

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended June 30, 2020
(Based on Japanese GAAP)**

August 3, 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: August 11, 2020
 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 nine months ended June 30, 2020 (from October 1, 2019 to June 30, 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	%
Nine months ended June 30, 2020	37,648	(0.2)	4,339	12.6	4,696	12.5	4,238	39.3
Nine months ended June 30, 2019	37,718	2.3	3,853	(0.9)	4,174	(0.2)	3,043	1.8

Note: Comprehensive income Nine months ended June 30, 2020 ¥3,341 million [-%]
 Nine months ended June 30, 2019 ¥(279) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2020	102.26		101.88	
Nine months ended June 30, 2019	73.08		72.88	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	113,255	92,244	81.3
As of September 30, 2019	113,863	90,344	79.2

Reference: Equity As of June 30, 2020 ¥92,034 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: No

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: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 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 June 30, 2020	42,708,154 shares	As of September 30, 2019	42,708,154 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	1,233,044 shares	As of September 30, 2019	1,257,206 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2020	41,453,310 shares	Nine months ended June 30, 2019	41,647,144 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

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 June 30, 2020
Assets		
Current assets		
Cash and deposits	15,730	14,732
Notes and accounts receivable - trade	15,792	16,039
Securities	7,999	11,999
Merchandise and finished goods	7,236	7,657
Work in process	107	150
Raw materials and supplies	7,320	7,047
Other	2,469	845
Allowance for doubtful accounts	(35)	(42)
Total current assets	56,620	58,430
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,127	15,525
Other, net	12,690	12,510
Total property, plant and equipment	28,817	28,035
Intangible assets		
Goodwill	716	599
Other	3,461	3,316
Total intangible assets	4,177	3,915
Investments and other assets		
Investment securities	22,680	21,335
Retirement benefit asset	18	19
Other	1,598	1,570
Allowance for doubtful accounts	(48)	(51)
Total investments and other assets	24,248	22,873
Total non-current assets	57,243	54,824
Total assets	113,863	113,255
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,401	5,315
Current portion of long-term borrowings	0	-
Income taxes payable	1,648	513
Provision for bonuses	1,296	516
Provision for bonuses for directors (and other officers)	61	-
Other	3,301	3,284
Total current liabilities	11,709	9,629
Non-current liabilities		
Deferred tax liabilities	3,787	3,370
Retirement benefit liability	6,998	7,153
Asset retirement obligations	68	69
Long-term accounts payable - other	887	654
Other	68	132
Total non-current liabilities	11,809	11,380
Total liabilities	23,519	21,010

(Millions of yen)

	As of September 30, 2019	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	5,364	5,364
Capital surplus	7,297	7,298
Retained earnings	67,570	70,317
Treasury shares	(1,856)	(1,820)
Total shareholders' equity	78,377	81,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,540	12,607
Foreign currency translation adjustment	(1,459)	(1,463)
Remeasurements of defined benefit plans	(309)	(270)
Total accumulated other comprehensive income	11,771	10,874
Share acquisition rights	195	210
Total net assets	90,344	92,244
Total liabilities and net assets	113,863	113,255

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Net sales	37,718	37,648
Cost of sales	23,272	22,999
Gross profit	14,446	14,649
Selling, general and administrative expenses	10,592	10,310
Operating profit	3,853	4,339
Non-operating income		
Interest income	63	72
Dividend income	203	197
Foreign exchange gains	–	6
Other	88	95
Total non-operating income	355	371
Non-operating expenses		
Interest expenses	0	1
Foreign exchange losses	26	–
Other	8	12
Total non-operating expenses	34	13
Ordinary profit	4,174	4,696
Extraordinary income		
Gain on sales of non-current assets	–	320
Gain on sales of investment securities	–	867
Total extraordinary income	–	1,187
Extraordinary losses		
Loss on abandonment of non-current assets	49	34
Total extraordinary losses	49	34
Profit before income taxes	4,125	5,849
Income taxes	1,081	1,610
Profit	3,043	4,238
Profit attributable to owners of parent	3,043	4,238

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Profit	3,043	4,238
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,086)	(932)
Foreign currency translation adjustment	(1,273)	(3)
Remeasurements of defined benefit plans, net of tax	37	38
Total other comprehensive income	(3,323)	(897)
Comprehensive income	(279)	3,341
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(279)	3,341
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

1. Nine months ended June 30, 2019 (from October 1, 2018 to June 30, 2019)

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	27,668	5,742	4,307	37,718	—	37,718
Inter-segment sales or transfers	554	156	105	815	(815)	—
Total	28,222	5,898	4,412	38,534	(815)	37,718
Segment profit	3,368	348	70	3,787	66	3,853

Notes

1. The adjustments on segment profit of 66 million yen include 52 million yen adjustments of elimination of internal transactions between segments and 13 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. Nine months ended June 30, 2020 (from October 1, 2019 to June 30, 2020)

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	27,279	5,795	4,573	37,648	—	37,648
Inter-segment sales or transfers	563	140	100	804	(804)	—
Total	27,843	5,936	4,674	38,453	(804)	37,648
Segment profit	3,147	749	411	4,309	30	4,339

Notes

1. The adjustments on segment profit of 30 million yen include 41 million yen adjustments of elimination of internal transactions between segments and negative 7 million yen adjustments of inventories related to inter-segment transactions, and negative 3 million yen for others.
2. Segment profit is adjusted to operating income of consolidated quarterly statements of income.