

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2019 (Based on Japanese GAAP)

May 10, 2019

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: May 14, 2019
 Scheduled date to commence dividend payments: May 31, 2019
 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, 2019 (from October 1, 2018 to March 31, 2019)

(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	%
Six months ended March 31, 2019	24,468	4.3	2,221	3.4	2,436	5.5	1,761	8.9
Six months ended March 31, 2018	23,462	2.0	2,147	(30.2)	2,310	(31.3)	1,617	(31.2)

Note: Comprehensive income Six months ended March 31, 2019 ¥333 million [(91.0)%]
 Six months ended March 31, 2018 ¥3,698 million [(17.6)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2019	42.22		42.11	
Six months ended March 31, 2018	38.12		38.05	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	114,993	92,623	80.4
As of September 30, 2018	118,690	94,582	79.6

Reference: Equity As of March 31, 2019 ¥92,458 million
 As of September 30, 2018 ¥94,432 million

Note: The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending September 30, 2019. Accordingly, the financial indicators, etc. in the consolidated financial position as of September 30, 2018 are those after retrospective application of the standard and guidances.

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, 2018	–	17.00	–	18.00	35.00
Year ending September 30, 2019	–	17.00			
Year ending September 30, 2019 (Forecast)			–	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, 2019 (from October 1, 2018 to September 30, 2019)

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	52,200	4.9	5,500	8.7	5,900	7.0	4,300	4.9	103.39

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, 2019
(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 March 31, 2019	42,708,154 shares	As of September 30, 2018	42,708,154 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	1,257,155 shares	As of September 30, 2018	270,025 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, 2019	41,731,206 shares	Six months ended March 31, 2018	42,433,206 shares
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* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

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

(Caution regarding forward-looking statements)

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, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	12,121	13,388
Notes and accounts receivable - trade	17,141	15,951
Securities	6,999	5,999
Merchandise and finished goods	7,086	7,385
Work in process	111	157
Raw materials and supplies	7,304	7,341
Other	980	725
Allowance for doubtful accounts	(5)	(34)
Total current assets	51,740	50,915
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,155	16,671
Other, net	13,459	13,232
Total property, plant and equipment	30,615	29,904
Intangible assets		
Goodwill	3,480	3,199
Other	3,803	3,649
Total intangible assets	7,283	6,849
Investments and other assets		
Investment securities	28,071	26,365
Net defined benefit asset	21	22
Other	1,007	986
Allowance for doubtful accounts	(49)	(50)
Total investments and other assets	29,051	27,324
Total non-current assets	66,950	64,077
Total assets	118,690	114,993
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,280	5,460
Current portion of long-term loans payable	0	0
Income taxes payable	663	702
Provision for bonuses	1,299	817
Provision for directors' bonuses	63	-
Other	3,357	2,383
Total current liabilities	10,664	9,365
Non-current liabilities		
Long-term loans payable	1	0
Deferred tax liabilities	5,553	5,065
Net defined benefit liability	6,826	6,891
Asset retirement obligations	68	68
Long-term accounts payable - other	914	897
Other	80	82
Total non-current liabilities	13,443	13,004
Total liabilities	24,108	22,369

(Millions of yen)

	As of September 30, 2018	As of March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,295	7,297
Retained earnings	64,917	65,915
Treasury shares	(309)	(1,855)
Total shareholders' equity	77,268	76,722
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,253	16,052
Foreign currency translation adjustment	261	9
Remeasurements of defined benefit plans	(350)	(325)
Total accumulated other comprehensive income	17,164	15,736
Share acquisition rights	149	164
Total net assets	94,582	92,623
Total liabilities and net assets	118,690	114,993

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, 2018	Six months ended March 31, 2019
Net sales	23,462	24,468
Cost of sales	14,544	15,202
Gross profit	8,917	9,265
Selling, general and administrative expenses	6,770	7,044
Operating profit	2,147	2,221
Non-operating income		
Interest income	30	39
Dividend income	136	153
Other	63	57
Total non-operating income	229	250
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	61	8
Other	5	25
Total non-operating expenses	66	34
Ordinary profit	2,310	2,436
Extraordinary losses		
Loss on abandonment of non-current assets	35	14
Total extraordinary losses	35	14
Profit before income taxes	2,274	2,422
Income taxes	656	660
Profit	1,617	1,761
Profit attributable to owners of parent	1,617	1,761

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Profit	1,617	1,761
Other comprehensive income		
Valuation difference on available-for-sale securities	2,514	(1,200)
Foreign currency translation adjustment	(450)	(252)
Remeasurements of defined benefit plans, net of tax	17	24
Total other comprehensive income	2,081	(1,427)
Comprehensive income	3,698	333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,698	333
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. Six months ended March 31, 2018 (from October 1, 2017 to March 31, 2018)

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	16,938	3,954	2,569	23,462	—	23,462
Inter-segment sales or transfers	441	176	53	671	(671)	—
Total	17,380	4,131	2,622	24,134	(671)	23,462
Segment profit	1,763	392	32	2,188	(41)	2,147

Notes

1. The adjustments on segment profit of negative 41 million yen include 28 million yen adjustments of elimination of internal transactions between segments, negative 69 million yen adjustments of inventories related to inter-segment transactions, and 0 million yen for others.
2. Segment profit is adjusted to operating income of consolidated quarterly statements of income.

2. Six months ended March 31, 2019 (from October 1, 2018 to March 31, 2019)

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	17,743	3,946	2,777	24,468	—	24,468
Inter-segment sales or transfers	377	106	62	546	(546)	—
Total	18,121	4,052	2,840	25,015	(546)	24,468
Segment profit or loss	1,955	248	(18)	2,185	35	2,221

Notes

1. The adjustments on segment profit or loss of 35 million yen include 33 million yen adjustments of elimination of internal transactions between segments, 3 million yen adjustments of inventories related to inter-segment transactions, and negative 0 million yen for others.
2. Segment profit or loss is adjusted to operating income of consolidated quarterly statements of income.