

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2021 (Based on Japanese GAAP)

May 7, 2021

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 & Senior Executive Vice President Minoru Nakamura TEL 03-3241-1151
 Scheduled date to file Quarterly Securities Report: May 14, 2021
 Scheduled date to commence dividend payments: June 1, 2021
 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, 2021 (from October 1, 2020 to March 31, 2021)

(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, 2021	26,135	6.8	2,968	20.2	3,304	22.9	3,138	49.9
Six months ended March 31, 2020	24,462	(0.0)	2,469	11.2	2,688	10.3	2,092	18.8

Note: Comprehensive income Six months ended March 31, 2021 ¥5,413 million [288.6%]
 Six months ended March 31, 2020 ¥1,393 million [317.2%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2021	75.65	75.37
Six months ended March 31, 2020	50.49	50.31

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2021	117,907	96,755	81.9
As of September 30, 2020	113,445	92,218	81.1

Reference: Equity As of March 31, 2021 ¥96,510 million
 As of September 30, 2020 ¥91,990 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2020	—	18.00	—	22.00	40.00
Year ending September 30, 2021	—	22.00			
Year ending September 30, 2021 (Forecast)			—	22.00	44.00

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

3. Forecast of consolidated financial results for the year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	53,700	3.1	5,230	1.4	5,700	2.3	5,350	13.1	129.40

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, 2021
(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: No
- 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, 2021	42,708,154 shares	As of September 30, 2020	42,708,154 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	1,222,044 shares	As of September 30, 2020	1,233,044 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, 2021	41,481,396 shares	Six months ended March 31, 2020	41,450,911 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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	16,584	17,416
Notes and accounts receivable - trade	15,471	15,729
Securities	12,000	1,999
Merchandise and finished goods	7,161	7,574
Work in process	170	123
Raw materials and supplies	6,901	6,682
Other	737	730
Allowance for doubtful accounts	(13)	(15)
Total current assets	59,013	50,241
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,915	16,190
Other, net	13,429	13,851
Total property, plant and equipment	29,345	30,041
Intangible assets		
Goodwill	572	6,351
Other	3,266	10,766
Total intangible assets	3,839	17,118
Investments and other assets		
Investment securities	19,838	19,466
Retirement benefit asset	17	17
Other	1,443	1,081
Allowance for doubtful accounts	(51)	(60)
Total investments and other assets	21,246	20,505
Total non-current assets	54,431	67,665
Total assets	113,445	117,907
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,743	4,987
Income taxes payable	630	1,089
Provision for bonuses	1,431	907
Provision for bonuses for directors (and other officers)	74	—
Other	3,381	2,702
Total current liabilities	10,261	9,686
Non-current liabilities		
Deferred tax liabilities	2,992	3,048
Retirement benefit liability	7,121	7,305
Asset retirement obligations	69	63
Long-term accounts payable - other	648	638
Other	131	408
Total non-current liabilities	10,965	11,465
Total liabilities	21,226	21,151

	(Millions of yen)	
	As of September 30, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	5,364	5,364
Capital surplus	7,298	7,301
Retained earnings	71,169	73,394
Treasury shares	(1,820)	(1,804)
Total shareholders' equity	82,012	84,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,551	11,315
Foreign currency translation adjustment	(1,316)	1,169
Remeasurements of defined benefit plans	(256)	(230)
Total accumulated other comprehensive income	9,978	12,253
Share acquisition rights	228	245
Total net assets	92,218	96,755
Total liabilities and net assets	113,445	117,907

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, 2020	Six months ended March 31, 2021
Net sales	24,462	26,135
Cost of sales	15,114	15,582
Gross profit	9,348	10,553
Selling, general and administrative expenses	6,878	7,584
Operating profit	2,469	2,968
Non-operating income		
Interest income	49	55
Dividend income	147	123
Foreign exchange gains	–	111
Other	70	60
Total non-operating income	267	351
Non-operating expenses		
Interest expenses	0	3
Foreign exchange losses	31	–
Other	15	11
Total non-operating expenses	48	15
Ordinary profit	2,688	3,304
Extraordinary income		
Gain on sales of non-current assets	320	–
Gain on sales of investment securities	–	1,137
Total extraordinary income	320	1,137
Extraordinary losses		
Loss on abandonment of non-current assets	–	7
Total extraordinary losses	–	7
Profit before income taxes	3,008	4,435
Income taxes	916	1,297
Profit	2,092	3,138
Profit attributable to owners of parent	2,092	3,138

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Profit	2,092	3,138
Other comprehensive income		
Valuation difference on available-for-sale securities	(869)	(236)
Foreign currency translation adjustment	144	2,485
Remeasurements of defined benefit plans, net of tax	25	25
Total other comprehensive income	(699)	2,275
Comprehensive income	1,393	5,413
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,393	5,413
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

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

(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	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.

2. Six months ended March 31, 2021 (from October 1, 2020 to March 31, 2021)

(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	17,598	4,640	3,896	26,135	—	26,135
Inter-segment sales or transfers	298	57	44	399	(399)	—
Total	17,897	4,697	3,940	26,535	(399)	26,135
Segment profit	1,684	1,053	210	2,948	20	2,968

Notes

1. The adjustments on segment profit of 20 million yen include 25 million yen adjustments of elimination of internal transactions between segments, 3million yen adjustments of inventories related to inter-segment transactions, and negative 8 million yen for others.
2. Segment profit is adjusted to operating income of consolidated quarterly statements of income.

(2) Information on impairment loss of fixed assets and goodwill by reporting segment

(Significant change in the amount of goodwill)

In USA segment, while provisional accounting procedures continue to be performed in allocating the acquisition cost of MISSION FLAVORS & FRAGRANCES, INC., which was acquired by consolidated subsidiary T. HASEGAWA U.S.A., INC. in the first quarter of the current fiscal year, goodwill has been decreased by 7,060 million yen as a result of the revision of the allocation of acquisition cost based on reasonable information that was available in the second quarter of the fiscal year ending March 31, 2021.