



November 13, 2015

Financial Results for the Fiscal Year Ending September 30, 2015 (J-GAAP)
(October 1, 2014 – September 30, 2015)

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 Yearly Report December 24, 2015

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results (October 1, 2014 to September 30, 2015)

(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. 2015	47,342	(2.4)	2,450	(27.3)	2,646	(22.5)	2,524	10.0
Fiscal Year ended Sept. 2014	48,516	7.9	3,369	(0.5)	3,416	(3.0)	2,294	1.9

(Reference) Comprehensive Income (million Yen) Fiscal Year ended Sept.2015: 2,516, Fiscal Year ended Sept.2014: 2,991

	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. 2015	60.30	60.13	8.6	5.2	5.2
Fiscal Year ended Sept. 2014	55.46	55.30	8.5	7.0	6.9

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sept. 30, 2015	50,714	30,323	59.7	722.65
As of Sept. 30, 2014	51,467	28,193	54.7	680.13

(Reference) Shareholders' Equity (million Yen) Sept. 2015 30,253, Sept. 2014 28,131

(3) Consolidated Cash Flows

(in million Yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Ending Cash and cash equivalents
	Fiscal Year ended Sept. 2015	2,492	(1,233)	(1,273)
Fiscal Year ended Sept. 2014	3,567	(2,244)	(82)	9,894

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. 2014	—	7.50	—	7.50	15.00	620	27.0	2.3
Year ended Sept. 2015	—	7.50	—	7.50	15.00	627	24.9	2.1
Year ended Sept. 2016 (forecast)	—	7.50	—	7.50	15.00		31.4	

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 profit		Ordinary profit		Net income		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1st Half	23,700	12.1	1,300	114.8	1,250	84.6	850	84.6	20.30
Full Year	48,500	2.4	3,000	22.4	3,000	13.4	2,000	(20.8)	47.77

4. Others

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

(2) Changes in accounting treatment for consolidated financial statement:

1) Changes caused by revision of accounting standards: None

2) Other changes: None

(3) Number of shares outstanding (common stock)

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

Sept. 2015: 43,076,347 shares Sep. 2014: 43,076,347 shares

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

Sept. 2015: 1,211,304 shares Sep. 2014: 1,714,430 shares

3) Average number of shares in the fiscal year

Sept. 2015: 41,864,404 shares Sept. 2014: 41,368,149 shares

* 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, 2014	As of September 30, 2015
Assets		
Current Assets		
Cash and deposits	9,915	10,017
Notes and accounts receivable-trade	12,830	11,652
Securities	—	119
Finished goods	2,487	1,748
Work in process	1,740	2,278
Raw materials and supplies	2,686	2,325
Deferred tax assets	416	460
Others	867	2,062
Allowance for doubtful accounts	(243)	(164)
Total Current Assets	30,701	30,500
Non-Current Assets		
Property, plant and equipment		
Buildings and structures (net)	18,099	17,325
Machinery, equipment and vehicles (net)	10,389	9,965
Land	4,761	4,742
Construction in progress	52	50
Other (net)	2,017	1,948
Accumulated depreciation & Impairment Loss	(16,658)	(16,552)
Total property, plant and equipment	18,662	17,480
Intangible assets		
Goodwill	10	206
Other	244	269
Total intangible assets	254	475
Investments and other assets		
Investment securities	1,258	1,188
Deferred tax assets	314	639
Other	286	439
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	1,849	2,258
Total Non-Current Assets	20,766	20,214
TOTAL ASSETS	51,467	50,714

(Millions of Yen)

	As of September 30, 2014	As of September 30, 2015
Liability		
Current Liabilities		
Notes and accounts payable-trade	5,864	4,974
Short-term loans payable	136	—
Current portion of long-term loans payable	565	1,724
Accrued expenses	2,372	2,328
Income taxes payable	441	278
Deferred tax liabilities	200	100
Advances received	2,600	2,561
Provision for bonuses	327	351
Provision for directors' bonuses	58	58
Provision for product warranties	617	434
Provision for point card certificates	—	35
Other	1,141	1,309
Total Current Liabilities	14,327	14,158
Non-Current Liabilities		
Long-term loans payable	3,344	1,802
Net defined benefit liability	5,413	4,222
Deferred tax liabilities	28	37
Other	160	170
Total Non-Current Liabilities	8,946	6,233
Total Liabilities	23,273	20,391
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,204	5,148
Legal retained earnings	12,964	14,771
Treasury stock	(1,293)	(913)
Total Shareholders' Equity	31,372	33,503
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	65	164
Deferred gains or losses on hedges	(33)	(19)
Foreign currency translation adjustment	(2,289)	(2,820)
Remeasurements of defined benefit plans	(983)	(574)
Total valuation and translation adjustments	(3,241)	(3,249)
Subscription rights to shares	62	69
Total Net Assets	28,193	30,323
Total Liabilities and Net Assets	51,467	50,714

(2) Consolidated Statements of Income

(Million of Yen)

	Oct. 1, 2013 - Sept. 30, 2014	Oct. 1, 2014 - Sept. 30, 2015
Net sales	48,516	47,342
Cost of sales	31,981	31,038
Gross profit	16,534	16,304
Selling, general and administrative expenses	13,165	13,854
Operating income	3,369	2,450
Non-operating income		
Interest income	29	35
Dividends income	19	16
Equity in earnings of affiliates	38	59
Rent of real estate	13	10
Foreign exchange gains	40	115
Other	71	66
Total non-operating Income	212	304
Non-operating expenses		
Interest expenses	42	40
Litigation expenses	34	—
Others	87	67
Total non-operating Expenses	165	107
Ordinary income	3,416	2,646
Extraordinary income		
Gain on sales of non-current assets	26	5
Gain on sales of shares of subsidiaries	—	604
Total extraordinary income	26	609
Extraordinary loss		
Loss on disposal of non-current assets	23	7
Impairment loss	—	260
Special retirement benefits	50	9
Total extraordinary loss	74	277
Income before income taxes	3,368	2,978
Income taxes - current	848	1,004
Income taxes - deferred	225	(550)
Total income taxes	1,074	454
Income before minority interests	2,294	2,524
Net income	2,294	2,524

(3) Consolidated Statements of Comprehensive Income

(Million of Yen)

	Oct. 1, 2013 - Sept. 30, 2014	Oct. 1, 2014 - Sept. 30, 2015
Income before minority interests	2,294	2,524
Other comprehensive income		
Valuation difference on available-for-sale securities	45	99
Deferred gains or losses on hedges	(33)	14
Foreign currency translation adjustment	1,068	(530)
Remeasurements of defined benefit plans	—	409
Adjustment on pension liabilities at foreign subsidiaries	(383)	—
Total other comprehensive income	696	(8)
Comprehensive income	2,991	2,516
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,991	2,516
Comprehensive income attributable to minority interests	—	—

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2013 - Sept. 30, 2014	Oct. 1, 2014 - Sept. 30, 2015
Cash flows from operating activities;		
Income before income taxes	3,368	2,978
Depreciation and amortization	1,147	1,127
Amortization of goodwill	5	48
Increase (decrease) in allowance for doubtful accounts	53	(71)
Equity in (earnings) losses of affiliates	(38)	(59)
Increase (decrease) in provision for loss on order received	(11)	—
Gain on sales of shares of subsidiaries	—	(604)
Loss (gain) on sales of property, plant and equipment	(26)	(84)
Loss (gain) on disposal of property, plant and equipment	23	7
Increase (decrease) in provision for bonuses	27	21
Increase (decrease) in provision for product warranties	(148)	(131)
Increase (decrease) in provision for point card certificates	—	35
Increase (decrease) in net defined benefit liability	4	74
Interest and dividends income	(49)	(51)
Interest expenses	42	40
Decrease (increase) in notes and accounts receivable-trade	(1,752)	781
Decrease (increase) in inventories	153	(206)
Increase (decrease) in notes and accounts payable-trade	933	(982)
Increase (decrease) in advances received	60	206
Impairment loss	—	260
Other	238	52
Sub total	4,032	3,442
Interests and dividends income received	47	155
Interest expenses paid	(42)	(40)
Income taxes paid	(470)	(1,065)
Net cash provided by (used in) operating activities	3,567	2,492
Cash flows from investing activities;		
Proceeds from redemption of securities	—	100
Purchase of property, plant and equipment	(1,872)	(1,524)
Proceeds from sales of property, plant and Equipment	32	6
Purchase of securities	(348)	(50)
Purchase of intangible assets	(63)	(152)
Proceeds from sales of shares of subsidiaries	—	370
Other	8	16
Net cash provided by (used in) investing activities	(2,244)	(1,233)
Cash flows from financing activities;		
Net increase (decrease) in short-term loans payable	127	(149)
Proceeds from long-term loans payable	1,094	205
Repayment of long-term loans payable	(741)	(701)
Cash dividends paid	(558)	(624)
Other	(4)	(3)
Net cash provided by (used in) financing activities	(82)	(1,273)
Effect of exchange rate change on cash and cash equivalents	446	127
Net increase (decrease) in cash and cash equivalents	1,687	112
Cash and cash equivalents at beginning of period	8,207	9,894
Cash and cash equivalents at end of period	9,894	10,007