

Translation

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**Summary of Consolidated Financial Results  
for the Nine Months Ended June 30, 2017  
(Based on Japanese GAAP)**

August 3, 2017

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: August 10, 2017  
 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, 2017 (from October 1, 2016 to June 30, 2017)

(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	%
Nine months ended June 30, 2017	35,376	(0.3)	4,376	13.8	4,737	25.5	3,323	27.6
Nine months ended June 30, 2016	35,486	3.2	3,846	19.2	3,775	1.5	2,604	15.8

Note: Comprehensive income Nine months ended June 30, 2017 ¥7,430 million [531.2 %]  
 Nine months ended June 30, 2016 ¥1,177 million [(83.3) %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2017	78.33		78.23	
Nine months ended June 30, 2016	61.39		61.35	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	107,799	86,008	79.7
As of September 30, 2016	100,853	79,939	79.2

Reference: Equity As of June 30, 2017 ¥85,931 million  
 As of September 30, 2016 ¥79,902 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, 2016	–	15.00	–	17.00	32.00
Year ending September 30, 2017	–	16.00	–		
Year ending September 30, 2017 (Forecast)				16.00	32.00

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

3. Forecast of consolidated financial results for the year ending September 30, 2017 (from October 1, 2016 to September 30, 2017)

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	48,000	0.9	5,610	8.7	5,830	12.9	4,070	11.9	95.93

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, 2017  
(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 June 30, 2017	42,708,154 shares	As of September 30, 2016	42,708,154 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	281,639 shares	As of September 30, 2016	281,269 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, 2017	42,426,708 shares	Nine months ended June 30, 2016	42,427,041 shares
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\* Quarterly financial results reports are not required to be subjected to quarterly reviews.

\* 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, 2016	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	11,336	8,627
Notes and accounts receivable - trade	15,312	15,815
Securities	10,999	7,000
Merchandise and finished goods	6,190	6,811
Work in process	103	147
Raw materials and supplies	5,152	6,338
Other	1,242	1,830
Allowance for doubtful accounts	(4)	(4)
Total current assets	50,333	46,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,180	17,900
Other, net	13,130	13,451
Total property, plant and equipment	30,311	31,352
Intangible assets		
Goodwill	1,066	7,013
Other	1,079	875
Total intangible assets	2,145	7,888
Investments and other assets		
Investment securities	17,270	21,161
Net defined benefit asset	2	5
Other	846	880
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	18,063	21,992
Total non-current assets	50,520	61,233
Total assets	100,853	107,799
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,661	5,807
Short-term loans payable	–	1
Current portion of long-term loans payable	5	8
Income taxes payable	737	594
Provision for bonuses	1,116	274
Provision for directors' bonuses	58	–
Other	2,876	3,418
Total current liabilities	10,455	10,105
Non-current liabilities		
Long-term loans payable	116	4
Deferred tax liabilities	2,608	3,938
Net defined benefit liability	6,590	6,593
Asset retirement obligations	70	70
Long-term accounts payable - other	1,027	1,012
Other	46	67
Total non-current liabilities	10,458	11,686
Total liabilities	20,914	21,791

(Millions of yen)

	As of September 30, 2016	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	5,364	5,364
Capital surplus	7,292	7,292
Retained earnings	59,538	61,462
Treasury shares	(322)	(322)
Total shareholders' equity	71,873	73,796
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,695	12,416
Foreign currency translation adjustment	(1,367)	(8)
Remeasurements of defined benefit plans	(299)	(272)
Total accumulated other comprehensive income	8,028	12,135
Subscription rights to shares	37	77
Total net assets	79,939	86,008
Total liabilities and net assets	100,853	107,799

**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, 2016	Nine months ended June 30, 2017
Net sales	35,486	35,376
Cost of sales	22,200	21,507
Gross profit	13,285	13,869
Selling, general and administrative expenses	9,439	9,493
Operating income	3,846	4,376
Non-operating income		
Interest income	23	24
Dividend income	143	157
Foreign exchange gains	–	159
Other	122	62
Total non-operating income	289	403
Non-operating expenses		
Interest expenses	7	3
Rent expenses on facilities	44	34
Foreign exchange losses	302	–
Other	5	4
Total non-operating expenses	360	42
Ordinary income	3,775	4,737
Extraordinary income		
Gain on sales of investment securities	142	55
Gain on sales of non-current assets	–	75
Total extraordinary income	142	130
Extraordinary losses		
Loss on abandonment of non-current assets	35	76
Total extraordinary losses	35	76
Profit before income taxes	3,882	4,791
Income taxes	1,278	1,468
Profit	2,604	3,323
Profit attributable to owners of parent	2,604	3,323

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended June 30, 2016	Nine months ended June 30, 2017
Profit	2,604	3,323
Other comprehensive income		
Valuation difference on available-for-sale securities	1,342	2,720
Foreign currency translation adjustment	(2,793)	1,359
Remeasurements of defined benefit plans, net of tax	23	26
Total other comprehensive income	(1,427)	4,106
Comprehensive income	1,177	7,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,177	7,430
Comprehensive income attributable to non-controlling interests	—	—

## Segment Information

### 1. Nine months ended June 30, 2016 (from October 1, 2015 to June 30, 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	27,048	5,909	2,528	35,486	—	35,486
Inter-segment sales or transfers	398	331	204	934	(934)	—
Total	27,446	6,241	2,732	36,420	(934)	35,486
Segment income	2,899	818	60	3,778	(3)	3,775

#### Notes

- The adjustments on segment income of negative 3 million yen include negative 2 million yen foreign currency translation related to inter-segment asset and liability eliminations and negative 1 million yen for others.
- Segment income is adjusted to ordinary income of consolidated quarterly income statement.

### 2. Nine months ended June 30, 2017 (from October 1, 2016 to June 30, 2017)

(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	26,852	5,742	2,781	35,376	—	35,376
Inter-segment sales or transfers	381	259	402	1,043	(1,043)	—
Total	27,234	6,001	3,184	36,420	(1,043)	35,376
Segment income	3,471	1,009	234	4,715	21	4,737

#### Notes

- The adjustments on segment income of 21 million yen include 0 million foreign currency translation related to inter-segment asset and liability eliminations and 20 million yen adjustments of inventories related to inter-segment transactions, and negative 0 yen for others.
- Segment income is adjusted to ordinary income of consolidated quarterly income statement.

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

(Significant change in the amount of good will)

FLAVOR INGREDIENT HOLDINGS, LLC has become a wholly owned subsidiary by acquisition of all the outstanding shares, which is included in the scope of consolidation in USA segment. Increased amount of goodwill by the said event is 5,977 million yen for the nine months ended June 30, 2017. The amount of goodwill that occurred from the event is calculated tentatively because the distribution of acquisition cost has not been completed.