

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2016 (Based on Japanese GAAP)

August 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: August 10, 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 nine months ended June 30, 2016 (from October 1, 2015 to June 30, 2016)

#### (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	%
Nine months ended June 30, 2016	35,486	3.2	3,846	19.2	3,775	1.5	2,604	15.8
Nine months ended June 30, 2015	34,402	2.3	3,226	(13.9)	3,718	(7.2)	2,248	(14.1)

Note: Comprehensive income  
 Nine months ended June 30, 2016 ¥1,177 million [(83.3)%]  
 Nine months ended June 30, 2015 ¥7,028 million [80.8%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2016	61.39		61.35	
Nine months ended June 30, 2015	54.15		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	100,245	79,365	79.1
As of September 30, 2015	101,604	79,436	78.2

Reference: Equity  
 As of June 30, 2016 ¥79,340 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	–	15.00	–	–	–
Year ending September 30, 2016 (Forecast)	–	–	–	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
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 nine months ended June 30, 2016  
(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, 2016	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 June 30, 2016	281,269 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)

Nine months ended June 30, 2016	42,427,041 shares	Nine months ended June 30, 2015	41,527,363 shares
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\* Indication regarding execution of audit 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 June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	9,674	10,957
Notes and accounts receivable - trade	16,389	15,741
Securities	10,999	8,999
Merchandise and finished goods	5,917	6,212
Work in process	154	216
Raw materials and supplies	5,276	5,383
Other	1,338	1,272
Allowance for doubtful accounts	(4)	(4)
Total current assets	49,744	48,779
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,517	17,534
Other, net	15,097	13,371
Total property, plant and equipment	32,614	30,906
Intangible assets		
Goodwill	1,319	1,153
Other	1,220	1,125
Total intangible assets	2,540	2,278
Investments and other assets		
Investment securities	15,742	17,339
Net defined benefit asset	6	10
Other	1,016	987
Allowance for doubtful accounts	(60)	(55)
Total investments and other assets	16,705	18,281
Total non-current assets	51,860	51,466
Total assets	101,604	100,245
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,896	6,389
Current portion of long-term loans payable	5	11
Income taxes payable	863	490
Provision for bonuses	1,054	372
Provision for directors' bonuses	36	-
Asset retirement obligations	78	-
Other	4,172	3,166
Total current liabilities	12,107	10,430
Non-current liabilities		
Long-term loans payable	151	121
Deferred tax liabilities	2,237	2,663
Net defined benefit liability	6,490	6,500
Provision for directors' retirement benefits	1,066	-
Asset retirement obligations	69	69
Long-term accounts payable - other	-	1,053
Other	46	41
Total non-current liabilities	10,061	10,449
Total liabilities	22,168	20,880

(Millions of yen)

	As of September 30, 2015	As of June 30, 2016
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,292	7,292
Retained earnings	57,173	58,505
Treasury shares	(321)	(322)
Total shareholders' equity	69,509	70,840
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,404	9,746
Foreign currency translation adjustment	1,817	(975)
Remeasurements of defined benefit plans	(295)	(271)
Total accumulated other comprehensive income	9,926	8,499
Subscription rights to shares	–	25
Total net assets	79,436	79,365
Total liabilities and net assets	101,604	100,245

**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, 2015	Nine months ended June 30, 2016
Net sales	34,402	35,486
Cost of sales	21,696	22,200
Gross profit	12,706	13,285
Selling, general and administrative expenses	9,479	9,439
Operating income	3,226	3,846
Non-operating income		
Interest income	43	23
Dividend income	129	143
Foreign exchange gains	257	–
Other	103	122
Total non-operating income	533	289
Non-operating expenses		
Interest expenses	7	7
Rent expenses on facilities	29	44
Foreign exchange losses	–	302
Other	3	5
Total non-operating expenses	40	360
Ordinary income	3,718	3,775
Extraordinary income		
Gain on sales of investment securities	–	142
Total extraordinary income	–	142
Extraordinary losses		
Loss on abandonment of non-current assets	77	35
Loss on valuation of investment securities	12	–
Impairment loss	51	–
Total extraordinary losses	140	35
Income before income taxes and minority interests	3,578	3,882
Income taxes	1,329	1,278
Profit	2,248	2,604
Profit attributable to owners of parent	2,248	2,604

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

(Millions of yen)

	Nine months ended June 30, 2015	Nine months ended June 30, 2016
Profit	2,248	2,604
Other comprehensive income		
Valuation difference on available-for-sale securities	3,353	1,342
Foreign currency translation adjustment	1,412	(2,793)
Remeasurements of defined benefit plans, net of tax	13	23
Total other comprehensive income	4,779	(1,427)
Comprehensive income	7,028	1,177
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,028	1,177
Comprehensive income attributable to non-controlling interests	—	—

## Segment Information

1. Nine months ended June 30, 2015 (from October 1, 2014 to June 30, 2015)

(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	26,151	6,220	2,030	34,402	—	34,402
Inter-segment sales or transfers	316	176	71	564	(564)	—
Total	26,467	6,397	2,101	34,966	(564)	34,402
Segment income or loss	2,705	1,134	(100)	3,738	(20)	3,718

Notes

- The adjustments on segment income or loss of (¥20) million include (¥13) million foreign currency translation related to inter-segment asset and liability eliminations, (¥6) million adjustments of inventories related to inter-segment transactions, 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 nine months ended June 30, 2015 increased by ¥3,472 million when compared to the end of the previous fiscal year.

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

(Significant impairment loss related to non-current assets)

In Japan segment, the Company realized impairment loss of certain rental assets to a contract manufacturer as they are unutilized. The amount of the relevant impairment loss is ¥51 million for the nine months ended June 30, 2015.

(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 nine months ended June 30, 2015.

2. Nine months ended June 30, 2016 (from October 1, 2015 to June 30, 2016)

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	27,048	5,909	2,528	35,486	—	35,486
Inter-segment sales or transfers	398	331	204	934	(934)	—
Total	27,446	6,241	2,732	36,420	(934)	35,486
Segment income or loss	2,899	818	60	3,778	(3)	3,775

Notes

- The adjustments on segment income or loss of (¥3) million include (¥2) million foreign currency translation related to inter-segment asset and liability eliminations and (¥1) million for others.
- Segment income or loss is adjusted to ordinary income of consolidated quarterly statements of income.