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	491,565 shares	As of March 31, 2021	497,652 shares
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Average number of shares during the period

Year ended March 31, 2022	6,206,640 shares	Year ended March 31, 2021	6,260,613 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).

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	24,674	25.0	801	–	2,516	–	2,457	–
Year ended March 31, 2021	19,738	-20.8	-1,756	–	-422	–	-654	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2022	393.79		–	
Year ended March 31, 2021	-103.94		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2022	35,653		18,369		51.5		2,942.60	
As of March 31, 2021	31,247		16,042		51.3		2,572.41	

Reference: Equity As of March 31, 2022 ¥18,369 million
 As of March 31, 2021 ¥16,042 million

* Financial results reports are exempt from audit 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.

(Financial results meeting and how to obtain supplementary materials on financial results)

The Company plans to hold the online financial results meeting for analysts and institutional investors on Tuesday, May 24, 2022. The Company plans to post the supplementary materials on financial results on its website promptly after the meeting is held.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	7,287	9,811
Notes and accounts receivable - trade	7,822	–
Notes and accounts receivable - trade, and contract assets	–	9,536
Electronically recorded monetary claims - operating	1,827	2,011
Merchandise and finished goods	1,639	1,658
Work in process	2,709	4,285
Raw materials and supplies	1,519	2,309
Other	1,169	464
Allowance for doubtful accounts	-30	-19
Total current assets	23,943	30,058
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,987	13,196
Accumulated depreciation	-9,113	-9,541
Buildings and structures, net	3,873	3,654
Machinery, equipment and vehicles	9,088	9,055
Accumulated depreciation	-7,960	-8,091
Machinery, equipment and vehicles, net	1,128	963
Land	4,823	4,748
Construction in progress	1	20
Other	4,872	5,019
Accumulated depreciation	-4,317	-4,497
Other, net	555	522
Total property, plant and equipment	10,382	9,908
Intangible assets	510	456
Investments and other assets		
Investment securities	4,986	5,089
Long-term loans receivable	22	24
Deferred tax assets	150	214
Other	1,109	417
Allowance for doubtful accounts	-212	-47
Total investments and other assets	6,056	5,699
Total non-current assets	16,949	16,065
Total assets	40,893	46,123

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,233	3,538
Electronically recorded obligations - operating	3,265	4,108
Current portion of long-term borrowings	575	579
Income taxes payable	95	287
Provision for bonuses	409	572
Provision for bonuses for directors (and other officers)	1	16
Unearned revenue	81	82
Provision for loss on relocation	37	-
Provision for product compensation	133	132
Other	1,391	1,944
Total current liabilities	8,223	11,263
Non-current liabilities		
Long-term borrowings	897	418
Provision for share awards for directors (and other officers)	21	9
Retirement benefit liability	2,493	2,424
Asset retirement obligations	30	30
Long-term unearned revenue	5,502	5,423
Deferred tax liabilities	53	51
Other	106	103
Total non-current liabilities	9,104	8,460
Total liabilities	17,328	19,724
Net assets		
Shareholders' equity		
Share capital	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	10,382	12,350
Treasury shares	-857	-846
Total shareholders' equity	19,082	21,061
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,805	1,875
Foreign currency translation adjustment	292	928
Total accumulated other comprehensive income	2,097	2,803
Non-controlling interests	2,384	2,533
Total net assets	23,565	26,399
Total liabilities and net assets	40,893	46,123

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	25,926	32,347
Cost of sales	20,189	23,676
Gross profit	5,737	8,671
Selling, general and administrative expenses	6,641	6,542
Operating profit (loss)	-904	2,128
Non-operating income		
Interest income	93	78
Dividend income	115	115
Royalty income	36	42
Rental income	125	126
Foreign exchange gains	–	315
Share of profit of entities accounted for using equity method	–	5
Other	170	182
Total non-operating income	542	866
Non-operating expenses		
Interest expenses	14	10
Foreign exchange losses	4	–
Share of loss of entities accounted for using equity method	2	–
Arrangement Fee	–	24
Non-deductible consumption tax	–	24
Rent cost	35	36
Other	99	67
Total non-operating expenses	156	163
Ordinary profit (loss)	-518	2,831
Extraordinary income		
Gain on sale of investment securities	259	–
Gain on sale of non-current assets	38	227
Compensation income	33	–
Total extraordinary income	330	227
Extraordinary losses		
Loss on retirement of non-current assets	18	19
Loss on sale of non-current assets	0	0
Impairment losses	122	–
Loss on liquidation of subsidiaries and associates	0	29
Provision for loss on relocation	67	–
Extra retirement payments	205	–
Total extraordinary losses	415	49
Profit (loss) before income taxes	-602	3,009
Income taxes - current	333	596
Income taxes - deferred	64	-94
Total income taxes	397	501
Profit (loss)	-999	2,507
Profit attributable to non-controlling interests	157	327
Profit (loss) attributable to owners of parent	-1,156	2,180

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	-999	2,507
Other comprehensive income		
Valuation difference on available-for-sale securities	496	68
Foreign currency translation adjustment	-10	861
Share of other comprehensive income of entities accounted for using equity method	1	0
Total other comprehensive income	488	931
Comprehensive income	-510	3,439
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-658	2,886
Comprehensive income attributable to non-controlling interests	147	552

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,103	3,454	11,711	-661	20,608
Cumulative effects of changes in accounting policies					-
Restated balance	6,103	3,454	11,711	-661	20,608
Changes during period					
Dividends of surplus			-171		-171
Provision of reserve for employees' welfare fund			-1		-1
Profit attributable to owners of parent			-1,156		-1,156
Purchase of treasury shares				-202	-202
Disposal of treasury shares		-		6	6
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-1,329	-195	-1,525
Balance at end of period	6,103	3,454	10,382	-857	19,082

	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 period	1,318	281	1,599	2,671	24,879
Cumulative effects of changes in accounting policies					-
Restated balance	1,318	281	1,599	2,671	24,879
Changes during period					
Dividends of surplus					-171
Provision of reserve for employees' welfare fund					-1
Profit attributable to owners of parent					-1,156
Purchase of treasury shares					-202
Disposal of treasury shares					6
Net changes in items other than shareholders' equity	486	11	497	-286	211
Total changes during period	486	11	497	-286	-1,313
Balance at end of period	1,805	292	2,097	2,384	23,565

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,103	3,454	10,382	-857	19,082
Cumulative effects of changes in accounting policies					-
Restated balance	6,103	3,454	10,382	-857	19,082
Changes during period					
Dividends of surplus			-211		-211
Provision of reserve for employees' welfare fund			-0		-0
Profit attributable to owners of parent			2,180		2,180
Purchase of treasury shares				-1	-1
Disposal of treasury shares		-0		11	11
Net changes in items other than shareholders' equity					
Total changes during period	-	-0	1,968	10	1,979
Balance at end of period	6,103	3,454	12,350	-846	21,061

	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 period	1,805	292	2,097	2,384	23,565
Cumulative effects of changes in accounting policies					-
Restated balance	1,805	292	2,097	2,384	23,565
Changes during period					
Dividends of surplus					-211
Provision of reserve for employees' welfare fund					-0
Profit attributable to owners of parent					2,180
Purchase of treasury shares					-1
Disposal of treasury shares					11
Net changes in items other than shareholders' equity	70	635	706	149	855
Total changes during period	70	635	706	149	2,834
Balance at end of period	1,875	928	2,803	2,533	26,399

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	-602	3,009
Depreciation	1,162	1,018
Impairment losses	122	-
Increase (decrease) in allowance for doubtful accounts	9	-12
Interest and dividend income	-209	-194
Interest expenses	14	10
Extra retirement payments	205	-
Foreign exchange losses (gains)	-33	-219
Increase (decrease) in provision for bonuses	-137	158
Increase (decrease) in retirement benefit liability	-514	-69
Loss on liquidation of subsidiaries and associates	0	29
Provision for loss on relocation	67	-
Loss (gain) on sale and retirement of non-current assets	-18	-207
Share of loss (profit) of entities accounted for using equity method	2	-5
Decrease (increase) in trade receivables	313	-1,271
Decrease (increase) in inventories	796	-2,231
Increase (decrease) in trade payables	-681	2,082
Increase (decrease) in long-term unearned revenue	-78	-78
Other, net	-619	-84
Subtotal	-200	1,934
Interest and dividends received	217	192
Interest paid	-14	-10
Extra retirement payments	-205	-
Income taxes paid	-285	-461
Net cash provided by (used in) operating activities	-488	1,655
Cash flows from investing activities		
Net decrease (increase) in time deposits	-141	1,451
Purchase of property, plant and equipment	-463	-477
Payments for retirement of property, plant and equipment	-12	-16
Proceeds from sale of property, plant and equipment	148	331
Purchase of intangible assets	-50	-23
Proceeds from sale of investment securities	468	-
Proceeds from liquidation of subsidiaries and associates	-	375
Other, net	143	116
Net cash provided by (used in) investing activities	91	1,756

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	100	100
Repayments of long-term borrowings	-575	-575
Repayments of lease liabilities	-44	-50
Proceeds from sale of treasury shares	2	0
Purchase of treasury shares	-202	-0
Dividends paid	-171	-211
Dividends paid to non-controlling interests	-433	-396
Net cash provided by (used in) financing activities	-1,325	-1,134
Effect of exchange rate change on cash and cash equivalents	32	456
Net increase (decrease) in cash and cash equivalents	-1,689	2,733
Cash and cash equivalents at beginning of period	6,711	5,021
Cash and cash equivalents at end of period	5,021	7,755