

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2016 (Based on Japanese GAAP)

May 11, 2016

Company name: T. HASEGAWA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4958 URL <http://www.t-hasegawa.co.jp/>
 Representative: President & COO Takahiko Kondo
 Inquiries: Director, Deputy President & CFO Takao Umino TEL 03-3241-1151
 Scheduled date to file Quarterly Securities Report: May 13, 2016
 Scheduled date to commence dividend payments: June 1, 2016
 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, 2016 (from October 1, 2015 to March 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended March 31, 2016	22,825	4.3	2,263	28.8	2,243	5.4	1,543	31.0
Six months ended March 31, 2015	21,879	0.8	1,757	(20.5)	2,128	(12.8)	1,177	(25.1)

Note: Comprehensive income Six months ended March 31, 2016 ¥1,499 million [(71.1)%]
 Six months ended March 31, 2015 ¥5,192 million [95.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2016	36.38		36.36	
Six months ended March 31, 2015	28.37		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2016	100,497	80,311	79.9
As of September 30, 2015	101,604	79,436	78.2

Reference: Equity As of March 31, 2016 ¥80,298 million
 As of September 30, 2015 ¥79,436 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, 2015	-	15.00	-	15.00	30.00
Year ending September 30, 2016	-	15.00			
Year ending September 30, 2016 (Forecast)			-	15.00	30.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending September 30, 2016 (from October 1, 2015 to September 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	49,430	4.7	4,380	0.6	4,640	(4.4)	3,070	0.9	72.36

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, 2016
(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, 2016	42,708,154 shares	As of September 30, 2015	42,708,154 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	281,069 shares	As of September 30, 2015	281,069 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, 2016	42,427,085 shares	Six months ended March 31, 2015	41,527,448 shares
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* Indication regarding execution of audit procedures

This quarterly financial results report is exempt from the review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act have not been completed.

* 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, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	9,674	11,014
Notes and accounts receivable - trade	16,389	14,159
Securities	10,999	9,999
Merchandise and finished goods	5,917	6,439
Work in process	154	166
Raw materials and supplies	5,276	5,404
Other	1,338	1,113
Allowance for doubtful accounts	(4)	(4)
Total current assets	49,744	48,294
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,517	18,251
Other, net	15,097	13,677
Total property, plant and equipment	32,614	31,928
Intangible assets		
Goodwill	1,319	1,325
Other	1,220	1,215
Total intangible assets	2,540	2,541
Investments and other assets		
Investment securities	15,742	16,790
Net defined benefit asset	6	8
Other	1,016	996
Allowance for doubtful accounts	(60)	(62)
Total investments and other assets	16,705	17,733
Total non-current assets	51,860	52,202
Total assets	101,604	100,497
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,896	6,034
Current portion of long-term loans payable	5	18
Income taxes payable	863	850
Provision for bonuses	1,054	736
Provision for directors' bonuses	36	–
Asset retirement obligations	78	78
Other	4,172	2,246
Total current liabilities	12,107	9,964
Non-current liabilities		
Long-term loans payable	151	136
Deferred tax liabilities	2,237	2,487
Net defined benefit liability	6,490	6,417
Provision for directors' retirement benefits	1,066	–
Asset retirement obligations	69	69
Long-term accounts payable - other	–	1,057
Other	46	52
Total non-current liabilities	10,061	10,221
Total liabilities	22,168	20,185

(Millions of yen)

	As of September 30, 2015	As of March 31, 2016
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,292	7,292
Retained earnings	57,173	58,080
Treasury shares	(321)	(321)
Total shareholders' equity	69,509	70,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,404	9,371
Foreign currency translation adjustment	1,817	792
Remeasurements of defined benefit plans	(295)	(281)
Total accumulated other comprehensive income	9,926	9,882
Subscription rights to shares	–	12
Total net assets	79,436	80,311
Total liabilities and net assets	101,604	100,497

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, 2015	Six months ended March 31, 2016
Net sales	21,879	22,825
Cost of sales	13,875	14,328
Gross profit	8,004	8,497
Selling, general and administrative expenses	6,246	6,233
Operating income	1,757	2,263
Non-operating income		
Interest income	28	15
Dividend income	90	107
Foreign exchange gains	216	–
Other	67	47
Total non-operating income	402	170
Non-operating expenses		
Interest expenses	3	5
Rent expenses on facilities	24	40
Foreign exchange losses	–	137
Other	3	6
Total non-operating expenses	31	190
Ordinary income	2,128	2,243
Extraordinary income		
Gain on sales of investment securities	–	142
Total extraordinary income	–	142
Extraordinary losses		
Loss on abandonment of non-current assets	17	13
Loss on valuation of investment securities	12	–
Impairment loss	51	–
Total extraordinary losses	81	13
Income before income taxes and minority interests	2,046	2,373
Income taxes	868	829
Profit	1,177	1,543
Profit attributable to owners of parent	1,177	1,543

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2015	Six months ended March 31, 2016
Profit	1,177	1,543
Other comprehensive income		
Valuation difference on available-for-sale securities	2,876	967
Foreign currency translation adjustment	1,133	(1,024)
Remeasurements of defined benefit plans, net of tax	3	13
Total other comprehensive income	4,014	(44)
Comprehensive income	5,192	1,499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,192	1,499
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. Six months ended March 31, 2015 (from October 1, 2014 to March 31, 2015)

(1) Net sales and income 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	16,555	3,990	1,333	21,879	—	21,879
Inter-segment sales or transfers	169	117	52	338	(338)	—
Total	16,724	4,107	1,385	22,218	(338)	21,879
Segment income or loss	1,364	771	(39)	2,097	30	2,128

Notes

- The adjustments on segment income or loss of ¥30 million include ¥36 million adjustments of inventories related to inter-segment transactions, (¥5) million foreign currency translation related to inter-segment asset and liability eliminations and (¥0) million for others.
- Segment income or loss is adjusted to ordinary income of consolidated quarterly statements of income.

(2) Information regarding the assets by reporting segment

Peresscol Sdn.Bhd. has become a wholly owned subsidiary by acquisition of all the outstanding shares, which is included in the scope of consolidation for the three months ended December 31, 2014. Due to this, the amount of assets of Asia segment listed at the end of the six months ended March 31, 2015 increased by ¥3,534 million when compared to the end of the previous fiscal year.

(3) Information regarding impairment loss of non-current assets, goodwill, etc. by reporting segment

(Significant impairment loss related to non-current assets)

In Japan segment, the Company realized impairment loss of certain rental assets to a contract manufacturer as they are unutilized. The amount of the relevant impairment loss is ¥51 million for the six months ended March 31, 2015.

(Significant change in the amount of goodwill)

Peresscol Sdn.Bhd. has become a wholly owned subsidiary by acquisition of all the outstanding shares, which is included in the scope of consolidation in Asia segment. Increased amount of goodwill by the said event is ¥1,822 million for the six months ended March 31, 2015.

2. Six months ended March 31, 2016 (from October 1, 2015 to March 31, 2016)

Net sales and income 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	17,062	4,113	1,650	22,825	—	22,825
Inter-segment sales or transfers	293	204	40	538	(538)	—
Total	17,355	4,317	1,690	23,363	(538)	22,825
Segment income or loss	1,604	655	(10)	2,249	(5)	2,243

Notes

- The adjustments on segment income or loss of (¥5) million include (¥4) million foreign currency translation related to inter-segment asset and liability eliminations, (¥1) million adjustments of inventories related to inter-segment transactions and (¥0) million for others.
- Segment income or loss is adjusted to ordinary income of consolidated quarterly statements of income.