

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended March 31, 2020 (Based on Japanese GAAP)

May 8, 2020

Company name: T. HASEGAWA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4958 URL <https://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, 2020
 Scheduled date to commence dividend payments: May 29, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2020 (from October 1, 2019 to March 31, 2020)

(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, 2020	24,462	(0.0)	2,469	11.2	2,688	10.3	2,092	18.8
Six months ended March 31, 2019	24,468	4.3	2,221	3.4	2,436	5.5	1,761	8.9

Note: Comprehensive income Six months ended March 31, 2020 ¥1,393 million [317.2%]
 Six months ended March 31, 2019 ¥333 million [(91.0)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2020	50.49		50.31	
Six months ended March 31, 2019	42.22		42.11	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2020	111,315	91,024	81.6
As of September 30, 2019	113,863	90,344	79.2

Reference: Equity As of March 31, 2020 ¥90,795 million
 As of September 30, 2019 ¥90,148 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, 2019	-	17.00	-	18.00	35.00
Year ending September 30, 2020	-	18.00	-	-	-
Year ending September 30, 2020 (Forecast)	-	-	-	20.00	38.00

Note: Revision of cash dividend forecast most recently announced: Yes

3. Forecast of consolidated financial results for the year ending September 30, 2020 (from October 1, 2019 to September 30, 2020)

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	50,500	0.0	4,880	4.3	5,320	2.8	4,640	12.6	112.76

Note: Revision of consolidated financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended March 31, 2020
(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, 2020	42,708,154 shares	As of September 30, 2019	42,708,154 shares
----------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2020	1,257,319 shares	As of September 30, 2019	1,257,206 shares
----------------------	------------------	--------------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2020	41,450,911 shares	Six months ended March 31, 2019	41,731,206 shares
---------------------------------	-------------------	---------------------------------	-------------------

* 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

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, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	15,730	15,414
Notes and accounts receivable - trade	15,792	14,571
Securities	7,999	10,999
Merchandise and finished goods	7,236	7,374
Work in process	107	196
Raw materials and supplies	7,320	6,994
Other	2,469	759
Allowance for doubtful accounts	(35)	(42)
Total current assets	56,620	56,268
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,127	15,674
Other, net	12,690	12,356
Total property, plant and equipment	28,817	28,031
Intangible assets		
Goodwill	716	633
Other	3,461	3,379
Total intangible assets	4,177	4,013
Investments and other assets		
Investment securities	22,680	21,455
Retirement benefit asset	18	19
Other	1,598	1,577
Allowance for doubtful accounts	(48)	(51)
Total investments and other assets	24,248	23,001
Total non-current assets	57,243	55,046
Total assets	113,863	111,315
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,401	4,890
Current portion of long-term borrowings	0	-
Income taxes payable	1,648	856
Provision for bonuses	1,296	900
Provision for bonuses for directors (and other officers)	61	-
Other	3,301	2,391
Total current liabilities	11,709	9,039
Non-current liabilities		
Deferred tax liabilities	3,787	3,346
Retirement benefit liability	6,998	7,103
Asset retirement obligations	68	69
Long-term accounts payable - other	887	659
Other	68	71
Total non-current liabilities	11,809	11,251
Total liabilities	23,519	20,290

(Millions of yen)

	As of September 30, 2019	As of March 31, 2020
Net assets		
Shareholders' equity		
Share capital	5,364	5,364
Capital surplus	7,297	7,297
Retained earnings	67,570	68,917
Treasury shares	(1,856)	(1,856)
Total shareholders' equity	78,377	79,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,540	12,670
Foreign currency translation adjustment	(1,459)	(1,315)
Remeasurements of defined benefit plans	(309)	(283)
Total accumulated other comprehensive income	11,771	11,072
Share acquisition rights	195	228
Total net assets	90,344	91,024
Total liabilities and net assets	113,863	111,315

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, 2019	Six months ended March 31, 2020
Net sales	24,468	24,462
Cost of sales	15,202	15,114
Gross profit	9,265	9,348
Selling, general and administrative expenses	7,044	6,878
Operating profit	2,221	2,469
Non-operating income		
Interest income	39	49
Dividend income	153	147
Other	57	70
Total non-operating income	250	267
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	8	31
Other	25	15
Total non-operating expenses	34	48
Ordinary profit	2,436	2,688
Extraordinary income		
Gain on sales of non-current assets	–	320
Total extraordinary income	–	320
Extraordinary losses		
Loss on abandonment of non-current assets	14	–
Total extraordinary losses	14	–
Profit before income taxes	2,422	3,008
Income taxes	660	916
Profit	1,761	2,092
Profit attributable to owners of parent	1,761	2,092

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2019	Six months ended March 31, 2020
Profit	1,761	2,092
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,200)	(869)
Foreign currency translation adjustment	(252)	144
Remeasurements of defined benefit plans, net of tax	24	25
Total other comprehensive income	(1,427)	(699)
Comprehensive income	333	1,393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	333	1,393
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. 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.

2. Six months ended March 31, 2020 (from October 1, 2019 to March 31, 2020)

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	17,765	3,625	3,071	24,462	—	24,462
Inter-segment sales or transfers	391	66	69	527	(527)	—
Total	18,157	3,691	3,141	24,990	(527)	24,462
Segment profit	1,879	276	283	2,440	29	2,469

Notes

1. The adjustments on segment profit of 29 million yen include 39 million yen adjustments of elimination of internal transactions between segments, negative 7 million yen adjustments of inventories related to inter-segment transactions, and negative 2 million yen for others.
2. Segment profit is adjusted to operating income of consolidated quarterly statements of income.