



November 11, 2014

Financial Results for the Fiscal Year Ending September 30, 2014 (J-GAAP)
(October 1, 2013 – September 30, 2014)

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(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results (October 1, 2013 to September 30, 2014)
(1) Consolidated Results of Operation (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended Sept. 2014	48,516	7.9	3,369	(0.5)	3,416	(3.0)	2,294	1.9
Fiscal Year ended Sept. 2013	44,950	10.4	3,386	(13.3)	3,520	(8.9)	2,250	1.9

(Reference) Comprehensive Income (million Yen) Fiscal Year ended Sept.2014: 2,991, Fiscal Year ended Sept.2013: 5,425

	Net income per share (basic)	Net income per share (diluted)	Net income ratio per net equity	Ordinary income ratio per total asset	Operating income ratio per net sales
	Yen	Yen	%	%	%
Fiscal Year ended Sept. 2014	55.46	55.30	8.5	7.0	6.9
Fiscal Year ended Sept. 2013	54.39	54.28	9.7	7.9	7.5

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sept. 30, 2014	51,467	28,193	54.7	680.13
As of Sept. 30, 2013	46,474	25,694	55.2	620.11

(Reference) Shareholders' Equity (million Yen) Sept. 2014 28,131, Sept. 2013 25,651

(3) Consolidated Cash Flows

	From Operating Activities	From Investing Activities	From Financing Activities	Year-end Cash and Cash Equivalent
	Million yen	Million yen	Million yen	Million yen
Fiscal Year ended Sept. 2014	3,567	(2,244)	(82)	9,894
Fiscal Year ended Sept. 2013	4,206	(2,271)	(825)	8,207

2. Dividends

	Dividend per share					Total Dividend Amount	Payout Ratio	per Net Assets
	1-Qtr.	2-Qtr.	3-Qtr.	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million¥	%	%
Year ended Sept. 2013	—	6.00	—	6.00	12.00	496	22.1	2.1
Year ended Sept. 2014	—	7.50	—	7.50	15.00	620	27.0	2.3
Year ended Sept. 2015 (forecast)	—	7.50	—	7.50	15.00		25.9	

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2015

(October 1, 2014 - September 30, 2015)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1st Half	23,500	5.2	1,250	14.6	1,250	19.2	850	16.7	20.55
Full Year	50,000	3.1	3,600	6.8	3,600	5.4	2,400	4.6	58.02



4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Adoption of simplified accounting treatment for quarterly closing: Yes

(3) Changes in accounting treatment for quarterly consolidated financial statement:

1) Changes caused by revision of accounting standards: None

2) Other changes: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (incl. treasury stock)

Sept. 2014: 43,076,347 shares Sept. 2013: 43,076,347 shares

2) Number of treasury stock at the end of the period

Sept. 2014: 1,714,430 shares Sept. 2013: 1,710,023 shares

3) Average number of shares in the fiscal year

Sept. 2014: 41,368,149 shares Sept. 2013: 41,372,812 shares

(Reference)

1. Non-consolidated (stand-alone) Financial Results (October 1, 2013 to September 30, 2014)

(1) Non-consolidated Results of Operation (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended Sept. 2014	13,172	12.1	1,231	269.2	1,750	138.2	1,216	172.0
Fiscal Year ended Sept. 2013	11,748	(24.0)	333	(79.8)	734	(65.2)	447	(53.2)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal Year ended Sept. 2014	29.41	29.33
Fiscal Year ended Sept. 2013	10.81	10.79

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sept. 30, 2014	32,702	23,185	70.7	559.05
As of Sept. 30, 2013	30,720	22,484	73.1	542.50

(Reference) Shareholders' Equity (million Yen) Sept. 2014 23,123, Sept. 2013 22,441

* Cautionary statement

-This Yearly Financial Results Report ("TANSHIN") is out of scope of quarterly review under Financial Instruments and Exchange Act of Japan and at the point of disclosing this TANSHIN Report, reviews by the independent auditors under Financial Instruments and Exchange Act of Japan has not been finished yet.

-The forecasts above are based on currently available information at the time of announcement. Actual results may differ from these forecasts for a number of factors.



5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of September 30, 2013	As of September 30, 2014
Assets		
Current Assets		
Cash and deposits	8,237	9,915
Notes and accounts receivable-trade	10,563	12,830
Finished goods	1,915	2,487
Work in process	2,364	1,740
Raw materials and supplies	2,439	2,686
Deferred tax assets	495	416
Others	1,441	867
Allowance for doubtful accounts	(175)	(243)
Total Current Assets	27,282	30,701
Non-Current Assets		
Property, plant and equipment		
Buildings and structures (net)	16,060	18,099
Machinery, equipment and vehicles (net)	9,584	10,389
Land	4,781	4,761
Construction in progress	885	52
Other (net)	1,829	2,017
Accumulated depreciation & Impairment Loss	(15,557)	(16,658)
Total property, plant and equipment	17,583	18,662
Intangible assets		
Goodwill	15	10
Other	254	244
Total intangible assets	270	254
Investments and other assets		
Investment securities	805	1,258
Deferred tax assets	263	314
Other	282	286
Allowance for doubtful accounts	(13)	(9)
Total investments and other assets	1,338	1,849
Total Non-Current Assets	19,192	20,766
TOTAL ASSETS	46,474	51,467



HOSOKAWA MICRON CORPORATION

(Millions of Yen)

	As of September 30, 2013	As of September 30, 2014
Liability		
Current Liabilities		
Notes and accounts payable-trade	4,751	5,857
Short-term loans payable	—	136
Current portion of long-term loans payable	685	565
Accrued expenses	2,389	2,372
Income taxes payable	301	441
Deferred tax liabilities	174	200
Advances received	2,367	2,600
Provision for bonuses	299	327
Provision for directors' bonuses	60	58
Provision for product warranties	724	617
Provision for loss on order received	11	—
Notes payable-facilities	65	6
Other	1,078	1,141
Total Current Liabilities	12,912	14,327
Non-Current Liabilities		
Long-term loans payable	2,854	3,344
Provision for retirement benefits	4,810	—
Net defined benefit liability	—	5,413
Deferred tax liabilities	26	28
Other	176	160
Total Non-Current Liabilities	7,868	8,946
Total Liabilities	20,780	23,273
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,206	5,204
Legal retained earnings	11,229	12,964
Treasury stock	(1,291)	(1,293)
Total Shareholders' Equity	29,641	31,372
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19	65
Deferred gains or losses on hedges	—	(33)
Foreign currency translation adjustment	(3,358)	(2,289)
Remeasurements of defined benefit plans	—	(983)
Adjustment on pension liabilities at foreign subsidiaries	(651)	—
Total valuation and translation adjustments	(3,989)	(3,241)
Subscription rights to shares	42	62
Total Net Assets	25,694	28,193
Total Liabilities and Net Assets	46,474	51,467



HOSOKAWA MICRON CORPORATION

(2) Consolidated Statements of Income

(Million of Yen)

	Oct. 1, 2012 - Sept. 30, 2013	Oct. 1, 2013 - Sept. 30, 2014
Net sales	44,950	48,516
Cost of sales	29,308	31,981
Gross profit	15,642	16,534
Selling, general and administrative expenses	12,255	13,165
Operating income	3,386	3,369
Non-operating income		
Interest income	55	29
Dividends income	8	19
Equity in earnings of affiliates	17	38
Rent of real estate	13	13
Foreign exchange gains	148	40
Other	35	71
Total non-operating Income	277	212
Non-operating expenses		
Interest expenses	37	42
Litigation expenses	—	34
Others	104	87
Total non-operating Expenses	142	165
Ordinary income	3,520	3,416
Extraordinary income		
Gain on sales of non-current assets	58	26
Total extraordinary income	58	26
Extraordinary loss		
Loss on sales of non-current assets	62	—
Loss on disposal of non-current assets	126	23
Impairment loss	17	—
Special retirement benefits	21	50
Total extraordinary loss	227	74
Income (loss) before income taxes	3,351	3,368
Income taxes - current	843	848
Income taxes - deferred	257	225
Total income taxes	1,100	1,074
Income before minority interests	2,250	2,294
Net income (loss)	2,250	2,294



HOSOKAWA MICRON CORPORATION

(3) Consolidated Statements of Comprehensive Income

(Million of Yen)

	Oct. 1, 2012 - Sept. 30, 2013	Oct. 1, 2013 - Sept. 30, 2014
Income before minority interests	2,250	2,294
Other comprehensive income		
Valuation difference on available-for-sale securities	143	45
Deferred gains or losses on hedges	—	(33)
Foreign currency translation adjustment	3,328	1,068
Adjustment on pension liabilities at foreign subsidiaries	(296)	(383)
Total other comprehensive income	3,175	696
Comprehensive income	5,425	2,991
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,425	2,991
Comprehensive income attributable to minority interests	—	—



HOSOKAWA MICRON CORPORATION

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2012 - Sept. 30, 2013	Oct. 1, 2013 - Sept. 30, 2014
Cash flows from operating activities;		
Income before income taxes	3,351	3,368
Depreciation and amortization	995	1,147
Increase (decrease) in allowance for doubtful accounts	(34)	53
Equity in (earnings) losses of affiliates	(17)	(38)
Increase (decrease) in provision for loss on order received	11	(11)
Loss (gain) on sales of property, plant and equipment	4	(26)
Loss (gain) on disposal of property, plant and equipment	126	23
Increase (decrease) in provision for bonuses	(155)	27
Increase (decrease) in provision for directors' bonuses	(11)	(2)
Increase (decrease) in provision for product warranties	(36)	(148)
Increase (decrease) in provision for retirement benefits	289	—
Increase (decrease) in net defined benefit liability	—	4
Interest and dividends income	(63)	(49)
Interest expenses	37	42
Decrease (increase) in notes and accounts receivable-trade	3,900	(1,752)
Decrease (increase) in inventories	616	153
Increase (decrease) in notes and accounts payable-trade	(1,371)	933
Increase (decrease) in advances received	(1,583)	60
Impairment loss	17	—
Other	(533)	246
Sub total	5,544	4,032
Interests and dividends income received	69	47
Interest expenses paid	(38)	(42)
Income taxes paid	(1,369)	(470)
Net cash provided by (used in) operating activities	4,206	3,567
Cash flows from investing activities;		
Proceeds from withdrawal of time deposits	20	10
Purchase of securities	(0)	(348)
Proceeds from redemption of securities	198	—
Purchase of property, plant and equipment	(2,651)	(1,872)
Payments for retirement of property, plant and equipment	(40)	(2)
Proceeds from sales of property, plant and equipment	231	32
Purchase of intangible assets	(46)	(63)
Collection of short-term loans receivable	17	—
Net cash provided by (used in) investing activities	(2,271)	(2,244)
Cash flows from financing activities;		
Net increase (decrease) in short-term loans payable	(15)	127
Proceeds from long-term loans payable	50	1,094
Repayment of long-term loans payable	(397)	(741)
Purchase of treasury stock	(7)	(4)
Cash dividends paid	(455)	(558)
Net cash provided by (used in) financing activities	(825)	(82)



HOSOKAWA MICRON CORPORATION

(Millions of Yen)

	Oct. 1, 2012 - Sept. 30, 2013	Oct. 1, 2013 - Sept. 30, 2014
Effect of exchange rate change on cash and cash equivalents	1,022	446
Net increase (decrease) in cash and cash equivalents	2,131	1,687
Cash and cash equivalents at beginning of period	6,075	8,027
Cash and cash equivalents at end of period	8,207	9,894