

**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 Year Ended September 30, 2019  
(Based on Japanese GAAP)**

November 8, 2019

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 of ordinary general meeting of shareholders: December 19, 2019  
 Scheduled date to file Securities Report: December 20, 2019  
 Scheduled date to commence dividend payments: December 3, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2019 (from October 1, 2018 to September 30, 2019)

(1) Consolidated operating results

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	%
Year ended September 30, 2019	50,493	1.5	4,678	(7.5)	5,175	(6.1)	4,121	0.5
Year ended September 30, 2018	49,751	3.6	5,058	(9.8)	5,512	(9.6)	4,100	(4.6)

Note: Comprehensive income Year ended September 30, 2019 ¥(1,270) million [-%]  
 Year ended September 30, 2018 ¥8,599 million [(3.8)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2019	99.07	98.77	4.5	4.5	9.3
Year ended September 30, 2018	96.64	96.43	4.5	4.8	10.2

Reference: Investment profit (loss) on equity method Year ended September 30, 2019 ¥- million  
 Year ended September 30, 2018 ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	113,863	90,344	79.2	2,174.84
As of September 30, 2018	118,690	94,582	79.6	2,225.19

Reference: Equity As of September 30, 2019 ¥90,148 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 fiscal year under review. Accordingly, the financial indicators, etc. in the consolidated financial position as of the end of the previous fiscal year are those after retrospective application of the standard and guidances.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2019	9,230	(2,275)	(3,035)	20,898
Year ended September 30, 2018	5,894	(3,624)	(1,534)	17,221

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2018	–	17.00	–	18.00	35.00	1,485	36.2	1.6
Year ended September 30, 2019	–	17.00	–	18.00	35.00	1,450	35.3	1.6
Year ending September 30, 2020 (Forecast)	–	18.00	–	18.00	36.00		35.1	

## 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	51,600	2.2	5,100	9.0	5,550	7.2	4,250	3.1	102.53

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended September 30, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

### (2) 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

### (3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 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 September 30, 2019	1,257,206 shares	As of September 30, 2018	270,025 shares
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Average number of shares during the period

Year ended September 30, 2019	41,601,873 shares	Year ended September 30, 2018	42,435,512 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended September 30, 2019 (from October 1, 2018 to September 30, 2019)

(1) Non-consolidated financial results Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2019	37,646	2.0	3,835	(3.6)	4,319	(3.4)	5,054	55.6
Year ended September 30, 2018	36,907	0.9	3,977	2.8	4,470	2.4	3,247	0.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended September 30, 2019	121.49	121.11
Year ended September 30, 2018	76.54	76.37

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	105,876	84,624	79.7	2,036.84
As of September 30, 2018	107,808	86,249	79.9	2,028.85

Reference: Equity As of September 30, 2019 ¥84,429 million  
As of September 30, 2018 ¥86,100 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 fiscal year under review. Accordingly, the financial indicators, etc. in the non-consolidated financial position as of the end of the previous fiscal year are those after retrospective application of the standard and guidances.

2. Forecast of non-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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,800	3.1	4,040	5.3	4,500	4.2	3,450	(31.7)	83.23

\* Financial results reports are exempt from audit 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.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2018	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	12,121	15,730
Notes and accounts receivable - trade	17,141	15,792
Securities	6,999	7,999
Merchandise and finished goods	7,086	7,236
Work in process	111	107
Raw materials and supplies	7,304	7,320
Other	980	2,469
Allowance for doubtful accounts	(5)	(35)
Total current assets	51,740	56,620
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,386	38,220
Accumulated depreciation	(21,231)	(22,093)
Buildings and structures, net	17,155	16,127
Machinery, equipment and vehicles	35,114	34,474
Accumulated depreciation	(30,400)	(30,239)
Machinery, equipment and vehicles, net	4,714	4,234
Tools, furniture and fixtures	6,924	7,169
Accumulated depreciation	(5,615)	(5,964)
Tools, furniture and fixtures, net	1,308	1,205
Land	7,081	7,014
Construction in progress	355	234
Total property, plant and equipment	30,615	28,817
Intangible assets		
Goodwill	3,480	716
Customer relationship	2,901	2,609
Other	901	851
Total intangible assets	7,283	4,177
Investments and other assets		
Investment securities	28,071	22,680
Deferred tax assets	107	740
Retirement benefit asset	21	18
Other	900	857
Allowance for doubtful accounts	(49)	(48)
Total investments and other assets	29,051	24,248
Total non-current assets	66,950	57,243
Total assets	118,690	113,863

(Millions of yen)

	As of September 30, 2018	As of September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,280	5,401
Current portion of long-term loans payable	0	0
Income taxes payable	663	1,648
Provision for bonuses	1,299	1,296
Provision for bonuses for directors (and other officers)	63	61
Other	3,357	3,301
Total current liabilities	10,664	11,709
Non-current liabilities		
Long-term loans payable	1	–
Deferred tax liabilities	5,553	3,787
Retirement benefit liability	6,826	6,998
Asset retirement obligations	68	68
Long-term accounts payable - other	914	887
Other	80	68
Total non-current liabilities	13,443	11,809
Total liabilities	24,108	23,519
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,295	7,297
Retained earnings	64,917	67,570
Treasury shares	(309)	(1,856)
Total shareholders' equity	77,268	78,377
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,253	13,540
Foreign currency translation adjustment	261	(1,459)
Remeasurements of defined benefit plans	(350)	(309)
Total accumulated other comprehensive income	17,164	11,771
Share acquisition rights	149	195
Total net assets	94,582	90,344
Total liabilities and net assets	118,690	113,863

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Net sales	49,751	50,493
Cost of sales	30,619	31,373
Gross profit	19,132	19,120
Selling, general and administrative expenses		
Packing and transportation expenses	910	927
Salaries and allowances	5,711	5,983
Provision for bonuses	864	860
Provision for bonuses for directors (and other officers)	63	61
Retirement benefit expenses	485	528
Welfare expenses	1,200	1,229
Depreciation	963	942
Amortization of goodwill	430	354
Other	3,442	3,553
Total selling, general and administrative expenses	14,073	14,441
Operating profit	5,058	4,678
Non-operating income		
Interest income	62	90
Dividend income	304	341
Other	108	113
Total non-operating income	475	544
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	15	29
Other	5	17
Total non-operating expenses	21	47
Ordinary profit	5,512	5,175
Extraordinary income		
Gain on sales of investment securities	63	2,665
Total extraordinary income	63	2,665
Extraordinary losses		
Impairment loss	–	2,317
Loss on abandonment of non-current assets	54	58
Total extraordinary losses	54	2,376
Profit before income taxes	5,521	5,464
Income taxes - current	1,395	2,146
Income taxes - deferred	24	(803)
Total income taxes	1,420	1,343
Profit	4,100	4,121
Profit attributable to owners of parent	4,100	4,121

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Profit	4,100	4,121
Other comprehensive income		
Valuation difference on available-for-sale securities	4,817	(3,712)
Foreign currency translation adjustment	(206)	(1,721)
Remeasurements of defined benefit plans, net of tax	(112)	41
Total other comprehensive income	4,498	(5,392)
Comprehensive income	8,599	(1,270)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,599	(1,270)
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,364	7,292	62,438	(323)	74,772
Changes of items during period					
Change of scope of consolidation			(94)		(94)
Dividends of surplus			(1,527)		(1,527)
Profit attributable to owners of parent			4,100		4,100
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		3		13	17
Net changes of items other than shareholders' equity					
Total changes of items during period	-	3	2,479	13	2,495
Balance at end of current period	5,364	7,295	64,917	(309)	77,268

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	12,435	468	(237)	12,665	90	87,528
Changes of items during period						
Change of scope of consolidation						(94)
Dividends of surplus						(1,527)
Profit attributable to owners of parent						4,100
Purchase of treasury shares						(0)
Disposal of treasury shares						17
Net changes of items other than shareholders' equity	4,817	(206)	(112)	4,498	58	4,557
Total changes of items during period	4,817	(206)	(112)	4,498	58	7,053
Balance at end of current period	17,253	261	(350)	17,164	149	94,582



Fiscal year ended September 30, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,364	7,295	64,917	(309)	77,268
Changes of items during period					
Change of scope of consolidation					
Dividends of surplus			(1,468)		(1,468)
Profit attributable to owners of parent			4,121		4,121
Purchase of treasury shares				(1,565)	(1,565)
Disposal of treasury shares		1		19	20
Net changes of items other than shareholders' equity					
Total changes of items during period	-	1	2,653	(1,546)	1,108
Balance at end of current period	5,364	7,297	67,570	(1,856)	78,377

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	17,253	261	(350)	17,164	149	94,582
Changes of items during period						
Change of scope of consolidation						
Dividends of surplus						(1,468)
Profit attributable to owners of parent						4,121
Purchase of treasury shares						(1,565)
Disposal of treasury shares						20
Net changes of items other than shareholders' equity	(3,712)	(1,721)	41	(5,392)	45	(5,346)
Total changes of items during period	(3,712)	(1,721)	41	(5,392)	45	(4,237)
Balance at end of current period	13,540	(1,459)	(309)	11,771	195	90,344

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	5,521	5,464
Depreciation	2,986	3,019
Impairment loss	–	2,317
Amortization of goodwill	430	354
Increase (decrease) in long-term accounts payable - other	(83)	(27)
Share-based compensation expenses	76	66
Increase (decrease) in provision for bonuses	37	19
Increase (decrease) in provision for bonuses for directors (and other officers)	(3)	(2)
Increase (decrease) in allowance for doubtful accounts	(10)	31
Increase (decrease) in retirement benefit liability	32	231
Decrease (increase) in retirement benefit asset	(3)	2
Interest and dividend income	(366)	(431)
Interest expenses	0	0
Foreign exchange losses (gains)	(1)	22
Loss on abandonment of non-current assets	54	58
Loss (gain) on sales and valuation of investment securities	(63)	(2,665)
Decrease (increase) in notes and accounts receivable - trade	(280)	1,118
Decrease (increase) in inventories	(1,783)	(322)
Increase (decrease) in notes and accounts payable - trade	548	190
Increase (decrease) in accrued consumption taxes	(47)	106
Other, net	73	460
Subtotal	7,117	10,018
Interest and dividend income received	346	416
Interest expenses paid	(0)	(0)
Income taxes paid	(1,569)	(1,203)
Net cash provided by (used in) operating activities	5,894	9,230
Cash flows from investing activities		
Payments into time deposits	(2,088)	(3,234)
Proceeds from withdrawal of time deposits	445	2,091
Purchase of property, plant and equipment	(1,816)	(2,056)
Proceeds from sales of property, plant and equipment	14	4
Payments for retirement of property, plant and equipment	(44)	(24)
Purchase of intangible assets	(148)	(90)
Purchase of investment securities	(31)	(34)
Proceeds from sales of investment securities	90	1,069
Purchase of shares of subsidiaries	(41)	–
Payments for asset retirement obligations	(2)	–
Net cash provided by (used in) investing activities	(3,624)	(2,275)

(Millions of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Cash flows from financing activities		
Repayments of long-term loans payable	(7)	(1)
Purchase of treasury shares	(0)	(1,565)
Proceeds from sales of treasury shares	0	0
Cash dividends paid	(1,526)	(1,468)
Net cash provided by (used in) financing activities	(1,534)	(3,035)
Effect of exchange rate change on cash and cash equivalents	(51)	(242)
Net increase (decrease) in cash and cash equivalents	683	3,677
Cash and cash equivalents at beginning of period	16,511	17,221
Increase in cash and cash equivalents from newly consolidated subsidiary	25	–
Cash and cash equivalents at end of period	17,221	20,898

## Segment Information

### 1. Outline of reportable segments

The T.Hasegawa group's reportable segments are components of the group for which separate financial information is available. These segments are periodically evaluated by the Board of Directors when deciding how to allocate management resources and when assessing performance.

The T.Hasegawa group primarily engages in the manufacture and sales of fragrance and flavor products. Japan is in charge of the area including domestic market and overseas countries except for China, Malaysia, Indonesia, and the U.S., and there are each subsidiary in China, Malaysia, Indonesia and the U.S. The subsidiaries have self-management system in each country and these subsidiaries develop comprehensive strategy based on global strategy made by the company, and engage in business activities on a regional basis.

Thus, the T.Hasegawa group is composed of segments separated by the location of group companies, whose location is determined by the production and sales structure, and defines the three segments of "Japan," "Asia," and "USA," as reportable segments.

### 2. Calculation method of net sales, profit or loss, assets, and other items in reportable segments

The accounting method used for reportable segments is the same as the method stated in "Significant Basic Items for Preparation of Consolidated Financial Statements." Segment profits of reportable segments are provided on an operating income basis. Inter-segment sales or transfers are based on current market prices.

In addition, The T.Hasegawa group 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 fiscal year ending September 30, 2019. Accordingly, the segment assets as of September 30, 2018 are those after retrospective application of the standard and guidances.

### 3. Information of net sales, profit or loss, assets, and other items for each reportable segment

(1) Fiscal year ended September 30, 2018

(From October 1, 2017 to September 30, 2018)

(Millions of yen)

	Reportable segment				Adjustment (Note 1,2)	Consolidated (Note 3)
	Japan	Asia	USA	Total		
Net sales						
Sales to external customers	36,097	8,045	5,608	49,751	—	49,751
Inter-segment sales or transfers	810	441	101	1,353	(1,353)	—
Total	36,907	8,487	5,710	51,105	(1,353)	49,751
Segment profit	4,008	755	259	5,024	34	5,058
Segment assets	108,173	17,717	10,363	136,254	(17,563)	118,690
Other items						
Depreciation	2,009	567	410	2,986	—	2,986
Amortization of Goodwill	—	145	285	—	—	430
Interest income	18	61	0	79	(17)	62
Interest expenses	0	2	12	15	(15)	0
Increase in property, plant and equipment and intangible assets	1,697	483	218	2,400	—	2,400
Term-end balance of Goodwill	—	906	2,573	—	—	3,480

#### Notes

1. The adjustments on segment profit of 34 million yen include 85 million yen of inter-segment transactions, negative 66 million yen of adjustments for inventories related to inter-segment transactions, and 15 million yen for others.

2. The adjustments for segment assets of negative 17,563 million yen include adjustments for negative 17,453 million yen of inter-segment transaction and corporate assets, and negative 125 million yen of inventories related to inter-segment transactions, and 15 million yen for others.

3. Segment profit is adjusted to operating income of consolidated statements of income.

(2) Fiscal year ended September 30, 2019  
(From October 1, 2018 to September 30, 2019)

(Millions of yen)

	Reportable segment				Adjustment (Note 1,2)	Consolidated (Note 3)
	Japan	Asia	USA	Total		
Net sales						
Sales to external customers	36,945	7,841	5,706	50,493	—	50,493
Inter-segment sales or transfers	711	197	132	1,041	(1,041)	—
Total	37,657	8,039	5,838	51,535	(1,041)	50,493
Segment profit	3,872	540	149	4,563	115	4,678
Segment assets	106,285	16,684	8,064	131,035	(17,171)	113,863
Other items						
Depreciation	2,076	554	388	3,019	—	3,019
Amortization of Goodwill	—	140	213	—	—	354
Interest income	12	85	3	101	(11)	90
Interest expenses	0	0	11	12	(11)	0
Impairment loss	36	—	2,281	2,317	—	2,317
Increase in property, plant and equipment and intangible assets	1,390	175	238	1,804	—	1,804
Term-end balance of Goodwill	—	716	—	—	—	716

Notes

1. The adjustments on segment profit of 115 million yen include 64 million yen of inter-segment transactions, 52 million yen of adjustments for inventories related to inter-segment transactions, and negative 1 million yen for others.
2. The adjustments for segment assets of negative 17,171 million yen include adjustments for negative 17,034 million yen of inter-segment transaction and corporate assets, and negative 136 million yen of inventories related to inter-segment transactions, and 0 million yen for others.
3. Segment profit is adjusted to operating income of consolidated statements of income.