

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2015 (Based on Japanese GAAP)

February 5, 2016

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 to file Quarterly Securities Report: February 12, 2016  
 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 three months ended December 31, 2015 (from October 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2015	11,209	7.5	906	63.4	907	12.2	713	29.3
Three months ended December 31, 2014	10,430	(3.5)	554	(46.0)	809	(34.9)	552	(34.8)

Note: Comprehensive income Three months ended December 31, 2015 ¥1,724 million [(32.6) %]  
 Three months ended December 31, 2014 ¥2,558 million [26.2 %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2015	16.82		–	
Three months ended December 31, 2014	13.29		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	101,266	80,524	79.5
As of September 30, 2015	101,604	79,436	78.2

Reference: Equity As of December 31, 2015 ¥80,524 million  
 As of September 30, 2015 ¥79,436 million

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, 2015	–	15.00	–	15.00	30.00
Year ending September 30, 2016	–				
Year ending September 30, 2016 (Forecast)		15.00	–	15.00	30.00

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

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		Earnings 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

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2015  
(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 December 31, 2015	42,708,154 shares	As of September 30, 2015	42,708,154 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	281,069 shares	As of September 30, 2015	281,069 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2015	42,427,085 shares	Three months ended December 31, 2014	41,527,575 shares
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\* Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly 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.

## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of September 30, 2015	As of December 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	9,674	9,650
Notes and accounts receivable - trade	16,389	15,612
Securities	10,999	9,999
Merchandise and finished goods	5,917	6,123
Work in process	154	92
Raw materials and supplies	5,276	5,551
Other	1,338	1,282
Allowance for doubtful accounts	(4)	(4)
Total current assets	49,744	48,308
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,517	17,082
Other, net	15,097	14,841
Total property, plant and equipment	32,614	31,923
Intangible assets		
Goodwill	1,319	1,339
Other	1,220	1,225
Total intangible assets	2,540	2,564
Investments and other assets		
Investment securities	15,742	17,520
Net defined benefit asset	6	7
Other	1,016	1,002
Allowance for doubtful accounts	(60)	(59)
Total investments and other assets	16,705	18,470
Total non-current assets	51,860	52,958
Total assets	101,604	101,266
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,896	6,118
Current portion of long-term loans payable	5	23
Income taxes payable	863	521
Provision for bonuses	1,054	251
Provision for directors' bonuses	36	-
Asset retirement obligations	78	78
Other	4,172	3,180
Total current liabilities	12,107	10,174
Non-current liabilities		
Long-term loans payable	151	133
Deferred tax liabilities	2,237	2,834
Net defined benefit liability	6,490	6,416
Provision for directors' retirement benefits	1,066	-
Asset retirement obligations	69	69
Long-term accounts payable - other	-	1,063
Other	46	51
Total non-current liabilities	10,061	10,568
Total liabilities	22,168	20,742

(Millions of yen)

	As of September 30, 2015	As of December 31, 2015
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,292	7,292
Retained earnings	57,173	57,251
Treasury shares	(321)	(321)
Total shareholders' equity	69,509	69,586
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,404	9,667
Foreign currency translation adjustment	1,817	1,555
Remeasurements of defined benefit plans	(295)	(285)
Total accumulated other comprehensive income	9,926	10,938
Total net assets	79,436	80,524
Total liabilities and net assets	101,604	101,266

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Net sales	10,430	11,209
Cost of sales	6,775	7,071
Gross profit	3,654	4,137
Selling, general and administrative expenses	3,100	3,231
Operating income	554	906
Non-operating income		
Interest income	15	7
Dividend income	26	28
Foreign exchange gains	216	–
Other	19	20
Total non-operating income	278	56
Non-operating expenses		
Interest expenses	0	2
Rent expenses on facilities	22	22
Foreign exchange losses	–	25
Other	1	4
Total non-operating expenses	24	54
Ordinary income	809	907
Extraordinary income		
Gain on sales of investment securities	–	142
Total extraordinary income	–	142
Extraordinary losses		
Loss on abandonment of non-current assets	4	5
Total extraordinary losses	4	5
Income before income taxes and minority interests	804	1,044
Income taxes	252	331
Profit	552	713
Profit attributable to owners of parent	552	713

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Profit	552	713
Other comprehensive income		
Valuation difference on available-for-sale securities	678	1,263
Foreign currency translation adjustment	1,319	(262)
Remeasurements of defined benefit plans, net of tax	9	9
Total other comprehensive income	2,006	1,011
Comprehensive income	2,558	1,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,558	1,724
Comprehensive income attributable to non-controlling interests	—	—

## Segment Information

1. Three months ended December 31, 2014 (from October 1, 2014 to December 31, 2014)

(1) 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	8,216	1,676	537	10,430	—	10,430
Inter-segment sales or transfers	104	25	23	153	(153)	—
Total	8,320	1,702	560	10,584	(153)	10,430
Segment income or loss	544	379	(79)	845	(35)	809

Notes

- The adjustments on segment income or loss of (¥35) million include (¥19) million adjustments of inventories related to inter-segment transactions, (¥16) million foreign currency translation related to inter-segment asset and liability eliminations and (¥0) million for others.
- Segment income or loss is adjusted to ordinary income of consolidated quarterly statements of income.

(2) Information regarding the assets by reporting segment

Peresscol Sdn.Bhd. has become a wholly owned subsidiary by acquisition of all the outstanding shares, which is included in the scope of consolidation for the three months ended December 31, 2014. Due to this, the amount of assets of Asia segment listed at the end of the three months ended December 31, 2014 increased by ¥3,772 million when compared to the previous year.

(3) Information regarding impairment loss of non-current assets, goodwill, etc. by reporting segment

(Significant change in the amount of goodwill)

Peresscol Sdn.Bhd. has become a wholly owned subsidiary by acquisition of all the outstanding shares, which is included in the scope of consolidation in Asia segment. Increased amount of goodwill by the said event is ¥1,822 million for the three months ended December 31, 2014.

2. Three months ended December 31, 2015 (from October 1, 2015 to December 31, 2015)

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	8,568	1,851	789	11,209	—	11,209
Inter-segment sales or transfers	164	88	19	272	(272)	—
Total	8,732	1,939	809	11,482	(272)	11,209
Segment income or loss	755	190	(24)	920	(12)	907

Notes

- The adjustments on segment income or loss of (¥12) million include ¥2 million adjustments of inventories related to inter-segment transactions, (¥15) million foreign currency translation related to inter-segment asset and liability eliminations and (¥0) million for others.
- Segment income or loss is adjusted to ordinary income of consolidated quarterly statements of income.