



August 09, 2016

**Quarterly Financial Results for the Fiscal Year Ending September 30, 2016 (J-GAAP)**  
**(3<sup>rd</sup> Quarter / October 1, 2015 – June 30, 2016)**

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(Figures are rounded down to the nearest million yen)

**1. Quarterly Consolidated Financial Results (October 1, 2015 to June 30, 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	%
3 <sup>rd</sup> quarter ended Jun.2016	31,856	(0.7)	2,083	181.2	2,085	134.9	1,431	164.4
3 <sup>rd</sup> quarter ended Jun.2015	32,069	0.2	740	(15.6)	887	3.1	541	(1.5)

(Reference) Comprehensive Income (million Yen) 3<sup>rd</sup> quarter ended June 2016:(1,888), 3<sup>rd</sup> quarter ended June 2015: 1,069

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
3 <sup>rd</sup> quarter ended Jun.2016	34.21		34.09	
3 <sup>rd</sup> quarter ended Jun.2015	12.94		12.90	

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2016	47,146	27,817	58.8
As of Sept. 30, 2015	50,714	30,323	59.7

(Reference) Shareholders' Equity (million Yen) June 2016 27,733, Sept. 2015 30,253

**2. Dividends**

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	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: No

**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: 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: 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)

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

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

June 2016: 1,218,424 shares      Sep. 2015: 1,211,304 shares

3) Average number of shares in the fiscal year

June 2016: 41,862,082 shares      Jun. 2015: 41,864,048 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 June 30, 2016
<b>Assets</b>		
Current Assets		
Cash and deposits	10,017	11,830
Notes and accounts receivable-trade	11,652	9,261
Securities	119	—
Finished goods	1,748	1,957
Work in process	2,278	2,564
Raw materials and supplies	2,325	2,188
Deferred tax assets	460	445
Others	2,062	1,167
Allowance for doubtful accounts	(164)	(173)
<b>Total Current Assets</b>	<b>30,500</b>	<b>29,241</b>
Non-Current Assets		
Property, plant and equipment		
Buildings and structures (net)	17,325	15,575
Machinery, equipment and vehicles (net)	9,965	8,995
Land	4,555	4,306
Construction in progress	50	108
Other (net)	1,948	1,792
Accumulated depreciation & Impairment Loss	(16,365)	(15,127)
<b>Total property, plant and equipment</b>	<b>17,480</b>	<b>15,651</b>
Intangible assets		
Goodwill	206	165
Other	269	184
<b>Total intangible assets</b>	<b>475</b>	<b>349</b>
Investments and other assets		
Investment securities	1,188	988
Deferred tax assets	639	665
Other	439	259
Allowance for doubtful accounts	(9)	(9)
<b>Total investments and other assets</b>	<b>2,258</b>	<b>1,904</b>
<b>Total Non-Current Assets</b>	<b>20,214</b>	<b>17,905</b>
<b>TOTAL ASSETS</b>	<b>50,714</b>	<b>47,146</b>

(Millions of Yen)

	As of September 30, 2015	As of June 30, 2016
Liability		
Current Liabilities		
Notes and accounts payable-trade	4,974	4,087
Current portion of long-term loans payable	1,724	423
Accrued expenses	2,328	2,281
Income taxes payable	278	311
Deferred tax liabilities	100	153
Advances received	2,561	3,707
Provision for bonuses	351	178
Provision for directors' bonuses	58	27
Provision for product warranties	434	490
Provision for point card certificates	35	43
Other	1,309	1,013
Total Current Liabilities	14,158	12,719
Non-Current Liabilities		
Long-term loans payable	1,802	2,573
Net defined benefit liability	4,222	3,837
Deferred tax liabilities	37	71
Other	170	127
Total Non-Current Liabilities	6,233	6,610
Total Liabilities	20,391	19,329
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,148	5,148
Legal retained earnings	14,771	15,575
Treasury stock	(913)	(917)
Total Shareholders' Equity	33,503	34,303
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	164	(179)
Deferred gains or losses on hedges	(19)	(0)
Foreign currency translation adjustment	(2,820)	(5,928)
Remeasurements of defined benefit plans	(574)	(461)
Total valuation and translation adjustments	(3,249)	(6,569)
Subscription rights to shares	69	83
Total Net Assets	30,323	27,817
Total Liabilities and Net Assets	50,714	47,146

## (2) Quarterly Consolidated Statements of Income

(Million of Yen)

	Oct. 1, 2014 - June 30, 2015	Oct. 1, 2015 - June 30, 2016
Net sales	32,069	31,856
Cost of sales	21,191	20,649
Gross profit	10,877	11,206
Selling, general and administrative expenses	10,136	9,123
Operating income (loss)	740	2,083
Non-operating income		
Interest income	22	28
Dividends income	16	19
Equity in earnings of affiliates	57	35
Foreign exchange gains	90	—
Gain on reversal of litigation expenses	—	31
Other	49	49
Total non-operating Income	235	165
Non-operating expenses		
Interest expenses	29	23
Foreign exchange losses	—	56
Loss on valuation of derivatives	—	36
Others	59	47
Total non-operating Expenses	88	163
Ordinary income (loss)	887	2,085
Extraordinary income		
Gain on sales of non-current assets	4	61
Total extraordinary income	4	61
Extraordinary loss		
Loss on disposal of non-current assets	3	7
Special retirement benefits	18	—
Commemorative function cost	—	68
Total extraordinary loss	22	75
Income (loss) before income taxes	869	2,071
Income Taxes	328	639
Profit (loss)	541	1,431
Profit (loss) attributable to owners of parent	541	1,431

(3) Quarterly Consolidated Statements of Comprehensive Income

(Million of Yen)

	Oct. 1, 2014 - June 30, 2015	Oct. 1, 2015 - June 30, 2016
Income before minority interests	541	1,431
Other comprehensive income		
Valuation difference on available-for-sale securities	266	(343)
Deferred gains or losses on hedges	7	19
Foreign currency translation adjustment	195	(3,108)
Remeasurements of defined benefit plans	58	113
Total other comprehensive income	527	(3,320)
Quarterly Comprehensive income	1,069	(1,888)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,069	(1,888)
Comprehensive income attributable to minority interests	—	—