



February 10, 2017

**Quarterly Financial Results for the Fiscal Year Ending September 30, 2017 (J-GAAP)  
(1st Quarter / October 1, 2016 – December 31, 2016)**

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 Stock Exchange Listing Tokyo Stock Exchange  
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 Scheduled date of filing Quarterly Report February 13, 2017

(Figures are rounded down to the nearest million yen)

**1. Quarterly Consolidated Financial Results (October 1, 2016 to December 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	%
1st quarter ended Dec.2016	10,815	1.5	738	22.6	885	29.9	622	39.1
1st quarter ended Dec.2015	10,654	9.3	602	—	681	—	447	—

(Reference) Comprehensive Income (million Yen) 1st quarter ended Dec.2016: 2,472 1st quarter ended Dec.2015: 153

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
1st quarter ended Dec.2016	14.88		14.82	
1st quarter ended Dec.2015	10.69		10.66	

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2016	50,867	30,746	60.3
As of Sept. 30, 2016	47,880	28,690	59.7

(Reference) Shareholders' Equity (million Yen) Dec. 2016: 30,657 Sept. 2016: 28,601

**2. Dividends**

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Sept. 2016 (actual)	—	7.50	—	10.00	17.50
Year ended Sept. 2017 (actual)	—				
Year ended Sept. 2017 (forecast)		7.50	—	37.50	—

Note : The Company intends to carry out a one-for-five common share consolidation, with the effective date of April 1, 2017. Consequently, the fiscal year-end dividends per share for the fiscal year ending September 30, 2017(forecast) above is an amount that takes into account the impact of this share consolidation.(If the share consolidation is not taken into account, the amount is 7.50yen.)

**3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2017  
(October 1, 2016 - September 30, 2017)**

(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
1st Half	22,000	3.7	1,500	7.6	1,500	9.0	1,000	4.2	23.89
Full Year	45,000	0.8	3,750	2.5	3,750	0.9	2,550	0.8	304.58

Note : The consolidated forecasts for net income per share for the Full year above, takes into account the impact of the share consolidation. (If the consolidation is not taken into account, the amount is 60.92yen).



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)

Dec. 2016: 43,076,347 shares      Sep. 2016: 43,076,347 shares

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

Dec. 2016: 1,216,972 shares      Sep. 2016: 1,221,635 shares

3) Average number of shares in the fiscal year

Dec. 2016: 41,854,562 shares      Dec. 2015: 41,864,044 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, 2016	As of December 31, 2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	12,642	13,192
Notes and accounts receivable-trade	10,595	11,023
Finished goods	1,212	1,645
Work in process	2,649	2,714
Raw materials and supplies	2,031	2,173
Deferred tax assets	486	557
Others	707	924
Allowance for doubtful accounts	(163)	(173)
<b>Total Current Assets</b>	<b>30,162</b>	<b>32,055</b>
<b>Non-Current Assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures (net)	15,501	16,190
Machinery, equipment and vehicles (net)	9,007	9,845
Land	4,296	4,386
Construction in progress	64	193
Other (net)	1,748	1,884
Accumulated depreciation & Impairment Loss	(15,109)	(16,064)
<b>Total property, plant and equipment</b>	<b>15,528</b>	<b>16,437</b>
<b>Intangible assets</b>		
Goodwill	153	144
Other	190	186
<b>Total intangible assets</b>	<b>343</b>	<b>331</b>
<b>Investments and other assets</b>		
Investment securities	1,094	1,325
Deferred tax assets	515	507
Other	245	220
Allowance for doubtful accounts	(9)	(9)
<b>Total investments and other assets</b>	<b>1,845</b>	<b>2,043</b>
<b>Total Non-Current Assets</b>	<b>17,717</b>	<b>18,811</b>
<b>TOTAL ASSETS</b>	<b>47,880</b>	<b>50,867</b>



# HOSOKAWA MICRON CORPORATION

(Millions of Yen)

	As of September 30, 2016	As of December 31, 2016
Liability		
Current Liabilities		
Notes and accounts payable-trade	4,202	4,871
Current portion of long-term loans payable	987	974
Accrued expenses	1,961	1,545
Income taxes payable	551	326
Deferred tax liabilities	28	95
Advances received	3,224	3,968
Provision for bonuses	409	162
Provision for directors' bonuses	58	22
Provision for product warranties	609	576
Provision for point card certificates	47	54
Other	1,111	1,281
Total Current Liabilities	13,193	13,879
Non-Current Liabilities		
Long-term loans payable	1,902	1,849
Net defined benefit liability	3,928	4,212
Deferred tax liabilities	—	11
Other	165	169
Total Non-Current Liabilities	5,996	6,242
Total Liabilities	19,190	20,121
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,148	5,146
Legal retained earnings	16,674	16,878
Treasury stock	(918)	(915)
Total Shareholders' Equity	35,400	35,606
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(97)	93
Deferred gains or losses on hedges	9	(36)
Foreign currency translation adjustment	(6,133)	(4,401)
Remeasurements of defined benefit plans	(576)	(603)
Total valuation and translation adjustments	(6,798)	(4,948)
Subscription rights to shares	88	88
Total Net Assets	28,690	30,746
Total Liabilities and Net Assets	47,880	50,867



# HOSOKAWA MICRON CORPORATION

## (2) Quarterly Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2015 - Dec. 31, 2015	Oct. 1, 2016 - Dec. 31, 2016
Net sales	10,654	10,815
Cost of sales	6,903	6,961
Gross profit	3,751	3,853
Selling, general and administrative expenses	3,149	3,115
Operating income (loss)	602	738
Non-operating income		
Interest income	3	4
Dividends income	7	7
Equity in earnings of affiliates	7	3
Foreign exchange gains	16	169
Gain on reversal of litigation expenses	33	—
Other	33	15
Total non-operating Income	102	200
Non-operating expenses		
Interest expenses	7	5
Loss on valuation of derivatives	—	37
Others	15	10
Total non-operating Expenses	22	53
Ordinary income (loss)	681	885
Extraordinary income		
Gain on sales of non-current assets	2	10
Total extraordinary income	2	10
Income (loss) before income taxes	684	895
Income Taxes	236	273
Net income (loss)	447	622
Profit (loss) attributable to owners of parent	447	622



## HOSOKAWA MICRON CORPORATION

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

(Millions of Yen)

	Oct. 1, 2015 - Dec. 31, 2015	Oct. 1, 2016 - Dec. 31, 2016
Income before minority interests	447	622
Other comprehensive income		
Valuation difference on available-for-sale securities	19	190
Deferred gains or losses on hedges	6	(45)
Foreign currency translation adjustment	(343)	1,731
Remeasurements of defined benefit plans	22	(27)
Total other comprehensive income	(294)	1,849
Quarterly Comprehensive income	153	2,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	153	2,472
Comprehensive income attributable to minority interests	—	—