



**Quarterly Financial Results for the Fiscal Year Ending September 30, 2019 (J-GAAP)  
(3rd Quarter / October 1, 2018 - June 30, 2019)**

Company Name                  Hosokawa Micron Corporation  
 Stock Exchange Listing      Tokyo Stock Exchange  
 Stock Code                      6277                                  URL                  <http://www.hosokawamicron.co.jp>  
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(Figures are rounded down to the nearest million yen)

1. Quarterly Consolidated Financial Results (October 1, 2018 to June 30, 2019)

(1) Consolidated Results of Operation

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3rd quarter ended June. 2019	40,655	(2.4)	4,125	(16.9)	4,256	(15.7)	2,989	(8.6)
3rd quarter ended June. 2018	41,654	19.0	4,966	64.0	5,048	57.4	3,271	43.1

(Reference) Comprehensive Income (million Yen)     3rd quarter ended June.2019: 911                  3rd quarter ended June.2018: 2,394

	Earnings per share	Diluted earnings per share
	Yen	Yen
3rd quarter ended June. 2019	368.68	367.45
3rd quarter ended June. 2018	399.48	398.15

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June. 30, 2019	59,928	36,754	61.2
As of Sept. 30, 2018	62,216	37,299	59.8

(Reference) Shareholders' Equity (million Yen)     June. 2019: 36,657                  Sept. 2018: 37,214

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Sept. 2018 (actual)	—	50.00	—	60.00	110.00
Year ended Sept. 2019 (actual)	—	55.00	—		
Year ended Sept. 2019 (forecast)				55.00	110.00

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2019  
(October 1, 2018 - September 30, 2019)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	56,000	(1.5)	5,600	(14.4)	5,600	(15.9)	4,000	(4.9)	488.44

Note : Revisions of the Consolidated forecast since the latest announcement: No

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)

June. 2019: 8,615,269 shares                      Sept. 2018: 8,615,269 shares

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

June. 2019: 523,789 shares                      Sept. 2018: 423,532 shares

3) Average number of shares in the fiscal year

June. 2019: 8,108,106 shares                      June. 2018: 8,188,455 shares

\* This quarterly consolidated financial statements is not subject to quarterly review procedures.

\* Explanation regarding appropriate use of earnings forecasts and other special notes

Note : 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, 2018	As of June 30, 2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	20,087	18,576
Notes and accounts receivable-trade	12,329	11,095
Finished goods	2,984	2,378
Work in process	2,861	3,952
Raw materials and supplies	2,026	1,923
Other	940	1,232
Allowance for doubtful accounts	(154)	(120)
<b>Total Current Assets</b>	<b>41,074</b>	<b>39,037</b>
<b>Non-Current Assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	17,067	16,517
Machinery, equipment and vehicles	11,113	10,628
Land	5,019	4,898
Construction in progress	193	1,230
Other	2,111	2,113
Accumulated depreciation and impairment loss	(17,493)	(17,060)
<b>Total property, plant and equipment</b>	<b>18,012</b>	<b>18,326</b>
<b>Intangible assets</b>		
Goodwill	71	36
Other	229	247
<b>Total intangible assets</b>	<b>301</b>	<b>283</b>
<b>Investments and other assets</b>		
Investment securities	1,874	1,287
Deferred tax assets	743	812
Other	218	187
Allowance for doubtful accounts	(7)	(7)
<b>Total investments and other assets</b>	<b>2,828</b>	<b>2,279</b>
<b>Total Non-Current Assets</b>	<b>21,142</b>	<b>20,890</b>
<b>Total Assets</b>	<b>62,216</b>	<b>59,928</b>

(Millions of Yen)

	As of September 30, 2018	As of June 30, 2019
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable-trade	6,718	6,180
Current portion of long-term loans payable	460	143
Accrued expenses	3,017	3,006
Income taxes payable	858	107
Advances received	4,861	5,390
Provision for bonuses	480	232
Provision for directors' bonuses	71	39
Provision for product warranties	782	758
Provision for point card certificates	61	37
Provision for loss on factory reconstruction	117	87
Other	1,760	1,841
<b>Total Current Liabilities</b>	<b>19,191</b>	<b>17,824</b>
<b>Non-Current Liabilities</b>		
Long-term loans payable	1,196	1,077
Provision for loss on factory reconstruction	86	—
Net defined benefit liability	4,177	4,001
Deferred tax liabilities	173	180
Other	91	89
<b>Total Non-Current Liabilities</b>	<b>5,725</b>	<b>5,348</b>
<b>Total Liabilities</b>	<b>24,917</b>	<b>23,173</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Capital stock	14,496	14,496
Capital surplus	5,124	5,124
Retained earnings	22,901	24,955
Treasury stock	(1,870)	(2,403)
<b>Total Shareholders' Equity</b>	<b>40,651</b>	<b>42,171</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	426	75
Deferred gains or losses on hedges	(71)	(15)
Foreign currency translation adjustment	(3,257)	(5,090)
Remeasurements of defined benefit plans	(534)	(483)
<b>Total accumulated other comprehensive income</b>	<b>(3,436)</b>	<b>(5,514)</b>
Subscription rights to shares	84	97
<b>Total Net Assets</b>	<b>37,299</b>	<b>36,754</b>
<b>Total Liabilities and Net Assets</b>	<b>62,216</b>	<b>59,928</b>

## (2) Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2017 - June. 30, 2018	Oct. 1, 2018 - June. 30, 2019
Net sales	41,654	40,655
Cost of sales	26,094	25,900
Gross profit	15,559	14,754
Selling, general and administrative expenses	10,592	10,629
Operating profit	4,966	4,125
Non-operating income		
Interest income	21	42
Dividend income	21	26
Equity in earnings of affiliates	45	47
Gain on valuation of derivatives	—	59
Other	56	40
Total non-operating Income	145	216
Non-operating expenses		
Interest expenses	10	32
Foreign exchange losses	11	25
Other	41	27
Total non-operating Expenses	63	85
Ordinary profit	5,048	4,256
Extraordinary income		
Gain on sales of non-current assets	19	35
Gain on sales of investment securities	—	5
Gain on transfer of business	50	—
Total extraordinary income	69	40
Extraordinary losses		
Loss on sales and retirement of non-current assets	19	47
Provision for loss on factory reconstruction	50	31
Other	4	—
Total extraordinary loss	74	78
Income before income taxes	5,043	4,218
Income taxes	1,771	1,228
Net income	3,271	2,989
Profit attributable to owners of parent	3,271	2,989

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2017 - June. 30, 2018	Oct. 1, 2018 - June. 30, 2019
Net income	3,271	2,989
Other comprehensive income		
Valuation difference on available-for-sale securities	32	(351)
Deferred gains or losses on hedges	(113)	55
Foreign currency translation adjustment	(831)	(1,833)
Remeasurements of defined benefit plans, net of tax	35	51
Total other comprehensive income	(877)	(2,077)
Comprehensive income	2,394	911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,394	911
Comprehensive income attributable to minority interests	—	—