

Translation

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

August 2, 2019

Company name: T. HASEGAWA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4958 URL <http://www.t-hasegawa.co.jp/>
 Representative: President & COO Takao Umino
 Inquiries: Director & Executive Vice President Minoru Nakamura TEL 03-3241-1151
 Scheduled date to file Quarterly Securities Report: August 9, 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 nine months ended June 30, 2019 (from October 1, 2018 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	%
Nine months ended June 30, 2019	37,718	2.3	3,853	(0.9)	4,174	(0.2)	3,043	1.8
Nine months ended June 30, 2018	36,862	4.2	3,888	(11.1)	4,181	(11.7)	2,990	(10.0)

Note: Comprehensive income
 Nine months ended June 30, 2019 ¥(279) million [–%]
 Nine months ended June 30, 2018 ¥6,751 million [(9.1)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2019	73.08		72.88	
Nine months ended June 30, 2018	70.48		70.34	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	113,663	91,317	80.2
As of September 30, 2018	118,690	94,582	79.6

Reference: Equity
 As of June 30, 2019 ¥91,137 million
 As of September 30, 2018 ¥94,432 million

Note: The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending September 30, 2019. Accordingly, the financial indicators, etc. in the consolidated financial position as of September 30, 2018 are those after retrospective application of the standard and guidances.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2018	–	17.00	–	18.00	35.00
Year ending September 30, 2019	–	17.00	–		
Year ending September 30, 2019 (Forecast)				18.00	35.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending September 30, 2019 (from October 1, 2018 to September 30, 2019)

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	52,200	4.9	5,500	8.7	5,900	7.0	4,300	4.9	103.39

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the nine 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: Yes
- (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: Yes
- 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	42,708,154 shares	As of September 30, 2018	42,708,154 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	1,257,155 shares	As of September 30, 2018	270,025 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2019	41,647,144 shares	Nine months ended June 30, 2018	42,434,727 shares
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* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution regarding 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. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2018	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	12,121	12,185
Notes and accounts receivable - trade	17,141	17,664
Securities	6,999	5,999
Merchandise and finished goods	7,086	7,444
Work in process	111	157
Raw materials and supplies	7,304	7,530
Other	980	942
Allowance for doubtful accounts	(5)	(33)
Total current assets	51,740	51,891
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,155	16,227
Other, net	13,459	13,023
Total property, plant and equipment	30,615	29,251
Intangible assets		
Goodwill	3,480	2,990
Other	3,803	3,485
Total intangible assets	7,283	6,476
Investments and other assets		
Investment securities	28,071	25,092
Net defined benefit asset	21	22
Other	1,007	974
Allowance for doubtful accounts	(49)	(45)
Total investments and other assets	29,051	26,043
Total non-current assets	66,950	61,771
Total assets	118,690	113,663
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,280	5,482
Current portion of long-term loans payable	0	0
Income taxes payable	663	492
Provision for bonuses	1,299	479
Provision for directors' bonuses	63	-
Other	3,357	3,220
Total current liabilities	10,664	9,676
Non-current liabilities		
Long-term loans payable	1	0
Deferred tax liabilities	5,553	4,656
Net defined benefit liability	6,826	6,985
Asset retirement obligations	68	68
Long-term accounts payable - other	914	892
Other	80	67
Total non-current liabilities	13,443	12,669
Total liabilities	24,108	22,345

(Millions of yen)

	As of September 30, 2018	As of June 30, 2019
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,295	7,297
Retained earnings	64,917	66,490
Treasury shares	(309)	(1,855)
Total shareholders' equity	77,268	77,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,253	15,166
Foreign currency translation adjustment	261	(1,012)
Remeasurements of defined benefit plans	(350)	(312)
Total accumulated other comprehensive income	17,164	13,840
Share acquisition rights	149	180
Total net assets	94,582	91,317
Total liabilities and net assets	118,690	113,663

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Net sales	36,862	37,718
Cost of sales	22,637	23,272
Gross profit	14,225	14,446
Selling, general and administrative expenses	10,336	10,592
Operating profit	3,888	3,853
Non-operating income		
Interest income	46	63
Dividend income	184	203
Other	92	88
Total non-operating income	324	355
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	26	26
Other	4	8
Total non-operating expenses	31	34
Ordinary profit	4,181	4,174
Extraordinary income		
Gain on sales of investment securities	63	-
Total extraordinary income	63	-
Extraordinary losses		
Loss on abandonment of non-current assets	40	49
Total extraordinary losses	40	49
Profit before income taxes	4,204	4,125
Income taxes	1,214	1,081
Profit	2,990	3,043
Profit attributable to owners of parent	2,990	3,043

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Profit	2,990	3,043
Other comprehensive income		
Valuation difference on available-for-sale securities	4,071	(2,086)
Foreign currency translation adjustment	(336)	(1,273)
Remeasurements of defined benefit plans, net of tax	25	37
Total other comprehensive income	3,760	(3,323)
Comprehensive income	6,751	(279)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,751	(279)
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. Nine months ended June 30, 2018 (from October 1, 2017 to June 30, 2018)

Net sales and income or loss by reporting segment

(Millions of yen)

	Reporting segment				Adjustment (Note 1)	Consolidated (Note 2)
	Japan	Asia	USA	Total		
Net sales						
Sales to external customers	26,786	6,035	4,041	36,862	—	36,862
Inter-segment sales or transfers	646	322	75	1,045	(1,045)	—
Total	27,433	6,357	4,117	37,908	(1,045)	36,862
Segment profit	3,161	570	179	3,911	(22)	3,888

Notes

1. The adjustments on segment profit of negative 22 million yen include 40 million yen adjustments of elimination of internal transactions between segments and negative 63 million yen adjustments of inventories related to inter-segment transactions, and 0 million yen for others.
2. Segment profit is adjusted to operating income of consolidated quarterly statements of income.

2. Nine months ended June 30, 2019 (from October 1, 2018 to June 30, 2019)

Net sales and income or loss by reporting segment

(Millions of yen)

	Reporting segment				Adjustment (Note 1)	Consolidated (Note 2)
	Japan	Asia	USA	Total		
Net sales						
Sales to external customers	27,668	5,742	4,307	37,718	—	37,718
Inter-segment sales or transfers	554	156	105	815	(815)	—
Total	28,222	5,898	4,412	38,534	(815)	37,718
Segment profit	3,368	348	70	3,787	66	3,853

Notes

1. The adjustments on segment profit of 66 million yen include 52 million yen adjustments of elimination of internal transactions between segments and 13million yen adjustments of inventories related to inter-segment transactions, and 0 million yen for others.
2. Segment profit is adjusted to operating income of consolidated quarterly statements of income.