

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended December 31, 2018
(Based on Japanese GAAP)**

February 8, 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: February 14, 2019
 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, 2018 (from October 1, 2018 to December 31, 2018)

(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, 2018	12,126	4.0	959	(5.0)	991	(8.2)	729	(2.1)
Three months ended December 31, 2017	11,655	1.0	1,009	(30.8)	1,079	(34.9)	745	(36.1)

Note: Comprehensive income Three months ended December 31, 2018 ¥(2,261) million [–%]
 Three months ended December 31, 2017 ¥3,097 million [(0.3)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2018	17.40		17.37	
Three months ended December 31, 2017	17.57		17.55	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	111,575	90,012	80.5
As of September 30, 2018	118,690	94,582	79.6

Reference: Equity As of December 31, 2018 ¥89,863 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				
Year ended September 30, 2018	–	17.00	–	18.00	35.00
Year ending September 30, 2019	–				
Year ending September 30, 2019 (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, 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 three months ended December 31, 2018
(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 December 31, 2018	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 December 31, 2018	1,257,125 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)

Three months ended December 31, 2018	41,941,354 shares	Three months ended December 31, 2017	42,429,410 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 December 31, 2018
Assets		
Current assets		
Cash and deposits	12,121	11,536
Notes and accounts receivable - trade	17,141	16,101
Securities	6,999	5,999
Merchandise and finished goods	7,086	7,203
Work in process	111	40
Raw materials and supplies	7,304	7,339
Other	980	898
Allowance for doubtful accounts	(5)	(34)
Total current assets	51,740	49,086
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,155	16,771
Other, net	13,459	13,200
Total property, plant and equipment	30,615	29,971
Intangible assets		
Goodwill	3,480	3,290
Other	3,803	3,681
Total intangible assets	7,283	6,971
Investments and other assets		
Investment securities	28,071	24,563
Net defined benefit asset	21	21
Other	1,007	1,010
Allowance for doubtful accounts	(49)	(48)
Total investments and other assets	29,051	25,546
Total non-current assets	66,950	62,489
Total assets	118,690	111,575
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,280	5,339
Current portion of long-term loans payable	0	1
Income taxes payable	663	329
Provision for bonuses	1,299	365
Provision for directors' bonuses	63	-
Other	3,357	3,135
Total current liabilities	10,664	9,171
Non-current liabilities		
Long-term loans payable	1	0
Deferred tax liabilities	5,553	4,481
Net defined benefit liability	6,826	6,857
Asset retirement obligations	68	68
Long-term accounts payable - other	914	902
Other	80	82
Total non-current liabilities	13,443	12,391
Total liabilities	24,108	21,562

(Millions of yen)

	As of September 30, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,295	7,297
Retained earnings	64,917	64,883
Treasury shares	(309)	(1,855)
Total shareholders' equity	77,268	75,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,253	14,809
Foreign currency translation adjustment	261	(298)
Remeasurements of defined benefit plans	(350)	(337)
Total accumulated other comprehensive income	17,164	14,172
Share acquisition rights	149	149
Total net assets	94,582	90,012
Total liabilities and net assets	118,690	111,575

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, 2017	Three months ended December 31, 2018
Net sales	11,655	12,126
Cost of sales	7,196	7,567
Gross profit	4,459	4,558
Selling, general and administrative expenses	3,449	3,599
Operating profit	1,009	959
Non-operating income		
Interest income	13	21
Dividend income	26	29
Foreign exchange gains	14	–
Other	17	18
Total non-operating income	71	69
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	–	33
Other	1	3
Total non-operating expenses	1	37
Ordinary profit	1,079	991
Extraordinary losses		
Loss on abandonment of non-current assets	28	3
Total extraordinary losses	28	3
Profit before income taxes	1,051	987
Income taxes	305	257
Profit	745	729
Profit attributable to owners of parent	745	729

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Profit	745	729
Other comprehensive income		
Valuation difference on available-for-sale securities	1,938	(2,443)
Foreign currency translation adjustment	405	(560)
Remeasurements of defined benefit plans, net of tax	8	12
Total other comprehensive income	2,351	(2,991)
Comprehensive income	3,097	(2,261)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,097	(2,261)
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. 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

1. 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.
2. Segment profit or loss is adjusted to operating income of consolidated quarterly statements of income.

2. Three months ended December 31, 2018 (from October 1, 2018 to December 31, 2018)

(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	8,891	1,886	1,348	12,126	—	12,126
Inter-segment sales or transfers	235	60	33	329	(329)	—
Total	9,126	1,946	1,381	12,455	(329)	12,126
Segment profit or loss	925	51	(42)	934	24	959

Notes

1. The adjustments on segment profit or loss of 24 million yen include 1 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.
2. Segment profit or loss is adjusted to operating income of consolidated quarterly statements of income.