

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended March 31, 2017
(Based on Japanese GAAP)**

May 12, 2017

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: May 15, 2017
 Scheduled date to commence dividend payments: June 1, 2017
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2017 (from October 1, 2016 to March 31, 2017)

(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	%
Six months ended March 31, 2017	22,991	0.7	3,077	35.9	3,363	49.9	2,351	52.4
Six months ended March 31, 2016	22,825	4.3	2,263	28.8	2,243	5.4	1,543	31.0

Note: Comprehensive income Six months ended March 31, 2017 ¥4,487 million [199.4 %]
 Six months ended March 31, 2016 ¥1,499 million [(71.1) %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2017	55.44	55.37
Six months ended March 31, 2016	36.38	36.36

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2017	104,266	83,731	80.2
As of September 30, 2016	100,853	79,939	79.2

Reference: Equity As of March 31, 2017 ¥83,668 million
 As of September 30, 2016 ¥79,902 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2016	–	15.00	–	17.00	32.00
Year ending September 30, 2017	–	16.00			
Year ending September 30, 2017 (Forecast)			–	16.00	32.00

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

3. Forecast of consolidated financial results for the year ending September 30, 2017 (from October 1, 2016 to September 30, 2017)

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	48,000	0.9	5,610	8.7	5,830	12.9	4,070	11.9	95.93

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended March 31, 2017
(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: No
- 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 March 31, 2017	42,708,154 shares	As of September 30, 2016	42,708,154 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	281,449 shares	As of September 30, 2016	281,269 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2017	42,426,791 shares	Six months ended March 31, 2016	42,427,085 shares
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* Quarterly financial results reports are not required to be subjected to quarterly reviews.

* 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, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	11,336	12,809
Notes and accounts receivable - trade	15,312	14,264
Securities	10,999	10,999
Merchandise and finished goods	6,190	6,670
Work in process	103	173
Raw materials and supplies	5,152	5,279
Other	1,242	1,148
Allowance for doubtful accounts	(4)	(4)
Total current assets	50,333	51,341
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,180	18,121
Other, net	13,130	13,182
Total property, plant and equipment	30,311	31,304
Intangible assets		
Goodwill	1,066	1,040
Other	1,079	1,104
Total intangible assets	2,145	2,144
Investments and other assets		
Investment securities	17,270	18,665
Net defined benefit asset	2	4
Other	846	862
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	18,063	19,476
Total non-current assets	50,520	52,924
Total assets	100,853	104,266
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,661	5,105
Current portion of long-term loans payable	5	11
Income taxes payable	737	910
Provision for bonuses	1,116	775
Provision for directors' bonuses	58	-
Other	2,876	2,903
Total current liabilities	10,455	9,705
Non-current liabilities		
Long-term loans payable	116	3
Deferred tax liabilities	2,608	3,135
Net defined benefit liability	6,590	6,538
Asset retirement obligations	70	70
Long-term accounts payable - other	1,027	1,017
Other	46	62
Total non-current liabilities	10,458	10,828
Total liabilities	20,914	20,534

(Millions of yen)

	As of September 30, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,292	7,292
Retained earnings	59,538	61,169
Treasury shares	(322)	(322)
Total shareholders' equity	71,873	73,504
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,695	10,680
Foreign currency translation adjustment	(1,367)	(234)
Remeasurements of defined benefit plans	(299)	(281)
Total accumulated other comprehensive income	8,028	10,164
Subscription rights to shares	37	63
Total net assets	79,939	83,731
Total liabilities and net assets	100,853	104,266

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Net sales	22,825	22,991
Cost of sales	14,328	13,798
Gross profit	8,497	9,193
Selling, general and administrative expenses	6,233	6,115
Operating income	2,263	3,077
Non-operating income		
Interest income	15	18
Dividend income	107	115
Foreign exchange gains	–	136
Other	47	46
Total non-operating income	170	316
Non-operating expenses		
Interest expenses	5	3
Rent expenses on facilities	40	26
Foreign exchange losses	137	–
Other	6	1
Total non-operating expenses	190	31
Ordinary income	2,243	3,363
Extraordinary income		
Gain on sales of investment securities	142	55
Total extraordinary income	142	55
Extraordinary losses		
Loss on abandonment of non-current assets	13	70
Total extraordinary losses	13	70
Profit before income taxes	2,373	3,348
Income taxes	829	996
Profit	1,543	2,351
Profit attributable to owners of parent	1,543	2,351

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Profit	1,543	2,351
Other comprehensive income		
Valuation difference on available-for-sale securities	967	984
Foreign currency translation adjustment	(1,024)	1,133
Remeasurements of defined benefit plans, net of tax	13	17
Total other comprehensive income	(44)	2,135
Comprehensive income	1,499	4,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,499	4,487
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. Six months ended March 31, 2016 (from October 1, 2015 to March 31, 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	17,062	4,113	1,650	22,825	—	22,825
Inter-segment sales or transfers	293	204	40	538	(538)	—
Total	17,355	4,317	1,690	23,363	(538)	22,825
Segment income or loss	1,604	655	(10)	2,249	(5)	2,243

Notes

1. Negative 5 million yen of the adjustment regarding segment income or loss include negative 4 million yen of foreign exchange profit or loss related to inter-segment asset and liability eliminations, the adjustments of negative 1 million yen regarding inventories related to inter-segment transactions, and negative 0 million yen for others.
2. Segment income or loss is adjusted to ordinary income of consolidated quarterly statements of income.

2. Six months ended March 31, 2017 (from October 1, 2016 to March 31, 2017)

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	17,313	3,881	1,796	22,991	—	22,991
Inter-segment sales or transfers	259	170	93	522	(522)	—
Total	17,572	4,052	1,889	23,514	(522)	22,991
Segment income	2,461	731	125	3,317	46	3,363

Notes

1. 46 million yen of the adjustment regarding segment income include 2 million yen of foreign exchange profit or loss related to inter-segment asset and liability eliminations, 43 million yen of the adjustment regarding inventories related to inter-segment transactions, and negative 0 million yen for others.
2. Segment income is adjusted to ordinary income of consolidated quarterly statements of income.