

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2015 (Based on Japanese GAAP)

November 6, 2015

Company name: T. HASEGAWA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4958 URL <http://www.t-hasegawa.co.jp/>
 Representative: President & COO Takahiko Kondo
 Inquiries: Director, Deputy President & CFO Takao Umino TEL 03-3241-1151
 Scheduled date of ordinary general meeting of shareholders: December 17, 2015
 Scheduled date to file Securities Report: December 18, 2015
 Scheduled date to commence dividend payments: December 18, 2015
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2015 (from October 1, 2014 to September 30, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2015	47,228	5.1	4,352	(0.7)	4,852	(1.8)	3,043	(6.0)
Year ended September 30, 2014	44,917	(0.4)	4,381	(19.4)	4,939	(22.4)	3,239	(8.0)

Note: Comprehensive income Year ended September 30, 2015 ¥6,198 million [4.5%]
 Year ended September 30, 2014 ¥5,932 million [(21.7)%]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2015	73.16	–	4.0	5.0	9.2
Year ended September 30, 2014	78.00	–	4.6	5.5	9.8

Reference: Investment profit (loss) on equity method Year ended September 30, 2015 ¥ – million
 Year ended September 30, 2014 ¥ – million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	101,604	79,436	78.2	1,872.30
As of September 30, 2014	91,946	72,796	79.2	1,752.97

Reference: Equity As of September 30, 2015 ¥79,436 million
 As of September 30, 2014 ¥72,796 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 September 30, 2015	5,969	(6,769)	337	20,601
Year ended September 30, 2014	5,019	(1,518)	(1,460)	20,898

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 September 30, 2014	–	15.00	–	15.00	30.00	1,245	38.5	1.8
Year ended September 30, 2015	–	15.00	–	15.00	30.00	1,259	41.0	1.7
Year ending September 30, 2016 (Forecast)	–	15.00	–	15.00	30.00		41.5	

3. Forecast of consolidated financial results for the year ending September 30, 2016 (from October 1, 2015 to September 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2016	23,200	6.0	1,690	(3.8)	1,810	(14.9)	1,190	1.1	28.05
Full year	49,430	4.7	4,380	0.6	4,640	(4.4)	3,070	0.9	72.36

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2015

(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 after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2015	42,708,154 shares	As of September 30, 2014	42,708,154 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	281,069 shares	As of September 30, 2014	1,180,479 shares
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Average number of shares during the period

Year ended September 30, 2015	41,596,530 shares	Year ended September 30, 2014	41,527,937 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended September 30, 2015 (from October 1, 2014 to September 30, 2015)

(1) Non-consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2015	36,081	(0.5)	2,836	1.6	3,405	1.5	2,068	(5.0)
Year ended September 30, 2014	36,251	(4.5)	2,790	(32.9)	3,356	(41.0)	2,177	(35.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended September 30, 2015	49.73	–
Year ended September 30, 2014	52.44	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	91,868	72,320	78.7	1,704.57
As of September 30, 2014	84,198	67,038	79.6	1,614.30

Reference: Equity As of September 30, 2015 ¥72,320 million

As of September 30, 2014 ¥67,038 million

2. Forecast of non-consolidated financial results for the year ending September 30, 2016 (from October 1, 2015 to September 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2016	17,230	3.0	1,050	7.0	1,210	(9.6)	800	21.6	18.86
Full year	37,080	2.8	2,840	0.1	3,190	(6.3)	2,140	3.5	50.44

* Indication regarding execution of audit procedures

This financial results report is exempt from the audit procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this financial results report, the audit procedures for financial statements in accordance with the Financial Instruments and Exchange Act have not been completed.

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

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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	10,409	9,674
Notes and accounts receivable - trade	14,917	16,389
Securities	10,499	10,999
Merchandise and finished goods	5,954	5,917
Work in process	166	154
Raw materials and supplies	4,511	5,276
Deferred tax assets	578	624
Other	876	713
Allowance for doubtful accounts	(4)	(4)
Total current assets	47,909	49,744
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,446	36,100
Accumulated depreciation	(17,203)	(18,582)
Buildings and structures, net	15,242	17,517
Machinery, equipment and vehicles	34,223	35,647
Accumulated depreciation	(28,356)	(29,743)
Machinery, equipment and vehicles, net	5,867	5,904
Tools, furniture and fixtures	5,346	5,992
Accumulated depreciation	(4,339)	(4,809)
Tools, furniture and fixtures, net	1,006	1,182
Land	6,551	6,555
Construction in progress	2,088	1,455
Total property, plant and equipment	30,755	32,614
Intangible assets		
Goodwill	–	1,319
Other	427	1,220
Total intangible assets	427	2,540
Investments and other assets		
Investment securities	11,982	15,742
Deferred tax assets	31	27
Net defined benefit asset	1	6
Other	891	989
Allowance for doubtful accounts	(54)	(60)
Total investments and other assets	12,853	16,705
Total non-current assets	44,036	51,860
Total assets	91,946	101,604

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,617	5,896
Current portion of long-term loans payable	170	5
Income taxes payable	358	863
Provision for bonuses	1,000	1,054
Provision for directors' bonuses	41	36
Asset retirement obligations	–	78
Other	3,182	4,172
Total current liabilities	10,370	12,107
Non-current liabilities		
Long-term loans payable	–	151
Deferred tax liabilities	1,037	2,237
Net defined benefit liability	6,329	6,490
Provision for directors' retirement benefits	1,220	1,066
Asset retirement obligations	147	69
Other	43	46
Total non-current liabilities	8,778	10,061
Total liabilities	19,149	22,168
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	6,700	7,292
Retained earnings	55,440	57,173
Treasury shares	(1,480)	(321)
Total shareholders' equity	66,025	69,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,631	8,404
Foreign currency translation adjustment	1,461	1,817
Remeasurements of defined benefit plans	(322)	(295)
Total accumulated other comprehensive income	6,771	9,926
Total net assets	72,796	79,436
Total liabilities and net assets	91,946	101,604

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

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Net sales	44,917	47,228
Cost of sales	28,558	29,949
Gross profit	16,359	17,278
Selling, general and administrative expenses		
Packing and transportation expenses	835	830
Salaries and allowances	4,957	5,315
Provision for bonuses	623	669
Provision for directors' bonuses	41	36
Retirement benefit expenses	500	541
Provision for directors' retirement benefits	150	150
Welfare expenses	943	1,029
Depreciation	730	755
Amortization of goodwill	–	127
Other	3,195	3,468
Total selling, general and administrative expenses	11,977	12,925
Operating income	4,381	4,352
Non-operating income		
Interest income	56	54
Dividend income	183	196
Foreign exchange gains	251	183
Other	111	115
Total non-operating income	602	548
Non-operating expenses		
Interest expenses	1	10
Rent expenses on facilities	32	32
Other	9	5
Total non-operating expenses	44	49
Ordinary income	4,939	4,852
Extraordinary income		
Gain on sales of investment securities	19	–
Total extraordinary income	19	–
Extraordinary losses		
Impairment loss	–	61
Loss on abandonment of non-current assets	127	165
Loss on valuation of investment securities	–	12
Total extraordinary losses	127	239
Income before income taxes and minority interests	4,832	4,613
Income taxes - current	1,111	1,370
Income taxes - deferred	481	199
Total income taxes	1,593	1,569
Income before minority interests	3,239	3,043
Net income	3,239	3,043

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Income before minority interests	3,239	3,043
Other comprehensive income		
Valuation difference on available-for-sale securities	1,473	2,772
Foreign currency translation adjustment	1,220	355
Remeasurements of defined benefit plans, net of tax	–	27
Total other comprehensive income	2,693	3,155
Comprehensive income	5,932	6,198
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,932	6,198
Comprehensive income attributable to minority interests	–	–

Consolidated statements of changes in equity

Fiscal year ended September 30, 2014

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Treasury stock (employees' shareholding association)	Gross treasury stock	Total shareholders' equity
Balance at beginning of current period	5,364	6,700	53,655	(1,350)	(270)	(1,621)	64,099
Cumulative effects of changes in accounting policies							–
Restated balance	5,364	6,700	53,655	(1,350)	(270)	(1,621)	64,099
Changes of items during period							
Dividends of surplus			(1,453)				(1,453)
Net income			3,239				3,239
Purchase of treasury shares				(1)		(1)	(1)
Disposal of treasury shares		0		0		0	0
Sale of treasury stock from employees' shareholding association					141	141	141
Net changes of items other than shareholders' equity							
Total changes of items during period	–	0	1,785	(0)	141	140	1,925
Balance at end of current period	5,364	6,700	55,440	(1,351)	(129)	(1,480)	66,025

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	4,158	241	–	4,399	68,499
Cumulative effects of changes in accounting policies					–
Restated balance	4,158	241	–	4,399	68,499
Changes of items during period					
Dividends of surplus					(1,453)
Net income					3,239
Purchase of treasury shares					(1)
Disposal of treasury shares					0
Sale of treasury stock from employees' shareholding association					141
Net changes of items other than shareholders' equity	1,473	1,220	(322)	2,371	2,371
Total changes of items during period	1,473	1,220	(322)	2,371	4,297
Balance at end of current period	5,631	1,461	(322)	6,771	72,796

Fiscal year ended September 30, 2015

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Treasury stock (employees' shareholding association)	Gross treasury stock	Total shareholders' equity
Balance at beginning of current period	5,364	6,700	55,440	(1,351)	(129)	(1,480)	66,025
Cumulative effects of changes in accounting policies			(64)				(64)
Restated balance	5,364	6,700	55,376	(1,351)	(129)	(1,480)	65,961
Changes of items during period							
Dividends of surplus			(1,245)				(1,245)
Net income			3,043				3,043
Purchase of treasury shares				(0)		(0)	(0)
Disposal of treasury shares		591		1,030		1,030	1,621
Sale of treasury stock from employees' shareholding association					129	129	129
Net changes of items other than shareholders' equity							
Total changes of items during period	–	591	1,797	1,029	129	1,159	3,547
Balance at end of current period	5,364	7,292	57,173	(321)	–	(321)	69,509

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	5,631	1,461	(322)	6,771	72,796
Cumulative effects of changes in accounting policies					(64)
Restated balance	5,631	1,461	(322)	6,771	72,732
Changes of items during period					
Dividends of surplus					(1,245)
Net income					3,043
Purchase of treasury shares					(0)
Disposal of treasury shares					1,621
Sale of treasury stock from employees' shareholding association					129
Net changes of items other than shareholders' equity	2,772	355	27	3,155	3,155
Total changes of items during period	2,772	355	27	3,155	6,703
Balance at end of current period	8,404	1,817	(295)	9,926	79,436

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	4,832	4,613
Depreciation	2,910	3,017
Impairment loss	–	61
Amortization of goodwill	–	127
increase (decrease) in accounts payable-abolishment of retirement benefit plan	(65)	–
Increase (decrease) in provision for directors' retirement benefits	124	(153)
Increase (decrease) in provision for bonuses	14	50
Increase (decrease) in provision for directors' bonuses	(18)	(4)
Increase (decrease) in allowance for doubtful accounts	2	6
Increase (decrease) in net defined benefit liability	49	121
Interest and dividend income	(239)	(250)
Interest expenses	1	10
Foreign exchange losses (gains)	(191)	(163)
Loss on abandonment of non-current assets	127	165
Loss (gain) on sales and valuation of investment securities	(19)	12
Decrease (increase) in notes and accounts receivable - trade	433	(1,138)
Decrease (increase) in inventories	(665)	(463)
Increase (decrease) in notes and accounts payable - trade	(7)	183
Increase (decrease) in accrued consumption taxes	(128)	391
Other, net	(207)	(38)
Subtotal	6,952	6,550
Interest and dividend income received	238	249
Interest expenses paid	(2)	(9)
Income taxes paid	(2,169)	(820)
Net cash provided by (used in) operating activities	5,019	5,969
Cash flows from investing activities		
Payments into time deposits	(20)	(94)
Proceeds from withdrawal of time deposits	20	56
Purchase of securities	(2,999)	–
Proceeds from redemption of securities	7,000	–
Purchase of property, plant and equipment	(5,334)	(3,293)
Payments for retirement of property, plant and equipment	(94)	(160)
Purchase of intangible assets	(92)	(138)
Purchase of investment securities	(31)	(31)
Proceeds from sales of investment securities	69	–
Collection of lease deposits	21	–
Expenditure of capital increase of subsidiary	–	(84)
Purchase of shares of subsidiaries	(25)	(3,026)
Payments for asset retirement obligations	(37)	(3)
Other, net	6	7
Net cash provided by (used in) investing activities	(1,518)	(6,769)

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Cash flows from financing activities		
Repayments of long-term loans payable	(157)	(197)
Purchase of treasury shares	(1)	(0)
Proceeds from sales of treasury shares	153	160
Proceeds from disposal of treasury stock to a third party	–	1,621
Cash dividends paid	(1,453)	(1,246)
Repayments of finance lease obligations	(2)	–
Net cash provided by (used in) financing activities	(1,460)	337
Effect of exchange rate change on cash and cash equivalents	262	165
Net increase (decrease) in cash and cash equivalents	2,303	(297)
Cash and cash equivalents at beginning of period	18,595	20,898
Cash and cash equivalents at end of period	20,898	20,601