



May 11, 2016

**Quarterly Financial Results for the Fiscal Year Ending September 30, 2016 (J-GAAP)**  
**(2<sup>nd</sup> Quarter / October 1, 2015 – March 31, 2016)**

Company Name                      Hosokawa Micron Corporation  
 Stock Exchange Listing        Tokyo Stock Exchange  
 Stock Code                        6277                                      URL        <http://www.hosokawamicron.co.jp>  
 President                            Yoshio Hosokawa  
 Contact                                Tetsuya Inoue, Director & Executive Officer, Finance & Accounting  
 Telephone                            +81-(0)72-855-2225  
 Scheduled date of filing Quarterly Report    May 12, 2016

(Figures are rounded down to the nearest million yen)

**1. Quarterly Consolidated Financial Results (October 1, 2015 to March 31, 2016)**
**(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	%
2 <sup>nd</sup> quarter ended Mar.2016	21,221	0.4	1,393	130.2	1,376	103.3	959	108.5
2 <sup>nd</sup> quarter ended Mar.2015	21,135	(5.4)	605	(45.6)	677	(36.7)	460	(36.8)

(Reference) Comprehensive Income (million Yen)    2<sup>nd</sup> quarter ended Mar.2016: (334), 2<sup>nd</sup> quarter ended Mar.2015: 164

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
2 <sup>nd</sup> quarter ended Mar.2016	22.92		22.85	
2 <sup>nd</sup> quarter ended Mar.2015	11.00		10.96	

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2016	49,547	29,682	59.7
As of Sept. 30, 2015	50,714	30,323	59.7

(Reference) Shareholders' Equity (million Yen)    Mar. 31, 2015    29,603, Sept. 30, 2015    30,253

**2. Dividends**

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Sept. 2015 (actual)	—	7.50	—	7.50	15.00
Year ended Sept. 2016 (actual)	—	7.50			
Year ended Sept. 2016 (forecast)			—	10.00	17.50

Note: Adjustment of forecast dividends during the period: Yes

**3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2016**

(October 1, 2015 - September 30, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	45,500	(3.9)	3,100	26.5	3,100	17.1	2,100	(16.8)	50.17

Note: Adjustment in consolidated forecasts during the period: Yes



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: Yes

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)

Mar. 2016: 43,076,347 shares      Sep. 2015: 43,076,347 shares

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

Mar. 2016: 1,215,200 shares      Sep. 2015: 1,211,304 shares

3) Average number of shares in the fiscal year

Mar. 2016: 41,863,168 shares      Dec. 2014: 41,857,318 shares

\* Cautionary statement

-This Quarterly 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, 2015	As of March 31, 2016
Assets		
Current Assets		
Cash and deposits	10,017	11,607
Notes and accounts receivable-trade	11,652	10,687
Securities	119	—
Finished goods	1,748	1,523
Work in process	2,278	3,139
Raw materials and supplies	2,325	2,193
Deferred tax assets	460	450
Others	2,062	913
Allowance for doubtful accounts	(164)	(193)
Total Current Assets	30,500	30,321
Non-Current Assets		
Property, plant and equipment		
Buildings and structures (net)	17,325	16,473
Machinery, equipment and vehicles (net)	9,965	9,661
Land	4,555	4,433
Construction in progress	50	67
Other (net)	1,948	1,901
Accumulated depreciation & Impairment Loss	(16,365)	(15,873)
Total property, plant and equipment	17,480	16,664
Intangible assets		
Goodwill	206	181
Other	269	227
Total intangible assets	475	408
Investments and other assets		
Investment securities	1,188	1,063
Deferred tax assets	639	692
Other	439	406
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	2,258	2,152
Total Non-Current Assets	20,214	19,225
TOTAL ASSETS	50,714	49,547



# HOSOKAWA MICRON CORPORATION

(Millions of Yen)

	As of September 30, 2015	As of March 31, 2016
Liability		
Current Liabilities		
Notes and accounts payable-trade	4,974	4,645
Short-term loans payable	—	38
Current portion of long-term loans payable	1,724	439
Accrued expenses	2,328	1,964
Income taxes payable	278	474
Deferred tax liabilities	100	119
Advances received	2,561	3,423
Provision for bonuses	351	309
Provision for directors' bonuses	58	39
Provision for product warranties	434	466
Provision for point card certificates	35	40
Other	1,309	879
Total Current Liabilities	14,158	12,840
Non-Current Liabilities		
Long-term loans payable	1,802	2,728
Net defined benefit liability	4,222	4,103
Deferred tax liabilities	37	64
Other	170	128
Total Non-Current Liabilities	6,233	7,024
Total Liabilities	20,391	19,865
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,148	5,148
Legal retained earnings	14,771	15,417
Treasury stock	(913)	(915)
Total Shareholders' Equity	33,503	34,146
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	164	(85)
Deferred gains or losses on hedges	(19)	24
Foreign currency translation adjustment	(2,820)	(3,957)
Remeasurements of defined benefit plans	(574)	(525)
Total valuation and translation adjustments	(3,249)	(4,543)
Subscription rights to shares	69	78
Total Net Assets	30,323	29,682
Total Liabilities and Net Assets	50,714	49,547



# HOSOKAWA MICRON CORPORATION

## (2) Quarterly Consolidated Statements of Income

(Million of Yen)

	Oct. 1, 2014 - Mar. 31, 2015	Oct. 1, 2015 - Mar. 31, 2016
Net sales	21,135	21,221
Cost of sales	13,848	13,655
Gross profit	7,286	7,565
Selling, general and administrative expenses	6,681	6,172
Operating income (loss)	605	1,393
Non-operating income		
Interest income	20	21
Dividends income	8	11
Equity in earnings of affiliates	29	8
Foreign exchange gains	37	—
Gain on reversal of litigation expenses	—	32
Other	36	42
Total non-operating Income	132	117
Non-operating expenses		
Interest expenses	21	18
Foreign exchange losses	—	28
Loss on valuation of derivatives	—	53
Others	39	34
Total non-operating Expenses	60	134
Ordinary income (loss)	677	1,376
Extraordinary income		
Gain on sales of non-current assets	1	59
Total extraordinary income	1	59
Extraordinary loss		
Loss on disposal of non-current assets	3	7
Special retirement benefits	13	—
Total extraordinary loss	16	7
Income (loss) before income taxes	661	1,428
Income Taxes	201	469
Net income (loss)	460	959
Profit (loss) attributable to owners of parent	460	959



## HOSOKAWA MICRON CORPORATION

### (3) Quarterly Consolidated Statements of Comprehensive Income

(Million of Yen)

	Oct. 1, 2014 - Mar. 31, 2015	Oct. 1, 2015 - Mar. 31, 2016
Income before minority interests	460	959
Other comprehensive income		
Valuation difference on available-for-sale securities	172	(250)
Deferred gains or losses on hedges	(33)	44
Foreign currency translation adjustment	(525)	(1,137)
Remeasurements of defined benefit plans	91	48
Total other comprehensive income	(295)	(1,293)
Quarterly Comprehensive income	164	(334)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	164	(334)
Comprehensive income attributable to minority interests	—	—



# HOSOKAWA MICRON CORPORATION

## (4) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2014 - March 31, 2015	Oct. 1, 2015 - March 31, 2016
Cash flows from operating activities:		
Income before income taxes	661	1,428
Depreciation and amortization	560	507
Amortization of goodwill	23	24
Increase (decrease) in allowance for doubtful accounts	(40)	39
Increase (decrease) in provision for bonuses	(19)	(41)
Increase (decrease) in provision for directors' bonuses	(14)	(18)
Increase (decrease) in provision for product warranties	(110)	53
Increase (decrease) in provision for point card certificates	—	5
Increase (decrease) in defined benefit liability	16	99
Interest and dividends income	(28)	(33)
Interest expenses	21	18
Equity in (earnings) losses of affiliates	(29)	(8)
Loss (gain) on valuation of derivatives	—	53
Loss (gain) on sales of non-current assets	(1)	(52)
Decrease (increase) in notes and accounts receivable-trade	1,493	525
Decrease (increase) in inventories	(1,223)	(833)
Increase (decrease) in notes and accounts payable-trade	(1,262)	(216)
Increase (decrease) in advances received	565	1,055
Increase (decrease) in accounts payable - other	(52)	(340)
Increase (decrease) in accrued expenses	(149)	(247)
Other	(89)	(282)
Sub total	319	1,733
Interests and dividends income received	128	35
Interest expenses paid	(20)	(18)
Income taxes paid	(374)	(285)
Net cash provided by (used in) operating activities	52	1,465
Cash flows from investing activities:		
Proceeds from redemption of securities	—	120
Purchase of investment securities	(50)	(177)
Proceeds from sales of non-current assets	1	126
Purchase of property, plant and equipment	(1,154)	(279)
Purchase of intangible assets	(74)	(34)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	443
Collection of short-term loans receivable	—	879
Other	3	5
Net cash provided by (used in) investing activities	(1,273)	1,083
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(146)	39
Proceeds from long-term loans payable	207	1,400
Repayment of long-term loans payable	(416)	(1,715)
Cash dividends paid	(310)	(313)
Other	(2)	(2)
Net cash provided by (used in) financing activities	(666)	(592)



## HOSOKAWA MICRON CORPORATION

(Millions of Yen)

	Oct. 1, 2014 - March 31, 2015	Oct. 1, 2015 - March 31, 2016
Effect of exchange rate change on cash and cash equivalents	150	(366)
Net increase (decrease) in cash and cash equivalents	(1,737)	1,589
Cash and cash equivalents at beginning of period	9,894	10,007
Cash and cash equivalents at end of period	8,157	11,597