

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2017 (Based on Japanese GAAP)

February 8, 2018

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: February 14, 2018  
 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, 2017 (from October 1, 2017 to December 31, 2017)

(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	%
Three months ended December 31, 2017	11,655	1.0	1,009	(30.8)	1,079	(34.9)	745	(36.1)
Three months ended December 31, 2016	11,542	3.0	1,458	61.0	1,659	82.8	1,166	63.4

Note: Comprehensive income Three months ended December 31, 2017 ¥3,097 million [(0.3) %]  
 Three months ended December 31, 2016 ¥3,105 million [80.0 %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2017	17.57		17.55	
Three months ended December 31, 2016	27.49		27.47	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	111,570	89,833	80.4
As of September 30, 2017	109,836	87,528	79.6

Reference: Equity As of December 31, 2017 ¥89,746 million  
 As of September 30, 2017 ¥87,438 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, 2017	–	16.00	–	19.00	35.00
Year ending September 30, 2018	–				
Year ending September 30, 2018 (Forecast)		17.00	–	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, 2018 (from October 1, 2017 to September 30, 2018)

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	51,600	7.5	5,880	4.9	6,210	1.8	4,320	0.5	101.82

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, 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 December 31, 2017	42,708,154 shares	As of September 30, 2017	42,708,154 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	269,819 shares	As of September 30, 2017	281,719 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, 2017	42,429,410 shares	Three months ended December 31, 2016	42,426,855 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, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	10,802	10,825
Notes and accounts receivable - trade	16,893	15,631
Securities	5,999	5,999
Merchandise and finished goods	6,530	6,940
Work in process	160	60
Raw materials and supplies	6,004	6,054
Other	2,313	2,254
Allowance for doubtful accounts	(8)	(10)
Total current assets	48,694	47,756
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,953	17,800
Other, net	13,291	13,359
Total property, plant and equipment	31,245	31,159
Intangible assets		
Goodwill	3,885	3,812
Other	3,923	3,920
Total intangible assets	7,809	7,733
Investments and other assets		
Investment securities	21,202	24,029
Net defined benefit asset	18	19
Other	922	928
Allowance for doubtful accounts	(57)	(56)
Total investments and other assets	22,086	24,920
Total non-current assets	61,141	63,813
Total assets	109,836	111,570
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,540	5,380
Current portion of long-term loans payable	4	2
Income taxes payable	839	345
Provision for bonuses	1,264	325
Provision for directors' bonuses	67	-
Other	2,818	3,124
Total current liabilities	10,534	9,179
Non-current liabilities		
Long-term loans payable	4	1
Deferred tax liabilities	4,012	4,893
Net defined benefit liability	6,631	6,601
Asset retirement obligations	70	70
Long-term accounts payable - other	997	929
Other	56	61
Total non-current liabilities	11,772	12,557
Total liabilities	22,307	21,736

(Millions of yen)

	As of September 30, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,292	7,295
Retained earnings	62,438	62,378
Treasury shares	(323)	(309)
Total shareholders' equity	74,772	74,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,435	14,373
Foreign currency translation adjustment	468	873
Remeasurements of defined benefit plans	(237)	(229)
Total accumulated other comprehensive income	12,665	15,017
Subscription rights to shares	90	86
Total net assets	87,528	89,833
Total liabilities and net assets	109,836	111,570

**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, 2016	Three months ended December 31, 2017
Net sales	11,542	11,655
Cost of sales	6,986	7,196
Gross profit	4,555	4,459
Selling, general and administrative expenses	3,097	3,449
Operating profit	1,458	1,009
Non-operating income		
Interest income	9	13
Dividend income	24	26
Foreign exchange gains	173	14
Other	19	17
Total non-operating income	226	71
Non-operating expenses		
Interest expenses	2	0
Rent expenses on facilities	21	–
Other	0	1
Total non-operating expenses	24	1
Ordinary profit	1,659	1,079
Extraordinary income		
Gain on sales of investment securities	55	–
Total extraordinary income	55	–
Extraordinary losses		
Loss on abandonment of non-current assets	17	28
Total extraordinary losses	17	28
Profit before income taxes	1,698	1,051
Income taxes	531	305
Profit	1,166	745
Profit attributable to owners of parent	1,166	745

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

(Millions of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Profit	1,166	745
Other comprehensive income		
Valuation difference on available-for-sale securities	290	1,938
Foreign currency translation adjustment	1,639	405
Remeasurements of defined benefit plans, net of tax	8	8
Total other comprehensive income	1,938	2,351
Comprehensive income	3,105	3,097
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,105	3,097
Comprehensive income attributable to non-controlling interests	—	—

## Segment Information

### 1. Three months ended December 31, 2016 (from October 1, 2016 to December 31, 2016)

Net sales and profit 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	8,782	1,903	856	11,542	—	11,542
Inter-segment sales or transfers	166	96	28	291	(291)	—
Total	8,949	1,999	885	11,834	(291)	11,542
Segment profit	1,020	334	31	1,385	72	1,458

#### Notes

- The adjustments on segment profit of 72 million yen include 53 million yen adjustments of inventories related to inter-segment transactions, 19 million yen adjustments of elimination of internal transactions between segments, and 0 million yen for others.
- Segment profit is adjusted to operating income of consolidated quarterly statements of income.

### 2. Three months ended December 31, 2017 (from October 1, 2017 to December 31, 2017)

(1) Net sales and profit 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	8,614	1,816	1,225	11,655	—	11,655
Inter-segment sales or transfers	158	122	17	298	(298)	—
Total	8,772	1,939	1,242	11,954	(298)	11,655
Segment profit or loss	878	160	(32)	1,006	3	1,009

#### Notes

- The adjustments on segment profit or loss of 3 million yen include negative 20 million yen adjustments of inventories related to inter-segment transactions, 23 million yen adjustments of elimination of internal transactions between segments and negative 0 million yen for others.
- Segment profit or loss is adjusted to operating income of consolidated quarterly statements of income.

(2) Notes relating to changes in reportable segments etc.

The Company changed its management KPI from ordinary income to operating income from the first quarter of this fiscal year. To effect this change, the presentation of segment profit or loss was changed from ordinary income to operating income. To make the presentations on the consolidated statement of operations comparable year to year, segment profit for the year ended December 31, 2016 was restated accordingly.